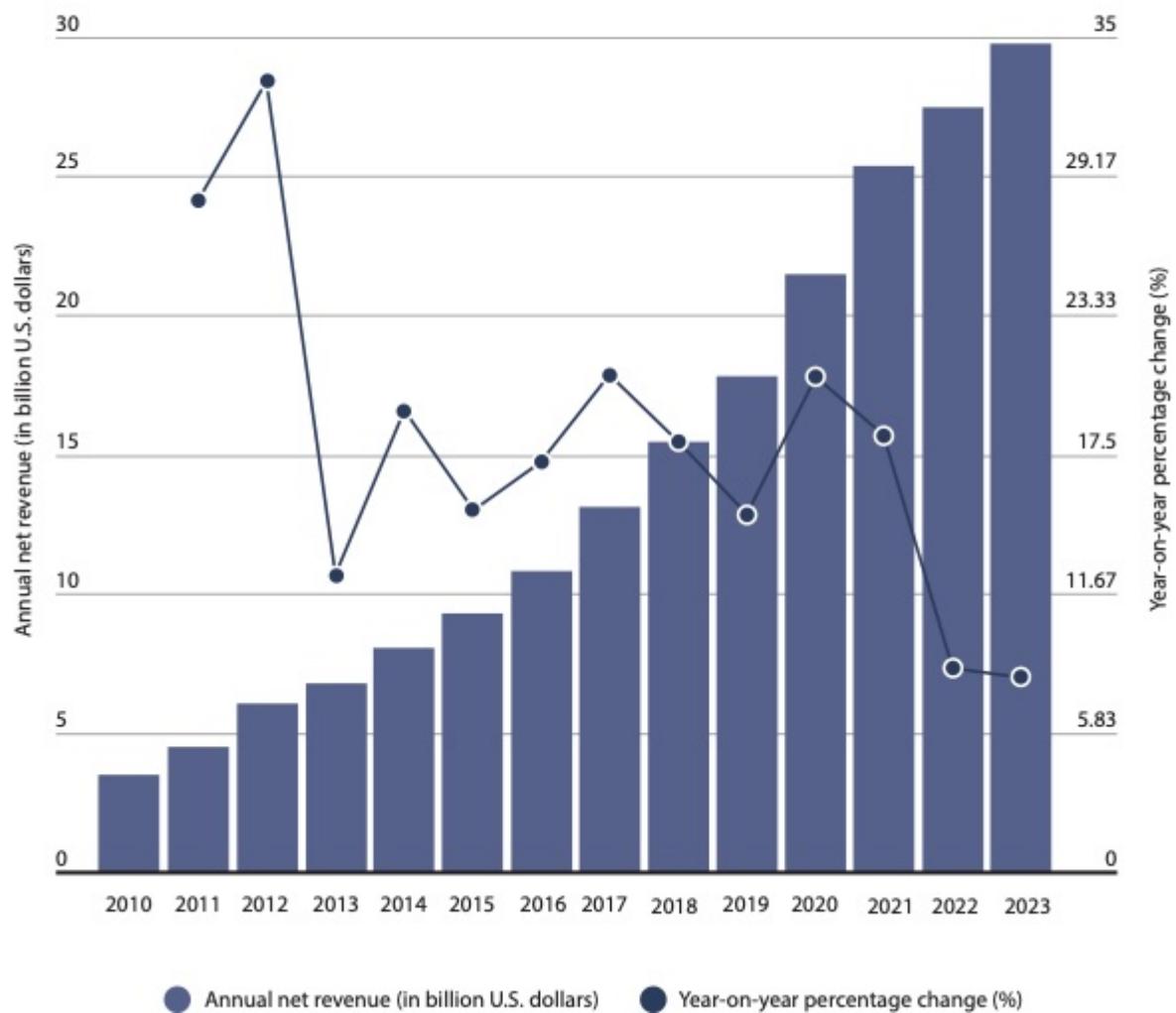


# PayPal Experiences a Significant 60% Decline in Annual Revenue Growth in the Last Three Years

March 13, 2024. Edith Muthoni

## Revenue of PayPal from 2010 to 2023

Source: Statista



Fintech giant PayPal Holdings has seen a significant slowdown in its annual revenue growth over the past three years. According to an analysis by Stocklytics.com, the company's revenue growth has declined by a staggering 60% compared to figures from 2021.

Edith Reads, an analyst at Stocklytics, shared insights on this trend. She attributed the decrease to heightened competition within the online payments space.

"Companies like Apple Pay, Square, and Stripe have gained ground in this market segment, providing customers with a wide range of payment options. Additionally, the maturing of the online payments sector could contribute to the slowdown. As the market becomes more saturated, it may be harder for companies like PayPal to find new areas for significant growth."

### **Revitalization Efforts Under New Leadership**

In a bid to revitalize its fortunes, PayPal introduced a new face to the company in late September 2023. Alex Chriss assumed the role of CEO and is seen as a beacon of hope by investors, tasked with steering the firm back on a path to revenue growth.

Under Chriss' leadership, PayPal has embarked on a quest for innovation and operational efficiency. The company has invested significantly in technologies and features to improve customer engagement and retention. PayPal recently introduced a set of AI tools, marking the beginning of a new chapter for the company.

Moreover, there have been discussions about reducing PayPal's workforce by around 9% to boost profitability. Chriss is determined to prioritize expanding the company's branded checkout and utilizing customer data effectively, as mentioned during the fourth quarter earnings call. He acknowledged that these objectives are ambitious and will require time to yield results.

### **PayPal Solid Performance Amidst Challenges**

PayPal reported a commendable 9% year-over-year revenue growth and achieved a 9% reduction in nontransaction expenses. This translated into an impressive 18% year-over-year increase in earnings, underscoring the resilience of PayPal's business model.

Looking ahead, Chriss emphasized the importance of execution in positioning PayPal for sustained growth. He said, "I'm in the process of evaluating our most profitable growth priorities and aligning our resources to those priorities. We will become leaner, more efficient, and more effective driving greater velocity, innovation and impact for customers."



Screenshot

*Edith is a fintech expert and a trader with over 10 years of industry experience. She is knowledgeable about blockchain, NFTs, Cryptocurrencies, and stocks – all from an informed perspective that will help you make better decisions when it comes time to invest your money.*