

PayPal to Acquire Honey

Advances PayPal's leadership in digital commerce

Enhances PayPal's value proposition with an extensive set of consumer commerce capabilities

Drives increased sales and conversion for PayPal's merchants

SAN JOSE, Calif., Nov. 20, 2019 /PRNewswire/ -- [PayPal Holdings, Inc.](#) (NASDAQ: PYPL) today announced that it has agreed to acquire [Honey Science Corporation](#), a rapidly-growing technology platform for shopping and rewards, for approximately \$4 billion. Honey, in combination with PayPal's two-sided network, will transform the shopping experience for PayPal's consumers while increasing sales and customer engagement for its merchants.

Founded in 2012, Honey is best known as a popular discovery tool that helps consumers find savings as they shop online. Honey has continued to grow and evolve, expanding its suite of products and services to include a mobile shopping assistant, offers and rewards program, and price-tracking tools and alerts. With approximately 17 million monthly active users, Honey has helped millions of people find more than \$1 billion in savings in the past year. Honey currently works across approximately 30,000 online retailers ranging from fashion and technology, to travel and pizza delivery.

The acquisition supports PayPal and Honey's shared mission to simplify and personalize shopping experiences for consumers while driving conversion and increasing consumer engagement and sales for merchants. The combination will help accelerate growth across both companies. Honey will accelerate its growth by driving adoption among PayPal and Venmo's more than 275 million active consumer accounts and sourcing exclusive offers from PayPal's extensive network of 24 million merchant accounts. Honey will enable PayPal to reach consumers at the beginning of their shopping journeys and will enhance PayPal's ability to help merchants acquire and convert consumers by delivering offers that are personalized, timely, and optimized across channels.

"Honey is amongst the most transformative acquisitions in PayPal's history. It provides a broad portfolio of services to simplify the consumer shopping experience, while at the same time making it more affordable and rewarding," said Dan Schulman, president and CEO of PayPal. "The combination of Honey's complementary consumer products with our platform will significantly enhance our ability to drive engagement and play a more meaningful role in the daily lives of our consumers. As a partner of choice for our merchants, this is another way that we can help them build and strengthen their customer relationships, provide personalized offers, and drive incremental sales. The combination of Honey and PayPal adds another significant and meaningful dimension to our two-sided platform."

Following the acquisition, Honey will retain its headquarters and brand in Los Angeles, California. Honey co-founders George Ruan and Ryan Hudson will continue to lead the Honey team as part of PayPal's global consumer product and technology organization, reporting to Senior Vice President John Kunze.

"Honey's vision has always been to give consumers the tools they need to make the best decisions with their money," said Ruan. "PayPal shares that vision and together we can build powerful commerce capabilities that create real value for both consumers and retailers around the world."

"Combining PayPal's assets and reach with our technology, we can build powerful new online shopping experiences for consumers and merchants," said Hudson. "We'll have the ability to help millions of retailers efficiently reach consumers with offers that deliver more and more value to Honey members."

Honey was profitable on a net income basis in 2018. Subject to customary closing conditions, including the receipt of regulatory approvals, the transaction is expected to close in the first quarter of 2020. The acquisition is expected to be accretive to PayPal's non-GAAP earnings per share in 2021.

Perella Weinberg Partners LP is acting as sole financial adviser to PayPal, and Skadden, Arps, Slate, Meagher & Flom LLP is acting as its legal adviser with regard to the transaction. Qatalyst Partners is acting as sole financial adviser to Honey, while Latham & Watkins, LLP is acting as its legal adviser.

Webcast and Conference Call Information

PayPal will host a conference call to discuss the transaction at 2:00 p.m. Pacific Standard Time (PST) today. A live webcast of the conference call, together with a slide presentation, can be accessed through the company's investor relations website at <https://investor.paypal-corp.com>. In addition, an archive of the webcast will be accessible for 90 days through the same link.

About PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering 300 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit paypal.com.

About Honey

Honey Science Corporation is an L.A.-based tech company building tools to help people save time and money when shopping online. What started as a browser extension has grown into a suite of free tools that help everyone shop with confidence. From notifying you when a price drops, to showing you the lowest prices available, Honey provides you with the information that you need to make the best decisions with your money. With approximately 17 million monthly active users, Honey has helped millions of people find more than \$1 billion in savings in the past year. Visit www.joinhoney.com to shop smarter.

Forward-Looking Statements

This announcement contains "forward-looking" statements within the meaning of applicable securities laws. Forward-looking statements and information relate to future events and future performance and reflect PayPal's expectations regarding the impact of this transaction on PayPal's and Honey's financial and operating results and business, the operation and management of Honey after the acquisition, and the timing of the closing of the acquisition. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", "expect", "project", "forecast", or "intend", and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions.

Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the statements made, and, accordingly, readers should not place undue reliance on forward-looking statements and information. Factors that could cause or contribute to such differences include, but are not limited to, the timing and possible outcome of security holder and regulatory approvals in connection with the transaction, the possibility that the transaction may not close, the reaction to the transaction of Honey's customers and business partners, the reaction of competitors to the transaction, the retention of Honey's employees, PayPal's plans for Honey, economic and political conditions in the global markets in which PayPal and Honey operate, the future growth of PayPal's and Honey's businesses and the possibility that integration following the transaction may be more difficult than expected.

More information about these and other factors that could adversely affect PayPal's results of operations, financial condition and prospects or that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in PayPal Holdings, Inc.'s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (the "SEC"), and its future filings with the SEC.

The forward-looking statements contained in this announcement speak only as of the date hereof. PayPal expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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