

WINDSOR DRAKE

# Cross-border Payments & FX Valuations: Q2 2026

MAY 2026

Windsor Drake · Market Intelligence

## Infrastructure Premium

Windsor Drake's working benchmark for the cross-border infrastructure cohort sits at **7-9x EV/Revenue**, well above the 4 to 5x broad fintech range.

- Software-economics platforms command a multi-turn premium over volume-only processors.
- Take-rate quality and recurring software revenue now define the top quartile.
- Multi-currency wallets and embedded FX trade like SaaS, not legacy money transfer.
- Buyer and seller expectations have converged enough to unlock deal flow.

## Take-Rate Compression

The structural floor on consumer remittance pricing keeps tightening.

- G20 target: average retail cost of **3%** and 75% of payments within one hour by 2027.
- Wise's cross-border take rate was **53.3 bps** in FY25, still trending lower.
- Western Union's market cap has fallen below **\$4B** on volume attrition.
- Pricing power now sits with software bundles, not raw money movement.

## The Stablecoin Reset

On-chain dollar settlement has crossed from experiment to live, B2B-led rail.

- Stablecoins processed roughly **\$33T** in 2025, with a path to over \$50T in 2026.
- About **60%** of stablecoin flows are now B2B treasury and supplier payments.
- Visa stablecoin settlement reached a **\$7B annualised** run rate in Q1 2026.
- Card networks are buying rather than building on-chain capability outright.

## Macroeconomic Backdrop

A holding-pattern rate environment is constructive for long-duration assets.

- The Fed funds range holds at **3.50%-3.75%** after the April 2026 8-4 split.
- FX volatility has normalised from 2022-23 highs, supporting B2B FX volumes.
- Mastercard cross-border volume grew **13%** in Q1 2026; Visa net revenue rose 15%.
- Lower discount rates disproportionately lift high-growth infrastructure multiples.

## Strategic Consolidation

Networks are buying the bridges between fiat rails and on-chain settlement.

- **Mastercard / BVNK** (\$1.8B) announced March 2026, the largest stablecoin-focused deal on record.
- **Stripe / Bridge** (\$1.1B) closed late 2024, anchoring the cycle.
- **Mastercard / Corpay Cross-Border** minority stake of \$300M at a \$13B EV in Dec 2025.
- S&P Global counts at least 14 stablecoin-related transactions announced in 2025.

## Public Market Bifurcation

The listed cohort splits sharply between scale infrastructure and legacy operators.

- **Adyen** trades at roughly **8x EV/Revenue** on \$36B market cap, a software-like premium.
- **Wise** trades near **2x revenue** despite double-digit volume growth.
- **Remitly** trades at roughly **2x revenue** with first full-year GAAP profit in 2025.
- Legacy money-transfer incumbents are priced as melting ice cubes.

## Private Market Highs

Cross-border infrastructure has reset the private valuation table for fintech.

- **Stripe** tendered at **\$159B** in Feb 2026, up 74% on the year, with \$1.9T TPV in 2025.
- **Airwallex** reached **\$1.3B ARR** in April 2026 on roughly \$266B annualised volume.
- Top-tier consumer remittance assets clear \$10B even after public-market resets.
- Tender and secondary markets are setting fresh marks without public listings.

## Private Capital Pressure

Record dry powder is concentrating on platform-scale cross-border targets.

- About **\$3.7T** of global PE dry powder is seeking deployment in 2026.
- Sponsors are crowding into B2B FX, treasury and embedded payments verticals.
- Aging 2020-22 vintages are forcing a parallel wave of sponsor exits.
- Capability acquirers favour orchestrators over single-corridor specialists.

## 1. Recurring Software Premium

The market pays for software-shaped revenue layered on payment rails, not for one-off transaction take rate alone.

- Embedded FX and B2B platforms clear **7-12x revenue** when SaaS economics are real.
- Position pricing around multi-currency wallets, treasury and reconciliation.

## 2. On-Chain Optionality

Stablecoin settlement has moved from option to expectation in B2B treasury and cross-border supplier flows.

- About **60%** of stablecoin flows are B2B; build at least one on-chain integration.
- Mastercard-BVNK and Stripe-Bridge frame the **\$1.1-1.8B** capability premium.

## 3. Compliance as Moat

A clean licensing perimeter is the single fastest way to compress diligence and unlock incumbent buyers.

- Map licences in your top **5** corridors and document them like product.
- Sanctions, KYC and AML automation is now buyer-ready capability, not back-office cost.

## 4. Take-Rate Defence

Pricing compression on consumer remittances and pure FX spreads is structural; protect margin through bundled value.

- G20 targets retail cost of **3%** by 2027; price as if the floor will hold.
- Cross-sell receivables, cards and treasury to lift ARPU above the spread.

## 5. Public-Market Discipline

Public comparables now cap private rounds for non-software cross-border models, narrowing the historical premium.

- Wise and Remitly anchor a **~2x** public-revenue floor for consumer FX.
- Price private rounds against Adyen's **~8x** software-like comparable, not 2021.

## 6. Buyer-Readiness Discipline

With \$3.7T of dry powder and networks shopping for capability, the prepared asset captures the competitive tension.

- Clean financials, documented APIs and a defensible data room.
- Map specific corridor or capability gaps for each of your top five acquirers.

# Founder FAQs: Cross-border Valuations & Strategy

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The questions cross-border founders ask most, answered against the Q2 2026 market.

## Q1 Which valuation metric applies to my business?

Use **EV/Revenue** for B2B FX platforms, multi-currency infrastructure and on-chain settlement rails. Use **EV/EBITDA** for scaled processors and mature money-transfer franchises. Always reference the right cohort: a network-effect platform should never benchmark to a legacy MTO multiple.

## Q3 How do take-rate dynamics affect valuation?

Take rate by itself no longer commands a premium; buyers pay for take-rate **durability**. Wise's cross-border take rate of **53.3 bps** is acceptable because volume growth (24% in H1 FY26) more than offsets the per-unit decline. Pure-spread models without that flywheel are repriced down.

## Q5 When is the optimal time to run a process?

After demonstrating **4 to 6 quarters** of disciplined volume growth and a credible margin trajectory, while still holding 12 to 18 months of runway. Today's combination of network buyer activity and converged pricing has created an unusually competitive bid environment for capability assets.

## Q7 Is the IPO window a viable alternative to M&A?

It has reopened but remains selective. Klarna and Chime listed in 2025, with most 2025 fintech IPOs trading below issue. For cross-border assets below roughly **\$500M run-rate revenue**, a strategic sale typically delivers a superior risk-adjusted outcome via control premiums.

## Q2 What are the key subsector ranges right now?

**Stablecoin & on-chain settlement** leads at **10-15x revenue**, with **B2B FX & multi-currency infrastructure** at **7-12x** and **embedded cross-border** at **6-9x**. **Public consumer remittance** prints near **2-3x**, and **legacy MTOs** trade close to **0.8-1.2x revenue**. Software content, not sector label, drives the spread.

## Q4 How do public and private valuations compare?

The historical private premium has compressed sharply. Public consumer remittance is anchored at roughly **2x revenue**. Private rounds for AI-native and stablecoin-native platforms still clear **10-15x** on scarcity and growth, but the spread is the narrowest in five years.

## Q6 Who are the most active buyers today?

**Card networks** (Mastercard, Visa) acquiring on-chain and B2B rails; **PE platforms** rolling up vertical payments specialists; and **global banks** buying treasury, FX and compliance capability to defend cross-border revenue lines under structural pressure.

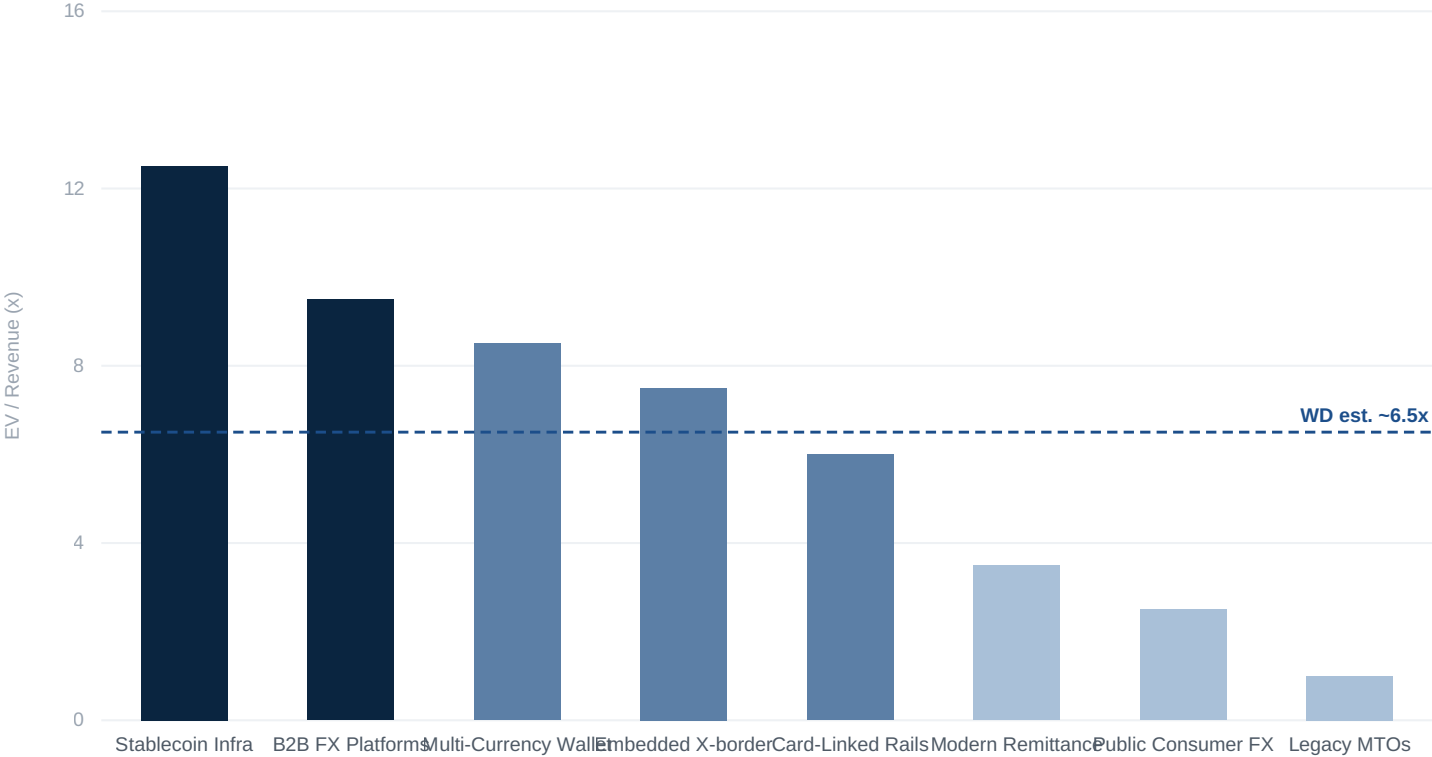
## Q8 How do we maximise our multiple, and expect earn-outs?

Sustain **double-digit volume growth**, lift recurring software revenue mix above **40%**, and de-risk compliance ahead of diligence. **Earn-outs** of 12 to 24 months are now standard for on-chain capability and unproven corridor expansion, often tied to settlement-volume milestones.

# Q2 2026 Valuation Landscape Overview

Premium multiples cluster in stablecoin rails and B2B FX infrastructure; consumer and legacy operators stay compressed.

Median EV / Revenue Multiple by Cross-border Subsegment (x)



X-BORDER BENCHMARK

**~6.5x**

Windsor Drake's working EV/Revenue benchmark for the cross-border infrastructure cohort.

STABLECOIN PREMIUM

**~12.5x**

On-chain settlement platforms command double-digit revenue multiples in private rounds.

B2B X-BORDER TAM (FXC)

**\$56T**

Forecast B2B cross-border volumes by 2030, up from \$39.3T in 2023.

**Key Driver**

Software-shaped revenue and credible on-chain settlement have replaced raw take rate as the primary valuation lever.

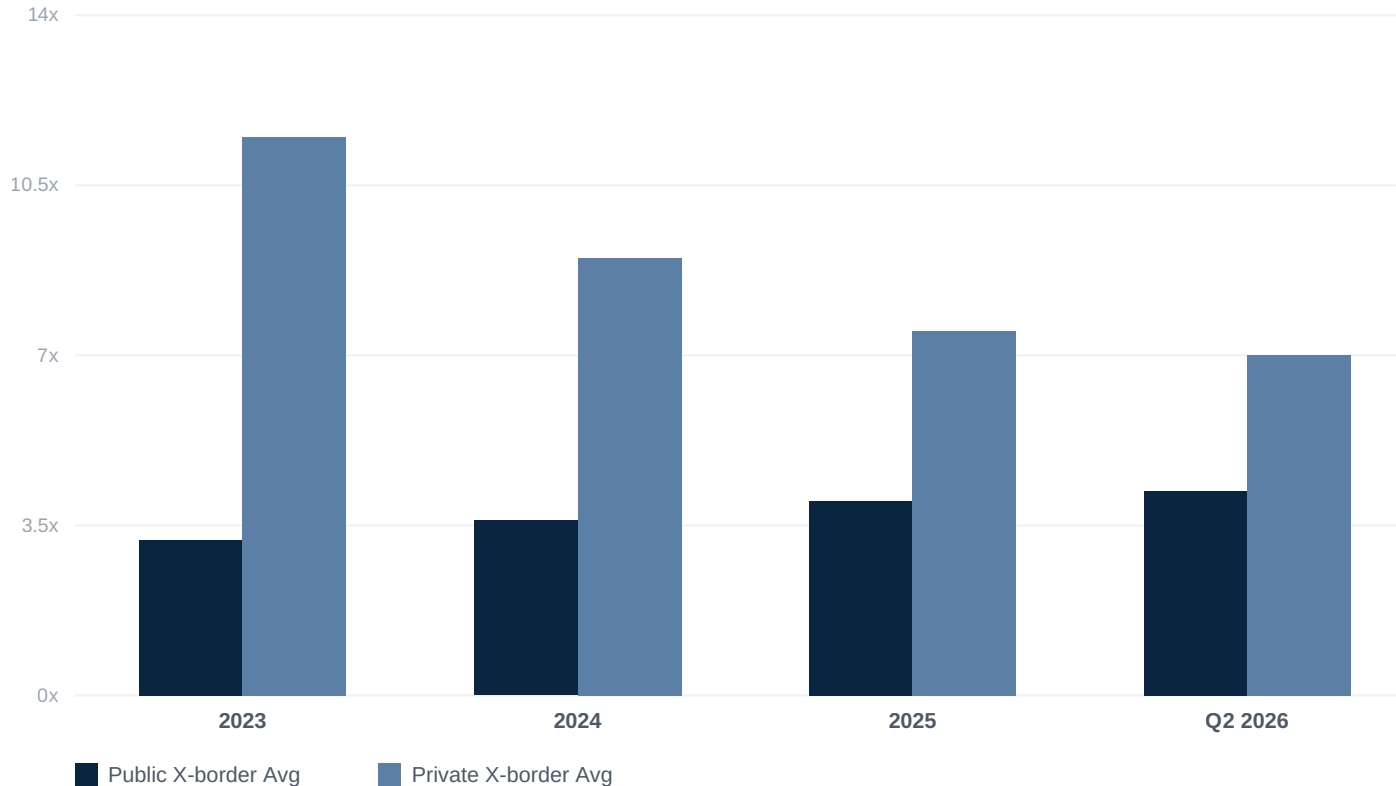
**Deep bifurcation:** the gap between on-chain settlement and B2B FX infrastructure (8-13x) and legacy money-transfer operators (<2x) is the defining feature of cross-border, driven by software content and recurring-revenue mix.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

# Public vs Private Market Convergence

The historical private premium has compressed sharply; public infrastructure leaders set the new ceiling.

Average EV / Revenue Multiple, Public vs Private (x)



## PUBLIC / PRIVATE SPREAD

**~2.8x**

Down from about 8x in 2023, the tightest spread since pre-2020.

## PUBLIC CEILING ANCHOR

**~8x**

Adyen's public revenue multiple now caps non-AI private cross-border rounds.

## STABLECOIN OUTLIER

**10-15x**

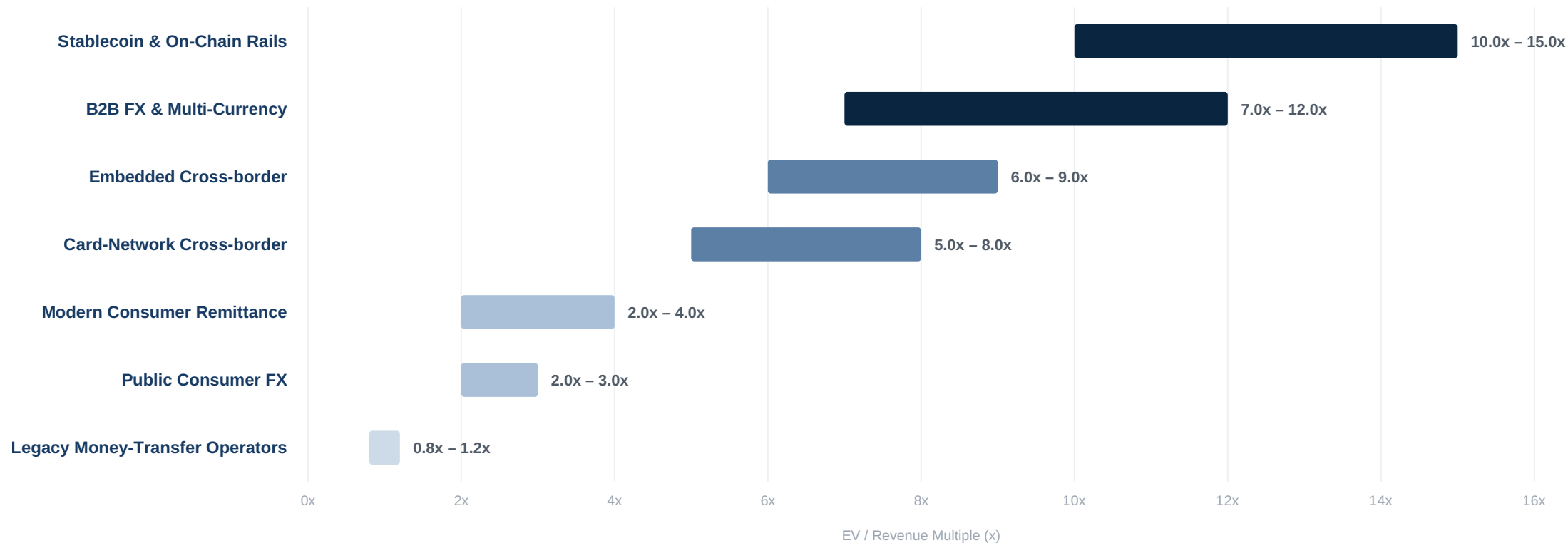
On-chain settlement and AI-native platforms remain the only consistent double-digit comps.

**Rapid convergence:** the public-to-private spread has narrowed from about 8x in 2023 to under 3x as public infrastructure leaders re-rate up and private fintechs without an AI or on-chain story see flat marks.

# Exit Valuation Multiples by Cross-border Subsegment

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A sharp bifurcation persists between stablecoin and B2B FX infrastructure (8-15x) and legacy money-transfer operators (<2x).



## KEY OBSERVATION

The 8x-plus revenue-multiple gap between on-chain settlement and legacy money-transfer operators reflects the market's shift from per-transaction spread to software-layered, recurring relationships.

# Valuation Multiple Drivers: Expansion vs. Compression

Net expansion to roughly 6.5x is driven by on-chain optionality and B2B FX growth, partly offset by consumer take-rate compression and regulatory drag.



## NET EXPANSION OF +1.0X

Stablecoin re-rating and B2B FX demand outweigh a combined 0.6x drag from consumer take-rate compression and regulatory cost. The bridge reflects Windsor Drake analysis of the cited institutional data.

# Capital Markets: Listings & Private Benchmarks

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The 2025 listing class reopened the window; private cross-border infrastructure is setting the new mark.

## Wise (LSE / NYSE)

Cross-border volume grew **24%** to nearly £85B in H1 FY26 on 13M active customers.

- Trades near a \$15B market cap on roughly **2x EV/Revenue**.
- FY25 cross-border take rate of **53.3 bps**, up 9.8% on volume mix shift.
- May 2026 secondary US listing on Nasdaq broadens the investor base.
- Confirms the public ceiling for non-software cross-border models.

## Remitly (Nasdaq)

Delivered its first full year of GAAP profitability in 2025 on **\$1.64B** revenue.

- Send volume of **\$74.9B** in 2025, up 37% year on year.
- Q4 2025 revenue of \$442M (+26%); 2026 guidance of \$1.94-1.96B.
- Market cap of roughly \$3.5B at a 2.0x EV/Revenue multiple.
- Validates the modern-remittance unit economics versus legacy MTOs.

## Stripe (Private)

Feb 2026 tender valued Stripe at **\$159B**, up from \$91.5B a year earlier.

- Total payment volume of **\$1.9T** in 2025, up 34%.
- Cross-border continues to anchor the international growth thesis.
- Revenue Suite is on track to a \$1B annual run rate in 2026.
- Bridge acquisition (Oct 2024, \$1.1B) gave the firm a USDC settlement spine.

## Airwallex (Private)

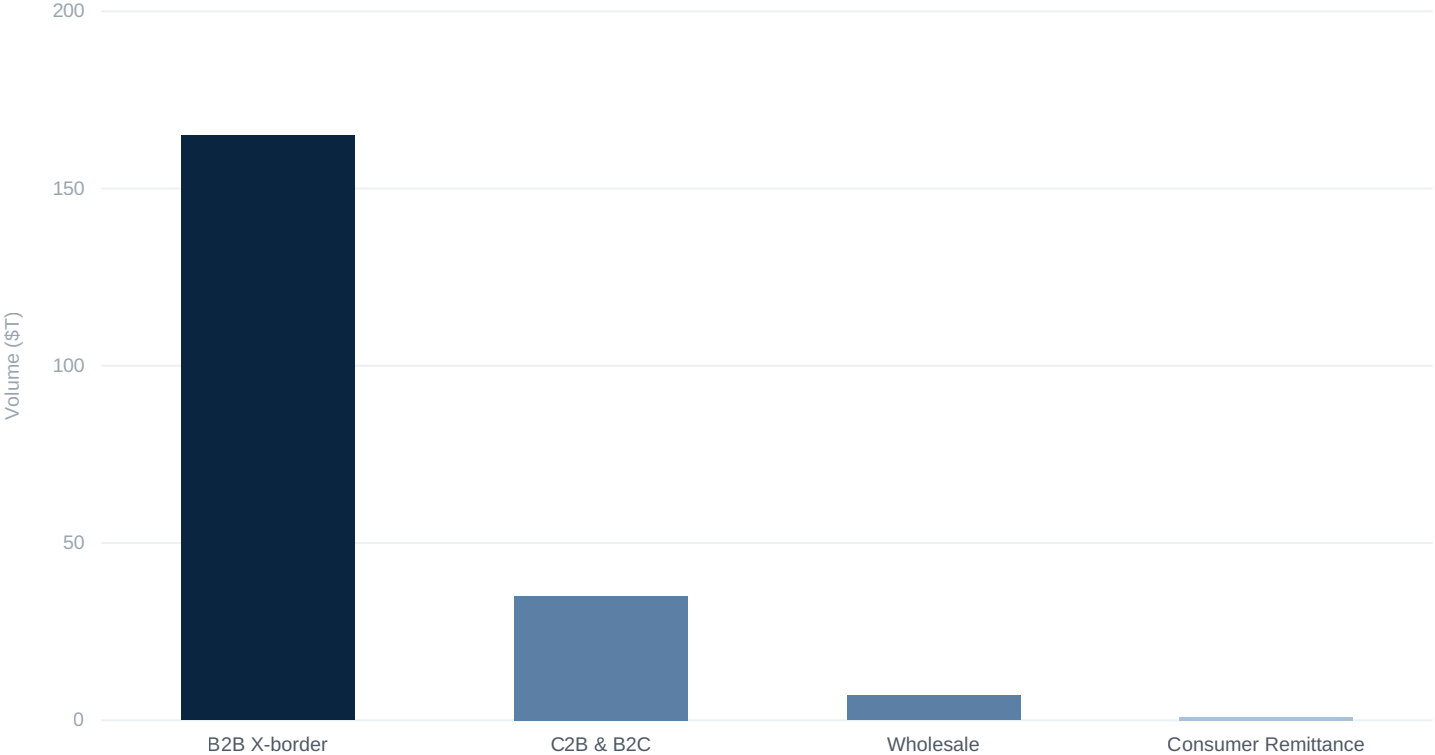
ARR hit **\$1.3B** in April 2026, up from \$1.1B at end-2025.

- Roughly **\$266B** annualised transaction volume across 200K+ businesses.
- B2B multi-currency wallets and embedded FX are the growth engine.
- Benchmarks the high end of the private B2B cross-border cohort.
- Sets a comparable for any process at scale in the segment.

# Geographic Cross-border Flows & Valuation Variations

B2B cross-border is the largest pool by far; consumer remittance growth continues to concentrate in emerging-market corridors.

Global Cross-border Payment Volumes by Segment, 2025 (\$T)



### B2B X-BORDER

**\$56T by 2030**

FXC Intelligence projects B2B cross-border to grow from \$39.3T in 2023 to \$56.1T by 2030.

### REMITTANCE MARKET

**\$879B 2026**

Global remittance flows of \$828B in 2025 grow to \$879B in 2026, roughly 6% CAGR (Business Research Company; World Bank).

### LOW-VALUE REVENUE

**~30%**

Lower-value transactions are ~10% of volume but generate ~30% of cross-border revenue (McKinsey).

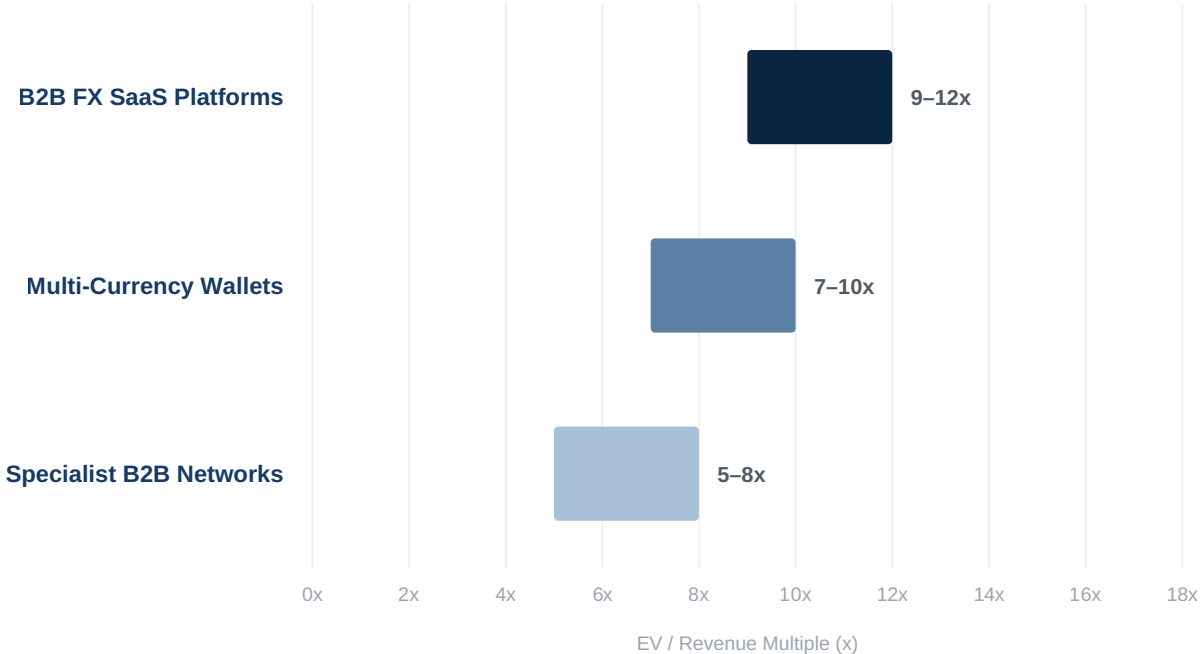
**Pool distribution:** FXC Intelligence sizes total cross-border flows at over \$208T in 2025, of which B2B alone accounts for roughly \$165T. Consumer remittance is a small share of volume but generates a disproportionate share of cross-border revenue and the bulk of regulatory attention.

Sources: FXC Intelligence; World Bank; McKinsey & Company; Windsor Drake analysis. See appendix.

# B2B Cross-border & FX Infrastructure

Multi-currency platforms with embedded FX command 7 to 12x as treasury and AP workflows move on-platform.

EV / Revenue Multiple Range (x)



## Valuation Drivers

### Treasury Workflow Capture

Embedded FX, virtual accounts and AP automation lock in recurring software revenue per customer and lift gross margin well above pure-spread economics.

### Volume Density

FXC Intelligence projects B2B cross-border to grow from \$39.3T in 2023 to \$56.1T by 2030, a 43% expansion that compounds the value of network density.

### Buyer Priorities

Card networks and PE platforms are paying up for orchestration layers that aggregate banks, FX liquidity, and on-chain rails into a single API.

### KEY OBSERVATION

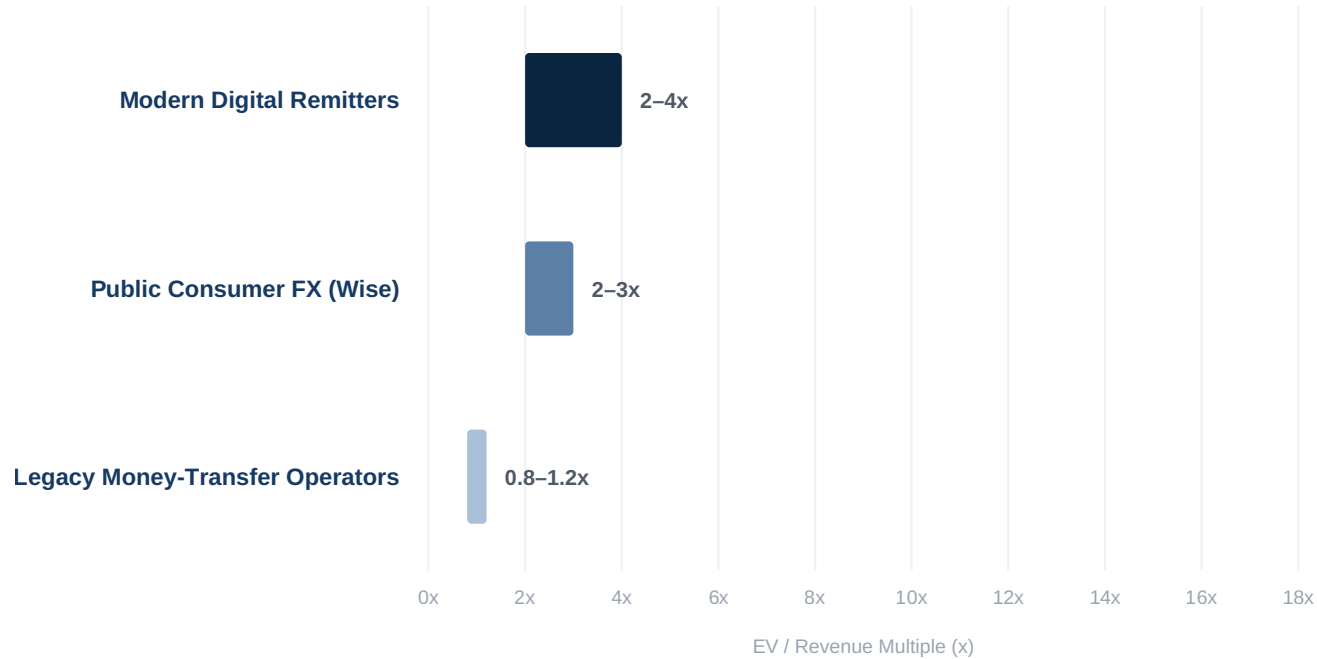
The 2 to 3 turn premium versus consumer cross-border reflects software-shaped revenue and stickier customer relationships.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

# Consumer Remittance: Modern vs Legacy

Modern digital remitters trade at 2 to 4x; legacy MTOs sit close to 1x as volume migrates online.

EV / Revenue Multiple Range (x)



## Valuation Drivers

### Take-Rate Floor

The G20 roadmap targets a global average retail cost of 3% by 2027; pricing power is structurally capped.

### Volume Growth Defends

Remitty grew send volume 37% to \$74.9B in 2025; Wise grew cross-border volume 24% in H1 FY26. Per-unit decline is offset by share gains.

### Stablecoin Substitution

Stablecoin remittance use has compounded sharply: WU and MoneyGram app downloads are down 20%-plus while on-chain rails gain corridor share.

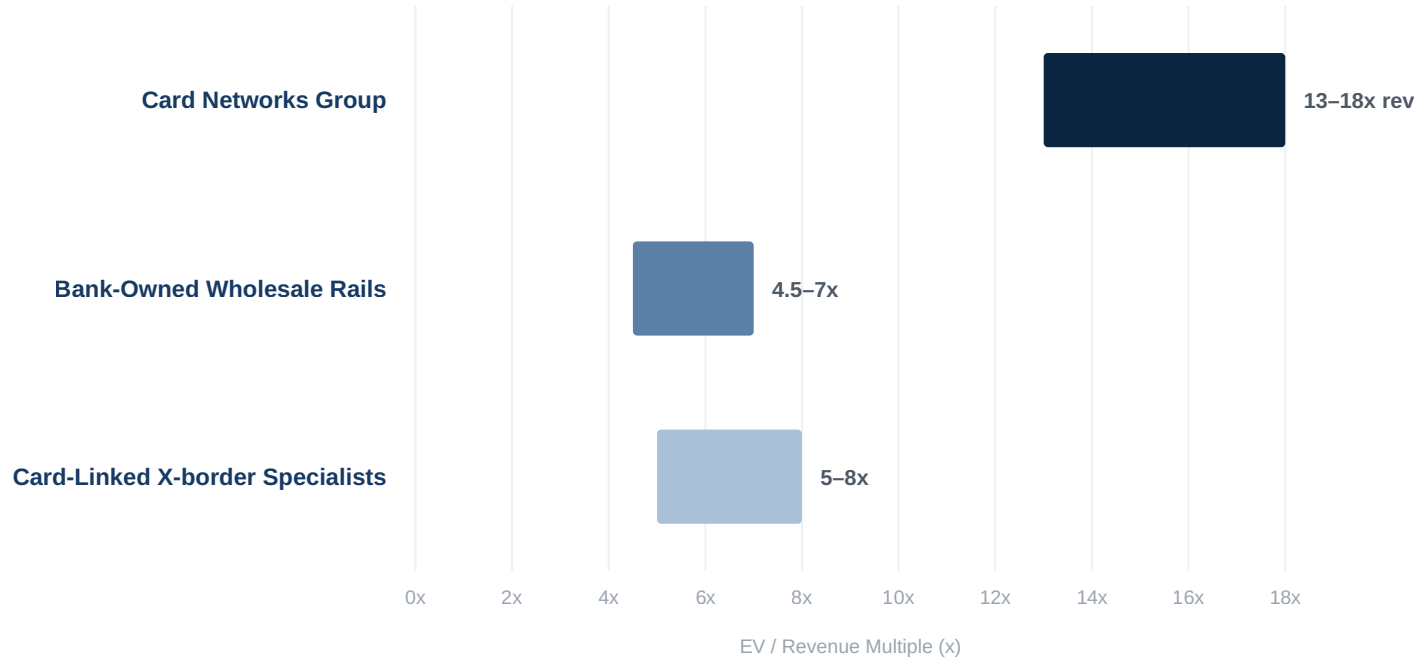
## KEY OBSERVATION

Public marks anchor a 2x revenue floor for modern consumer cross-border, with legacy MTOs valued as wind-down cash flows.

# Card-Network & Bank Cross-border Rails

Mastercard and Visa cross-border revenues remain the most defensible volume pool in payments.

EV / Revenue Multiple Range (x)



## Valuation Drivers

### Volume Strength

Mastercard cross-border volume grew 13% in Q1 2026 on a local currency basis; Visa Q1 net revenue rose 15% on similar dynamics.

### On-Ramp Strategy

Networks are buying on-chain capability (Mastercard / BVNK \$1.8B) to protect cross-border volume from stablecoin disintermediation.

### Regulatory Posture

Established acquirers and rails benefit as G20 transparency mandates raise the cost of bilateral correspondent banking workflows.

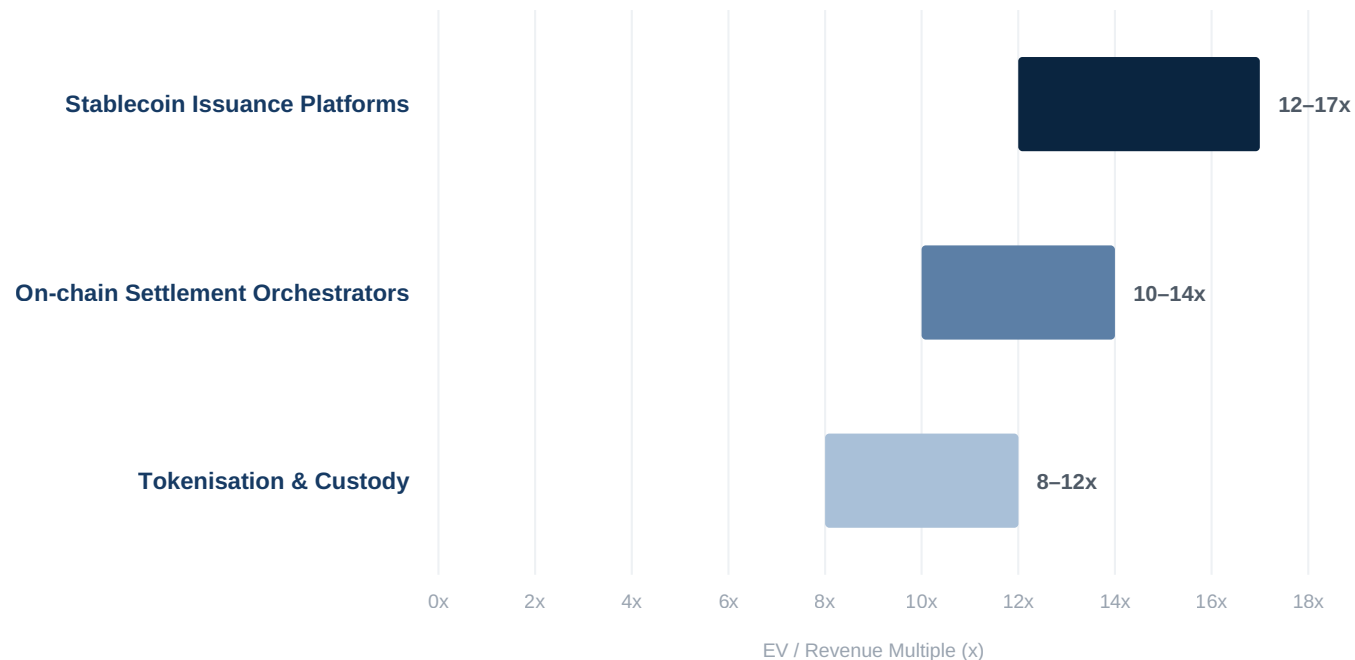
## VALUATION IMPACT

Cross-border remains the most highly valued revenue line inside the card networks, justifying double-digit revenue multiples at the group level.

# Stablecoin & On-chain Settlement Rails

Settlement infrastructure commands premium valuations (10-15x) on B2B adoption and network buyer demand.

EV / Revenue Multiple Range (x)



## Valuation Drivers

### Institutional Adoption

Stablecoins processed roughly \$33T in 2025 with a potential path to \$50T-plus in 2026; about 60% of flows are now B2B.

### Network Buyer Demand

Mastercard / BVNK (\$1.8B) and Stripe / Bridge (\$1.1B) anchor a clear acquisition multiple for capability assets at scale.

### Regulatory Clarity

The US stablecoin regime and MiCA in Europe have moved settlement-grade tokens from speculation toward compliant payments infrastructure.

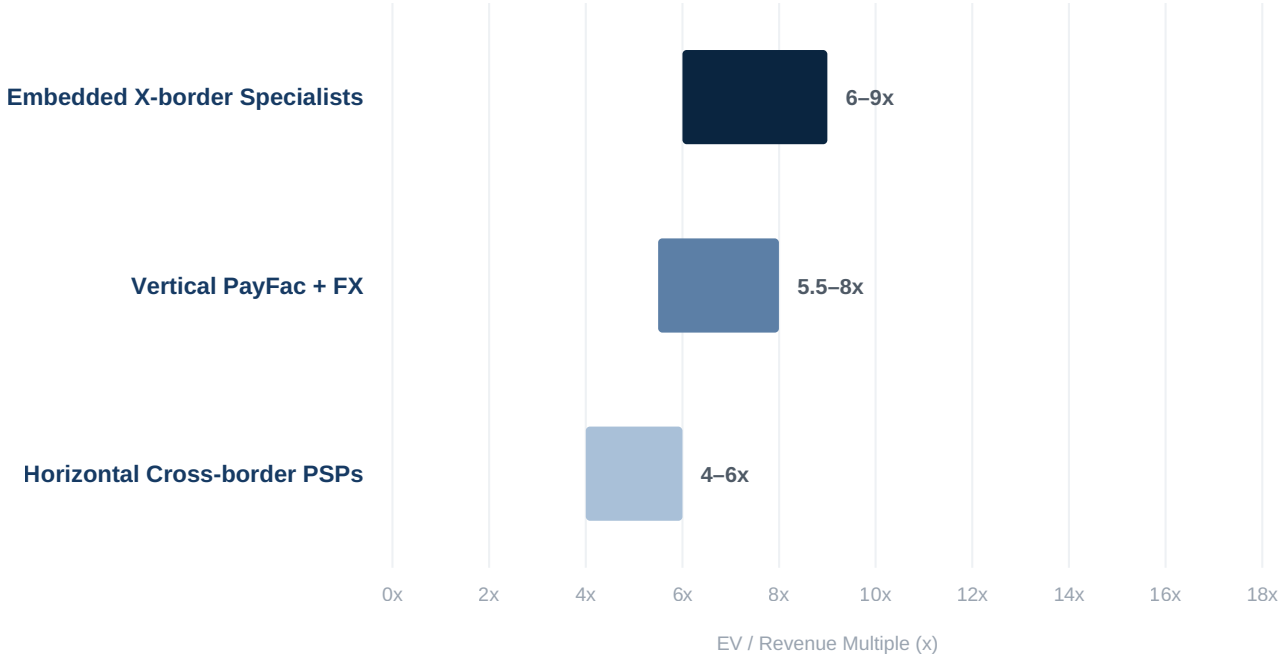
#### KEY OBSERVATION

Settlement infrastructure is priced as critical utility, while consumer-facing stablecoin apps trade closer to broader fintech ranges.

# Embedded Cross-border & Vertical PayFacs

Vertical software embedding multi-currency payments commands 6 to 9x, a sharp premium over horizontal acquirers.

EV / Revenue Multiple Range (x)



## Valuation Drivers

### Workflow Stickiness

Vertical PayFacs with embedded FX become the system of record for their customers; multi-product attach drives ARPU expansion.

### ARPU Expansion

Cross-selling FX, virtual accounts and treasury into a captive ERP base lifts revenue per customer with minimal incremental CAC.

### Buyer Premium

Strategic acquirers, including networks and processors, pay clear premiums for vertical specialists that bring corridor depth and license assets.

### VALUATION DRIVER

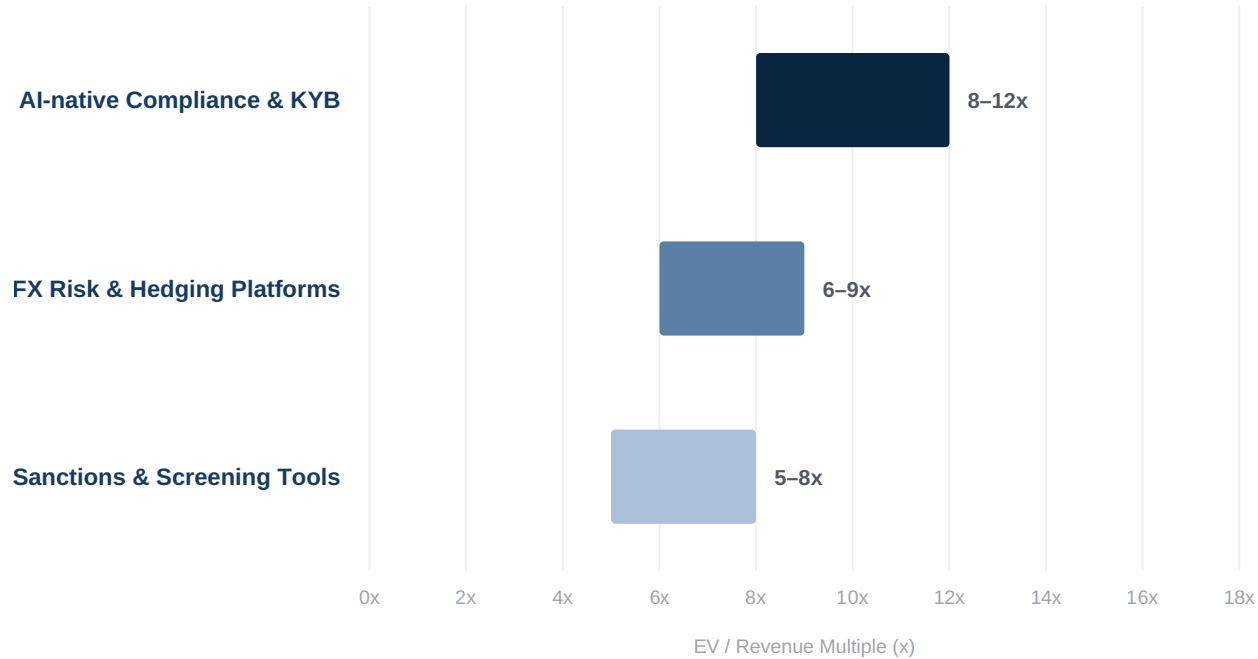
Owning the system of record for a vertical creates lower CAC for cross-border products and 2 to 3 times higher LTV than horizontal peers.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

# Compliance, Fraud & FX Risk Infrastructure

RegTech and FX-risk tools layered on cross-border flows command 8 to 12x as scrutiny intensifies.

EV / Revenue Multiple Range (x)



## Valuation Drivers

### Regulatory Backdrop

FATF, OFAC and EU AMLR enforcement continues to harden, and G20 transparency targets add additional data and disclosure obligations.

### AI-Driven Automation

AI-native screening, KYB and reconciliation cut diligence cycles and operating cost, turning a compliance line into a margin lever.

### Buyer Priorities

Banks and card networks pay up for capability that can be deployed across an entire incumbent customer base, defending cross-border franchises.

## KEY OBSERVATION

Compliance infrastructure trades on SaaS economics; the best assets clear 10x revenue on top of cross-border installed bases.

# Comparable Transaction Analysis Framework

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A rigorous quality-of-revenue filter rather than corridor or sector labels alone.

## 1. Select Peer Set

Identify genuinely comparable cross-border assets by fundamental business characteristics: model (software-plus-FX versus pure spread), corridor mix and recurring-revenue share, never by broad sector labels alone.

## 2. Normalise Metrics

Adjust KPIs to a pro-forma basis: normalise volume for M&A, restate take rate on like-for-like products, and reconcile net versus gross retention for a fair comparison across remitters, B2B platforms and infrastructure.

## 3. Adjust for Structure

Account for deal-specific terms (earn-outs tied to settlement volume, stock-versus-cash mix and control premiums) that pull headline valuation away from underlying economic value.

**141**

TRACKED TRANSACTIONS

**2020–26**

EXIT INDEX COVERAGE

## Proprietary Transaction Index

Calibration draws on Windsor Drake's proprietary index of **141 verified and reported fintech transactions (2020 to 2026)**, a living comparable-set database refreshed each quarter and filtered here to cross-border and payments deals.

## Quality-of-Revenue Filter

Peer selection prioritises recurring software revenue versus per-transaction spread, gross-margin profile (above 70% versus below 40%), and corridor-concentration risk.

## Volume-Durability Adjustment

A premium layer is applied for assets demonstrating multi-corridor volume growth above 20%; offsetting discounts are applied for single-corridor concentration.

## Control Premium Calibration

Indications include a control-premium layer, typically **20-30%**, where corridor and license synergies can be concretely underwritten by an incumbent buyer.

# Strategic Acquirer Mapping by Cross-border Segment

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Segment	Card Networks & Banks	Private Equity	Tech Platforms
<b>B2B FX</b>	<b>HIGH</b> Networks acquiring orchestration and treasury depth (Mastercard / Corpay stake).	<b>HIGH</b> Take-privates of scaled processors with FX exposure.	<b>HIGH</b> Embedded FX into SaaS to capture transaction volume.
<b>Consumer Remittance</b>	<b>MODERATE</b> Selective interest in corridor leadership and license assets.	<b>MODERATE</b> Roll-ups of legacy MTOs at low book multiples.	<b>LOW</b> Consumer brand exposure rarely fits platform thesis.
<b>Stablecoin Rails</b>	<b>HIGH</b> Mastercard / BVNK, Visa pilots: defending cross-border rails.	<b>MODERATE</b> Late-stage growth and PIPE exposure; LP appetite still selective.	<b>HIGH</b> Stripe / Bridge model; embedded settlement at platform scale.
<b>Embedded X-border</b>	<b>MODERATE</b> Banks buying corridor or vertical depth they cannot build.	<b>HIGH</b> Prime buy-and-build and multiple-arbitrage target.	<b>HIGH</b> Deep vertical integration for ecosystem lock-in.
<b>Compliance / FX RegTech</b>	<b>HIGH</b> Capability acquisitions for fraud, KYB and sanctions automation.	<b>MODERATE</b> Selective platform builds in compliance software.	<b>MODERATE</b> Bolt-on capability to defend cross-border product lines.
<b>Card-linked Rails</b>	<b>HIGH</b> Networks expanding card-on-file and B2B virtual-card volume.	<b>MODERATE</b> Selective interest in scaled issuers and acquirers.	<b>MODERATE</b> Programmatic spend and B2B card initiatives.

High Activity / Priority Target

Moderate / Opportunistic

Low Activity / Niche Only

# Networks & Banks as Cross-border Buyers

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Incumbents are pursuing defensive capability acquisitions to protect cross-border franchises against stablecoin and software substitution.

## Strategic Motives: Buy vs. Build

The internal build cycle for on-chain settlement and AI-driven compliance is too slow to counter on-chain and software disruptors. That gap is compelling networks and banks to acquire modern stacks outright, treating M&A as defensive modernisation rather than expansion.

## Acquisition Patterns

The clear preference is for capability deals between **\$300M and \$2B**, sometimes preceded by a minority stake or commercial partnership (Mastercard / Corpay Cross-Border, Dec 2025 at a \$13B EV).

**\$1.8B**

MASTERCARD / BVNK

**\$13B**

MASTERCARD / CORPAY EV

## On-chain Capability

The top focus is on settlement-grade stablecoin infrastructure (Mastercard / BVNK, Stripe / Bridge), embedded into existing fiat rails.

## AI-Driven Compliance

KYB, sanctions and FX-screening capability that can be deployed across an entire legacy customer base is valued as a deflationary lever.

## Corridor Depth

License assets and corridor leadership in emerging markets remain a primary acquisition driver for banks under cross-border revenue pressure.

## Real-Time Settlement

Modernising legacy correspondent banking flows for instant settlement (FedNow, RTP, SEPA Instant) is a structural acquisition theme.

# Private Equity Cross-border Acquisition Patterns

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Record dry powder is creating intense deployment pressure on efficient, cash-generative cross-border assets.

## Deployment Pressure

With roughly \$3.7T of global dry powder to deploy, sponsors face acute pressure to transact. PE is concentrating on platform-scale cross-border targets across B2B FX, vertical PayFacs and compliance software.

## Take-Private Thesis

Public cross-border specialists trading well below intrinsic value remain prime targets; recent take-privates have focused on legacy money-transfer assets where corridor density supports a structured exit.

~\$3.7T

GLOBAL DRY POWDER

+13%

MASTERCARD X-BORDER VOL. Q1

## Ideal Target Profile

Sponsors prioritise **recurring-revenue mix above 40%**, multi-corridor volume growth, and a clean licensing perimeter, the profile that supports leverage capacity.

## Value-Creation Playbook

Pricing optimisation toward bundled software, mix-shift to higher-margin embedded products, and buy-and-build consolidation of fragmented corridor specialists.

## Aging-Portfolio Catalyst

Roughly half of PE holdings now exceed a five-year hold, signalling a coming wave of secondary buyouts and strategic exits in payments.

## Deal Structure Trends

A resurgence of all-cash transactions for deal certainty, with earn-outs bridging gaps on unproven corridor expansion or on-chain capability.

# Competitive Moats Driving Premium Cross-border Valuations

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Valuations above 8x revenue are reserved for cross-border companies that can demonstrate structural defensibility.

## Corridor Density

NETWORK VALUE: HIGH

### Many-to-many corridor coverage

- Each new corridor compounds liquidity and reduces FX cost per flow.
- Local license stacks raise the barrier to entry materially.
- Depth in 20-plus corridors is the threshold for top-quartile pricing.
- **Action:** prioritise corridor coverage that compounds existing flows.

## On-chain Settlement

CAPABILITY VALUE: HIGHEST

### Stablecoin and tokenised rails

- Mastercard / BVNK and Stripe / Bridge frame the capability premium.
- On-chain settlement compresses unit cost and improves working capital.
- Combines with regulated rails to defend against pure-crypto entrants.
- **Action:** build at least one production stablecoin integration.

## Regulatory Licenses

BARRIER VALUE: HIGH

### Hard-to-acquire EMI, MTL and PSP charters

- Provide direct rail access without costly middleware dependencies.
- Function as compliance-by-design, a structural barrier to entry.
- Are central to cross-border M&A theses for incumbent buyers.
- **Action:** map and document every licence as a board-level asset.

## Software-shaped Revenue

MARGIN VALUE: HIGH

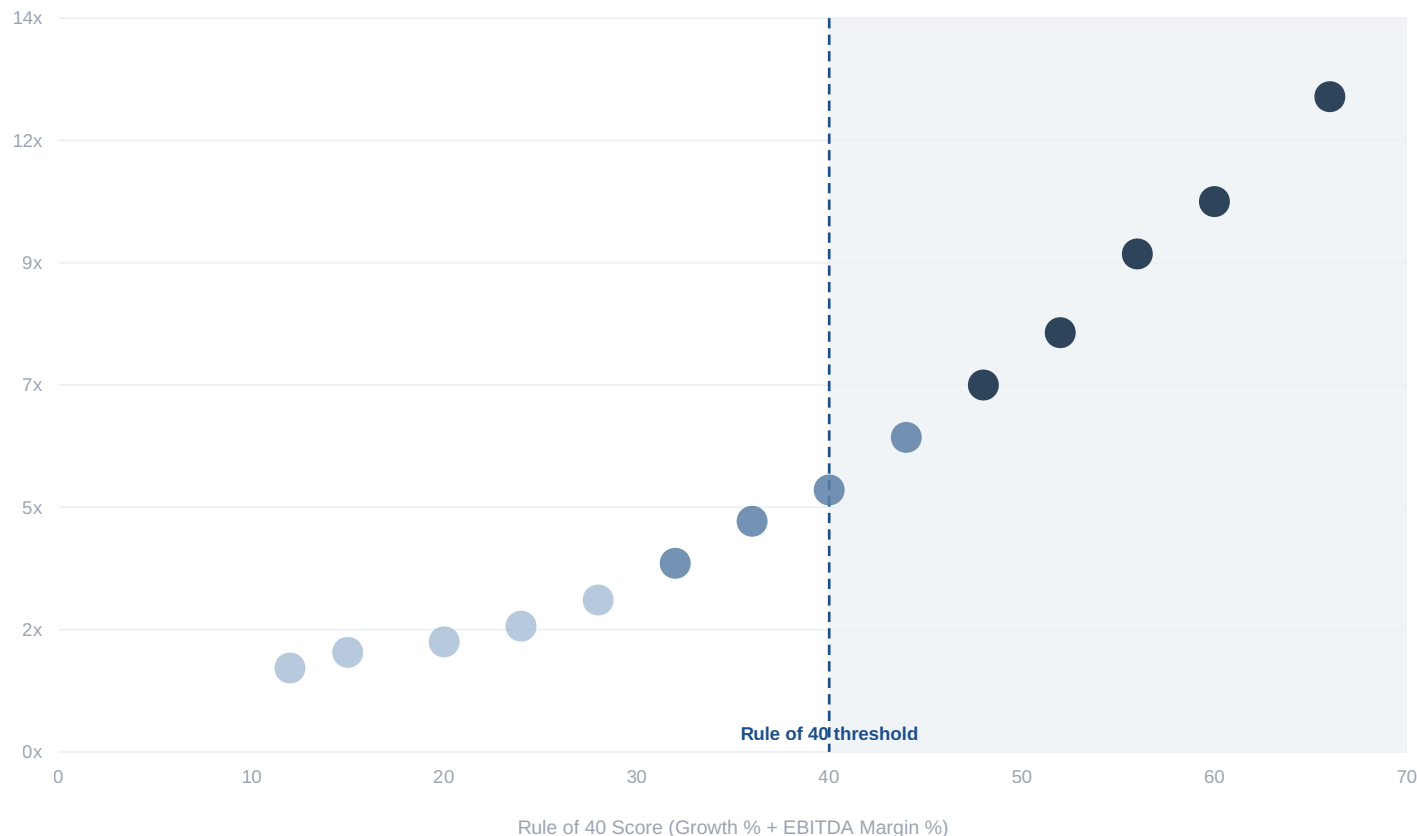
### Recurring SaaS layered on payment rails

- Cross-sell of treasury, FX risk, virtual cards and reconciliation.
- Drives gross margin above 70% and supports a software multiple.
- Raises switching cost as products are embedded in the ERP.
- **Action:** lift recurring revenue mix above 40% before any process.

# Rule of 40 Performance Distribution

Clearing the Rule of 40 unlocks a 50 to 100% premium versus the cross-border median; sub-scale performers face deep discounts.

EV / Revenue Multiple vs Rule of 40 Score



TOP QUARTILE ( SCORE >50 )

**8x+**

Scaled winners; the primary targets for premium strategic M&A.

RULE OF 40 MET ( 40 TO 50 )

**5-7x**

A healthy growth and profit balance; credible IPO-ready candidates.

BELOW THRESHOLD ( <40 )

**2-4x**

Transition and value-trap zones; vulnerable to consolidation.

An estimated 10 to 15% of cross-border companies clear the Rule of 40, but the bar remains the single best predictor of a premium multiple, and is being priced more aggressively each quarter.

# Cross-Border M&A: Regulatory Considerations

WINDSOR DRAKE

Jurisdictional divergence is the primary deal risk, and the primary arbitrage, in cross-border M&A in 2026.

## License & Money Transmitter Regimes

EMI and PSP licences in the EU, MTL portfolios in the US, and SVF approvals in APAC each carry distinct change-of-control regimes. Plotting them early is the single biggest determinant of closing certainty in a cross-border transaction.

## G20 Roadmap Discipline

The G20 roadmap's 2027 targets (3% retail cost, 75% within one hour) reshape pricing expectations and disclosure obligations. Acquirers underwrite to the floor, not to current take rate.

**12–18mo**

CROSS-BORDER CYCLE

**+30–50%**

LONGER CLEARANCE

## Extended Timelines

Regulatory clearance for cross-border payments deals now runs 30 to 50% longer than domestic transactions; build runway to withstand delay without losing leverage.

## License-Tied Earn-Outs

Regulatory earn-outs unlock tranches of consideration on specific license transfers or settlement-volume milestones, rather than on revenue alone.

## Sanctions & Data Sovereignty

OFAC and FATF expectations, paired with data-residency rules in the EU and APAC, materially complicate tech-stack integration and add diligence work.

## Dual-Track & Local Partners

Run IPO readiness alongside the M&A process for competitive tension, and retain local management to navigate post-close regulatory nuance.

# Exit Valuation Optimisation Strategies

WINDSOR DRAKE

Four levers that systematically de-risk a cross-border asset while amplifying its scarcity value.

## 1. Take-Rate & FX Margin

6 TO 12 MONTHS PRE-EXIT

### Demonstrate defensible spread economics

- Shift from raw FX spread to **bundled SaaS-plus-FX** pricing.
- Tier pricing by corridor, ticket size and customer segment.
- Target a 15%-plus ARPU lift across the top customer cohorts.
- Evidence pricing elasticity with clean, auditable cohort data.

## 2. Revenue Quality

PREDICTABILITY

### Engineer resilience into the revenue model

- Lift recurring software revenue mix to **40%+** of total.
- Improve NRR to **>115%** via FX, treasury and card cross-sell.
- Reduce concentration so the top 10 corridors are under 60%.
- Lengthen contract duration to extend revenue visibility.

## 3. Rule of 40 Efficiency

PREMIUM TIER

### Prove scalable profitability

- Reallocate opex from low-ROI corridors into platform R&D.
- Deploy AI in compliance and ops to decouple headcount from volume.
- Achieve **above 40%** on growth plus EBITDA margin.
- Track the score monthly with board-level visibility.

## 4. Strategic Narrative

COMPETITIVE TENSION

### Frame the asset as a platform enabler

- Position as cross-border infrastructure, not a corridor specialist.
- Present quantified synergy cases covering revenue and cost.
- Map specific capability gaps for the top five acquirers.
- Run a structured process to manufacture competitive tension.

# Positioning for Strategic Acquisition

WINDSOR DRAKE

Strategic value in cross-border is driven by capability fit, integration ease and synergy density.

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## Capability Fit

Demonstrate unique corridor depth, proprietary licensing or on-chain settlement capability that fills a specific, declared buyer gap, making the buy-versus-build decision self-evident for the acquirer.

## Integration Ease

Acquirers pay clear premiums for plug-and-play assets. Document APIs thoroughly, minimise critical correspondent-banking dependencies, and present clean, audited financials.

## Synergy Density

Quantify revenue lift from cross-selling into the acquirer's base, and model the cost synergies from shared FX liquidity and compliance infrastructure, to support a higher multiple.

## Strategic Buyer Mapping

Run a structured gap analysis of potential acquirers and map your corridor or capability stack directly to each buyer's declared strategic deficits.

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## Proof-of-Integration

Develop technical materials that demonstrate speed-to-value within the acquirer's ecosystem, pre-empting the technical diligence phase.

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## Synergy Quantification

Explicitly model top-line and bottom-line impact in the management presentation to anchor the valuation conversation on hard numbers.

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## Comprehensive VDR Readiness

Build a defensive data room addressing licence, sanctions and corridor-concentration risk before the first buyer engagement.

# Timing the Exit: 12-18 Month Roadmap

WINDSOR DRAKE

A full cross-border process runs 12 to 18 months end to end. Founders who prepare in the current cycle meet the market while today's alignment of network buyer demand, dry powder, and stable pricing still holds.



## Readiness & Hygiene

Q3 2026

- Audit completion to PCAOB standard
- Licence and sanctions perimeter review
- Take-rate and unit-economics optimisation
- Clean up the cap table and option pool

KEY MILESTONE

**Clean licence and AML scan**



## Strategic Positioning

Q4 2026

- Launch dual-track process preparation
- Build the strategic buyer-targeting list
- Draft the CIM and management presentation
- Lock key-employee retention packages

KEY MILESTONE

**Retention packages locked**



## Market Engagement

Q1 2027

- Fireside chats with priority strategics
- Solicit initial indications of interest
- Deliver management presentations
- Open the virtual data room

KEY MILESTONE

**Competitive bid tension**



## Execution & Closing

Q2 2027

- Definitive agreement negotiation
- Regulatory filings (HSR, CFIUS, FCA, BaFin)
- Confirmatory diligence support
- Closing and integration kickoff

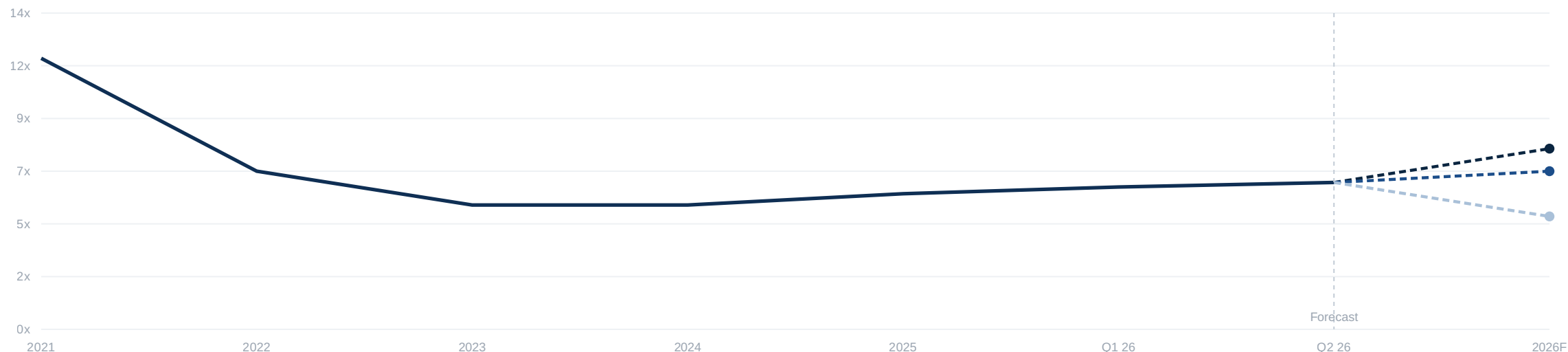
KEY MILESTONE

**No-MAC event verification**

# 2026 Cross-border Valuation Forecast Scenarios

WINDSOR DRAKE

With the cross-border infrastructure benchmark near 6.5x, forward trajectories diverge sharply on rates, regulation and stablecoin adoption.



## BULL CASE

8.0x

### Key Drivers

- Aggressive Fed cuts beyond 100bps
- Stablecoin B2B adoption accelerates further
- G20 enforcement boosts compliant rails

STRATEGY: ACCELERATE GROWTH

## BASE CASE

7.0x

### Key Drivers

- Steady rate normalisation, one cut
- Mid-single-digit M&A volume growth
- Selective IPOs and continued consolidation

STRATEGY: BALANCE GROWTH & PROFIT

## BEAR CASE

5.0x

### Key Drivers

- Inflation resurgence or rate holds
- FX volatility resurges, depressing volumes
- Geopolitical shock fragments correspondent banking

STRATEGY: CASH PRESERVATION

# Emerging Opportunities & Buyer Trends

WINDSOR DRAKE

Capital is flowing into the connective tissue of an AI-first, on-chain cross-border financial system.

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## Stablecoin Treasury Rails

Corporate treasury teams are adopting stablecoin settlement for supplier payments and intercompany flows; about 60% of stablecoin volume is now B2B, with the largest banks already piloting or live.

## Vertical Embedded FX

Healthcare, logistics, marketplaces and education verticals are embedding cross-border FX as a core ERP feature; this is the most under-penetrated software pool inside the cross-border landscape.

## AI Compliance & Fraud

Explosive demand for AI-driven KYB, sanctions screening, and deepfake-resistant authentication on cross-border flows, with banks paying up for capability that scales across the installed base.

## Capability Acquisitions

Networks and banks are prioritising on-chain and AI capability over customer-base distribution, buying technology to defend cross-border revenue lines.

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## PE Platform Roll-Ups

Sponsors are consolidating fragmented corridor specialists and vertical PayFacs to build scale and drive multiple expansion.

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## Regional Champions Go Global

European and APAC cross-border leaders are acquiring North American assets to capture premium valuations and access deeper capital markets.

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## Market Intelligence

Top-tier forecasts point to a 2026 uptick in deal volume. Record dry powder and capability-driven network demand are chasing a supply of quality cross-border assets that has not kept pace.

# M&A Case Study: Mastercard & BVNK

WINDSOR DRAKE

The defining cross-border consolidation event of the cycle, and the playbook it sets for founders.

## The On-chain Capability Playbook

Mastercard's announced acquisition of **BVNK**, valued at up to **\$1.8B** in **March 2026**, is the largest stablecoin-focused transaction on record. It confirms that on-chain settlement has become a primary defence against the disintermediation of card-network cross-border franchises.

## Strategic Rationale

- **Rail defence:** plugging settlement-grade stablecoin rails into card network volume.
- **Capability acquisition:** licensed stablecoin orchestration across 130-plus countries.
- **Treasury wedge:** anchoring Mastercard's B2B and treasury offering against software entrants.

## Implications for Founders

### Capability Pricing Has Reset

In cross-border infrastructure, capability has displaced corridor share as the primary valuation driver. The Mastercard / BVNK and Stripe / Bridge deals frame a clear **\$1.1-1.8B** capability premium, and the window to choose is narrowing.

### Quantify Synergies Pre-LOI

Headline multiples on infrastructure assets rest on **identifiable, underwritable cost and rail synergies**. Vague strategic fit no longer moves valuation; rigorous synergy math, presented before the LOI, does.

### Platform vs. Point Solution

Assets framed as broad **infrastructure** capable of absorbing bolt-ons trade at clear premiums to single-corridor specialists. Integration readiness, clean APIs and modular architecture, is itself a valuation lever.

# Valuation Methodology: Choosing the Right Metric

WINDSOR DRAKE

The right metric depends on business model, profitability profile and capital intensity in cross-border.

## EV / Revenue

6–15X+

### High-growth infrastructure & SaaS

- Applied where profitability is suppressed by deliberate growth reinvestment.
- Software revenue (around 80% margin) is valued far above pure spread.
- The Rule of 40 score dictates where in the range an asset sits.
- Best suited to B2B FX SaaS, stablecoin rails and embedded cross-border.

## EV / EBITDA

8–20X

### Mature & cash-generative

- Essential for scaled processors and mature money-transfer franchises.
- Many assets valued on revenue in 2024 are now assessed on EBITDA.
- Volume scale and FX-spread durability are the key value drivers.
- Captures the cash-flow reality of consolidating cross-border segments.

## Price / Earnings

VARIES

### Stable, profitable public leaders

- Suited to established money-transfer franchises with steady earnings.
- Focus shifts to the recurrence and consistency of net income.
- Long-term earnings CAGR is the principal driver.
- Most relevant once growth has durably normalised.

## EV / Volume

DIAGNOSTIC

### Cross-check on per-flow value

- A useful cross-check for processors and money-transfer operators.
- Lets buyers compare per-flow economics across corridor mixes.
- Pairs with take-rate analysis to triangulate revenue durability.
- Less useful for SaaS-style cross-border, where revenue mix dominates.

# Appendix: Sources & Methodology (Part 1)

WINDSOR DRAKE

Institution	Report / Source	Date
BCG	<i>Global Payments Transformation Amid Instability</i>	2025
McKinsey & Company	<i>Global Payments Report; How Banks Can Win Back Lower-Value Cross-border Payments Business</i>	2025
McKinsey & Company	<i>Global Private Markets Report 2026</i>	Mar 2026
Goldman Sachs	<i>2026 Global M&amp;A Outlook</i>	Jan 2026
Bain & Company	<i>Global Private Equity Report 2026</i>	Feb 2026
S&P Global Market Intelligence	<i>Private Equity Investment in Fintech; Stablecoin Transaction Tracking</i>	2025-26
PitchBook	<i>Q1 2026 Fintech &amp; Payments Public Comp Sheet</i>	2026
CB Insights	<i>State of Fintech 2025</i>	2026
FXC Intelligence	<i>Cross-Border Payments Market Sizing; B2B Forecast</i>	2025-26
World Bank	<i>Remittance Prices Worldwide; Migration &amp; Development Brief</i>	2025

# Appendix: Sources & Methodology (Part 2)

WINDSOR DRAKE

Institution	Report / Source	Date
Bank for International Settlements (CPMI)	<i>Enhancing Cross-border Payments: State of Play and Way Forward</i>	2025
Financial Stability Board	<i>G20 Roadmap for Enhancing Cross-border Payments, Annual Progress Report</i>	Oct 2025
Federal Reserve	<i>FOMC Statement (Apr 2026); Summary of Economic Projections (Mar 2026)</i>	2026
Mastercard Incorporated	<i>SEC Form 8-K and press release, BVNK acquisition announcement</i>	Mar 2026
Mastercard Incorporated	<i>Q1 2026 earnings release and 10-Q</i>	Apr 2026
Visa Inc.	<i>Q1 FY26 earnings release; stablecoin settlement program disclosure</i>	2026
Wise plc	<i>Q1, H1, Q3 and Q4 FY26 trading updates</i>	2025-26
Remitly Global, Inc.	<i>Q4 2025 earnings release and FY2026 guidance</i>	Feb 2026
Bessemer Venture Partners	<i>Stablecoins: From DeFi Primitive to Global Financial Infrastructure</i>	2025
EY	<i>M&amp;A Outlook 2026 (Deal Barometer)</i>	Jan 2026

## VALUATION METHODOLOGY NOTES