WINDSOR DRAKE

Payments M&A Activity: Q3 2026

AUGUST 2026

Windsor Drake · Market Intelligence

Executive Summary: The Perimeter Trade

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The Quarter in Transactions

Thirteen payments transactions announced between 1 July and 25 August 2026 are confirmed against an announcement or a filing.

- **Four** published consideration.
- Visa paid **$2.4 billion** in cash for BioCatch on 3 August.
- Francisco Partners paid approximately **C$2.0 billion** for Moneris on 10 August.
- Two transactions one week apart, on opposite sides of the trade.

Incumbents Bought the Perimeter

Nine of the thirteen were operating incumbents acquiring a capability that sits around the transaction rather than processing it.

- Visa bought behavioural biometrics for fraud intelligence.
- Citigroup bought Kard, a card-linked commerce media engine.
- Payward carved out the Magic Labs wallet infrastructure business.
- CSI, FinWise and Rain each bought issuing or wallet control layers.

Sponsors Took the Base

The processing and software base moved the other way, out of bank and corporate hands and into sponsor ownership.

- Francisco Partners bought Moneris from **two banks**, BMO and RBC.
- It also took Weave private at **$7.40** a share, about **$650 million**.
- Its portfolio company OEConnection bought Corpay's UK vehicle payments unit.
- Francisco Partners appears **three times** in the quarter's record.

Why the Trade Makes Sense

The economics have moved off the transaction and onto the services wrapped around it.

- Visa data processing revenue **+17%**, payments volume **+10%**.
- Mastercard value-added services **+20%**, gross dollar volume **+8%**.
- PayPal total payment volume **+10%**, transaction margin dollars **+1%**.
- A buyer of volume is buying a compressing spread.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Key Takeaways for Founders

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1. Establish Which Side of the Perimeter You Are On

A capability asset is bought by an operating incumbent on urgency and priced against build versus buy. A processing or volume base is bought by a sponsor and priced against cash flow and financing cost. The two run different processes.

- Nine of thirteen Q3 transactions were incumbent capability purchases.
- Four were sponsor or carve-out purchases of a base.

2. The Services Layer Is Where Price Is Rising

Visa's data processing revenue grew **17%** in the June quarter against payments volume of **10%**, and Mastercard's value-added services grew **20%** against gross dollar volume of **8%**. Buyers can read those disclosures as easily as you can.

- Position the business against the services line, not the volume line.
- Attach rate and retention carry more weight than throughput.

3. Payments Is Not a Roll-Up Market

The Windsor Drake Exit Index records **117** distinct acquirers across **130** payments transactions. The most frequent buyer, Stripe, appears four times. There is no dominant consolidator to negotiate against.

- Ten repeat acquirers account for 23 transactions.
- Tension has to be built across functions, not within one cohort.

4. Regulation Is Compressing the Transaction Itself

The US interchange settlement cuts average effective credit interchange by **10 basis points** for five years, and Australia's cap on domestic consumer credit interchange falls to **0.30%** from 1 October 2026. Both reduce the value of owning volume alone.

- The UK pricing governance direction takes effect November 2026.
- Every regime pushes value toward the services perimeter.

5. Banks and Corporates Are Sellers Again

BMO and RBC sold Moneris, Corpay sold its UK vehicle payments unit, Worldline completed its disposal programme and Fiserv opened a portfolio review. Corporate carve-outs are the most reliable source of scaled payments supply.

- Carve-out processes are run to a corporate timetable.
- A prepared buyer of adjacency wins those on speed.

6. Sponsors Are Buying Vertical Software With Payments Inside

Francisco Partners took Weave private at a **34%** premium and Nayax bought IPS Group for **$350 million**. Both targets are software businesses whose payment attach is the earnings engine, which is where the sponsor bid now lives.

- IPS Group carries 2026 revenue above **$90 million**, over 60% recurring.
- Recurring software revenue is what finances the acquisition.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Founder FAQs

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1 How active was payments M&A in Q3 2026?

Thirteen payments transactions announced between 1 July and 25 August 2026 are confirmed against a company announcement or a filing. Four of them published consideration, totalling roughly $3.4 billion plus a further C$2.0 billion for Moneris.

2 What was the largest payments transaction of the quarter?

Visa agreed to acquire BioCatch for $2.4 billion in cash on 3 August 2026, buying behavioural biometrics rather than payment volume. The second largest was Francisco Partners acquiring Moneris from Bank of Montreal and Royal Bank of Canada for approximately C$2.0 billion on 10 August.

3 What is The Perimeter Trade?

Incumbents are buying the layer around the transaction, which is fraud intelligence, loyalty, wallet and issuing infrastructure, while the transaction processing base itself moves to financial sponsors and carve-out buyers. Nine of the quarter's thirteen transactions were bought by an operating incumbent for a capability; four were sponsor or carve-out purchases of a processing or software base.

4 Why are incumbents paying for the perimeter rather than volume?

Because the perimeter is where the revenue is repricing. Visa's data processing revenue grew 17% in the June quarter against payments volume of 10%, and Mastercard's value-added services and solutions grew 20% against gross dollar volume of 8%. The services layer is compounding faster than the transaction underneath it.

5 Who is actually buying payments companies?

Operating incumbents, and a wide field of them. The Windsor Drake Exit Index records 130 payments transactions bought by 117 distinct acquirers, of which 123 were strategic buyers. Ten acquirers appear more than once and account for 23 transactions between them.

6 Is this a roll-up market?

No. A roll-up market concentrates buyers; payments does the opposite. With 117 distinct acquirers across 130 transactions, and Stripe as the most frequent buyer at four, the buyer universe is fragmented by function rather than consolidated by platform.

7 Which side of the perimeter should a payments founder sell into?

Establish which side of the perimeter the business sits on. A capability asset is sold to an operating incumbent on urgency and is priced against build versus buy. A volume or processing base is sold to a sponsor or a carve-out buyer and is priced against cash flow and financing cost. The buyer list, the process and the structure differ entirely.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

The Perimeter Trade: Two Sides of One Quarter

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Payments M&A in Q3 2026 ran in two directions at once. Incumbents bought the layer around the transaction; sponsors and carve-out buyers took the transaction base itself.

Attribute	The perimeter: incumbents buying capability	The base: sponsors buying volume and software
Share of the quarter	**9 of 13 transactions** Operating buyers	**4 of 13 transactions** Sponsor and carve-out buyers
Representative buyer	**Visa, Citigroup, Payward** Networks, issuers and platforms	**Francisco Partners, Nayax** Sponsors and consolidating operators
What is bought	**Fraud, loyalty, wallet, issuing** Capability the buyer does not have	**Acquiring, terminals, vertical software** An installed base with recurring revenue
Pricing basis	**Build versus buy, on time** Urgency sets the ceiling	**Cash flow and financing cost** Leverage sets the ceiling
Where the seller sits	**Venture-backed specialist** Often a sponsor or founder exit	**Bank, corporate or sponsor** A carve-out or a secondary sale
Consideration	**Cash, frequently all cash** Visa paid cash for BioCatch	**Cash with committed debt** Financing availability gates the bid
The seller's lever	**How badly the buyer needs it** A capability gap has a clock on it	**Quality of the recurring base** Retention is what the lenders underwrite

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

What Q3 2026 Payments M&A Actually Bought

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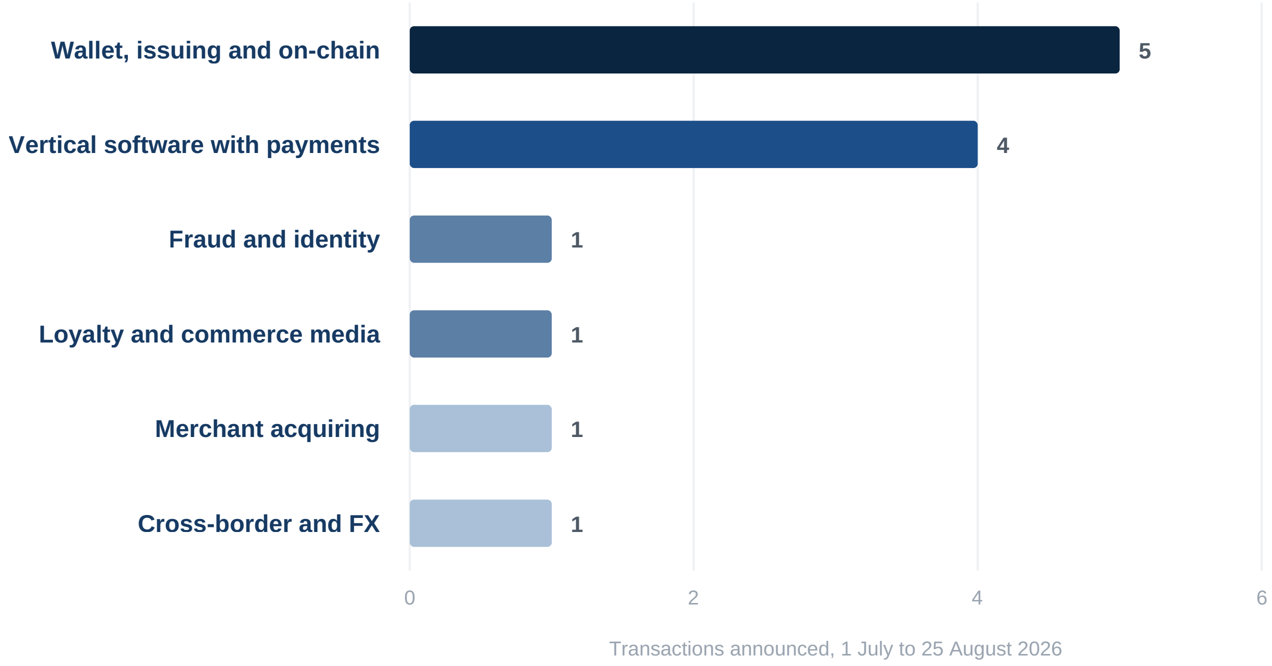
Announced payments transactions, 1 July to 25 August 2026, grouped by what the target does. Every transaction is confirmed against a company announcement or a filing.

Transactions by target function



TRANSACTIONS

13

Announced 1 July to 25 August 2026 and confirmed to a primary source.

PUBLISHED A PRICE

4

Visa, Francisco Partners twice and Nayax.

BOUGHT THE PERIMETER

9

Operating incumbents buying a capability around the transaction.

H1 2026 CONTEXT

$44.2B

KPMG recorded 168 payments deals in the first half against 577 in all of 2025.

> Only one transaction in the quarter bought merchant acquiring volume, and a financial sponsor bought it. The operating buyers spent their money on the layer that surrounds the transaction.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

The Transactions That Published a Price

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Taken from each acquirer's own announcement.

Visa acquires BioCatch for $2.4 billion in cash

Announced 3 August 2026, bought from funds advised by Permira. BioCatch reads keystrokes, gestures and device handling to separate customers from fraudsters. The largest cheque of the quarter bought fraud intelligence, not throughput.

Francisco Partners acquires Moneris for about C$2.0 billion

Announced 10 August 2026. Bank of Montreal and Royal Bank of Canada each released 50% for roughly C$1.0 billion in cash while keeping exclusive referral agreements.

Francisco Partners takes Weave private at $7.40 a share

Announced 18 August 2026 at about $650 million of equity value, a 34% premium to the 17 August close. Weave is healthcare software with payments attached.

$2.4B	C$2.0B	3.9x
VISA, BIOCATCH	MONERIS	IPS, ON REVENUE

Nayax / IPS Group

$350 million cash, 25 August, from Windjammer Capital.

The IPS multiple

2026 revenue above $90 million prices it near 3.9 times.

Two sponsors selling

Permira and Windjammer both sold to operating buyers.

One buyer, three deals

Francisco Partners transacted three times.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

The Perimeter: What Incumbents Bought

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Operating buyers acquiring capability around the transaction, 1 July to 25 August 2026.

Transaction	Announced	What the buyer acquired
Visa / BioCatch	**3 Aug 2026** $2.4B cash	**Behavioural biometrics** Real-time fraud intelligence across 350 plus banking clients, folded into value-added services.
Citigroup / Kard Financial	**13 Aug 2026** US Consumer Cards	**Commerce media** Card-linked merchant-funded offers built on first-party transaction data.
Payward / Magic Labs wallet business	**27 Jul 2026** Carve-out	**Embedded wallet infrastructure** Non-custodial wallet rails behind 60 million plus wallets and 200,000 developers.
CSI / Qolo	**14 Jul 2026** Bank software	**Issuing control layer** Card issuing, ledger management and money movement unified for banks and fintechs.
FinWise Bancorp / Tallied Technologies platform	**20 Jul 2026** Asset purchase	**Card operating system** Application processing, issuance, rewards, fraud and disputes, bought by a bank.
Nium / Cypher	**8 Jul 2026** Cross-border	**Fiat to on-chain rails** Wallet and card issuing capability for a cross-border payments infrastructure provider.
Rain / Ansa	**12 Aug 2026** Stored value	**Closed-loop wallets** Prefunded merchant balances spendable over card rails without changing the point of sale.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

The Base: What Sponsors and Carve-Out Buyers Took

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Processing, terminal and vertical software bases changing ownership, 1 July to 25 August 2026.

Transaction	Announced	What changed hands
Francisco Partners / Moneris	**10 Aug 2026** About C$2.0B cash	**Canada's acquiring base** Sold by Bank of Montreal and Royal Bank of Canada, 325,000 plus points of commerce, referral agreements retained.
Francisco Partners / Weave Communications	**18 Aug 2026** $7.40 a share	**Healthcare vertical software** About $650 million of equity value at a 34% premium, 40,000 plus customer locations with payments attached.
Nayax / IPS Group	**25 Aug 2026** $350M cash	**Smart parking payments** Bought from Windjammer Capital, 250,000 plus parking spaces, 2026 revenue above $90 million.
OEConnection / epyx, r2c Online and Business Gateway	**5 Aug 2026** Corpay carve-out	**UK vehicle payments** A Francisco Partners portfolio company buying Corpay's non-core fleet software and payments unit.
StoneX Group / Banco Travelex	**12 Aug 2026** Brazil	**A licensed FX bank** Brazil's bank dedicated to foreign exchange, regulated by the Central Bank of Brazil.
DivDat / Meridian Integration	**13 Aug 2026** Bill pay	**Public sector engagement** Customer engagement software combined with kiosk and self-service payment processing.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Why the Perimeter Is Worth More Than the Volume

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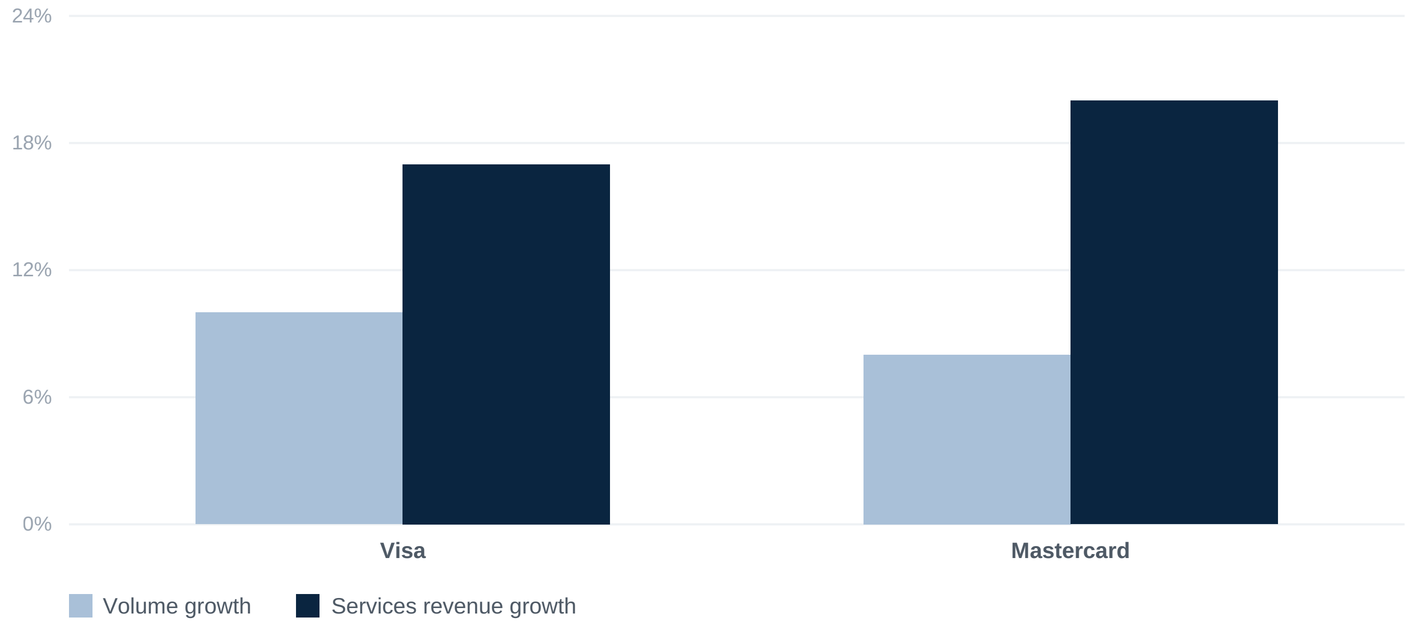
Growth in the services layer against growth in the underlying volume, at the two card networks, in the quarter ended 30 June 2026.

Volume growth against services revenue growth, year on year



VISA

+17% vs +10%

Data processing revenue of $6.042 billion against payments volume growth of 10% on a constant dollar basis.

MASTERCARD

+20% vs +8%

Value-added services and solutions against gross dollar volume of $2.9 trillion.

VISA CROSS-BORDER

+12%

Cross-border volume excluding intra-Europe, on a constant dollar basis.

VISA NET REVENUE

$11.6B

Up 14% in the June quarter, with 71.7 billion processed transactions.

> At both networks the services layer compounds roughly twice as fast as the volume it sits on. That gap is the economic case for The Perimeter Trade, and it is published quarterly.

Sources: Visa Inc. and Mastercard Incorporated quarterly results and Forms 10-Q, July 2026. See appendix.

The Cascade: Volume Growth Does Not Reach Profit

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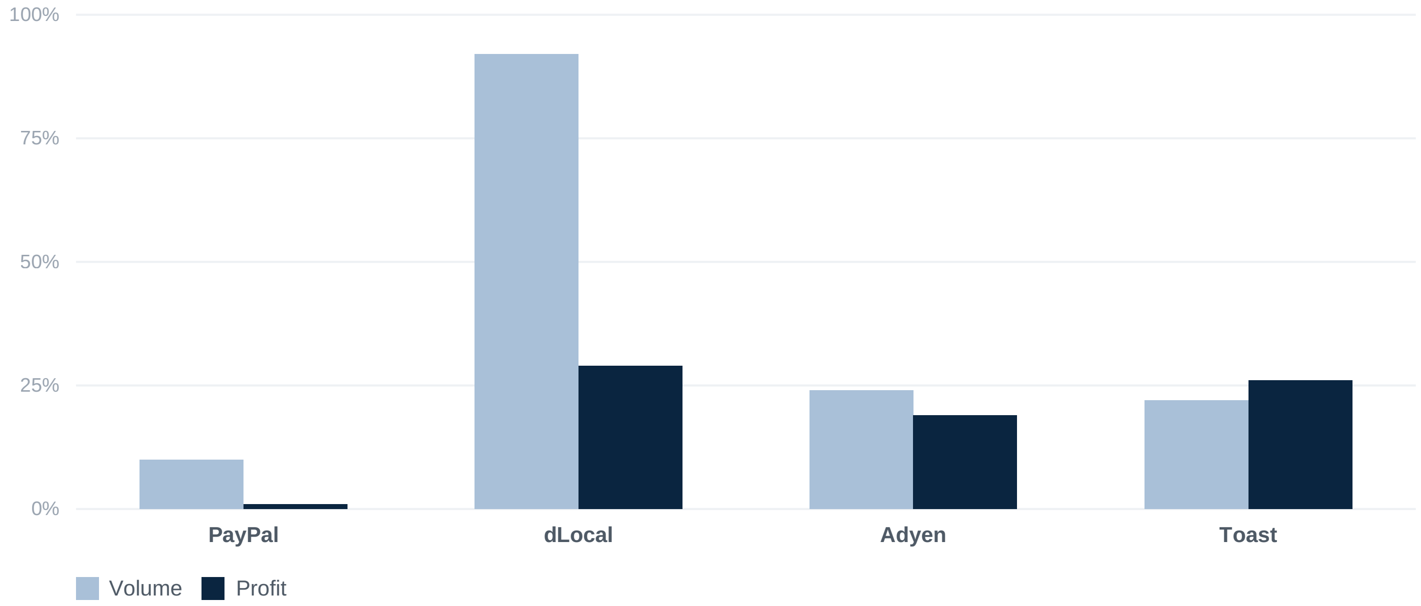
Payment volume growth against gross profit or margin growth at four scaled operators, most recent reported period.

Volume growth against profit growth, year on year



PAYPAL

+10% / +1%

Total payment volume $486.4 billion against transaction margin dollars of $3.9 billion, quarter ended 30 June 2026.

DLOCAL

+92% / +29%

Volume of $17.7 billion against gross profit of $127.2 million, a three stage cascade through revenue.

PAYONEER

116bps

Disclosed take rate for the June quarter, down 10 basis points year on year on volume up 15%.

TOAST

+22% / +26%

Gross payment volume of $60.7 billion with fintech gross profit up 26%, the exception in the set.

> Only the software-led operator converts volume growth into faster profit growth. Everywhere else the spread on the transaction is narrowing while the transaction count rises.

Sources: PayPal Holdings, dLocal, Adyen N.V., Toast and Payoneer quarterly and half-year results, July and August 2026.

What Incumbents Paid For

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Risk intelligence, priced highest

The single largest cheque of the quarter bought the ability to tell a fraudster from a customer, not the ability to move money.

- Visa paid $2.4 billion in cash for BioCatch on 3 August.
- The capability lands in the value-added services line.
- Mastercard's equivalent line grew 20% year on year.
- Fraud economics scale with transactions without touching interchange.

The demand side of the card

Issuers are buying the merchant-funded offer layer that turns transaction data into media revenue.

- Citigroup's US Consumer Cards business acquired Kard Financial on 13 August.
- Kard connects banks, fintechs and merchants through card-linked offers.
- Revenue is paid by the merchant, not taken from the consumer.
- It sits entirely outside the regulated interchange pool.

Control planes for issuing and wallets

Five of thirteen transactions bought the software layer that governs card issuance, ledgers and stored value.

- CSI acquired Qolo, unifying issuing, ledger and money movement.
- FinWise Bancorp bought the Tallied card operating system.
- Payward carved the wallet infrastructure business out of Magic Labs.
- Rain acquired Ansa for stored value and closed-loop wallets.

Settlement optionality

On-chain settlement is being bought as an extension of existing rails rather than as a replacement for them.

- Nium acquired Cypher on 8 July for fiat to on-chain money movement.
- Visa reported a $7 billion annualised stablecoin settlement run rate in April.
- Mastercard extended settlement to stablecoins on 3 June.
- The Bank for International Settlements puts adjusted stablecoin value at about $390 billion a year.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

What Sponsors and Carve-Out Buyers Paid For

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Bank-owned acquiring, released

The largest processing base to change hands came out of two bank balance sheets and into sponsor ownership.

- Francisco Partners agreed to buy Moneris on 10 August.
- BMO and RBC each sold 50% for approximately C$1.0 billion.
- Both banks kept exclusive long-term referral agreements.
- BMO guided to about 15 basis points of CET1 benefit.

Vertical software with payments inside

Where the sponsor bid is strongest is software whose payment attach carries the margin.

- Francisco Partners took Weave private at a 34% premium on 18 August.
- Weave serves more than 40,000 healthcare customer locations.
- Nayax bought IPS Group for $350 million on 25 August.
- IPS carries 2026 revenue above $90 million, over 60% recurring.

Corporate carve-outs

Corporates are pruning payments assets they no longer consider core, and running those processes to their own timetable.

- Corpay agreed to sell epyx, r2c Online and Business Gateway on 5 August.
- The buyer, OEConnection, is a Francisco Partners portfolio company.
- Corpay earmarked the proceeds for share repurchases.
- Worldline completed disposals returning about 580 million euros in the first half.

Regulated cross-border capacity

Licences and charters are being bought as assets in their own right, because they take years to build.

- StoneX agreed to acquire Banco Travelex on 12 August.
- Banco Travelex is regulated by the Central Bank of Brazil.
- The transaction is conditional on that regulator's approval.
- FinWise, a chartered bank, bought a card platform on the same logic.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Who Buys Payments Companies

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Acquirer composition across 130 payments transactions in the Windsor Drake Exit Index, queried live on 25 August 2026.

Operating buyers, overwhelmingly

Of 130 payments transactions in the index, **123** were completed by strategic acquirers, **five** by financial sponsors acting directly and **two** by sponsor-backed strategics. Strategic buyers are 94.6% of the record.

A fragmented buyer universe

Those 130 transactions were completed by **117** distinct acquirers. Payments is bought by many buyers taking one asset each, which is the opposite of the insurance and wealth consolidation pattern visible elsewhere in the same index.

The repeat buyers are the signal

Ten acquirers appear more than once and account for 23 transactions between them. Stripe leads at four and Visa at three, with Mastercard, Fiserv, Nuvei, Euronet Worldwide, Bill.com, PayTabs, MoonPay and GSTechnologies each at two. A buyer that has bought twice is the most reliable evidence in the record.

130	117	94.6%
PAYMENTS TRANSACTIONS	DISTINCT ACQUIRERS	BOUGHT BY STRATEGICS

Stripe

Four payments acquisitions in the index, the most frequent buyer in the set.

Visa

Three, including BioCatch at $2.4 billion in August 2026.

Networks and processors

Mastercard, Fiserv and Nuvei each appear twice.

Sponsors

Seven of 130 transactions involved a financial sponsor on the buy side.

Source: Windsor Drake Exit Index, queried live 25 August 2026, deduplicated basis. Method in the appendix.

Regulation Is Repricing the Transaction

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United States: the interchange settlement

The rules relief settlement received preliminary approval in June 2026, with final approval set for November 2026.

- Average effective credit interchange falls **10 basis points**.
- Standard consumer credit is capped at **125 basis points**.
- Merchants gain category acceptance and wider surcharging.
- Visa carried **$1,274 million** of accrued litigation.

Australia: a hard interchange cap

The Reserve Bank of Australia's conclusions paper of 31 March 2026 resets domestic card economics from **1 October 2026**.

- Domestic consumer credit interchange capped at **0.30%**.
- Debit and prepaid capped at 8 cents or **0.16%** of value.
- The no-surcharge prohibition is removed on the same date.
- The RBA puts the annual merchant cost reduction at **A$910 million**.

United Kingdom: pricing under supervision

The Payment Systems Regulator published its final decision on scheme and processing fees on 30 July 2026.

- The pricing governance direction takes effect in **November 2026**.
- Transparency and complexity obligations follow in **July 2027**.
- Schemes must give six months' notice of new or modified fees.
- HM Treasury has confirmed the PSR will fold into the FCA.

Safeguarding and access

The perimeter of who may hold and move customer money is being redrawn on both sides of the Atlantic.

- The FCA's interim safeguarding regime took effect **7 May 2026**.
- It cites average shortfalls of **65%** in payment firm insolvencies.
- EU instant payment obligations reach payment institutions **9 April 2027**.
- The Federal Reserve consulted on a limited payment account in May 2026.

Sources: US District Court for the Eastern District of New York; UK Payment Systems Regulator; Reserve Bank of Australia; Financial Conduct Authority. See appendix.

Capital Markets and Financing Conditions

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Rates are holding, not falling

The Federal Open Market Committee held its target range at **3.50% to 3.75%** at every 2026 meeting to date.

- The 29 July vote was **9 to 3**, with three members preferring an increase.
- The June Summary of Economic Projections put end-2026 at **3.8%**.
- The financing cost of a leveraged payments bid is not improving.
- Sponsors are underwriting to a flat curve, not an easing one.

Private credit is funding the base

The Federal Reserve put private credit at about **$1.4 trillion** against roughly $1 trillion of leveraged loans in the first quarter of 2026.

- S&P Global Ratings recorded **$146 billion** of private credit lending to B minus and below borrowers in 2025.
- That compares with about $85 billion syndicated.
- Direct lenders can underwrite a recurring software base quickly.
- That is why the sponsor bid concentrates there.

Sponsors need exits

Bain & Company's midyear report of 8 June 2026 describes a record deal cost index and a distribution problem.

- Roughly **33,000** unsold portfolio companies are held globally.
- Average holding periods run at about **seven years**.
- Distributions as a share of net asset value are at four-year lows.
- Permira and Windjammer both sold payments assets this quarter.

Capital is concentrating

KPMG recorded **$44.2 billion** of payments investment across **168** deals in the first half of 2026, against $20.2 billion across 577 deals in all of 2025.

- Global fintech investment reached $103.1 billion across 2,100 deals.
- Payments M&A alone was $67.9 billion across 394 deals.
- Capital per transaction is rising sharply.
- Scaled, profitable infrastructure is what clears.

Sources: Federal Reserve; S&P Global Ratings; Bain & Company; KPMG International. See appendix.

The Incumbent Reshuffle Behind the Quarter

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The largest operators spent 2026 reshaping what they own, and each decision releases assets.

Global Payments and FIS completed the largest swap

Global Payments closed the Worldpay acquisition and the Issuer Solutions divestiture on 12 January 2026, creating an operator carrying about $3.7 trillion of annual payment volume. FIS took Issuer Solutions at a $13.5 billion enterprise value.

Fiserv opened a portfolio review under pressure

Organic revenue fell 5% in the June quarter and adjusted earnings per share 26%. Guidance was cut to between minus 1% and flat. It is the largest potential source of payments supply in the market.

Worldline finished pruning and Nexi deleveraged

Worldline cut net debt to 1,165 million euros at 30 June from 2,219 million a year earlier after disposals to SIX, Cuscal and Magellan Partners.

$3.7T	-5%	$2.75B
GLOBAL PAYMENTS VOLUME	FISERV ORGANIC REVENUE	NUVEI FOR PAYONEER

Nuvei and Payoneer

Announced 15 June at $7.40 a share.

Corpay

Selling UK vehicle payments, buying back stock.

Adyen

Closed Talon.One and Orb on 1 July.

The pattern

Scale buyers integrate; capability buyers transact.

Sources: KPMG International; McKinsey & Company; company results and filings. See appendix.

Positioning for a Process: A 12 to 18 Month View

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The market a founder meets is the one that exists when preparation begins, not when it ends. Two regulatory dates inside this window change what buyers will pay for.

Establish the side

Months 0-3

- Decide honestly whether the business is a perimeter capability or a processing base.
- Separate revenue that scales with transactions from revenue that scales with the spread on them.
- Identify the incumbents whose published services line the business would extend.
- Document retention and attach rate in numbers rather than adjectives.

KEY MILESTONE

A clear view of which buyer cohort applies

Build the evidence

Months 3-9

- Construct the comparable set you will argue from and name every constituent.
- Model the impact of the October 2026 Australian caps and the US interchange settlement on your own economics.
- Close the disclosure gaps a diligence process will find, starting with safeguarding and licensing.
- Establish which regulated permissions the business holds and what they would cost a buyer to build.

KEY MILESTONE

A defensible comp set and a clean data room

Test the buyer universe

Months 9-15

- Map operating incumbents and sponsor-owned platforms onto one list rather than two.
- Establish which acquirers have bought this capability before, and how recently.
- Understand each acquirer's own multiple, because it constrains any stock consideration.
- Build tension across functions, since payments buyers rarely compete inside one.

KEY MILESTONE

A buyer list built on precedent

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Payments M&A Activity Outlook

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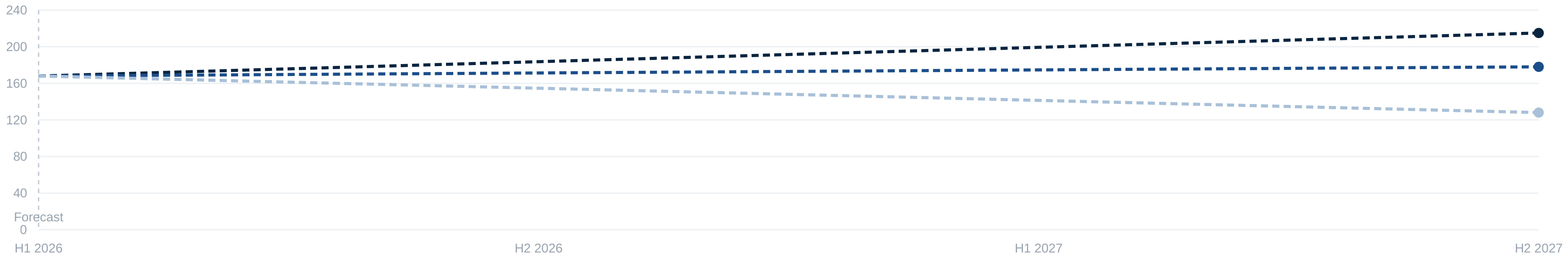
Half-yearly payments deal count. The first-half 2026 figure of 168 transactions is KPMG's; the forward paths are the firm's view of what follows from current conditions.



Bull
215 deals

Key Drivers

- Fiserv's portfolio review releases scaled assets into a competitive process.
- The interchange settlement receives final approval in November and removes an overhang.
- Direct lenders keep underwriting recurring software bases at current spreads.

CAPABILITY ASSETS SHOULD MOVE WHILE INCUMBENT URGENCY AND SPONSOR FINANCING ARE BOTH AVAILABLE.

Base
178 deals

Key Drivers

- Perimeter capability purchases continue at the current cadence.
- Bank and corporate carve-outs remain the main source of scaled supply.
- Rates hold, so financing cost neither helps nor blocks the sponsor bid.

MATCH THE PROCESS TO THE SIDE OF THE PERIMETER THE BUSINESS SITS ON. EVIDENCE AND BUYER PRECEDENT DECIDE THE OUTCOME.

Bear
128 deals

Key Drivers

- Interchange caps in Australia and the United States compress acquirer earnings and slow the sponsor bid.
- Integration of Worldpay and Issuer Solutions absorbs the largest buyers for longer.
- Financing spreads widen and leverage on processing bases becomes harder to place.

THE PERIMETER IS THE MORE DURABLE HALF IN THIS CASE, BECAUSE CAPABILITY PURCHASES ARE FUNDED FROM CASH RATHER THAN DEBT.

Sources: KPMG International; McKinsey & Company; company results and filings. See appendix.

Emerging Buyer Trends

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What changed in payments deal-making in the eight weeks to 25 August 2026.

Banks sold payments and bought payment software

Bank of Montreal and Royal Bank of Canada released Canada's largest acquiring base while keeping the distribution. In the same window FinWise bought a card operating system and Citigroup bought a commerce media engine.

One sponsor set the pace of the quarter

Francisco Partners agreed to buy Moneris, take Weave private and, through OEConnection, acquire Corpay's UK vehicle payments unit, all inside fourteen days: three of thirteen transactions.

Stablecoin settlement entered the stack as a feature

Visa reported a $7 billion annualised settlement run rate across nine chains in April and Mastercard extended settlement to stablecoins in June. Nium bought Cypher and Payward carved wallet infrastructure out of Magic Labs.

3	9	13
FRANCISCO PARTNERS DEALS	CHAINS IN VISA SETTLEMENT	TRANSACTIONS IN THE QUARTER

Licences as assets

StoneX bought a Brazilian foreign exchange bank charter.

Sponsor exits

Permira and Windjammer both sold to operators.

Unattended payments

Parking and kiosks drew two transactions.

Regulatory clocks

October 2026 in Australia, November in the UK.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Case Study: Seven Days in August

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Visa bought BioCatch on 3 August and Francisco Partners bought Moneris on 10 August. The two transactions are The Perimeter Trade in a single week.

The network bought intelligence

Visa agreed to pay **$2.4 billion** in cash for BioCatch, acquired from funds advised by Permira and other shareholders. BioCatch reads behavioural and device signals to separate legitimate users from fraudsters, covering 1.8 billion devices and 760 million users on Visa's own numbers.

- The capability lands in the value-added services line.
- That line grew 17% at Visa and 20% at Mastercard.
- It carries no interchange exposure and no settlement risk.
- Visa paid cash from operating cash flow, not debt.

The sponsor bought the base

Seven days later Francisco Partners agreed to acquire Moneris for approximately **C$2.0 billion** in cash, with Bank of Montreal and Royal Bank of Canada each releasing 50% while keeping exclusive long-term referral agreements.

- Moneris spans more than 325,000 points of commerce.
- BMO guided to an after-tax gain of about $600 million.
- Closing is expected by the end of the first fiscal quarter of 2027.
- Retail Payment Activities Act and competition clearances apply.

The read for a founder

Two buyers, two pricing logics

Visa priced a capability against the cost of building it in time. Francisco Partners priced a base against the cash it throws off and the debt it will carry.

The seller determines the process

A venture and sponsor-backed specialist runs a capability process. A bank joint venture runs a carve-out to a board calendar. They are not the same sale.

Distribution can be retained

BMO and RBC sold the economics and kept the customer relationship. A seller who can separate the two has more to negotiate with than one who cannot.

Sources: company announcements, SEC filings and exchange releases, July and August 2026. See appendix.

Sources

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Third-party institutions and primary filings whose data appears in this deck. House computation is separated from third-party figures throughout.

Institution	Report / Source	Date
Visa Inc.	*Fiscal third quarter 2026 results, Form 10-Q and the agreement to acquire BioCatch*	2026-08
Mastercard Incorporated	*Second quarter 2026 results and Form 10-Q*	2026-07
PayPal Holdings	*Second quarter 2026 results*	2026-07
Bank of Montreal	*Announcement of the sale of Moneris to Francisco Partners*	2026-08
Weave Communications	*Agreement to be acquired by Francisco Partners*	2026-08
Nayax Ltd.	*Agreement to acquire IPS Group from Windjammer Capital*	2026-08
Corpay, Inc.	*Agreement to sell epyx, r2c Online and Business Gateway*	2026-08
Citigroup Inc.	*Acquisition of Kard Financial by US Consumer Cards*	2026-08
Fiserv, Inc.	*Second quarter 2026 results and guidance revision*	2026-08
Global Payments Inc. and FIS	*Completion of the Worldpay and Issuer Solutions transactions*	2026-01
Adyen N.V., Worldline and Nexi S.p.A.	*First half 2026 results*	2026-08
dLocal, Payoneer and Toast	*Second quarter 2026 results and disclosed take rates*	2026-08

Methodology

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How every figure in this deck was produced. Published so the analysis can be reproduced or disputed.

Institution	Report / Source	Date
Federal Reserve Board	*FOMC statements and FEDS Notes on private credit*	2026-08
Reserve Bank of Australia	*Merchant card payment costs conclusions paper*	2026-03
UK Payment Systems Regulator	*PS26/1, card scheme and processing fees*	2026-07
Financial Conduct Authority	*PS25/12, safeguarding regime*	2026-05
Bank for International Settlements	*Annual Economic Report 2026*	2026-06
KPMG International	*Pulse of Fintech H1 2026*	2026-08

METHOD

How the quarter was assembled

Each of the thirteen transactions announced between 1 July and 25 August 2026 is confirmed against a company announcement, an SEC filing or an exchange release, and every consideration figure is the acquirer's own. Q3 2026 is a partial quarter and is labelled as one throughout.

The index and its deduplication

Acquirer identity, type mix and repeat buyer counts are computed from the Windsor Drake Exit Index, queried live on 25 August 2026, which returned 528 rows. Rows matching on normalised acquirer and target names within a sixty day window collapse to the earliest announcement, removing 22 duplicate rows and giving 506 unique transactions, of which 130 sit in the payments perimeter.

Derived figures

One multiple here is computed rather than published. Nayax's $350 million consideration for IPS Group against 2026 revenue above $90 million, stated in the same announcement, gives approximately 3.9 times revenue, labelled as the firm's computation wherever it appears.

The Perimeter Trade

A Windsor Drake framework. Transactions are assigned to the perimeter or the base according to whether the buyer acquired a capability surrounding the transaction or an installed base that processes it, taken from each acquirer's stated rationale.

Windsor Drake

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Sell-side M&A advisory

Windsor Drake advises founders on sale processes, typically $5 million to $300 million in enterprise value.

- Sell-side mandates only.
- Fintech, software, cybersecurity and AI.
- Process control, not listings.
- Buyer lists ranked by demonstrated appetite.

The Exit Index

A proprietary record of technology and fintech M&A, used to build buyer lists grounded in precedent.

- 506 unique transactions as at 25 August 2026.
- 130 of them in payments, across 117 distinct acquirers.
- Acquirer type, sub-sector and structure on every record.
- Built continuously, not purchased.

How this research is produced

Every transaction in this deck is confirmed against a filing or a company announcement, and every third-party figure carries an institution and a date.

- No licensed vendor multiples.
- No fabricated numbers, in any document we produce.
- Deduplication basis and partial-quarter basis published.
- Derived figures labelled as the firm's computation.

Related research

This page covers activity. Pricing, attach economics and processing spreads are covered separately.

- Payments Valuations: Q3 2026, The Closed Loop Premium.
- Embedded Payments 2026, The Attach Ladder.
- The PayFac Economy 2026, The Spread Stack.
- For a confidential valuation discussion on a specific business, contact the firm at windsordrake.com.