WINDSOR DRAKE

The PayFac Economy: 2026 Report

AUGUST 2026

Windsor Drake · Market Intelligence

Executive Summary: The Spread Stack

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One transaction, four owners, four different definitions of revenue.

The Stack, and the Spread at Each Layer

A single card payment is sold four times before it settles. The network sets the rules, the acquirer carries the bank rails, the facilitator carries the registration and the risk, and the software platform owns the merchant. Each keeps a spread.

- Global Payments' own worked example: on a **$100** transaction at a **2%** merchant discount, **$1.50** is interchange and **$0.50** is its revenue.
- Toast charges **258 bps** of the volume it processes; Adyen keeps **16.2 bps** of the volume it processes.
- Square keeps **159 bps** as gross profit; Marqeta keeps **10.1 bps**.
- Position in the stack, not scale, sets the spread.

Revenue Is the Wrong Denominator

Whether interchange sits inside revenue or outside it is an accounting election, and it moves the reported top line by a factor of three on identical economics.

- Network fees were **52.6%** of Shift4's FY2025 gross revenue and **51.8%** in Q2 2026.
- Interchange and network cost was **77.2%** of Toast's FY2025 financial technology revenue.
- Global Payments, Fiserv, PAR and Priority report acquiring revenue net; Toast, Shift4, Block, Shopify and Lightspeed report it gross.
- Gross margin across the comparable set runs from **27%** to **100%**.

What the Two Denominators Pay

Windsor Drake computes the comparable set on both bases. The median moves, and so does the ranking.

- Composite EV/Revenue median **2.6x**, interquartile **1.6x to 3.8x**.
- Composite EV/Gross Profit median **4.7x**, interquartile **3.1x to 8.4x**.
- Toast clears **2.7x** on revenue and **10.3x** on gross profit.
- Five constituents move three or more places between the two rankings.

Buyers Are Strategic and They Are Active

Payment facilitation is bought by operators, not by sponsors, and the 2026 cohort is the busiest in the Windsor Drake Exit Index.

- Strategic acquirers take **91%** of the payments cohort in the index.
- Nuvei agreed to acquire Payoneer for about **$2.75B** in June 2026.
- Francisco Partners agreed to buy Moneris from BMO and RBC for about **C$2.0B** in August 2026.
- Adyen made the first two acquisitions in its history in 2026, at **€750M** and **$335M**.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Key Takeaways for Payment Facilitation Founders

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1. Know Which Layer of the Stack You Sell Into

The Spread Stack sets the valuation band before any negotiation opens. Software platforms that own the merchant contract, facilitators that own registration and risk, and processors that own the bank rails are priced on different logic.

- Layer medians on gross profit: software **5.0x**, facilitation **3.4x**, processing and acquiring **5.6x**.
- The networks sit above all three at a **15.2x** median, on economics no facilitator can replicate.

2. Fix the Denominator Before a Buyer Fixes It For You

A payment facilitator reporting gross of interchange looks cheap on revenue and expensive on gross profit. A buyer will quote whichever basis is convenient.

- Toast ranks eighth of seventeen on revenue and third on gross profit.
- Repay ranks fifth on revenue and eleventh on gross profit, on the same closing prices.

3. The Registration Threshold Is a Structural Ceiling

Visa Rule 5.3.1.4 requires the acquirer to contract directly with any sponsored merchant above USD 1 million in annual Visa volume, within two years for merchants that grow across it.

- The carve-outs turn on a two-year acquirer relationship with regular volume, dispute and fraud reporting.
- A facilitator whose largest merchants cross the line is selling a book its acquirer already co-owns.

4. Interchange Reprices in 2026, and the Spread Moves With It

Visa and Mastercard each filed an 8-K on 10 November 2025 committing to a 10 basis point reduction in the US average effective credit interchange rate for five years, with standard consumer credit posted rates capped at 125 basis points.

- Preliminary approval was granted on 9 June 2026 in the Eastern District of New York; the final approval hearing is 16 November 2026.
- Gross reporters carry the reduction through revenue; net reporters do not.

5. Float Income Is Rolling Off

Interest on customer and merchant balances was 46% of global payments revenue in 2024 (McKinsey), and 175 basis points of cuts were delivered between September 2024 and December 2025.

- Interest on customer balances was **19.0%** of Payoneer's Q2 2026 revenue.
- Fiserv discloses that a 1% fall in market rates reduces its annual interest income by about **$36M**.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Founder FAQs

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01 What multiple does a payment facilitator sell for in 2026?

Windsor Drake's public comparable set carries a median 2.6x EV/Revenue and a median 4.7x EV/Gross Profit at the 20 August 2026 close, with an interquartile band of 1.6x to 3.8x on revenue. Which of the two applies to a given business depends on whether it reports interchange inside revenue or outside it.

02 Why do payfac revenue multiples vary so much?

Because reported revenue means different things across the set: network fees were 52.6% of Shift4's FY2025 gross revenue while Global Payments excludes interchange from revenue entirely. Gross margin across the seventeen constituents runs from 27% to 100%, and the revenue multiple inherits that spread before any judgement about quality is made.

03 Is becoming a payment facilitator worth it?

Bain's published ladder puts an owned payment facilitator at 60 to 100 basis points of net take against 10 to 40 basis points for a retail ISO arrangement, against upfront build costs of roughly $200,000 to $800,000 for a payfac-alternative model and $1M to $3M for a rental model. The filings bear the range out: Shift4 retained 102.3 basis points of volume in Q2 2026 and Priority retained 88.7 basis points across FY2025.

04 What happens when a sub-merchant grows past the network threshold?

Visa Rule 5.3.1.4 requires the acquirer to enter a direct merchant agreement with any sponsored merchant exceeding USD 1 million in annual Visa transaction volume, before processing for a new merchant or within two years for an existing one. Carve-outs exist for facilitators with a two-year acquirer relationship and regular reporting, and for seventeen listed merchant category codes.

05 Who buys payment facilitators?

Strategic operators, overwhelmingly: strategic acquirers account for 91% of the payments cohort in the Windsor Drake Exit Index. The 2026 evidence runs the same way, from Nuvei's agreement to acquire Payoneer to Adyen making the first two acquisitions in its corporate history.

06 How much does regulation move the value of a payfac?

Enough to be a diligence line rather than a footnote. The FCA's supplementary safeguarding regime commenced on 7 May 2026 with daily internal and external reconciliation, a monthly regulatory return and an annual safeguarding audit, and the Reserve Bank of India's payment aggregator directions of 15 September 2025 require Rs 25 crore of net worth by the third year of operation.

07 Is the exit window open?

Payments funding narrowed while payments M&A did not: KPMG recorded $19.2B of payments investment across 542 deals in 2025, and CB Insights counted four fintech IPOs in Q2 2026. Strategic acquisition has carried the activity through, and the transactions announced in 2026 have been larger and more concentrated than in either of the two prior years.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Valuation Landscape: One Sector, Seventeen Answers

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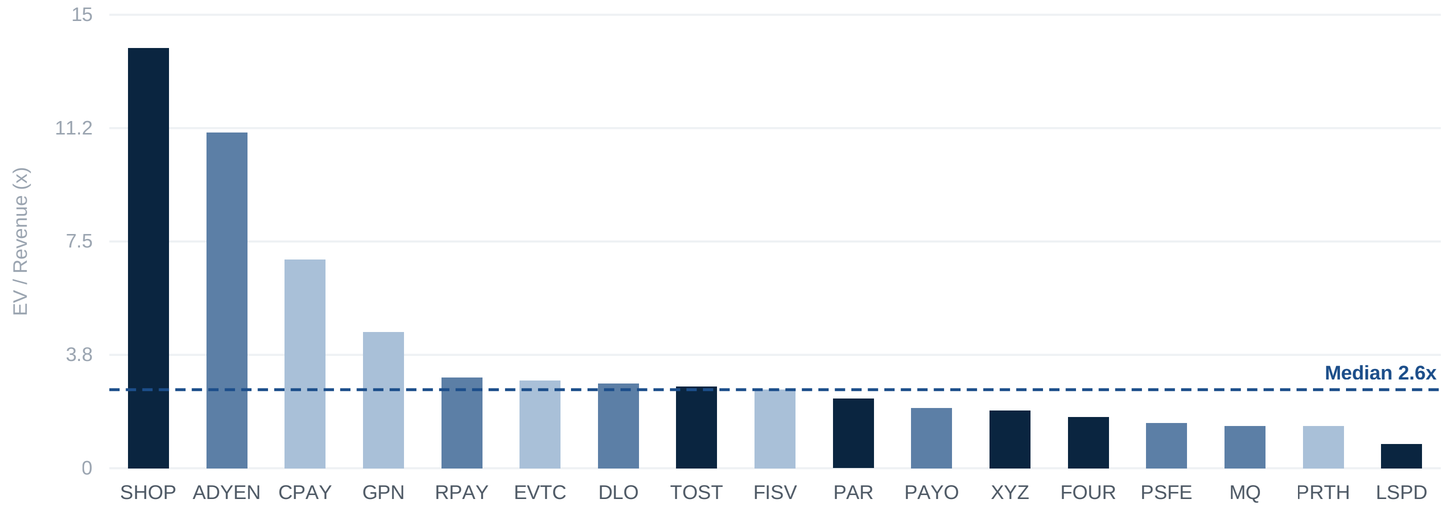
EV/Revenue across the payment facilitation comparable set, 20 August 2026 close.

EV / Revenue by constituent (17 listed constituents)



COMPOSITE MEDIAN

2.6x

EV/Revenue at the 20 August 2026 close.

INTERQUARTILE BAND

1.6x to 3.8x

The middle half spans a **2.4x** width.

FULL RANGE

0.8x to 13.9x

Lightspeed to Shopify, same day. Gross margin across the same constituents runs from **27%** to **100%**.

Read the Spread, Not the Composite

The composite is arithmetic on seventeen businesses that do not define revenue the same way.

Navy: software platforms. Mid blue: facilitators and payment service providers. Pale blue: processors and acquirers.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Exit Valuation Multiples by Layer of the Stack

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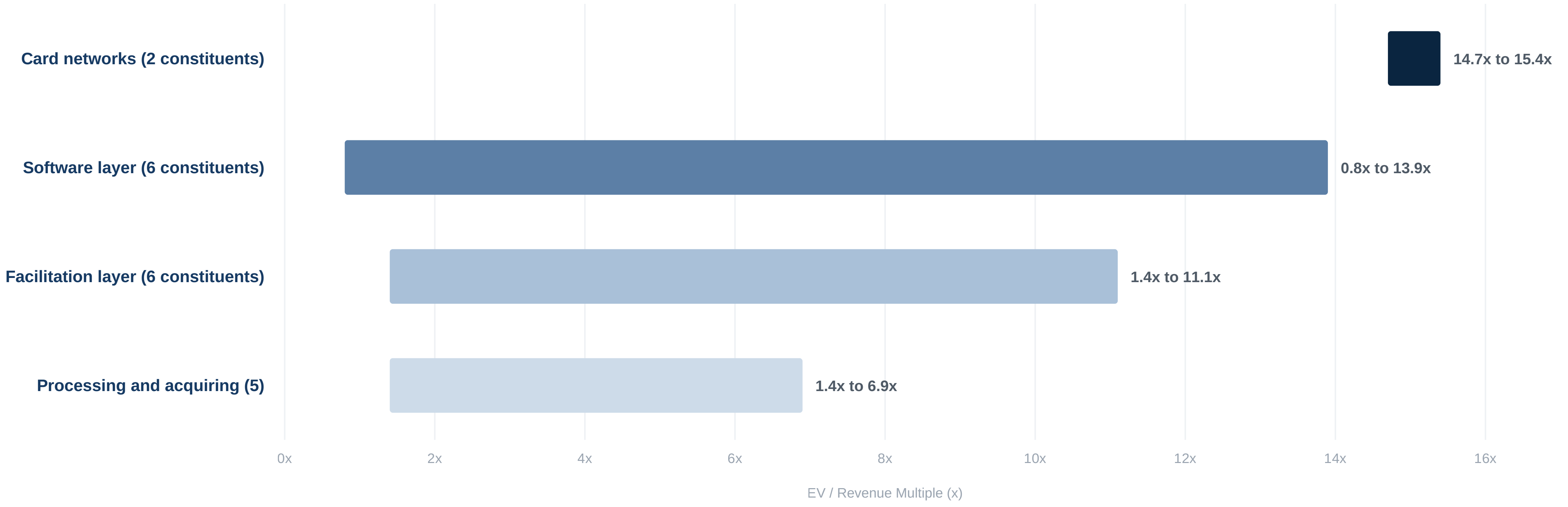
EV/Revenue ranges within each layer, 20 August 2026 close.



LAYER MEDIANS, AND WHAT THEY ACTUALLY SAY

Median EV/Revenue is **2.1x** in the software layer, **2.4x** in the facilitation layer and **2.9x** in processing and acquiring. On revenue alone the software layer looks the cheapest of the three, which inverts the way the market talks about it. The inversion is an artefact of the denominator: Toast, Shift4, Block, Shopify and Lightspeed all report interchange inside revenue, while Global Payments, Fiserv, PAR and Priority report acquiring revenue net of it. The card networks sit above all three layers at a 15.0x median on economics no facilitator can replicate, because interchange was never their revenue in the first place. On gross profit the order of the three working layers reverses, and the next slide shows by how much.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Same Companies, Two Denominators

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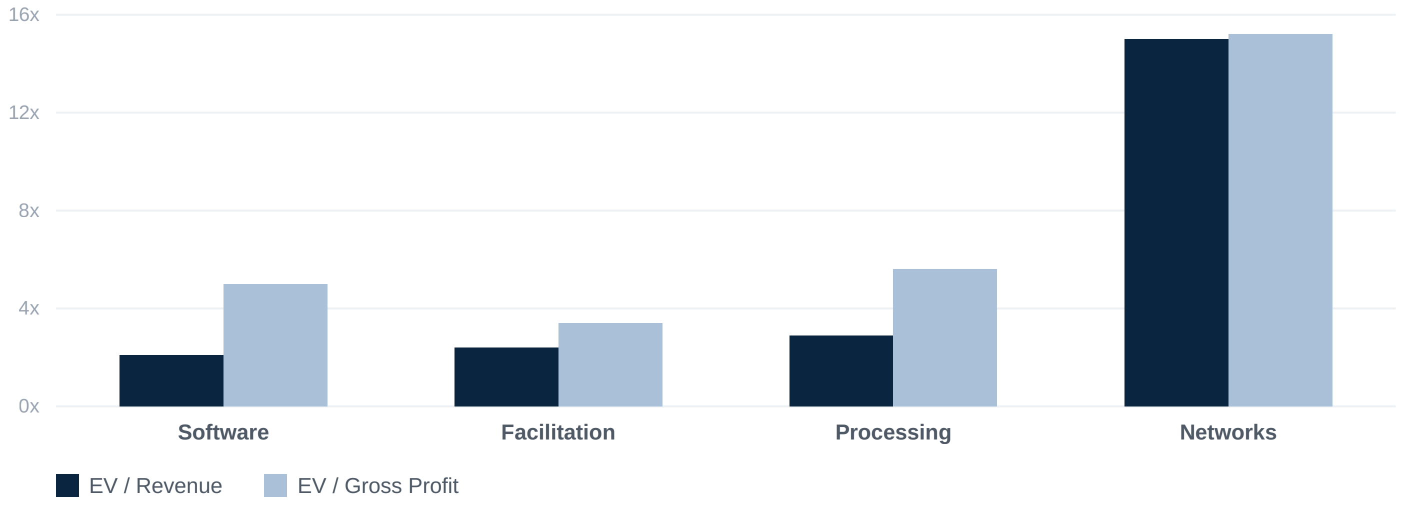
Layer medians on reported revenue and on gross profit, 20 August 2026 close.

Median EV / Revenue against median EV / Gross Profit, by layer



SOFTWARE LAYER

2.1x to 5.0x

Rises **2.4 times** when interchange leaves the denominator.

PROCESSING LAYER

2.9x to 5.6x

A smaller move; these report net already.

FACILITATION AND NETWORKS

3.4x and 15.2x

The two smallest moves in the set. Interchange was never the networks' revenue.

The Test That Settles It

The gap between a company's two multiples reads directly on how much interchange it routes through its own accounts.

Constituents by layer: software 6, facilitation 6, processing and acquiring 5, networks 2.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Reclassification: Who Moves When the Basis Changes

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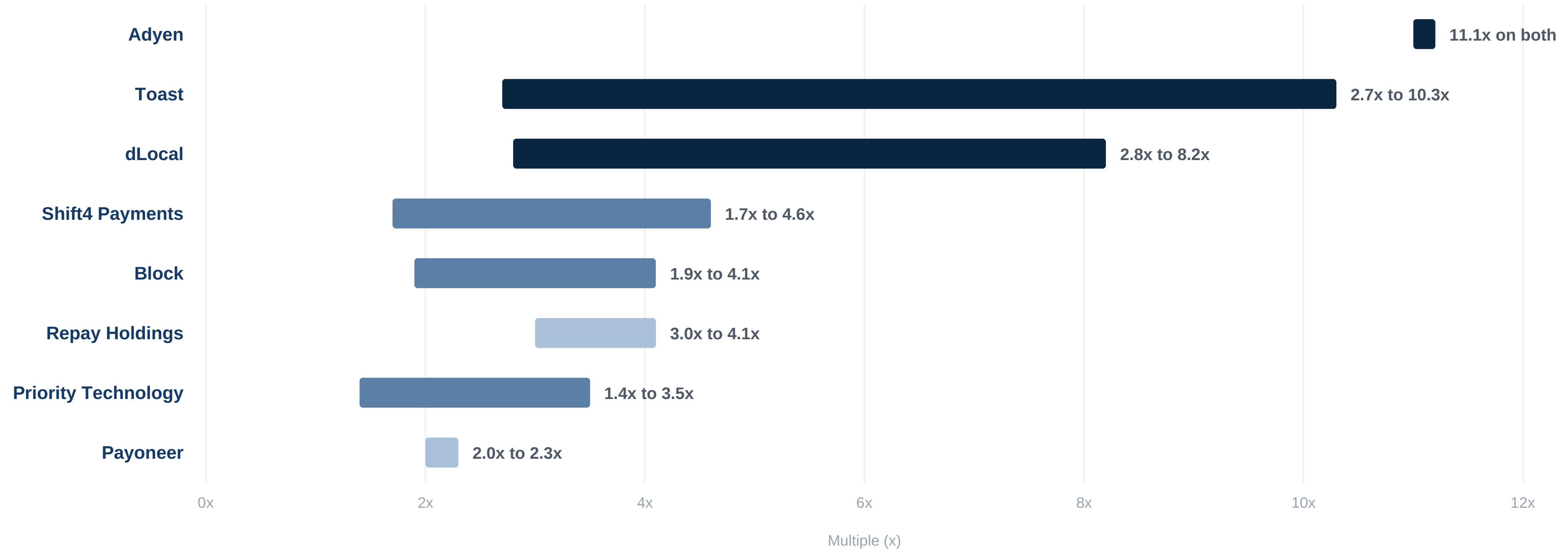
Each bar runs from the constituent's EV/Revenue to its EV/Gross Profit, 20 August 2026 close.



RANK IS NOT STABLE ACROSS THE TWO BASES

Five of the seventeen constituents move three or more places between the revenue ranking and the gross profit ranking, and the largest single move is six places. Toast rises from eighth to third; Repay falls from fifth to eleventh. Adyen does not move at all, because it reports no cost of revenue line: its net revenue is already the spread it keeps, so the two bases coincide. The pattern is consistent across the set. Every constituent that rises on gross profit reports interchange inside revenue, and every constituent that falls reports it outside. A seller quoting one basis to a buyer who is modelling the other is negotiating against a number that has already moved.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Software Layer: Owning the Merchant Contract

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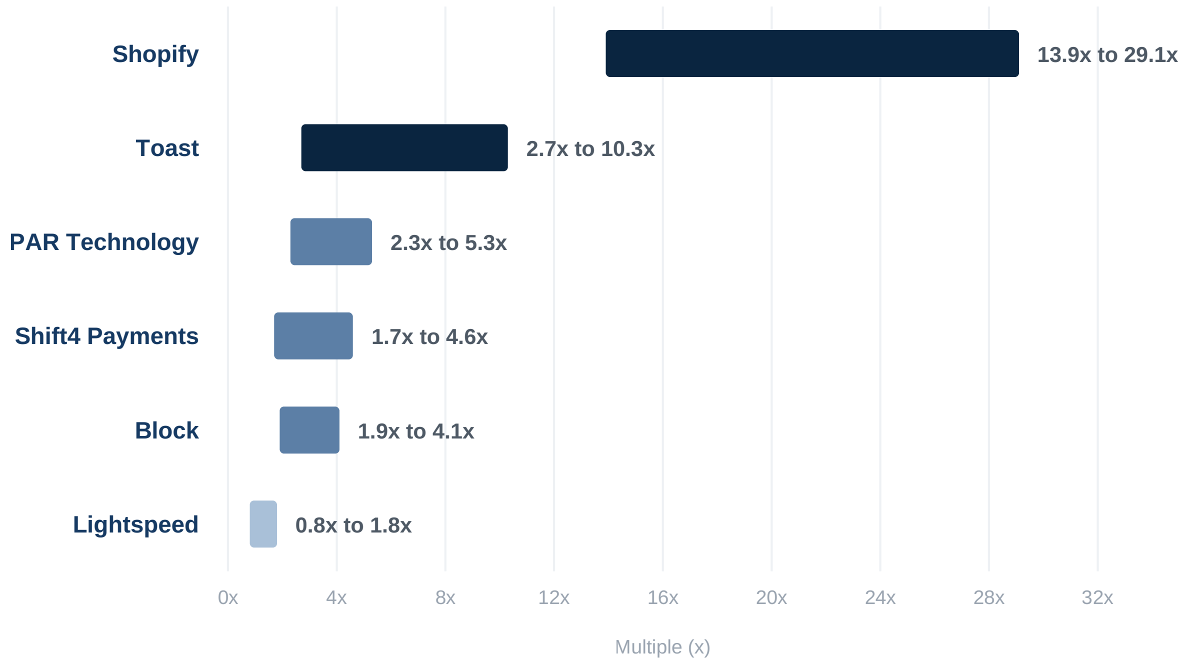
Six listed platforms that sell software first and payments through it.

EV / Revenue to EV / Gross Profit, by constituent



KEY OBSERVATION

This layer carries the widest dispersion in the set on both bases. The distance between Shopify and Lightspeed is not a payments judgement; it is a software judgement expressed through a payments denominator.

Valuation Drivers

Attach Rate Is the Operating Metric

Shopify Payments reached 68% penetration of Shopify's gross merchandise volume in Q2 2026, against 64% a year earlier. Lightspeed's processed volume reached 44% of gross transaction volume in the quarter ended 30 June 2026, from 40%. Penetration, not merchant count, is what compounds the payments line.

Revenue Mix Sets the Gross Margin

Financial technology solutions were 82% of Toast's FY2025 revenue and carried a 77.2% cost of revenue, which is why a platform growing payments fastest reports the thinnest gross margin in the comparable set at 27%. The margin is a mix statement, not a quality statement.

Gateway Conversion Is the Stated Thesis

Shift4 tells its investors that gateway-only merchants adopting end-to-end processing raise revenue per merchant because end-to-end fees are significantly higher than per-transaction gateway fees. That conversion path is the single clearest driver of net revenue in this layer.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Facilitation Layer: Owning Registration and Risk

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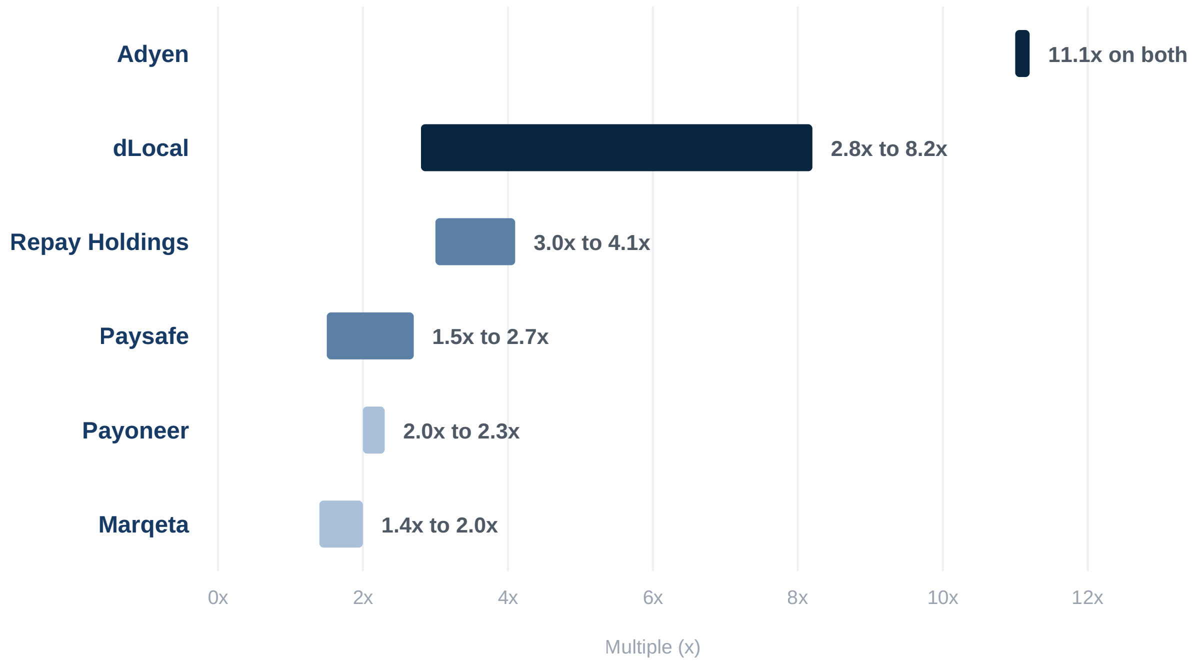
Six listed facilitators and payment service providers that carry the network registration and the merchant underwriting.

EV / Revenue to EV / Gross Profit, by constituent



KEY OBSERVATION

Adyen is the only constituent in the comparable set whose two multiples are identical, because it reports no cost of revenue line at all. Its reported revenue is already the spread. That is the cleanest disclosure in the sector and it earns the highest multiple in the layer by a wide margin.

Valuation Drivers

Volume Growth at a Falling Take Rate

Adyen processed €803.8B in H1 2026, up 24%, on net revenue of €1,302.9m, up 19%. Management attributes the gap to existing merchants moving into lower pricing tiers as they scale. Volume compounds faster than revenue by design in this layer.

Platforms Is the Fastest Pillar

Adyen's Platforms pillar grew 35% in Q1 2026 against 9% for its Digital pillar and 24% for Unified Commerce. Serving other people's software platforms is now the fastest growing line inside the largest listed facilitator in the world.

Float Income Is a Distinct Revenue Line

Interest on customer balances was $52.1m in Q2 2026 at Payoneer, 19.0% of revenue, against customer funds of $7.7B. The Federal Reserve has held the target range at 3.50% to 3.75% since December 2025, so this line no longer contributes growth.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Processing and Acquiring Layer: Owning the Bank Rails

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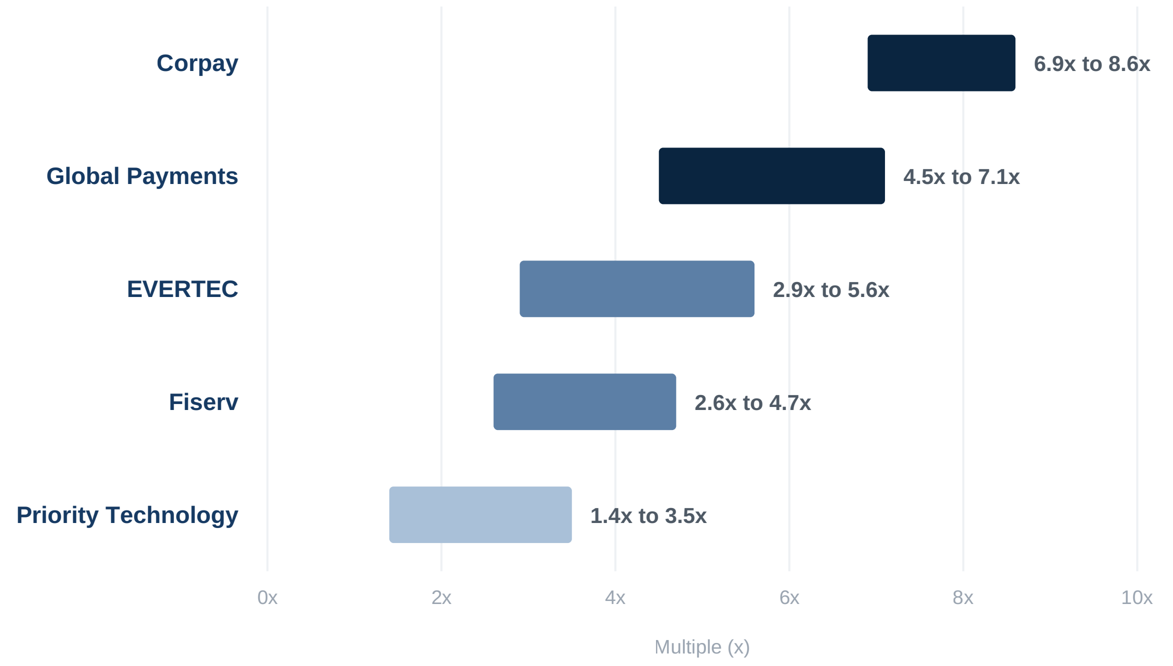
Five listed processors and acquirers that carry sponsorship, settlement and the network connections underneath everyone else.

EV / Revenue to EV / Gross Profit, by constituent



KEY OBSERVATION

This layer holds the highest median EV/Gross Profit of the three at 5.6x, on the lowest growth. The market is paying for settled cash flow and network position rather than for expansion, and Corpay at 8.6x shows what a differentiated cross-border franchise adds on top of it.

Valuation Drivers

Consolidation Has Already Happened

Global Payments closed the Worldpay acquisition and the Issuer Solutions divestiture on the same day, 12 January 2026, at a $24.25B and a $13.5B enterprise valuation respectively. The combined business carries about six million merchant locations and $3.7T of annual payment volume.

The Core Is Not Growing

Fiserv reported adjusted revenue down 4% in Q2 2026 with Merchant Solutions organic revenue down 1%, and adjusted operating margin of 31.8% against 39.6% a year earlier. BCG projects North American non-transaction payments revenue growth falling to 2% a year from 14% over the prior five years.

Residuals Are the Hidden Cost Line

Priority paid $457.5m of residual commissions to ISOs, ISVs and agents against $642.1m of merchant solutions revenue in FY2025. Distribution economics in this layer are contractual and largely fixed, which is what compresses the reported gross margin to 39%.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

The Take Rate Ladder: What Each Layer Keeps

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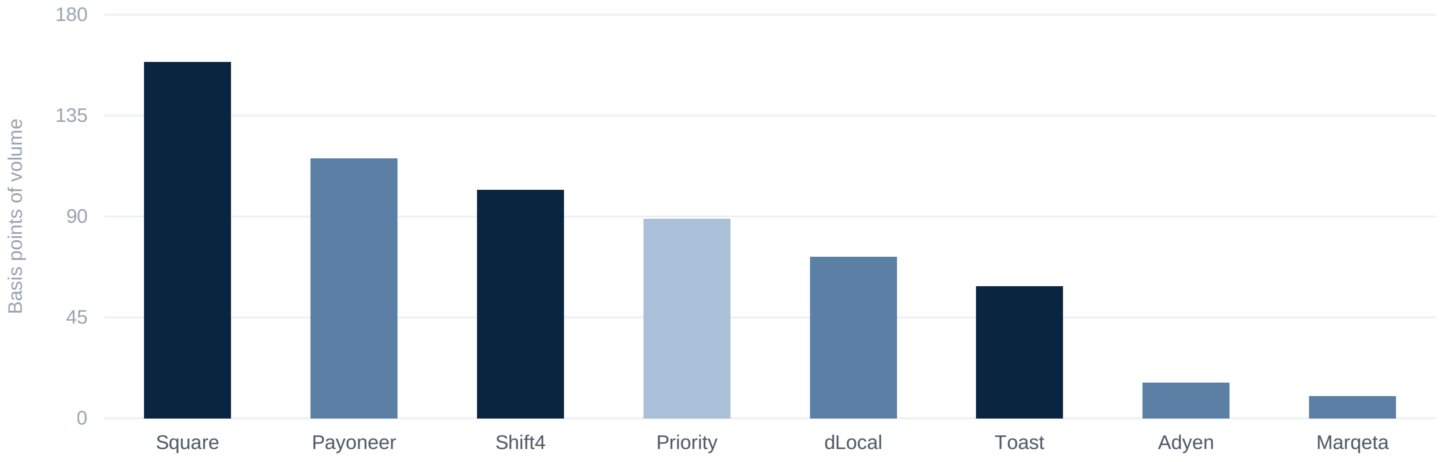
Basis points of processed volume retained as revenue or gross profit, most recent reported period.

Retained spread on processed volume, basis points



CHARGED TO THE MERCHANT

190 to 258 bps

Toast **258**, dLocal **226**, Shift4 **200** and Lightspeed **190**, before pass-through.

RETAINED AFTER PASS-THROUGH

10 to 159 bps

The same transactions, net of interchange.

BAIN'S PUBLISHED LADDER

60 to 100 bps

An owned payfac, against **10 to 40 bps** for a retail ISO, on a build cost of **$0.2M to $3M**.

The Ladder Is the Framework

Adyen keeps 16 basis points of an enormous flow. Square keeps ten times that on a far smaller one.

Square, dLocal and Marqeta on gross profit; Shift4 on gross revenue less network fees; Toast, Payoneer, Priority and Adyen on the company-reported net figure.

Sources: company Form 10-K, Form 10-Q and half-year filings as cited. See appendix.

Comparable Transaction Analysis: What the Parties Publish

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Disclosed terms from the 2025 and 2026 payment facilitation cohort, attributed to the party that disclosed them.

Read the Denominator Before the Multiple

A published transaction multiple is a claim about a denominator. FIS described its sale of a 45% Worldpay stake for $6.6B at approximately 10.5x expected 2025 EBITDA. Worldline described its disposal of Mobility and e-Transactional Services at approximately 11x pro-forma standalone adjusted operating income for 2024, on a €400m enterprise value. The two numbers are close and the bases are not comparable.

Where Terms Are Published, They Are Published in Full

REPAY acquired KUBRA for approximately $372m in cash in March 2026 and disclosed KUBRA's 2025 revenue of approximately $239m and adjusted EBITDA of approximately $49m in the same release, alongside $15m of run-rate cost synergies. That level of disclosure is what allows a seller to position against a real comparable rather than a rumoured one.

91%	$2.75B	C$2.0B
STRATEGIC SHARE OF PAYMENTS COHORT	NUVEI AGREEMENT FOR PAYONEER	FRANCISCO PARTNERS FOR MONERIS

Windsor Drake Exit Index

The firm's proprietary transaction index holds 511 records across fintech, of which 140 sit in the payments cohort. Strategic acquirers account for 91% of that cohort, financial sponsors 6% and sponsor-backed strategics 3%. Payment facilitation is bought by operators.

Repeat Buyers

Stripe is the most frequent acquirer in the payments cohort, ahead of Visa, Nuvei, Fiserv and Bill. Repeat buyers matter because a second acquisition in a category is faster, better priced and less likely to break than a first.

2026 Is the Busiest Year on Record

The payments cohort in the index records more transactions announced in 2026 to date than in any prior full year, ahead of 2021 and 2022. The composition has also changed: fewer, larger transactions with named strategic buyers.

Confidence Grading

Every record in the index carries a confidence grade of Verified, Reported or Estimated. Reported transactions are identified as such throughout this report and no rumoured transaction is presented as agreed.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

What Network Registration Actually Obliges

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Visa Core Rules and Product and Service Rules, 18 April 2026 edition; Mastercard Rules, 2 June 2026 edition.

The USD 1 Million Threshold

RULE 5.3.1.4

The ceiling on how large a sub-merchant a facilitator may hold on its own paper.

- An acquirer must enter a direct merchant agreement with any sponsored merchant exceeding **USD 1 million** in annual Visa volume.
- Before processing for a new merchant, or within **two years** for an existing merchant that grows across the line.
- Carve-out one: a **two-year** facilitator relationship with the same acquirer, plus regular volume, dispute and fraud reporting.
- Carve-out two: **seventeen** listed merchant category codes, including healthcare, education, government and utilities.

The Acquirer Carries the Liability

RULE 5.3.1.2

A sponsored merchant is treated as a merchant of the facilitator's acquirer, and the acquirer is liable for it.

- Liability extends to all acts, omissions and adverse conditions caused by the facilitator and its sponsored merchants.
- It includes legal costs, settlement obligations and funds disbursement.
- Registration and a due diligence attestation must be **confirmed by Visa** before any transaction is submitted.
- This is why acquirer consent is a live diligence item in every facilitator sale.

No Facilitator of Facilitators

UPDATED APRIL 2026

Rule 5.3.1.5 closes the chain at one level and was updated in the April 2026 edition.

- A payment facilitator must not contract with another payment facilitator, a staged digital wallet operator or a ramp provider.
- It may contract with marketplaces and business payment solution providers where the acquirer is party to the agreement.
- For marketplaces, at least **75%** of sellers must sit in the marketplace's own country.
- The April 2026 edition adds **Ramp Provider** and **Agentic Payment Enabler** as distinct registered categories.

The Cost of Getting It Wrong

ASSESSMENTS

Network non-compliance assessments are published, per month and per entity.

- **USD 25,000** per month per unregistered high integrity risk payment facilitator (Rule 12.3.1.1).
- **USD 100,000** per 30-day period after three violations in a calendar year.
- Marketplace non-compliance escalates from **USD 25,000** to **USD 250,000** across five monthly steps.
- The Visa Acquirer Monitoring Program excessive threshold for merchants fell from **220** to **150** basis points on 1 April 2026.

Sources: Visa Core Rules and Visa Product and Service Rules, 18 April 2026; Mastercard Rules, 2 June 2026. See appendix.

Interchange Reprices, and the Spread Moves With It

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The economics underneath every layer of the stack are being reset by settlement, by rulemaking and by litigation.

The US Settlement Terms

Visa and Mastercard each filed a Form 8-K on 10 November 2025 setting out an amended settlement of the US merchant interchange litigation.

- A **10 basis point** reduction in the US combined average effective credit interchange rate, held for **five years**.
- Standard consumer credit posted rates capped at **125 basis points**.
- Merchants may accept commercial, premium and standard consumer credit as **three categories**.
- Posted rates frozen at **31 March 2025** levels; surcharge cap raised to **3%**.

Where the Settlement Stands

Preliminary approval was granted on 9 June 2026 by Judge Brian Cogan in the Eastern District of New York, in MDL 05-md-01720.

- The equitable relief class covers approximately **12 million** merchants.
- Objections close **14 September 2026**; final approval is listed for **16 November 2026**.
- This follows the June 2024 rejection of the prior settlement.
- Court-appointed economists valued the terms at about **$38 billion** through 2031.

Debit Sits Under a Vacated Rule

The Regulation II interchange standard was vacated in the District of North Dakota on 6 August 2025, and the court stayed its own order pending appeal.

- The **21 cent plus 5 basis points plus 1 cent** cap applies while the stay holds.
- Eighth Circuit briefing completed with the Federal Reserve's reply on **23 March 2026**.
- The Federal Reserve's October 2023 proposal to cut the base component to **14.4 cents** is not final.
- The Credit Card Competition Act was reintroduced as S.3623 on **13 January 2026**.

Network Fees Are the Quiet Line

The Federal Reserve's biennial debit study, published 19 December 2025 on 2023 data, tracks the fee no merchant negotiates.

- Total network fees reached **$12.95 billion**, from $11.49 billion in 2021.
- Acquirers and merchants paid **64.9%** of all network fees, against **44.3%** in 2009.
- Average network fee per transaction was **12.9 cents**.
- Merchants absorbed **49.9%** of covered issuer fraud losses, against 38.3% in 2011.

Sources: named regulators and primary rulemaking documents as cited. See appendix.

The Regulatory Perimeter: Where a Facilitator Needs Permission

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Licensing and safeguarding across the markets a facilitator is most likely to operate in.

The Agent of Payee Exemption Is the Whole US Question

The CSBS Model Money Transmission Modernization Act, adopted in 34 states, exempts an agent of the payee where three conditions hold: a written agreement directing collection, the payee holding the agent out publicly, and the payor's obligation extinguished on receipt. A facilitator failing the third limb is a money transmitter in every state that has adopted the act.

Sponsor Bank Supervision Is Now Transaction Diligence

The OCC issued consent order AA-ENF-2025-21 against Community Federal Savings Bank on 24 April 2026, finding it had grown its payment processing line significantly relative to its size with deficient monitoring thresholds. A sponsor under an open order slows a process whatever the target's own standing.

34
US STATES ON THE MODEL ACT

7 May 2026
FCA SAFEGUARDING COMMENCEMENT

Rs 25 crore
RBI NET WORTH BY YEAR THREE

United Kingdom

FCA policy statement PS25/12 brought the supplementary safeguarding regime into force on 7 May 2026: daily internal and external reconciliation, a monthly return, an annual audit and a resolution pack.

European Union

PSD3 and the Payment Services Regulation reached political agreement on 27 November 2025, with e-money institutions to re-authorise as payment institutions. Payment institutions must receive instant payments by 9 April 2027.

India

The RBI Directions of 15 September 2025 consolidated online, physical and cross-border aggregation into three licence categories, with net worth rising to Rs 25 crore by year three.

Australia and Brazil

Australian Treasury's Tranche 1 draft of 12 March 2026 makes payment facilitation a licensed service with client money into trust by the next business day. BCB Rule 494/2025 required Brazilian applications in May 2026.

Sources: named regulators and primary rulemaking documents as cited. See appendix.

Strategic Acquirer Mapping

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Who is buying in payment facilitation, what they are paying for, and what they have done in the last eighteen months.

Buyer archetype	Appetite for facilitation assets	What sets their price	2025 and 2026 evidence
Scaled processors and acquirers	**Highest in the set** Buying distribution and software to defend a core growing at low single digits. Global Payments guides to net leverage of 3.0x within two years of closing Worldpay.	**Cash flow and synergy** Synergised EBITDA, with cost synergies published at announcement. Global Payments guided to $600m of run-rate cost synergies over three years.	**Active** Global Payments closed Worldpay in January 2026. Fiserv bought the facilitator Pinch Payments inside $856m of 2025 acquisitions.
Global facilitators and PSPs	**Newly active** Buying adjacent software rather than volume, for the first time at scale, and running it as a subsidiary rather than absorbing it.	**Fit over multiple** Capability and integration speed rather than a published multiple. Terms are disclosed as a headline price and nothing else.	**Active** Adyen acquired Talon.One at €750m and Orb at $335m, both closed 1 July 2026, funded from cash.
Vertical software platforms	**Selective** Payments capability that converts an installed base already under contract, and geographic reach for it.	**Attach economics** The uplift in revenue per location rather than the standalone processing volume. Attach rate is the underwriting metric.	**Active** Shift4 acquired Global Blue at a $2.5B enterprise value, Smartpay at NZ$296.4m and Givex at C$200m.
Financial sponsors	**Few and large** Few transactions, each substantial, aimed at carve-outs and public-to-private situations.	**Leverage and cash** Recurring cash generation and leverage capacity. Premiums to undisturbed price have run from 22% to 65%.	**Active** Francisco Partners agreed C$2.0B for Moneris. Thoma Bravo closed Olo at a 65% premium and TPG closed AvidXchange at $2.2B.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

What Earns a Premium Inside the Stack

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The four attributes that separate the top quartile of the comparable set from the bottom.

Owning the Merchant of Record

CONTRACT

The party that holds the merchant agreement sets the price and keeps the relationship when the processor changes.

- Shopify Payments reached **68%** of gross merchandise volume in Q2 2026, from 64%.
- Embedded payments carry a **2.5 times** lower attrition rate (BCG).
- Attach compounds without new customer acquisition, which is why it re-rates faster than volume growth.
- Integrated-payments SaaS took **36%** of US SME acquiring revenue in 2024, heading for **45%** by 2028 (BCG).

Clean Revenue Reporting

DISCLOSURE

A business whose reported revenue is already the spread does not have to argue about the denominator.

- Adyen carries the highest multiple in the facilitation layer and reports **no cost of revenue line** at all.
- Corpay and Payoneer carry gross margins of **81%** and **85%** and the smallest gaps between their two multiples.
- Gross reporters must bridge to a net figure at every stage, which shifts the burden of proof onto the seller.
- The two card networks, which never recognise interchange as revenue, clear a **15.0x** median on revenue and **15.2x** on gross profit.

Registration and Licence Position

PERMISSION

Permissions are slow to build and immediately valuable to a buyer that lacks them.

- Nuvei cited Payoneer's China and India licences as a principal rationale for a **$2.75B** agreement.
- Payoneer had already acquired a licensed China-based provider in April 2025 to secure that position.
- Marqeta acquired TransactPay for UK and EU programme management, doubling European volume.
- The RBI, FCA and Australian regimes raise the cost of entering late, and the value of already being inside.

Volume the Buyer Cannot Reach

DISTRIBUTION

Contractual, vertical or geographic distribution is harder to replicate than technology.

- US SME adoption of vertical software reached **59%** in 2024, from **50%** (BCG).
- More than half of relevant ISVs offered embedded payments in North America in 2025 (BCG).
- **70%** of platforms still treat payments as a utility rather than a growth line (EY-Parthenon).
- dLocal grew payment volume **92%** to **$17.7B** in Q2 2026 on markets a global acquirer cannot serve.

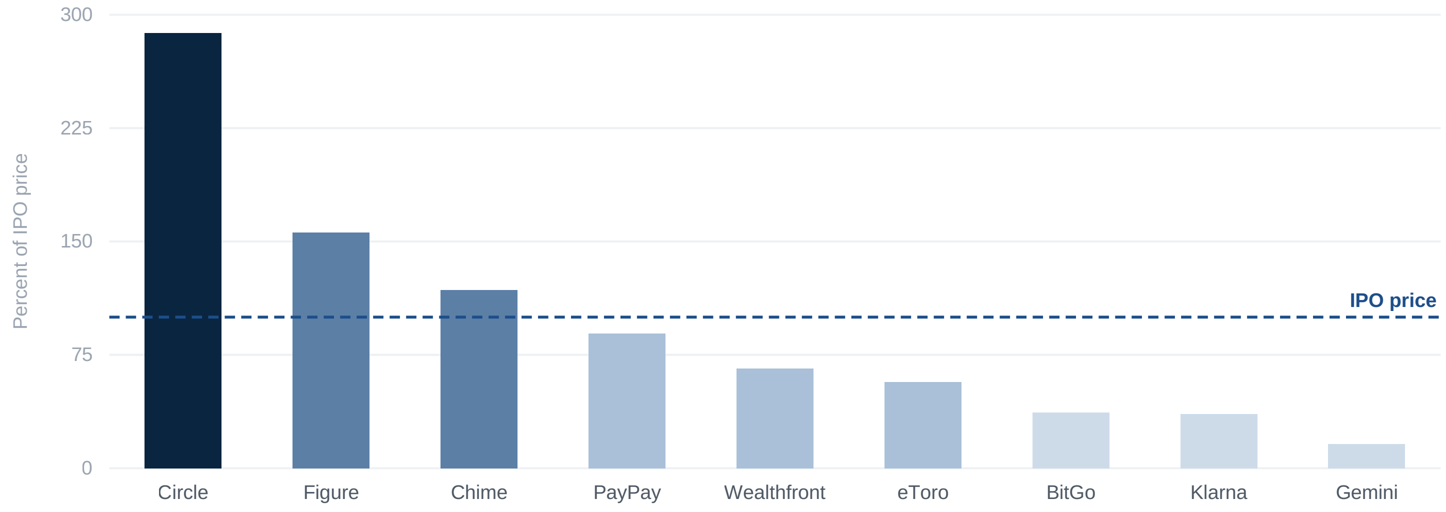
Sources: Boston Consulting Group; EY-Parthenon; company filings. See appendix.

The Listing Benchmark: What the 2025 and 2026 Cohort Did Next

WINDSOR DRAKE

Share price at 20 August 2026 as a percentage of IPO price, fintech and payments listings priced since May 2025.

Price at 20 August 2026 as a percentage of the IPO price



ABOVE ISSUE

Three of nine

Circle **288%**, Figure **156%**, Chime **118%**.

THE LISTING WINDOW

Four in Q2 2026

Fintech IPOs in the quarter, a four-year low (CB Insights).

PRIVATE MARKS

$159B and $12B

Stripe's February 2026 tender and Checkout.com's internal reset. SumUp deferred its London listing to 2027.

What It Means for a Private Facilitator

The listing route has narrowed and the dispersion inside it is wide.

Nine fintech and payments listings priced between May 2025 and March 2026, measured against their IPO price.

Sources: named regulators and primary rulemaking documents as cited. See appendix.

Timing the Exit: A 12 to 18 Month Roadmap

WINDSOR DRAKE

Sequencing a payment facilitation process against the regulatory and network calendar.

Fix the Denominator
Months 1 to 3

- Publish a bridge from gross revenue to revenue net of interchange and network fees, and hold it consistently.
- Compute retained spread in basis points of processed volume, by merchant cohort and by vertical.
- Separate float income from transaction income; the rate cycle has made the two behave differently.
- Establish the principal versus agent conclusion under ASC 606 in writing, per performance obligation.

KEY MILESTONE
One revenue definition a buyer cannot re-cut

Clear the Perimeter
Months 3 to 6

- Confirm network registration status and the due diligence attestation held by every sponsoring acquirer.
- Identify every sponsored merchant above USD 1 million of annual Visa volume and the contracting path for each.
- Document the agent of payee analysis state by state, and any money transmitter licences held.
- Complete safeguarding, reconciliation and audit obligations in each regulated market before a data room opens.

KEY MILESTONE
No open regulatory item at first buyer contact

Build the Comparable Set
Months 6 to 10

- Position against the layer of the stack the business actually occupies, not the one it aspires to.
- Assemble disclosed transaction terms and identify which denominator each buyer used.
- Map the strategic buyer universe by prior activity in the category rather than by size.
- Model the interchange settlement's effect on reported revenue under both bases.

KEY MILESTONE
A defended valuation range on both denominators

Run the Process
Months 10 to 18

- Approach strategic acquirers first: they take 91% of the payments cohort in the Windsor Drake Exit Index.
- Prioritise repeat buyers in the category, who move faster and price with more confidence.
- Hold acquirer consent and sponsor bank standing as scheduled conditions, not late surprises.
- Sequence antitrust and change of control filings early; recent payments transactions have cleared inside two months.

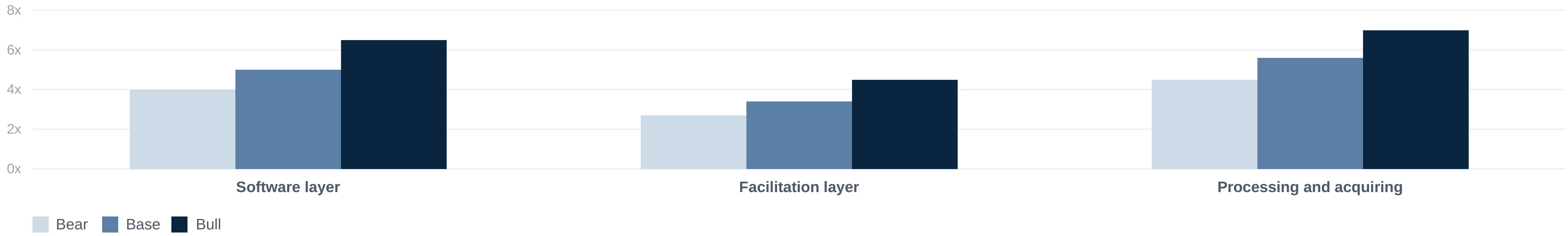
KEY MILESTONE
Signed terms with a named strategic buyer

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Valuation Forecast Scenarios: Twelve Months Forward

WINDSOR DRAKE

Windsor Drake's own view of layer median EV/Gross Profit, stated as the firm's forecast.



BEAR — 4.0x

Key Drivers

- Software layer 4.0x, facilitation 2.7x, processing 4.5x.
- The interchange reduction lands in full and buyers reprice the software layer on lower gross take.
- Rates hold at 3.50% to 3.75% and float income contributes no growth for a third year.

SELL ON GROSS PROFIT AND RETAINED SPREAD

BASE — 5.0x

Key Drivers

- Software layer 5.0x, facilitation 3.4x, processing 5.6x.
- Layer medians hold near August 2026 levels as the settlement moves through final approval.
- Software led distribution keeps taking acquiring revenue share toward the 45% BCG projects for 2028.

POSITION ON LAYER AND DENOMINATOR

BULL — 6.5x

Key Drivers

- Software layer 6.5x, facilitation 4.5x, processing 7.0x.
- Consolidation continues at 2026 pace and scarcity of scaled independent facilitators is priced in.
- The listing window reopens in 2027, restoring an alternative to a strategic sale.

RUN A COMPETITIVE PROCESS

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Emerging Opportunities and Buyer Trends

WINDSOR DRAKE

Where the next eighteen months of payment facilitation demand is forming.

Capital Has Rotated From Funding to Buying

KPMG recorded $19.2B of payments investment across 542 deals in 2025, against $20.4B the prior year, while total fintech investment rose to $116B. CB Insights recorded $11.7B across 726 fintech deals in Q2 2026, both multi-year lows by count. PitchBook recorded fintech venture valuations at record highs across all stages in the same quarter. Fewer rounds at higher marks pushes owners toward sale rather than toward a further round.

The Buyer Set Is Broadening, Not Narrowing

Adyen made the first two acquisitions in its history in 2026. Francisco Partners bought a bank-owned acquirer from BMO and RBC. Nuvei, itself taken private by Advent in 2024, agreed to buy a listed peer. Three distinct buyer archetypes were active on payment facilitation assets in a single twelve month window, which is a wider field than the sector has offered at any point since 2021.

$19.2B	$18.5B	45%
2025 PAYMENTS INVESTMENT (KPMG)	2025 PE FINTECH INVESTMENT (S&P)	ISV SHARE OF SME ACQUIRING BY 2028

Agentic Commerce Enters the Rulebook

The April 2026 Visa rulebook created Agentic Payment Enabler and Agentic Payment Provider as registered categories, permitting digital wallets in agentic transactions. A facilitator with a defensible position in machine-initiated payments now has a category to be acquired into.

Stablecoin Settlement Becomes Supervised

The GENIUS Act was enacted on 18 July 2025, the OCC published its implementing proposal on 2 March 2026 and Treasury published its issuance rules on 18 August 2026. Stripe closed Bridge at a reported $1.1B and reported stablecoin volume doubling to about $400B in 2025.

Cross-Border Is Where the Volume Growth Is

dLocal grew total payment volume 92% year on year in Q2 2026, its seventh consecutive quarter above 50%. Corpay paid $2.4B for Alpha Group at a 55% premium. Nuvei and Payoneer would combine to more than $500B of annual volume across 190 countries.

Consolidation Has Thinned the Listed Field

Olo, AvidXchange and Cantaloupe all left the public market between September 2025 and May 2026, and Moneris left private bank ownership in August 2026. Each exit removes a comparable and concentrates buyer attention on the independent assets that remain.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Case Study: Nuvei and Payoneer

WINDSOR DRAKE

The defining payment facilitation transaction of 2026, and what its structure says about how this sector is priced.

The Transaction

Nuvei, taken private by Advent International at US$34.00 per share in November 2024, agreed on 15 June 2026 to acquire Payoneer Global for **$7.40 per share in cash**, an equity value of about **$2.75 billion**, with committed financing from BMO, RBC, Barclays, UBS and Wells Fargo.

- Combined annual revenue of approximately **$3 billion** and more than **$500 billion** of annual payment volume.
- **2.4 million** customers across more than **190** countries.
- Payoneer's China and India licences were cited as principal assets.
- HSR early termination was granted on **28 July 2026**, six weeks after announcement.

Why a Sponsor-Owned Buyer Paid for a Listed Facilitator

Payoneer sits in the facilitation layer with the economics that implies: a **116 basis point** take rate on **$23.7 billion** of Q2 2026 volume, and interest on customer balances of **$52.1 million**. On Windsor Drake's comparable set it carried **2.0x** EV/Revenue and **2.3x** EV/Gross Profit.

What a Seller Should Take From It

Licences Priced as Assets

The acquirer named regulatory permissions, not volume or technology, as the principal rationale. Permission is the scarcest input in this sector and it is being paid for explicitly.

A Narrow Denominator Gap Helps

Payoneer's 85% gross margin left little room to argue about which basis applies.

Float Was Not the Attraction

Interest income fell 11% year on year while customer funds grew 10%. The buyer underwrote the transaction business.

The Clearing Path Was Short

Antitrust clearance came in six weeks, faster than the sector's reputation suggests.

The Buyer Was Itself Recently Sold

The most active acquirers in this cycle include companies acquired within the last two years.

Source: Windsor Drake analysis of company filings and closing market data, 20 August 2026. Constituents and definitions in the appendix.

Appendix: Sources

WINDSOR DRAKE

Primary regulatory, network, judicial and filing sources cited in this report.

Institution	Report / Source	Date
Visa Inc.	*Visa Core Rules and Visa Product and Service Rules; Visa Acquirer Monitoring Program fact sheet*	18 April 2026
Mastercard Incorporated	*Mastercard Rules, Chapter 7, Payment Facilitator Obligations*	2 June 2026
Board of Governors of the Federal Reserve System	*2025 Triennial Payments Study; biennial debit interchange and network fee report; FOMC statement*	Dec 2025 to Jul 2026
US District Court, Eastern District of New York	*In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, MDL 05-md-01720*	9 June 2026
US Securities and Exchange Commission	*Forms 8-K, 10-K and 10-Q filed by the constituents and transaction parties named in this report*	2025 to 2026
Office of the Comptroller of the Currency and US Department of the Treasury	*Consent order AA-ENF-2025-21; stablecoin implementing rulemaking and issuance regulations*	Feb to Aug 2026
Financial Conduct Authority	*PS25/12, changes to the safeguarding regime for payments and e-money firms*	7 August 2025
Payment Systems Regulator and HM Treasury	*Cross-border interchange fee market review; a streamlined approach to payment systems regulation*	Oct 2025 to Apr 2026
Reserve Bank of India	*Regulation of Payment Aggregators Directions, 2025*	15 September 2025
European Central Bank and Council of the European Union	*Instant Payments Regulation implementation; PSD3 and Payment Services Regulation political agreement*	Nov 2025 to Apr 2026

Every figure in this report carries a named institution and a date. Windsor Drake cites primary sources and company filings rather than licensed vendor aggregates.

Appendix: Sources and Methodology

WINDSOR DRAKE

Market and consultancy sources, and the basis of every multiple in this report.

Institution	Report / Source	Date
McKinsey & Company and Boston Consulting Group	*Global Payments Report 2025 (both houses); Moving Embedded Finance from Promise to Practice*	September 2025
Bain & Company and EY-Parthenon	*Riding the New Wave of Integrated Payments; embedded payments survey*	2022 to 2024
KPMG International, CB Insights and PitchBook	*Pulse of Fintech H2 2025; State of Fintech Q1 and Q2 2026; Q2 2026 Fintech Report*	Feb to Aug 2026
S&P Global Market Intelligence, US Federal Trade Commission, Reserve Bank of Australia, Banco Central do Brasil and the Conference of State Bank Supervisors	*Private equity investment in fintech 2025; 365 Retail Markets and Cantaloupe consent orders; merchant card payment costs conclusions paper; BCB Rule 494/2025; Money Transmission Modernization Act adoption*	Sep 2025 to May 2026

METHODOLOGY

Basis of every multiple

Enterprise value equals market capitalisation plus total borrowings less cash and short-term investments, at closing prices of 20 August 2026 and balance sheet figures from each constituent's most recently filed period. Cash held on behalf of merchants and customers, settlement assets and restricted cash are excluded. Revenue and gross profit are trailing twelve months to 30 June 2026.

Transactions

Every transaction multiple quoted was published by a party to that transaction and is attributed to it. Deal values and earnings figures come from the announcing party's release.

The comparable set

Seventeen listed constituents in three layers, with the two card networks alongside. Software: Shopify, Toast, Block, Shift4, PAR Technology, Lightspeed. Facilitation: Adyen, dLocal, Repay, Payoneer, Paysafe, Marqeta. Processing and acquiring: Corpay, Global Payments, EVERTEC, Fiserv, Priority. Networks: Visa, Mastercard.

The Windsor Drake Exit Index

511 fintech records, 140 in the payments cohort, each graded Verified, Reported or Estimated. Used here for acquirer identity and buyer type.