

Payments Playbook: May 2025 Edition **Slides Attached**

With macro concerns abating with good April/May trends, focus has shifted back to the micro. FI has been the main discussion—we think the Clover organic share-gain story is unlikely to be revived, and though valuation has come in, the singular focus on Clover GPV makes it hard to see what gets the narrative to turn. We view XYZ as the most compelling go-forward FY25 story with estimates now significantly de-risked and an emerging share-gain story in Seller.

Select stock-specific thoughts:

- FI:** the bloom is off the rose for Clover's secular growth story with the reset to low-double-digit normalized GPV growth implying more subdued organic share gain in the US going forward, the shift in messaging around 2Q signals a lower level of visibility, and even if GPV growth accelerates in 2H we don't expect it to get full credit (international expansion, inorganic contribution). The multiple at ~13x FY26E is undemanding for a consistent double-digit+ EPS grower, but as we've seen across the group over the past five years, the migration into a stock focused on a singular KPI (in this case Clover GPV ala branded TPV for PYPL and US GPV for XYZ) has made valuation a secondary consideration.
- XYZ:** the April update for Cash App growth having re-accelerated back to the low-teens gives us confidence that 1Q issues were isolated to behavior linked to tax refunds in March (rather than a major structural shift), and made clear the 2Q and updated FY guides now embed meaningful conservatism—setting up a return to positive revisions after three consecutive qtrs. of cuts. We view the emerging momentum in Square (Seller) as the most compelling idiosyncratic narrative across the group with tangible progress from go-to-market changes, which should support an ongoing US GPV acceleration over the course of the year.
- CPAY:** we still view as a compelling multi-year story / re-rating candidate with levers to accelerate the ongoing organic mix shift to Corporate Payments (potential acquisition of Alpha Group, MA partnership in cross-border, divestitures in Fleet / Lodging). Near-term muddied a bit by the FY25 guide leaving little macro cushion, and with the progress on stablecoin legislation, CPAY has come under pressure due to its exposure to cross-border B2B (>20% of revs) though we don't view stablecoins as a major threat. Even in a stable macro, we're a bit skeptical of the assumed acceleration in US vehicle (guide assumes growth accelerates to +MSD% from -LSD % in 1Q), but still see a path to 11% FY organic growth if Brazil continues to grow 20%+.
- V & MA:** little debate/controversy with improved QTD trends and US-inbound travel talked down as a concern, but reflected in YTD outperformance (at 52-week highs) and valuation (MA 33x NTM P/E, V 29x) which makes the near-term path higher less clear. We continue to favor MA based on: 1) more conservative FY guide with organic FXN revenue growth implied to slow from 16% in 1Q (17% ex-Leap Year) to ~10% in 2H and likely embedded cushion on OpEx growth and the tax rate, 2) attractive relative valuation (15% prem to V on NTM P/E vs, high-teens 5yr avg, and lower CY26 PEG).
- PYPL:** long-term narrative around branded positioning hasn't changed, but we see a fairly safe near-term set up: 1) numbers for 2H were incrementally de-risked after the 1Q beat + 2Q guide—above, and ring-fencing of limited China exposure. FY guide now implies ~3% transaction

KEY STOCKS FEATURED INCLUDE:

TICKER	RATING	PRICE TARGET
XYZ	BUY	\$70.00
FIS	HOLD	\$80.00
FI	HOLD	\$165.00
CPAY	BUY	\$375.00
GPV	HOLD	\$75.00

KEY CHANGES INCLUDE:

TICKER	RATING	PRICE TARGET
XYZ	BUY	↑ \$70.00 (\$60.00)
FI	HOLD	↓ \$165.00 (\$180.00)

Trevor Williams * | Equity Analyst

(415) 229-1546 | twilliams3@jefferies.com

Alexander Glockner * | Equity Associate

+1 (415) 229-8729 | aglockner@jefferies.com

Ryan Levine * | Equity Associate

+1 (415) 229-1512 | rlevine4@jefferies.com

margin dollar growth in 2H vs. 4-5% in 2Q and 7% in 1Q, which should set up FY upside if the macro remains stable, and 2) stock is not expensive at <10 FY26E EV/FCF and 12x CY26E EPS.

Inside the deck: detailed views on go-forward set-ups across the group, key themes from 1Q at the company-level, and bull/bear cases.

Summary of Changes

Company	Rating	Price [^]	Price Target	EPS Estimates			P/E		
				2024	2025	2026	2024	2025	2026
Block XYZ	BUY	\$58.74	\$70.00 ↑ +17%	\$1.38	\$2.27	\$3.40	42.5x	25.8x	17.3x
<i>Previous</i>			\$60.00	\$1.38	\$2.27	\$3.40			
Fidelity National Information Svcs FIS	HOLD	\$78.22	\$80.00	\$5.22	\$5.76	\$6.30	15.0x	13.6x	12.4x
Fiserv FI	HOLD	\$159.34	\$165.00 ↓ -8%	\$8.81	\$10.24	\$11.89	18.1x	15.6x	13.4x
<i>Previous</i>			\$180.00	\$8.81	\$10.24	\$11.89			
Corpay CPAY	BUY	\$324.31	\$375.00	\$19.00	\$21.00	\$24.57	17.1x	15.4x	13.2x
Global Payments GPN	HOLD	\$74.09	\$75.00	\$11.55	\$12.10	\$13.88	6.4x	6.1x	5.3x
Mastercard MA	BUY	\$563.58	\$655.00 ↑ +4%	\$14.61	\$15.92	\$18.83	38.6x	35.4x	29.9x
<i>Previous</i>			\$630.00	\$14.61	\$15.92	\$18.83			
Payoneer PAYO	BUY	\$6.81	\$8.50 ↑ +6%	\$0.32	\$0.21	\$0.20	--	--	--
<i>Previous</i>			\$8.00	\$0.32	\$0.21	\$0.20			
PayPal PYPL	HOLD	\$69.85	\$70.00	\$4.66	\$5.10	\$5.66	15.0x	13.7x	12.4x
Paysafe PSFE	HOLD	\$12.02	\$13.00 ↓ -7%	\$2.15	\$2.36	\$2.62	5.6x	5.1x	4.6x
<i>Previous</i>			\$14.00	\$2.15	\$2.36	\$2.62			
Visa, Inc. V	BUY	\$353.54	\$410.00 ↑ +2%	\$10.05	\$11.32	\$12.76	35.2x	31.2x	27.7x
<i>Previous</i>			\$400.00	\$10.05	\$11.32	\$12.76			
WEX WEX	HOLD	\$133.34	\$135.00 ↑ +4%	\$15.28	\$15.01	\$16.55	8.7x	8.9x	8.1x
<i>Previous</i>			\$130.00	\$15.28	\$15.01	\$16.55			
Lightspeed Commerce Inc LSPD	HOLD	\$10.53	\$11.00	\$0.15	\$0.41	\$0.47	69.4x	25.8x	22.2x
Lightspeed Commerce Inc LSPD CN	HOLD	C\$14.48	C\$15.00	--	--	--	--	--	--
ACI Worldwide ACIW	BUY	\$46.29	\$60.00 ↓ -12%	\$2.62	\$2.92	\$3.35	17.7x	15.9x	13.8x
<i>Previous</i>			\$68.00	\$2.62	\$2.92	\$3.35			
Coinbase COIN	HOLD	\$263.16	\$260.00 ↑ +24%	\$9.45	\$2.44	\$4.60	27.8x	NM	57.2x
<i>Previous</i>			\$210.00	\$9.45	\$2.44	\$4.60			

[^]Prior trading day's closing price unless otherwise noted.

Company	Rating	Price^	Price Target	EPS Estimates			P/E		
				2024	2025	2026	2024	2025	2026

Price: After-hours price
EPS Non-GAAP: 2024 EPS excludes SBC

US Payments, Processors, and FinTech

US Payments Playbook

May 2025 Edition

Trevor Williams
Equity Analyst
+1 (415) 229 1546
twilliams3@jefferies.com

Alex Glockner
Equity Associate
+1 (415) 229-8729
aglockner@jefferies.com

Ryan Levine
Equity Associate
+1 (415) 229-1512
ryanlevine4@jefferies.com

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Summary Thoughts on Go-Forward Set-Ups

- **V & MA:** little debate/controversy around the stocks with improved QTD trends in April and US-inbound travel talked down as a concern, but reflected in YTD outperformance (at 52 week highs) and valuation (MA 33x NTM P/E, V 29x) which makes the near-term path higher less clear. We continue to favor MA based on: 1) more conservative FY guide with organic FXN revenue growth implied to slow from 16% in 1Q (17% ex-Leap Year) to ~10% in 2H and likely embedded cushion on OpEx growth and tax rate, 2) attractive relative valuation (15% prem to V on NTM P/E vs, high-teens last 5yr avg and lower CY26E PEG).
- **FI:** the bloom is off the rose for Clover's secular growth story with the reset to low-double-digit normalized GPV growth implying more subdued organic share gain in the US going forward, the shift in messaging around 2Q signals a lower level of visibility, and even if GPV growth accelerates in 2H we don't expect it to get full credit (international expansion, inorganic contribution). The multiple at ~13x FY26 is undemanding for a consistent double-digit+ EPS grower, but as we've seen across the group over the past five years, the migration into a stock focused on a singular KPI (in this case Clover GPV ala branded TPV for PYPL and US GPV for XYZ) has made valuation a secondary consideration.
- **XYZ:** the April update for Cash App growth having re-accelerated back to the low-teens gives us confidence that 1Q issues were contained to consumer behavior tied to tax refunds, and made clear that the 2Q and updated FY guides now embed meaningful conservatism--setting up a return to positive revisions. We view the emerging momentum in Square (Seller) as the most unique idiosyncratic story across the group in FY25 with real momentum from go-to-market changes (reinforced by our checks at the Nat'l Restaurant Association Show in late-May: [LINK](#)), which should support an ongoing acceleration over the course of the year.
- **CPAY:** we still view as a compelling multi-year story / re-rating candidate with levers to accelerate the ongoing organic mix shift to Corporate Payments (potential acquisition of Alpha Group, MA partnership in cross-border, divestitures in Fleet / Lodging). Near-term muddied a bit by the FY25 guide leaving little macro cushion, and with the progress on stablecoin legislation, CPAY has come under pressure due to its exposure to cross-border B2B (>20% of revs, though we don't view stablecoins as a major threat to the business). Even in a stable macro, we're a bit skeptical of the assumed acceleration in US vehicle (guide assumes growth accelerates to +MSD% from -LSD% in 1Q), but still see a path to 11% FY organic growth if Brazil continues to grow 20%+.

Summary Thoughts on Go-Forward Set-Ups

- **FIS:** a good vehicle for defense after the recent melt-up in the market. Banking's implied further 2H acceleration (tied to '24 win implementations, improved retention) and margin inflection make it difficult to find a source of numbers upside, but mgmt. continues to strike a confident tone on FY visibility and valuation at ~12x post-synergy FY26E EPS provides a solid backstop.
- **GPN:** Worldpay deal casts a shadow over what were solid 1Q Merchant results in what it signals about the long-term positioning of the core business, and the inherent skepticism towards scale deals after industry challenges that followed the wave of consolidation in '19. Assumed 2H Merchant organic acceleration with limited visibility into the key drivers (salesforce reorg) is an overhang, but FY guide left some room on embedded FX headwind.
- **PYPL:** long-term narrative around branded positioning hasn't changed, but we see a fairly safe near-term set up: 1) numbers for 2H were incrementally de-risked after the 1Q beat + 2Q guide-above, and ring-fencing of limited China exposure. FY guide now implies ~3% transaction margin dollar growth in 2H vs. 4-5% in 2Q and 7% in 1Q, which should set up FY upside if the macro remains stable, and 2) stock is not expensive at <10 FY26E EV/FCF and 12x CY26E EPS.
- **WEX:** FY guide leaves minimal cushion for any incremental macro-driven slowdown in Mobility. Corp Pay narrative has the potential to modestly improve with a return to positive Y/Y growth in 2H as BKNG transition is lapped, but we remain particularly focused on the trend in Total Volume (unaffected by BKNG changes) which remains negative due to wallet share shifts at EXPE and AVDX. Activists pushing for board seats could portend a higher likelihood of strategic action with Benefits, which can help put a floor under the stock.
- **PAYO:** numbers have been sufficiently de-risked, and multiple re-based to an attractive level at <10x what should be trough FY26 EBITDA estimates. We believe the outlined \$50mn hit to 2H from tariffs will prove conservative (also included second-order impacts across the rest of the business not directly impacted by China-US tariffs), setting up numbers to move back up over the rest of the year.
- **ACIW:** negative stock reaction to the lack of FY flow-through from 1Q's big revenue and EBITDA beat doesn't make sense to us. 1Q24 upside was treated similarly, and ACIW ended up easily outperforming the initial FY guide. We see a similar set up for FY25 with the year already running ahead of plan for new sales, which should have a compounding effect over the course of the year. We continue to believe the durability of ACIW's stepped up growth profile to 7-9% (the result of improved sales execution) is not fully reflected in valuation at ~20x FY26E GAAP EPS.

Summary Thoughts on Go-Forward Set-Ups

- **LSPD:** will be a show-me story with an implied acceleration over the course of FY26 (March fiscal YE) resting on two primary drivers, which we believe carry execution risk: 1) location growth, driven by the narrowed focus on North America Retail and EMEA Hospitality and ramp in outbound sales, 2) software growth acceleration from elevated R&D investment yielding more cross-sell/up-sell.
- **PSFE:** modest organic outperformance in 1Q is encouraging, but we take a wait-and-see approach to the assumed 2H revenue growth acceleration which hinges on improving sales in the SMB direct channel.
- **COIN:** crypto rally with BTC up ~15% in the last month should support improving trading volume trends relative to what was implied in the April update, but stock has had a big run of recent outperformance tied to S&P 500 index inclusion.

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Payments, Processors & IT Services

Equity Research

May 27, 2025

	Ticker	Company	Rating	Price Target	JEF Analyst	Price	Rev or GP Growth CY25E	Rev or GP Growth CY26E	EBITDA Growth CY25E	EBITDA Growth CY26E	EPS Growth CY25E	EPS Growth CY26E	EBITDA Margins CY25	EBITDA Margins CY26
Networks	V	VISA INC	BUY	\$410	Williams	\$353.54	10.1%	10.2%	10.6%	10.6%	12.7%	12.4%	71.0%	71.2%
	MA	MASTERCARD INC	BUY	\$655	Williams	\$563.58	13.3%	12.0%	13.2%	13.4%	9.0%	16.9%	61.5%	62.3%
	Average						11.7%	11.1%	11.9%	12.0%	10.8%	14.6%	66.3%	66.8%
	Median						11.7%	11.1%	11.9%	12.0%	10.8%	14.6%	66.3%	66.8%
Acquirers / Processors / PSPs / Fleet	PYPL	PAYPAL HOLDINGS INC	HOLD	\$70	Williams	\$69.85	4.5%	4.7%	5.6%	6.3%	9.7%	11.2%	47.3%	48.1%
	XYZ	BLOCK INC	BUY	\$70	Williams	\$58.74	11.9%	13.2%	10.3%	20.7%	21.0%	39.1%	33.6%	35.9%
	ADYEY	ADYEN N.V	BUY	\$2,039	Leitner	\$18.00	22.8%	23.6%	29.4%	30.3%	21.7%	24.9%	52.4%	55.2%
	FI	FISERV INC	HOLD	\$165	Williams	\$159.34	8.8%	8.6%	11.0%	9.3%	16.0%	16.6%	49.1%	49.5%
	FIS	FIDELITY NATIONAL INFO SVCS	HOLD	\$80	Williams	\$78.22	3.5%	4.5%	4.5%	5.8%	10.2%	7.8%	41.2%	41.7%
	GPN	GLOBAL PAYMENTS INC	HOLD	\$75	Williams	\$74.09	1.5%	5.8%	2.9%	6.3%	9.7%	12.6%	49.3%	49.6%
	FOUR	SHIFT4 PAYMENTS INC	NA	NA	NA	\$89.09	25.4%	18.6%	25.5%	19.3%	-3.9%	16.7%	50.1%	50.3%
	CPAY	CORPAY INC	BUY	\$375	Williams	\$324.31	11.2%	10.8%	9.5%	17.2%	10.4%	16.9%	55.5%	58.7%
	WEX	WEX INC	HOLD	\$135	Williams	\$133.34	(1.2%)	4.5%	(6.8%)	6.5%	-1.7%	10.2%	42.3%	43.1%
	PSFE	PAYSAFE LTD	HOLD	\$13	Williams	\$12.02	0.9%	6.6%	3.2%	9.7%	11.2%	24.5%	27.1%	27.9%
	PAYO	PAYONEER GLBL INC	BUY	\$8.50	Williams	\$6.81	3.0%	6.1%	(9.3%)	4.9%	-30.7%	16.9%	24.4%	24.1%
	PAY	PAYMENTUS HOLDINGS INC	NA	NA	NA	\$37.16	24.6%	20.8%	28.4%	20.4%	30.1%	19.8%	11.1%	11.1%
	FLYW	FLYWIRE CORP	NA	NA	NA	\$11.03	18.2%	15.7%	35.2%	32.7%	437.4%	195.3%	18.8%	21.5%
	Average						10.4%	11.0%	11.5%	14.6%	11.7%	18.1%	38.6%	39.7%
Median						8.8%	8.6%	9.5%	9.7%	-0.5%	16.7%	42.3%	43.1%	
Software-Enabled	TOST	TOAST INC	BUY	\$50	Samana	\$42.49	28.7%	24.7%	50.0%	35.8%	51.0%	28.1%	34.2%	37.2%
	SHOP	SHOPIFY INC	HOLD	\$110	Samana	\$101.51	18.8%	20.1%	23.5%	32.8%	9.3%	30.8%	35.3%	39.0%
	BILL	BILL HOLDINGS INC	BUY	\$70	Samana	\$44.40	12.7%	13.9%	15.2%	22.5%	1.4%	14.2%	16.9%	18.2%
	LSPD	LIGHTSPEED COMMERCE INC	HOLD	\$11	Williams	\$10.53	14.1%	13.4%	61.3%	36.7%	39.5%	26.4%	13.2%	15.9%
	Average						18.6%	18.0%	37.5%	31.9%	25.3%	24.9%	24.9%	27.6%
Median						16.4%	17.0%	36.7%	34.3%	24.4%	27.3%	25.5%	27.7%	
Remittance	WU	WESTERN UNION CO	NA	NA	NA	\$9.40	(1.7%)	1.7%	0.7%	1.6%	2.0%	3.6%	23.6%	23.6%
	EEFT	EURONET WORLDWIDE INC	NA	NA	NA	\$105.13	8.2%	7.9%	11.3%	9.9%	14.3%	14.0%	17.5%	17.8%
	RELY	REMITLY GLOBAL INC	NA	NA	NA	\$22.33	25.3%	20.3%	48.5%	36.6%	33.6%	32.7%	13.2%	15.0%
	Average						10.6%	10.0%	20.2%	16.0%	16.6%	16.8%	18.1%	18.8%
Median						8.2%	7.9%	11.3%	9.9%	14.3%	14.0%	17.5%	17.8%	
Bank Tech / Next-Gen Issuer	MQ	MARQETA INC	NA	NA	NA	\$5.07	14.8%	21.2%	115.7%	55.2%	-299.3%	-59.8%	10.8%	13.8%
	QTWO	Q2 HOLDINGS INC	NA	NA	NA	\$86.57	12.2%	10.5%	38.5%	17.2%	36.0%	17.5%	22.2%	23.6%
	JKHY	HENRY (JACK) & ASSOCIATES	NA	NA	NA	\$182.00	6.7%	6.7%	7.6%	7.4%	10.8%	7.7%	31.7%	31.9%
	ACIW	ACI WORLDWIDE INC	BUY	\$60	Williams	\$46.29	7.1%	7.0%	4.5%	9.2%	23.7%	5.1%	28.5%	29.1%
	Average						10.2%	11.3%	41.6%	22.3%	-57.2%	-7.4%	23.3%	24.6%
Median						9.6%	8.7%	23.1%	13.2%	17.3%	6.4%	25.4%	26.3%	
FinTech / Lending	AFRM	AFFIRM HOLDINGS INC	BUY	\$82	Hecht	\$49.30	28.8%	23.5%	47.1%	31.5%	-153.1%	190.7%	25.3%	26.9%
	SOFI	SOFI TECHNOLOGIES INC	BUY	\$19	Hecht	\$13.09	23.2%	21.2%	35.8%	50.4%	-28.5%	91.3%	27.5%	34.1%
	Average						26.0%	22.3%	41.4%	40.9%	-90.8%	141.0%	26.4%	30.5%
Median						26.0%	22.3%	41.4%	40.9%	-90.8%	141.0%	26.4%	30.5%	
Crypto	COIN	COINBASE GLOBAL INC	HOLD	\$260	Williams	\$263.16	10.8%	7.0%	(10.2%)	16.4%	-53.8%	43.9%	41.3%	45.0%
	Average						10.8%	7.0%	-10.2%	16.4%	-53.8%	43.9%	41.3%	45.0%
Median						10.8%	7.0%	-10.2%	16.4%	-53.8%	43.9%	41.3%	45.0%	

Please see important disclosure information on pages 94 - 101 of this report.

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Source: FactSet, Visible Alpha, JEF Research. "NC" denotes non-covered companies. Prices as of 5/23/25. \$mn unless otherwise noted. Based on consensus estimates. (1) Showing GP for PYPL, XYZ, TOST, SHOP, LSPD.

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Payments, Processors & IT Services

Equity Research

May 27, 2025

	Ticker	Company	PE		EV/EBITDA		EV / Rev or GP		PEG Ratio		EV / FCF	
			CY25	CY26	CY25	CY26	CY25	CY26	CY25	CY26	CY25	CY26
Networks	V	VISA INC	30.2x	26.9x	24.4x	22.0x	17.3x	15.7x	2.4	2.2	30.7x	28.1x
	MA	MASTERCARD INC	35.4x	30.3x	26.8x	23.6x	16.5x	14.7x	3.9	1.8	35.5x	29.6x
	Average		32.8x	28.6x	25.6x	22.8x	16.9x	15.2x	3.2	2.0	33.1x	28.8x
	Median		32.8x	28.6x	25.6x	22.8x	16.9x	15.2x	3.2	2.0	33.1x	28.8x
Acquirers / Processors / PSPs / Fleet	PYPL	PAYPAL HOLDINGS INC	13.7x	12.3x	9.9x	9.3x	4.8x	4.6x	1.4	1.1	11.2x	10.2x
	XYZ	BLOCK INC	24.9x	17.9x	10.5x	8.7x	3.5x	3.1x	24.4	0.5	24.2x	11.4x
	ADYFY	ADYEN N.V	44.5x	35.6x	36.6x	28.1x	19.2x	15.5x	1.2	1.3	29.5x	22.6x
	FI	FISERV INC	15.6x	13.4x	11.5x	10.5x	5.7x	5.2x	1.0	0.8	23.9x	21.0x
	FIS	FIDELITY NATIONAL INFO SVCS	13.6x	12.6x	12.2x	11.5x	5.0x	4.8x	1.4	1.6	25.3x	22.5x
	GPN	GLOBAL PAYMENTS INC	6.1x	5.4x	7.2x	6.7x	3.5x	3.3x	0.7	0.4	12.2x	10.4x
	FOUR	SHIFT4 PAYMENTS INC	17.2x	14.7x	11.6x	9.7x	5.8x	4.9x	2.5	0.9	20.8x	17.1x
	CPAY	CORPAY INC	15.5x	13.2x	11.0x	9.4x	6.1x	5.5x	1.5	0.8	19.9x	14.9x
	WEX	WEX INC	8.9x	8.1x	5.2x	4.9x	2.2x	2.1x	-5.1	0.8	15.4x	9.2x
	PSFE	PAYSAFE LTD	5.1x	4.1x	6.2x	5.7x	1.7x	1.6x	0.5	0.2	12.1x	9.9x
	PAYO	PAYONEER GLBL INC	30.5x	26.1x	8.5x	8.1x	2.1x	2.0x	-1.0	1.5	13.7x	12.7x
	PAY	PAYMENTUS HOLDINGS INC	64.9x	54.2x	37.6x	31.2x	4.2x	3.5x	3.5	2.7	45.5x	41.8x
	FLYW	FLYWIRE CORP	102.6x	34.7x	11.1x	8.3x	2.1x	1.8x	0.9	0.4	26.2x	9.2x
	Average		27.9x	19.4x	13.8x	11.7x	5.1x	4.5x	2.5	1.0	21.5x	16.4x
Median		15.6x	13.4x	11.0x	9.3x	4.2x	3.5x	1.2	0.8	20.8x	12.7x	
Software-Enabled	TOST	TOAST INC	44.1x	34.4x	43.2x	31.8x	15.0x	12.1x	0.9	1.2	41.2x	29.1x
	SHOP	SHOPIFY INC	73.9x	56.5x	67.7x	51.0x	24.0x	20.1x	56.9	1.8	59.1x	46.8x
	BILL	BILL HOLDINGS INC	20.9x	18.3x	15.5x	12.6x	2.6x	2.3x	-	1.3	14.2x	11.9x
	LSPD	LIGHTSPEED COMMERCE INC	19.9x	15.7x	16.6x	12.1x	2.2x	1.9x	0.5	0.5	-740.5x	35.0x
	Average		39.7x	31.2x	35.7x	26.9x	10.9x	9.1x	-	1.2	-156.5x	30.7x
	Median		32.5x	26.4x	29.9x	22.2x	8.8x	7.2x	-	1.3	27.7x	32.0x
Remittance	WU	WESTERN UNION CO	5.3x	5.1x	4.8x	4.7x	1.1x	1.1x	2.5	1.4	10.0x	8.3x
	EEFT	EURONET WORLDWIDE INC	10.7x	9.4x	6.8x	6.2x	1.2x	1.1x	0.7	0.7	11.9x	10.2x
	RELY	REMITLY GLOBAL INC	27.1x	20.4x	21.0x	15.4x	2.8x	2.3x	0.8	0.6	21.7x	18.9x
	Average		14.3x	11.6x	10.9x	8.8x	1.7x	1.5x	1.3	0.9	14.5x	12.5x
	Median		10.7x	9.4x	6.8x	6.2x	1.2x	1.1x	0.8	0.7	11.9x	10.2x
Bank Tech / Next-Gen Issuer	MQ	MARQETA INC	-50.9x	-126.7x	24.8x	16.0x	2.7x	2.2x	0.9	0.5	19.5x	9.5x
	QTWO	Q2 HOLDINGS INC	40.5x	34.4x	32.6x	27.8x	7.2x	6.6x	1.1	2.0	39.7x	34.6x
	JKHY	HENRY (JACK) & ASSOCIATES	29.2x	27.1x	17.4x	16.2x	5.5x	5.2x	2.7	3.5	37.9x	32.2x
	ACIW	ACI WORLDWIDE INC	19.6x	18.6x	11.5x	10.5x	3.3x	3.1x	0.8	3.6	19.5x	16.7x
	Average		9.6x	-11.6x	21.6x	17.6x	4.7x	4.3x	1.4	2.4	29.2x	23.3x
	Median		24.4x	22.9x	21.1x	16.1x	4.4x	4.1x	1.0	2.7	28.7x	24.5x
FinTech / Lending	AFRM	AFFIRM HOLDINGS INC	114.7x	39.4x	24.1x	18.3x	6.1x	4.9x	0.4	0.6	32.8x	25.3x
	SOFI	SOFI TECHNOLOGIES INC	46.9x	24.5x	17.6x	11.7x	4.8x	4.0x	-1.7	0.3	-	-
	Average		80.8x	32.0x	20.9x	15.0x	5.5x	4.5x	-0.6	0.4	32.8x	25.3x
	Median		80.8x	32.0x	20.9x	15.0x	5.5x	4.5x	-0.6	0.4	32.8x	25.3x
Crypto	COIN	COINBASE GLOBAL INC	59.5x	41.4x	21.8x	18.8x	9.0x	8.4x	-1.1	-	28.5x	19.2x
	Average		59.5x	41.4x	21.8x	18.8x	9.0x	8.4x	-1.1	-	28.5x	19.2x
	Median		59.5x	41.4x	21.8x	18.8x	9.0x	8.4x	-1.1	-	28.5x	19.2x

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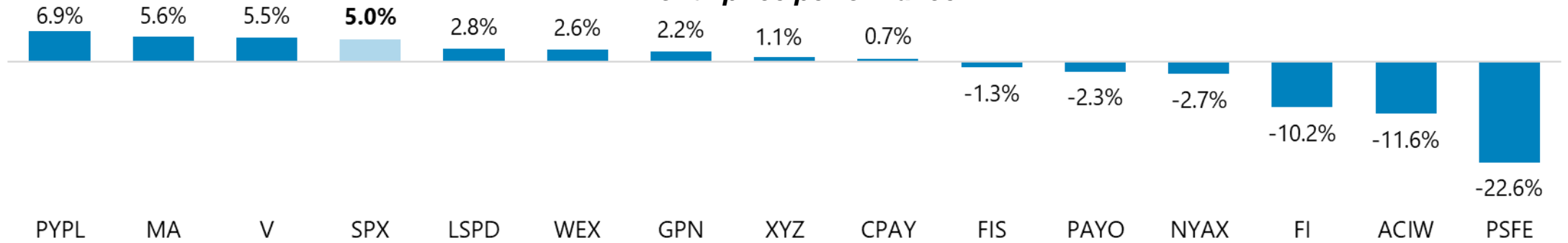
Source: FactSet, Visible Alpha, JEF Research. "NC" denotes non-covered companies. Prices as of 5/23/2025. \$mn unless otherwise noted. Based on consensus estimates. (1) Showing gross profit for PYPL, XYZ, SHOP, TOST, LSPD.

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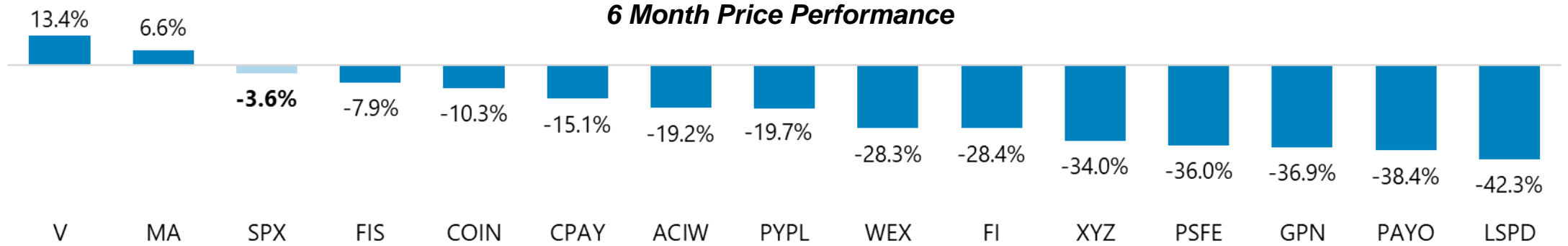
Jefferies Stock Price Performance

Payments, Processors & IT Services
Equity Research
May 27, 2025

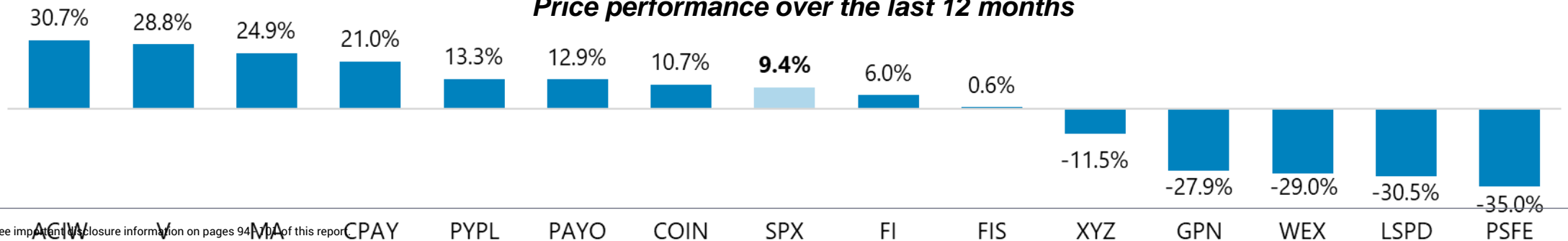
1 Month price performance



6 Month Price Performance



Price performance over the last 12 months



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Jefferies

FY25 Estimate Revision Heatmap

Payments, Processors & IT Services
Equity Research
May 27, 2025

Company	FY25 Revenue or Gross Profit ⁽¹⁾ % Chg. As of:			
	Last 3 Mo.	Last 6 Mo.	Last 12 Mo.	1/1/23
V	-0.2%	0.4%	-0.6%	1.2%
MA	1.2%	1.2%	1.9%	-1.7%
PYPL	0.1%	1.7%	4.9%	-14.0%
XYZ	-2.8%	-3.2%	-2.3%	-5.9%
FI	-0.1%	0.3%	-0.1%	3.2%
FIS	0.0%	-1.2%	-0.9%	-
GPN	0.3%	-2.8%	-6.1%	-4.8%
CPAY	0.3%	-1.1%	0.2%	-
WEX	-0.9%	-4.9%	-11.6%	-
PSFE	-4.2%	-6.5%	-6.1%	-
PAYO	-2.5%	-0.9%	4.1%	-5.3%
LSPD	-0.4%	-1.0%	-2.5%	-15.2%
ACIW	0.0%	0.5%	2.1%	-
COIN	-9.5%	24.2%	-	31.5%

Company	FY25 EPS % Chg. As of:			
	Last 3 Mo.	Last 6 Mo.	Last 12 Mo.	1/1/23
V	0.5%	1.4%	1.1%	4.0%
MA	0.6%	-2.5%	-4.4%	-8.0%
PYPL	0.1%	1.7%	12.0%	-5.7%
XYZ	-44.8%	-48.3%	-45.9%	-25.4%
FI	-0.3%	0.1%	0.8%	10.9%
FIS	0.4%	0.4%	4.6%	-
GPN	-2.4%	-5.8%	-8.2%	-9.8%
CPAY	-0.4%	-5.3%	-6.0%	-
WEX	0.3%	-11.0%	-19.3%	-
PSFE	-21.4%	-26.7%	-27.3%	-
PAYO	-34.1%	-38.3%	-9.1%	37.6%
LSPD	-2.1%	5.8%	37.4%	-
ACIW	26.1%	28.0%	33.4%	-
COIN	-40.3%	19.8%	-	-

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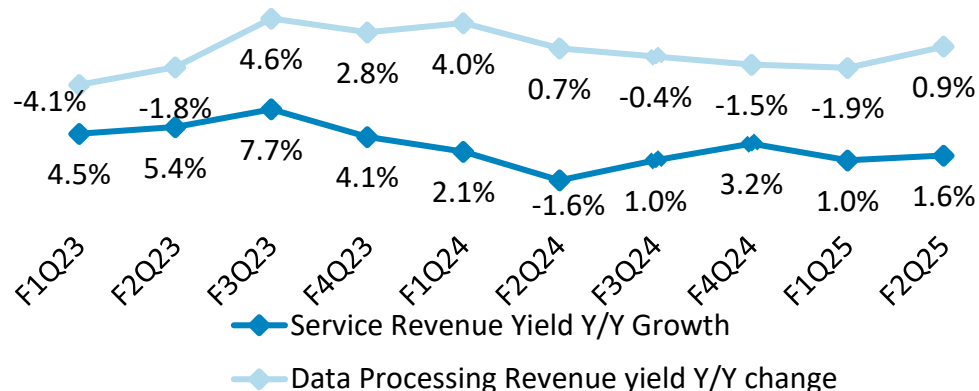
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Visa (V): Buy, \$410 PT

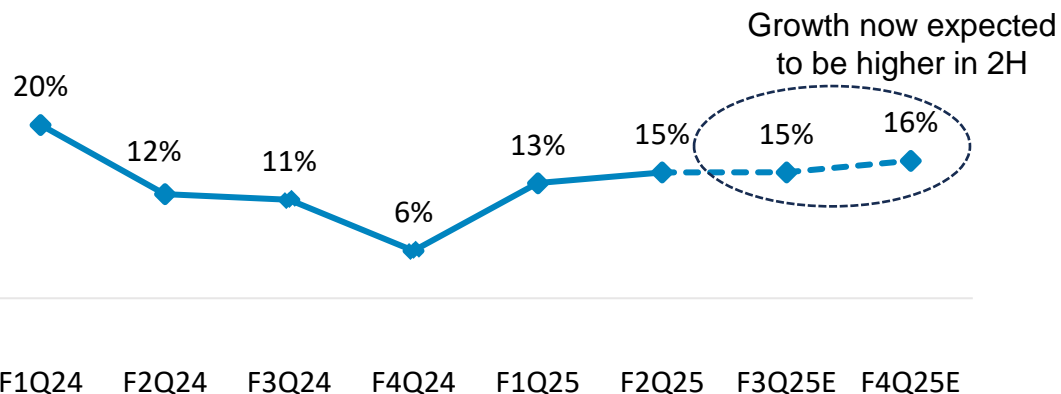
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Equity Research
May 27, 2025

Key themes from C1Q:

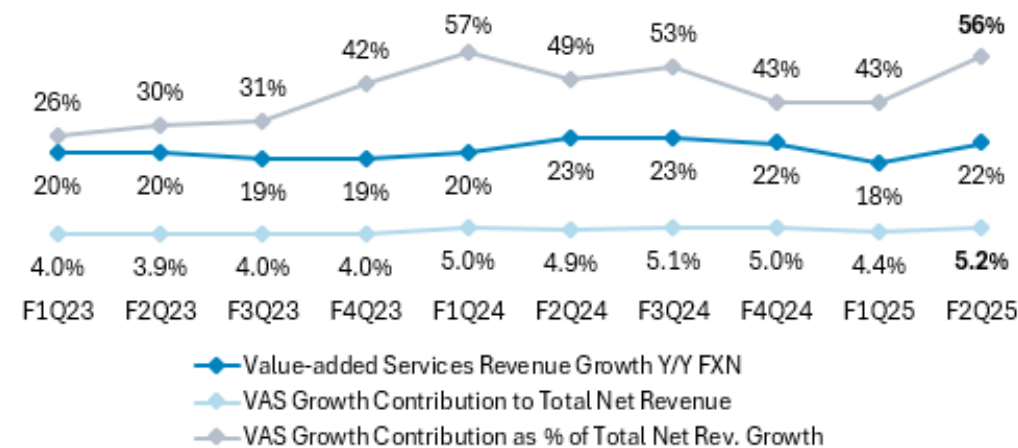
Both Data Processing and Service yields expanded Y/Y in 1Q; FY25 pricing expected to be more 2H-weighted than FY24



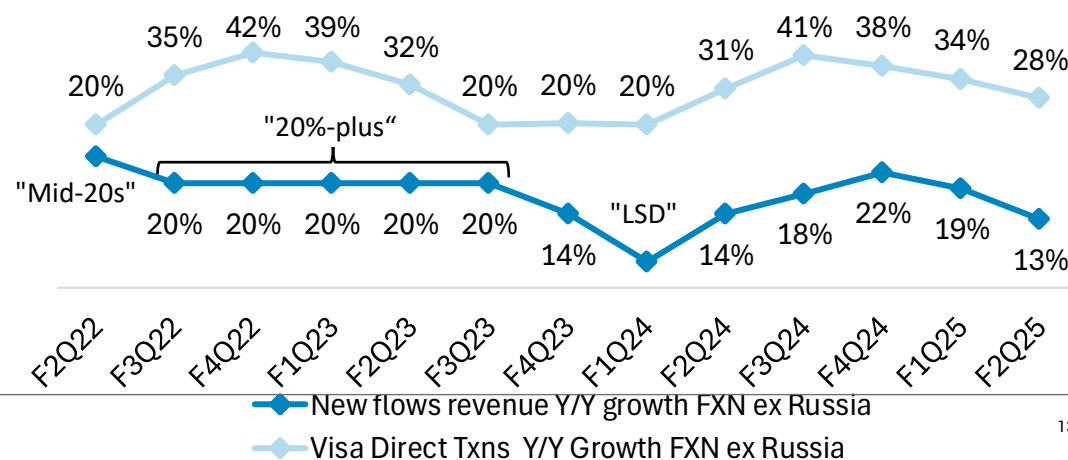
Client Incentives beat in 1Q driven by deal timing/client performance; growth now expected to be higher in 2H, accelerating in F3Q and F4Q



VAS FXN growth accel'd to 22% Y/Y; contributed ~55% of net rev. growth



Visa Direct transaction growth decelerated 6ppt on an ~11ppt tougher comp, yet remains elevated



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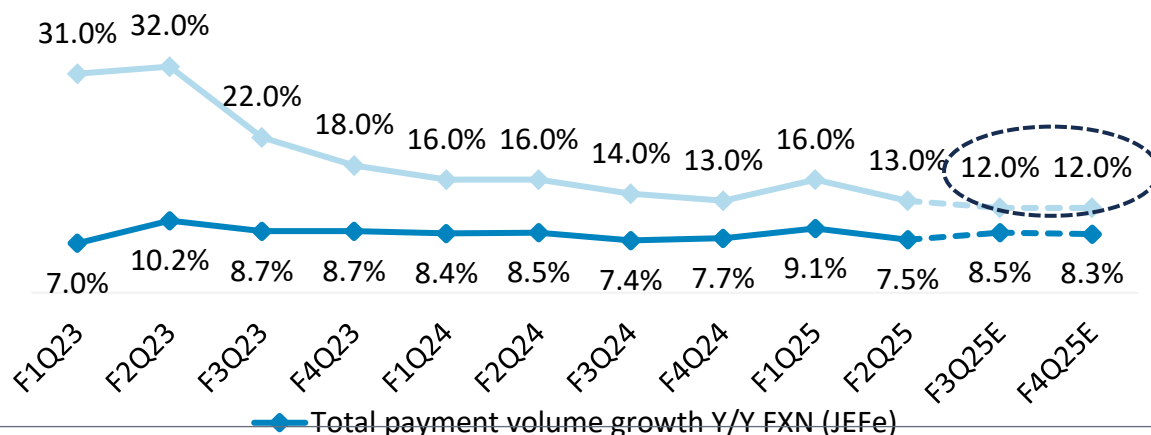
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Visa (V): Buy, \$410 PT

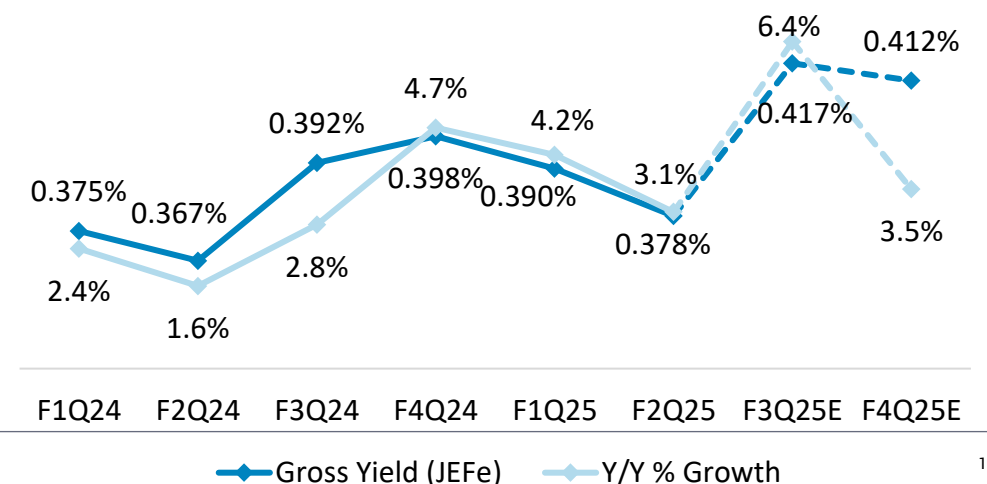
Our thoughts on the go-forward set-up:

- **V has outperformed YTD (+12% vs. SPX -1%, MA +7%), acting as a relative safe haven within the group amid macro uncertainty.** V's discount to MA (on NTM P/E of 15% is now back in-line with its 5-year average after narrowing to 11% in early April (and as wide as 25% in Oct. '24). **Absolute valuation is reasonable at ~27x CY26E EPS, but the magnitude of YTD outperformance makes the near-term upside case less clear.**
- **2H looks achievable even with the expected acceleration in incentives growth.** Client incentives growth is now expected to be faster in F2H (Street models +16.5% in 2H vs. 14% in 1H) after F2Q's deal timing and client performance driven beat. Despite this, we view Street's F2H 10.5% FXN net revenue growth as achievable with pricing ramping (FY25 expected to be more 2H weighted than FY24), and potential for our expectation for International Transaction Fee growth to accelerate (smaller FX headwind to nominal volumes, improving yield performance from the Q/Q step up in currency volatility)
- **Cross-border growth expected to hold at 12% through FY25; US inbound travel exposure / headwind talked down.** After slowing to 13% FXN in F2Q (vs. 16% in F1Q), cross-border volume growth is expected to hold at 12% through FYE (avg. of Mar. and Apr. – normalizes for Easter/Ramadan). While softer Canada to US travel was noted among the drivers of the F2Q decel., risk tied to US inbound travel was downplayed (we est. total US inbound travel is ~9% of cross-border rev. / ~3% of total net rev).
- **Higher currency volatility failed to flow through again in F2Q ...** Despite CVIX +20% Y/Y in F2Q (proxy for ccy. Vol.), Int'l Txn Fees grew in-line with cross-border (ex-intra Europe) volume, with the FX vol. uplift offset by client mix (yields vary by client, some issuers may not use V for ccy. conversion) ... **but elevated ccy vol. QTD implies a tailwind to F2H.** QTD, CVIX is +40% Y/Y, though volatility has moderated in May MTD after April's spike (in-line with V's expectations), with V then expecting ccy. vol. to hold at May levels through FYE, with F3Q higher than F2Q and F4Q in-line with F2Q – implying tailwinds to F2H should client mix headwinds abate.

Cross-Border FXN volume growth expected to stay at March/April avg. of 12% for the remainder of FY25



Gross yield expansion should be modestly higher in 2H on 2H-weighted pricing and elevated currency volatility



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Visa (V) – Bull Case vs. Bear Case

BULL CASE

- Discount to Mastercard (currently ~15% discount on NTM P/E vs. ~17% avg. since 2020) narrows amid a less restrictive US regulatory backdrop, and/or a more inflationary environment in the US (US ~50% of volume for V vs. ~35% for MA).
- Revenue growth of 10%-plus should be achievable even with payment volume growth slowing to the 7%-range (inc. 5-6% US growth and 8-9% international growth), supported by value-added services growth sustaining 18-20%, cross-border growth structurally higher than pre-COVID (higher mix of eComm), and ongoing pricing tailwinds.
- US volume (~50% of total) continues to grow 5%-plus med- to long-term supported by PCE growth and cash-to-card conversion
- Pricing power continues to support healthy yield expansion
- VAS growth sustains in high-teens range, provide mid-single-digit net revenue growth contribution
- Unresolved regulatory issues with the DOJ lawsuit and MDL settle with minimal downstream impact on V's market position and P&L.

BEAR CASE

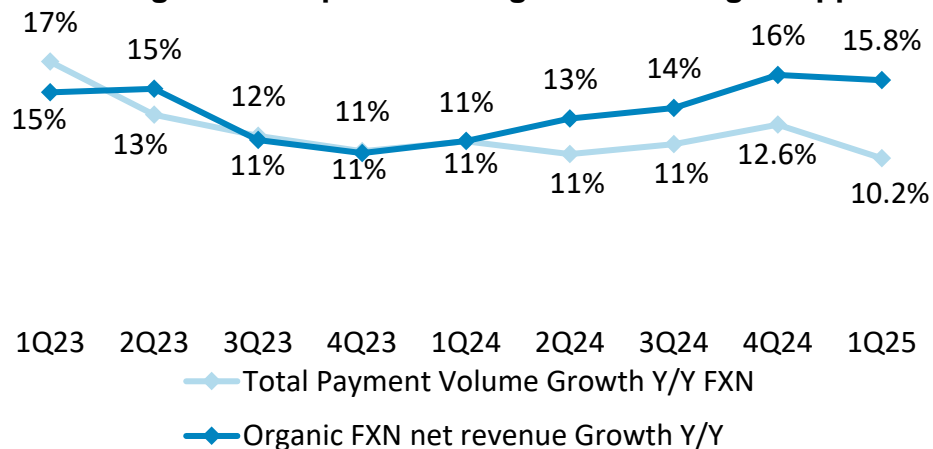
- Limited runway for cash-to-card conversion in the US causes volume growth to drift below 7% and make it challenging for Visa to maintain 10%-plus revenue growth, justifying a lower absolute/relative multiple vs. historical levels.
- Growth of non-card payment methods limits the secular opportunity in international markets, preventing oUS volume growth from offsetting slowing US volume growth.
- Competitive intensity drives persistent elevated growth in Client Incentives, which limits Visa's ability to grow Net Revenue faster than Payment Volumes.
- Yield expansion becomes more limited as value-added services attach rates near saturation and pricing opportunities diminish.
- Cross-border volume growth retreats to single-digit-range.
- Unfavorable outcomes of unresolved regulatory issues with the DOJ lawsuit and MDL lead to market share loss and/or weaker economics.

Mastercard (MA): Buy, \$655 PT

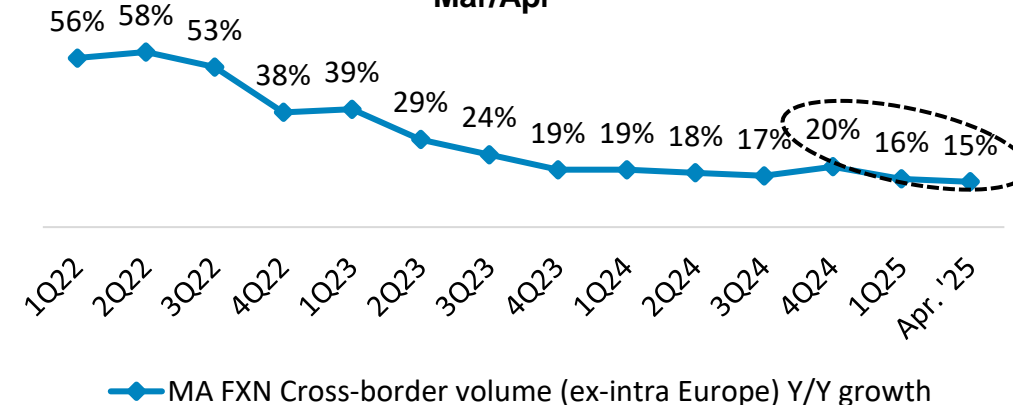
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Equity Research
May 27, 2025

Key themes from 1Q:

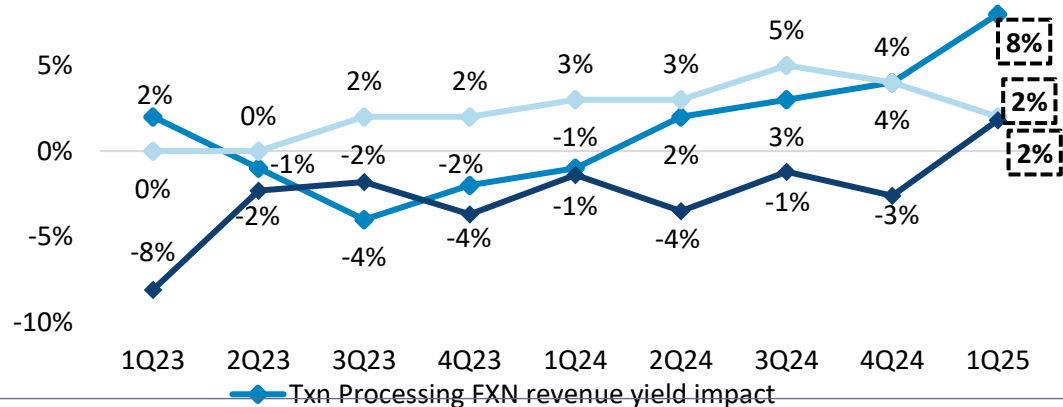
Yields the highlight of 1Q, enabling sustained ~16% FXN net rev. growth despite volume growth slowing ~2.5ppts



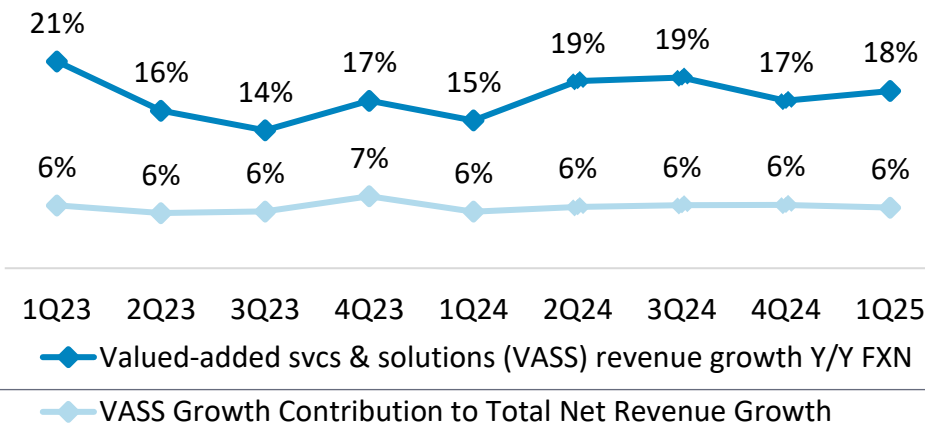
Cross-border volume (ex-intra Europe) growth has reset lower, slowing to 16% Y/Y in 1Q (vs. 4Q's 20%) and a 14% avg. between Mar/Apr



Txn Processing yield tailwind expanded to 8ppts in 1Q, benefiting from ccy. vol; Domestic Assess. yields flipped to a tailwind



VASS FXN growth of 18% Y/Y (incl. a ~4ppt M&A contribution) contributed ~6ppt to Net Rev. growth (in-line with 4Q)



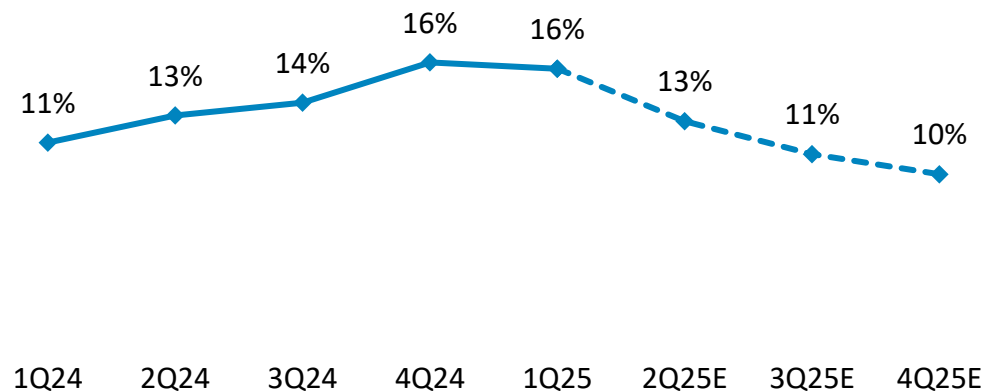
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Mastercard (MA): Buy, \$655 PT

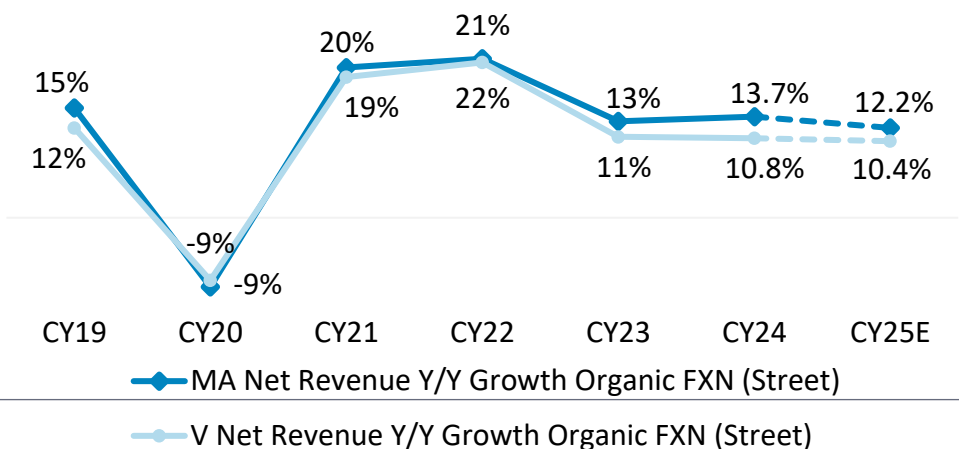
Our thoughts on the go-forward set-up:

- **MA remains attractive given discount to V on CY26E PEG, embedded conservatism in the FY25 guide, and sustained growth spread vs. V.** On a CY26E PEG, MA is at a ~0.4x discount to V (~1.8x for MA vs. ~2.2x for V). Despite MA seeing a steeper deceleration in 1Q payment volume growth (slowed ~240bps FXN vs. V's ~150bps decel.), 1Q's strong yield performance (FXN organic rev. grew ~5.5ppts above PV) sustained MA's spread in organic FXN rev. growth relative to V at ~5ppts (steady with 4Q), and Street models MA to grow ~2ppts faster than V in CY25.
- **After 1Q's beat, the reiterated FY25 guide now implies a bigger 2H deceleration, which we view as embedding incremental conservatism.** Following 1Q's beat and the 2Q guide above, the reiterated FY25 guide for organic FXN growth at the high end of LDD to low-teens now implies growth to slow to ~10% Y/Y in 2H (vs. ~11.5% prior) from ~14% in 1H. The implied deceleration is attributed to lapping 2H24's portfolio wins, pricing, and FX volatility, and we believe embeds no contribution from incremental pricing - but we view this as embedding incremental conservatism, and setting up 2H beats if underlying drivers hold steady.
- **FY guide likely embeds tax rate conservatism.** MA has guided the tax rate to step up to 20%-20.5% in 2Q and FY25 (vs. ~16% in FY24), which we view as conservative with potential for partial offsets – providing potential upside to current EPS estimates.
- **Cross-border (ex-intra Europe) growth has reset lower; US inbound travel exposure is manageable.** Cross-border (ex-intra Europe) volume is now at a 14% run-rate (average of Mar. & Apr.) 6ppts below 4Q24 and 3ppt below 3Q24. While US inbound travel was noted to have slowed in 1Q, it was not the main driver of the decel. (attributed to Middle East & Africa) No single country corridor (i.e. US – Mexico or US – Canada) is >3% of total cross-border volume (we est. inbound US travel from Canada is ~1% of cross-border volume) indicating exposure to US inbound travel is manageable should trends continue to soften.

After 1Q's beat, reit. of the FY guide now implies organic FXN growth will slow to ~10% in 2H25; we interpret as embedding conservatism



Street estimates call for MA Organic FXN Net Revenue growth to outpace V by ~2ppts in CY25



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Mastercard (MA) – Bull Case vs. Bear Case

BULL CASE

- Valuation premium to V (currently at ~15% vs. ~17% avg since 2020) expands further as Mastercard emerges as the structurally faster top-and bottom-line grower (12%-plus net revenue growth, and mid-teens+ EPS growth).
- Faster growth than V will be aided by: 1) faster Purchase Volume growth given greater exposure to higher growth card markets, 2) Value-added Services (currently growing high-teens) representing a larger % of revenue (~40% for MA vs. ~25% for V), and 3) longer runway for margin expansion (MA's op margins ~10ppts below V's).
- The launch of domestic switching in China (a ~\$10T consumer payments market) is greenfield opportunity for MA to gain share from local network for domestic volume, and increase its share of China outbound cross-border volume.
- Less regulatory uncertainty than Visa given: 1) DOJ anti-trust lawsuit only targets V, and 2) MA is less exposed to the Merchant Defense Litigation given a lower mix of US volumes (~35% of total vs. ~50% for V).

BEAR CASE

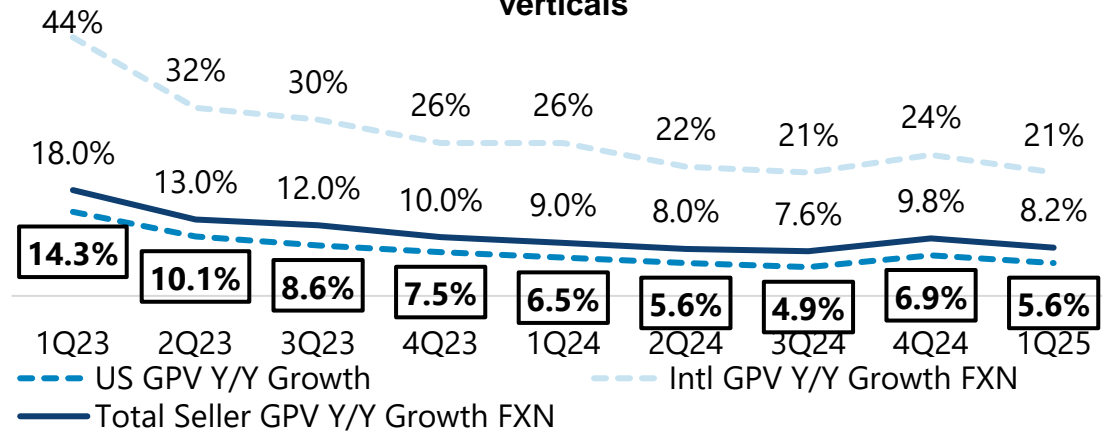
- Valuation converges back toward that of Visa as faster volume growth is offset by: 1) higher growth in Rebates and Incentives as MA has used R&I as a tool to win new business, 2) slowing growth in Value-added Services as products near saturation, 3) pricing opportunities becoming scarcer, and 4) a persistent mix headwind from faster growth in oUS geographies.
- Operating margin expansion will be muted as a high level of investment is required to maintain competitive capabilities.
- Increased regulatory scrutiny in the US or Europe/UK could lead to price caps; the UK Payment Systems Regulator could turn attention to capping network fees (vs. historically capping interchange fees).

Jefferies Block (XYZ): Buy, \$70 PT

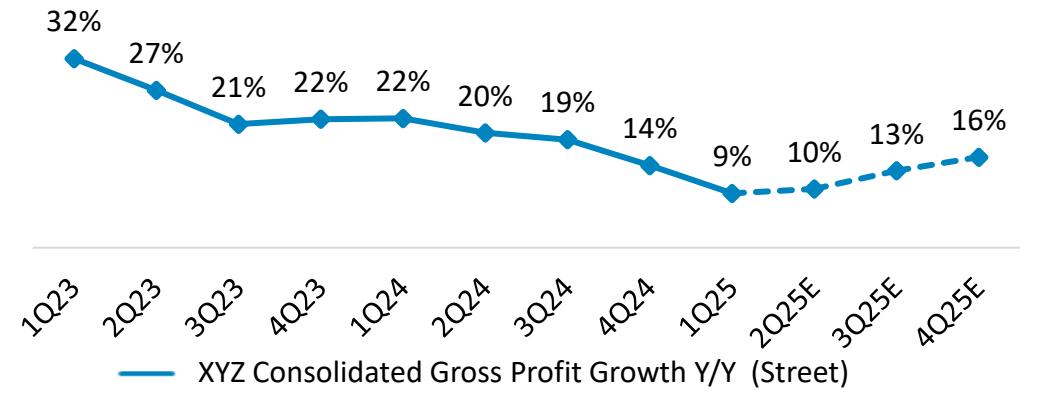
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May 27, 2025

Key Themes from 1Q:

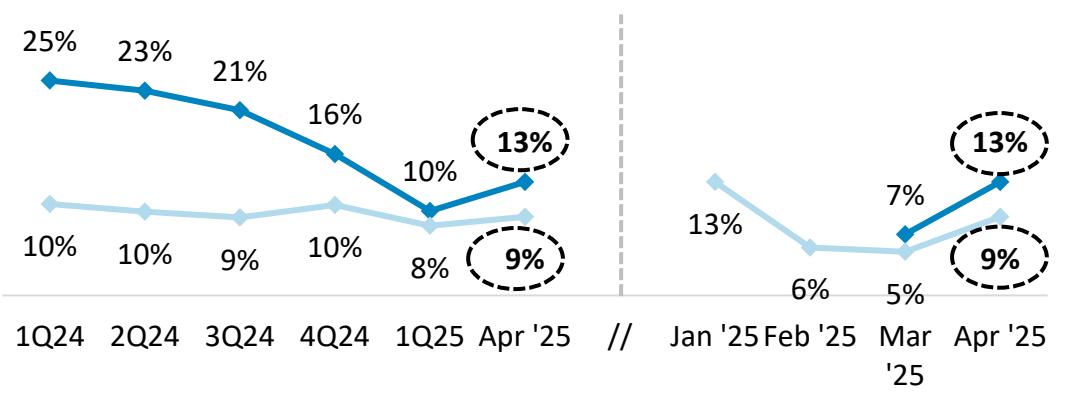
US Seller GPV growth slowed ~130bps in 1Q (~30bps decel. ex-LY), ~30bps better than V/MA, driven by return to share gains in core verticals



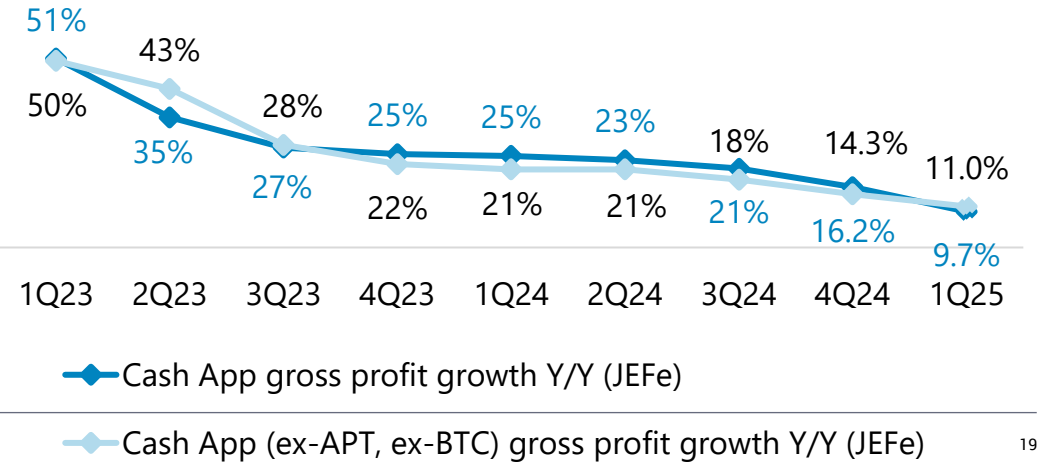
Gross profit growth slowed ~5ppts in 1Q driven by Cash App; 2Q guided to hold ~steady at 9.5% Y/Y; FY25 guide cut to 12% (from 15%)



Cash App gross profit and inflows per active growth improved meaningfully in Apr. following a slowdown during tax season



Cash App gross profit growth (ex-APT, BTC) slowed ~3.5ppts in 1Q (vs. ~6.5ppt reported) driven by below-normal inflows



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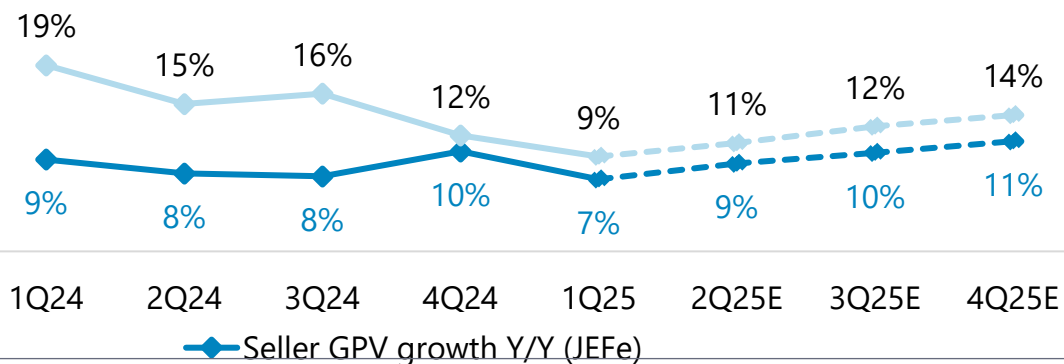
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Block (XYZ): Buy, \$70 PT

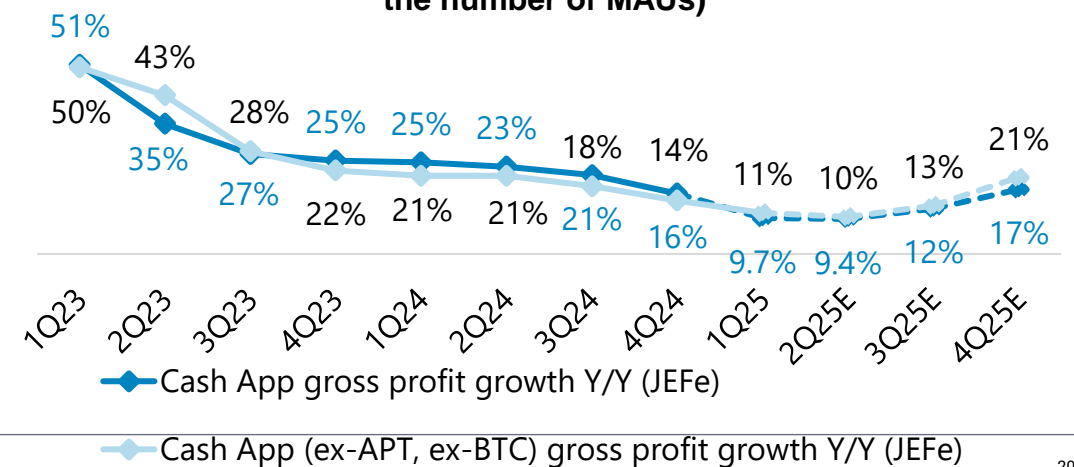
Our thoughts on the go-forward set-up:

- **April update for Cash App gives confidence that 1Q's issues were isolated/contained to consumer behavior with tax refunds in March.** April GP growth for Cash App (excl. one-time benefits) accelerated to 13% in April (vs. 10% in 1Q and 7% in March) and inflows per active growth accelerated to 9% in April (vs. 5-6% in Feb/Mar and 8% in 1Q).
- **We believe the updated guide is sufficiently de-risked; sets up numbers to start going back up, after three consecutive qtrs. of negative revisions.** The 2Q guide for 9.5% Y/Y growth embeds deceleration off of the April QTD growth rates (April: Cash App GP +13% Y/Y, Square GPV +10% Y/Y) providing good line of sight to a 2-3ppt GP beat in 2Q should the macro hold. There is good visibility into the assumed 2H acceleration tied to ramping Borrow originations (though there is some investor skittishness about leaning into lending in an uncertain macro) with expanded access provided through Square Financial Services (can now lend to ~2x the number of MAUs)
- **Square: showing real progress, should accelerate through FY25 on go-to-market and product initiatives.** Though overshadowed by Cash App's miss, Square posted a strong 1Q, with US GPV only slowing ~130bps (~30bps ex-Leap Year) to 5.6% Y/Y, narrowing the spread vs. V/MA US growth to -70bps (vs. -100bps in 4Q) as Square gained market share in core verticals, reflecting early returns from enhanced go-to-market (field sales, partnerships). We left the National Restaurant Association Show in Chicago with even more conviction in Square's upward trajectory ([LINK](#))

Seller GPV growth is expected in the HSDs in 2Q (vs. 7% in 1Q) after reaching ~10% in April, and accel. further in 3Q and 4Q as product and go-to-market initiatives continue to ramp



Cash App's GP growth expected to accelerate starting in 3Q, driven primarily by Borrow expansion (SFS provides access to 2x the number of MAUs)



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Jefferies

Block (XYZ) – Bull Case vs. Bear Case

Payments, Processors & IT Services

Equity Research

May 27, 2025

BULL CASE

- Gross profit growth sustains in the mid-teens through FY26 as Square GPV accelerates from recent go-to-market changes, and Cash App ARPU growth stays in the mid-teens from higher direct deposit attach and broader roll-out of lending products.
- Valuation at just ~14x FY26E adj. EPS undervalues the durability of XYZ's top-line growth and likely outperformance on margins from tighter cost discipline
- Square (f.k.a Seller):
 - US GPV growth will reaccelerate from efforts to close product gaps and improve the go-to-market motion, supporting sustainable low-teens Square gross profit growth.
- Cash App:
 - Increasing attach rates of direct deposit (from ~3.5% in FY24 to ~7.5% in FY26) can drive the majority of the growth needed to support >15% Cash App gross profit growth through FY26.
 - Further rollout of existing products and new products will offset slowing MAU growth.

BEAR CASE

- Initiatives fail to improve US GPV growth in Square or direct deposit attach rates in Cash App, leading to growth that is increasingly reliant on credit-sensitive revenue (i.e. Square Loans, Cash App Borrow, Afterpay), which limits multiple expansion.
- Macro slowdown has outsized negative impact on XYZ given exposure to micro-SMBs (Square) and low-income consumers (Cash App)
- Square (f.k.a Seller):
 - Product enhancements and go-to-market improvements materialize too-little-too-late given intense competition.
 - Brand refresh fails to attract larger SMBs as XYZ remains viewed as a tool for micro-sellers (i.e. a farmers market dongle).
- Cash App:
 - Changes to Cash App's product positioning fail to drive an improvement in direct deposit attach rates.
 - Slowing MAU growth means that growth will become increasingly reliant on extending more credit

Please see important disclosure information on pages 94 - 101 of this report.

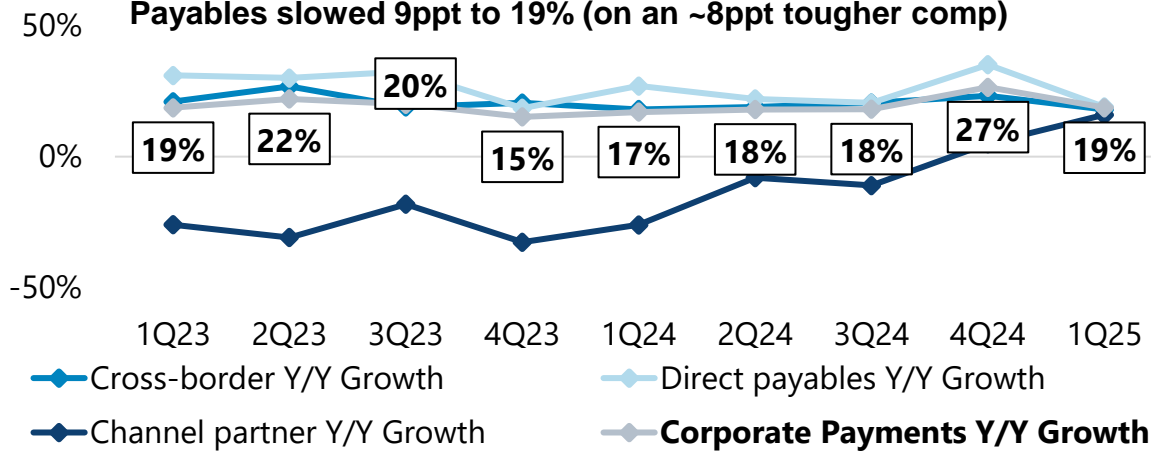
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Corpay, Inc. (CPAY): Buy, \$375 PT

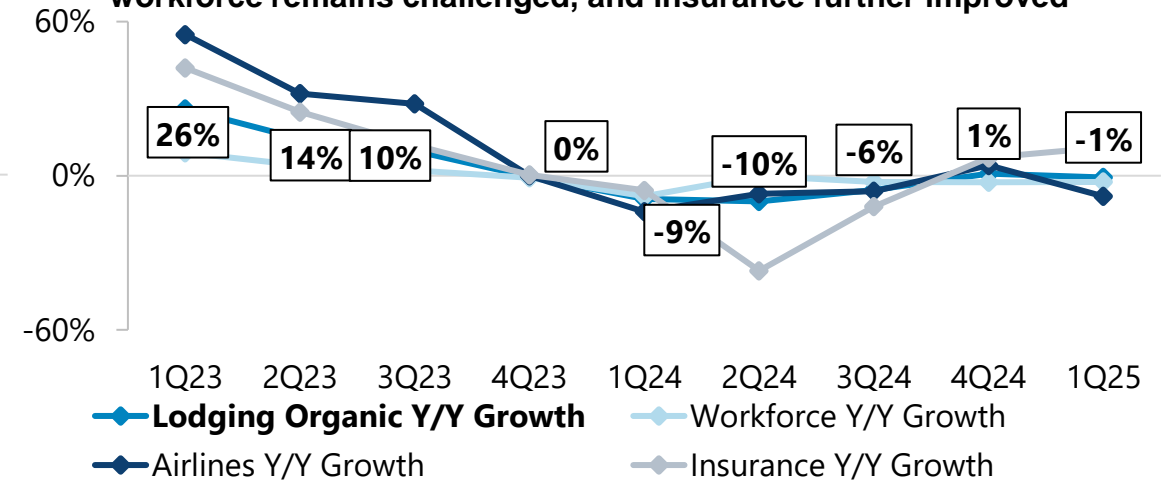
Payments, Processors & IT Services
Equity Research
May 27, 2025

Key Themes From 1Q:

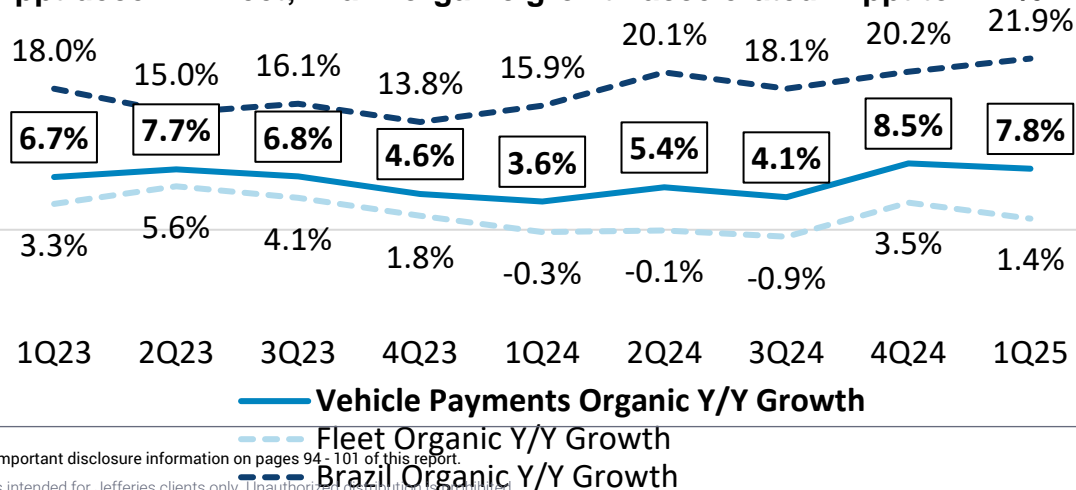
Corporate Payments growth slowed ~8ppts or 4ppt ex-one-time revenue synergies; Cross-Border decelerated ~3ppt to ~18% and Payables slowed 9ppt to 19% (on an ~8ppt tougher comp)



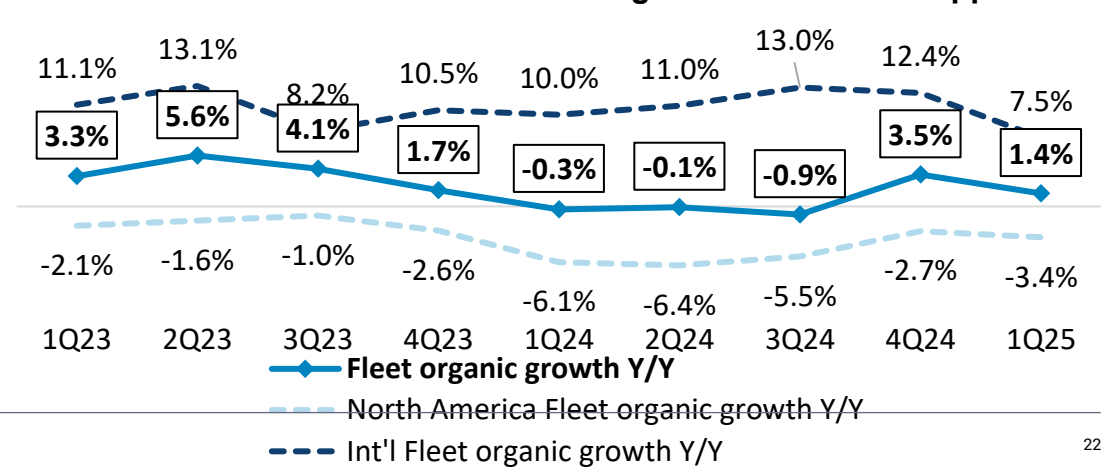
Lodging rev. growth decelerated 2ppt on softness in airlines; workforce remains challenged, and insurance further improved



Vehicle Payments organic growth slowed ~70bps in 1Q driven by a ~2ppt decel. in Fleet; Brazil organic growth accelerated ~2ppt to ~22%



Fleet organic revenue growth slowed ~2ppts in 1Q: US fleet declines of 3% were stable vs. 4Q while Int'l growth decelerated 4ppt



Please see important disclosure information on pages 94 - 101 of this report.

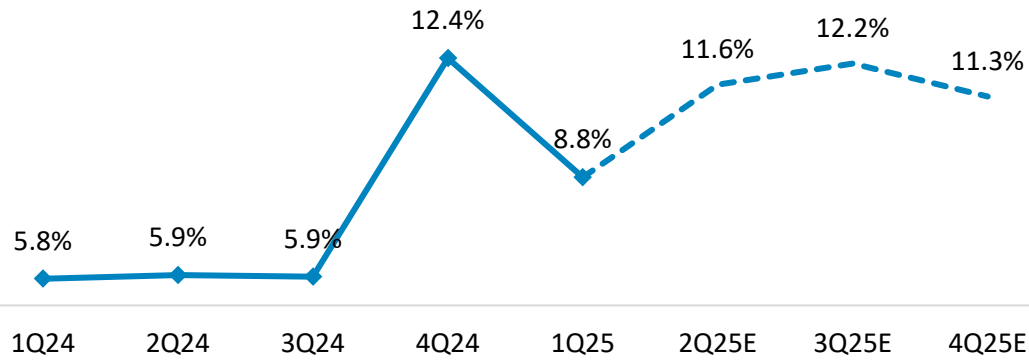
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Corpay, Inc. (CPAY): Buy, \$375 PT

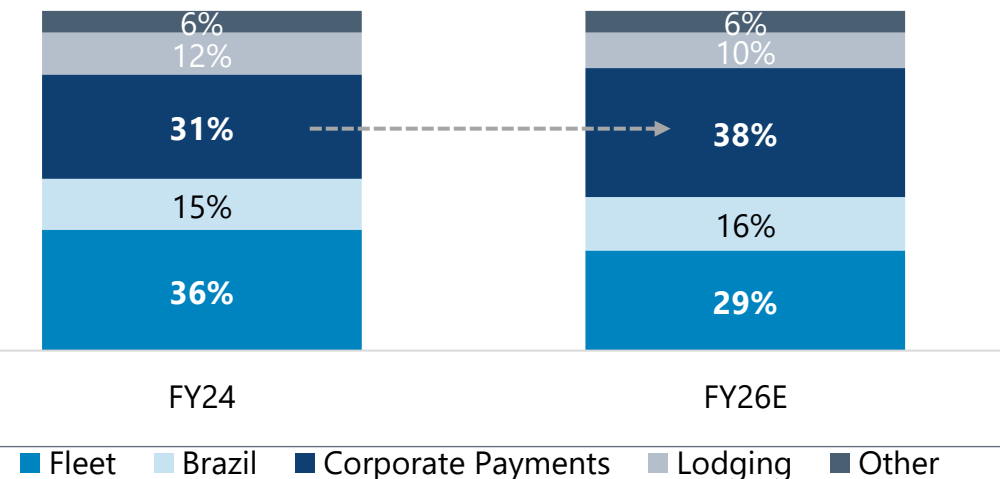
Our thoughts on the go-forward set-up:

- **Ongoing organic and inorganic mix-shift to Corporate Payments is in full swing after a flurry of activity in 1Q; one of the most compelling stories across the group.** During 1Q CPAY announced: 1) Minority investment of \$500mn in AVDX as part of TPG's \$2.2bn take-private, 2) MA's cross-border investment pegs cross-border multiple at ~20x FY25 EBITDA, 3) attempted to acquire London-based Alpha Group, 4) more open to divesting sizable non-core businesses, identifying three businesses (two in Vehicle, one in Lodging) with a collective \$150mn+ of EBITDA.
- **Tariff-related risk is manageable as <20% of Cross-Border revenues have direct exposure; FY outlook assumes ~200bps hit to 2H Cross-Border organic growth.** CPAY disclosed that ~25% of cross-border business (~60% of Corporate Payments segment-level revenues) is tied to goods coming in / going out of the US while less than ~20% of revenue is directly affected by tariffs. The FY outlook now contemplates a ~200bps drag on 2H Cross-Border organic growth from tariffs.
- **Few pockets of risk to FY25 consolidated organic growth outlook of ~11%, which embeds a healthy ramp in US Vehicle and Gift growing >20%.** US Vehicle organic growth of -3% Y/Y was within \$1mn of internal forecast, and CPAY expects growth to improve to ~flat in 2Q and +MSD% in 2H. The acceleration is expected to come from 2-3ppt of improved retention (byproduct of pivot away from micro fleets) and faster new sales growth (sales productivity noted to be up 2-3x since hiring), while SSS are assumed to remain stable (1Q was in-line with 4Q at +1% Y/Y). The FY outlook embeds Gift growing >20% in 2Q-4Q.

Consolidated organic growth expected to accel. to ~11% in FY25 driven by US Fleet organic growth ramping to MSD% in 4Q vs. -3% Y/Y declines in 1Q



Corporate Payments set to become biggest segment in FY26E; Fleet to drop to ~30% of revs



Please see important disclosure information on pages 9-10 of this report. Consolidated organic Y/Y growth (JEFe)

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Corpay, Inc. (CPAY) – Bull Case vs. Bear Case

BULL CASE

- Ongoing organic and inorganic mix shift to Corporate Payments is one of the most compelling stories across the payments universe, should lift normalized consolidated growth to high-single-digits over the medium-term and support a re-rating
- Share gains, market expansion, and further M&A offer a long runway for Cross-Border organic growth, reinforcing confidence in the sustainability of a high-teens Corp Payments growth profile over the medium-term
- Sales execution within North American Fleet allows for Fleet organic growth to ramp to mid to high-single-digits in FY25, providing greater visibility around the med-term organic growth trajectory
- Margin expansion, upside to deal synergies, accretive capital allocation (M&A, buybacks), and lower interest rates all provide levers to support mid-teens normalized EPS growth.
- Divestiture of non-core businesses allows for an accelerated mix shift to Corporate Payments revenue, which should be accretive to consolidated growth and EPS

BEAR CASE

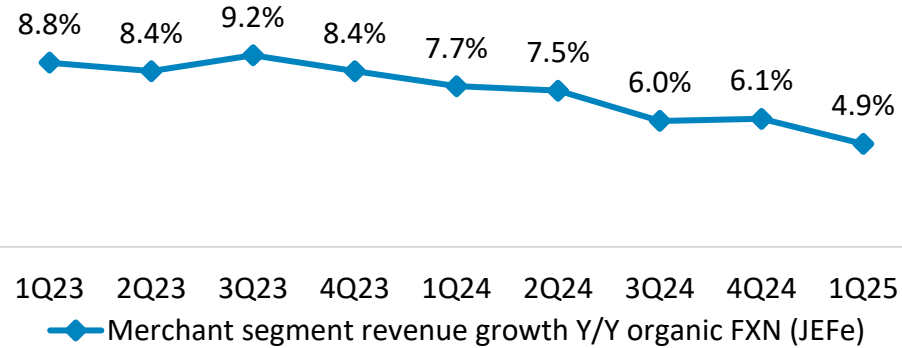
- FY25 outlook for 10-12% organic growth is aggressive as it's underpinned by an acceleration in US Vehicle ramping to mid-single-digit+ organic growth in 2H (vs. -3% Y/Y declines in 1Q) and Gift growing organically >20% in 2Q-4Q.
- Potential for a cut to the FY25 outlook for consolidated organic growth of ~11% due to US Vehicle only getting back to low-single-digit growth
- Vehicle Payments growth is contained to mid-single-digits in '25 vs. high-single-digits embedded in the guide which assumes US Vehicle progressively accelerates throughout FY25, with 4Q ramping to mid-single-digits+ (vs. -3% Y/Y declines in 1Q) and likely requires a healthy level of new sales activity in 2H
- Ongoing issues in workforce Lodging prove to be structural
- Buyback activity is less likely which removes a lever to EPS
- Corporate Payments growth decelerates to low-end of high-teens in FY25 on growth slowing to mid-teens for cross-border (vs. 20% in FY24) due to incremental pressure on global trade volume from tariffs and other US policy changes

Global Payments (GPN): Hold, \$75 PT

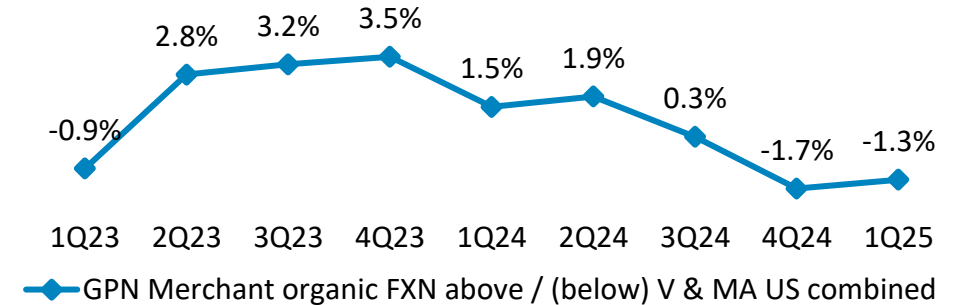
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May 27, 2025

Key themes from 1Q:

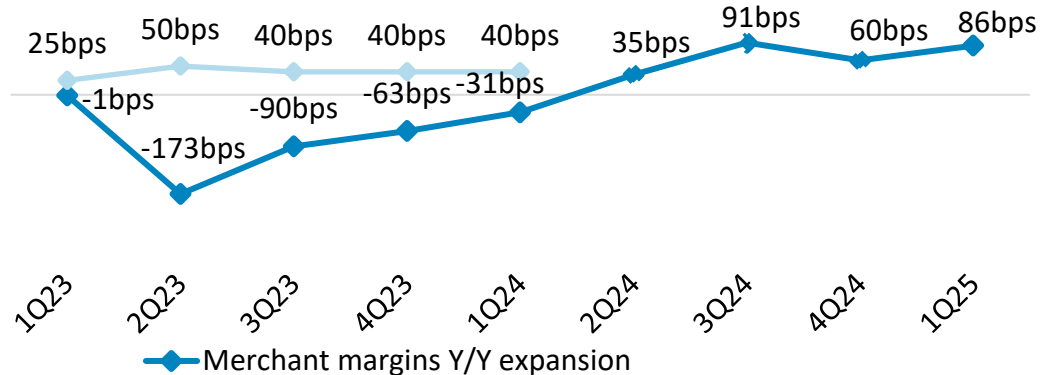
Merchant organic FXN rev. growth slowed ~120bps in 1Q (~20bps ex-LY), better than V/MA US volumes due to less Easter sensitivity



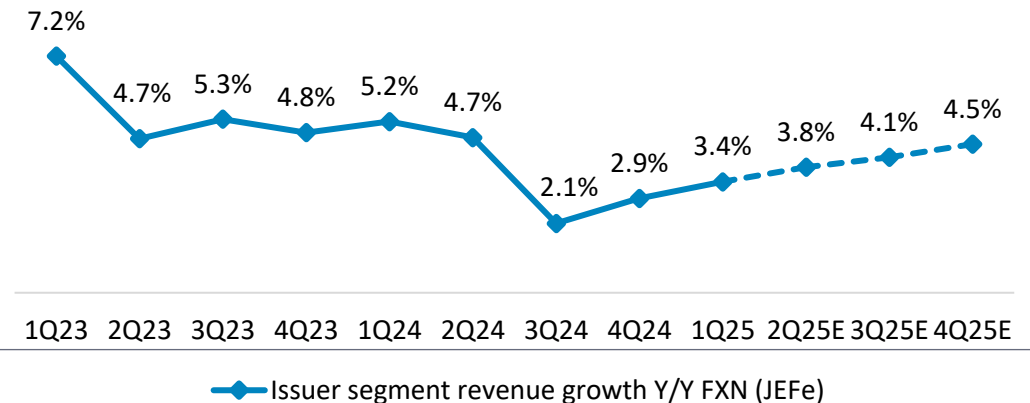
... and GPN's Merchant organic revenue growth gap below V/MA narrowed ~40bps in 1Q



Merchant margin expansion of +85bps in 1Q came in above Street's +65bps



Issuer FXN revenue growth improved in 1Q driven by consumer card; growth still expected at ~4% FXN for FY25



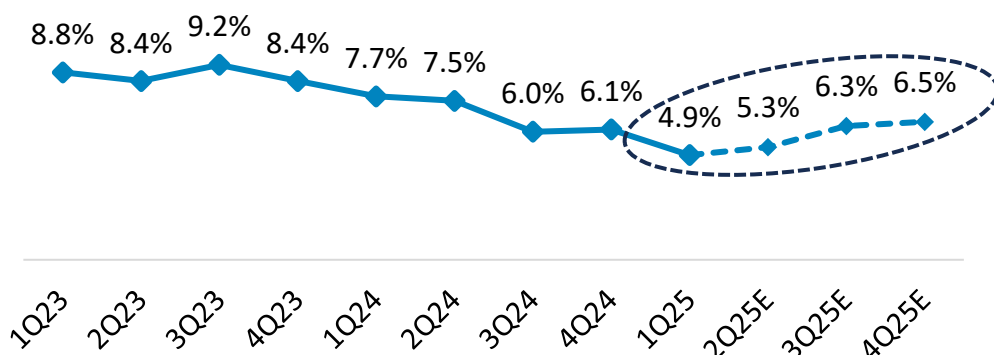
Please see important disclosure information on page 11 of this report. Merchant margins ex-EVO & dispositions Y/Y expansion
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Global Payments (GPN): Hold, \$75 PT

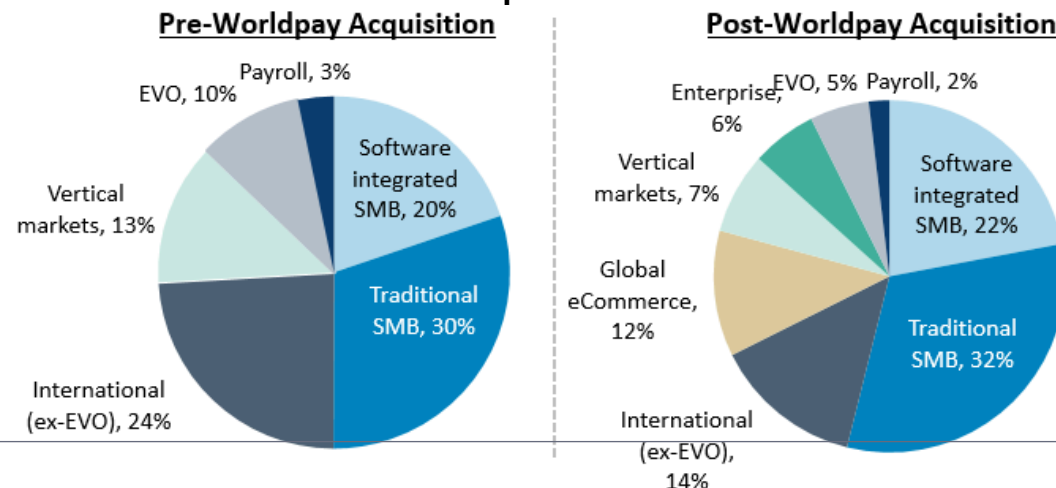
Our thoughts on the go-forward set-up:

- **1Q's limited Merchant decel. makes the 2H acceleration look less steep...but still carries execution risk.** Merchant organic growth slowed ~120bps to 4.9% Y/Y in 1Q, a smaller decel. than V/MA US volumes, attributed to GPN having less Easter and discretionary sensitivity. The limited decel. provides a higher baseline of growth ahead of the expected 2H acceleration.
- **Merchant expected to slow modestly in 2Q before re-accelerating to 6%+ in 2H.** 2Q's slower merchant growth is a result of negative impacts from restructuring initiatives (salesforce realignment, winding down non-core businesses), and Takepayments' contribution moderating to ~30bps (vs. ~100bps in 1Q). We model merchant growth of 5.3% Y/Y organic FXN in 2Q, a modest slowdown ex-Leap Year from 1Q's 4.9%. Merchant growth is then expected to accel. to 6%+ in 2H as initiatives ramp.
- **Worldpay thesis centers around cross-sell and diversification; we remain skeptics.** Management views the acquisition as combining two complementary assets with cross-sell potential given GPN's strength in SMB and POS and Worldpay's core competencies in eComm/enterprise and integrated payments (Payrix) -- targeting mid-teens EPS growth in '26-'27 for the combined entity vs. low-teens for GPN standalone. **We remain skeptical of the merger:**
 - Combines two competitively challenged businesses that we struggle to see as additive to each other
 - Challenging performance of '19 mergers (FIS/WP, GPN/TSS) casts doubt over scale-driven deals' likelihood of success
 - Increases leverage and cyclical sensitivity at a time of macro uncertainty

Merchant organic growth expected to slow modestly ex-LY in 2Q from restructuring impacts, then accel. to 6%+ in 2H as initiatives ramp



Worldpay acquisition increases eCommerce and Enterprise exposure



Please see important disclosure information on page 26. Merchant segment revenue growth Y/Y organic FXN (JEFE)

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Global Payments (GPN) – Bull Case vs. Bear Case

BULL CASE

- Issuer divestiture enables increased focus on Merchant, driving faster product velocity, ultimately improving GPN's competitive positioning
- Worldpay acquisition enables cross-sell between GPN's SMB suite and Worldpay's enterprise/eComm offerings, accelerating revenue growth to the high end of mid-to-high single-digits
- Revenue + cost synergies from the Worldpay acquisition accelerate EPS growth to mid-teens in '26/'27 (vs. low-teens for GPN standalone)
- Current valuation does not reflect normalized 10%+ EPS growth at just ~5x CY26E pro-forma EPS
- Standalone Merchant growth re-accelerates to 6%+ in 2H25 and ~7% in FY26 following salesforce initiatives and reallocation of resources to core growth markets
- Leverage successfully reduced to ~3x within 18 to 24 months post-acquisition

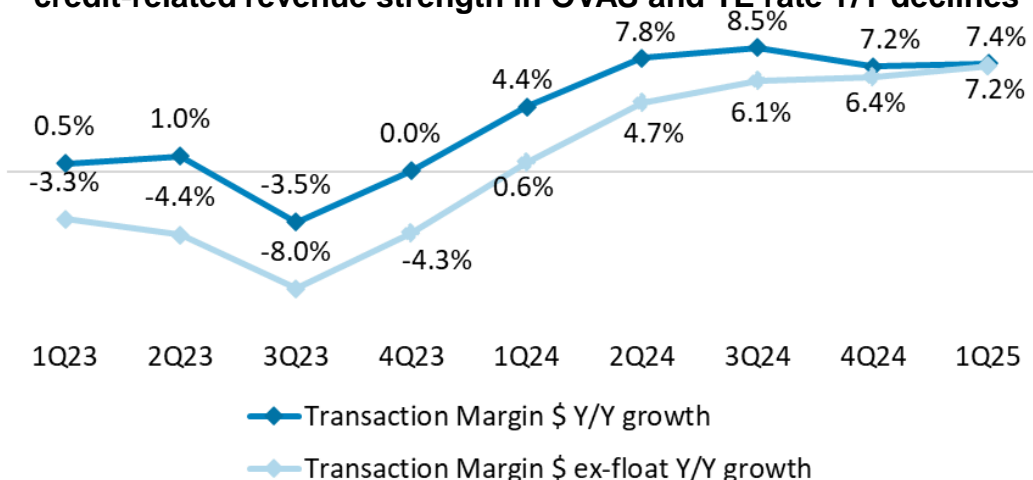
BEAR CASE

- Softer macro backdrop places outsized pressure on GPN driven by increased cyclical exposure and increased leverage resulting from Worldpay acquisition
- Standalone merchant growth fails to re-accelerate in 2H25 and FY26 as challenges prove structural
- Acquisition of Worldpay ultimately fails to accelerate growth to the high end of mid-to-high single digits, due to challenges integrating assets and overarching competitive pressure on both business in their respective markets.
- Worldpay acquisition fails to alleviate competitive pressure in the partnered software channel from Stripe / other tech-forward competitors with more modern solutions for embedded payments
- Investment (organic and/or inorganic) needed to integrate/modernize products will limit margin expansion / capital return
- Failure to return leverage to ~3x within 18 to 24 months post-close
- Overarching competitive pressure and increased cyclical exposure structurally limits P/E multiple to the MSDs

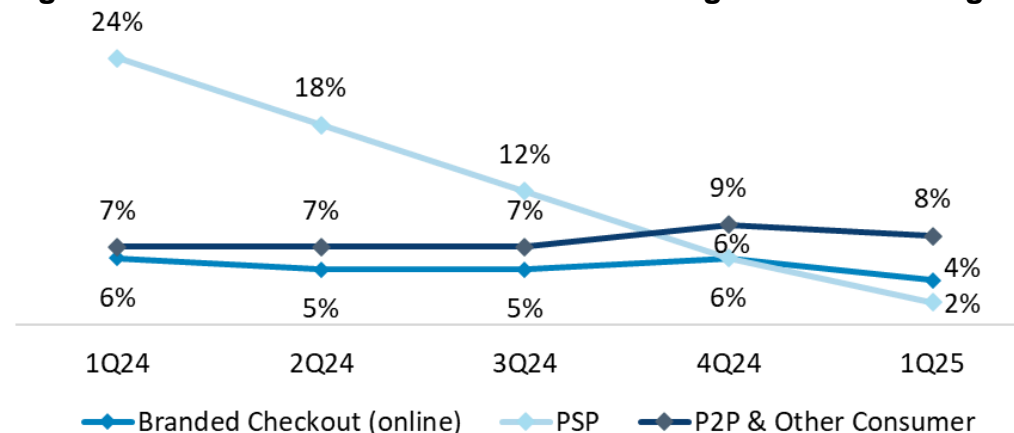
PayPal (PYPL): Hold, \$70 PT

Key Themes From 1Q:

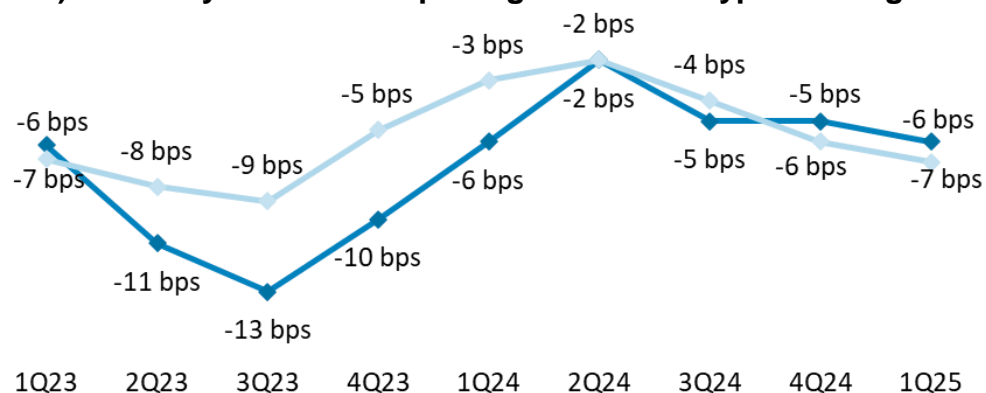
TM\$ ex-float growth accel'd ~80bps to 7.2% Y/Y in 1Q driven by credit-related revenue strength in OVAS and TE rate Y/Y declines



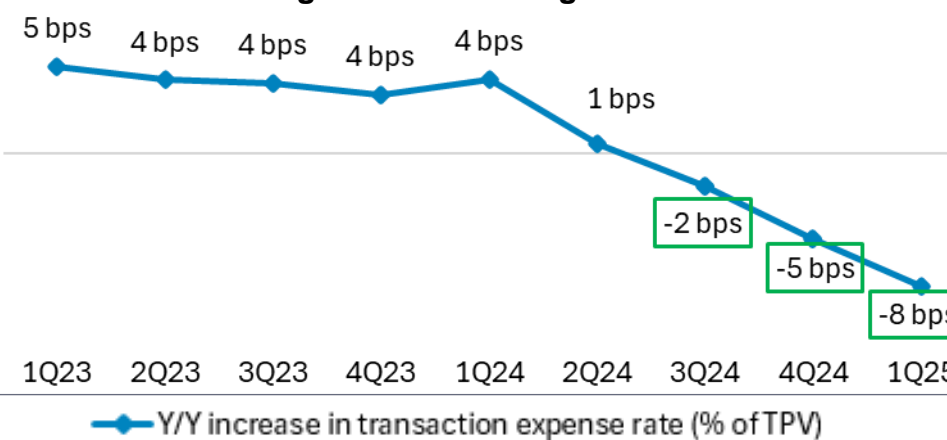
Branded TPV (new definition) growth slowed ~2ppt to 4% Y/Y FXN in 1Q or stable at 6% FXN growth when adjusting for Leap Year; PSP growth slowed to 2% FXN as Braintree TPV growth turned negative



Take rate Y/Y declines (ex-hedges) worsened to 7bps in 1Q (vs. -6bps in 4Q) driven by Braintree re-pricing and faster Hyperwallet growth



Transaction expense rate declined -8bps Y/Y in 1Q as Braintree TPV growth turned negative



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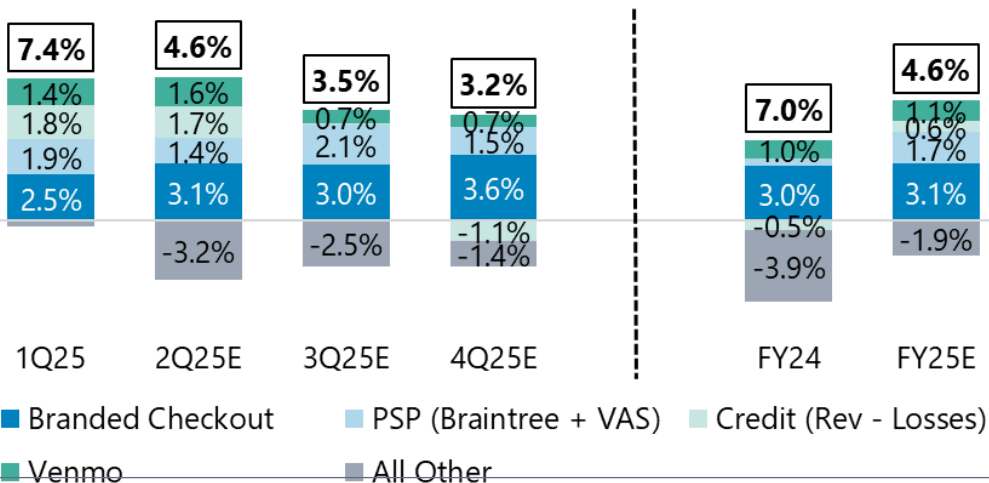
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PayPal (PYPL): Hold, \$70 PT

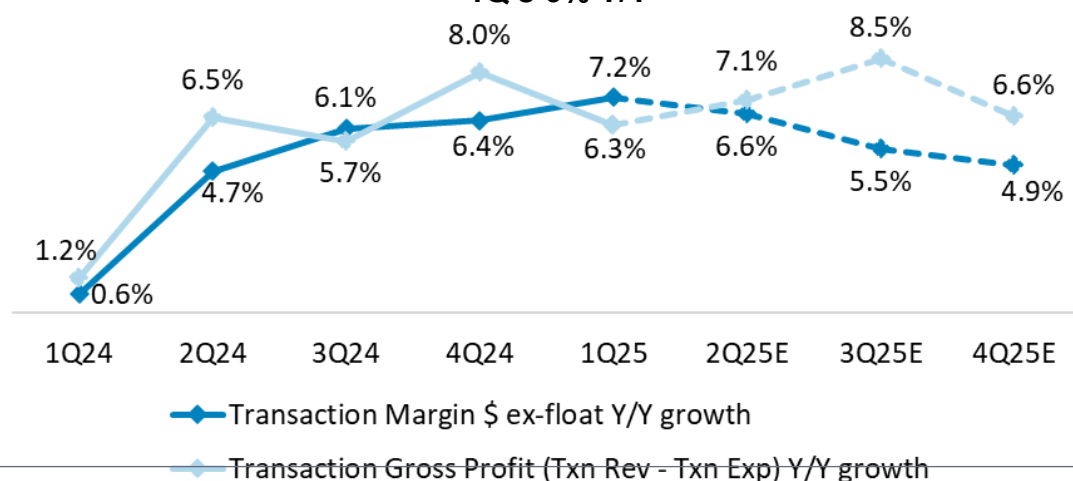
Our thoughts on the go-forward set up:

- FY25 numbers fairly de-risked as 2H transaction margin dollar growth builds in additional conservatism on the macro front.** Transaction margin dollars grew 7% Y/Y in 1Q and was better than guidance of 4-5%. Despite the 1Q beat, the FY outlook of \$15.2-\$15.4bn was reiterated with the low-end of the guide embedding a 2-3ppt decel. in market-level eComm growth (would impact TPV in nearly all buckets), while also baking in slower credit origination growth and higher credit losses. If the macro doesn't deteriorate, TM\$ growth is expected to be at the high-end of the FY range.
- Credit-related revenue growth within OVAS likely an additional source of upside to TM\$ ex-float growth in FY25.** We believe the MSD% outlook for OVAS in FY25 embeds credit-related revenue growth of >20% with SYF rev share as a potential pocket of upside. We see an undemanding path to HSD% growth on SYF rev share growing low-20% (~2% loan growth vs. base case of ~flat and an RSA of 3.8% or ~25bps higher than our base case of 3.5%). Our model has Merchant loans recovering to ~88% of FY22 levels, which could provide another source of upside beyond HSD% growth, though flow-through to TM\$ ex-float would be partially offset by higher credit losses.
- No changes to long-term structural concerns; Branded Checkout TPV growth trajectory is the key for a re-rating.** We continue to believe for a further re-rating to occur, we will need to see an acceleration in branded TPV growth, which we believe is difficult to underwrite given longer-term competitive concerns (i.e. Apple Pay on desktop, SHOP Pay continuing to expand distribution)

Contribution to TM\$ Y/Y growth: we est. Branded to add ~300bps, PSP/Braintree ~170bps, and Venmo ~110bps



TM\$ ex-Float is expected to grow 5-7% in FY25 and embeds slower Y/Y growth in 2Q-4Q while transaction gross profit growth must accel. vs. 1Q's 6% Y/Y



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PayPal (PYPL) – Bull Case vs. Bear Case

BULL CASE

- Transaction margin dollar ex-float growth in FY25 is fairly de-risked and can accelerate to ~8% in FY27 on the back of accelerating Branded TPV growth, Braintree VAS attach, Fastlane contribution, Venmo monetization, and PPCP scaling.
- Branded Checkout (new definition) TPV growth can accelerate to 7%+ in FY27 as ~80% of global checkout volume is expected to migrate onto the latest branded experience), leading to increased share as the better UX contributes to higher selection by consumers
- Take rate compression moderates to low-single-digit Y/Y declines reflecting just mix-driven dynamics (i.e. take rate declines in branded checkout are a function of geo/merchant mix, and Braintree declines are from mix shift to international).
- Braintree TPV growth can re-accelerate to and sustain a mid-teens clip over the med-term with VAS attach ramping leading to net take rate expansion
- Venmo revenue reaches \$2bn+ in FY27, driven by higher attach rates in Pay with Venmo and the Venmo debit card.
- The transaction loss rate declines to mid-single-digits of TPV in FY27, reflecting a structurally lower risk profile
- Investments towards automation and greater discretionary expense discipline can allow for non-transaction OpEx to grow at a low-single-digit CAGR over the medium-term

BEAR CASE

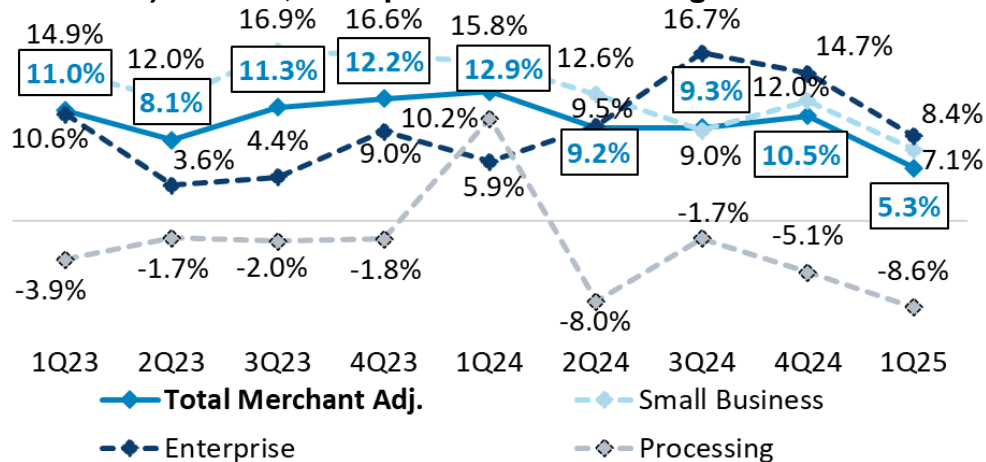
- Branded checkout TPV growth decelerates as competitive pressures at checkout continue to intensify and/or the gap between global eComm market growth vs. branded checkout TPV growth widens out due to accelerating share loss
- Persistent take rate pressure within branded checkout from mix pressures (large enterprise outgrowing SMB) and like-for-like pricing compression
- Braintree contribution to TM\$ ex-float growth is capped at sub 100bps as TPV growth lags market-level growth on increasing competitive dynamics and VAS attach fails to gain meaningful traction
- Multi-year OVAS headwind from over-earning on interest income from customer balances during peak rates; OVAS growth and contribution to TM\$ ex-float growth over med-term is driven by credit-related revenue (lower quality)
- Venmo monetization efforts fail to significantly ramp and revenue falls short of the \$2bn target in FY27 on slower Pay with Venmo TPV growth
- Greater levels of investment into a structurally challenged asset drive mid-single-digit+ OpEx growth and weigh on ability to sustain 10%+ EPS growth
- Broader adoption of Fastlane leads to branded checkout button cannibalization, resulting in branded checkout TPV growth slowing

Jefferies Fiserv (FI): Hold, \$165 PT

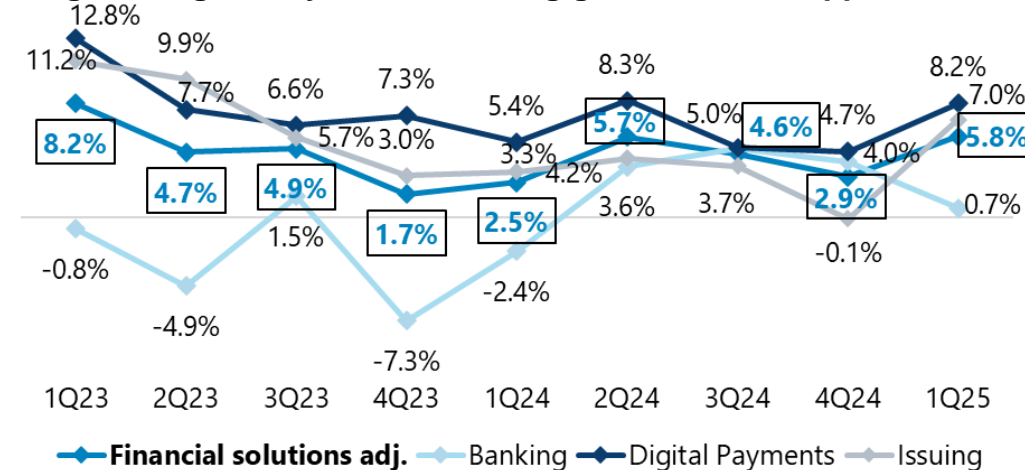
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May 27, 2025

Key themes from 1Q:

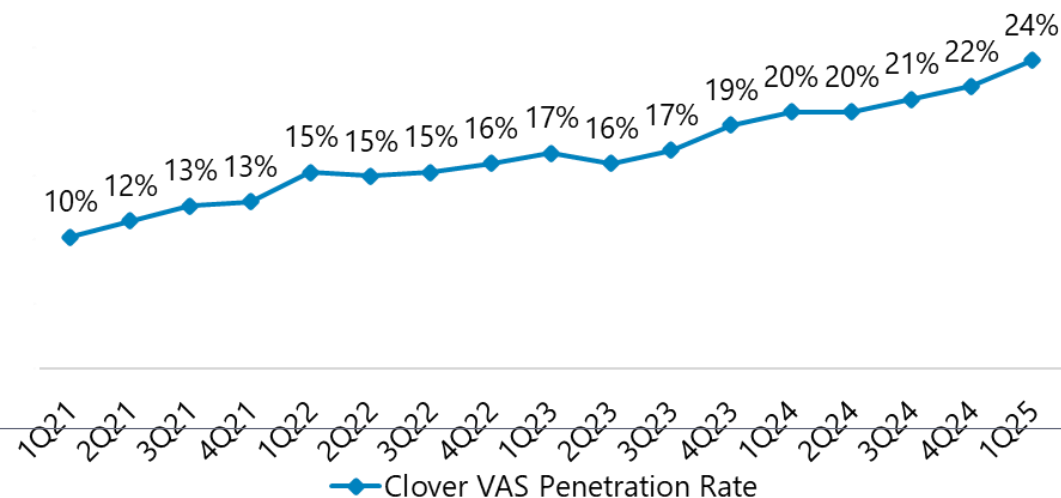
Merchant adj. revenue growth decel'd ~5ppt to ~5% (we est. 6% ex-LY/Easter) as SMB, Enterprise and Processing all slowed in 1Q



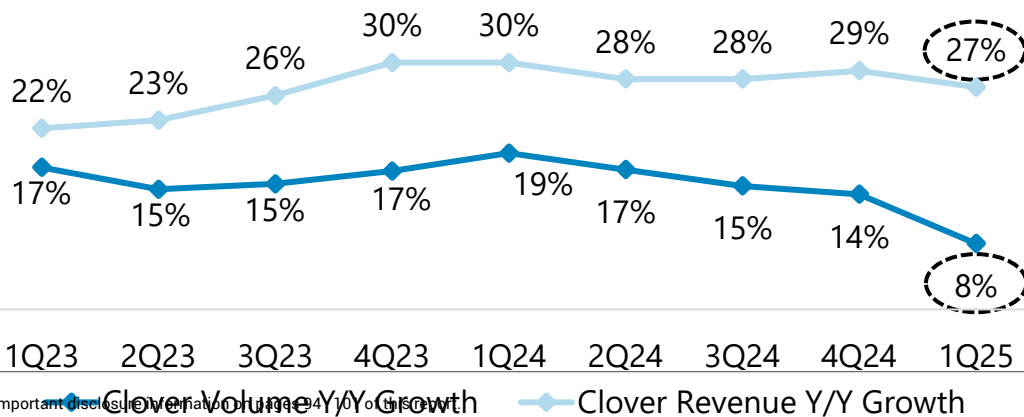
Fin Solutions Y/Y adj. revenue growth accelerated ~3ppt in 1Q, led by Issuing and Digital Payments; Banking growth slowed 3ppt to 1% Y/Y



Clover VAS penetration expanded ~200bps Q/Q to 24%



Clover GPV growth decel'd ~6ppt, driven by: lapping a gateway conversion (200bps), LY & Easter (150bps), weaker Canada Travel spend, and softer disc. spend; revenue growth supported by higher VAS attach + Hardware



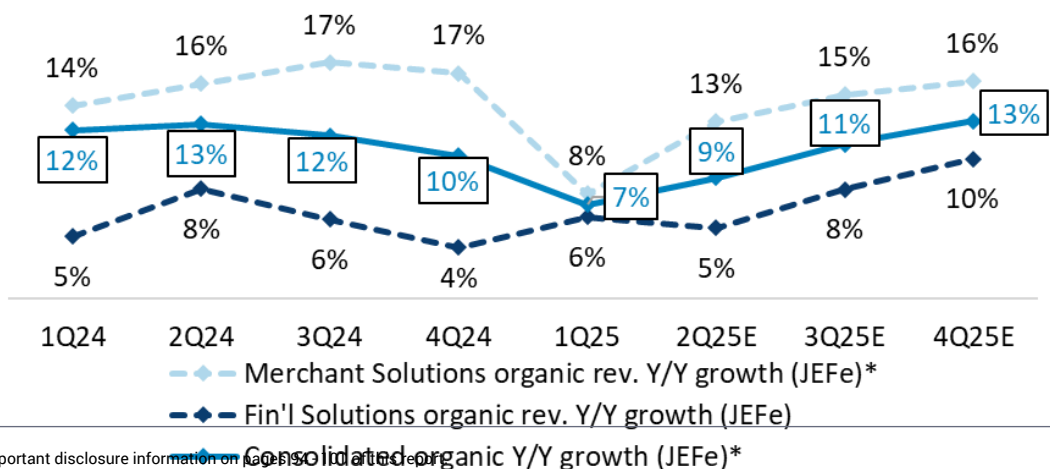
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Fiserv (FI): Hold, \$165 PT

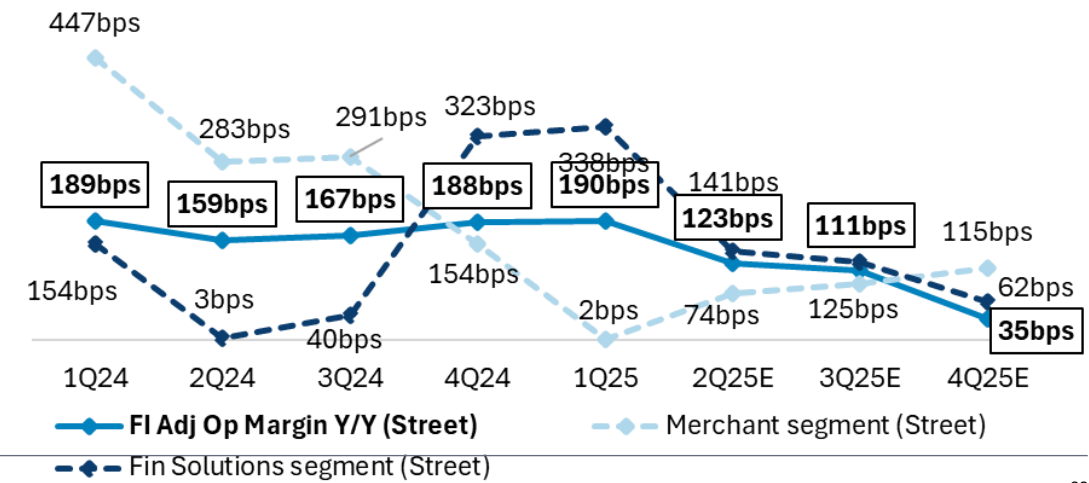
Our thoughts on the go-forward set-up:

- **The bloom is off the rose for Clover's secular growth story with the reset to low-double-digit normalized GPV growth implying more subdued organic share gain in the US going forward.** Additionally, the shift in messaging around 2Q (now expected to be similar to 1Q's 8% Y/Y growth vs. previously messaging a modest acceleration) signals a lower level of visibility, and even if GPV growth accelerates in 2H we don't expect it to get full credit (international expansion, inorganic contribution).
- **Clover GPV is the only number that will matter in the near-term.** The multiple at ~13x FY26E is undemanding for a consistent double-digit+ EPS grower, but as we've seen across the group over the past five years, the migration into a stock focused on a singular KPI (in this case Clover GPV ala branded TPV for PYPL and US GPV for XYZ) has made valuation a secondary consideration.
- **Merchant FY organic targets embed significant ramp from 8% Y/Y organic in 1Q to mid-teens by 4Q**, embedding little margin for error (especially now in the context of what appears to be worsening visibility into Clover GPV)
- **Confidence in the Financial Solutions ramp in FY25.** Good visibility in Financial Solutions acceleration from 1Q's 6% Y/Y growth: 1) issuer onboardings (TGT went live at the end of 1Q + VZ coming on in 3Q), 2) Finxact ramping with DASH and other embedded finance players, 3) XD implementations ramping, and 4) Cash Flow Central rolling out (first client launched in 1Q)
- **Expect modest upside to operating margins in FY25, providing a lever to protect EPS should the magnitude of the assumed top-line acceleration fail to materialize.** We see slight upside to Street's 2H adj. operating margin estimates, particularly in 4Q (Y/Y expansion is less than 3Q despite an easier comp). 2H margin expansion is expected to be bigger than 1H, due to the expectation for top-line growth to accelerate.

FY25 top-line outlook assumes a 2H acceleration driven by: easing Argentina comps, Clover Int'l expansion ramping, product rollouts (CF Central + Clover vertical software), and issuing wins layer on



Adj. Op Margins expected to expand >125bps in FY25; 2H expansion expected to be bigger than 1H due to accelerating top-line growth



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Fiserv (FI) – Bull Case vs. Bear Case

BULL CASE

- Near-term concerns around Clover GPV growth slowing overblown, not having a material impact on the med-term Merchant / total company organic growth algo, preserving ~mid-teens EPS growth vs. the stock likely discounting a downtick to EPS growth in FY26/27 at ~13x FY26 P/E
- Clover revenue growth can accelerate to low 30% in FY26 and exceed \$4.5bn target on the back of higher merchant uptake on new SaaS modules, VAS pricing tailwinds, ramp in hardware shipments, and larger than expected contribution from expansionary efforts into new international markets
- CashFlow Central, issuer onboardings, XD, and Finxact momentum provide a path for Financial Solutions to maintain a high-single-digit growth rate through FY26
- Consolidated margins can expand ~150bps+ in both FY25 and FY26

BEAR CASE

- Clover growth drivers in FY26 and beyond (international, inorganic, back-book conversion) will make it difficult to determine true underlying organic performance, making any eventual re-acceleration from getting full credit
- FY25 organic growth guide assumes a fairly steep 2H acceleration, even when excluding the impact from excess Argentina/Dolar Turista, with Merchant revenues needing to run above normal seasonality in 2H
- Leaning into anticipation revenue in LatAm negatively impacts free cash flow and limits share repurchase potential, impacting the EPS growth algo and multiple (lower-quality revenue)
- Clover revenue growth decelerates in FY26, putting risk to the \$4.5bn revenue target as volume growth is pressured and remains in the low-double-digit range and VAS attach begins to slow reflecting increasing competitive dynamics in the US and slower international growth
- Clover revenue growth is being supported by strength in lower-quality hardware revenue
- Finxact fails to gain meaningful traction, reflecting a more intense competitive landscape with FIS making a bigger push into the regional and community bank space

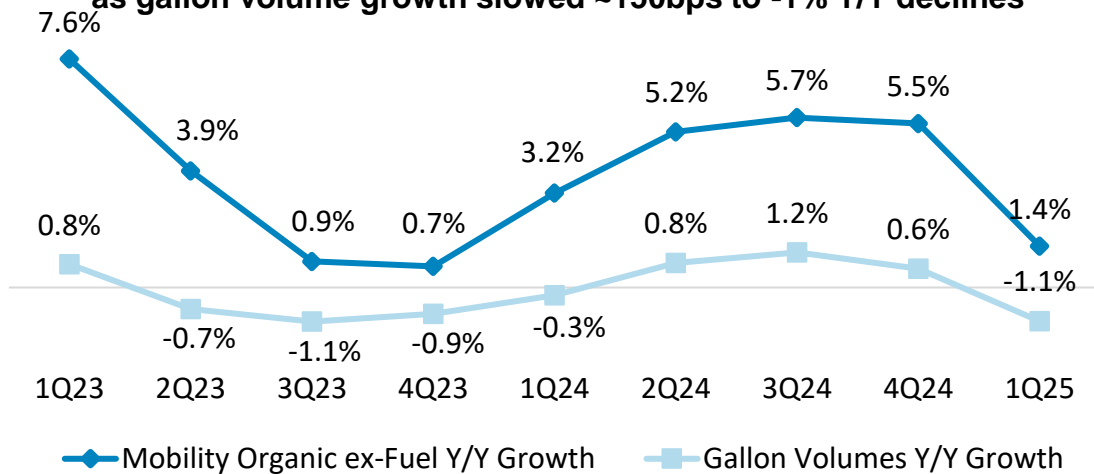
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WEX, Inc. (WEX): Hold, \$135 PT

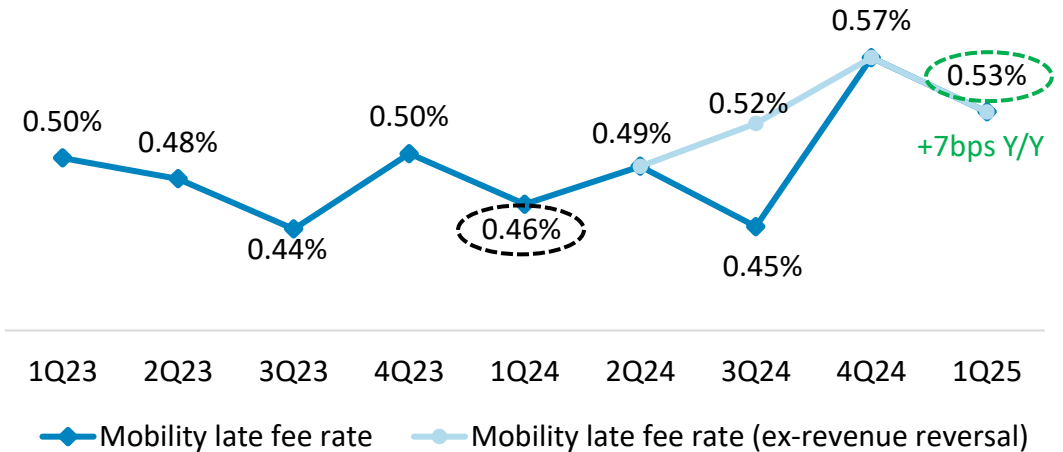
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Key Themes From 1Q:

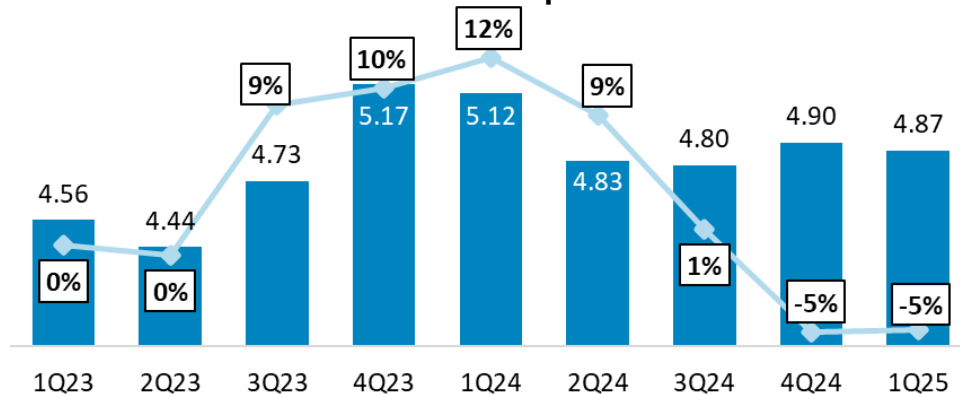
Mobility organic ex-fuel growth decelerated ~4ppts to ~1.5% Y/Y in 1Q as gallon volume growth slowed ~150bps to -1% Y/Y declines



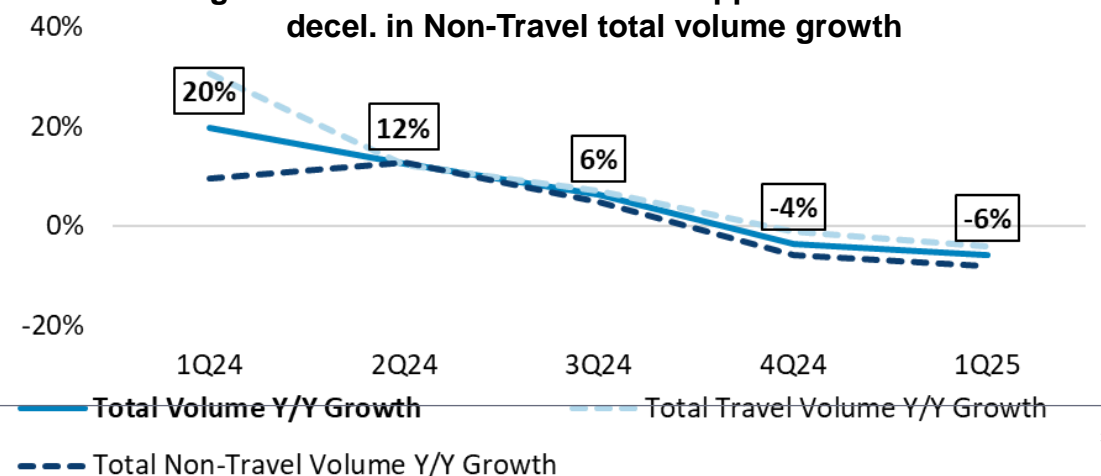
Mobility's late fee rate expanded 7bps Y/Y to 53bps in 1Q



Benefits: ARPU ex-interest income declined -5% Y/Y in 1Q, marking the second consecutive qtr. of Y/Y declines



Corp. Pay total volume growth slowed ~2ppt to -6% Y/Y as volume reductions from two large customers contributed to a ~3ppt decel. in Travel and ~2ppt decel. in Non-Travel total volume growth



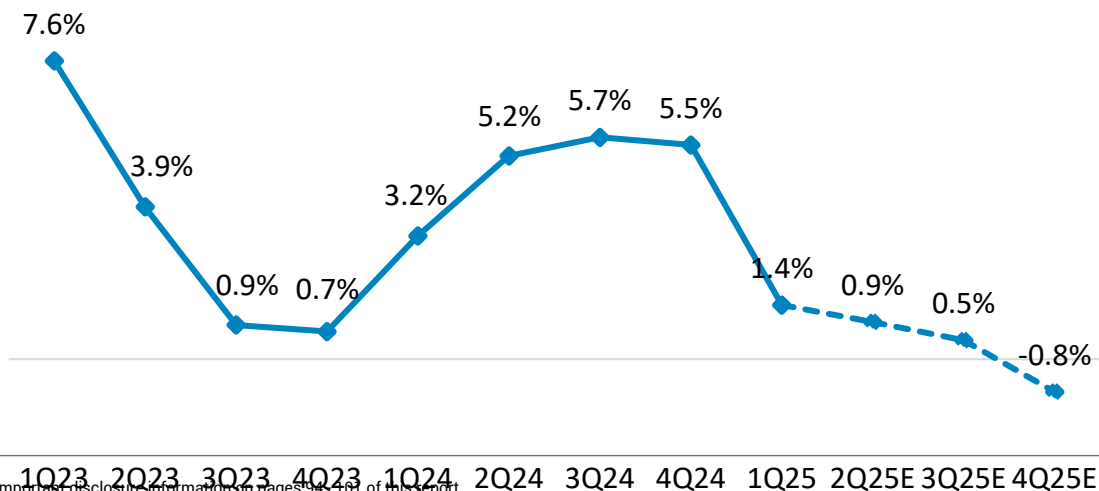
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WEX, Inc. (WEX): Hold, \$135 PT

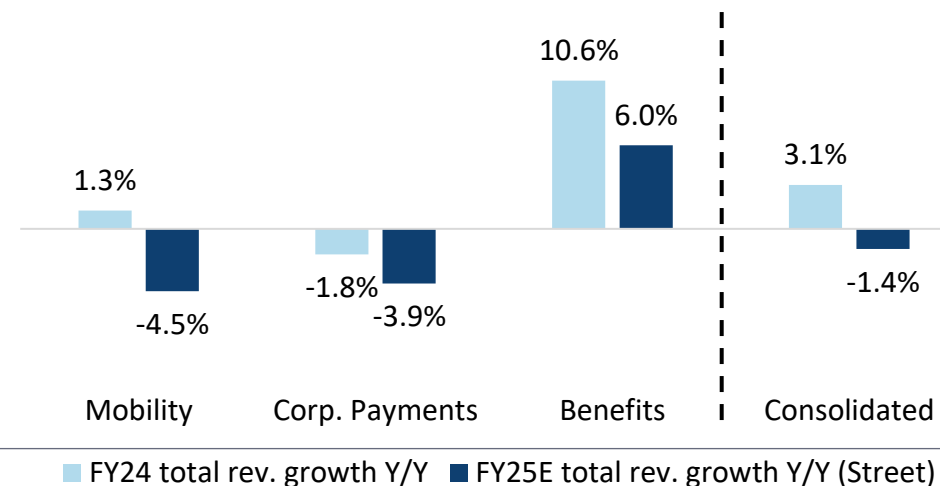
Our thoughts on the go-forward set-up:

- **FY25 top-line guide reiterated as “embedded cushion” in prior outlook was enough to absorb pockets of 1Q softness; no further macro-weakness was contemplated, leaving minimal wiggle room to numbers if things worsen from here.** Despite 1Q showing early signs of pressure with SSS in NA fleet slowing to -4% (vs. -3% in 4Q) and softer spend across a subset of Corp. Pay customers, no changes were made to the underlying assumptions in the FY25 guide. The prior outlook had embedded conservatism, which was enough to fully absorb the pockets of pressure, while the updated guide doesn’t further bake in incremental macro-related weakness, leaving a potential cut still on the table.
- **Corp. Pay total volumes hit again by lower wallet share across two large customers.** Corp. Payments total volume growth (we believe a more instructive KPI vs. purchase volume as it normalizes for the BKNG impact) decelerated to -6% Y/Y in 1Q vs. -4% in 4Q. Travel-related total volume growth slowed 3ppt to -4% Y/Y, with non-travel volume growth decelerating ~2ppt to -8% Y/Y vs. (-6% Y/Y). We believe the decel. was mainly attributed by volume reductions from two large customers (one in Travel and one non-Travel), as volumes for each customer declined more Y/Y than the consolidated Travel and non-Travel growth rates.
- **Mobility organic ex-fuel growth in FY25 should be closer to the low-end of the 1-3% range, largely reflecting incremental SSS softness across North America local fleets.** SSS for NA local fleets (~70% of Mobility) fell 4% Y/Y vs. -3% in 4Q, due to a softer macro and unfavorable weather. OTR SSS improved to 2.5% Y/Y vs. -1% in 4Q but was entirely driven by a pull fwd ahead of tariffs (1H of April was noted to be strong while 2H dropped by 2-3ppt).
- **We remain on the sidelines as we see limited potential for multiple expansion over the near term.** We struggle to see what drives a re-rating in the stock given: 1) the perceived risk to the FY25 guide, 2) long-term structural concerns across all three segments, 3) buyback lever in the rear-view with leverage up, and 4) CPAY’s take-private deal of AVDX (WEX non-Travel Corp. Pay. customer) an incremental negative to the narrative in Corp. Pay. (though we don’t expect a material financial impact as we est. AVDX contributed ~\$8mn of revenue/EBIT in FY24).

Mobility organic ex-fuel growth is expected to be towards the low-end of 1-3% targeted range in FY25



Total revenue growth by segment: Top-line growth pressured in FY25, with slowing growth across all 3 segments



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WEX, Inc. (WEX) – Bull Case vs. Bear Case

BULL CASE

- Stock is cheap at ~8x FY26E EPS and three segments can grow in-line with the medium-term targets, supporting a MSD-HSD% top-line growth algo, which drives a re-rating to a low-double-digit P/E
- Higher fuel prices and a higher-for-longer interest rate environment drive faster Mobility revenue growth
- Gallon volume growth can re-accelerate to mid-single-digits over the medium-term as freight market conditions begin to improve and incremental sales & marketing spend layers on, allowing for Mobility organic ex-fuel revenue growth in the mid-single digits
- Normalizing wallet share losses in Travel/non-Travel prove temporary and volumes grow in-line with market-level growth over the medium-term with stable take rates
- Non-travel corporate payments revenue growth accelerates, driven by the successful ramp of direct payables as incremental product investments layer on; faster direct payments growth accretes segment-level take rates

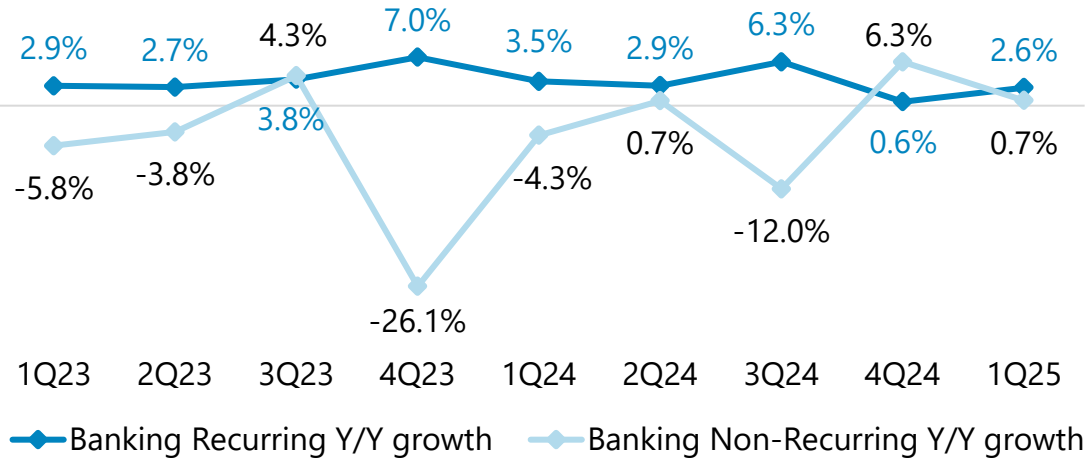
BEAR CASE

- Freight market conditions do not improve, weighing on gallon volume growth and preventing Mobility ex-fuel growth from re-accelerating to mid-single-digits
- Trajectory for Mobility yields is downward-biased on lower short-term interest rates
- Recent issues in Travel (lower wallet share with OTAs, virtual card acceptance pushback, customer volume reductions) prove to be structural headwinds, placing continued pressure on Corp. Pay volumes, driving slower underlying Corp. Pay growth
- Direct payables ramp proves unsuccessful, limiting non-travel volume growth and preventing Corp. Pay take rate expansion
- Structurally slower Corp. Pay growth prevents mix shift away from Mobility, capping consolidated valuation at high-single-digit P/E
- Benefits account growth falls below market-level growth due to increased competition
- Incremental investments place additional pressure on consolidated margins
- Future capital allocation is weighted toward Mobility M&A rather than share repurchases or M&A in Corporate Payments

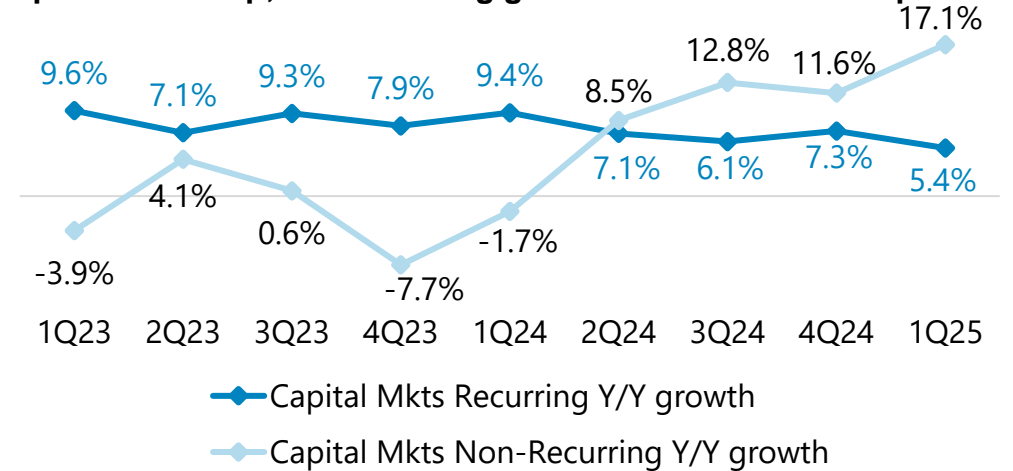
Fidelity National Information Systems (FIS): Hold, \$80 PT

Key Themes From 1Q:

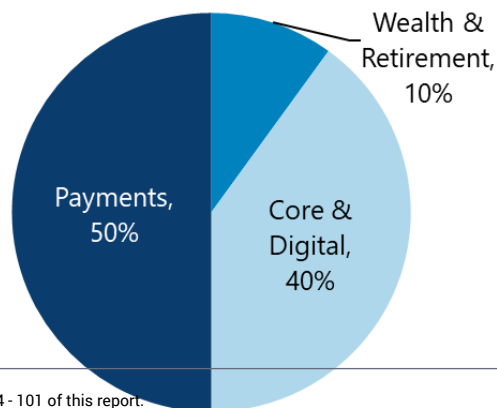
Banking recurring revenue growth decelerated ~6ppt driven by timing of certain gov't programs and contract true-up



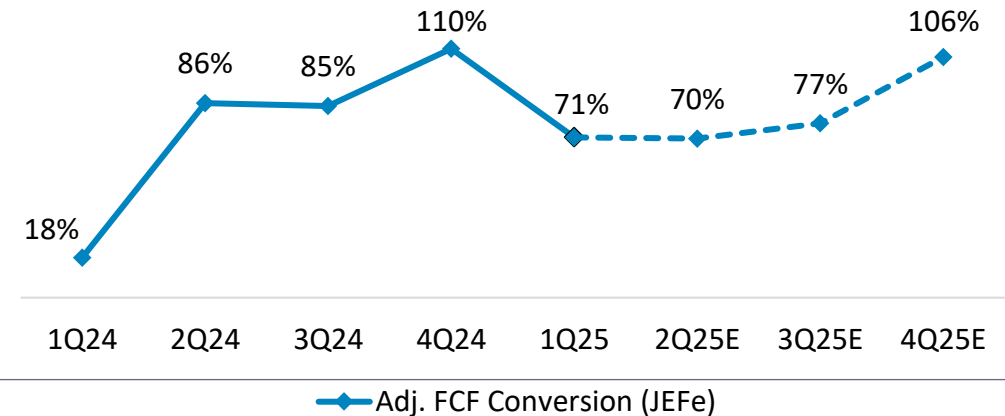
Capital Markets recurring revenue growth decelerated ~200bps in 1Q on a ~150bps easier comp; non-recurring growth accelerated ~500bps to 17%



Banking sub-segment revenue mix: Payments represents ~50% of total revenue mix while Core & Digital Banking sits at just ~40%



FCF conversion was ahead of typical 1Q seasonality on net working capital improvements; FY25 target still expected to be between 82-85%



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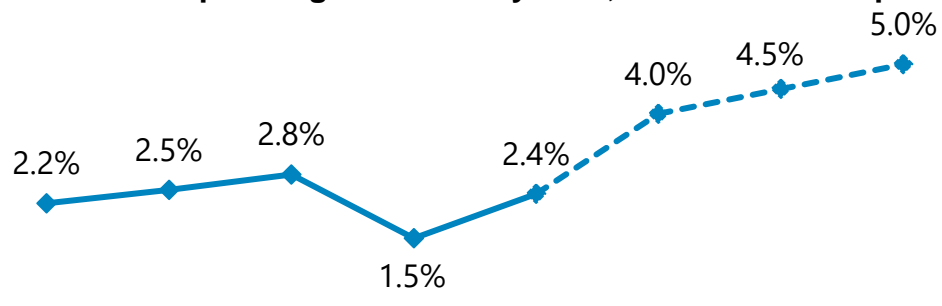
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Fidelity National Information Systems (FIS): Hold, \$80 PT

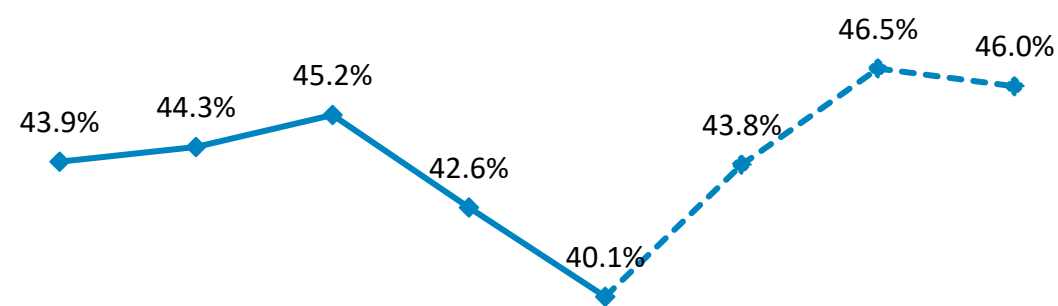
Our thoughts on the go-forward set-up:

- **Little room for upside to estimates with progressive acceleration assumed for Banking revenue and a significant 2H margin ramp, but mgmt. continues to reiterate a high degree of confidence/visibility.** As implementations remain on track, the 2Q outlook of +4% Y/Y Banking growth and ~200bps accel. in 2H growth for Banking was reiterated (improving retention and layering on FY24's low-double-digit% ACV sales). Recurring growth is expected to be above 2Q's ~4% adj. rev growth, while 2H recurring growth should also be above 1H with non-recurring growth potentially inflecting positively in 2H (due to easier comps).
- **Magnitude of Banking margin contraction the biggest surprise in 1Q; healthy ramp in 2H margin expansion is needed for margins to expand in FY25.** The -380bps Y/Y decline in Banking margins in 1Q was due to lapping outsized high-margin license and term. fees. More favorable revenue mix (i.e. headwind from term. fees/license revenue abates in 2H) within Banking is expected to help drive 2H margin expansion >400bps, allowing for FY Banking margins to still expand in FY25.
- **Solid start to adj. FCF conversion in 1Q provides a higher level of confidence in hitting FY outlook for 82-85%.** Adjusted FCF of ~71% in 1Q was significantly better than 18% in 1Q24 and 22% in 1Q23, reflecting improvements in net working capital as the majority of FIS' tier 1 suppliers are now on 90-day turns.

Banking adj. rev. growth expected to improve to 4% in 2Q with further accel. in 2H as prev. signed deals layer on, and retention improves



Banking EBITDA margins contracted -380bps Y/Y in 1Q; expected to seq. expand in 2Q-4Q on more favorable revenue mix and bigger cost saves



1Q24 2Q24 3Q24 4Q24 1Q25 2Q25E 3Q25E 4Q25E

1Q24 2Q24 3Q24 4Q24 1Q25 2Q25E 3Q25E 4Q25E³⁸

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Fidelity National Information Systems (FIS) – Bull Case vs. Bear Case

BULL CASE

- Client implementations are on track with visibility into hitting the assumed 2Q and 2H accel. as new ACV sales (+low-double-digit in FY24) and better retention provide confidence in the ability to achieve the FY outlook
- Multiple can continue to re-rate higher (JKHY as appropriate comp), justified by visibility into consistent low-double-digit EPS growth on the back of sticky/high-quality recurring revenue in Banking & Capital Markets over med-term
- ~15x multiple on ~\$6.50 of FY26 EPS for a low-double-digit total shareholder return with the ability for recurring revenue growth to reach the high-end of mid-single-digits in FY26
- Capital markets revenue growth can sustain a high-single-digit clip, with recurring revenue growth momentum persisting over the med-term driven by continued expansion into new verticals (Corporates, Insurance, Automotive, etc.)
- Improvements to net working capital allow for stronger FCF conversion, all evidenced by 1Q trending ahead of typical seasonality
- Consistent pace of share buybacks, M&A optionality, and continued upside to interest expense and EMI earnings provide levers to EPS
- Acquisition of GPN's issuer business provides credit issuing capabilities and provides a more comprehensive product suite with potential for immediate cross-sell opportunities. Deal is accretive to FCF

BEAR CASE

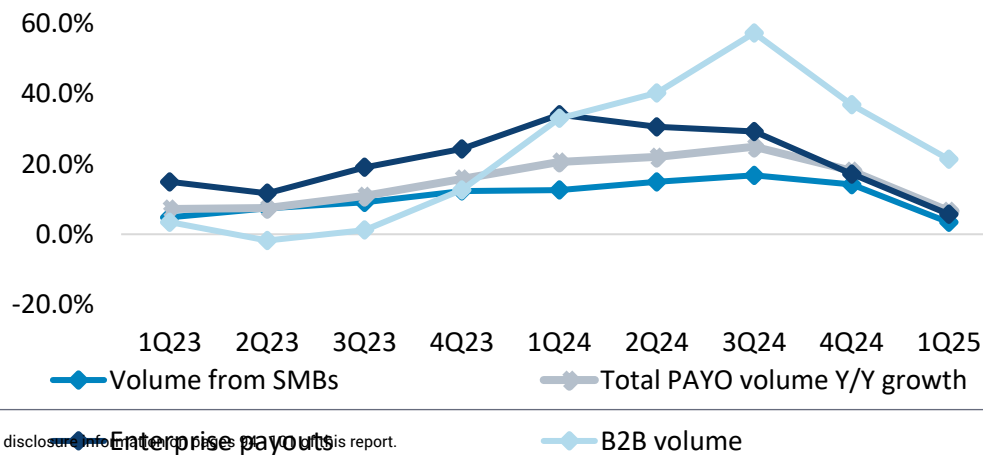
- FY25 outlook embeds an acceleration in Banking revenue growth with greater Y/Y margin expansion for Banking
- Little justification to support an adj. FCF multiple at a premium to FI and in-line with V; 15x reported FCF multiple due to limited top-line growth
- Banking growth doesn't eclipse 3% organically over the med-term with adj. revenue growth holding at ~3%, limiting ability to sustain 10%+ EPS growth, making ~mid-teens P/E multiple look stretched
- Free cash flow conversion's step down to 85% remains structural as higher level of investment is needed
- Banking revenue mix isn't in fact as high-quality as initially perceived with Core and Digital Banking at just ~40% of the mix, which is only growing LSD%
- Capital markets growth is overstated and has been supported by a favorable market backdrop
- Absent cost savings, margin expansion potential is limited beyond FY26

Payoneer Global Inc. (PAYO): Buy, \$8.50 PT

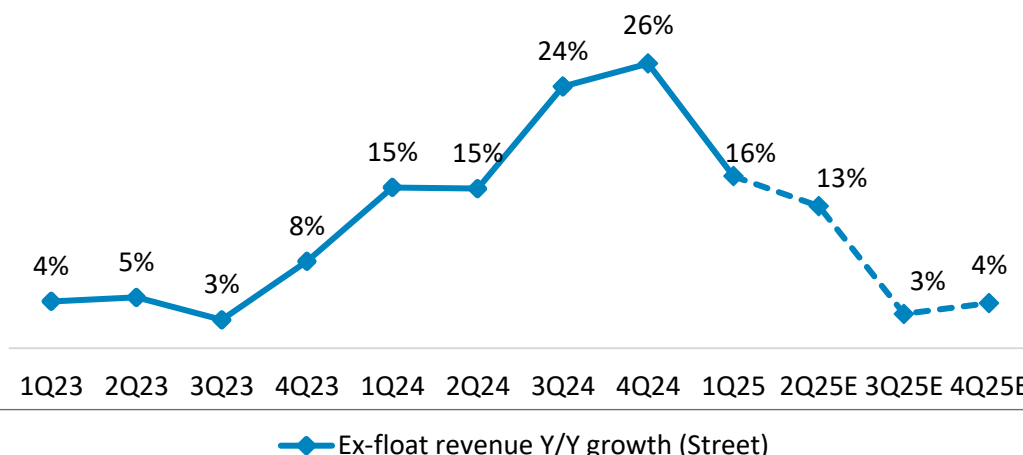
Themes from 1Q and our thoughts on the go-forward set up:

- **FY25 outlook suspended due to tariff and macro uncertainty** as the co. expects "if the existing global tariff regime remains in place, there will be a potentially significant negative impact on our future financial performance".
- **Despite that, 2Q still expected to be in line with medium-term targets; April and May haven't seen a crack yet.** 2Q is expected to be in line with med-term targets (mid-teens revs ex float growth, in line with 1Q), with volume trends stable through April and May MTD.
- **20% of total revenue is tied to China selling in to the US.** The China customer mix is weighted more towards larger sellers who are more likely to be able to pass-through tariff costs and continue selling in the US, whereas smaller sellers are more likely to exit the market. Currently, 40% of PAYO's revenue from China is related to sales to non-US markets.
- **We believe the outlined \$50mn hit to 2H from tariffs will prove conservative (also included second-order impacts across the rest of the business not directly impacted by China-US tariffs),** setting up numbers to move back up over the rest of the year.

Total Volume growth slowed ~11.5ppts to +6.5% Y/Y in 4Q, with decels across SMBs, enterprise, and B2B



Rev. ex-float income expected to grow in-line with MT outlook in 2Q; Street models 2H decel. driven by est. ~\$50mn tariff/macro headwind



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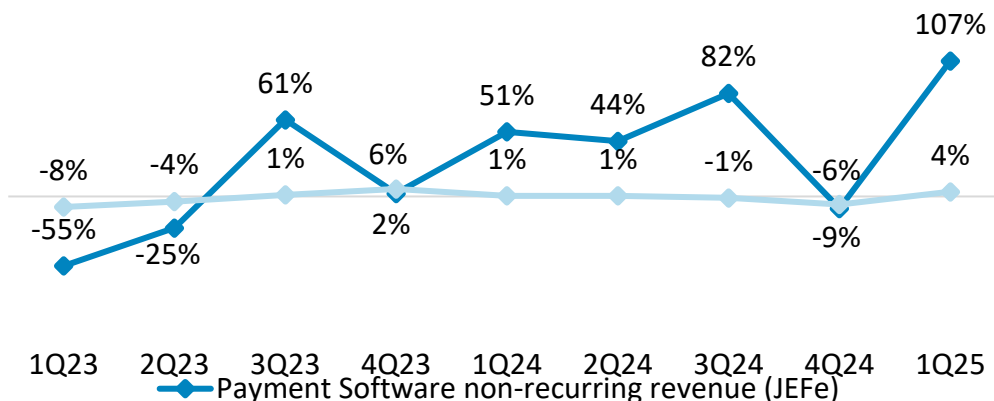
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ACI Worldwide Inc. (ACIW): Buy, \$60 PT

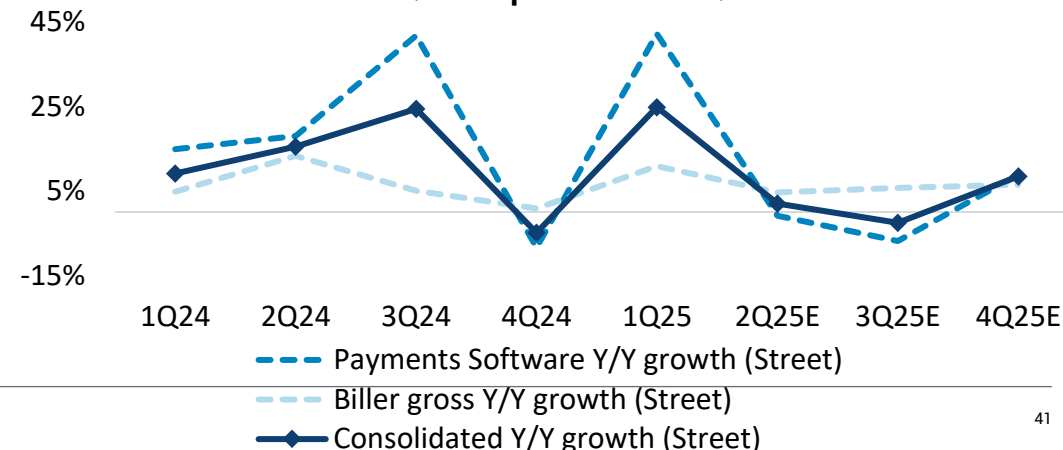
Themes from 1Q and our thoughts on the go-forward set up:

- **We believe the sell-off post-1Q is unwarranted, and sets up what should be another string of consistent beats/raises** given the track record of delivering upside throughout FY24, and the source of 1Q's outperformance (new sales that had been expected in 2Q were closed in 1Q) which should have a compounding effect (2Q should pull in new sales budgeted for 3Q, 3Q from 4Q, etc.).
- **1Q top and bottom-line beat driven by Payments Software.** Total revenue of \$395mn was 8% / \$30mn above Street, led by Payments Software (Banks + Merchant) 18% / \$30mn ahead, with Biller ~in-line. Payments Software beat was driven by non-recurring revenue +100% Y/Y and recurring +4%. Adj. EBITDA of \$94mn beat by 25% / \$19mn, driven by Payments Software 25% / \$22mn ahead and partially offset by Biller \$5mn / 13% behind.
- **1H revenue guide still in-line with prior outlook; some of what had been expected in 2Q pulled into 1Q.** While the 2Q revenue guide for \$380mn at the midpoint is ~4% / \$15mn below Street, it implies a reiteration of the prior 1H revenue outlook (still implies ~45% / 55% 1H / 2H cadence), as certain new sales previously expected to close in 2Q were signed in 1Q.
- **Yet to see any impact from macro uncertainty; upbeat tone on how banks continue to approach modernization efforts.** Bank customers have expressed no changes in their appetite for modernization. Overarching uncertainty was noted as a pot'l near-term tailwind with customers looking to modernize ahead of tariffs / a pot'l macro slowdown - a small driver of some deals closing ahead of schedule in 1Q.

1Q beat driven by Payment Software (Banks + Merchant) non-recurring strength with some new sales coming earlier than expected



Consolidated rev. expected to grow 7-9% FXN in FY25 (in-line with MT framework); 2Q guided below Street as new sales prev. expected in 2Q were pulled into 1Q



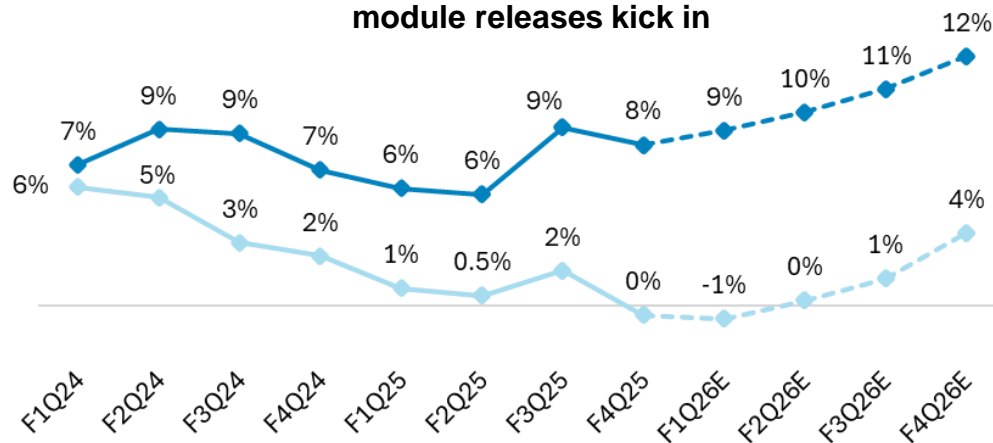
Please see important disclosure information on Payments Software recurring revenue (JEFe)
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Lightspeed Commerce Inc. (LSPD): Hold, \$11 PT

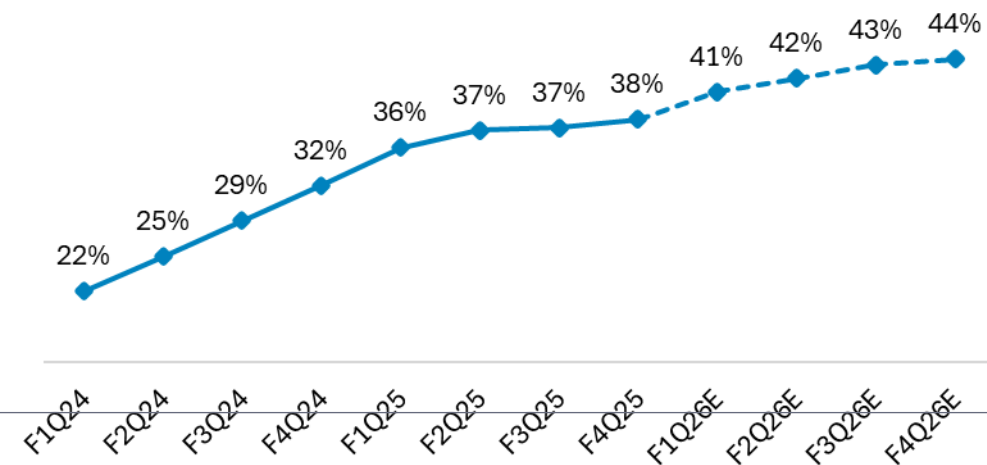
Themes from C1Q and our thoughts on the go-forward set up:

- FY26 outlook doesn't contemplate any incremental macro weakness, as April / May same-store-sales Y/Y declines have eased relative to the F4Q exit rate.** GTV growth slowed ~2ppt to ~flat Y/Y in F4Q, driven by broad-based SSS pressure while early reads in F1Q (C2Q) are encouraging with Y/Y declines in SSS during April / early May are consistent with the F4Q exit rate. The FY26 outlook doesn't contemplate any incremental macro weakness, which we believe suggests GTV growth to be ~flat in FY26.
- Top-line and gross profit growth expected to accelerate as the outbound sales force ramps and new module releases kick in.** The implied accel. in revenue (F1Q guide of +8% at mid-pt vs. FY26 guide of ~11%) and gross profit growth (F1Q of ~13% vs. FY26 of ~14%) is underpinned by ramping the outbound sales force to ~150 reps by the end of FY26. Through April >50% of the targeted reps have been filled, and we expect the remaining hires to be completed by the end of F2Q.
- Payments attach hit on steeper same-store-sales declines in verticals with higher penetration; April improved to ~40%.** Payments penetration of 38.3% (+90bps Q/Q) was a touch shy of the 40-45% F4Q target due to outsized SSS softness in verticals with high payments penetration (e.g. NA hospitality). With SSS stabilizing in April, payments penetration has improved to ~40% and is expected to increase slightly throughout FY26.

Software growth expected to accelerate in FY26 on the back of sales hires ramping (>50% of targeted FY26 hires are filled as of April) and new module releases kick in



Payments attach rate was only up modestly Q/Q in F4Q as SSS declines in verticals with high penetration was more pronounced; still expect pen. rates to expand in FY26 with April at ~40%



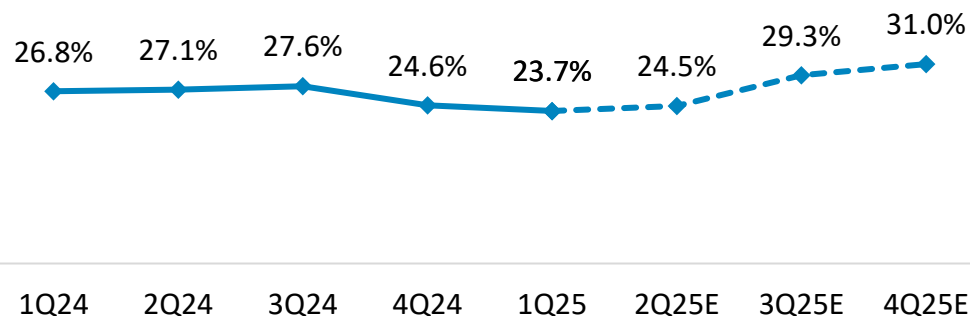
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Paysafe Ltd. (PSFE): Hold, \$13 PT

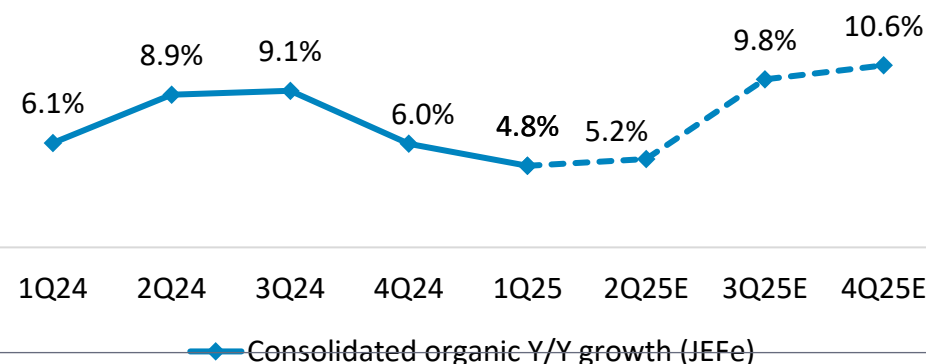
Themes from 1Q and our thoughts on the go-forward set up:

- **1Q organic rev growth of ~5% Y/Y (vs. ~6% in 4Q) above 3-4% outlook.** 1Q reported rev growth of -4% Y/Y, or ~5% organic (vs. guide for 3-4%), reflects a collective ~9ppt headwind from the Direct Marketing disposition, FX, and float income. Merchant organic growth of ~6% Y/Y (vs. ~7% in 4Q) reflects ~flat SMB growth excluding dispositions (+2% Y/Y ex-LY) and ~30% eComm growth. Digital Wallet grew +3% Y/Y organically (vs. ~5% in 4Q) and -2% reported.
- **New sales / products contributed 2ppts to 1Q revenue growth; expected to ramp to double digits over the year.** The bridge to 1Q25's -4% Y/Y reported rev growth includes: 1) ~7ppt dispo. headwind, 2) 12ppt attrition drag, 3) ~13ppt contribution from growth among existing customers, 4) 2ppt contribution from new customers/products (expected to ramp to double-digits over the course of FY25).
- **FY25 revenue outlook reiterated; organic growth still expected to accelerate in 2H driven by new sales / product initiatives.** The co. still expects FY25 revenue of \$1,722mn at the midpoint (+1% Y/Y reported), reflecting organic growth of 6-8% Y/Y, with organic growth expected to ramp from ~5% in 1H to 8-10% in 2H, peaking in 4Q, driven by new sales/products, and expanded partnerships.
- **FY25 Adj. EBITDA outlook reiterated; margins expected to ramp through the year and peak in 4Q.** The adj. EBITDA guide was reiterated for ~\$470mn at the midpoint (~27.5% margin), with margins expected to ramp from ~24% in 1H to 28-30% in 2H, peaking in 4Q, driven by: 1) top-line acceleration, 2) greater contribution from Digital Wallet (higher margin segment), 3) Merchant margin expansion driven by improved SMB Direct / ISO mix, 4) lapping FY24's investments.

Adj. EBITDA margins expected to ramp through FY25E driven by top-line accel., segment mix, Merchant channel mix, and lapping FY24's investments



Consolidated organic growth expected to ramp throughout the year as new sales hires ramp and product initiatives layer on



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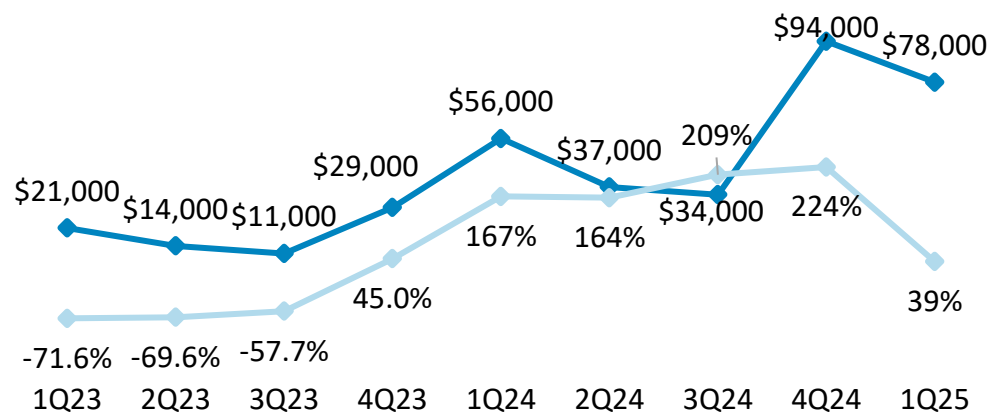
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Coinbase Global, Inc. (COIN): Hold, \$260 PT

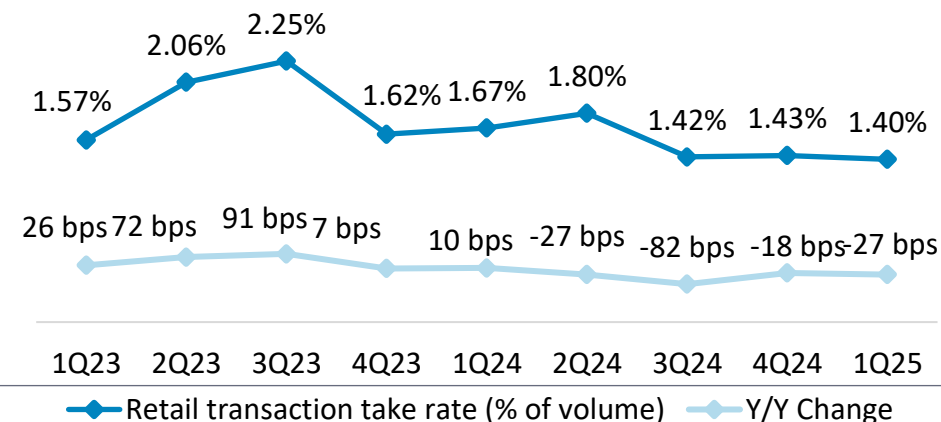
Themes from 1Q and our thoughts on the go-forward set up:

- **Deribit acquisition accelerates build out of COIN’s int’l derivatives franchise.** COIN announced the \$2.9bn acquisition of Deribit, the leading crypto options exchange with ~75% share of the global options market. The deal is expected to improve COIN’s wallet share w/ institutional customers, and accelerate the build out of COIN’s international derivs franchise.
- **Trading volume declined -10% Q/Q due to a softer crypto market backdrop.** Total trading volume reflects Retail volume -17% Q/Q and Institutional -9% Q/Q. By asset type, Total Volume growth reflects BTC volume -11% Q/Q, ETH volume -2% Q/Q, USDT -22% Q/Q, and Other volume -9% Q/Q.
- **Retail take rate declined -3bps Q/Q; inst’l take rate declines driven by incentives.** Retail take rate of 1.40% was -3bps Q/Q. Institutional take declined -1bps Q/Q, driven by rebates and incentives (treated as contra revenue), which offset a large portion of derivatives net revenue contribution.
- **S&S revenue guided to decline ~8% Q/Q.** 1Q S&S revenue grew 9% Q/Q, driven primarily by Stablecoin revenue +32% Q/Q, which more than offset Blockchain rewards (staking) revenue -8.5% Q/Q. For 2Q, S&S revenue was guided to \$600mn to \$680mn, implying declines of -8.5% Q/Q at the midpoint.
- **Transaction revenue through April of ~\$240mn implies 1Q run-rate of ~\$720mn, implying transaction revenue -40% Q/Q.**

Retail Trading Volume declined -17% Q/Q in 1Q due to a softer crypto market backdrop



Retail transaction take rate declined -27bps Y/Y and -3bps Q/Q



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Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in mil, except per share	FY23	F1Q24	F2Q24	F3Q24	F4Q24	FY24	F1Q25	F2Q25	F3Q25E	F4Q25E	FY25E	FY26E
CONSOLIDATED INCOME STATEMENT												
Operating Revenue												
Service revenue	14,826.0	3,915.0	4,033.0	3,967.0	4,199.0	16,114.0	4,208.0	4,399.0	4,260.9	4,636.7	17,504.6	19,283.4
Data processing revenue	16,007.0	4,356.0	4,259.0	4,489.0	4,610.0	17,714.0	4,745.0	4,701.0	5,084.4	5,172.4	19,702.8	21,993.7
International transaction revenue	11,638.0	3,019.0	2,984.0	3,194.0	3,468.0	12,665.0	3,442.0	3,291.0	3,587.0	3,895.3	14,215.2	15,973.6
Other revenue	2,479.0	692.0	756.0	780.0	969.0	3,197.0	912.0	937.0	990.6	1,143.4	3,983.0	4,580.5
Gross revenue	44,950.0	11,982.0	12,032.0	12,430.0	13,246.0	49,690.0	13,307.0	13,328.0	13,922.8	14,847.8	55,405.6	61,831.2
Client incentives	(12,297.0)	(3,348.0)	(3,257.0)	(3,530.0)	(3,629.0)	(13,764.0)	(3,797.0)	(3,734.0)	(4,065.5)	(4,201.9)	(15,798.4)	(17,900.7)
Net revenue (Reported)	32,653.0	8,634.0	8,775.0	8,900.0	9,617.0	35,926.0	9,510.0	9,594.0	9,857.4	10,645.9	39,607.2	43,930.5
Y/Y Growth	11.4%	8.8%	9.9%	9.6%	11.7%	10.0%	10.1%	9.3%	10.8%	10.7%	10.2%	10.9%
Q/Q Growth		0.3%	1.6%	1.4%	8.1%		-1.1%	0.9%	2.7%	8.0%		
Total Operating Expenses (GAAP)	11,653.0	2,680.0	3,421.0	2,962.0	3,268.0	12,331.0	3,276.0	4,159.0	3,277.8	3,554.6	14,267.4	14,221.4
Y/Y Growth	11.0%	-5.8%	29.1%	-4.4%	6.8%	5.8%	22.2%	21.6%	10.7%	8.8%	15.7%	-0.3%
Y/Y Growth	11.4%	6.6%	12.9%	11.6%	11.2%	10.7%	21.0%	5.6%	11.1%	9.1%	11.4%	7.5%
Operating Income	21,000.0	5,954.0	5,354.0	5,938.0	6,349.0	23,595.0	6,234.0	5,435.0	6,579.6	7,091.3	25,339.8	29,709.1
Operating Margin	64.3%	69.0%	61.0%	66.7%	66.0%	65.7%	65.6%	56.6%	66.7%	66.6%	64.0%	67.6%
Non-recurring/extraordinary expenses	(1,172.0)	(61.0)	(550.0)	(35.0)	(76.0)	(722.0)	(359.0)	(1,088.0)	(25.0)	(30.0)	(1,502.0)	(200.0)
Non-GAAP Operating Expenses	10,481.0	2,619.0	2,871.0	2,927.0	3,192.0	11,609.0	2,917.0	3,071.0	3,252.8	3,524.6	12,765.4	14,021.4
Y/Y Growth	11.7%	7.4%	11.2%	13.5%	10.7%	10.8%	11.4%	7.0%	11.1%	10.4%	10.0%	9.8%
Q/Q Growth		-9.2%	9.6%	2.0%	9.1%		-8.6%	5.3%	5.9%	8.4%		
Adjusted Operating Income	22,172.0	6,015.0	5,904.0	5,973.0	6,425.0	24,317.0	6,593.0	6,523.0	6,604.6	7,121.3	26,841.8	29,909.1
Adjusted Operating Income ex-litigation	23,099.0	6,024.0	6,334.0	5,986.0	6,435.0	24,779.0	6,637.0	7,523.0	6,604.6	7,121.3	27,885.8	29,909.1
Y/Y Growth	11.1%	3.2%	17.2%	-0.3%	9.9%	7.3%	10.2%	18.8%	10.3%	10.7%	12.5%	7.3%
EBITDA	21,943.0	6,201.0	5,603.0	6,202.0	6,623.0	24,629.0	6,516.0	5,740.0	6,859.6	7,371.3	26,486.8	30,849.1
Margin	67.2%	71.8%	63.9%	69.7%	68.9%	68.6%	68.5%	59.8%	69.6%	69.2%	66.9%	70.2%
Non-Operating Income (Expense) - Non-GAAP	141.0	84.0	189.0	73.0	69.0	415.0	41.0	26.0	150.0	(20.0)	197.0	180.0
Pre-Tax Income	21,037.0	6,042.0	5,513.0	5,989.0	6,372.0	23,916.0	6,200.0	5,438.0	6,644.0	7,199.4	25,481.4	30,175.3
Income Tax Provision	3,764.0	1,152.0	850.0	1,117.0	1,054.0	4,173.0	1,081.0	861.0	1,146.1	1,331.9	4,420.0	5,582.4
Effective Tax Rate	17.9%	19.1%	16.0%	18.8%	16.5%	17.4%	17.7%	16.9%	17.3%	18.5%	17.3%	18.5%
Adjustment	269.0	9.0	126.0	20.0	15.0	170.0	90.0	246.0	19.1	(18.2)	336.9	(16.0)
Adjusted Pre-Tax Income	22,313.0	6,099.0	6,093.0	6,046.0	6,494.0	24,732.0	6,634.0	6,549.0	6,754.6	7,101.3	27,038.8	30,089.1
Adjusted Income Tax provision	4,033.0	1,161.0	976.0	1,137.0	1,069.0	4,343.0	1,171.0	1,107.0	1,165.2	1,313.7	4,756.9	5,566.5
Adjusted Tax Rate	18.1%	19.0%	16.0%	18.8%	16.5%	17.6%	17.7%	16.9%	17.3%	18.5%	17.6%	18.5%
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-
GAAP Net Income	17,273.0	4,890.0	4,663.0	4,872.0	5,318.0	19,743.0	5,119.0	4,577.0	5,497.9	5,867.5	21,061.4	24,592.9
Special items	48.0	-	-	-	-	-	-	-	-	-	-	-
Adjusted Net Income	18,280.0	4,938.0	5,117.0	4,909.0	5,425.0	20,389.0	5,463.0	5,442.0	5,589.4	5,787.5	22,281.9	24,522.6
Basic EPS												
Diluted EPS	\$8.29	\$2.39	\$2.29	\$2.40	\$2.66	\$9.73	\$2.58	\$2.32	\$2.80	\$3.01	\$10.71	\$12.80
Adjusted Diluted EPS (non-GAAP)	\$8.77	\$2.41	\$2.51	\$2.42	\$2.71	\$10.05	\$2.75	\$2.76	\$2.85	\$2.97	\$11.32	\$12.76
Y/Y Growth	16.8%	10.8%	19.8%	11.9%	16.1%	14.6%	14.0%	9.9%	17.7%	9.5%	12.7%	12.7%
Diluted Shares	2,085.0	2,045.0	2,039.0	2,029.0	2,003.0	2,029.0	1,985.0	1,974.0	1,962.3	1,950.8	1,968.0	1,922.4

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Income Statement

Payments, Processors & IT Services

Equity Research

May 27, 2025

<i>\$ in millions, except per share</i>	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25	2Q25E	3Q25E	4Q25E	FY25E	FY26E
INCOME STATEMENT												
Net Revenue (non-GAAP)	25,098.0	6,348.0	6,961.0	7,369.0	7,489.0	28,167.0	7,250.0	7,954.3	8,221.4	8,489.4	31,915.1	35,891.4
YY Growth	13.1%	10.4%	11.0%	12.8%	14.4%	12.2%	14.2%	14.3%	11.6%	13.4%	13.3%	12.5%
Q/Q Growth		-3.1%	9.7%	5.9%	1.6%		-3.2%	9.7%	3.4%	3.3%		
GAAP net Revenue	25,098.0	6,348.0	6,961.0	7,369.0	7,489.0	28,167.0	7,250.0	7,954.3	8,221.4	8,489.4	31,915.1	35,891.4
Total GAAP Operating Expenses	11,090.0	2,744.0	2,925.0	3,365.0	3,551.0	12,585.0	3,101.0	3,229.0	3,512.5	3,743.2	13,585.6	14,521.5
YY Growth	11.2%	5.1%	11.9%	25.1%	11.8%	13.5%	13.0%	10.4%	4.4%	5.4%	8.0%	6.9%
Q/Q Growth		-13.6%	6.6%	15.0%	5.5%		-12.7%	4.1%	8.8%	6.6%		
Total OpEx (ex-Litigation)	10,551.0	2,618.0	2,827.0	3,189.0	3,271.0	11,905.0	2,950.0	3,229.0	3,512.5	3,743.2	13,434.6	14,521.5
YY Growth ex-Litigation	9.7%	9.0%	9.0%	18.6%	14.1%	12.8%	12.7%	14.2%	10.1%	14.4%	12.8%	8.1%
Q/Q Growth		-8.7%	8.0%	12.8%	2.6%		-9.8%	9.5%	8.8%	6.6%		
Q/Q Growth in \$		-\$250.0	\$209.0	\$362.0	\$82.0							
Other one time expenses	-	-	-	190.0	-	190.0					-	-
Total Non-GAAP Operating Expenses	10,551.0	2,617.0	2,828.0	2,999.0	3,270.0	11,714.0	2,950.0	3,229.0	3,512.5	3,743.2	13,434.6	14,521.5
YY Growth	10.5%	9.0%	9.1%	11.5%	14.0%	11.0%	12.7%	14.2%	17.1%	14.5%	14.7%	8.1%
Operating Income	14,008.0	3,604.0	4,036.0	4,004.0	3,938.0	15,582.0	4,149.0	4,725.3	4,709.0	4,746.2	18,329.5	21,369.9
Operating Margin	55.8%	56.8%	58.0%	54.3%	52.6%	55.3%	57.2%	59.4%	57.3%	55.9%	57.4%	59.5%
Adjusted Operating Income (Non-GAAP)	14,547.0	3,731.0	4,133.0	4,370.0	4,219.0	16,453.0	4,300.0	4,725.3	4,709.0	4,746.2	18,480.5	21,369.9
Adjusted Operating Margin (Non-GAAP)	58.0%	58.8%	59.4%	59.3%	56.3%	58.4%	59.3%	59.4%	57.3%	55.9%	57.9%	59.5%
Investment Income	274.0	95.0	60.0	76.0	96.0	327.0	88.0	55.0	65.0	65.0	273.0	300.0
Interest Expense	(655.0)	(150.0)	(153.0)	(159.0)	(184.0)	(646.0)	(182.0)	(190.0)	(185.0)	(185.0)	(742.0)	(620.0)
Other Income/(Expense)	12.0	9.0	(4.0)	(55.0)	41.0	(9.0)	(24.0)	-	-	-	(24.0)	-
Total Other Income (Expense)	(369.0)	(46.0)	(97.0)	(138.0)	(47.0)	(328.0)	(118.0)	(135.0)	(120.0)	(120.0)	(493.0)	(320.0)
Total Other Income (Expense) ex losses on equity investments	(308.0)	(52.0)	(84.0)	(76.0)	(87.0)	(299.0)	(89.0)	(135.0)	(120.0)	(120.0)	(464.0)	(320.0)
Other one time items	61.0	(6.0)	13.0	62.0	(40.0)	29.0	29.0	-	-	-	29.0	-
Pre-Tax Income	13,639.0	3,558.0	3,939.0	3,866.0	3,891.0	15,254.0	4,031.0	4,590.3	4,589.0	4,626.2	17,836.5	21,049.9
Adjusted Pre-Tax Income (Non-GAAP)	14,239.0	3,679.0	4,049.0	4,294.0	4,132.0	16,154.0	4,211.0	4,590.3	4,589.0	4,626.2	18,016.5	21,049.9
Income Tax Provision	2,444.0	547.0	681.0	603.0	549.0	2,380.0	751.0	929.5	929.3	936.8	3,546.6	4,420.5
Tax Rate	17.9%	15.4%	17.3%	15.6%	14.1%	15.6%	18.6%	20.3%	20.3%	20.3%	19.9%	21.0%
Adjusted Income Tax Provision (Non-GAAP)	2,632.0	586.0	708.0	701.0	618.0	2,613.0	804.0	929.5	929.3	936.8	3,599.6	4,420.5
Adjusted Tax Rate (Non-GAAP)	18.5%	15.9%	17.5%	16.3%	15.0%	16.2%	19.1%	20.3%	20.3%	20.3%	20.0%	21.0%
Net Income (GAAP)	11,195.0	3,011.0	3,258.0	3,263.0	3,342.0	12,874.0	3,280.0	3,660.8	3,659.7	3,689.4	14,289.9	16,629.4
Extraordinary Items	412.0	82.0	83.0	330.0	172.0	667.0	127.0	-	-	-	127.0	-
Adjusted Net Income (Non-GAAP)	11,607.0	3,093.0	3,341.0	3,593.0	3,514.0	13,541.0	3,407.0	3,660.8	3,659.7	3,689.4	14,416.9	16,629.4
Basic EPS	\$12.30	\$3.32	\$3.60	\$3.89	\$3.83	\$14.63	\$3.74	\$3.99	\$3.96	\$3.97	\$15.66	\$17.64
Diluted EPS	\$12.26	\$3.31	\$3.59	\$3.89	\$3.82	\$14.61	\$3.73	\$4.03	\$4.05	\$4.11	\$15.92	\$18.83
YY Growth	15.0%	18.1%	24.3%	14.7%	20.3%	19.2%	12.7%	12.2%	4.3%	7.5%	9.0%	18.3%
Basic Shares	944.0	933.0	929.0	923.0	917.0	925.5	912.0	917.6	923.2	928.7	920.4	942.4
Diluted Shares	946.8	935.0	930.0	924.8	919.0	927.2	914.0	908.4	902.8	897.3	905.6	883.6

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XYZ Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

<i>\$ in millions, except per share (unless otherwise noted)</i>	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E	2027E
INCOME STATEMENT													
Transaction-based revenue	6,315.3	1,511.2	1,713.0	1,712.4	1,677.1	6,613.7	1,550.7	1,796.5	1,840.9	1,826.9	7,015.0	7,739.4	8,429.1
Subscription & svcs-based revenue (ex-APT)	4,902.8	1,398.8	1,188.8	1,480.3	1,806.9	5,874.8	1,570.5	1,653.4	1,681.9	1,778.6	6,684.4	7,862.9	9,138.8
Hardware revenue	157.2	32.5	38.2	36.8	35.8	143.4	28.7	38.5	36.7	30.4	134.3	140.9	147.9
Bitcoin revenue	9,498.3	2,731.1	2,611.7	2,428.6	2,427.7	10,199.2	2,301.4	2,200.0	2,200.0	2,200.0	8,901.4	8,800.0	8,800.0
Afterpay Revenue	1,042.0	283.5	294.0	317.6	394.9	1,290.0	320.5	338.1	362.1	446.2	1,466.9	1,672.2	-
Total Net Revenue	21,915.6	5,957.1	6,155.6	5,975.8	6,342.4	24,121.1	5,771.8	6,026.5	6,121.6	6,282.1	24,201.9	26,215.4	26,515.8
Y/Y Growth	25.0%	19.4%	11.2%	6.4%	9.9%	10.1%	-3.1%	-2.1%	2.4%	-1.0%	0.3%	8.3%	1.1%
Transaction-based costs	3,702.0	873.2	1,000.1	1,011.5	996.3	3,881.0	903.8	1,059.0	1,097.2	1,095.8	4,155.8	4,591.8	5,006.7
Subscription and services-based costs (ex-APT)	788.5	193.9	224.6	195.2	199.1	812.8	191.6	203.9	183.6	187.8	766.8	857.1	988.7
Hardware costs	267.7	50.8	61.3	62.1	62.3	236.4	52.5	65.8	66.0	62.7	247.1	269.6	283.1
Bitcoin costs	9,293.1	2,651.0	2,544.3	2,364.1	2,351.0	9,910.4	2,236.1	2,143.9	2,141.5	2,141.5	8,663.0	8,565.9	8,565.9
Amortization of acquired technology	72.8	18.0	17.6	17.2	15.6	68.4	14.7	18.0	18.0	18.0	68.7	72.0	72.0
Afterpay Cost of Revenue	286.6	75.7	74.2	76.1	96.9	323.0	83.5	85.4	85.6	97.6	352.0	407.5	(1,416.5)
Total Cost of Revenue	14,410.7	3,862.7	3,922.1	3,726.1	3,721.2	15,232.0	3,482.2	3,575.9	3,591.8	3,603.4	14,253.3	14,763.9	13,500.0
Y/Y Growth	24.9%	17.9%	6.9%	0.2%	-0.7%	5.7%	-9.8%	-8.8%	-3.6%	-3.2%	-6.4%	3.6%	-8.6%
Total gross profit (including APT)	7,504.9	2,094.5	2,233.5	2,249.7	2,311.4	8,889.0	2,289.6	2,450.7	2,529.8	2,678.6	9,948.7	11,451.4	13,015.8
Y/Y Growth	25.3%	22.2%	19.7%	18.5%	14.1%	18.4%	9.3%	9.7%	12.4%	15.9%	11.9%	15.1%	13.7%
CAGR vs. '19	78.1%	39.5%	36.8%	35.1%	34.4%	64.1%	33.9%	21.1%	22.2%	22.7%	22.5%	47.7%	25.0%
Transaction Margin	1.15%	1.17%	1.15%	1.12%	1.10%	1.13%	1.14%	1.12%	1.09%	1.07%	1.10%	1.09%	1.08%
Y/Y Change	0 bps	-1 bps	-1 bps	0 bps	-3 bps	-1 bps	-3 bps	-3 bps	-3 bps	-3 bps	-3 bps	-1 bps	-1 bps
Total Operating Expenses (GAAP)	7,783.7	1,844.7	1,926.9	1,926.7	2,298.4	7,996.7	1,960.3	2,094.3	2,117.8	2,262.9	8,435.4	9,171.9	9,859.2
Y/Y Growth	17.6%	7.2%	-3.6%	1.0%	6.6%	2.7%	6.3%	8.7%	9.9%	-1.5%	5.5%	8.7%	7.5%
Y/Y Growth (\$)	1,167.3	124.0	(71.3)	18.3	142.0	213.0	115.6	167.4	191.1	(35.5)	438.7	736.5	687.3
Non-GAAP OpEx	5,790.1	1,408.1	1,492.3	1,460.1	1,570.3	5,930.8	1,837.3	1,641.7	1,646.9	1,780.0	6,604.6	7,245.9	7,887.7
Y/Y Growth	14.1%	3.1%	-0.6%	1.4%	5.9%	2.4%	30.5%	10.0%	12.8%	13.4%	11.4%	9.7%	8.9%
Q/Q Growth		-5.0%	6.0%	-2.2%	7.5%	229.7%	17.0%	-10.6%	0.3%	8.1%			
GAAP EBITDA	516.3	400.5	439.1	483.4	441.5	1,764.5	508.1	495.3	554.0	563.8	2,121.2	2,844.2	3,776.0
Y/Y Growth	-759.2%	351.2%	574.0%	266.8%	91.5%	241.8%	26.8%	12.8%	14.6%	27.7%	20.2%	34.1%	32.8%
Margin	6.9%	19.1%	19.7%	21.5%	19.1%	19.9%	22.2%	20.2%	21.9%	21.0%	21.3%	24.8%	29.0%
Adjusted EBITDA	1,792.4	705.1	759.5	807.5	757.0	3,029.0	812.8	809.0	882.9	898.6	3,403.3	4,205.5	5,128.1
Margin	23.9%	33.7%	34.0%	35.9%	32.8%	34.1%	35.5%	33.0%	34.9%	33.5%	34.2%	36.7%	39.4%
Y/Y Growth	80.9%	91%	98%	69%	35%	69.0%	15%	7%	9%	19%	12.4%	23.6%	21.9%
Q/Q Growth		25%	8%	6%	-6%	68.4%	7%	0%	9%	2%			
Operating income (loss) - GAAP	(278.8)	249.7	306.6	323.0	13.0	892.3	329.3	356.3	411.9	415.7	1,513.3	2,279.6	3,156.6
Interest (income) expense, net	(47.2)	(18.7)	(1.9)	13.8	16.1	9.3	17.2	17.2	17.2	17.2	69.0	69.0	69.0
Interest rate	0.9%	1.3%	0.1%	-0.7%	-0.8%	-0.1%	-1.0%	3.5%	3.5%	3.5%	2.5%	4.3%	4.2%
Other (income) expense, net	(202.5)	(237.8)	59.5	(14.9)	(280.9)	(474.1)	85.0	(90.0)	(95.0)	(95.0)	(195.0)	(400.0)	(400.0)
Pretax Income	(29.1)	506.3	248.9	324.1	277.8	1,357.2	227.1	429.1	489.7	493.5	1,639.3	2,610.6	3,487.6
Income tax provision (benefit)	(8.0)	35.5	59.0	43.0	(1,646.9)	(1,509.3)	38.3	107.3	122.4	123.4	391.4	652.7	871.9
Tax Rate	27.5%	7.0%	23.7%	13.3%	-592.8%	-111.2%	16.9%	25.0%	25.0%	25.0%	23.9%	25.0%	25.0%
Adjusted operating income (loss)	351.4	364.3	399.1	443.5	401.9	1,608.8	466.6	443.3	500.0	504.9	1,914.8	2,615.3	3,510.5
Adjusted Operating Margin	4.7%	17.4%	19.7%	17.4%	17.4%	18.1%	20.4%	19.8%	18.9%	18.9%	19.2%	22.8%	27.0%
Y/Y Change	711 bps	1442 bps	1650 bps	1499 bps	825 bps	1342 bps	299 bps	22 bps	5 bps	146 bps	115 bps	359 bps	413 bps
Rule of 40	29.9%	39.5%	37.6%	38.2%	31.5%	36.5%	29.7%	27.8%	32.2%	34.7%	31.2%	37.9%	40.6%
Avg. Diluted Shares	614.0	637.4	638.4	632.8	639.3	636.9	635.3	634.3	633.3	632.3	633.8	632.3	632.3
GAAP Net Income (loss)	(21.1)	470.8	189.9	281.1	1,924.7	2,866.5	188.7	321.8	367.3	370.1	1,247.9	1,958.0	2,615.7
Non-controlling interest	(30.9)	(1.2)	(5.4)	(2.6)	(21.4)	(30.6)	(1.2)						
GAAP Net Income (loss) to common stockholders	9.8	472.0	195.3	283.8	1,946.0	2,897.0	189.9	321.8	367.3	370.1	1,247.9	1,958.0	2,615.7
Adjusted net income - basic	1,127.1	542.3	588.7	554.4	455.4	2,140.8	354.3	368.7	415.3	419.3	1,440.5	2,150.5	2,808.3
Cash interest expense on convertible notes	3.6	0.7	0.7	0.7	0.7	2.7	0.4				0.4		
Adjusted Net Income	1,130.6	542.9	589.4	555.1	456.1	2,143.5	354.7	368.7	415.3	419.3	1,440.9	2,150.5	2,808.3
Y/Y Growth	84.4%	115.4%	138.7%	60.4%	59.8%	89.6%	-34.7%	-37.4%	-25.2%	-8.1%	-32.8%	49.2%	30.6%
GAAP EPS - Diluted	\$0.02	\$0.74	\$0.31	\$0.45	\$0.30	\$4.55	\$0.30	\$0.51	\$0.58	\$0.59	\$1.97	\$3.10	\$4.14
Y/Y Growth	-101.7%	-274.2%	-251.5%	-1046.7%	977.1%	28479.5%	-59.6%	65.9%	29.3%	-80.8%	-56.7%	57.3%	33.6%
Non-GAAP Diluted EPS	(\$0.23)	\$0.37	\$0.42	\$0.37	\$0.22	\$1.38	\$0.56	\$0.58	\$0.66	\$0.66	\$2.27	\$3.40	\$4.43
Y/Y Growth	-68.8%	-953.6%	-467.7%	49858.3%	-400.8%	-697.1%	49.3%	37.0%	79.6%	201.7%	64.5%	49.6%	30.3%

Please see important disclosure information on pages 94 - 101 of this report.

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Jefferies CPN Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in millions, except per share	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	2Q25E	3Q25E	4Q25E	CY25E	CY26E
INCOME STATEMENT												
Revenues	9,654.4	2,420.2	2,568.8	2,601.6	2,515.4	10,105.9	2,412.1	2,593.1	2,613.7	2,568.9	10,187.8	10,838.1
Revenue Adjustments	(983.5)	(236.2)	(244.6)	(244.6)	(226.4)	(951.9)	(207.3)	(236.9)	(238.3)	(236.4)	(918.8)	(989.4)
Adjusted Net Revenue	8,671.0	2,183.9	2,324.1	2,356.9	2,289.0	9,154.0	2,204.8	2,356.2	2,375.5	2,332.5	9,269.0	9,848.7
Y/Y Growth	7.2%	6.6%	5.5%	5.6%	4.7%	5.6%	1.0%	1.4%	0.8%	1.9%	1.3%	6.3%
Q/Q Growth		-0.1%	6.4%	1.4%	-2.9%		-3.7%	6.9%	0.8%	-1.8%		
Total Operating Expenses	7,938.0	1,967.9	1,996.1	2,126.0	1,682.2	7,772.3	1,941.3	2,047.8	2,046.0	2,038.2	8,073.3	8,531.5
Y/Y Growth	-5%	-12%	8%	11%	-13%	-2%	-1%	3%	-4%	21%	4%	6%
GAAP Operating Income	1,716.4	452.3	572.6	475.6	833.1	2,333.6	470.8	545.3	567.7	530.7	2,114.5	2,306.6
Y/Y Growth	168%	697%	-5%	-15%	67%	36%	4%	-5%	19%	-36%	-9%	9%
GAAP Operating Margin	20%	21%	25%	20%	36%	25%	21%	23%	24%	23%	23%	23%
Y/Y Change	1188bps	1794bps	-272bps	-483bps	1359bps	570bps	65bps	-150bps	372bps	-1365bps	-268bps	61bps
Interest and other income	113.7	35.9	35.3	55.3	42.6	169.2	39.4	39.4	39.4	39.4	157.6	157.6
Interest and other expense	(660.1)	(162.1)	(159.2)	(155.9)	(156.8)	(634.0)	(157.1)	(157.0)	(157.0)	(157.0)	(628.1)	(658.0)
Net interest income (expense)	(546.4)	(126.2)	(123.9)	(100.6)	(114.2)	(464.8)	(117.7)	(117.6)	(117.6)	(117.6)	(470.6)	(500.4)
Y/Y Growth	31%	13%	-24%	-28%	-13%	-15%	-7%	-5%	17%	3%	1%	6%
Pretax Income	1,169.9	326.0	448.8	375.0	719.0	1,868.8	353.1	427.7	450.1	413.0	1,643.9	1,806.1
Income tax expense	(209.0)	(19.4)	(77.8)	(57.4)	(140.5)	(295.1)	(58.7)	(81.3)	(85.5)	(78.5)	(303.9)	(343.2)
Tax Rate (GAAP)	17.9%	5.9%	17.3%	15.3%	19.5%	15.8%	16.6%	19.0%	19.0%	19.0%	18.5%	19.0%
Equity in income of equity method investments	67.9	16.4	18.3	15.9	19.9	70.5	18.3	18.3	18.3	18.3	73.1	73.1
Net Income	1,028.8	323.1	389.3	333.5	598.3	1,644.2	312.7	364.7	382.9	352.9	1,413.1	1,536.1
Less: Income attributable to NCI	(42.6)	(9.8)	(14.5)	(18.4)	(31.1)	(73.8)	(7.0)				(7.0)	-
GAAP Net Income Attributable to Global Payments	986.2	313.3	374.8	315.1	567.2	1,570.4	305.7	364.7	382.9	352.9	1,406.1	1,536.1
GAAP - Basic EPS	\$3.78	\$1.21	\$1.47	\$1.24	\$2.26	\$6.16	\$1.24	\$1.50	\$1.61	\$1.51	\$5.85	\$6.86
GAAP - Diluted EPS	\$3.77	\$1.22	\$1.47	\$1.24	\$2.25	\$6.16	\$1.24	\$1.50	\$1.61	\$1.51	\$5.84	\$6.84
GAAP EPS - Diluted - as % of Adj EPS	36%	47%	50%	40%	76%	53%	46%	49%	51%	48%	48%	49%
Adjusted Cost of Service (supplement)	2,052.7	492.5	505.3	507.5	515.1	1,887.4	500.4	676.9	674.7	663.2	2,510.9	2,802.9
Adjusted SG&A (supplement)	2,750.7	741.9	768.4	762.8	739.9	3,145.8	770.5	643.0	640.9	630.0	2,686.7	2,662.5
Adjusted Operating Expense	4,803.4	1,234.3	1,273.7	1,270.3	1,255.0	5,033.3	1,270.9	1,319.8	1,315.6	1,293.2	5,199.5	5,465.4
Adjusted Operating Income	909.5	1,007.1	1,035.6	1,004.1	3,956.4	933.9	1,036.4	1,059.9	1,039.3	4,069.5	4,383.3	4,383.3
Adjusted Operating Margin	41.6%	43.3%	43.9%	43.9%	43.2%	42.4%	44.0%	44.6%	44.6%	44.6%	43.9%	44.5%
Y/Y Expansion (bps)							71	65	68	69	68	60
Q/Q Expansion (bps)							-151	163	63	-6		
Adjusted EBITDA	4,325.7	1,067.5	1,174.4	1,213.5	1,158.1	4,613.6	1,056.7	1,164.3	1,189.4	1,166.8	4,577.3	4,921.7
Y/Y Growth	10%	8%	6%	7%	6%	7%	-1%	-1%	-2%	1%	-1%	8%
Adj EBITDA Margin	49.9%	48.9%	50.5%	51.5%	50.6%	50.4%	47.9%	49.4%	50.1%	50.0%	49.4%	50.0%
Y/Y Change	128bps	65bps	38bps	52bps	53bps	51bps	-95bps	-111bps	-142bps	-57bps	-102bps	59bps
Interest and other income	114.9	35.9	35.3	37.0	36.7	144.9	39.4	38.0	38.0	38.0	153.4	144.0
Interest and other expense	(639.7)	(160.6)	(156.7)	(153.9)	(153.6)	(624.8)	(152.9)	(157.0)	(157.0)	(157.0)	(623.9)	(658.0)
Interest and other expense adjustments	(524.8)	(124.7)	(121.4)	(116.9)	(116.9)	(479.9)	(113.5)	(119.0)	(119.0)	(119.0)	(470.5)	(514.0)
Adjusted Pretax Income	3,342.7	824.9	928.9	969.7	917.1	3,640.7	820.4	917.4	940.9	920.3	3,599.0	3,869.3
Income tax expense	(209.0)	19.4	77.8	57.4	140.5	(295.1)	58.7	81.3	85.5	78.5	(303.9)	(343.2)
Tax adjustments	(845.5)	(140.8)	(100.8)	(122.6)	(29.1)	(983.5)	(100.5)	(93.1)	(93.2)	(96.4)	(991.1)	(1,078.3)
Adjusted tax expense	636.5	160.2	178.6	180.0	169.6	688.4	159.2	174.3	178.8	174.9	687.1	735.2
Adjusted Tax Rate	19.0%	19.4%	19.2%	18.6%	18.5%	18.9%	19.4%	19.0%	19.0%	19.0%	19.1%	19.0%
Adj: Equity investment income	73.0	16.9	18.1	18.1	17.7	70.8	18.6	18.0	18.0	18.0	72.6	72.6
Adj: Net Income attributable to NCI	(51.6)	(15.1)	(19.6)	(22.8)	(23.0)	(80.5)	(14.6)	(21.6)	(24.8)	(25.0)	(86.0)	(94.0)
Adjusted Net Income	2,727.6	666.5	748.8	785.0	742.2	2,942.6	665.2	739.5	755.3	738.4	2,898.4	3,112.7
Y/Y Growth	6.2%	5.6%	9.3%	9.2%	7.2%	7.9%	-0.2%	-1.2%	-3.8%	-0.5%	-1.5%	7.4%
Adjusted Diluted EPS	\$2.46	\$2.80	\$2.94	\$2.87	\$11.07	\$2.69	\$3.05	\$3.17	\$3.15	\$12.10	\$13.88	\$13.88
Y/Y Growth							9.6%	8.6%	7.9%	9.7%	9.3%	14.7%
Basic Shares	261.1	259.9	254.7	254.4	251.1	255.0	246.7	242.4	238.1	234.0	240.3	224.1
Diluted Shares	261.7	257.6	255.2	254.9	251.8	254.9	247.2	242.8	238.5	234.4	240.7	224.4

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Source: Jefferies, Company Data

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Jefferies Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in millions, except per share	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025E	2026E
INCOME STATEMENT												
Transaction revenue	26,857.0	7,034.0	7,153.0	7,067.0	7,588.0	28,842.0	7,816.0	7,380.3	7,801.4	8,141.2	30,139.0	32,320.6
Other value added services	2,914.0	665.0	732.0	780.0	778.0	2,955.0	775.0	773.4	787.9	771.2	3,107.5	3,147.6
Total Net Revenue	29,771.0	7,699.0	7,885.0	7,847.0	8,366.0	31,797.0	7,791.0	8,153.8	8,589.3	8,912.5	33,246.5	35,468.2
YY Growth	8.2%	9.4%	8.2%	5.8%	4.2%	6.8%	1.2%	3.4%	6.9%	6.5%	4.6%	6.7%
—by stock	16.6%	10.0%	16.9%	14.3%	12.9%	16.9%	10.4%	13.4%	16.7%	10.4%	11.4%	13.2%
FY23 YY Growth	9.2%	10.0%	9.0%	6.9%	4.0%	7.1%	2.0%	3.7%	7.4%	6.5%	5.0%	6.7%
Transaction expense	14,385.0	3,917.0	3,942.0	3,841.0	3,997.0	15,697.0	3,704.0	3,940.9	4,101.9	4,314.4	16,061.2	17,506.7
Transaction and credit losses	1,682.0	321.0	336.0	352.0	434.0	1,442.0	371.0	440.6	506.2	535.3	1,852.0	2,036.9
Customer support and operations	1,819.0	454.0	426.0	427.0	451.0	1,768.0	399.0	440.3	411.1	427.8	1,677.2	1,528.4
Sales and marketing	1,809.0	421.0	446.0	508.0	626.0	2,001.0	488.0	526.3	523.2	688.6	2,226.1	2,404.2
Technology and development	2,973.0	742.0	718.0	746.0	773.0	2,979.0	731.0	782.8	813.8	846.7	3,174.2	3,369.5
General and administrative	2,059.0	464.0	570.0	519.0	594.0	2,147.0	503.0	531.2	547.4	582.4	2,163.9	2,203.2
Restructuring and other charges	(84.0)	212.0	113.0	63.0	50.0	436.0	66.0	—	—	—	96.0	—
Total operating expenses	24,743.0	6,531.0	6,560.0	6,456.0	6,825.0	26,472.0	6,261.0	6,662.1	6,902.5	7,395.2	27,220.7	29,044.8
Non-Transaction OpEx (non-GAAP)	8,583.0	2,062.0	2,148.0	2,177.0	2,433.0	8,820.0	2,100.0	2,230.5	2,245.5	2,495.5	8,071.4	8,303.2
YY Growth	-7.3%	-1.6%	-0.9%	2.8%	10.4%	2.8%	1.8%	3.8%	3.1%	2.6%	2.9%	2.6%
Take Rates						\$0.381						
Transaction Take Rate	1.76%	1.74%	1.72%	1.67%	1.73%	1.72%	1.68%	1.67%	1.66%	1.71%	1.68%	1.66%
YY tps change	-10	-6	-2	-5	-5	-4	-6	-5	-1	-2	-4	-2
Q/Q tps change	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Hedging Gains / Losses	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Transaction Take Rate ex. Hedging Gains / Losses	1.75%	1.74%	1.71%	1.67%	1.72%	1.71%	1.67%	1.67%	1.66%	1.71%	1.68%	1.66%
YY tps change	-7	-3	-2	-4	-4	-4	-7	-4	-1	-2	-3	-2
Q/Q tps change	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Take Rate	0.82%	0.77%	0.77%	0.76%	0.82%	0.78%	0.79%	0.78%	0.76%	0.80%	0.78%	0.76%
YY tps change	-14	-10	-3	-3	1	-4	2	1	0	-2	0	-2
Q/Q tps change	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Take Rate ex. Hedging Gains / Losses	0.81%	0.77%	0.77%	0.77%	0.81%	0.78%	0.78%	0.76%	0.76%	0.81%	0.78%	0.76%
YY tps change	-12	-8	-2	-2	0	-3	2	1	-1	0	0	-2
Q/Q tps change	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Transaction Margin												
Transaction Margin \$ (PayPal Definition)	13,704	3,461	3,608	3,654	3,935	14,658	3,716	3,772	3,782	4,063	15,333	15,927
YY Growth	4.5%	4.4%	7.3%	8.1%	7.2%	7.9%	7.4%	4.6%	3.5%	3.2%	4.6%	3.9%
Margin %	46.0%	45.0%	45.8%	46.6%	47.0%	46.1%	47.7%	46.3%	46.1%	46.6%	46.1%	44.9%
YY tps change	-402	-213	-19	115	128	7	274	51	-148	-145	2	-122
Interest Income on Customer Balances	996	272	341	339	332	1,284	298	289	296	282	1,155	1,026
YY Growth	230%	87%	42%	39%	28%	15%	42%	-15%	-16%	-25%	-10%	-11%
Contribution to TMS YY Growth	4.4%	3.8%	3.4%	2.8%	1.3%	2.8%	0.8%	-1.5%	-1.4%	-1.3%	-0.9%	-0.6%
Transaction Margin \$ ex- Interest Income	12,798	3,189	3,267	3,315	3,603	13,374	3,418	3,484	3,496	3,780	14,178	14,900
YY Growth	-6.0%	0.6%	4.7%	6.1%	6.4%	4.5%	7.2%	6.9%	5.5%	4.9%	6.0%	5.1%
Transaction Gross Profit (Txn Rev - Txn Exp)	12,472	3,117	3,211	3,226	3,591	13,145	3,312	3,439	3,500	3,827	14,078	14,815
YY Growth	-4.3%	1.2%	6.5%	5.7%	8.0%	5.4%	6.3%	7.1%	8.5%	6.0%	7.1%	5.2%
Transaction Gross Profit (Txn Rev - Txn Exp - Hedges)	12,361	3,117	3,180	3,238	3,553	13,097	3,277	3,447	3,507	3,834	14,065	14,822
YY Growth	-4.7%	3.7%	7.0%	6.4%	6.7%	6.0%	5.1%	8.1%	8.3%	7.9%	7.4%	5.4%
Transaction Gross Profit (incl. txn losses)	11,280	2,857	2,952	2,962	3,260	12,831	3,034	3,117	3,141	3,472	12,765	13,391
YY Growth	-4.9%	2.7%	8.2%	8.8%	7.0%	6.7%	6.2%	5.6%	6.1%	6.5%	6.1%	4.9%
Margin %	42.0%	40.6%	41.3%	41.9%	42.0%	41.7%	43.2%	42.2%	41.3%	42.7%	42.4%	41.4%
YY tps change	-506	-308	-36	101	111	-29	263	97	-69	-31	64	-92
Transaction Margin on Transaction Revenue	40.2%	39.7%	40.2%	40.7%	41.6%	40.6%	41.9%	40.6%	39.4%	40.4%	40.6%	39.5%
Operating Income (GAAP)	5,028.0	1,168.0	1,325.0	1,391.0	1,441.0	5,325.0	1,530.0	1,491.7	1,486.8	1,517.3	6,025.8	6,423.4
Adjusted Operating Expenses	24,650.0	6,300.0	6,425.0	6,370.0	6,864.0	25,959.0	6,175.0	6,612.1	6,852.5	7,345.2	28,984.7	28,844.8
YY Growth	7.2%	8.2%	5.2%	3.3%	4.7%	5.3%	-2.0%	2.9%	7.6%	7.0%	4.0%	6.9%
Q/Q Growth	—	-3.9%	2.0%	-0.9%	7.8%	—	-10.0%	7.1%	3.6%	7.2%	—	—
Adjusted Operating Income	5,121.0	1,399.0	1,460.0	1,477.0	1,502.0	5,838.0	1,616.0	1,541.7	1,536.8	1,567.3	6,261.4	6,623.4
YY Growth	13.4%	14.7%	23.6%	18.0%	2.3%	14.0%	15.5%	5.6%	4.0%	4.3%	6.2%	5.8%
Adjusted Operating Margin	17.2%	18.2%	18.5%	18.8%	18.0%	18.4%	20.7%	18.9%	18.3%	17.6%	18.8%	18.7%
YY tps change	79 bps	64 bps	211 bps	194 bps	34 bps	116 bps	257 bps	38 bps	-60 bps	-37 bps	47 bps	-16 bps
Incremental/Decremental Margin Q/Q	26.9%	27.2%	46.7%	52.4%	10.0%	35.4%	235.0%	30.4%	11.0%	12.0%	29.2%	16.3%
Incremental/Decremental Margin YY	26.9%	27.2%	46.7%	52.4%	10.0%	35.4%	235.0%	30.4%	11.0%	12.0%	29.2%	16.3%
Other Income (expense)	383.0	41.0	74.0	(80.0)	(31.0)	4.0	73.0	21.8	14.8	5.0	114.6	(6.2)
Pretax Income	5,411.0	1,209.0	1,399.0	1,311.0	1,410.0	5,329.0	1,603.0	1,513.5	1,501.6	1,522.3	6,140.4	6,417.2
Income tax expense	1,185.0	321.0	271.0	301.0	289.0	1,182.0	316.0	287.6	352.9	357.8	1,314.2	1,379.7
Tax Rate	21.9%	26.6%	19.4%	23.0%	20.5%	22.2%	19.7%	19.0%	23.5%	23.5%	21.4%	21.5%
Adjusted Pre-Tax Income	5,342.0	1,520.0	1,540.0	1,568.0	1,530.0	6,158.0	1,650.0	1,583.5	1,551.6	1,572.3	6,337.4	6,817.2
Adjusted Tax Expense	1,102.0	365.0	297.0	340.0	321.0	1,323.0	321.0	297.1	364.6	369.5	1,552.2	1,422.7
Adjusted Tax Rate	20.6%	24.0%	19.3%	21.7%	21.0%	21.5%	19.5%	19.0%	23.5%	23.5%	21.3%	21.5%
Net Income (GAAP)	4,240.0	888.0	1,128.0	1,010.0	1,121.0	4,147.0	1,287.0	1,225.0	1,148.7	1,164.6	4,826.2	5,037.5
EPS (GAAP)	\$3.83	\$0.83	\$1.08	\$0.99	\$1.11	\$3.99	\$1.29	\$1.25	\$1.19	\$1.22	\$4.94	\$5.48
YY Growth	83.5%	18.2%	16.0%	6.2%	-14.5%	4.1%	55.5%	15.7%	20.2%	10.4%	23.9%	10.9%
Adjusted Net Income	4,240.0	1,155.0	1,243.0	1,228.0	1,209.0	4,835.0	1,329.0	1,286.4	1,187.0	1,202.8	4,985.2	5,194.5
Adjusted Diluted EPS	\$3.83	\$1.68	\$1.19	\$1.20	\$1.19	\$4.66	\$1.33	\$1.28	\$1.23	\$1.36	\$5.10	\$5.66
YY Growth	23.5%	27.4%	36.2%	22.3%	4.8%	21.6%	23.5%	8.4%	2.2%	5.7%	9.6%	10.8%
Avg. Basic Shares	1,103	1,064	1,042	1,015	997	1,030	986	971	956	941	963	906
Avg. Diluted Shares	1,108	1,072	1,047	1,024	1,014	1,039	999	984	969	954	976	919

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Source: Jefferies, Company Data

Income Statement

Jefferies

Payments, Processors & IT Services

Equity Research

May 27, 2025

\$ in millions, except per share	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25	2Q25E	3Q25E	4Q25E	FY25E	FY26E
INCOME STATEMENT												
CONTINUING OPERATIONS												
Revenue												
Banking Solutions	6,743.0	1,684.0	1,711.0	1,779.0	1,717.0	6,891.0	1,718.0	1,773.4	1,851.1	1,794.9	7,137.3	7,360.8
Capital Market Solutions	2,767.0	706.0	722.0	730.0	821.0	2,979.0	764.0	764.8	770.5	860.9	3,160.3	3,397.3
Corporate and Other	321.0	77.0	57.0	61.0	61.0	256.0	50.0	37.5	40.0	40.0	167.6	134.0
Total Revenue From Continuing Operations	9,831.0	2,468.0	2,490.0	2,570.0	2,599.0	10,126.0	2,532.0	2,575.7	2,661.6	2,695.8	10,465.2	10,892.2
Y/Y Growth	1.2%	2.8%	2.6%	3.1%	3.5%	3.0%	2.6%	3.4%	3.6%	3.7%	3.3%	4.1%
Y/Y Growth - Segment revenue (ex-corp/other)	2.7%	3.4%	4.0%	4.2%	3.6%	3.8%	3.8%	4.3%	4.5%	4.6%	4.3%	4.5%
Cost of Revenue	6,177.0	1,559.0	1,546.0	1,593.0	1,622.0	6,319.0	1,653.0	1,622.7	1,650.2	1,671.4	6,597.3	6,753.8
Gross Profit	3,654.0	909.0	944.0	977.0	977.0	3,807.0	879.0	953.0	1,011.4	1,024.4	3,867.8	4,138.4
Gross Margin	37.2%	36.8%	37.9%	38.0%	37.6%	37.6%	34.7%	37.0%	38.0%	38.0%	37.0%	38.0%
SG&A	2,093.0	573.0	609.0	521.0	483.0	2,186.0	558.0	540.6	487.7	412.5	1,998.8	2,020.7
Other Costs	-	(33.0)	(40.0)	(36.0)	-	(109.0)	(28.0)	-	-	-	(28.0)	-
Asset Impairments	113.0	14.0	4.0	2.0	-	20.0	2.0	-	-	-	2.0	-
Operating Expenses	2,206.0	554.0	573.0	487.0	483.0	2,097.0	532.0	540.6	487.7	412.5	1,972.8	2,020.7
Total Adjusted OpEx (ex-D&A)	8,503.0	1,761.0	1,760.0	1,773.0	1,757.0	7,051.0	1,861.0	1,835.4	1,811.8	1,758.9	7,267.1	7,494.5
Y/Y Growth	2.5%	-0.8%	0.5%	5.0%	2.8%	-17.1%	5.7%	4.3%	2.2%	0.1%	3.1%	3.1%
GAAP Operating Income	1,448.0	355.0	371.0	490.0	494.0	1,710.0	347.0	412.4	523.7	611.9	1,895.0	2,117.7
Non-GAAP Operating Income	2,906.0	707.0	730.0	797.0	842.0	3,076.0	671.0	740.4	849.7	936.9	3,198.0	3,397.7
Margin	29.6%	28.6%	29.3%	31.0%	32.4%	30.4%	26.5%	28.7%	31.9%	34.8%	30.6%	31.2%
EBITDA Adjustments From Continuing Operations												
D&A, excluding purchase accounting amortization	1,046.0	263.0	262.0	263.0	273.0	1,061.0	287.0	289.5	280.1	264.8	1,121.4	1,160.7
Y/Y Growth		-3.0%	-0.8%	0.4%	9.6%	1.4%	9.1%	10.5%	6.5%	-3.0%	5.7%	3.5%
% of RemainCo Revenue	10.6%	10.7%	10.5%	10.2%	10.5%	10.5%	11.3%	11.2%	10.5%	9.8%	10.7%	10.7%
Purchase accounting amortization	696.0	165.0	168.0	168.0	173.0	674.0	169.0	175.0	173.0	172.0	689.0	680.0
Acquisition, integration and other costs	482.0	158.0	186.0	137.0	143.0	624.0	153.0	153.0	153.0	153.0	612.0	600.0
Asset Impairments	113.0	14.0	-	2.0	32.0	48.0	2.0	-	-	-	2.0	-
Other (i.e. Indirect Worldpay support costs)	167.0	14.0	4.0	-	-	18.0	-	-	-	-	-	-
Adjusted EBITDA From Continuing Operations	3,952.0	970.0	992.0	1,060.0	1,115.0	4,135.0	958.0	1,029.9	1,129.8	1,201.7	4,319.5	4,558.3
Margin %	40.2%	39.3%	39.8%	41.2%	42.9%	40.8%	37.8%	40.0%	42.4%	44.6%	41.3%	41.8%
Y/Y change (bps)	-11	201	111	-149	102	64	-147	14	120	168	44	58
Q/Q change (bps)		(258)	54	141	166		(507)	215	247	213		
Interest expense, net	(622.0)	(77.0)	(43.0)	(64.0)	(67.0)	(251.0)	(80.0)	(88.9)	(93.3)	(102.8)	(365.0)	(393.2)
Other income (expense)	(165.0)	(172.0)	(12.0)	(38.0)	60.0	(162.0)	(37.0)	(19.3)	(20.0)	(13.5)	(89.8)	(68.1)
Pretax Income	661.0	106.0	316.0	388.0	487.0	1,297.0	230.0	304.2	410.4	495.6	1,440.2	1,656.4
Income tax provision	155.0	20.0	88.0	108.0	146.0	362.0	81.0	37.3	50.3	60.7	229.3	202.9
Effective Tax rate	23.4%	18.9%	27.8%	27.8%	30.0%	27.9%	35.2%	12.3%	12.3%	12.3%	15.9%	12.3%
Adjusted Pre-Tax Income	2,284.0	630.0	687.0	733.0	775.0	2,825.0	591.0	651.5	756.4	834.1	2,833.0	3,004.4
Adjusted Tax Expense	323.0	85.0	98.0	106.0	137.0	427.0	71.0	79.8	92.7	102.2	345.6	368.0
Adjusted Tax Rate	14.1%	13.5%	14.4%	14.5%	17.7%	15.1%	12.0%	12.3%	12.3%	12.3%	12.2%	12.3%
Equity method investment earnings (loss)	-	(86.0)	10.0	(33.0)	(36.0)	(145.0)	(71.0)	(19.4)	(30.3)	(15.6)	(136.3)	(59.3)
Net Income (Loss) From Continuing Operations	506.0	-	238.0	247.0	305.0	790.0	78.0	247.5	329.9	419.3	1,074.7	1,394.2
Net Income (Loss) Attributable to NCI - Continuing Ops.	(4.0)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	(4.0)
Continuing Operations GAAP EPS - Diluted	\$0.85	\$0.00	\$0.43	\$0.45	\$0.56	\$1.41	\$0.15	\$0.47	\$0.63	\$0.80	\$2.03	\$2.71
Net Income Adjustments From EMI earnings												
Non-GAAP Adj. on EMI earnings (loss), net of tax	-	178.0	152.0	172.0	153.0	655.0	195.0	166.6	161.8	161.7	685.1	651.8
Adj. Net Income from EMI	-	92.0	162.0	139.0	117.0	510.0	124.0	147.6	131.7	146.4	549.7	591.9
Y/Y Growth							34.8%	-8.9%	-5.2%	25.1%	7.8%	7.7%
Adjusted Net Income From Continuing Operations	1,982.0	629.0	748.0	765.0	754.0	2,896.0	643.0	717.9	794.2	877.1	3,032.1	3,224.9
Adjusted EPS from Continuing Operations	\$3.34	\$1.09	\$1.34	\$1.40	\$1.40	\$5.22	\$1.21	\$1.36	\$1.51	\$1.68	\$5.76	\$6.30
Y/Y Growth	-10.3%	52.9%	77.3%	49.1%	49.0%	56.3%	11.3%	1.2%	8.4%	20.4%	10.3%	9.3%
EPS Contribution from Equity Method Investments	-	\$0.16	\$0.29	\$0.25	\$0.22	\$0.92	\$0.23	\$0.28	\$0.25	\$0.28	\$1.04	\$1.15
Adj. EPS ex-Worldpay	\$3.35	\$0.93	\$1.05	\$1.14	\$1.18	\$4.30	\$0.98	\$1.08	\$1.26	\$1.40	\$4.72	\$5.14
Y/Y Growth	-10.1%	30.6%	38.4%	21.6%	25.8%	28.5%	5.2%	2.6%	10.5%	18.7%	9.7%	9.0%
Basic Shares Outstanding	589.0	576.0	554.0	545.0	536.0	554.0	528.0	528.0	528.0	528.0	554.0	554.0
Adjusted Shares Outstanding	589.0	576.0	554.0	545.0	536.0	554.0	528.0	528.0	528.0	528.0	554.0	554.0

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Basic Shares Outstanding

Adjusted Shares Outstanding

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Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in millions, except per share	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25	2Q25E	3Q25E	4Q25E	FY25E	FY26E
INCOME STATEMENT												
GAAP Revenues (New Segmentation)												
Merchant Solutions	8,722.0	2,253.0	2,410.0	2,469.0	2,499.0	9,631.0	2,372.0	2,717.7	2,834.4	2,905.2	10,829.4	11,956.3
Financial Solutions	9,101.0	2,285.0	2,379.0	2,312.0	2,401.0	9,477.0	2,417.0	2,506.3	2,600.2	2,645.6	10,163.2	10,840.9
Corporate & Other	1,270.0	345.0	318.0	334.0	351.0	1,348.0	341.0	334.0	344.0	369.0	1,388.0	1,486.0
GAAP Total Revenues (New Segmentation)	19,093.0	4,883.0	5,107.0	5,215.0	5,251.0	20,456.0	5,130.0	5,552.1	5,778.6	5,919.8	22,380.6	24,283.2
YoY Growth	7.6%	7.4%	7.4%	7.0%	6.8%	7.1%	5.1%	8.7%	10.8%	12.7%	9.4%	8.5%
Adj Revenues (New Segmentation)												
Postage reimbursements	(1,247.0)	(340.0)	(313.0)	(331.0)	(349.0)	(1,333.0)	(341.0)	(330.0)	(340.0)	(365.0)	(1,376.0)	(1,470.0)
Deferred revenue purchase accounting adjustments	19.0	-	-	-	-	-	-	-	-	-	-	-
Adjusted Revenues (New Segmentation)	17,865.0	4,543.0	4,794.0	4,884.0	4,902.0	19,123.0	4,789.0	5,222.1	5,438.6	5,554.8	21,004.6	22,813.2
YoY Growth	7.5%	7.4%	7.4%	6.8%	6.6%	7.0%	5.4%	8.9%	11.4%	13.3%	9.8%	8.6%
Expenses												
Cost of processing and services	5,332.0	1,354.0	1,343.0	1,346.0	1,320.0	5,363.0	1,389.0	1,431.0	1,438.5	1,402.3	5,660.9	5,988.7
Cost of product	2,338.0	651.0	639.0	661.0	699.0	2,650.0	684.0	704.7	708.4	690.6	2,787.6	2,949.1
Selling, general and administrative	6,576.0	1,697.0	1,697.0	1,606.0	1,564.0	6,564.0	1,682.0	1,732.8	1,742.0	1,698.2	6,855.0	7,252.0
Gain on sale of businesses	(167.0)	-	-	-	-	-	(20.0)	-	-	-	(20.0)	-
Total Operating Expenses (GAAP)	14,079.0	3,702.0	3,679.0	3,613.0	3,583.0	14,577.0	3,735.0	3,847.9	3,868.2	3,770.9	15,222.0	16,103.6
% GAAP Revenue	73.7%	76.0%	71.5%	69.3%	68.6%	71.2%	72.3%	70.2%	69.8%	67.9%	70.0%	69.3%
YoY Growth	0.6%	2.5%	1.5%	7.2%	3.2%	3.5%	0.9%	4.6%	7.1%	5.2%	4.4%	5.8%
Total Operating Income (GAAP)	5,014.0	1,181.0	1,428.0	1,602.0	1,668.0	5,879.0	1,395.0	1,704.2	1,910.4	2,148.9	7,158.5	8,179.7
Merger and integration costs	158.0	37.0	22.0	-	22.0	81.0	15.0	15.8	14.1	11.3	56.1	56.1
Severance and restructuring costs	74.0	42.0	21.0	14.0	80.0	157.0	15.0	15.8	14.1	11.3	56.1	56.1
Amort. of acquisition-related intangible assets	1,623.0	369.0	370.0	346.0	335.0	1,420.0	331.0	347.6	310.3	248.3	1,237.1	1,237.1
% of Revenue	8.5%	7.6%	7.2%	6.6%	6.4%	6.9%	6.4%	6.3%	5.6%	4.5%	5.7%	5.3%
Merchant Services adjustment	27.0	-	-	-	-	-	-	-	-	-	-	-
% of Merchant Svcs Revenue Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of businesses / other	(167.0)	-	-	-	-	-	52.0	-	-	-	52.0	-
Combined Adj. Operating Income	6,729.0	1,629.0	1,841.0	1,962.0	2,105.0	7,537.0	1,808.0	2,083.2	2,248.9	2,419.7	8,559.8	9,528.9
YoY Growth	14.4%	13.4%	12.1%	11.5%	11.4%	12.0%	11.0%	13.2%	14.6%	14.9%	13.6%	11.3%
Adj. Operating Margin	37.7%	35.9%	38.4%	40.2%	42.9%	39.4%	37.8%	39.9%	41.3%	43.6%	40.8%	41.8%
YoY expansion (bps)	226	189	159	167	188	175	190	149	118	62	134	102
Adjusted EBITDA	8,208.0	2,030.0	2,255.0	2,395.0	2,529.0	9,209.0	2,245.0	2,549.0	2,736.0	2,896.7	10,426.7	11,582.5
Adj. EBITDA Margin	43.0%	41.6%	44.2%	45.9%	48.2%	45.0%	43.8%	45.9%	47.3%	48.9%	46.6%	47.7%
Interest expense, net	(976.0)	(261.0)	(285.0)	(326.0)	(323.0)	(1,195.0)	(331.0)	(338.6)	(360.6)	(372.1)	(1,402.3)	(1,563.9)
Debt financing activities	-	-	-	-	-	-	-	-	-	-	-	-
Other income	(140.0)	(7.0)	(5.0)	(5.0)	(161.0)	(178.0)	(18.0)	(18.0)	(18.0)	(18.0)	(72.0)	(72.0)
Pre-Tax Income	3,898.0	913.0	1,138.0	1,271.0	1,184.0	4,506.0	1,046.0	1,347.6	1,531.9	1,758.8	5,684.3	6,543.7
Income tax provision	(754.0)	(153.0)	(221.0)	(74.0)	(193.0)	(641.0)	(190.0)	(262.8)	(298.7)	(343.0)	(1,094.5)	(1,276.0)
Effective tax rate	19.3%	16.8%	19.4%	5.8%	16.3%	14.2%	18.2%	19.5%	19.5%	19.5%	19.3%	19.5%
Adj. Pre-Tax Income	5,613.0	1,361.0	1,551.0	1,631.0	1,621.0	6,164.0	1,459.0	1,726.6	1,870.3	2,029.6	7,085.5	7,893.0
Adj. Income tax provision	(1,109.0)	(248.0)	(309.0)	(307.0)	(325.0)	(1,189.0)	(264.0)	(340.6)	(368.6)	(399.7)	(1,372.9)	(1,551.6)
Adj. Effective Tax Rate	19.8%	18.2%	19.9%	18.8%	20.0%	19.3%	18.1%	19.7%	19.7%	19.7%	19.4%	19.7%
Income (Loss) from investments in unconsol. affiliates	(15.0)	(8.0)	(8.0)	(626.0)	(43.0)	(685.0)	(8.0)	(15.0)	(15.0)	(15.0)	(53.0)	(60.0)
Net Income	3,129.0	752.0	909.0	571.0	948.0	3,180.0	848.0	1,069.8	1,218.2	1,400.9	4,536.8	5,207.7
Net income (loss) attributable to NCI	(61.0)	(17.0)	(15.0)	(7.0)	(10.0)	(49.0)	3.0	(20.0)	(20.0)	(20.0)	(57.0)	(50.0)
GAAP Net Income Attributable to Fiserv	3,068.0	735.0	894.0	564.0	938.0	3,131.0	851.0	1,049.8	1,198.2	1,380.9	4,479.8	5,157.7
Fiserv Net Income	3,190.0	769.0	924.0	578.0	958.0	3,229.0	845.0	1,089.8	1,238.2	1,420.9	4,593.8	5,257.7
First Data Net Income	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Net Income	4,632.0	1,116.0	1,245.0	1,325.0	1,437.0	5,123.0	1,210.0	1,371.0	1,486.7	1,614.9	5,682.7	6,295.4
GAAP Basic EPS	\$5.03	\$1.25	\$1.55	\$0.99	\$1.66	\$5.45	\$1.53	\$1.92	\$2.21	\$2.58	\$8.25	\$10.04
GAAP Diluted EPS	\$5.00	\$1.24	\$1.53	\$0.98	\$1.64	\$5.38	\$1.51	\$1.88	\$2.17	\$2.53	\$8.08	\$9.74
Adjusted EPS	\$7.52	\$1.88	\$2.13	\$2.30	\$2.51	\$8.81	\$2.14	\$2.45	\$2.69	\$2.96	\$10.24	\$11.89
YoY Growth	15.9%	18.9%	17.2%	17.2%	14.7%	17.2%	14.2%	15.4%	17.1%	17.6%	16.2%	16.1%
Avg. Basic Shares	611.7	588.1	578.1	570.5	564.4	575.3	554.7	547.8	540.9	534.3	544.4	515.4
Avg. Diluted Shares	615.9	594.8	585.4	576.9	571.4	582.1	564.7	558.8	552.9	546.3	555.7	530.6

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Source: Jefferies, Company Data

Jefferies CPAY Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in millions, except per share	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25	2Q25E	3Q25E	4Q25E	FY25E	FY26E
INCOME STATEMENT												
Revenues, net	3,757.7	935.3	975.7	1,029.2	1,034.4	3,974.6	1,005.7	1,094.1	1,156.3	1,164.2	4,420.3	4,873.8
YY Growth	9.6%	3.8%	2.9%	6.0%	10.4%	5.8%	7.5%	12.1%	12.4%	12.5%	11.2%	10.3%
Q/Q Growth		-0.2%	4.3%	5.5%	0.5%		-2.8%	8.8%	5.7%	0.7%		
2yr Stack	30.6%	18.0%	13.0%	14.7%	16.4%	15.4%	11.3%	15.0%	18.4%	22.9%	17.0%	21.5%
% above 2019	141.9%	150.4%	150.8%	151.1%	148.0%	150.0%	161.7%	169.1%	169.8%	166.6%	166.9%	184.0%
Merchant commissions	-	-	-	-	-	-	-	-	-	-	-	-
Processing	819.9	207.4	209.2	223.7	228.8	869.1	221.8	229.1	236.1	242.4	929.5	973.2
Selling	340.2	94.2	95.0	94.2	97.5	380.9	107.6	112.5	110.5	102.8	433.4	479.7
General and administration	603.4	151.3	153.8	153.7	158.2	616.9	157.0	182.1	180.3	166.8	686.1	759.5
Depreciation and amortization	336.6	84.8	84.3	89.5	92.4	351.1	92.2	97.7	98.8	99.7	388.3	410.6
Other Operating, net	0.8	0.3	0.0	0.0	(30.8)	(30.5)	(0.0)				(0.0)	-
Total Expenses	2,100.8	537.9	542.4	561.1	546.1	2,187.4	578.5	621.4	625.7	611.7	2,437.3	2,623.1
YY Growth	6.1%	2.2%	1.3%	6.7%	6.4%	4.1%	7.6%	14.6%	11.5%	12.0%	11.4%	7.6%
Operating Income	1,656.9	397.3	433.3	468.1	488.3	1,787.2	427.1	472.8	530.6	552.5	1,983.1	2,250.7
EBITDA	1,993.5	482.1	517.7	557.7	580.8	2,138.2	519.3	570.4	629.4	652.2	2,371.4	2,661.4
YY Growth	12.7%	4.9%	4.3%	5.3%	14.3%	7.3%	7.7%	10.2%	12.9%	12.3%	10.9%	12.2%
EBITDA Margin	53.1%	51.5%	53.1%	54.2%	56.1%	53.8%	51.6%	52.1%	54.4%	56.0%	53.6%	54.6%
YY expansion (bps)	143	58	71	-38	195	75	9	-92	25	-12	-15	96
Investment loss	(0.1)	(0.2)	(0.0)	0.5	(0.0)	0.2	-	-	-	-	-	-
Other expense (income), net	(16.6)	3.1	4.5	(0.1)	6.2	13.7	4.1	4.1	4.1	4.1	16.4	16.4
Interest expense, net	348.6	89.1	94.7	104.4	94.8	383.0	93.9	91.5	87.3	84.3	357.0	328.8
Loss on extinguishment of debt	-	-	-	5.0	-	5.0	1.6	1.6	1.6	1.6	6.4	6.4
Total other expense (income)	331.9	92.0	99.1	109.8	101.0	402.0	99.6	97.2	93.0	90.0	379.8	351.6
Pretax Income	1,325.0	305.3	334.2	358.3	387.34	1,385.1	327.5	375.6	437.6	462.6	1,603.3	1,899.1
Income tax expense	343.1	75.5	82.5	82.0	141.3	381.4	83.6	97.6	113.8	120.3	415.3	493.8
Tax Rate	25.9%	24.7%	24.7%	22.9%	36.5%	27.5%	25.5%	26.0%	26.0%	26.0%	25.9%	26.0%
Adj. Pretax Income	1,698.5	400.4	431.6	459.5	485.1	1,776.6	434.8	493.6	539.1	564.1	2,031.6	2,284.1
Adj. Tax Expense	439.9	99.0	106.6	105.2	101.8	412.6	111.3	128.3	140.2	146.7	526.4	593.9
Adj. Tax Rate	25.9%	24.7%	24.7%	22.9%	21.0%	23.2%	25.6%	26.0%	26.0%	26.0%	25.9%	26.0%
Net Income (GAAP)	981.9	229.8	251.7	276.3	246.0	1,003.7	243.2	277.3	323.2	341.7	1,185.4	1,402.8
Adjusted Net Income (non-GAAP)	1,258.6	301.3	325.0	354.3	383.3	1,364.0	322.9	364.6	398.3	416.8	1,502.6	1,687.7
Basic EPS	\$13.43	\$3.20	\$3.59	\$3.97	\$3.52	\$14.28	\$3.46	\$3.94	\$4.60	\$4.86	\$16.86	\$20.81
Diluted EPS	\$13.20	\$3.12	\$3.52	\$3.90	\$3.44	\$13.98	\$3.40	\$3.87	\$4.52	\$4.77	\$16.57	\$20.43
Adjusted Diluted EPS (non-GAAP)	\$16.92	\$4.10	\$4.55	\$5.00	\$5.36	\$19.00	\$4.51	\$5.10	\$5.57	\$5.82	\$21.00	\$24.57
YoY Growth	5.0%	7.8%	8.5%	11.3%	20.8%	12.3%	10.1%	12.1%	11.4%	8.6%	10.5%	17.0%
Basic Shares Outstanding	73.2	71.8	70.1	69.5	69.9	70.3	70.3	70.3	70.3	70.3	70.3	67.6
Diluted Shares Outstanding	74.4	73.5	71.5	70.9	71.5	71.9	71.6	71.6	71.6	71.6	71.6	68.8

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WEX Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25	2Q25E	3Q25E	4Q25E	FY25E	FY26E
CONSOLIDATED INCOME STATEMENT												
Revenues												
Payment processing revenue	1,213.7	302.0	318.4	309.9	270.2	1,200.5	271.8	280.7	279.4	271.7	1,103.6	1,153.2
Account servicing revenue	646.4	173.3	168.6	174.6	174.1	690.6	179.1	181.1	185.1	188.1	733.4	785.1
Finance fee revenue	314.2	70.3	77.8	70.5	79.6	298.2	75.7	76.6	75.3	75.6	303.2	289.5
Other revenue	373.7	107.1	108.7	110.5	112.6	438.9	110.0	111.8	114.7	115.4	451.9	462.5
Total Revenues	2,548.0	652.7	673.5	665.5	636.5	2,628.2	636.6	650.2	654.5	650.8	2,592.1	2,690.2
<i>Y/Y growth</i>	8.4%	6.7%	8.4%	2.2%	-4.0%	3.1%	-2.5%	-3.5%	-1.7%	2.3%	-1.4%	3.8%
<i>Q/Q Growth</i>		-1.6%	3.2%	-1.2%	-4.4%	2,658.2	0.0%	2.1%	0.7%	-0.6%		
Cost of services												
Processing costs	621.6	169.1	163.8	156.0	158.7	647.6	167.5	165.5	160.7	158.9	652.6	670.9
Service fees	73.3	21.0	20.8	20.7	21.3	83.8	25.7	27.3	26.0	27.0	106.0	113.5
Provision for credit losses	89.8	22.4	20.6	9.7	15.6	68.3	15.9	17.9	16.7	20.7	71.2	70.0
Operating interest	84.2	23.5	25.7	28.3	26.5	104.0	24.1	22.5	22.6	22.7	91.8	91.9
Depreciation and amortization	104.4	31.2	32.8	34.6	35.4	134.0	36.8	33.8	35.8	37.7	144.2	154.2
Total cost of services	973.3	267.2	263.8	249.3	257.5	1,037.8	270.0	267.0	261.7	267.1	1,065.8	1,100.6
Gross Profit	1,574.7	385.5	409.7	416.2	379.0	1,590.4	366.6	383.2	392.8	383.7	1,526.3	1,589.6
Margin	61.8%	59.1%	60.8%	62.5%	59.5%	60.5%	57.6%	58.9%	60.0%	59.0%	58.9%	59.1%
Op Ex (GAAP)												
General and administrative	428.0	88.5	101.0	92.1	94.2	375.8	73.7	88.6	88.5	86.4	337.2	351.2
Sales and marketing	327.8	85.3	93.7	80.9	81.1	341.0	90.9	102.2	101.6	96.8	391.4	399.4
Depreciation and amortization	171.8	47.2	46.9	46.9	46.4	187.4	44.7	54.2	50.2	51.2	200.4	211.6
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total OpEx (GAAP)	927.6	221.0	241.6	219.9	221.7	904.2	209.3	245.1	240.2	234.3	929.0	962.2
Total Expenses	1,900.9	488.2	505.4	469.2	479.2	1,942.0	479.3	512.1	502.0	501.4	1,994.8	2,062.9
<i>Y/Y Growth</i>	1.1%	6.7%	9.4%	-1.5%	-5.1%	2.2%	-1.8%	1.3%	7.0%	4.6%	2.7%	3.4%
GAAP Operating Income	647.1	164.5	168.1	196.3	157.3	686.2	157.3	138.1	152.5	149.4	597.3	627.4
Total Expenses (non-GAAP)	1,532.6	401.5	399.6	372.6	395.0	1,568.7	402.8	404.7	402.0	412.4	1,621.9	1,645.3
<i>Y/Y Growth</i>	8.3%	5.1%	7.8%	-1.7%	-1.4%	2.4%	0.3%	1.3%	7.9%	4.4%	3.4%	1.4%
Adj. Operating Income	1,015.4	251.2	273.9	292.9	241.5	1,059.5	233.8	245.5	252.5	238.5	970.2	1,044.9
Margin	39.9%	38.5%	40.7%	44.0%	37.9%	40.3%	36.7%	37.8%	38.6%	36.6%	37.4%	38.8%
YoY Expansion	6 bps	89 bps	34 bps	223 bps	-163 bps	46 bps	-176 bps	-292 bps	-544 bps	-130 bps	-288 bps	141 bps
Financing interest expense	(184.5)	(60.3)	(59.9)	(58.5)	(57.4)	(236.1)	(53.0)	(64.2)	(62.3)	(60.4)	(239.8)	(231.4)
Net foreign currency gain (loss)	4.9	(12.5)	(1.7)	(0.1)	(16.4)	(30.7)	(0.8)	0.4	0.4	0.4	(239.8)	(231.4)
Net unrealized gains on swaps	(20.1)	-	(0.4)	3.2	(3.0)	(0.2)	(3.1)	(3.1)	(3.1)	(3.1)	(12.4)	(12.4)
Non-cash adjustments related to TRA	(78.6)	(1.7)	-	-	-	(1.7)	-	-	-	-	-	-
GAAP Pre-Tax Income	368.8	90.0	106.1	141.0	80.5	417.6	100.4	71.2	87.6	86.3	345.5	385.1
Income tax expense	102.2	24.2	29.1	38.2	16.6	108.1	28.9	17.8	21.9	21.6	90.2	96.3
Effective tax rate	27.7%	26.9%	27.4%	27.1%	20.6%	25.9%	28.8%	25.0%	25.0%	25.0%	26.1%	25.0%
Adjusted pre-tax income	860.0	195.5	218.6	236.5	190.5	841.1	184.5	170.3	180.7	179.6	715.1	765.7
Adjusted income tax expense	214.3	48.9	54.6	59.1	47.7	210.3	46.1	42.6	45.2	44.9	178.8	191.4
Adjusted effective tax rate	24.9%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
GAAP Net Income	266.6	65.8	77.0	102.8	63.9	309.5	71.5	53.4	65.7	64.8	255.3	288.9
Income attributable to NCI	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Attributable to WEX shareholders	266.6	65.8	77.0	102.8	63.9	309.5	71.5	53.4	65.7	64.8	255.3	288.9
Adjusted Net Income	645.7	146.6	164.0	177.4	142.8	630.8	138.4	127.7	135.5	134.7	536.4	574.3
<i>Y/Y Growth</i>	5.7%	0.5%	3.0%	0.3%	-12.8%	-2.3%	-5.6%	-22.1%	-23.6%	-5.7%	-15.0%	7.1%
Basic EPS	\$6.24	\$1.57	\$1.85	\$2.55	\$1.62	\$7.59	\$1.84	\$1.37	\$1.69	\$1.66	\$6.56	\$7.43
Diluted EPS	\$6.16	\$1.55	\$1.83	\$2.52	\$1.60	\$7.50	\$1.81	\$1.55	\$1.90	\$1.87	\$7.13	\$8.32
Adjusted Diluted EPS	\$14.81	\$3.46	\$3.91	\$4.35	\$3.57	\$15.28	\$3.51	\$3.70	\$3.92	\$3.88	\$15.01	\$16.55
<i>Y/Y growth</i>	9.5%	4.5%	7.5%	7.4%	-6.5%	3.2%	1.6%	-5.2%	-9.9%	8.7%	-1.8%	10.2%
Basic Shares	42.8	41.8	41.7	40.3	39.4	40.8	38.9	38.9	38.9	38.9	38.9	38.9
Diluted Shares	43.3	42.4	42.0	40.8	40.0	41.3	39.4	34.5	34.6	34.7	35.8	34.7

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Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in millions, except per share	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E
INCOME STATEMENT												
"Normalized" revs (ex eBay, ex float)	585.5	162.9	173.7	183.1	201.1	720.9	188.6	200.4	187.3	209.8	786.1	859.2
Y/Y Growth	8.0%	21.2%	20.7%	24.0%	26.1%	23.1%	15.8%	15.4%	2.3%	4.3%	9.1%	9.3%
Revenue ex-float income	600.5	162.9	173.7	183.1	201.1	720.9	188.6	200.4	187.3	209.8	786.1	859.2
Y/Y Growth	4.9%	14.8%	14.7%	24.0%	26.1%	20.1%	15.8%	15.4%	2.3%	4.3%	9.1%	9.3%
Interest income	230.6	65.3	65.8	65.2	60.6	256.8	58.0	54.1	49.6	47.5	209.1	195.8
Y/Y Growth	317.1%	30.4%	19.0%	7.9%	-6.6%	11.4%	-11.2%	-17.9%	-23.9%	-21.6%	-18.6%	-6.3%
Total Revenue	831.1	228.2	239.5	248.3	261.7	977.7	246.6	254.4	236.9	257.3	995.2	1,055.1
Y/Y Growth	32.4%	18.8%	15.9%	19.3%	16.7%	17.6%	8.1%	6.2%	-4.6%	-1.7%	1.8%	6.0%
Transaction costs	122.3	34.0	37.0	38.1	43.1	152.1	39.3	41.7	42.9	48.1	172.1	183.2
Revenue Less Transaction Costs	708.8	194.2	202.6	210.2	218.6	825.6	207.3	212.7	194.0	209.2	823.2	871.8
Y/Y Growth	37.0%	17.8%	13.6%	18.3%	16.3%	16.5%	6.7%	5.0%	-7.7%	-4.3%	-0.3%	5.9%
Transaction Margin	85.3%	85.1%	84.6%	84.7%	83.5%	84.4%	84.0%	83.6%	81.9%	81.3%	82.7%	82.6%
Incremental Margin	94.0%	81.0%	74.2%	81.0%	81.8%	79.7%	70.8%	68.0%	142.1%	213.3%	-14.0%	81.4%
Transaction Margin (ex-Interest Income)	79.6%	79.2%	78.7%	79.2%	78.6%	78.9%	79.1%	79.2%	77.1%	77.1%	78.1%	78.7%
Incremental Margins	13.3%	63.2%	81.4%	100.5%	135.4%	96.3%	197.7%	259.7%	-25.4%	-93.2%	-2657.0%	150.1%
Total Payment Volume (new method begin. 2022)	66,020.0	18,455.0	18,713.0	20,405.0	22,489.0	80,062.0	19,675.0	20,419.4	20,295.3	22,795.3	83,185.0	90,168.7
Y/Y Growth	10.5%	20.6%	22.0%	24.9%	18.1%	21.3%	6.6%	9.1%	-0.5%	1.4%	3.9%	8.4%
2yr Stack	10.5%	27.8%	29.4%	35.8%	33.9%	31.8%	27.2%	31.1%	24.4%	19.4%	25.2%	12.3%
2yr CAGR	7.9%	13.7%	14.5%	17.7%	16.9%	15.8%	13.4%	15.4%	11.5%	9.4%	12.2%	6.1%
Q/Q Growth	0.0%	-3.1%	1.4%	9.0%	10.2%	0.0%	-12.5%	3.8%	-0.6%	12.3%	0.0%	0.0%
Total Take Rate (inc. new method begin. 2022)	1.27%	1.24%	1.28%	1.22%	1.16%	1.22%	1.25%	1.25%	1.17%	1.13%	1.20%	1.17%
Y/Y Change	0.22%	-0.02%	-0.07%	-0.06%	-0.01%	-0.05%	0.02%	-0.03%	-0.05%	-0.04%	-0.02%	-0.03%
Q/Q Change	0.00%	0.06%	0.04%	-0.06%	-0.05%	0.00%	0.09%	-0.01%	-0.08%	-0.04%	0.00%	0.00%
Take Rate ex-Interest Income	0.91%	0.88%	0.93%	0.90%	0.89%	0.90%	0.96%	0.98%	0.92%	0.92%	0.95%	0.95%
Y/Y Change	-0.05%	-0.04%	-0.06%	-0.01%	0.06%	-0.01%	0.08%	0.05%	0.03%	0.03%	0.04%	0.01%
Q/Q Change	0.00%	0.05%	0.05%	-0.03%	0.00%	0.00%	0.06%	0.02%	-0.06%	0.00%	0.00%	0.00%
Total operating expenses	727.5	189.8	193.2	213.1	232.6	828.7	217.3	215.9	216.1	235.4	884.7	955.1
Y/Y Growth	12.0%	7.2%	11.5%	19.4%	17.1%	13.9%	14.5%	11.7%	1.4%	1.2%	6.8%	8.0%
Operating income (loss)	103.6	38.4	46.3	35.2	29.2	149.0	29.3	38.5	20.8	21.9	110.5	99.9
Adjusted operating income (loss)	177.3	55.8	62.1	55.8	49.6	223.3	51.0	53.3	39.6	42.0	186.0	175.5
Adjusted EBITDA	205.1	65.2	72.8	69.3	63.3	270.6	65.4	66.0	49.1	51.0	231.5	226.5
Y/Y Growth	323.2%	68.3%	30.0%	19.1%	21.1%	31.9%	0.3%	-9.3%	-29.2%	-19.3%	-14.4%	-2.2%
Margin	24.7%	28.6%	30.4%	27.9%	24.2%	27.7%	26.5%	26.0%	20.7%	19.8%	23.3%	21.5%
Y/Y bps change	1696bps	841bps	331bps	-7bps	88bps	299bps	-206bps	-443bps	-719bps	-434bps	-441bps	-180bps
Gain (loss) from change in fair value of warrants	17.4	1.8	1.0	(14.7)	-	(12.0)	-	-	-	-	-	-
Other financial income (expense), net	11.6	2.7	1.0	1.7	(3.0)	2.4	(1.6)	-	-	-	(1.6)	-
Financial income (expense), net	28.9	4.5	2.0	(13.1)	(3.0)	(9.6)	(1.6)	-	-	-	(1.6)	-
Pre-tax income (loss)	132.5	42.9	48.3	22.1	26.2	139.5	27.8	38.5	20.8	21.9	109.0	99.9
Tax rate	29.6%	32.4%	32.9%	-88.2%	30.6%	13.1%	25.9%	25.0%	25.0%	25.0%	25.2%	25.0%
Income tax expense (benefit)	39.2	13.9	15.9	(19.5)	8.0	18.3	7.2	9.6	5.2	5.5	27.5	25.0
Share in losses (income) of associated company	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	93.3	29.0	32.4	41.6	18.2	121.2	20.6	28.9	15.6	16.4	81.5	75.0
Dividends and revaluation to convertible preferred	-	0.0	-	-	-	0.0	-	-	-	-	-	-
Net income (loss) to common shareholders	93.3	29.0	32.4	41.6	18.2	121.2	20.6	28.9	15.6	16.4	81.5	75.0
EPS (GAAP)	\$0.24	\$0.08	\$0.09	\$0.11	\$0.05	\$0.32	\$0.05	\$0.08	\$0.04	\$0.04	\$0.21	\$0.20
Y/Y Growth	-827.4%	274.6%	-26.1%	230.7%	-33.6%	32.1%	-29.7%	-13.1%	-63.5%	-9.7%	-33.8%	-7.7%
Avg Diluted Shares	384.4	378.7	373.4	374.3	385.1	377.9	382.2	383.2	384.3	385.4	383.8	382.5

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ACIW Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25	2Q25E	3Q25E	4Q25E	FY25E	FY26E
INCOME STATEMENT												
Payment Software	766.7	141.1	181.7	272.2	272.8	867.8	200.7	174.0	233.6	309.1	917.4	990.7
Billers	685.9	174.9	191.8	179.6	180.2	726.5	193.9	206.2	194.0	195.5	789.6	848.9
Total revenue	1,452.6	316.0	373.5	451.8	453.0	1,594.3	394.6	380.1	427.6	504.6	1,706.9	1,839.5
Y/Y Growth	2.2%	9.1%	15.5%	24.4%	-4.9%	9.8%	24.9%	1.8%	-5.3%	11.4%	7.1%	7.8%
Y/Y FXN, ex COB 2022/'23, Speedpay '19, CFS '17	4.6%	9.0%	15.2%	24.2%	-5.0%	9.6%	25.4%	2.3%	-4.8%	11.5%	7.5%	7.7%
Cost of revenue	719.2	191.1	203.2	197.4	200.1	791.8	213.4	214.6	200.1	217.1	845.1	919.0
Gross Profit	733.4	124.9	170.2	254.4	253.0	802.5	181.2	165.5	227.5	287.6	861.8	920.6
Y/Y Growth	1.0%	12.4%	19.9%	37.2%	-14.2%	9.4%	45.1%	-2.8%	-10.6%	13.7%	7.4%	6.8%
Gross Margin	50.5%	39.5%	45.6%	56.3%	55.8%	50.3%	45.9%	43.5%	53.2%	57.0%	50.5%	50.0%
Total operating expenses	513.0	115.4	116.5	131.8	130.7	494.4	122.7	140.3	131.5	126.0	520.5	536.2
Y/Y Growth	-1.7%	-14.9%	-11.4%	6.8%	6.6%	-3.6%	6.3%	20.3%	-0.2%	-3.5%	5.3%	3.0%
Total costs and expenses	1,232.2	306.5	319.8	329.2	330.8	1,286.2	336.0	354.9	331.6	343.1	1,365.6	1,455.2
Operating income/(loss)	220.4	9.6	53.7	122.6	122.3	308.1	58.5	25.3	96.0	161.5	341.3	384.4
Operating Margin	15.2%	3.0%	14.4%	27.1%	27.0%	19.3%	14.8%	6.6%	22.5%	32.0%	20.0%	20.9%
Interest expense	(78.5)	(19.0)	(18.5)	(18.4)	(16.6)	(72.5)	(14.7)	(13.5)	(12.7)	(12.7)	(53.6)	(50.9)
Interest income	14.2	4.0	4.0	3.9	4.1	15.9	4.1	3.7	3.5	3.5	14.8	14.0
Interest income/(expense)	(64.3)	(15.0)	(14.5)	(14.5)	(12.5)	(56.5)	(10.6)	(9.8)	(9.2)	(9.2)	(38.9)	(36.9)
Other income/(expense)	(8.5)	(2.0)	1.2	(0.8)	0.5	(1.2)	23.7	(1.0)	(1.0)	(1.0)	20.7	(4.0)
Non-operating income/(expense)	(72.8)	(17.0)	(13.4)	(15.3)	(12.0)	(57.7)	13.1	(10.8)	(10.2)	(10.2)	(18.1)	(40.9)
Income/(loss) before income taxes	147.7	(7.5)	40.3	107.3	110.3	250.4	71.6	14.4	85.8	151.3	323.2	343.5
Provision/(benefit) for income taxes	26.1	0.3	9.5	25.9	11.7	47.3	12.8	3.6	21.5	37.8	75.7	85.9
Tax Rate	17.7%	-3.8%	23.4%	24.1%	10.6%	18.9%	17.8%	25.0%	25.0%	25.0%	23.4%	25.0%
GAAP Net income/(loss)	121.5	(7.8)	30.9	81.4	98.6	203.1	58.9	10.8	64.4	113.5	247.6	257.6
GAAP EPS	\$1.12	-\$0.07	\$0.29	\$0.77	\$0.93	\$1.91	\$0.56	\$0.10	\$0.62	\$1.10	\$2.38	\$2.54
Adjusted EBITDA	395.4	48.1	92.8	166.9	157.7	465.5	94.1	62.1	131.1	199.9	487.2	530.2
Y/Y Growth	5.9%	93.3%	61.8%	61.3%	-24.8%	17.7%	95.6%	-33.0%	-21.5%	26.8%	4.7%	8.8%
Y/Y Growth, FXN, ex COB divestiture												
Q/Q Growth		-77%	93%	80%	-6%		-40%	-34%	111%	52%		
Margin (gross revenue)	27.2%	15.2%	24.8%	37.0%	34.8%	29.2%	23.9%	16.3%	30.7%	39.6%	28.5%	28.8%
Margin (net revenue)	38.3%	23.6%	37.2%	49.9%	46.7%	41.4%	35.7%	25.3%	43.3%	52.5%	40.8%	41.2%
Adjusted Net Income	202.8	10.4	49.3	103.3	115.2	278.3	53.7	29.9	84.1	135.4	303.1	339.3
Diluted EPS	\$1.87	\$0.10	\$0.47	\$0.97	\$1.08	\$2.62	\$0.51	\$0.29	\$0.81	\$1.31	\$2.91	\$3.35
Y/Y Growth	12.5%	-232.1%	214.4%	87.5%	-14.9%	40.2%	420.7%	-39.8%	-16.8%	21.4%	11.2%	15.1%
Diluted Shares Outstanding	108.7	106.8	106.2	106.0	106.3	106.3	105.4	104.7	103.7	103.0	104.2	101.4

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Jefferies PSEF Income Statement

Payments, Processors & IT Services
Equity Research
May 27, 2025

\$ in millions, except per share	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E
INCOME STATEMENT												
Merchant Solutions	878.3	231.4	255.0	241.1	230.1	957.6	217.8	241.3	249.0	254.1	962.2	1,050.3
YY Growth	7.5%	11.0%	13.0%	11.2%	1.2%	9.0%	-5.9%	-5.4%	3.3%	10.4%	0.5%	9.2%
Digital Wallets	734.7	190.5	189.7	190.9	194.4	765.5	187.6	189.2	195.9	204.4	777.1	822.0
YY Growth	7.1%	5.0%	5.9%	4.4%	1.7%	4.2%	-1.5%	-0.9%	2.6%	5.1%	1.5%	5.8%
Intersegment	(11.9)	(4.1)	(4.7)	(5.0)	(4.5)	(18.3)	(4.4)	(4.5)	(4.5)	(4.5)	(17.9)	(18.0)
Total Revenue	1,601.1	417.7	439.9	427.1	420.1	1,704.9	401.0	425.9	440.4	454.0	1,721.4	1,854.3
YY Growth	7.0%	7.7%	9.3%	7.7%	1.3%	6.5%	-4.0%	-3.2%	3.1%	8.1%	1.0%	7.7%
GROSS PROFIT												
Merchant - Cost of services (ex. D&A) - implied	469.0	121.5	135.9	129.7	131.7	518.8	125.1	136.3	138.2	138.5	538.1	581.6
Merchant Solutions - Gross Profit (ex. D&A)	409.3	109.9	119.1	111.4	98.4	438.8	92.7	105.0	110.8	115.6	424.1	468.7
YY Growth	2.3%	11.3%	12.5%	10.8%	-5.6%	7.2%	-15.7%	-11.9%	-0.5%	17.5%	-3.4%	10.5%
Merchant Solutions - Gross Margin (ex. D&A)	46.6%	47.5%	46.7%	46.2%	42.8%	45.8%	42.6%	43.5%	44.5%	45.5%	44.1%	44.6%
Digi Wallet - Cost of services (ex. D&A) - implied	205.9	53.0	52.7	53.3	56.2	215.2	53.5	52.2	55.4	60.0	221.1	234.0
Digital Wallets - Gross Profit (ex. D&A)	528.8	137.5	137.0	137.6	138.2	550.3	134.1	137.0	140.5	144.4	556.0	588.0
YY Growth	9.7%	5.5%	5.5%	4.3%	1.0%	4.1%	-2.5%	0.0%	2.1%	4.5%	1.0%	5.8%
Digital Wallets - Gross Margin (ex. D&A)	72.0%	72.2%	72.2%	72.1%	71.1%	71.9%	71.5%	72.4%	71.7%	70.6%	71.6%	71.5%
Consolidated:												
Cost of services (ex. D&A)	663.2	170.4	183.8	178.1	183.5	715.8	174.2	184.0	189.1	194.0	741.3	797.6
Total Gross Profit (ex. D&A)	937.9	247.4	256.1	249.0	236.6	989.1	226.8	241.9	251.3	260.0	980.1	1,056.7
YY Growth	6.3%	8.1%	8.6%	7.2%	-1.8%	5.5%	-8.3%	-5.5%	0.9%	9.9%	-0.9%	7.8%
Gross Margin	58.6%	59.2%	58.2%	58.3%	56.3%	58.0%	56.6%	56.8%	57.1%	57.3%	56.9%	57.0%
Total Gross Profit ex-Direct Marketing	873.0	227.8	230.5	235.4	229.8	923.5	225.3	241.9	251.3	260.0	978.6	1,056.7
YY Growth	7.9%	5.7%	5.7%	8.7%	1.1%	5.8%	-1.1%	5.0%	6.8%	13.2%	6.0%	8.0%
Gross Margin	58.2%	58.8%	57.2%	58.4%	56.4%	57.7%	56.9%	56.8%	57.1%	57.3%	57.0%	57.0%
Operating Expenses ex cost of services												
YY Growth	-71.7%	10.6%	8.9%	13.5%	6.4%	9.8%	1.0%	-0.3%	-3.9%	-5.5%	-2.1%	6.2%
Total operating expenses	1,442.5	384.8	403.4	392.7	390.6	1,571.5	390.7	403.0	395.4	389.8	1,578.8	1,686.7
YY Growth	-57.2%	9.0%	9.6%	11.2%	6.1%	8.9%	1.5%	-0.1%	0.7%	-0.2%	0.5%	6.8%
Adjusted EBITDA												
YY Growth	11.9%	3.8%	5.3%	1.5%	-15.1%	-1.4%	-15.0%	-12.2%	9.5%	36.3%	3.8%	10.0%
YY Growth, CC	10.5%											
Margin	28.7%	26.8%	27.1%	27.6%	24.6%	26.5%	23.7%	24.5%	29.3%	31.0%	27.3%	27.8%
YY bps change	125bps	-101bps	-104bps	-170bps	-477bps	-212bps	-306bps	-253bps	170bps	642bps	73bps	58bps
Operating income (loss)												
YY Growth	7%	-1%	4%	-2%	-21%	-5%	-22%	-16%	14%	46%	4%	4%
Adj operating income (loss)	330.7	77.2	83.9	81.4	70.4	313.2	60.2	70.8	93.0	102.7	326.6	339.6
Other income, net	13.1	12.4	4.4	(14.7)	19.5	21.5	0.8				0.8	-
Interest expense, net	(151.1)	(35.0)	(37.1)	(35.5)	(33.2)	(140.8)	(33.7)	(33.1)	(32.2)	(31.6)	(130.6)	(122.3)
Total other income (expense), net	(138.1)	(22.6)	(32.7)	(50.3)	(13.7)	(119.3)	(32.9)	(33.1)	(32.2)	(31.6)	(129.8)	(122.3)
Pre-tax income (loss)	20.6	10.4	3.8	(15.9)	15.8	14.1	(22.5)	(10.2)	12.8	32.7	12.8	45.3
Tax rate	198.4%	70.5%	137.9%	18.5%	-111.9%	-57.8%	13.6%	27.0%	27.0%	27.0%	50.6%	27.0%
Income tax expense (benefit)	40.8	7.3	5.2	(2.9)	(17.7)	(8.1)	(3.1)	(2.8)	3.5	8.8	6.5	12.2
Adj pre-tax income (loss)	189.3	44.8	49.3	48.2	38.7	181.3	27.9	37.7	60.7	71.1	197.3	217.3
Adj tax rate	24.0%	21.2%	26.4%	34.9%	23.7%	26.8%	25.0%	27.0%	27.0%	27.0%	26.7%	27.0%
Adj tax expense (benefit)	45.4	9.5	13.0	16.8	9.2	48.5	7.0	10.2	16.4	19.2	52.7	58.7
Net income attributable to non-controll. interest	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	(20.3)	3.1	(1.4)	(13.0)	33.5	22.2	(19.5)	(7.4)	9.4	23.9	6.3	33.1
Dividends and revaluation to convertible preferred	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) to common shareholders	(20.3)	3.1	(1.4)	(13.0)	33.5	22.2	(19.5)	(7.4)	9.4	23.9	6.3	33.1
EPS (GAAP)												
YY Growth	-98.9%	-179.0%	-17.9%	416.7%	-381.8%	-210.3%	-760.6%	430.6%	-173.9%	-27.0%	-70.7%	432.1%
Adj. net income	143.9	35.3	36.3	31.4	29.6	132.8	20.9	27.5	44.3	51.9	144.6	158.6
Adjusted EPS - Diluted												
YY Growth	3.8%	5.7%	5.3%	-11.5%	-27.9%	-8.0%	-40.1%	-24.1%	43.2%	77.9%	9.9%	10.9%
Adj. weighted-avg. shares - diluted	61.6	62.0	61.2	62.0	62.0	61.8	61.3	61.2	61.2	61.2	61.2	60.6

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COIN Income Statement

Payments, Processors & IT Services

Equity Research

May 27, 2025

Figures in mn, unless otherwise noted	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E
INCOME STATEMENT												
Transaction Revenue	1,424.3	1,076.7	780.9	572.5	1,556.0	3,986.2	1,262.2	720.6	714.7	754.8	3,452.3	3,783.0
Subscription and services revenue	1,407.0	510.9	599.0	556.1	641.0	2,307.0	698.1	649.8	632.0	665.8	2,645.7	2,845.9
Net Revenue	2,831.3	1,587.7	1,379.9	1,128.6	2,197.0	6,293.2	1,960.3	1,370.4	1,346.6	1,420.7	6,098.0	6,628.9
Y/Y Growth	-10.1%	115.6%	108.3%	81.1%	142.9%	122.3%	23.5%	-0.7%	19.3%	-35.3%	-3.1%	8.7%
Q/Q Growth		75.5%	-13.1%	-18.2%	94.7%		-10.8%	-30.1%	-1.7%	5.5%		
Other Revenue	181.8	49.9	69.7	76.6	74.6	270.8	74.0	72.6	62.5	53.6	262.7	188.4
Total Revenue	3,013.1	1,637.6	1,449.6	1,205.2	2,271.6	6,563.9	2,034.3	1,443.0	1,409.1	1,474.2	6,360.6	6,817.2
Y/Y Growth	-5.7%	112.0%	104.7%	78.8%	138.2%	117.8%	24.2%	-0.5%	16.9%	-35.1%	-3.1%	7.2%
Q/Q Growth		71.7%	-11.5%	-16.9%	88.5%		-10.4%	-29.1%	-2.3%	4.6%		
Gross Profit	1,003.6	859.3	589.4	400.7	1,239.0	3,088.5	959.2	515.0	512.7	541.7	2,528.6	2,844.1
Y/Y Growth	-41.9%	208.7%	169.1%	102.4%	206.9%	207.8%	11.6%	-12.6%	27.9%	-56.3%	-18.1%	12.5%
Q/Q Growth		112.9%	-31.4%	-32.0%	209.2%		-22.6%	-46.3%	-0.5%	5.7%		
Total operating expenses (GAAP)	3,270.0	877.1	1,106.5	1,035.7	1,237.6	4,256.9	1,328.5	1,127.0	1,147.3	1,206.2	4,809.0	4,990.8
Y/Y Growth	-44.6%	-2.2%	41.6%	37.4%	47.6%	30.2%	51.5%	1.9%	10.8%	-2.5%	13.0%	3.8%
Q/Q Growth		4.6%	26.2%	-6.4%	19.5%		7.3%	-15.2%	1.8%	5.1%		
Operating income	(256.9)	760.5	343.1	169.5	1,034.0	2,307.1	705.8	316.0	261.8	268.0	1,551.6	1,826.5
Interest expense	82.8	19.1	20.5	20.5	20.5	80.6	20.5	18.5	18.5	18.5	76.1	74.1
Gains on crypto assets held for investment, net		(650.4)	319.0	120.5	(476.2)		596.7					
Other (income) expense, net	(167.6)	(45.6)	63.8	(40.1)	(7.2)	(29.1)	6.2				6.2	-
Pre-tax income	(76.7)	1,437.4	(60.2)	68.6	1,496.8	2,942.6	82.5	297.5	243.3	249.5	872.7	1,752.3
Provision for (benefit from) income taxes	(171.7)	261.2	(96.4)	(6.9)	205.7	363.6	16.8	62.5	51.1	52.4	182.8	368.0
Tax Rate	223.9%	18.2%	160.0%	-10.1%	13.7%	12.4%	20.4%	21.0%	21.0%	21.0%	20.9%	21.0%
Adjusted EBITDA	977.9	1,014.3	595.6	448.7	1,289.0	4,034.6	929.9	545.5	535.7	559.8	2,570.9	2,918.8
Y/Y Growth	-363.2%	253.9%	215.4%	151.4%	297.9%	312.6%	-8.3%	-8.4%	19.4%	-56.6%	-36.3%	13.5%
Margin	32.5%	61.9%	41.1%	37.2%	56.7%	61.5%	45.7%	37.8%	38.0%	38.0%	40.4%	42.8%
Incremental flow through of Txn revenue to adj EBITDA	-145%	104%	90%	95%	94%	119%	-46%	83%	61%	91%	274%	105%
Net Income (GAAP)	95.1	1,176.2	36.2	75.5	1,291.1	2,579.1	65.6	235.0	192.2	197.1	689.9	1,384.3
Y/Y Growth	-103.6%	-1590.9%	-137.2%	-3581.9%	372.2%	2612.9%	-94.4%	550.1%	154.5%	-84.7%	-73.3%	100.7%
						3,056.69					(1,463.70)	347.93
Basic Net income attributable to common s/h	95.1	1,175.5	36.1	75.5	1,290.9	2,578.0	65.6	235.0	192.2	197.1	689.9	1,384.3
Diluted Net income attributable to common s/h	94.9	1,178.1	36.1	75.5	1,294.5	2,584.3	65.6	235.0	192.2	197.1	689.9	1,384.3
Diluted EPS (GAAP)	\$0.37	\$4.40	\$0.14	\$0.28	\$4.68	\$9.45	\$0.24	\$0.82	\$0.68	\$0.68	\$2.44	\$4.60
Basic shares outstanding	235.8	242.8	246.3	248.8	251.5	247.4	253.9					
Diluted shares outstanding	254.4	267.9	266.8	267.4	276.8	273.4	271.3	288.2	280.8	290.6	282.7	301.0

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Income Statement

Payments, Processors & IT Services

Equity Research

May 27, 2025

		June '24	Sept '24	Dec '24	Mar '25		June '25	Sept '25	Dec '25	Mar '26		
	FY24	F1Q25	F2Q25	F3Q25	F4Q25	FY25	F1Q26E	F2Q26E	F3Q26E	F4Q26E	FY26E	FY27E
<i>\$ in millions, except per share</i>												
Subscription revenue	\$322.0	\$83.3	\$85.5	\$88.1	\$87.9	\$344.8	\$90.9	\$94.0	\$98.4	\$99.3	\$382.5	\$436.3
YY Growth	7.8%	5.8%	5.5%	8.9%	8.0%	7.1%	9.1%	9.8%	11.7%	13.0%	10.9%	14.1%
Transaction revenue	\$545.5	\$174.1	\$183.8	\$181.7	\$157.8	\$697.3	\$188.3	\$199.3	\$202.3	\$183.1	\$773.0	\$856.8
YY Growth	36.5%	43.9%	33.5%	22.9%	13.5%	27.8%	8.2%	8.4%	11.3%	16.1%	10.9%	10.8%
Hardware and other revenue	\$41.8	\$8.7	\$7.9	\$10.4	\$7.8	\$34.8	\$9.2	\$8.3	\$10.6	\$8.1	\$36.2	\$38.0
YY Growth	29.8%	-7.1%	-31.7%	-5.2%	-21.5%	-16.8%	5.0%	5.0%	2.0%	5.0%	4.1%	5.0%
Total revenue	\$909.3	\$266.1	\$277.2	\$280.1	\$253.4	\$1,076.8	\$288.4	\$301.5	\$311.3	\$290.5	\$1,191.7	\$1,331.1
YY Growth	24.5%	27.3%	20.4%	16.9%	10.1%	18.4%	8.4%	8.8%	11.1%	14.6%	10.7%	11.7%
Subscription cost of revenue	\$77.6	\$17.5	\$18.0	\$18.4	\$16.9	\$70.8	\$17.3	\$17.9	\$18.7	\$18.9	\$72.7	\$80.7
Transaction cost of revenue	\$390.5	\$128.0	\$133.5	\$131.4	\$112.7	\$505.8	\$136.1	\$143.1	\$145.1	\$128.4	\$552.7	\$601.9
Hardware and other cost of revenue	\$55.9	\$12.4	\$11.4	\$14.4	\$12.0	\$50.2	\$12.8	\$12.0	\$15.4	\$11.8	\$52.0	\$55.1
Total cost of revenue	\$524.0	\$157.9	\$162.9	\$164.3	\$141.6	\$626.6	\$166.2	\$172.9	\$179.2	\$159.0	\$677.4	\$737.7
YY Growth	31.5%	30.3%	21.5%	18.8%	8.5%	19.6%	5.3%	6.2%	9.1%	12.3%	8.1%	8.9%
Less: Share-based compensation	\$6.2	\$0.7	\$1.1	\$0.8	\$0.7	\$3.3	\$0.6	\$0.6	\$0.6	\$0.6	\$2.4	\$2.6
Total Adj. cost of revenue	\$517.8	\$157.1	\$161.8	\$163.4	\$140.9	\$623.3	\$165.6	\$172.3	\$178.6	\$158.5	\$675.1	\$735.1
YY Growth	32.2%	31.7%	22.1%	19.8%	8.8%	20.4%	5.4%	6.5%	9.3%	12.5%	8.3%	8.9%
Total gross profit	\$385.3	\$108.2	\$114.3	\$115.9	\$111.8	\$450.2	\$122.2	\$128.6	\$132.0	\$131.5	\$514.3	\$593.4
YY Growth	16.1%	23.1%	18.8%	14.2%	12.2%	16.9%	12.9%	12.5%	13.9%	17.6%	14.2%	15.4%
Gross margin	42.4%	40.7%	41.2%	41.4%	44.1%	41.8%	42.4%	42.6%	42.4%	45.3%	43.2%	44.6%
YY bps change	-307bps	-138bps	-53bps	-97bps	83bps	-56bps	171bps	141bps	105bps	113bps	135bps	142bps
Q/Q bps change		-264bps	56bps	13bps	277bps		-176bps	27bps	-22bps	284bps		
Total adjusted gross profit	\$391.4	\$109.0	\$115.4	\$116.7	\$112.5	\$453.5	\$122.8	\$129.2	\$132.7	\$132.1	\$516.7	\$596.1
YY Growth	15.5%	21.4%	18.0%	13.0%	11.8%	15.9%	12.7%	12.0%	13.7%	17.4%	13.9%	15.4%
Total operating expenses	\$588.3	\$152.3	\$152.2	\$149.9	\$691.9	\$590.5	\$146.9	\$151.5	\$153.6	\$151.8	\$603.8	\$666.0
YY Growth	-58.9%	4.2%	2.7%	-2.0%	390.8%	0.4%	-3.5%	-0.4%	2.5%	-78.1%	2.3%	10.3%
Adjusted operating expenses	\$390.2	\$98.7	\$101.4	\$100.1	\$99.6	\$399.8	\$107.8	\$112.2	\$112.7	\$114.0	\$446.7	\$495.8
YY Growth	4.7%	2.0%	4.0%	0.5%	3.4%	2.5%	9.2%	10.6%	12.5%	14.5%	11.7%	11.0%
Adjusted EBITDA	\$1.3	\$10.2	\$14.0	\$16.6	\$12.9	\$53.7	\$15.0	\$17.0	\$20.0	\$18.0	\$70.0	\$100.2
YY Growth	-103.7%	-245.7%	5666.5%	355.0%	194.6%	4143.6%	46.8%	21.8%	20.5%	39.5%	30.4%	43.1%
Margin on Revenue	0.1%	3.8%	5.0%	5.9%	5.1%	5.0%	5.2%	5.6%	6.4%	6.2%	5.9%	7.5%
Margin on GP	0.3%	9.4%	12.1%	14.2%	11.5%	11.8%	12.2%	13.2%	15.1%	13.7%	13.6%	16.8%
Operating Income (loss)	(\$203.0)	(\$44.1)	(\$37.9)	(\$34.0)	(\$580.1)	(\$696.0)	(\$24.7)	(\$23.0)	(\$21.5)	(\$20.3)	(\$89.5)	(\$72.6)
YY Growth	-81.5%	-24.3%	-27.1%	-34.0%	1305.1%	242.8%	-44.0%	-39.4%	-36.6%	-96.5%	-87.1%	-18.9%
Operating margin	-22.3%	-16.6%	-13.7%	-12.1%	-228.9%	-64.6%	-8.6%	-7.6%	-6.9%	-7.0%	-7.5%	-5.5%
YY bps change	12,812	1,129	891	935	-21,096	-4,231	800	605	522	22,189	5,712	206
Net interest income	\$42.5	\$10.2	\$9.5	\$8.4	\$8.4	\$36.5	\$7.0	\$6.5	\$6.4	\$6.3	\$26.1	\$25.7
Pre-tax income (loss)	(\$160.5)	(\$33.9)	(\$28.3)	(\$25.6)	(\$571.7)	(\$659.5)	(\$17.7)	(\$16.5)	(\$15.2)	(\$14.1)	(\$63.5)	(\$46.9)
Tax rate	-2.2%	-3.2%	-4.7%	-3.8%	-3.9%	-1.2%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
Income tax expense (recovery)	\$3.5	\$1.1	\$1.3	\$1.0	\$4.3	\$7.7	\$0.5	\$0.5	\$0.5	\$0.4	\$1.9	\$1.4
Net Income (loss)	(\$164.0)	(\$35.0)	(\$29.7)	(\$26.6)	(\$575.9)	(\$667.2)	(\$18.3)	(\$17.0)	(\$15.6)	(\$14.5)	(\$65.4)	(\$48.3)
YY Growth	-84.7%	-28.1%	-30.2%	-33.9%	1670.0%	306.9%	-47.8%	-42.7%	-41.2%	-97.5%	-90.2%	-26.1%
EPS	(\$1.07)	(\$0.23)	(\$0.19)	(\$0.17)	(\$3.79)	(\$4.38)	(\$0.12)	(\$0.12)	(\$0.11)	(\$0.10)	(\$0.45)	(\$0.35)
YY Growth	-84.9%	-29.1%	-30.2%	-34.0%	1702.0%	310.2%	-45.7%	-39.4%	-36.0%	-97.2%	-89.6%	-23.3%
Adjusted EPS	\$0.15	\$0.09	\$0.12	\$0.11	\$0.09	\$0.41	\$0.10	\$0.11	\$0.13	\$0.12	\$0.46	\$0.66
YY Growth	-191.1%	-749.4%	212.7%	56.1%	49.2%	169.4%	4.5%	-5.4%	20.9%	39.1%	13.6%	42.5%
Weighted avg. diluted shares outstanding	153.8	154.7	153.6	154.3	152.1	153.7	148.6	145.1	141.7	138.3	143.4	138.3

Please see important disclosure information on pages 94 - 101 of this report.

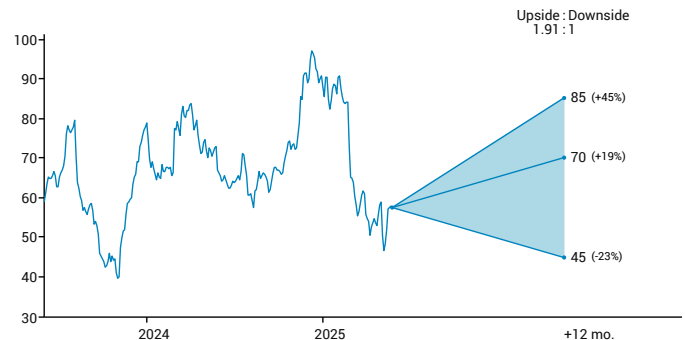
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The Long View: Block

Investment Thesis / Where We Differ

- Square US GPV growth should reaccelerate from efforts to close product gaps and improve the go-to-market motion, supporting sustainable low-teens Square gross profit growth.
- Continued faster growth in Square's value-added services (e.g., fin svcs., software) should support Square gross profit growth in excess of GPV growth.
- Increasing attach rates of direct deposit within Cash App can supply much of the gross profit growth needed to achieve Cash App's FY26 targets for 15%+ gross profit growth.
- Continued ramp of Cash App lending products should drive the remainder of gross profit growth needed to sustain mid-teens growth.
- New era of expense discipline leads to expanding margins, even amid reinvestment in sales and marketing

Risk/Reward - 12 Month View



Base Case, \$70, +19%

- US GPV within Seller accelerates throughout FY25 led by success with go-to-market initiatives (outbound sales, leveraging partnerships/third-party distribution)
- Higher attach rates on Cash Card and direct deposit continue to fuel ARPU expansion
- Credit environment remains benign, supporting continued rollout of Cash App Borrow and BNPL on Cash Card to more users
- Gross profit sustains mid-teens-plus growth
- Price Target: \$70; FY26 adj. EPS: \$3.40; Target Multiple: ~20x

Upside Scenario, \$85, +45%

- Refreshed product suite and go-to-market efforts within Square leads to a substantial acceleration in US GPV growth to 10%+
- Cash App successfully attracts larger and more affluent customers
- Cash App direct deposit user growth accelerates to 1mn+ Y/Y
- Margin profile improves faster than expected, enabling XYZ to reach Rule of 40 before FY26 target timeframe
- Price Target: \$85; FY26 adj. EPS: \$4.00 ; Target Multiple: ~21x

Downside Scenario, \$45, -23%

- Product and go-to-market improvements within Square materialize too-little, too-late to improve US GPV growth
- Right sizing of expense base fails to generate meaningful operating leverage
- Credit environment deteriorates, inhibiting the pace at which credit products can be rolled-out to new users
- EBITDA margin expansion takes longer than expected
- Price Target: \$45; FY26 adj. EPS: \$3.00; Target Multiple: ~15x

Sustainability Matters

Top Material Issue(s): 1) Access & Affordability: XYZ strives to help broaden access to financial tools/services that small businesses, individuals, artists, fans, and developers need to thrive. Several key initiatives in place include improving access to credit for historically underserved groups, making racial equity and social impact investments, and supporting the small business community. **2) GHG Emissions:** Environmental sustainability is becoming an increasingly important ESG initiative for all companies, and XYZ's climate action program aims to target the most significant internal drivers of its carbon footprint.

Company Target(s): 1) Net zero carbon emissions by 2030. **2)** Invest in clean energy purchases such as Renewable Energy Certificates in international markets.

Qs to Mgmt: 1) What products/services do you expect to be the primary catalysts to accelerate digital inclusion over the next 5 years? **2)** What costs will be associated with transitioning to a net-zero carbon emission company? What does reducing Scope 1 and 2 emissions look like for your company?

ESG Sector Deep Dive: US Software, IT Services & Payments

Catalysts

- An acceleration in US GPV growth in Square
- New product rollouts in Cash App
- Gating certain Cash App features (e.g., credit products) behind direct deposit as a way to incentivize greater direct deposit adoption

Financials: Block

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	24,121.1	24,201.9	26,215.8	26,526.3
EBITDA - Consensus	3,029.0	3,424.6	4,269.2	5,147.1
EPS	1.38	2.27	3.40	4.43
Cons. Rev.	24,121.1	25,146.3	27,681.9	30,034.4
EBITDA (MM)	3,029.0	3,402.7	4,203.5	5,125.0
Cons. EPS	3.37	4.20	5.31	6.54
Q1	0.85	1.05A	1.15	1.32
Q2	0.93	1.07	1.31	1.45
Q3	0.88	1.12	1.40	1.55
Q4	0.71	1.10	1.45	1.59

Valuation metrics

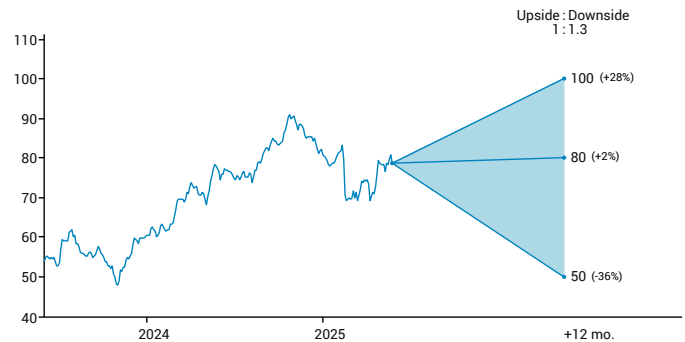
USD	2024A	2025E	2026E	2027E
FY P/E	42.5x	25.8x	17.3x	13.3x
EV/Rev	1.4x	1.4x	1.3x	1.3x
FY P/EPS Non-GAAP	17.8x	12.8x	9.7x	
P/Rev	1.5x	1.5x	1.4x	1.4x
EV/EBITDA	11.5x	10.2x	8.3x	6.8x

The Long View: Fidelity National Information Svcs

Investment Thesis / Where We Differ

- Continued execution of new wins across core processing assets (Horizon, IBS, and Modern Banking Platform) and an increased emphasis on cross-sell provides some level of comfort in med-term revenue growth algo
- Until we see a fundamental improvement in FCF conversion and/or an organic growth acceleration in Banking (driven by clean recurring revenue growth), we believe multiple expansion is limited

Risk/Reward - 12 Month View



Base Case, \$80, +2%

- Banking adj. revenues in FY25 can grow in-line with the med-term outlook for adj. revenue growth of 3.5-4.5% supported by an acceleration in new core wins and a lower drag from non-recurring revenue
- Capital Markets adj. revenue can sustain high-single-digit growth in '25 and '26
- Margins expand at the lower-end of 40-60bps med-term target in '25 and toward the upper-end in '26 as impact from TSA abates
- EMI and interest expense likely provide EPS levers over med-term
- Ability to execute ~1ppt of annual M&A contribution
- Price Target: \$80 based on ~13x FY26E EPS of \$6.30

Upside Scenario, \$100, +28%

- Banking adj. revenue growth accelerates to ~5% driven by faster recurring revenue growth and lapping dis-synergy and pandemic-related headwinds
- Capital Markets adj. revenue growth of ~9%, driven by faster expansion into new verticals, and M&A
- Margin expansion is closer to ~60bps over next two years from faster realization of cost saves offsetting TSA dis-synergy impact
- Interest expense benefits from rates declining at a faster than expected pace
- EMI net income can sustain 7-9% growth through '26
- Price Target: \$100 based on ~15x our upside FY26E EPS of \$6.75

Downside Scenario, \$50, -36%

- Banking organic growth is capped at ~3% as new sales growth downmarket slows due to competition
- Capital Markets organic revenue growth decelerates to sub-5% growth
- M&A pipeline slows with revenue contribution expected to be less than assumed in med-term outlook
- Potential for margin expansion beyond cost savings program is limited and below levels assumed in med-term outlook
- EMI earnings growth slows as Worldpay's profitability profile deteriorates from ramp in M&A
- Price Target: \$50 based on ~9x our downside FY26E EPS of \$5.75

Sustainability Matters

Top Material Issue(s): 1) Data Security: FIS among others in the payments industry holds large amounts of customer data, including credit card data and personal information which can be used in harmful ways if exposed to bad actors.

Company Target(s): 1) Achieve 100% carbon neutrality for Scope 1 and 2 greenhouse gas (GHG) emissions by 2025 **2)** Targeting to source 100% renewable energy by 2025 **3)** Through FIS Ventures, FIS announced a plan to invest \$150mn in FinTech startups over the next three years of which \$30mn will be allocated to minority led FinTechs.

Qs to Mgmt: 1) Aside from your initiative in reducing energy and water consumption across data centers, what other actions are you taking or planning to take to assist in achieving your carbon neutrality goal? **2)** What percent of your technology budget is allocated to investing in cybersecurity? **3)** Aside from FIS Ventures, what other actions have you taken or plan to take to continue to promote financial inclusion?

Catalysts

- New modern core processing wins via competitive takeaways
- Clean quarterly recurring revenue growth in Banking
- Increase in FCF conversion

ESG Sector Deep Dive: US Software, IT Services & Payments

Financials: Fidelity National Information Svcs

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	10,126.0	10,465.2	10,892.2	-
Cons. EPS	5.22	5.72	6.18	-
Cons. Rev.	10,126.0	10,479.7	10,913.0	-
EPS	5.22	5.76	6.30	-
Q1	1.09	1.21A	1.31	-
Q2	1.34	1.36	1.47	-
Q3	1.40	1.51	1.65	-
Q4	1.40	1.68	1.86	-

Valuation metrics

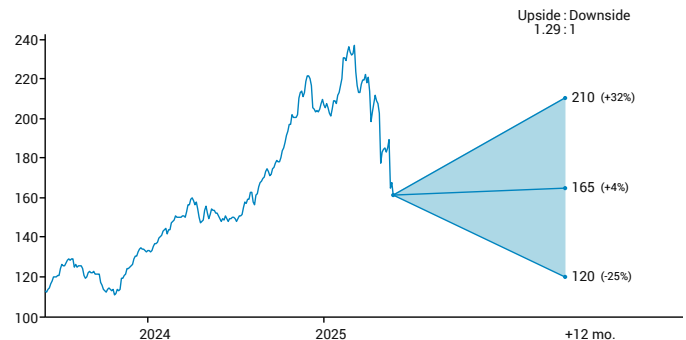
USD	2024A	2025E	2026E	2027E
EV/Rev				
FY P/E				
EV/EBITDA				

The Long View: Fiserv

Investment Thesis / Where We Differ

- Clover growth should compound in the high-20's% with revenue reaching \$4.5bn+ in FY26, mainly driven by mid-teens GPV growth, expanding VAS penetration rates, and ongoing international expansion.
- Margin expansion to be greater than the med-term outlook of >100bps.
- We expect EPS growth to compound mid-teens over the med-term but believe the execution premium is already reflected in valuation.

Risk/Reward - 12 Month View



Base Case, \$165, +4%

- Merchant Solutions organic revenues grow ~13% in FY25, marking a meaningful accel. vs. 8% growth in 1Q
- Clover revenues accelerate in FY25 supported by VAS expansion, continued strength in Hardware, and GPV growth re-accelerating to a low-double-digit clip
- Financial Solutions organic revenues grow ~7% in FY25 driven by new deals ramping in issuing, Finxact gaining momentum, and strong demand across the SMB product suite (i.e. CashFlow Central, XD, etc.)
- Adj. operating margins expand >100bps over med-term
- Price Target: \$165; FY26E EPS \$11.89; Target multiple ~14x

Upside Scenario, \$210, +32%

- Clover international expansion takes off and provides a meaningful boost to Merchant with organic growth reaching the upper-end of med-term targets
- Financial Solutions organic revenue growth of high-single-digits supported by an acceleration in Finxact competitive wins, larger-than-expected contribution from the SMB product suite
- Adj. operating margins can expand >125bps over med-term
- Upside potential from accretive M&A and/or bigger-than-expected buyback
- Price Target: \$210; FY26E EPS: \$12.50; target multiple ~17x

Downside Scenario, \$120, -25%

- Global economic slowdown drives a pullback in spending across all geographies and limits organic revenue growth
- Merchant revenue growth slows below peers as a result of an intensifying competition across Clover and Carat
- Clover revenue growth acceleration is more muted due to VAS pen rates slowing on increasing competition in the US
- Clover GPV growth over med-term is in the high-single-digits as US growth stalls and international fails to gain momentum
- Finxact/SMB product suite fails to gain traction
- Price Target: \$120; FY26E EPS: \$11.00; target multiple ~11x

Sustainability Matters

Top Material Issue(s): 1) Data Security: Fiserv among others in the payments industry holds large amounts of customer data, including credit card data and personal information which can be used in harmful ways if exposed to bad actors.

Company Target(s): 1) Creating strategic ESG goals and have specific targets on a wide variety of areas within the next year, including introducing a greenhouse gas (GHG) emissions reduction target. **2)** Waste-related goals include developing a waste reporting system for owned offices, while conducting a waste audit to assess the waste footprint and to standardize recycling processes.

Qs to Mgmt: 1) What are the biggest areas for improvement across Fiserv's ESG strategy? **2)** What are you primarily investing in to maintain robust data/payments security? **3)** What are the potential cost savings from integrating more sustainable business practices (i.e. reduction of plastic, other waste-related targets) **4)** What are the main metrics you use to evaluate your success in fostering employee wellness?

Catalysts

- Increase in VAS penetration
- New client wins
- Margin expansion

ESG Sector Deep Dive: US Software, IT Services & Payments

Financials: Fiserv

Estimate changes

USD	2024A	2025E	2026E	2027E
EPS	8.81	10.24	11.89	-
Rev. (MM)	20,456.0	22,380.6	24,283.2	-
Cons. Rev.	20,456.0	22,182.6	24,051.7	-
Cons. EPS	8.80	10.21	11.94	-
Q1	1.88	2.07A	2.46	-
Q2	2.13	2.46	2.90	-
Q3	2.30	2.72	3.16	-
Q4	2.51	2.96	3.45	-

Valuation metrics

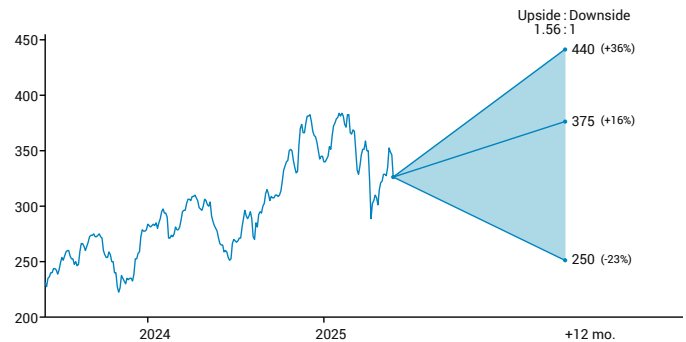
USD	2024A	2025E	2026E	2027E
EV/Rev				
FY P/E				
EV/EBITDA				

The Long View: Corpay

Investment Thesis / Where We Differ

- Ongoing organic and inorganic mix shift to Corporate Payments should provide natural growth accretion to the consolidated organic growth profile, lifting normalized growth to high-single-digits over the medium-term.
- We expect the multiple to re-rate as the market better appreciates the durability of CPAY's organic growth profile.
- We see significant earnings power potential through FY26 driven by accretive M&A, lower interest expense, and ample room for outsized buyback activity.

Risk/Reward - 12 Month View



Base Case, \$375, +16%

- Fleet organic revenue growth of mid-single-digits in FY26 driven by, new sales and strength in international
- Corporate Payments organic growth in the high-teens over the med-term
- Lodging organic growth recovers to mid-single-digits in FY26
- Margin expansion driven by cost-savings realization and subdued credit losses
- Capacity to return capital through buybacks
- Disciplined M&A provides opportunities to enhance growth profile and revenue mix
- PT: \$375; FY26E EPS \$24.57; target multiple ~15x

Upside Scenario, \$440, +36%

- Corporate Payments organic revenue growth is able to sustain a high-teens growth profile over the medium term
- M&A accelerates and allows for further cross-sell and profitability expansion
- Fleet organic growth accelerates to mid to high-single-digits as new sales channel picks up and reinforces the med-term organic growth algo
- Short-term interest rates fall, providing relief to interest expense
- Upside to synergy targets for GPS / Paymerang provide an upside lever to EPS
- PT: \$440; FY26E EPS \$26.50; target multiple 16.5x

Downside Scenario, \$250, -23%

- Fuel prices and macro substantially decline, pressuring Fleet reported revenue growth
- Corporate Payments organic growth decelerates to low-teens over the medium-term due to increasing competition
- Tariff-related risk in cross-border
- Electric vehicle and/or automated fleet headline risk emerges
- Issues in workforce lodging prove to be structural with segment-level growth normalizing to mid-single-digits
- Lower realized cost and revenue synergies
- High interest rates keep interest expense elevated
- PT: \$250; FY26E EPS: \$23.00; target multiple: ~11x

Sustainability Matters

Top Material Issue(s): 1) Data Security: CPAY, among others in the payments industry, holds large amounts of customer data, including credit card data and personal information, which can be used in harmful ways if exposed to bad actors.

Company Target(s): 1) Assist global fleet operators to reduce global CO2 emissions (transportation sector contributes to ~23% of global CO2 emissions) through the transition to electric vehicle charging, transition planning, advanced route planning, and carbon emissions reporting. **2)** Pursue a major multi-year strategic initiative to consolidate data centers to reduce power usage and footprint, which are down ~40% and ~62%, respectively, over the last five years.

Qs to Mgmt: 1) What percent of your fuel cards today can pay for the use of alternative energy sources, such as electricity and hydrogen? **2)** How does the transition to EV impact the P&L, specifically revenue

Catalysts

- Divestiture of certain non-core assets
- M&A announcements within Corporate Payments segment
- Above normal fuel price levels and volatility

per vehicle and margins? **3)** What investments are needed to ensure global fleet operators experience a smooth transition to electric vehicles?

[ESG Sector Deep Dive: US Software, IT Services & Payments](#)

Financials: Corpay

Estimate changes

USD	2024E	2025E	2026E	2027E
Cons. EPS Non-GAAP	18.95	22.15	25.95	-
Rev. (MM)	3,974.6	4,420.3	4,873.8	-
Cons. Rev.	3,974.6	4,404.6	4,863.0	-
Cons. EPS	19.01	21.10	24.57	-
EPS Non-GAAP	19.00	21.00	24.57	-
Q1	4.10A	4.51A	5.16	-
Q2	4.55A	5.10	5.88	-
Q3	5.00A	5.57	6.49	-
Q4	5.36A	5.82	7.03	-

Valuation metrics

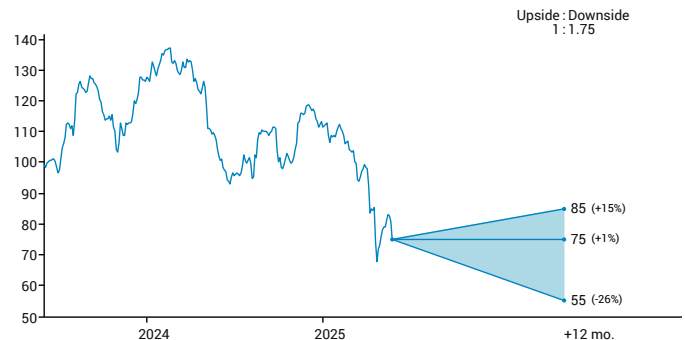
USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
FY P/EPS Non-GAAP				

The Long View: Global Payments

Investment Thesis / Where We Differ

- Acquisition of Worldpay ultimately fails to materially accelerate growth and likely exacerbates GPN's existing structural challenges, as both businesses face considerable competition in their respective markets.
- Internal reorganization and a reallocation of resources to high-priority sub-segments should support high-single-digit revenue growth in Merchant.
- Issuer divestiture makes GPN a pure-play merchant acquiring business, increasing cyclical exposure
- Ultimately, we see limited potential for multiple expansion

Risk/Reward - 12 Month View



Base Case, \$75, +1%

- Worldpay acquisition drives cost synergies in line with expectations, but ultimately fails to drive material improvement in GPN's competitive positioning
- Issuer divestiture enables increased focus on Merchant
- Organic revenue growth in standalone Merchant re-accelerates in 2H25 following what is only a modest deceleration in 1H25
- Capital return target of ~\$7bn from 2025 to 2027 achieved
- Price Target \$75; CY26E pro-forma EPS: \$14.12, Target multiple ~5x

Upside Scenario, \$85, +15%

- Worldpay acquisition enables cross-sell between GPN's SMB suite and Worldpay's enterprise/eComm offerings, accelerating revenue growth to the high end of mid-to-high single-digits
- Issuer divestiture drives increased focus on Merchant, enabling faster product velocity and stemming share losses
- Standalone Merchant growth re-accelerates to 6%+ in 2H25 and ~7% in FY26 following salesforce initiatives and reallocation of resources to core growth markets
- Capital returns exceed ~\$7bn from 2025 to 2027
- Price Target \$85; CY26E pro-forma EPS: \$14.75, Target multiple ~6x

Downside Scenario, \$55, -26%

- Acquisition of Worldpay ultimately fails to accelerate growth to the high end of mid-to-high single digits, due to challenges integrating assets and overarching competitive pressure on both business.
- Softer consumer trends place outsized pressure on GPN due to increased cyclical exposure and leverage resulting from Worldpay acquisition
- Growth of tech-forward peers leads to an accelerated pace of share loss in Merchant
- Investment needed to modernize product limits margin expansion and capital return
- Price Target \$55; CY26E pro-forma EPS: \$13.00, Target multiple ~4x

Sustainability Matters

Top Material Issue(s): 1) Energy management: GPN's focus on sustainability can significantly reduce its environmental footprint across its facilities and data spaces globally through managing its energy consumption, limiting waste, and conserving water; **2) Data Security:** GPN has a number of initiatives in place to make all data center operations as efficient as possible and reduce its data center footprint.

Company Target(s): 1) Targeting to achieve net-zero greenhouse gas emissions before 2040. **2)** In leveraging QTS as a data center provider, GPN will help work towards achieving 100% renewable power across its QTS-hosted data centers by 2025; **3)** By partnering with AWS and Google, GPN will modernize and migrate workloads into world-class, efficient cloud technology data centers, and help transform the company's core issuing platform to deliver secure, innovative solutions at scale.

Catalysts

- Achieving organic Merchant growth estimates
- Additional announcements on plans to divest non-core assets

Qs to Mgmt: 1) What cost savings can sustainability and data center initiatives yield in the long term? **2)**

What investments are you making to protect customer data?

[ESG Sector Deep Dive: US Software, IT Services & Payments](#)

Financials: Global Payments

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	9,154.0	9,269.0	9,848.7	-
Cons. EPS	11.55	12.24	13.84	-
Cons. Rev.	9,154.0	9,257.7	9,777.5	-
EBITDA (MM)	4,613.6	4,577.3	4,921.7	-
EPS Non-GAAP	11.55	12.10	13.88	-
Q1	2.59	2.69A	3.13	-
Q2	2.93	3.05	3.52	-
Q3	3.08	3.17	3.64	-
Q4	2.95	3.15	3.60	-

Valuation metrics

USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
FY P/EPS Non-GAAP				

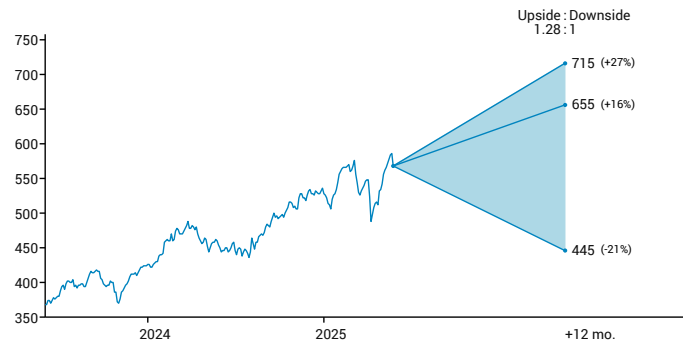
2024 EPS excludes SBC

The Long View: Mastercard

Investment Thesis / Where We Differ

- Valuation premium to V expands further as MA emerges as the structurally faster top- and bottom-line grower (12%-plus net revenue growth, and mid-teens+ EPS growth)
- Faster growth than V will come from: 1) greater exposure to higher growth card markets, 2) Value-added svc (currently growing high-teens) representing ~40% of revs for MA vs. ~25% for V, and 3) a longer runway for margin expansion (MA's op margins ~10ppts below V's)
- The launch of domestic switching in China (a ~\$10T consumer payments market) is a greenfield opportunity
- Less regulatory uncertainty than Visa as DOJ lawsuit only targets V, and MA has less exposure to the Merchant Defense Litigation given a lower mix of US volumes

Risk/Reward - 12 Month View



Base Case, \$655, +16%

- Med-term targets for net revenue growth in the high-end of the LDD-range prove conservative as these targets imply a decel in Payment Network revenue growth
- Pricing power and faster growth in cross-border supports revenue growth in excess of volume growth long-term
- Value-Added Services and Solutions (VASS) revenue growth sustains in the high-teens range
- Steady expansion into new payments flows including B2B, B2C, and G2C
- Price Target: \$655; CY26E EPS: \$18.83; Target Multiple: ~35x

Upside Scenario, \$715, +27%

- Strong card adoption in structurally faster-growth markets supports an acceleration in volume growth over time
- Cross-border spending sustains a mid- to high-teens CAGR supported by continued elevated growth in cross-border eComm
- VASS growth reaccelerates to ~20% Y/Y, translating to a high-single-digit net revenue growth contribution
- Regulatory developments (e.g. merchant litigation) settle in favor of networks; no new high-visibility regulatory actions
- Price Target: \$715; CY26E EPS: \$19.25; Target Multiple: ~37x

Downside Scenario, \$445, -21%

- Proliferation of non-card payment methods in emerging markets limits the volume growth opportunity internationally
- Cross-border volume growth retreats to the single-digit range
- VASS growth slows to the mid-teens as penetration of select products approaches maturity
- Unfavorable FX poses significant net revenue headwind
- Regulatory actions lead to price caps and/or loss of market share
- Price Target: \$445; CY26E EPS: \$18.00; Target Multiple: ~25x

Sustainability Matters

Top Material Issue(s): 1) Access & Affordability: With an estimated 1.7bn people still excluded from the traditional financial system globally, MA aims to expand digital access to the economy. MA's financial inclusion initiatives have brought 675mn people and 25mn micro/small/medium businesses into the digital economy since 2015. **2) Data Security:** with the accelerated shift to digital payments brought about by the pandemic, MA aims to build trust across its network and the wider payments ecosystem. Strong cybersecurity is essential for consumers and businesses to have trust in the digital ecosystem and the products and solutions that underpin it.

Company Target(s): 1) Add 50mn micro, small, and medium-sized businesses to digital economy by 2025. **2)** Provide 1bn people access to digital economy by 2025. **3)** Net zero carbon emissions by 2040.

Qs to Mgmt: 1) What are you primarily investing in around data/payments security? **2)** What products/services do you expect to be the primary catalysts to accelerate digital inclusion over the next five years?

Catalysts

- Issuer spending volumes
- Macroeconomic data points (consumer spending, consumer confidence, etc.)
- New or expanded portfolio wins
- Legislative/regulatory news flow

ESG Sector Deep Dive: US Software, IT Services & Payments

Financials: Mastercard

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	28,167.0	31,915.1	35,891.4	-
Cons. Rev.	28,167.0	31,526.5	-	-
EBITDA (MM)	17,159.0	19,561.5	22,490.9	-
Cons. EPS	14.59	15.83	-	-
EPS	14.61	15.92	18.83	-
Q1	3.31	3.73A	4.20	-
Q2	3.59	4.03	4.66	-
Q3	3.89	4.05	4.88	-
Q4	3.82	4.11	5.09	-

Valuation metrics

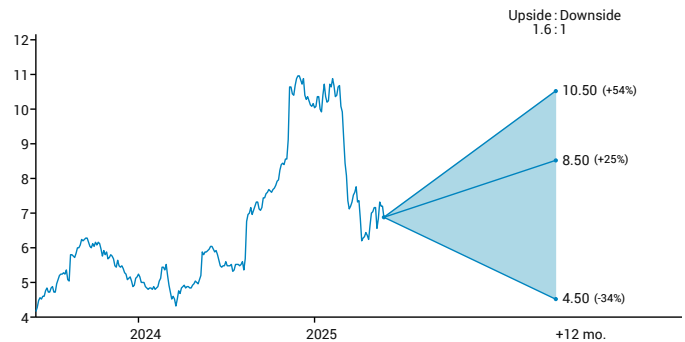
USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
EV/EBITDA				
FY P/E				

The Long View: Payoneer

Investment Thesis / Where We Differ

- Payoneer's geographic reach, first-mover advantage, and range of products/services distinguish it amid a fragmented competitive landscape
- Volume growth should continue to outpace broader eComm backdrop amid share gains in high-growth eComm markets
- Revenue growth should benefit from increased attach of higher-value products and services, and mix shift to higher-value geographies
- Continued mix shift to B2B volume should pave the way for multiple expansion

Risk/Reward - 12 Month View



Base Case, \$8.5, +25%

- Increasing utility of Payoneer account and value-added services attracts new customers and supports healthy payment volume growth
- B2B volume steadily increases as a percentage of total volumes
- Revenue continues to mix towards higher-take-rate products/end markets
- Price Target: \$8.50; Target Multiple: ~12x, FY26 Adj. EBITDA: \$226mn

Upside Scenario, \$10.5, +54%

- PAYO launches new product offerings rapidly, increasing customer engagement and driving stronger-than-expected revenue growth
- Benign competitive environment enables Payoneer to maintain premium pricing
- B2B volume growth outpaces total payment volume growth, supporting take rate accretion
- Price Target: \$10.50; Target Multiple: ~13x, FY26 Adj. EBITDA: \$275mn

Downside Scenario, \$4.5, -34%

- Macro weakness in key markets leads to lower eCommerce sales and slower payment volume growth
- Slower-than-expected adoption of value-added services limits take rate expansion
- Competitive environment intensifies, driving fee erosion and/or requiring a higher level of reinvestment
- Price Target: \$4.50; Target Multiple: ~8x, FY26 Adj. EBITDA: \$150mn

Sustainability Matters

Top Material Issue(s): 1) Data Security - PAYO, like other companies in the payments industry, holds large amounts of customer data, including credit card data and personal information, that could be used in harmful ways if exposed to bad actors.

Qs to Mgmt: 1) Following the appointment of the Senior Director responsible for overseeing the social impact and ESG activity, what will their scope be and where will their focus lie in terms of new initiatives?
2) How does Payoneer think about the allocation of investment across environmental initiatives?

[ESG Sector Deep Dive: US Software, IT Services & Payments](#)

Catalysts

- Net new customer growth
- Large marketplace partner announcements
- Approval of money transmitter licenses in new geographic markets, or other positive regulatory developments

Financials: Payoneer

Estimate changes

USD	2024A	2025E	2026E	2027E
EPS	0.32	0.21	0.20	-
Rev. (MM)	977.7	995.2	1,055.1	-
EBITDA (MM)	270.6	231.5	226.5	-
Cons. EPS	0.32	0.28	0.33	-
Cons. Rev.	977.7	1,044.5	1,152.3	-
Q1	228.2	243.6A	265.1	-
Q2	239.5	252.8	276.2	-
Q3	248.3	263.6	291.2	-
Q4	261.7	284.4	318.2	-

Valuation metrics

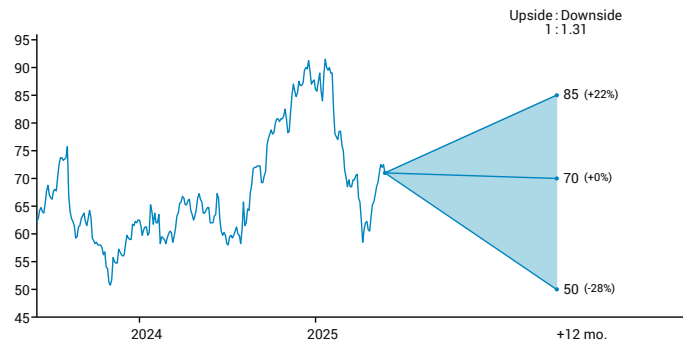
USD	2024A	2025E	2026E	2027E
EV/Rev				
EV/EBITDA				

The Long View: PayPal

Investment Thesis / Where We Differ

- Transaction margin dollar growth ex-interest income on customer balances remains in the mid-single digits over the medium term, driven by consistent Branded checkout TPV growth of mid-single digits, an improving unbranded processing margin profile, and an increase in Venmo monetization.
- We believe valuation is full for a mid-single-digit gross profit growth profile and continue to believe a further re-rating will be dictated by an acceleration in Branded Checkout TPV growth, which we struggle to underwrite given longer-term competitive concerns.

Risk/Reward - 12 Month View



Base Case, \$70, +0%

- Branded checkout TPV to grow consistently in the mid-single digits through FY26.
- Braintree TPV growth expected to slow on higher churn of unprofitable volumes which add pressure to gross take rates but provide uplift to net take rate.
- Transaction expense rate declining to and holding in low 90bps range through FY26.
- Transaction margin dollar growth in the mid-single-digits through FY26.
- P/E multiple expansion is limited, given uncertainty around the growth algorithm, and concerns on rising competition.
- Price Target: \$70; FY26E EPS: \$5.66; Target Multiple: ~12.5x.

Upside Scenario, \$85, +22%

- Branded checkout TPV growth can accelerate to and maintain high-single digit growth rate driven by recent initiatives
- Braintree TPV growth slows to low-double-digits in FY26 but repricing efforts can provide meaningful contribution to TM\$ growth
- PPCP volumes ramp and provide tailwind to unbranded processing net take rates.
- Adj. non-transaction OpEx growth can maintain low-single-digits growth.
- Transaction margin dollar growth accelerates to a high-single-digit range in FY26 driven by contribution from Fastlane
- PT: \$85; FY26E EPS: \$6.25; Target Multiple: ~13.5x.

Downside Scenario, \$50, -28%

- Macro backdrop weakens, suppressing consumer spending.
- Competition at checkout intensifies and pressures Branded TPV growth to be in the low-single digits in FY26
- Lower interest rates present a multi-year headwind from over-earning on float income on customer balances
- Transaction margin dollar growth in slows to the low-single-digit range
- Adj. non transaction OpEx leverage subsides and limits EPS growth.
- Value-added pricing benefit within unbranded processing fails to gain traction and limits net take rate expansion
- PT: \$50; FY26E EPS: \$5.15; Target Multiple: ~10x.

Sustainability Matters

Top Material Issue(s): 1) Data Security: With over 430mn active accounts, \$1.35T in 2022 total payment volume, and 22bn+ payment transactions annually, data and cybersecurity play a key role in maintaining trust in the PYPL platform. **2) Employee Engagement, Diversity, and Inclusion:** a diverse and inclusionary workforce is critical to businesses operating globally (PYPL employees in 30+ countries and 150 nationalities), which requires the ability to provide solutions and services that take into account heterogeneous client perspectives across widely different nations and states.

Company Target(s): 1) Net zero greenhouse gas emissions by 2040 (2) global workforce to have at least 20% of discretionary income remaining after taxes and expenses

Catalysts

- Ramp in the Button's new experiences and other initiatives allow for Branded checkout TPV growth to accelerate
- Improving PSP margin profile driven by continued roll-out of PPCP and faster-than-expected contribution from Fastlane and VAS
- Significant ramp in Venmo monetization

Qs to Mgmt: **1)** What are you primarily investing in to maintain robust data/payments security? **2)** What are the main metrics you use to evaluate your success in fostering employee wellness? **3)** Increase total renewable energy use to 90% while maintaining 100% renewable energy for global data centers.

[ESG Sector Deep Dive: US Software, IT Services & Payments](#)

Financials: PayPal

Estimate changes

USD	2024A	2025E	2026E	2027E
EPS	4.66	5.10	5.66	-
Cons. EPS	4.65	5.10	5.67	-
Cons. Rev.	31,797.0	32,630.9	34,488.7	-
Rev. (MM)	31,797.0	33,246.5	35,468.2	-
EBITDA (MM)	6,663.0	7,061.5	7,400.1	-
Q1	1,608.0	1,814.0A	1,818.9	-
Q2	1,671.0	1,749.5	1,794.9	-
Q3	1,681.0	1,736.7	1,877.1	-
Q4	1,703.0	1,761.3	1,909.2	-

Valuation metrics

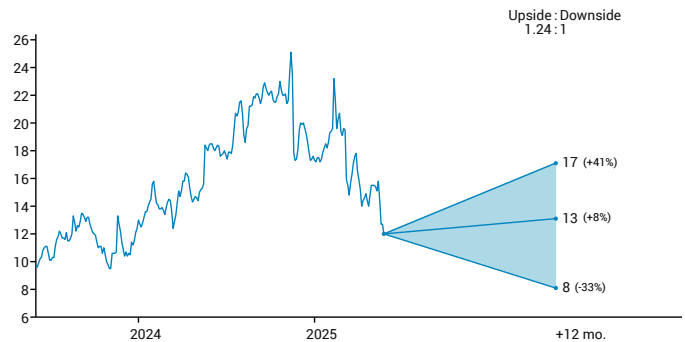
USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
FY P/E				
EV/EBITDA				

The Long View: Paysafe

Investment Thesis / Where We Differ

- Paysafe has emerged from a challenging multi-year stretch on more stable footing, and the company should benefit over time from enhancements to its go-to-market strategy, and its ability to sell across its two-sided ecosystem
- Merchant solutions has faced gross margin pressure from mix / sales commission dynamics, and we look for progress on reversing the trend
- Digital wallets has faced a challenging regulatory and competitive environment and must show further proof-points of a return to consistent growth

Risk/Reward - 12 Month View



Base Case, \$13, +8%

- Merchant revenue growth remains solid, but underlying mix shift continues to weigh on gross margin
- Digital Wallets growth slowly accelerates
- Continued traction with new sales efforts and new products, but will take time for benefits to materialize in the P&L
- FCF generation will support ongoing de-leverage over time
- Price Target: \$13.00; Target Multiple: ~5.7x, FY26 Adj. EBITDA: \$515mn

Upside Scenario, \$17, +41%

- Strong new sales in merchant solutions or digital wallets lead to improving gross margins faster than anticipated
- Faster-than-expected new user growth in digital wallets, and increased user activity translating to revenue growth
- Faster-than-expected traction with realignment of sales force and new products
- Continued leverage reduction over time
- Price Target: \$17.00; Target Multiple: ~6.0x, FY26 Adj. EBITDA: \$540mn

Downside Scenario, \$8, -33%

- Continued regulatory headwinds and competitive pressures in digital lead to continued share losses
- Macro headwinds lead to a slowdown in merchant solutions volumes
- Slower-than-expected traction with realignment of sales force and new products
- Continued leverage reduction over time
- Price Target: \$8; Target Multiple: ~5.5x, FY26 Adj. EBITDA: \$480mn

Sustainability Matters

Top Material Issue(s): 1) Data Security - PSFE, similar to peers in the payments industry, manages large amounts of business and consumer data, including credit card data and personal information, that faces the risk of misuse.

2) Financial Inclusion - PSFE provides highly accessible financial services to underbanked and unbanked individuals through its digital wallets business. The digital wallets business helps those lacking other means to complete digital payments and send money to friends and family.

Qs to Mgmt: 1) How does Paysafe take steps to ensure data security and safety of personal information in an evolving cybersecurity environment? **2)** How can Paysafe continue to improve its level of service for underbanked individuals?

ESG Sector Deep Dive: US Software, IT Services & Payments

Catalysts

- Improvement in gross margins in the merchant solutions segment
- Inflection in revenue growth in the digital wallets segment
- Progress on reducing leverage

Financials: Paysafe

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	1,704.9	1,721.4	1,854.3	-
Cons. EBITDA	452.1	468.1	-	-
Cons. Rev.	1,704.8	1,719.2	1,825.0	-
EPS	2.15	2.36	2.62	-
Q1	0.57	0.34A	0.55	-
Q2	0.59	0.45	0.62	-
Q3	0.51	0.72	0.70	-
Q4	0.48	0.85	0.75	-

Valuation metrics

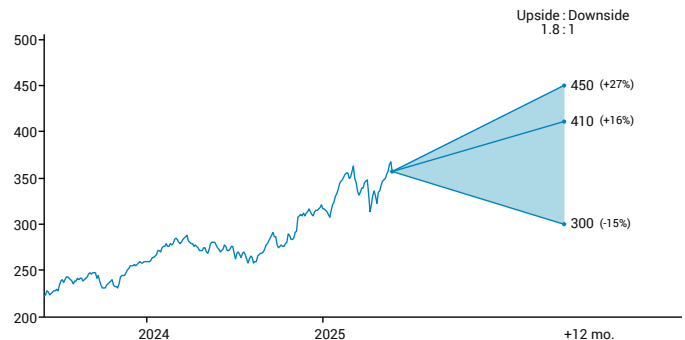
USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
FY P/E				

The Long View: Visa, Inc.

Investment Thesis / Where We Differ

- Durability as a 10%-plus revenue compounder is underappreciated at its current valuation, which represents a below historical avg. premium to the S&P 500 equal-weighted
- Discount to MA narrows amid a less restrictive US regulatory backdrop, and/or a more inflationary environment in the US
- Should sustain 10%-plus revenue growth even with payment volume growth slowing to the 7%-range, supported by value-added services (VAS) growth in the high-teens, cross-border growth structurally higher than pre-COVID (higher mix of eComm), and pricing power

Risk/Reward - 12 Month View



Base Case, \$410, +16%

- US volume (~50% of total) continues to grow 5%-plus med- to long-term supported by PCE growth and cash-to-card conversion
- V remains an enabler of emerging payment methods (e.g., digital wallets, A2A), through newer capabilities (e.g., Visa Direct) and/or partnerships
- Pricing power continues to support healthy yield expansion
- VAS growth sustains in high-teens range, provide mid-single-digit net revenue growth contribution
- Price Target: \$410; FY26E EPS: \$12.76; Target Multiple: 32x

Upside Scenario, \$450, +27%

- Continued card adoption in key international markets supports high-single-digit volume growth over the long-term
- Cross-border volume growth sustains a mid-teens CAGR
- Improved disclosure around VAS and its sub-segments boosts visibility into sustainable 10% + total revenue growth
- Regulatory issues (merchant litigation, DOJ lawsuit) settle with limited downstream impact on the networks
- Price Target: \$450; FY25E EPS: \$13.25; Target Multiple: 34x

Downside Scenario, \$300, -15%

- US market growth structurally slows as the transition from cash-to-card plays out faster than expected
- Growth of alternative payment methods limits V's ability to further capture share in key cash-heavy geographies (e.g., LatAm)
- Cross-border volume growth retreats to single-digit-range
- Growth in VAS slows as penetration of key products increases
- Unfavorable regulatory actions lead to a loss of market share and/or weaker economics
- Price Target: \$300; FY26E EPS: \$12.00; Target Multiple: 25x

Sustainability Matters

Top Material Issue(s): 1) Access & Affordability: Visa strives to broaden access to digital payments to advance digital equity. The company achieved its 2015 goal of providing 500mn un/under-banked people access to a Visa-branded credential. Visa more recently announced a target to digitally enable 50mn small businesses by 2023. **2) Data security:** Visa continues to invest in building trust across its network and the wider payments ecosystem. Services provided by Visa to ensure the security of the ecosystem include: consumer identity & authentication, transaction optimization, dispute management, and fraud monitoring, among others. **3) Environmental Sustainability:** Visa has achieved its goal of transitioning to 100% renewable electricity and targets reducing its greenhouse gas (GHG) emissions by 50% by 2030.

Company Target(s): 1) Reduce Level1/2 GHG emissions by 50% by 2030.

Qs to Mgmt: 1) How do you measure the impact of financial inclusion initiatives? **2)** What are you primarily investing in around data/payments security?

ESG Sector Deep Dive: US Software, IT Services & Payments

Catalysts

- Issuer spending volumes
- Macroeconomic data points (consumer spending, consumer confidence, etc)
- New or expanded portfolio wins
- Legislative/regulatory news flow

Financials: Visa, Inc.

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	35,926.0	39,607.2	43,930.5	-
Cons. Rev.	35,926.0	39,536.8	-	-
EBITDA (MM)	24,629.0	26,486.8	30,027.5	-
Cons. EPS	10.06	11.26	-	-
EPS	10.05	11.32	12.76	-
Q1	2.41	2.75A	3.02	-
Q2	2.51	2.76A	3.14	-
Q3	2.42	2.85	3.18	-
Q4	2.71	2.97	3.42	-

Valuation metrics

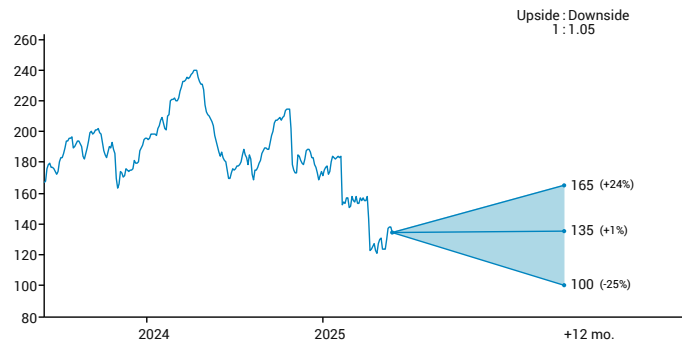
USD	2024A	2025E	2026E	2027E
EV/Rev				
FY P/E				

The Long View: WEX

Investment Thesis / Where We Differ

- Fundamental challenges leave us uncertain around the organic medium-term growth algo in Corporate Payments and Benefits.
- WEX's higher exposure to end-market cyclical and longer-term structural concerns (EV transition in Mobility, Virtual Card business in Corp Pay) limit multiple expansion potential

Risk/Reward - 12 Month View



Base Case, \$135, +1%

- Mobility organic ex-fuel growth of low single-digits as lapping pricing tailwinds and lower rates
- Corporate Payments top-line growth of mid single-digits ex-BKNG migration headwind
- Benefits revenue growth of ~5% on mid single-digit account growth
- Uncertainty around Corp. Pay wallet share dynamics provides limited visibility into med-term growth algo
- Share buybacks to remain active over near-term
- Incremental investment to support new growth initiatives provide meaningful headwind to margins
- Price Target: \$135; FY26E EPS \$16.55 ; target multiple ~8x

Upside Scenario, \$165, +24%

- Higher fuel price environment drives uptick in fuel card adoption leading to mid-single-digit organic Mobility revenue growth
- Recent wallet share losses in Travel proves to be transitory with Corp. Pay. organic growth accelerating to high-single-digits
- Benefits organic revenues grow closer to the low-end of high-single-digits
- Growth accelerates faster in non-Mobility segments and diversifies the revenue mix
- Direct payables business significantly ramps and provides upside to Corp. Pay take rates and growth
- Price Target: \$165; FY26E EPS \$17.15; target multiple ~9.5x

Downside Scenario, \$100, -25%

- Mobility revenue growth is flat driven by lower fuel prices and interest rates
- Recent wallet share losses in Travel are structural providing another reset to med-term growth expectations for Corp. Pay revenue growth
- Benefits organic ex-rates growth decelerates to low-single-digits due to rising competition
- Capital allocation is weighted more towards M&A for Mobility
- Corp. Pay. take rates decline as pivot to ramp in the direct payables business stalls
- Margins pressured on higher level of reinvestment
- Price Target: \$100; FY26E EPS \$14.75; target multiple ~7x

Sustainability Matters

Top Material Issue(s): 1) Data Security: WEX among others in the payments industry holds large amounts of customer data, including credit card data and personal information, which can be used in harmful ways if exposed to bad actors.

Company Target(s): 1) Achieve gender parity in leadership roles and to increase employees of color in U.S. leadership roles by ~50% by 2025 **2)** Assist global fleet operators in reducing global CO2 emissions (transportation sector contributes to ~23% of global CO2 emissions) through the transition to electric vehicles.

Qs to Mgmt: 1) What are you primarily investing in to maintain robust data/payments security? **2)** How does the transition to EV impact the P&L, specifically revenue per vehicle, and how does the margin profile differ from traditional gas/diesel transactions?

Catalysts

- Faster FCF growth and lower leverage provide M&A optionality in non-Fuel segments
- Notable Fleet wins
- Higher fuel prices

ESG Sector Deep Dive: US Software, IT Services & Payments

Financials: WEX

Estimate changes

USD	2024A	2025E	2026E	2027E
EPS Non-GAAP	15.28	15.01	16.55	-
Rev. (MM)	2,628.2	2,592.1	2,690.2	-
Cons. EPS	15.28	14.98	16.32	-
Cons. Rev.	2,628.2	2,567.3	2,651.1	-
Q1	652.7	636.6A	642.8	-
Q2	673.5	651.0	673.0	-
Q3	665.5	665.8	685.1	-
Q4	636.5	629.0	650.3	-

Valuation metrics

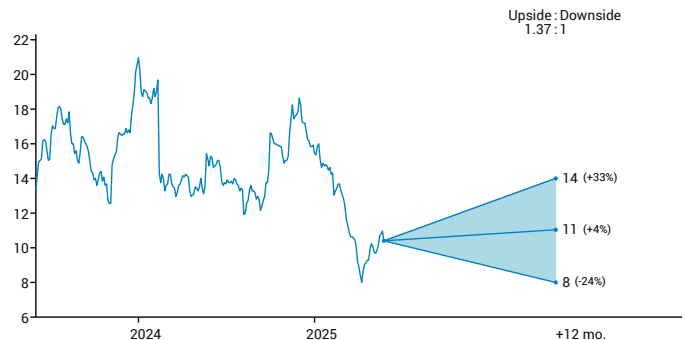
USD	2024A	2025E	2026E	2027E
FY P/EPS Non-GAAP				
P/Rev				
EV/Rev				

The Long View: Lightspeed Commerce Inc

Investment Thesis / Where We Differ

- We believe Lightspeed will benefit as merchants continue to replace more legacy/outdated POS systems with new SaaS-based solutions along with unifying software with payments, a secular tailwind we see underpinning double-digit top-line growth over the medium term.
- We expect strategic decisions to refocus the business on North American Retail and European Hospitality verticals to help drive more profitable growth.
- Until there is greater visibility around the medium-term Software revenue and ICP location growth trajectory, we see limited potential for a re-rating.

Risk/Reward - 12 Month View



Base Case, \$11, +4%

- Near-term GTV growth is pressured on softer macro; can re-accelerate to mid-single-digits in FY27 driven by growth verticals
- GPV penetration reaches ~50% over the med-term, driven by higher attach in international markets
- Software revenue growth accelerates to low-double-digits in FY27 as sales force productivity ramps and new modules are released
- Adj. EBITDA margins expand to ~7% in FY27
- Multiple expansion is limited until there is greater visibility around med-term software and ICP location growth
- PT: \$11; CY26E Gross Profit: \$576mn; Target Multiple: ~2x.

Upside Scenario, \$14, +33%

- GTV growth re-accelerates to high-single-digits in FY27
- GPV penetration can grow in excess of ~50% over med-term from tapping into higher-risk-verticals
- ARPU expands on the back of greater adoption with more profitable products (eComm in Retail + Kitchen Display System in Restaurants), pushing software growth back to a mid-teens clip in FY27
- OpEx growth remains well contained with adj. EBITDA margins expanding to ~10% in FY27
- Organic ICP customer location growth accelerates in FY26/FY27
- PT: \$14; CY26E Gross Profit: \$625mn; Target Multiple: ~2.5x.

Downside Scenario, \$8, -24%

- GTV growth remains sluggish in the low to mid-single-digit range through FY27
- GPV penetration stalls and reaches ~45% in FY27 as adoption is slower to ramp internationally and across the larger GTV customer base
- Competition across the POS market intensifies, resulting in higher OpEx and puts pressure on adj. EBITDA margin trajectory
- Software revenue growth remains in HSD territory as adoption of new modules across the existing customer base is weaker-than-expected
- ICP customer location declines persist
- PT: \$8; CY26E Gross Profit: \$510mn; Target Multiple: ~1.5x.

Sustainability Matters

Top Material Issue(s): 1) Data Security: LSPD among others in the payments industry hold large amounts of customer data, including credit card data and personal information which can be used in harmful ways if exposed to bad actors.

Qs to Mgmt: 1) What are the biggest areas for improvement across LSPD's ESG strategy? 2) What are you primarily investing in to maintain robust data/payments security? 3) What are the potential cost savings from integrating more sustainable business practices 4) What are the main metrics you use to evaluate your success in fostering employee wellness?

ESG Sector Deep Dive: US Software, IT Services & Payments

Catalysts

- Software ARPU uplift from adoption of flagship products across the customer base
- Incremental cost cuts pushing EBITDA margins higher
- Payments penetration rate expanding above ~50% over med-term

Financials: Lightspeed Commerce Inc

Estimate changes

USD	2024A	2025A	2026E	2027E
Rev. (MM)	909.3	1,076.8	1,191.7	1,331.1
Cons. Rev.	909.3	1,077.0	1,194.4	1,347.3
EBITDA (MM)	1.3	53.7	70.0	100.2
Cons. EBITDA	1.2	53.9	72.8	100.6
Cons. EPS	0.15	0.45	0.54	0.71
EPS Non-GAAP	0.15	0.41	0.47	0.68
Q1	(0.01)	0.09	0.10	0.14
Q2	0.04	0.12	0.11	0.17
Q3	0.07	0.11	0.13	0.17
Q4	0.06	0.09	0.13	0.21

Valuation metrics

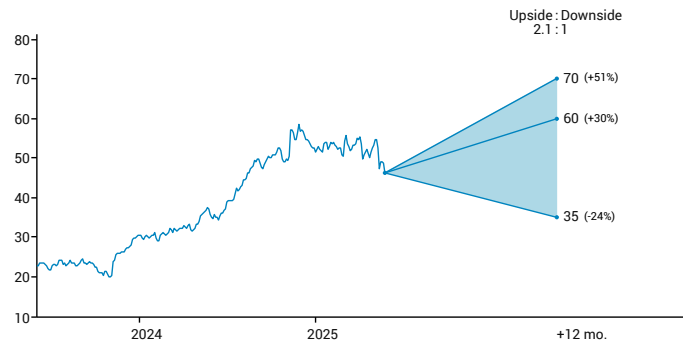
USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
EV/EBITDA				
FY P/EPS Non-GAAP				

The Long View: ACI Worldwide

Investment Thesis / Where We Differ

- ACI provides deeply embedded software solutions that support mission-critical bank operation; durable growth in the banking segment should continue, benefiting from price escalators and volume growth over time
- Real-time payments and fraud management products offer attractive cross-sale opportunities, and the growth of real-time payments globally should provide an attractive long-term tailwind.
- Large banks just outside the core mega-bank segment offer an attractive new growth avenue.
- Digital transformation within the bill pay space remains early and should provide a tailwind to ACI over time.

Risk/Reward - 12 Month View



Base Case, \$60, +30%

- Achieves a reacceleration in top-line growth toward the lower end of its medium-term revenue targets
- Emerging growth drivers of real-time payments and fraud management continue to contribute positively to growth
- Continues to achieve new wins in the biller segment
- Drives modest margin expansion from continued scale benefits
- Price target: \$60.00; FY26E adj EBITDA \$530 mn; target multiple ~13.5x

Upside Scenario, \$70, +51%

- Achieves a reacceleration in top-line growth toward the higher end of its medium-term revenue targets
- Emerging growth drivers of real-time payments and fraud management contribute more to growth algorithm than anticipated
- Success in new verticals within the biller segment translates to sustained strong new wins
- Generates strong operating leverage as revenues grow faster than anticipated
- Price target: \$70.00; FY26E adj EBITDA \$550 mn; target multiple ~15x

Downside Scenario, \$35, -24%

- Revenue growth falls below medium-term targets
- Growth of real-time payments globally is slower-than-anticipated or fails to benefit revenue
- Margin pressure is subdued amid continued investments
- Competitive environment within the biller segment hurts growth
- Price target: \$35.00; FY26E adj EBITDA \$450 mn; target multiple ~10x

Sustainability Matters

Top Material Issue(s): **1) Environmental sustainability.** ACI takes actions to minimize its carbon footprint, particularly as it relates to its data center usage. **2) Data Security.** ACI, along with others in the payment industry, manages large amounts of sensitive customer data, including credit card data and personal information, which can be used in harmful ways if exposed to bad actors.

Company Target(s): **1)** Measuring and minimizing its output of greenhouse gas (GHG) emissions. **2)** Waste reduction efforts, particularly around minimizing water consumption and paper waste. **3)** Minimizing energy consumption of data centers through efforts such as consolidation, server virtualization, and asset lifecycle management. **4)** Maintain an industry-leading global information security team.

Qs to Mgmt: **1)** What are the biggest areas for improvement across ACI's ESG strategy? **2)** Where can ACIW continue to invest to maintain its robust data security practices? **3)** What are the primary metrics you use to track success in your ESG strategy over time?

Catalysts

- New uses cases emerging with real-time payments globally, particularly within the US
- Large new customer wins, particularly within the biller and merchant segments
- Potential divestitures of nonstrategic assets

Financials: ACI Worldwide

Estimate changes

USD	2024A	2025E	2026E	2027E
Adj EPS	2.62	2.92	3.35	-
Rev. (MM)	1,594.3	1,707.3	1,833.3	-
Cons. Rev.	1,594.3	1,697.8	1,821.0	-
EBITDA (MM)	465.5	488.2	530.5	-
Cons. EBITDA	465.7	488.6	531.0	-
Q1	48.1	75.2	72.3	-
Q2	92.8	93.5	105.5	-
Q3	166.9	146.3	165.2	-
Q4	157.7	173.6	188.3	-

Valuation metrics

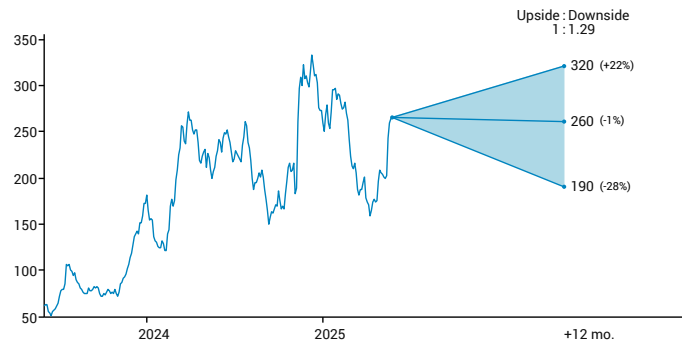
USD	2024A	2025E	2026E	2027E
FY P/Adj EPS				
EV/Rev				
P/Rev				
EV/EBITDA				

The Long View: Coinbase

Investment Thesis / Where We Differ

- Reputation for being a secure & trusted platform; transparency & legitimacy that comes with being the only publicly-traded company in the ecosystem
- COIN's market positioning as an easy-to-use platform and dominant/trusted brand will continue to attract new users
- Uniquely positioned to leverage its scale as the platform offers a breadth of products to a diverse customer base (retail, advanced/pro traders, institutions, developers)
- Adoption of crypto by other brokerages will help to drive new user growth, increased trading volume, and provide deeper liquidity to the market
- COIN's sensitivity to crypto prices remain a significant risk

Risk/Reward - 12 Month View



Base Case, \$260, -1%

- Crypto prices increase at a steady pace annually, supporting healthy growth in trading volumes and driving continued share gains
- Coinbase retail app successfully attracts larger user base, driving increased customer activity
- Benign competitive environment leads to modest fee compression
- Uncertainty around US regulatory environment remains an overhang
- Price Target: \$260; Target Multiple: 23x FY26E adj. EBITDA \$2.9bn

Upside Scenario, \$320, +22%

- Crypto prices continued to increase rapidly relative to other asset classes, leading to strong user growth and significant capital inflows to the platform
- COIN launches new product offerings rapidly, increasing user engagement and generating additional revenue streams
- Coinbase maintains premium pricing in retail space
- Fast pace of new institutional partnerships further lends credence to the platform
- Positive and faster-than-anticipated US regulatory clarity
- Price Target: \$320; Target Multiple: 24x FY26E adj. EBITDA \$3.5bn

Downside Scenario, \$190, -28%

- Significant crypto price declines leading to flat or negative revenue growth for a sustained period
- Stagnant or consistent Y/Y decline in MTU growth
- Rising competition leads to market share loss and/or increased fee pressure
- Greater regulatory scrutiny of US cryptocurrency exchanges
- Price Target: \$190; Target Multiple: 19x FY26E adj. EBITDA of \$2.5bn

Sustainability Matters

Top Material Issue(s): 1) Access & Affordability: Digital assets have considerable potential to broaden access to financial services by increasing consumer choice and providing access to capital.

Qs to Mgmt: 1) Will you publish an official CSR report?

ESG Sector Deep Dive: [US Asset Management & Custody Activities](#)

Catalysts

- Increase in Bitcoin/cryptocurrency prices
- New product rollouts in Coinbase retail app and MTU growth
- Large institutional partnership announcements
- Positive regulatory developments and/or increased regulatory clarity

Financials: Coinbase

Estimate changes

USD	2024A	2025E	2026E	2027E
Rev. (MM)	6,563.9	6,360.6	6,817.2	-
Cons. Rev.	6,564.0	7,883.1	8,095.7	-
EBITDA (MM)	4,034.6	2,570.9	2,918.8	-
Cons. EPS	9.56	7.07	6.94	-
EPS	9.45	2.44	4.60	-
Q1	4.40	0.24A	0.24	-
Q2	0.14	0.82	1.14	-
Q3	0.28	0.68	1.36	-
Q4	4.68	0.68	1.40	-

Valuation metrics

USD	2024A	2025E	2026E	2027E
EV/Rev				
P/Rev				
EV/EBITDA				
FY P/E				

Company Description

ACI Worldwide

ACI Worldwide provides a diversified global software and payments platform across three primary segments: banks, merchants, and billers. The Banks segment provides financial institutions and payment intermediaries with solutions including issuing, acquiring, real-time payments, and fraud management. The Merchants segment provides merchants and payment intermediaries with orchestration, e-commerce gateway, and fraud management solutions. The Biller segment provides digital bill presentment and bill collection capabilities to billers across government, utility, financial services, education, and other verticals. The company was founded in 1975 and is headquartered in Coral Gables, Florida.

Coinbase

Coinbase operates a cryptocurrency exchange platform for buying, selling, transferring, and storing cryptocurrency. The company The company builds easy-to-use technology and financial infrastructure products and services that enable any person/business with an internet connection to discover, transact, and engage with crypto assets and decentralized applications. Coinbase's customer base consists of 89 million retail users, 11K institutions, and 210K ecosystem partners.

Corpay

Corpay is a global corporate payments company that provides a modern suite of payment solutions, primarily focused on the vehicle, corporate, and lodging industry verticals. The company's customer base includes commercial fleets, major oil companies, petroleum marketers, corporates, and government entities located in North America, Europe, Asia, Latin America, among other regions. Corpay is headquartered in Atlanta, GA.

Fiserv

Fiserv, Inc. is a leading global provider of financial services technology. The company provides account processing systems; electronic payments processing products and services such as electronic bill payment and presentment services, debit network solutions, debit card processing and services, general purpose credit, retail private label and commercial credit card processing and services, and payments infrastructure services; retail point-of-sale (POS) merchant acquiring and e-commerce services; and next-generation offerings such as mobile payment services, cloud-based Clover line of payment solutions, and related applications.

Fidelity National Information Svcs

FIS is a leading provider of technology solutions for merchants, banks, and capital markets firms globally. The company provides merchant acquiring solutions; integrated payment solutions; global eCommerce solutions; core processing and ancillary applications solutions; digital solutions, including internet, mobile and eBanking; fraud, risk management and compliance; electronic funds transfer and network services; card and retail payments; wealth and retirement solutions; item processing and output services; securities processing and finance solutions; global trading solutions; asset management and insurance solutions; and corporate liquidity solutions.

Global Payments

Global Payments is a leading provider of electronic payments transaction processing services for consumers, merchants, Independent Sales Organizations (ISOs), financial institutions, government agencies and multi-national corporations located throughout the United States, Canada, Europe and the UK, Asia-Pacific, and Latin America. Global Payments serves as an intermediary to facilitate payments transactions and operate in two primary business segments, Merchant Solutions and Issuer Solutions.

Lightspeed Commerce Inc

Lightspeed provides an omni-channel commerce platform that offers cloud-based software subscriptions and payments solutions to SMBs, selling primarily into the retail and hospitality verticals. The company was founded in 2005 and is based in Montréal, Canada.

Mastercard

Mastercard is a leading global payments company, linking financial institutions, businesses, merchants, and cardholders worldwide. Mastercard offers a wide range of payment solutions to its bank customers, including credit, debit, and prepaid card programs/processing.

Payoneer

Payoneer operates a global payment and commerce-enabling platform that facilitates marketplaces, platforms and online SMBs worldwide. The company's cross-border payments solution supports an ecosystem of marketplaces, enabling them to pay their sellers in ~190 countries. Payoneer

offers a number of other services including B2B accounts payable/accounts receivables, physical and virtual cards, working capital, and merchant services. Founded in 2005, Payoneer is based in New York.

Paysafe

Paysafe provides modern digital payments solutions across its merchant solutions and digital wallet (i.e. consumer) ecosystems. The merchant business primarily targets middle-market/SMB merchants with a focus on niche e-commerce verticals (e.g., iGaming, travel, hospitality, video gaming, and crypto). The digital wallet business provides payment solutions for consumers across multiple mobile app brands (e.g., Skrill and Neteller) and via its retail cash payment network (i.e. eCash). The company was founded in 1996 and is based in London.

PayPal

PayPal Holdings, Inc. (PayPal) is a technology platform company, which enables digital and mobile payments on behalf of consumers and merchants around the world. The Company focuses on its consumers, merchants, friends and family to access and move their money through its platform using various devices, such as mobile, tablets, personal computers and wearables. It provides businesses of various sizes to accept payments from merchant Websites, mobile devices and applications, and at offline retail locations through a range of payment solutions across its Payments Platform, including PayPal, PayPal Credit, Venmo and Braintree products. PayPal gateway products include Payflow Payments and Braintree products. The Company enables its consumers to fund a purchase using a bank account, a PayPal account balance, a PayPal Credit account, a credit or debit card, or other stored value products such as coupons and gift cards.

Visa, Inc.

Visa's global payment network connects consumers, merchants, and financial institutions, providing authorization, clearance, and settlement services for card-based payment transactions on every continent. Visa issued its IPO in 2008, and is headquartered in San Francisco.

WEX

WEX is a provider of commercial payment processing and information management solutions. The company's two primary lines of business are: 1) vehicle fleet fuel payment cards, which provide commercial and government fleet operators with payment and information management solutions, and 2) virtual payment credentials, which are used by online travel agencies, healthcare providers, and insurance agencies to facilitate back-office payments. The company also provides other payment-related solutions such as corporate purchasing cards, paycards, and telematics. WEX is headquartered in South Portland, ME

Block

Block, Inc. is a global technology company focusing on financial services. The company operates five segments, Square, Cash App, Spiral, TIDAL and TBD. Square provides sellers a range of options for accepting payments both in-person or online while also providing commerce solutions, business software, and banking services. Cash App is a mobile payment service that allows for direct peer-to-peer payments, buy and sell stocks, and a number of other capabilities. Spiral builds and funds free, open-source Bitcoin projects. TIDAL is an artist-led global music and entertainment platform. TBD is building an open developer platform to make it easier to access Bitcoin and other blockchain technologies without having to go through an institution.

Company Valuation/Risks

ACI Worldwide

Our \$60 price target is based on ~13.5x our FY26 adjusted EBITDA estimate. Risks include competition, interest rate risk, FX risk, data security, and the risk of ongoing legal proceedings.

Coinbase

Our \$260 price target is based on ~23x FY26E adj. EBITDA. Risks to our price target: sensitivity to Bitcoin and cryptocurrency prices, competition, regulatory risk, data security, reputational risk.

Corpay

Our \$375 price target is based on ~15x our FY26E EPS estimate. Risks include fuel price volatility, FX, regulatory environment, and competition.

Fiserv

Our \$165 price target is based on a ~14x P/E multiple on our FY26 EPS estimate. Risks include macro, regulatory, competition, and consolidation.

Fidelity National Information Svcs

Our \$80 price target is based on a ~13x P/E multiple on our FY26 EPS estimate. Risks include macro, regulatory, competition, and consolidation

Global Payments

Our \$75 price target is based on ~5x our pro-forma 2026E adj EPS estimate. Risks include macro, consumer spending, regulatory environment, competition.

Lightspeed Commerce Inc

Our \$11 PT is based on ~2x our CY26E gross profit estimate. Risks: consumer spending, competition, data security, regulation.

Mastercard

Our \$655 price target is based on ~35x our CY26E EPS estimate. Risks include macro, consumer spending, regulation, and competition.

Payoneer

Our \$8.50 price target is based on ~12x our FY26 adjusted EBITDA estimate. Risks include macro, consumer spending, competition, customer concentration risk, fraud risk, data security.

Paysafe

Our \$13.00 price target is based on ~6x our FY26 adjusted EBITDA estimate. Risks include macro, consumer spending, regulation, competition, foreign exchange, and data security.

PayPal

Our \$70 PT is based on ~12.5x our FY26E EPS. Risks: consumer spending, competition, data security, regulation.

Visa, Inc.

Our \$410 price target is based on 32x our FY26E EPS estimate. Risks: macro, consumer spending, regulation, and competition.

WEX

Our \$135 price target is based on ~8x our FY26 EPS estimate. Risks include fuel price volatility, leverage, and macro.

Block

Our \$70 price target is based on ~20x FY26 adj. EPS. Risks include a slowing consumer spend backdrop, competition, credit risk, regulatory risk, and data security.

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published
Recommendation Distributed

May 26, 2025 23:51 P.M.
May 27, 2025 0:00 A.M.

Company Specific Disclosures

Spencer James Edward has an equity position in Fiserv.
Steven DeSanctis owns shares of Visa Inc. common shares.

Steven DeSanctis owns shares of Visa Inc. common shares.
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Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.
Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.
Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.
The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.
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Jefferies' methodology for assigning ratings may include the following: market capitalization, maturity, growth/value, volatility and expected total return over the next 12 months. The price targets are based on several methodologies, which may include, but are not restricted to, analyses of market risk, growth rate, revenue stream, discounted cash flow (DCF), EBITDA, EPS, cash flow (CF), free cash flow (FCF), EV/EBITDA, P/E, PE/growth, P/CF, P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months.

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Other Companies Mentioned in This Report

- ACI Worldwide, Inc. (ACIW: \$46.29, BUY)
- Adyen N.V. (ADYEN NA: €1,605.80, BUY)
- Affirm Holdings, Inc. (AFRM: \$49.30, BUY)
- Bill.com, Inc. (BILL: \$44.40, BUY)
- Block, Inc. (XYZ: \$58.74, BUY)
- Booking Holdings Inc. (BKNG: \$5,332.80, HOLD)
- Coinbase Global, Inc. (COIN: \$263.16, HOLD)
- Corpay, Inc. (CPAY: \$324.31, BUY)
- Fidelity National Information Services, Inc. (FIS: \$78.22, HOLD)
- Fiserv, Inc. (FI: \$159.34, HOLD)
- Global Payments, Inc. (GPN: \$74.09, HOLD)
- Lightspeed Commerce Inc (LSPD: \$10.53, HOLD)
- Lightspeed Commerce Inc (LSPD CN: C\$14.48, HOLD)
- Mastercard, Inc. (MA: \$563.58, BUY)
- PayPal Holdings Inc. (PYPL: \$69.85, HOLD)
- Payoneer Global Inc. (PAYO: \$6.81, BUY)
- Paysafe Ltd. (PSFE: \$12.02, HOLD)
- Shopify, Inc. (SHOP: \$101.51, HOLD)
- SoFi Technologies, Inc. (SOFI: \$13.09, BUY)
- TPG (TPG: \$46.99, HOLD)
- Toast, Inc. (TOST: \$42.49, BUY)
- Visa, Inc. (V: \$353.54, BUY)
- WEX, Inc. (WEX: \$133.34, HOLD)

Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2107	60.46%	379	17.99%	124	5.89%
HOLD	1224	35.12%	112	9.15%	22	1.80%
UNDERPERFORM	154	4.42%	5	3.25%	4	2.60%

Other important disclosures

Other Important Disclosures

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