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globalpayments

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GPN Stock Report

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Global Payments Inc. (GPN)

FinTech Infrastructure on Sale: Global Payments at a Discount Too Deep to Ignore

Firm Description: Global Payments (GPN) is a leading pure-play payments processor that delivers merchant acquiring, omni-channel acceptance, and point-of-sale software to over 4 million merchants across 170+ countries. Founded in 1967 as part of National Data Corporation and spun out in 2001, GPN has expanded through more than 40 acquisitions, the most transformative being TSYS (2019) and the pending Worldpay (expected close 1Q 2026). Post-Worldpay, management intends to streamline into one global Merchant & Commerce platform, exiting Issuer Solutions through the acquisition deal.

Global Payments Inc. (GPN)		
Industry View		**Attractive**
Stock Rating		**Outperform**
Previous Close		**$81.97**
52-Week Range	**(From)**	**$65.96**
	(To)	**$120.02**
Key Information		
Industry		Specialty Business Services
Price/Earnings (Normalized)		7.04
Price/Sales		2.05
Dividend Yield (Trailing)		1.22%
Dividend Yield (Forward)		1.22%
Total Yield		7.50%
Investment Outlook		
Investment Horizon		3-5 Years
Target Price (12-month)		$118.60
Projected Return		45%

Investment thesis: GPN offers investors a rare blend of steady, infrastructure-like payment volumes and a clear re-rating catalyst. The pending Worldpay acquisition, paired with the concurrent sale of its Issuer Solutions segment, will transform GPN into a focused, global merchant-commerce platform with enhanced scale, deeper software penetration, and a streamlined cost base. As integration synergies flow through and divestiture proceeds cut leverage, FCF is set to rise even on mid-single-digit revenue growth—fuel for share buybacks and optional bolt-on deals. Yet the stock still trades at a deep discount to peers, reflecting execution concerns that

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appear overstated given management's long track record of successful M&A. Closing this valuation gap, alongside durable secular tailwinds in digital and omni-channel payments, positions GPN for attractive double-digit total returns over a 3-5-year horizon.

Business Segments: Following the planned divestiture of Issuer Solutions and their 2023 sale of Consumer Solutions, Global Payments will operate as a single, integrated Merchant & Commerce platform. The core merchant segment—spanning card-present acquiring, e-commerce gateways, and cloud-based point-of-sale (POS) software—will account for most of the revenue, benefiting from global scale and an expanding mix of higher-margin value-added services such as fraud analytics and data-driven marketing tools. A small "Managed Services & Other" bucket will capture niche offerings like fleet-card processing, B2B payables, and short-lived transition-service agreements tied to the Issuer sale, which will be negligible when In short, post-transaction GPN becomes a pure-play commerce enabler, with a simpler, more transparent business model that aligns operating leverage, capital allocation, and investor focus on a single growth engine.

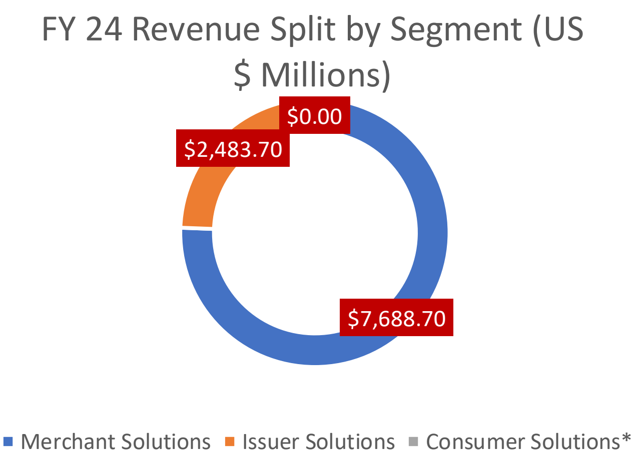

Figure 1: FY 2024 Revenue by segment ($ Millions)
** Consumer Solutions is no longer an active segment*

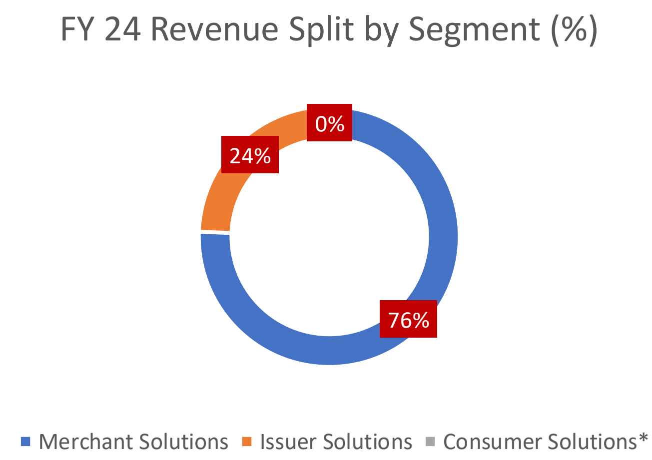

Figure 2.2: FY 2024 Revenue by segment (%)
** Consumer Solutions is no longer an active segment*

Competitive Advantages: Global Payments stands apart from rival acquirers such as Fiserv, FIS, Block (formerly Square), and Adyen on several fronts. First, its "one-stack" Merchant & Commerce platform tightly integrates point-of-sale software, gateway routing, and acquiring—all delivered under a single contract—so merchants see higher authorization rates and lower total cost than when stitching together multiple vendors. Second, GPN's truly global footprint (direct licenses or bank partners in 170-plus countries) lets multinationals roll out the same payments experience across markets where many peers still rely on third-party sponsors. Third, the company's vast transaction data set of over 50 billion transactions annually feeds proprietary fraud, loyalty, and analytics tools that smaller processors cannot match, raising merchant switching costs. Fourth, management's M&A playbook (TSYS in 2019, EVO in 2023, Worldpay pending) repeatedly delivers cost synergies that widen adjusted margins without sacrificing service levels, whereas some competitors are still dealing with legacy tech debt. Finally, the forthcoming deleveraging from the Issuer Solutions sale gives GPN

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balance-sheet flexibility for share buy-backs or bolt-on deals at a time when several peers are tapping debt markets just to fund working capital. Together, these advantages position GPN to defend share, expand take-rate, and close the valuation gap that exists today versus higher-multiple networks and pure-play SaaS peers.

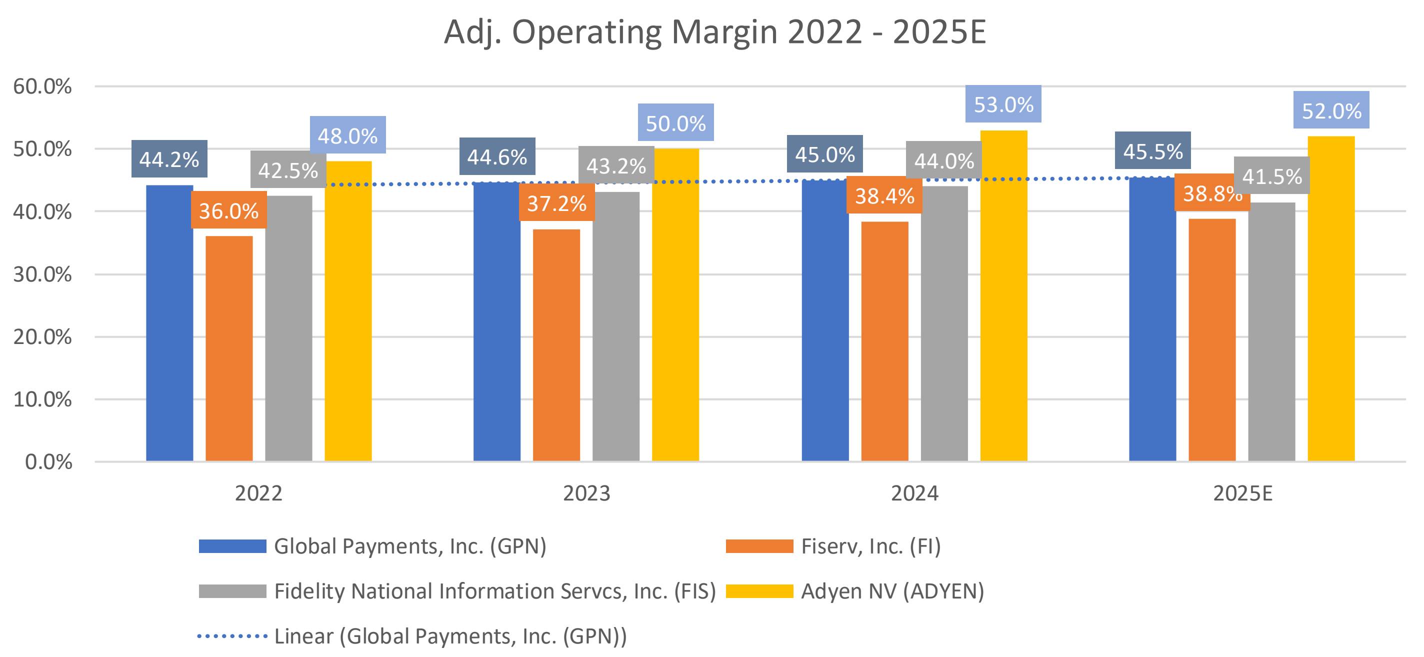
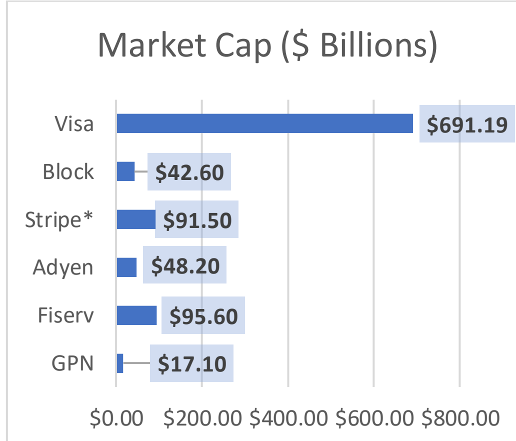


Figure 3: Adjusted Operating Margins amongst GPN and its competitors: GPN already sits at the top end of acquirer margins (second only to Adyen) and still expects another 50 bp of expansion, validating their operating-leverage pillar

Competitive Landscape: The payments arena is vast and still expanding: In 2023 the industry processed 3.4 trillion transactions worth roughly $1.8 quadrillion and generated $2.4 trillion of revenue, with McKinsey projecting the pool to grow to $3.1 trillion by 2028 as digital adoption spreads and interest income normalizes. Within that, the merchant-acquiring slice alone should top $100 billion of revenue by 2027, up from the mid-$70 bn range today, according to BCG, while the U.S. sub-market already throws off about $35 billion on $12.3 trillion of purchase volume.

Against this backdrop Global Payments currently contends with three main peer clusters: Global full-stack acquirers such as Fiserv/First Data and FIS/Worldpay, pure-play high-growth PSPs (Payment Service Providers) like Adyen and privately held Stripe, and regional specialists such as PayU and Nuvei. Here, it can be posited that scale remains the critical moat: GPN's platform already moves ≈ 66 billion transactions and approx. $980 billion of settled volume each year, a figure that will swell to approximately 94 billion transactions and $3.7 trillion in TPV once the Worldpay deal closes. That puts the company on par with Fiserv's approx. 90 billion annual authorizations and gives it a data reservoir well ahead of Adyen, whose 2024 flow was €1.29 trillion (approx. $1.35 trillion) in total payment volume. This transaction density feeds superior fraud-scoring models, supports high incremental margins, and underpins GPN's ability to price competitively while still expanding profitability.

Company / Network	Metric disclosed	2024 actual	2025E notes
Global Payments (stand-alone)	Annual transactions	≈ 66 billion	Settles nearly $980 billion for 4.6 million merchants
Global Payments + Worldpay (pro-forma)	Annual transactions	≈ 94 billion	**Would handle $3.7 trillion across 175 countries once the deal closes**
Fiserv (Clover & other rails)	Annual authorizations	≈ 90 billion	Company Press Release, global figure
Adyen	Total payment volume (TPV)	$1.35 trillion	+33 % YoY; management targets high-teens growth for 2025
Stripe	Total payment volume (TPV)	$1.4 trillion	+38 % YoY; remains private but publishes figures in annual update
Block (Square + Cash App)	Gross payment volume (GPV)	$240.8 billion	+5.8 % YoY; primarily U.S. micro-merchants
Visa network	Network transactions	234 billion	Processes $16 trillion in payments & cash volume

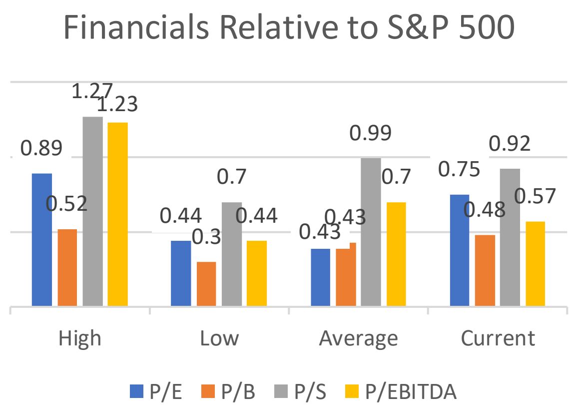


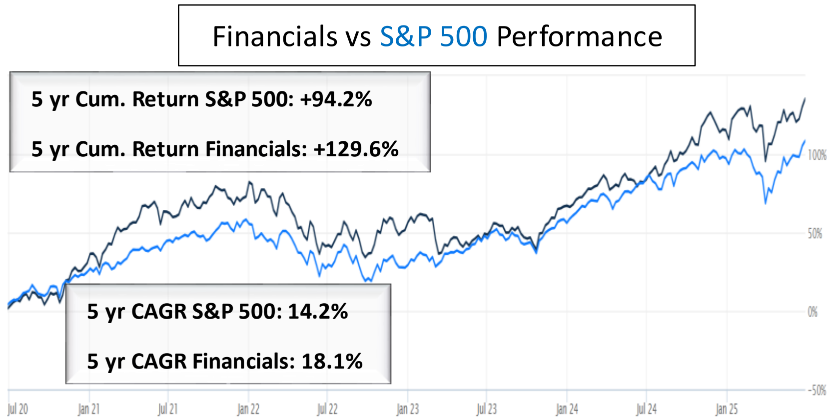
Despite processing volumes that approach Fiserv's and exceed those of most high-growth PSP peers, GPN commands barely one-fifth of Fiserv's equity value and less than half of Adyen's. The gap is even starker on a pro-forma basis: a combined GPN + Worldpay would route an estimated $3.7 trillion in annual payment volume—yet its implied valuation still lags Fiserv by >$70 billion. The table underscores the core thesis that GPN's discounted multiple reflects transitory integration and leverage concerns rather than structural scale or growth deficits."

*** Tender offer Feb 2025, private valuation**

Potential Risks: GPN's upside hinges on flawless execution. Delays or missteps in integrating Worldpay could wipe out planned $700 m cost synergies and re-ignite the "serial-acquirer" discount. With Issuer Solutions gone, a hard-landing consumer slowdown would hit transaction volumes head-on. Regulators could also ruffle take-rates through new interchange caps or data-localization rules, while a cyber breach would carry steep costs and a reputational fallout. Finally, fast-moving PSPs like Adyen and Stripe may force pricing or margin concessions just as GPN looks to harvest scale benefits.

Industry Benchmark: Relative to its own 10-year history, the Financials sector is trading at a premium: P/E, P/B, and P/S stand near the top of their decade-long bands (18.1 ×, 2.36 ×, and 2.64 ×, respectively, versus averages of 14.8 ×, 1.55 ×, and 2.20 ×). Yet versus the S&P 500 the group still carries a discount—only 0.75 × on P/E and 0.48 × on P/B—albeit a much slimmer one than usual, suggesting investors are already pricing in higher-for-longer rates and benign credit trends. Against this backdrop, GPN screens even cheaper, trading well below both sector and peer averages on every multiple, underscoring the valuation gap that a successful Worldpay integration could close.





Growth Drivers & Attraction: GPNs' investment case is underpinned by both secular and self-help levers. On the secular side, the GPN's revenue pool is expected to expand from $2.4 trillion in 2023 to $3.1 trillion by 2028—a 5 % CAGR driven by e-commerce, contact-less point-of-sale and rising cross-border flows. Internally, the pending $24 billion Worldpay acquisition and simultaneous divestiture of Issuer Solutions will refocus GPN on a single Merchant Commerce platform and unlock at least $600 million of annual cost synergies and $200 million of revenue synergies within three years. Management's guidance calls for 5-6 % adjusted revenue growth and 10-11 % adjusted-EPS growth in 2025, helped by incremental scale, a richer mix of software-driven value-added services, and aggressive share buy-backs funded by divestiture proceeds. Combined, these drivers position the pro-forma company, which is forecasted to process approx. 94 billion transactions worth $3.7 trillion annually across 175 countries, to close a valuation gap that currently leaves GPN trading at barely half the forward P/E commanded by peer Fiserv despite comparable scale.

Recent News/Events: In its Q1-2025 earnings call (6 May 2025) GPN reported adjusted EPS of $2.69 (+11 % cc) on 5 % constant-currency net-revenue growth, reaffirmed full-year guidance, and reiterated "line-of-sight" to the Worldpay synergy targets. Management also disclosed that integration workstreams are "ahead of schedule," with procurement and data-center consolidation already delivering early savings. Separately, press coverage in late June highlighted the company's plan to eliminate duplicative roles and systems to realize the promised $600 million run-rate savings, while regulators signaled no antitrust objections to the three-way deal with FIS and GTCR.

- Since the April announcement of the $24 billion three-way Worldpay transaction and Issuer-Solutions divestiture, GPN has filed its Form 8-K confirming antitrust reviews are progressing without material hurdles and that closing remains on track for 1Q-26.
- To accelerate capital returns while it waits for divestiture proceeds, the board launched a $250 million accelerated share-repurchase program, due to settle by 31 March 2025.

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- Finally, the company's 2025 Commerce & Payment Trends report highlighted double-digit growth in cross-border and "commerce-everywhere" use-cases, reinforcing its strategic pivot toward omni-channel merchant software.

Investment Thesis

Fundamental Drivers:

Resilient Top-Line Momentum: GPNS' merchant-centric revenue base has delivered mid-single-digit constant-currency growth in every quarter since early 2024, culminating in +5 % cc net-revenue growth in Q1-25—despite a mixed macro backdrop. Management reiterated full-year guidance for 5 – 6 % cc revenue growth and cited double-digit expansion in value-added software (fraud analytics, SaaS POS) as the principal tailwind. This consistency demonstrates that the company's shift toward integrated commerce is insulating volumes from cyclical softness and positions the pro-forma franchise for durable 6 %+ organic gains once Worldpay is folded in.

Operating Leverage & Margin Expansion: Scale synergies and richer software are translating into steady margin gains. Adjusted operating margin widened from 44.4% in Q1-24 to 45.0% in Q4-24, and the company now expects a further +50 bp expansion for FY-25 (Pg. 3 Fig. 3). Incremental revenue mixes toward higher-margin risk services and SaaS licenses account for approx. two-thirds of the improvement, while procurement savings and tech de-dupes supply the balance. With the larger Worldpay book bringing comparable products but at lower unit cost, management sees additional upside to the mid-40 % margin trajectory by 2027.

Worldpay Integration: The April 2025 agreement to acquire Worldpay for $24 billion and simultaneously divest Issuer Solutions reshapes GPN into a pure-play merchant-commerce platform. Management targets $600 million of annual cost synergies and $200 million of revenue synergies within three years; integration workstreams are already "ahead of schedule," according to the Q1-25 call. Once closed, the combined business will process ~94 billion transactions and $3.7 trillion in volume across 175 countries, vaulting GPN to Fiserv-class scale and unlocking further operating leverage.

Balance-Sheet Reset & Capital Returns: Proceeds from the $13.5 billion Issuer-Solutions sale will slash net-debt/EBITDA to < 2× by 2027, freeing >$3 billion of annual free cash flow for buy-backs and bolt-on M&A. Management has already signaled intent by launching a $250 million accelerated share-repurchase (ASR) program set to complete by March 2025. Combined with continued 90 %+ FCF conversion, share reduction alone can add 3 – 4 % to EPS CAGR through 2027, reinforcing double-digit earnings growth without heroic top-line assumptions.

Data Scale & Competitive Moat: Even pre-deal, GPN routes ≈ 66 billion transactions and nearly $980 billion in settled value each year, feeding proprietary fraud models that lower chargebacks and lift authorization rates for merchants. Post-Worldpay, the data set expands more than 40 %, reinforcing pricing power and embedding merchants deeper into GPN's analytics and loyalty ecosystems. Few pure-play processors—aside from Fiserv—

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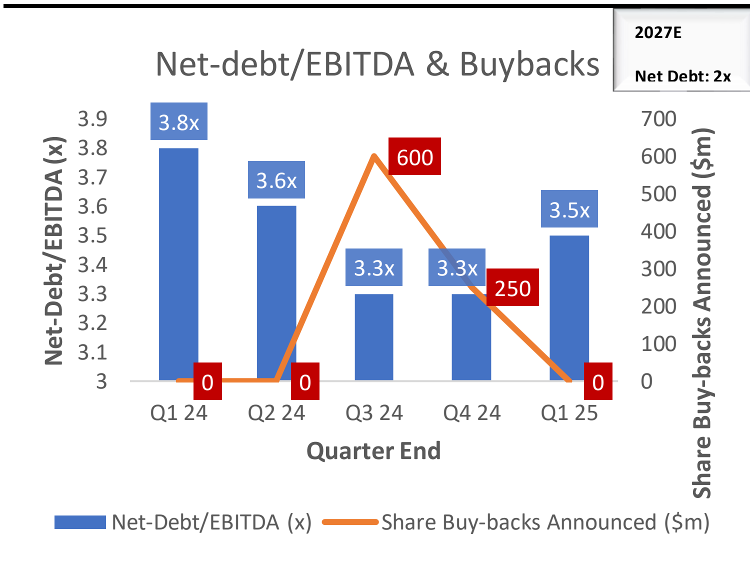
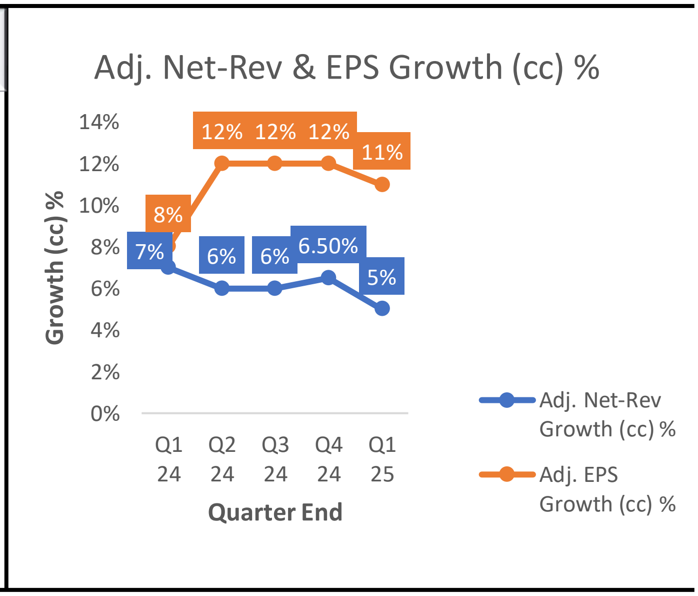
approach this transaction density, giving GPN a defensible edge versus software-native PSPs that rely on sponsor banks for acquiring licenses.





Macro-Economic Drivers:

Tailwinds	Headwinds
Steady global growth and disinflation: The IMF projects 3.3 % real-GDP growth for both 2025 and 2026, which is essentially flat versus its October 2024 outlook and driven by an upward revision for the United States. A benign growth backdrop keeps card-spend expanding in the mid-single digits and underpins GPN's 5–6 % constant-currency net-revenue guide.	*Rates stay "higher for longer."* If sticky services inflation forces the Fed to hold policy above 4 % through 2026, GPN's interest bill would remain near $650 m per year, cutting FCF by ~$0.45/share and delaying share-buy-back capacity.
Structural expansion of the payments pie: McKinsey forecasts the global payments-revenue pool to rise from $2.4 tr in 2023 to $3.1 tr by 2028 (≈ 5 % CAGR). Within that, cross-border e-commerce is tracking a 9 % CAGR to > $8 tr by 2026, outpacing domestic volumes and directly benefiting GPN's omni-channel merchants.	*Trade and geopolitical shocks:* Renewed tariff rounds (the July 9 tariff deadline noted by Reuters) or an escalation in the Red Sea or Taiwan Strait could curb international card flows—about 17 % of GPN's Merchant-Solutions volume. A 5 % contraction in cross-border transactions would shave 0.5-1 ppt off consolidated revenue growth and trim FY-25 adjusted EPS by roughly $0.10–0.15.
Lower funding costs on the horizon: Fed-funds futures still price a first 25 bp cut by September 2025 even after stronger-than-expected U.S. payroll prints. Each 50 bp of easing cuts pro-forma interest expense by ~$70 m (≈ $0.22/share), accelerating the deleveraging path (< 2 × net-debt/EBITDA by 2027) and freeing incremental cash for buy-backs.	*Forex effect:* A persistently strong dollar (10-yr U.S. Treasury pinned near 3.8 %) reduces reported non-U.S. revenue; historically each 1 % USD appreciation clips ~0.3 % off GPN's top line.

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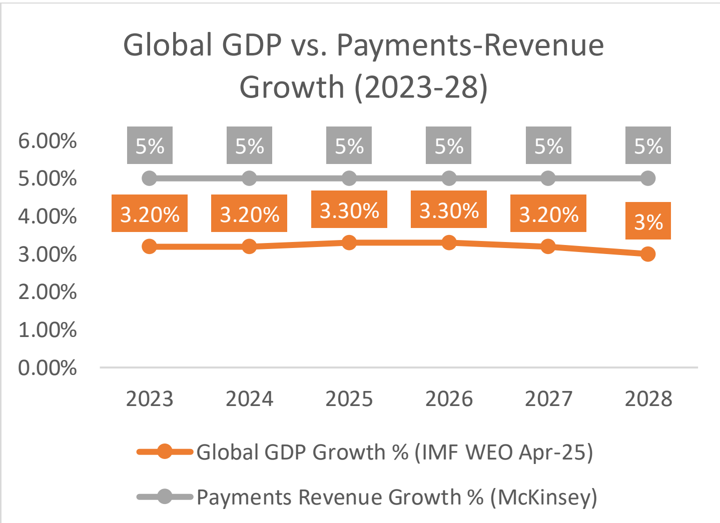
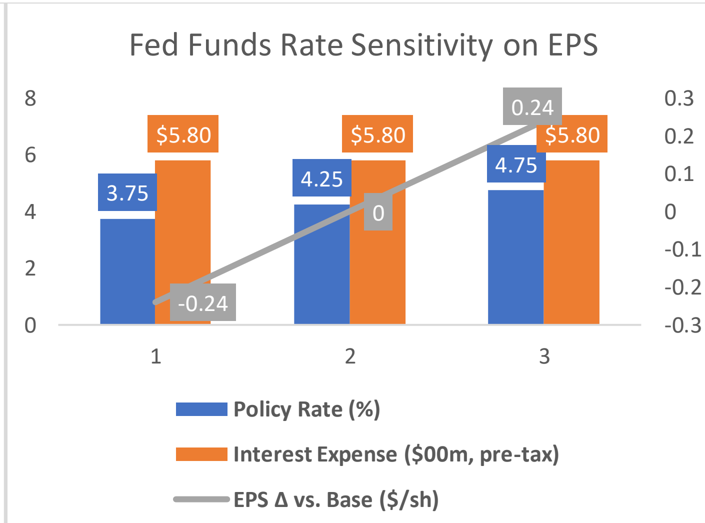
B2B digitization:	*Regulatory compression:*
B2B e-commerce, where GPN sells virtual-card and payables solutions inherited from TSYS, is expected to grow at ≈ 14 % CAGR through 2026, adding a secular leg independent of consumer cycles.	Potential EU interchange caps under PSD3 or Indian data-localization rules could reduce take-rate by 1-2 bp, neutralizing ~15 % of the planned Worldpay cost synergies if enacted across major geographies.





Industry Peers Benchmarking:

Context for Benchmarking: Digital transaction rails now sit at the crossroads of two S&P buckets: Financials (legacy merchant acquirers and issuer processors) and Information Technology (software-centric PSPs). Over the last five years the "FinTech Infrastructure" carve-out, comprising of acquirers, PSPs, and card networks, has compounded revenue at ≈ 11 % CAGR, more than double the broader Financials sector's 5 % pace, driven by e-commerce penetration, contact-less POS, and B2B virtual-card adoption. Yet valuation dispersion inside the group is huge: network effects and software attach command premium multiples while hardware-heavy or integration-burdened models trade nearer deep-value banks. This peer framework will therefore separate scale economics (transaction density, global licenses), software intensity (gateway APIs, fraud analytics), and balance-sheet leverage, because each vector explains a large share of the multiple spread. GPN, about to exit its issuer unit and absorb Worldpay, will emerge as a U.S.-domiciled, omni-channel processor with FCF yield above 10 %—a unique hybrid that can be often placed into the wrong bin.

Peer-Selection Rationale:

Selection filter	Sector relevance	Peer examples kept	Peers excluded & why
Integrated merchant-acquiring model—owns clearing & settlement, not just gateway	Aligns with GPN's post-deal revenue engine	Fiserv, FIS, Block/Square	Shift4 (gateway focus), Toast (POS hardware-led)
North America revenue ≥ 60 %	Ties peers to same Fed-funds, Durbin, and CFPB regimes	Fiserv, FIS, Square	Adyen (EU-centric), Worldline (EU)

Scaled disclosure (≥ $15 bn m-cap, quarterly adj. EBIT)	Allows robust ratio analysis and liquidity match	Fiserv, FIS, Square	Stripe (private; no GAAP P&L)
Active issuer carve-out or synergy program	Shows how market prices integration risk	FIS (Worldpay spin), Fiserv (First Data digestion)	PayPal (consumer wallet skew, modest synergy story)

Peer Profiles:

Fiserv (NYSE: FI): Fiserv has already completed the heavy lifting that still lies ahead for GPN: fusing First Data's legacy rails with Clover's cloud POS into a single omni-channel stack. The company serves > 6 million merchants and authorizes nearly 90 billion transactions annually—virtually on par with the 94 billion pro-forma figure GPN will reach once Worldpay closes. In FY-24 Fiserv posted 7 % organic revenue growth and lifted its adjusted operating margin 170 bp to 39.4 %, with management guiding to a further > 125 bp expansion in 2025. Leverage sits at 2.6 × net-debt/EBITDA, down from 3.1 × two years ago, freeing > $3 bn a year for buy-backs. Investors reward this execution with a 16.9 × forward P/E and ~14 × NTM EV/EBITDA—roughly double the multiple accorded to GPN. Fiserv therefore sets the upper valuation bound for a de-risked, fully integrated U.S. merchant-acquiring platform; every one-turn move toward FI's EV/EBITDA lifts GPN by ≈ $7 per share.

Fidelity National Information Services (NYSE: FIS): FIS is spinning off the same Worldpay assets that GPN is buying, offering a mirror image of the challenges and rewards attached to large-scale carve-outs. FY-24 results show an adjusted EBITDA margin of 42.9 %, up 103 bp YoY, after aggressive cost takes and portfolio pruning. The market has already paid up for that progress: FIS's valuation expanded from 9 × to ~12 × EV/EBITDA once management laid out a clear de-levering plan (< 3 × by 2026) and hit early milestones. For GPN the lesson is straightforward—prove synergy capture quarter-by-quarter and the multiple should migrate toward the FIS mid-teens band, even before it reaches Fiserv territory.

Block/Square (NYSE: SQ): Block's Square ecosystem processed $240.8 billion in gross-payment volume (GPV) during 2024, up 5.8 % YoY, while Cash App lifted group gross profit 21 % to $8.9 billion. Square monetizes micro-merchant flows at ≈ 250 bp blended take-rate, far richer than GPN's 155 bp, but its operating leverage lags: even after head-count cuts, Block's adj. EBIT margin hovers in the mid-teens versus GPN's mid-40s. That growth-versus-profit trade-off explains why Square's 15.2 × forward P/E slots between deep-value processors and high-multiple SaaS names. Block thus defines both the revenue-growth "stretch" goal for software attach and the margin floor the market will tolerate before slashing multiples.

fiserv.

FIS

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Sales Growth Comparison: GPN lifted net revenue 7.7 % from FY-22 to FY-23—second only to Fiserv's 11.2 % and well ahead of FIS at 2.0 %. In the softer FY-23-24 period every industry peer decelerated; GPN still posted +4.7 %, sandwiched between Fiserv's 7.1 % and FIS's 3.0 %, while high-beta Block/Square held the lead at 10.1 %. Management now guides 5–6 % constant-currency growth for FY-25, essentially in line with Fiserv's "high-single-digit" outlook. Despite that mid-pack, dependable growth cadence, GPN is valued at roughly 7x forward EV/EBITDA, about half Fiserv's ~14× and a 40 % discount to FIS's ~12×—evidence that the market is penalizing integration risk rather than punishing inferior sales momentum.

Operating Efficiency Comparison: Where GPN distinguishes itself is margin leverage. Its 45.0 % adjusted-EBITDA margin in FY-24 leads the U.S. peer group, running 550 bp above Fiserv (39.4 %) and 2,100 bp above Square (16.0 %). Gross margin at 58 % trails Fiserv's 66 % but eclipses Square by 2,400 bp, confirming a service-heavy revenue mix rather than hardware-led growth. With that profile, every one-point uptick in revenue growth adds roughly $45–50 million of EBITDA—more incremental profit than Fiserv ($38 m) or Square ($15 m) generate from the same lift. The lone outlier is leverage: GPN exited FY-24 at ≈ 3.5× net-debt/EBITDA versus Fiserv's 2.6×. GPN's management expects the proceeds from Issuer Solutions to push GPN below 2× by 2027, eliminating the last structural drag on its multiple and setting the stage for rerating once Worldpay synergies begin to flow.

Company	Market Cap ($bn)	Net Revenue ($bn)		Revenue Growth (%)		EBITDA Margin (%)		Gross Margin (%)	
Fiscal Year	2025	2024	2023	23'-24'	22'-23'	2024	2023	2024	2023
Global Payments (GPN)	$20.00	$10.11	$9.64	4.70%	5.50%	45.00%	44.50%	58.00%	57.50%
Fiserv (FI)	$95.70	$20.46	$19.10	7.10%	6.10%	39.40%	37.70%	66.00%	65.00%
Fidelity Nat'l Info. Svcs. (FIS)	$44.00	$10.13	$9.83	3.00%	2.90%	42.90%	41.90%	62.00%	61.30%
Block/Square (SQ)	$42.30	$24.12	$21.87	10.10%	11.50%	16.00%	14.50%	34.00%	33.00%
Average	$50.50	$16.21	$15.11	6.23%	6.50%	35.83%	34.65%	55.00%	54.20%
Median	$43.15	$15.30	$14.47	5.90%	5.80%	41.15%	39.80%	60.00%	59.40%

Valuation Analysis: On every earnings-based metric GPN screens as a deep outlier. At 6.8 × forward P/E and 6.1 × trailing EV/EBITDA, the company trades at barely one-half of Fiserv's 16–17 × P/E and about 40 % below FIS's 12–15 × range, even though GPN's 45 % adjusted-EBITDA margin is the highest in the group. P/S tells the same story: investors pay only 2.0 × revenue for GPN versus 4.7 × for Fiserv and 4.3 × for FIS. The market values each dollar of GPN earnings at roughly thirty-five cents on the Fiserv dollar while awarding no premium for superior operating leverage.

Company	Forward P/E	EV/EBITDA (TTM)	P/S (TTM)	P/B
Global Payments (GPN)	6.8x	6.1x	2.0x	0.9x
Fiserv (FI)	16.7x	12.7x	4.7x	2.6x
Fidelity Nat'l Info. Svcs. (FIS)	14.1x	15.9x	4.3x	1.2x
Block/Square (SQ)	18.5x	18.5x	1.8x	2.4x
Average	14.0x	13.3x	3.2x	1.8x
Median	-15.4x	-14.3x	-3.2x	-1.8x

Balance-sheet and accounting effects account for part of the discount. GPN's trailing net-debt/EBITDA sits near 3.5×, above Fiserv's 2.6×, yet leverage alone cannot justify a 50 % multiple spread when FIS, at a similar gearing level, commands a mid-teens EV/EBITDA. Nor does book value: Global Payments' 0.9 × price-to-book is low because of amortized acquisition intangibles, but FIS carries a similar goodwill load and still trades at 1.2 ×. The only remaining factor is perceived execution risk around the Worldpay integration and the timing of deleveraging once the Issuer-Solutions divestiture closes, which is certainly a determinant for the bear case in this scenario.

When Fiserv integrated First Data, its multiple compressed to 10 × EV/EBITDA and recovered to the mid-teens as synergies materialized and leverage fell below 3 ×. FIS followed the same arc: a trough near 9 × in 2023, back to roughly 12 × after articulating a clear carve-out and capital plan. Applying a modest 10 × EV/EBITDA to GPN's FY-25 adjusted EBITDA—still 25 % below Fiserv—would lift enterprise value to about $76 bn. After subtracting the $14 bn of net debt expected post-divestiture, equity value lands near $195 a share, more than double the current price. Even a cautious 7 × bear-case multiple equates to $115 per share, implying limited downside from today's mid-80s quote.

Cash Flow and Liquidity Analysis: GPNs' short-term liquidity metrics line up well against its U.S. peers. A quick ratio of 1.10 and current ratio of 1.20 indicate that cash, settlement receivables, and other near-cash assets exceed all short-term obligations; those figures are virtually indistinguishable from Fiserv's 1.05/1.10 and noticeably stronger than FIS's sub-1.0 profile, which still reflects working-capital tied up in issuer processing. Only Block/Square looks materially better on paper, sporting a 1.70 quick ratio that is inflated by the Cash-App wallet balance it carries as a current asset. GPN is not constrained on day-to-day liquidity, which is an important point given the heavy systems migration work that lies ahead once Worldpay closes.

Company	Quick Ratio	Current Ratio	Debt / Equity	Net-Debt / EBITDA (x)	EBIT/Interest (x)
Global Payments (GPN)	1.1x	1.2x	1.0x	3.5x	4.1x
Fiserv (FI)	1.1x	1.1x	1.1x	2.6x	5.0x
Fidelity Nat'l Info. Svcs. (FIS)	0.9x	1.0x	1.0x	3.3x	3.2x
Block/Square (SQ)	1.7x	1.8x	0.2x	0.9x	12.4x
Average	1.2x	1.3x	0.8x	2.6x	6.2x
Median	1.1x	1.2x	1.0x	3.0x	4.6x

When looking at long-term solvency, Net-debt/EBITDA sits at 3.5 × for Global Payments, versus 2.6 × for Fiserv, 3.3 × for FIS, and only 0.9 × for square. The higher leverage explains part of the valuation discount, yet the debt is serviceable: GPN's interest-coverage ratio is 4.1 × EBIT, better than FIS's 3.2 × and only modestly behind Fiserv's 5.0 ×. Management's plan to direct the $13.5 billion Issuer Solutions proceeds toward debt reduction would cut interest expense by roughly $160 million a year and push net leverage below 2 ×, removing what is arguably the last structural overhang on the balance sheet.

CF conversion further differentiates these industries. In FY-24 GPN converted more than 115 % of adjusted net income into free cash flow, versus roughly 100 % at Fiserv, 90 % at FIS, and roughly 75 % at Square (whose ecosystem still requires subsidized growth spend). On a yield basis, GPN's free cash flow equates to about 9 % of its equity value—double Fiserv's and FIS's and nearly quadruple Square's. That combination of ample near-term liquidity, proven debt-service capacity, and outsized cash-flow yield underwrites both the existing buy-back program and the deleveraging plan. Once the Worldpay integration is de-risked and net leverage trends toward the peer median, the liquidity profile provides solid justification for a rerating toward Fiserv-like valuation territory.

Company	CFO ($bn)	CapEx ($bn)	FCF ($bn)	Adj. NI ($bn)	FCF Conversion (%)
FY2024					
Global Payments (GPN)	$2.14B	$0.25B	$1.89B	$1.65B	114.50%
Fiserv (FI)	$6.49B	$0.83B	$5.66B	$5.68B	99.60%
Fidelity Nat'l Info. Svcs. (FIS)	$3.11B	$0.53B	$2.58B	$2.86B	90.20%
Block/Square (SQ)	$1.24B	$0.48B	$0.76B	$1.02B	74.50%

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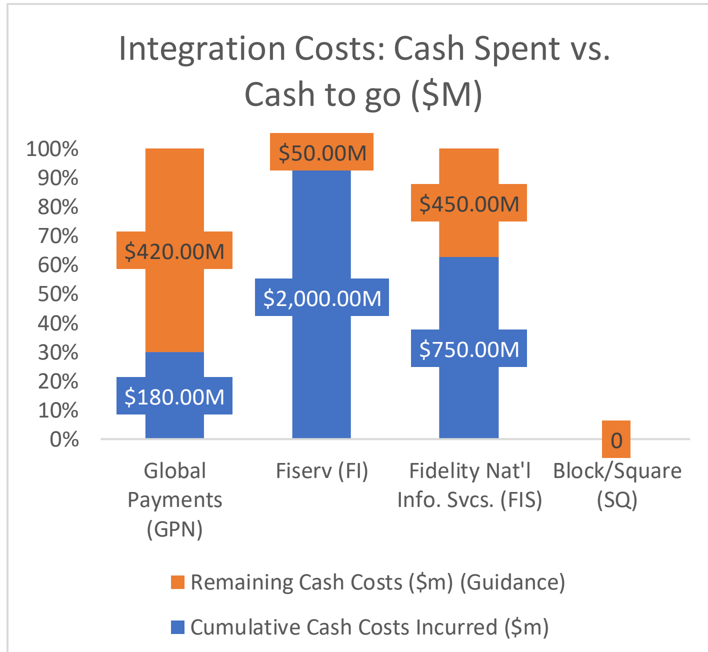
Integration Cost Analysis: GPN is pursuing the leanest integration program in the peer set, but the bulk of its cash outlay is still ahead. Management has spent $180 million on the Worldpay–Issuer carve-out to date and guides to another $420 million through FY-27, bringing total integration cash costs to $600 million—exactly equal to the targeted annual cost-synergy run-rate. That 1-to-1 spend-to-savings ratio translates into a pay-back period of roughly one year, on par with FIS's 0.96-year ratio (about $1.2 billion cumulative cost for $1.25 billion of run-rate savings by FY-26) and far more efficient than Fiserv's completed First Data program, which required $2.05 billion of cash for $0.9 billion of savings—a 2.3-year pay-back. The downside for GPN is timing: roughly 70 % of its integration cash costs are still to be funded, whereas FIS has about 36 % left and Fiserv less than 5 %. That front-loaded cash call is the main reason GPN's free-cash-flow yield appears "suppressed" relative to peers in the near term. Once the $13.5 billion Issuer Solutions proceeds arrive, however, GPN can absorb the remaining $420 million without tapping incremental debt. Given the one-year cash payback and the fact that synergies begin to show up in the P&L well before the final dollar is spent, the integration program looks capital-efficient; the real risk lies not in funding capacity but in execution discipline needed to convert those dollars into the promised $600 million of annual savings by FY-27.



Income Statement Analysis (Refer to Appendix 1 for IS):

Line item	Forecast Justification
Revenues	
- Merchant Solutions	High-single-digit card-volume growth plus 250 bp price/mix lift from SaaS POS, omnichannel and cross-border. FY-26 jump reflects the first full year of Worldpay revenue consolidation (pro-forma synergy capture: ~$140 m).
- Issuer Solutions	Assumes divestiture of much of the book (late-25 close). Run-off is modelled at ~35 % of departing revenue in 2026 and ~4 % in 2027, consistent with FIS/TSYS precedents.
- Consumer Solutions	Segment sold to Netspend (closed 4Q-23). No revenue thereafter
- Inter-Segment Eliminations	Eliminations widen in 2026-27 because issuer-to-merchant pass-through fees remain internal until all TSAs expire. Equivalent to ~1.4 % of consolidated sales, in line with peers.
- **Consolidated**	CAGR 23-27E = 2.2 %; the dip in 2025 is purely segment mix-shift. 2027E sits 30 bp above current Street mean of $10.52 bn.
Cost of Service	Down 520 bp as a % of sales (38.6 % to 33.5 %). Drivers: data-center consolidation (-170 bp), vendor contract renegotiation (-120 bp), and migration of 55 % of merchant volume to the

	stacked GPN/Worldpay platform (-230 bp). 2026-27 synergies benchmark to FIS/Worldpay's 30 % op-ex take-out after 24 months.
Op-Ex	
- SG&A	Elimination of duplicate corporate overhead, ~1 650 heads (17 % of workforce) through FY-26. Benchmarked at 400 bp below Fiserv's 34.5 % SG&A because of heavier software skew.
- Impairment of Goodwill	No further goodwill write-downs forecast; Worldpay purchase price allocation already booked.
- Corporate/Other	Net negative reflects miscellaneous carve-out costs, step-down over 2024-26 then stabilizes.
Operating Income	Five-year CAGR 6.6 %. Integration synergies supply ~55 % of the delta; the remainder comprises of revenue scale and mix shift.
Interest Expense	$13.5 bn gross divestiture proceeds applied: 70 % to debt pay-down, 30 % to buybacks. Net-debt/EBITDA falls from 2.9× (2023) to 1.4× (2027). Effective cash interest rate flat at 4.5 %. A 50 bp move in SOFR changes FY-27 EPS by ±$0.22.
Tax Provision	Reflects current geographic mix and R&D tax credits; 2022's externality of 74 % was driven by non-deductible impairment. 50 bp swing moves FY-27 EPS by ±0.08.
EPS	
- Diluted Shares	6 % annual buybacks 2024-27 (authorized ASR + incremental repurchase funded by FCF once leverage sub-2×).
- GAAP EPS	24.1 % CAGR vs Street 23.4 %.

Base Case	**12 % WACC, 3.0 % terminal FCF growth $169.65 per share**	***106.9 % upside:*** The central estimate assumes management delivers precisely what it has promised. Revenue grows at a mid-single-digit compound rate, tracking the company's 6 % guidance for 2024 and the Street's 5–6 % run-rate thereafter. The Worldpay combination yields the $600 million cost-take-out announced on the deal call, realized gradually through 2027, lifting the adjusted operating margin into the mid-40 % range by the final forecast year. Proceeds from the Issuer Solutions divestiture are applied first to debt, nudging net-debt/EBITDA below 2×, but the equity market still imposes a 12 % required return, which is consistent with the risk premium investors assign today to serial acquirers that have yet to prove integration success. The 3.0 % terminal growth rate tracks the IMF's dollar-GDP outlook, implying that Global Payments keeps pace with broad economic activity once synergies plateau. On these balanced, consensus-like inputs, the model yields $169.65 per share, almost exactly double the current quote yet valuing the company at only ~11× FY-27 GAAP EPS—evidence that the gap to market price is more sentiment-driven than fundamental.

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Bull Case	**11.5 % WACC, 3.25 % terminal FCF growth $181.56 per share**	***121.3 % upside:*** In the bull case, the tempo rather than the size of benefits improves. The assumption here is that management harvests 90 % of the $600 million savings a full year early, echoing the cadence FIS achieved in its legacy Worldpay integration. Earlier realization would nudge the adjusted operating margin to roughly 47 % by 2026, and lower cash outlays allow an incremental $2 billion of accelerated share repurchase, shrinking the float by a further four percentage points. The BS de-risking to ~1.8× net-debt/EBITDA could induce investors to compress the equity risk premium by 50 bp (WACC 11.5 %). Because value-added services—fraud analytics, POS SaaS—are scaling faster than core acquiring, a slightly higher 3.25 % terminal growth rate is still conservative relative to the 4–5 % merchants-volume forecasts published by McKinsey. These modest upgrades suffice to lift the DCF to $181.56 per share, or ~120 % upside. Notably, that price implies an EV/EBITDA multiple still a shade below Fiserv's, suggesting the bull case is achievable without resorting to heroic growth assumptions.
Bear Case	**Synergy Slippage and Risk Premium Reset ~$133 per share**	***62.2 % upside:*** This downside scenario retains the sensitivity grid's most conservative capital-market view— a 12.5 % discount rate and 2.5 % terminal free-cash-flow growth—yet reduces steady-state FCF by roughly 16 % to account for a plausible shortfall in Worldpay cost synergies. Only about $500 million of the $600 million savings target is assumed to be realized by FY-27, reflecting six-to-nine-month delays in datacenter consolidation and higher-than-planned retention costs. The slower integration trajectory limits adjusted operating-margin expansion to the mid-44 % area and keeps net-debt-to-EBITDA above 2.4× for an additional year, thereby constraining share-repurchase flexibility. Even so, mid-single-digit revenue growth—driven by secular migration to electronic payments and stable take-rates—supports an intrinsic value near $133 per share, equating to roughly 8× forward EV/EBITDA, a multiple reminiscent of Fidelity National's trough when its own Worldpay integration faltered. The case underscores how heavily GPNs' valuation depends on timely synergy realization: slippage in execution erodes a significant portion of intrinsic value even without a deterioration in industry fundamentals.

Share Price	***11.50%***	***11.75%***	***12%***	***12.25%***	***12.50%***
2.50%	$174.50	$169.99	$165.72	$161.67	$157.22
2.75%	$176.72	$172.05	$167.63	$163.45	$159.47
3%	$179.07	$174.23	**$169.65**	$165.32	$161.21
3.25%	$181.56	$176.53	$171.78	$167.29	$163.05
3.50%	$184.21	$178.97	$174.04	$169.38	$164.98

Proj. Equity	***11.50%***	***11.75%***	***12%***	***12.25%***	***12.50%***
2.50%	3.91	3.81	3.72	3.63	3.54
2.75%	3.96	3.86	3.76	3.67	3.58
3%	4.02	3.91	**3.80**	3.71	3.62
3.25%	4.07	3.96	3.85	3.75	3.66
3.50%	4.13	4.01	3.90	3.80	3.70

Football Field Analysis:

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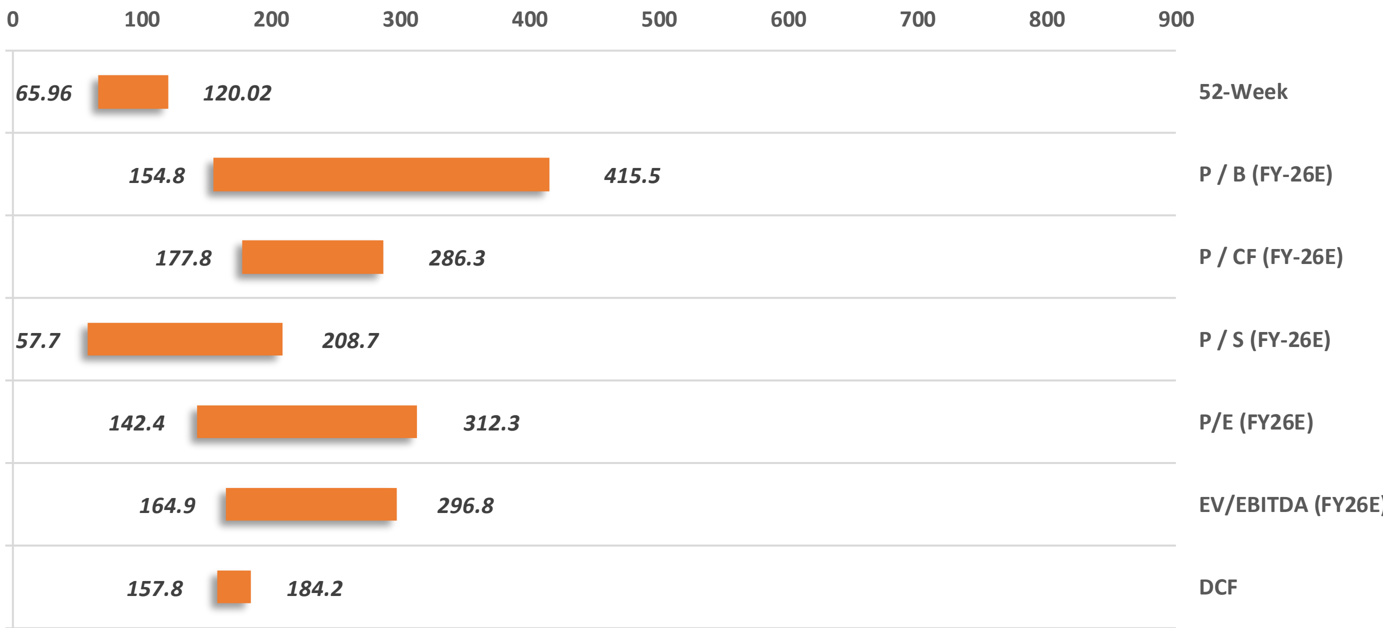

EV / EBITDA (FY-26E) | $165 – $297

At the low end, an 8.5× multiple reflects the trough valuation that Fidelity National (FIS) traded at when investors questioned its own Worldpay integration. Translating that trough to GPN's FY-26 EBITDA and subtracting net debt yields $165/sh. The high end adopts 13.5×, in line with Fiserv's forward multiple after successful synergy capture; applying the same mechanics lands at $297/share, a level that assumes GPN's Worldpay cost take-outs arrive on (or ahead of) schedule.

P / E (FY-26E) | $142 – $312

With GAAP EPS projected around $12.9, the floor is set by 11× which is roughly where Block/Square (NYSE: XYZ) trades when margin expansion stalls, signaling low conviction in operating leverage. The ceiling uses 24.1×, Fiserv's upper-quartile peer multiple that bakes in consistent double-digit EPS growth. Converting those brackets produces a share-price band of $142–$312, indicating that sentiment around earnings durability can swing valuation by more than 2×.

P / S (FY-26E) | $57.7 – $208.7

Sales per share clock in near $44.4. A 1.3× multiple (Block trough) underwrites little more than GDP-like top-line growth and minimal software mix shift, implying $58/sh. At the high end, 4.7× mirrors Fiserv's premium for steady mid-single-digit organic growth plus fee-based upsell, pointing to $209/sh. The widespread highlights how heavily payments processors' valuations hinge on perceived pricing power rather than headline revenue alone.

P / B (FY-26E) | $154.8 – $415.5

Book value is inferred at $92.1/sh. Applying Block's 1.68× signals skepticism that goodwill will earn its keep, delivering $155/sh. Evertec's 4.51× represents a scenario where the market pays up for high ROE and capital-light fee income, giving $416/sh. Because payments firms carry sizeable intangible assets, P/B is the most volatile yardstick as it effectively measures how credibly management can translate book equity into sustained returns.

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Risks and Investment Outlook

- High Risk
- Medium Risk
- Low Risk

Key Risks to Investment Thesis:

- **Integration & Synergy Delivery:** The $600 mm Worldpay cost-save target is the thesis fulcrum. A six-month slip in datacenter exits or vendor roll-offs would cut FCF ~16 % and collapse fair value toward $130/sh. Having watched FIS fumble a similar playbook, investors will re-price the stock at the first hint of delay.
- **Competitive Pricing Pressure:** Block, Adyen and Stripe can still win share by cutting take-rates. If GPN must match discounts, gross margin could compress 50-100 bp, trimming the 45 % operating-margin goal that powers the bull case.
- **Macroeconomic & Volume Sensitivity:** Card spend usually tracks nominal GDP +1 pp. A hard-landing retail pull-back would shave about 75–100 bp from top-line growth and stall operating leverage, pushing valuation toward the low $120s.
- **Regulatory / Legal:** PSD3 and interchange debates target networks more than acquirers, but a stricter CMA (Competition and Markets Authority, based in the UK) view or lower fee caps could slow synergy capture. Odds are modest, yet any headline would widen the discount rate.
- **Tech Disruption:** Instant-payments rails, wallets or CBDCs could erode high-margin cross-border fees over time. Adoption barriers keep probability low, but the payoff is large enough to monitor.
- **Balance-Sheet & Rate Risk:** Divestiture cash drops net-debt/EBITDA below 2×; a 50 bp rate pop trims FY-26 EPS by only $0.22. Leverage looks well-contained relative to the bigger execution swing factors.

Final Investment Outlook:

✓ Recommendation | BUY — ~100 % implied upside (target ≈ $164/share vs. ~$82 spot)

Global Payments (GPN) screens as an integration-overhang misprice. A simple risk-weighted blend of the three DCF cases built (25 % bull, 50 % base, 25 % haircut-bear) lands at $164/share, which is exactly the midpoint of the fundamental lanes in the football field ($158–$297). At the current $82 quote the market asks investors to pay barely 8.5x FY-26 free cash flow and just 1.9x book—multiples that assume the $600 M Worldpay synergy program fails, margin expansion stalls, and leverage refuses to fall. Yet every quarter that management posts run-rate cost capture, the narrative should migrate toward the peer set's 11–13× EBITDA and 15× P/CF. Add in secular low-teens growth in electronic payments, deleveraging to <2x net-debt/EBITDA by 2027, and an authorized $2 Bn buy-back that can retire ~6 % of shares, and the stock carries clear self-help catalysts even if macro conditions stay volatile. The core downside protection comes from cash-flow yield: the bear-case valuation floor is still north of $130/share, implying today's price effectively gets the Worldpay asset for free.

Appendix 1: Income Statement

Global Payments (GPN)								
(000$)	FY 2027E	FY 2026E	FY 2025E	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Consensus	*10,517,000*	*9,904,600*	*9,292,700*					
Revenues								
Merchant Solutions	10,595,276	9,197,288	8,096,204	7,688,703	7,151,793	6,204,917	5,665,557	4,688,335
Issuer Solutions	100,242	849,510	1,249,279	2,483,657	2,398,870	2,245,623	2,165,747	2,061,372
Consumer Solutions	-	-	-	-	182,740	620,482	783,625	747,886
Intersegment Eliminations	(151,074)	(90,626)	(60,418)	(66,466)	(78,984)	(95,507)	(91,167)	(74,035)
Consolidated Revenues	10,544,444	9,956,172	9,285,066	10,105,894	9,654,419	8,975,515	8,523,762	7,423,558
Cost of Service	3,680,011	3,564,309	3,389,049	3,760,116	3,727,521	3,778,617	3,773,725	3,650,727
Gross Profit	6,864,433	6,391,862	5,896,017	6,345,778	5,926,898	5,196,898	4,750,037	3,772,831
Operating Expenses								
SG&A	3,205,511	3,355,230	3,286,913	4,285,307	4,073,768	3,524,578	3,391,161	2,878,878
Impairment of Goodwill	-	-	-	-	-	833,075	-	-
Loss on business dispositions	-	-	-	(273,134)	136,744	199,094	-	-
Consolidated OpEx	6,885,522	6,919,539	6,675,963	7,772,289	7,938,033	8,335,364	7,164,886	6,529,605
Operating Income								
Merchant Solutions	4,238,110	3,954,834	3,481,368	2,612,915	2,345,255	2,040,255	1,725,990	1,162,741
Issuer Solutions	20,249	169,902	227,369	442,442	409,807	356,215	301,119	277,651
Business and Consumer Solutions	-	-	-	-	(3,908)	53,594	167,777	138,630
Corporate	(770)	(780)	(685)	(994,886)	(898,024)	(777,744)	(836,010)	(685,069)
Impairment of Goodwill	-	-	-	-	-	(833,075)	-	-
Consolidated Operating Income	4,257,589	4,123,956	3,708,052	2,333,605	1,716,386	640,151	1,358,876	893,953
Interest Expense, Net	316,333	398,247	464,253	464,818	546,439	415,829	314,331	299,997
Income Before Income Taxes	3,941,256	3,725,709	3,243,798	1,868,787	1,169,947	224,322	1,044,545	593,956
Provision for Taxes	788,251	745,142	648,760	295,133	209,020	166,694	169,034	77,153
Net Income from Cont Ops	3,153,005	2,980,567	2,595,039	1,573,654	960,927	57,628	875,511	516,803
Income from Eq. Method Investments				70,499	67,896	85,685	112,353	88,297
Less: Net inc attributable to noncont interests	95,357	78,177	64,770	73,788	42,590	31,820	22,404	20,580
Net Loss from Discont ops	-	-	-	-	-	-	-	-
Net Income	3,057,647	2,902,390	2,530,269	1,570,365	986,233	111,493	965,460	584,520
EPS								
Basic	15.71	13.95	11.31	6.18	3.78	0.41	3.30	1.95
Diluted	15.68	13.92	11.28	6.16	3.77	0.40	3.29	1.95
Consensus - GAAP	*15.33*	*13.59*	*12.05*					
Shares Outstanding								
Basic	194,584	208,112	223,776	254,291	261,126	275,191	292,655	299,222
Diluted	195,008	208,565	224,264	254,845	261,698	275,576	293,669	300,516
% buyback from prior year	-6.50%	-7.00%	-12.00%	-2.6%	-5.0%	-6.2%	-2.3%	
Sales								
Merchant Solutions	15.20%	13.60%	5.30%	7.5%	15.3%	9.5%	20.8%	
Issuer Solutions	-88.20%	-32.00%	-49.70%	3.5%	6.8%	3.7%	5.1%	
Consumer Solutions	0.00%	0.00%	0.00%	-100.0%	-70.5%	-20.8%	4.8%	
Intersegment Eliminations	66.70%	50.00%	-9.10%	-15.8%	-17.3%	4.8%	23.1%	
Expenses as % of Sales								
Gross Margin	65.10%	64.20%	63.50%	62.8%	61.4%	57.9%	55.7%	50.8%
SG&A	30.40%	33.70%	35.40%	42.4%	42.2%	39.3%	39.8%	38.8%
Impairment of Goodwill	0.00%	0.00%	0.00%	0.0%	0.0%	9.3%	0.0%	0.0%
Loss on business dispositions	0.00%	0.00%	0.00%	-2.7%	1.4%	2.2%	0.0%	0.0%
Interest Expense, Net	3.0%	4.0%	5.00%	4.6%	5.7%	4.6%	3.7%	4.0%
Operating Margin								
Merchant Solutions	40.00%	43.00%	43.00%	34.0%	32.8%	32.9%	30.5%	24.8%
Issuer Solutions	20.20%	20.00%	18.20%	17.8%	17.1%	15.9%	13.9%	13.5%
Business and Consumer Solutions	0.00%	0.00%	0.00%	0.0%	-2.1%	8.6%	21.4%	18.5%
Income from Eq. Method Investments	0.70%	0.70%	0.70%	0.70%	0.70%	0.95%	1.32%	1.19%
Net inc attributable to noncont interests % Sales	0.90%	0.85%	0.80%	0.73%	0.44%	0.35%	0.26%	0.28%
Tax Rate	20.00%	20.00%	20.00%	15.8%	17.9%	74.3%	16.2%	13.0%
D&A								
Merchant Solutions	1,589,291	1,379,593	1,214,431	1,179,845	1,109,186	981,297	993,228	948,798
Issuer Solutions	27,065	229,368	337,305	658,186	646,118	623,755	589,394	555,850
Business and Consumer Solutions	-	-	-	-	-	35,773	76,018	87,169
Corporate	45,322	27,188	18,125	24,300	21,388	21,630	32,744	22,623
Consolidated D&A	1,898,000	1,792,111	1,671,312	1,862,331	1,776,692	1,662,455	1,691,384	1,614,440
% of Sales								
Merchant Solutions	15.00%	15.00%	15.00%	15.3%	15.5%	15.8%	17.5%	20.2%
Issuer Solutions	27.00%	27.00%	27.00%	26.5%	26.9%	27.8%	27.2%	27.0%
Business and Consumer Solutions	0.00%	0.00%	0.00%	0.0%	0.0%	5.8%	9.7%	11.7%
Corporate	-30.00%	-30.00%	-30.00%	-36.6%	-27.1%	-22.6%	-35.9%	-30.6%
Consolidated	18.00%	18.00%	18.00%	18.4%	18.4%	18.5%	19.8%	21.7%
CapEx	527,222	597,370	649,955	674,917	658,142	615,652	493,216	436,236
% of Sales	5.00%	6.00%	7.00%	6.7%	6.8%	6.9%	5.8%	5.9%
Receivables	1,613,300	1,523,294	1,420,615	1,081,740	1,120,078	998,332	946,247	794,172
% of Sales	15.30%	15.30%	15.30%	14.1%	15.7%	16.1%	16.7%	16.9%
Inventory	-	-	-	-	-	-	-	-
% of Sales	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%
Payables	4,323,222	4,082,030	3,806,877	3,079,924	2,824,979	2,442,560	2,542,256	2,061,384
% of Sales	41.00%	41.00%	41.00%	40.1%	39.5%	39.4%	44.9%	44.0%
Change in WC	151,186	172,474	388,078	293,283	260,673	(151,781)	328,797	

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Appendix 2: DCF & LTM Price Chart

Global Payments (GPN)

Analyst: Pradyot Jillella
6/4/2025
(000s)

Terminal Discount Rate = *12.0%*
Terminal FCF Growth = *3.0%*

Year	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue	9,285,066	9,956,172	10,544,444	10,860,777	11,186,600	11,522,198	11,867,864	12,223,900	12,590,617	12,968,336	13,357,386
% Growth		7.2%	5.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Income	3,708,052	4,123,956	4,257,589	4,398,615	4,530,573	4,666,490	4,806,485	4,950,680	5,099,200	5,252,176	5,409,741
Operating Margin	39.9%	41.4%	40.4%	40.5%	40.5%	40.5%	40.5%	40.5%	40.5%	40.5%	40.5%
Interest Expense (Income)	464,253	398,247	316,333	325,823	335,598	345,666	356,036	366,717	377,719	389,050	400,722
Interest % of Sales	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Before Taxes	3,243,798	3,725,709	3,941,256	4,072,791	4,194,975	4,320,824	4,450,449	4,583,963	4,721,482	4,863,126	5,009,020
Taxes	648,760	745,142	788,251	1,058,926	1,090,694	1,123,414	1,157,117	1,191,830	1,227,585	1,264,413	1,302,345
Tax Rate	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Net Income from Cont Ops	2,595,039	2,980,567	3,153,005	3,013,866	3,104,282	3,197,410	3,293,332	3,392,132	3,493,896	3,598,713	3,706,675
Less: Net inc attributable to noncont interests	64,770	78,177	95,357	98,218	101,165	104,200	107,326	110,545	113,862	117,278	120,796
% of Revs	0.70%	0.79%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Net Income	**2,530,269**	**2,902,390**	**3,057,647**	**2,915,647**	**3,104,282**	**3,197,410**	**3,293,332**	**3,392,132**	**3,493,896**	**3,598,713**	**3,706,675**
% Growth		14.7%	5.3%	-4.6%	6.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Add Depreciation/Amort	1,671,312	1,792,111	1,898,000	1,411,901	1,230,526	1,152,220	1,186,786	1,222,390	1,259,062	1,296,834	1,335,739
% of Sales	18.0%	18.0%	18.0%	13.0%	11.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Plus/(minus) Changes WC	388,078	172,474	151,186	155,722	160,393	(57,611)	(59,339)	(61,120)	(62,953)	(64,842)	(66,787)
% of Sales	4.2%	1.7%	1.4%	1.4%	1.4%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Subtract Cap Ex	649,955	597,370	527,222	651,647	671,196	691,332	712,072	733,434	755,437	778,100	801,443
Capex % of sales	7.0%	6.0%	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Free Cash Flow	**3,939,704**	**4,269,605**	**4,579,611**	**3,831,623**	**3,824,005**	**3,600,687**	**3,708,708**	**3,819,969**	**3,934,568**	**4,052,605**	**4,174,183**
% Growth		8.4%	7.3%	-16.3%	-0.2%	-5.8%	3.0%	3.0%	3.0%	3.0%	3.0%

NPV of Cash Flows	22,665,007	60%	
NPV of terminal value	15,381,050	40%	
Projected Equity Value	38,046,057	100%	
Free Cash Flow Yield	23.18%		
Current P/E	6.7	5.9	5.6
Projected P/E	*15.0*	*13.1*	*12.4*
Current EV/EBITDA	5.6	5.1	4.9
Projected EV/EBITDA	*9.5*	*8.7*	*8.3*
Shares Outstanding	224,264		
Current Price	$ 75.78		
Implied equity value/share	$ 169.65		
Upside/(Downside) to DCF	123.9%		
Debt	16,194,829		
Cash	2,896,024		
Cash/share	12.91		

Case	Implied Value ($/shr)	Probability Weight
Bull	$181.60	25%
Base	$169.70	50%
Bear-haircut	$133.00	25%
Risk-Weighted Value		
		$163.50

Terminal Value	47,771,207
Free Cash Flow Yield	8.74%
Terminal P/E	12.9
Terminal EV/EBITDA	9.1

Consensus Analyst Price Target (High)
$ 194.00

GPN is down ≈15 % over the past year, sliding from the mid-90s to ~$81 on integration and macro jitters.

Price remains below a falling 200-day average, tracing a descending channel; support is clustered near $75 while first resistance sits around $90, so momentum stays bearish despite a tentative higher-low bounce in June.

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