

How to Fix Worldline

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Digital Transactions

November 1, 2025

By early fall, the storied European payments consolidator Worldline's stock was down fully 96% from its April 2021 high. The market is worried about the company's lack of growth and sources of revenue. It cries out for an intervention.

Worldline's new chief executive, Pierre-Antoine Vacheron, has a short window of opportunity to change its trajectory. If he doesn't, private equity or a trade buyer or buyers will acquire Europe's largest payment processor in whole or, more likely, in pieces to boost the performance of its portfolio of payment-processing assets.

The European payment giant's rich 2021 valuation apogee was predicated on the idea that the pandemic would increase electronic payments growth. Moreover, the company had revenue and cost synergies with acquisitions and processing across the payments value chain in multiple geographies. That spurred confidence that management could and would deliver robust, profitable organic growth.

That story hasn't panned out.

The electronic payments market is healthy. While the French processing behemoth's management cited a difficult economic climate in Europe as a reason for its revenue decline, Europe's electronic payments market is growing much faster than the more mature US market.

And Worldline has attractive—but not enough—beachheads outside Europe. In 2024, card payments in Worldline's main served market, the European Union, increased 11.1% year-over-year. In 2024, purchase transactions for the global general-purpose card networks increased 12.4% year-over-year worldwide.

However, despite growing European and global payment markets, the beleaguered French payments consolidator is shrinking.

In 2022, chief executive Giles Grapinet said Worldline's top-line growth should fall between 9% and 11% from 2022 through 2024. It delivered in 2022, generating 10.7% organic revenue growth. Thereafter, it didn't. Organic growth in 2023 was 6%, then slid to a paltry 0.5% in 2024, which in real terms was negative. And, in the first half of 2025, Worldline shrunk an alarming 4.4%.

This is particularly worrisome because most of its banks' and merchants' payment volumes should be growing with economic growth and with electronic payments continuing to take share from cash. Absent pricing concessions and/or client attrition, revenue should increase naturally.

Compounding Worldline's problems, regulators and media in multiple markets have cast doubts on the sources of its revenue. The French payments behemoth has been

dogged by allegations of lax compliance serving reputationally challenged merchants.

On July 26, 2023, Germany's Federal Financial Supervisory Authority banned its German subsidiary, Payone, from processing transactions for high-risk merchants. In 2024, Worldline terminated risky merchants accounting for €130 million in annual revenue. The Brussels Public Prosecutor's Office is investigating Worldline's Belgian unit. And, in June 2025, press reports alleged Worldline was still doing business with high-risk merchants in Germany and the Nordics.

Serving legal but reputationally-challenged businesses can be highly profitable. And the company says "high brand risk" merchants only account for about 1.5% of its acquiring volume. But the sources of Worldline's revenue, like Caesar's wife, must be above suspicion.

Opportunity Cost

With over 50 years of relentless M&A activity, Worldline built massive scale, expanded markets served, and enriched its product suite. Acquisitions of such companies as Banksys, Equens, and Six gave it dominant payment-processing positions in Belgium, the Netherlands, and Switzerland, respectively.

Picking up Ingenico in 2020, Worldline declared it was creating Europe's leading payment processor. And integrating acquired processors has been in its wheelhouse. Based on its history of acquiring and

integrating payment processors, Worldline touted the “certainty of synergy delivery” when it acquired Ingenico.

Worldline, like Fiserv, FIS, Global Payments, Nexi, and other payment-processing consolidators, has promised cost and revenue synergies with acquisitions.

Rationalizing duplicative platforms, operations and administrative overhead eliminates costs and enables processing economies of scale to be realized. However, there’s a large cost, and larger opportunity cost, attributable to dedicating resources to identifying functionality differences between platforms, replicating functionality, and converting merchants and banks.

These are cross-sell opportunities, but revenue synergies, while more appealing, are difficult to bank on.

Moreover, diseconomies stemming from complexity management have frustrated not only Worldline but other acquisitive payment processors. After picking up acquirer Worldpay in 2019, FIS reversed course and spun it off in 2024.

And, in quest of a narrower and simpler business, Global Payments, too, did a 180, selling its card-issuer processing business, Total Systems, prepaid card business Netspend, and health-care software provider AdvancedMD, as well as its gaming and payroll businesses.

Now, Worldline has sold the point-of-sale terminal business it acquired with Ingenico to Apollo Funds and is

selling its Mobility and e-Transactions Services business to Magellan Partners.

Vacheron must now quickly take stock of the flagging payment-processing giant's considerable portfolio of payment processing and network assets, and act to change its trajectory. He needs to restore organic growth and confidence in the quality and sources of its revenue—as well as confidence with existing and prospective bank and merchant clients.

It won't be easy.

The payments market is hypercompetitive, and traditional and nimbler “modern” competitors aren't standing still.

Worldline is an industrial-strength payment processor relied on by financial institutions and merchants. It understands how to compete with traditional bank and nonbank processors. It doesn't, however, match up so well against more aggressive and nimbler fintechs and modern processors, and has been relatively weak in critical and sizzling-hot e-commerce and integrated payments.

Multiple Platforms

Culture matters. Payment processors like Adyen, Shift4, and Stripe, can fairly be described as having enterprising, can-do cultures. Those aren't adjectives that jump to mind in describing the lumbering French processing behemoth. Changing the culture and course of a huge, bureaucratic multinational processor can't be done on a dime.

Most delivery-system costs are fixed, so Worldline, with scale on both sides of the payments ecosystem, in principle, enjoys significant operating leverage. But unlike Adyen, which operates off a single platform worldwide and has eschewed acquisitions, Worldline has multiple platforms under the hood. These platforms diminish its operating leverage and clients' ease of integrating across multiple markets.

To be sure, Worldline has advantages over fintechs and smaller processors. While not as big as the U.S. payment-processing colossus Fiserv, Worldline has enormous scale in transactions and accounts processed.

Its suite of issuer, merchant, and interbank processing services have benefited from decades of enhancements informed by clients. And its broad and deep delivery footprint in core European markets should help serve multinational banks and merchants.

Worldline often touches transactions from end-to-end, and, consequently, should be able deliver more value for merchants, banks, and cardholders. It's in a position to support campaigns to consumers generating additional sales.

If a processor generates sales for merchants and payments for banks, there's more revenue for everybody, less pressure on fees, and lower attrition. And that makes it easier to win new clients.

The French processing behemoth has powerful traditional distribution channels. Its joint ventures with BNP in Italy, with Credit Agricole in France, with Eurobank in Greece,

with the German Savings Banks, Payone, and with ANZ in Australia, extend its reach.

Europe's payments industry is heavily regulated. Worldline management has talked up their understanding of, and appreciation for, heavy-handed EU regulation, intimating that's an advantage over American competitors.

Beating Market Growth

All processors should stay within the legal and regulatory guardrails. But that's not a competitive advantage. Worldline would do better to have a laser focus on delighting customers, besting competitors, and maximizing shareholder value, not signaling euro-piety, which the market doesn't value.

The shrinking processing giant's underperforming but valuable assets, with good management, should produce predictable annuity streams of fees. In the first half of 2025, its revenue was \$2.588 billion. But, with a market cap of \$850 million, Worldline is valued at a dismal .16x revenue.

By contrast, its U.S. payments consolidator peers Fiserv, FIS, and Global Payments are valued at 3.66x, 3.56x, and 2.15x revenue, respectively. European peer Nexi trades at 1.11x revenue

High-growth Adyen, serving six continents, is valued at a heady 18.2x revenue. The Dutch phenom grew 20% year-over-year in the first half of 2025. Privately held Stripe generates roughly the same revenue as Worldline but is

valued at a whopping \$106.7 billion. It grew payment volume roughly 40%, 22%, and 28% in 2024, 2023, and 2022, respectively. The market likes credible, high-growth, and global stories.

While the struggling French payment-processing giant isn't going to generate organic growth north of 20%, it should aim to at least beat market growth and for a valuation comparable to its payment consolidator peers.

Worldline isn't greater than the sum of its parts. It should be.

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