

Fiserv, Inc.

Nasdaq: FISV (NYSE: FI until 11 Nov 2025) · ISIN US3377381088 · Payments and core banking technology: Clover, merchant acquiring, debit networks, card issuing, digital banking · Module A

**Billen Capital
Research**
Initiating
Coverage
3 October
2026

RATING	ACCUMULATE
TARGET PRICE (12-month, HR-1)	USD 65 per share
FAIR VALUE TODAY	USD 58.69 probability-weighted; base USD 68.91; base range USD 60 – 79 (WACC 9.6 % / 8.4 %)
CURRENT PRICE	USD 44.36 (Nasdaq close 2 October 2026, Fiscal.ai) — a new 52-week low; 52-week high USD 127.56 (3 Oct 2025)
UPSIDE TO TP	47% (to fair value today 32%)
CONVICTION	2 of 5

Market cap USD 23.6bn (531.8m shares, 31 Jul 2026) · gross debt USD 27.9bn incl. finance leases (30 Jun 2026) · EV USD 50.4bn · adjusted revenue LTM USD 19.5bn · adjusted EPS guidance 2026 USD 7.20–7.40 (ours 7.11 normalised for the Q1 tax benefit, 7.28 as reported) · P/E 6.2x 2026E, 5.5x on 2027 consensus · company FCF LTM USD 4.25bn, ≈ USD 3.4bn expected for 2026 at the company's ≈ 90 % conversion (14% of market cap) · no dividend · Q3-26 results ≈ 28 October 2026 (estimated) · Holder currency SEK · plan weight 2.7 % (INI-PLAN-001)

The one variable that decides this case: whether Fiserv's revenue stops falling. At USD 44.36 the shares need adjusted revenue to shrink ≈ 0.8% a year for a decade with margins and investment at our base, or the adjusted operating margin to settle at ≈ 26% (H1-26: 30.8 %), or a WACC of 11.0%. If revenue merely stays flat in nominal terms, the equity is worth ≈ USD 51–57 — 15%–28% above the price. Our base needs a little more: revenue +1.7% a year and a 1.8-point margin recovery. The first datapoint is the Q3 report: Financial Solutions organic growth (–8 % in Q2) and whether the 2026 guidance survives a third cut.

A franchise priced for managed decline — run by a management that has given the market every reason to believe it. Fiserv processes debit for thousands of US banks, runs the core ledgers of a large share of US banks and credit unions, owns two debit networks (STAR, Accel) and sells Clover, a merchant platform with USD 367bn of annualised payment volume. Management puts recurring revenue at 84 %. Since October 2025 the company has cut its outlook twice (2025 adjusted EPS USD 10.15–10.30 → 8.50–8.60; 2026 USD 8.00–8.30 → 7.20–7.40, seven weeks after reaffirming it), its 2026 margin guidance has slid from 33–35 % to 31–31.5 %, the CEO who led the October 2025 reset has left for Truist, and the President and the Chief Legal Officer have followed; the SEC and SDNY are investigating the 2025 guidance. The shares fell 65 % in twelve months. The price now sits between our bear case — revenue shrinking ≈ 1 % a year and a 30 % margin forever (USD 32) — and our base of stagnation and slow recovery (USD 69). We rate it ACCUMULATE: the expected value is clearly above the price, but the left tail is real (severe case USD 4) and the next print can still disappoint.

Author: Billen Capital Research (Pär Magnus). Research for private investment purposes. Not investment advice. All figures in USD unless stated. [R] reported, [M] management guidance or statement, [K] consensus (Alpha Vantage, 33–36 analysts — reserve source, UIP-037), [BCR est.] Billen Capital Research estimate, [calc.] own calculation from printed figures, [BCR assumption] modelling assumption, [S] secondary source. Valuation struck at the 30 Jun 2026 balance sheet (Form 10-Q Q2-26) and rolled to 2 Oct 2026 at the scenario cost of equity (HR-3). "Adjusted" follows Fiserv's definitions (excl. acquired-intangible amortisation, M&I, severance, One Fiserv costs; incl. share-based pay). Revised after an internal Devil's Advocate review (v2): see the self-audit. Full disclaimer at the end.

Investment summary

THESIS IN FIVE FALSIFIABLE CLAIMS

- The price discounts managed decline.** Run backwards through our engine, USD 44.36 needs adjusted revenue to fall $\approx$ 0.8% a year from 2026 to 2035 with base margins, or a 26% margin for good, or an 11.0% WACC [calc.]. A combination — revenue -1% a year, a 30 % margin and no growth after 2035 — is our bear case (USD 32). Falsified (against us) if organic growth is still below -2% in Q4-26 (when the company guides $\approx$ +mid-single digits) or if the 2027 guide implies negative organic growth.
- Financial Solutions is flat underneath, not collapsing.** H1-26 organic growth was -7% , concentrated in license and data-and-analytics sales that inflated H1-25, Q3-25 debit pricing actions and bill pay [R, Q226 p41–42; M, T-Q1-26]. Core accounts fell 3 %; management calls the attrition "steady" since 2023 and the segment "flattish on a clean basis" [M]. The filed numbers are softer than the words: Financial processing-and-services revenue fell 1.3 % in H1-26 [R, Q226 p30]. Our base has Financial at -0.5% in 2027 and $+0.5-1\%$ thereafter. Falsified if Financial organic growth is still below -4% in Q4-26 and Q1-27.
- The margin has bottomed near 31 %.** The adjusted operating margin fell from 39.4 % (2024) to 30.8 % (H1-26). We assume 31.8 % in 2027 and 33.0 % from 2030 — about half of the company's plan ($+50$ bp a year plus ≥ 200 bp from Project Elevate by 2029) [M, P-Q2-26]. Each point is worth $\approx$ USD 4 a share. Falsified if the 2027 guide is below 31 % or two quarters print below 30 %.
- Cash carries the debt.** At the company's own $\approx 90\%$ conversion target, 2026 free cash flow is $\approx$ USD 3.4bn (14% of market value); the LTM USD 4.25bn is flattered by Q2 timing [M, T-Q2-26]. Gross debt of USD 27.9bn is 3.2x adjusted EBITDA on the company's measure (covenant 3.75x), with $\approx$ USD 9.5bn maturing in 2027–29 [R, K25 p79, after the June tender]. Our base repays USD 3.5bn by 2029. Falsified if rolling FCF falls below USD 2.8bn or the rating falls below BBB–.
- The legal costs are bounded.** The SEC/SDNY investigation and the class action cover a period in which the market value fell $\approx$ USD 30bn in one day (29 Oct 2025). We carry USD 0.3bn in the base, 0.5bn in the bear and 1.5bn in the severe case; the aggregate legal accrual is USD 18m [R, Q226]. We have no base rate for settlements in our corpus. Falsified if a settlement or provision exceeds USD 1.5bn.

TARGET PRICE AND METHOD

Module A calls for a free-cash-flow DCF on volume and price drivers with five endpoints. The engine builds Merchant Solutions bottom-up — Clover ($+10\%$ a year to 2029, below the company's 15–20 %), the non-Clover small-business book (-5% a year), Enterprise ($+3-4\%$) and Processing ($-4-5\%$) — and Financial Solutions as one line. It deducts cash restructuring (One Fiserv, severance, M&I; 0.7 % of revenue in steady state), total capex including software and hardware acquired under financing arrangements (net capex 1.5–2 % of revenue to 2029), working capital including Clover Capital advances, a 20 % cash tax with no amortisation shield and a coupon roll-over in the interest line. The terminal value reinvests g / RONIC of NOPAT (g 1.5 %, RONIC 15 %). WACC is 9.03% (K_e 11.5 % = CAPM 10.5 % + 1 pp specific premium; pre-tax K_d 6.75 %; 60 % equity). The bridge at 30 June 2026 deducts gross debt of USD 27,886m, accrued interest (341), the cash not available to the parent (382) and an expected legal cost of 300, and adds affiliates (1,031) and the business held for sale (177). The 12-month target is USD 65 (HR-1): $\Sigma p \times \text{value} \times (1 + K_e \text{ of the scenario}) = 65.46$, no dividend, rounded to the dollar. HR-1 assumes the price converges to value within a year — the least certain part of any target. As a cross-check, 9–10x our 2027 adjusted EPS (7.26) gives USD 65–73. With the SEK weights (10/20/40/20/10) the target would be USD 74. The CIO may override the weights (HR-8).

Exhibit 1 — Expected return decomposition

% ; BCR est.

Component	12 months	5 years, per year
Base case: price $\rightarrow$ base value rolled one year at K_e (no dividend)	73.2%	21.8%
Total expected return, probability-weighted (house weights 10/30/40/15/5)	47.6%	17.9%
Total expected return, probability-weighted (SEK weights 10/20/40/20/10)	67.9%	21.0%
Bear case only (managed decline: revenue $\approx -1\%$ /yr, 30 % margin, g 0 %)	-19.5%	4.8%
Severe case only (structural melt, 1.5bn legal, downgrade)	-90.9%	—

Source: engine_FISV; workbook tabs Scenarios, Required return; Billen Capital Research estimates.

Takeaway: The expected return is attractive (17.9% a year over five years on house weights), but the probability of loss is 40%: the bear case is below the price. This is a positive-expected-value position with a fat left tail, not a margin-of-safety position.

THREE REASONS THE PRICE COULD BE RIGHT

1. **Nobody can forecast this company.** Management reaffirmed 2026 guidance on 15 June and cut it seven weeks later; the 2026 margin guide has gone from 33–35 % (Oct-25) to 31–31.5 %. The H2 bridge rests on "delays", "timing" and "client ramps" [M, T-Q2-26] — the same words that preceded both cuts.
2. **The core is leaking and the volumes are slowing.** Core accounts –3 %, small-business volume growth +2 % in Q2-26 (from 7 % in Q1; an analyst called it "the weakest we have seen in a while"), consumer payments –1 %, organic growth ex Argentina –5 % in each of Q1 and Q2 [R, P-Q2-26; T-Q2-26]. Financial Solutions' margin fell from 48.7 % to 38.7 % in a year.
3. **The equity is a thin slice.** EV USD 50bn against USD 27.9bn of debt: each 10 % on enterprise value moves the equity ≈ 21 %. Market cap is below book equity (USD 26.9bn), and one reporting unit passed the Q4-25 goodwill test with 3.7 % headroom [R, K25 p32].

KEY MONITORABLES (CURRENT LEVEL)

Organic growth –5 % (Q2-26; Merchant –1 %, Financial –8 %; ex Argentina –5 %) · adjusted operating margin 31.8 % · Clover GPV +11 % ex gateway · small-business volume +2 % · core accounts –3 % · recurring revenue +2 % [M, undefined] · FCF USD 4.25bn LTM · gross debt/adjusted EBITDA < 3.2x · One Fiserv + severance USD 227m a quarter · shares 531.8m. Thresholds in Section M.

Flag line. 50% of base enterprise value — but 87% of base equity value — is the terminal value at end-2035. The first-order risk statistics are the discount rate (± 50 bp $\approx \pm$ USD 8 a share), Merchant growth and the margin. The fair-value spread across scenarios — USD 4 to 128 — is the widest in our coverage.

What would make us wrong

1. **Q3-26 ($\approx$ 28 Oct):** a third cut to 2026 guidance or Financial Solutions organic growth below –6 %. That would move probability from base to bear; at 20/40/30/10/0 our weighted value would be $\approx$ USD 44.
2. **Margin:** if $\approx$ 30 % is the new normal, the base revenue path is worth USD 58; the full bear operating path at base WACC USD 41.
3. **Discount rate:** at Ke 12.5 % (WACC 9.6 %) the base is $\approx$ USD 60; the price needs 11.0%.
4. **Debt:** a downgrade below investment grade would trigger coupon step-ups of up to 2 % on certain notes [R, K25 p44] and stop buybacks.
5. **Legal:** a settlement above USD 1.5bn, or charges against individuals that reach the company.

The rating is a house research view for the CIO; it is not an order and does not override the CIO's position decision. The house tests pass (HR-2 C 17.9%, A 13.3%; HR-6 2.8x; HR-9 group 1) and the price is below the HR-7 buy level (USD 49). We say ACCUMULATE, not BUY: the probability of loss is 40%, conviction is 2/5 because management's forecasting record is the worst in our coverage, and the position is already 2.7 % of the plan. A first step is defensible now; the second only after Q3-26 supports pillars 1–3. Reduce above USD 68 (HR-5 at 8 %).

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Three debates that decide the case

Our 2026 adjusted EPS is USD 7.11 after removing the Q1 discrete tax benefit (USD 7.28 as the company counts it), against guidance of 7.20–7.40 and consensus of 7.24. For 2027 we are at USD 7.26, 10% below consensus (8.05), because our 2027 revenue grows 0.9% against +3.8 % in consensus (Clover +10 %, not the 15–20 % the company targets). The disagreement with the market is therefore not about 2027 earnings but about what happens after them.

Exhibit 2 — Three debates

BCR est.

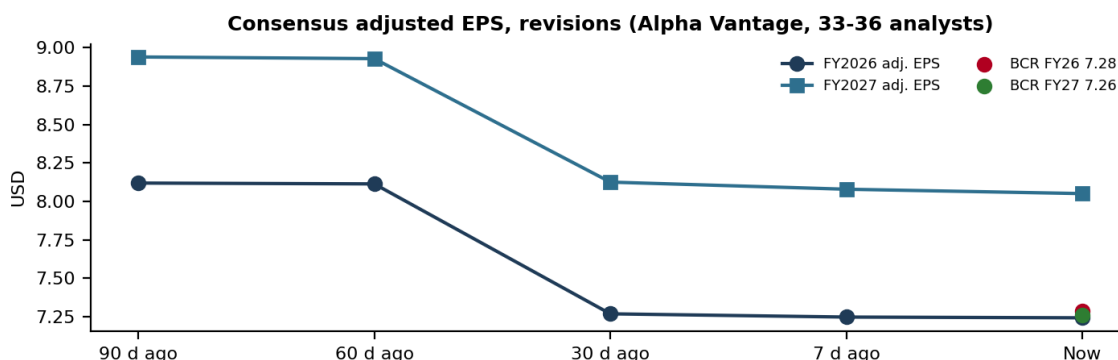
Debate	Our view	The other view	Value at stake (per share)	How we will know
Is the decline structural?	Mostly not: non-recurring license/data, hardware, Argentina, Q3-25 pricing; Financial flat underneath	Core attrition, Clover competition and slowing SMB volume mean revenue keeps falling	Base 69 vs bear 32 vs severe 4	Financial organic growth Q3–Q4-26; 2027 guidance (Feb)
Where does the margin settle?	33 % from 2030: about half of Elevate, no return to 2024	≈ 30 % is normal; 2024 was flattered by under-investment	±1 pp ≈ ±USD 4	Q4-26 margin (company: H2 recovery); 2027 guide
Can this management be trusted?	New CEO, new CFO, activist; the bar is low	Two cuts in ten months, a sliding margin guide, three senior exits, an open investigation	The probability split between base and bear	Q3 delivery against the 6 Aug bridge

Source: Billen Capital Research; engine_FISV; workbook tabs Scenarios, Reverse DCF, Sensitivities.

Takeaway: The first debate carries most of the value; it will be visible in Financial Solutions organic growth within two quarters.

Exhibit 3 — Consensus adjusted EPS and revisions against ours

USD per share; consensus averages



Source: Alpha Vantage EARNINGS_ESTIMATES (reserve source; read 2026-10-03) [K]; engine_FISV.

Takeaway: Consensus fell 10–11 % after the August cut and is still drifting down (31 of 36 FY27 estimates revised lower in the last 30 days). We are below it for 2027 (7.26 vs 8.05).

A0 • Security, structure and cash path

Fiserv is a Wisconsin corporation with one class of common stock. It pays no dividend and has returned capital through buybacks: USD 4.7bn in 2023, 5.5bn in 2024 and 5.6bn in 2025, more than its free cash flow in each of those years [R, K25; R-Q4-25]. Since the October 2025 reset buybacks have been cut to USD 100–200m a quarter and the priority is leverage [M, T-Q2-26]. The share count fell from 683m (2020, after the First Data merger) to 534m diluted in Q2-26.

Exhibit 4 — The security

as stated

Item	Value	Source
Shares outstanding	531,766,721 (31 Jul 2026)	10-Q Q2-26 cover
Diluted weighted shares Q2-26 (valuation count)	533.7m	R-Q2-26 p.6
Shares issued / in treasury	784m / 253m	Q226 p3
Unvested equity awards (unrecognised cost)	USD 515m over 1.9 years; 7.9m RSUs granted in H1-26 at USD 63.97	Q226 p26
Remaining buyback authorisation	≈ 40.8m shares	K25; T-Q3-25
Dividend	None ever paid; none intended	K25 p26
Gross debt incl. finance leases	USD 27,886m	Q226 p21
Cash (of which available to the parent)	USD 627m (245m)	Q226 p3, p50
Settlement assets = settlement obligations	USD 17,561m (outside the bridge)	Q226 p3
Credit ratings	S&P BBB (negative outlook since 5 Nov 2025); Moody's Baa2 stable	K25
Listing	Nasdaq: FISV since 11 Nov 2025 (moved from NYSE: FI; had moved Nasdaq → NYSE in June 2023)	K25 p26; K23 p25
Institutional ownership	≈ 91 % [S]	MarketBeat 2026-09-28

Source: Form 10-K FY2025, Form 10-Q Q2-26, Q2-26 release; MarketBeat [S].

Takeaway: No dividend, a large unused buyback authorisation and BBB ratings with a negative outlook: capital return is now a residual after debt.

Exhibit 5 — From market value to enterprise value

USD m; 2 Oct 2026 price, 30 Jun 2026 balance sheet

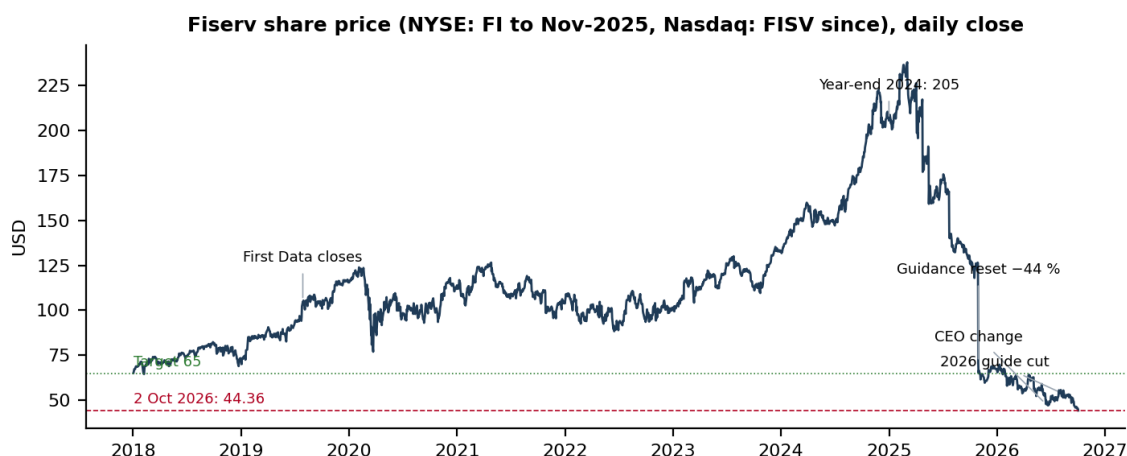
	USD m
Market capitalisation (531.8m × USD 44.36)	23,589
+ Gross debt incl. finance leases	27,886
+ Accrued interest	341
– Available cash	–245
– Affiliates (book) and business held for sale (net)	–1,208
+ Minorities	22
= Enterprise value at the price	50,385
Adjusted EBITDA 2026E (our)	7,976
EV / adjusted EBITDA 2026E	6.3x
EV / adjusted EBIT 2026E	8.3x

Source: Q226 p3, p20, p21; K25 p74; engine_FISV; BCR est.

Takeaway: At 6.3x adjusted EBITDA the market values Fiserv like a business in run-off. The same bridge applied to our base cash flows gives USD 68.91 a share.

Exhibit 6 — Share price since 2018

USD per share, daily close



Source: Fiscal.ai company_stock_prices (NASDAQ_FISV, incl. NYSE: FI history).

Takeaway: The shares are back below where they were before the First Data merger in 2019, although revenue has doubled and the share count has fallen by a fifth since 2020.

A • Company and business model

Fiserv sells technology and processing to two customer groups. **Merchants** (Merchant Solutions, USD 10.1bn revenue in 2025, 51 % of adjusted revenue) buy acceptance, point-of-sale software and hardware, e-commerce gateways and working-capital advances; Clover, the cloud POS platform, contributed ≈ USD 3.3bn [M, T-Q4-25]. **Banks and credit unions** (Financial Solutions, USD 9.7bn, 49 %) buy core account processing, digital banking, card-issuer processing, bill pay, Zelle connectivity and access to Fiserv's two PIN-debit networks, STAR and Accel. The franchise is the product of the 2019 merger with First Data (USD 15.1bn of cash paid for acquisitions in 2019; long-term debt rose from USD 6.0bn to 21.6bn [R, Fiscal.ai standardised]), which brought Clover, merchant acquiring and issuer processing to Fiserv's banking cores.

Revenue is mostly recurring: account- and transaction-based processing fees, monthly minimums and software subscriptions (84 % of adjusted revenue in Q2-26 by management's undefined measure [M, T-Q2-26]; processing and services were 80 % of GAAP revenue in 2025 [R, K25 p2] and fell 0.3 % y/y in Q2-26 [R, Q226]). The non-recurring 16 % — license sales, data and analytics, hardware, professional services, conversion fees — is where the 2026 decline sits. Remaining performance obligations of USD 7.5bn (30 Jun 2026) cover only fixed and minimum fees; transaction fees are excluded under ASC 606 [R, Q226 p13].

Exhibit 7 — Business lines: revenue and H1-26 organic growth

USD m; organic growth H1-26 y/y

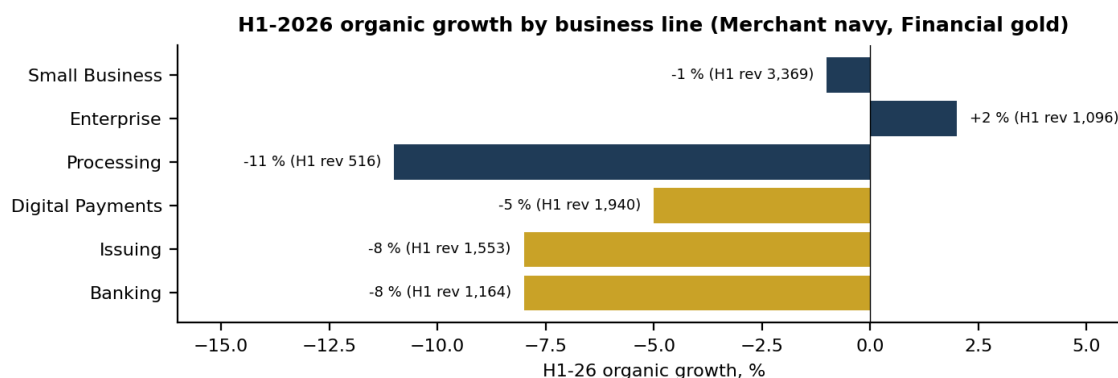
Segment	Business line	FY2025	H1-26	Organic H1-26	What it is
Merchant Solutions	Small Business (Clover, non-Clover SMB)	6,795	3,369	-1 %	Clover POS and software, merchant acquiring for small merchants via banks, ISOs, ISVs; Clover Capital advances
	Enterprise	2,256	1,096	+2 %	Acquiring and e-commerce for large merchants (incl. TD, Wells Fargo legacy)
	Processing	1,089	516	-11 %	Merchant processing for third parties (back-end)
Financial Solutions	Digital Payments	3,945	1,940	-5 %	STAR and Accel debit networks (≈ USD 1bn), Zelle, bill pay, P2P
	Issuing	3,284	1,553	-8 %	Card issuer processing (credit, debit, prepaid), output solutions, student-loan servicing (held for sale)
	Banking	2,435	1,164	-8 %	Core account processing (DNA, Premier, Signature, Finxact...), digital banking, risk
Corporate & Other	Postage reimbursements	1,389	681	—	Pass-through; excluded from adjusted revenue

Source: K25 p63; Q226 p12; P-Q2-26 (organic by business line); R1 §2a.

Takeaway: Five of six business lines shrank in H1-26. Only Enterprise grew, and Small Business — Clover — was roughly flat because hardware, data and Argentina offset GPV growth.

Exhibit 8 — H1-2026 organic growth by business line

% y/y; H1-26 revenue in USD m

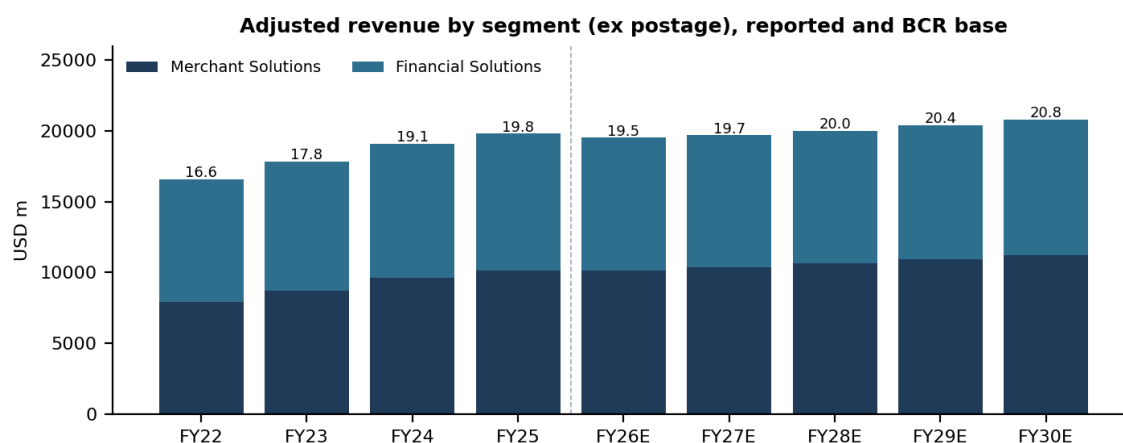


Source: P-Q2-26 L326-376 (organic by business line).

Takeaway: Processing (-11 %) and Issuing/Banking (-8 % each) are the weakest lines; Issuing and Banking carry the core-attrition and non-recurring-comparison story.

Exhibit 9 — Adjusted revenue by segment, 2022-2030E

USD m; adjusted = GAAP less postage



Source: K25 p63; K24 p61; Q226; engine_FISV base.

Takeaway: Our base returns to its 2025 revenue only in 2028 and grows 1.7% a year to 2035 — well below the 4-6 % the company targets for 2026-29.

So what for the valuation. Recurring fees on growing volumes are the reason a DCF gives a value above the price; the 16 % of non-recurring revenue and the shrinking legacy books are the reason the reported numbers fell. The model separates Clover from the shrinking non-Clover and Processing books and holds Financial Solutions roughly flat.

B • Industry structure

Fiserv sits in five markets with different economics. The merchant side is a scale business where software is now the point of competition: Clover competes with Toast and Square for restaurants and retailers and with bank-owned acquirers for referrals. The financial-institution side is an oligopoly of three incumbent core providers with long contracts and high switching costs, under slow pressure from cloud cores. The debit networks are a regulated utility layer whose economics depend on the routing rules of the Durbin amendment. None of these markets is shrinking in aggregate [S]: US card volumes and bank account counts grow with the economy. That is the base rate against which Fiserv's 2026 decline should be read.

Exhibit 10 — Where Fiserv competes

qualitative; market structure [S] unless stated

Market	Main players	Barrier	Pressure point
US merchant acquiring	Fiserv (incl. Clover), JPMorgan Chase, Global Payments/Worldpay, Square (Block), Toast, Stripe, Adyen, Shift4	Scale, bank referral channels (1,000+ partner banks), POS software	Software-led entrants (Toast, Square) win restaurants/retail; enterprise moves to Adyen/Stripe
US core banking	Fiserv, FIS, Jack Henry ($\approx$ 3 incumbents) + cloud cores (Finxact – Fiserv, Thought Machine, Pismo – Visa)	10-year contracts, conversion cost and risk	Attrition at smaller credit unions after forced conversions; cloud cores lower switching cost over time
Card issuer processing	Fiserv (First Data), FIS, TSYS (Global Payments → FIS), Marqeta	Scale, network certifications	Large issuers insource; fintech issuers use API processors
PIN debit networks	STAR, Accel (Fiserv), Pulse (Discover/Capital One), NYCE (FIS) vs Visa/Mastercard	Durbin routing requirement (two unaffiliated networks)	Regulation of routing; card-not-present routing growth
Digital payments	Zelle (EWS) connectivity, bill pay (Fiserv CheckFree), P2P	Bank connectivity	Bill pay declining high single digits (T-Q1-26)

Source: Billen Capital Research from company filings and transcripts (R1, R3); competitor lists are market knowledge [S], not company disclosure.

Takeaway: Fiserv is a leading player in each market it serves [S]. Its 2025–26 problem looks more like execution and mix than a market in decline — which is why the base assumes stagnation and slow recovery, not a return to 2024.

Three structural facts matter for the valuation. First, **volumes in Fiserv's networks still grow**: payment-platform transactions +5 %, Zelle +23 %, card accounts on file +4 %, Clover GPV +11 % ex the gateway conversion (Q2-26) [R, P-Q2-26]. Second, **switching is slow**: core attrition has been "steady" at a level management calls too high since 2023 [M, T-Q4-25]; a 3 % annual loss of core accounts is a decade-long erosion, not a cliff. Third, **pricing is not collapsing**: management calls Clover yield "very stable" and the Q3-25 debit pricing actions a one-time reset [M, T-Q2-26] — but competitors' pricing moves are being "monitored", and that is the line to watch.

So what for the valuation. Our base grows 1.7 % a year to 2035 — below any reasonable estimate of market growth, i.e. continued share loss. The severe case continues the 2026 decline in Financial Solutions (–7 % a year) for three years and shrinks Merchant $\approx$ 3 % a year.

B2 • Regulation**Exhibit 11 — Regulatory exposures**

qualitative; [S] where not from company filings

Rule or theme	What it does	Effect on Fiserv	Materiality
Debit routing (Regulation II / Durbin)	Every debit card must carry two unaffiliated networks; Fed proposals on interchange caps and card-not-present routing	Sets STAR/Accel volumes and pricing; a lower cap on regulated interchange pressures issuers, not networks directly	Medium
Credit card routing (proposed legislation)	Would extend dual-network routing to credit cards	Upside for alternative networks if ever enacted; not in our model	Low
CFPB supervision	Large-participant supervision of payment apps; open-banking rule (Section 1033)	Compliance cost; data-access economics for core providers	Medium
Stablecoins (GENIUS Act), FIUSD	Bank-issued tokens on Fiserv rails (FIUSD) vs. disintermediation	10-K risk factor; optionality and threat	Low-medium
Bank-merger activity	Consolidation removes core clients when acquirers run another core	A source of attrition independent of service quality	Medium
Argentina (BCRA, hyperinflation accounting)	FX controls lifted April 2025; peso devaluation; anticipation economics	Revenue and margin volatility; FX losses below EBIT	Medium

Source: K25 risk factors (p12–18); market knowledge [S].

Takeaway: No regulatory change in sight threatens the franchise; the debit-routing rules are a quiet support for STAR and Accel. Bank consolidation is the regulatory-adjacent driver of core attrition.

C • Segment deep dives

Exhibit 12 — Organic growth and margin by segment, five quarters

% ; adjusted = GAAP for the segments

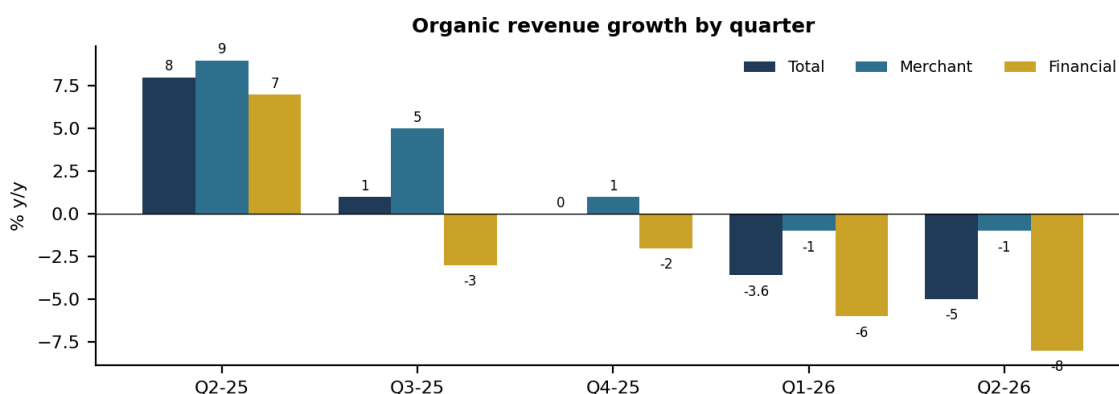
Quarter	Merchant organic	Financial organic	Total organic	Merchant margin	Financial margin	Total adj. margin
Q2-25	9 %	7 %	8 %	34.6 %	48.7 %	39.6 %
Q3-25	5 %	-3 %	1 %	37.2 %	42.5 %	37.0 %
Q4-25	1 %	-2 %	0 %	32.1 %	42.2 %	34.9 %
Q1-26	-1 %	-6 %	-3.6 %	26.4 %	38.1 %	29.7 %
Q2-26	-1 %	-8 %	-5 %	30.0 %	38.7 %	31.8 %

Source: R-Q2-25 – R-Q2-26 segment tables; P-Q1-26 L310 (Q1-26 total -3.6 %).

Takeaway: Both segments decelerated at the same time, which points to company-specific causes (pricing reversals, license comparisons, investment) more than to a single market.

Exhibit 13 — Organic growth by quarter

% y/y

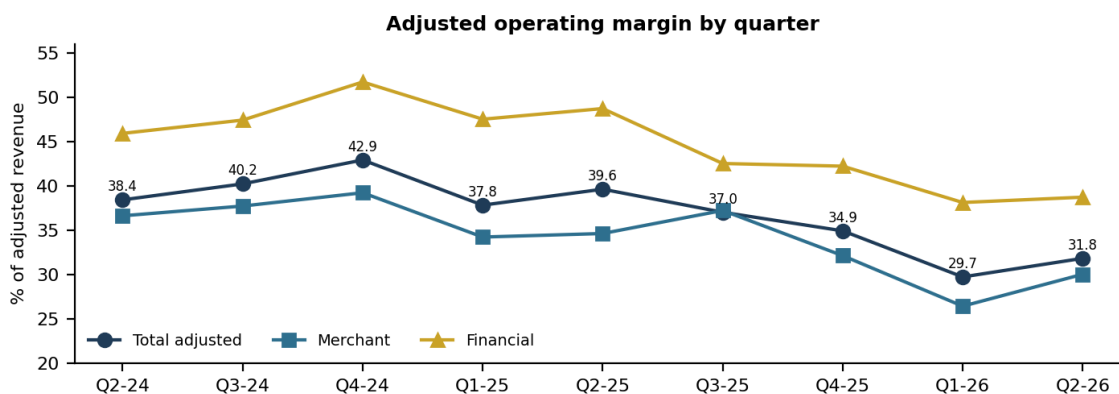


Source: R-Q2-25 – R-Q2-26; P-Q1-26.

Takeaway: Financial Solutions went from +7 % to -8 % in four quarters; Merchant from +9 % to -1 %. The H2 bridge needs Financial to turn positive on easier comparisons.

Exhibit 14 — Adjusted operating margin by quarter

% of adjusted revenue



Source: R-Q2-24 – R-Q2-26 segment tables.

Takeaway: The Financial Solutions margin fell ten points in a year: lost license revenue had near-100 % margin, and management is re-investing in infrastructure ("over USD 100m" in H2-26).

C1 • Merchant Solutions and Clover

Clover is Fiserv's growth asset: ≈ USD 3.3bn of revenue in 2025 (+23 %) [M, T-Q4-25], USD 367bn of annualised payment volume, 25 % of revenue from value-added services, distributed through more than 600 direct sales staff, 1,000+ partner banks (nearly 40 of the top 100 US banks refer it), ISOs and ISVs [M, T-Q1-26; T-Q2-26]. Its reported growth collapsed from +26 % (Q3-25) to +2 % (Q2-26). Management attributes the slowdown to the removal of fees introduced a year earlier, lower hardware

sales after a period of "elevated" device sales, data and analytics comparisons and Argentina's anticipation (advance-settlement) revenue — each a one-off or a comparison effect [M, T-Q2-26]. GPV growth has held at 9–12 %. The non-Clover small-business book ($\approx$ USD 4bn, about a fifth of revenue) is "not a growth business" and fell 5 % in Q2-26 [M, T-Q1-26; T-Q2-26].

Exhibit 15 — Clover: what was promised and what was delivered

as stated by the company

Metric	Q3-25	Q4-25	Q1-26	Q2-26
Clover revenue growth (reported)	+26 % (Q3-25)	+12 % (Q4-25)	+6 % (Q1-26)	+2 % (Q2-26)
... excl. non-recurring (company)	—	high teens	$\approx$ 15 %	13 % (also ex Argentina)
Clover GPV growth (reported / ex gateway)	8 % / 11 %	6 % / 9 %	9 % / 12 %	9 % / 11 %
VAS share of Clover revenue	—	27 %	27 %	25 %
2026 Clover revenue outlook	—	low double digits	low double digits	mid-single digits
Medium-term Clover revenue growth	15–20 %	15–20 %	15–20 %	15–20 %

Source: T-Q3-25 – T-Q2-26; P-Q1-26; P-Q2-26 (R3 §3).

Takeaway: GPV is steady; revenue growth is not. Either take rate fell (management says yield is stable) or the non-GPV revenue — hardware, data, anticipation — was more important than disclosed. The class action alleges the latter.

Our assumptions (built bottom-up). FY2026 Merchant revenue (USD 10.1bn) is split from the 2025 business lines into Clover $\approx$ 3.5bn, the non-Clover small-business book $\approx$ 3.3bn, Enterprise $\approx$ 2.3bn and Processing $\approx$ 1.0bn [BCR assumption; Clover $\approx$ 3.3bn in 2025, M]. Management has put the non-Clover book at $\approx$ USD 4bn (T-Q4-25), which together with Clover would exceed the FY25 Small Business line (USD 6.8bn); we use the 3.3bn residual and flag the gap — on a 4bn base the –5 % drag would be $\approx$ 20 % larger. Base: Clover +10 % a year to 2029 fading to +5 % by 2034 (the fee rollback laps in Q4-26; GPV +10 %); non-Clover SMB –5 % a year; Enterprise +3–4 %; Processing –4–5 %. That gives Merchant 2.2% in 2027 and $\approx$ 2.5–3 % a year to 2030. At the company's 15 % for Clover the segment would grow $\approx$ 3.8 % [calc.: +525 – 166 + 69 – 40 on 10.1bn] — our bull case (15 % for three years).

C2 • Financial Solutions

Financial Solutions had the better reputation and the worse 2026. Organic growth was –3 %, –2 %, –6 % and –8 % in the last four quarters; the segment margin fell from 48.7 % to 38.7 % [R]. The 10-Q attributes the H1 decline to "lower data and analytics sales and license revenue" [R, Q226 p41]; management adds output solutions in Issuing (teens growth in Q2-25), debit-network pricing actions in Q3-25, declining bill-pay transactions and core attrition among smaller credit unions caused by "previous core conversion strategies" [M, T-Q4-25; T-Q1-26]. The strategy of consolidating 16 banking cores into 5 was abandoned in favour of supporting all cores. Lyons described the underlying segment as "flattish today on a clean basis"; recurring revenue grew 2 % in Q2-26 [M]. Finxact, the cloud core, grew accounts more than 75 % and won Flagstar (USD 88bn of assets) [M, T-Q2-26]. The President who ran the segment left in July; two long-serving executives lead it on an interim basis.

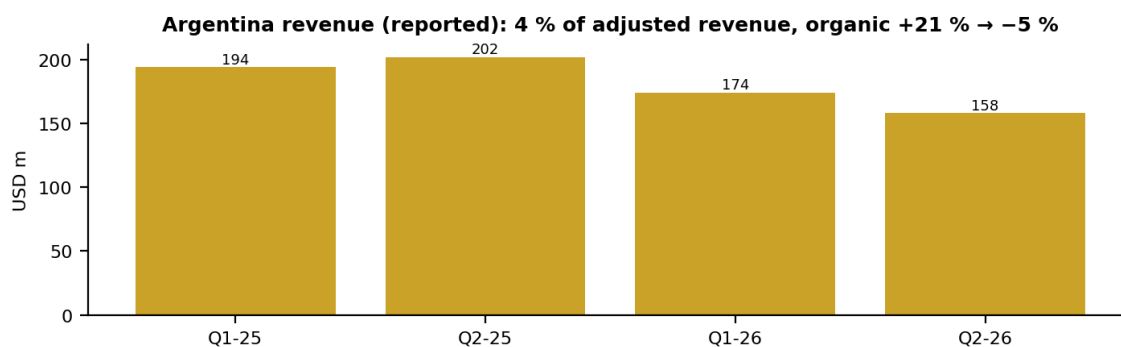
Our assumptions. Financial adjusted revenue +0.7 % y/y in H2-26 against weak H2-25 comparisons (H2-25 was already 5.5 % below H1-25), –0.5 % in 2027 (MoneyPass and student-loan exits), +0.5 % in 2028 and +1 % a year thereafter — "flattish", below the low-single-digit growth management expects after 2026. The filed processing-and-services revenue of the segment fell 1.3 % in H1-26 (4,011 $\rightarrow$ 3,958) even with StoneCastle included [R, Q226 p30].

C3 • Argentina and the quality of past growth

Argentina inflated Fiserv's organic growth for three years: more than 5 points of the 12 % in 2023 and about 10 of the 16 % in 2024, at margins roughly double the group's [M, T-Q3-25]. Ex Argentina, organic growth was 6 %, 6 % and $\approx$ 3 % (2023, 2024, YTD-25). Fiserv's organic measure still includes Argentina at constant prior-period FX — hyperinflation counts as volume. Argentina revenue fell from USD 396m (H1-25) to 332m (H1-26); its organic growth went from +21 % in Q1-26 to –5 % in Q2-26 [R, P-Q2-26]. The anticipation business (advancing settlement funds to merchants) is partly funded by debt whose cost sits in interest expense [M].

Exhibit 16 — Argentina revenue

USD m per quarter, reported



Source: P-Q1-26 L417-439; P-Q2-26 L390-412.

Takeaway: Argentina is now 3–4 % of adjusted revenue and falling; it no longer flatters the group, but it explains part of the 2026 margin decline (≈ 60 bp in Q2-26 [BCR est.]).

So what for the valuation. The ex-Argentina history (6 %, 6 %, 3 %) is the right base rate for "normal" Fiserv growth. Our base 2028–30 (≈ 1.5 –2 %) sits below that history; our bull case (≈ 4 %) at its low end.

C4 • Unit economics**Exhibit 17 — Unit economics and revenue quality**

as stated

Measure	Value	Source	Comment
Clover revenue / GPV	$\approx$ USD 3.3bn / $\approx$ USD 300bn (2025) ≈ 1.1 %	T-Q4-25; P-Q1-26 [calc., approximate]	Take rate stable per management; hardware and data fall away
Clover GPV, annualised	USD 324bn (Q1-26) → 367bn (Q2-26)	P-Q1-26, P-Q2-26	+9 % reported, +11 % ex gateway
VAS share of Clover revenue	25 % (Q2-26)	P-Q2-26	Software and services on top of payments
Debit networks revenue	$\approx$ USD 1bn of $\approx$ 4bn Digital Payments	T-Q4-25 (analyst framing, not disputed)	Pricing reset in Q3-25
Merchant Solutions adjusted margin	34.5 % (2025) → 28.3 % (H1-26)	R-Q4-25; R-Q2-26	Mix, hardware, Argentina, investment
Financial Solutions adjusted margin	45.3 % (2025) → 38.4 % (H1-26)	R-Q4-25; R-Q2-26	Lost license revenue at ~ 100 % margin; infrastructure spend
Revenue outside ASC 606 (interest on advances, settlement cash, POS leases)	USD 1.5bn (2025), 667m (H1-26)	K25 p63; Q226 p12	Rate-sensitive; Argentina anticipation
Subscriber funds held off balance sheet	USD 1.3bn (30 Jun 26)	Q226 p29	Float income small: a 1 pp rate fall cuts interest on subscriber and settlement balances (average USD 3.6bn) by $\approx$ USD 36m a year (K25 p44)

Source: Company filings, presentations and transcripts (R1–R3).

Takeaway: Fiserv discloses few unit economics; the ones it does show stable volumes and falling margins — consistent with a reinvestment phase, not with a pricing collapse.

C5 • Clover against the software-led acquirers

Clover's competitors report gross revenue that includes interchange pass-through (Toast, Block), so growth and margins are not like-for-like with Clover's net revenue. The comparison shows what the market pays for growth: Toast (+23 %) and Block (+5 %) are growing while Fiserv as a group shrank 1 % over the last twelve months, and they are valued at 4–5x Fiserv's EBITDA multiple with far lower margins and higher share-based pay. Clover alone ($\approx$ USD 3.3bn, growing double digits until 2025) would, at a fraction of those multiples, be worth a large share of Fiserv's market value — one reason an activist and a portfolio review are on the scene.

Exhibit 18 — Merchant-platform peers

%; x ; LTM

Company	Rev. growth 1y	Rev. CAGR 3y	EBITDA margin	Op. margin	SBC / revenue	EV/EBITDA
Fiserv (group)	-1.2%	4.2%	38.2%	22.3%	1.8%	6.4x
Toast	23.0%	27.0%	7.1%	6.3%	3.5%	32.2x
Block	5.1%	8.3%	6.2%	4.7%	4.8%	29.1x
Shift4	32.4%	28.2%	19.3%	8.1%	1.8%	7.0x
Global Payments	23.2%	3.3%	36.8%	12.4%	1.3%	10.5x
Adyen	23.3%	23.1%	52.2%	46.3%	2.0%	10.8x

Source: Fiscal.ai company_ratios (2 Oct 2026).

Takeaway: Fiserv earns the second-highest margin (after Adyen) and the lowest multiple. Clover is not separately valued by the market today.

D • Competitive landscape and peers

Fiserv trades near the bottom of the multiple ranges in its peer group (table below). On last-twelve-month GAAP figures it is valued at 6.4x EBITDA and 8.5x earnings, against a median of 10.5x and 20.4x for seven processor and merchant peers. The two closest comparables, FIS (core banking and issuing) and Global Payments (merchant), are also de-rated — the whole legacy-processor group trades at single-digit EBITDA multiples — but Fiserv's EV/EBITDA discount is wider still, and its free-cash-flow yield is among the highest (FIS is similar). On P/E, FIS (5.0x) is cheaper; on EV/EBIT, PayPal (8.0x). The growth companies in the table (Toast, Adyen, Block) trade at 2–5x Fiserv's multiple; Visa and Mastercard at 3–4x.

Exhibit 19 — Peer group: size, growth, margin and multiples

USD m; LTM to 30 Jun 2026; GAAP (vendor definitions)

Company	Mkt cap	EV	Rev. growth	Op. margin	ND/EBITDA	EV/EBITDA	EV/EBIT	P/E	FCF yield
Fiserv	23,589	50,870	-1.2%	22.3%	3.4x	6.4x	10.9x	8.5x	16.6%
FIS	16,729	36,538	18.3%	15.7%	4.8x	8.8x	19.1x	5.0x	16.9%
Jack Henry	9,994	10,022	7.1%	25.0%	0.0x	11.8x	15.8x	20.4x	7.0%
Global Payments	20,741	39,746	23.2%	12.4%	4.8x	10.5x	31.3x	-26.3x	4.0%
PayPal	45,168	47,312	5.7%	17.4%	0.3x	6.8x	8.0x	10.0x	14.6%
Shift4	2,856	6,437	32.4%	8.1%	3.8x	7.0x	16.6x	60.3x	15.2%
Block	44,657	45,112	5.1%	4.7%	0.3x	29.1x	38.6x	132.7x	8.7%
Toast	17,219	15,506	23.0%	6.3%	-3.6x	32.2x	36.0x	38.2x	3.3%
Adyen	30,545	16,857	23.3%	46.3%	-8.8x	10.8x	12.2x	23.5x	1.7%
Corpay	25,909	33,729	20.4%	43.7%	2.8x	12.8x	15.4x	24.0x	6.3%
Visa	673,369	685,232	14.4%	60.7%	0.4x	24.2x	25.4x	30.7x	3.1%
Mastercard	483,785	497,137	16.0%	58.3%	0.6x	23.0x	24.3x	30.4x	3.5%

Source: Fiscal.ai company_ratios (latest, USD), closes 2 Oct 2026 (01_Sources/MKT). Vendor EBITDA and EBIT are GAAP; Fiserv GAAP EBIT is after USD 1.3bn of acquired-intangible amortisation.

Takeaway: Fiserv has a higher margin than every merchant peer except Adyen and the lowest multiple except Euronet-type niche processors. The market prices its decline, not its margin.

D2 • Financial benchmark**Exhibit 20 — Returns, yields and long-run growth**

%; LTM unless stated

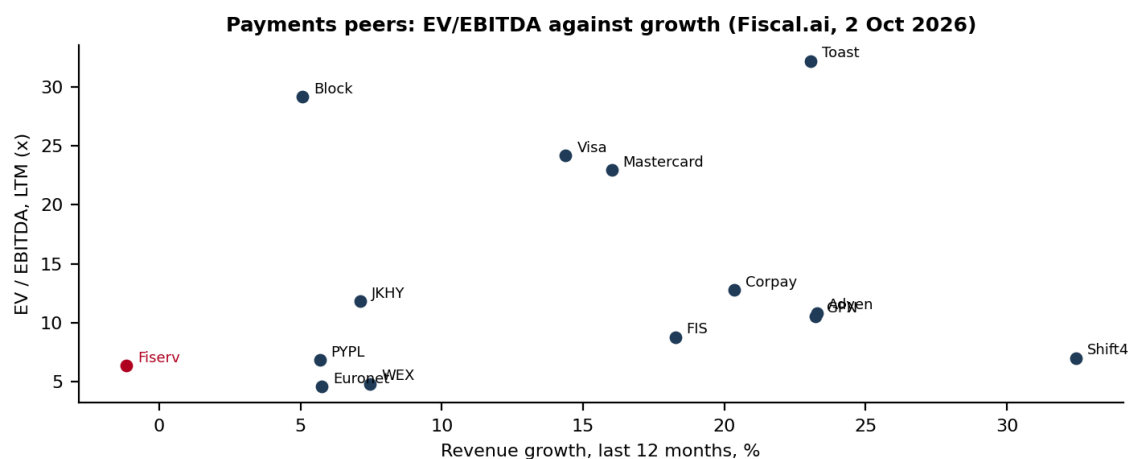
Company	Rev. CAGR 5y	ROIC (vendor)	Levered FCF yield	Shareholder yield	Buyback yield	P/B
Fiserv	6.2%	6.7%	6.3%	17.1%	6.8%	0.9x
FIS	-1.6%	3.7%	66.3%	-39.9%	4.3%	1.0x
Jack Henry	7.7%	19.6%	7.4%	5.6%	4.4%	4.9x
Global Payments	5.1%	2.3%	-6.6%	19.6%	7.8%	0.9x
PayPal	7.4%	19.8%	19.1%	9.5%	13.2%	2.3x
Corpay	15.2%	10.7%	16.1%	-3.2%	6.6%	7.3x
Euronet	9.8%	9.7%	-24.0%	56.5%	21.2%	1.9x
WEX	11.1%	8.0%	1.7%	1.2%	1.1%	4.3x

Source: Fiscal.ai company_ratios (2 Oct 2026); vendor definitions.

Takeaway: Fiserv's five-year growth (6.2% a year) is in line with the processor group, and only Global Payments trades as close to book value. Its vendor ROIC is low because the First Data goodwill sits in the denominator; vendor FCF definitions differ from the company's.

Exhibit 21 — EV/EBITDA against revenue growth

x ; %

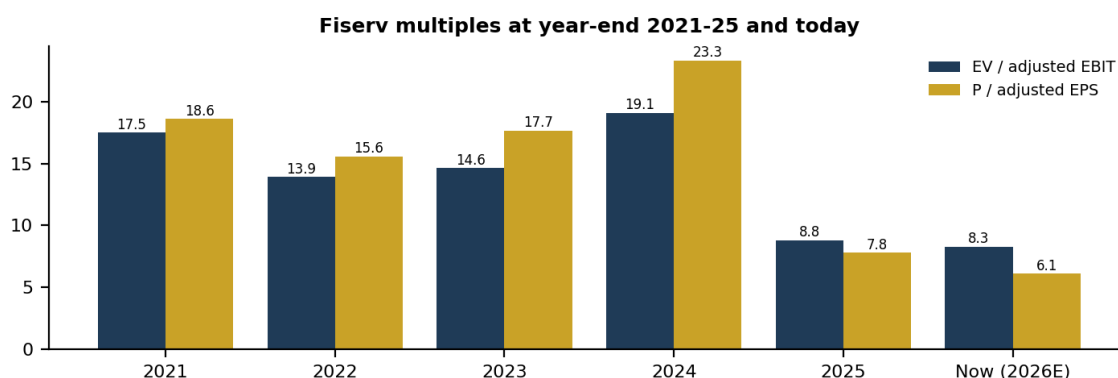


Source: Fiscal.ai company_ratios (2 Oct 2026).

Takeaway: Fiserv (red) sits with the shrinking processors. Reported growth for FIS (+18 %) and Global Payments (+23 %) is inflated by acquisitions; on organic growth they are closer to Fiserv. A multiple of 9–10x — where FIS and Global Payments trade — would be worth ≈ 50 % on Fiserv's enterprise value and more than 100 % on the equity.

Exhibit 22 — Fiserv multiples at year-end 2021–25 and today

x ; EV / adjusted EBIT, price / adjusted EPS



Source: Fiscal.ai year-end closes and adjusted metrics; workbook Exit multiples [calc.].

Takeaway: The shares traded at 14–19x adjusted EBIT and 16–23x adjusted EPS from 2021 to 2024. Our exit multiples (EV/EBITA 10x, P/E 12x) sit ≈ 30 % below that history.

E • Business quality

Fiserv is a high-margin business with moderate capital intensity with three sources of advantage: switching costs in core banking, regulatory and network economics in PIN debit, and scale and bank distribution in merchant acquiring. None of these advantages has disappeared in 2025–26. What has changed is that the company harvested them too hard in 2023–25 — price increases, deferred investment, a forced-conversion strategy in banking cores — and is now paying them back. Business quality is better than the 2026 numbers; management quality is worse than the 2024 numbers suggested.

Exhibit 23 — Sources of advantage and where they leak

qualitative assessment

Advantage	Strength	Evidence	Where it leaks
Switching costs (core banking)	High	Conversions take 12–24 months and risk the bank's customer data; contracts typically multi-year	Attrition –2 to –3 % of core accounts a year since 2023 — the moat holds but leaks at the small end
Network effects (STAR/Accel, Zelle connectivity)	Medium–high	Durbin requires two unaffiliated debit networks on every card; STAR/Accel are the main alternatives to Visa/Mastercard on PIN debit	Regulation sets the economics; Q3-25 pricing actions show limited pricing power
Scale (issuer and merchant processing)	High	Largest US debit processor and one of the largest acquirers; fixed-cost platforms	Scale did not stop the 2025–26 margin fall; mix and investment did
Distribution (Clover via banks)	Medium–high	1,000+ referral banks, 38–40 of the top 100 US banks; TD Canada conversion of 80,000 merchants in 2027	Channel is a moat only if the product wins against Toast/Square
Product (Clover, Finxact)	Medium	Clover GPV +11 %; Finxact accounts +75 %, Flagstar win	Hardware-led growth disappointed; cloud cores are a race
Capital intensity	Medium	Total capex ≈ 11 % of revenue (incl. financed software and hardware); tangible operating capital ≈ USD 10bn for ≈ USD 6bn of adjusted EBIT	High return on tangible capital; ROIC incl. goodwill ≈ 9 %

Source: Company filings and transcripts (R1–R3); Billen Capital Research.

Takeaway: The moat is real but narrower than the 2024 margin implied. A 33.0 % terminal margin prices a moat that keeps the franchise, not one that keeps raising prices.

Customer concentration is low: no customer is disclosed as more than 10 % of revenue. The largest single relationships are bank referral partners (Wells Fargo processing agreement after the JV ended in 2025) and large issuers. **Contract structure:** remaining performance obligations of USD 7.5bn cover only fixed and minimum fees; transaction fees, ≈ the majority of revenue, are recognised as earned.

F • Financial analysis**Exhibit 24 — Five years and the last twelve months**

USD m unless stated

	FY2021	FY2022	FY2023	FY2024	FY2025	LTM Q2-26
Adjusted revenue	15,393	16,613	17,865	19,123	19,804	19,457
growth	—	7.9 %	7.5 %	7.0 %	3.6 %	–1.8 % (vs FY25)
Adjusted operating income	5,212	6,247	7,152	7,537	7,398	6,501
margin	33.9 %	37.6 %	40.0 %	39.4 %	37.4 %	33.4 %
GAAP operating income	2,288	3,740	5,014	5,879	5,818	4,660
Adjusted EPS (USD)	5.58	6.49	7.52	8.80	8.64	7.66
GAAP EPS (USD)	1.99	3.91	4.98	5.38	6.34	5.22
Operating cash flow	4,034	4,618	5,162	6,631	6,062	5,831
Capex (cash, incl. capitalised software)	1,160	1,479	1,388	1,569	1,763	1,905
Company free cash flow	3,532	3,515	4,016	5,233	4,435	4,250
Share repurchases	2,786	2,677	4,827	5,837	5,899	≈ 1,500
Diluted shares (m)	671.6	647.9	615.9	582.1	549.0	533.7

Source: Fiscal.ai company_adjusted_metrics and standardised (= 10-K); R-Q2-26; LTM = FY25 + H1-26 – H1-25 [calc.]; LTM buybacks = Q3-25 to Q2-26 (1.0 + 0.2 + 0.2 + 0.1bn). LTM EPS: adjusted 7.66 includes USD 0.17 of discrete tax benefit (K4).

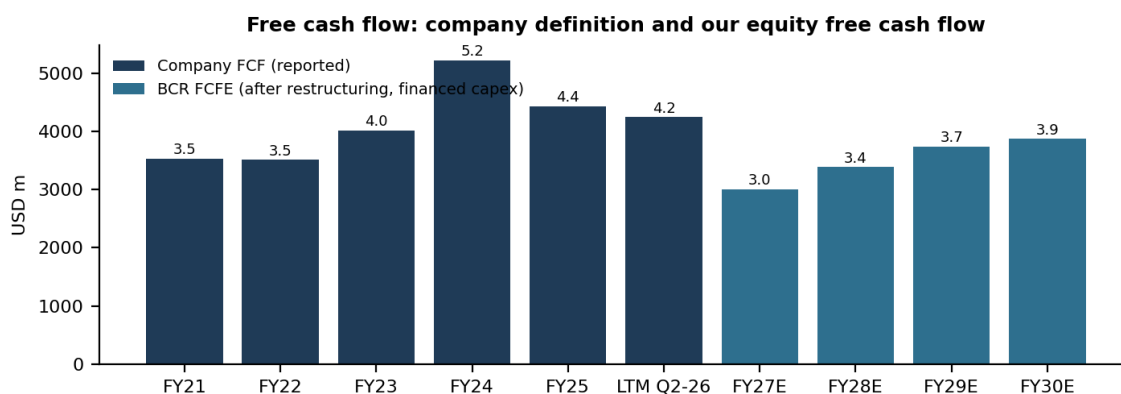
Takeaway: Adjusted EPS grew 16 % a year from 2021 to 2024 while adjusted revenue grew 7–8 %: margin expansion and buybacks did the rest. Both are now running in reverse.

Margins. The adjusted operating margin rose from 33.9 % (2021) to 40.0 % (2023) as First Data synergies came through, held at 39.4 % in 2024, then fell to 37.4 % (2025) and 30.8 % (H1-26). Management's own diagnosis is that 2024–25 margins were flattered by deferred investment and short-term pricing initiatives that it has since reversed [M, T-Q3-25]. The H1-26 margin also carries USD 89m of retention awards inside One Fiserv costs — excluded — and ≈ USD 100m of extra technology spend in H2 — included [R, R-Q2-26 p.7; M, T-Q2-26].

Cash conversion. Free cash flow (company definition) converted 93 % of adjusted net income in 2025 and 103 % over the last twelve months. Three items sit outside it and matter for an owner: software and hardware acquired under financing arrangements (USD 780m in 2025, 145m in H1-26), net Clover Capital advances in investing cash flow (–636m in 2025), and the cash cost of severance, M&I and One Fiserv (≈ 0.5bn in H1-26 alone) [R, K25 p51, p60; R-Q2-26]. Our free cash flow to equity deducts all three; it is ≈ 15–20 % below the company's figure in 2026–27.

Exhibit 25 — Free cash flow: company definition and ours

USD m



Source: R-Q4-25 p.14; P-Q2-26; engine_FISV base (FCFF less after-tax interest).

Takeaway: Even on our stricter definition the business generates USD 3.0–3.9bn a year to equity in 2027–30 — 13%–16% of today's market value.

F2 • Quality of earnings and forensic checks**Exhibit 26 — What the adjusted numbers include and exclude**

USD m

Item	Amount	Treatment	Our view
Acquired-intangible amortisation	1,304 (FY25); 626 (H1-26)	Excluded from adjusted	Correct for valuation (no cash, no tax shield assumed); we keep it out of EBITA
One Fiserv transformation	86 (FY25); 329 (H1-26), incl. 89 retention pay	Excluded	Real cash cost: deducted in FCFF 2026–29 (900 → ≈ 145 a year, 0.7 % of revenue) and in our EPS
Severance; M&I	79 + 59 (FY25); 113 + 52 (H1-26)	Excluded	Recurring for a decade: 0.7 % of revenue kept forever (2024: ≈ 1.2 %, 2025: ≈ 0.7 %)
Gains on asset sales	≈ 120 in FY25 (100 in Q3-25) included; 83 sale-leaseback in Q1-26 excluded	Inconsistent	FY25 base margin normalised to 36.7 % (K3)
Discrete tax items	Q1-26 adj. tax rate 11 % (+0.17 EPS)	Not adjusted	H1-26 adjusted EPS 3.46 normalised, not 3.63 (K4)
Financed software and hardware	780 (FY25); 145 (H1-26)	Outside capex and FCF	Included in our capex (10–11 % of revenue)
Clover Capital advances (net)	–636 (FY25), in investing	Outside FCF	Partly in working capital (10 % of revenue growth); the book is not modelled explicitly. H1-26 investing inflow +300 (book shrank; receivables sold 152)
Transferable tax credits	2.3 pp off the FY25 tax rate (96)	In the tax line	Not assumed to recur (20 % cash tax)
Postage reimbursements	1,389 (FY25)	Excluded from adjusted revenue	Pass-through at zero margin

Source: R-Q4-25, R-Q1-26, R-Q2-26 reconciliations; K25 p51, p60; Q226 p7 (R1, R2 §2).

Takeaway: Fiserv's adjusted figures are aggressive in two places — recurring "one-offs" and capex financed outside the cash-flow statement. Correcting both lowers our 2026–27 free cash flow by ≈ USD 1bn a year; the valuation already carries that.

Goodwill. Goodwill is USD 37.5bn against book equity of USD 26.9bn. The Q4-25 impairment test, triggered by the share price, passed — but eight reporting units holding USD 18.5bn of goodwill had less than 15 % headroom, the tightest 3.7 % [R, K25 p32]. With the share price a further 34 % lower since year-end, a write-down at the next annual test (Q4) is likely; it would not affect cash, the bridge or our value, but it would hit GAAP equity and headlines.

Legal. A 10b-5 class action (SDNY, amended 12 June 2026; class period February 2024 – October 2025) alleges misleading statements on Clover growth and on Argentina's share of organic growth; derivative suits are stayed; the SEC and the US Attorney's Office (SDNY) are investigating the 2025 guidance. The accrual was USD 18m at 30 June 2026 with no range given (year-end; possible additional loss USD 0–160m) [R, Q226; K25].

So what for the valuation. We deduct restructuring cash and financed capex in full and give no tax shield to amortisation. Together that is ≈ USD 9–10 a share below a DCF on the company's own definitions (restructuring ≈ 4, financed capex at ≈ 2 % of revenue ≈ 5) [calc., engine] — a deliberate haircut for the quality of the adjusted numbers.

F3 • Nine quarters in detail

Exhibit 27 — Quarterly income statement and cash flow, Q2-24 to Q2-26

USD m unless stated; adjusted = company definitions

	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
Adjusted revenue	4,794	4,884	4,902	4,789	5,196	4,919	4,900	4,675	4,963
Merchant	2,410	2,469	2,499	2,372	2,644	2,586	2,538	2,373	2,608
Financial	2,379	2,412	2,401	2,417	2,552	2,333	2,362	2,302	2,355
Organic growth	—	—	—	7.0 %	8 %	1 %	0 %	−3.6 %	−5 %
Adjusted operating income	1,841	1,962	2,105	1,808	2,059	1,822	1,709	1,390	1,580
margin	38.4 %	40.2 %	42.9 %	37.8 %	39.6 %	37.0 %	34.9 %	29.7 %	31.8 %
GAAP operating income	1,428	1,602	1,668	1,395	1,696	1,436	1,291	918	1,015
Adjusted EPS (USD)	2.13	2.30	2.51	2.14	2.47	2.04	1.99	1.79	1.84
GAAP EPS (USD)	1.53	0.98	1.64	1.51	1.86	1.46	1.51	1.07	1.17
Free cash flow (company)	1,025	1,865	1,889	371	1,174	1,334	1,556	259	1,101
Share repurchases (USD m)	—	—	—	≈ 2,200	2,200	1,000	200	200	100
Diluted shares (m)	585.4	576.9	571.4	564.7	552.7	541.8	537.0	535.4	533.7

Source: Earnings releases Q2-25 – Q2-26; presentations Q1-26, Q2-26 (R2 §1). Q1-25 organic derived; Q1-26 adjusted EPS includes 0.17 of discrete tax benefit (K4).

Takeaway: Adjusted EPS fell from USD 2.51 to 1.84 in six quarters while the share count fell 7 %: operating income, not buybacks, is the problem — and it stopped falling in Q2-26.

F4 • Balance sheet

Exhibit 28 — Balance sheet at three dates

USD m

	31 Dec 2024	31 Dec 2025	30 Jun 2026
Cash (available to the parent)	1,236 (665)	798 (342)	627 (245)
Settlement assets (= obligations)	15,429	16,479	17,561
Goodwill	36,584	37,703	37,524
Customer relationships and other intangibles	9,940	10,161	9,712
Property and equipment	2,374	3,084	3,328
Investments in affiliates	1,506	1,046	1,031
Total assets	77,176	80,133	80,886
Gross debt incl. finance leases	24,840	28,997	27,886
Deferred income taxes	2,477	1,478	1,589
Fiserv shareholders' equity	27,068	25,792	26,904
Non-controlling interests	618	17	22

Source: K25 p49; Q226 p3; K25 p53 and Q226 p50 (available cash) (R1 §5).

Takeaway: Goodwill (USD 37.5bn) exceeds equity; settlement balances are pass-through. The balance sheet is a debt-funded goodwill balance sheet whose value is entirely in the cash flows.

Exhibit 29 — Intangibles and amortisation

USD m, net

	31 Dec 2025	30 Jun 2026
Customer relationships	5,093	4,588
Acquired software and technology	794	682
Trade names	175	140
Purchased software	956	984
Capitalised software and other	3,143	3,318
Total intangibles	10,161	9,712
Scheduled amortisation, all intangibles: 2026 / 2027 / 2028 / 2029 / 2030	2,359 / 2,086 / 1,696 / 1,276 / 869	

Source: K25 p67–68; Q226 p15.

Takeaway: Acquired-intangible amortisation falls from ≈ USD 1.25bn to below 0.5bn by 2030 as First Data customer relationships run off: GAAP EPS will converge on adjusted EPS without any operating improvement.

F5 • Cash-flow history

Exhibit 30 — Cash flow, 2019–2025

USD m

	2019	2020	2021	2022	2023	2024	2025
Operating cash flow	2,928	4,147	4,034	4,618	5,162	6,631	6,062
Capex (cash)	-721	-900	-1,160	-1,479	-1,388	-1,569	-1,763
Acquisitions	-15,083	-139	-848	-988	-13	—	-820
Share repurchases	-561	-1,826	-2,786	-2,677	-4,827	-5,837	-5,899
D&A (total)	1,778	3,257	3,248	3,212	3,162	3,138	3,207
Share-based compensation	229	369	239	323	342	367	357
Long-term debt (year-end)	21,612	20,300	20,729	20,950	22,363	23,730	27,758
Cash (year-end)	893	906	835	902	1,204	1,236	798

Source: Fiscal.ai standardised (= 10-K cash-flow statements).

Takeaway: Operating cash flow doubled after First Data; capex rose from 7 % to 9 % of adjusted revenue; buybacks absorbed everything else and more, which is why debt is higher in 2025 than in 2020.

F6 • Tax

Exhibit 31 — Tax rate and cash tax

%; USD m

Item	Value
Statutory rate	21.0 %
State and local	+2.5 %
Transferable federal tax credits (bought at a discount)	-2.3 %
Foreign tax credits	-1.5 %
Excess benefit, share-based awards	-1.3 %
Other	+0.6 %
Effective rate FY2025	19.0 %
Cash taxes paid FY2023 / 2024 / 2025	1,219 / 1,169 / 1,369
H1-26 effective rate (valuation-allowance release 293)	13.2 %
Net deferred tax liability 31 Dec 2025	1,369

Source: K25 p83–86; Q226 p27–28 (R1 §8).

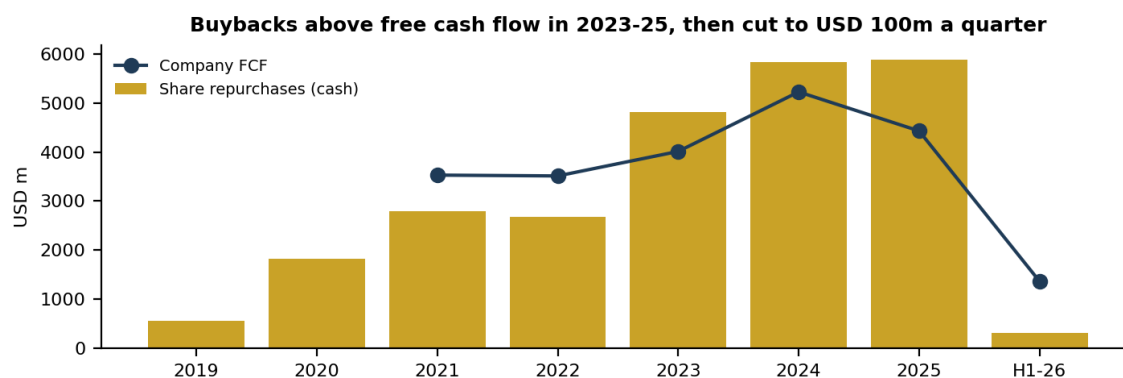
Takeaway: Purchased tax credits and stock-award benefits took ≈ 3.6 points off the 2025 rate. We model 20 % cash tax on adjusted EBIT less restructuring, with no shield from amortisation — conservative by ≈ USD 3 a share against 18 %.

G • Capital allocation

From 2021 to 2025 Fiserv spent USD 22.0bn on buybacks — more than the USD 20.7bn of free cash flow it generated — and let gross debt rise from USD 21.2bn to 29.0bn [R, Fiscal.ai; K25]. 2025 was the extreme: USD 5.6bn repurchased at an average of ≈ USD 174 a share [calc.: 5,600 / 32.2m], while the company was, by its own later account, under-investing. Since October 2025 buybacks have been cut to USD 100–200m a quarter and the priority is a gross leverage of 2.5–3.0x [M]. Bolt-on M&A was USD 856m in 2025 (StoneCastle 415, CCV 219, Payfare 95, five smaller); AIB Merchant Services' minority was bought out for 420 [R, K25 p65–66].

Exhibit 32 — Buybacks against free cash flow

USD m



Source: Fiscal.ai standardised cash flow; R-Q4-25; R-Q2-26.

Takeaway: USD 11.7bn of buyback cash in 2024–25 (incl. tax withholding on share awards; 11.1bn of open-market repurchases at an average of about USD 168 a share [calc.: 11.1bn / 66.2m shares]) is the single largest capital-allocation error in the story — it was funded partly with debt the company now has to pay down at a third of that price.

What comes next. The new CEO has opened a portfolio review in which "the debit networks will be part of that review" and proceeds go to "capital return and delevering" [M, T-Q2-26]; MoneyPass (49 % retained, August 2026) and student-loan servicing (sale agreed May 2026) are the first steps. Our base assumes debt paydown of USD 2.0bn in 2027, 1.0bn in 2028 and 0.5bn in 2029, with buybacks taking the rest of free cash flow to equity — executed at our value, not at today's price, so that buybacks add no value in the model. At today's price every USD 1bn of buybacks would retire 4 % of the shares.

G2 • Financing, ratings and solvency**Exhibit 33 — Debt at 30 June 2026**

USD m

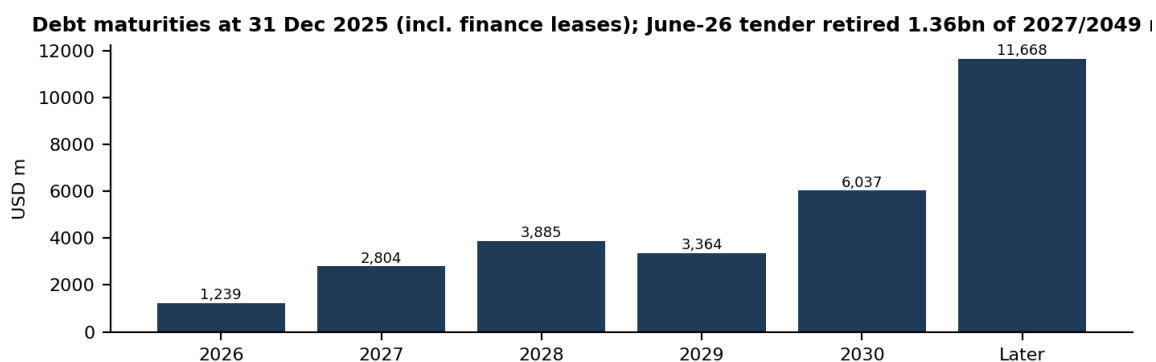
Instrument	Amount	Comment
USD senior notes (2026–2049)	18,190	incl. 2,000 3.200 % due July 2026 (repaid), 4.400 % 2049 reduced to 1,156 by tender
EUR/GBP senior notes (2027–2036)	6,356	€1.0bn issued June 2026 at 3.750 % (2030) and 4.250 % (2034)
Euro commercial paper	548	< 183 days
Finance leases and other financing obligations	2,346	Software and hardware acquired under financing arrangements
Foreign lines of credit	618	Argentina/Brazil anticipation funding; floating rate (17.4 % average at 30 Jun 26; Argentina 25.8 %)
Discount, fees, hedge adjustment	–172	
Total gross debt	27,886	Covenant: consolidated debt ≤ 3.75x adjusted EBITDA
Maturities (31 Dec 2025)	2026 1,239 · 2027 2,804 · 2028 3,885 · 2029 3,364 · 2030 6,037	Q2-26 tender retired 1.36bn of 2027/2049 notes

Source: Q226 p21; K25 p79; 8-K 2026-06-16, 2026-06-23 (R1 \$6).

Takeaway: Leverage is high for a BBB company with falling earnings but the maturity ladder is long and the bond market is open (June 2026). Near-term liquidity is adequate (USD 4.2bn of revolver capacity); the constraint is equity flexibility.

Exhibit 34 — Debt maturities

USD m at 31 Dec 2025



Source: K25 p79.

Takeaway: ≈ USD 9.5bn falls due in 2027–29 after the June tender: refinancing at ≈ 6 % instead of the 2.25–3.5 % coupons being replaced costs ≈ USD 0.2bn a year of pre-tax income by 2029 — in our interest line (5.16 % → 5.9 % of gross debt).

G4 • Management scorecard and governance**Exhibit 35 — Leadership changes, 2025–2026**

as filed

Date	Event	Source
May 2025	Mike Lyons becomes CEO (succeeding Frank Bisignano)	T-Q3-25
29 Oct 2025	Guidance reset; Paul Todd CFO from 31 Oct (Bob Hau out); two Co-Presidents from 1 Dec; new Chair (Gordon Nixon); listing to Nasdaq	8-K 2025-10-29
18 Feb 2026	Supplemental retention award to Lyons (≈ USD 18m PSUs + 12m RSUs)	8-K 2026-02-20
14 May 2026	Investor Day: 2026 guide reaffirmed; 2027–29 targets	IR events page
15 Jun 2026	Lyons leaves to become CEO of Truist; Takis Georgakopoulos CEO; 2026 guide reaffirmed	8-K 2026-06-15
6 Aug 2026	2026 guidance cut; medium-term growth rates reiterated	R-Q2-26
7 Jul 2026	President Dhivya Suryadevara resigns for "good reason" (CEO-change clause); interim FS heads	8-K 2026-07-07
16 Sep 2026	Chief Administrative and Legal Officer Adam Rosman resigns (effective 30 Sep)	8-K 2026-09-22
Sep 2026	Jana Partners reportedly pushes for USD 1.25bn of savings and AI/Palantir work [S]	Reuters via Yahoo Finance 2026-09-28

Source: Form 8-K filings; transcripts; Yahoo Finance [S] (R3 S6).

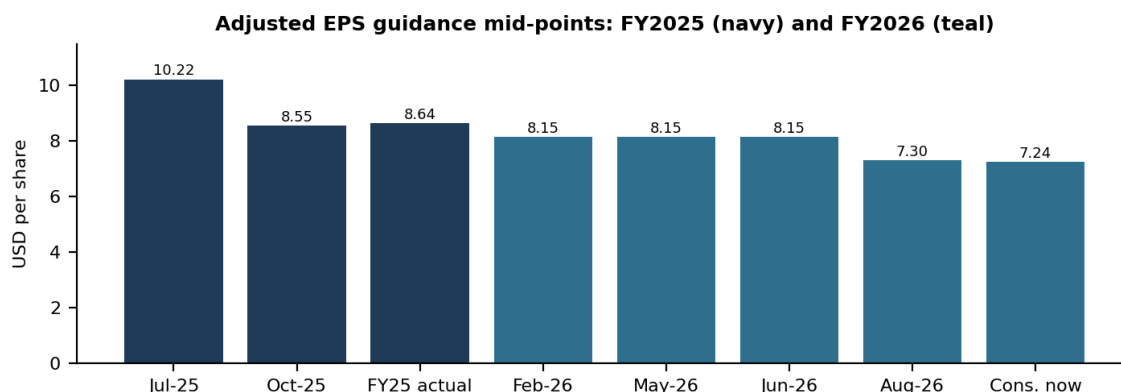
Takeaway: Three CEOs in eighteen months, a CEO who left four months after a USD 30m retention award, and a President whose contract made her departure a paid exit. Governance did not protect shareholders; the new board and an activist are the repair mechanism.

Scorecard. Bisignano's era (2020–25) delivered the First Data synergies and 16 % annual adjusted EPS growth (2021–24), but on assumptions — Argentina hyperinflation counted as organic growth, short-term pricing, deferred investment — that the next CEO called "largely driven by our own doing" [M, T-Q3-25]. Lyons diagnosed the problem honestly and then left. Takis Georgakopoulos (at Fiserv since late 2024, previously COO and head of Merchant) is the operator in charge; the CFO joined in September 2025. The 2026 proxy (filed 2 April 2026, per the 8-K of 7 July 2026) is not in our corpus: incentive metrics, say-on-pay and director independence are unresolved (Section P).

G6 • Guidance track record

Exhibit 36 — Adjusted EPS guidance mid-points

USD per share



Source: R-Q2-25, R-Q3-25, R-Q4-25, R-Q1-26, 8-K 2026-06-15, R-Q2-26; Alpha Vantage consensus [K].

Takeaway: Two cuts of 16 % and 10 % within ten months, each preceded by a reaffirmation; the 2026 margin guide also fell from 33–35 % (Oct-25) to ≈ 34 % (Feb-26) to 31–31.5 % (Aug-26). The market will not pay for 2027–29 targets until a quarter is delivered as guided.

So what for the valuation. We do not use the 2029 Investor Day targets (37 % margin, EPS above USD 12) anywhere in the model — they are unverified (K23) and the company has cut its nearer-term numbers twice since setting them. The bull case is the only place where something like them appears.

G7 • Deals, 2025–2026

Exhibit 37 — Acquisitions, buy-outs and disposals

USD m (cash; + = received)

Date	Deal	Segment	Amount
2025-03	Payfare (Canada)	Financial	95
2025-03	CCV Group (Netherlands)	Merchant	219
2025-04/06/09	Pinch Payments, Money Money (Brazil), CardFree	Merchant	in 127 (five deals)
2025-09/10	Smith Consulting Group; TD Merchant Canada contracts	Financial / Merchant	in 127
2025-12	StoneCastle (deposit funding)	Financial	415
2025-04	ICICI Merchant Services minority (19 %)	Merchant	22
2025-09	AIB Merchant Services minority (49.9 %)	Merchant	420
2025-04	Wells Fargo Merchant Services JV ended (Fiserv received)	Merchant	+453
2026-05	Student-loan servicing (sale agreed; HFS 190/13)	Financial	n.d.
2026-03	Sale-leaseback of facilities (gain 83, Q1-26)	Corporate	+201
2026-08	MoneyPass JV formed (49 % retained)	Financial	n.d.

Source: K25 p65–66, p68–69; Q226 p9, p13–15 (R1 §9).

Takeaway: Small bolt-ons and minority buy-outs in 2025; disposals in 2026. The portfolio review will decide whether disposals become large (debit networks) — none is in our model.

G3 • Per-share progression

Exhibit 38 — Per-share progression, 2021–2030E (base)

USD; m shares

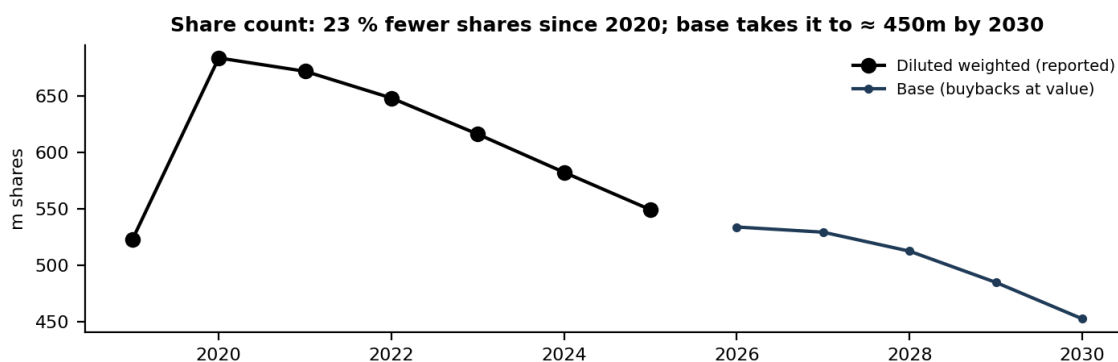
	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Adjusted EPS (company)	5.58	6.49	7.52	8.80	8.64	7.28	7.26	7.89	8.74	9.66
Diluted shares (m)	671.6	647.9	615.9	582.1	549.0	533.7	529.1	512.3	484.7	452.4
FCF per share (company to 2025; our FCFE after)	5.26	5.43	6.52	8.99	8.08	—	5.68	6.61	7.72	8.56
Gross debt / adj. EBITDA (our, year-end)	n.m.	n.m.	n.m.	n.m.	n.m.	—	3.2x	3.0x	2.9x	2.8x

Source: Fiscal.ai adjusted metrics; engine_FISV base (buybacks at value; debt paydown 2.0 / 1.0 / 0.5bn in 2027–29).

Takeaway: In the base, FCFE per share (our stricter definition) passes the 2024 company-defined peak (USD 8.99) only in 2031, and adjusted EPS regains its 2024 level (USD 8.80) only in 2030: five to six lost years, because the 2024 figures were flattered by margins that will not return.

Exhibit 39 — Share count history and base path

m shares



Source: Fiscal.ai; engine_FISV.

Takeaway: Buybacks at our value rather than at today's price shrink the count by 3–7 % a year from 2028 — a conservative choice: at today's price the same cash would retire ≈ 1.5 times as many shares.

G5 • Sources and uses 2027–2029**Exhibit 40 — Base case: where the cash goes**

USD m

Year	Adj. EBIT	Restructuring	FCFF	After-tax interest	FCFE	Debt repaid	Buybacks
2027E	6,263	–600	4,198	–1,194	3,004	–2,000	–1,004
2028E	6,460	–350	4,537	–1,149	3,388	–1,000	–2,388
2029E	6,692	–150	4,887	–1,145	3,742	–500	–3,242

Source: engine_FISV base.

Takeaway: USD 3.5bn of debt repaid in three years still leaves ≈ USD 6.6bn of buybacks over 2027–29 — the base is not a deleveraging story at the expense of shareholders.

Rating triggers. If either Moody's or S&P rates certain notes below investment grade, their coupons can step up by up to 2 % [R, K25 p44]. A two-notch downgrade from BBB (S&P, negative outlook) is the threshold. The revolver covenant caps indebtedness at 3.75x the company's adjusted EBITDA measure [R, K25 p80]. On our measure (≈ 0.3x above the company's) the bear case keeps gross leverage at 3.4x–3.5x through 2028, and the severe case reaches ≈ 3.9x in 2028 — above the covenant on our measure, just inside it on the company's.

H0 • Q2-26 read-through and the Q3 set-up

Q2-26 (6 August). Adjusted revenue USD 4,963m (–4 %), organic –5 % (Merchant –1 %, Financial –8 %), adjusted operating margin 31.8 % (39.6 %), adjusted EPS USD 1.84 (–26 %), FCF USD 1.1bn (112 % conversion, "favourable timing") [R, R-Q2-26]. Guidance for 2026 was cut to organic (1 %)–0 %, adjusted revenue (1.5 %)–(0.5 %), margin 31–31.5 % and EPS USD 7.20–7.40. The CFO bridged the H2 revenue outlook from the earlier 6–8 % to ≈ 2 %: –2 points from delays in newly contracted revenue and enterprise ramps, –1 hardware, –1 Argentina anticipation, –1 divestitures; Q3 "down low single digits", Q4 "up about mid-single digits" [M, T-Q2-26].

Q3-26 (≈ 28 October, estimated). Our H2 is at the low end of guidance (adjusted revenue 9,880, +0.6 % y/y; full year 19,518, –1.4 %): Q3 4,880 (–0.8 %), Q4 5,000 (+2.0 % — below the company's mid-single digits). We assume a 31.0 % margin in Q3 and 32.3 % in Q4. The Q3 report is the first test of the new CEO's numbers, the first quarter with MoneyPass deconsolidated, and the occasion Jana Partners reportedly wants used for "more aggressive targets".

Exhibit 41 — Quarterly estimates against consensus

USD m; adjusted (company definitions)

Quarter	Adj. revenue	Adj. op. margin	Adj. EPS	Our FCFE	Cons. revenue	Cons. EPS
Q3-26	4,880	31.0%	1.74	647	4,850	1.71
Q4-26	5,000	32.3%	1.90	728	5,061	1.90
Q1-27	4,679	28.9%	1.49	586	—	—
Q2-27	4,937	31.0%	1.76	727	—	—

Source: engine_FISV (workbook Monitoring dashboard 11A); Alpha Vantage EARNINGS_ESTIMATES [K].

Takeaway: We are 0.6 % above consensus on Q3 revenue and 1.2 % below on Q4: the risk to the Q4 ramp is where we differ. A Q3 EPS below USD 1.64 (consensus low) would signal another cut.

H1 • Market expectations and variant perception

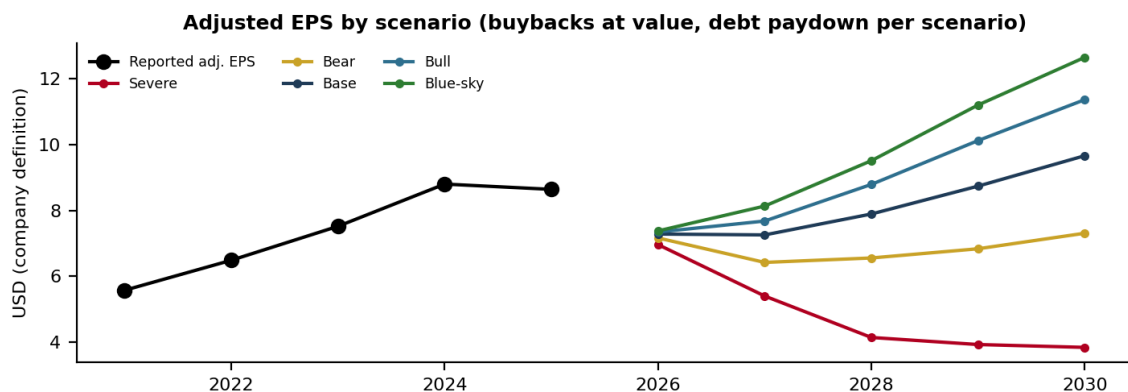
What the market believes. 25 of 35 brokers rate the shares Hold, 6 Buy and 4 Sell; recent targets cluster at USD 46–65 (BNP Paribas Exane 46 underperform, B. Riley 51, BMO 55, Morgan Stanley 59, UBS 60, KBW 65 outperform) and the average is USD 60–74 depending on the aggregator [S, MarketBeat; Yahoo Finance, 28 Sep 2026]. Consensus 2027 adjusted EPS is USD 8.05 (range 7.43–9.04) with revenue of USD 20,288m (+3.8 %). Applying $\approx 6\text{--}8\times$ to that EPS gives the street's targets. The street expects the medium-term plan to slip but not to fail.

What the price believes. At 5.5x 2027 consensus EPS and 18% free-cash-flow yield, the price is below every broker target we can find. It implies either permanent decline (Section I) or a cost of equity in the teens. The price has fallen 18 % since the August report without any new fundamental information other than management exits and Q3 anxiety — that is the profile of a stock where holders are capitulating, not where new facts are arriving.

Our variant perception — one falsifiable paragraph. We think the market extrapolates H1-26 (organic -4%) as if it were the new trend. Recurring revenue is still growing ($+2\%$), volumes are growing (GPV, transactions, accounts), and the decline is concentrated in revenue that does not recur and in comparisons that ease from Q3-26. If Q4-26 organic growth is $\geq 0\%$ and the 2027 guide shows positive organic growth, the case for the bear scenario weakens materially, and with it the 6x multiple. If Q4-26 is still below -2% , we are wrong and the bear case should carry the base weight.

Exhibit 42 — Adjusted EPS by scenario

USD per share, company definition



Source: Fiscal.ai adjusted metrics (2021–25); engine_FISV.

Takeaway: Our base 2027 EPS (7.26) is below consensus. Value comes from the years after 2027 — and from avoiding the severe path, in which EPS falls to $\approx$ USD 4.15 by 2028.

H2 • Guidance, consensus and ours

Exhibit 43 — Four views of the next five quarters

USD; USD m

Item	Company [M]	Consensus [K]	Range (n)	Ours
FY2026 adjusted EPS	7.20–7.40	7.24	7.05–7.37 (33)	7.28
FY2027 adjusted EPS	double-digit growth from 2027	8.05	7.43–9.04 (36)	7.26
FY2026 revenue (adjusted)	19,507–19,705	19,553	19,412–19,668 (26)	19,518
FY2027 revenue (adjusted)	+4–6 % CAGR 2026–29	20,288	19,630–20,956 (29)	19,694
Q3-26 EPS / revenue	Q3 revenue down low single digits	1.71 / 4,850	1.64–1.88	1.74 / 4,880
Q4-26 EPS / revenue	Q4 revenue up ≈ mid-single digits	1.90 / 5,061	1.78–2.02	1.90 / 5,000

Source: R-Q2-26; T-Q2-26; Alpha Vantage EARNINGS_ESTIMATES (reserve) [K]; engine_FISV.

Takeaway: We sit at the low end of company guidance for 2026 and below consensus for 2027. Any upside in the Q4 ramp is upside to us; the risk to our numbers is a third cut.

H • Forecasts

Four categories are kept apart: reported (2025, H1-26), the company's guidance (2026; 2027–29 rates), consensus (Alpha Vantage) and ours. Every forecast row below is ours. Revenue is adjusted (ex postage). EPS is shown twice: on the company's adjusted definition, to compare with guidance and consensus, and after restructuring and acquired-intangible amortisation, close to the workbook series the P/E endpoints use (Appendix H3; the workbook taxes at the EBIT rate and uses year-end shares).

Exhibit 44 — Base-case forecast, 2026–2030

USD m unless stated

	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Merchant Solutions revenue	10,131	10,354	10,613	10,921	11,236
Financial Solutions revenue	9,387	9,340	9,387	9,481	9,575
Adjusted revenue	19,518	19,694	19,999	20,401	20,811
growth	–1.4%	0.9%	1.5%	2.0%	2.0%
Adjusted operating income	6,097	6,263	6,460	6,692	6,868
margin	31.2%	31.8%	32.3%	32.8%	33.0%
Restructuring cash (One Fiserv, severance, M&I)	–948	–600	–350	–150	–146
Acquired-intangible amortisation	–1,250	–1,100	–900	–700	–500
Net finance cost	–1,439	–1,492	–1,437	–1,431	–1,439
Adjusted EPS (company definition)	7.28	7.26	7.89	8.74	9.66
EPS after restructuring and amortisation (our)	3.22	4.23	5.54	6.99	8.24
Diluted shares, average (m)	533.7	529.1	512.3	484.7	452.4
FCFF (H2-26 annualised in 2026)	3,858	4,198	4,537	4,887	5,024
FCFE (FCFF – after-tax interest)	—	3,004	3,388	3,742	3,873
Gross debt, year-end	27,886	25,886	24,886	24,386	24,386
Gross debt / adjusted EBITDA (our)	3.5x	3.2x	3.0x	2.9x	2.8x

Source: engine_FISV base; workbook Forecast P&L and FCF build. 2026 = H1 reported + H2 estimate.

Takeaway: Revenue is still below its 2025 level in 2027 and grows only 1.5–2 % a year thereafter; the margin recovers ≈ 1.8 points in four years. Adjusted EPS reaches USD 8.74 in 2029 and crosses USD 9 only in 2030 — far from the USD 12 of the Investor Day target.

What drives the margin path. 2026: 31.2 % (guidance 31–31.5 %). 2027: 31.8 % — the H2-26 technology spend stays, Elevate savings start (USD 500m identified; we assume ≈ USD 150m net in 2027). 2028–30: 32.3 %, 32.8 %, 33.0 %, and flat at 33.0 % after that. Management's own path — +50 bp a year plus ≥ 200 bp from Elevate by 2029 — reaches ≈ 34.75 % in 2029; ours is ≈ 2 points lower, because we assume part of the savings is reinvested in price and technology.

What drives revenue. Merchant is modelled bottom-up in four blocks of the FY2026 base (USD 10.1bn): Clover (≈ 3.5bn) +10 % a year in 2027–29, fading to +5 % by 2034 — not the 15–20 % the company targets; non-Clover small business (≈ 3.3bn) –5 % a year; Enterprise (≈ 2.3bn) +3–4 %; and Processing (≈ 1.0bn) –4–5 %. Financial Solutions: –0.5 % in 2027, +0.5 % in 2028 and +1 % thereafter — recurring processing growing with transaction volumes, offset by ≈ 2–3 % annual core-account attrition and the end of large license sales. We do not model Argentina, MoneyPass or the student-loan sale separately; they sit in the 2026–27 segment rates [ANALYST ESTIMATE for all block splits and rates].

H3 • Forecast income statement, 2026–2036

Exhibit 45 — Workbook forecast P&L, base

USD m; H2-26 annualised; EBIT after PPA and restructuring

	H2-26a	2027	2028	2029	2030	2031	2032	2033	2034	2035	Term.
Merchant revenue	10,216	10,354	10,613	10,921	11,236	11,549	11,850	12,130	12,379	12,653	12,843
Financial revenue	9,383	9,340	9,387	9,481	9,575	9,671	9,768	9,866	9,964	10,064	10,215
Adjusted revenue	19,599	19,694	19,999	20,401	20,811	21,220	21,618	21,996	22,343	22,717	23,058
growth (vs prior column; H2-26 annualised)	—	0.5%	1.5%	2.0%	2.0%	2.0%	1.9%	1.7%	1.6%	1.7%	1.5%
EBITDA after restructuring	7,185	7,514	7,950	8,378	8,595	8,764	8,928	9,084	9,228	9,382	9,523
D&A incl. PPA	-3,131	-2,951	-2,740	-2,536	-2,373	-2,260	-2,196	-2,180	-2,161	-2,145	-2,075
EBIT	4,053	4,563	5,210	5,842	6,222	6,504	6,733	6,905	7,067	7,238	7,448
of which PPA	-1,250	-1,100	-900	-700	-500	-350	-250	-200	-150	-100	0
EBITA	5,303	5,663	6,110	6,542	6,722	6,854	6,983	7,105	7,217	7,338	7,448
Tax on EBIT	-1,061	-1,133	-1,222	-1,308	-1,344	-1,371	-1,397	-1,421	-1,443	-1,468	-1,490
NOPAT	2,992	3,430	3,988	4,533	4,878	5,133	5,336	5,484	5,624	5,770	5,958
Net finance	-1,439	-1,492	-1,437	-1,431	-1,439	-1,439	-1,439	-1,439	-1,439	-1,439	-1,439
Net income (workbook)	1,930	2,309	2,888	3,423	3,750	3,998	4,196	4,341	4,479	4,623	4,807
Shares, year-end (m)	533.7	524.5	500.1	469.2	435.6	404.3	375.7	349.4	325.3	303.4	284.7
EPS (workbook: EBIT tax rate, year-end shares)	3.62	4.40	5.78	7.29	8.61	9.89	11.17	12.43	13.77	15.24	16.89
Capital return per share (buybacks)	0.00	1.91	4.78	6.91	8.89	9.93	10.95	12.05	13.21	14.46	14.79

Source: Workbook Forecast P&L (recalculated).

Takeaway: EBIT after amortisation and restructuring rises faster than adjusted EBIT because both charges fall away; by 2030 GAAP and adjusted earnings are close. Capital return per share is the buyback line (no dividend).

I • Valuation

We value Fiserv with a free-cash-flow-to-firm DCF from 1 July 2026 to 2035 and a Gordon terminal value, cross-checked against four exit-multiple endpoints. Module A rules apply: EBITA, not EBITDA, for the exit multiples; P/E endpoints valued with Ke and without a bridge; every multiple anchored. Our cash flows deduct restructuring cash, financed capex and a 20 % tax with no amortisation shield.

Exhibit 46 — Cost of capital

as stated

Input	Value
Risk-free rate (UST 10y, 1 Oct 2026)	5.24 %
Equity risk premium (Damodaran, Jan 2026)	4.23 %
Beta: 10-year weekly vs SPY (SE 0.08)	0.88
Beta: unlevered / relevered at D/E 1.0	0.69 / 1.24
Specific premium (management, investigation, two cuts)	≈ 1.0%
Cost of equity (Ke)	11.5%
Pre-tax cost of debt (2035 notes 5.25 % + ΔUST 0.98 pp + ≈ 0.5 pp spread)	6.75 %
Tax rate on interest	21 %
Equity weight (market 46 %; at our value ≈ 65–70 %)	60 %
WACC	9.03%
Terminal growth (nominal) / RONIC	1.5 % / 15 %

Source: Federal Reserve H.15; Damodaran; Alpha Vantage weekly prices (reserve source, own regression); 8-K 2025-08-11; Alpha Vantage UST series; workbook WACC tab.

Takeaway: A 60 % equity weight is a compromise: at market weights (46 %) WACC would be ≈ 8.2 % and our value materially higher; at our own value (≈ 65–70 %) Ke would fall with leverage. We do not lower Ke.

Exhibit 47 — DCF summary, base case

USD m unless stated

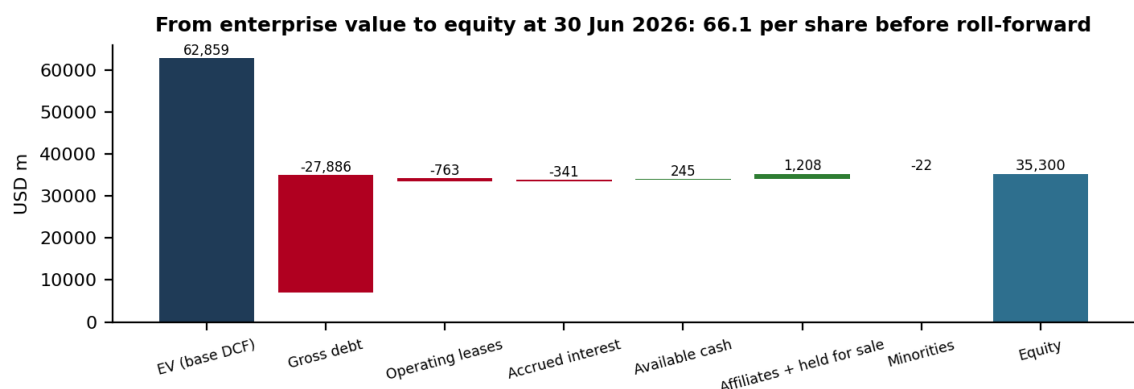
	Value
PV of FCFF, H2-26 to 2035	31,567
PV of terminal value (Gordon, g 1.5 %, RONIC 15 %)	31,292
Enterprise value at 30 Jun 2026	62,859
terminal share of EV	49.8%
Less: net claims (bridge)	-27,096
Equity value	35,763
Per share (533.7m), 30 Jun 2026	67.01
Rolled to 2 Oct 2026 at Ke (94 days)	68.91
terminal share of equity value	87.5%
Range: WACC 8.4 % / 9.6 % (Ke 10.5 % / 12.5 %)	79.16 / 60.19

Source: Workbook DCF tab (recalculated); engine_FISV matches to the cent.

Takeaway: The terminal value is 50% of EV — normal for a processor. At the price the market capitalises our 2027 FCFF at ≈ 12x.

Exhibit 48 — From enterprise value to equity

USD m at 30 Jun 2026



Source: Q226 p3, p16, p20, p21; K25 p74; engine_FISV.

Takeaway: Debt is 44% of our base EV and 55% of the market EV: small changes in enterprise value move the equity a lot in both directions. Operating leases (USD 763m) are treated as operating cost and are not in the bridge.

Is the terminal year achievable? In 2036 our adjusted revenue is USD 23,058m — 16% above 2025 in nominal terms, ~ 11 % lower in real terms at 2.5 % inflation — at a 33.0 % adjusted margin, ~ 3.5 points below 2025 (normalised) and ~ 6.5 below 2024. Fiserv has held a higher margin in every year from 2022 to 2025. Terminal growth of 1.5 % is funded at a 15 % return on new capital, so ~ 10 % of NOPAT is reinvested; the tangible capital base is small (~ USD 10bn), and with goodwill the return on capital is ~ 9 %, the price paid for First Data.

I3 • WACC and terminal growth grid**Exhibit 49 — Base value per share: WACC × terminal growth**

USD per share, 2 Oct 2026

WACC \ g	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
7.53%	86.14	91.78	98.35	106.11	115.42	126.77
8.03%	76.96	81.64	87.03	93.32	100.75	109.65
8.53%	68.93	72.85	77.33	82.49	88.51	95.62
9.03%	61.85	65.16	68.91	73.20	78.14	83.91
9.53%	55.56	58.38	61.55	65.15	69.25	73.98
10.03%	49.94	52.35	55.06	58.09	61.53	65.47
10.53%	44.88	46.96	49.28	51.87	54.78	58.07

Source: Workbook Sensitivities, grid 1 (template formula on the base FCFE).

Takeaway: At a WACC up to ~ 9 % and growth of 1 % or more, the base is worth ~ 1.5x the price. With base cash flows the price is reached only at a WACC of ~ 10.5 % and growth of 0.5 % or less.

I4 • Cross-checks: SOTP at peer multiples and owner earnings**Exhibit 50 — Two valuations that do not use our DCF**

USD m; USD per share

	Value	Basis
Merchant EBITDA 2026E (44 % of adjusted EBITDA)	3,511	6.8x / 7.0x / 10.5x (PYPL / median of PYPL·FOUR·GPN / GPN)
Financial EBITDA 2026E (56 %)	4,464	8.8x / 10.3x / 11.8x (FIS / mid-point / JKHY)
Value per share (after the same bridge)	69.50 / 83.76 / 120.34	low / mid / high
FCFE 2027E per share (base)	5.68	
Capitalised at Ke 11.5 %, growth 0 / 2 / 3 / 4 %	49.37 / 59.76 / 66.79 / 75.70	equity value per share, no bridge

Source: Fiscal.ai EV/EBITDA (2 Oct 2026) — EBITDA, not EBITA, because the vendor publishes no EV/EBITA; a cross-check only, not a valuation basis; segment operating income H1-26 (Q226 p31) used to split our 2026 adjusted EBITDA; bridge incl. the 300 legal reserve; engine_FISV FCFE.

Takeaway: At today's depressed peer multiples the parts are worth USD 84 a share; capitalising 2027 free cash flow to equity at 11.5 % with no growth gives USD 49. Neither needs the base case — both say the price discounts decline, not stagnation.

Reverse DCF: what the price requires

Exhibit 51 — Each driver solved alone for the price (others at base)

% ; today = 52-week low USD 44.36; 52-week high USD 127.56

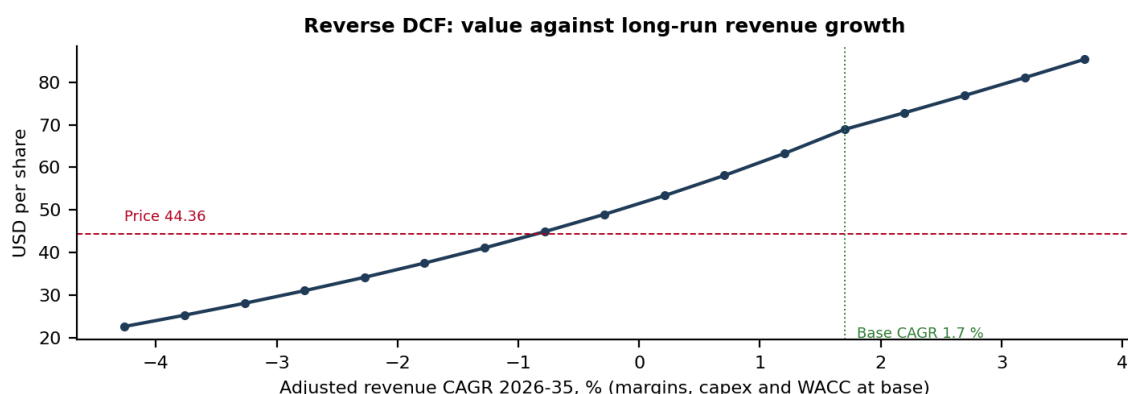
Driver	At today's price	Our base	At the 52-week high
Adjusted revenue CAGR 2026–35	–0.8%	1.7%	7.8%
Terminal adjusted EBIT margin (from 2030)	26.0%	33.0 %	49.5%
Perpetual growth after 2035	–14.2%	1.5 %	6.5%
WACC	11.0%	9.03%	6.5%

Source: engine_FISV solved by bisection; workbook Reverse DCF.

Takeaway: The price needs one of: revenue shrinking $\approx 0.8\%$ a year for a decade; a 26% margin forever; FCFF shrinking $\approx 14\%$ a year after 2035; or a 11.0% WACC. The 52-week high (October 2025, before the reset) needed 7.8% growth — the plan the company has since abandoned.

Exhibit 52 — Value against long-run revenue growth

USD per share; margins, capex and WACC at base



Source: engine_FISV.

Takeaway: The price sits at a revenue CAGR of $\approx -0.8\%$ a year with base margins: a slow melt, not a collapse. Each point of long-run growth is worth $\approx$ USD 8–10 a share around the price.

What the reverse DCF does not flex. Each driver is solved with the others at base. If the market believes in both lower growth and a lower margin, each is less extreme than the table suggests: revenue drifting down $\approx 0.3\%$ a year with a 30 % margin, a 9 % WACC and no growth after 2035 gives $\approx$ USD 41, and -0.8% a year gives $\approx$ USD 38 [calc., engine]. That combination — a milder version of our bear case ($\approx -0.7\%$ a year to 2035 at Ke 12 %) — is what the market is paying for; the price does not require a collapse.

Multiples: five endpoints and cross-checks

Exhibit 53 — Value per share across five endpoints

USD per share, 2 Oct 2026

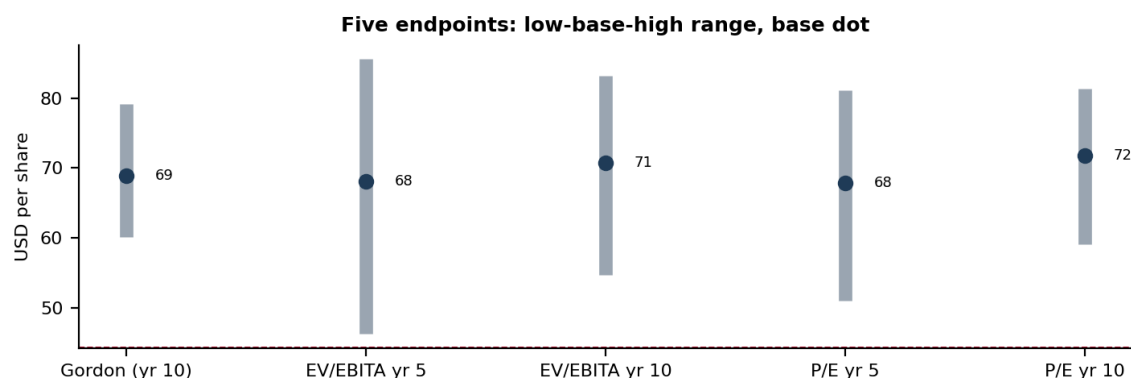
Endpoint	Low	Base	High	Weight
Gordon, perpetual growth after year 10	60.19	68.91	79.16	60%
EV/EBITA exit after year 5 (8 / 10 / 12x)	46.27	68.08	85.62	10%
EV/EBITA exit after year 10 (8 / 10 / 12x)	54.70	70.77	83.20	10%
P/E exit after year 5 (9 / 12 / 15x)	51.05	67.87	81.15	10%
P/E exit after year 10 (9 / 12 / 15x)	59.11	71.79	81.29	10%
Lowest / median / highest of the fifteen cells	46.27	68.91	85.62	
Weighted value (60/10/10/10/10)		69.20		

Source: Workbook Exit multiples (recalculated). P/E views value equity directly at Ke and count buybacks as capital returned.

Takeaway: Every one of the fifteen cells is above the price; the lowest (46.27) is the 5-year EV/EBITA exit at 8x. The answer depends far more on the scenario than on the endpoint.

Exhibit 54 — Five endpoints

USD per share; bar = low-high, dot = base



Source: Workbook Exit multiples.

Takeaway: The five base values cluster at USD 68–72: with 1.5 % growth forever the Gordon view and the 10x EBITA exits say the same thing. The spread comes from the low and high multiples, widest for the 5-year EV/EBITA exit.

Cross-checks. Gordon's implied EV/EBITA at year 10 is 9.7x against our 10x exit (gap -3%, inside the 30 % test). The 10x exits imply perpetual growth of 1.3% (5-year) and 1.7% (10-year), inside 0–3 %. Anchors: Fiserv's own median EV/adjusted EBIT 2021–25 is 14.6x and P/E 17.7x; the processor and merchant peer median (FIS, JKHY, GPN, PYPL, FOUR, CPAY, Adyen) is ≈ 15.8x EV/EBIT (GAAP) [calc., Fiscal.ai]. Base exits (10x EBITA, 12x P/E) are ≈ 30 % below the company's own history — the case does not rely on a re-rating to past multiples.

Five-year holding return. At the base case, a holder buying at USD 44.36 who sells at the 5-year EV/EBITA exit (USD 117.32 in 2031 money [calc.: today's value × 1.115⁵]) earns 21.5% a year; at the probability-weighted value, 17.9% a year (HR-2 C). Both are measured against a 10 % hurdle.

I2 • Base rates**Exhibit 55 — Base rates against our assumptions**

as stated

Reference class	Observed	Source	Our assumption
Organic growth, Fiserv ex Argentina (2023, 2024, 2025 YTD)	6 %, 6 %, ≈ 3 %	T-Q3-25	Base 2028–30 ≈ 1.5–2 %
Years of falling reported revenue, 2005–2025	1 of 21 (2009)	Fiscal.ai (2019+); [S] before	H1-26 is the second such period
Adjusted margin 2021–2025	33.9–40.0 %	Fiscal.ai adjusted	Terminal 33.0 %
Core-account attrition	-2 % to -3 % a year	T-Q1-26, T-Q2-26	Financial +0.5 % in 2028 and +1 % after needs growth elsewhere
Peer EV/EBITDA, legacy processors (FIS, GPN, JKHY)	8.8x, 10.5x, 11.8x	Fiscal.ai	Fiserv 6.4x
Fiserv P/E on adjusted EPS at year-end 2021–24	15.6–23.3x	calc.	Exit P/E 12x

Source: Fiscal.ai; transcripts (R3); workbook.

Takeaway: Our base sits at or below the reference class on every line. The bull case is the one that needs Fiserv to look like its own history.

J • Scenarios and sensitivities

Exhibit 56 — Five scenarios

USD per share; % ; USD m

Scenario	p	Rev. CAGR 26–30	Margin 2029	Margin term.	WACC	g	Legal	Adj. EPS 27	Value	vs price
Severe	10%	–4.7%	26.0%	26.0%	10.03%	–1.0%	1,500	5.40	3.57	–92%
Bear	30%	–1.3%	30.0%	30.0%	9.53%	0.0%	500	6.42	31.88	–28%
Base	40%	1.6%	32.8%	33.0%	9.03%	1.5%	300	7.26	68.91	55%
Bull	15%	3.6%	35.0%	35.5%	9.03%	2.0%	200	7.68	98.81	123%
Blue-sky	5%	4.9%	37.0%	37.5%	9.03%	2.5%	0	8.13	127.65	188%
Weighted (house)	100 %								58.69	32%
Weighted (SEK 10/20/40/20/10)									66.83	51%

Source: engine_FISV (each scenario a full re-run); workbook Scenarios.

Takeaway: The distribution is left-skewed by construction (weighted 58.69 < base 68.91), and two cases — severe and bear, 40 % together — are below the price. HR-6: 2.8x; probability of loss 40%.

Exhibit 57 — What triggers each scenario

qualitative

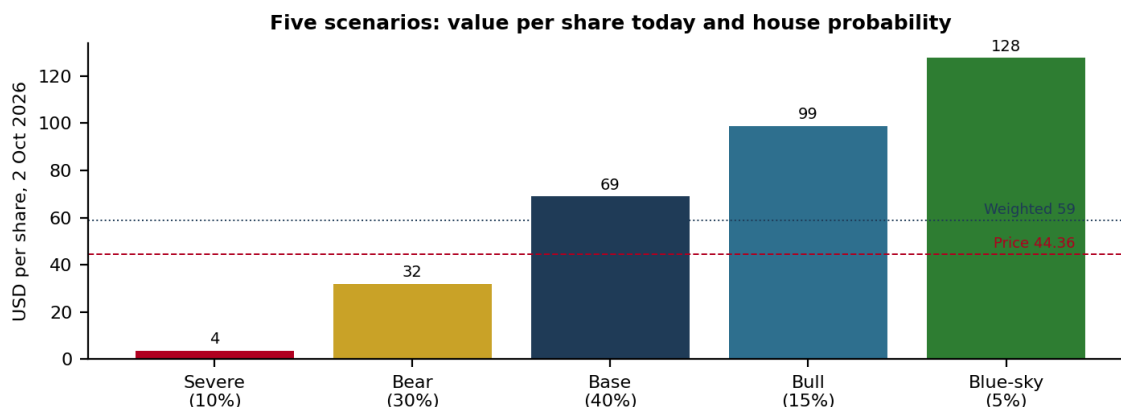
Scenario	Narrative and inputs
Severe	Structural decline: Financial –7 % a year in 2027–29, then –4 %, –3 %, –2 %, as core clients leave and debit pricing falls; non-Clover small business and Processing –8 % a year; Clover flat, then +2 %; Enterprise –2 %; margin 28 % in 2027 and 26 % from 2028; USD 1.5bn legal cost; Ke 13 % (WACC ≈ 10.0 %); refinancing at higher rates; g –1 %, RONIC 10 %.
Bear	No margin recovery (30 % flat: Elevate savings re-invested); Financial –4 %, –3 %, –2 % in 2027–29, then –1.5 % to –1 %; Clover +5–6 %; non-Clover and Processing –6 %; Enterprise +1 %; USD 0.5bn legal; Ke 12 % (WACC ≈ 9.5 %); g 0 with RONIC equal to WACC.
Base	Stabilisation: 2026 at the low end of guidance; Clover +10 % fading to +5 %, non-Clover –5 %, Enterprise +3–4 %, Processing –4–5 %, Financial –0.5 % / +0.5 % / +1 %; revenue +0.9 % in 2027 and ≈ 1.5–2 % thereafter; margin 31.8 % → 33.0 %; g 1.5 %, RONIC 15 %.
Bull	Clover +15 % in 2027–29 (the low end of the company's target); Financial +1 % to +2.5 %; Enterprise +4 %; margin 35 % in 2029 and 35.5 % terminal; g 2 %, RONIC 20 %.
Blue-sky	Plan plus portfolio action (Jana, network sale at a premium): Clover +17–18 %, Financial +2–3 %, margin 37–37.5 % (the unverified Investor Day target); Ke 11 %; g 2.5 %, RONIC 25 %.

Source: Billen Capital Research.

Takeaway: The severe case is calibrated to what has actually happened in 2026 — Financial Solutions at –7 % — continuing for three more years, plus a legal bill. It is not a recession scenario; a recession would hit Merchant volumes on top.

Exhibit 58 — Value per scenario and probability

USD per share

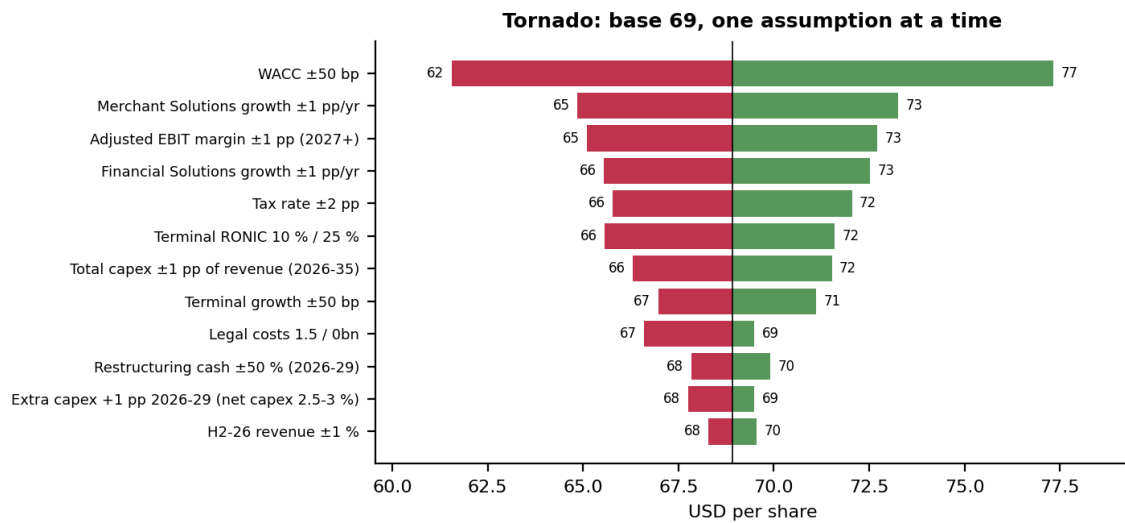


Source: engine_FISV.

Takeaway: Three of five scenarios are above the price. The question for the CIO is whether bear and severe together deserve more than the 40 % we give them.

Exhibit 59 — Tornado: one assumption at a time

USD per share; base in the middle

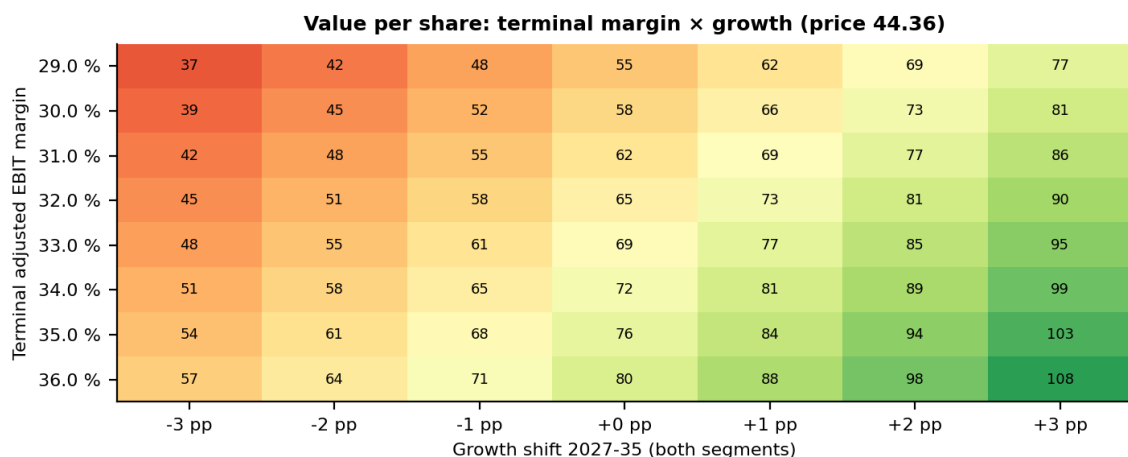


Source: engine_FISV (workbook Sensitivities).

Takeaway: WACC moves value more than any operating assumption (±50 bp ≈ USD 62–77). The largest single operating swing takes value only to USD 64.85; it takes several together — the bear case — to reach the price.

Exhibit 60 — Terminal margin × growth

USD per share



Source: engine_FISV (workbook Sensitivities grid 2).

Takeaway: To reach the price on this grid needs a margin 3–4 points below base and revenue growth ≈ 2–3 points a year below base at the same time — that is our bear case.

J2 • How much the weights matter

The house weights (10/30/40/15/5) give a weighted value of USD 58.69 and a target of USD 65. The SEK price-level weights (10/20/40/20/10) give USD 66.83. Swapping base and bear (10/40/30/15/5) gives USD 54.99. Doubling the severe case to 20 % and taking it from base (20/30/30/15/5) gives USD 52.16. Dropping bull and blue-sky altogether (10/30/60/0/0) still gives USD 51.27. The weights we would move to after a third guidance cut (20/40/30/10/0) give USD 44.02 — the price. This is the honest limit of the call: it does not need the bull case, but it needs the base case to remain at least as likely as the bear case.

J3 • Returns by scenario and horizon

Exhibit 61 — Total shareholder return if the price converges to value within a year

USD; % a year

Scenario	Value today	TSR 1 year	TSR 3 years p.a.	TSR 5 years p.a.
Severe	3.57	-91%	-51.2%	-31.7%
Bear	31.88	-20%	0.3%	4.8%
Base	68.91	73%	29.1%	21.8%
Bull	98.81	148%	45.6%	30.9%
Blue-sky	127.65	219%	57.9%	37.1%

Source: Workbook Scenarios rows 21–26; engine_FISV.

Takeaway: The severe case loses ≈ 91% in a year and the bear case ≈ 20%; the base earns ≈ 73%. The upside in base and bull is larger than the downside in bear, which is the case for accumulating — and the 40 % on bear and severe together is the case for not doing it all at once.

K • Risk register, pre-mortem and the bull case

Exhibit 62 — Risk register

qualitative; per-share effects from engine_FISV

Risk	Likelihood	Severity	Value effect	Leading indicator
Third guidance cut (Q3/Q4-26)	Medium	High	≈ -USD 4 per 10 pp moved from base to bear; -USD 15 to the HOLD weights	Q3 organic, Q4 bridge
Core-bank attrition accelerates	Medium	High	Financial -1 pp/yr ≈ -USD 3	Core accounts; named client losses
Clover loses share (Toast, Square)	Medium	Medium	Merchant -1 pp/yr ≈ -USD 4	GPV ex gateway < 10 %
Margin stays at 30–31 % (re-investment)	Medium	High	-USD 37 (bear, with lower growth)	Quarterly margin; 2027 guide
Debit routing / interchange regulation	Low-medium	Medium	Financial pricing -1–2 %	Fed Reg II; card-not-present routing
Downgrade below BBB-	Low	High	Refinancing cost up; buybacks stop (part of severe case)	S&P outlook; leverage > 3.5x
SEC / SDNY / class action	Medium	Medium	1.5bn ≈ -USD 2	Motion to dismiss; SEC Wells notice
Argentina macro / FX	Medium	Low	3–4 % of revenue	Peso; anticipation volumes
Management instability	High (realised)	Medium	Execution risk across all lines	CFO retention; FS head appointment
Cyber incident at a core processor	Low	High	Client churn; litigation	Incident disclosures; H2-26 cyber spend
Goodwill impairment	High	Low (non-cash)	None on value; equity optics	Q4 annual test
Activist-driven value destruction (fire sale)	Low	Medium	Network sold < 10x EBITDA	Portfolio-review announcements

Source: Billen Capital Research; engine_FISV.

Takeaway: The two risks that would break the thesis — accelerating attrition and a margin that never recovers — are visible in quarterly data; the others are tail costs worth single dollars per share.

Pre-mortem. It is October 2027 and the shares are at USD 30. What happened? Q3-26 showed Financial Solutions at -6 % with no Q4 ramp; the 2027 guide in February called for flat revenue and a 31 % margin; two large banks announced moves to cloud cores; Clover's growth fell to mid-single digits as Toast and Square cut pricing; S&P downgraded to BBB- and Fiserv suspended buybacks; the SEC settled for USD 400m. Each of these is in our severe or bear case. The pre-mortem tells us what to watch, not that the base is wrong.

BULL REGISTER

1. Volumes grow in every network (GPV +11 %, transactions +5 %, Zelle +23 %, accounts +4 %).
2. Recurring revenue +2 % even in the worst quarter.
3. ≈ 14 % FCF yield on 2026E (company definition); ≈ 13 % on our stricter 2027 FCFE.
4. Comparisons ease from Q3-26 (license, output, debit pricing, Clover fees lapped in Q4).
5. USD 500m Elevate savings identified; activist pushing for 1.25bn.

6. Portfolio review can crystallise value (two debit networks, MoneyPass done).
7. New CEO is the operator who ran Merchant; incentives reset at low prices (RSUs granted at USD 64).
8. Finxact gives a credible cloud-core answer (Flagstar win).
9. Bond market open (€1bn in June 2026); long maturity ladder.
10. Market cap below book equity; 6x P/E on depressed earnings.

BEAR REGISTER

1. Two guidance cuts in ten months, each after a reaffirmation.

2. Financial Solutions –8 % with margin down 10 points in a year.
3. Core attrition at smaller credit unions "steady" — i.e. permanent.
4. Clover revenue growth from +26 % to +2 % in three quarters with GPV unchanged — the revenue was not what investors thought.
5. CEO, President, CLO gone within four months; interim FS leadership.
6. SEC/SDNY investigation and securities class action.
7. Adjusted figures exclude recurring "one-offs" and financed capex.
8. 2023–25 buybacks at USD 130–200 destroyed capital; leverage 3.2x; BBB ratings with a negative outlook.
9. Goodwill headroom 3.7 % in one unit before a further 34 % share-price fall.
10. Toast, Square, Adyen and Stripe are better products in their niches.

K2 • Permanent impairment

A permanent loss for a holder at USD 44.36 needs at least the bear case, in which value is USD 31.88: revenue drifting down $\approx$ 1 % a year with a 30 % margin and no growth after 2035. The severe case — revenue shrinking $\approx$ 5 % a year to 2030 with a 26 % margin — leaves the equity almost worthless (USD 3.57) while the cash flows still cover interest (adjusted EBIT $\approx$ USD 4.5bn vs $\approx$ 1.7bn of net finance cost in 2028, gross leverage $\approx$ 3.9x): impairment comes through the equity, not insolvency. The historical analogue is the legacy-processor de-rating of 2022–25: Global Payments and FIS saw multiples halve and stay there but kept their franchises; Worldline, the most stretched of the group, lost more than 90 % of its 2021 share price [S].

K3 • Severe downside: the chain of events

Exhibit 63 — How the severe case would unfold

qualitative

Step	Event	Consequence
1	Q3-26: Financial –7 %, guidance cut a third time	Base weight moves to bear; shares re-test USD 35–40
2	Two large cores leave for cloud providers; attrition doubles	Financial –5 %/yr; margin to 28 %
3	Clover cuts pricing to defend share against Toast/Square	Merchant flat; take rate –10 bp
4	S&P downgrades to BBB–; buybacks suspended	Coupon step-up risk; equity loses its main support
5	SEC/class-action settlement USD 1–1.5bn	$\approx$ USD 2–3 a share; headline risk
6	Goodwill impairment of USD 10bn+ at the Q4 test	No cash effect; GAAP equity falls (tangible equity is already negative)

Source: Billen Capital Research; engine_FISV severe case (value USD 3.57).

Takeaway: The steps are correlated: a third cut makes attrition, rating pressure and pricing defence more likely at the same time. That is why the severe case has 10 % and not 5 %.

Correlated multi-hit. If the severe operating path coincides with a US recession (merchant volumes –5 %, debit transaction growth to zero) the value falls to $\approx$ USD 2 [calc., engine: severe with Merchant $\approx$ –9 % in 2027 instead of –4 %]. The equity would then be worth little more than an option on recovery; the debt would still be serviced.

K4 • The risks in detail

Guidance credibility. Two cuts in ten months, each after a reaffirmation, mean the market will discount any number management gives until one is delivered. A third cut at Q3 would not change our base value much (H2-26 revenue $\pm$ 1 % $\approx$ $\pm$ USD 0.6 a share) but it would move probability from base to bear — the real value effect ($\approx$ USD 4 a share on the weighted value for every 10 points moved; $\approx$ USD 15 if the weights go to 20/40/30/10/0).

Core-banking attrition. Core accounts fell 2–3 % a year; management attributes it to forced conversions at smaller credit unions, now abandoned. The risk is that attrition moves up-market as cloud cores mature (Pismo at Visa, Thought Machine, Finxact itself). Each extra point of Financial decline a year is $\approx$ USD 3.4 a share.

Clover competition and pricing. Clover sells through banks and ISOs against software-native competitors that own the restaurant and retail verticals. GPV growth of 9–12 % says Clover still wins merchants; the risk is that it does so at lower take rates. Management says yield is stable and is "monitoring" competitors' price changes.

Margin re-investment. The H2-26 technology spend (>USD 100m), retention pay inside One Fiserv and the restoration of deferred investment can all persist. Our bear case assumes they do: a 30 % margin forever, with revenue falling $\approx$ 1 % a year, is worth $\approx$ USD 32 a share.

Leverage and ratings. Gross debt of USD 27.9bn at $\approx$ 3.2x on the company measure, S&P outlook negative, coupon step-ups of up to 2 % below investment grade. A one-notch downgrade is manageable; two notches could add up to 2 pp of coupon on the affected notes [R, K25 p44] and would stop buybacks.

Legal and regulatory. SEC/SDNY investigation and the class action concern the 2024–25 disclosures on Clover and Argentina. Typical outcomes for disclosure cases are settlements in the hundreds of millions; we carry USD 0.5bn (bear) and 1.5bn (severe).

Argentina. Still 3–4 % of revenue at high margins; inflation and rates falling compress anticipation revenue (–USD 72m in H1-26). FX losses sit below EBIT.

Key people. Three senior exits in four months; Financial Solutions is run by interim leaders. A CFO departure would be the next red flag.

Cyber and operational. A processor outage or breach at a core provider is a franchise risk; management has increased cyber spend and reports fewer client incidents.

Activism. Jana's push could produce value (savings, disposals) or value-destroying haste (selling networks cheaply to fund buybacks).

L • ESG and governance

Governance is the material ESG factor and it scores poorly for 2025–26: guidance failures, a CEO succession that lasted thirteen months, retention awards that did not retain, a securities class action and a regulatory investigation. Positives: a new independent chair since January 2026, two new directors, a new CFO with a strong reputation, and an activist on the register. **Social:** Fiserv processes payments and deposits for thousands of banks and millions of merchants; operational resilience and cyber security are systemic responsibilities — the H2-26 infrastructure and cyber spend ($\approx$ USD 100m) is a response to client incidents (management reports a 70 % reduction in Financial Solutions client-facing incidents). **Environmental** exposure is low (data centres, hardware). The proxy statement (DEF 14A, April 2026) is not in our corpus; pay structure and board independence remain to be checked (Section P).

M • Monitoring dashboard

Exhibit 64 — Core indicators with thresholds

level: green / amber / red

Indicator	Now	As of	Confirms if	Green	Amber	Red
Organic growth, group (% , quarter)	−5.0	Q2-26	up	0.0	−2.0	−4.0
Financial Solutions organic growth (%)	−8.0	Q2-26	up	−1.0	−4.0	−6.0
Merchant Solutions organic growth (%)	−1.0	Q2-26	up	3.0	1.0	−1.0
Clover GPV growth ex gateway (%)	11.0	Q2-26	up	12.0	10.0	8.0
Adjusted operating margin (%)	31.8	Q2-26	up	32.0	30.5	29.0
Core accounts, growth (%)	−3.0	Q2-26	up	−1.0	−3.0	−5.0
Recurring revenue, growth (%)	2.0	Q2-26	up	3.0	1.5	0.0
Free cash flow, rolling 4 quarters (USD m, company def.)	4,250.0	LTM Q2-26	up	3,600.0	3,200.0	2,800.0
Gross debt / adjusted EBITDA (x, company)	3.2	Q2-26	down	3.0	3.3	3.6
One Fiserv + severance (USD m per quarter)	227.0	Q2-26	down	150.0	250.0	350.0
Shares outstanding (m)	531.8	2026-07-31	down	525.0	532.0	536.0

Source: Workbook Monitoring dashboard 11D; R-Q2-26, P-Q2-26, T-Q2-26.

Takeaway: Three indicators carry the thesis: group organic growth, Financial Solutions organic growth and the adjusted margin. All three are red or amber today; the case needs them to turn within two quarters.

Exhibit 65 — Thesis pillars and falsification

as stated

#	Claim	Falsified if
1	The revenue decline is temporary: organic ≥ 0 % by Q4-26, 2027 ≥ 0 %	Organic < -2 % in Q4-26 or 2027 guide < 0 %
2	Financial Solutions stabilises; attrition limited to small credit unions	Financial organic < -4 % two quarters after Q3-26
3	Margin has bottomed near 31 % and recovers ≥ 1.5 pp by 2029	2027 guide < 31 % or two quarters < 30 %
4	Cash carries the debt: FCF $\geq$ USD 3.2bn (company def.), leverage toward 3.0x	Rolling FCF $<$ USD 2.8bn or rating below BBB−
5	Legal costs below USD 1.5bn	Settlement or provision $>$ USD 1.5bn, or charges against the company

Source: Workbook Monitoring dashboard 11C.

Takeaway: Two broken pillars among 1–3 → test HOLD and re-run the model; three → re-initiate (L3).

Exhibit 66 — Event calendar

dates estimated unless confirmed

Date	Event	Why it matters	Surprise would be
2026-10-15	Q3-26 pre-earnings sheet frozen (INI-PLAN-001)	The pre-earnings sheet is locked before the report	
2026-10-28	Q3-26 report (estimated; before the open)	First quarter after the cut; Jana wants sharper targets; Financial organic growth; the H2 bridge (delayed contracted revenue)	Another FY26 cut or organic < -4 %
2026-11-15	Portfolio review (Takis) — STAR/Accel debit networks [S, WSJ Jul-26]	A sale at a premium would crystallise value and repay debt	Sale below 10x EBITDA
2026-11-30	Class action (S.D.N.Y.) — ruling on the motion to dismiss (date not set)	Class period Feb-24 to Oct-25; SEC/SDNY investigation of the 2025 guidance	Motion denied

Date	Event	Why it matters	Surprise would be
2026-12-31	Year-end: gross debt/EBITDA ≈ 3x (company target)	The leverage target and the 2027 buyback pace	> 3.3x
2027-02-09	Q4-26 report and 2027 guidance (estimated)	First full-year guide under the new CEO; Elevate savings	Organic 2027 < 0 % or margin < 31 %
2027-03-31	Proxy 2027 / CEO pay and board changes (estimated)	Jana demands; incentives tied to FCF/ROIC?	
2027-05-15	AGM 2027 (estimated)	Possible activist nomination	Proxy fight
2027-07-31	MoneyPass JV: first full quarter as an affiliate	Revenue loss in Financial; equity-method income	

Source: Workbook Monitoring dashboard 11B; Fiscal.ai events calendar (Q3 date estimated).

Takeaway: The next four months contain the Q3 print, the portfolio review and the 2027 guidance — most of the information that will decide this case.

M2 • What we will look for in Q3-26

Exhibit 67 — Q3-26 checklist

our expectation, good and bad outcomes

Item	Our expectation	Good	Bad
Group organic growth	≈ -1 % (company: Q3 down low single digits)	≥ 0 %	< -3 %
Financial Solutions organic	≈ -2 to -4 % (easier comparison)	≥ 0 %	< -6 %
Merchant organic	≈ 0 %	≥ +2 %	< -2 %
Adjusted operating margin	31.0 %	≥ 32 %	< 30 %
Adjusted EPS	1.74 (cons. 1.71)	≥ 1.80	< 1.64 (cons. low)
FY26 guidance	Unchanged (7.20–7.40)	Narrowed up	Cut again
Q4 revenue commentary	Mid-single-digit growth reiterated	Contracted revenue live	Ramp pushed to 2027
Clover GPV ex gateway	10–12 %	≥ 12 %	< 9 %
Core accounts	-3 %	≥ -2 %	≤ -4 %
Capital allocation	Buybacks ≈ USD 100m; leverage ≈ 3.1x	Portfolio sale announced	Rating action

Source: engine_FISV; R-Q2-26; T-Q2-26; Alpha Vantage [K]. The Q3-26 pre-earnings sheet (förhandsblad) freezes these on 15 Oct.

Takeaway: Three of the ten lines decide the rating: FY26 guidance, Financial organic growth and the Q4 commentary.

R • Anticipated objections

Exhibit 68 — Objections and answers

qualitative

Objection	Answer
"It is a value trap: cheap and getting cheaper."	Possible. That is the bear and severe cases (40 % together). The difference between a value trap and a recovery is visible in Financial organic growth within two quarters; the rating is ACCUMULATE, not BUY, for that reason.
"Your WACC is too low for a stock this volatile."	Ke is 11.5 %, above CAPM (≈ 10.5 %). At a 9.6 % WACC (Ke 12.5 %) the base is still ≈ USD 60. The price needs 11.0%.
"The 2024 margins were fake; 31 % is normal."	Our bear case holds 30 % forever with revenue falling ≈ 1 % a year and is worth USD 32 — below the price. That is why it carries 30 %.
"Management cannot forecast; why trust any number?"	We do not use management's 2027–29 targets in the base. Our 2027 EPS is below consensus.
"Brokers at USD 46–65 know the company better."	Their targets apply 6–8x to 2027 EPS — the current multiple. We value cash flows; at 8x our 2027 EPS the target would be ≈ USD 58. The gap is a view on durability.
"Debt makes the equity an option."	Yes — in both directions. Debt is 55 % of the market EV; the bridge is fully loaded (accrued interest, unavailable cash, minorities, a legal reserve; affiliates and assets held for sale credited at book).
"Financed capex and restructuring are being ignored."	They are deducted (≈ USD 9–10 a share versus the company's definitions); net capex of 1.5–2 % of revenue to 2029 is below the FY25 level (4.6 %) and in line with H1-26 (1.8 %).
"Clover is losing to Toast and Square."	GPV growth of 9–12 % is above the market, but our base already assumes Clover revenue +10 %, not the company's 15–20 %. Bear (+5–6 %) and severe (flat) carry share loss.

Source: Billen Capital Research.

Takeaway: The strongest objection is the first; it is answered by evidence that arrives in Q3–Q4, not by the model.

N • Conclusion, rating and decision rule

ACCUMULATE, target USD 65, fair value USD 58.69 (base 68.91), conviction 2/5. House tests: HR-2 C 17.9% / A 13.3% — PASSES; HR-6 2.8x; HR-7 buy level USD 49 (ratio test binds at 49.01; 10 % margin 52.82); HR-5 required price at 10 % USD 62.80, at 8 % USD 68.84 — reduce above USD 68; HR-9 group 1. With SEK weights: value 66.83, target 74, C 21.0%.

Why not BUY. The mechanical tests pass. Four things argue for building the position in steps: (1) two of five scenarios — 40 % of the probability — are below the price; (2) Q3-26, ≈ 25 days away, can still produce a third cut; (3) management's forecasting record gives no basis for confidence in the H2 bridge; (4) the plan weight is already 2.7 %. ACCUMULATE means: a first increase is justified at today's price; the second requires organic growth ≥ 0 % in Q4-26 or a 2027 guide with positive organic growth.

Decision rule. Hold and accumulate while pillars 1–3 hold. If Q3-26 Financial organic growth is below –6 % and the 2026 guide is cut again: move to HOLD and re-weight to 20/40/30/10/0 (value ≈ USD 44). If two of pillars 1–3 break: re-initiate. Above USD 68: reduce toward plan weight.

O • Owner's manual

- **What you own:** a levered, de-rated payments processor with 84 % recurring revenue, two debit networks, a growing merchant platform and a core-banking franchise losing small clients.
- **What you are betting on:** stabilisation, not recovery. Revenue flat to slightly up in 2027, margin up 1–2 points by 2029.
- **What you will see first:** Q3 organic growth (≈ 28 Oct), the 2027 guide (≈ 9 Feb 2027), portfolio announcements.
- **What would make you sell:** two of pillars 1–3 broken, or the price above USD 68.
- **Time horizon:** 2–3 years; the 12-month target assumes the market re-prices toward value within a year, which is the least certain part.
- **Currency:** USD exposure for a SEK holder; no FX view.

P • Unresolved questions

1. **Investor Day 2026 (14 May):** presentation and appendix not in the folder (server blocks automated download). The 2029 targets (margin > 37 %, EPS > USD 12) are unverified (K23). Requested from the CIO.
2. **Proxy DEF 14A 2026:** not available via Fiscal.ai; SEC blocks automated access. Pay metrics, board independence and say-on-pay outcome unknown.
3. **Clover revenue in dollars** is not disclosed by quarter; growth rates are management's.
4. **MoneyPass JV:** no price, partner or contribution disclosed; we give the 49 % stake no value.
5. **Operating lease liability at 30 Jun 2026** not printed (K7); leases are treated as operating cost and kept out of the bridge (763 at December, for reference).
6. **Jana Partners' stake size** not disclosed [S].
7. **Q3-26 report date** is estimated (28 Oct).

Q • Portfolio fit (SEK holder)

Fiserv is 2.7 % of the plan (MND-019, Nordnet line marked N). It is the first holding in package 3 (payments and platforms; Visa, Alphabet and Microsoft follow). Its risks are idiosyncratic — execution, governance, leverage — and only loosely correlated with the energy and holding-company positions initiated in packages 1–2. The correlation that matters inside package 3 is with Visa (debit routing, network economics) and with consumer spending (Clover volumes). A downside in Fiserv's severe case costs the plan ≈ –2.5% of value; the base case adds ≈ 1.5%. Position sizing is the CIO's decision.

Appendices

Exhibit 69 — A1 • Forecast P&L and FCF build (workbook, base)

USD m; H2-26 annualised

	H2-26a	2027	2028	2029	2030	2031	2032	2033	2034	2035	Term.
Adjusted revenue	19,599	19,694	19,999	20,401	20,811	21,220	21,618	21,996	22,343	22,717	23,058
EBITDA after restructuring	7,185	7,514	7,950	8,378	8,595	8,764	8,928	9,084	9,228	9,382	9,523
EBIT (after PPA, restructuring)	4,053	4,563	5,210	5,842	6,222	6,504	6,733	6,905	7,067	7,238	7,448
EBITA	5,303	5,663	6,110	6,542	6,722	6,854	6,983	7,105	7,217	7,338	7,448
EBITA margin	27.1%	28.8%	30.5%	32.1%	32.3%	32.3%	32.3%	32.3%	32.3%	32.3%	32.3%
NOPAT	2,992	3,430	3,988	4,533	4,878	5,133	5,336	5,484	5,624	5,770	5,958
Maintenance capex	–1,881	–1,851	–1,840	–1,836	–1,873	–1,910	–1,946	–1,980	–2,011	–2,045	–2,075
Growth capex (+ΔWC in H2-26)	–384	–315	–320	–306	–312	–276	–281	–286	–290	–295	–562

	H2-26a	2027	2028	2029	2030	2031	2032	2033	2034	2035	Term.
FCFF	3,858	4,198	4,537	4,887	5,024	5,167	5,265	5,360	5,448	5,537	5,362

Source: Workbook Forecast P&L, FCF build (recalculated).

Takeaway: Every line is a formula on the Assumptions tab; the engine reproduces DCF!C27 to the cent.

Exhibit 70 — A2 • Gate B: ten numbers from the finished model against the primary source

USD m

Item	Model	Source	Document • page	Result
Revenue, latest year (GAAP)	21,193	21,193	K25 p50: total revenue	21,193 OK
Adjusted EBIT, latest year	7,398	7,398	R-Q4-25 p.9: adjusted operating income 7,398 = 5,818 + 59 + 86 + 79 + 1,304 + 52	OK
Cash at period end	627	627	Q226 p3: cash and cash equivalents	627 OK
Gross interest-bearing debt	27,886	27,886	Q226 p3 and p21: 1,207 + 26,679 = 27,886	OK
Net debt, gross debt – balance-sheet cash (the bridge deducts only available cash, 245)	27,259	27,259	Q226 p3/p21: 27,886 – 627 = 27,259	OK
Lease liabilities (operating; not in the bridge)	763	763	K25 p74: operating lease liabilities 126 + 637 = 763 (2025-12-31)	OK
Minority interests	22	22	Q226 p3: noncontrolling interests	22 OK
Shares, diluted	533.7	533.7	R-Q2-26 p.6: diluted weighted average shares	533.7 OK
Revenue, largest segment (Merchant)	10,140	10,140	K25 p63: Merchant Solutions revenue	10,140 OK
Cash flow from operations	6,062	6,062	K25 p51: net cash provided by operating activities	6,062 OK

Source: Workbook Verification log, GRIND B block.

Takeaway: Ten of ten match. Gate B passed; no corrections required.

Exhibit 71 — A3 • G5: assumptions moving value by more than 5 %

half-swing of the tornado test

Assumption	> 5 %? (swing)
Adjusted EBIT margin 31.8 % → 33.0 %	Yes (±5.5 %)
Financial Solutions –0.5 % 2027, +0.5 % 2028, +1 % thereafter	Yes (±5.1 %)
Merchant bottom-up: Clover +10 %, other SMB –5 %	Yes (±6.1 %)
WACC 9.03 %	Yes (±11.4 %)
Perpetual growth 1.5 %, RONIC 15 %	No (±3.0 %)
Total capex 10.3–11.5 % of revenue	No (±3.8 %)
Restructuring 900 (H2-26 ann.) / 600 / 350 / 150; then 0.7 %	No (±1.5 %)
Tax 20 % (no PPA shield)	No (±4.5 %)
RONIC 15 % in the terminal	No (±4.4 %)
H2-26 revenue 9,880	No (±0.9 %)
Shares 533.7m (+0.8 %/yr RSU)	Yes (bridge)
Bridge claims 26,796 + legal 300	Yes (bridge)

Source: Workbook Verification log (running log); engine_FISV.

Takeaway: Four assumptions move value by more than 5 %: WACC (±11.4 %), Merchant growth (±6.1 %), the margin path (±5.5 %) and Financial Solutions growth (±5.1 %), plus the bridge items. Each has a primary-source or triangulated anchor in the verification log.

Exhibit 72 — A4 • Conflict register (selected)

see 02_Evidence/FISV_KONFLIKTREGISTER.md (26 entries)

#	Measure	Decision
K1	Revenue GAAP 21,193 vs adjusted 19,804	Model on adjusted
K2	EBIT 5,818 vs adjusted 7,398 (PPA 1,304 of 1,580)	EBITA = EBIT + PPA
K3	FY25 adjusted EBIT incl. ≈ 120 of gains	Normalised 36.7 %
K4	Q1-26 adj. EPS 1.79 incl. 0.17 tax	H1 normalised 3.46
K5	Cash 627 / available 245	Bridge 245
K6	Debt 27,886 incl. finance leases	Bridge 27,886
K7	Op. leases 763 (Dec only)	Not in bridge (operating cost)
K9	Shares 531.8 out / 533.7 diluted	533.7
K11	Organic incl. Argentina	Ex-Argentina rates as base
K13	FCF 4,435 vs OCF–capex 4,299; advances outside	FCFF from EBIT
K23	Investor Day 2029 targets unverified	Not used

#	Measure	Decision
K24	Guide 15 Jun vs 6 Aug	Latest

Source: FISV_KONFLIKTREGISTER.

Takeaway: No model input takes a value from a measure in the register without the decision being applied.

A5 • Sources

Form 10-K FY2023–FY2025; Form 10-Q Q3-25, Q1-26, Q2-26; earnings releases Q2-25–Q2-26; presentations Q1-26, Q2-26; transcripts Q3-25, Q4-25 (Alpha Vantage, reserve), Q1-26, Q2-26 (Fiscal.ai); Form 8-K Aug-25–Sep-26 (13); Fiscal.ai prices, ratios, standardised and adjusted financials, segments, events calendar; Alpha Vantage consensus, weekly prices, UST series (reserve; logged); investors.fiserv.com events page and Investor Day release (web page, unverified as a file); Yahoo Finance/Reuters and MarketBeat (28 Sep 2026, secondary). All primary documents in Research/Aktier/Fiserv/O1_Sources (34 files).

Exhibit 73 — A6 • Scenario paths, 2026–2035

USD m; 2026 FCFF = H2 annualised

Scenario	Line	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Severe	Revenue	19,198	18,165	17,206	16,383	15,847	15,418	15,086	14,777	14,490	14,223
	Adj. EBIT margin	30.7%	28.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
	FCFF	3,598	3,242	2,999	3,004	2,998	2,938	2,866	2,806	2,750	2,698
Bear	Revenue	19,378	18,942	18,672	18,524	18,409	18,361	18,293	18,243	18,213	18,202
	Adj. EBIT margin	31.1%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	FCFF	3,767	3,727	3,850	3,983	4,036	4,055	4,042	4,029	4,021	4,017
Base	Revenue	19,518	19,694	19,999	20,401	20,811	21,220	21,618	21,996	22,343	22,717
	Adj. EBIT margin	31.2%	31.8%	32.3%	32.8%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
	FCFF	3,858	4,198	4,537	4,887	5,024	5,167	5,265	5,360	5,448	5,537
Bull	Revenue	19,598	20,145	20,925	21,811	22,607	23,374	24,084	24,779	25,447	26,156
	Adj. EBIT margin	31.3%	32.5%	33.8%	35.0%	35.5%	35.5%	35.5%	35.5%	35.5%	35.5%
	FCFF	3,903	4,461	5,045	5,569	5,875	6,127	6,321	6,507	6,687	6,871
Blue-sky	Revenue	19,638	20,453	21,490	22,631	23,760	24,838	25,880	26,852	27,806	28,820
	Adj. EBIT margin	31.4%	33.5%	35.2%	37.0%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%
	FCFF	3,930	4,673	5,404	6,119	6,526	6,882	7,178	7,459	7,729	8,009

Source: engine_FISV.

Takeaway: The scenarios differ mainly in 2027–29; after 2030 each grows at its own steady rate. Of the USD 37 between base and bear, ≈ 11 is the margin, ≈ 17 the revenue path and ≈ 9 the higher Ke, zero terminal growth and legal cost [calc., engine, applied in that order].

Exhibit 74 — A7 • Management in its own words

short quotes; transcripts (Q3/Q4-25 Alpha Vantage, medium fidelity; Q1/Q2-26 Fiscal.ai)

Speaker	Quote
Lyons, Q3-25	"our challenges are largely driven by our own doing, not the result of a material change in our positioning."
Lyons, Q3-25	Argentina "contributed over 5 percentage points to our 12% organic growth rate in 2023 and roughly 10 percentage points" in 2024.
Lyons, Q4-25	"we've lost some market share, particularly among smaller credit unions... due to... previous core conversion strategies."
Lyons, Q1-26	"FS being a low single-digit growth company, probably operating flattish today on a clean basis."
Todd, Q2-26	"The change in our second half growth rate is not structural."
Todd, Q2-26	"greater than 200 basis points of total adjusted operating margin expansion from Project Elevate by 2029."
Takis, Q2-26	"obviously the debit networks will be part of that review as well."
Todd, Q2-26	"the yield environment is very stable either overall from a merchant standpoint or for Clover specifically."

Source: Transcripts in O1_Sources/TR (R3).

Takeaway: The diagnosis has been candid since October 2025; the forecasting has not. The quotes to hold management to are the last four.

Exhibit 75 — A9 • Legal proceedings

as disclosed

Matter	Status	Stage
Securities class action, SDNY (No. 1:25-cv-06094)	Filed 24 Jul 2025; amended 12 Jun 2026; class period 6 Feb 2024 – 28 Oct 2025; Clover growth and Argentina contribution	Motion to dismiss pending
Securities suits, E.D. Wis. (No. 25-cv-1716)	Filed Nov 2025; class period 23 Jul – 29 Oct 2025 (Q2-25 statements); consolidated 5 Feb 2026	SDNY plaintiffs seek transfer
Derivative suits (federal E.D. Wis.; Milwaukee County)	Filed Dec 2025 – Apr 2026; consolidated	Stayed pending SDNY motion
SEC Enforcement and US Attorney SDNY	Investigations related to the 2025 earnings guidance, since Nov 2025	Cooperating
Accrual / range	USD 18m (30 Jun 2026); range above accrual USD 0–160m at 31 Dec 2025	No range in 10-Q

Source: K25 p86–87; Q226 p28–29 (R1 §10).

Takeaway: The legal exposure is about the 2024–25 guidance and disclosure, not about operations; we carry USD 0.5bn (bear) and 1.5bn (severe).

Exhibit 76 — A10 • Quarterly estimates, Q3-26 to Q3-28 (base)

USD m; adjusted (company definitions)

Quarter	Adj. revenue	Adj. op. income	Margin	Adj. EPS	Our FCFE
Q3-26	4,880	1,513	31.0%	1.74	647
Q4-26	5,000	1,614	32.3%	1.90	728
Q1-27	4,679	1,353	28.9%	1.49	586
Q2-27	4,937	1,530	31.0%	1.76	727
Q3-27	5,030	1,630	32.4%	1.91	807
Q4-27	5,048	1,749	34.7%	2.09	902
Q1-28	4,752	1,396	29.4%	1.63	679
Q2-28	5,014	1,578	31.5%	1.92	825
Q3-28	5,108	1,681	32.9%	2.08	908

Source: Workbook Monitoring dashboard 11A; engine_FISV.

Takeaway: These are the numbers the pre-earnings sheets (förhandsblad) will score against; 2027–28 quarters use the 2025 seasonal pattern.

Exhibit 77 — A11 • Full peer table

LTM; vendor definitions

Company	EBITDA margin	Rev. CAGR 3y	EV/Sales	EV/EBITDA	P/E	FCF yield	ND/EBITDA
Fiserv, Inc.	38.2%	4.2%	2.4x	6.4x	8.5x	16.6%	3.4x
FIS	34.1%	3.7%	3.0x	8.8x	5.0x	16.9%	4.8x
Jack Henry & Associates,	33.3%	7.0%	3.9x	11.8x	20.4x	7.0%	0.0x
Global Payments Inc.	36.8%	3.3%	3.9x	10.5x	-26.3x	4.0%	4.8x
PayPal Holdings, Inc.	20.2%	6.1%	1.4x	6.8x	10.0x	14.6%	0.3x
Shift4 Payments, Inc.	19.3%	28.2%	1.3x	7.0x	60.3x	15.2%	3.8x
Block, Inc.	6.2%	8.3%	1.8x	29.1x	132.7x	8.7%	0.3x
Toast, Inc.	7.1%	27.0%	2.3x	32.2x	38.2x	3.3%	-3.6x
Adyen N.V.	52.2%	23.1%	5.7x	10.8x	23.5x	1.7%	-8.8x
Corpay, Inc.	52.6%	11.5%	6.7x	12.8x	24.0x	6.3%	2.8x
Euronet Worldwide, Inc.	15.0%	7.5%	0.7x	4.6x	10.0x	11.3%	0.9x
WEX Inc.	37.3%	4.2%	1.8x	4.8x	16.8x	1.9%	-0.7x
Worldline SA	-12.4%	-5.0%	0.6x	-5.2x	-0.1x	19.0%	-2.3x
Nexi S.p.A.	27.0%	6.2%	2.1x	7.6x	-1.4x	16.8%	4.9x
Visa Inc.	63.7%	11.8%	15.4x	24.2x	30.7x	3.1%	0.4x
Mastercard Incorporated	61.7%	14.1%	14.2x	23.0x	30.4x	3.5%	0.6x

Source: Fiscal.ai company_ratios (latest, USD), 2 Oct 2026 (01_Sources/MKT).

Takeaway: Sixteen companies; Worldline and Nexi show what a broken European processor trades at, Visa and Mastercard what a network franchise earns.

Exhibit 78 — A8 • Data log and source policy (UIP-037)

as run 3 Oct 2026

Data	Source	Note
Filings, releases, presentations, transcripts Q1/Q2-26	Fiscal.ai (primary, non-Nordic)	OK
Transcripts Q3-25, Q4-25	Alpha Vantage (reserve)	Fiscal.ai "Transcript not found"; Börsdata has no transcripts
Consensus	Alpha Vantage EARNINGS_ESTIMATES (reserve)	Fiscal.ai has no estimates function; Börsdata no consensus
Beta (FISV, SPY weekly), UST 10y monthly	Alpha Vantage (reserve)	Fiscal.ai has no index/ETF series or beta
10-year history	Fiscal.ai standardised and adjusted	No Börsdata export in Downloads/00_Inkorg; pipeline step 6 replaced
Investor Day release	investors.fiserv.com via web page	File download blocked by server; not used in the model (K23)
Proxy DEF 14A	not obtained	Fiscal.ai lacks DEF 14A; SEC robots.txt blocks automated access
Broker targets, Jana report	Yahoo Finance (Reuters), MarketBeat	Secondary [S]

Source: _RUN_LOG.md in the company folder.

Takeaway: Every reserve-source call is logged with the reason the primary source failed.

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Self-audit

- Scenario probabilities sum to 100 %: yes (Scenarios!G5 = 1.00, control OK).
- Weighted value below base: yes (58.69 < 68.91).
- Engine reproduces the workbook base value: yes (DCF!C27 = 68.91; engine 68.91).
- Terminal value share below 70 %: yes (49.8%).
- Gordon vs 10-year exit within 30 %: yes (−3%); implied g of exits within 0–3 %: yes.
- Workbook control cells: no deviation, invalid, flagged or test flags (the template's Swedish control values AVVIKELSE, OGILTIG, FLAGGAD, PRÖVA) after recalculation.
- Gate A 3/3; Gate B 10/10; G5: all assumptions above 5 % have an anchor.
- Executive-summary numbers match exhibits: TP 65, value 58.69, base 68.91, HR-6 2.8x, C 17.9%.
- Not completed: Investor Day presentation and 2026 proxy not read (Section P); Börsdata export not used (Fiscal.ai history instead).