PAYMENTS M&A / PRIVATE EQUITY

Funding Both Sides

A $53bn cash bid for PayPal shows payments consolidation now runs through infrastructure ownership · and the same buyer is bankrolling rivals on both sides of it.

By Diego · Principal, Mediavertical

Stripe and Advent International's $53bn all-cash bid for PayPal is less a bet on PayPal's turnaround than a bet that owning a trusted consumer checkout brand is now cheaper to buy than to build. The detail worth watching isn't the price. It's that Advent is already financing PayPal's most direct challenger · which means if this deal closes, one private equity firm will be funding both sides of the fight it's trying to win.

The premium flatters Tuesday's close, not PayPal's decade.

At $60.50 a share, the offer sits about 28% above Tuesday's roughly $47 close · a genuinely rich number against the market price. Set against PayPal's own history, it reads differently: the company's valuation peaked near $360bn in 2021, dipped to roughly $36bn earlier this year, and the current $53bn bid still sits more than 85% below the peak. This is a premium priced off a beaten-down stock, not off the company PayPal was a few years ago.

One financier, two competing bets.

Advent took the Canadian processor Nuvei private for $6.3bn in 2024. Nuvei is now buying Payoneer for $2.75bn on the explicit promise of building a rival to Stripe. If the PayPal transaction lands, Advent holds an equal stake in Stripe's push into PayPal's core business · meaning the same firm is bankrolling both the challenger and the incumbent it's built to challenge. That's an unusual position for a financial sponsor, and it's worth asking how it holds together once both platforms compete for the same merchants.

Stripe already has the infrastructure; it's missing the trust.

Stripe was valued at $159bn in a February 2026 tender offer, more than 70% above a comparable sale a year earlier, and processed $1.9tn in payments in 2025, up 34%. What it doesn't have is a consumer-facing brand that people already associate with typing in a card number. PayPal, for all its erosion, is still that brand for a large share of online shoppers. Buying it is the fast path to a checkout asset Stripe would otherwise spend years building organically.

Lores has stabilized PayPal faster than he's grown it.

New CEO Enrique Lores, in the job since March 1 after the board removed Alex Chriss in February, has moved on multiple fronts: splitting the company into three units in April, and in May setting a target of roughly $1.5bn in AI-driven savings over two to three years, all earmarked for reinvestment. The early numbers back it up · Q1 revenue rose 7% to $8.35bn against an $8.05bn consensus, and total payment volume grew 8% on a currency-neutral basis to about $464bn. But the board's own February guidance was weak enough to send shares down 19% in a session, and the bid arrived five months into the reset regardless. The company has stopped falling. It hasn't yet convinced the market it's climbing.

The push for an end-of-month deal outruns normal diligence.

This is the second approach, not the first · an earlier one in April went unanswered, as has this one so far. Stripe and Advent are said to have roughly $50bn in committed bank financing already lined up, and are pushing to advance discussions toward a deal by the end of the month. That's an aggressive timeline for a transaction of this size, and it suggests the buyers see a narrow window before either PayPal's board settles on its own turnaround narrative or another bidder shows up.

None of this guarantees a transaction. PayPal, Stripe, and Advent have all declined to comment, and PayPal has responded to neither approach. But the shape of the bid says something the price alone doesn't: in payments, the fastest way to win a category is increasingly to buy the incumbent's trust rather than out-build it · and the firms with the capital to do that are now willing to hold stakes on more than one side of the same fight.

For anyone building payment or settlement infrastructure · including in stablecoin and cross-border rails · the signal is the same one showing up across the sector: distribution and trust are getting priced as the scarce asset, not transaction volume. The interesting question isn't whether PayPal takes the deal. It's whether a private equity firm can hold meaningful stakes in two competing payments platforms without one of them losing focus.

What's your read · does owning both sides of a rivalry strengthen a portfolio, or dilute it?

Diego | Principal, Mediavertical | MIT Sloan MBA | McKinsey · Microsoft · Google Mexico