

October 2026

B2B X-Border Payments: State of the Market

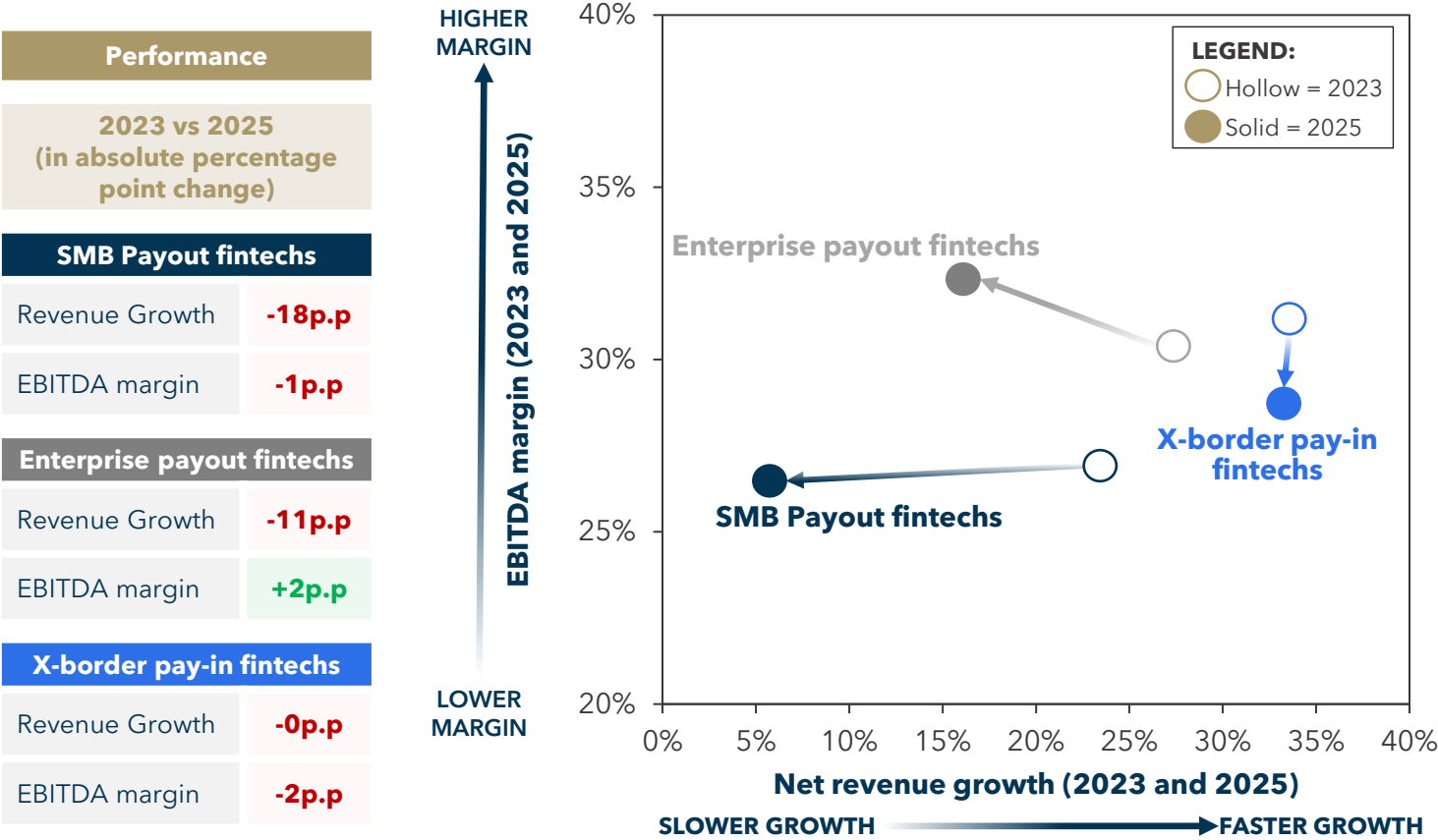
Market share gains can mask weakening economics. Providers with licenses and deeper workflow integration are likely to pull away from those competing on price alone.

Take-rate compression has accelerated across B2B cross-border payment fintechs, while EBITDA margins have been more defensible. Providers that have offset this pressure have capitalized on structural advantages. These advantages range from owning licenses that reduce intermediary costs to deeper integration into customer workflows that enables cross-selling beyond FX. Consolidation through M&A continues at pace, stablecoin adoption hinges on last-mile connectivity and licenses.

Based on recent market performance, growth halved across B2B x-border payout cohorts; Fintechs that offer enterprise payouts have demonstrated better margin performance.

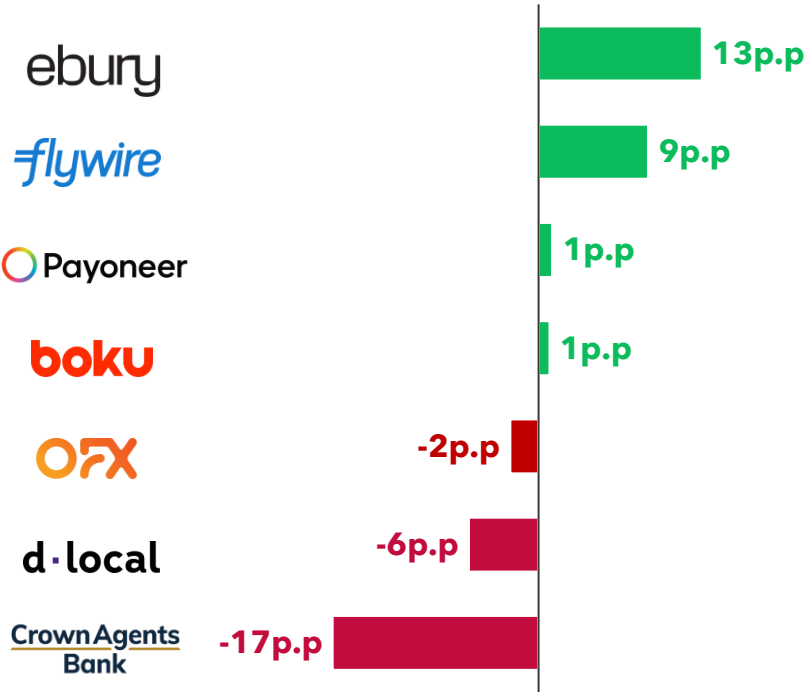
Net revenue growth vs EBITDA Margin

(year-on-year revenue growth, EBITDA margin, 2023 and 2025)



Change in EBITDA Margin

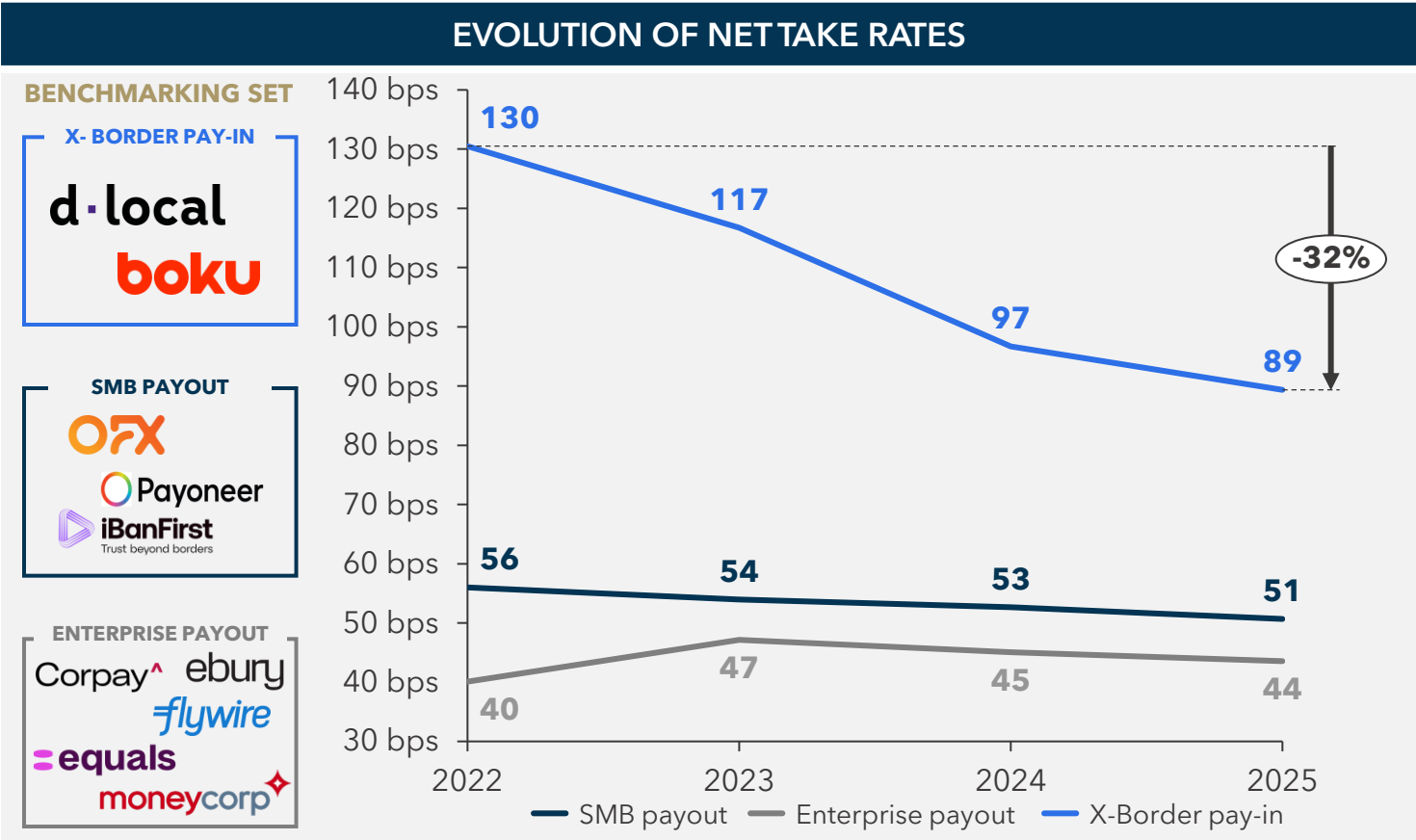
(percentage point change; 2023 and 2025)



Note: Net revenue is calculated as Gross Revenue, less Float Income, less Cost of Sales. Gross Revenue is the fee and FX trading income earned on transactions; Float income is the interest earned on holding customer balances; Cost of Sales is the direct transaction costs (e.g., bank partner fees, settlement costs); EBITDA is the adjusted EBITDA reported by the company. Where providers do not disclose these metrics, we standardize the definitions across the benchmarking set and apply Flagship estimates. Each benchmarking set shows simple averages of the companies Net revenue growth and EBITDA margin, not weighted by volume. Source: Company reported filings, Flagship Advisory Partners estimates, market analysis and observations.

X-border take rates have trended down, as volume growth has outpaced revenue growth.

Net Take Rate Performance¹ (in bps; 2022 to 2025)



COMMENTARY

- Take-rate compression has accelerated as volume scales faster than revenue across B2B x-border payment cohorts
- Some players are deliberately driving price competition to win share
- “Rail ownership” is becoming one of the few structural defenses against price compression, as we observe price competition in the infrastructure space
- Monetization is shifting from “payment spread” toward account, treasury and ancillary revenue

FY2025 investor prospectus

“Cross-border take rate decreased by an average of 0.09%, from 0.67% to 0.58%, due to price reductions undertaken during the first half of FY 2025.”

7wise

Q4, 2025

“.....the more we look at the size of the emerging market opportunity, the more convinced we are that the single most important thing for us is to continue to grow total payment volume. To continue to drive to max scale and to not lose merchants or lose accounts on trying to maximize for take rate.”

d·local

Note: ¹Net take rate is calculated as Gross Revenue, less Float Income, less Cost of Sales, divided by Total Payment Volume. Gross Revenue is the fee and FX trading income earned on transactions; Float income is the interest earned on holding customer balances; Cost of Sales is the direct transaction costs (e.g., bank partner fees, settlement costs); Total Payment Volume is the gross value of all payment transactions processed by the company (reported usually as TPV or turnover volume). Where providers do not disclose these lines separately, we standardize the definitions across the benchmarking set and apply Flagship estimates. Each benchmarking set shows simple averages of company net take rates, not weighted by volume.

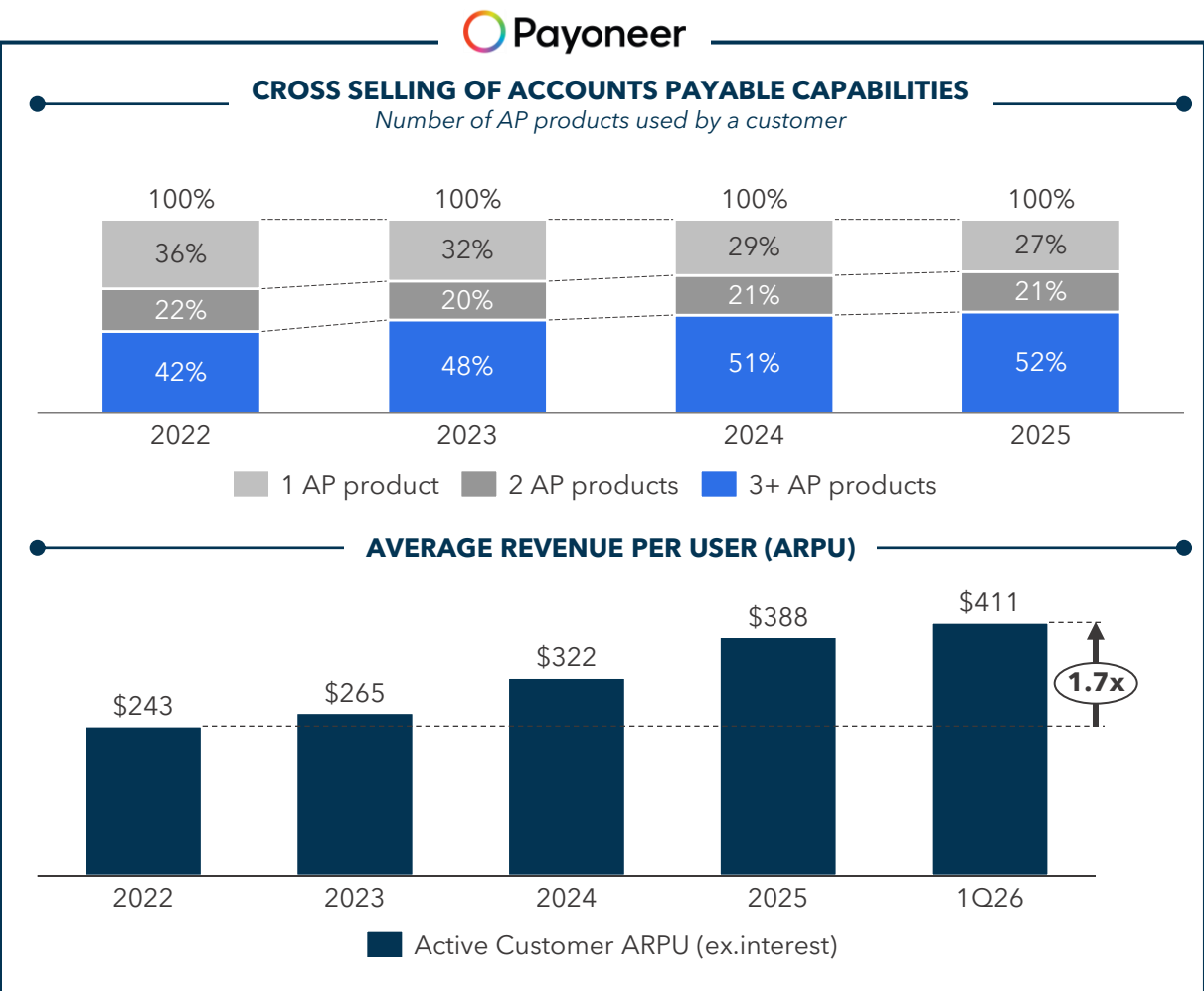
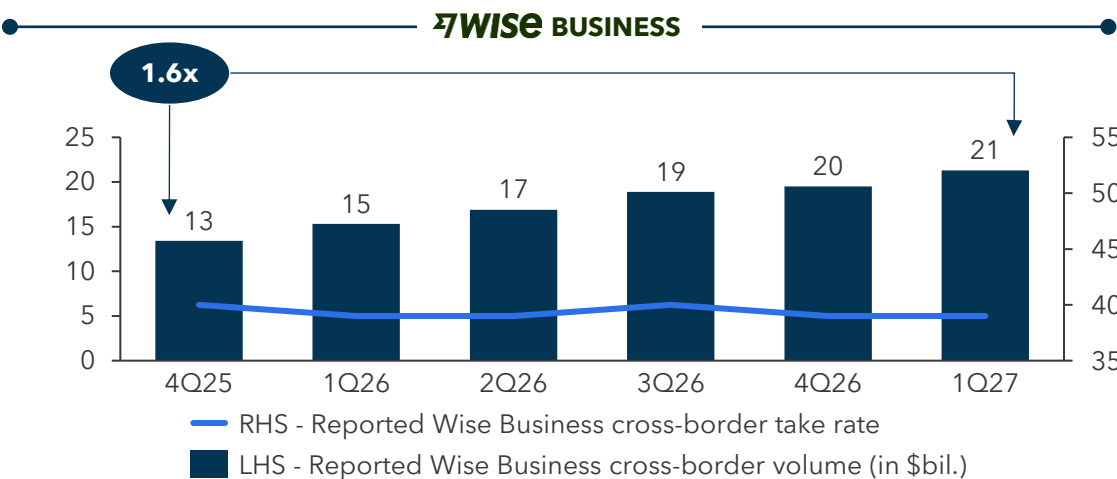
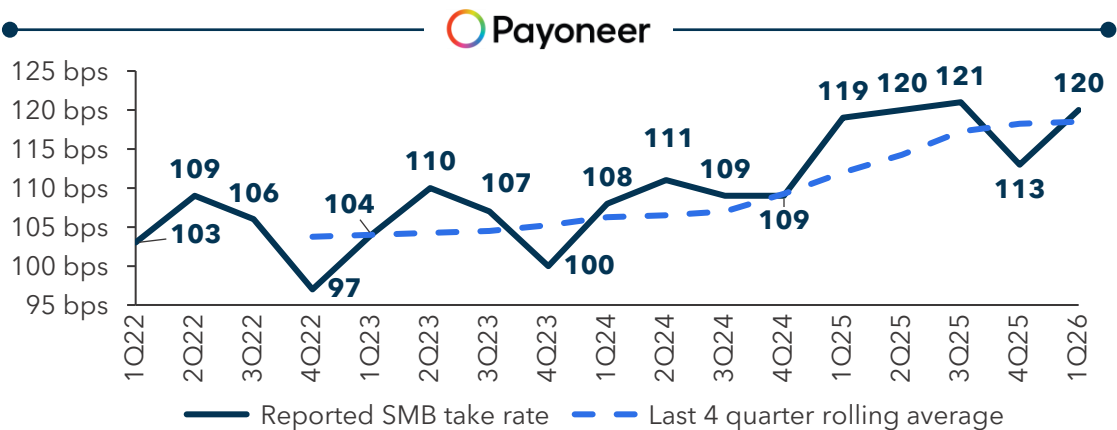
Source: Company reported filings, Flagship Advisory Partners estimates, market analysis and observations.

© 2026 Flagship Advisory Partners LLC. These materials may be freely copied and distributed so long as the user attributes the source as Flagship Advisory Partners and references our website: www.flagshipadvisorypartners.com

Winning B2B x-border Payout fintechs are improving their take rates through expansion into new products, improving attach rates: on the back of better cross-sell next to FX.

Reported Take Rate Performance¹

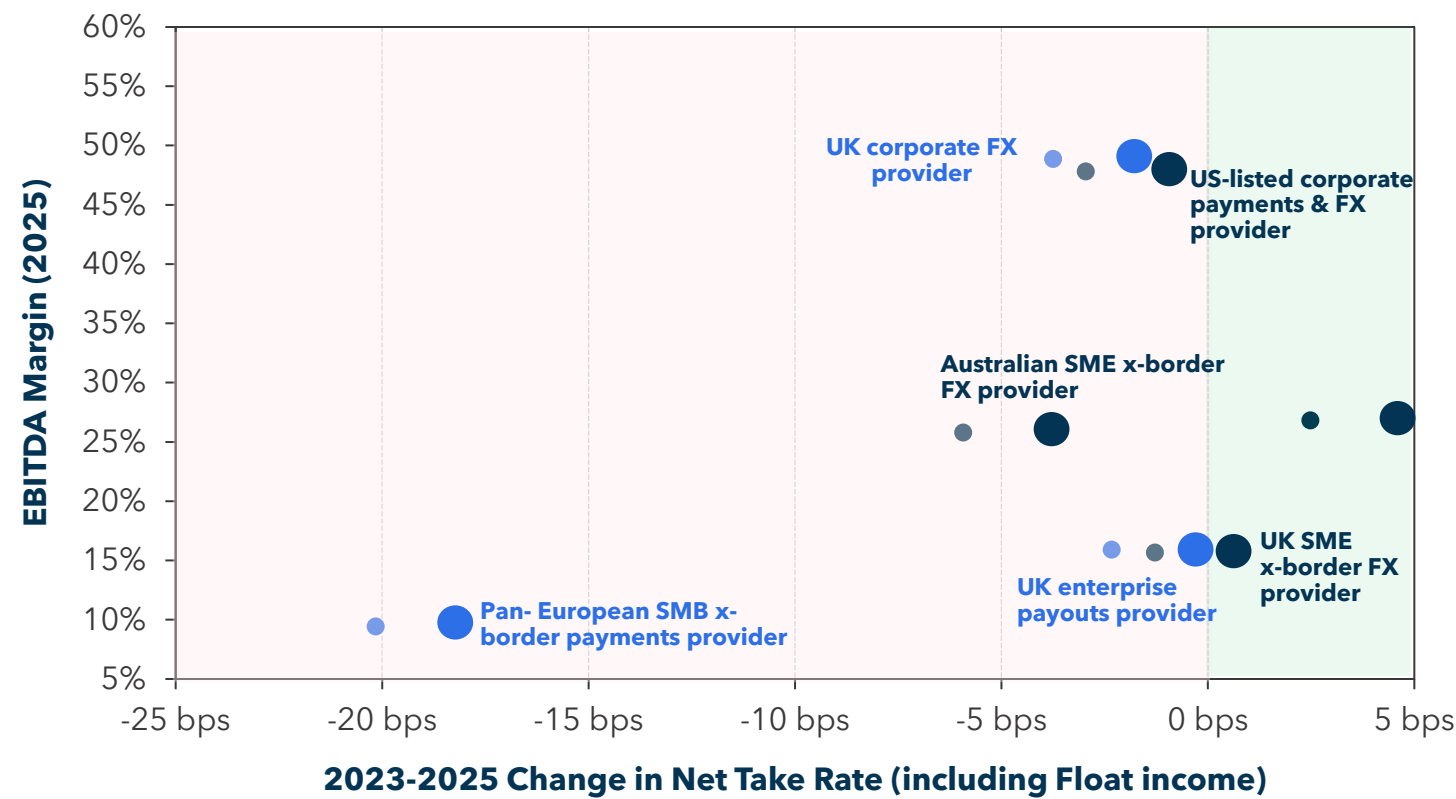
(in bps; quarterly)



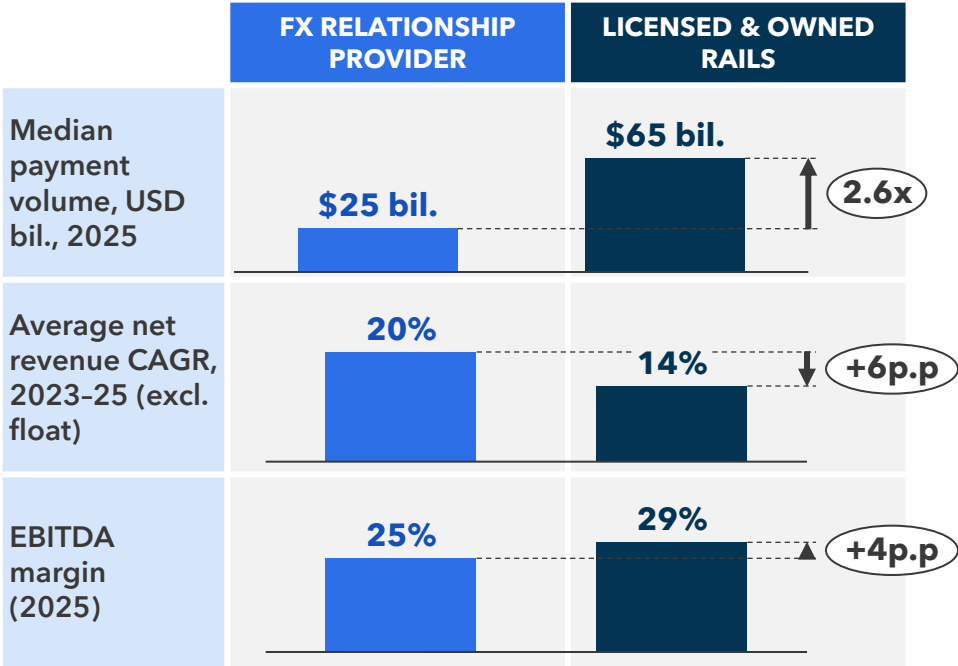
Note: ¹SMB take rate represents revenue from SMB customers (SMBs that sell on marketplaces, B2B, and Checkout) divided by volume from SMB customers
Source: Company reported filings, Flagship Advisory Partners market analysis and observations.

Fintech players that have own licenses and rails connectivity demonstrate improved margin performance; however, this comes at the expense of years of prioritization and investments.

Net Take Rate (including float income) and EBITDA Margin
(net take rate in bps and EBITDA margin in %)



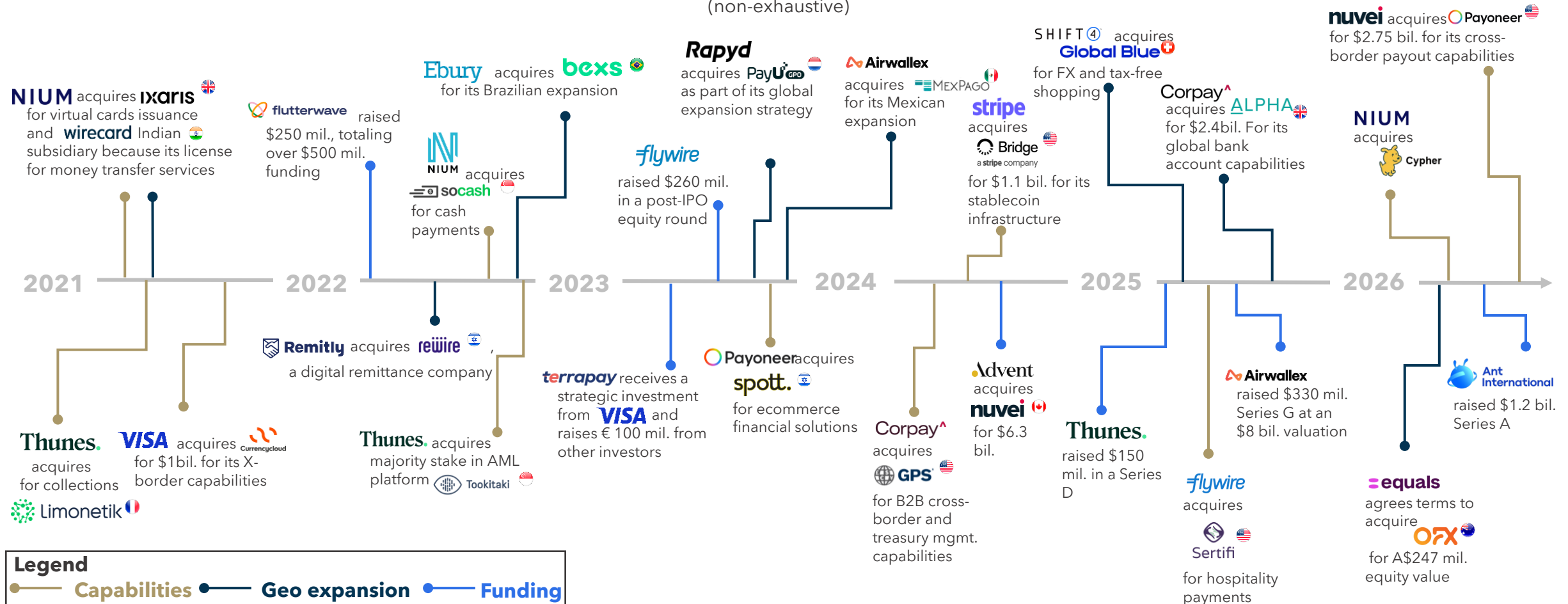
Key KPI comparison



LEGEND: Sample of 20 players
FX RELATIONSHIP PROVIDER LICENSED & OWNED RAILS

M&A has been a growth lever in the cross border payments arena, with successful firms unlocking new value creation levers through acquisition of capabilities, licenses and geo reach.

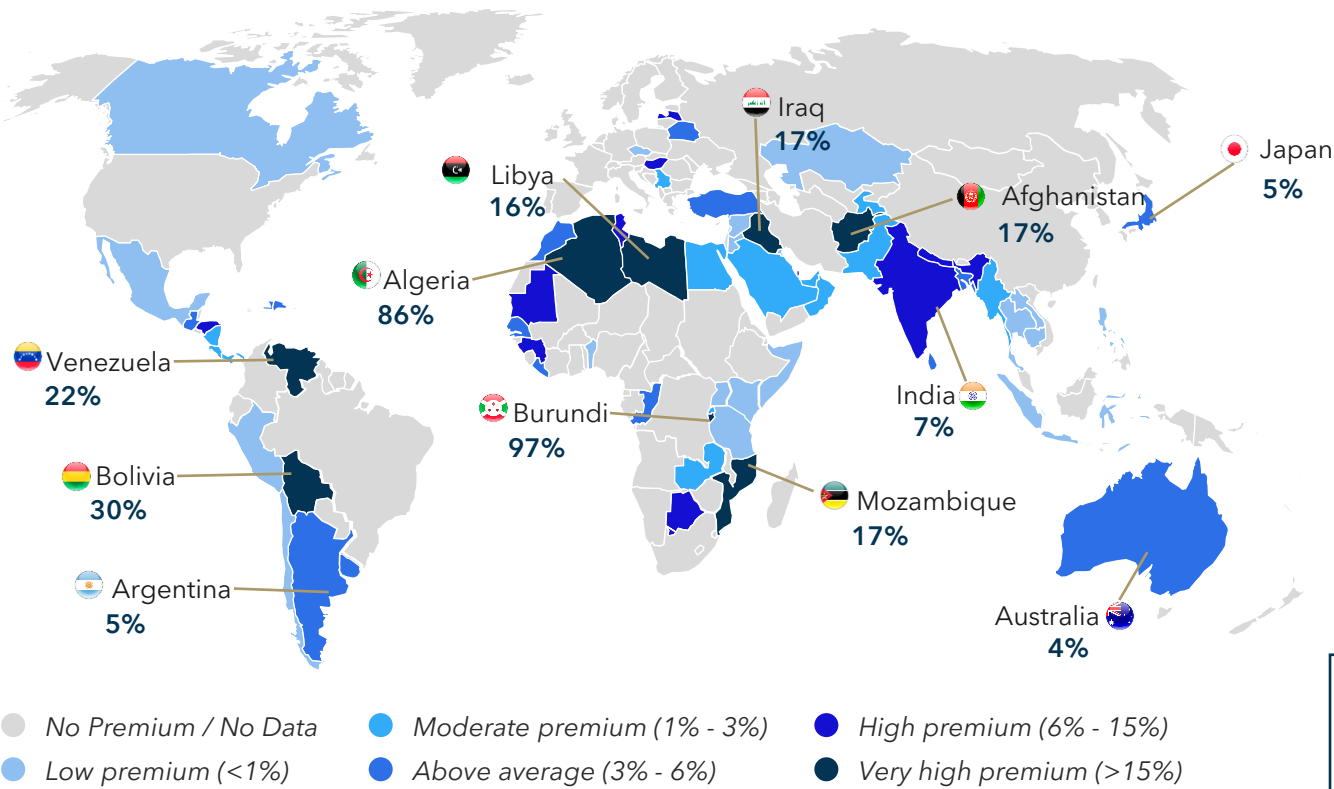
Select recent M&A events in X-Border Payments (non-exhaustive)



Stablecoins fit to the B2B x-border payments is real across emerging market corridors; however, adoption will depend on last-mile connectivity and licensing; M&A likely to pick-up.

Stablecoin FX Premium

(compared to local spot USD FX rate, average over last 30 days, as of 30th July 2026)



Strategic themes being pursued by x-border fintechs

1	Acquire local payment infrastructure	Buy businesses with licenses, banking relationships, domestic payout connectivity and existing payment volumes
2	Build global networks through partnerships	Connect stablecoin infrastructure with local banks, PSPs, mobile-money operators and licensed off-ramp providers
3	Vertically integrate the payment stack	Combine stablecoin issuance, wallets, orchestration, compliance, FX liquidity and fiat distribution

September 2026: CIRCLE acquisition of tazapay

STRATEGIC BENEFITS		
Payments Infrastructure Adds 60+ banking and fintech partners and local payout rails across 100+ markets ¹ .	Customers Broadens Circle's customer base of payment service providers and financial institutions, with ~60% of Tazapay's transaction volume already including stablecoins ² .	Global reach Expands coverage across APAC and emerging markets, where demand for USDC-denominated transactions is growing. Increases capacity to originate and terminate payments globally.

“We built Tazapay to make payments faster, remove friction, and streamline dependency on banking rails that don’t operate at the speed of global commerce. Circle has the dollar infrastructure in USDC and the regulatory standing to take what we’ve built further than we could alone. That’s what makes this the right move and what we’re focused on delivering together.” - Co-Founder and CEO

Navigating Fintech Innovation

Leading Strategy and M&A Boutique in Payments & Fintech

Flagship is a boutique consultancy and M&A advisory firm exclusively focused on the payments and fintech marketplace providing strategy, delivery, and M&A support. We support market leaders globally and serve any payment stakeholder in the payments and fintech industry (PSPs, SaaS, processors, schemes, banks, merchants, financial investors).

Read some of our featured insights:



The Invoice Is the Fintech Rail: How Europe's E-Invoicing Mandates Rewire B2B Payments

August 2026



The Stablecoin Promise in Cross-Border Payments: Real, but Not Uniform

August 2026



Opportunities to Digitize B2B Commerce with Pay by Invoice and the Automation Flywheel

January 2026

Authors



Anupam Majumdar
Partner

Anupam@FlagshipAP.com



Pranav Kapoor
Manager

Pranav@FlagshipAP.com



Rahul Raj
Senior Analyst

Rahul@FlagshipAP.com