

# Geeky Tech Reports on FIS Spinning Off Its Majority Stake in Worldpay

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**Surrey, United Kingdom Aug 10, 2023 ([Issuewire.com](https://www.issuewire.com))** - FIS, a financial services provider, has inked a deal to transfer a significant share of its Worldpay Merchant Business solutions division to GTCR, an American private equity firm. This transaction, valued at \$18.5 billion, marks a transformative agreement. As part of the deal, FIS will retain a 45% ownership stake in Worldpay, with GTCR becoming the new majority owner, reports [FinTech Magazine](#).

The article calls this agreement an “expected” move, as FIS had previously announced its plan to spin off Worldpay in February 2023. What’s changed, however, is that Worldpay will operate as a privately owned company. The Chicago-based GTCR will be holding the majority share, instead of fully spinning it off as an independent publicly traded company. As the majority shareholder, the company has pledged to invest an additional US\$1.25 billion into Worldpay to support its growth and expansion efforts.

By selling the majority stake in Worldpay, FIS seeks to drive growth in its core business areas. At the same time, retaining some control in the spun-off business will allow it to uphold a commercial relationship between the two companies. FIS will keep using Worldpay as its distribution channel, and the newly formed business will have access to the parent company’s treasury and banking services. This collaboration positions both organisations to explore opportunities in embedded open-banking and financial technologies, catering to a wide range of financial services clients.

FIS executives perceive the transaction as a strategy to facilitate forthcoming acquisitions by segregating their merchant-acquiring segments and banking technology. With this move, FIS aims to

allocate funds for acquisitions, while also allowing Worldpay to accelerate its technology development, according to the article.

Charles Drucker will remain CEO of Worldpay under GTCR's ownership to maintain continuity and stability in the company's operations. FIS CEO and President Stephanie Ferris is expected to join Worldpay's board. She has effectively led a cost-cutting restructuring at FIS in the past year.

Commenting on the deal, Stephanie Ferris said, "This transaction allows FIS to partially monetise our merchant solutions business at an attractive valuation and provides certainty for all stakeholders. It also allows us to simplify and drive greater focus on delivering innovative, next-generation financial technology and software solutions."

Ferris continued, "At the same time, Worldpay will become a privately held company and benefit from the resources and expertise of GTCR, which has committed additional capital to allow Worldpay to pursue inorganic growth in the rapidly evolving payments space. We are proud of the work that has already gone into Worldpay, and we are pleased to retain a meaningful stake in the new business with a seat on the board."

FIS will rack up around \$11.7B upfront from the transaction, providing the company with the means to expedite debt payments. The transaction is subject to regulatory approval and is expected to be completed in the first quarter of 2024, according to the article.

That said, acquiring and divesting business units is a standard method of strategic management among dynamic enterprises. However, partially spinning off or carving out a company is a highly involved task that requires strategic planning and expert advice. Businesses looking to successfully navigate a complicated large-scale IT transformation project are urged to leverage high-end carve-out services such as [Fission Consulting](#). Such services have the necessary expertise in M&A and IT. They can successfully guide companies through intricate corporate carve-out projects, which in turn, accelerate the separation timeline and ensure minimal business disruption.

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