

TransactionWatch

Weekly Newsletter For Payments Executives That Covers The Most Important And Relevant Merchant Acquiring Deals And Activity

*Week of:
March 28th – April 1st*

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Deal Activity Summary

March 28th – April 1st

This Week's M&A Overview

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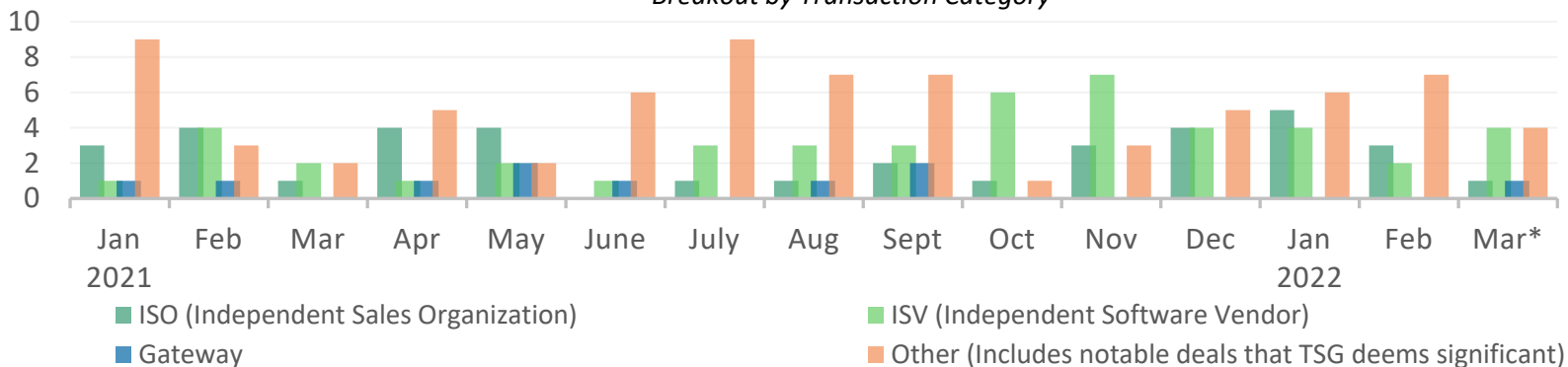
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Increased focus into AP automation efficiency and cross-border payment functionality stands out this week in M&A activity with new deal announcements. To kick things off, the AP automation provider, Medius, announced their acquisition of OnPay Solutions for an undisclosed sum. OnPay Solutions specializes in B2B invoice management and processing with a vendor network of more than 350,000. This acquisition to acquire OnPay compliments Medius's existing product suite and will allow the company to integrate payment processing directly into their source-to-pay platform. Additionally, this deal expands Medius's presence within the United States as the company also seeks to open their first US-based office alongside OnPay's headquarters in Florida.

In other M&A news, Papaya Global announced their agreement to acquire the cross-border payment service provider Azimo for an undisclosed sum. As this deal closes, Papaya will be able to accelerate their payroll management capabilities as their clients can streamline the onboarding to payment processes for their remote workforce. With Azimo's cross-border platform, Papaya can further enhance their product suite to cater towards businesses with workforces that span across geographic locations.

2021 – 2022 YTD M&A Activity

Breakout by Transaction Category



*As of publication.

Note: TSG's selected M&A activity monitors specific markets relating to the acquiring industry and the general payments market.



B2B Payment Network

Navigating Through The B2B Payment Network

The B2B Payment Network has evolved significantly. Are you up to speed on the market opportunities currently available? TSG has proven results of helping clients [navigate the emerging B2B space](#). Whether starting new or improving the program you already have, there are critical questions you must ask.

LOOKING TO START A NEW AP PROGRAM?

- Do you know there is a simple way to start this program at **no cost to you**?
- Do you know how much **additional revenue** you could potentially be generating?
- Are you aware that you could **be reducing manual processes and costs**?
- Are you looking for a way to **improve reconciliation processes** for yourself and your suppliers?

DO YOU ALREADY HAVE AN AP PROGRAM?

- How **old** is your AP program?
- Are you **optimizing your returns**? Do you know you could potentially be leaving money on the table?
- The competition among AP Automation companies is aggressive when bidding for new business, **do you know how your program compares** against the industry?
- Are you looking to **exceed supplier acceptance targets**?

Whether you're looking to start a new program or improve your current accounts payable system, The Strawhecker Group is fully equipped to guide you through this initiative. TSG can help you partner with the right issuer to derive the most benefit from your program and maximize your ROI.

For more information, please email Info@thestrwegroup.com



Historical M&A Tracker

Transaction History: December 2021 – February 2022

Transaction Categories:



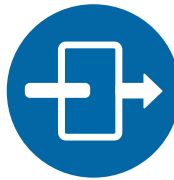
ISO

Independent
Sales Organization



ISV

Independent
Software Vendor



Gateway



Other

Includes notable deals that TSG
deems significant

| Transaction Category | Buyer | Seller | Purchase Amount (\$ million) | Date |
|----------------------|------------------------|------------------------|---------------------------------|-----------|
| ISV | Medius | OnPay Solutions | - | 3/29/2022 |
| Other | Papaya Global | Azimo | - | 3/28/2022 |
| Other | Apple | Credit Kudos | \$150 | 3/23/2022 |
| ISV | Razorpay | IZEaliant Technologies | - | 3/16/2022 |
| ISO | Exela Technologies | Corduro | - | 3/14/2022 |
| Gateway | North American Bancard | PayTrace | - | 3/8/2022 |
| ISV | PPRO | Alpha Fintech | - | 3/8/2022 |
| ISV | Fleetcor | Levarti | - | 3/3/2022 |
| Other | Shift4 | Finaro | \$575 | 3/1/2022 |
| Other | Shift4 | The Giving Block | \$300 | 3/1/2022 |
| Other | Zip | Sezzle | \$356 | 2/27/2022 |



Historical M&A Tracker

Transaction History: December 2021 – February 2022

| Transaction Category | Buyer | Seller | Purchase Amount (\$ million) | Date |
|----------------------|---------------------------|---------------------------------|------------------------------|-----------|
| Other | Evertec | BBR | \$60 | 2/24/2022 |
| Other | TreviPay | Baton Financial Services | - | 2/23/2022 |
| ISV | Chargebee | Numberz | - | 2/23/2022 |
| ISO | DNA Payments | First Payment Merchant Services | - | 2/15/2022 |
| ISV | BillTrust | Order2Cash | - | 2/15/2022 |
| Other | Madison Dearborn Partners | MoneyGram | \$1,800 | 2/15/2022 |
| Other | FIS | Payrix | - | 2/14/2022 |
| ISO | DNA Payments | Card Cutters | - | 2/9/2022 |
| Other | Fiserv | Finxact | \$650 | 2/7/2022 |
| ISO | Payliance | Secure Payment Systems | - | 2/2/2022 |
| Other | DNA Payments | Kwalitas | - | 2/1/2022 |
| ISV | Trust Payments | WonderLane | - | 1/31/2022 |
| ISO | Till Payments | ZIPS | - | 1/27/2022 |
| ISO | Paystone | Canadian Payment Services | - | 1/26/2022 |
| Other | JP Morgan | Viva Wallet | - (49% stake) | 1/25/2022 |
| Other | Stripe | BBPOS | - | 1/21/2022 |
| Other | Plaid | Cognito | \$250 | 1/20/2022 |



Historical M&A Tracker

Transaction History: December 2021 – February 2022

| Transaction Category | Buyer | Seller | Purchase Amount (\$ million) | Date |
|----------------------|-----------------------------|---|---------------------------------|------------|
| Other | Paya | VelocIT | - | 1/19/2022 |
| ISO | Celero Commerce | OMEGA Technology | - | 1/18/2022 |
| ISV | NMI | IRIS CRM | - | 1/18/2022 |
| ISO | Payroc | East Commerce | - | 1/13/2022 |
| ISV | Foodics | POSRocket | - | 1/10/2022 |
| ISV | PayFacto | iShopFood | - | 1/6/2022 |
| Other | VeriCheck | ACHWorks | - | 1/6/2022 |
| ISO | Corsair | Aurora Payments | - (Majority Stake) | 1/4/2022 |
| Other | REPAY | Payix | \$115 | 1/3/2022 |
| ISV | Mastercard | Dynamic Yield | - | 12/21/2021 |
| Other | Thoma Bravo | Bottomline Technologies | \$2,600 | 12/17/2021 |
| ISO | EVO Payments | National Bank of Greece (51% stake in Merchant Acquiring Unit) | \$180 | 12/16/2021 |
| ISV | Flywire | WPM Education | - | 12/15/2021 |
| ISO | Celero Commerce | Everest Payment Solutions | - | 12/14/2021 |
| ISO | Mercado Libre | Redelcom | - | 12/13/2021 |
| ISV | North Mountain Merger Corp. | Corcentric | \$1,200 | 12/10/2021 |
| Other | Fortis | VIP Integrated Payments | - | 12/8/2021 |



Headline News

March 28th – April 1st



Trust Payments signs deals with leading ISOs to introduce new eCommerce platform Stor to US merchants

[PR Newswire](#) | [March 29th, 2022](#)

Trust Payments, the disruptive leader in fintech specializing in frictionless payments and value-added services, today (Mar. 29th) announces that it has signed new deals with leading ISOs including Provident Advisor Group – which enables them to sell Stor direct to their merchants, effective immediately. Under the deal, the ISOs will be able to equip merchants with a powerful eCommerce solution that is simple to set up and allows their merchant's businesses to expand their reach, whilst enabling ISO's to grow an incremental revenue stream.



Adyen expands beyond payments, announces embedded financial products

[PR Newswire](#) | [March 31st, 2022](#)

Adyen, the global financial technology platform of choice for leading businesses, has today (Mar. 31st) announced its expansion beyond payments to build embedded financial products. These products will enable platforms and marketplaces to create tailored financial experiences for their users such as small business owners or individual sellers. The suite of products will allow platforms to unlock new revenue streams and increase user loyalty.



Apple looks to bring payment processing in-house

[Finextra](#) | [March 31st, 2022](#)

Apple is working to bring a host of financial services work, including payments processing, in-house to reduce its reliance on outside fintech partners, according to Bloomberg. The tech giant has embarked on a multi-year plan, called 'Breakout', that would see it do payments processing, loan risk assessments, fraud analysis, credit checks and customer service work on its own, says Bloomberg, citing sources.



Partnership Activity

March 28th – April 1st



Finicity and Fiserv Offer More Consumer Choice Through Secure Data Access

[Fiserv Newsroom](#) | [March 30th, 2022](#)

Finicity, a Mastercard company, and Fiserv, Inc., both leaders in open banking technology, are advancing the future of open finance through secure data sharing. A data access agreement between the companies will allow thousands of Fiserv financial institution clients to enable consumers to provide clear and explicit permission to securely share their account information with apps that use Finicity's open banking platform, offering more payment choices, access to an expanding range of financial services experiences, and improved overall financial literacy and wellbeing.



Worldline and Microsoft introduce next generation fraud solution for online payments

[Worldline Press Release](#) | [March 29th, 2022](#)

Worldline, a global leader in payments, has today (Mar. 29th) announced the official launch of its partnership with Microsoft Dynamics 365 Fraud Protection. The collaboration will enable Worldline's enterprise-level customers to deal with increasing challenges caused by online payment fraud. As the first provider within the payments industry to fully adopt and integrate this Microsoft fraud screening solution, Worldline is now able to offer a next-generation hybrid fraud solution that can help increase accuracy and efficiency far beyond that of traditional rules or advanced machine learning alone.

Other Notable Partnerships:

- **I2C** and **Visa** expand their partnership relation to support fintech processing across the MENA region.
- **Mastercard** teams up with **Bank Alfalah** to debut the launch of Tap on Phone in Pakistan.
- **Payfare** expands their collaboration with **Visa** to the U.S.
- **Mastercard** forms partnership with **BTC Markets** to enable card payments on the platform.
- **Temenos** collaborates with **Mastercard** to accelerate Request to Pay services in the U.K.



Management Changes

March 28th – April 1st



Mastercard Appoints Chad Wallace As Executive Vice President Of B2B Solutions

Mastercard announced this past week the appointment of Chad Wallace who will join under the company’s Global Product and Engineering organization as the Executive VP of B2B Solutions. Chad joins Mastercard from Goldman Sachs, where he most recently served as Global Head of Digital for Transaction Banking within their Investment Banking division.

| Date Announced | Company | Personnel | New Position | Previous Position |
|----------------|------------|-----------------------|--------------------------------------|---|
| 3/28/2022 | Revolut | Yuval Rechter | <i>General Manager</i> | Chief Growth & Community Officer at Flip Social Shopping |
| 3/28/2022 | Revolut | Danil Ovechkin | <i>Head of Growth</i> | Head of Growth at Thirty Madison |
| 3/31/2022 | Mastercard | Chad Wallace | <i>Executive VP of B2B Solutions</i> | Global Head of Digital for Transaction Banking at Goldman Sachs |



TSG Payments Index

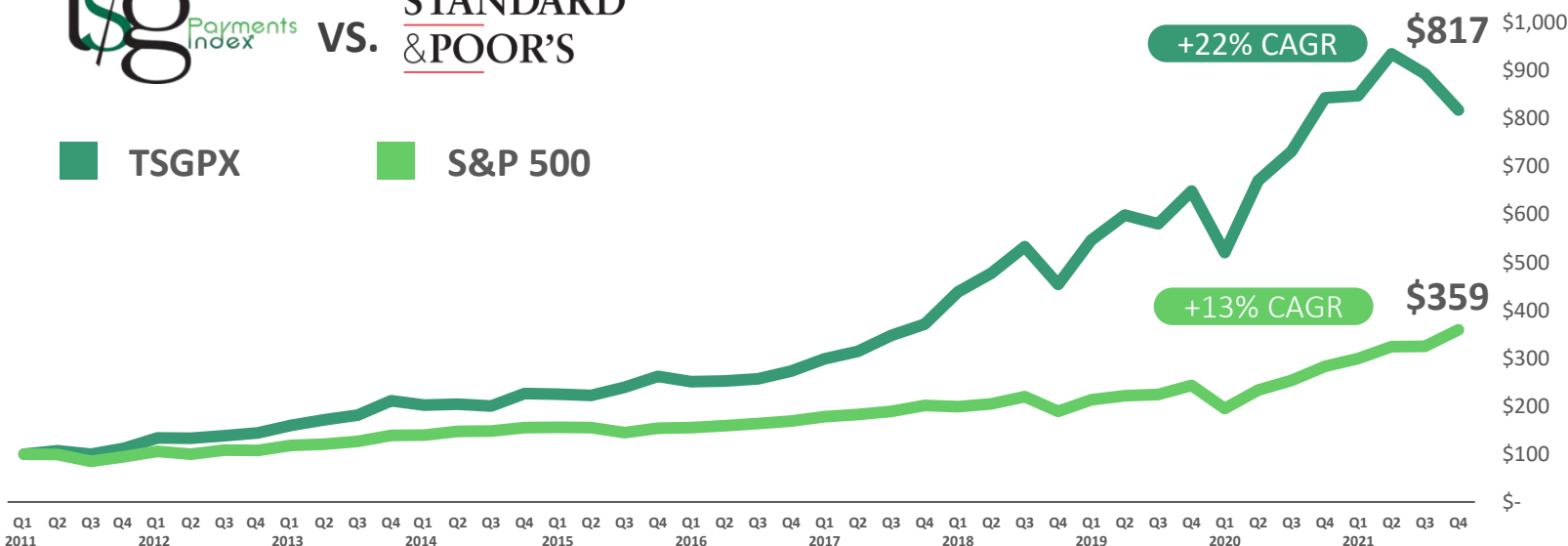
Q1 2011 – Q4 2021



VS. STANDARD
& POOR'S

TSGPX

S&P 500



Payments companies have been thriving in recent years and are becoming more valuable and profitable for the company and its investors. With strong earnings year after year, many payments companies are rapidly increasing their market capitalization and gaining the attention of additional stakeholders.

The chart displays the performance of a \$100 investment in an index of selected payments companies which represent the “TSG Payments Index” – this index is calculated on a value weighted basis using market capitalization and is compared to the S&P 500 which is also calculated using the same methodology. **A \$100 investment in the TSGPX in Q1 2011 would be valued at approximately \$817 in Q4 2021, as compared to \$359, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **9% higher** than that of the industry average. This growth rate is more than double of the industry average and represents the attractiveness of the payments market. The Payments Index is depicted to portray the growing nature of the payments market and hints at where this market is headed in the coming years.





TSG Buy/Sell Consulting Services

Buy-Side

- Buyers use TSG's due-diligence subject matter experts for support on a variety of key decision criteria can affect the value of the property. TSG assists buyers by acting as their advisor as they evaluate the financial value, benchmarking key performance metrics, determine risk, and evaluate the value of any technology assets.

Sell-Side

- The key factor in a successful asset sale is understanding the true value of your enterprise. Value is defined as the "amount a buyer is willing to pay." TSG has a pulse of the market and performs an extensive evaluation of value drivers to ensure potential "sellers" understand the value of their company in the marketplace – prior to starting the sales process. In addition, buyers can use the data to assess offers that have been received for an accurate and fact-based assessment of the offer.

Private Equity

- TSG can help private equity firms understand the landscape before investing and can build a market analysis to determine which investment is the best fit to create the highest ROI. TSG provides investors and financial institutions with the documented valuation information needed to support funding events.

Restructuring & Re-Capitalization

- TSG can facilitate strategic exercises to help forge a new path ahead and can help with implementation of a new structure to ultimately maximize the value and performance of the entity.

30+
ACQUISITIONS
AND INVESTMENT
TRANSACTIONS



250+
COMPLETED
PAYMENTS CO.
VALUATIONS



8 of 12
OF THE LARGEST
PAYMENTS TRANS
IN THE LAST YEAR



\$10-100M
TYPICAL DEAL
RANGE





TSG Buy/Sell Consulting Services

TSG Has Advised For Many Leading Companies in the Payments Industry

GI PARTNERS

on its investment in



In a debit card sponsorship portfolio sale to



In the acquisition of



In the acquisition of



In the acquisition of



In its sale to



On their funding event with



On their funding event with



In the acquisition of



In due diligence support of its investment into



In its sale to



In a merchant portfolio purchase from



In its merger with



On the organization of its joint venture with



On their investment in



In the acquisition of



In its sale to



In acquisition of the operation assets of



In the acquisition of



On their joint venture with





Payments Experts. Powerful Data.
THE STRAWHECKER GROUP®

ANALYTICS + CONSULTING

The Strawhecker Group (TSG) is a fast-growing analytics and consulting firm. The company serves the entire payments ecosystem, from fintech startups to Fortune 500 companies. The firm provides its clients with advisory services, research and analytics to help them plan and execute their strategic initiatives. Based in Omaha, a recognized payments industry hub, TSG is an established leader in this high-growth, ever-evolving space.

