



Payments Experts. Powerful Data.
THE STRAWHECKER GROUP

TransactionWatch

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

Week of:

April 11th – April 15th

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Deal Activity Summary

April 11th – April 15th

This Week's M&A Overview

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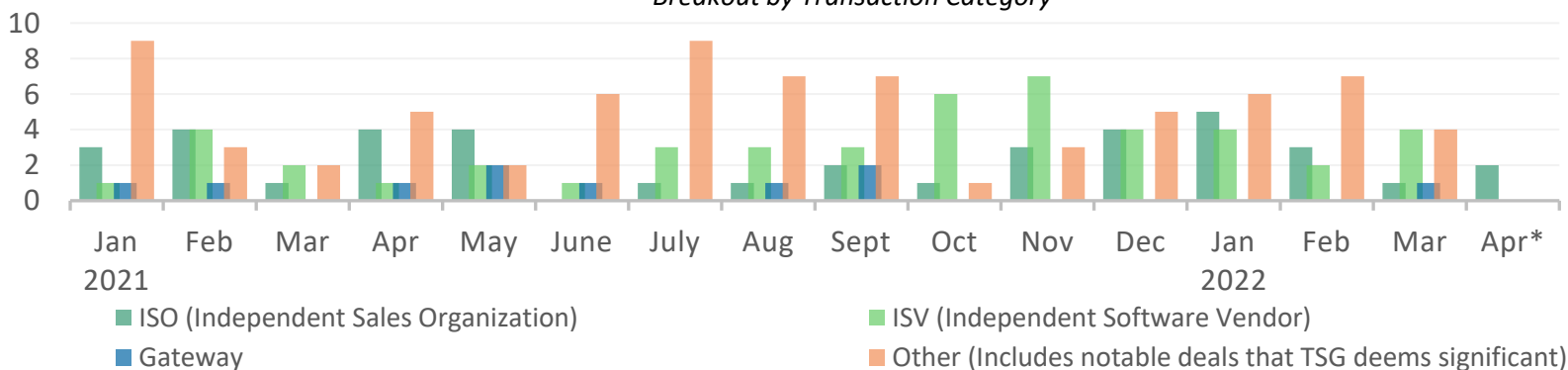
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M&A momentum across the industry is projected for a slowdown in activity as we progress through the second quarter of the year. While the payments space maintained steady M&A traction throughout the first quarter, the overall global market noticed a significant drop in acquisitions as well as venture capital raised. This was partially due to a few factors, including ongoing global supply chain issues, conflicts between Russia and Ukraine, inflation rates and others. While these factors continue to influence company's go-forward strategies, the general landscape has begun to shift more towards a buyer's market. Purchase price multiples are receding from last year and potential buyers are increasing their attention towards external market impacts during due diligence processes. Until the market begins to stabilize, we can expect M&A activities to decline in the near future.

Moreover, attention towards IPOs and SPAC deals are dwindling in the payments space. As seen in [TSG's Payments Index](#), market performances across several public payment firms have declined over the past few quarters. This is a result of a number of factors and has influenced the private market and its long-term strategies when evaluating raising capital.

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: January 2022 – March 2022

Transaction Categories:



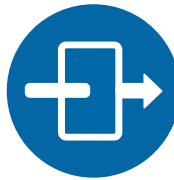
ISO

Independent
Sales Organization



ISV

Independent
Software Vendor



Gateway



Other

Includes notable deals that TSG
deems significant

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Advent International	MangoPay	- (Majority Stake)	4/6/2022
ISO	Payroc	Iroquois Merchant Services	-	4/4/2022
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



Historical M&A Tracker

Transaction History: January 2022 – March 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Shift4	The Giving Block	\$300	3/1/2022
Other	Zip	Sezzle	\$356	2/27/2022
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



Historical M&A Tracker

Transaction History: January 2022 – March 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Stripe	BBPOS	-	1/21/2022
Other	Plaid	Cognito	\$250	1/20/2022
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



Headline News

April 11th – April 15th

Square

Square Introduces the Next Generation of Square Stand

[BusinessWire](#) | [April 11th, 2022](#)

Today (Apr. 11th), Square unveils the next generation of Square Stand, the company's iconic countertop device that turns an iPad into a powerful, robust point of sale system that sellers can use to run their entire business. Launching concurrently in all of Square's eight global markets, Square Stand features integrated contactless tap, chip and PIN payments technology, a sleek, professional design and a new checkout flow that provides businesses and their customers with a more intuitive, transparent and streamlined commerce experience.



FIS Unveils Banking-as-a-Service Hub, Delivering Creative and Innovative Fintech Solutions to Financial Institutions of All Sizes

[BusinessWire](#) | [April 12th, 2022](#)

Financial technology leader FIS today (Apr. 12th) announced its Banking-as-a-Service Hub, enabling banks, credit unions, and fintechs to build the digital banking and payments ecosystems they need to deliver innovation to merchants and consumers. The FIS Banking-as-a-Service Hub provides a full suite of banking and payments capabilities for institutions of all sizes, allowing for more opportunities to deliver embedded finance solutions for superior customer experiences.



Payment Technology Company PayArc Announces Strategic Investment from Bregal Sagemount

[BusinessWire](#) | [April 12th, 2022](#)

PayArc, a leading payments technology company formed by co-founders Zachary Martinez and Jared Ronski, has announced a strategic investment from Bregal Sagemount, a private equity firm providing capital and strategic assistance to companies in high-growth sectors. PayArc will use this first round of financing to invest in new sales and marketing channels, target strategic acquisitions, and expand its value proposition to all constituents.



Partnership Activity

April 11th – April 15th



BridgePay Simplifies Payments with Token ID - A Visa Solution

[BusinessWire](#) | April 11th, 2022

BridgePay Network Solutions, LLC, aka BridgePay, a leading transaction gateway and payments solutions provider, today (Apr. 11th) announced its partnership with Visa, the world leader in digital payments, to provide network tokenization to its customers for all card brands to all payment processors. As part of the collaboration with Visa, BridgePay is leveraging Token ID - a Visa Solution, which empowers banks, merchants, regional payments schemes, clearing houses and other payments stakeholders like BridgePay to build, manage and control their own tokenization capabilities.



Priority and Century Bank Announce Strategic Partnership to Expand Product Offering to Bank Customers

[BusinessWire](#) | April 11th, 2022

Priority Technology Holdings, Inc. (“Priority”), a leading payments technology company helping customers collect, store, and send money, has announced a partnership with Century Bank, a full-service community bank supporting locations in New Mexico and Texas.

Other Notable Partnerships:

- **Sofort** and **Brite Payments** team up on instant payouts for the European market.
- **Finastra** collaborates with **Microsoft** for Banking-as-a-Service solutions for Microsoft Dynamics 365.
- **Ebanx** and **Vtex** partner on cross-border payments for Brazilian eCommerce platforms.
- **FIS** has teamed up with **Fireblocks** to further promote adoption of cryptocurrencies within the capital markets industry.
- **SpotOn** partners with **MarginEdge** on inventory management capabilities.
- **Mastercard** forges partnership with **Interos** to further expand on their security strategy and risk monitoring.



Management Changes

April 11th – April 15th



PayPal’s John Rainey To Join Walmart As Their Chief Financial Officer

PayPal’s current CFO and Executive Vice President of Global Customer Operations, John Rainey, is set to depart the company and join Walmart as their new CFO and Executive Vice President effective June 6th. Rainey has spent the past seven years at PayPal and previously served as CFO of United Airlines prior to that. Rainey is also on Nasdaq’s board of directors, where he is a member on their audit and finance committees.

Date Announced	Company	Personnel	New Position	Previous Position
4/12/2022	PayEngine	Rashid Kamran	CTO	VP of Application Development at MUFG Union Bank
4/12/2022	Walmart	John Rainey	CFO	CFO and Executive VP at PayPal



TSG Payments Index

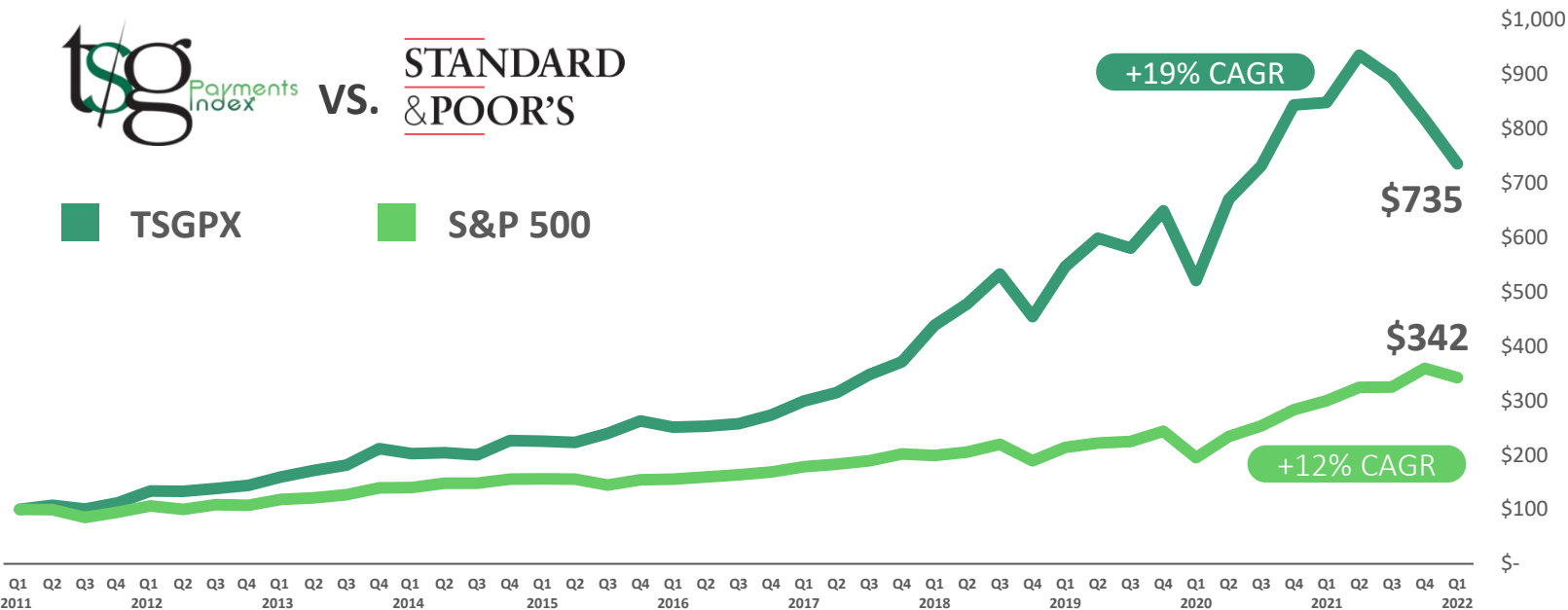
Q1 2011 – Q1 2022



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 \$735 in Q1 2022, as compared to \$342, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **7% 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.

