



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 25th – April 29th

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Deal Activity Summary

April 25th – April 29th

This Week's M&A Overview

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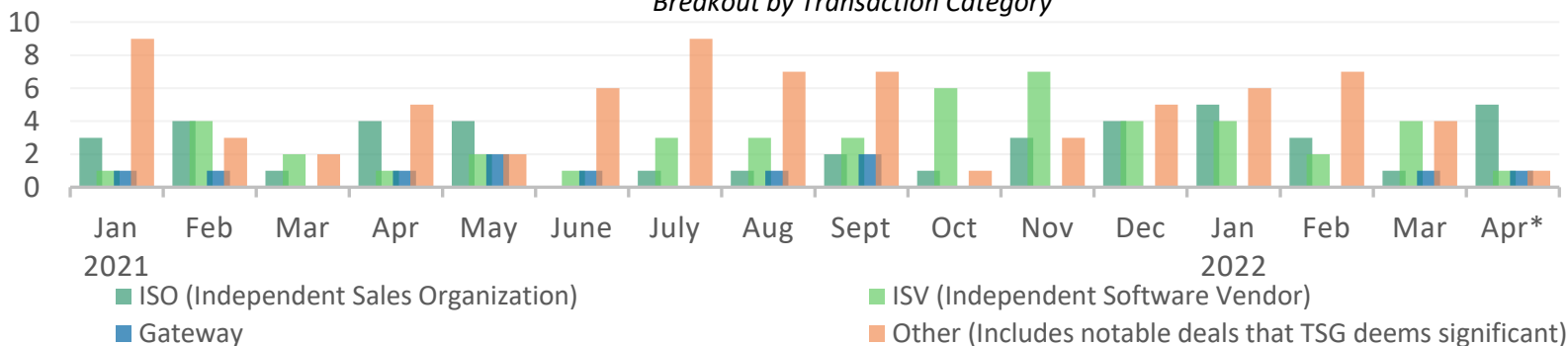
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M&A activity pursues this week in the payments industry as private funding sparks new deal announcements. To kick things off, Nexa Equity has announced their majority stake in Choice Merchant Solutions (“Choice”) for an undisclosed sum. Choice is an ISO based out of Connecticut that focuses on omnichannel payment solutions for merchants of all sizes. This new investment from Nexa Equity will largely support Choice’s go-to-market initiatives and further enhance the company’s omnichannel payment offerings through increased R&D efforts. Also announced in conjunction with this deal was Choice’s acquisition of Direct Payment Consultants, an ISO based in Pennsylvania. Following the closing of this deal, Choice will process more than \$3 billion in annual payment volume and serve over 7,000 customers across North America. Terms of this deal were also not disclosed.

In other payments news, quarterly financial results are beginning to roll out for public companies. Overall, financial reporting is showing signs of significant growth despite ongoing market impacts such as the Russia and Ukraine conflict and inflation woes. Visa, for instance, reported payments volume is up 17% year-over-year which aided in their net revenue increasing by 25% over the prior period.

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

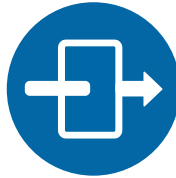
Transaction Categories:



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	Nexa Equity	Choice Merchant Solutions	-	4/26/2022
ISO	Choice Merchant Solutions	Direct Payment Consultants	-	4/26/2022
Gateway	Payroc	Worldnet	-	4/21/2022
ISO	Synovus Bank	Qualpay	- (Majority Stake)	4/21/2022
Other	MYPINPAD	SmartPesa	-	4/19/2022
ISV	Versapay	DadeSystems	-	4/18/2022
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



Historical M&A Tracker

Transaction History: January 2022 – March 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
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



Historical M&A Tracker

Transaction History: January 2022 – March 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
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



Headline News

April 25th – April 29th

stripe

Stripe announces new partnerships and major expansion of global partner program

[Stripe Newsroom](#) | April 26th, 2022

Stripe, a financial infrastructure platform for businesses, today (Apr. 26th) launched the Stripe Partner Ecosystem, a new partner program with leading firms whose services enable Stripe users to thrive in the internet economy. The Stripe Partner Ecosystem comes as companies are accelerating their digital modernization, and increasingly looking for support outside their own organizations.

fiserv.

Fiserv Accelerates Open Finance and Enables Collaboration Among Financial Institutions and Fintechs with AppMarket Launch

[BusinessWire](#) | April 26th, 2022

Financial institutions can access a curated set of fintech solutions that can help them reach new customers, operate more efficiently and compete more effectively through the launch of AppMarket from Fiserv, a leading global provider of payments and financial services technology solutions. The fintech solutions available in AppMarket will empower Fiserv financial institution clients to use open finance strategies to address emerging opportunities in crypto finance, gig economy banking, small and mid-size business (SMB) lending and other priorities.

adyen

Adyen payments platform selected by Amazon Japan

[Adyen Press Release](#) | April 26th, 2022

Adyen, the global financial technology platform of choice for leading companies, is now processing payments for Amazon Japan. Using Adyen's platform, Amazon Japan will further optimize the payment data and checkout experience for its Amazon.co.jp customers. Adyen's direct acquiring and data-rich insights enable Amazon Japan to provide a more seamless flow for its customers, whether they're shopping from Japan or overseas.



Partnership Activity

April 25th – April 29th



Mastercard launches next-generation identity technology with Microsoft to help more consumers shop online safely

[Mastercard Newsroom](#) | [April 25th, 2022](#)

Mastercard on Monday (Apr. 25th) announced the launch of an enhanced identity solution designed to improve the online shopping experience and tackle digital fraud in a new collaboration with Microsoft Corp. Now more than ever, delivering a frictionless shopping experience is critical as retailers look to shift window shopping and price comparison visits to confirmed sales. And, while consumers enjoy the convenience of shopping online, fraudsters also seek to develop new methods to use these same channels for ill-gotten gains.

Klarna.

Klarna and Global-e expand global partnership to Canada

[PR Newswire](#) | [April 27th, 2022](#)

Klarna, a leading global retail bank, payments, and shopping service, announced today (Apr. 27th) its expanded partnership with leading cross-border e-commerce provider Global-e. Through this partnership, merchants selling to Canada via Global-e's cross-border e-commerce platform, including notable brands such as Reformation, SKIMS, Fenty Beauty, Rimowa, Versace, Marc Jacobs, and Marks & Spencer, can now offer consumers Klarna's flexible payment options.

Other Notable Partnerships:

- **U.S. Bank** collaborates with **Apex Fintech Solutions** for real-time payment services for investors.
- **Nexio** partners with **Chargebacks911** for end-to-end dispute management services.
- **Evolve Bank & Trust** and **Bond Financial** team up to offer a banking-as-a-service platform.
- **Rewire** partners with **Paysafe** to provide access for financial services to cash-reliant consumers across Europe.
- **Sardine** partners with **Cross River Bank** for its payments infrastructure platform.
- **Zvilo** signs a Memorandum of Understanding (MoU) with **Mastercard**.



Management Changes

April 25th – April 29th



Talus Pay Brings On Bryan Fricke As The Company’s New Chief Revenue Officer

Talus Pay announced this week the appointment of Bryan Fricke to serve as the company’s Chief Revenue Officer. Under this role, Fricke will be responsible for the company’s performance, strategy and alignment for revenue generating lines of business. Fricke joins Talus Pay from JPMorgan Chase, where he most recently served as Executive Director of Relationship Management.

Date Announced	Company	Personnel	New Position	Previous Position
4/25/2022	Talus Pay	Bryan Fricke	<i>Chief Revenue Officer</i>	Executive Director Relationship Management at JPMorgan Chase
4/25/2022	Billtrust	John W. Murray	<i>Board of Directors Member</i>	Currently a Strategic Advisor and Consultant for The Riverside Company
3/26/2022	NMI	Peter Galvin	<i>Chief Marketing Officer</i>	Chief Strategy & Marketing Officer, Digital Security Solutions at Entrust



TSG Payments Index

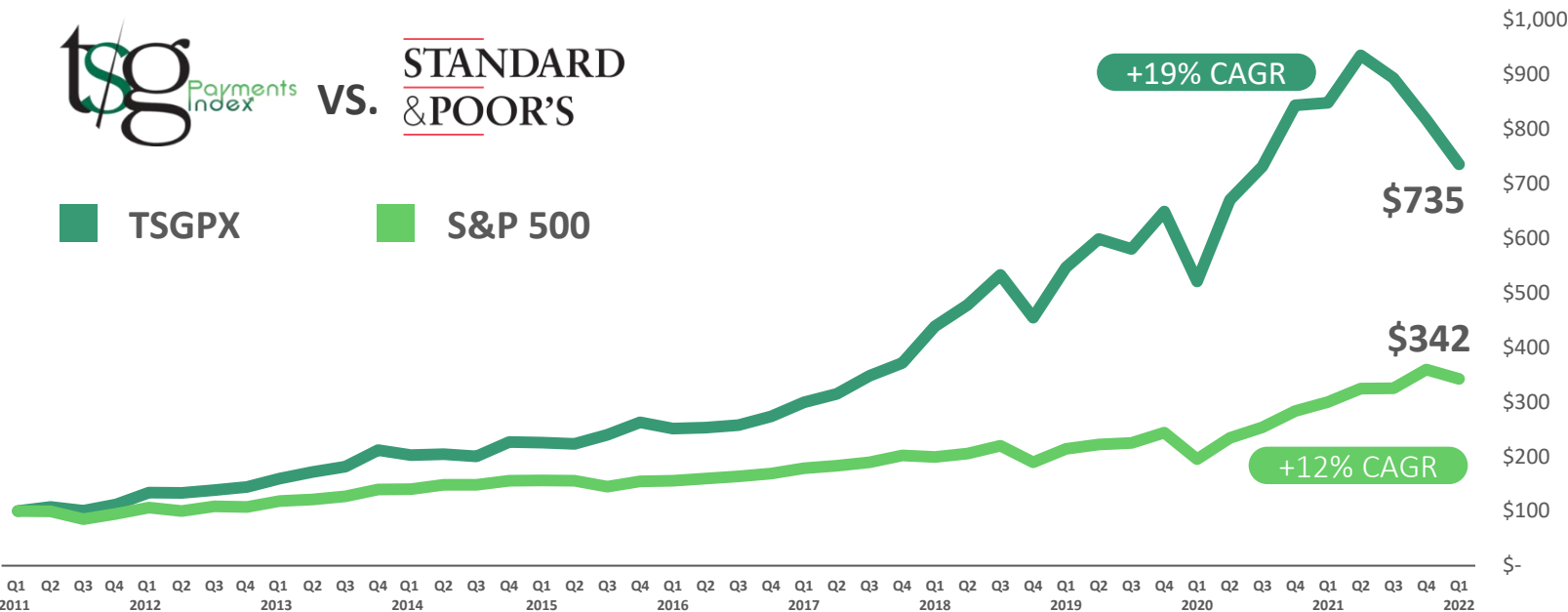
Q1 2011 – Q1 2022



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.

