

TransactionWatch

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

*Week of:
April 4th – April 8th*

This report is based upon information considered reliable by The Strawhecker Group® (TSG), but the accuracy and completeness of such information is not guaranteed or warranted to be error-free. Information provided is as reasonably available, not to be deemed all inclusive. TSG assumes no obligation to update the content hereof. This report is subject to the terms and conditions of a separate license with recipient, is further protected by copyright under U.S. Copyright laws and is the property of TSG. Recipient may not copy, reproduce, distribute, publish, display, modify, create derivative works, transmit, exploit, or otherwise disseminate any part of this report except as expressly permitted under recipient's license with TSG. The Strawhecker Group (TSG) is not endorsed, sponsored by, or in any other way affiliated with any companies identified in this presentation. The trademarks of third parties displayed herein are the property of such parties, and, are provided merely for identification purposes. TSG claims no rights therein. This document has not been prepared, approved or licensed by any entity identified in this report.

© Copyright 2021. The Strawhecker Group®. All Rights Reserved.











Deal Activity Summary

April 4th – April 8th

This Week's M&A Overview

Table of Contents

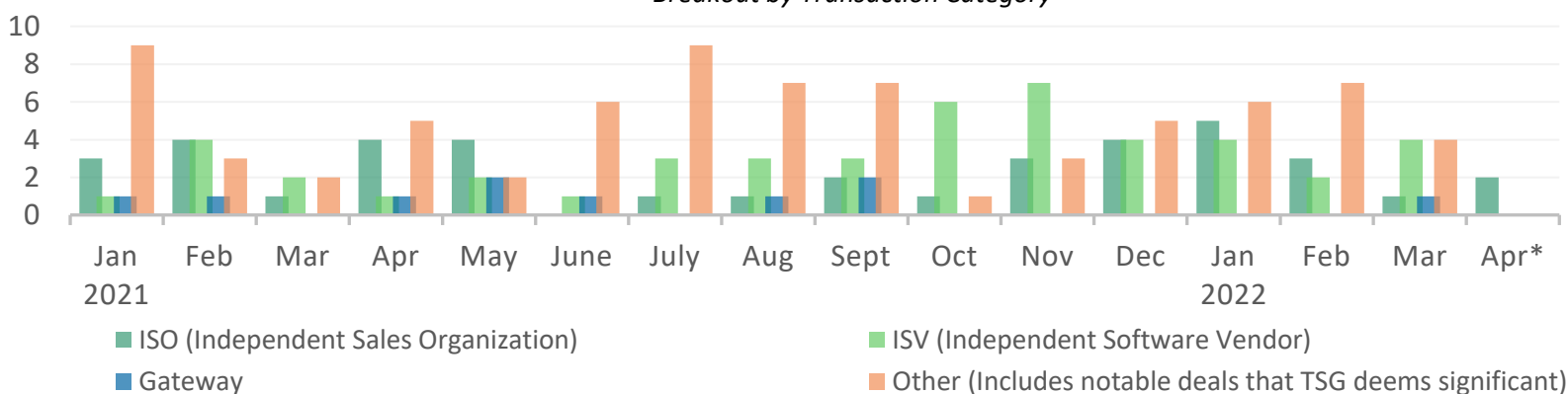
-  [Deal Activity Summary](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

M&A momentum pursues within the payments industry as we head into the second quarter of the year. To kick things off, Payroc announced this week their acquisition of Iroquois Merchant Services, a Tennessee-based Elavon ISO that focuses on the local government and non-profit market verticals. Iroquois has established a network of more than 100 referral partners, which has helped allow them to grow their presence across all 50 states. In addition, Iroquois has processed for over 10,000 clients and handles approximately \$2 billion in annual volume. As this transaction closes, Payroc plans to expand Iroquois's presence beyond the U.S. as well as increase its focus towards integrated payments within ISVs. Separately, the private equity group Advent International announced it has acquired a majority stake in MangoPay, a European end-to-end payments solution provider for online marketplaces. As part of this deal, Crédit Mutuel Arkéa, a France-based banking group, will remain a minority shareholder.

In other M&A news, Mastercard has completed their acquisition of Dynamic Yield, a personalization platform and decision engine, from McDonald's. This transaction was initially announced in December of 2021 for an undisclosed sum.

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
<i>ISO</i>	Advent International	MangoPay	- <i>(Majority Stake)</i>	4/6/2022
<i>ISO</i>	Payroc	Iroquois Merchant Services	-	4/4/2022
<i>ISV</i>	Medius	OnPay Solutions	-	3/29/2022
<i>Other</i>	Papaya Global	Azimo	-	3/28/2022
<i>Other</i>	Apple	Credit Kudos	\$150	3/23/2022
<i>ISV</i>	Razorpay	IZEaliant Technologies	-	3/16/2022
<i>ISO</i>	Exela Technologies	Corduro	-	3/14/2022
<i>Gateway</i>	North American Bancard	PayTrace	-	3/8/2022
<i>ISV</i>	PPRO	Alpha Fintech	-	3/8/2022
<i>ISV</i>	Fleetcor	Levarti	-	3/3/2022
<i>Other</i>	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	Paylance	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 4th – April 8th



Mastercard Strengthens Consumer Engagement Services With Close of Dynamic Yield Acquisition

[BusinessWire](#) | [April 4th, 2022](#)

Mastercard has completed its acquisition of Dynamic Yield from McDonald's. Dynamic Yield—a state-of-the-art personalization platform and decision engine company—strengthens Mastercard's suite of consumer engagement and loyalty services that help brands deliver more effective and trusted customer experiences across channels.



Worldpay from FIS Becomes First Global Merchant Acquirer to Offer Direct USDC Settlement, Driving Digital Currency Adoption to Businesses

[BusinessWire](#) | [April 6th, 2022](#)

Financial technology leader FIS announces that its Worldpay from FIS business will be the first global merchant acquirer to offer merchants the ability to receive settlement directly in USD Coin (USDC), a fully reserved dollar digital currency. Stablecoins are a type of cryptocurrency pegged to a 'stable' reserve asset (such as the U.S. dollar) and can be redeemed one-to-one. USDC is one of the fastest growing, regulated dollar digital currencies with more than \$51 billion in circulation as of April 2022.



BlueSnap Launches Embedded Payments Suite to Help Software Platforms Maximize Revenue Globally

[PR Newswire](#) | [April 7th, 2022](#)

BlueSnap, a global payment orchestration platform committed to helping B2B and B2C businesses accept and optimize payments around the world, has launched its Embedded Payments and Payfac-as-a-Service offering for software platforms looking to scale their customer base globally. BlueSnap has been helping software platforms monetize their payments for several years with their Integrated Payments for Platforms.



Partnership Activity

April 4th – April 8th



A Global Payments Company

TSYS names Zwipe and adds insight to the previously announced partnership in North America

[PR Newswire](#) | April 4th, 2022

With reference to Zwipe's announcement on 15 December 2021, biometric fintech pioneer Zwipe can confirm that TSYS, a leading global provider of payment services to card issuers (and part of Global Payments Inc, a member of the S&P 500), chose to work with Zwipe to bring biometric payment cards into the North American market and beyond. This follows today's release of TSYS's feature article on the partnership with Zwipe and their intentions with biometric payment cards.



Visa and PopID Form Partnership to Launch Facial Verification Payments in the Middle East

[PR Newswire](#) | April 5th, 2022

PopID, a consumer authentication service, and Visa, the world's leader in digital payments, announced a partnership to collaborate on launching facial verification payment acceptance in the Middle East region. The goal of the partnership is to provide cardholders with new safe, secure, and innovative ways to pay.

Other Notable Partnerships:

- **Mollie Payments** collaborates with **WooCommerce** to launch their payments services in the UK.
- **NatWest** partners with **Bottomline** to reduce unauthorized push payment fraud across the UK.
- **Papaya Global** teams up with **Mesh Payments** for expense management solutions for remote workers.
- **Raistone** partners with **Mastercard** on working capital payments for SMBs.
- **Mollie Payments** partners with **Recharge** to offer an end-to-end subscription solution.



Management Changes

April 4th – April 8th



Paysafe:

Paysafe Announces Bruce Lowthers As The Company's New CEO And Executive Director

Paysafe announced this week the appointment of Bruce Lowthers to serve as the company's CEO and Executive Director. Lowthers will succeed Philip McHugh and will join the company at the beginning of May. Lowthers joins Paysafe following his 15-year tenure at FIS where he most recently served as President.

Date Announced	Company	Personnel	New Position	Previous Position
4/4/2022	Synchrony	Kamila Chytil	<i>Board of Directors Member</i>	Current Executive VP and COO at DentaQuest
4/5/2022	Paynetics	Andy Patton	<i>Chief Commercial Officer</i>	Go to Market Lead, DACH Region at Nets Group
4/7/2022	Paysafe	Bruce Lowthers	<i>CEO and Executive Director</i>	President at FIS



TSG Payments Index

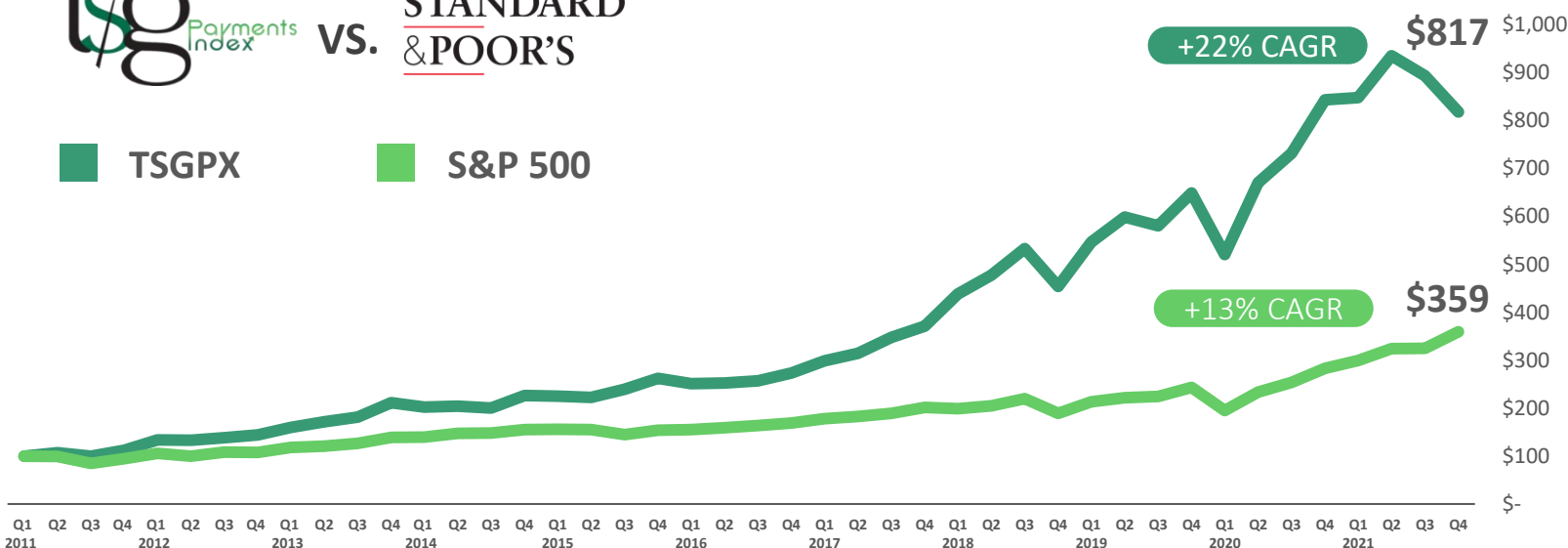
Q1 2011 – Q4 2021

tsg
Payments
Index

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

Rectangle
HEALTH

WesBanco

In a debit card
sponsorship
portfolio sale to

PB&T BANK
Local People Making Local Decisions Since 1889

payroc
STABILITY IN
PAYMENTS

In the
acquisition of

 **Integrity**

CLARUS
MERCHANT SERVICES

In the
acquisition of

 **NAMS**

PARthenON
CAPITAL PARTNERS

In the
acquisition of

NXGEN
& **pay**scape®

 **POS PROS**
POINT OF SALE ADVISORS

In its
sale to

Paysafe:

**Goldman
Sachs**

On their funding
event with

Newtek
"The Small Business Authority"

**Goldman
Sachs**

On their funding
event with

 **Bluefin**
Payment Systems

 **PIVOTAL**
PAYMENTS

In the
acquisition of

 **CAPITAL**
PROCESSING NETWORK

 **Bregal**Sagemount

In due diligence support
of its investment into

 **YAPSTONE**
POWERING PAYMENTS

Terrapin
Financial Services, LLC

In its
sale to

 **BluePay**

sage

In a merchant portfolio
purchase from

 **Heartland**
PAYMENT SYSTEMS®

 **PRIORITY**
PAYMENT SYSTEMS

In its
merger with

 **cynergydata**

Mutual of Omaha Bank

On the organization of
its joint venture with

 **First Data.**

 **SIG**
SUSQUEHANNA
GROWTH EQUITY, LLC

On their
investment in

PaySimple®

CAYAN

In the
acquisition of

CPS
CARD PAYMENT SERVICES

 **Shift4**
PAYMENTS

In its
sale to

 **LIGHTHOUSE**
NETWORK

talus
pay

In acquisition of the
operation assets of

 **PROLIFIC**
BUSINESS SOLUTIONS

 **BluePay**

In the
acquisition of

Primax
Defining Card Processing

KeyBank

On their joint
venture with

 **Elavon**



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.

