

# TransactionWatch

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

*Week of:  
May 16<sup>th</sup> – May 20<sup>th</sup>*

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# Deal Activity Summary

May 16<sup>th</sup> – May 20<sup>th</sup>

## This Week's M&A Overview

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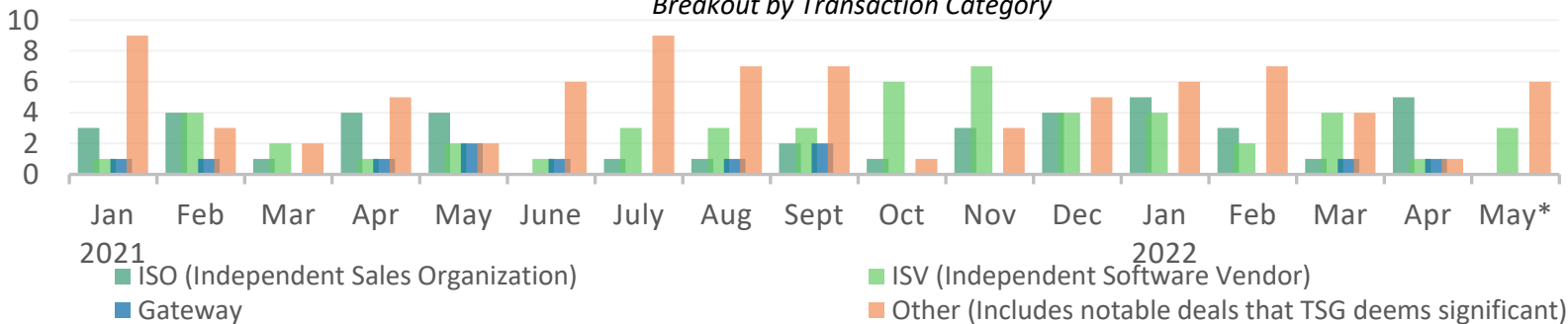
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M&A activity this week in the payments industry slowed down in comparison to last week's flurry of new acquisition announcements. To start, Square (now Block) has made several announcements this week as they seek to expand their digital capabilities through M&A as well as internal development for the restaurant market. This week the company announced their acquisition of GoParrot, a digital ordering and marketing software platform for restaurants. This acquisition allows Square to offer their merchant base a customizable white-labeled app that will allow customers to place orders and track loyalty rewards. Square also revealed this week a new suite of restaurant solutions, including a mobile POS for tableside ordering and payment acceptance.

In other payments news, the POS and payments firm SpotOn announced it has raised \$300 million in a Series F funding round. This new round of capital has now elevated the company's valuation to \$3.6 billion. This funding round follows SpotOn's Series E from just eight months ago, in which the company raised \$300 million for a valuation of \$3.15 billion. Separately, the buy now, pay later provider, Klarna, is reportedly looking to raise new funds that could see its valuation fall to \$30 billion. Klarna, which was last valued at \$46 billion last year, is reportedly aiming to raise \$1 billion from new and existing investors according to people familiar with the matter.

### 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](mailto:Info@thestrwegroup.com)





# Historical M&A Tracker

Transaction History: January 2022 – April 2022

## Transaction Categories:



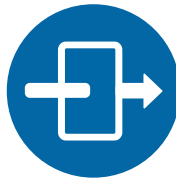
**ISO**

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	Square	GoParrot	-	5/18/2022
ISV	Nets	orderbird	\$150	5/12/2022
Other	Checkout.com	ubble	-	5/12/2022
Other	Huntington National Bank	Digital Payments Torana	-	5/12/2022
Other	PSCU	Juniper Payments	-	5/11/2022
ISV	Blaze Solutions	Greenline	-	5/10/2022
Other	KeyBank	GradFin	-	5/9/2022
Other	Shopify	Deliverr	\$2,100	5/5/2022
Other	LexisNexis	BehavioSec	-	5/3/2022
ISO	Nexa Equity	Choice Merchant Solutions	-	4/26/2022
ISO	Choice Merchant Solutions	Direct Payment Consultants	-	4/26/2022



# Historical M&A Tracker

Transaction History: January 2022 – April 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
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: January 2022 – April 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





## Headline News

May 16<sup>th</sup> – May 20<sup>th</sup>



### ***SpotOn Raises \$300 Million in Series F Funding Led by Dracooner Investment Group; Transaction Values Company at \$3.6 Billion***

[BusinessWire](#) | [May 18<sup>th</sup>, 2022](#)

SpotOn, a leading software and payment company with comprehensive solutions for restaurants, retail businesses, and enterprise venues, today (May 18<sup>th</sup>) announced \$300 million in Series F funding, raising its valuation to \$3.6 billion. The company will use the funding to further develop technology products that enable businesses to meet the evolving needs of today's consumer.

## **Klarna.**

### ***Klarna Faces Valuation Drop to \$30 Billion as Seeks Funding***

[Bloomberg](#) | [May 19<sup>th</sup>, 2022](#)

Klarna Bank AB is looking to tap investors for more cash in a move that would reduce its valuation by about a third, according to people familiar with the matter. The Swedish fintech company, which was valued at \$46 billion last June, would be worth about \$30 billion under its latest plans, said the people, who asked not to be named because the process isn't public. Klarna is seeking about \$1 billion in its new funding round, according to the Wall Street Journal, which reported the plan earlier.



### ***FIS is Building the Bridge to the Metaverse: Tips for the New Digital Frontier***

[BusinessWire](#) | [May 18<sup>th</sup>, 2022](#)

The metaverse is opening a new frontier of opportunities in the digital economy. As a financial technology leader, FIS is creating a bridge from physical to digital and looking to enhance customer experience for businesses that are innovating in this nascent market. At its annual client event FIS Emerald 2022, FIS launched the FIS metastore, which brought the virtual metaverse world into a physical space to provide attendees with hands on experience with crypto and explore possibilities for new revenue streams and new customer experiences via the meta world.



## Partnership Activity

May 16<sup>th</sup> – May 20<sup>th</sup>



### OPay and Mastercard announce strategic partnership to grow cashless ecosystem and advance digital financial inclusion for millions

[PR Newswire](#) | [May 18<sup>th</sup>, 2022](#)

Fintech giant OPay and Mastercard today (May 18<sup>th</sup>) announced a strategic partnership, which marks a significant boost for wider financial inclusion and economic prosperity by opening up digital commerce to millions of people across Middle East and Africa. The collaboration enables OPay consumers and merchants in the region - including Algeria, Morocco, Egypt, Nigeria, Ethiopia, Kenya, Pakistan, South Africa and the UAE - to engage with brands and businesses anywhere across the globe, thanks to a Mastercard virtual payment solution linked to the OPay eWallet.



### Lavu and Verifone Partner to Provide Unified Payments and Point of Sale Solutions to Restaurants

[BusinessWire](#) | [May 19<sup>th</sup>, 2022](#)

Lavu, a major global restaurant software and payments solution provider built by restaurant people, and Verifone, a global FinTech leader and payment solution provider to the world's best-known brands, today (May 19<sup>th</sup>) announce a new cross-distribution partnership that will seamlessly integrate Lavu's all-in-one restaurant software suite with Verifone's FLEX payment solution, including its Advanced Payment Methods platform, benefiting Lavu and Verifone customers.

#### Other Notable Partnerships:

- **Marqeta** has added **Evolve Bank & Trust** as a bank partner to expand their program management capabilities.
- **Corvia** has added **REPAY** as a new payment processing partner.
- **Paysafe** partners with **Strive Gaming** to expand their reach across North America.
- **Toast** renews its strategic partnership with **US Foods**.
- **Very Good Security (VGS)** teams up with **Plaid** as a preferred tokenization partner.





# Management Changes

May 16<sup>th</sup> – May 20<sup>th</sup>



## CardFlight Broadens Executive Team With Serval New Additions

CardFlight announced this week the appointments of several new individuals to their executive team. The new additions include Eli Entin as VP of Product, Liam Mahoney as VP of People, Christopher Anderson as Senior Director of Information Technology, and Vera Miller as Senior Director of Customer Operations.

Date Announced	Company	Personnel	New Position	Previous Position
5/18/2022	CardFlight	<b>Eli Entin</b>	<i>VP of Product</i>	VP Product Management at Marcus by Goldman Sachs
5/18/2022	CardFlight	<b>Liam Mahoney</b>	<i>VP of People</i>	Head of People at Narrativ
5/18/2022	CardFlight	<b>Christopher Anderson</b>	<i>Senior Director of Information Technology</i>	VP of Workplace Services at KAR Auction Services
5/18/2022	CardFlight	<b>Vera Miller</b>	<i>Senior Director of Customer Operations</i>	Chief Customer Officer at Frontpoint



# TSG Payments Index

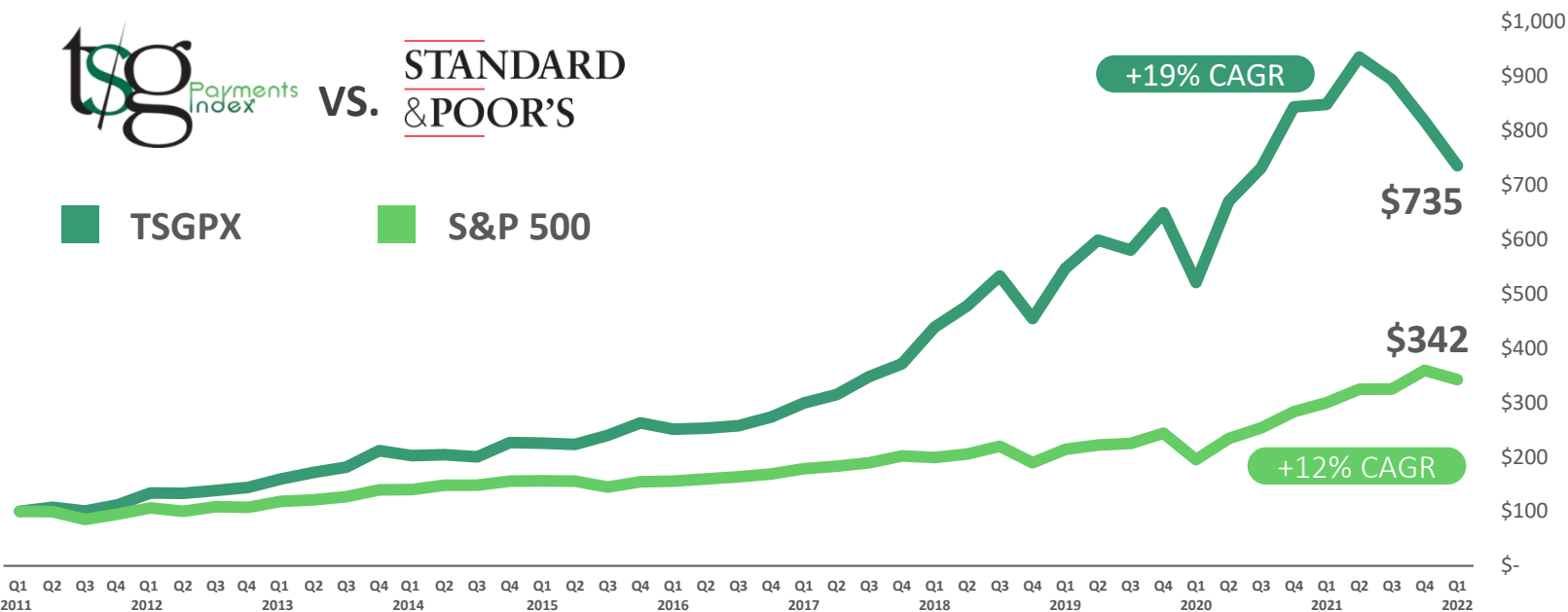
Q1 2011 – Q1 2022



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.

