



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:

May 23rd – May 27th

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Deal Activity Summary

May 23rd – May 27th

This Week's M&A Overview

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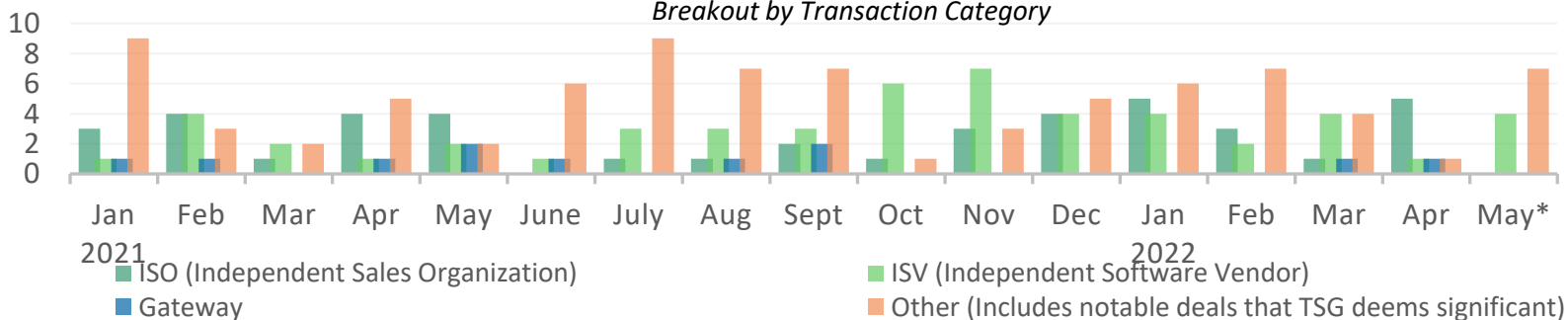
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M&A activity within the payments industry remains steady this past week with a couple new deal announcements. To kick things off, EVO Payments announced on Monday (May 23rd) their acquisition of North49 Business Solutions for an undisclosed sum. North49 is a certified Sage Development Partner that provides B2B integrated payment solutions to Sage users. This acquisition enables EVO Payments to further streamline their gateway and acquiring services to new and existing customers using Sage. This deal also builds upon EVO Payments' strong foothold within the B2B payments environment as well as further commits their focus towards serving eCommerce and ISV markets. Separately, Paddle has announced their acquisition of ProfitWell, an ISV providing subscription metrics and retention automation solutions to over 30,000 companies. This deal was valued at over \$200 million in cash and equity and marks Paddle's first acquisition in their history. With the integration of ProfitWell, Paddle customers will now be able to utilize a plethora of new services to help them manage various areas of their business.

In other payments news, Mastercard has disclosed a pair of strategic investments this past week. The company has led a \$40 million funding round in the Saudi Arabia-based HyperPay, a provider of eCommerce payment services, as well as took a minority stake in the cybersecurity firm Pincus Security.

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 – April 2022

Transaction Categories:



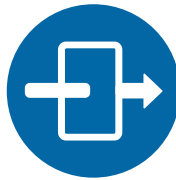
ISO

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	Paddle	ProfitWell	\$200	5/25/2022
Other	EVO Payments	North49 Business Solutions	-	5/23/2022
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



Historical M&A Tracker

Transaction History: January 2022 – April 2022

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
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 – April 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



Headline News

May 23rd – May 27th



Billtrust to stay on acquisition streak

[Payments Dive](#) | [May 24th, 2022](#)

Billtrust CEO Flint Lane sees no shortage of acquisition options in the rapidly evolving business-to-business payments space, and he aims to continue the company's recent buyout streak. Its \$59.9 million acquisition of Amsterdam-based Order2Cash in February and its \$58 million acquisition of Belgium company iController in October 2021 have established a European presence for Billtrust, Lane said.



MoneyGram Stockholders Overwhelmingly Approve Merger Transaction with Madison Dearborn Partners

[PR Newswire](#) | [May 23rd, 2022](#)

MoneyGram International, Inc., a global leader in the evolution of digital P2P payments, today (May 23rd) announced that stockholders overwhelmingly approved the transaction with affiliates of funds managed by Madison Dearborn Partners, LLC (collectively, "MDP"). Based on the preliminary voting results from the Special Meeting of Stockholders held today, over 99% of votes cast were in favor of the transaction.



Stripe launches App Marketplace, scripts and tools incorporating third-party SaaS apps that work alongside Stripe

[TechCrunch](#) | [May 24th, 2022](#)

Stripe, the payments upstart now valued at \$95 billion, has been launching a number of new products to expand beyond the API that helped make its name, to build out its position as a platform for financial services and related business infrastructure. The latest of these is making its debut today: App Marketplace, as the new service is called, is a new offering where Stripe will both provide access to third-party apps, as well as scripts created by app publishers, users and Stripe itself, that incorporate those apps with Stripe.



Partnership Activity

May 23rd – May 27th



Splitit and BlueSnap announce joint payment partnership to simplify buy now, pay later for the merchant community

[PR Newswire](#) | [May 24th, 2022](#)

Splitit and BlueSnap, a global payment orchestration platform committed to helping B2B and B2C businesses accept and optimize payments around the world, announced the companies are enhancing their existing relationship to elevate BlueSnap to Splitit's preferred processing partner, to simplify the buy now, pay later (BNPL) checkout experience and jointly target key verticals.



Radial selects Adyen to integrate payments into omnichannel ecommerce platform for clients in US and Canada

[PR Newswire](#) | [May 24th, 2022](#)

Adyen, the global financial technology platform of choice for leading businesses, today (May 24th) announced that Radial, a bpost group company, a leader in ecommerce technologies and operations, will use Adyen for Platforms to streamline and consolidate their payment offerings to benefit their roster of clients in the US and Canada including health, beauty, apparel, and luxury accessory brands.

Other Notable Partnerships:

- **Marqeta** and **Alviere** embark on a partnership across Europe to provide advanced financial services.
- **Moneybase** teams up with **Compass Plus Technologies** to launch a new digital payments app and card issuing platform.
- **Cybersource** has become a preferred partner in the **Spreadly** Payment Service Provider Program.
- **WooCommerce** expands their partnership with **Affirm** for additional BNPL options.
- **Swift** partners with **Capgemini** to enhance CBDC networks for seamless cross-border payments.
- **Visa** and **Western Union** announce a new partnership in Germany and Romania with the launch of a new digital banking money transfer app.



Management Changes

May 23rd – May 27th



Payoneer Names John Caplan As Co-CEO

Payoneer announced this week the appointment of John Caplan to serve as the company’s co-Chief Executive Officer and Director alongside the current CEO Scott Galit. The two will lead the company through the end of 2023, in which Caplan will then assume the role as CEO and Galit will continue under a different strategic position. Caplan joins Payoneer from Alibaba.com, where he most recently served as President of North American and Europe.

Date Announced	Company	Personnel	New Position	Previous Position
5/23/2022	Deluxe	Tracey Engelhardt	Chief of Operations	Current President of Checks at Deluxe
5/25/2022	Payoneer	John Caplan	Co-Chief Executive and Director	President of North America and Europe at Alibaba.com



TSG Payments Index

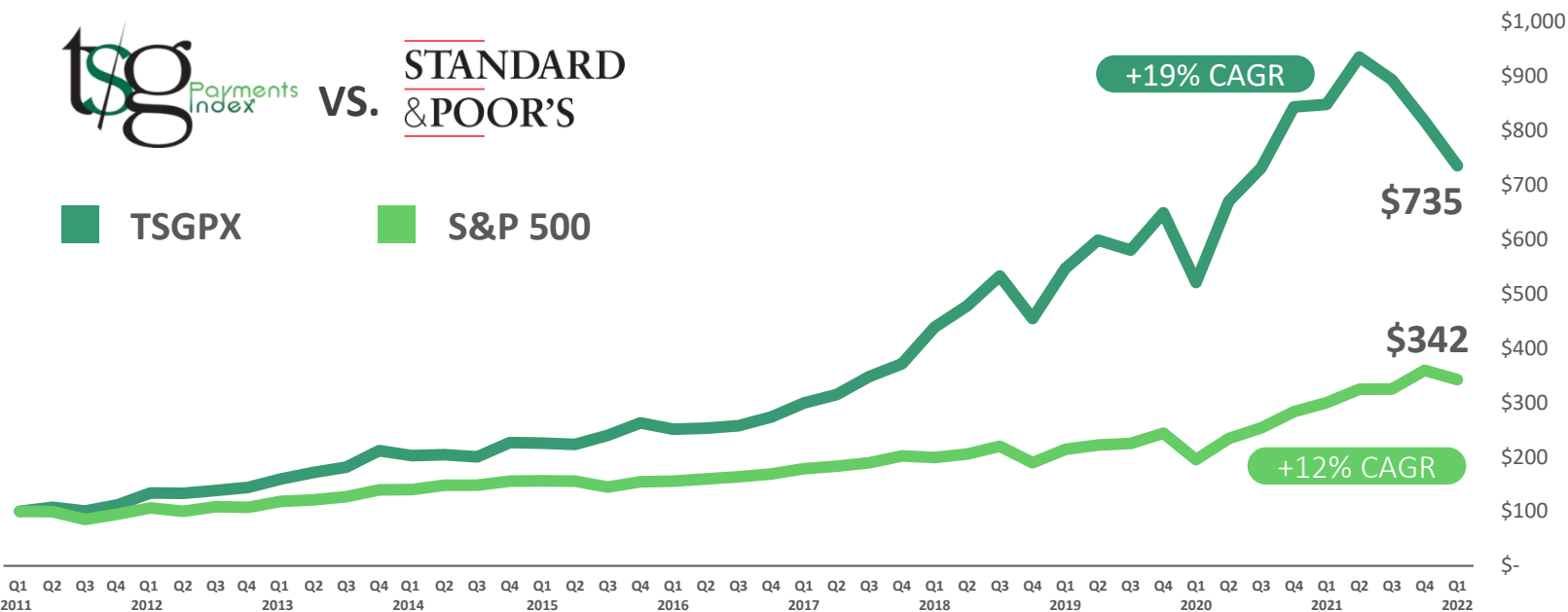
Q1 2011 – Q1 2022



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.

