



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 2nd – May 6th*

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

May 2nd – May 6th

This Week's M&A Overview

Table of Contents

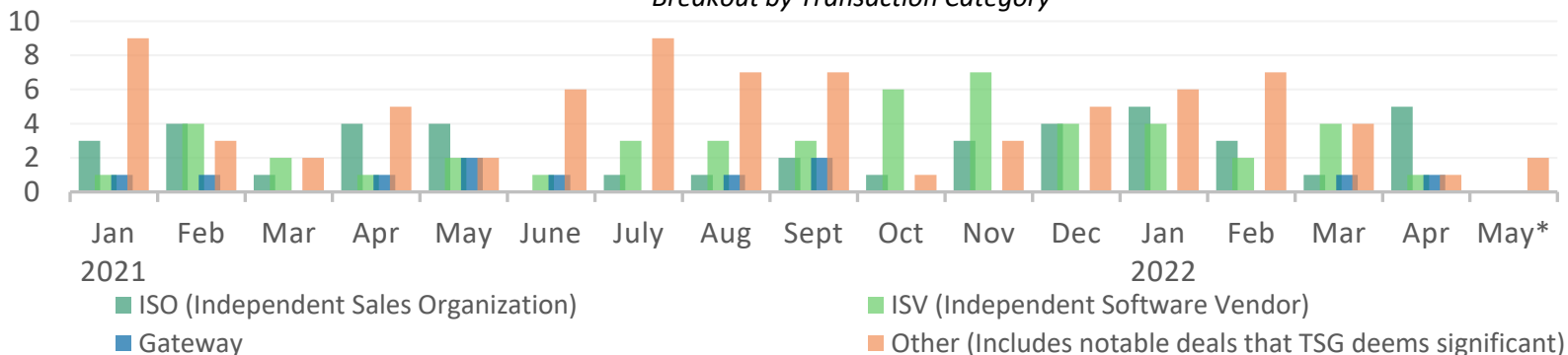
-  [Deal Activity Summary](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

Shopify advances their logistics and fulfillment capabilities with their largest acquisition to date. The company announced this week their acquisition of Deliverr, a fulfillment technology provider, for \$2.1 billion. With this acquisition, Shopify will combine Deliverr's technological capabilities with their Shopify Fulfillment Network (SFN) to better serve their merchants in managing inventory and distribution channels. Shopify has also unveiled a new service, Shop Promise, which enables merchants to offer faster delivery options to their customer base. Separately, LexisNexis announced this week their acquisition of BehavioSec, a behavior biometrics technology provider, for an undisclosed sum. This acquisition will aid in LexisNexis' digital identity detection and authentication capabilities through combining its technology with their existing ThreatMetrix solution.

In other payments news, quarterly financial results are continuing to release and offer insights into performance indicators. Shift4, for example, reported \$13.4 billion in end-to-end payment volume for the first quarter, an increase of 68% year-over-year. Their growth in volume has propelled their gross revenue less network fees to jump by 53% 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 – 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
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
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



Historical M&A Tracker

Transaction History: January 2022 – April 2022

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



Historical M&A Tracker

Transaction History: January 2022 – April 2022

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



Headline News

May 2nd – May 6th



Stripe introduces Financial Connections to help businesses connect to their customers' bank accounts

[Stripe Newsroom](#) | [May 4th, 2022](#)

Stripe, a financial infrastructure platform for businesses, today (May 4th) launched Stripe Financial Connections, enabling businesses to establish direct connections with their customers' bank accounts that power a wide range of financial processes. Businesses can use Financial Connections to verify accounts for payments and payouts, check balances to reduce payment failures, and cut fraud by confirming bank account ownership.



Lightspeed Launches Innovative New Flagship Omnichannel Retail Platform

[Lightspeed Newsroom](#) | [May 5th, 2022](#)

Lightspeed Commerce Inc., the one-stop commerce platform for merchants around the world to simplify, scale, and create exceptional customer experiences, today (May 5th) announced the launch of Lightspeed Retail, a groundbreaking new retail commerce platform that unites advanced POS, payments, and ecommerce into one cohesive and powerful solution. Leveraging the power of headless commerce, powerful integrations, and a completely reimagined interface, Lightspeed Retail is the ultimate commerce platform to help business owners elevate their strategy while managing the complex challenges of the evolving retail landscape.



Toast Helps Hotels Streamline Food and Beverage Operations, Increase Revenue and Deliver Great Hospitality

[Toast Newsroom](#) | [May 3rd, 2022](#)

Toast, the all-in-one digital platform built for restaurants, today (May 5th) announced Toast for Hotel Restaurants, a new solution designed to meet the unique needs of hotel restaurant operators.



Partnership Activity

May 2nd – May 6th



Fiserv to Simplify How Businesses Enable Buy Now, Pay Later

[Fiserv Press Release](#) | [May 4th, 2022](#)

Businesses of all sizes will be able to simplify the enablement of Buy Now Pay Later (BNPL) options with streamlined access via commerce systems from Fiserv, Inc., a leading global provider of payments and financial services technology solutions. Fiserv currently offers BNPL services to merchants through relationships with Bread, Synchrony and Zip, and today (May 4th) announces a new relationship with Affirm, which will be the first BNPL option fully integrated into the CaratSM operating system.



Bakkt and Global Payments Announce Strategic Alliance

[BusinessWire](#) | [May 2nd, 2022](#)

Bakkt Holdings, Inc., a trusted digital asset platform that enables consumers to buy, sell, send and spend a range of digital assets, and Global Payments, a leading payments technology company delivering innovative software and services to customers globally, today (May 2nd) announced a strategic alliance.

Other Notable Partnerships:

- **Worldline** collaborates with **Algoan** to develop an open banking-based credit assessment system.
- **Everyware** partners with **MX** on real-time payments and open banking initiatives.
- **Paysafe** expands partnership with **Visa** to integrate with Visa Direct.
- **PayPal** and **Aon** team up to expand access for insurance to small businesses within the U.S.
- **Fiserv** and **The Clearing House** collaborate to expand real-time payment accessibility.
- **Softpay.io** partners with **Amadis** for EMV level 2 framework support.



Management Changes

May 2nd – May 6th



GOCARDLESS

GoCardless Brings On Paul Stoddart As President

GoCardless announced this week the appointment of Paul Stoddart to serve as the company’s President. Under this role, he will be responsible for GoCardless’ global go-to-market initiatives pertaining to strategy, sales, product, marketing and customer team. Stoddart joins GoCardless from Mastercard, where he most recently served as President of its New Payment Platforms as well as a Member of the Mastercard Management Committee.

Date Announced	Company	Personnel	New Position	Previous Position
5/2/2022	Advanced Fraud Solutions	Jordan Bothwell	<i>VP of Strategic Partnerships</i>	Director of Business Development and Strategic Initiatives at Advanced Fraud Solutions
5/3/2022	GoCardless	Paul Stoddart	<i>President</i>	President of New Payment Platforms at Mastercard
5/4/2022	Deluxe	Yogaraj Jayaprakasam	<i>Chief Technology and Digital Officer</i>	Unit Chief Information Officer, Global and Large Client Group and Head of Engineering of B2B Digital Payments at American Express



TSG Payments Index

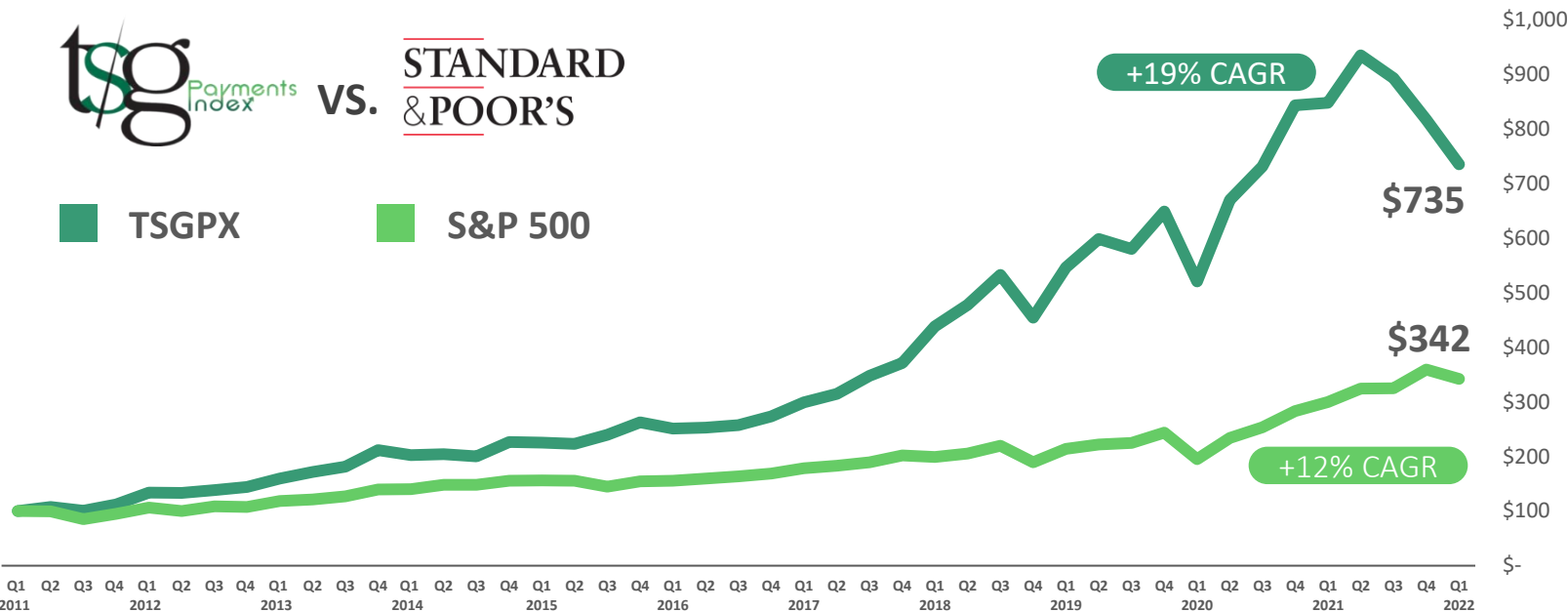
Q1 2011 – Q1 2022



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.

