

# TransactionWatch

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

*Week of:  
June 13<sup>th</sup> – June 17<sup>th</sup>*

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# Deal Activity Summary

June 13<sup>th</sup> – June 17<sup>th</sup>

## This Week's M&A Overview

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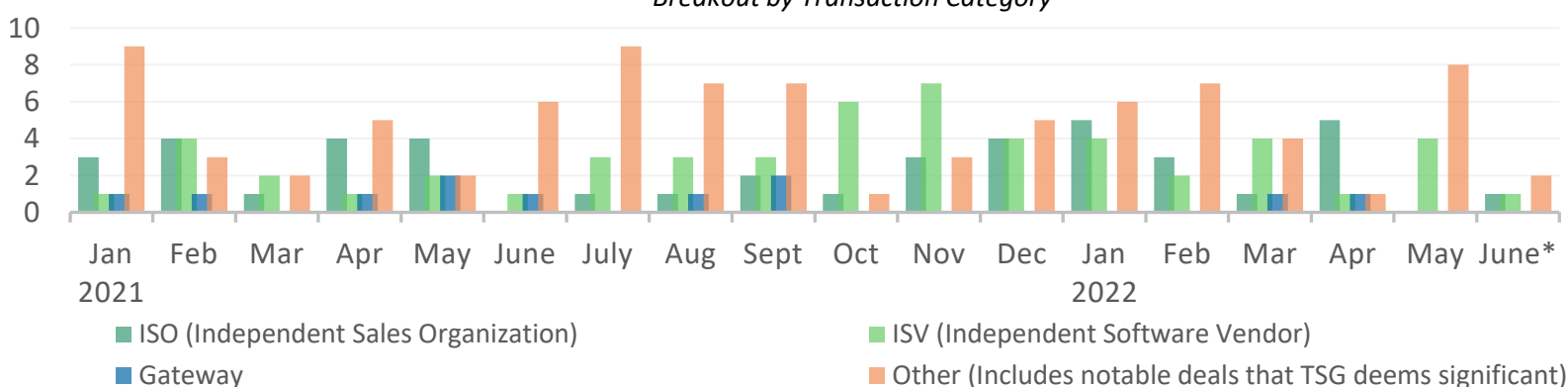
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M&A activity within the payments landscape evidently slowed down this past week as little movement progressed. A slowdown in M&A is suspected to occur throughout the coming months due in part to several factors, including economic woes/recession fears, ongoing global conflicts, continued supply chain issues, and more. Similarly seen throughout 2020 with the onset of COVID-19, M&A traction and deal negotiations are being put on hold until better economic outlooks appear safer and optimistic. We can expect M&A activity within the payments industry, as well as the overall global market, to slowdown throughout the remainder of Q2 and Q3. In addition to a decrease in M&A activity, stock performances from payment firms have also declined over the past few quarters as seen in [TSG's Payments Index](#) (a record of stock performances of select public payment companies).

In other M&A news, speculation of a potential takeover of NCR continues to unfold as people familiar with the matter suggest that the company is continuing to hold discussions with potential buyers. This rumor has been circling around since early February when the company initiated a strategic internal review.

### 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: February 2022 – May 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	Fleetcor	Global Reach Group	-	6/9/2022
ISV	AffiniPay	MyCase	-	6/9/2022
Other	One Equity Partners	ACI Worldwide (Corporate Banking Technology)	-	6/7/2022
ISO	Nexi	BPER Banca (Merchant acquiring business)	\$412	6/1/2022
Other	Trustly	Ecospend	-	5/31/2022
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



# Historical M&A Tracker

Transaction History: February 2022 – May 2022

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



# Historical M&A Tracker

Transaction History: February 2022 – May 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
ISO	Paylance	Secure Payment Systems	-	2/2/2022





## Headline News

June 13<sup>th</sup> – June 17<sup>th</sup>



### **Mastercard Empowers Open Banking Startups to Scale and Expand Consumer Choice**

[Mastercard Press Release](#) | June 15<sup>th</sup>, 2022

Mastercard has launched the Start Path Open Banking global program to engage open banking startups on their path to scale, uncover unique opportunities to co-innovate and power experiences that enable consumer choice. The companies handpicked for this inaugural class – Dapi, Finantier, mmob, Mono and Paywallet – demonstrate strong synergies with Mastercard's tech-driven approach and are committed to putting consumers and small businesses at the center of where and how their financial data is used to further access services they want and need.



### **Alipay+ Upgrades Cashier Product to Bring Merchants Integrated and Cost-Efficient Experience**

[BusinessWire](#) | June 15<sup>th</sup>, 2022

Ant Group today (June 15<sup>th</sup>) announced the launch of Alipay+ Unified Payment. This major product upgrade provides a unified, scalable technical solution to help online and brick-and-mortar merchants collect money through all digital payment methods supported by Alipay+ in a more convenient and effective way.



### **PayPal expands BNPL payment options**

[Payments Dive](#) | June 15<sup>th</sup>, 2022

PayPal's new monthly financing option expands on its existing BNPL portfolio, which already includes an option to pay in four installments and a more traditional PayPal credit financing option. Some 22 million of PayPal's customers used its "flexible payment options" in the past year, the company said. The new monthly BNPL financing will be offered via WebBank, a Salt Lake City-based FDIC-insured, state-chartered bank, and it will be subject to credit approval.



## Partnership Activity

June 13<sup>th</sup> – June 17<sup>th</sup>



### Discover and BANCOMAT Establish Partnership to Increase Acceptance in Italy

[BusinessWire](#) | June 14<sup>th</sup>, 2022

BANCOMAT S.p.A and Discover signed a strategic agreement that increases acceptance for Discover, Diners Club International and network alliance cardholders, all part of the Discover Global Network. This new partnership will give cardholders the ability to use their cards and mobile payment products on the BANCOMAT network throughout Italy.



**PLAID**

### RBC and Plaid announce agreement to bolster client security and increase connection to financial services apps

[PR Newswire](#) | June 14<sup>th</sup>, 2022

During a time when Canadians' appetite for digital services continues to increase, RBC and Plaid are pleased to announce a new data access agreement that will empower RBC clients with the option to share their financial data securely via a direct application programming interface (API) with the thousands of apps and services of their choice on the Plaid data network.

### Other Notable Partnerships:

- **Affirm** teams up with **Agoda**, part of Booking Holdings, to bring buy now, pay later options to customers at checkout.
- **Sendcloud** and **Mollie** team up on simplifying paid returns.
- **Mastercard** collaborates with **EziPay** to bring virtual card support to EziPay's digital wallets.
- **Revolut** partners with **Salesforce** to quickly onboard new sales agents in the coming year.
- **Verizon** teams up with **Mastercard** and **First National Bank of Omaha (FNBO)** to launch a small business credit card.





# Management Changes

June 13<sup>th</sup> – June 17<sup>th</sup>



## Yapily Appoints Former Payoneer Executive, Noam Oren, To Serve As Their CTO

Yapily, an open banking infrastructure, announced this week the appointment of Noam Oren to serve as the company's new Chief Technology Officer. Oren joins Yapily after spending the past thirteen years at Payoneer, during which he contributed to the company's growth from their seed funding stage all the way to their IPO in 2021.

Date Announced	Company	Personnel	New Position	Previous Position
6/14/2022	Yapily	Noam Oren	Chief Technology Officer	CTO / Managing R&D, IT, Data at Payoneer
6/14/2022	Flutterwave	Oneal Bhambani	Chief Financial Officer	VP; CFO & Head of Capital Markets at Kabbage (now American Express)



# TSG Payments Index

Q1 2011 – Q1 2022

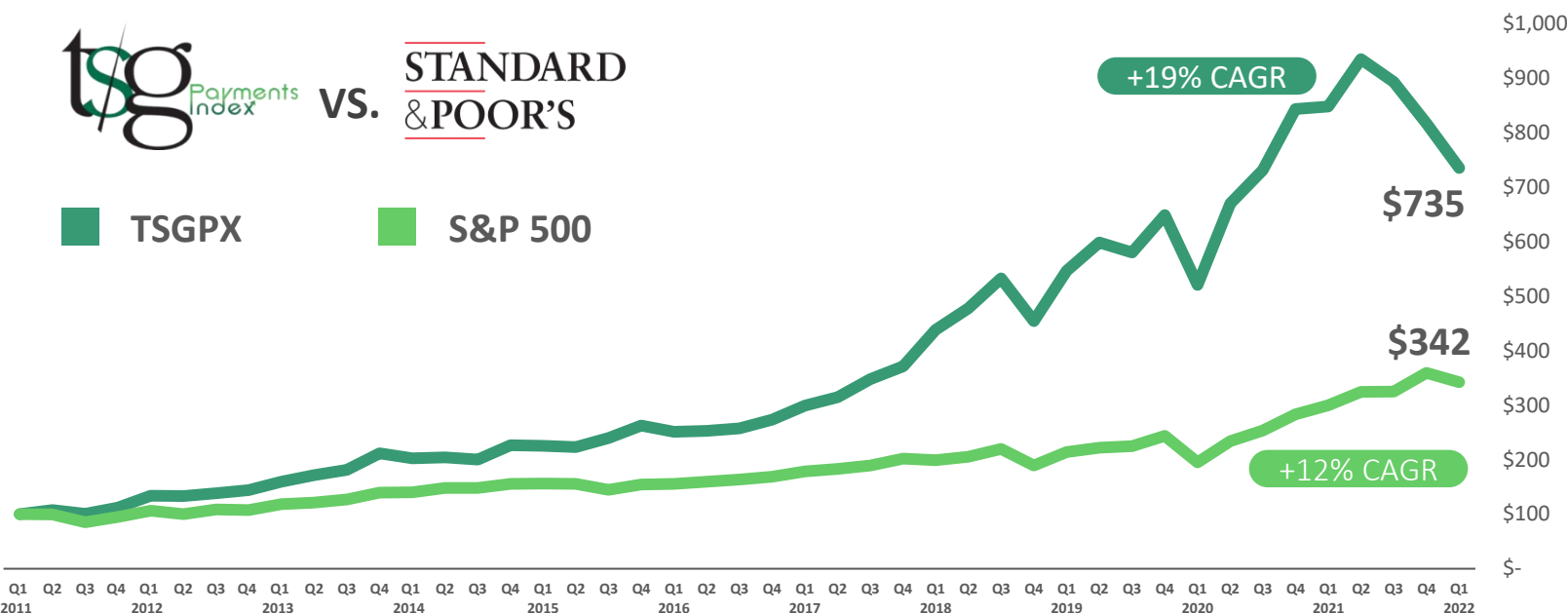
tsg Payments Index

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 \$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

**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.

