

# TransactionWatch

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

*Week of:  
June 20<sup>th</sup> – June 24<sup>th</sup>*

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# Deal Activity Summary

June 20<sup>th</sup> – June 24<sup>th</sup>

## This Week's M&A Overview

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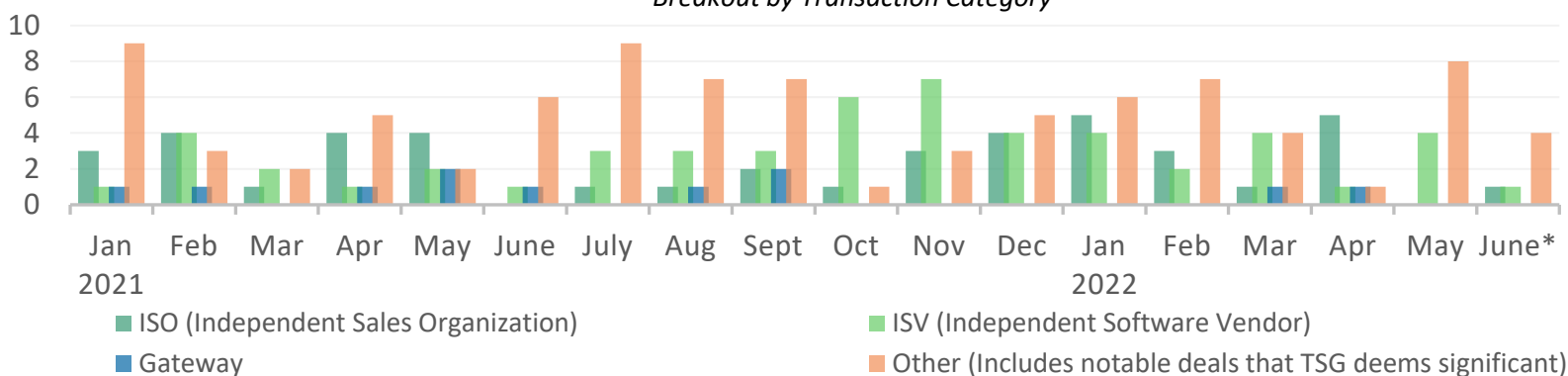
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M&A activity within the payments space picks up some traction this week with a couple notable deals. To kick things off, Global-e, a cross-border end-to-end platform, announced an agreement with Pitney Bowes to acquire their cross-border commerce business, Borderfree. This deal largely complements Global-e's existing product suite and further adds to their network of merchants utilizing their platform. Global-e will acquire Borderfree for approximately \$100 million in cash and this deal is expected to close during Q3 2022. Separately, the merchant commerce platform, Pine Labs, announced their acquisition of Setu, an API fintech startup, for an undisclosed sum. This deal marks Pine Labs third acquisition yet this year. Setu builds upon Pine Labs' existing platform, particularly as it relates to their embedded financial services and open banking offerings.

In other M&A news, Paya is reportedly exploring a potential sale according to people familiar with the matter. An agreement has not yet been signed and the talks could end without a deal. Paya made a public debut in 2020 through a SPAC merger with FinTech Acquisition Corp. III for an implied enterprise value of \$1.3 billion at closing.

### 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:



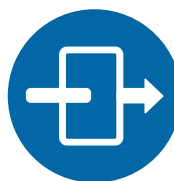
**ISO**

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	Pine Labs	Setu	-	6/23/2022
Other	Global-e	Borderfree (Pitney Bowes)	\$100	6/21/2022
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



# Historical M&A Tracker

Transaction History: February 2022 – May 2022

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



# Historical M&A Tracker

Transaction History: February 2022 – May 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
ISO	DNA Payments	Card Cutters	-	2/9/2022





## Headline News

June 20<sup>th</sup> – June 24<sup>th</sup>



### **Payment Technology Company Paya to Explore Sale**

[Bloomberg](#) | [June 17<sup>th</sup>, 2022](#)

Paya Holdings Inc., a payments technology company that went public in 2020 through a blank-check deal, is exploring a potential sale amid takeover interest, according to people familiar with the matter. Paya is working with an adviser to field interest, the people said, asking not to be identified because the matter is private. Large, publicly traded payments companies are circling the company as bidders, the people said.



### **EVO Payments finds deals harder to come by, CEO says**

[Payments Dive](#) | [June 23<sup>rd</sup>, 2022](#)

EVO Payments, a merchant acquirer that has grown its business through more than three dozen acquisitions since 2011, is finding it increasingly difficult to find bargains despite the current macro-economic environment, Chief Executive Jim Kelly said at an investor conference this month. With inflation surging for consumer goods and the Federal Reserve responding by increasing interest rates, the U.S. economy is expected to cool, and to chill red-hot company valuations, too.



### **SumUp raises \$624M at \$8.5B valuation, with its payments and business tech now used by 4M SMBs**

[TechCrunch](#) | [June 23<sup>rd</sup>, 2022](#)

A decade ago, SumUp was one of the army of fintechs that made names for themselves with dongles that turned basic smartphones into card payment terminals. Today (Jun. 23<sup>rd</sup>), the London-based company has expanded into a wider range of business services that are used by some 4 million small and medium businesses in 35 markets, and as it continues to scale out its ambitions, it's closed in on a major round of funding of €590 million (\$624 million).



## Partnership Activity

June 20<sup>th</sup> – June 24<sup>th</sup>



### Adyen and McDonald's expand mobile app partnership to the U.S.

[PR Newswire](#) | June 22<sup>nd</sup>, 2022

Today (Jun. 22<sup>nd</sup>), Adyen, the global financial technology platform of choice for leading businesses, and McDonald's Corporation announced the expansion of their mobile app partnership to the U.S. The two companies began working together in early 2020 in the U.K. and are now expanding to other markets globally.



### Promise Selects Paya as Payments Partner

[GlobeNewswire](#) | June 21<sup>st</sup>, 2022

Paya, a leading integrated payments and commerce solution provider, today (Jun. 21<sup>st</sup>) announced that it has been selected by Promise, a SaaS-based government payments company, as an integrated payments partner. Based in Oakland, CA, Promise works with utilities and government agencies around the country, enabling them to provide payment flexibility in underserved areas and for citizens who are in debt or unable to pay their bills in full, as well as facilitate access to aid programs. The partnership with Paya will continue to expand Promise's capabilities and reach across many government agencies and utilities.

### Other Notable Partnerships:

- **Mastercard** partners with **WhatsApp** to expand their travel services
- **Splitit** and **Everyware** team up on pay-by-text installment services.
- **PayFast by APPS** partners with **CyberSource** on payment processing capabilities for online businesses.
- **Phos** collaborates with **Paynt** to launch a white labeled SoftPOS for payment service resellers.
- **Emerchantpay** and **Novalnet** announce a strategic partnership to expand further into international markets.
- **Blink** has partnered with **Opaay** for open banking payment solutions.
- **PingPong** teams up with **JCB** to support their international expansion efforts.





# Management Changes

June 20<sup>th</sup> – June 24<sup>th</sup>



**Scott Hart**



**Phillip Goericke**



## NMI Bolsters Leadership Team With Two New Additions

NMI announced this week the appointments of Scott Hart and Phillip Goericke. Hart joins NMI as the company's new CFO, serving previously as the CFO of Venn LocalZone. Goericke joins the company as their SVP of Engineering, previously working as the VP of Product Engineering at Alkami Technology.

Date Announced	Company	Personnel	New Position	Previous Position
6/22/2022	PayFuture	James Scrivens	Global Sales Director	Head of Mid Corporate Sales at Barclays Payments
6/23/2022	Mastercard	J.K. Khalil	Cluster General Manager, MENA Region	Country Manager of Saudi Arabia, Bahrain, and Levant at Mastercard
6/23/2022	NMI	Scott Hart	Chief Financial Officer	CFO at Venn LocalZone
6/23/2022	NMI	Phillip Goericke	SVP Engineering	VP of Product Engineering at Alkami Technology



# TSG Payments Index

Q1 2011 – Q1 2022

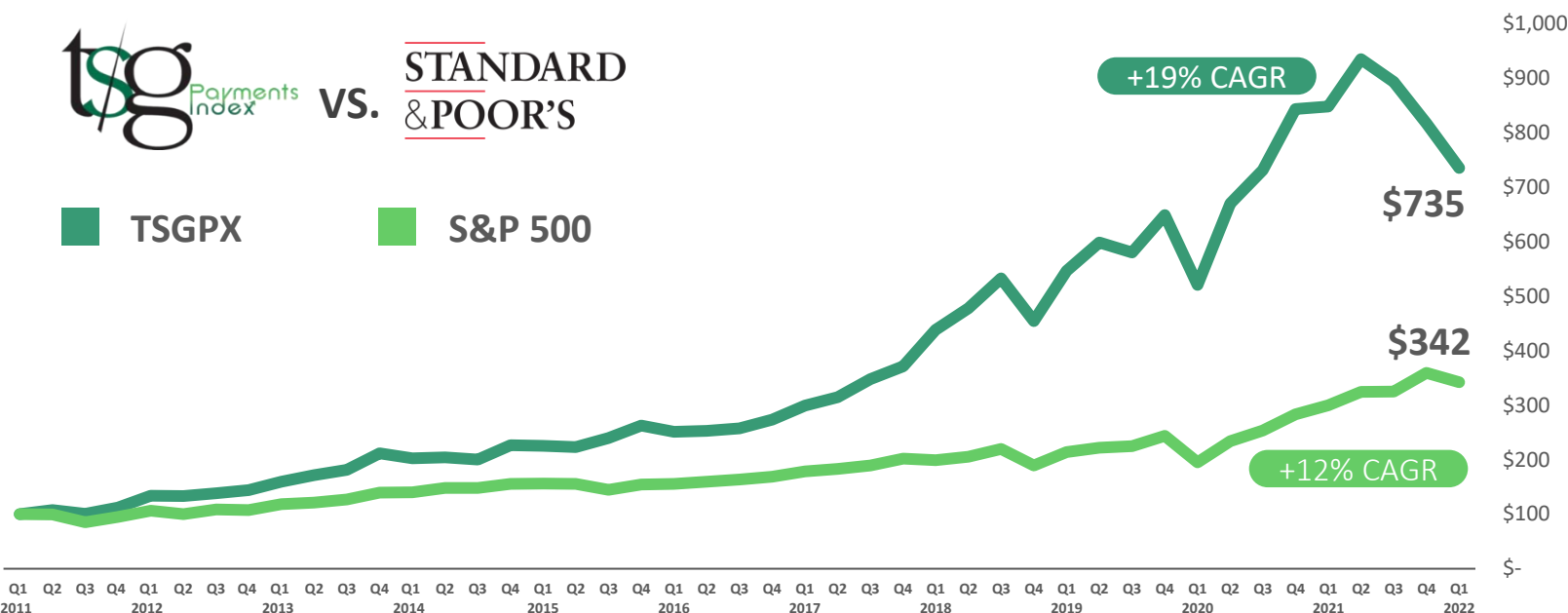
tsg  
Payments  
Index

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.

