

TransactionWatch

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

*Week of:
August 1st – August 5th*

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Deal Activity Summary

August 1st – August 5th

This Week's M&A Overview

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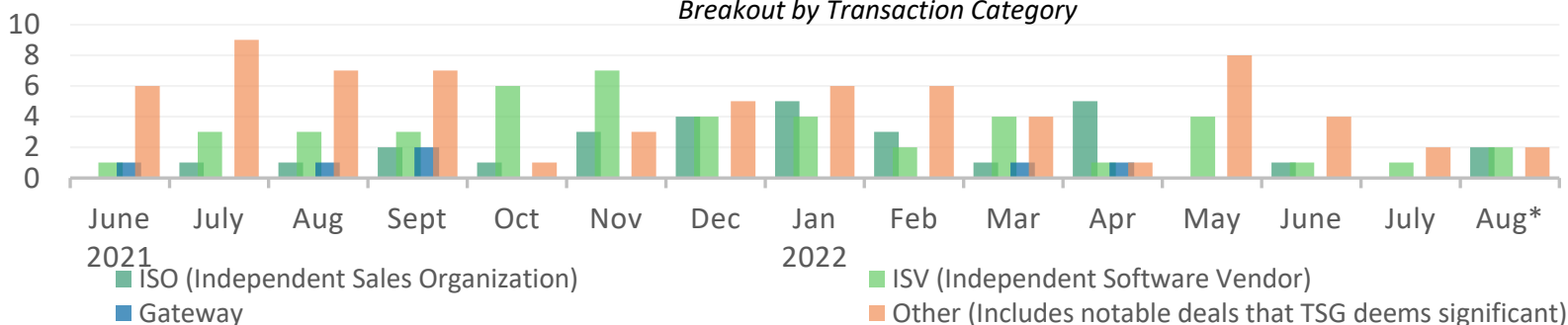
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M&A activity skyrockets this past week across the payments industry with several momentous deal announcements. To kick things off, Global Payments announced their agreement to acquire EVO Payments for \$4 billion in cash. Following the closing of this deal, the combined entity will serve more than 4.5 million merchants and over 1,500 financial institutions globally. While also expanding further internationally, this acquisition supports Global Payment's commitment towards broadening their ISV channel; particularly within the B2B sector. EVO Payments has cultivated relationships with 1,500 technology partners, which will accompany Global Payment's network of 6,000 partners and allow the company to grow in new and existing market verticals. In addition to this deal, Global Payments is selling their Netspend business to Rêv Worldwide in an all-cash transaction valued at \$1 billion. Netspend, which was founded in 1999 by Roy and Bertrand Sosa, is coming back to the Sosa brothers who later also founded Rêv. The combined business will leverage existing assets as well as explore future product development and innovation within the prepaid card market.

In other M&A news, the B2B payments platform Plastiq announced their merger with Colonnade Acquisition Corp. II, a SPAC firm, for an enterprise value of approximately \$480 million. The business combination is expected to close in the first quarter of 2023.

H2 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: March 2022 – July 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
ISO	Convenient Brands	Dealer Pay	-	8/4/2022
Other	Colonnade Acquisition Corp. II	Plastiq	\$480	8/4/2022
ISV	Fleetcor	Accrualify	-	8/3/2022
ISV	Paystand	Yaydoo	-	8/3/2022
Other	Rêv Worldwide	Netspend	\$1,000	8/1/2022
ISO	Global Payments	EVO Payments	\$4,000	8/1/2022
Other	Flywire	Cohort Go	-	7/13/2022
ISV	Toast	Sling	-	7/7/2022
Other	GoCardless	Nordigen	-	7/1/2022
Other	Pine Labs	Setu	-	6/23/2022
Other	Global-e	Borderfree (Pitney Bowes)	\$100	6/21/2022



Historical M&A Tracker

Transaction History: March 2022 – July 2022

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
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



Historical M&A Tracker

Transaction History: March 2022 – July 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	Shift4	The Giving Block	\$300	3/1/2022



Headline News

August 1st – August 5th



American Express® Launches Digital, Cross-Border Payment Solution for U.S. Small Businesses

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

American Express, the leading Small Business Card issuer in the U.S.¹, today (Aug. 2nd) announced American Express Global Pay – a new digital solution that enables U.S. businesses to securely² make domestic and international business-to-business (B2B) payments. Through this new digital solution, business customers can send payments funded from their business bank account to their suppliers in more than 40 countries, across a range of currencies, using a simple, mobile-friendly platform.



PayPal jumps as Elliott Management says it has a \$2 billion holding in the financial services company

[CNBC](#) | [August 2nd, 2022](#)

PayPal shares rose as much as 13% in extended trading on Tuesday (Aug. 2nd) after the financial services firm issued stronger-than-expected second-quarter results. During its earnings presentation, PayPal said it had entered into an information-sharing agreement on value creation with Elliott Management.

SHIFT ④

Shift4 Spells Out Big Ambitions for Bigger Merchants And International Expansion

[Digital Transactions](#) | [August 4th, 2022](#)

Shift4 Payments Inc. has long made no secret of its plans to expand the size of merchants it serves, but early on Thursday (Aug. 4th) its chief executive made the company's overarching strategy crystal clear following recent signings of such international clients as Time Inc. and SpaceX's Starlink satellite business, along with major-league sports stadiums.



Partnership Activity

August 1st – August 5th



Splitit brings its Installments-as-a-Service to the rental market through its partnership with letus

[PR Newswire](#) | [August 3rd, 2022](#)

Splitit announced letus has selected Splitit to bring its Installments-as-a-Service to its cloud payment platform for the property rental market, allowing tenants to pay expenses in several interest-free installments on their credit card. The collaboration brings a first-of-its-kind payment option to letus's award-winning cloud payment platform for property managers and owners.



Fraugster boosts chargeback protection for travel merchants post pandemic

[PR Newswire](#) | [August 2nd, 2022](#)

Fraugster, an AI payment intelligence company, together with Worldline, a global leader in secure payments and trusted transactions, has confidently enabled travel merchants to weather the storm of the Covid-19 pandemic with its Chargeback Protection Solution. The solution eliminates chargeback losses for merchants by taking full liability for fraudulent transactions.

Other Notable Partnerships:

- **Everest** teams up with **Bitso** on cross-border payment solutions.
- **Open Payment Network** and **North American Banking Company** collaborate on instant payments.
- **FinTech Automation** partners with **Mastercard** for open banking capabilities.
- **Ranqx** expands its partnership with **Visa** into North America.
- **Blackhawk Network** partners with **Vooks** to expand their digital gift card program.
- **Mastercard** and **Binance** team up to launch a prepaid rewards card in Argentina.



Management Changes

August 1st – August 5th



SHIFT 4

Shift4 Names Nancy Disman To Serve As The Company's New CFO

Shift4 announced this week the appointment of Nancy Disman to serve as the company's new Chief Financial Officer, effective August 5th. Ms. Disman has an extensive background working in the payments industry, holding several executive positions throughout her career. Most recently, Ms. Disman served as CFO and Chief Administrative Officer at Intrado for the past five years.

Date Announced	Company	Personnel	New Position	Previous Position
8/1/2022	Comerica Bank	Allysun Fleming	<i>Executive Vice President, Payments</i>	Head of Customer Transformation for Commercial Banking at Wells Fargo
8/1/2022	Mollie	Michaela LeBlanc	<i>VP of Partnerships</i>	Senior VP for Enterprise Partners at Worldpay from FIS
8/2/2022	Paysafe	Rob Gatto	<i>Chief Revenue Officer</i>	President of Ureeka Inc.
8/2/2022	REPAY	Michael Cottrell	<i>SVP of Clearing & Settlement</i>	President of Metrics Global
8/2/2022	PayPal	Blake Jorgensen	<i>Chief Financial Officer</i>	Executive VP and Director at Kansas State Bank
8/4/2022	Shift4	Nancy Disman	<i>Chief Financial Officer</i>	CFO and Chief Administrative Officer at Intrado



TSG Payments Index

Q1 2011 – Q2 2022

tsg Payments Index

VS. STANDARD & POOR'S

TSGPX

S&P 500

+17% CAGR

\$584

\$286

+10% CAGR

\$1,000
\$900
\$800
\$700
\$600
\$500
\$400
\$300
\$200
\$100
\$-

Q1 2011 Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 Q1 2021 Q2 2021 Q3 2021 Q4 2021 Q1 2022 Q2 2022

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 \$584 in Q2 2022, as compared to \$286, 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 Payments Index

Euronet
WORLDWIDE

EVERI

EVOPAYMENTS
INTERNATIONAL

FIS

ACI
UNIVERSAL
PAYMENTS.

AllianceData.

AMERICAN
EXPRESS

Diebold Nixdorf

mastercard

fiserv.

shopify

Square

DISCOVER

Paysafe:

jack henry
& ASSOCIATES INC.

usbank

globalpayments

paysign

toast

PayPal

VISA

WESTERN
UNION WU

green
dot

USIO

VERISIGN

NCR

wex

paya

lightspeed

evertec

Shift4
PAYMENTS



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.

