



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:

September 12th – September 22nd

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Deal Activity Summary

September 12th – September 22nd

This Week's M&A Overview

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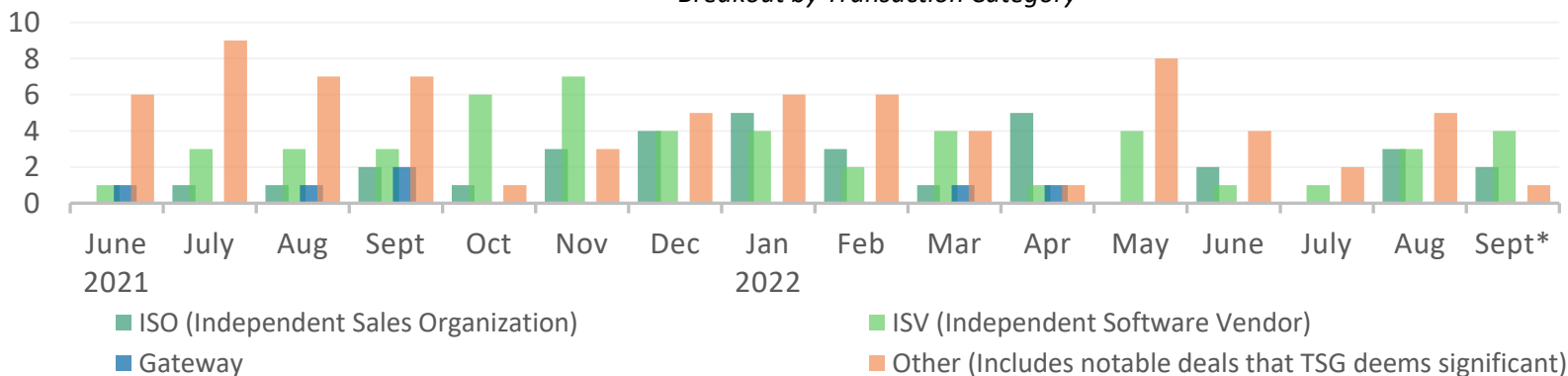
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M&A activity within the payments space continues its momentum as we near the end of the third quarter. To kick things off, J.P. Morgan announced last week their agreement to acquire Renovite Technologies for an undisclosed sum. This acquisition allows J.P. Morgan to build out their next-generation merchant acquiring platform, particularly as it relates to cloud capabilities. J.P. Morgan is seeking to enhance their payments infrastructure and accept more payment methods globally, which this acquisition supports. Also announced last week, Bottomline has acquired the AP automation platform, Nexus Systems, for an undisclosed sum. Nexus Systems specializes in real estate and property management industries and will join Bottomline's Paymode-X B2B payments network following the closing of this deal.

In other M&A news, Banc of California announced their acquisition of Global Payroll Gateway and its wholly owned subsidiary, Deepstack Technologies, for \$24 million in cash and stock. With this acquisition, Banc of California is equipped with a proprietary platform for payment processing services. Through the Deepstack subsidiary, the bank will market its merchant services and technology capabilities to its existing clients and software vendors.

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: May 2022 – August 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	Banc of California	Global Payroll Gateway	\$24	9/15/2022
ISV	Bottomline	Nexus Systems	-	9/13/2022
Other	J.P. Morgan	Renovite Technologies	-	9/12/2022
ISV	Western Union	Te Enviei	-	9/12/2022
ISV	Briq	Swipez	-	9/8/2022
ISO	Aurora Payments	One Payment	-	9/8/2022
ISV	Fleetcor	Plugsurfing	-	9/6/2022
ISO	Celero Commerce	Community Bankers Merchant Services	-	8/18/2022
ISV	Razorpay	Ezetap	\$200	8/18/2022
Other	Remitly	Rewire	\$80	8/16/2022
Other	Jack Henry & Associates	Payrailz	-	8/9/2022



Historical M&A Tracker

Transaction History: May 2022 – August 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Sabre	Conferma Pay	-	8/8/2022
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
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	Fiserv	The LR2 Group	\$26	6/1/2022
ISO	Nexi	BPER Banca (Merchant acquiring business)	\$412	6/1/2022



Historical M&A Tracker

Transaction History: May 2022 – August 2022

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



Headline News

September 12th – September 22nd



NCR to Separate Into Two Independent, Industry-leading Companies

[BusinessWire](#) | [September 15th, 2022](#)

NCR Corporation, a leading enterprise technology provider to banks, retailers and restaurants, today (Sept. 15th) announced its Board of Directors has unanimously approved a plan to separate NCR into two independent, publicly traded companies – one focused on digital commerce, the other on ATMs. The separation is intended to be structured in a tax-free manner and is targeted for the end of 2023.



FIS Unveils Worldpay for Platforms, Enabling Software Providers to Transform SMB Commerce Experiences

[BusinessWire](#) | [September 13th, 2022](#)

Financial technology leader FIS announced today (Sept. 13th) that it is revolutionizing the way small-to-medium-sized businesses (SMBs) gain access to embedded payments and finance solutions through software providers with the launch of Worldpay for Platforms. This new software-as-a-service (SaaS) solution combines the power of the global merchant and banking capabilities of FIS with embedded payments technology built on the platform brought to the company through its Payrix™ acquisition.



Tipalti Announces Virtual Card to Bring Visibility and Control to Corporate Spending

[PR Newswire](#) | [September 14th, 2022](#)

During the company's annual Illuminate Conference, Tipalti, the leading automated global payables solution, announced the general availability of the Tipalti Card, as well as its upcoming Tipalti Expenses and new third-party integrations. The Tipalti Card combines quick virtual card issuance with end-to-end supplier payments management.



Partnership Activity

September 12th – September 22nd

adyen

Adyen selected as first financial technology platform to launch Cash App Pay

[PR Newswire](#) | September 15th, 2022

Adyen, the global financial technology platform of choice for leading businesses, has partnered with Cash App (Block, Inc.) to offer Cash App Pay, a mobile payment method, to Adyen's U.S. customers. Businesses working with Adyen will have access to Cash App Pay as an integrated payment method for their U.S. customers. The payment method will be available online shortly and in-store next year.

Paysafe:

Paysafe Joins Spreedly's Partnership Program for International Merchant Payments

[BusinessWire](#) | September 21st, 2022

Paysafe, a leading specialised payments platform, announces a new partnership with Spreedly, a leading global payments orchestration platform provider, to offer Paysafe's payment gateway to Spreedly's international merchant base. Paysafe joins Spreedly's Partnership Program to become part of its diversified and inclusive ecosystem which offers multiple payments services globally, with 120+ available integrations from a single point of connection.

Other Notable Partnerships:

- **Netcetera** has teamed up with **Mastercard** to help further drive digital payments in Mastercard's Engage program.
- **Gr4vy** has teamed up with **BitPay** to help merchants accept crypto payments through BitPay's checkout tool.
- **Recur360** has announced an integrated partnership with **Maverick Payments**.
- **Fortis** and **Visual Matrix** team up to provide integrated payment solutions for hospitality operating systems.
- **Payload** expands their payment capabilities through a new relationship with **J.P. Morgan**.



Management Changes

September 12th – September 22nd



Billtrust Announces The Appointment of Marco Eeman To Serve As Managing Director of Its European Operations

Billtrust announced last week the appointment of Marco Eeman as Managing Director to lead their European operations. Under this role, Eeman will have a primary focus on revenue growth and customer satisfaction. Prior to this position, Eeman was the CTO of Order2Cash, which was acquired by Billtrust in February of this year.

Date Announced	Company	Personnel	New Position	Previous Position
9/8/2022	Cantaloupe	Ravi Venkatesan	CEO	COO at Cantaloupe
9/13/2022	Billtrust	Marco Eeman	Managing Director, Europe	CTO at Order2Cash
9/22/2022	Payoneer	Assaf Ronen	Chief Platform Officer	Chief Product Officer at SoFi



TSG Payments Index

Q1 2011 – Q2 2022



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 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.

