

TransactionWatch

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

Week of:

January 10th – January 14th

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

January 10th – January 14th

This Week's M&A Overview

Table of Contents

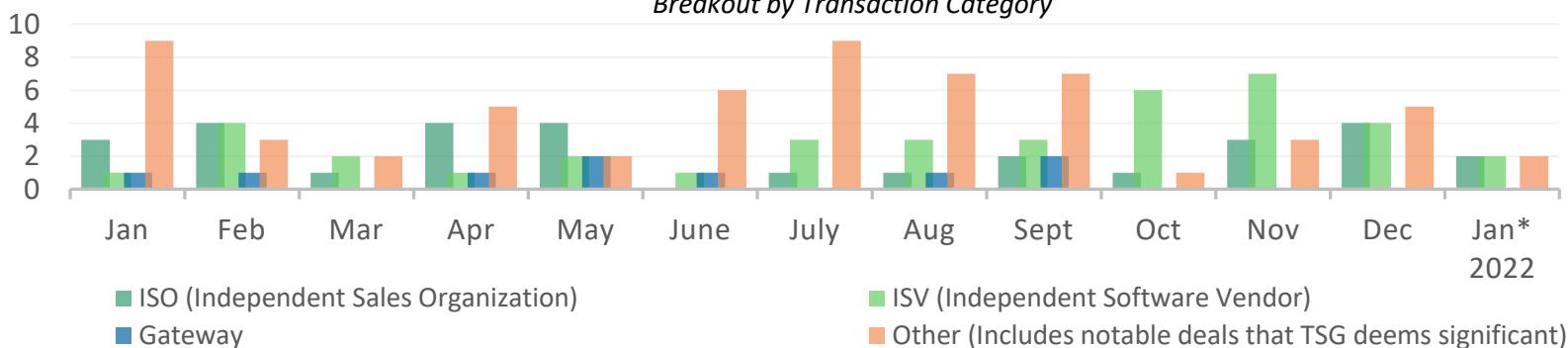
-  [Deal Activity Summary](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

Following a bustling start to the year in M&A activity, this week has evidently slowed down in deal announcements as payment firms begin to execute their strategies for 2022. Nonetheless, there were a couple announcements this past week that kept the momentum going in the merchant acquiring industry. To start, Payroc announced their acquisition of East Commerce Solutions, a complementary ISO based in East Providence Rhode Island. This acquisition adds to Payroc's existing suite of products and services and allows the company to further expand their market presence throughout the United States. East Commerce processes \$2 billion in annual payment volume and serves various market verticals including retail, restaurant and municipalities.

In other M&A news, Foodics, a restaurant technology firm based in Saudi Arabia, has announced their acquisition of POSRocket. This deal marks Foodic's first acquisition and will largely increase the company's market positioning in the Middle East and North Africa (MENA) region. POSRocket reigns as the second largest cloud technology provider for the restaurant space in the region and their products and services complements well with Foodic's existing suite of offerings. Foodics has processed more than \$5 billion through their platform and is aiming to expand to over 150,000 POS terminals by 2024.

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: October 2021 – December 2021

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	Payroc	East Commerce	-	1/13/2022
ISV	Foodics	POSRocket	-	1/10/2022
ISV	PayFacto	iShopFood	-	1/6/2022
Other	VeriCheck	ACHWorks	-	1/6/2022
ISO	Corsair	Aurora Payments	- (Majority Stake)	1/4/2022
Other	REPAY	Payix	\$115	1/3/2022
ISV	Mastercard	Dynamic Yield	-	12/21/2021
Other	Thoma Bravo	Bottomline Technologies	\$2,600	12/17/2021
ISO	EVO Payments	National Bank of Greece (51% stake in Merchant Acquiring Unit)	\$180	12/16/2021
ISV	Flywire	WPM Education	-	12/15/2021
ISO	Celero Commerce	Everest Payment Solutions	-	12/14/2021



Historical M&A Tracker

Transaction History: October 2021 – December 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Mercado Libre	Redelcom	-	12/13/2021
ISV	North Mountain Merger Corp.	Corcentric	\$1,200	12/10/2021
Other	Fortis	VIP Integrated Payments	-	12/8/2021
Other	Rapyd	Neat	-	12/8/2021
ISO	Worldline	Eurobank (80% stake in Merchant Acquiring unit)	\$290	12/7/2021
Other	Paymentology	Tutuka	-	12/6/2021
ISV	Stripe	OpenChannel	-	12/6/2021
Other	Payroc	SnapCheck	-	12/2/2021
ISO	Stax	CardX	-	11/30/2021
Other	Mastercard	Arcus FI	-	11/24/2021
ISV	KeyBank	XUP Payments	-	11/22/2021
Other	Sift	Keyless	-	11/18/2021
ISV	U.S. Bank	TravelBank	-	11/16/2021
ISV	Cart.com	180Commerce	-	11/15/2021
ISV	SpotOn	Dolce Software	-	11/15/2021
ISV	Ventoux CCM Acquisition Corp.	Presto	\$1,000	11/10/2021
ISV	Flutterwave	Disha	-	11/10/2021



Historical M&A Tracker

Transaction History: October 2021 – December 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Bottomline	Bora Payment Systems	\$15	11/9/2021
ISO	Tidal Commerce	Merchant Bancard Processing	-	11/4/2021
Other	Klarna	PriceRunner	\$124	11/2/2021
ISV	Cross River Bank	Betterfin	-	11/2/2021
Other	Stripe	Recko	-	10/20/2021
ISV	Fiserv	BentoBox	-	10/18/2021
ISO	MiCamp Solutions	Express Payment Solutions	-	10/18/2021
ISV	SumUp	Fivestars	\$317	10/14/2021
ISV	Paystone	NiceJob	-	10/13/2021
ISV	Mindbody	ClassPass	-	10/13/2021
ISV	BillTrust	iController	\$58	10/12/2021
ISV	FreshBooks	FastBill	-	10/7/2021
ISV	Epicor	CBC Computer Systems	-	9/30/2021
Gateway	Mint Payments	IPG Group	-	9/30/2021
Other	Entrust	Antelop Solutions	-	9/22/2021
Gateway	Deutsche Bank	Better Payment	-	9/20/2021
ISO	FortisPay	OmniFund	-	9/14/2021



Headline News

January 10th – January 14th



The Future of the Point of Sale Is Here: Visa Pioneers Cloud-based Payment Acceptance

[Visa Press Release](#) | [January 13th, 2022](#)

Today (Jan. 13th) Visa announced a new platform, Visa Acceptance Cloud (VAC), set to revolutionize the way businesses accept payments from their customers. Following the success of the company's popular "Tap to Phone" solution, VAC will let acquirers, payment service providers, point of sale (POS) manufacturers, and Internet of Things (IoT) players move payment processing software from being embedded in each hardware device to being universally accessible in the cloud.



Checkout.com raises \$1 billion in Series D amid major US market push

[PR Newswire](#) | [January 12th, 2022](#)

On the heels of a highly successful year processing hundreds of billions of dollars in payments for some of the world's largest merchants, Checkout.com today (Jan. 12th) raised \$1 billion in its Series D funding round at a valuation of \$40 billion. Primary investors include Altimeter, Dragoneer, Franklin Templeton, GIC, Insight Partners, the Qatar Investment Authority, Tiger Global, the Oxford Endowment Fund, and another large west coast mutual fund management firm. Several of the company's other existing investors[1] also participated in this round.



Square Announces On-Demand Delivery Through Square Online for Canada's Food & Beverage Industry

[BusinessWire](#) | [January 12th, 2022](#)

Today (Jan. 12th), Square announced the availability of on-demand delivery for Square Online orders in Canada through DoorDash Drive, DoorDash's white-label fulfillment platform that powers direct delivery for any business. Canada is the first international market to offer on-demand delivery since its US launch in 2020. Given the challenges businesses have had to face in recent months, it's more important than ever that sellers have access to the tools they need to sell online quickly, efficiently, and affordably.



Partnership Activity

January 10th – January 14th



Mastercard advances B2B payments solution with BMO and Moneris Partnerships

[Mastercard Press Release](#) | January 13th, 2022

Today (Jan. 13th), Mastercard announced new partnerships with BMO and Moneris Solutions Corporation ('Moneris'), who have joined Mastercard Track™ Business Payment Service. This unique Mastercard solution, available to Canadian business customers in early 2022, is designed to help buyer and supplier partners tackle the systemic challenges of business-to-business (B2B) payments – one of the first open-loop commercial solutions to do so globally and a first of its kind in Canada.



Nuvei Partners With Wix To Process Payments

[Nuvei Press Release](#) | January 13th, 2022

Nuvei Corporation, the global payment technology partner of thriving brands, today (Jan. 13th) announced a partnership with Wix, a leading global SaaS platform to create, manage and grow an online presence to facilitate payment processing for Wix merchants in North America. This integration will deliver fast, seamless and secure payment processing for Wix merchants and their customers across all industries.

Other Notable Partnerships:

- **Alchemy Pay** announces partnership with **Nium** to accelerate their expansion in crypto and fiat payouts.
- **Visa** and **Uber** announced Grants for Growth, a program providing \$1 million in grants and resources to support SMBs.
- **Digital River** teams up with **VTEX** for global expansion initiatives.
- **Computop** and **EVO Payments** have certified their terminals for international card acceptance.
- **Visa** and **ConsenSys** have teamed up to work with banks around the world on new payment technology for central bank digital currencies.
- **Zilch** has expanded its partnership with **Mastercard** on BNPL.



Management Changes

January 10th – January 14th



Mastercard Appoints Harit Talwar to Their Board of Directors

Mastercard announced this week the appointment of Harit Talwar as an Independent Director, effective April 1st, 2022. As part of this role, Talwar will join Mastercard as an independent chair of the board of directors. Throughout his 35-year career, Talwar has held several leadership positions, most recently serving as Chairman of Consumer Business at Goldman Sachs.

Date Announced	Company	Personnel	New Position	Previous Position
1/11/2022	I2C Inc.	Serena Smith	Chief Client Officer	Executive, Financial Services at RealPage
1/12/2022	Mastercard	Harit Talwar	Board Member	Chairman of Consumer Business at Goldman Sachs
1/13/2022	Valor PayTech	Marty McMullian	Director of Sales	Senior Sales Consultant at PAX Technology



TSG Payments Index

Q1 2011 – Q3 2021

tsg
Payments
Index

VS.

STANDARD
& POOR'S

TSGPX

S&P 500

+23% CAGR

\$893

+12% CAGR

\$325

\$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

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 \$893 in Q3 2021, as compared to \$325, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **11% 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 

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.

