

TransactionWatch

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

Week of:

January 11th – January 15th

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Deal Activity Summary

January 11th – January 15th

This Week's M&A Overview

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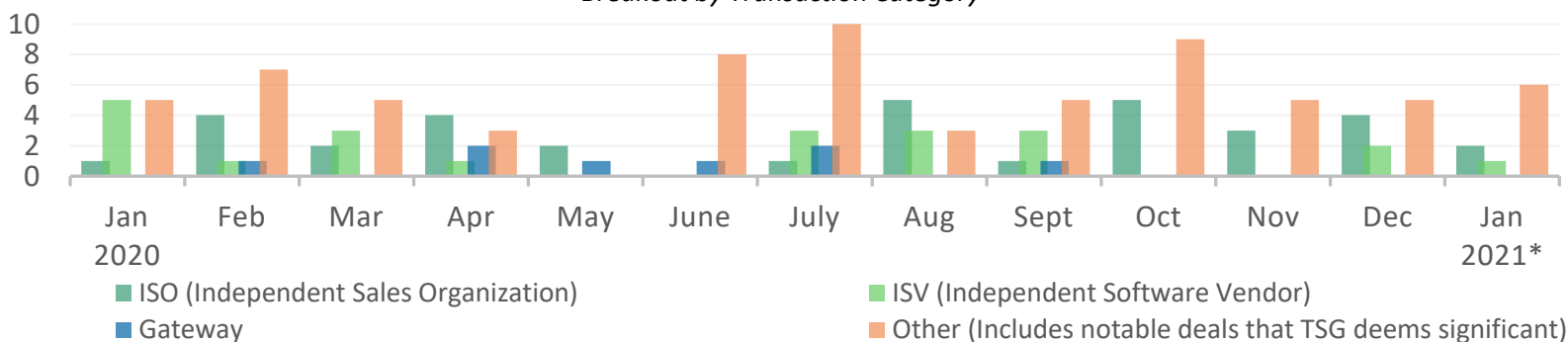
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M&A movement across the industry continued to play out this week with multiple notable transactions. First off, Visa has announced that they have called off their acquisition of Plaid. The deal, which was valued at \$5.3 billion, was initially announced one year ago. The fallout of this acquisition was likely influenced by heavy pressure from the Department of Justice, who filed a suite to block the deal back in November. However, according to Visa's press release, the deal could have been executed eventually, but the complexity of the litigation would have been too time consuming.

In other M&A news, NCR is remaining active this week as the company made an offer to acquire Cardtronics for \$39.00 per share, which amounts to approximately \$1.7 billion. Cardtronics is primarily an ATM operator with a global network of 285,000 ATMs across ten countries. NCR's bid beats an offer made by Apollo Global Management and Hudson Capital made back in mid-December. Separately, Pineapple Payments announced today (Jan. 15th) their acquisition of 1st Payment Systems for an undisclosed sum. 1st Payment System is a provider of omni-channel payment solutions for ISVs focused in the powersports and healthcare verticals. This acquisition will leverage Pineapple's Transax platform to further expand in the ISV space by creating more targeted solutions and direct sales channels.

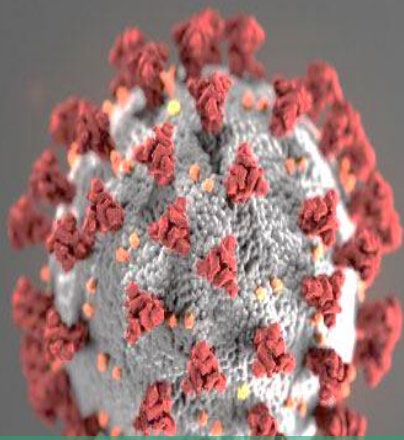
2020 – 2021 YTD M&A Activity

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.



COVID-19 Industry Impact

January 11th – January 15th

As the world faces the continuously evolving COVID-19 pandemic, TSG is here to help support our clients by providing valuable information as it relates to COVID-19's impact on the merchant acquiring industry. In order to help keep our readers well-informed about this ongoing crisis and how it relates to the payments market, below are this week's essential news stories.

Vaccine Distribution Set To Expand; New Data Shows Digital-First Behavior Will Continue

[PYMNTS](#) | January 12th, 2021

The COVID-19 vaccine is being distributed, but logistical hiccups, differing local priorities and the simple scale of trying to vaccinate hundreds of millions of people in a tiered and orderly fashion has led to a rocky start. As of Monday (Jan. 11th) at 9 a.m., more than 25.4 million doses had been distributed across the U.S., but less than half (8.9 million shots) had been administered, according to data compiled by the Centers for Disease Control and Prevention.

CES 2021: Stripe and Plaid reveal Covid-19 'pressed fast forward' on digital payments acceptance

[Finextra](#) | January 13th, 2021

As Andrew B. Morris from The Fintech Agenda, LLC highlights at CES 2021, the dark clouds of Covid-19 had a silver lining for the fintech industry. Unicorns Stripe and Plaid supported the global shift to a contactless economy, helping businesses deliver products and services to consumers who had collectively formed new daily habits for everything. Ginger Baker and Erika Wool explain what's next for the payments giants.

U.S. Weekly Jobless Claims Jump On COVID-19, Renewed Supplementary Payments

[Reuters](#) | January 14th, 2021

The number of Americans filing first-time applications for unemployment benefits surged last week, confirming a weakening in labor market conditions as a worsening COVID-19 pandemic disrupts operations at restaurants and other businesses.

New Year, New Habits: Contactless Payments Are Here to Stay, With Only 16% of Consumers Planning to Revert to Pre-Pandemic Ways to Pay

[Visa Newsroom](#) | January 13th, 2021

As the one-year mark of the Covid-19 pandemic approaches and digital payments play a larger role in daily life around the world, there will be no reverse gear on consumer behavior as we head into 2021.



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 2020 – December 2020

Transaction Categories:



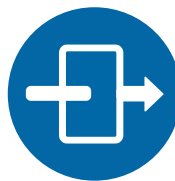
ISO

*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	Pineapple Payments	1 st Payment Systems	-	1/15/2021
Other	Entrust	HyTrust	-	1/14/2021
ISV	Vanco	Smartcare	-	1/13/2021
Other	NCR	Cardtronics	\$1,700	1/11/2021
Other	Equifax	Kount	\$640	1/8/2021
Other	Cart.com	AmeriCommerce	-	1/7/2021
ISO	FortisPay	Swype at Work	-	1/7/2021
Other	NCR	Freshop	-	1/6/2021
Other	AvidXchange	Core Associates	-	1/4/2021
ISV	Thoma Bravo	RealPage	\$10,200	12/21/2020
ISV	Sphere	Health iPASS	-	12/18/2020



Historical M&A Tracker

Transaction History: October 2020 – December 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Fiserv	Ondot Systems	-	12/16/2020
Other	GoDaddy	Poynt	\$320	12/16/2020
Other	Worldline	ANZ Bank (Commercial Acquiring)	\$365	12/15/2020
Other	IBM	Expertus Technologies	-	12/15/2020
ISO	Foley Trasimene Acquisition Corp. II	Paysafe	\$9,000	12/7/2020
Other	Affirm	Paybright	\$264	12/3/2020
ISO	Nuvei	Base Commerce	-	12/1/2020
ISO	Lightspeed POS	Upserve	\$430	12/1/2020
ISO	Greater Sum Ventures	Fattmerchant	-	12/1/2020
Other	Square	Credit Karma Tax	\$50	11/25/2020
Other	SumUp	Goodtill	-	11/19/2020
ISO	Payroc	Bluestone Payments	-	11/18/2020
Other	Santander	Wirecard (Technology Assets)	\$118	11/17/2020
Other	PNC Financial	BBVA (U.S. Operations)	\$11,600	11/16/2020
ISO	Nexi	Nets Group	\$9,200	11/15/2020
ISO	Lightspeed POS	ShopKeep	\$440	11/5/2020
Other	Shift4 Payments	3dcart	-	11/5/2020



Historical M&A Tracker

Transaction History: October 2020 – December 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Alliance Data	Bread	\$450	10/29/2020
ISO	Celero Commerce	TransNational Payments	-	10/28/2020
Other	Visa	YellowPepper	-	10/27/2020
Other	REPAY	CPS Payment Services	\$93	10/27/2020
Other	Nets Group	CCV Schweiz	-	10/23/2020
ISO	Syncapay	North Lane Tech. (Formerly Wirecard North America)	-	10/22/2020
Other	PaymentCloud	Paysley	-	10/21/2020
ISO	Versapay	Solupay	-	10/20/2020
Other	South Mountain Merger Corp.	BillTrust	\$1,300	10/19/2020
Other	First Citizens Bank	CIT Group	\$2,200	10/16/2020
ISO	Stripe	Paystack	\$200+	10/15/2020
Other	Paynetics	Wirecard (UK and Ireland Corporate Card Portfolio)	-	10/9/2020
ISO	Nexi	SIA	\$5,300	10/5/2020
Other	Castles Technology	Spire Payments	-	10/1/2020
ISO	SIBS	Wirecard (Romania)	-	9/28/2020
Other	Paya	The Payment Group	-	9/21/2020
ISV	Clearent	Wintac	-	9/23/2020



Headline News

January 11th – January 15th



PayPal Becomes First Foreign Firm in China With Full Ownership of Payments Business

[Reuters](#) | January 13th, 2021

PayPal Holding Inc has become the first foreign operator with 100% control of a payment platform in China, according to Chinese government data, as the U.S. fintech giant eyes a bigger foothold in a booming market for online payments. PayPal acquired the 30% stake it doesn't already own in China's GoPay, formally known as Guofubao Information Technology Co., on Dec. 31, 2020, according to shareholder data from the National Enterprise Credit Information Publicity System.



Checkout.com Triples Valuation to \$15bn with \$450m Series C Fundraise, Accelerating Global Expansion

[PR Newswire](#) | January 12th, 2021

Checkout.com, the leading Connected Payments solutions provider, today (Jan. 12th) announced that it closed a \$450 million Series C fundraising round. This gives the business a post-money valuation of \$15 billion, making it the fourth largest fintech globally and EMEA's most valuable venture-backed business(1), as the business continues to expand across the globe.



Visa and Plaid Announce Mutual Termination of Merger Agreement

[BusinessWire](#) | January 12th, 2021

Visa Inc. and Plaid today (Jan. 12th) announced that the companies have terminated their merger agreement and agreed with the Department of Justice to dismiss the litigation related to the proposed transaction. The proposed transaction was first announced on January 13, 2020. "We are confident we would have prevailed in court as Plaid's capabilities are complementary to Visa's, not competitive," said Al Kelly, Chairman and CEO of Visa Inc. "We believe the combination of Visa with Plaid would have delivered significant benefits, including greater innovation for developers, financial institutions and consumers. However, it has been a full year since we first announced our intent to acquire Plaid, and protracted and complex litigation will likely take substantial time to fully resolve."



Partnership Activity

January 11th – January 15th



Mastercard Pioneers Cloud Tap on Phone, its First Pilot of Cloud Point of Sale (POS) Acceptance Technology

[BusinessWire](#) | January 11th, 2021

Mastercard has partnered with NMI and Global Payments Inc. to launch its first live Cloud Tap on Phone pilot with Computer Engineering Group (CEG), a Napa, Calif.-based independent IT Services provider. Cloud Tap on Phone is one of Mastercard's innovative next generation acceptance products, with the software hosted on Microsoft's Azure cloud platform.



Marqeta Announces Partnership With Goldman Sachs on Marcus Checking Offering

[BusinessWire](#) | January 14th, 2021

Marqeta, the global modern card issuing platform, announced today that it has been chosen by Goldman Sachs to partner on its Marcus by Goldman Sachs checking accounts, which will launch in 2021. Marcus' upcoming digital checking product will be another cornerstone of the company's growing consumer portfolio of digital-first banking initiatives. In their mission to build the leading digital consumer bank, checking will continue to help them better address the financial needs of their millions of customers.

Other Notable Partnerships:

- **FSS** partners with **India Post Payments Bank** on encouraging financial inclusion for unbanked segments in India.
- **Shift4 Payments** and **Impulsify** team up to expand on self-pay contactless retail solutions.
- **Airtel Uganda** partners with **Mastercard** to launch a virtual debit card.
- **Walgreens** teams up with **Mastercard** and **Synchrony** to launch credit and prepaid debit cards.
- **NTT Data** partners with **Conferma Pay** on virtual payments for the hotel and lodging sector.
- **Fiserv** has established a new agreement with **Capital One** which will offer customers surcharge-free access to its ATM network.



Management Changes

January 11th – January 15th



VISA

Visa Promotes Kelly Mahon Tullier to Executive Vice President, Chief Legal and Administrative Officer

Visa announced earlier this week the promotion of Kelly Mahon Tullier to Executive VP, Chief Legal and Administrative Officer. Under her new role, Tullier will oversee Visa's Legal and Compliance divisions as well as its Global Communications and Corporate Services. Tullier first joined Visa in 2014 as Executive VP, General Counsel and Corporate Secretary.

Date Announced	Company	Personnel	New Position	Previous Position
1/11/2021	Visa	Kelly Mahon Tullier	<i>Executive VP, Chief Legal and Administrative Officer</i>	Executive VP, General Counsel at Visa
1/12/2021	Pushpay	Molly Matthews	<i>Chief Executive Officer</i>	Chief Customer Officer at Pushpay
1/12/2021	Allied Payment Network	Geoffrey Knapp	<i>Chief Growth Officer</i>	General Manager, Payments at 2Checkout
1/12/2021	Allied Payment Network	Jeffrey Harper	<i>Chief Revenue Officer</i>	Chief Revenue Officer at KlariVis
1/12/2021	Trulioo	Matt Schatz	<i>Chief Revenue Officer</i>	Chief Revenue Officer at Cosential
1/14/2021	Mindbody	Javad Ra'ed	<i>VP of Strategic Accounts</i>	VP of Strategic Accounts at Equifax



TSG Payments Index

Q1 2011 – Q4 2020

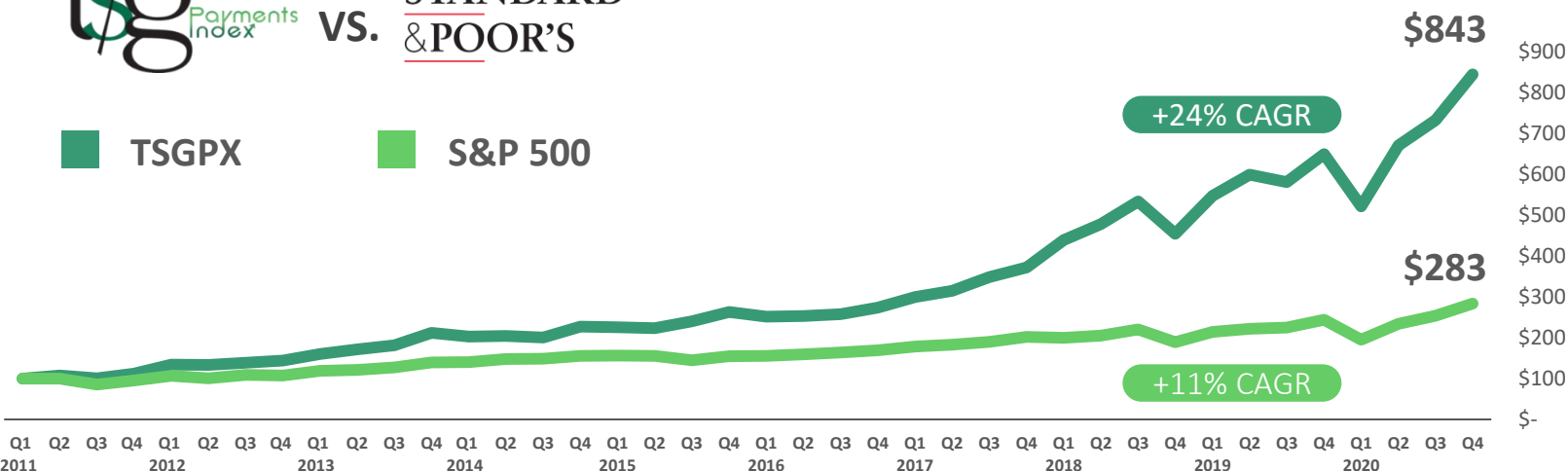
*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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 \$843 in Q4 2020, as compared to \$283, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **13% 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



In its
sale to



In the
acquisition of



In the
acquisition of



In the
acquisition of



In its
Merger with



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



THE BEEKMAN GROUP LLC

In its
recapitalization of



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 the
acquisition of



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.

