

TransactionWatch

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

Week of:

January 17th – January 21st

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Deal Activity Summary

January 17th – January 21st

This Week's M&A Overview

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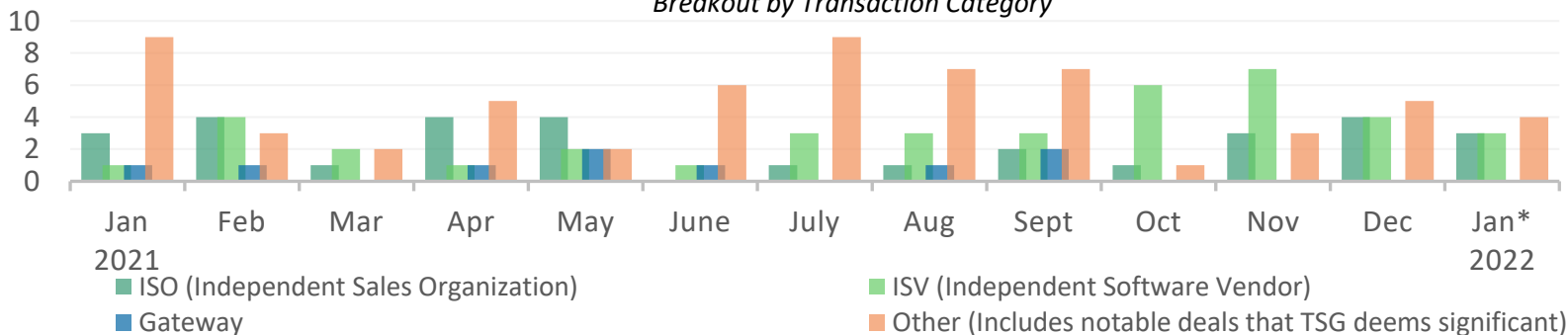
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This week proved to be an eventful week in M&A activity as numerous deals were announced throughout the industry. To start, NMI announced their acquisition of IRIS CRM for an undisclosed sum. With the addition of IRIS CRM, NMI is better positioning and enhancing their processes for onboarding and management systems for their channel partners and merchants. This deal enables NMI to further grow their product services through the addition of merchant prospecting and direct-to-processor onboarding capabilities. Separately, Celero Commerce disclosed their deal to acquire OMEGA Technology for an undisclosed sum. Following this deal, Celero will serve more than 50,000 merchants that collectively process approximately \$20 billion in annual card volume. This deal marks Celero's second in the past month and the company's eighth since their launch in 2018.

In other M&A news, Paya announced their acquisition of VelocIT, an omnichannel payment solution provider for accounting and ERP platforms. This acquisition enables Paya to accelerate their integrated payments strategy across new and existing software partners. Unconnectedly, Plaid has acquired the identity verification and anti-fraud solution platform, Cognito, for approximately \$250 million. This deal aligns with Plaid's strategy of streamlining account-to-account communication and verification across financial institutions and consumers.

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
Other	Plaid	Cognito	\$250	1/20/2022
Other	Paya	VelocIT	-	1/19/2022
ISO	Celero Commerce	OMEGA Technology	-	1/18/2022
ISV	NMI	IRIS CRM	-	1/18/2022
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



Historical M&A Tracker

Transaction History: October 2021 – December 2021

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



Historical M&A Tracker

Transaction History: October 2021 – December 2021

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



Headline News

January 17th – January 21st



Mastercard Unveils Next-Generation Virtual Card Solution for Instant B2B Payments

[BusinessWire](#) | [January 20th, 2022](#)

Mastercard today (Jan. 20th) announced the launch of Mastercard Track™ Instant Pay, a next-generation virtual card solution that uses machine learning and straight-through processing to enable instant payment of supplier invoices. Integrated with Mastercard Track Business Payment Service, Mastercard's open-loop B2B network, the new, first-of-its-kind virtual card solution delivers greater choice, efficiency and automation for buyers and suppliers to help streamline and speed business payments.



Amazon rows back on threat to stop accepting UK-issued Visa cards

[TechCrunch](#) | [January 17th, 2022](#)

Amazon appears to have rowed back from a public threat to end support for Visa payments in the UK in a dispute over payment fees. The ecommerce giant sent an email to users of Amazon.co.uk today informing them that the "expected change" — which was due to take place on January 19 — will not now take place on that day. Although it is still not clear if the two companies have come to sustained terms on fees. "The expected change regarding the use of Visa credit cards on Amazon.co.uk will no longer take place on January 19. We are working closely with Visa on a potential solution that will enable customers to continue using their Visa credit cards on Amazon.co.uk," Amazon writes in the email sent to UK users.



SoFi Receives Regulatory Approval to Become a National Bank

[BusinessWire](#) | [January 18th, 2022](#)

SoFi Technologies, Inc. ("SoFi"), the digital personal finance company, today announced that the Office of the Comptroller of the Currency (OCC) and the Federal Reserve have approved its applications to become a Bank Holding Company through its proposed acquisition of Golden Pacific Bancorp, Inc., and operate its bank subsidiary as SoFi Bank, National Association. SoFi expects the acquisition to close in February, subject to completion or waiver of the remaining customary closing conditions.



Partnership Activity

January 17th – January 21st



Square and Ally Team Up to Streamline Transactions and Delivery Opportunities for Businesses

[BusinessWire](#) | January 18th, 2022

Ally, Inc. is excited to announce a brand-new collaboration with Square, Inc. (now Block Inc.), the globally trusted software, payments and hardware solution for businesses of all sizes. Through this partnership, Ally and Square will offer restaurant, retail, and eCommerce businesses a fully integrated suite of tools designed to maximize profits, reduce costs, and streamline deliveries to loyal customers.



Shopify Links With JD.com for China Partnership

[Yahoo! Finance](#) | January 18th, 2022

Two big tech platforms at the intersection of e-commerce and fashion are building a bridge across the Pacific, looking to unlock access to the Chinese market. Shopify and JD.com said on Monday (Jan. 17th) they had formed a “strategy partnership” that would make it “easier for U.S. merchants to sell to consumers in China.” “Commerce is global, and we’re giving merchants, of any size, the tools to show up wherever their customers are,” Shopify said in a statement revealing the partnership.

Other Notable Partnerships:

- **Ford** has signed a five-year agreement with **Stripe** to enhance the company’s eCommerce strategy.
- **Mastercard** and **Coinbase** team up to support NFT payments.
- **Verifone** and **Affirm** team up to expand BNPL options at checkout.
- **Chargezoom** expands their network of supported gateways through a partnership with **Fluid Pay**.
- **Pay360** and **Ordo** team up on open banking payments for the public sector.
- **Discover** enters into a strategic agreement with **The National Bank of Serbia** to expand their global acceptance footprint.
- **Instacart** partners with **Chase** and **Mastercard** to launch their first credit card.



Management Changes

January 17th – January 21st



Google Hires Arnold Goldberg To Enhance The Company's Strategy Towards Its Payments Division

Arnold Goldberg, who recently served as SVP, Chief Product Architect and Senior Technologist at PayPal, announced his transition into the new role of VP and GM of Payments and Next Billion Users at Google. With this hiring, Google is readying to broaden and enhance their strategy around its payments division, including cryptocurrencies.

Date Announced	Company	Personnel	New Position	Previous Position
1/19/2022	Google	Arnold Goldberg	<i>VP and GM of Payments and Next Billion Users</i>	SVP, Chief Product Architect and Senior Technologist at PayPal



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
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.

