

TransactionWatch

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

Week of:

January 18th – January 22nd

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





Deal Activity Summary

January 18th – January 22nd

This Week's M&A Overview

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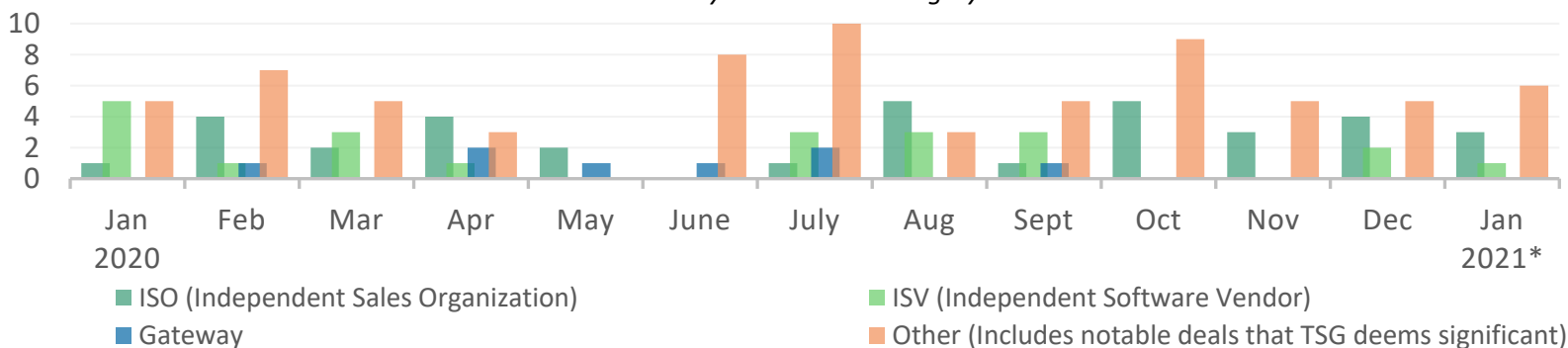
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The execution of M&A deal announcements staggered this week when compared to prior weeks thus far in the new year, however, this week encompassed much speculation regarding potential upcoming transactions. To start, DNA Payments Group announced on Thursday (Jan. 21st) their acquisition of Active Merchant Services (aka Active Payments) for an undisclosed sum. Active Payments is a UK-based ISO with a portfolio of more than 2,500 merchants. With this acquisition, DNA Payments will have a customer base of 30,000 merchants who process approximately \$7.5 billion in cumulative payment volume annually.

In other news, more speculation emerged this week pertaining to ACI Worldwide potentially weighing its strategic options, which could include a sale that could reach more than \$6 billion. News of ACI being on the block first broke in early December, and the company has now reportedly engaged Goldman Sachs to help guide its go-forward strategy. Separately, the fintech startup Payoneer is reportedly in discussion with a SPAC on the possibility of going public. Although nothing is definite at this point, the payments firm is allegedly in merger talks with FTAC Olympus Acquisition Corp.

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 18th – January 22nd

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.

Despite Covid, Holiday Retail Sales Beat Expectations Handily, the NRF Says

[Digital Transactions](#) | January 18th, 2021

The numbers are in, and it turns out the holiday shopping season was not only better than expected, but also better than the one in 2019, weeks before the coronavirus pandemic struck in the United States. Retail sales in November and December totaled \$789.4 billion, up a healthy 8.3% over the same months the year before, the National Retail Federation reported Friday (Jan. 15th). That volume includes online transactions, where volume rose nearly 24% to total \$209 billion.

Payment Technology to Propel Post-COVID Travel Rebound in 2021

[GlobeNewswire](#) | January 19th, 2021

Nuvei, the payment technology partner of thriving brands, today (Jan. 19th) announced the release of "Redefining travel payments in the post-COVID-19 era," a white paper report and survey pinpointing growth strategies for travel operators in the aftermath of the pandemic, driven by payment technology.

More Than A Third Of UK Shoppers Blocked From Paying With Cash In Covid-19 Crisis

[TheGuardian](#) | January 18th, 2021

More than a third of shoppers have been blocked from paying with cash since the start of the Covid crisis, prompting calls for urgent action to protect the millions who rely on the UK's "critically endangered" cash network. The consumer group Which? said mixed messages about the safety of cash was partly to blame.

Shift4 Payments Releases Transaction Data Update

[Yahoo Finance](#) | January 19th, 2021

Shift4 Payments, the leader in integrated payment processing solutions, has released its report on merchant transaction activity in December 2020 as part of the company's ongoing series of monthly updates. This comprehensive update provides unique insights into the COVID-19 pandemic's impact on merchants in various industries, based on the company's gateway transaction data which it posts daily on [shift4cares.com](#).



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	DNA Payments	Active Payments	-	1/21/2021
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



Historical M&A Tracker

Transaction History: October 2020 – December 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISV	Sphere	Health iPASS	-	12/18/2020
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



Historical M&A Tracker

Transaction History: October 2020 – December 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Shift4 Payments	3dcart	-	11/5/2020
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



Headline News

January 18th – January 22nd



Payments Startup Payoneer in Merger Talks With SPAC

[Bloomberg](#) | [January 20th, 2021](#)

Payoneer Inc., an online payments specialist, is in talks to go public through a merger with FTAC Olympus Acquisition Corp., a blank-check firm, according to people with knowledge of the matter. FTAC rose as much as 29% on the news.



PPRO Raises \$180 Million for the Next Era of Local Payments Infrastructure, Is Now Valued Over \$1 Billion

[BusinessWire](#) | [January 19th, 2021](#)

PPRO, the global provider of local payments infrastructure, today (Jan. 19th) announced over US \$180 million in new investment. Investors include Eurazeo Growth, Sprints Capital, and Wellington Management. This news comes just six months after the company raised US \$50 million from Sprints Capital as well as Citi Ventures and HPE Growth. PPRO's valuation is now over US \$1 billion.



ACI Worldwide Weighs Its Options. It Could Sell for as Much as \$6.26 Billion.

[Barron's](#) | [January 20th, 2021](#)

Just weeks after an activist firm urged ACI Worldwide to put itself on the block, the payments-software provider is weighing strategic options, including a sale, according to four bankers and private-equity executives. ACI (ticker: ACIW) has tapped Goldman Sachs to advise on its options, the bankers said. Goldman is expected to begin contacting potential bidders very soon, the people said.



Partnership Activity

January 18th – January 22nd

REPAY[®]

Realtime Electronic Payments

REPAY Scales B2B Payments Offerings with Billtrust Partnership

[BusinessWire](#) | January 20th, 2021

Repay Holdings Corporation ("REPAY"), a leading provider of vertically-integrated payment solutions, today announced a technology integration with Billtrust, a B2B accounts receivable automation and integrated B2B payments leader. Through REPAY's participation in Billtrust's Business Payments Network (BPN), REPAY's corporate customers will instantly gain the ability to automate electronic payments to Billtrust's vast network of suppliers, distributors and vendors – both accelerating and simplifying the payment process, while also further scaling adoption of virtual credit cards.



Mastercard and Network International Launch Digital Platform To Accelerate Digital Payment Adoption Across Middle East And Africa

[Mastercard Newsroom](#) | January 21st, 2021

Mastercard, a technology leader in the global payments industry, and its strategic partner, Network International, the leading enabler of digital commerce in the Middle East and Africa (MEA) region, have collaborated to launch a new digital platform which will accelerate the adoption of digital payments across the Middle East and Africa.

Other Notable Partnerships:

- **WEX** partners with **MYOB** on B2B payments in Australia.
- **Contis** partners with **Pin4** in the United Kingdom and Europe for cash access at enabled ATMs via mobile devices.
- **Walmart** teams up with **Western Union** on offering in-store payments and transfers.
- **Volante** and **Citi** extend partnership to accelerate the Citi's adoption of the ISO 20022 financial messaging standard.



Management Changes

January 18th – January 22nd



fiserv.

Fiserv Announces the Appointments of Two Executive Leaders

Fiserv announced this week the appointment of two executive leaders within their team. First, Byron Vielehr has been promoted from Head of Payments and Digital Solutions at Fiserv to Chief Digital and Data Officer. Secondly, Neil Wilcox has been promoted from Chief of Staff at Fiserv to Head of Corporate Social Responsibility.

Date Announced	Company	Personnel	New Position	Previous Position
1/19/2021	Fiserv	Byron Vielehr	<i>Chief Digital and Data Officer</i>	Head of Payments and Digital Solutions at Fiserv
1/19/2021	Fiserv	Neil Wilcox	<i>Head of Corporate Social Responsibility</i>	Chief of Staff at Fiserv
1/20/201	Uplift	Jeffery Power	<i>Board Member</i>	Current Head of and Chief Investment Officer of Braeburn Capital



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

\$843

+24% CAGR

\$283

+11% CAGR

\$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

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.
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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.

