

TransactionWatch

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

*Week of:
January 24th – January 28th*

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Deal Activity Summary

January 24th – January 28th

This Week's M&A Overview

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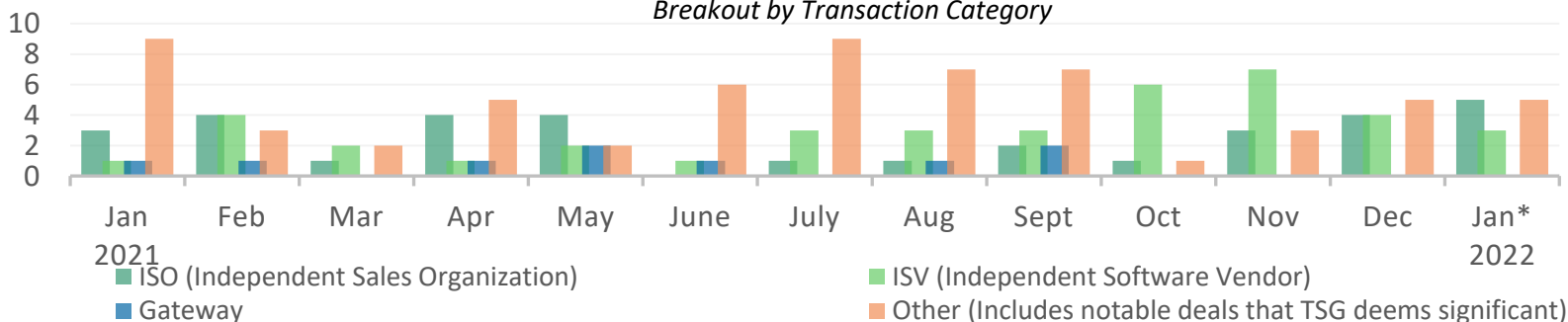
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M&A activity within the payments industry continues to make headway and carry on a strong start to 2022 as January comes to a close. To kick things off, Paystone has announced their acquisition of Canadian Payment Services (“CPS”), a First Data (now Fiserv) ISO with over 10,000 merchants. This deal marks Paystone’s sixth acquisition to date as the company continues to seek rapid expansion across North America. Following this acquisition, Paystone will now serve over 35,000 merchant locations in North America that collectively process over \$10 billion in annual card volume. Paystone is set to continue their rapid growth in 2022 as the company expects to add more than 100 employees by the end of the year. Separately, Till Payments announced their acquisition of ZIPS, the payment processing business line of Ziosk. This acquisition, which also includes a long-term partnership between Till Payments and Ziosk, allows Till to broaden their sales channels of ISVs and referral partners in North America. Additionally, this deal follows Till’s latest funding of \$90 million last year, which has aided the company’s growth in global expansion.

In other M&A news, JP Morgan announced it has entered into an agreement to acquire a 49% stake ownership in Viva Wallet, a European cloud-based payments platform. This agreement helps pave a path for JP Morgan to further grow their omnichannel merchant acquiring solutions across the European region.

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	Till Payments	ZIPS	-	1/27/2022
ISO	Paystone	Canadian Payment Services	-	1/26/2022
Other	JP Morgan	Viva Wallet	- (49% stake)	1/25/2022
Other	Plaid	Cognito	\$250	1/20/2022
Other	Paya	VelociIT	-	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



Historical M&A Tracker

Transaction History: October 2021 – December 2021

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



Historical M&A Tracker

Transaction History: October 2021 – December 2021

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



Headline News

January 24th – January 28th

JPMORGAN CHASE & CO.

J.P. Morgan to Acquire a Stake in Viva Wallet

[BusinessWire](#) | [January 25th, 2022](#)

J.P. Morgan announced today (Jan. 25th) that it has entered into an agreement with Viva Wallet Holdings Software Development S.A. (Viva Wallet), a leading European cloud-based payments fintech company, and its existing shareholders to acquire an ownership stake of approximately 49 percent, subject to regulatory approvals. Financial terms of the transaction were not disclosed.



Buy now, pay later firms Zip, Sezzle confirm merger talks

[Reuters](#) | [January 25th, 2022](#)

Buy now, pay later (BNPL) firm Sezzle Inc is in talks to be acquired by larger Australian rival Zip Co Ltd, the companies said on Tuesday (Jan. 25th), sending shares of Sezzle soaring 23% during the session. The companies said in separate statements that talks were at an early stage and there was no certainty that a deal would materialise. U.S.-based Sezzle has a market capitalisation of almost A\$425 million (\$303.5 million), while Zip is valued at A\$1.94 billion.



Equity Firms Line Up to Buy MoneyGram

[PYMNTS](#) | [January 25th, 2022](#)

A trio of private equity firms have submitted competing offers to acquire MoneyGram International, Reuters reported Tuesday (Jan. 25th). Sources say Madison Dearborn Partners LLC, Siris Capital Group LLC and Advent International Corp. have all offered to acquire the Dallas-based money transfer service. The unnamed sources told Reuters MoneyGram began exploring its options after Madison Dearborn offered \$10.50 per share in cash to acquire the company, while Advent had expressed interest last year in taking over the company.



Partnership Activity

January 24th – January 28th



Paya Partners with Transcard, Adding Fully-Integrated Accounts Payable Module

[GlobeNewswire](#) | January 24th, 2022

Paya, a leading integrated payments and commerce solution provider, today (Jan. 24th) announced its partnership with Transcard, a global leader in payment technology solutions for financial institutions, Fintechs, and businesses. Through the integration of Transcard's technology and banking infrastructure, Paya will substantially expand its B2B commerce solution suite, adding a best-in-class, fully-integrated accounts payable (AP) module and supplier network.



Stripe and Spotify partner to help creators easily monetize subscription content

[Stripe Newsroom](#) | January 25th, 2022

Stripe, a global technology company that builds economic infrastructure for the internet, has partnered with Spotify to help podcasters accept payments, launch recurring revenue streams, and deepen their connection with fans. Spotify's mission is to unlock the power of human creativity—by giving a million creative artists the opportunity to live off their art and billions of fans the opportunity to enjoy and be inspired by it.

Other Notable Partnerships:

- **Molli** partners with **Chargebee** to support subscription payments for their customer base.
- **UniCredit Bank** teams up with **Nexi** to support SoftPOS payment acceptance for their merchants.
- **Visa** forms a strategic partnership with **Pagaya** on expanding merchant and issuer banks access to credit.
- **Worldline** has announced they have joined the **Spreedly** Payment Service Provider Program.
- **Huawei** teams up with **Curve** for mobile payments.



Management Changes

January 24th – January 28th



Ward Schultz **Nancy Sansom** **Alex Hoffmann**



Versapay Expands Their Executive Team With Three New Senior Leaders

Versapay announced this week the appointments of three new senior leaders to support the company's growth across North America as well as globally. Ward Schultz joins Versapay to serve as their CFO, Nancy Sansom joins as Chief Marketing Officer, and Alex Hoffmann joins as Executive Vice President of Payments.

Date Announced	Company	Personnel	New Position	Previous Position
1/24/2022	Splitit Payments	Nandan Sheth	<i>CEO</i>	Head of Carat & Digital Commerce at Fiserv
1/25/2022	Jack Henry & Associates	Greg Adelson	<i>President and COO</i>	COO at Jack Henry & Associates
1/27/2022	Versapay	Ward Schultz	<i>CFO</i>	CFO of SkillSurvey
1/27/2022	Versapay	Nancy Sansom	<i>Chief Marketing Officer</i>	Chief Commercial Officer at PlanSource
1/27/2022	Versapay	Alex Hoffmann	<i>Executive Vice President of Payments</i>	SVP Segments & Solutions at ACI Worldwide



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.

