

# TransactionWatch

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

*Week of:  
January 25<sup>th</sup> – January 29<sup>th</sup>*

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 25<sup>th</sup> – January 29<sup>th</sup>

## This Week's M&A Overview

### Table of Contents

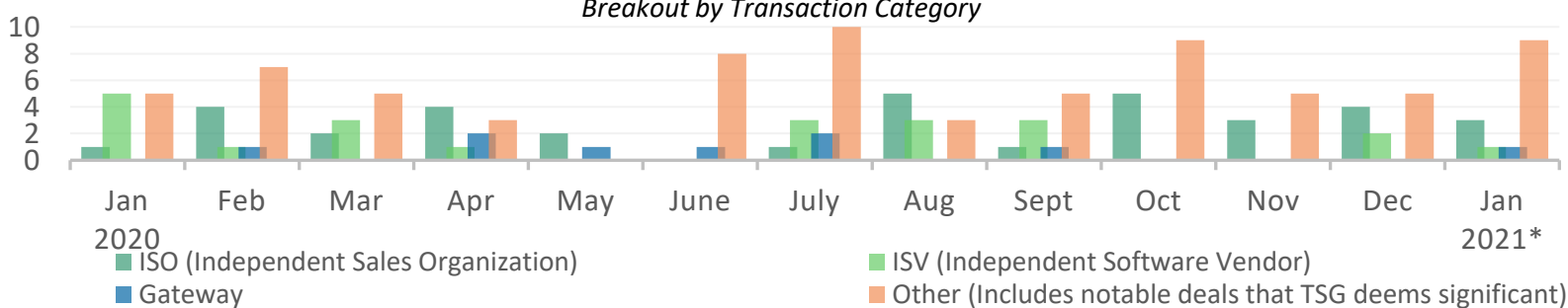
-  [Deal Activity Summary](#)
-  [COVID-19 Industry Impact](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

Movement continued to make way this week with the proclamation of a few notable transactions within the industry. First off, PNC Bank announced this week their intention to acquire Tempus Technologies, a gateway solutions provider, for an undisclosed sum. With this acquisition, PNC plans to integrate Tempus' solutions with its Treasury Management platform for a more streamlined payments experience. Secondly, Fleetcor announced it has acquired Roger, an accounts payable platform, for an undisclosed sum. This acquisition allows Fleetcor to further expand on its existing accounts payable and B2B solutions.

In other M&A news, OV Loop, a connected commerce platform, announced on Tuesday (Jan. 26<sup>th</sup>) their acquisition of Push Pay (dba PayFi). PayFi specializes in real-time payment capabilities for U.S. banks and commercial enterprises. Following this transaction, PayFi will be integrated into OV Loop's platform for secure and seamless authorizations of instant transfers. Separately, the fintech holding company Atlantic-Pacific Processing Systems (APPS) announced the completion of their acquisition of Paynomix for an undisclosed sum. Paynomix will continue to develop its SaaS payment solutions, including its payment facilitation infrastructure platform, under its new ownership. Lastly, NCR has signed a definitive agreement to acquire Cardtronics for approximately \$2.5 billion, including debt. The success of this deal follows Cardtronic's termination of its previously announced agreement with Apollo Global Management.

## 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 25<sup>th</sup> – January 29<sup>th</sup>

**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.**

## **Saved Stimulus Checks Expected to Help Spur Economic Recovery**

[The Wallstreet Journal](#) | January 26<sup>th</sup>, 2021

*Many U.S. consumers are starting 2021 flush with savings likely to help fuel the economic recovery this year. The latest federal Covid-19 aid package sent \$600 checks to many households that also received relief money last year, while more affluent households have built up pools of cash by curbing their spending during the pandemic.*

## **AmEx's Top Exec Looks to Vaccines To Help Spur a Comeback for T&E Spending**

[Digital Transactions](#) | January 26<sup>th</sup>, 2021

*In a wide-ranging session, American Express Co.'s top brass Tuesday (Jan. 26<sup>th</sup>) expressed optimism that increasing availability of coronavirus vaccines will soon induce consumers to travel and that the new Biden Administration's policies are unlikely to have much impact on the New York City-based company's core business.*

## **Cash Machine Use Fell 38% In 2020 Due To Covid Contact Fears**

[The Guardian](#) | January 27<sup>th</sup>, 2021

*A sharp fall in cash machine usage last year has prompted a warning that more ATMs could end up being closed or imposing fees. Link, the UK's largest cash machine network, said its latest data showed there was a 38% decline in ATM transactions in 2020, caused in large part by the coronavirus crisis.*

## **COVID-19 Savages U.S. Economy, 2020 Performance Worst In 74 Years**

[Reuters](#) | January 27<sup>th</sup>, 2021

*The U.S. economy contracted at its deepest pace since World War Two in 2020 as the COVID-19 pandemic depressed consumer spending and business investment, pushing millions of Americans out of work and into poverty. Though a recovery is underway, momentum slowed significantly as the year wound down amid a resurgence in coronavirus infections and exhaustion of nearly \$3 trillion in relief money from the government.*





# 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](mailto: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
Other	Fleetcor	Roger	-	1/28/2021
Other	Atlantic-Pacific Processing Systems (APPS)	Paynomix	-	1/28/2021
Gateway	PNC Bank	Tempus Technologies	-	1/27/2021
Other	OV Loop	Push Pay (dba PayFi)	-	1/26/2021
Other	NCR	Cardtronics	\$2,500	1/25/2021
ISO	DNA Payments	Active Payments	-	1/21/2021
ISO	Pineapple Payments	1 <sup>st</sup> Payment Systems	-	1/15/2021
Other	Entrust	HyTrust	-	1/14/2021
ISV	Vanco	Smartcare	-	1/13/2021
Other	Equifax	Kount	\$640	1/8/2021
Other	Cart.com	AmeriCommerce	-	1/7/2021



# Historical M&A Tracker

Transaction History: October 2020 – December 2020

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





# Historical M&A Tracker

Transaction History: October 2020 – December 2020

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



## Headline News

January 25<sup>th</sup> – January 29<sup>th</sup>



### **Shift4 Payments Launches Shift4Shop eCommerce Solution**

[BusinessWire](#) | [January 27<sup>th</sup>, 2021](#)

-Shift4 Payments, a leading provider of payment processing and technology solutions, today (Jan. 27<sup>th</sup>) announced that it is rebranding its eCommerce platform as Shift4Shop. The company also announced an innovative new pricing model that provides its premium eCommerce services at no charge when merchants use the company's payment processing solution.



### **Stripe Leads \$102 Million Funding Round For Online Checkout Start-up Fast**

[CNBC](#) | [January 26<sup>th</sup>, 2021](#)

Payments giant Stripe is leading an investment in a smaller online checkout company, Fast. San Francisco-based Fast announced a \$102 million funding round on Tuesday (Jan. 26<sup>th</sup>), just a few months after launching its first checkout product. The Series B was led by Stripe and Addition, with participation from Index Ventures and other existing investors.



### **Mastercard Evolves Contactless Technology for Quantum World**

[Mastercard Newsroom](#) | [January 26<sup>th</sup>, 2021](#)

Mastercard today (Jan. 26<sup>th</sup>) announced that it is applying the latest quantum-resistant technologies to develop the next generation of contactless payments. The new Enhanced Contactless (Ecos) specifications are an industry-first and will help ensure that as our dynamic digital landscape evolves, and new technologies like quantum computing are introduced, contactless technology is future-proofed to ensure consumers will continue to enjoy the same high levels of security and convenience they do today, in the decades to come.





## Partnership Activity

January 25<sup>th</sup> – January 29<sup>th</sup>



### TransferWise and Visa Announce Global Partnership Following Successful Collaboration on Cloud Technology

[BusinessWire](#) | [January 27<sup>th</sup>, 2021](#)

Visa and TransferWise today (Jan. 27<sup>th</sup>) announced a global partnership and the first use of Visa Cloud Connect, a new way for fintechs and partners to securely connect Visa's global processing network, VisaNet, through the cloud.



### Vistaprint and PayPal Bring QR Code Touch-free Payments to Small Businesses

[BusinessWire](#) | [January 27<sup>th</sup>, 2021](#)

Vistaprint, the marketing and design partner to small businesses, today announced a collaboration with PayPal to bring innovative and safe touch-free payment solutions to small businesses across the country. Touch-free payments allow small business owners to process payments for goods and services without having to handle cash or credit cards, and avoiding physical contact with customers during the transaction.

### Other Notable Partnerships:

- **Tymit** has teamed up with **Marqeta** for commercial card issuing services.
- **PayU** has partnered with **Twisto** on providing deferred payment capabilities for the Polish market.
- **Delaware North** partnered with **InComm Payments** for cashless payment solutions.
- **I2c** established partnerships with **Archa**, **Community Bank of the Chesapeake (CBTC)**, and **Credit Sesame** to support their efforts on expanding its payment services.
- **Sokin** partnered with **Mastercard** to expand its payment services in South Asia.



# Management Changes

January 25<sup>th</sup> – January 29<sup>th</sup>



## Galileo Appoints Former PayPal Executive, Archie Puri, To Chief Product Officer

Galileo has brought on the former PayPal executive, Archana (Archie) Puri, to serve as their Chief Product Officer. Under her new role, Archie will oversee the company's overall products and services lineup as well as bring in new developments for future implementation. Archie comes to Galileo from PayPal, where she served as General Manager for Braintree, a subsidiary of PayPal.

Date Announced	Company	Personnel	New Position	Previous Position
1/26/2021	Zumo	<b>Tim Sabonov</b>	<i>Chief Technology Officer</i>	Lead Technical Architect at Zumo
1/27/2021	QRails	<b>Brian Brinkley</b>	<i>Chief Executive Officer</i>	Chief Technology Officer at QRails
1/27/2021	Conferma Pay	<b>Neil Fyfe</b>	<i>Head of North America</i>	VP of Global Accounts Technology at Sabre Corporation
1/27/2021	American Express	<b>Thomas Baltimore</b>	<i>Board Member</i>	Current Chairman, CEO, and President of Park Hotels & Resorts
1/27/2021	Galileo	<b>Archana Puri</b>	<i>Chief Product Officer</i>	General Manger at Braintree (A PayPal service)



# TSG Payments Index

Q1 2011 – Q4 2020

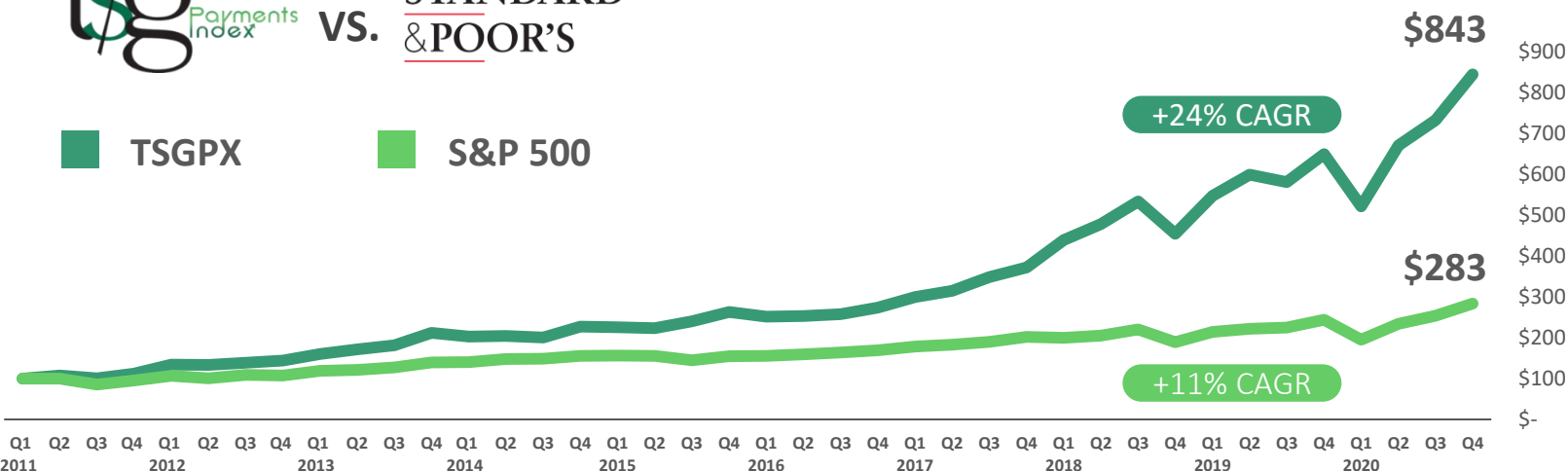
\*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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.

