

TransactionWatch

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

*Week of:
January 4th – January 8th*

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Deal Activity Summary

January 4th – January 8th

This Week's M&A Overview

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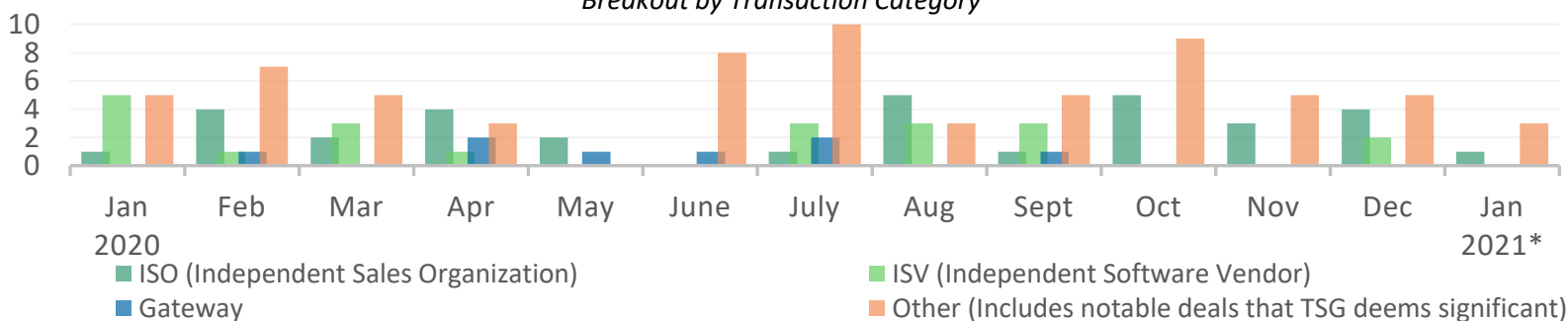
[TSG Buy/Sell Services](#)

The beginning of the new year is off to a rapid start as it relates to M&A activity in the payments industry. This past week witnessed a flurry of new deal announcements across a variety of different areas. To start, FortisPay announced this week their acquisition of Swype at Work, an affiliate company of Net at Work. This acquisition brings additional services to FortisPay's product lineup, specifically in the B2B and middle market across the North American region. Separately, NCR is seeking to take advantage of the growing grocery eCommerce market with their acquisition of Freshop. With this acquisition, NCR is enhancing its core POS platform, specifically for regional and small grocery chains, by adding eCommerce options into their offering, including 'buy-online, pickup-in-store' capabilities. This method of grocery shopping has rapidly accelerated in the past year largely due to the wake of the pandemic.

In other M&A news, AvidXchange, an AP solutions provider, has acquired Core Associates for an undisclosed sum. Core Associates offers complementary AP solutions and has a strong focus in the construction industry. This acquisition helps enable AvidXchange to broaden their suite of products and further expand into a new market vertical. Lastly, rounding off this week's M&A activity was Cart.com's acquisition of AmeriCommerce, which will largely broaden their suite of online products aimed towards small businesses.

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 4th – January 8th

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.

Amid Economic Uncertainty, Businesses Embrace Change, Strengthen Resolve, JPMorgan Chase Survey Finds

[BusinessWire](#) | January 5th, 2021

New data from ACI Worldwide (NASDAQ: ACIW), a leading global provider of real-time electronic payment and banking solutions, shows that more than a third of consumers will take at least six months to catch up on missed bill payments due to COVID-19.

BlueSnap's Key 2021 Payment Predictions Help Businesses Recover from the Pandemic

[PR Newswire](#) | January 5th, 2021

BlueSnap, the All-in-One Payment Platform for B2C and B2B businesses, has released key 2021 payment trends to give organizations the insights needed to adapt their payment strategies to move their businesses forward in the face of COVID-19's global health crisis. While 2020 presented a tough economic climate, many businesses combatted the effects of the pandemic through innovation. According to IBM's annual U.S. retail index, the pandemic accelerated digital retail by five years.

How Face-to-Face Merchant Acquiring Will Survive Past Covid

[PaymentsSource](#) | January 6th, 2021

Even early in the pandemic, it was apparent that acquirers needed digital onboarding, electronic payments and automated chargeback solutions to keep their footing in an acquiring landscape already facing disruption.

Economy sees job loss in December for the first time in eight months as surging virus takes toll

[CNBC](#) | January 8th, 2021

Job creation came to a halt in December as restrictions brought on by surging Covid-19 cases hammered virus-sensitive industries, particularly bars and restaurants, which lost nearly half a million positions. The Labor Department reported Friday that nonfarm payrolls fell by 140,000. That was below expectations for 50,000 from economists surveyed by Dow Jones. It was the first monthly drop since April.



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: September 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	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
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



Historical M&A Tracker

Transaction History: September 2020 – December 2020

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



Historical M&A Tracker

Transaction History: September 2020 – December 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	Fleetcor	AFEX	-	9/17/2020
Other	Payroc	Blackline Partners (dba eConduit)	-	9/15/2020
ISV	North American Bancard	Salido	-	9/10/2020
Gateway	Verifone	2Checkout	-	9/8/2020
Other	Cornerstone Brands	FXPress Payments	-	9/1/2020



Headline News

January 4th – January 8th



Trump Bans Alipay and 7 Other Chinese Apps

[The New York Times](#) | [January 5th, 2021](#)

President Trump on Tuesday (Jan. 5th) signed an executive order prohibiting transactions with eight Chinese software applications, including Alipay, the payment platform owned by Ant Group, and WeChat Pay, which is owned by Tencent.



Affirm targets up to \$38 per share in IPO, pushing its valuation above \$9B

[TechCrunch](#) | [January 5th, 2021](#)

Today (Jan. 5th) Affirm, a fintech startup that offers payment options to e-commerce customers, released a new S-1/A filing. The new document follows a late-December filing of a similar nature, though that update focused on changing the language of Affirm's reported results, tweaking its language to remove some adjusted metrics and hewing closer to generally accepted accounting principles, or GAAP.



PayPal Wins Prepaid Card Regulation Lawsuit Against CFPB

[PYMNTS](#) | [January 4th, 2021](#)

FinTech giant PayPal has won a lawsuit against the U.S. Consumer Financial Protection Bureau (CFPB) pertaining to rules regarding prepaid cards and digital wallets, Westlaw Today reported. U.S. District Judge Richard Leon in Washington, D.C. invalidated part of the CFPB's mandate, essentially agreeing with PayPal that the agency went beyond its jurisdiction. PayPal filed the suit in December 2019 under the Administrative Procedure Act (APA), contesting a 2019 rule regulating prepaid cards and electronic wallets.



Partnership Activity

January 4th – January 8th



Shift4 Payments and Sightline Payments Announce Strategic Partnership to Power Online Gaming and Betting for Casinos and Sports Venues

[BusinessWire](#) | January 7th, 2021

Shift4 Payments, the leading provider of integrated payment processing technology, and Sightline Payments, the leader in cashless gaming and betting solutions, today (Jan. 7th) announced a strategic partnership to power online gaming and sports betting for casinos and sports venues. This formal partnership between two leading fintech companies will deliver a seamless payment experience for patrons of hospitality, online/mobile gaming, on-premise gaming, and sports betting venues.



Mastercard extends partnership with phos

[Retail Systems](#) | January 6th, 2021

Mastercard has extended its partnership with Point of Sale software provider phos as part of efforts to grow coverage of contactless card transactions. The renewed collaboration will see phos, a FinTech which provides software-only Point of Sale (SoftPoS) solutions, and Mastercard extend coverage to support Tap on Phone, a Mastercard solution that turns phones into payment acceptance devices.

Other Notable Partnerships:

- **YouTrip** enters into a six-year partnership with **Visa** to expand its presence across Southeast Asia.
- **ValidiFI** becomes a **Nacha** Preferred Partner for account validation.
- As part of **FortisPay's** acquisition of Swype at Work, the company has entered into a strategic partnership with **Net at Work**, an affiliate company of Swype.



Management Changes

January 4th – January 8th



get**beyond**

Beyond Promotes Brent Rose to Chief Revenue Officer

Beyond made the announcement this week of the promotion of Brent Rose to Chief Revenue Officer. Brent has been with Beyond since 2017 and has served several leadership positions within the company, with his most recent role being Chief Sales Officer. Under his new role, Brent will oversee Beyond's sales, marketing, and product development.

Date Announced	Company	Personnel	New Position	Previous Position
1/4/2021	I2c Inc.	Jon-Paul Ales-Barnicoat	<i>Chief Human Resources Officer</i>	Chief Human Resources Officer at Tipalti
1/5/2021	Beyond	Brent Rose	<i>Chief Revenue Officer</i>	Chief Sales Officer at Beyond
1/7/2021	Contis	Andrea Ramoino	<i>Chief Strategy Officer</i>	VP of Product at Elliptic



TSG Payments Index

Q1 2011 – Q4 2020

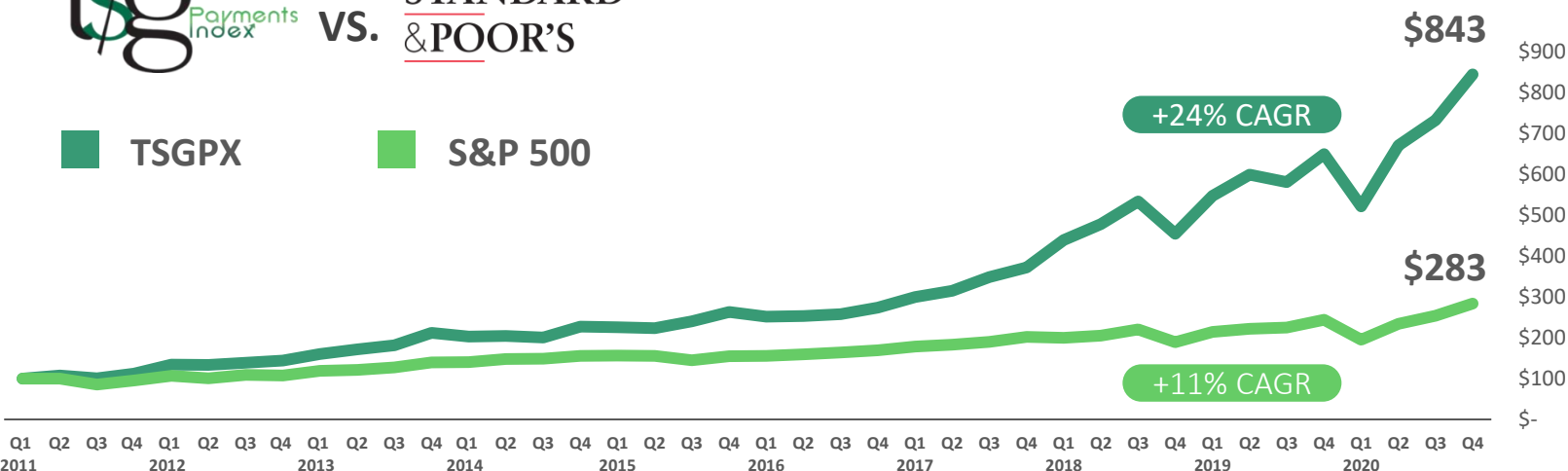
*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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.

