

TransactionWatch

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

Week of:

September 27th – October 1st

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Deal Activity Summary

September 27th – October 1st

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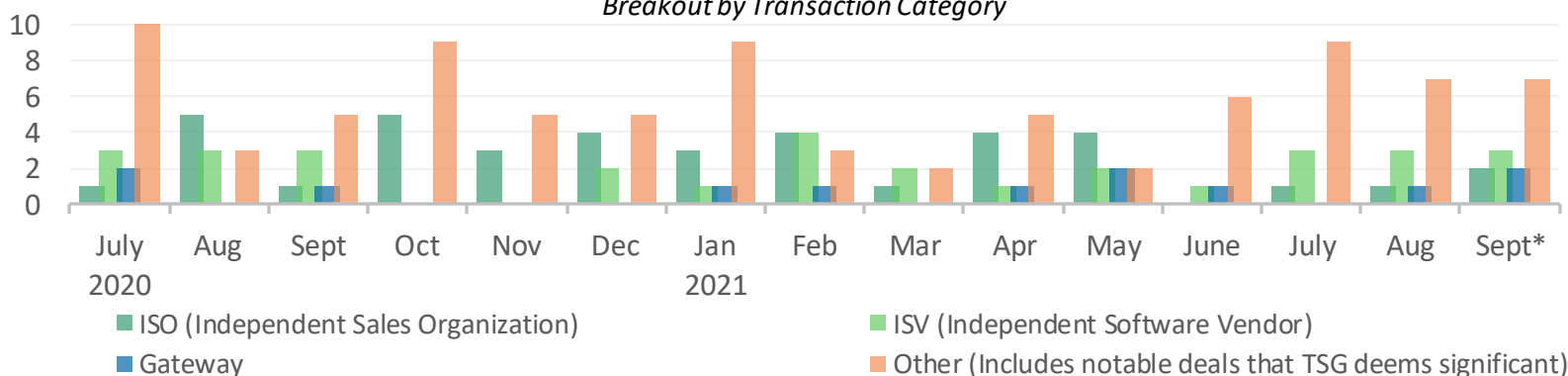
This Week's M&A Overview

This year to date has been packed with M&A deals in the payments space as the world gradually continues to bounce back from the economic impact of Covid-19. As we head into the fourth quarter of 2021, we can likely expect to see a steady, and potentially higher, flow of M&A announcements as payment firms continue to find market opportunities. As consolidation amongst entities in the merchant acquiring industry continues to evolve and take place, this year has witnessed significant attention to providers in Buy Now, Pay Later (BNPL) and open banking platforms. A few recent notable transactions to date include Square's \$29 billion acquisition of Afterpay, PayPal's \$2.7 billion deal with Paidy, and Visa's acquisition of Tink for \$2.15 billion.

Moreover, this week Epicor announced their agreement to acquire CBC Computer Systems, accompanied with its Décor Fusion POS platform geared towards paint and decorating retailers. As part of this transaction, Epicor plans to offer the specialized POS solution through their existing Retails solution. Serving more than 1,350 retailers, CBC Computer Systems' Décor Fusion POS platform allows Epicor to expand further into new market verticals as well as enabling them to cross-sell existing products and services.

H2 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.



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: June 2021 – September 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
ISV	Epicor	CBC Computer Systems	-	9/30/2021
Gateway	Mint Payments	IPG Group	-	9/30/2021
Other	Entrust	Antelop Solutions	-	9/22/2021
Gateway	Deutsche Bank	Better Payment	-	9/20/2021
ISO	FortisPay	OmniFund	-	9/14/2021
ISV	Intuit	Mailchimp	\$12,000	9/13/2021
ISV	SpotOn	Appetize	-	9/13/2021
Other	Mastercard	CipherTrace	-	9/9/2021
Other	Global Payments	MineralTree	\$500	9/8/2021
ISO	Nuvei	Paymentez	-	9/7/2021
Other	PayPal	Paidy	\$2,700	9/7/2021



Historical M&A Tracker

Transaction History: June 2021 – September 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Mastercard	Aiia	-	9/7/2021
Other	Zilch	NepFin	-	9/2/2021
Other	Zip	Payflex	-	9/1/2021
ISO	PayU	BillDesk	\$4,700	8/31/2021
Other	LexisNexis	TruNarrative	-	8/25/2021
ISV	NCR	Foremost Business Systems	-	8/23/2021
Other	Paysafe	Viafintech	-	8/22/2021
Other	Paysafe	SafetyPay	\$441	8/16/2021
ISV	U.S. Bank	Bento Technologies	-	8/12/2021
Other	Paymentus	Payveris	\$152.2	8/10/2021
Gateway	EVO Payments	Anderson Zaks	-	8/2/2021
Other	Paysafe	PagoEfectivo	-	8/2/2021
ISV	NCR	LibertyX	-	8/2/2021
Other	Fleetcor	ALE Solutions	-	8/2/2021
Other	Square	Afterpay	\$29,000	8/1/2021
ISV	Klarna	APPRL	-	7/27/2021
Other	Klarna	Stocard	\$133	7/22/2021



Historical M&A Tracker

Transaction History: June 2021 – September 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Visa	Currencycloud	\$963	7/22/2021
ISO	GreenBox POS	Transact Europe	\$35	7/19/2021
Other	Bill.com	Invoice2go	\$625	7/19/2021
ISV	Waystar	Patientco	-	7/15/2021
ISV	Square	Crew	-	7/14/2021
Other	Payroc	ACheck21	-	7/14/2021
Other	AvidXchange	FastPay	-	7/12/2021
Other	Klarna	HERO	\$160	7/9/2021
Other	Concord Acquisition Corp.	Circle	-	7/8/2021
Other	Nium	Wirecard Forex	-	7/7/2021
Other	Rapyd	Valitor	\$100	7/1/2021
Other	Visa	Tink	\$2,150	6/24/2021
Other	REPAY	Kontrol Payables	\$11	6/22/2021
Other	Atlantic-Pacific Processing Systems (APPS)	Clique Payments	-	6/18/2021
Other	Checkout.com	Icefire	-	6/15/2021
ISV	Toast	xtraCHEF	-	6/10/2021
Other	Lightspeed	Ecwid	\$500	6/7/2021



Headline News

September 27th – October 1st



Mastercard reinvents installments to give consumers more payment choices wherever they shop

[Mastercard Newsroom](#) | [September 28th, 2021](#)

To meet growing consumer demand for flexible, digital-first payment options, Mastercard today (Sept. 28th) unveiled Mastercard Installments, a unique and innovative Buy Now, Pay Later (BNPL) program that delivers greater choice at checkout, both in-store and online. Mastercard Installments uses the power of the company's trusted network to make BNPL available to millions of consumers and merchants worldwide.



Online Powerhouse GoDaddy Takes the Next Step with Card-Present Transactions

[Digital Transactions](#) | [September 29th, 2021](#)

GoDaddy Inc., which launched GoDaddy Payments in June to unify its transaction services following its December deal to buy point-of-sale terminal maker Poynt Inc., released a countertop payment terminal and mobile card reader with lower fees than most competitors. Merchants will pay 2.3% per card-present transaction and 2.3% plus 10 cents per e-commerce transactions. Keyed transactions are 3.3%. GoDaddy says its rate undercuts the average among four competitors—Square, Stripe, Shopify, and PayPal—of 2.6% plus 6 cents.



Making digital currency interoperable

[Visa Press Release](#) | [September 30th, 2021](#)

Imagine splitting the check with your friends, when everyone at the table is using a different type of money — some using a central bank digital currency (or CBDC) like Sweden's eKrona, and others preferring a private stablecoin like USDC. How about sending \$500 in USDC to a friend in London, and having those funds automatically converted to digital British pounds before they arrive in her CBDC wallet. Now imagine all this happening in real-time, across multiple networks, and compatible with multiple digital wallets.



Partnership Activity

September 27th – October 1st



BitPay and Verifone Partner to Exclusively Enable Cryptocurrency Acceptance on Payment Terminals and In-App/eCommerce

[BusinessWire](#) | [September 28th, 2021](#)

BitPay, the world's largest provider of bitcoin and cryptocurrency payment services, and Verifone, a global FinTech leader and payment solution provider to the world's largest retail brands, today (Sept. 28th) announce the extension of BitPay's blockchain payment technology to enable consumer cryptocurrency payments on Verifone's in-store and eCommerce Cloud Services platforms in the United States.



Incentivio Teams Up With Square to Provide Restaurants Access to New, Fully Integrated Digital Guest Experience Tools

[PR Newswire](#) | [September 27th, 2021](#)

Incentivio, the all-in-one digital guest experience platform built to help restaurants of all sizes engage guests and increase digital revenue, today (Sept. 27th) announced a new partnership with Square. The partnership between Incentivio and Square will allow all restaurant operators leveraging Square for Restaurants to access new, sophisticated digital tools that are fully integrated with their POS.

Other Notable Partnerships:

- **Capital One** partners with **Signifyd** to raise authorization rates and reduce mistakenly declined transactions on Cap One credit card transactions.
- **Paynetics UK** has chosen **Thames Technology** as its preferred supplier for card procurement services across the UK and Europe.
- **Trust** and **Plastiq** partner on managing marketing expenses and cash flow.
- **Payfare** and **Stride Bank** team up on real-time payments for the U.S. gig economy workforce.
- **Paysafe** and **Shelby Financial** partner to safeguard US airline payments.
- **EVO Payments** and **Infinite Peripherals** partner on mobile payment solutions.
- **Zip** announced a global partnership with **Adyen** as they seek to expand their eCommerce presence.



Management Changes

September 27th – October 1st



Sumita Pandit



John M. Connolly



Pushpay Expands Their Board Of Directors With The Appointments Of Sumita Pandit And John M. Connolly

Pushpay announced this week the appointments of Sumita Pandit and John M. Connolly to their Board of Directors effective September 27th. Both new appointees have a depth of experience in the industry, with Sumita currently serving as COO of dLocal and John as a Senior Advisor at Sixth Street.

Date Announced	Company	Personnel	New Position	Previous Position
9/27/2021	Zip	Jinal Shah	Chief Marketing Officer	Chief Marketing Officer at Feather
9/27/2021	Pushpay	Sumita Pandit	Board Member	Current COO of dLocal
9/27/2021	Pushpay	John M. Connolly	Board Member	Current Senior Advisor to Sixth Street
9/29/2021	Bill.com	Scott Wagner	Board Member	CEO of GoDaddy
9/30/2021	Checkout.com	Leela Srinivasan	Chief Marketing Officer	Chief Marketing Officer at Mometric
9/30/2021	Checkout.com	Kerry Van Voris	Chief Human Resources Officer	Chief People Officer at Oscar Health



TSG Payments Index

Q1 2011 – Q2 2021

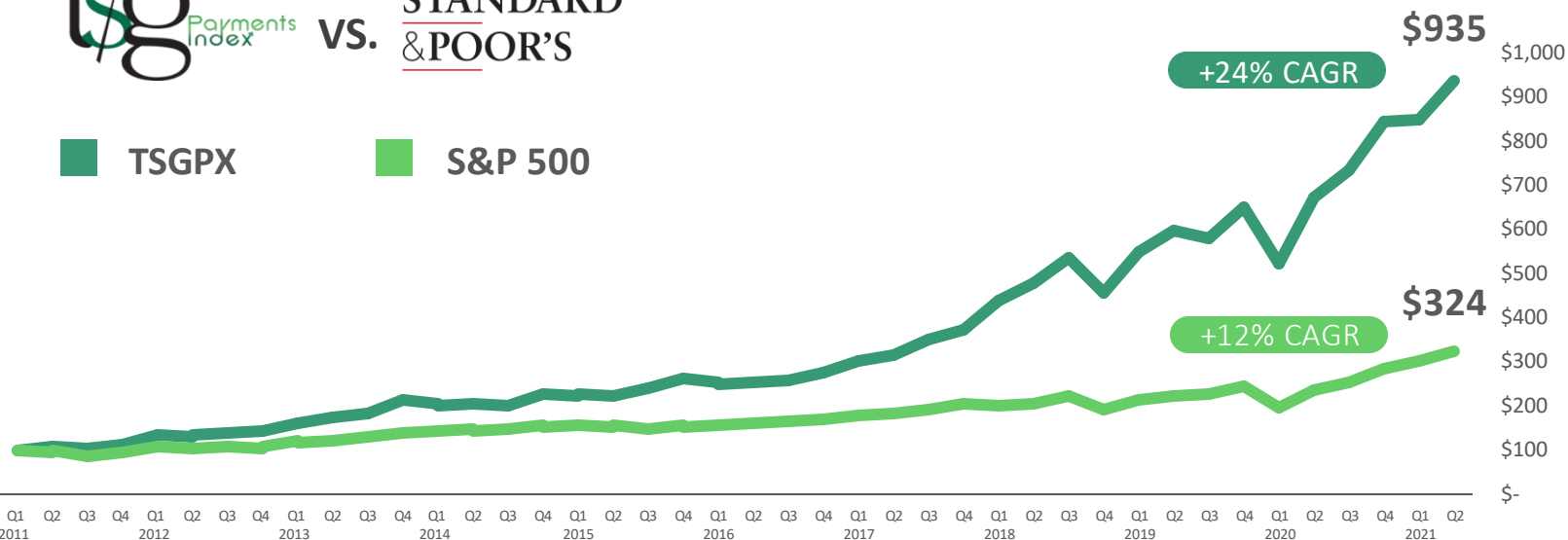
tsg
Payments
Index

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 \$935 in Q2 2021, as compared to \$324, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **12% 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 a debit card
sponsorship
portfolio sale to



In the
acquisition of



In the
acquisition of



In the
acquisition of
NXGEN
& **pay**scape®



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 its
sale to



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.

