

TransactionWatch

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

*Week of:
October 18th – October 22nd*

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Deal Activity Summary

October 18th – October 22nd

This Week's M&A Overview

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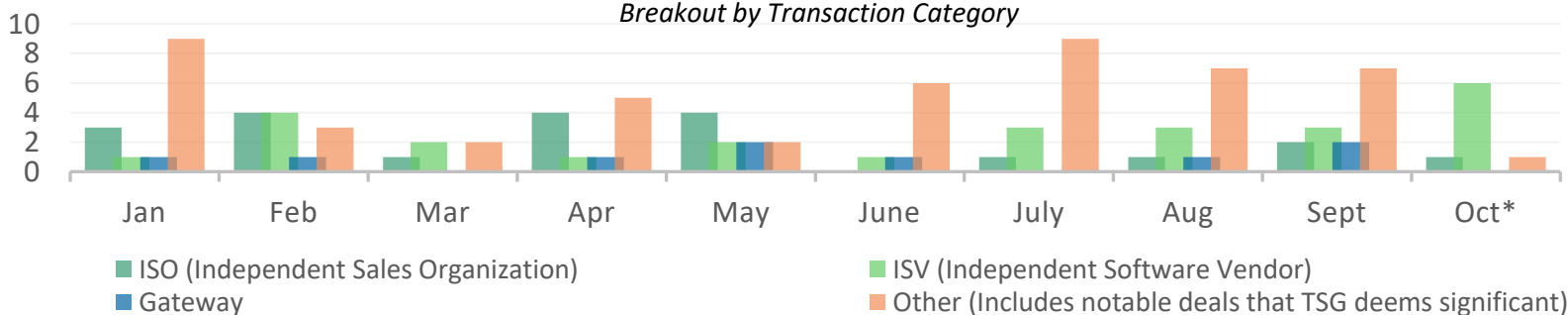
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Another active week in M&A as payment providers continue to compete for market growth and technological advancement. To start, Fiserv announced their deal to acquire BentoBox, a digital marketing and commerce platform for restaurants, for an undisclosed sum. This deal is positioned around Fiserv's Clover platform and aims to strengthen their omnichannel capabilities specifically around online marketing and online ordering for the restaurant vertical. Separately, Stripe uncovered their acquisition of Recko, a payments reconciliation software provider based in India. Terms of the deal were not disclosed; however, Recko has raised approximately \$7 million in total funding prior to this deal and will mark Stripe's first acquisition in the country of India.

In other M&A news, MiCamp Solutions announced their second acquisition of the year with their deal to acquire Express Payment Solutions, an ISO of Fiserv. This deal was completed in conjunction with their joint venture partner, Twenty20 Payments. The acquisition of Express Payment Solutions is positioned to bring additional volume and growth to MiCamp in California and neighboring states. As a result of this transaction, MiCamp now serves 20,000 clients and processes nine billion payments annually. Lastly, speculation around PayPal acquiring Pinterest swirled this week as details surrounding this potential transaction emerged. This deal, if closed, is rumored to be valued at \$45 billion; marking this as one of the largest payments deals of the year.

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: July 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
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
ISV	BillTrust	iController	\$58	10/12/2021
ISV	FreshBooks	FastBill	-	10/7/2021
ISV	Epicor	CBC Computer Systems	-	9/30/2021
Gateway	Mint Payments	IPG Group	-	9/30/2021
Other	Entrust	Antelop Solutions	-	9/22/2021



Historical M&A Tracker

Transaction History: July 2021 – September 2021

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



Historical M&A Tracker

Transaction History: July 2021 – September 2021

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



Headline News

October 18th – October 22nd



Mastercard Strengthens Digital Asset Security with Close of CipherTrace Acquisition

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

Mastercard today (Oct. 19th) announced it has completed its acquisition of CipherTrace, a leading cryptocurrency intelligence company that offers digital asset security and fraud solutions for some of the world's largest banks, exchanges and other financial institutions. "Today marks a significant milestone for Mastercard as we further enhance our strategic capabilities, technologies and teams to support the evolution of digital assets," say Ajay Bhalla, president of Cyber and Intelligence at Mastercard.



Paysafe relauches US partnership programs to deliver comprehensive payment solutions

[Paysafe Press Release](#) | [October 19th, 2021](#)

Paysafe, a leading specialized payments platform, today (Oct. 19th) announced the relaunch of its U.S. partnership programs, which provide independent agents, independent sales organizations (ISOs), independent software vendors (ISVs) and financial institutions with an array of tailored solutions to drive continuous growth. The highly flexible programs, which deliver leading payments technologies, simplified onboarding options and dedicated merchant support, leverage Paysafe's more than 20 years of experience developing customizable payment programs that address the needs of independent resellers and software developers as well as their respective customer bases.



PayPal Is Said to Be in Talks to Buy Pinterest in \$45 Billion Deal

[The New York Times](#) | [October 20th, 2021](#)

Digital payments and online shopping go hand in hand. Now PayPal is trying to unite one with the other. The Silicon Valley digital payments giant has offered to buy Pinterest, the digital pinboard company that enables e-commerce within its app, in a deal valued at about \$45 billion, according to people with knowledge of the discussions. PayPal has offered around \$70 a share for Pinterest, the people said, a 25 percent increase from Pinterest's opening share price on Wednesday (Oct. 20th).



Partnership Activity

October 18th – October 22nd



barclaycard

Barclaycard Payments extends its relationship with SAP to widen payment acceptance capabilities and enhance procure-to-pay processes

[Barclaycard Press Release](#) | [October 19th, 2021](#)

Barclaycard Payments, which processes almost £1 in every £3 spent in the UK, has extended its relationship with SAP by integrating its Smartpay gateway into SAP's Upscale commerce platform, and enhancing the procure-to-pay services available through SAP Ariba. From today (Oct. 19th), any business signed up to SAP Upscale Commerce will be able to access Barclaycard Smartpay and take advantage of benefits including a frictionless customer experience and bolstered fraud defences.



American Express and Goldman Sachs to Provide Integrated Digital Payments Solution for Corporate Clients

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

American Express and Goldman Sachs Transaction Banking today (Oct. 20th) announced a collaboration to provide large corporate clients with a cloud-based payments solution that will seamlessly support multiple payment options and offer data and analytics in one integrated platform. "A major pain point for our large commercial card clients is managing multiple platforms and myriad time-consuming, costly and complex processes to make, track, and reconcile thousands of payment transactions every day," said Dean Henry, Executive Vice President of Global Commercial Services at American Express.

Other Notable Partnerships:

- **Paysafe** extends partnership with **ZEN.com** to expand their Paysafecash offering to additional countries across Europe.
- **Chargebee** and **Worldline** team up on subscription billing and revenue management solutions.
- **CyberSource** partners with **Ebanx** to expand their presence across Brazil.
- **Mastercard** and **Previser** team up on cross-border payment capabilities.
- **PayAlly** selects **Nets Group** for full issuing and acquiring services in the United Kingdom.



Management Changes

October 18th – October 22nd



EML.

EML Payments Announced David Curneen To The Newly Created Role Of Group Chief Operating Officer

EML Payments announced this week the appointment of David Curneen to serve in the newly created role of Group Chief Operating Officer. Under this new position, David will take responsibility of the financial and operating performances of the company's business units. David joins EML Payments from Digicel Group where he served as Group CEO of Financial Services.

Date Announced	Company	Personnel	New Position	Previous Position
10/18/2021	Podium	Loren Padelford	<i>Chief Operating Officer</i>	VP and General Manager of Revenue at Shopify
10/18/2021	EML Payments	David Curneen	<i>Group Chief Operating Officer</i>	Group CEO of Digicel Financial Services



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



In its
sale to



In a debit card
sponsorship
portfolio sale to



In the
acquisition of



In the
acquisition of



In the
acquisition of



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.

