

TransactionWatch

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

*Week of:
October 25th – October 29th*

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

October 25th – October 29th

This Week's M&A Overview

Table of Contents

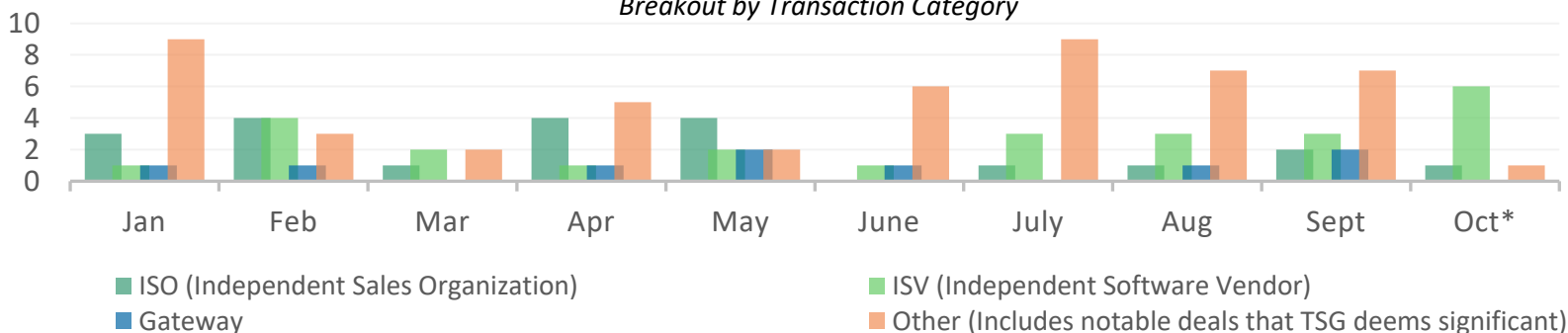
-  [Deal Activity Summary](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

Quarterly financial reports begin to become publicized this week as M&A activity dials down following last week's flurry of deal announcements in the payments space. To start, both Visa and Mastercard have released their financial reports this week, which encompassed strong year-over-year growth in global payment volume. Visa indicated for the three months ending September 30th, 2021, global payment volume growth of 17%, while Mastercard reported growth of 20%. Additionally, Fiserv also reported their Q3 financial results, which detailed global merchant payment volume growth of 20% year-over-year.

In other news, following last week's speculation, PayPal indicated in a press release that the company is not pursuing an acquisition of Pinterest at this time. This comes after numerous reports last week that PayPal was in acquisition talks with Pinterest in a deal that was reportedly being valued as high as \$45 billion. Separately, both Mastercard and Fiserv have teamed up with the crypto platform Bakkt this past week to support offerings of cryptocurrency services. For Fiserv, they plan to integrate Bakkt into their Carat omnichannel ecosystem; while Mastercard intends to use Bakkt's platform to support their issuance of branded crypto debit and credit cards.

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:



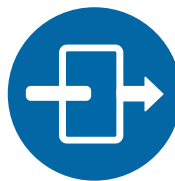
ISO

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 25th – October 29th



PayPal says it's not looking to buy Pinterest right now, shares jump 6%

[CNBC](#) | [October 25th, 2021](#)

U.S. payments giant PayPal said it is not currently interested in buying social media platform Pinterest. Responding to what it called "market rumors," the financial technology company said Sunday (Oct. 24th) in an update on its website that it is "not pursuing an acquisition of Pinterest at this time." Shares of PayPal were up more than 3% in morning trading Monday (Oct. 25th) on the Nasdaq stock exchange, while shares of Pinterest were down over 12%.



Visa Helping Fuel 'Buy Now, Pay Later' Growth Around the World

[BusinessWire](#) | [October 27th, 2021](#)

As consumer demand for 'Buy Now, Pay Later' (BNPL) solutions continues to grow, Visa today (Oct. 27th) announced a growing list of issuers, acquirers and fintechs that are leveraging Visa's technology — both its network-based Visa Installments Solution and its longstanding fintech solutions — to bring 'Buy Now, Pay Later' options to their customers. A recent Visa study found that nearly half of all global consumers (42%) expressed interest in installment financing that is offered on their existing credit card or one they could apply for.



Fiserv loses big client identified as Stripe

[PaymentsDive](#) | [October 28th, 2021](#)

Payments processing company Fiserv told analysts during a conference call Wednesday (Oct. 27th) that it lost a "large processing client" during the third quarter, but downplayed the revenue impact. Fiserv didn't name the client, but analysts who follow the company later said they suspected it was Stripe, the big digital payments company with dual headquarters in Dublin and San Francisco that earlier this year was valued at \$95 billion. Asked about the identity of the client, a spokesperson for Fiserv said: "We'll decline to elaborate beyond the comments made on the earnings call." Stripe didn't respond to a request for comment.



Partnership Activity

October 25th – October 29th



Klarna partners with Stripe to help online businesses grow their revenue

[Stripe Newsroom](#) | [October 26th, 2021](#)

Klarna, the shopping and flexible payment provider, today announced a strategic partnership with Stripe, a global technology company building economic infrastructure for the internet. The partnership will allow millions of businesses running on Stripe to offer Klarna's flexible payment options to their consumers. In recent years, consumers around the world have gravitated to popular "Buy Now Pay Later" payment options, which allow them to receive products immediately while spreading their payments out over time.



Mastercard and Bakkt partner to offer innovative crypto and loyalty solutions

[Mastercard Newsroom](#) | [October 25th, 2021](#)

Today (Oct. 25th) at Money20/20, Mastercard and Bakkt announced a multifaceted partnership to make it easier for merchants, banks and fintechs in the U.S. to embrace and offer a broad set of cryptocurrency solutions and services. Consumers, in turn, will experience expanded access to the digital asset ecosystem. Bakkt extends Mastercard's ecosystem of cryptocurrency partners enabling Crypto-as-a-Service, which provides quick access to cryptocurrency capabilities.

Other Notable Partnerships:

- **Microsoft** has expanded its partnership with **Worldpay from FIS** for payment processing services across Microsoft's suite of online store fronts.
- **Payveris** has teamed up with **Paymentus** to offer instant payment capabilities.
- **REPAY** has expanded its partnership with **Inovatec Systems** to streamline the funding process for lenders.
- **Fiserv** announced a strategic relationship with **Bakkt** for crypto payment capabilities.
- **Zelle** and **Fiserv** have teamed up to bring real-time P2P payments to minority depository institutions.
- **Amount** has partnered with **Marqeta** to support a Buy Now, Pay Later solution.



Management Changes

October 25th – October 29th



Chargebacks911 Appoints Former Ingenico Executive, David Jimenez, As Their Chief Revenue Officer

Chargebacks911 announced this week the appointment of David Jimenez to serve as the company's new Chief Revenue Officer. Under this role, David will lead the company's go-forward strategy in expanding the business and improving internal efficiencies. David joins Chargebacks911 from Tailwind Capital, where he served as Operating Executive.

Date Announced	Company	Personnel	New Position	Previous Position
10/25/2021	Chargebacks911	David Jimenez	Chief Revenue Officer	Operating Executive at Tailwind Capital
10/26/2021	Green Dot Corp.	George Gresham	Chief Finance and Operating Officer	CFO at NetSpend Holdings



TSG Payments Index

Q1 2011 – Q3 2021

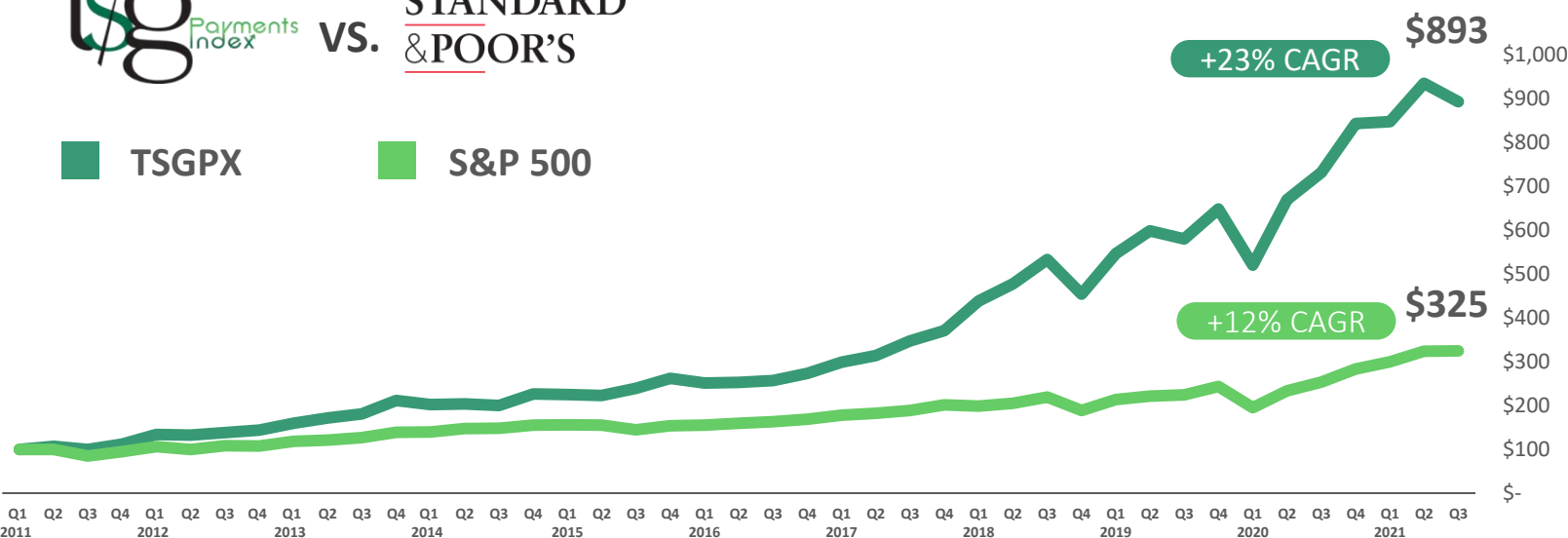
tsg
Payments
Index

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 \$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 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.

