

# TransactionWatch

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

*Week of:*

*December 6<sup>th</sup> – December 10<sup>th</sup>*

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# Deal Activity Summary

December 6<sup>th</sup> – December 10<sup>th</sup>

## This Week's M&A Overview

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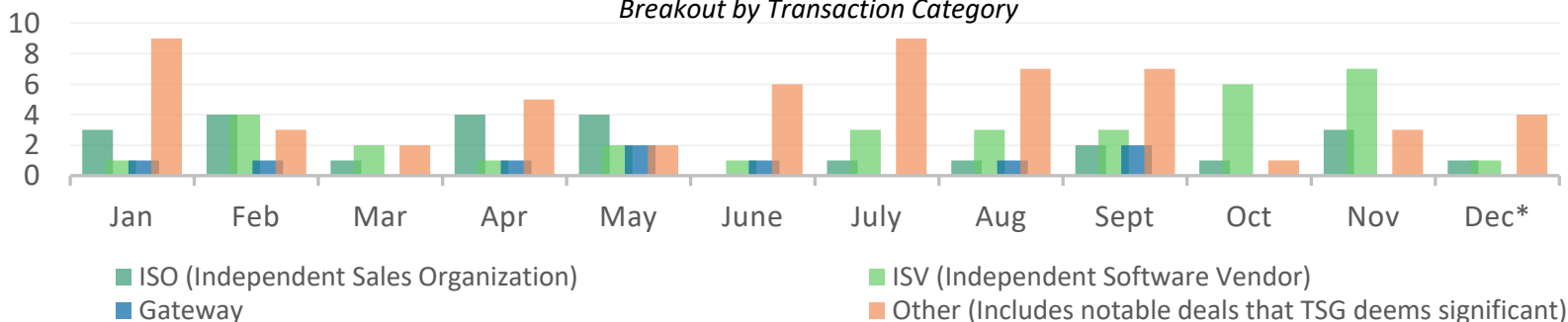
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M&A activity continues to be very activity this past week in the merchant acquiring industry with several noteworthy deals announced. To start, Stripe announced it has acquired OpenChannel, a provider of app marketplace software. This acquisition enables Stripe to further build out their third-party integrations and online tools for their merchant base. As part of this deal, OpenChannel's team will join Stripe's remote hubs. Separately, Fortis has announced their agreement to acquire VIP Integrated Payments for an undisclosed sum. This acquisition is positioned around expanding Fortis' enterprise resource planning (ERP) and VAR channels in the B2B space, as well as bringing additional senior members to their executive team.

In other M&A news, Worldline has entered into a strategic partnership with Eurobank, which included acquiring an 80% stake in their merchant acquiring business. This portfolio includes 123,000 merchants, who are largely positioned around eastern Europe, and represent an annual payment volume of approximately \$8 billion. As part of this deal, Worldline will pay about \$290 million in cash at closing. Unconnectedly, Paymentology and Tutuka announced their merger as part of their global strategy of creating a new payments and card processing enterprise. These two businesses largely serve as issuer-processors that facilitate payments for Mastercard, Visa, and UnionPay cards across nearly 50 countries.

### 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](mailto:Info@thestrwegroup.com)





# Historical M&A Tracker

Transaction History: August 2021 – November 2021

## Transaction Categories:



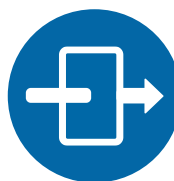
**ISO**

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	Fortis	VIP Integrated Payments	-	12/8/2021
Other	Rapyd	Neat	-	12/8/2021
ISO	Worldline	Eurobank (80% stake in Merchant Acquiring unit)	\$290	12/7/2021
Other	Paymentology	Tutuka	-	12/6/2021
ISV	Stripe	OpenChannel	-	12/6/2021
Other	Payroc	SnapCheck	-	12/2/2021
ISO	Stax	CardX	-	11/30/2021
Other	Mastercard	Arcus FI	-	11/24/2021
ISV	KeyBank	XUP Payments	-	11/22/2021
Other	Sift	Keyless	-	11/18/2021
ISV	U.S. Bank	TravelBank	-	11/16/2021



# Historical M&A Tracker

Transaction History: August 2021 – November 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISV	Cart.com	180Commerce	-	11/15/2021
ISV	SpotOn	Dolce Software	-	11/15/2021
ISV	Ventoux CCM Acquisition Corp.	Presto	\$1,000	11/10/2021
ISV	Flutterwave	Disha	-	11/10/2021
ISO	Bottomline	Bora Payment Systems	\$15	11/9/2021
ISO	Tidal Commerce	Merchant Bancard Processing	-	11/4/2021
Other	Klarna	PriceRunner	\$124	11/2/2021
ISV	Cross River Bank	Betterfin	-	11/2/2021
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



# Historical M&A Tracker

*Transaction History: August 2021 – November 2021*

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





## Headline News

December 6<sup>th</sup> – December 10<sup>th</sup>

### Klarna.

***Klarna launches browser extension allowing consumers to pay later across all online stores***

[PR Newswire](#) | [December 9<sup>th</sup>, 2021](#)

Klarna, a leading global retail bank, payments, and shopping service, today (Dec. 9<sup>th</sup>) announced the launch of the Klarna browser extension, which had been in beta testing with over 100,000 consumers. The extension enables consumers to shop with Klarna's flexible payment options on their desktop at every online store, even if the retailer is not yet a Klarna partner.



***Payments Gateway ConnexPay Announces \$20 Million Series B Funding Round, Led by Modern Card Issuing Pioneer Marqeta***

[BusinessWire](#) | [December 9<sup>th</sup>, 2021](#)

ConnexPay, a payments gateway that connects acceptance and issuance for marketplace companies and commerce intermediaries, today (Dec. 9<sup>th</sup>) announced a \$20 million series B funding led by global modern card issuing platform Marqeta. This new capital takes ConnexPay's total funding raised to date to \$35 million.

### VISA

***Visa Introduces Crypto Advisory Services to Help Partners Navigate a New Era of Money Movement***

[Visa Press Release](#) | [December 8<sup>th</sup>, 2021](#)

Visa, the world's leader in digital payments, today (Dec. 8<sup>th</sup>) announced the launch of Visa's Global Crypto Advisory Practice, an offering within Visa Consulting & Analytics (VCA) designed to help clients and partners advance their own crypto journey. This comes at a moment when digital currencies are taking greater hold in the popular consciousness – according to research released today from Visa, awareness of crypto among financial decision makers surveyed is near universal at 94% around the world.



## Partnership Activity

December 6<sup>th</sup> – December 10<sup>th</sup>

### Worldline

#### Worldline signs a strategic partnership with Eurobank in merchant acquiring in Greece

[Worldline Press Release](#) | December 7<sup>th</sup>, 2021

Worldline, European leader in the payments and transactional services industry, today (Dec. 7<sup>th</sup>) announced the signing of a binding agreement for the acquisition of 80% of Eurobank Merchant Acquiring activities, one of the main acquirers in Greece with a c. 20% market share. Eurobank is one of the four systemic banks in Greece relying on a large distribution network of c. 300 branches, seeking to find the right and exclusive partner to acquire, operate and develop their merchant acquiring portfolio in Greece.



#### Epos Now and Deliverect simplify online ordering for restaurants with the launch of Epos Now Delivery

[PR Newswire](#) | December 7<sup>th</sup>, 2021

Epos Now, a leading cloud-based software provider supporting over 47,000 retail and hospitality locations across 71 countries, today (Dec. 7<sup>th</sup>) announces the launch of Epos Now Delivery, powered by Deliverect, a global SaaS company that simplifies online order management for more than 16,000 establishments across 30 markets.

#### Other Notable Partnerships:

- **Afterpay** teams up with **Rakuten** to provide shoppers with cash back rewards from buy now, pay later transactions.
- **Mastercard** teams up with **LMK Resources** in the deployment of Pakistan's first open-loop transit payment solution.
- **American Express** partners with **Nova Credit** on improved access to credit for newcomers to the U.S.
- **Nets** and **Ethoca** team up to help minimize merchant and bank chargeback numbers.





# Management Changes

December 6<sup>th</sup> – December 10<sup>th</sup>



**Guy DiMaggio**



**Raj Pannu**

**Fortis**

## Fortis Has Expanded Their Leadership Team With The Appointments Of Guy DiMaggio And Raj Pannu

In addition to their acquisition this week, Fortis announced the appointments of Guy DiMaggio and Raj Pannu to its executive team. Guy joins as the company's new Chief Operations Officer, while Raj has been named as VP of Business Development for the lodging vertical.

Date Announced	Company	Personnel	New Position	Previous Position
12/6/2021	Fast	<b>Robert Mitchell</b>	<i>CFO</i>	CFO of PayPal's Venmo Business Unit
12/7/2021	Zip	<b>Levi Aron</b>	<i>Chief Growth Officer for the U.S. market</i>	Chief Revenue Officer at SevenRooms
12/7/2021	MobileCoin	<b>Bob Lee</b>	<i>Chief Product Officer</i>	CTO of Square (now Block)
12/8/2021	Fortis	<b>Guy DiMaggio</b>	<i>Chief Operations Officer</i>	SVP and GM of Secure Card Solutions at CPI Card Group
12/8/2021	Fortis	<b>Raj Pannu</b>	<i>VP of Business Development for the lodging vertical</i>	Business Development at Ravelin Technology
12/9/2021	PAX Technology	<b>Andrea Zucchiatti</b>	<i>Chief Product and Services Officer for the EMEA region</i>	Co-Founder and GM of PAX Italia



# 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

GI PARTNERS

on its  
investment in

**Rectangle**  
HEALTH

**WesBanco**

In a debit card  
sponsorship  
portfolio sale to

**PB&T BANK**  
Local People Making Local Decisions Since 1889

**payroc**  
STABILITY IN  
PAYMENTS

In the  
acquisition of

 **Integrity**

**CLARUS**  
MERCHANT SERVICES

In the  
acquisition of

 **NAMS**

**PARthenON**  
CAPITAL PARTNERS

In the  
acquisition of

**NXGEN**  
& **pay**scape®

 **POS PROS**  
POINT OF SALE ADVISORS

In its  
sale to

**Paysafe:**

**Goldman  
Sachs**

On their funding  
event with

**Newtek**  
"The Small Business Authority"

**Goldman  
Sachs**

On their funding  
event with

 **Bluefin**  
Payment Systems

 **PIVOTAL**  
PAYMENTS

In the  
acquisition of

 **CAPITAL**  
PROCESSING NETWORK

 **Bregal**Sagemount

In due diligence support  
of its investment into

 **YAPSTONE**  
POWERING PAYMENTS

**Terrapin**  
Financial Services, LLC

In its  
sale to

 **BluePay**

**sage**

In a merchant portfolio  
purchase from

 **Heartland**  
PAYMENT SYSTEMS®

 **PRIORITY**  
PAYMENT SYSTEMS

In its  
merger with

 **cynergydata**

**Mutual of Omaha Bank**

On the organization of  
its joint venture with

 **First Data.**

 **SIG**  
SUSQUEHANNA  
GROWTH EQUITY, LLC

On their  
investment in

**PaySimple**®

**CAYAN**

In the  
acquisition of

**CPS**  
CARD PAYMENT SERVICES

 **Shift4**  
PAYMENTS

In its  
sale to

 **LIGHTHOUSE**  
NETWORK

**talus**  
pay

In acquisition of the  
operation assets of

 **PROLIFIC**  
BUSINESS SOLUTIONS

 **BluePay**

In the  
acquisition of

**Primax**  
Defining Card Processing

**KeyBank**

On their joint  
venture with

 **Elavon**



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.

