



Payments Experts. Powerful Data.  
THE STRAWHECKER GROUP

# TransactionWatch

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

*Week of:*

*December 7<sup>th</sup> – December 11<sup>th</sup>*

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# Deal Activity Summary

December 7<sup>th</sup> – December 11<sup>th</sup>

## This Week's M&A Overview

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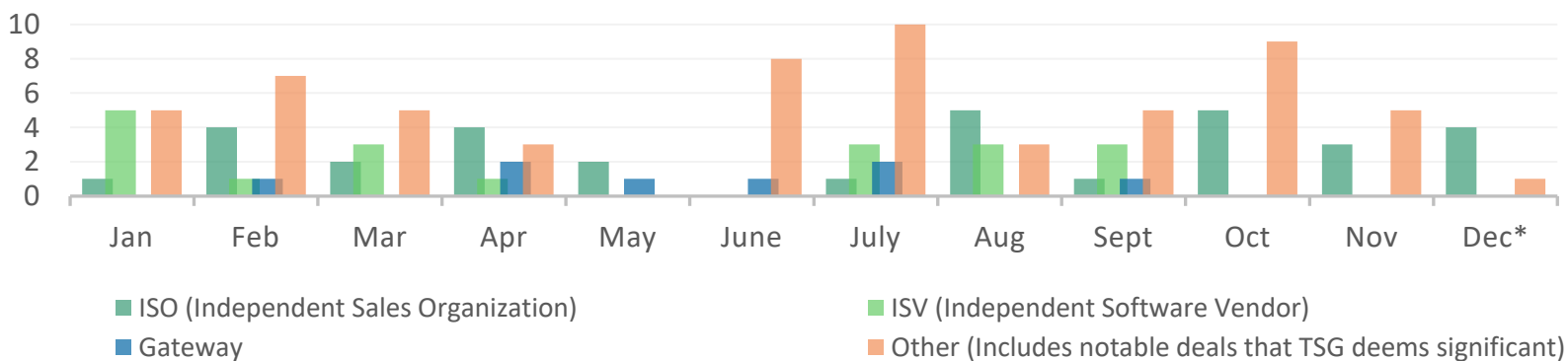
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The prevalence of SPACs continue to play a significant role in the payments industry with the major announcement of Paysafe's merger with Foley Transimene Acquisition Corp. II this week. After months of speculation about going public, Paysafe made the move to bypass a traditional IPO in favor of a merger with a SPAC. This has proven to be a popular route for companies this year, likely due to COVID-19's economic impact, as it has proven to be a secure method for growth in the public market. Paysafe's merger with Foley Transimene Acquisition Corp. II reflected a pro-forma enterprise value of approximately \$9 billion. Processing nearly \$100 billion in payment volume annually, Paysafe has been backed by the private equity groups Blackstone and CVC Capital Partners, who will remain as significant shareholders. As part of this transaction, Paysafe will be listed on the New York Stock Exchange under the symbol 'PSFE'. This transaction is expected to close in the first half of 2021.

In other M&A news, daVinci Payments announced the completion of their acquisition of North Lane Technologies (formerly Wirecard North America). With the closing of this transaction, the once prosperous Wirecard brand will begin to phase out in North America as the company shifts towards a new direction.

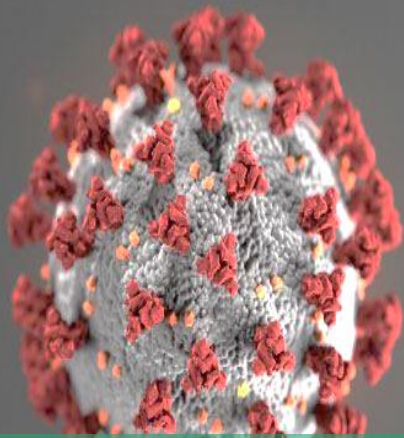
### 2020 M&A Activity – Year to Date

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

December 7<sup>th</sup> – December 11<sup>th</sup>

**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.**

## **Rapid Shift to Digital Banking During COVID-19 Accelerating Erosion in Consumer Trust, Accenture Report Finds**

[BusinessWire](#) | December 7<sup>th</sup>, 2020

*The replacement of in-person branch interactions with impersonal digital transactions through online and mobile channels during the COVID-19 pandemic has accelerated the ongoing erosion of consumer trust in banks, according to a new report from Accenture.*

## **As COVID-19 Cases Rise and Restrictions Loom, Small Business Owners See Long Road to Recovery**

[BusinessWire](#) | December 8<sup>th</sup>, 2020

*With COVID-19 cases surging and a new wave of restrictions looming, challenges persist for small business owners as they continue to weather the pandemic according to data from the Q4 Wells Fargo/Gallup Small Business Index.*

## **Full-Service Restaurant Transactions Underscore Need for Stimulus**

[BusinessWire](#) | December 8<sup>th</sup>, 2020

*TableSafe, Inc., a leading innovator of pay-at-the-table technology designed for the hospitality industry, today (Dec. 8<sup>th</sup>) shared that customer transaction volume indicates troubling circumstances for the full-service restaurant industry following months of recovery. According to TableSafe's data, transaction volumes declined to 50% of pre-pandemic levels in November after recovering to 60% of pre-pandemic levels in October.*

## **PayPal Launches Touch-free Payments In-store With iZettle's Point Of Sale App To Support UK Businesses Post-lockdown**

[iZettle Newsroom](#) | December 9<sup>th</sup>, 2020

*PayPal today (Dec. 9<sup>th</sup>) launched QR code payments in iZettle's point of sale app, allowing small businesses across the UK – from retailers to florists and cafes – to accept safe and secure touch-free payments from customers. The roll-out marks the first time UK merchants can accept PayPal QR Code payments in-store via a point of sale solution.*



# 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 2020 – November 2020

## Transaction Categories:



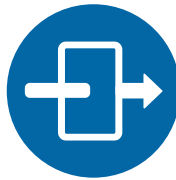
**ISO**

Independent  
Sales Organization



**ISV**

Independent  
Software Vendor



**Gateway**



**Other**

Includes notable deals that TSG  
deems significant

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Foley Trasimene Acquisition Corp. II	Paysafe	\$9,000	12/7/2020
Other	Affirm	Paybright	\$264	12/3/2020
ISO	Nuvei	Base Commerce	-	12/1/2020
ISO	Lightspeed POS	Uperve	\$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



# Historical M&A Tracker

Transaction History: August 2020 – November 2020

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



# Historical M&A Tracker

Transaction History: August 2020 – November 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
ISV	MRI Software	RentPayment	-	9/1/2020
ISO	Railsbank	Wirecard U.K. (Wirecard Card Solutions)	-	8/28/2020
Other	WorldRemit	Sendwave	~\$500	8/25/2020
ISV	Mastercard	IfOnly	-	8/24/2020
Other	Afterpay	Pagantis SAU & PMT Technology	~\$59	8/24/2020
ISO	PagSeguro Digital	Wirecard Brazil	-	8/21/2020
Other	American Express	Kabbage	-	8/17/2020
ISO	Fortis Payment Systems	Blue Dog Business Services	-	8/11/2020
ISV	SpotOn	Seatninja	-	8/11/2020
ISO	Payroc	Strategic Payment Systems	-	8/10/2020



## Headline News

December 7<sup>th</sup> – December 11<sup>th</sup>



### **Capital One Stops 'Risky' Buy-now-pay-later Credit Card Transactions**

[Reuters](#) | December 7<sup>th</sup>, 2020

Capital One Financial Corp (CapOne) has barred customers using its credit cards to clear buy-now-pay-later (BNPL) debt as the transactions bear unacceptable risk, it told Reuters, making it the first to distance itself from the finance alternative. The third-largest U.S. card firm with 62 million accounts, plus more in Canada and Britain, said it would no longer allow “transactions identified as point of sale loans charged on its credit cards, regardless of the point of sale lender”.



### **daVinci Payments Completes Merger with North Lane Technologies Creating High-Growth Payment Company**

[BusinessWire](#) | December 10<sup>th</sup>, 2020

daVinci Payments (daVinci) and North Lane Technologies (North Lane), today (Dec. 10<sup>th</sup>) announced they have completed their merger, formally creating a high-growth, premier payment company with innovative technology and solutions. The combined businesses now operate under the brand umbrella of Syncapay, through a holding company formed together with a new majority equity investment from funds advised by Centerbridge Partners, L.P., a leading private investment management firm with extensive experience in supporting growth opportunities in the financial services sector.



### **Mastercard Loses \$18.6 Billion Class Action Court Ruling**

[Bloomberg](#) | December 11<sup>th</sup>, 2020

Mastercard Inc. faces the prospect of a 14 billion-pound (\$18.6 billion) U.K. class action -- the largest of its kind -- after losing another battle at the country's highest court over illegal swipe fees. The Supreme Court ruled in favor of a group behind a proposed British suit, representing some 46 million consumers. Friday's decision also sets the stage for a slew of class-action cases, after the judges made it easier to bring mass claims.





## Partnership Activity

December 7<sup>th</sup> – December 11<sup>th</sup>

# adyen

### Adyen and Microsoft Launch Network Token Optimization

[PR Newswire](#) | December 10<sup>th</sup>, 2020

Adyen, the global payments platform of choice for many of the world's leading companies, expands its collaboration with Microsoft to accelerate payments innovation for both companies with the launch of Adyen Network Token Optimization. Adyen is one of the first payment platforms to enable tokenized payments across multiple schemes and to offer automated optimization of the use of tokens to increase authorization rates.

# worldpay

from FIS

### Worldpay from FIS and Visa Collaborate to Strengthen Digital Commerce Security and Convenience

[BusinessWire](#) | December 10<sup>th</sup>, 2020

FIS today (Dec. 10<sup>th</sup>) launched its token management service, offering online merchants and partners access to Visa Token Service to protect their payments environment and strengthen their digital commerce strategy. The service provides clients with access to industry-leading tokenization capabilities from Visa, which can help reduce risk of data theft while helping to retain customers through uninterrupted commerce and enhancing card not present authorization rates.

### Other Notable Partnerships:

- **TransferGo** and **Mastercard** partner on cross-border payment solutions across 20 European countries.
- **PrestaShop** teams up with **Revolut Business** on offering new payment solutions for their merchants.
- **Zuora**, a subscription management platform, partners with **Stripe** on offering its customers enhanced payment solutions.
- **Square** has brought **DoorDash** onto its delivery platform for Square online sellers.
- **Adyen** partners with **Hungry Jack's** to improve its customer service with payment-led updates.
- **Nuvei** joins **Forster's** global network for online fraud prevention.
- **Verizon Business** to offer **Fiserv's** Clover Flex mobile POS device to its customer base.



# Management Changes

December 7<sup>th</sup> – December 11<sup>th</sup>



**Sightline**

## Sightline Payments Promotes Joe Pappano To Chief Executive Officer and Director

Sightline Payments announced this week the retirement of the company's Co-Founder and CEO, Kirk Stanford. With Stanford's resignation, Sightline Payments appointed Joe Pappano as CEO and Director to succeed him. Additionally, this announcement comes accompanied by a new strategic investment from the private equity firm Searchlight Capital Partners. With this new investment, Sightline Payments is now valued at \$525 million.

Date Announced	Company	Personnel	New Position	Previous Position
12/9/2020	Sightline Payments	<b>Joe Pappano</b>	<i>CEO and Director</i>	President of Americas at Sightline Payments
12/10/2020	iBanFirst	<b>Said Layadi</b>	<i>Chief Technology Officer</i>	CTO/Platform Director, Axis at Ingenico Group
12/10/2020	UniCredit	<b>Marco Bressan</b>	<i>Group Data and Analytics Officer</i>	Chief Data Scientist and Product Officer at Satellogic



# TSG Payments Index

Q1 2011 – Q3 2020

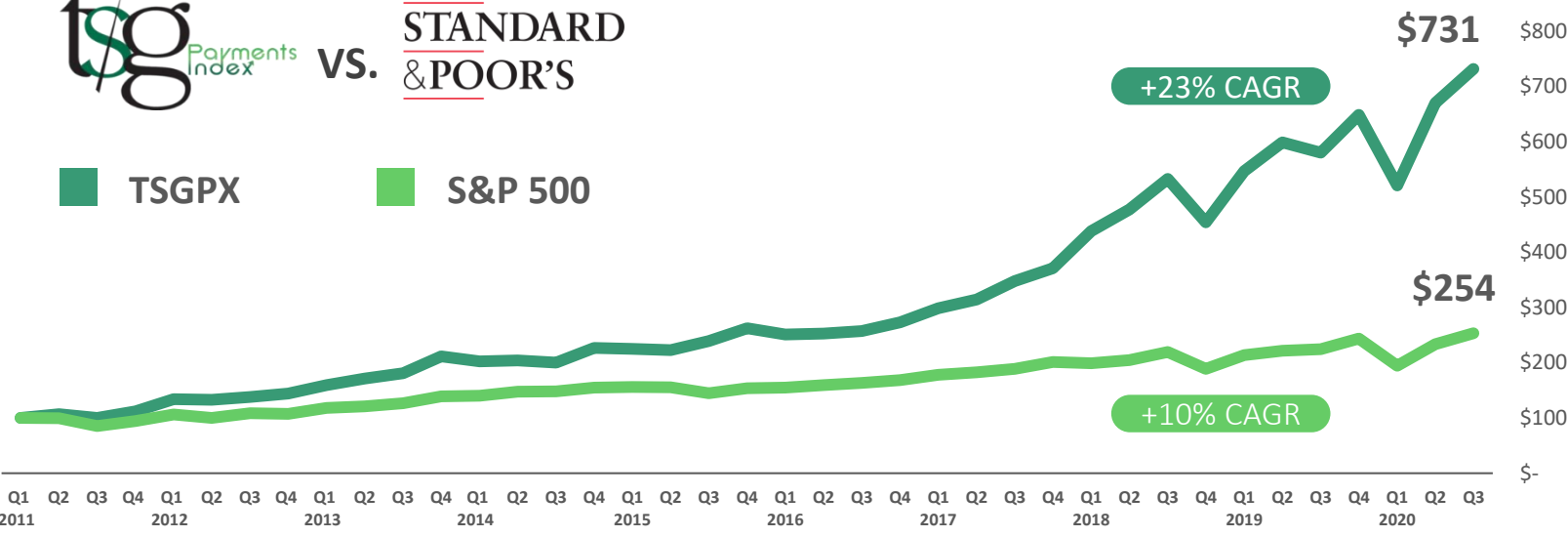
\*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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 \$731 in Q3 2020, as compared to \$254, 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

  
**Shift4**  
 PAYMENTS

In its sale to

  
**LIGHTHOUSE**  
 NETWORK

  
**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**  
 &   
**payScape**

  
**APPLIED** MERCHANT\*

In its Merger with

  
**BLUE SQUARE**  
 RESOLUTIONS

  
**Terrapin**  
 Financial Services, LLC

In its sale to

  
**BluePay**

  
 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

  
**BregalSagemount**

In due diligence support of its investment into

  
**YAPSTONE**  
 POWERING PAYMENTS

  
 THE BEEKMAN GROUP LLC

In its recapitalization of

  
**Direct Connect**

  
**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

  
**payroc**  
 STABILITY IN PAYMENTS

In the acquisition of

  
**iTransact**

  
**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.

