

TransactionWatch

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

Week of:

November 29th – December 3rd

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Deal Activity Summary

November 29th – December 3rd

This Week's M&A Overview

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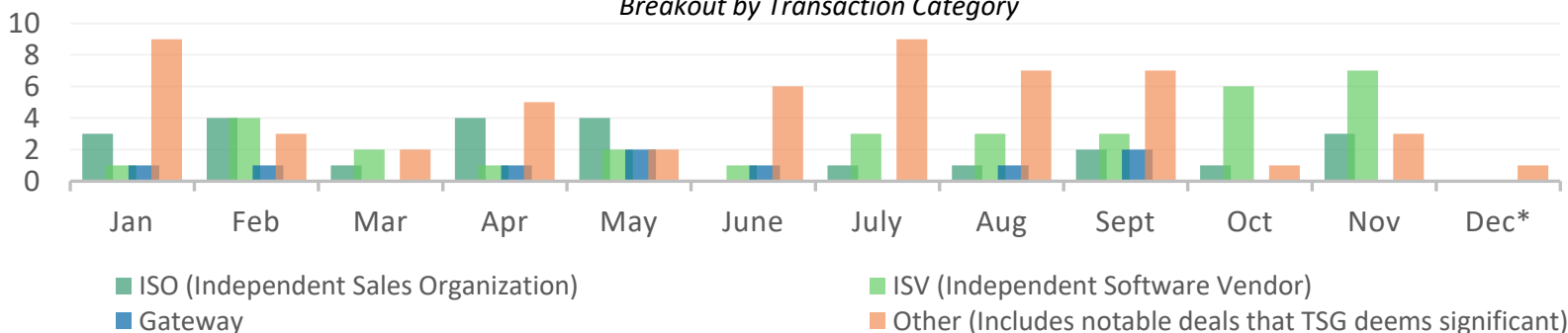
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M&A momentum in the merchant acquiring industry continues to make headway as we enter into the final stretch of 2021. To kick things off, Stax (by Fattmerchant) announced this week of their acquisition of CardX, a leading surcharging platform in the U.S. This deal marks Stax's third acquisition of the year as the company nears toward a 1,000% growth rate over the past three years. With this deal, Stax will be able to offer their merchant base of 22,000 the option for surcharging capabilities, essentially enabling them to accept card payments at no cost if enrolled into the service. Currently, CardX has 2,600 active customers that represent more than \$1 billion in processing volume; and will continue to operate as a stand-alone brand alongside Stax. Separately, Payroc has announced their definitive agreement to acquire SnapCheck, a digital check payment platform, for an undisclosed sum. With this deal, Payroc aims to combine this new business with their existing ACHECK21 Fintech Cloud solution, which is built in part from their acquisition of ACHECK21 back in July of this year.

In other M&A news, last week Mastercard announced it has acquired Arcus FI, a provider of bill pay solutions and real-time payment applications for the Latin American region. With this deal, Mastercard intends to accelerate the growth of their Mastercard Bill Pay solution across the region. Prior to the acquisition, Arcus FI was a former member of Mastercard's Start Path program.

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: August 2021 – November 2021

Transaction Categories:



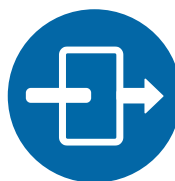
ISO

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	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
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



Historical M&A Tracker

Transaction History: August 2021 – November 2021

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



Historical M&A Tracker

Transaction History: August 2021 – November 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	Paymentus	Payveris	\$152.2	8/10/2021
Gateway	EVO Payments	Anderson Zaks	-	8/2/2021
Other	Paysafe	PagoEfectivo	-	8/2/2021



Headline News

November 29th – December 3rd



Square

Square, Inc. Changes Name to Block

[Square Press Release](#) | [December 1st, 2021](#)

Square, Inc. announced today (Dec. 1st) that it is changing its name to Block. Block will be the name for the company as a corporate entity. The Square name has become synonymous with the company's Seller business, which provides an integrated ecosystem of commerce solutions, business software, and banking services for sellers, and this move allows the Seller business to own the Square brand it was built for.



FIS may sell unit to Symphony Tech for \$2B: Report

[Payments Dive](#) | [November 28th, 2021](#)

Payments processor Fidelity National Information Services, also known as FIS, is in discussions about the possibility of selling a part of its capital markets unit to the private equity firm Symphony Technology Group for approximately \$2 billion, the media outlet Bloomberg reported Wednesday, citing "people familiar with the matter." The assets that Jacksonville, Florida-based FIS is considering selling include its "treasury management, alternative-trading and algorithm-based trading platforms," according to the short Bloomberg report. No final agreement has been reached and the deal could still fall through, the media outlet said.



OLB Group Acquires CBD Merchant Portfolio with Annual Transaction Volume Over \$400 Million

[BusinessWire](#) | [December 1st, 2021](#)

The OLB Group, Inc., a diversified fintech merchant services provider and Bitcoin mining enterprise, today (Dec. 1st) announced it has entered into a definitive agreement to acquire a portfolio of cannabidiol (CBD) merchants that will utilize the company's SecurePay Payment Gateway to process payments.



Partnership Activity

November 29th – December 3rd



EVO Payments and Bank of Ireland Renew Exclusive Alliance Agreement for Merchant Acquiring and Payment Processing Services

[BusinessWire](#) | November 30th, 2021

EVO Payments, Inc. (“EVO”), a leading global provider of payment technology integrations and acquiring solutions, and Bank of Ireland Group (“Bank of Ireland”), one of the largest financial services groups in Ireland, today (Nov. 30th) announced an extension of their existing exclusive referral relationship for merchant acquiring services in the Republic of Ireland and Northern Ireland.



Marqeta Partners with First National Bank of Omaha to Expand Ecosystem of Credit Partners

[BusinessWire](#) | November 2nd, 2021

Marqeta, the global modern card issuing platform, today (Nov. 2nd) announced a partnership with First National Bank of Omaha (FNBO), expanding its ecosystem of partners that enable its customers to launch modern credit card programs. Consumer demand for credit cards has increased substantially this year, compared to during the height of the pandemic, with banks issuing 42 percent more credit cards to consumers in the first six months of 2021, compared to 2020, according to credit-reporting firm Equifax, Inc.

Other Notable Partnerships:

- **ACI Worldwide** extends their partnership with **PayPoint** to help drive their innovative technologies and payment services.
- **Mastercard** teams up with **Meta** to support the growth of payment digitalization across the MEA region.
- **PayNearMe** partners with **Pin4** on iGaming and sports betting.
- **Paynet** teams up with **Clear Junction** for cross-border payment services.
- **Fiserv** and **Goalsetter** partner on bringing financial services to the K-12 youth market.



Management Changes

November 29th – December 3rd



Lloyd Hutchinson



Andras Mecser

dnapayments



DNA Payments Appoints Lloyd Hutchinson as Chief Commercial Officer and Andras Mecser As CFO

DNA Payments has expanded their management team this week with the appointments of Lloyd Hutchinson as Chief Commercial Officer and Andras Mecser as CFO. Both Hutchinson and Mecser have backgrounds in payments and will support DNA Payments as they continue to drive integrated omnichannel payment solutions across the UK and EU.

Date Announced	Company	Personnel	New Position	Previous Position
11/29/2021	DNA Payments	Lloyd Hutchinson	<i>Chief Commercial Officer</i>	Head of EMEA Sales & Partnerships at Airwallex
11/29/2021	DNA Payments	Andras Mecser	<i>CFO</i>	Group CFO at WorldRemit
11/29/2021	Paysend	Javier Perez	<i>Board of Directors</i>	Current Founder and Managing Partner at Global PayTech Ventures
12/1/2021	General Atlantic	Ajay Banga	<i>Vice Chairman</i>	Executive Chairman at Mastercard



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.

