

TransactionWatch

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

*Week of:
February 8th – February 12th*

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Deal Activity Summary

February 8th – February 12th

This Week's M&A Overview

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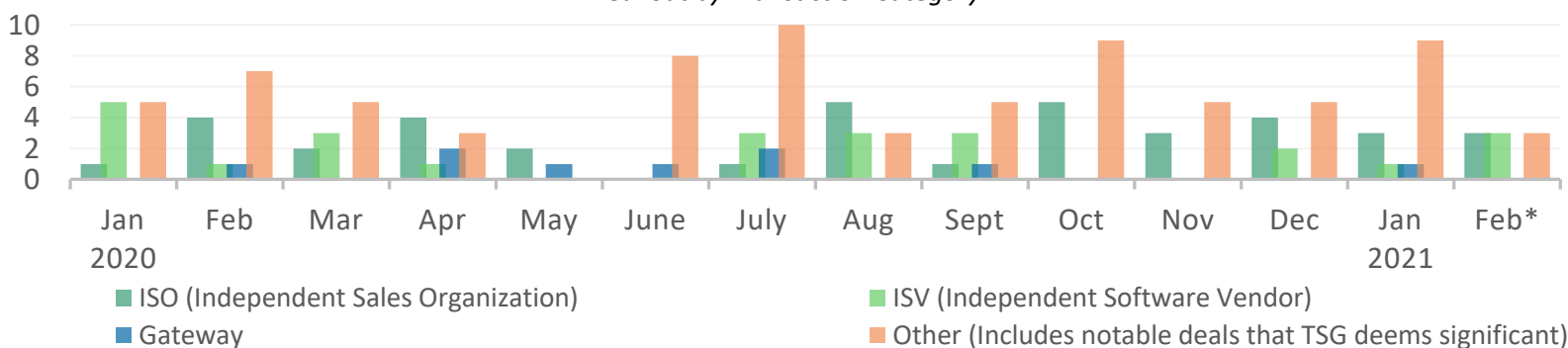
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Another bustling week in the merchant acquiring industry as M&A activity continues to steamroll in the first quarter. First off, the integrated software and technology service provider, Tyler Technologies, announced this week their intention to acquire NIC Inc. in an all-cash deal valued at approximately \$2.3 billion. The combination of the two enterprises syndicates large complementary solutions in the local and state government markets, which will strengthen the combined company's position and open additional avenues for growth. Furthermore, NIC Inc. will bring more than \$24 billion in annual payment volume to Tyler Technologies, which will help accelerate the company's strategic payments initiatives. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2021.

Separately, AffiniPay announced this week its acquisition of ClientPay for an undisclosed sum. ClientPay will join AffiniPay's existing complimentary brand LawPay, which is largely focused in the legal and professional services market. Lastly, NCR has announced its acquisition of Terafina, a digital onboarding solution for financial institutions. The addition of Terafina will enable NCR to expand its existing Digital First Banking platform with sales and marketing solutions.

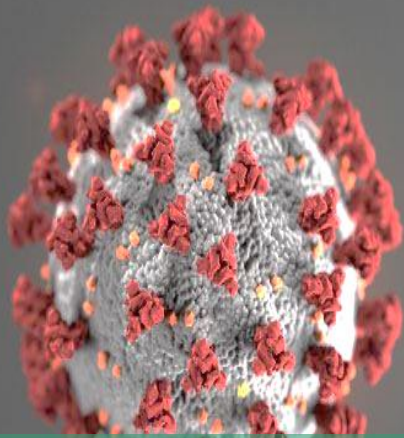
2020 – 2021 YTD M&A Activity

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.



COVID-19 Industry Impact

February 8th – February 12th

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.

Americans take to 'buy now, pay later' shopping during pandemic, but can they afford it?

[Reuters](#) | February 7th, 2021

When Leondra Garrett wanted to stock up on three new pairs of shoes early last year, the North Carolina resident split a \$161 online purchase into four installments through a “buy now, pay later” service, in what seemed like a convenient deal.

Will the pandemic finally get Americans to embrace QR codes?

[Fortune](#) | February 6th, 2021

My husband and I sat at our kitchen table in Philadelphia recently, breaking up the monotony of quarantine cooking with a delivery from the recently launched Pete's Place, chef Peter Serpico's self-described “kinda Korean” takeout spot he runs from his temporarily shuttered restaurant. Pasted onto the plastic lid of the spicy chicken ramen, there was a small QR code.

The Fed Chair Is Worried About Getting People Back to Work

[The New York Times](#) | February 10th, 2021

As some prominent economists fret that the government might overdo its pandemic response and prompt prices to shoot higher, the nation's top inflation fighter has a countermessage: Policymakers should stay focused on restoring full employment.

Winter Layoffs Show Early Signs of Easing

[The Wall Street Journal](#) | February 11th, 2021

The labor market is offering signs the economy is starting to mend from a steep winter slowdown. Worker filings for unemployment benefits—while still high—decreased to 793,000 last week, well below an early January peak that exceeded 900,000. Employers resumed hiring in January after payrolls fell at the end of 2020, and job openings picked up, driven by growth in industries that have weathered the pandemic relatively well. The worst of the pandemic's effects on the job market appear to have passed, said Aneta Markowska, chief economist at Jefferies LLC.



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: November 2020 – January 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
ISV	Tyler Technologies	NIC, Inc.	\$2,300	2/10/2021
ISO	AffiniPay	ClientPay	-	2/9/2021
ISV	NCR	Terfina	-	2/8/2021
ISV	I3 Verticals	Business Information Systems	\$87.7	2/5/2021
Other	FTAC Olympus Acquisition Corp.	Payoneer	\$3,300	2/3/2021
Other	SumUp	Paysolut	-	2/2/2021
Other	CURO Group Holdings	Flexiti Financial	\$121	2/1/2021
ISO	CORE Business Technologies	Secure Instant Payments (SIP)	-	2/1/2021
ISO	CORE Business Technologies	eGov Strategies	-	2/1/2021
Other	Fleetcor	Roger	-	1/28/2021
Other	Atlantic-Pacific Processing Systems (APPS)	Paynomix	-	1/28/2021



Historical M&A Tracker

Transaction History: November 2020 – January 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Gateway	PNC Bank	Tempus Technologies	-	1/27/2021
Other	OV Loop	Push Pay (dba PayFi)	-	1/26/2021
Other	NCR	Cardtronics	\$2,500	1/25/2021
ISO	DNA Payments	Active Payments	-	1/21/2021
ISO	Pineapple Payments	1 st Payment Systems	-	1/15/2021
Other	Entrust	HyTrust	-	1/14/2021
ISV	Vanco	Smartcare	-	1/13/2021
Other	Equifax	Kount	\$640	1/8/2021
Other	Cart.com	AmeriCommerce	-	1/7/2021
ISO	FortisPay	Swype at Work	-	1/7/2021
Other	NCR	Freshop	-	1/6/2021
Other	AvidXchange	Core Associates	-	1/4/2021
ISV	Thoma Bravo	RealPage	\$10,200	12/21/2020
ISV	Sphere	Health iPASS	-	12/18/2020
Other	Fiserv	Ondot Systems	-	12/16/2020
Other	GoDaddy	Poynt	\$320	12/16/2020
Other	Worldline	ANZ Bank (Commercial Acquiring)	\$365	12/15/2020



Historical M&A Tracker

Transaction History: November 2020 – January 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	IBM	Expertus Technologies	-	12/15/2020
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	Upserve	\$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
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



Headline News

February 8th – February 12th



Why Mastercard is bringing crypto onto its network

[Mastercard Newsroom](#) | [February 10th, 2021](#)

Whatever your opinions on cryptocurrencies — from a dyed-in-wool fanatic to utter skeptic — the fact remains that these digital assets are becoming a more important part of the payments world. We are seeing this fact play out on the Mastercard network, with people using cards to buy crypto assets, especially during Bitcoin's recent surge in value. We are also seeing users increasingly take advantage of crypto cards to access these assets and convert them to traditional currencies for spending.



GoDaddy Completes Acquisition of Poynt

[PR Newswire](#) | [February 9th, 2021](#)

GoDaddy Inc., the company that empowers everyday entrepreneurs, today (Feb. 11th) announced it has completed its acquisition of Poynt. The combination expands GoDaddy's commerce services to help small businesses grow – both online and offline – using one platform. "GoDaddy exists to empower everyday entrepreneurs and we're committed to helping their ventures succeed by delivering seamlessly intuitive commerce experiences that enable them to sell everywhere, from e-commerce to physical stores," said GoDaddy CEO Aman Bhutani.



With Worldpay Firmly Onboard, FIS Sees Further M&A as 'an Important Pillar' in Its Strategy

[Digital Transactions](#) | [February 9th, 2021](#)

Top management at FIS Inc. made it plain Tuesday (Feb. 9th) morning that growth through further acquisitions is a key priority only about 18 months after the company completed its massive buyout of the merchant processor Worldpay. But while the Jacksonville, Fla.-based company still keeps its powder dry for M&A, executives on an early-morning earnings call also focused on new products and services in the pipeline following a flat quarter for organic growth.



Partnership Activity

February 8th – February 12th



Global Payments and Google Form Strategic Partnership to Reimagine Digital Payments

[BusinessWire](#) | February 8th, 2021

Global Payments Inc. and Google today (Feb. 8th) announced an expansive multi-year partnership to deliver innovative cloud-based products and capabilities, enabling best-in-class digital merchant customer experiences worldwide. As part of the partnership, Global Payments will migrate its merchant acquiring technology to Google Cloud, and will provide merchant acquiring services to Google to extend its global market reach.



Realtime Electronic Payments

REPAY Expands B2B Payments Footprint with PN3 Solutions Partnership

[BusinessWire](#) | February 11th, 2021

Repay Holdings Corporation (“REPAY”), a leading provider of vertically-integrated payment solutions, today (Feb. 11th) announced a technology integration with PN3 Solutions, a paperless B2B accounts payable (AP) authorization and automation software provider. Through the partnership, PN3’s business customers will gain the ability to automate outbound payments through the use of virtual card or ACH to their vendors – adding seamless, fully integrated payments capabilities to its procurement and AP workstreams.

Other Notable Partnerships:

- **TransferGo** partners with **Thought Machine** for global expansion into new markets.
- **I2c Inc** announces the partnerships with **Archa**, **Community Bank of the Chesapeake (CBTC)**, and **Credit Sesame**.
- **Spreedly** partners with **Visa** to accelerate network tokenization in Latin America.
- **JCB** partners with **Worldline** to expand its contactless solutions in Europe.



Management Changes

February 8th – February 12th



PaySimple Brings On Former FIS Executive to Serve as VP of Integrated Partnership

PaySimple has announced the appointment of Jamie Chomas to serve as the company's new VP of Integrated Partnerships. Under this new role, Jamie will oversee the company's efforts in serving SaaS providers with integrated payment solutions. Jamie joins PaySimple from FIS, where she served as VP of Growth Strategy.

Date Announced	Company	Personnel	New Position	Previous Position
2/8/2021	PaySimple	Jamie Chomas	<i>VP of Integrated Partnerships</i>	VP, Growth Strategy at FIS
2/9/2021	VizyPay	Dang Saengchanpheng	<i>Director of Fintech Development and Data Analytics</i>	Analytics Consultant at Wells Fargo
2/9/2021	Marqeta	Martha Cummings	<i>Board Member</i>	Executive VP, Head of Compliance Strategy & Operations at Wells Fargo



TSG Payments Index

Q1 2011 – Q4 2020

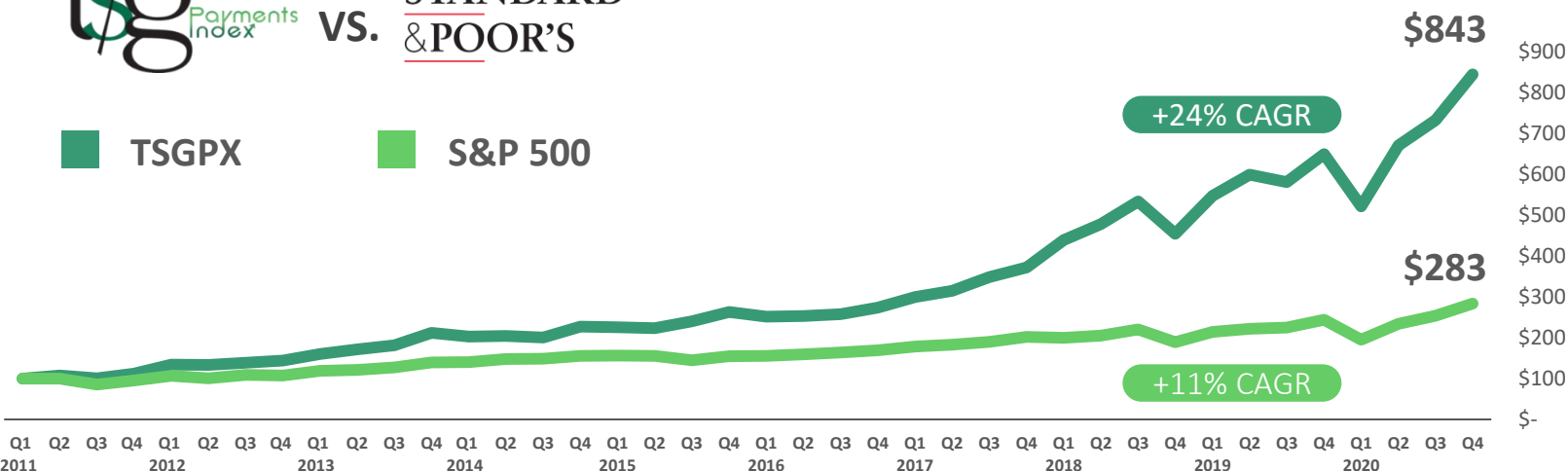
*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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 \$843 in Q4 2020, as compared to \$283, 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



In its
sale to



In the
acquisition of



In the
acquisition of



In the
acquisition of



In its
Merger with



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 the
acquisition of



In acquisition of the
operation assets of



In the
acquisition of



On their joint
venture with





Payments Experts. Powerful Data.
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ANALYTICS + CONSULTING

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