

# TransactionWatch

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

*Week of:*

*February 14<sup>th</sup> – February 18<sup>th</sup>*

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# Deal Activity Summary

February 14<sup>th</sup> – February 18<sup>th</sup>

## This Week's M&A Overview

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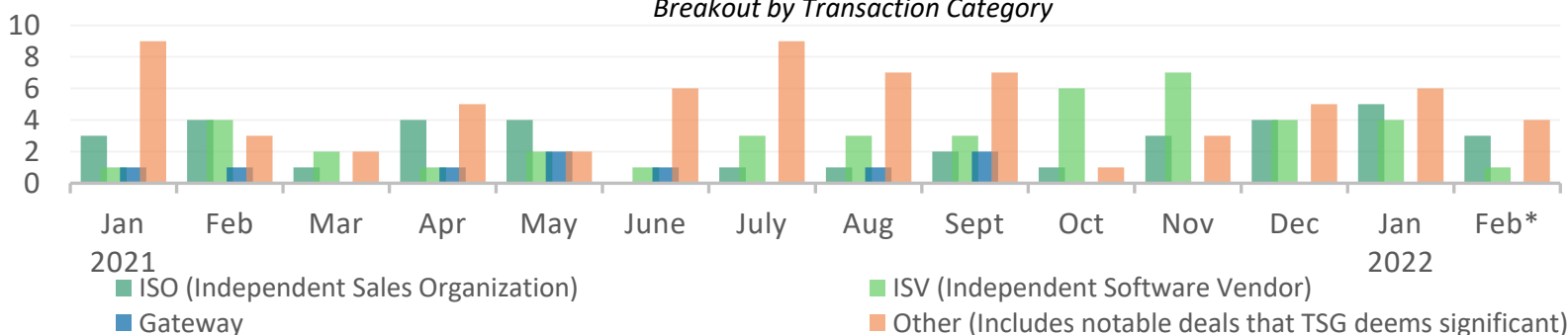
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Another very active week in M&A as releases of deal announcements continue to sweep across the payments industry. To start, FIS has announced their acquisition of Payrix, which aims to further enhance the company's offering of embedded payments for ISVs serving eCommerce SMBs. FIS plans to utilize Payrix's automated underwriting and onboarding capabilities to scale out their eCommerce solutions and improve their development of payment facilitation services for their ISV clients. Separately, DNA Payments is continuing their acquisition streak with their deal to acquire First Payment Merchant Services, an ISO that serves more than 10,000 merchants across the U.K. and handles approximately 400 million transactions per year. This acquisition marks DNA Payments' third deal this year, and their seventh overall.

In other M&A news, BillTrust announced this week their deal to acquire Order2Cash, a B2B platform provider. This acquisition follows BillTrust's recent deal with iController back in October of 2021, which offers a complementary product suite to Order2Cash. These acquisitions are allowing BillTrust to further expand into the European market while also enhancing their Business Payments Network. Lastly, the money transfer services, MoneyGram, has been taken private in a \$1.8 billion all-cash deal with the private equity firm Madison Dearborn Partners. The purchase price represented a premium of approximately 50% of MoneyGram's closing stock price in mid-December.

### 2021 – 2022 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: November 2021 – January 2022*

## 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	DNA Payments	First Payment Merchant Services	-	2/15/2022
ISV	BillTrust	Order2Cash	-	2/15/2022
Other	Madison Dearborn Partners	MoneyGram	\$1,800	2/15/2022
Other	FIS	Payrix	-	2/14/2022
ISO	DNA Payments	Card Cutters	-	2/9/2022
Other	Fiserv	Finxact	\$650	2/7/2022
ISO	Paylance	Secure Payment Systems	-	2/2/2022
Other	DNA Payments	Kwalitas	-	2/1/2022
ISV	Trust Payments	WonderLane	-	1/31/2022
ISO	Till Payments	ZIPs	-	1/27/2022
ISO	Paystone	Canadian Payment Services	-	1/26/2022



# Historical M&A Tracker

Transaction History: November 2021 – January 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	JP Morgan	Viva Wallet	- (49% stake)	1/25/2022
Other	Stripe	BBPOS	-	1/21/2022
Other	Plaid	Cognito	\$250	1/20/2022
Other	Paya	VelocIT	-	1/19/2022
ISO	Celero Commerce	OMEGA Technology	-	1/18/2022
ISV	NMI	IRIS CRM	-	1/18/2022
ISO	Payroc	East Commerce	-	1/13/2022
ISV	Foodics	POSRocket	-	1/10/2022
ISV	PayFacto	iShopFood	-	1/6/2022
Other	VeriCheck	ACHWorks	-	1/6/2022
ISO	Corsair	Aurora Payments	- (Majority Stake)	1/4/2022
Other	REPAY	Payix	\$115	1/3/2022
ISV	Mastercard	Dynamic Yield	-	12/21/2021
Other	Thoma Bravo	Bottomline Technologies	\$2,600	12/17/2021
ISO	EVO Payments	National Bank of Greece (51% stake in Merchant Acquiring Unit)	\$180	12/16/2021
ISV	Flywire	WPM Education	-	12/15/2021
ISO	Celero Commerce	Everest Payment Solutions	-	12/14/2021



# Historical M&A Tracker

Transaction History: November 2021 – January 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Mercado Libre	Redelcom	-	12/13/2021
ISV	North Mountain Merger Corp.	Corcentric	\$1,200	12/10/2021
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
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





## Headline News

February 14<sup>th</sup> – February 18<sup>th</sup>

### ACI Worldwide

#### **ACI Worldwide Launches Innovative Global BNPL Solution With Access to 70+ BNPL Lenders via Single Integration**

[ACI Worldwide Press Release](#) | February 15<sup>th</sup>, 2022

ACI Worldwide, a leading global provider of real-time digital payment software, today (Feb. 15<sup>th</sup>) announced ACI PayAfter™, a new solution that enables merchants globally to provide their customers with a choice of more than 70 BNPL options through a single integration. The innovative user interface enhances acceptance rates and serves a broader base of customers traditionally overlooked, boosting merchant sales worldwide.



#### **Circle Valued at \$9B in New Transaction Terms Agreed with Concord Acquisition Corp**

[PR Newswire](#) | February 17<sup>th</sup>, 2022

Circle Internet Financial, a global internet finance firm that provides internet-based payments and financial infrastructure to businesses of all sizes and is the issuer of USD Coin (USDC), announced today (Feb. 17<sup>th</sup>) that it has terminated its existing business combination and agreed to new transaction terms with Concord Acquisition Corp (NYSE:CND), a publicly traded special purpose acquisition company. The new agreement sets Circle's enterprise value at \$9 billion, increased from the \$4.5 billion originally announced in July 2021.



#### **Afterpay "Buy Now, Pay Later" Now Available**

[Square Press Release](#) | February 16<sup>th</sup>, 2022

We're excited to announce that Square now offers the ability for developers and partners to integrate Afterpay into their online checkout flow through the Square Web Payments SDK. Afterpay is a global leader in the buy now, pay later (BNPL) space with more than 20M customers signed up in North America and nearly 100K businesses accepting it globally.



## Partnership Activity

February 14<sup>th</sup> – February 18<sup>th</sup>



### Amazon Strikes Agreement With Visa on Payment Fees

[Yahoo! Finance](#) | February 17<sup>th</sup>, 2022

Amazon.com Inc. has agreed to accept Visa Inc.'s cards across its global network, settling a feud that threatened to damage the financial giant's business and disrupt e-commerce payments. The agreement, announced by both companies, resolves a dispute that at one point spurred Amazon to consider a ban on U.K.-issued Visa credit cards. The retailer said it will no longer charge customers who use Visa cards on its site in Singapore and Australia an extra fee, and won't turn off Visa credit cards from amazon.co.uk.



### Marqeta Partners with Plaid, Bringing Together Seamless ACH Payments With the Power of Modern Card Issuing

[BusinessWire](#) | February 15<sup>th</sup>, 2022

Marqeta, the global modern card issuing platform, today (Feb. 15<sup>th</sup>) announced a partnership with Plaid, a data network that powers the tools millions of people rely on to live healthier financial lives, to simplify ACH transfers, enabling customers to seamlessly and securely authenticate their bank accounts and fund their accounts to power more immediate spending.

### Other Notable Partnerships:

- **I2c** partners with **KARTY** to launch a digital prepaid mobile wallet in the country of Qatar.
- **JAGGAER** partners with **Finexio** to optimize their B2B payments experience.
- **U.S. Bank** teams up with **Payactiv** to offer their clients improved earned wage access (EWA).
- **Elevate** partners with **Visa** to implement Visa Direct through their platform.
- **GreenBox POS** forms a licensing partnership with **Cross River Bank** to launch their first Banking-as-a-Service initiative.





# Management Changes

February 14<sup>th</sup> – February 18<sup>th</sup>



**Rachel McShane**



**Megan Oxman**

**Paysafe**

## Paysafe Appoints Rachel McShane and Megan Oxman To Expand Their Digital Wallets Team

Paysafe announced this week the appointments of Rachel McShane and Megan Oxman to the company's digital wallets division. McShane joins as Paysafe's CFO of the division, while Oxman takes the newly created role of SVP of New Product Development.

Date Announced	Company	Personnel	New Position	Previous Position
2/15/2022	Chargebacks911	<b>Robert Hoover</b>	<i>VP of Business Development</i>	Strategic Account Executive at Forter
2/15/2022	Paysafe	<b>Rachel McShane</b>	<i>CFO, Digital Wallets Division</i>	Finance Director of Transaction Banking at Barclays
2/15/2022	Paysafe	<b>Megan Oxman</b>	<i>SVP of New Product Development</i>	Principal Product Manager, Payments Acceptance & Experience at Amazon
2/16/2022	Payroc	<b>Henry Helgeson</b>	<i>Board of Managers</i>	Former CEO and Founder of Cayan



# 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.

