

TransactionWatch

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

*Week of:
February 1st – February 5th*

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Deal Activity Summary

February 1st – February 5th

This Week's M&A Overview

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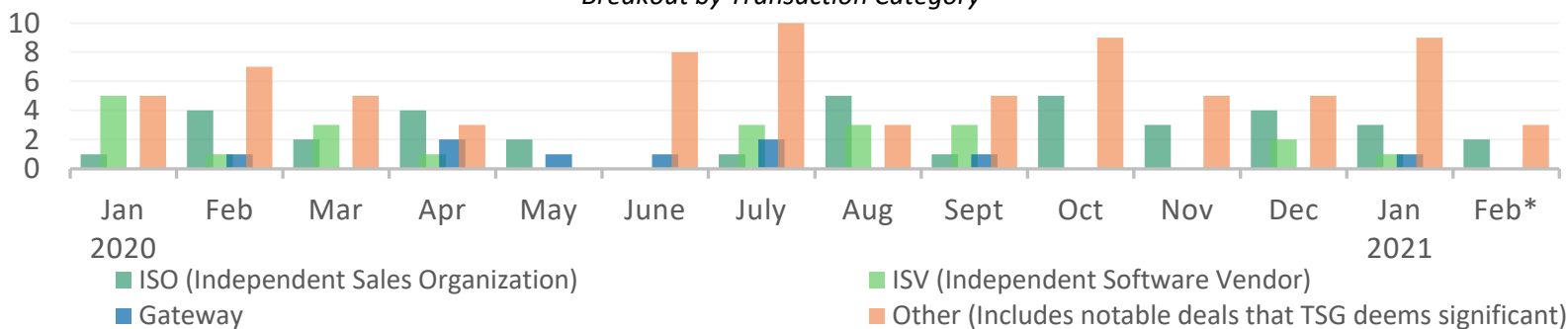
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SPACs are continuing to seek opportunities in the merchant acquiring industry as they gain increased traction among payment providers. Following last week's speculation, Payoneer announced this Wednesday (Feb. 3rd) their merger with FTAC Olympus Acquisition Corp. This deal valued the enterprise at approximately \$3.3 billion, representing a 7.6x multiple of its 2021 expected revenue. Upon closing, the combined company will be rebranded as Payoneer Global Inc, and will be a publicly listed entity in the U.S.

Separately, CORE Business Technologies has acquired the Utah-based payment facilitator Secure Instant Payments (SIP) as well as eGov Strategies for an undisclosed sum. With these two acquisitions, CORE is able to further enhance its technology offerings catered towards its government clientele. Unconnectedly, CURO has announced its intentions to acquire the Canadian buy now, pay later lender, Flexiti, for a total consideration of \$121 million, of which \$85 million will be paid at closing. Lastly, SumUp announced its acquisition of Paysolut, a Lithuanian-based core banking system provider. SumUp and Paysolut have worked together over the past two years across Europe, making this acquisition a natural fit. SumUp plans to run Paysolut's business as usual, with no immediate changes to the daily operations.

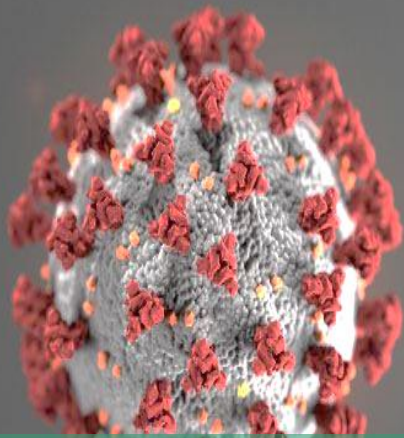
2020 – 2021 YTD M&A Activity

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 1st – February 5th

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.

Don't Bank on Covid-19 Killing Off Cash Just Yet

[The Wall Street Journal](#) | January 31st, 2021

Peter Coffey, an advertising copywriter, has used cash just once since the Covid-19 pandemic started—to buy a used car. When the health crisis began, he set up his smartphone's tap-to-pay function with a credit card. "Some places weren't accepting cash. I just got into the habit of never even thinking about cash," he said.

In Covid's Wake, Consumers—And Now Businesses—Are Lining up for P2P Payments

[Digital Transactions](#) | February 2nd, 2021

Much attention in the payments industry has focused on how the coronavirus pandemic has boosted contactless technology in stores, but it's also leading more consumers and now businesses to adopt peer-to-peer payments networks, as well.

Government Aid Expected To Spur Economy To Pre-COVID Peak In Mid-2021

[PYMNTS](#) | February 1st, 2021

A new report predicts the U.S. economy and jobs market will take years to recover from the coronavirus economic crash. However, gross domestic product (GDP) will return to pre-COVID levels, in part due to government stimulus packages, by mid-2021. The bipartisan Congressional Budget Office (CBO) said December's \$900 billion relief bill alone would add about 1.5 percent to the level of GDP this year and next. The recovery is due in part to the overall surge of relief spending Congress authorized in 2020, including aid for households and businesses.

Economy added 49,000 jobs in January amid COVID-19 surges as unemployment fell sharply to 6.3%

[USA Today](#) | February 5th, 2021

The U.S. economy added a modest 49,000 jobs in January as surges in COVID-19 cases persisted but related business restrictions eased somewhat, kicking off a year that's expected to bring a pickup in hiring as more Americans are vaccinated. The unemployment rate, which is calculated from a different survey, fell from 6.7% to 6.3%, mostly because of a big drop in the number of Americans working or looking for jobs, the Labor Department said Friday (Feb. 5th).



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
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
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



Historical M&A Tracker

Transaction History: November 2020 – January 2021

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



Historical M&A Tracker

Transaction History: November 2020 – January 2021

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



Headline News

February 1st – February 5th



Visa Introduces AI-Powered Innovations for Smarter Payments

[Visa Newsroom](#) | [February 2nd, 2021](#)

Visa Inc. today (Feb. 2nd) announced VisaNet +AI, a suite of AI-powered services that address long-standing challenges and pain points for banks, merchants and consumers—including delays and confusion with managing account balances and the unpredictability of daily settlement for financial institutions. VisaNet +AI comprises several innovative concepts and new value-added services, including Visa Smarter Posting and Visa Smarter Settlement Forecast, as well as Visa Smarter Stand-In Processing (Smarter STIP), a capability announced in August of last year.



Bank Of America Rolls Out Plaid Data Integration

[Forbes](#) | [February 3rd, 2021](#)

At a time when many U.S. banks can't decide if they should be a customer, an investor, a partner, or just sue them, Plaid is the topic of many conversations within bank and fintech circles. The company is also fresh off the heels of pulling away from a merger with Visa, and seemingly energized with a renewed sense of purpose and market opportunity. Like many of the largest U.S. banks, Bank of America has been silent when it comes to Plaid and their public position on the company. However, recent enhancements to the bank's online banking and alerts suggest that Bank of America is now working with Plaid through a data sharing agreement.



Ant Reaches Agreement With China Regulators on Overhaul

[Yahoo! Finance](#) | [February 3rd, 2021](#)

Ant Group Co. and Chinese regulators have agreed on a restructuring plan that will turn Jack Ma's fintech giant into a financial holding company, making it subject to capital requirements similar to those for banks. The plan calls for putting all of Ant's businesses into the holding company, including its technology offerings in areas such as blockchain and food delivery, people familiar with the matter said.



Partnership Activity

February 1st – February 5th



Jack Henry Expands Relationship with Salesforce to Accelerate Connected Experiences for Financial Institutions

[PR Newswire](#) | February 2nd, 2021

Jack Henry & Associates, Inc., a leading provider of technology solutions and payment processing services primarily for the financial services industry, and Salesforce, the global leader in CRM, today (Feb. 2nd) announced an expanded relationship focused on providing Jack Henry a 360-degree view of its customers to deliver more connected and personalized experiences.



VEON and Mastercard Enter Into Global Partnership To Boost Digital Financial Services

[PR Newswire](#) | February 3rd, 2021

VEON Ltd., a leading global provider of connectivity and digital services, announces a strategic global partnership with payment technology leader Mastercard to boost digital financial services in key markets. The partnership, covering core portions of VEON's footprint (Russia, Pakistan, Ukraine, Kazakhstan and Bangladesh), will allow VEON to further scale its digital financial services business by offering consumers and merchants in these countries best-in-class products tailored to their needs.

Other Notable Partnerships:

- **American Express** and **Resy** partner to launch the Order In, Help Out national campaign to encourage restaurant sales.
- **Innovative Payment Solutions** partners with **Golden Money Transfer** for market expansion into Mexico.
- **PayShield** teams up with **Verifi** for fraud protection capabilities for its 'Express Resolve' chargeback solution.
- **Computer Services, Inc.** partners with **Autobooks** for small business payments and accounting.
- **Revel Systems** partners with **Delphi Display Systems** on enhanced drive-thru solutions.
- **Visa** teams up with **First Boulevard** to pilot its new suite of crypto APIs.



Management Changes

February 1st – February 5th



Checkout.com Expands Executive Team With The Appointment Of Ott Kaukver And Nick Worswick

Checkout.com announced this week the appointment of two key strategic hires. The company has brought on Ott Kaukver to serve as its Chief Technology Officer and Nick Worswick to serve as Chief Revenue Officer. With these two new appointments, Checkout.com is seeking to further expand its global footprint by strengthening its presence in North America and bringing its solutions to the Asia Pacific market.



Date Announced	Company	Personnel	New Position	Previous Position
2/2/2021	Checkout.com	Ott Kaukver	<i>Chief Technology Officer</i>	CTO at Twilio
2/2/2021	Checkout.com	Nick Worswick	<i>Chief Revenue Officer</i>	Chief Sales Officer at WeWork
2/2/2021	ClearCourse	Mark Roberts	<i>Divisional Director of the Payments Division</i>	CEO of 123 Send, a division of DNA Payments Group
2/4/2021	Bill.com	Steve Fisher	<i>Board Member</i>	Senior VP and CTO at eBay
2/4/2021	Green Dot Corp.	Gyorgy Tomso	<i>Chief Technology Officer</i>	Chief Operating Officer at PayU
2/5/2021	Barclaycard Payments	Harshna Cayley	<i>MD, Head of Product Gateway</i>	SVP, Head of Gateway Product at Worldpay



TSG Payments Index

Q1 2011 – Q4 2020

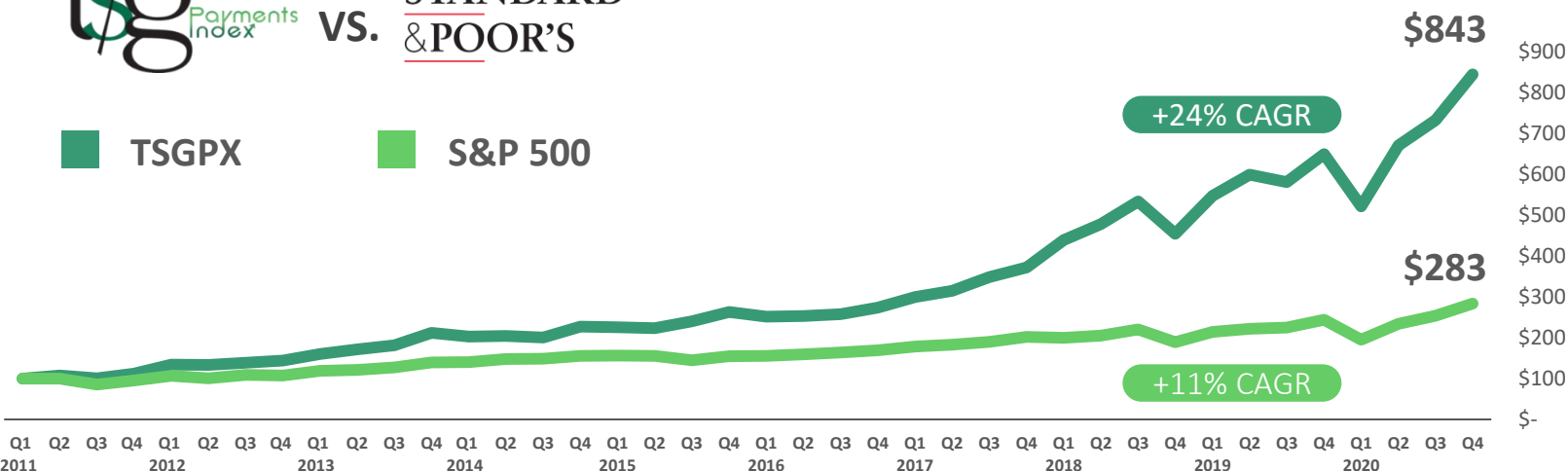
*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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.
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.

