

# TransactionWatch

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

*Week of:  
March 8<sup>th</sup> – March 12<sup>th</sup>*

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# Deal Activity Summary

March 8<sup>th</sup> – March 12<sup>th</sup>

## This Week's M&A Overview

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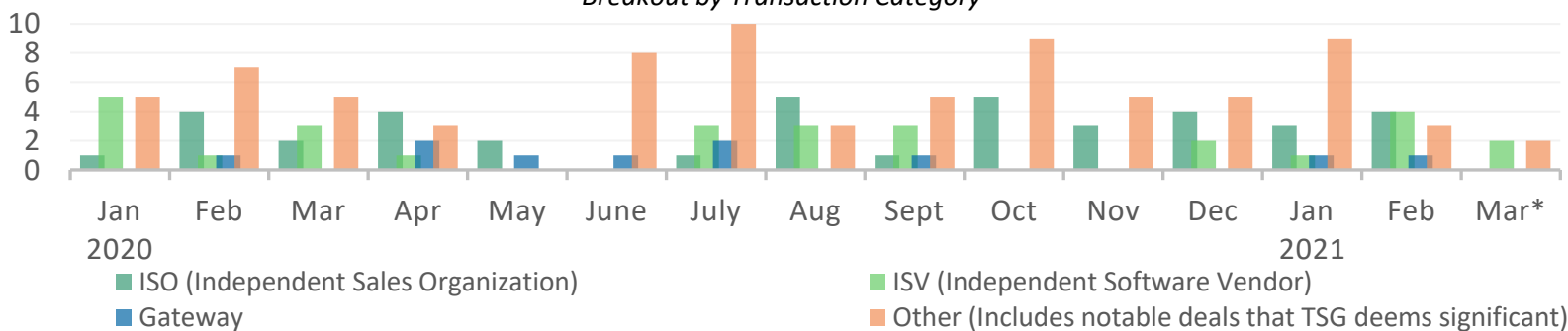
[TSG Buy/Sell Services](#)

Momentum continues to make way in the merchant acquiring industry as a few notable transactions were announced this past week. First off, Priority Technology announced its intention to acquire Finxera, a leading Banking-as-a-Service (BAAS) platform. The acquisition was paid with \$375 million in cash and \$50 million in stock, for a total consideration of \$425 million. Following the transaction, the combined company is expected to bring in approximately \$540 million in full year 2021 revenue and \$130 million in Adjusted EBITDA. Finxera will operate as a wholly owned subsidiary of Priority Technology, and the transaction is expected to close in the third quarter of this year.

In other M&A news, following last week's speculation, PayPal announced this week its acquisition of Curv, a digital currency storage firm founded in 2018. This acquisition follows suite to PayPal's commitment last year to help bring further growth and innovation to the cryptocurrency marketplace. Terms of the deal were not disclosed. This acquisition is expected to close in the first half of this year. Lastly, Lightspeed POS announced their \$350 million acquisition of Vend, a complementary POS provider. With this purchase, Lightspeed will double their customer base in the Asia-Pacific region, and will now serve a total of 135,000 merchant locations worldwide.

## 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

March 8<sup>th</sup> – March 12<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.**

## **How the Pandemic Helped Drive a Startling Increase in Identity Theft Losses**

[Digital Transactions](#) | March 9<sup>th</sup>, 2021

*Some 47% of U.S. adults have reported identity theft over the past two years, while the fraud's toll ballooned to \$712.4 billion in 2020, up 42% from 2019, according to a report released Tuesday by Aite Group, a Boston-based research and consulting firm, and sponsored by Giact, an Allen, Texas-based financial-services security firm.*

## **Q4 Retail Roundup: Digital Sales Growth Slows, Stores Play Critical Role**

[PYMNTS](#) | March 9<sup>th</sup>, 2021

*Following a quarter — and year — in which digital retail sales and alternative order fulfillment options like curbside pickup and BOPIS (buy online, pick up in-store) surged, retailers of all sizes and styles are understandably looking to grow those practices again in 2021, but will be facing tougher comparisons as the year progresses.*

## **ACH Network Prepared to Deliver Economic Impact Payments to Americans Via Direct Deposit**

[Nacha News](#) | March 11<sup>th</sup>, 2021

*President Biden has signed into law the American Rescue Plan Act, which provides for direct payments to many Americans. These payments will largely be delivered electronically by Direct Deposit over the ACH Network. Following is a statement from Jane Larimer, President and CEO of Nacha, the organization that governs the ACH Network.*

## **Covid-19 Stimulus Package Is a Boon for Business**

[The Wall Street Journal](#) | March 11<sup>th</sup>, 2021

*American businesses are poised to benefit from twin victories in the \$1.9 trillion Covid-19 relief package, which gives consumers more money to spend but doesn't force companies to raise workers' wages. The legislation, signed into law by President Biden Thursday (March 11<sup>th</sup>) afternoon, includes \$1,400 checks to many Americans and an extension of a \$300 weekly unemployment-aid supplement.*





# 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 2020 – February 2021

## Transaction Categories:



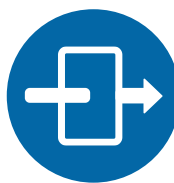
**ISO**

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	Lightspeed POS	Vend	\$350	3/11/2021
Other	PayPal	Curv	-	3/8/2021
Other	Priority Technologies	Finxera	\$425	3/8/2021
ISV	Shift4 Payments	VenueNext	\$72	3/4/2021
ISO	Clearent	Transaction Services Group (TSG)	-	2/25/2021
Gateway	NMI	USAePay	-	2/23/2021
ISV	Corcentric	Vendorin	\$100	2/16/2021
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



# Historical M&A Tracker

Transaction History: November 2020 – February 2021

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
ISO	Pineapple Payments	1 <sup>st</sup> 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





# Historical M&A Tracker

Transaction History: November 2020 – February 2021

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



## Headline News

March 8<sup>th</sup> – March 12<sup>th</sup>

### JPMORGAN CHASE & CO.

#### ***JPMorgan to wind down digital wallet Chase Pay***

[Reuters](#) | [March 9<sup>th</sup>, 2021](#)

JPMorgan Chase & Co will discontinue its Chase Pay digital wallet at the end of the month, according to a notice on the bank's website. The option to pay through Chase Pay will be removed from all merchant apps and websites, the notice said, adding that customers could instead link their Chase credit cards to their preferred shopping sites or apps and to PayPal accounts.



#### ***CURO Completes Acquisition of Flexiti***

[BusinessWire](#) | [March 10<sup>th</sup>, 2021](#)

CURO Group Holdings Corp., a market leader in providing credit to non-prime consumers, today (March 10<sup>th</sup>) announced that it has completed the previously announced acquisition of Flexiti Financial, Inc. ("Flexiti"), an emerging growth Canadian point-of-sale ("POS") / buy-now-pay-later ("BNPL") provider. The transaction included cash at closing of \$86 million and contingent consideration of up to \$36 million based on the achievement of risk-adjusted revenue and origination targets over the next two years based upon exchange rates at the time of closing.



#### ***European Commission Greenlights Nexi's Acquisition Of Nets***

[PYMNTS](#) | [March 9<sup>th</sup>, 2021](#)

The European Commission (EC) has granted an unconditional authorization for the \$9.28 billion (€7.8 billion) acquisition of Denmark's Nets by Italy's Nexi, according to an EC press release on Tuesday (March 9<sup>th</sup>). The EC came to the conclusion that the acquisition would not compromise competition. The two rivals offer competing but complementary solutions: Nets specializes in merchant acquiring services, point-of-sale (POS) terminals and card processing and Nexi provides payment services for merchants, cardholders and banks.





## Partnership Activity

March 8<sup>th</sup> – March 12<sup>th</sup>

### Paysafe:

#### Paysafe accelerates delivery of cloud strategy using Microsoft Azure

[Paysafe Press Release](#) | [March 8<sup>th</sup>, 2021](#)

Leading specialized payments platform, Paysafe, announces today a new multi-year, global deal which will see Microsoft support Paysafe's strategic move to cloud-based transaction services. As part of the collaboration, Paysafe is leveraging Microsoft Azure's open and flexible cloud computing platform and tools for its US payment processing and merchant services. This will enable more agile delivery methods and establish a scalable global cloud footprint for Paysafe's Card Present transaction systems.

### Payoneer®

#### Payoneer Selects Mastercard to Offer Digital Solutions to Small and Mid-Sized Businesses

[BusinessWire](#) | [March 10<sup>th</sup>, 2021](#)

Payoneer Inc., the global payment and commerce-enabling platform which powers growth for millions of digital businesses worldwide, today (March 10<sup>th</sup>) announced a multifaceted relationship with Mastercard. Beginning with the Payoneer Digital Purchasing Mastercard, tailor-made for SMBs, eCommerce sellers and freelancers worldwide, Payoneer and Mastercard will work closely to better meet the needs of the B2B market.

#### Other Notable Partnerships:

- **Ripple** announced it will end its partnership with **MoneyGram** as it faces litigation with the Securities and Exchange Commission.
- **BigCommerce** has teamed up with the Buy Now, Pay Later (BNPL) provider, **Zip**, for expanded payment options at checkout.
- **MerchantE** has partnered with **UnionPay** to help boost UnionPay's approval rates for debit card transactions in the United States.



## Management Changes

March 8<sup>th</sup> – March 12<sup>th</sup>



DWOLLA

### Dwolla Brings On Former Mastercard Executive, Dave Glaser, To Serve As The Company's New President and COO

Dwolla announced this week the appointment of Dave Glaser to serve as the company's new President and COO. Dave will join Dwolla from Mastercard, where he has served as Senior Vice President of Global Acceptance Solutions for the past couple years. Prior to Mastercard, Dave has held executive positions at Worldpay (now FIS), Visa, and CyberSource.

Date Announced	Company	Personnel	New Position	Previous Position
3/9/2021	Dwolla	<b>Dave Glaser</b>	<i>President and COO</i>	Senior VP of Global Acceptance Solutions at Mastercard
3/10/2021	Exact Payments	<b>Ravi Rajamiyer</b>	<i>Chief Technology Officer</i>	Director of Engineering at PayPal



# TSG Payments Index

Q1 2011 – Q4 2020

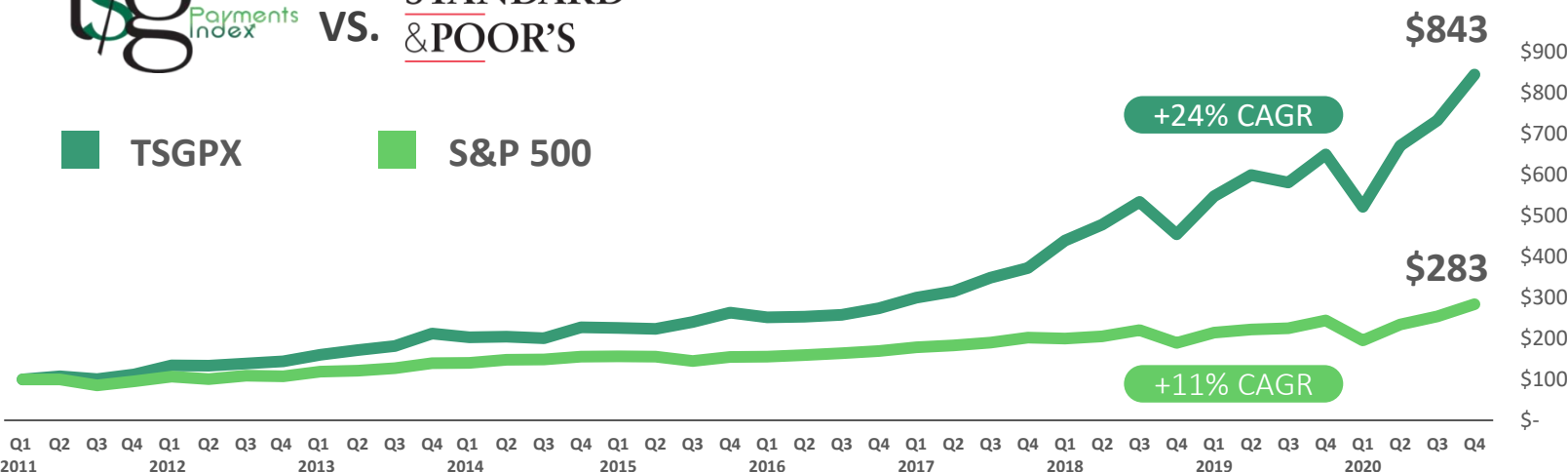
\*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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.

