

TransactionWatch

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

*Week of:
March 15th – March 19th*

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Deal Activity Summary

March 15th – March 19th

This Week's M&A Overview

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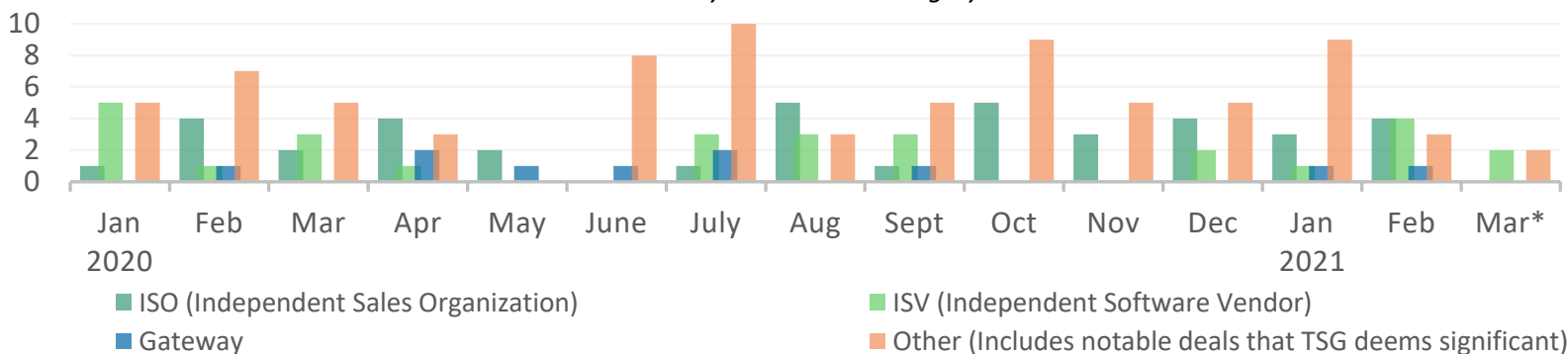
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Activity continues to spur in the merchant acquiring industry as several payment entities seek growth through the public market as well as private funding. To start, Stripe announced early in the week their latest funding round, which pulled in \$600 million and brought their valuation to \$95 billion. Stripe intends to use this funding to help expand their presence in Europe, as well as to further develop their global payments and treasury network. Speculation in the market continues to swirl around a potential IPO in the future, however, Stripe is staying quite on that matter and focusing on their global efforts on increasing commerce taking place online.

In other related news, SumUp announced this week they have secured approximately \$895 million in debt financing as they seek to continue expanding their business, potentially through acquisitions. With this financing, SumUp will look to launch in new markets in Europe, Latin America, and Asia. Additionally, the company recently acquired Paysolut earlier this year, which helped allow them to grow in Lithuanian. Lastly, the Swedish payments startup Trustly is reportedly exploring a potential IPO, which could value the company at more than \$11 billion.

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 15th – March 19th

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.

After One Year of COVID-19, New Square Data Reveals the Share of Cashless Businesses Has More Than Doubled

[BusinessWire](#) | [March 16th, 2021](#)

Today (March 16th), Square, Inc. (SQ) released a new report highlighting the impact of COVID-19 on global commerce and payments behavior. One year after the onset of the pandemic, the steady increase in cashless adoption rates and online and contactless payments demonstrates a renewed preference toward digitization among business owners and consumers.

U.S. Banks Will Turn Last Year's Fear Into This Year's Profits

[The Wall Street Journal](#) | [March 15th, 2021](#)

U.S. banks are sitting on a pile of cash that could turn into billions of dollars of profits. In the coming months, banks are expected to free up tens of billions of dollars in reserves they set aside to cover soured loans—losses that still haven't materialized a year into a pandemic that shut down swaths of the U.S. economy.

Post-Covid, Look for a Take-off in In-Store Volume, Led by Innovative Payment Technology

[Digital Transactions](#) | [March 18th, 2021](#)

With global economies expected to re-open as more consumers receive Covid-19 vaccinations, in-store retail spending will hit \$22.8 trillion worldwide in 2022. That's after in-store sales fell 7% in 2020 as many consumers shifted purchases online. The projection comes from London-based Kaleido Intelligence Ltd.

How Covid-19 changed the UK's relationship with cash

[Finextra](#) | [March 17th, 2021](#)

Today (March 17th), almost 12 months since the UK Government announced the first national Covid-19 lockdown, LINK, the UK's main ATM cash machine network, has published data showing how our use and relationship with cash has changed through the pandemic. Throughout 2020 and into 2021, LINK has regularly conducted polling to understand consumers' response to the coronavirus crisis.



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 – 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 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



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 15th – March 19th



Mastercard, Visa to delay raising card fees until April next year

[Reuters](#) | [March 16th, 2021](#)

Mastercard Inc and Visa Inc on Tuesday (March 16th) postponed plans to raise the fees U.S. merchants pay when customers use cards online until April next year, as businesses continue to struggle during the COVID-19 pandemic. “Mindful that some merchants are still facing unprecedented circumstances...we are delaying our previously announced interchange adjustments in the U.S. until April 2022,” Mastercard said.



Stripe has raised a new round of funding to accelerate momentum in Europe and reinforce enterprise leadership

[Stripe Newsroom](#) | [March 14th, 2021](#)

Stripe, which builds economic infrastructure for the internet, has raised a \$600 million (€500 million) funding round at a \$95B (€80B) valuation. Primary investors include Allianz X, Axa, Baillie Gifford, Fidelity Management & Research Company, Sequoia Capital, and Ireland’s National Treasury Management Agency (NTMA). The company will use the capital to invest in its European operations, and its Dublin headquarters in particular, support surging demand from enterprise heavyweights across Europe, and expand its Global Payments and Treasury Network.



sumup

SumUp raises \$895M in debt to double down on its B2C payments business

[TechCrunch](#) | [March 16th, 2021](#)

SumUp, a London-based startup that helps businesses power revenues through card payments — by way of physical readers, online payments, invoices and other services — is itself powering up in a big way. Today (March 16th) it announced financing totalling €750 million (around \$895 million at today’s rates), money that it will be using to continue expanding its business — specifically, for acquisitions; to launch in new markets in Europe, Latin America and Asia; and to build out the suite of services that it provides to businesses.



Partnership Activity

March 15th – March 19th



Flutterwave and PayPal collaborate to allow African merchants to accept and make payments

[TechCrunch](#) | March 16th, 2021

It is nearly impossible for businesses in some African countries to receive money from PayPal. While the payments giant has not given reasons why this is so, speculation hints at factors like insufficient regulation and poor banking security in said countries. That might be a thing of the past for some businesses, as African payments company Flutterwave today (March 16th) is announcing a collaboration with PayPal to allow PayPal customers globally to pay African merchants through its “Pay with PayPal” feature.



Global Payments Signs Multi-Year Payments Agreement with UMB Bank

[BusinessWire](#) | March 18th, 2021

Global Payments Inc., a leading worldwide provider of payment technology and software solutions, today (March 18th) announced that TSYS, its Issuer Solutions business, has signed a multi-year agreement with UMB Bank, a subsidiary of UMB Financial Corporation. Under the agreement, TSYS will provide a range of processing and support services for UMB Bank’s consumer and commercial credit, debit and healthcare card portfolios.

Other Notable Partnerships:

- **BrightFi** partners with **i2c Inc.** on mobile financial services for underbanked and unbanked consumers.
- **Invoiced** teams up with **Mastercard** on new reconciliation services for small businesses.



Management Changes

March 15th – March 19th



Opera Names Former PayPal Veteran, Allen Hu, To Serve As The Company's New Executive VP of Dify, Opera's Fintech Arm

The online web browser, Opera, announced this week their appointment of Allen Hu to serve as the Executive VP of Dify, the fintech arm of the company. Under this new role, Allen will lead the Dify business line as they seek to continue expanding and developing their product offering. Allen joins Opera from PayPal, where he most recently served as Regional Head of Global Core Payments.

Date Announced	Company	Personnel	New Position	Previous Position
3/16/2021	Opera	Allen Hu	Executive VP of Dify, Opera's fintech arm	Regional Head of Global Core Payments at PayPal
3/18/2021	BlueVine	Steve Allocca	COO	President of LendingClub



TSG Payments Index

Q1 2011 – Q4 2020

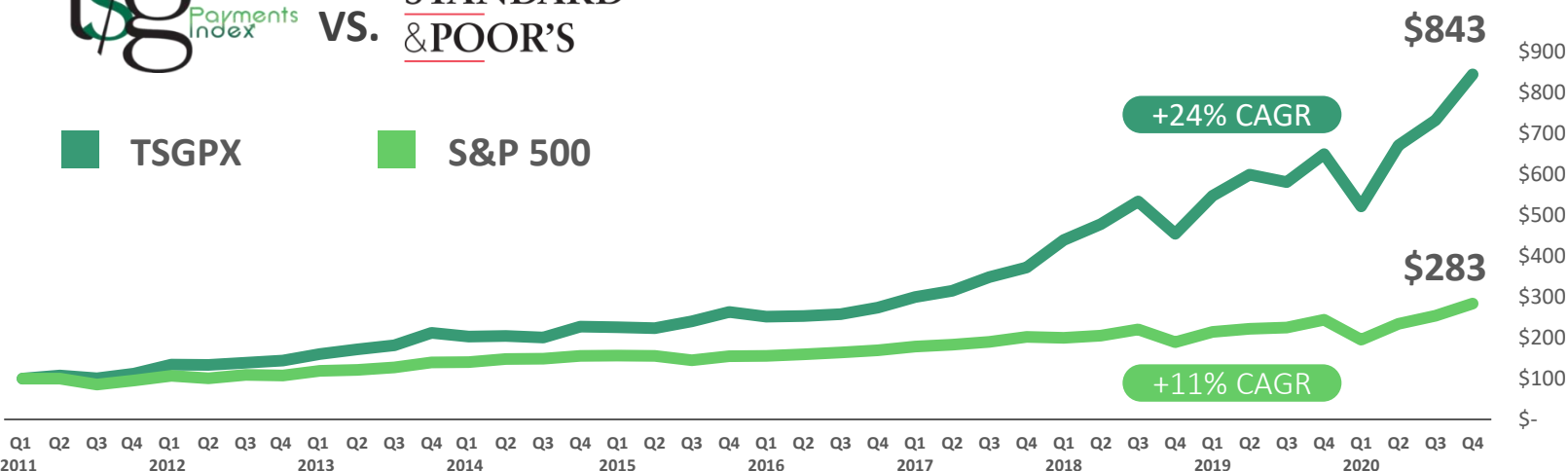
*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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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