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THE STRAWHECKER GROUP

TransactionWatch

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

*Week of:
March 22nd – March 26th*

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Deal Activity Summary

March 22nd – March 26th

This Week's M&A Overview

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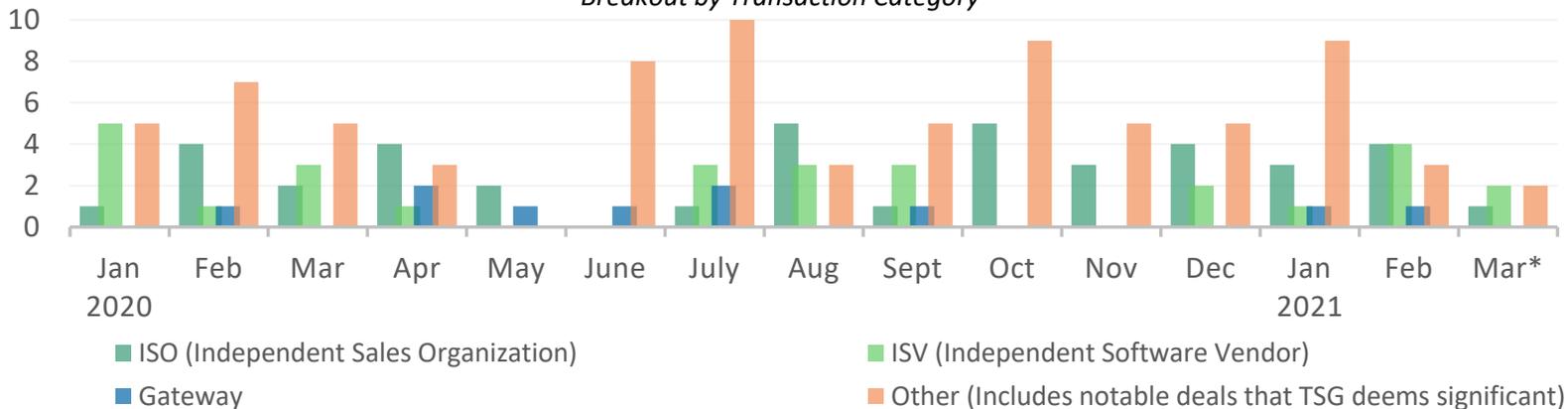
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M&A activity continues to make traction this week in the merchant acquiring industry as Fiserv seeks to streamline innovative payment solutions to its merchant base with their acquisition of Pineapple Payments. This acquisition will help expand their reach of providing their array of payment offerings, including their CoPilot partner program and Clover, through the existing sales channels of Pineapple Payments. Furthermore, Pineapple Payments has an established payment relationship with Fiserv, as this acquisition falls in line with their existing back-end processing support. Terms of this agreement were not disclosed, and it is expected to close in the second quarter of this year.

In other M&A news, the SPAC Foley Transimene Acquisition Corp. II held a special purpose meeting this week, in which stockholders voted and approved the proposed business combination with Paysafe Group. Following the completion of the business combination, the newly combined entity is expected to start trading on the New York Stock Exchange (NYSE) at the end of March.

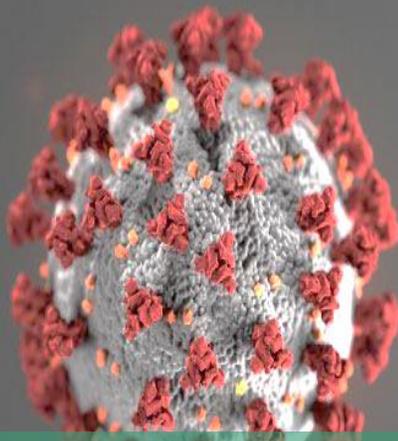
2020 – 2021 YTD M&A Activity

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 22nd – March 26th

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.

One in Five Americans Started Using a New Bank Amid Pandemic, FIS PACE Study Finds

[BusinessWire](#) | [March 23rd, 2021](#)

The COVID-19 pandemic has made consumers in the U.S. more adventurous in trying out new banks, according to a new study from financial technology leader FIS. FIS surveyed more than 1,000 Americans about their banking and financial habits in the past 12 months since the pandemic began. The results showed that 1 in 5 people started using a new banking provider in the past 12 months.

New Square Report Shows Continued Shift Towards Cashless Payments Due To Pandemic, But UK Public Not Ready To Let Go Of Cash Yet

[Square Press Release](#) | [March 23rd, 2021](#)

In the UK, over the past 12 months, the share of Square businesses that are cashless has risen by more than 4x. This time last year only one in 10 UK businesses using Square were cashless, whereas now nearly 5 in 10 are cashless.

New Jobless Claims Close To Pandemic Low

[PYMNTS](#) | [March 25th, 2021](#)

New jobless claims for the week ended March 20th came in at a new pandemic low of 684,000, down 97,000 from the previous week's revised level, according to the weekly report released by the U.S. Bureau of Labor Statistics (BLS) on Thursday (March 25th). The previous week's level was revised up to 781,000 from 770,000.

Consumer Spending Dipped 1% As Winter Storms Raked The US

[ABC News](#) | [March 26th, 2021](#)

Consumers spending and personal incomes both fell sharply in February as severe winter storms disrupted shopping in many parts of the country and the government wrapped up distribution of \$600 relief payments. However, both are expected rebound strongly this month as more people are vaccinated and flush with a second round of pandemic aid, this time in larger, \$1,400 individual payments.



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
ISO	Fiserv	Pineapple Payments	-	3/25/2021
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



Historical M&A Tracker

Transaction History: November 2020 – February 2021

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



Historical M&A Tracker

Transaction History: November 2020 – February 2021

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



Headline News

March 22nd – March 26th



Business payments firm AvidXchange preps for IPO, eyeing \$7 billion valuation

[Reuters](#) | [March 23rd, 2021](#)

AvidXchange Inc has hired investment banks including Goldman Sachs Group to lead preparations for an initial public offering which may value the business payments processor at more than \$7 billion, people familiar with the matter said on Tuesday (March 23rd). Backed by investors including Mastercard Inc and PayPal Holdings Inc co-founder Peter Thiel, AvidXchange provides software that automates payments, invoicing and accounting for small and mid-sized businesses.



Mastercard Battles Return Of \$19 Billion UK Class Action

[Reuters](#) | [March 24th, 2021](#)

A specialist London court will this week re-consider allowing an historic 14 billion pound (\$19 billion) class action against Mastercard to proceed, which could entitle adults in Britain to about 300 pounds each if successful. Former financial ombudsman Walter Merricks, who alleges that Mastercard overcharged more than 46 million people in Britain over nearly 16 years, hopes the Competition Appeal Tribunal (CAT) will certify the case after the UK Supreme Court overruled objections to it proceeding in December.



PPRO Extends Latest Round To \$270M, Adding JPMorgan And Eldridge To Grow Its Localized Payments Platform

[TechCrunch](#) | [March 25th, 2021](#)

In January, localized payments provider PPRO became the latest fintech-as-a-service startup to hit a billion-dollar valuation when it closed \$180 million in funding. As a mark of how payments and e-commerce continue to be major areas of focus in the global economy, today PPRO is extending that round by another \$90 million and adding in two new investors to its cap table.



Partnership Activity

March 22nd – March 26th

DISCOVER

Discover Announces Alliance with Malaysia's PayNet to Expand Worldwide Acceptance

[BusinessWire](#) | [March 22nd, 2021](#)

Discover, a leading digital bank and payments company, and Payments Network Malaysia Sdn Bhd (PayNet), the national payments network and shared central infrastructure for payment services in Malaysia, have signed an agreement that will greatly expand acceptance for Discover, Diners Club International and network alliance cardholders in Malaysia.



Payment Technology Partner

Mastercard Expands Partnership with Nuvei, Facilitating Accelerated Payouts with Mastercard Send

[Globe Newswire](#) | [March 23rd, 2021](#)

Mastercard and Nuvei Corporation announced today (March 23rd) that Mastercard Send will be integrated into Nuvei's payment technology platform through its wholly owned subsidiary. The move strengthens the relationship between the two parties and provides a powerful new tool to Nuvei clients.

Other Notable Partnerships:

- **SignaPay** partners with **Valor PayTech** on providing their ISO partners Valor's countertop, handheld and pin pad devices.
- **Discover** signs an agreement with **Network International Jordan**, the operator of the Jordanian national switch (JONET), to enable merchant acceptance of Discover cards across the country.
- **Paysafe's Skrill** digital wallet teams up with **Coinbase** to expand its cryptocurrency services to the U.S. market.



Management Changes

March 22nd – March 26th



bill.com

Bill.com Brings On Payments Veteran Rory Byrne To Serve As The Company's Vice President Of Corporate Development

Bill.com announced earlier this week the hiring of Rory Byrne to serve as the company's new Vice President of Corporate Development. Under this new role, Rory will primarily focus on leading the company's M&A efforts. Rory has held several leadership positions throughout his career to date, including roles at Visa, Billtrust, and Yahoo!.

Date Announced	Company	Personnel	New Position	Previous Position
3/22/2021	Newtek Business Services Corp.	David Simon	<i>Chief Operating Officer of Newtek Merchant Services</i>	Senior VP, Global Head of Small Business and Medium Enterprises (SME) at Visa
3/23/2021	Bill.com	Rory Byrne	<i>Vice President of Corporate Development</i>	General Manager, Fintech at Sikka Software



TSG Payments Index

Q1 2011 – Q4 2020

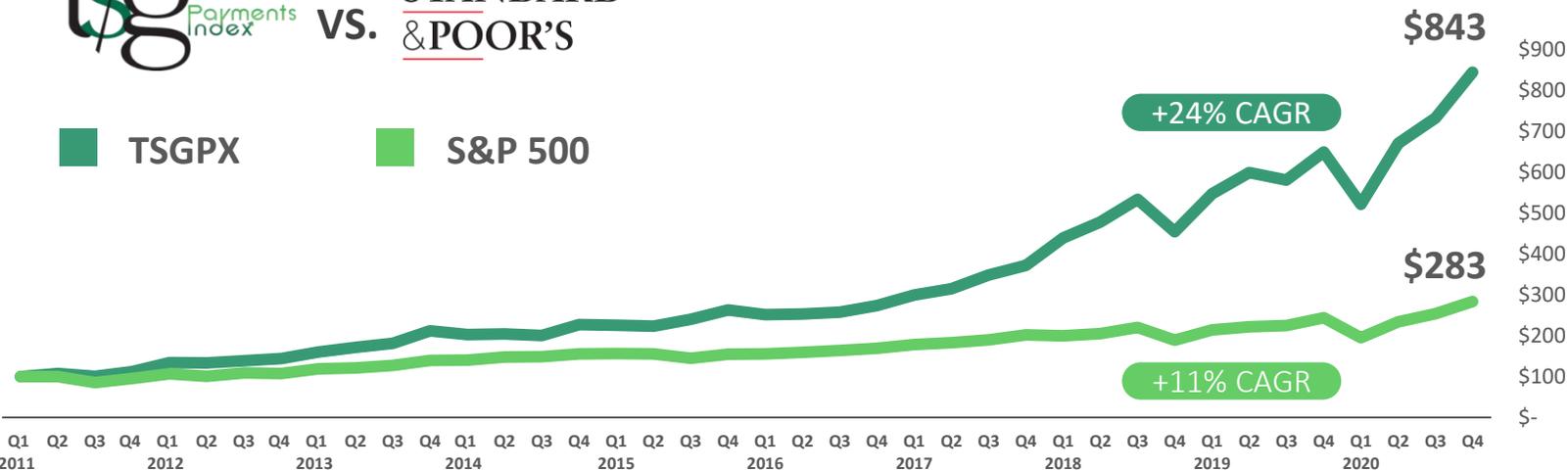
*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic



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


Shift4
 PAYMENTS

In its sale to

 **LIGHTHOUSE**
 NETWORK


 STABILITY IN
 PAYMENTS

In the acquisition of

 **Integrity**


 CLARUS
 MERCHANT SERVICES

In the acquisition of

 **NAMS**


 PARTHENON
 CAPITAL PARTNERS

In the acquisition of

 **NXGEN**
 &  **payScape**


 APPLIED MERCHANT*

In its Merger with

 **BLUE SQUARE**
 RESOLUTIONS


 Terrapin
 Financial Services, LLC

In its sale to

 **BluePay**


 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

 **BregalSagemount**

In due diligence support of its investment into

 **YAPSTONE**
 POWERING PAYMENTS


 THE BEEKMAN GROUP LLC

In its recapitalization of

 **Direct Connect**


 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


 STABILITY IN
 PAYMENTS

In the acquisition of

 **iTransact**


 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.

