

TransactionWatch

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

*Week of:
March 1st – March 5th*

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Deal Activity Summary

March 1st – March 5th

This Week's M&A Overview

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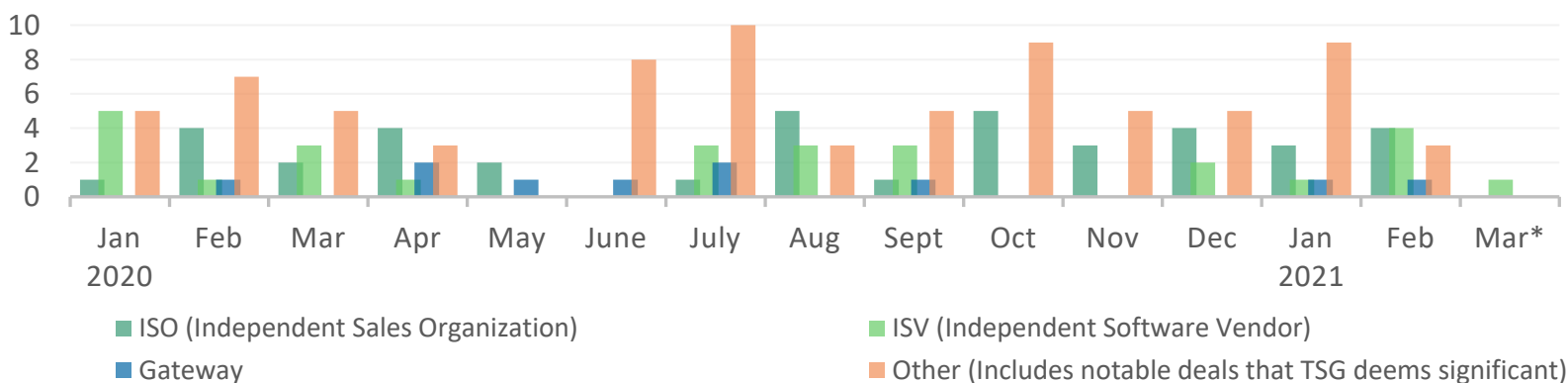
[TSG Buy/Sell Services](#)

The anticipation of a stronger economic year is in full force as some speculate a significant increase for in-store payment volumes with the reopening of businesses and venues. Shift4 Payments is seeking to take advantage of this opportunity with their announcement to acquire the commerce and point-of-sale (POS) provider VenueNext. With this acquisition, Shift4 will be able to further expand into a variety of venue-type verticals such as stadiums, universities, and theme parks which have been largely impacted by COVID-19. However, Shift4 suggests that these verticals will see growth in the coming future and expects that the acquisition of VenueNext will bring \$2.5 to \$3 billion in end-to-end payment volume by 2023. The transaction was paid in cash and stock for a total consideration of \$72 million and closed on March 3rd, 2021.

In other M&A news, PayPal is reportedly bidding to acquire the digital currency storage firm, Curv. News of this broke earlier this week and the talks could still fall apart according to an individual familiar with the matter. Separately, Square announced a majority investment in the music streaming platform, Tidal, in a deal that was valued at \$297 million.

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 1st – March 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.

Square for Restaurants Launches in Canada to Help Recovering Industry

[BusinessWire](#) | [March 4th, 2021](#)

Resilience has been the backbone of the Canadian food and beverage industry in recent months, as it adapts to COVID-19 restrictions. Now, restaurants across Canada can leverage the power of even more Square tools to their advantage and ever-changing needs.

U.S. Businesses Optimistic About Economy Due to Vaccines and Hiring, Fed Beige Book Says

[The Wall Street Journal](#) | [March 3rd, 2021](#)

Most businesses are optimistic about the economic recovery this year as coronavirus vaccines are more widely distributed and hiring picked up slowly across the country, a Federal Reserve report said Wednesday (Mar. 3rd). The Fed's periodic compilation of anecdotes from business contacts, known as the Beige Book, said the U.S. economy continued to grow modestly in the first several weeks of 2021, though some industries, such as leisure and hospitality, continued "to be restrained by ongoing Covid-19 restrictions."

February jobs report: Economy adds 379,000 payrolls, unemployment rate falls to 6.2%

[Yahoo Finance](#) | [March 5th, 2021](#)

The U.S. economy added back the most jobs in four months in February, as easing COVID-19 case counts and a ramping vaccine rollout allowed distancing restrictions to begin to moderate. The unemployment rate also unexpectedly improved during the month.

Mastercard SpendingPulse: U.S. Retail Sales Grow in February Despite Winter Blast

[Mastercard Newsroom](#) | [March 4th, 2021](#)

Despite the inclement weather felt across many parts of the country this February, U.S. retail sales excluding automotive and gasoline increased 4.6% year-over-year when adjusted for Leap Year, according to Mastercard SpendingPulse. Online sales grew 54.7% compared to 2020. Mastercard SpendingPulse measures in-store and online retail sales across all forms of payment.*



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	Shift4 Payments	VenueNext	\$72 million	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
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



Historical M&A Tracker

Transaction History: November 2020 – February 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	NCR	Freshop	-	1/6/2021
Other	AvidXchange	Core Associates	-	1/4/2021
ISV	Thoma Bravo	RealPage	\$10,200	12/21/2020



Historical M&A Tracker

Transaction History: November 2020 – February 2021

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



Headline News

March 1st – March 5th

Klarna.

Klarna funding round makes it Europe's most valuable startup at \$31 billion

[Reuters](#) | [March 1st, 2021](#)

Swedish payments firm Klarna has nearly tripled its valuation to \$31 billion in less than six months with a new \$1 billion private fundraising round, the company said on Monday (Mar. 1st). The new round, which was oversubscribed four times and will make the “buy now pay later” firm the most valuable European startup, confirms a Reuters story last week that it was finalizing another private funding round.



PayPal Is in Talks to Acquire Crypto Storage Firm Curv

[Bloomberg](#) | [March 2nd, 2021](#)

PayPal Holdings Inc. is in talks to acquire the startup Curv, which helps companies transfer and store digital currencies. The talks are early and could still fall apart, according to a person familiar with the matter, who asked not to be identified discussing internal deliberations. PayPal has been seeking to expand cryptocurrency offerings after the payments giant began providing customers the ability to buy, sell and hold certain digital currencies in its wallet. The firm plans to add those capabilities to its Venmo wallet in the coming months.



Square Financial Services Begins Banking Operations

[Square Newsroom](#) | [March 1st, 2021](#)

Today (Mar. 1st), Square, Inc. announced its industrial bank, Square Financial Services, has begun operations after completing the charter approval process with the Federal Deposit Insurance Corporation (FDIC) and the Utah Department of Financial Institutions. Square Financial Services is an independently governed subsidiary of Square, Inc. Headquartered in Salt Lake City, Utah, its primary purpose will be to offer business loan and deposit products, beginning with underwriting and originating business loans for Square Capital's existing lending product. Moving forward, Square Financial Services will be the primary provider of financing for Square sellers across the U.S.



Partnership Activity

March 1st – March 5th



ACI Worldwide and InComm Payments Partner to Digitize Cash Payments, Driving Financial Inclusion Amid the Pandemic

[BusinessWire](#) | [March 1st, 2021](#)

ACI Worldwide, a leading global provider of real-time digital payment software and solutions, and InComm Payments, a leading global payments technology company, today (Mar. 1st) announced a partnership that will digitize cash payments through the use of a barcode payment token, making it easier for consumers to pay bills. For some consumers, such as the unbanked or underbanked populations, cash payments are essential. With ACI Speedpay and InComm Payments' VanillaDirect Pay, consumers will follow the account provider's process to get a barcode printed, scanned from a website, or sent to their phone via text or through ACI's moBills digital wallet feature.

PAYSEND

Paysend forms global partnership with Mastercard

[Finextra](#) | [March 4th, 2021](#)

Global FinTech Paysend today (Mar. 4th) announced a strategic partnership with Mastercard starting in the UK and EEA, which will be mutually beneficial as it will boost Paysend's global reach and enhance both businesses' customer base. Paysend is proud to be acknowledged as a global partner for Mastercard in the definition of a new horizon for money transactions worldwide.

Other Notable Partnerships:

- **E-Complish** teams up with **Plaid** for real-time bank account and balance verification solutions.
- **Spreedly** launches a new partnership program aimed for payment service providers and signs up **PayPal** and **Stripe**.
- **ACI Worldwide** teams up with the **Internal Revenue Service (IRS)** to offer new tax payment options for aimed for the unbanked and underbanked populations.
- **Vromo** partners with **Square** for payment processing services within its food delivery software, Olo.



Management Changes

March 1st – March 5th



Toast Appoints Anisha Vaswani as Their Chief Information Officer

The restaurant point-of-sale (POS) provider, Toast, announced this week the appointment of Anisha Vaswani to serve as the company's Chief Information Officer. Anisha joins Toast from Box, where she served the matching role as Chief Information Officer.

Date Announced	Company	Personnel	New Position	Previous Position
3/2/2021	VizyPay	Jon Choda	Director of Strategic Partnerships	Fintech Career Development Strategist at VizyPay
3/1/2021	Mollie	Shane Happach	CEO	EVP, Head of Global eCommerce at Worldpay
3/3/2021	Toast	Anisha Vaswani	Chief Information Officer	Chief Information Officer at Box



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

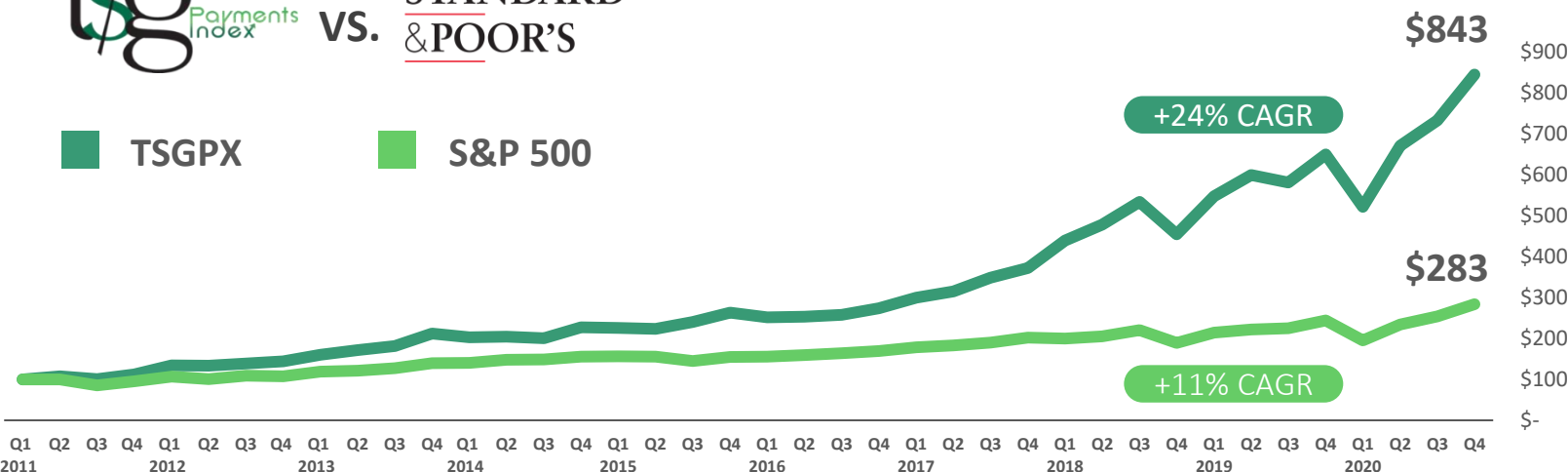


VS.

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.

