

# TransactionWatch

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

*Week of:  
April 12<sup>th</sup> – April 16<sup>th</sup>*

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# Deal Activity Summary

April 12<sup>th</sup> – April 16<sup>th</sup>

## This Week's M&A Overview

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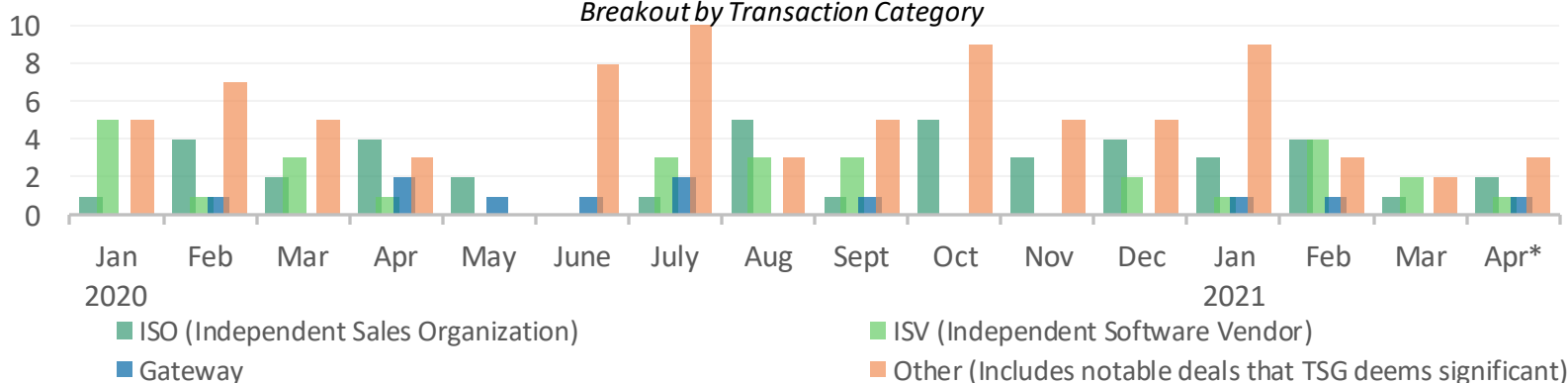
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The second quarter picks up steam as several acquisitions arise this past week in the merchant acquiring industry. To start, Nuvei announced today (April 16<sup>th</sup>) that they have entered into a definitive agreement to acquire Mazooma Technical Services, a payments technology provider focused in gaming and sports. Nuvei will pay approximately \$56 million for this deal, plus an additional consideration of up to \$259 million subject to Mazooma's performance over a three-year period. With this acquisition, Nuvei is able to expand their range of alternative payment methods for their U.S. gaming client base through Mazooma's ACH platform which is expected to facilitate over \$2 billion in volume this year.

In other M&A news, DocuPhase announced this week their acquisition of Clearwater Payments for an undisclosed sum. Clearwater Payments is an ISO focused on electronic billing for enterprise clients in banking, insurance and utilities. With this acquisition, DocuPhase is able to grow its product platform in the AP automation marketplace. Separately, Tipalti has acquired Approve.com, a cloud-based procurement solutions provider, for an undisclosed sum. This acquisition of Approve.com enables Tipalti to expand its complimentary portfolio of financial offerings in the AP automation space. This transaction is expected to close in early Q2 2021.

### 2020 – 2021 YTD M&A Activity

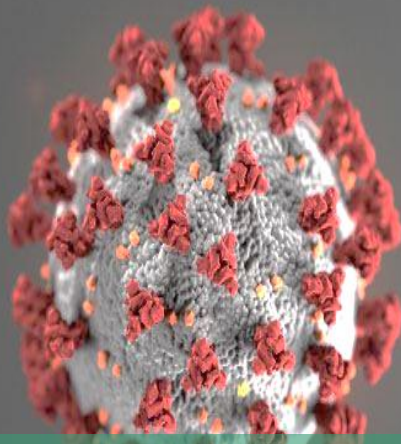
Breakout by Transaction Category



\*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

April 12<sup>th</sup> – April 16<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.**

## **More Than a Year Into the Pandemic, Concerns Are Still Swirling About Bans on Cash**

[Digital Transactions](#) | April 12<sup>th</sup>, 2021

*More than a year after the Covid-19 pandemic hit, igniting fears that the virus could be spread by handling currency, a group of three financial associations and a Chicago-based cash-in-transit and money-protection service sent a letter Monday to members of Congress, governors, and state legislators around the country warning about the harmful economic and social effects of prohibiting cash payment for goods and services.*

## **Toast Launches Enhanced Contactless Suite to Help Increase Restaurant Revenue and Support Restaurateurs in Reimagining Hospitality**

[BusinessWire](#) | April 13<sup>th</sup>, 2021

*Toast, the fastest-growing restaurant management platform, today (April 13<sup>th</sup>) launched an enhanced suite of contactless and guest-facing solutions to help restaurateurs reimagine operations and reduce overhead as they rebound from the COVID-19 pandemic. Today, Toast debuted updates to its Toast Order & Pay™ solution, including pre-authorization tabs and group ordering.*

## **Retail sales explode in March as consumers use stimulus checks to spend heavily**

[CNBC](#) | April 15<sup>th</sup>, 2021

*A fresh batch of stimulus checks sent consumer purchases surging in March as the U.S. economy continued to get juice from aggressive congressional spending. Advance retail sales rose 9.8% for the month, the Commerce Department reported Thursday. That compared to the Dow Jones estimate of a 6.1% gain and a decline of 2.7% in February.*

## **Jobless Claims Plunge To Lowest Level Since March 2020**

[PYMNTS](#) | April 15<sup>th</sup>, 2021

*Initial unemployment claims plummeted to a new pandemic low of 576,000, a decrease of 193,000 from last week's revised level, the Bureau of Labor Statistics (BLS) reported on Thursday (April 15<sup>th</sup>). Last week's level was revised up by 25,000 from 744,000 to 769,000. The numbers are at the lowest level since March 14, 2020 when claims were at 256,000 and considerably down from the March 2009 recession peak of 665,000.*





# 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: December 2020 – March 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                | Nuvei                 | Mazooma                      | \$315                        | 4/16/2021 |
| ISO                  | DocuPhase             | Clearwater Payments          | -                            | 4/12/2021 |
| Other                | Tipalti               | Approve.com                  | -                            | 4/12/2021 |
| ISV                  | GreenBox POS          | ChargeSavvy                  | \$12                         | 4/8/2021  |
| Other                | EML Payments          | Sentenial Group              | \$130.5                      | 4/6/2021  |
| ISO                  | Payroc                | Retriever Merchant Solutions | -                            | 4/2/2021  |
| Gateway              | Bank of America       | Axia Technologies            | -                            | 4/2/2021  |
| 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  |





# Historical M&A Tracker

Transaction History: December 2020 – March 2021

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





# Historical M&A Tracker

Transaction History: December 2020 – March 2021

| Transaction Category | Buyer                                | Seller                          | Purchase Amount (\$ million) | Date       |
|----------------------|--------------------------------------|---------------------------------|------------------------------|------------|
| Other                | NCR                                  | Cardtronics                     | \$2,500                      | 1/25/2021  |
| ISO                  | DNA Payments                         | Active Payments                 | -                            | 1/21/2021  |
| ISO                  | Pineapple Payments                   | 1st 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  |





## Headline News

April 12<sup>th</sup> – April 16<sup>th</sup>



### **Trustly CEO Hints at Dual U.S. Listing After Stockholm IPO**

[Bloomberg](#) | April 12<sup>th</sup>, 2021

Trustly Group AB's plan to raise almost \$1 billion through an initial public offering in Stockholm may be followed by a second listing in New York, according to its chief executive. Oscar Berglund, the CEO of the Swedish digital payment firm, says the U.S. is turning into its biggest growth market. For that reason, Trustly may well target a dual listing that moves its investor base closer to where business is booming, he said in an interview with Bloomberg Television's Anna Edwards.



### **Coinbase listing marks latest step in crypto's march to the mainstream**

[Reuters](#) | April 14<sup>th</sup>, 2021

Coinbase Global Inc, the biggest U.S. cryptocurrency exchange, will list on the Nasdaq on Wednesday (April 14<sup>th</sup>), marking a milestone in the journey of virtual currencies from niche technology to mainstream asset. The listing is by far the biggest yet of a cryptocurrency company, with the San Francisco-based firm saying last month that private market transactions had valued the company at around \$68 billion this year, versus \$5.8 billion in September.



### **Almost half of Shopify's top execs to depart company: CEO**

[Reuters](#) | April 14<sup>th</sup>, 2021

Three of e-commerce platform Shopify's seven top executives will be leaving the company in the coming months, chief executive officer and founder of Canada's most valuable company Tobi Lutke said in a blog post on Wednesday (April 14<sup>th</sup>). The company's chief talent officer, chief legal officer and chief technology officer will all transition out of their roles, Lutke said, adding that they have been "spectacular and deserve to take a bow."





## Partnership Activity

April 12<sup>th</sup> – April 16<sup>th</sup>



### Splitit Partners with UnionPay, the World's Largest Card Network of 9 Billion Cardholders

[BusinessWire](#) | April 12<sup>th</sup>, 2021

Splitit, a global payment technology company, announces a new global partnership with UnionPay International, part of China UnionPay, the provider of bank card services and a major card scheme in mainland China. UnionPay International will be integrating Splitit to make it available to its network. This will give UnionPay card holders and those accepting UnionPay the opportunity to utilize Splitit's installment payments product.



### UATP to Offer Pay in 4 With PayPal for Airfare Purchases Across its Airline Partners

[PR Newswire](#) | April 14<sup>th</sup>, 2021

UATP announced today (April 14<sup>th</sup>) it is broadening its work with PayPal to include Pay in 4 as an option for airfare purchased via UATP Merchant Airlines. With Pay in 4 from PayPal, customers pay for their purchases in four interest-free payments and merchants get paid up front. "The buy now, pay later (BNPL) product has become increasingly popular for travelers," said Ralph Kaiser, president and CEO, UATP. "The PayPal-UATP relationship has 15 years of demonstrated success and we expect that to continue with Pay in 4."

### Other Notable Partnerships:

- **Cielo** reported that it has partnered with **Google** to digitize SMBs in Brazil.
- **PayPal** teams up with **Uber** and **Walgreens** to help individuals get the COVID-19 vaccination.
- **GreenBox POS** partners with **Signature Bank** for its Smart-Contract tokenization infrastructure.
- **MoneyGram** establishes a partnership with **Sigie Corporation** to support its international expansion.
- **Forter** and **Flutterwave** team up on reducing merchant fraud in Africa.
- **Mastercard** and **RBL Bank** partner to launch a mobile payment solution in India.





# Management Changes

April 12<sup>th</sup> – April 16<sup>th</sup>



## Mastercard Appoints Tim Murphy To Serve As The Company's Chief Administration Officer

Mastercard announced this week the appointment of Tim Murphy to serve in the newly created position of Chief Administration Officer. Under this new role, Murphy will oversee the company's law, franchise and integrity activities. Murphy welcomes this new position after serving as Mastercard's General Counsel since 2014.

| Date Announced | Company                 | Personnel       | New Position                 | Previous Position                              |
|----------------|-------------------------|-----------------|------------------------------|--|
| 4/12/2021      | Moneycorp               | David Yates     | Vice Chairman                | Executive Chairman at eNett International      |
| 4/14/2021      | PCI Pal                 | Mufti Monim     | CTO                          | CTO at Deko                                    |
| 4/14/2021      | Mercator Advisory Group | Amy Dunckelmann | VP of Research Operations    | Head of Client Success at Blackhawk Network    |
| 4/14/2021      | Alliance Data           | Perry Beberman  | Executive VP and CFO         | SVP and Financial Executive at Bank of America |
| 4/15/2021      | Mastercard              | Tim Murphy      | Chief Administrative Officer | General Counsel at Mastercard                  |





# TSG Payments Index

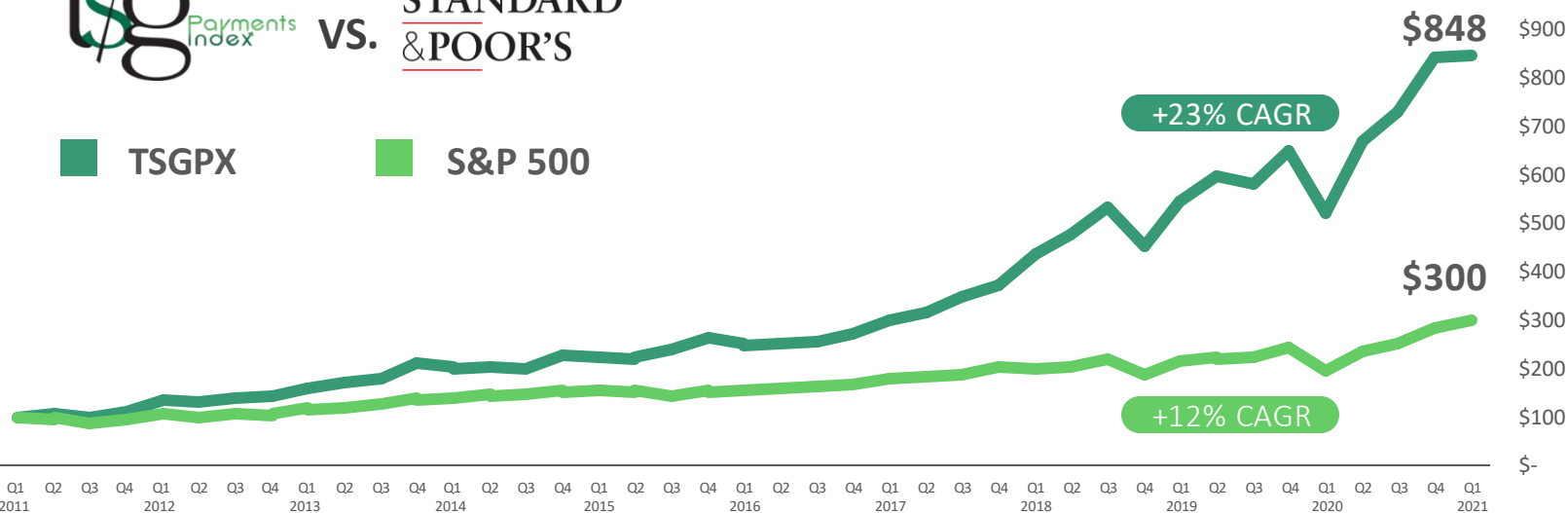
Q1 2011 – Q1 2021



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 \$848 in Q1 2021, as compared to \$300, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **11% 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.

