



Payments Experts. Powerful Data.

THE STRAWHECKER GROUP

TransactionWatch

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

Week of:

March 29th – April 2nd

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Deal Activity Summary

March 29th – April 2nd

This Week's M&A Overview

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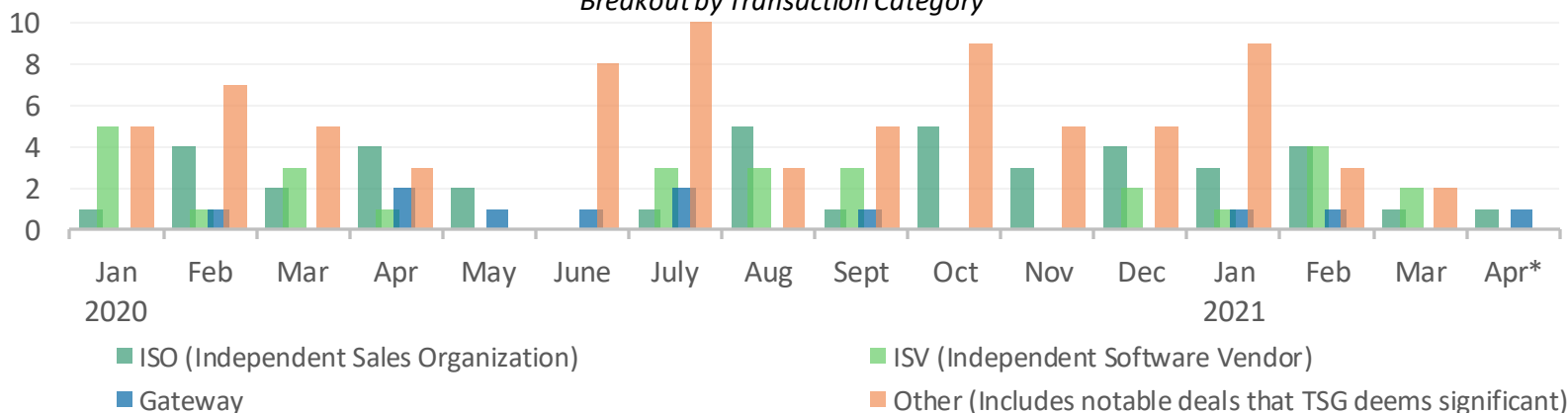
[TSG Buy/Sell Services](#)

Bank of America leans into healthcare payments with their acquisition of Axia Technologies (AxiaMed) for an undisclosed sum. Bank of America made the announcement today (April 2nd) of their acquisition as they continue to seek growth in this key market vertical. AxiaMed is focused on facilitating patient payments through its integrated technology offerings, including their Payment Fusion gateway which has several integrations with leading healthcare practice management systems. This deal coincides with Bank of America's larger initiative of integrating merchant services into their proprietary platform, following the disbanding of their joint venture with Fiserv (formerly First Data) last year.

Separately, Payroc announced their acquisition of Select Merchant Services (d/b/a/ Retriever Merchant Solutions) for an undisclosed sum. Retriever is a large ISO of FIS (formerly Worldpay) and handles approximately \$5 billion in annual payment volume from 30,000 merchants. With this acquisition, Payroc will increase its annual payment volume to more than \$33 billion and serve over 100,000 merchants.

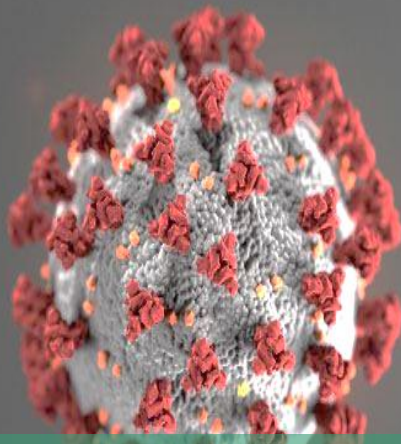
2020 – 2021 YTD M&A Activity

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 29th – April 2nd

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.

Pandemic Drives Increased Velocity of Innovation, Brings New Challenges and Consumer Demands for Customization

[Mastercard Newsroom](#) | March 30th, 2021

The increased demand for digital-first solutions and more customized experiences over the past year has led companies to place a greater emphasis on innovation. In the second edition of the Become Index, 53% of executives say their organizations place a high priority on innovation.

Weekly jobless claims higher than expected despite signs of labor market improvement

[CNBC](#) | April 1st, 2021

First-time claims for jobless benefits were higher than expected last week, with 719,000 more workers heading to the unemployment line, the Labor Department reported Thursday (April 1st). The total compared with the 675,000 estimate from Dow Jones and was above last week's downwardly revised 658,000.

Coronavirus Was Supposed to Drive Bankruptcies Higher. The Opposite Happened.

[The Wall Street Journal](#) | March 29th, 2021

The number of people seeking bankruptcy fell sharply during the pandemic as government aid propped up income and staved off housing and student-loan obligations. Bankruptcy filings by consumers under chapter 7 were down 22% last year compared with 2019, while individual filings under chapter 13 fell 46%, according to Epiq data. After holding above 50,000 filings a month in 2019 and in the first quarter of 2020, bankruptcy filings have remained below 40,000 a month since last March when the pandemic hit.

COVID-19 Fuels 41 Pct Spike In Global Real-Time Payments

[PYMNTS](#) | March 29th, 2021

COVID-19 has dramatically increased reliance on real-time and digital payments, leading to a 41 percent surge in real-time payment transactions from 2019 to 2020. That's according to a new report from ACI Worldwide and GlobalData, which found that more than 70.3 billion real-time payments were processed last year.



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	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
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



Historical M&A Tracker

Transaction History: November 2020 – February 2021

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



Historical M&A Tracker

Transaction History: November 2020 – February 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	Affirm	Paybright	\$264	12/3/2020
ISO	Nuvei	Base Commerce	-	12/1/2020
ISO	Lightspeed POS	Upserve	\$430	12/1/2020
ISO	GreaterSum Ventures	Fattmerchant	-	12/1/2020
Other	Square	Credit Karma Tax	\$50	11/25/2020



Headline News

March 29th – April 2nd



Visa Becomes First Major Payments Network to Settle Transactions in USD Coin (USDC)

[BusinessWire](#) | [March 29th, 2021](#)

Visa today (March 29th) announced a major industry first in bridging the worlds of digital and traditional fiat currencies: the use of USD Coin (USDC), a stablecoin backed by the US dollar, to settle a transaction with Visa over Ethereum—one of the most actively used open-source blockchains. Visa is piloting the capability with Crypto.com, a Visa partner and one of the world's largest crypto platforms, and plans to offer the USDC settlement capability to additional partners later this year.



PayPal Launches "Checkout with Crypto"

[PRNewswire](#) | [March 30th, 2021](#)

PayPal Holdings, Inc. today (March 30th) announced the launch of Checkout with Crypto, a new feature which significantly expands the utility of cryptocurrency. Available at millions of global online businesses and continuing to expand over the coming months, PayPal customers with cryptocurrency holdings in the U.S. will be able to choose to check out with crypto seamlessly within PayPal at checkout.



Stripe Invests in Brex Rival Ramp at \$1.6 Billion Valuation

[The Information](#) | [March 29th, 2021](#)

Ramp, a two-year-old startup that offers corporate cards and software tools for managing employee expenses, is close to finalizing two rounds of funding that will value the company at \$1.6 billion, according to three people familiar with the deals. D1 Capital Partners led the first, \$65 million round at a \$1.1 billion post-money valuation with participation from payments company Stripe and existing investors Coatue Management and Goldman Sachs. Seeking a bigger stake in the company, Stripe is now leading another, \$50 million investment in Ramp at the higher post-money valuation of \$1.6 billion, two of the people said.



Partnership Activity

March 29th – April 2nd



AEVI and Mastercard Partner to Simplify Omnichannel Shopping Experience

[PRNewswire](#) | March 29th, 2021

AEVI and Mastercard Payment Gateway Services (MPGS) announced an expanded partnership today (March 29th) to use their combined technologies and reach to simplify the omnichannel shopping experience. AEVI integrates payments and data across all customer channels by providing an open platform that is both device and solution independent. This platform, combined with MPGS' encompassing digital gateway services, provides merchants another choice that brings payments straight to where the customer is - across multiple touchpoints in-store and online.



FIS forges global partnership with Cardlay

[Finextra](#) | March 30th, 2021

The world's third largest banking processor and payment infrastructure provider, FIS Global, is now expanding their business through a global partnership with the Danish Fintech Cardlay. Together, FIS Global and Cardlay will deliver a fast-scalable and generic white label front-end solution to banks and card issuers. FIS Global, one of the world's largest technology companies within banking and payment services, is now expanding its business through its partnership with Cardlay, offering a coherent digital user experience for commercial banks and issuers with real-time data, including expense management, corporate client app, card management and automated EU VAT reclaim.

Other Notable Partnerships:

- [Esquire Financial](#) partners with [InComm Payments](#) to offer American Express prepaid card services for Social Security Disability Insurance payments.



Management Changes

March 29th – April 2nd



TassatPay

Tassat Appoints Former Citibank SVP, Jay Agarwal, As Managing Director, Payments

Tassat announced this week their appointment of Jay Agarwal to serve as the company's Managing Director, Payments. Under this new role, Agarwal will lead the company's digital payments efforts across the United States. Agarwal joins Tassat from Citibank, where he served as SVP and Director of Digital Wealth Management.

Date Announced	Company	Personnel	New Position	Previous Position
3/29/2021	Tassat	Jay Agarwal	Managing Director, Payments	SVP and Director of Digital Wealth Management at Citibank
4/1/2021	Payroc	Adam Oberman	President	Chief Revenue Officer at Payroc



TSG Payments Index

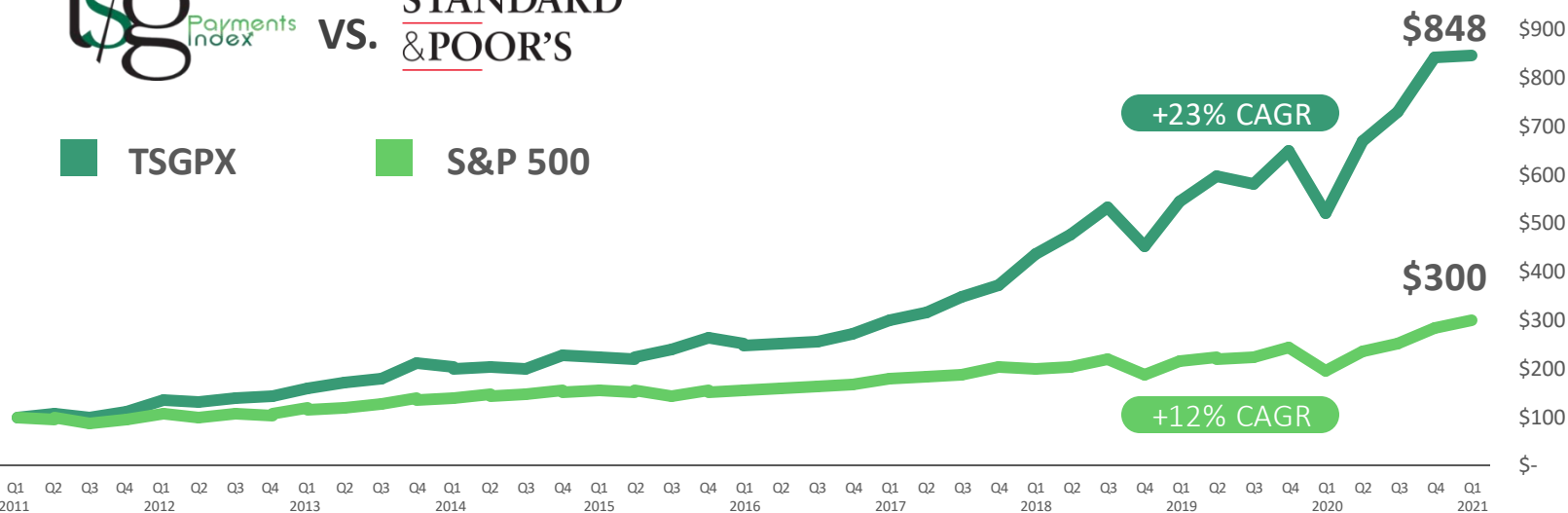
Q1 2011 – Q1 2021



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.

