

TransactionWatch

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

*Week of:
April 19th – April 23rd*

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Deal Activity Summary

April 19th – April 23rd

This Week's M&A Overview

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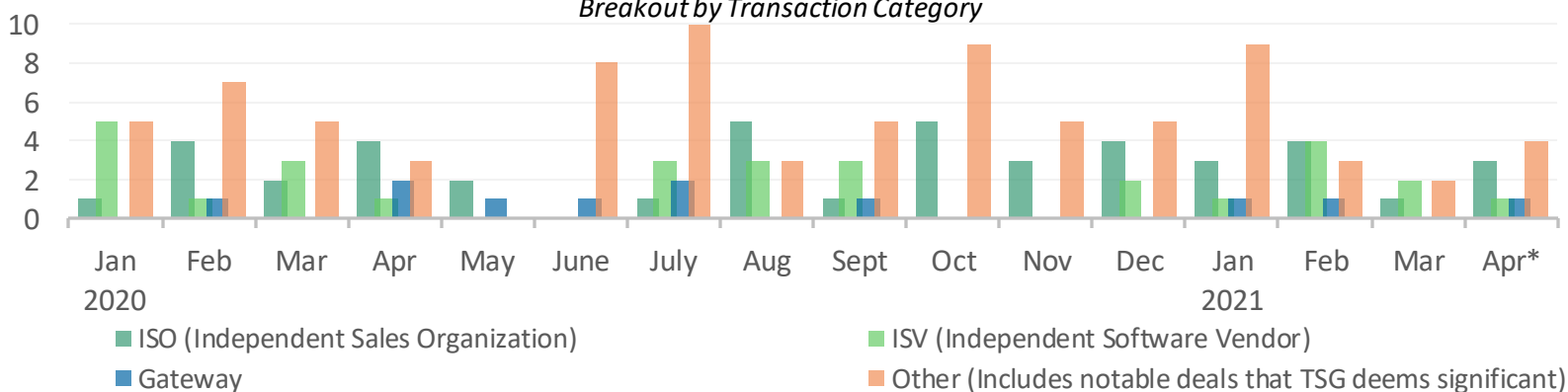
[TSG Buy/Sell Services](#)

Significant traction continues to make headway in the merchant acquiring industry with the announcements of a couple sizeable deals. To start, Mastercard announced on Monday (April 19th) their intention to acquire Ekata for \$850 million. Ekata is a digital identity verification provider that uses its proprietary Identity Engine to deliver unique risk scores and indicators for its client base of over 2,000 businesses across 230 countries. This acquisition falls in line with Mastercard's multi-layered approach to security as it suites their new framework on fraud protection introduced in 2019. Furthermore, this transaction is expected to close by Q3 2021.

In other M&A news, Deluxe announced on Thursday (April 22nd) their agreement to acquire First American Payment Systems in an all-cash deal valued at \$960 million. First American is a Texas-based ISO that serves more than 159,000 merchants across North America and Europe. With this acquisition, Deluxe is taking a substantial step into merchant acquiring as they broaden their payments strategy. Additionally, Deluxe anticipates that this acquisition will double their annual revenue for their Payments segment while also creating significant near-term revenue synergies.

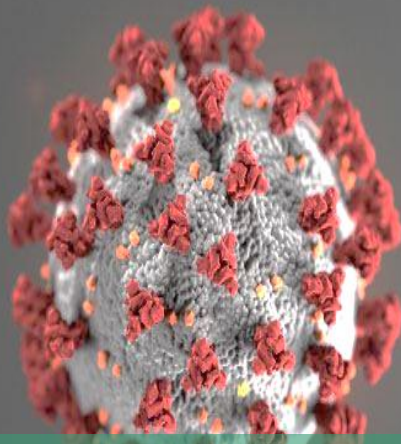
2020 – 2021 YTD M&A Activity

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 19th – April 23rd

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.

Rise in Payment Activity Offers Sign of Quicker Recovery for Full Service Restaurants

[BusinessWire](#) | April 19th, 2021

TableSafe, Inc., a leading innovator of pay-at-the-table technology designed for the hospitality industry, today (April 19th) shared that customer payment transactions indicate a recovery of the full-service restaurant industry is gaining momentum. According to TableSafe's data gathered from across the United States, dollars spent in restaurants during the first quarter of 2021 rose to the highest level since the first quarter of 2020.

Payments firm Worldline sees recovery as lockdowns ease

[Reuters](#) | April 21st, 2021

French payments firm Worldline expects a recovery in sales from this quarter as COVID-19 lockdowns ease, after a drop in the first three months of the year, it said on Wednesday (April 21st). The company, which processes transactions for clients ranging from merchants to government agencies, also said it saw opportunities to pick up assets being sold by European banks and to win business after the collapse of rival Wirecard last year.

New Jobless Claims Continue Downward Trend

[PYMNTS](#) | April 22nd, 2021

Initial unemployment claims for the week ending April 17 dropped by 39,000 to 547,000, the lowest level for initial claims since March 14, 2020, when it was 256,000, the Bureau of Labor Statistics (BLS) reported on Thursday (April 22nd). The previous week's level was revised up by 10,000 from 576,000 to 586,000.

U.S. economy on a solid footing, coronavirus still top threat: Reuters poll

[Yahoo! Finance](#) | April 21st, 2021

The U.S. economy will grow at its fastest annual pace in decades this year and outperform most of its major peers, with the outlook upgraded sharply, but another COVID-19 surge was the biggest risk over the next three months, a Reuters poll showed.



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: 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
ISO	Deluxe	First American Payment Systems	\$960	4/22/2021
Other	Mastercard	Ekata	\$850	4/19/2021
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



Historical M&A Tracker

Transaction History: December 2020 – March 2021

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



Historical M&A Tracker

Transaction History: December 2020 – March 2021

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



Headline News

April 19th – April 23rd



Splitit Launches Splitit Plus, a New Payment Gateway Built Exclusively for Installment Payments

[BusinessWire](#) | [April 21st, 2021](#)

Splitit, a global payment technology company, today (April 21st) announced the availability of Splitit Plus, a new service enabling merchants of all sizes to offer payment installments to their customers in minutes. Any merchant can now activate Splitit through the Splitit Plus gateway or any integrated gateway partner that Splitit supports worldwide.



Introducing Crypto on Venmo

[PR Newswire](#) | [April 20th, 2021](#)

Venmo today (April 20th) announced the launch of crypto on Venmo, a new way for Venmo's more than 70 million customers to buy, hold and sell cryptocurrency directly within the Venmo app. Beginning to roll out today, crypto on Venmo offers customers a way to start their crypto journey alongside the many ways they already use Venmo to spend and manage their money.



Following Six Transformative Years in Payments Innovation, Fattmerchant Rebrands to Stax as a Leading Financial Technology and Solutions Provider

[Globe Newswire](#) | [April 20th, 2021](#)

Fattmerchant, a leading provider of integrated payment technology, today (April 20th) announces it is changing its name to Stax to mirror the fintech's growth and transformation from an innovative payments company to its position today as a leading technology and solutions provider in the financial space. The rebranding also includes a user interface (UI) overhaul of its desktop app and the introduction of a completely new version of the mobile app, enhancing the overall product experience.



Partnership Activity

April 19th – April 23rd



Mastercard Enters into Strategic Partnership with Central Bank of Iraq to Advance Digital Payments in the Country

[Mastercard Newsroom](#) | April 19th, 2021

Mastercard signed a partnership agreement with the Central Bank of Iraq (CBI) to digitize the country's payment ecosystem in a bid to boost financial inclusion, encourage socio-economic development, mitigate the risks of a shadow economy and accelerate the advancement toward a cashless society.



PayTabs partners with Visa to bring innovative 'Tap to Phone' mobile acceptance solution to MENA

[PR Newswire](#) | April 22nd, 2021

PayTabs, MENA's award-winning payment solutions powerhouse, today (April 22nd) announced the launch of their PayTabs Touch product, globally known as Tap to Phone - a contactless merchant payment acceptance solution. With the Tap to Phone touchscreen solution and owing to changing lifestyles, consumerism and the rapid growth in e-tailing, millions of merchants will now be able to rely purely on contactless software-based solutions to accept payments.

Other Notable Partnerships:

- **HSBC** and **Mastercard** expand their partnership in the UAE on B2B payment services.
- **TripActions** teams up with **Visa** for digital payment solutions geared for business traveling.
- **Bill.com** has developed new integrations within the **Microsoft Dynamics 365** for finance automation.
- **Greenwood** partners with **Mastercard** for its debit card rollout.
- **Sphere** teams up with **Raintree Systems** on providing integrated payments for physical therapy practices.
- **BlueSnap** collaborates with **Chargebee** for subscription businesses.



Management Changes

April 19th – April 23rd



Infinicept Hires Four Payment Veterans To Serve As Strategic Advisors

Infinicept announced this week the appointments of four experienced payment veterans to serve as Strategic Advisors for the company. Each new appointee has a well-versed background in payments that will help direct Infinicept's payment initiatives for software and eCommerce companies. The new hires include Eula Adams, Lisa Bowman, Sameer Govil, and Russ Jones.

Date Announced	Company	Personnel	New Position	Previous Position
4/19/2021	Agreement Express	Burke LaShell	Chief Technology Officer	CTO at Skillsurvey
4/20/2021	I2c Inc.	Joe Podulka	Chief Financial Officer	CFO at Universal Protocol Alliance
4/22/2021	Infinicept	Eula Adams	Strategic Adviser	CEO of Neuromonics
4/22/2021	Infinicept	Lisa Bowman	Strategic Adviser	Founder of Marketing Mojo
4/22/2021	Infinicept	Sameer Govil	Strategic Adviser	Current Senior Adviser at McKinsey
4/22/2021	Infinicept	Russ Jones	Strategic Adviser	CFO at Xambala



TSG Payments Index

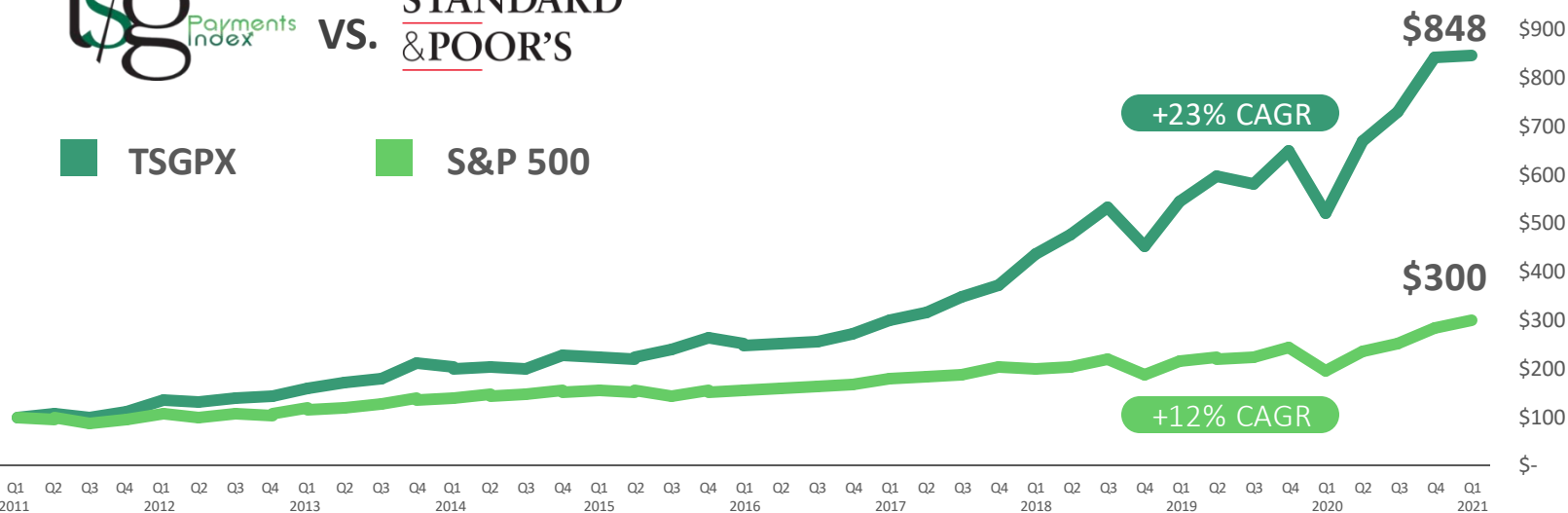
Q1 2011 – Q1 2021



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.

