

TransactionWatch

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

*Week of:
April 26th – April 30th*

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Deal Activity Summary

April 26th – April 30th

This Week's M&A Overview

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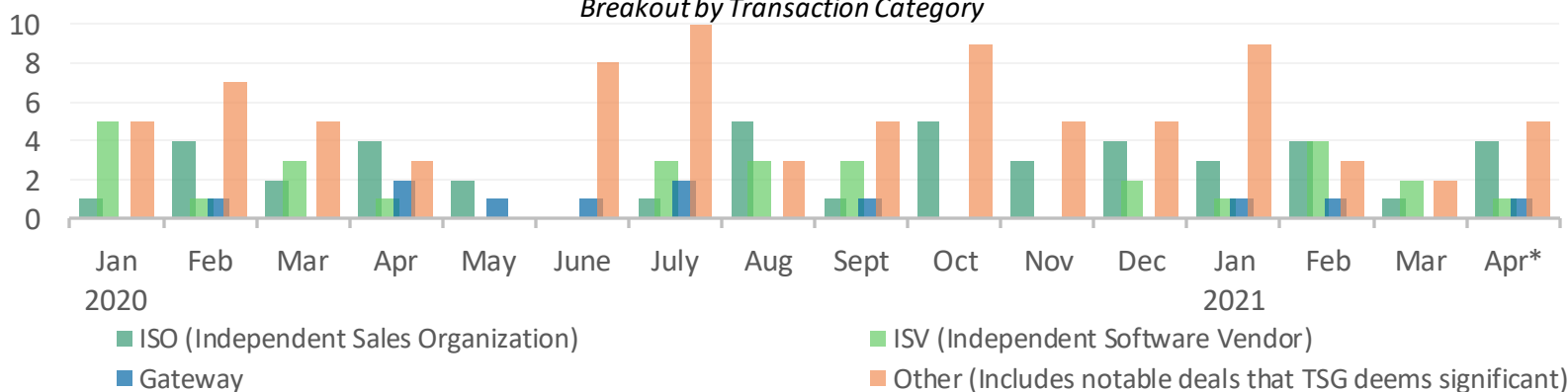
[TSG Buy/Sell Services](#)

Momentum continues as M&A activity maintains resilient through the end of April. To start, Paya announced earlier this week their acquisition of Paragon Payment Solutions, an Arizona-based ISO that focuses on the non-profit and healthcare verticals, complimentary to Paya. Paragon has been a distribution partner with Paya since 2011, and processes approximately \$1.5 billion in annual payment volume. With this acquisition, Paya will add an enhanced sales channel and payments platform to their existing business offerings. Paya will discuss further details of this acquisition in May during their first quarter earnings conference.

In other M&A news, Stripe announced this week their acquisition of TaxJar, a cloud-based provider of tax services that has around 23,000 customers today. This marks Stripe's first acquisition of 2021. TaxJar will be integrated into Stripe's revenue platform, alongside Stripe Billing and Radar. Similar to Stripe, TaxJar has seen significant growth in recent years and is focused on expanding into new geographies. Financial terms of this deal were not disclosed.

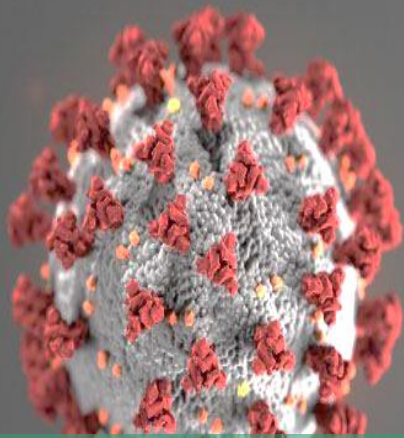
2020 – 2021 YTD M&A Activity

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 26th – April 30th

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.

Survey Shows SMBs Relied on Digital Payments to Survive 2020

[PR Newswire](#) | April 29th, 2021

A new survey of small and midsize businesses (SMBs) conducted by the Electronic Transactions Association (ETA) and The Strawhecker Group (TSG) found that 43% of SMBs see digital payments as more important to their business now than before the COVID-19 pandemic.

G.D.P. growth accelerated in the first quarter.

[The New York Times](#) | April 29th, 2021

The economy picked up speed last quarter, shaking off some of the lingering effects of the pandemic as consumer spending grew, bolstered by government stimulus checks and an easing of restrictions in many parts of the country.

Jobless Claims Below 600,000 For Third Consecutive Week

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

Initial unemployment claims for the week ending April 24th dropped 13,000 to 553,000, the Bureau of Labor Statistics (BLS) reported on Thursday (April 29th). The previous week's level was revised up by 19,000 from 547,000 to 566,000. This is the third consecutive week claims are below 600,000 since the COVID-19 pandemic gripped the country.

COVID Cyber Crime: 74% of Financial Institutions Experience Significant Spike in Threats Linked To COVID-19

[BusinessWire](#) | April 28th, 2021

Financial institutions (FIs), such as banks and insurance providers, are reporting significantly increased threat levels from COVID-related cyber crime according to new research by BAE Systems Applied Intelligence, the cyber and intelligence arm of BAE Systems. A huge jump in new pandemic-related threats, alongside a rise in challenges caused by enforced work from home guidance, is leaving open and insecure gaps in FIs' networks.



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: January 2021 – April 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	Stripe	TaxJar	-	4/27/2021
ISO	Paya	Paragon Payment Solutions	-	4/26/2021
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



Historical M&A Tracker

Transaction History: January 2021 – April 2021

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
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



Historical M&A Tracker

Transaction History: January 2021 – April 2021

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



Headline News

April 26th – April 30th



Cross Borders, Cross Industries, Cross Payment Types: FIS RealNet Solution Changes the Game in Real-Time Payments

[BusinessWire](#) | [April 28th, 2021](#)

Financial technology leader FIS today (April 28th) announced RealNet™, a new cloud-based, software as a service (SaaS) platform that will enable account-to-account (A2A) transactions for businesses, consumers and governments over real-time payment networks. The FIS RealNet platform will make it easier for organizations across all industries to send, receive and accept payments, whether they are engaging with a consumer or business, or with their own employees.



Merchants Can Offer More Touch-free Ways to Pay as Fiserv Brings PayPal and Venmo QR Code Payments to the Point of Sale

[Fiserv Newsroom](#) | [April 27th, 2021](#)

Fiserv, Inc., a leading global provider of payments and financial services technology solutions, is enabling businesses of all sizes across a range of industries to support in-demand digital payment options and expand their touch-free payment capabilities via a new relationship with PayPal. Small and mid-sized businesses using Clover® and large enterprises leveraging the Carat omnichannel commerce ecosystem from Fiserv will be able to accept payment via PayPal and Venmo through QR codes presented at the point of sale.



Celero Commerce Unveils New Payment Gateway, Celero Connect

[Celero Newsroom](#) | [April 27th, 2021](#)

Celero Commerce ("Celero"), a top 10 non-bank payment processor in the United States, today (April 27th) announced the release of Celero Connect, an omni channel payment gateway designed to help manage and grow businesses on a single platform. This initial release is being made available to Celero's Financial Institution (FI) partners.



Partnership Activity

April 26th – April 30th

Paysafe:

Paysafe selects AWS for its strategic cloud services to drive innovation in digital commerce

[Paysafe Press Release](#) | April 29th, 2021

Leading specialized payments platform, Paysafe, announces it has signed a global multi-year agreement with Amazon Web Services (AWS) as part of its strategy to become a fully cloud-based payments provider. Through this collaboration, Paysafe is migrating its broad portfolio of mission critical workloads, including eCash solutions, paysafecard and Paysafecash, and its digital wallets, Skrill and NETELLER, to AWS to develop new cloud-native merchant payment and consumer wallet products for its business and consumer customers.



NCR and Google Cloud Collaborate to Accelerate Digital Transformation in Banking

[BusinessWire](#) | April 27th, 2021

NCR Corporation, a global enterprise technology provider for the financial industry, and Google Cloud today (April 27th) announced a global strategic partnership. Under the terms of the agreement, NCR will expand cloud availability of its Digital Banking software portfolio, including NCR Channel Services for retail banking as well as its card and payments processing platform NCR Authentic.

Other Notable Partnerships:

- **Paysend** teams up with **Plaid** on open banking payments.
- **Ecommpay** partners with **Nuapay** on improved payouts and access to SEPA.
- **Worldline** expands into the airline industry with a new partnership with the **International Air Transport Association (IATA)**.
- **Pyypl** enters into a strategic partnership with **Visa** to broaden digital payment support across the middle east.
- **Coinbase** links up with **PayPal** to provide consumers with a new method to purchase cryptocurrency.



Management Changes

April 26th – April 30th



First American Promotes Chris Yurko To Serve As VP of Integrated Payments

First American Payment Systems announced this week the promotion of Chris Yurko to VP of Integrated Payments. Chris joined First American from Worldpay in 2018 and has been serving as the company's Director of Business Development. Additionally, this news comes on the heels of Deluxe's deal to acquire First American, which was announced just last week.

Date Announced	Company	Personnel	New Position	Previous Position
4/26/2021	SumUp	Johannes Schaback	<i>Chief Technologies Officer</i>	CTO at home24
4/27/2021	Everyware	Kevin Feagan	<i>Chief Revenue Officer</i>	SVP of Integrated Solutions & Strategy at FIS
4/28/2021	First American Payment Systems	Chris Yurko	<i>VP of Integrated Payments</i>	Director of Business Development at First American



TSG Payments Index

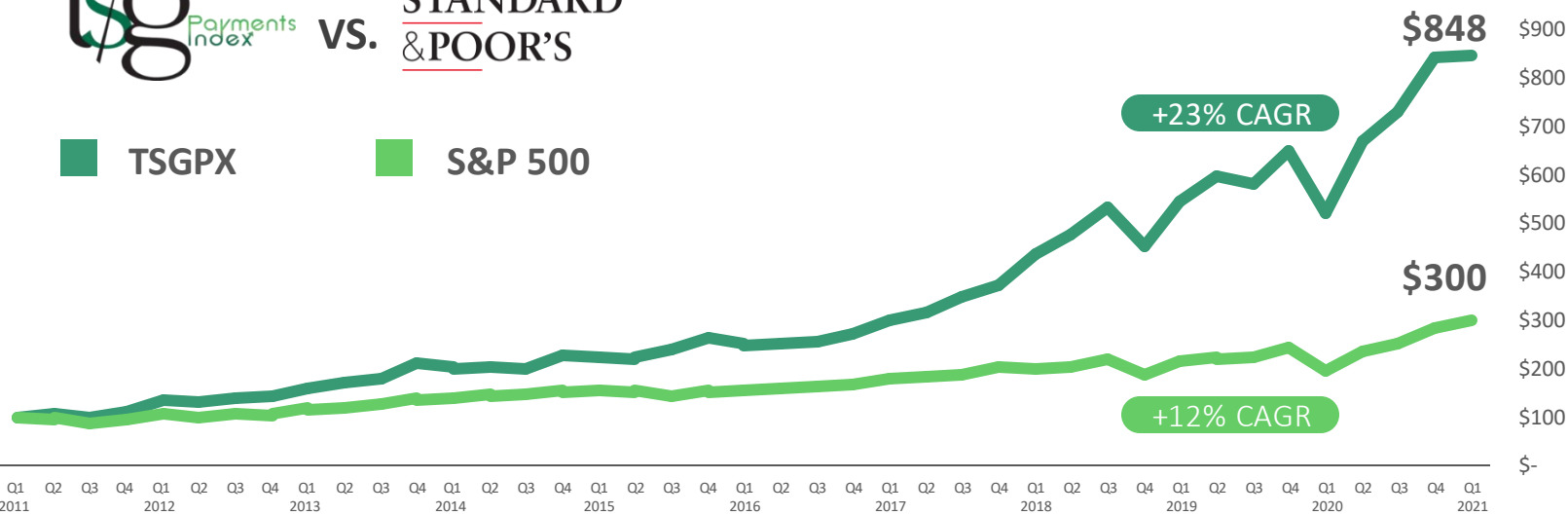
Q1 2011 – Q1 2021



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.

