

TransactionWatch

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

*Week of:
April 27th – May 1st*

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Deal Activity Summary

April 27th – May 1st

This Week's M&A Overview

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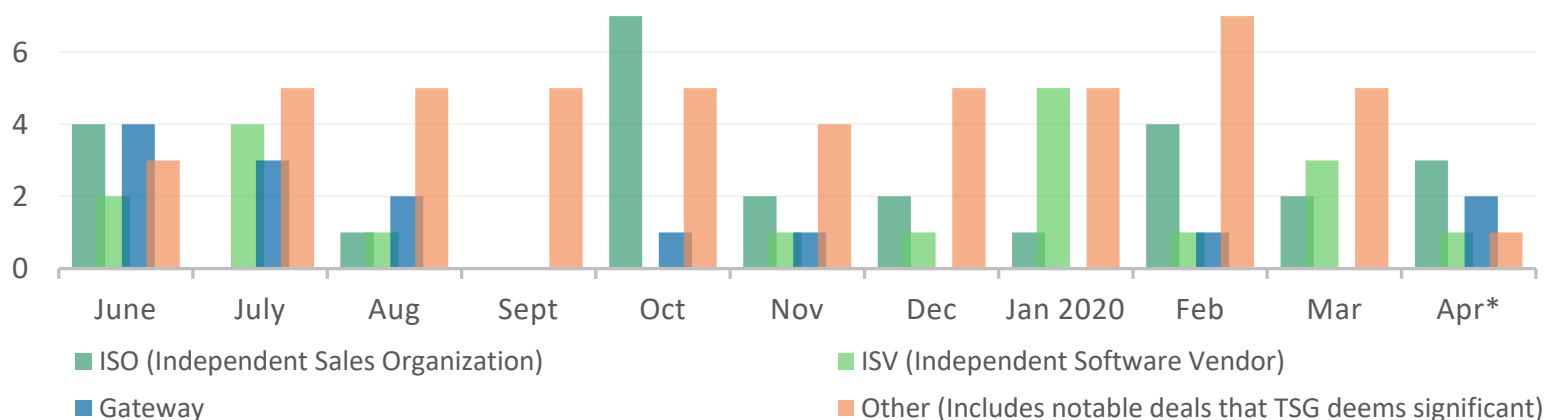
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Consumer card spending remained low throughout the month of April, which has negatively affected many payment companies within this industry. While COVID-19 continues to shake up our economy, M&A activity has been largely impacted across all industries. M&A levels on a global scale have declined in the first quarter of 2020, which has been apparent in the merchant acquiring space. Many companies are putting their efforts into strategizing their internal operations and striving to reach some level of revenue during this ongoing pandemic. Investing the time and resources into acquisition targets have since largely been put on hold as many companies seek to narrow any unnecessary expenses and risks during this time, however, discussions are continuously ongoing.

COVID-19 has brought added challenges to the deal making process which has affected the timeliness and success rate of a deal moving forward. In addition, buyers are ensuring that proper due diligence is being taken and assessing how the crisis has affected the seller's business and overall valuation.

2020/2019 M&A Activity – Year to Date

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 27th – May 1st

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.

Mastercard Builds on COVID-19 Response with Commitment to Connect 1 Billion People, 50 Million Small Businesses, 25 Million Women Entrepreneurs to the Digital Economy by 2025

[BusinessWire](#) | April 28th, 2020

The health and economic consequences of COVID-19 have highlighted the critical need to support vulnerable populations, many of whom are disproportionately impacted. In this time of global crisis, Mastercard today (April 28th) expanded its worldwide commitment to financial inclusion, pledging to bring a total of 1 billion people and 50 million micro and small businesses into the digital economy by 2025. As part of this effort, there will be a direct focus on providing 25 million women entrepreneurs with solutions that can help them grow their businesses.

Introducing 'Contactless In-store Ordering' Technology To Help Our Users Dine And Order Food Safely Post Lockdown

[Paytm Blog](#) | April 27th, 2020

We (Paytm) are now entering into the restaurant's food ordering business. Post the lockdown, the nation will require a safe & hygienic food ordering & dining experience which has prompted us to build a 'Contactless In-store Ordering' for restaurants and eateries.

ACI Worldwide Upgrades Card Management Program To Handle Covid-19 Challenges

[Finextra](#) | April 29th, 2020

ACI Worldwide, a leading global provider of real-time electronic payment and banking solutions, is delivering financial institutions a series of card management features within its ACI Issuer product as part of its COVID-19 rapid response program.

Hospitals Face Financial Hardship As COVID-19 Continues To Surge

[PYMNTS](#) | April 27th, 2020

Hospitals on the front lines of treating the coronavirus pandemic are projecting staggering losses, some as high as \$50 billion a month, according to an NPR report on Thursday (April 23rd).



Historical M&A Tracker

Transaction History: January 2020 – April 2020

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	Santander	Ebury	\$453	4/29/2020
Other	Euronet	Dolphin Debit	-	4/28/2020
ISO	Rapyd	Korta	-	4/24/2020
Gateway	Worldline	GoPay	-	4/23/2020
ISV	Gojek	Moka POS	\$130	4/22/2020
ISO	Payroc	Gateway Payments	-	4/22/2020
Gateway	Harbour & Hills	Global Envoi	-	4/8/2020
Other	SoFi	Galileo Financial Technologies	\$1,200	4/7/2020
ISO	Celero Commerce	FlashBanc	-	4/7/2020
ISO	VizyPay	Echo Daily	-	4/2/2020
Other	Brex	Neji	-	3/24/2020



Historical M&A Tracker

Transaction History: January 2020 – April 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Brex	Compose Labs	-	3/24/2020
Other	Brex	Landria	-	3/24/2020
ISV	Fiserv	Bypass Mobile	-	3/18/2020
Other	Accuity	Apply Financial	-	3/12/2020
ISO	Nets	Polskie ePłatnosci (PeP)	\$439	3/11/2020
Other	InterPayments	SurchX	-	3/6/2020
ISV	Mindbody	ZeeZor	-	3/4/2020
ISO	Fiserv	MerchantPro Express	-	3/3/2020
ISV	RevSpring	Loyale Healthcare	-	3/3/2020
Gateway	Checkout.com	ProcessOut	-	2/26/2020
ISO	Santander	Elavon Mexico	\$85.7	2/24/2020
Other	Intuit	Credit Karma	\$7,100	2/24/2020
ISO	Ally Financial	CardWorks	\$2,650	2/18/2020
Other	LendingClub	Radius Bancorp	\$185	2/18/2020
ISV	Flywire	Simplee	-	2/13/2020
Other	Klarna	Moneymour	-	2/12/2020
ISO	REPAY	Ventanex	\$50	2/10/2020



Historical M&A Tracker

Transaction History: January 2020 – April 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Square	Dessa	-	2/7/2020
Other	Intercontinental Exchange	Bridge2 Solutions	-	2/5/2020
ISO	Australis Capital	Paytron Merchant Services	-	2/4/2020
Other	Worldline	Ingenico	\$8,600	2/3/2020
Other	Accenture	Mudano	-	2/3/2020
ISO	Cornerstone Payment Systems	Move Your Mountain	-	1/31/2020
Other	WEX	eNett; Optal	\$1,700	1/24/2020
Other	RS2	Kalicom Kassen System	-	1/23/2020
ISV	DNA Payments	Zash AB	-	1/17/2020
Other	Far Point Acquisition	Global Blue	\$2,600	1/16/2020
ISV	Goldman Sachs Merchant Banking	Aptos	-	1/13/2020
Other	Visa	Plaid	\$5,300	1/13/2020
Other	PayU	PaySense	\$185	1/10/2020
ISV	Nets	Poplatek	-	1/9/2020
ISV	MTBC	CareCloud	-	1/8/2020
ISV	Lightspeed	Gastrofix	\$100+	1/7/2020
Other	Mastercard	RiskRecon	-	12/23/2019



Headline News

April 27th – May 1st



FIS Accelerates Innovation with \$150 Million of New Capital for Venture Investments

[FIS Media Room](#) | [April 28th, 2020](#)

Financial technology leader FIS announced today (April 28th) that FIS Ventures, the newly created corporate venture investment division of FIS, has launched an effort to invest a target of \$150 million in promising fintech startups over the next three years.



Mastercard Volumes Beginning To Show Some Stabilization after Sharp Drop-Off

[Digital Transactions](#) | [April 29th, 2020](#)

Mastercard Inc. managed to remain profitable in the first quarter as the Covid-19 pandemic began to sweep the world, and its volume and transaction data for April indicate a possible bottoming out of the steep decline in consumer and business spending. U.S. dollar volume switched over Mastercard's network in the week ending April 21 was off 15% from the year-earlier week, an improvement from the 26% year-over-year plunge for the week ending April 14 and the 22% decline in the week ending April 7, Mastercard reported Wednesday (April 29th).



Wirecard Shares Tumble as Questions Remain After Special Audit

[Wall Street Journal](#) | [April 28th, 2020](#)

Shares in German electronics-payments giant Wirecard AG dropped more than 26% on Tuesday (April 28th) after a special audit reviewing allegations about some of its accounting practices left unanswered questions. Wirecard, which has been celebrated as one of the biggest and fastest-growing European fintech companies, also said it wouldn't report its already delayed full-year 2019 results on Thursday (April 30th).



Partnership Activity

April 27th – May 1st

Paysafe:

Paysafe Group has established a partnership with Gala Technologies on supporting its merchant base in securely processing card-not-present (CNP) payment transactions across multiple channels including telephone, email, SMS, and social media platforms. Through this partnership, Paysafe is able to expand upon their payment processing solutions and provide more secure capabilities to its merchants. The company currently handles approximately \$85 billion in annual payment volume and supports more than 200 payment types.

VISA

Visa has partnered with Kenya's largest mobile operator, Safaricom, on the development of digital payment solutions for Safaricom's M-Pesa application. This arrangement will allow Safaricom to access Visa's vast network of financial services and enable its customers of M-Pesa to utilize Visa's card network. This partnership with Safaricom allows Visa to further expand into Africa and bring digital payment capabilities to millions of customers and merchants across the country.

Other Notable Partnerships:

- **Visa** and **Pesapal** partner to drive digital payment acceptance across Africa.
- **FSS Technologies** is collaborating with **FairPlay Pay** for online payment processing in the Czech Republic.
- Africa-based **DPO Group** has launched an eCommerce store utilizing **Mastercard's** payments gateway.
- Global payments gateway provider, **Checkout.com**, has joined the **Libra Association**.



Management Changes

April 27th – May 1st



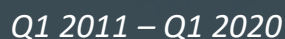
Sandra Blair

**MERCHANT
e-SOLUTIONS**

Merchant eSolutions Has Announced The Appointment Of Its New Executive Team

Merchant eSolutions, a Cielo company, has announced its executive team for 2020. Mike Rouse, who leads the company as CEO, will be joined by eight additional executives in their pursuit of growth and expansion. Several members of the leader team include Shimon Steinmetz as CFO, Mike Frank as EVP/Head of Sales, and Sandra Blair as EVP Product, Marketing, and Enterprise Solutions.

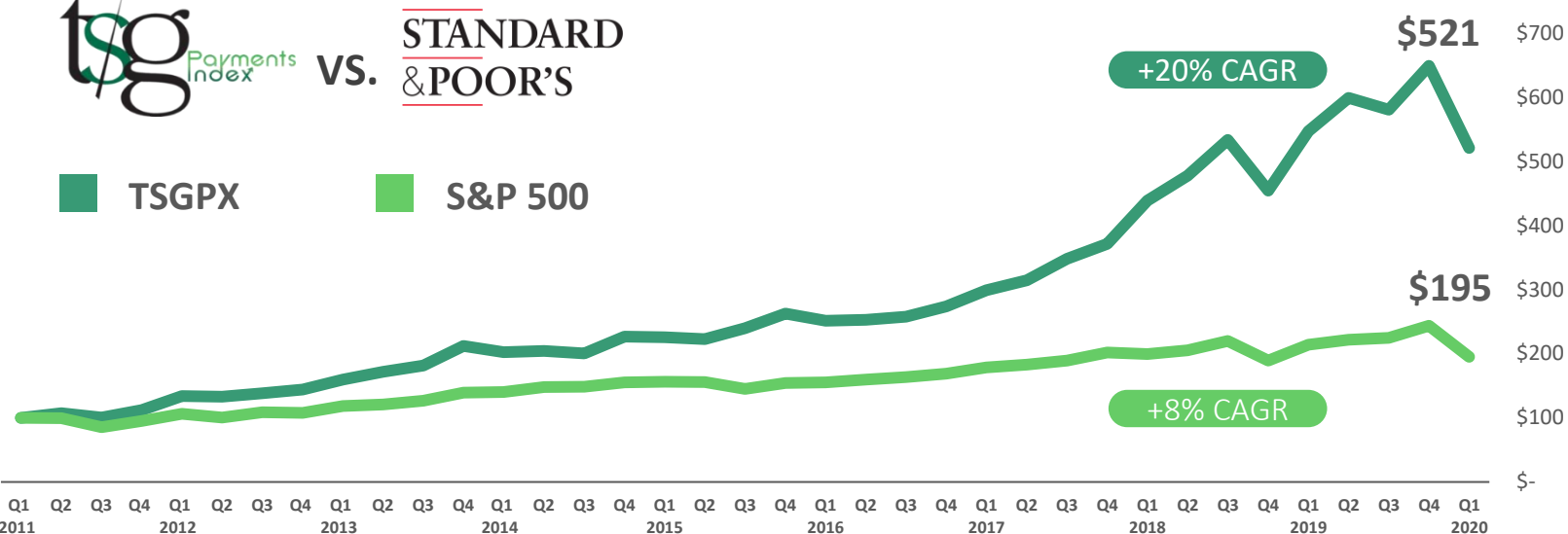
Date Announced	Company	Personnel	New Position	Previous Position
4/27/2020	NatWest	Jen Tippen	<i>Chief Transformation Officer</i>	Group Director, People and Productivity at Lloyds Banking Group
4/27/2020	Northern Trust	Alison Pain	<i>Chief Technology Officer for the EMEA Region</i>	Global Head of Storage and Backup at Deutsche Bank
4/28/2020	Wells Fargo	Lester Owens	<i>Head of Operations</i>	Global Head of Operations at Bank of New York Mellon
4/28/2020	Merchant eSolutions	Shimon Steinmetz	<i>Chief Financial Officer</i>	
4/28/2020	Merchant eSolutions	Mike Frank	<i>EVP/Head of Sales</i>	
4/28/2020	Merchant eSolutions	Sandra Blair	<i>EVP Product, Marketing, and Enterprise Solutions</i>	
4/30/2020	Repay Holdings	Jacob Moore	<i>EVP of Corporate Development and Strategy</i>	Senior Associate at BlueArc Capital Management



VS. STANDARD
& POOR'S



 S&P 500



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 \$521 in Q1 2020, as compared to \$195, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **12% 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.

