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THE STRAWHECKER GROUP

TransactionWatch

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

Week of:

May 10th – May 14th

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Deal Activity Summary

May 10th – May 14th

This Week's M&A Overview

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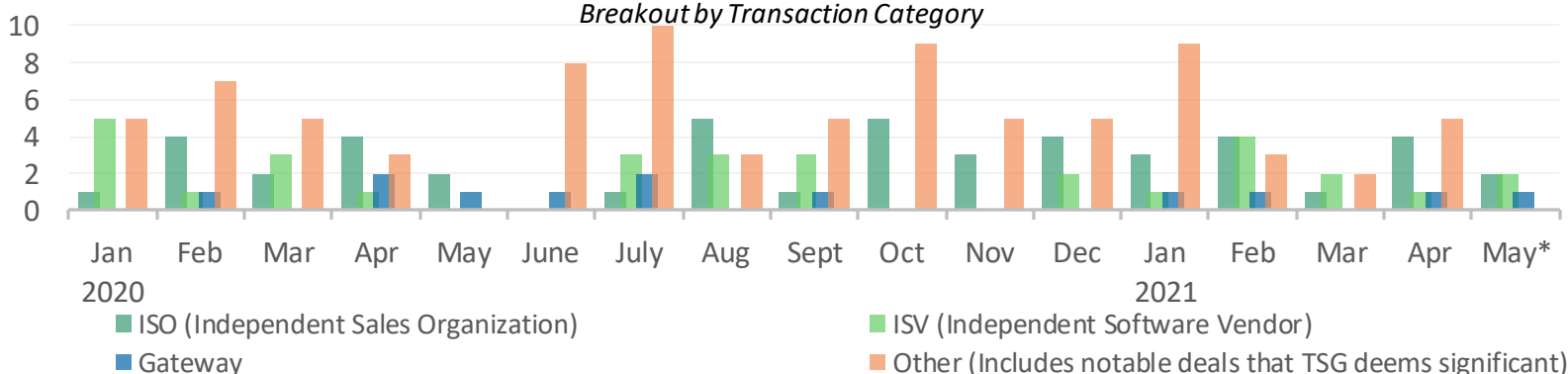
[TSG Buy/Sell Services](#)

Significant movement in the merchant acquiring industry this week as REPAY has announced their definitive agreement to acquire BillingTree for approximately \$503 million. REPAY will finance the acquisition using \$275 million in cash, and \$228 million in newly issued shares of REPAY Class A common stock. Parthenon Capital, who is BillingTree's majority owner, will now own approximately 10% of REPAY's outstanding shares following the closing of this transaction, which is expected to be by the end of this quarter. Furthermore, as a result of this deal, REPAY is expecting to realize \$5 million in annualized synergies by 2022. With the addition of BillingTree, REPAY's total payment volume will grow to over \$20 billion annually, of which BillingTree is expected to generate \$4.4 billion. Lastly, BillingTree's existing network of integrated software partners will help further expand REPAY's position in their key market verticals, including healthcare and credit unions.

In other M&A news, MiCamp Solutions has announced their acquisition of American Bank Payments, an ISO based out of Florida, in unison with their joint venture partner Twenty20 Payments. This acquisition will leverage MiCamp's WAVit payment gateway, which has already been added to several accounts in American Bank Payment's portfolio.

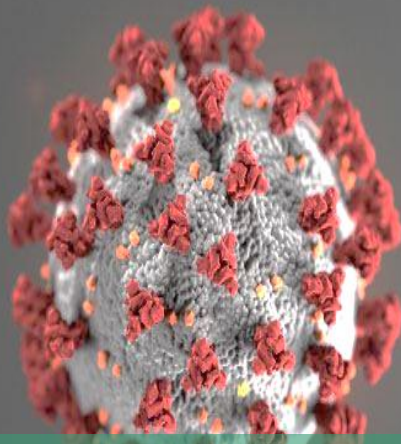
2020 – 2021 YTD M&A Activity

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

May 10th – May 14th

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.

Bank of America Finds 60% of Small Business Owners Expect their Revenue to Increase This Year, a Significant Rebound since Last Fall

[BusinessWire](#) | [May 11th, 2021](#)

According to the Bank of America 2021 Small Business Owner Report, U.S. small business owners have started to regain their footing after an unprecedented year of challenges brought on by the coronavirus. The research, based on a survey of nearly 1,000 small business owners across the country conducted in March, reveals business outlook and economic confidence have bounced back significantly from levels seen in the fall.

U.S. Consumer Spending Is Gaining Strength Fast, a New Index Based on Visa Data Shows

[Digital Transactions](#) | [May 12th, 2021](#)

Visa Inc. on Wednesday (May 12th) introduced to the general public its Visa Spending Momentum Index, a measure of what the global payments network calls "the health of consumer spending," and the latest number indicates the U.S. economy is doing far better in the wake of business reopenings.

Payment Fraud Fears Grow; 65% of Consumers More Concerned About Fraud Than Before COVID-19, According to New Marqeta Survey

[BusinessWire](#) | [May 11th, 2021](#)

As the pandemic drove consumers online en masse to make purchases, consumer anxiety around fraud saw a considerable spike, according to a new survey by Marqeta, the global modern card issuing platform. The company surveyed 2,000 consumers across the United States and United Kingdom about their experiences and attitudes toward payment fraud and how they felt about the threat of fraud in the aftermath of COVID-19.

PayPal Accelerates Its Digital Transformation with Google Cloud to Support Customer Needs During Pandemic--and Beyond

[PR Newswire](#) | [May 13th, 2021](#)

Google Cloud and PayPal today (May 13th) announced they are deepening their relationship to further accelerate PayPal's digital transformation and evolving customer needs.



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
ISO	MiCamp Solutions	American Bank Payments	-	5/11/2021
ISO	REPAY	BillingTree	\$503	5/10/2021
Gateway	Nuvei	Simplex	\$250	5/6/2021
ISV	Bill.com	Divvy	\$2,500	5/6/2021
ISV	Global Payments	Zego	\$925	5/4/2021
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



Historical M&A Tracker

Transaction History: January 2021 – April 2021

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



Historical M&A Tracker

Transaction History: January 2021 – April 2021

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



Headline News

May 10th – May 14th



PayPal Wants to Be a Lot More Than an Online Checkout Button

[Yahoo! Finance](#) | [May 10th, 2021](#)

PayPal Holdings Inc. is eyeing life beyond the checkout button. In the coming months, the firm is planning to debut a bevy of new services, which could include high-yield savings accounts, check-cashing services and stock-investing capabilities. It's all being done in the hopes of PayPal becoming the world's next "super app," akin to China's Alipay or WeChat, India's Paytm or Singapore's Grab.



Remitly
Promises Delivered

Remitly Receives Investment from Visa to Help Accelerate Expansion of Cross-Border Money Transfer Network in Emerging Markets

[BusinessWire](#) | [May 11th, 2021](#)

Remitly, the mobile-first provider of remittances and financial services for immigrants, today (May 11th) announced new funding from Visa, a world leader in digital payments. On the heels of a meaningful year for Remitly, Visa has made an equity investment in the digital provider, showcasing confidence in the quality and continuity of Remitly's vision to provide transformative financial services products for immigrants across the globe.



Cardtronics Shareholders Approve NCR Deal

[BusinessWire](#) | [May 11th, 2021](#)

NCR Corporation, a global enterprise technology provider for the financial, retail and hospitality industries, today (May 11th) acknowledged that Cardtronics shareholders held their meetings on May 7th, and in excess of 99% of the shares voted at the meetings were voted in favor of the transaction with NCR. The transaction is expected to close in mid-year 2021, subject to receipt of regulatory approvals and satisfaction of customary closing conditions, one of which was approval by Cardtronics' shareholders.



Partnership Activity

May 10th – May 14th



Lightspeed teams up with Google to help retailers increase local shopping revenue

[PR Newswire](#) | May 11th, 2021

Lightspeed, a leading provider of cloud-based, omnichannel commerce platforms, announced today (May 11th) it will integrate Google tools directly into its platform, to help independent businesses globally as they safely re-open and expand their in-store capacity. As consumer preference towards shopping locally increases, the direct integration between Lightspeed and Google will allow independent retailers to manage a number of Google tools directly in their Lightspeed commerce platform at no additional cost.



Plaid and U.S. Bank collaborate to deliver a secure open finance experience

[US Bank Press Release](#) | May 13th, 2021

A collaboration between U.S. Bank, the fifth-largest bank in the U.S. and Plaid, the digital finance innovator with more than 11,000 financial institutions in its network, brings enhanced simplicity, transparency, and security to U.S. Bank customers who want to connect their accounts to third-party apps. The two companies joined forces to upgrade U.S. Bank customers to an API-based, credential-less open finance experience with Plaid – in record time.

Other Notable Partnerships:

- **Fiserv's Clover** platform teams up with the buy now, pay later (BNPL) provider, **PayBright**, on offering customers in Canada more options at checkout.
- **Kount** partners with **Ethoca**, a Mastercard company, on dispute and chargeback management solutions.
- **Fleetcor Technologies** signs a joint venture with **Caixa**, Brazil's largest bank, for electronic payment solutions in the transportation industry.
- **Mastercard** partners with **Billetera** on offering digital payment solutions in the Democratic Republic of Congo.
- **MoneyGram** and **Coinme** team up on expanding cash payouts and funding of Bitcoin.



Management Changes

May 10th – May 14th



Circle Appoints Jeremy Fox-Green To Serve As Its New Chief Financial Officer

Circle, a global fintech provider of payments infrastructure for online businesses, named Jeremy Fox-Green to serve as their new CFO. Under this new position, Jeremy will lead the company's finance and treasury organizations and will provide support as the company seeks to expand their leadership team globally.

Date Announced	Company	Personnel	New Position	Previous Position
5/11/2021	Circle Internet Financial	Jeremy Fox-Green	CFO	Chief Financial Officer, North America at McKinsey
5/13/2021	SH Payments	Justinas Basalykas	CEO	COO/CFO at SH Payments
5/13/2021	Finexio	Joe Proto	Board of Directors	Current EVP Senior Advisor at Mastercard
5/14/2021	TD Bank	Alissa Van Volkom	Head of U.S. Consumer Deposits, Products and Payments	Senior VP, Head of Customer, Product and Digital Marketing at TD Bank



TSG Payments Index

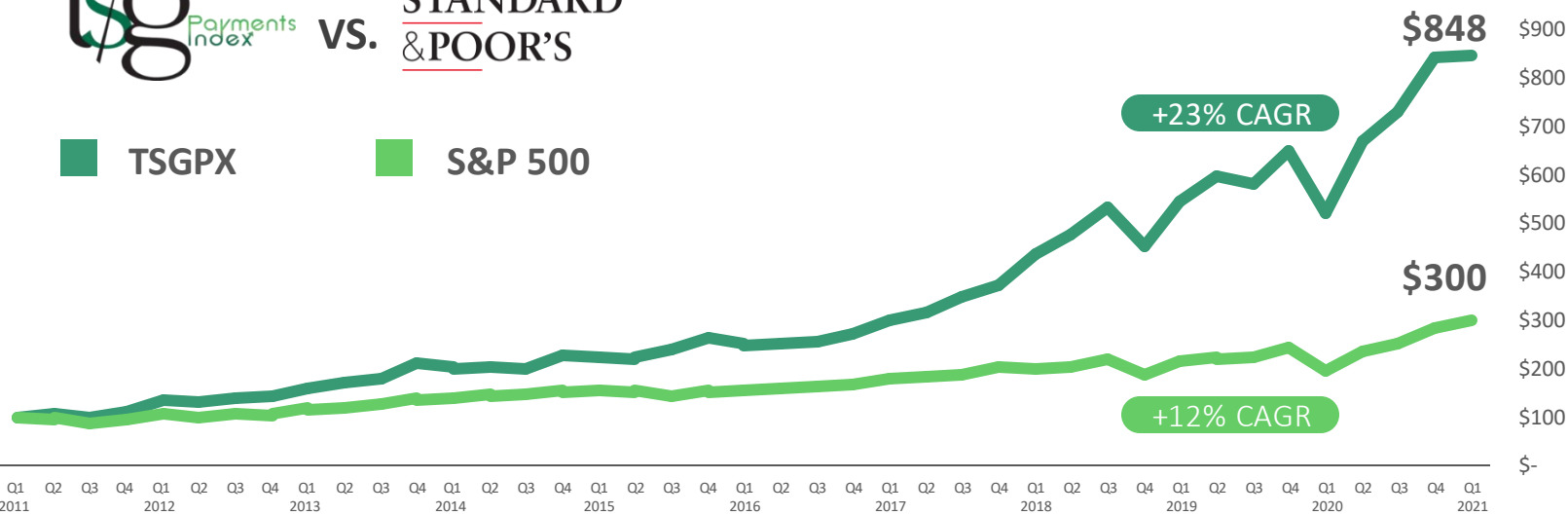
Q1 2011 – Q1 2021



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.

