

# TransactionWatch

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

*Week of:  
May 17<sup>th</sup> – May 21<sup>st</sup>*

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# Deal Activity Summary

May 17<sup>th</sup> – May 21<sup>st</sup>

## This Week's M&A Overview

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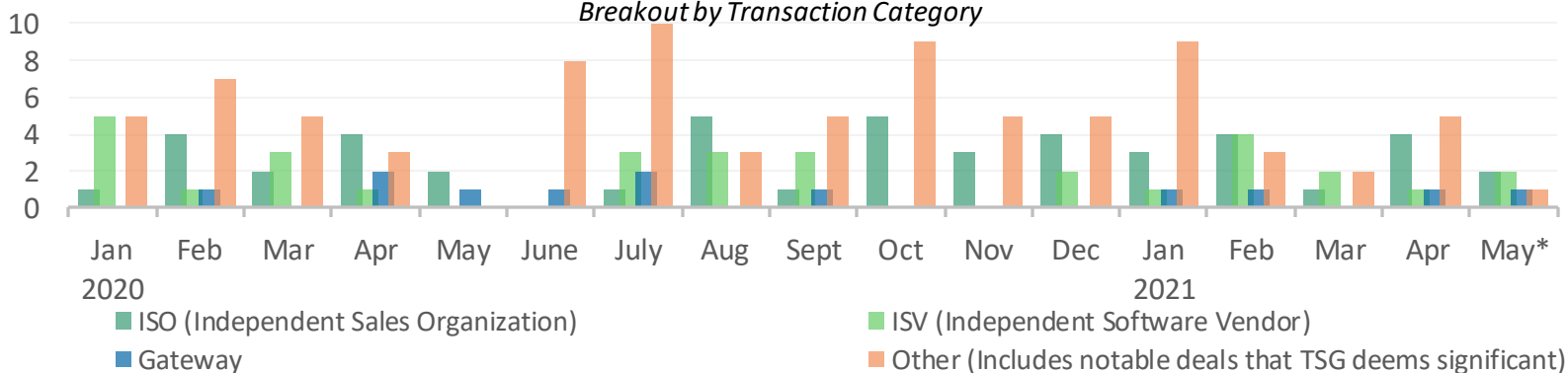
[TSG Buy/Sell Services](#)

The payments industry is witnessing some significant traction in upcoming IPOs as several payment providers release new details regarding going public. To start, Marqeta has filed their S-1 Form last Friday (May 14<sup>th</sup>) and is anticipating to be valued at around \$16 billion to \$17 billion as a result. The company was last valued at around \$4.3 billion roughly one year ago. Furthermore, as noted in their prospectus, the company reported first quarter revenue of \$108 million, showing an increase of 123%, and processed approximately \$60 billion in 2020 payment volume. Marqeta will trade on the Nasdaq under the ticker MQ.

In other news, Paymentus announced on Monday (May 17<sup>th</sup>) that they were aiming for a valuation of up to \$2.4 billion. Based on the pricing of their offering, Paymentus is anticipating to raise up to \$210 million in funding according to their SEC filing. Separately, the leading buy now, pay later (BNPL) firm Klarna is withholding its decision to go forward on an IPO listing until the details of the U.K.'s post-Brexit financial services rules are determined. Klarna recently raised \$1 billion in a funding round earlier this year which valued the company at \$31 billion.

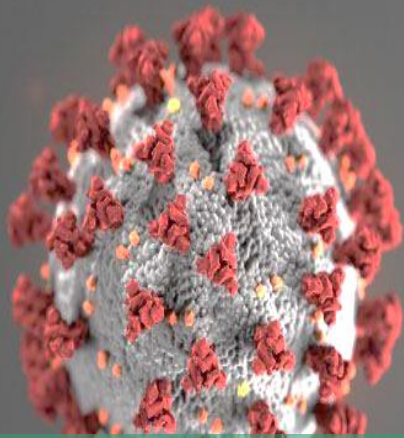
## 2020 – 2021 YTD M&A Activity

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 17<sup>th</sup> – May 21<sup>st</sup>

**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.**

## **Jobless claims drop more than expected for a new pandemic low**

[CNBC](#) | May 20<sup>th</sup>, 2021

*The procession of Americans heading to the unemployment line fell last week, with jobless claims totaling a fresh pandemic-era low of 444,000, the Labor Department reported Thursday (May 20<sup>th</sup>). Economist surveyed by Dow Jones had been expecting 452,000 new claims as the jobs picture improves thanks to an accelerated economic reopening across the country*

## **Study: 75 Pct Of Shoppers Will Keep Digital Habits After Pandemic**

[PYMNTS](#) | May 19<sup>th</sup>, 2021

*An exclusive new research report from PYMNTS reveals that three-fourths of consumers plan to keep at least some of the eCommerce habits they picked up during the pandemic. The findings come as roughly 60 percent of the population has had at least their first dose of a COVID-19 vaccine, as states across the country are rolling back their mask mandates and other restrictions on public places.*

## **Credit Scores 'May Lose Some Power' After Covid, Fed Warns**

[Bloomberg](#) | May 19<sup>th</sup>, 2021

*The Federal Reserve Bank of New York warned that credit scores -- the all-powerful number that can determine if a consumer is able to qualify for a loan, rent a home or even buy car insurance -- might have gotten less reliable during the coronavirus pandemic.*

## **Mobile Money In Africa Reaches Nearly \$500bn During Pandemic**

[Forbes](#) | May 19<sup>th</sup>, 2021

*Mobile Money transaction boomed globally in 2020, especially in sub-Saharan Africa which accounted for 43% of all new accounts, according to the GSM Association. More than half of such accounts are in Africa, which is has been the fastest-growing region for mobile phone growth for several years.*





# 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](mailto: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	Bouncer	-	5/14/2021
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



# Historical M&A Tracker

Transaction History: January 2021 – April 2021

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





# Historical M&A Tracker

Transaction History: January 2021 – April 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	Equifax	Kount	\$640	1/8/2021
Other	Cart.com	AmeriCommerce	-	1/7/2021



## Headline News

May 17<sup>th</sup> – May 21<sup>st</sup>

### Paymentus

**Electronic billing startup Paymentus targets over \$2 bln valuation in U.S. IPO**

[Reuters](#) | [May 17<sup>th</sup>, 2021](#)

Billing and payments network Paymentus Holdings Inc said on Monday (May 17<sup>th</sup>) it was aiming for a valuation of up to \$2.43 billion in its initial public offering in the United States. The Redmond, Washington-based company, which is offering 10 million shares priced between \$19 and \$21 apiece, is targeting to raise up to \$210 million, its filing showed.

### MARQETA

**Fintech Marqeta Is Going Public**

[Barron's](#) | [May 17<sup>th</sup>, 2021](#)

Marqeta, the card-issuing platform backed by financial services giants like Visa, Mastercard and Discover, is going public. The fintech has filed to raise \$100 million with its initial public offering, according to a prospectus. The Oakland, California, company didn't disclose how many shares it would sell or their price range. That information will come with future filings. The \$100 million is also considered a placeholder that will change as the company provides more information. It will trade on the Nasdaq under the ticker MQ.

### adyen

**Adyen expands acquiring capabilities to Japan amid growing momentum for cashless payments**

[PR Newswire](#) | [May 18<sup>th</sup>, 2021](#)

Adyen, the global payments platform of choice for many of the world's leading companies, today (May 18<sup>th</sup>) announced the expansion of its acquiring capabilities to include Japan. Adyen's acquiring capabilities are foundational to the company's all-in-one payment platform allowing merchants like Microsoft, Foodpanda, VanMoof, Breitling, and G-Star to get the most out of each transaction with local payment processing.





## Partnership Activity

May 17<sup>th</sup> – May 21<sup>st</sup>



**PLAID**

### Square and Plaid partner to give US merchants a better ACH payment experience

[Plaid Blog](#) | May 20<sup>th</sup>, 2021

For many ecommerce businesses, ACH payments debited directly from bank accounts provide a lower-cost, more accessible alternative to credit cards. And while cards expire and go missing, account and routing numbers used for ACH payments are more permanent, leaving less room for interruption and error. Despite the benefits for merchants, customer preference and convenience have helped cards solidify their position as the recent default in ecommerce payments.

**DISCOVER<sup>®</sup>**

### Arab Financial Services and Discover Sign Network Alliance Agreement

[BusinessWire](#) | May 18<sup>th</sup>, 2021

Arab Financial Services (AFS), the leading digital payment solutions provider and fintech enabler in the Middle East and Africa, and Discover, a digital banking and payments services company, have signed a strategic network alliance agreement that will increase the global acceptance footprint for both organizations.

### Other Notable Partnerships:

- **Sokin** has signed a partnership agreement with **Mastercard** to help allow them to expand their services into Mexico and Brazil.
- **REPAY** has announced their integration with **Sage 100** for their AP automation offering.
- **Paysafe** has partnered with **TripGift** for online gift giving experiences using Paysafe's online cash solution, paysafecard.



# Management Changes

May 17<sup>th</sup> – May 21<sup>st</sup>



**payouts**  
NETWORK

## Payouts Network Brings On Sandra Blair To Serve As Chief Product Officer

Payouts Network announced this week their appointment of Sandra Blair to serve in the company's newly created role of Chief Product Officer. Blair has an extensive background in payments and fintech, which include roles at FIS, Vanco Payments Solutions, and most recently serving as Chief Product Officer at MerchantE.

Date Announced	Company	Personnel	New Position	Previous Position
5/18/2021	Payouts Network	<b>Sandra Blair</b>	<i>Chief Product Officer</i>	Chief Product Officer at MerchantE
5/18/2021	I2c	<b>John Bresnahan</b>	<i>General Manager of Government Payment Services</i>	Director at PwC
5/18/2021	Melio	<b>Jonathan Polk</b>	<i>General Counsel and Chief Compliance Officer</i>	Global Head of Regulatory Affairs and International Banking at American Express
5/19/2021	Blackhawk Network	<b>Cory Gaines</b>	<i>Chief Product Officer</i>	Chief Product Officer at Lively, Inc.



# TSG Payments Index

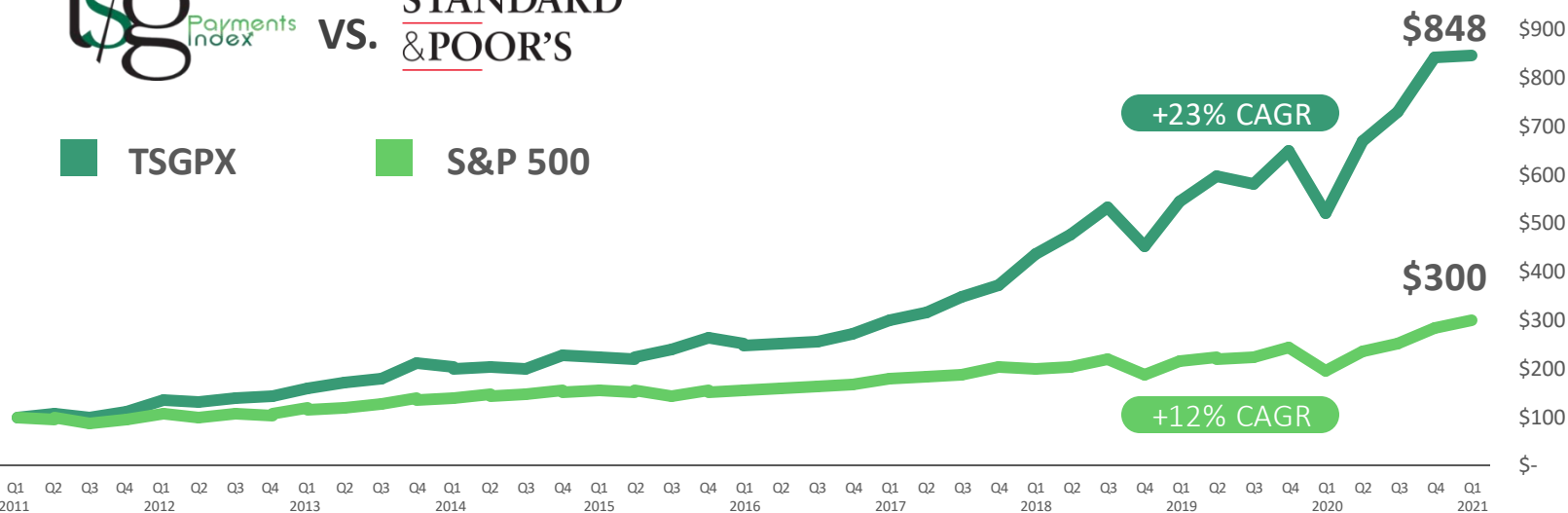
Q1 2011 – Q1 2021



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  
**NXGEN**  
& **pay**scape®



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.

