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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 24th – May 28th*

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Deal Activity Summary

May 24th – May 28th

This Week's M&A Overview

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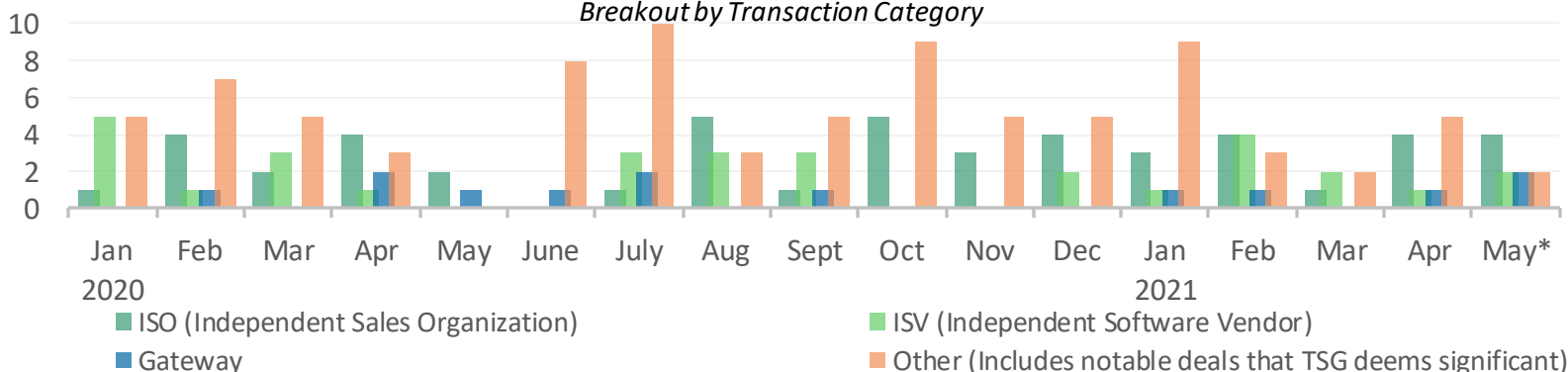
[TSG Buy/Sell Services](#)

M&A activity heats up this week with the announcements of several notable transactions. To start, FortisPay has announced their acquisitions of EpicPay and Change Merchant Solutions for an undisclosed sum. FortisPay is anticipating these new acquisitions will allow them to further expand into additional markets through new ISV channels while also bringing significant volume to their platform. With these acquisitions, FortisPay is also seeking to rapidly grow their payment gateway, Zeamster, through the combination of the EpicPay Platform as well as through leveraging Change Merchant Solution's existing ISV channels. These two acquisitions will add more than \$3 billion in annual payment volume for FortisPay as they continue to pursue growth in key markets, including nonprofit and hospitality.

In other M&A news, GreenBox POS announced on Tuesday (May 25th) their acquisition of Northeast Merchant Services. As the name implies, Northeast Merchant Services is an ISO focused on the Northeast region of the U.S. serving more than 700 retail merchants. GreenBox will pay \$2.5 million in cash with another half a million in potential earn-out over a one-year basis. Separately, Sift announced their definitive agreement to acquire Chargeback as they seek to expand their offerings of fraud prevention and chargeback management.

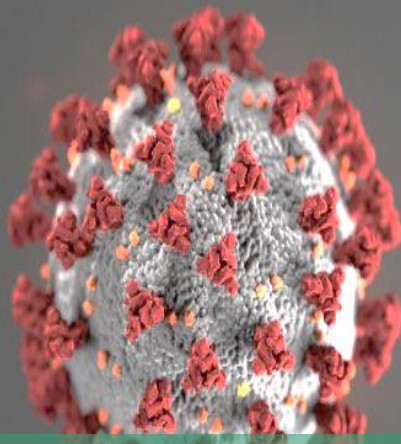
2020 – 2021 YTD M&A Activity

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 24th – May 28th

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.

Electronic Healthcare Claim Payments Surge in 2021

[Nacha News](#) | [May 26th, 2021](#)

As the COVID-19 pandemic begins to subside, healthcare claim payments are on the rise. Figures from Nacha, which governs the ACH Network, show nearly 37.4 million healthcare claim payments were made to providers by ACH in March 2021, the most ever in a single month, and an increase of 19.3% over March 2020. The value of those payments, more than \$171.3 billion, is up 13% from a year earlier.

Jobless claims: Initial filings fell for a fourth straight week to set new pandemic-era low

[Yahoo! Finance](#) | [May 27th, 2021](#)

Initial unemployment claims fell for a fourth straight week to set a new 14-month low as the labor market recovery made further strides toward recovering jobs lost during the pandemic. As a greater percentage of the U.S. population becomes inoculated against COVID-19, more businesses have reopened and more social distancing standards have been eased.

COVID-19 Retail & Hospitality Industries Impact Survey - Leadership Is Focusing on Staffing and Wage Issues, Zoom Communications Is Here to Stay

[PR Newswire](#) | [May 27th, 2021](#)

Multimedia Plus, a training and communications technology firm, released its latest COVID-19 impact survey today (May 27th) that measures the impact of COVID-19 on pressing retail and hospitality industry issues focused on technology, training, and spending priorities.

The US economy is closer than ever to 'back to normal.' But we've still got a long way to go

[CNN](#) | [May 24th, 2021](#)

More than a year after the pandemic began, the US economy is on the cusp of a full recovery. But reaching that milestone still won't be easy. CNN Business' Back-to-Normal Index, developed in partnership with Moody's Analytics last year, shows the US economy is 90% of the way back to where it was before the pandemic began over a year ago.



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	FortisPay	Change Merchant Solutions	-	5/26/2021
Gateway	FortisPay	EpicPay	-	5/26/2021
ISO	GreenBox POS	Northeast Merchant Services	\$3	5/25/2021
Other	Sift	Chargeback	-	5/25/2021
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



Historical M&A Tracker

Transaction History: January 2021 – April 2021

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



Historical M&A Tracker

Transaction History: January 2021 – April 2021

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



Headline News

May 24th – May 28th



Stripe launches Payment Links to enable online sales in minutes without any code

[Stripe Newsroom](#) | [May 25th, 2020](#)

Stripe, a global technology company building economic infrastructure for the internet, this week announced the launch of Payment Links: the simplest way for businesses to create a full payment page with just a few clicks, and share the link with their customers—no code required.



SoftBank is backing buy-now-pay-later firm Klarna in funding round that values it at over \$40 billion

[CNBC](#) | [May 27th, 2021](#)

Klarna, a European buy-now-pay-later company, is close to securing a new funding round at a valuation of more than \$40 billion, according to a source familiar with the matter. The investment is being backed by SoftBank and multiple other investors, said the person, who asked to remain anonymous as the details have not yet been made public.



Square Preps Savings, Checking Account Offers For Consumers, SMBs

[PYMNTS](#) | [May 24th, 2021](#)

Square is said to be getting ready to provide savings accounts and checking accounts to small- to medium-sized business (SMB) customers, Bloomberg reported Monday (May 24th). Signs of the plan show up in hidden programming language in a recent update to the company's app for the Apple iPad and iPhone, according to Bloomberg. That code refers to savings accounts in addition to checking accounts and notes that the latter type of account will connect with the firm's current business debit card.



Partnership Activity

May 24th – May 28th

ACI Worldwide

ACI Worldwide and J.P. Morgan Collaborate to Offer Merchants in Europe Greater Choice of Payment Options

[BusinessWire](#) | [May 25th, 2021](#)

ACI Worldwide, a leading global provider of real-time digital payment software and solutions, today (May 25th) announced a collaboration with J.P. Morgan, a global leader across banking, markets and securities services, that will enable merchants in certain European countries to deliver in-store payment acceptance capabilities to their customers.

REPAY[®]

Realtime Electronic Payments

REPAY Partners With Paysafe to Enable U.S. Merchants to Accept Online Cash Payments

[BusinessWire](#) | [May 26th, 2021](#)

Repay Holdings Corporation ("REPAY"), a leading provider of vertically-integrated payment solutions, today (May 26th) announced a partnership with Paysafe, a leading specialized payments platform, to enable REPAY merchants to accept cash payments at over 60,000 of Paysafe's retail partner locations, including major convenience stores, dollar stores, and pharmacies across the United States.

Other Notable Partnerships:

- **Square** partners with **Google** for improved online selling and discoverability for their merchant base.
- **PredictSpring** expands its partnership with **Adyen** to add more payment options to its POS platform.
- **Square** and **Noble** team up to provide digital payment offerings to live event concessions.
- **Agora Services** partners with **i2c Inc.** on offering digital first issuing and processing.
- **Volante Technologies** and **Deloitte** team up on developing new innovative payment services for financial institutions.
- **PayPal** and **raiSE** partner to help SMBs with digital transformation.
- **SoftTouch** partners with **PayPal** and **Venmo** for further payment acceptance capabilities.



Management Changes

May 24th – May 28th



WELLS FARGO

Wells Fargo Appoints Ulrike Guigui To Serve As Head Of Payments Strategy

This week, Wells Fargo announced the appointment of Ulrike Guigui to serve as the company's new Head of Payments Strategy. Under this role, Guigui will support the company's payments initiatives and identify additional areas for growth in this industry segment. Guigui joins Wells Fargo from Deloitte Consulting, where she most recently served as Managing Director and Head of Payments Practice.

Date Announced	Company	Personnel	New Position	Previous Position
5/24/2021	Wells Fargo	Ulrike Guigui	Head of Payments Strategy	Managing Director and Head of Payments Practice at Deloitte
5/24/2021	Moov	Joel Tosi	CTO	VP of Integration Services and Gateway Technology Fiserv
5/25/2021	Paylink Solutions	Andrew Alder	Director of Development and Partnerships	Head of Partnerships at PayPlan
5/25/2021	Klarna	Roger W. Ferguson Jr.	Board of Directors	President and CEO at TIAA
5/25/2021	Gr4vy	Zubin Vandrevala	Vice President of Partnerships, Sales, and Business Development	Head of Payment Partnerships at Google



TSG Payments Index

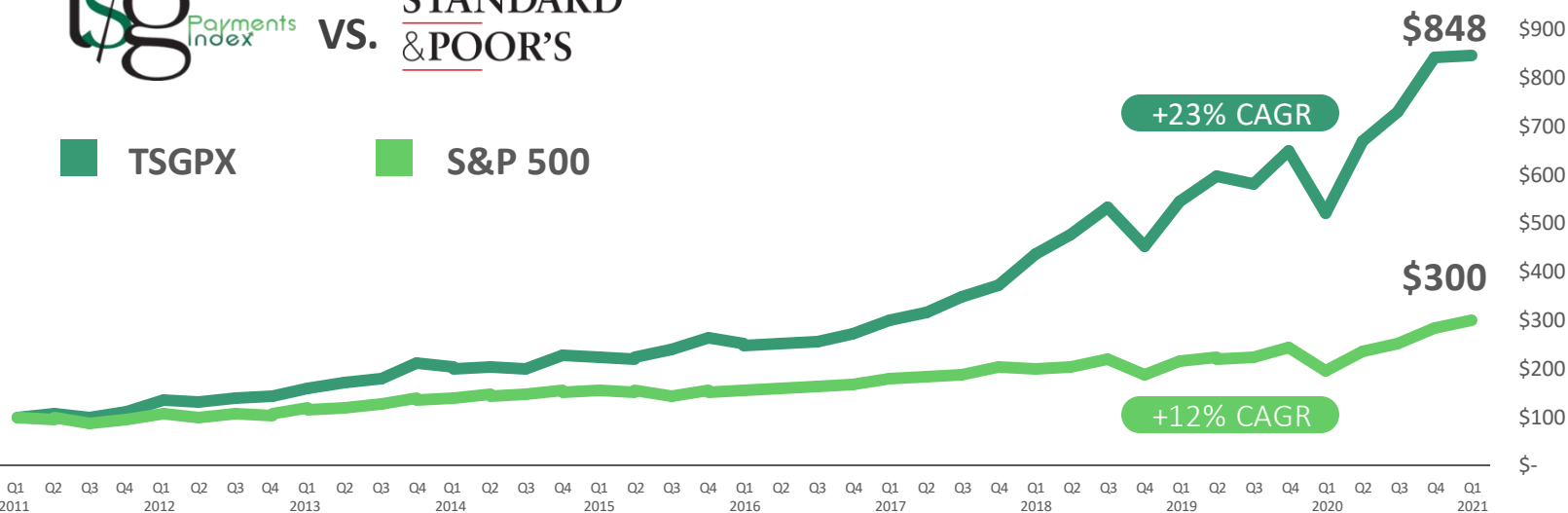
Q1 2011 – Q1 2021



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.

