

TransactionWatch

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

*Week of:
May 3rd – May 7th*

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Deal Activity Summary

May 3rd – May 7th

This Week's M&A Overview

Table of Contents



[Deal Activity Summary](#)



[COVID-19 Industry Impact](#)



[B2B Payment Network](#)



[Historical M&A Tracker](#)



[Headline News](#)



[Partnership Activity](#)



[Management Changes](#)



[TSG Payments Index](#)



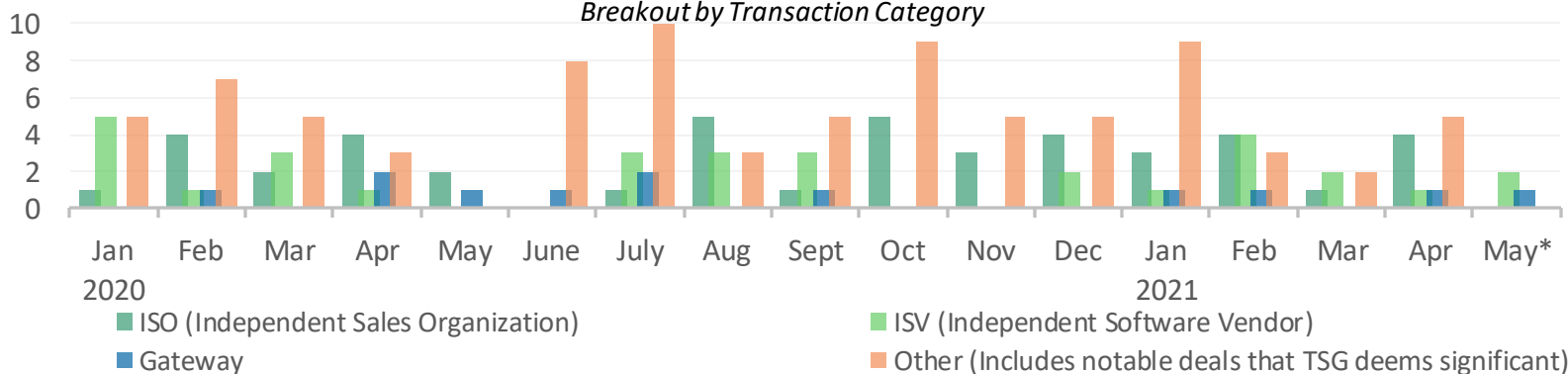
[TSG Buy/Sell Services](#)

Driving increased payment volume through software continues to be a large interest as Global Payments as well as Bill.com announce significant acquisitions this week. To start, Global Payments announced their agreement to acquire Zego from Vista Equity Partner. Zego is a U.S. property management software provider that facilitates approximately \$30 billion in annual payment volume. Global Payments will acquire Zego in an all-cash transaction valued at \$925 million. This transaction is expected to close later this quarter. Separately, Bill.com announced yesterday (May 6th) that they have entered into a definitive agreement to acquire Divvy, a provider of business expense management software. Bill.com will pay approximately \$625 million in cash and \$1.875 billion in stock, for a total consideration of about \$2.5 billion. With this acquisition, Bill.com will be able to expand their complimentary B2B spending management product offerings allowing for more automation and real-time data to their customer base of more than 115,000.

In other M&A news, Nuvei announced their agreement to acquire Simplex for approximately \$250 million in cash. Simplex is a fintech startup that provides a fiat-cryptocurrency payment gateway. Nuvei anticipates that this acquisition will allow them to expand their array of alternative payment methods.

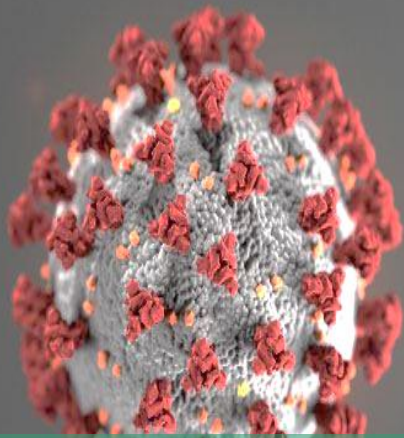
2020 – 2021 YTD M&A Activity

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 3rd – May 7th

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 SpendingPulse: April U.S. Retail Sales Grow 23.3%* as Trends Point to a Recovering Economy

[Mastercard Newsroom](#) | May 6th, 2021

Total U.S. retail sales sprung into another month of double-digit growth in April, according to Mastercard SpendingPulse, which measures in-store and online retail sales across all forms of payment. U.S. retail sales excluding automotive and gasoline increased 23.3% year-over-year in April, and 10.8% compared to April 2019.

COVID Triggers Changes in Payments Habits Amongst Over Eight in Ten Consumers

[BusinessWire](#) | May 5th, 2021

More than eight in ten consumers (86%) say that their payments habits have changed since the start of the pandemic, with 59% trying a new payment method for the first time – a number which rises to 77% among the 18- to 24-year-old age group.

Jobless claims tumble below 500,000 in another sign the labor market is getting closer to pre-pandemic levels

[CNBC](#) | May 6th, 2021

The U.S. employment picture improved sharply last week, with first-time claims for unemployment insurance dipping below 500,000 for the first time since the pandemic crisis. Initial claims totaled 498,000 for the week ended May 1st, against the Dow Jones estimate of 527,000.

Pandemic Payment Habits Are Looking Sticky

[The Wall Street Journal](#) | May 6th, 2021

After a blockbuster 2020, the biggest question mark surrounding PayPal Holdings and other digital payment companies was whether things would return to normal in 2021. So far, there is little sign of that. On Wednesday (May 5th), PayPal said it is now expecting total payment volume to grow by about 30% this year, up from its prior guidance of the high-20% range.



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
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
Other	Tipalti	Approve.com	-	4/12/2021
ISV	GreenBox POS	ChargeSavvy	\$12	4/8/2021



Historical M&A Tracker

Transaction History: January 2021 – April 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	FTAC Olympus Acquisition Corp.	Payoneer	\$3,300	2/3/2021
Other	SumUp	Paysolut	-	2/2/2021



Historical M&A Tracker

Transaction History: January 2021 – April 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	NCR	Freshop	-	1/6/2021
Other	AvidXchange	Core Associates	-	1/4/2021



Headline News

May 3rd – May 7th



ClassPass and Vista-Backed Mindbody Hold Merger Talks

[Bloomberg](#) | [May 4th, 2021](#)

ClassPass and Mindbody Inc., providers of technology to fitness companies across the globe, have held merger talks, according to people with knowledge of the matter. Details of the discussions couldn't immediately be learned and no deal has been reached, one of the people said. The companies have discussed options for going public once they are combined, people with knowledge of the matter said.



Payments firm Flywire makes U.S. IPO filing public

[Reuters](#) | [May 3rd, 2021](#)

Payments firm Flywire Corp on Monday made its paperwork for a U.S. listing public and revealed a 38% surge in revenue in the latest quarter as it benefits from strong remote working trends due to the COVID-19 pandemic. Flywire had confidentially filed to go public in March and could seek a valuation as high as \$3 billion when it sets terms for the offering, Reuters reported in January.



Paystack expands to South Africa seven months after Stripe acquisition

[TechCrunch](#) | [May 6th, 2021](#)

Nigerian fintech startup Paystack has been relatively quiet since it was bought by fintech giant Stripe last October. The deal, worth more than \$200 million, caused shockwaves to the African tech ecosystem and offered some form of validation to work done by founders, startups and investors alike. Today, the payments company, which powers businesses with its payment API and is actively present in Nigeria and Ghana, is announcing its official launch in South Africa.



Partnership Activity

May 3rd – May 7th



Global Payments Renews Agreement with Barclays US Consumer Bank

[BusinessWire](#) | [May 4th, 2021](#)

Global Payments Inc., a leading worldwide provider of payment technology and software solutions, today (May 4th) announced it has renewed its agreement with Barclays US Consumer Bank, a subsidiary of the UK-based worldwide financial services provider Barclays. Through its TSYS Issuer Solutions segment, Global Payments will continue to provide a wide range of processing and support services for Barclays consumer and commercial credit card portfolios.



Jack Henry, Fincity Partner to Empower Community Financial Institutions with Open Banking Capabilities

[PR Newswire](#) | [May 5th, 2021](#)

Jack Henry & Associates, Inc. is a leading provider of technology solutions and payment processing services primarily for the financial services industry. Jack Henry announced today (May 5th) that it has partnered with Fincity, a Mastercard company. Fincity's integration to the Banno Digital Toolkit enables community financial institutions to provide consumers with the freedom to control, access, and share their financial data, creating a real-time picture of their financial health.

Other Notable Partnerships:

- **Lightspeed** partners with the **U.S. Small Business Administration** helping hospitality merchants gain access to the Restaurant Revitalization Fund.
- **Payoneer** collaborates with **eBay** on streamlining the payments experience for online eBay sellers.
- **Bill.com** and **Square** team up on showcasing a webinar to help SMBs navigate the second year of the pandemic.
- **EML Payments** partners with **Frollo** on the development of Australia's first Open Banking platform.
- **Citi Commercial Cards** partners with **Corporate Spending Innovations** for B2B payment solutions.
- **Flywire** and **Discover** team up on expanding digital payment solutions for education institutions.



Management Changes

May 3rd – May 7th



EVO Payments Announces the Promotions of Steven de Groot and Kelli Sterrett

EVO Payments announced this week a transition among their General Counsel. Steven de Groot has been appointed to Special Counsel to the Chief Executive Officer, and Kelli Sterrett has been named as Mr. de Groot's successor to Executive Vice President, General Counsel and Secretary.

Date Announced	Company	Personnel	New Position	Previous Position
5/3/2021	Paytronix	Kristin Lynch	Director of Restaurant Insights	Strategist at Paytronix
5/5/2021	EVO Payments	Steven de Groot	Special Counsel to the CEO	Executive Vice President, General Counsel and Secretary at EVO Payments
5/5/2021	EVO Payments	Kelli Sterrett	Executive Vice President, General Counsel and Secretary	Senior Vice President and Deputy General Counsel at EVO Payments
5/5/2021	Chargebacks911 / Fi911	Matt Stein	Senior Vice President of Brand Strategy	Executive Vice President & Chief Marketing Officer at Complete Spectrum
5/5/2021	Trust Payments	Kevin O'Connell	Chief Product Officer	Senior Principal in the Digital Practice division at Mastercard
5/5/2021	Nets Group	James Hicks	Chief Strategic Partnerships Officer	EVP of Global Acceptance and Solutions at Mastercard



TSG Payments Index

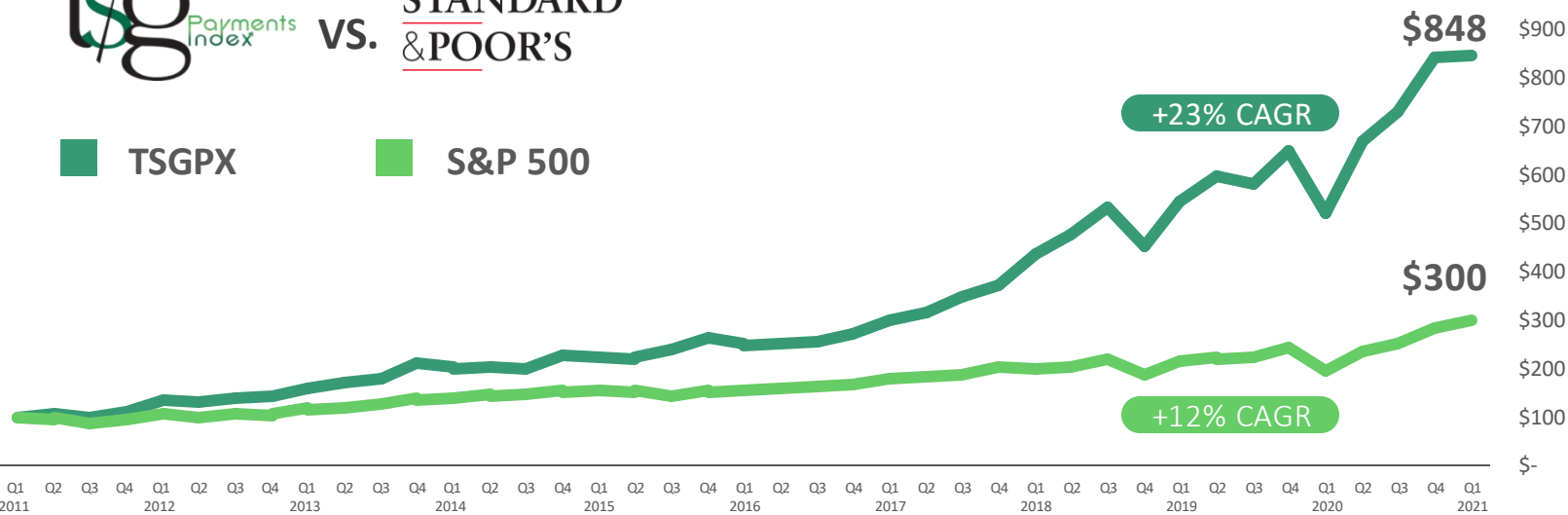
Q1 2011 – Q1 2021



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.
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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.

