

TransactionWatch

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

*Week of:
June 7th – June 11th*

This report is based upon information considered reliable by The Strawhecker Group® (TSG), but the accuracy and completeness of such information is not guaranteed or warranted to be error-free. Information provided is as reasonably available, not to be deemed all inclusive. TSG assumes no obligation to update the content hereof. This report is subject to the terms and conditions of a separate license with recipient, is further protected by copyright under U.S. Copyright laws and is the property of TSG. Recipient may not copy, reproduce, distribute, publish, display, modify, create derivative works, transmit, exploit, or otherwise disseminate any part of this report except as expressly permitted under recipient's license with TSG. The Strawhecker Group (TSG) is not endorsed, sponsored by, or in any other way affiliated with any companies identified in this presentation. The trademarks of third parties displayed herein are the property of such parties, and, are provided merely for identification purposes. TSG claims no rights therein. This document has not been prepared, approved or licensed by any entity identified in this report.

© Copyright 2021. The Strawhecker Group®. All Rights Reserved.












Deal Activity Summary

June 7th – June 11th

This Week's M&A Overview

Table of Contents

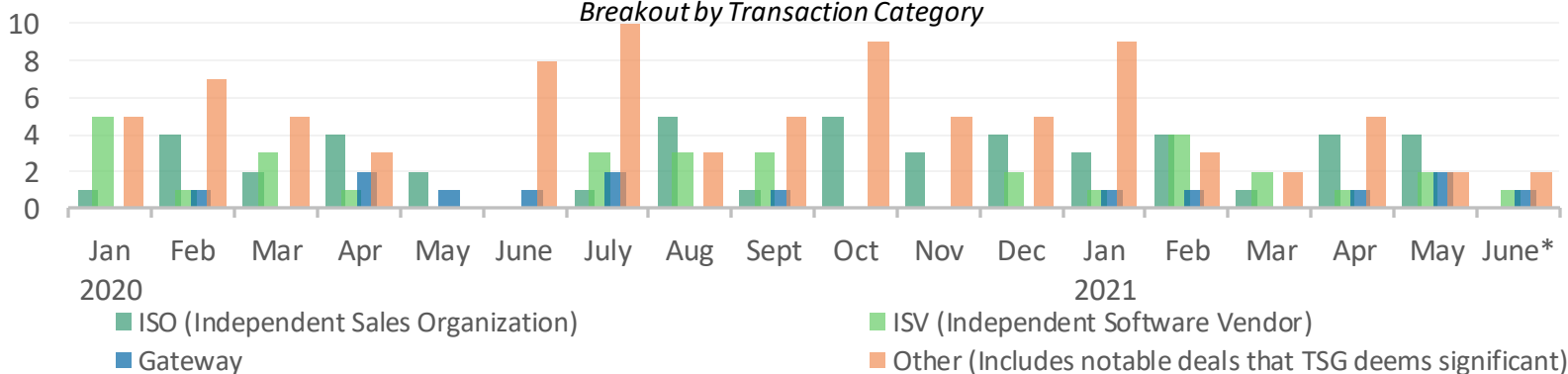
-  [Deal Activity Summary](#)
-  [COVID-19 Industry Impact](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

Lightspeed ramps up their digital and eCommerce foothold with their announcement this week of two acquisitions, collectively totaling approximately \$925 million in value. Lightspeed is signaling their continued intention to focus on and provide payment solutions for digital commerce. Lightspeed is set to acquire Ecwid, a U.S.-based eCommerce platform serving over 130,000 paying customers, for a total consideration of \$500 million, of which \$175 million will be paid in cash while the remaining \$325 million will be in Lightspeed stock. Additionally, Lightspeed's deal to acquire NuORDER, a digital platform that connects businesses and suppliers, went for a total consideration of approximately \$425 million, of which half will be paid in cash and half in stock. Once closed, the combination of these two acquisitions will help accelerate Lightspeed's ability to offer intuitive digital marketplace solutions and seamless payment experiences to their growing merchant base.

In other M&A news, Toast announced their acquisition of xtraCHEF, an ISV platform geared towards the restaurant vertical. With this acquisition, Toast is able to further build out their end-to-end product offering by adding improved line-item cost data and AP automation tools their customers and their suppliers.

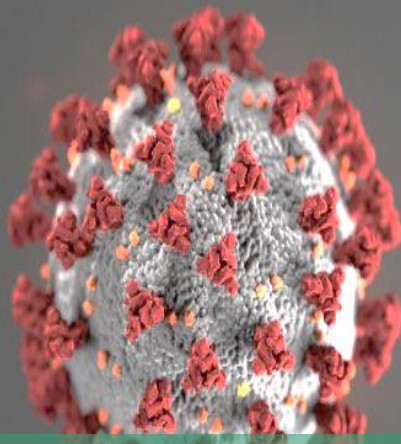
2020 – 2021 YTD M&A Activity

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

June 7th – June 11th

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.

Geographic Impact on Merchant Acquiring Performance During COVID

[TSG Press](#) | June 8th, 2021

During COVID, in the U.S. market, geography became an increasingly important consideration for payments companies. This was, and still is, due to the lack of uniformity in regional business management and consumer restrictions by states and municipalities. Now more than ever, management is challenged to develop marketing and sales strategies that take advantage of the post-COVID market by implementing a targeted geographical approach.

Visa U.S. Spending Momentum Index Remains Robust in May

[BusinessWire](#) | June 9th, 2021

Visa today (June 9th) released the May reading of the Visa U.S. Spending Momentum Index (SMI), an economic indicator designed to be a timely gauge of the health of consumer spending. The Visa SMI delivers insight into what drives upturns and downturns in spending by measuring the breadth of the momentum supporting these trends.

Small Business Optimism Pauses in May as Labor Shortage Slows Growth

[NFIB Release](#) | June 8th, 2021

The NFIB Small Business Optimism Index fell 0.2 points in May to 99.6. May saw a slight pause in the recovery of small business optimism after steadily increasing each month in 2021. As reported in NFIB's monthly jobs report, a record-high 48% of owners reported unfilled job openings.

Mastercard Foundation donates \$1.3 billion to boost Africa's coronavirus response

[The Washington Post](#) | June 8th, 2021

The Mastercard Foundation announced a \$1.3 billion donation on Tuesday (June 8th) to boost Africa's response to the coronavirus, which public health experts hailed as a significant step to get vaccines to some of the world's poorest people.



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: February 2021 – May 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
ISV	Toast	xtraCHEF	-	6/10/2021
Other	Lightspeed	Ecwid	\$500	6/7/2021
Other	Lightspeed	NuORDER	\$425	6/7/2021
Gateway	EVO Payments	Pago Facil	-	6/3/2021
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



Historical M&A Tracker

Transaction History: February 2021 – May 2021

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
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



Historical M&A Tracker

Transaction History: February 2021 – May 2021

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



Headline News

June 7th – June 11th



Paytm, India's most valuable startup, confirms plan for an IPO

[*TechCrunch*](#) | *June 7th, 2021*

Paytm, India's most valuable startup, confirmed to its shareholders and employees on Monday (June 7th) that it plans to file for an IPO. In a letter to shareholders and employees, Paytm said that it plans to raise money by issuing fresh equity in the IPO, and also sell existing shareholders' shares at the event. The startup has offered its employees the option to sell their stakes in the firm.



Wix Launches Point of Sale to Provide Powerful Omnichannel Solutions

[*PR Newswire*](#) | *June 8th, 2021*

Wix, a leading global SaaS platform to create, manage, and grow an online presence, today (June 8th) announced the launch of Wix POS solutions for Wix business owners to accept secure in-person payments of goods and services in store, online and on the go, allowing them to manage all sales, inventory and data directly from the Wix platform. Over the past year, Wix took a leading role in facilitating the global shift online - businesses with online commerce capabilities built on Wix grew by more than 45% between March 2020 and March 2021. Now that global economies are reopening, businesses must maintain flexibility to seamlessly operate online and offline transactions.



Mastercard Focuses on Digital Identity Innovation with Close of Ekata Acquisition

[*BusinessWire*](#) | *June 9th, 2021*

Mastercard today (June 9th) announced it has completed its acquisition of Ekata, a leading provider of identity verification services that help businesses make more informed decisions during online account opening, payments and a variety of other digital interactions. "We're delighted to welcome the Ekata team to Mastercard," said Ajay Bhalla, president, Cyber and Intelligence, Mastercard.



Partnership Activity

June 7th – June 11th



Visa and Goldman Sachs Partner to Modernize Global Money Movement

[BusinessWire](#) | June 7th, 2021

Visa today (June 7th) announced a global strategic partnership with Goldman Sachs Transaction Banking to help businesses – large to small – move money effortlessly around the world. Through its implementation of Visa B2B Connect and Visa Direct Payouts solutions, Goldman Sachs will help its commercial and corporate banking clients simplify complexities and costs associated with existing systems and inefficient processes.



Paysafe expands US partnership with IntelliPay to offer online cash payments

[Paysafe Press Release](#) | June 7th, 2021

Paysafe, a leading specialized payments platform, today (June 7th) announced an expanded partnership with IntelliPay, a Utah-based provider of an intelligent cloud-based payment platform and alternative payment models. IntelliPay, which already leverages Paysafe's payment processing services, will now add the Paysafecash online cash solution as an alternative payment method to its platform, further promoting financial inclusion by giving consumers without bank accounts the opportunity to pay for bills online.

Other Notable Partnerships:

- **PayAlly** teams up with **Banking Circle** to improve their multi-currency B2B cross border payment solutions.
- **Splitit** partners with **ChargeAfter** and integrates into their point-of-sale (POS) offering.
- **SumUp** and **Google Pay** collaborate to on increasing business transactions in the UK, France, Italy, and DACH using the SumUp Card.
- **Plaid** and **Capital One** partner on open financing.
- **Worldline** partners with **Microsoft** to integrate Dynamics 365 Fraud Protection into their digital payments offerings.



Management Changes

June 7th – June 11th



Galileo Appoints Derek White To Serve As The Company's New Chief Executive Officer

Galileo announced this week the appointment of Derek White to serve as the company's new CEO. White will succeed Galileo's current CEO and Founder, Clay Wikes, who will remain on the Board of Directors. White joins Galileo from Google, where he most recently served as VP of Global Financial Services for their Cloud service division.

Date Announced	Company	Personnel	New Position	Previous Position
6/8/2021	Payscout	Michael Lamm	Advisory Board	Current Co-Founder and Managing Partner at Corporate Advisory Services (CAS)
6/8/2021	Galileo	Derek White	CEO	VP of Global Financial Services at Google Cloud



TSG Payments Index

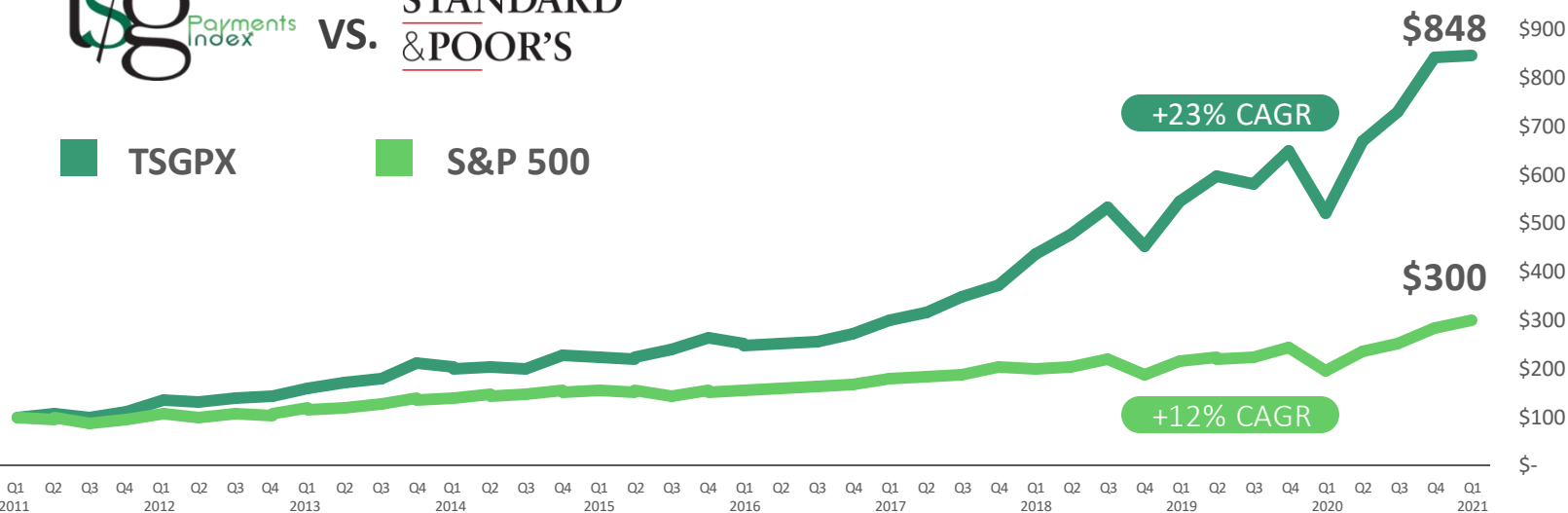
Q1 2011 – Q1 2021



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.

