

TransactionWatch

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

*Week of:
May 31st – June 4th*

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Deal Activity Summary

May 31st – June 4th

This Week's M&A Overview

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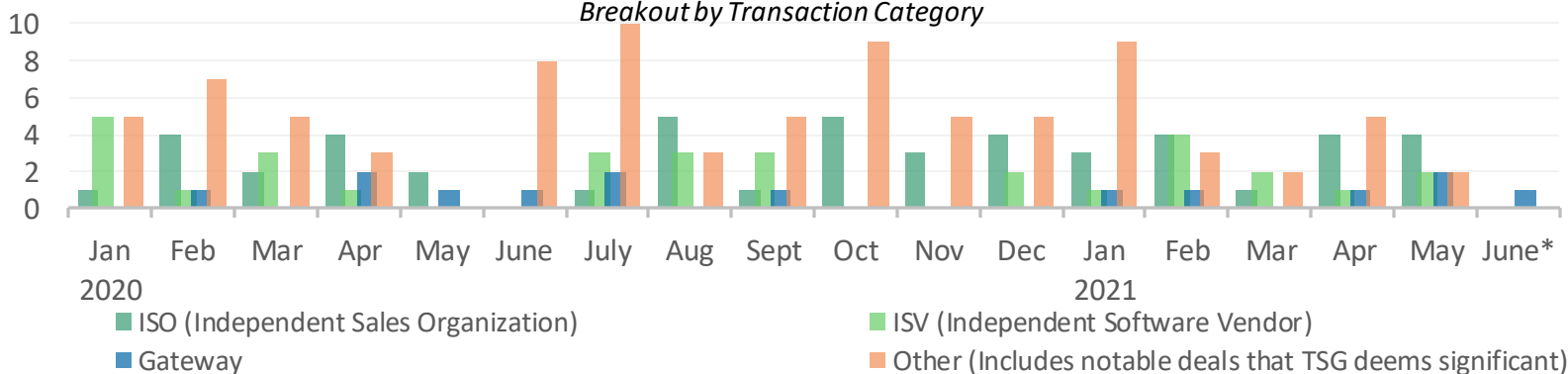
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M&A movement continues throughout this week with the closings of several previously announced deals as well as EVO Payments' strategic acquisition in Chile. To start, EVO Payments, in partnership with its joint venture Bci Pagos, announced this week their agreement to acquire Pago Facil, an eCommerce payment gateway in Chile. This acquisition will add approximately 3,000 merchants to the joint venture duo as they seek to further expand into South America. Furthermore, the purchase of this payment gateway brings additional technology capabilities that EVO will leverage in other markets, specifically Mexico and across Latin America. Terms of the agreement are currently not disclosed; however, the acquisition is expected to close in early June.

In other M&A news, Bill.com has completed their previously announced acquisition of Divvy, which went for approximately \$2.5 billion in stock and cash. Similarly, Deluxe also announced their closing of its acquisition of First American Payment Systems, which was valued at \$960 million in cash. Deluxe initially announced this acquisition in late April. Lastly, Fleetcor has also completed its acquisition of Associated Foreign Exchange (AFEX). Collectively, AFEX and Fleetcor's Cambridge Global Payments will handle more than \$65 billion in annual volume.

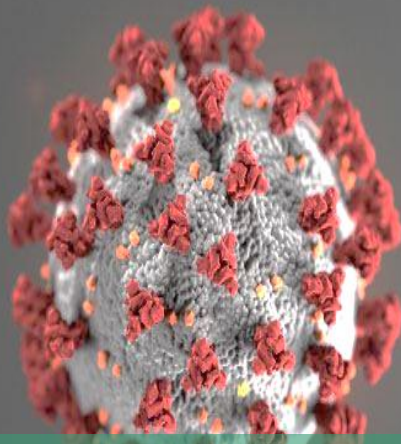
2020 – 2021 YTD M&A Activity

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 31st – June 4th

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.

Pandenomics Report Q2 2021: Optimism Is A Desirable Vaccine Side Effect

[PYMNTS](#) | June 2nd, 2021

There's a buoyant feeling on Main Street USA again — whether it's in small towns or big cities — and optimism is an ideal counter to the doldrums small and medium-sized businesses (SMBs) have endured over the past year and a half.

Jobless claims fall below 400,000 for the first time since the early days of the pandemic

[CNBC](#) | June 3rd, 2021

Initial jobless claims fell below 400,000 for the first time since the early days of the Covid-19 pandemic, the Labor Department reported Thursday (June 3rd). First-time filings for unemployment benefits totaled 385,000 for the week ended May 29, a decline from the previous week's 405,000 and below the Dow Jones estimate of 393,000.

Blackhawk Network Selected by the State of California to Provide \$100M in Digital Incentive Cards

[Blackhawk Network Press Release](#) | June 2nd, 2021

The State of California has launched its "You Call the Shot California" program, which encourages residents to begin and complete the COVID-19 vaccination process before the state plans to fully reopen on June 15. The first 2 million eligible Californians to start and finish the vaccination process will be given a choice of a \$50 digital incentive disbursed by global payments provider and incentives leader Blackhawk Network.

As Americans Head Out Of The House, These Startup Sectors Hope To Tag Along

[Crunchbase News](#) | June 1st, 2021

More than half of American adults are now fully vaccinated, and with that millions of people are leaving the confines of their homes to once again dine out, meet new people, celebrate weddings and take road trips after more than a year of social distancing. For tech startups, many of which have been beneficiaries of lockdown life, the impacts of the economic reopening aren't entirely straightforward.



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
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
Gateway	Nuvei	Simplex	\$250	5/6/2021
ISV	Bill.com	Divvy	\$2,500	5/6/2021
ISV	Global Payments	Zego	\$925	5/4/2021



Historical M&A Tracker

Transaction History: February 2021 – May 2021

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



Historical M&A Tracker

Transaction History: February 2021 – May 2021

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



Headline News

May 31st – June 4th



Nuvei Secures Scheme Licenses to Process UK Payments Post-Brexit

[*Global Newswire*](#) | *June 2nd, 2021*

Nuvei Corporation, the global payment technology partner of thriving brands, announced today (June 2nd) that its wholly owned FCA regulated subsidiary has secured the scheme licenses to continue acquiring and processing Mastercard and Visa payments for merchants based in the United Kingdom (UK) beyond the expiry of the FCA Temporary Permissions Regime.



Adyen expands its acquiring offering to the United Arab Emirates

[*PR Newswire*](#) | *June 2nd, 2021*

ADYEN, the payments platform of choice for many of the world's leading companies, today (June 2nd) announced the expansion of its local acquiring services to include the United Arab Emirates (UAE), illustrating its commitment to the Middle East region. With acquiring capabilities in the UAE, Adyen provides both domestic and international businesses with an improved payments solution, allowing for higher authorization rates and improved shopper flows with less friction.



Deluxe Completes Acquisition of First American Payment Systems

[*BusinessWire*](#) | *June 1st, 2021*

Deluxe announced today (June 1st) it has completed the previously announced acquisition of First American Payment Systems ("First American") for \$960 million in cash. Deluxe announced the proposed transaction on April 22, 2021. With the addition of the First American omni-channel payments platform, Deluxe immediately becomes a scaled and leading provider in the strong secular growth merchant services market.



Partnership Activity

May 31st – June 4th

Paysafe:

Skrill Partners With Wix to Support Ecommerce Business Growth

[BusinessWire](#) | June 1st, 2021

Skrill, the digital payments brand and part of leading specialised payments platform Paysafe, announces a new multi-country collaboration with Wix, a leading global SaaS platform for businesses to create, manage and grow an online presence. The Skrill payment gateway is now integrated with Wix to provide millions of business owners the ability to accept payments.

TransferMate

GLOBAL PAYMENTS

TransferMate Joins Forces With WEX To Deliver New International Payments Capabilities, Eliminating Complexity While Increasing Speed And Security

[PR Newswire](#) | June 3rd, 2021

TransferMate, the world's leading provider of payments infrastructure as a service, and WEX, a global financial technology service provider, today (Jun. 3rd) launched new capabilities that simplify how businesses of all sizes execute complex international payments. Through the partnership, TransferMate has integrated its leading payments technology directly into the WEX system.

Other Notable Partnerships:

- **Bluefin** teams up with **Technotic Sports** on PCI-validated Point-to-Point Encryption (P2PE) and payment processing.
- **Enfuze** partners with **Visa** on the roll-out of a fast-track program for European fintechs which enables them to launch their own payment cards in eight weeks.
- **ACI Worldwide** extends its partnership with **Pick n Pay** for P2PE omnichannel payment technology.
- **Linked2pay** teams up with **PAX Technology** to launch an integrated payments solution.
- **Global Payments** and **Banco Carrefour** sign multi-year payments agreement.



Management Changes

May 31st – June 4th



deluxe
trusted business technology

Deluxe Appoints Scott Bomar To Serve As The Company's Chief Financial Officer

Deluxe announced this week the appointment of Scott Bomar to Senior Vice President and CFO of the firm effective June 14th. Bomar joins Deluxe from Home Depot where he most recently served as Senior Vice President Home Services for the past few years. Under that role, Bomar managed a \$5 billion business unit that included approximately 5,000 team members.

Date Announced	Company	Personnel	New Position	Previous Position
6/1/2021	Alliance Data Systems	Karin Kimbrough	Board of Directors	Current Chief Economist at LinkedIn Corporation
6/2/2021	Deluxe	Scott Bomar	Senior VP and Chief Financial Officer	Senior VP Home Services at Home Depot



TSG Payments Index

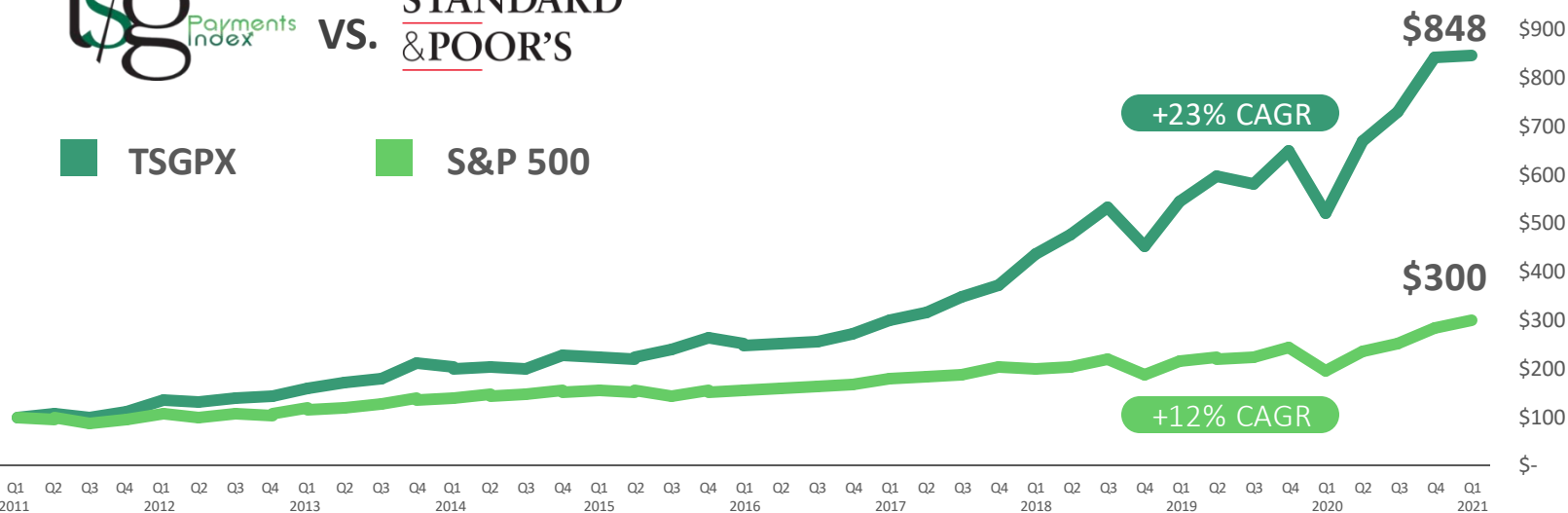
Q1 2011 – Q1 2021



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.

