

# TransactionWatch

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

*Week of:  
July 12<sup>th</sup> – July 16<sup>th</sup>*

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# Deal Activity Summary

July 12<sup>th</sup> – July 16<sup>th</sup>

## This Week's M&A Overview

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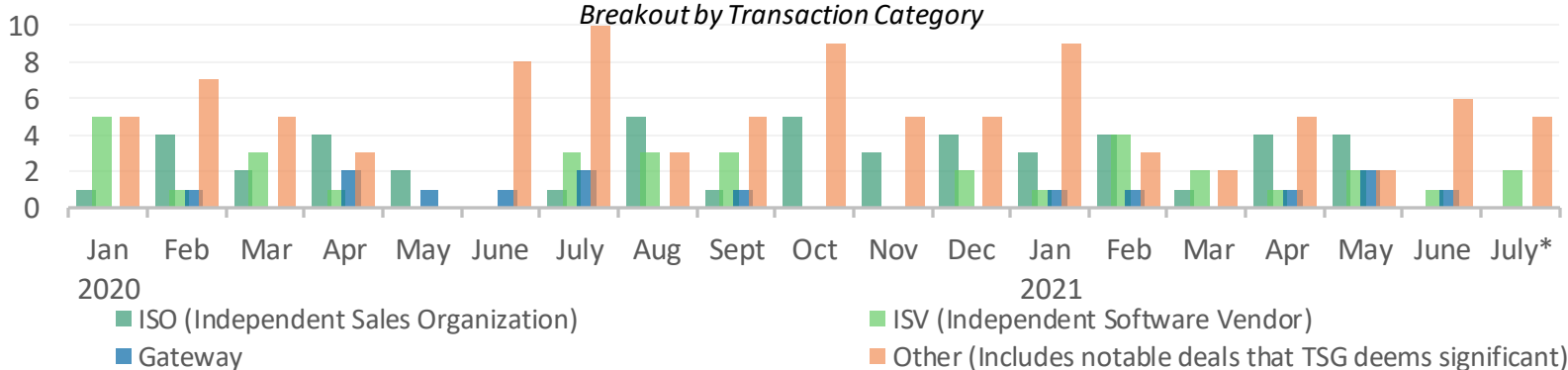
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Another bustling week in M&A activity as payment firms move ahead with strategic decisions that will lay out the groundwork for a successful second half of 2021 and beyond. To start, Payroc WorldAccess ("Payroc") announced their acquisition of DCS Holdings Group, d/b/a ACHeck21. This acquisition further positions Payroc's payments platform to process eChecks in addition to card, similar to their Canadian platform Caledon. Separately, Square announced this week their acquisition of Crew, an ISV focused on employee time tracking and managing day-to-day operations. Square plans to offer this solution through their existing complimentary Team Management service as it will help bolster its employee messaging, scheduling, and tracking functionality.

In other M&A news, the AP automation provider, AvidXchange, announced their deal with FastPay, a complimentary AP provider focused on the media industry. FastPay's array of solutions has access to more than 70,000 media suppliers and will ultimately help enable AvidXchange to expand further into the middle market for media entities across the U.S. Lastly, Waystar has signed a definitive agreement to acquire Patientco, an omnichannel payments ISV for the healthcare industry. This acquisition better positions Waystar and their client base for patient payment acceptance.

### 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.



# 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: February 2021 – June 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	Waystar	Patientco	-	7/15/2021
ISV	Square	Crew	-	7/14/2021
Other	Payroc	ACheck21	-	7/14/2021
Other	AvidXchange	FastPay	-	7/12/2021
Other	Concord Acquisition Corp.	Circle	-	7/8/2021
Other	Nium	Wirecard Forex	-	7/7/2021
Other	Rapyd	Valitor	\$100	7/1/2021
Other	Visa	Tink	\$2,150	6/24/2021
Other	REPAY	Kontrol Payables	\$11	6/22/2021
Other	Atlantic-Pacific Processing Systems (APPS)	Clique Payments	-	6/18/2021
Other	Checkout.com	Icefire	-	6/15/2021



# Historical M&A Tracker

Transaction History: February 2021 – June 2021

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
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



# Historical M&A Tracker

Transaction History: February 2021 – June 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
ISV	Corcentric	Vendorin	\$100	2/16/2021
ISV	Tyler Technologies	NIC, Inc.	\$2,300	2/10/2021





## Headline News

July 12<sup>th</sup> – July 16<sup>th</sup>



### **Square Plans New iPad Payment Terminal With Built-In Tap-to-Pay**

[Yahoo Finance](#) | July 13, 2021

Square Inc. is developing an iPad point-of-sale terminal that will let shoppers more easily tap to pay for purchases at participating stores. The company's current Square Stand, launched in 2013, features a magnetic stripe reader but requires an external device to handle phone payments or tap-to-pay credit cards. The new version in development integrates the tap-to-pay technology into the terminal itself, making the process more seamless.



### **India bans Mastercard from adding new customers**

[TechCrunch](#) | July 14<sup>th</sup>, 2021

Reserve Bank of India has indefinitely barred Mastercard from issuing new debit, credit or prepaid cards to customers in the South Asian market over noncompliance with local data storage rules. The South Asian market's central bank said the new restrictions will go into effect on July 22. "Notwithstanding lapse of considerable time and adequate opportunities being given, the entity has been found to be noncompliant with the directions on Storage of Payment System Data," RBI said in a statement Wednesday (July 14<sup>th</sup>).



### **Apple, Goldman Plan 'Buy Now, Pay Later' Service to Rival Affirm**

[Yahoo Finance](#) | July 13<sup>th</sup>, 2021

Apple Inc. is working on a new service that will let consumers pay for any Apple Pay purchase in installments over time, rivaling the "buy now, pay later" offerings popularized by services from Affirm Holdings Inc. and PayPal Holdings Inc. The upcoming service, known internally as Apple Pay Later, will use Goldman Sachs Group Inc. as the lender for the loans needed for the installment offerings, according to people with knowledge of the matter.



## Partnership Activity

July 12<sup>th</sup> – July 16<sup>th</sup>



### Verizon Business and Mastercard partner to bring 5G to the global payments industry

[Mastercard Newsroom](#) | July 13<sup>th</sup>, 2021

Verizon Business and Mastercard today (July 13<sup>th</sup>) announced a strategic partnership expected to drive transformational solutions for the global payments and commerce ecosystem. From contactless shopping and autonomous checkout technology to Cloud Point of Sale (POS) solutions, Mastercard and Verizon Business will collaborate to deliver scalable innovations that drive the industry forward and create new experiences for consumers and businesses alike.



### Visa Installments rolling out in Canada with Global Payments and Desjardins

[Cision](#) | July 13<sup>th</sup>, 2021

Visa today (July 13<sup>th</sup>) announced that it is collaborating with Global Payments, a leading worldwide provider of payment technology and software solutions, and Desjardins, North America's leading financial cooperative group, to bring Visa Installments to participating Canadian merchants and eligible credit cardholders. Visa Installments is a new option to convert qualifying purchases into smaller, equal payments made over a defined period of time using an eligible credit card.

### Other Notable Partnerships:

- **Slice** teams up with **Adyen** to enhance their customer's payment processing experience.
- **GoDaddy** partners with **Google** to help increase online sales for SMBs.
- **Discover** and **SIBS MB** enter a strategic agreement to increase payment acceptance across Portugal.
- **Marqeta** and **Payfare** form strategic partnership to expand Payfare's reach across the global gig economy.
- **McAfee Corp.** partners with **Visa** to offer additional security solutions to Visa Business cardholders.





# Management Changes

July 12<sup>th</sup> – July 16<sup>th</sup>



**Greg Cohen, CEO**



## Fortis Payment Systems (FortisPay) Appoints New Members To Its Executive Team

FortisPay announced this week their appointments of three members to serve on their executive leadership team. These appointees include FortisPay's current Executive Chairman, Greg Cohen (pictured), who will take the new role of CEO. Additionally, Dennis McLaughlin has been named CFO while Ashley Usher will assume the role of Chief Integration and Information Officer.

Date Announced	Company	Personnel	New Position	Previous Position
7/15/2021	FortisPay	<b>Greg Cohen</b>	<i>CEO</i>	Executive Chairman of FortisPay
7/15/2021	FortisPay	<b>Dennis McLaughlin</b>	<i>CFO</i>	VP of Financial Planning & Analysis
7/15/2021	FortisPay	<b>Ashley Usher</b>	<i>Chief Integration and Information Officer</i>	Partner at TechCXO



# TSG Payments Index

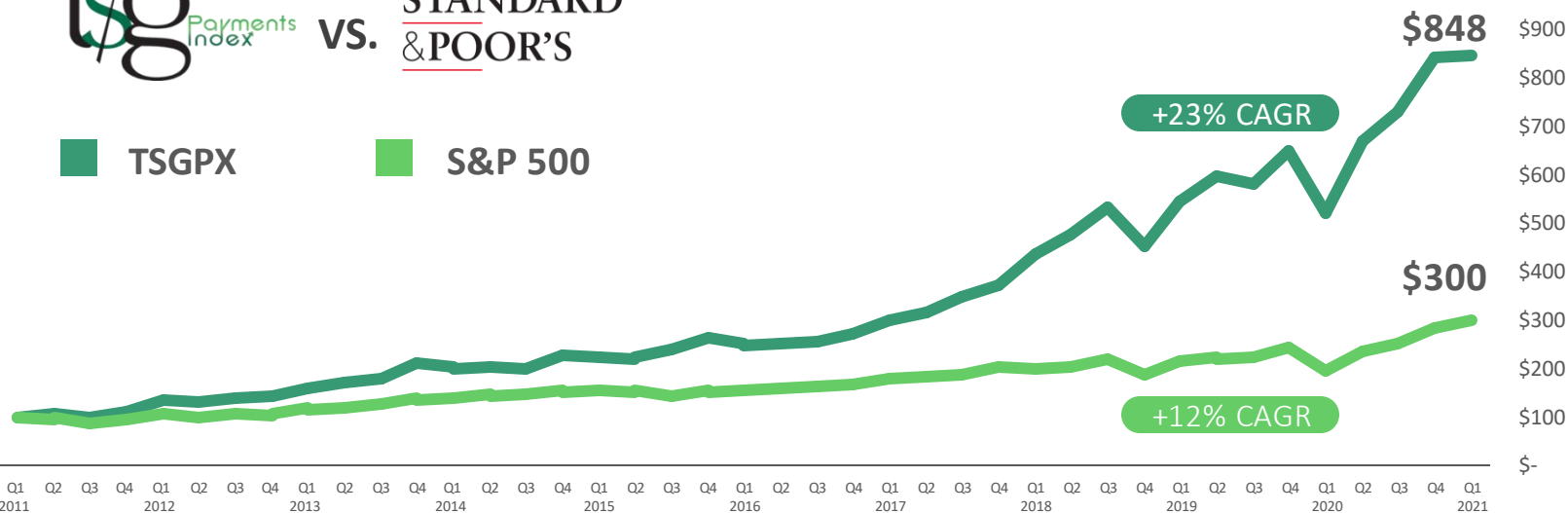
Q1 2011 – Q1 2021



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.

