



Payments Experts. Powerful Data.

THE STRAWHECKER GROUP

TransactionWatch

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

Week of:

June 28th – July 2nd

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Deal Activity Summary

June 28th – July 2nd

This Week's M&A Overview

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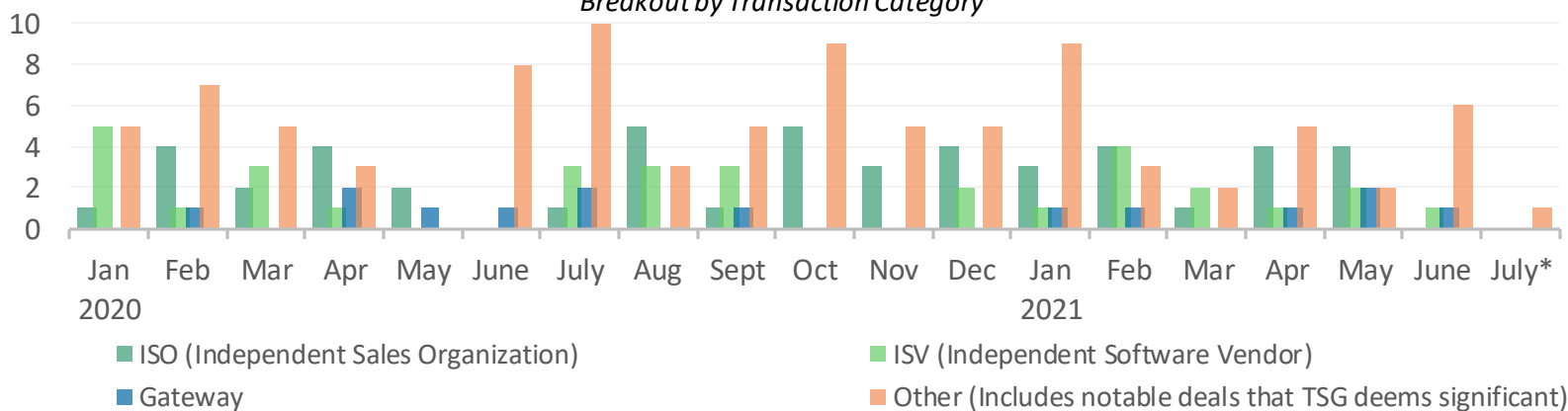
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Steady M&A movement pursues as we head into the third quarter of 2021. This week Israeli payments provider, Rapyd, announced its acquisition of Valitor in a deal that was valued at approximately \$100 million. Valitor provides omnichannel merchant service offerings as well as card issuing services across the European region. This acquisition helps expand Rapyd's portfolio of payment offerings and allows them to address and sell to the larger European market. Rapyd has been on the acquisition hunt since their last funding round in January of this year, in which they raised \$400 million and brought their valuation to \$2.5 billion.

In other news, Payoneer has completed their merger with the SPAC, FTAC Olympus, and began trading on the Nasdaq exchange this Monday (Jun. 28th). Shares of the now combined company dropped 1.5% in its market debut, and now has a market cap of just over \$1 billion. Separately, JPMorgan Chase announced this week that they will take a 40% ownership stake in the Brazilian digital bank, C6. The companies did not disclose the value of the deal, however, C6 was previously valued about \$2.3 billion last December.

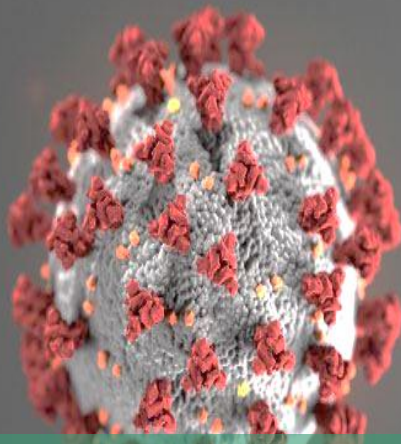
2020 – 2021 YTD M&A Activity

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 28th – July 2nd

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 Economics Institute: One in five countries approach pre-pandemic domestic flight levels; international travel lags behind

[Mastercard Newsroom](#) | June 29th, 2021

*After flights were largely grounded and travelers stayed home in 2020, the return to travel has become one of the most anticipated — and uncertain — activities of 2021. Today (Jun. 29th), Mastercard released *Recovery Insights: Ready for Takeoff?*, a view into key travel trends in the air and on the ground, around the world.*

Weekly jobless claims total hits new pandemic-era low of 364,000

[CNBC](#) | July 1st, 2021

Initial filings for unemployment insurance fell sharply last week, indicating continued improvement in the U.S. jobs market, the Labor Department reported Thursday (July 1st). First-time jobless claims totaled 364,000 for the week ended June 26, compared with the 390,000 Dow Jones estimate. That marked a new pandemic-era low and a decline of 51,000 from the previous week.

COVID-19 impact on tourism could deal \$4 trillion blow to global economy: UN report

[UN News](#) | June 29th, 2021

The estimate is based on losses caused by the pandemic's direct impact on tourism and the ripple effect on related sectors, and is worse than previously expected. Last July, UNCTAD estimated that the standstill in international tourism would cost the global economy between \$1.2 trillion and \$3.3 trillion. The steep drop in tourist arrivals worldwide in 2020 resulted in a \$2.4 trillion economic hit, the report said, and a similar figure is expected this year depending on the uptake in COVID-19 vaccines.

Shopify president says small business will lead the pandemic recovery in cities

[CNBC](#) | June 29th, 2021

Small business is emerging as a key driver in the U.S. economic rebound, Shopify President Harley Finkelstein told CNBC Tuesday (Jun. 29th). "What we are seeing is that entrepreneurship is now part of the global recovery story," he said in a "Mad Money" interview with Jim Cramer.



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 – 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
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
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



Historical M&A Tracker

Transaction History: February 2021 – June 2021

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



Historical M&A Tracker

Transaction History: February 2021 – June 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	CURO Group Holdings	Flexiti Financial	\$121	2/1/2021



Headline News

June 28th – July 2nd



PayPal Brings PayPal Zettle to the U.S. -- Its Digital In-Person and Omnichannel Solution

[PayPal Newsroom](#) | June 30th, 2021

PayPal Holdings, Inc. today (Jun. 30th) announced the launch of PayPal Zettle in the U.S., a digital point-of-sale solution that enables small businesses to seamlessly sell across in-person and online channels. The launch comes at a time when there has been a historic shift in consumer behavior towards digital and omnichannel commerce, and businesses need to adapt to meet their customers wherever they are.



Online payment company Payoneer goes public after SPAC merger

[Reuters](#) | June 28th, 2021

Payments provider Payoneer (PAYO.O) went public on the Nasdaq stock exchange on Monday (Jun. 28th) after it closed a merger with a blank-check firm backed by fintech entrepreneur Betsy Cohen. Payoneer shares, trading under the "PAYO" ticker symbol, pared its early gains by midday trading session. The listing came four months after the New York-headquartered company announced its plan to merge with special-purpose acquisition company FTAC Olympus Acquisition Corp in a deal valued at about \$3.3 billion.



JPMorgan Chase Takes 40% Stake in Brazil's C6 Bank

[BusinessWire](#) | June 28th, 2021

JPMorgan Chase and C6 Bank announced today (Jun. 28th) that they have entered into a strategic agreement, whereby JPMorgan Chase will take a 40% ownership stake in the full-service Brazilian digital bank, subject to regulatory approvals. Financial terms of the transaction were not disclosed. "We're excited to be partnering with one of Brazil's fastest growing digital banks," said Sanoke Viswanathan, CEO of International Consumer for JPMorgan Chase.



Partnership Activity

June 28th – July 2nd

Klarna.

Klarna selects Liberis to provide revenue-based finance to ecommerce companies across 17 countries

[PR Newswire](#) | June 29th, 2021

Global embedded business finance platform Liberis has today (Jun. 29th) announced it has been selected by Klarna, the leading global payments and shopping service, for a strategic collaboration to provide additional financial services to Klarna merchants. Through this partnership, Liberis will initially provide revenue-based financing to Klarna merchants.



JCB expands partnership with Nets Group to grow JCB Contactless acceptance in the Nordics

[ACN Newswire](#) | June 28th, 2021

JCB International Co., Ltd., the international operations subsidiary of JCB Co., Ltd. and Nets Group, the Nordic-based payment service provider, announce the latest expansion of their partnership to bolster JCB Contactless acceptance in the Nordic region.

Other Notable Partnerships:

- **MineralTree** announces integration with **Microsoft Dynamics** to expand ERP support for businesses.
- **Splitit**, a leading BNPL provider, partners with **tabby** for increased support and availability throughout the Middle East.
- **NymCard** teams up with **Intapay** to support their expansion efforts across Asia.
- **Cambridge Global Payments**, a FLEERCOR company, collaborates with **Steamchain** on custom solutions designed for the global shipping industries.
- **Eazy Financial Services** teams up with **Mastercard** on providing digital payments tools to SMBs.



Management Changes

June 28th – July 2nd



Newtek
Your Business Solutions Company

Newtek Business Services Brings On Michael Breier To Serve As VP, ISO/Agent Development

Newtek Business Services announced this week their hire of Michael Breier to join the company as Vice President, ISO/Agent Development. Mr. Breier joins Newtek from Priority Payment Systems, where he most recently served as Vice President, Business Development.

Date Announced	Company	Personnel	New Position	Previous Position
6/28/2021	Newtek Business Services	Michael Breier	<i>VP, ISO/Agent Development</i>	VP, Business Development at Priority Payment Systems
6/30/2021	Ripple	Sendi Young	<i>Managing Director, Europe</i>	Digital & Fintech Segment Global Lead at Mastercard's Data & Services business



TSG Payments Index

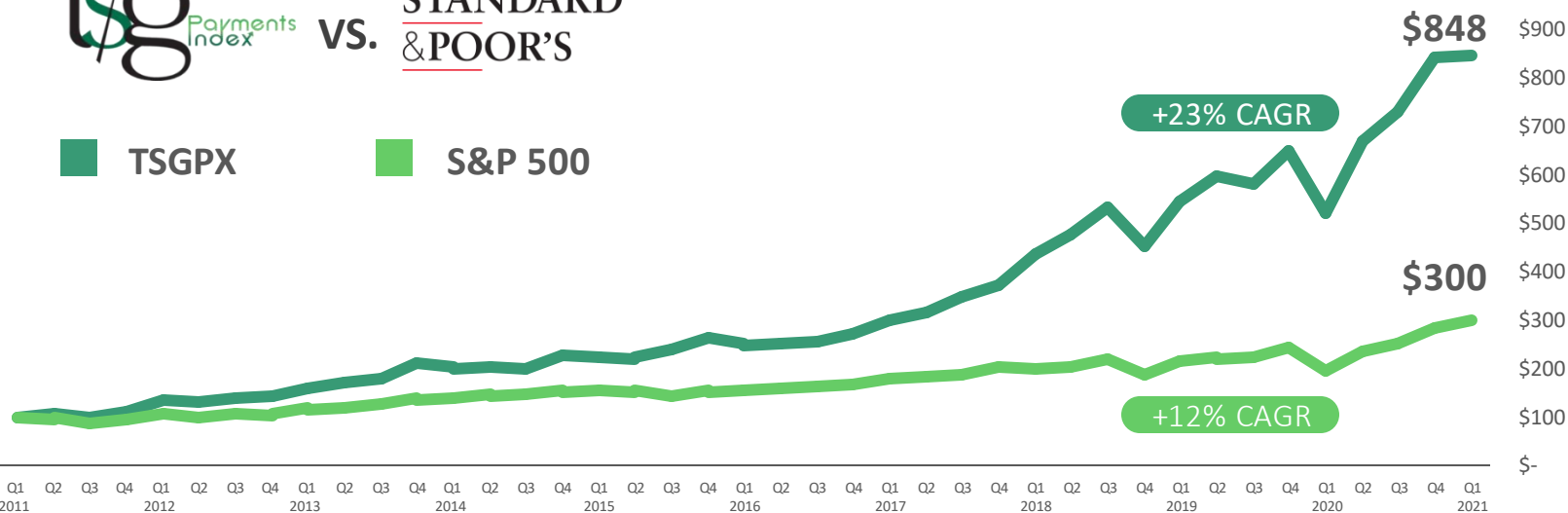
Q1 2011 – Q1 2021



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
NXGEN
& **pay**scape®



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





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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.

