

# TransactionWatch

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

*Week of:  
June 29<sup>th</sup> – July 3<sup>rd</sup>*

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# Deal Activity Summary

June 29<sup>th</sup> – July 3<sup>rd</sup>

## This Week's M&A Overview

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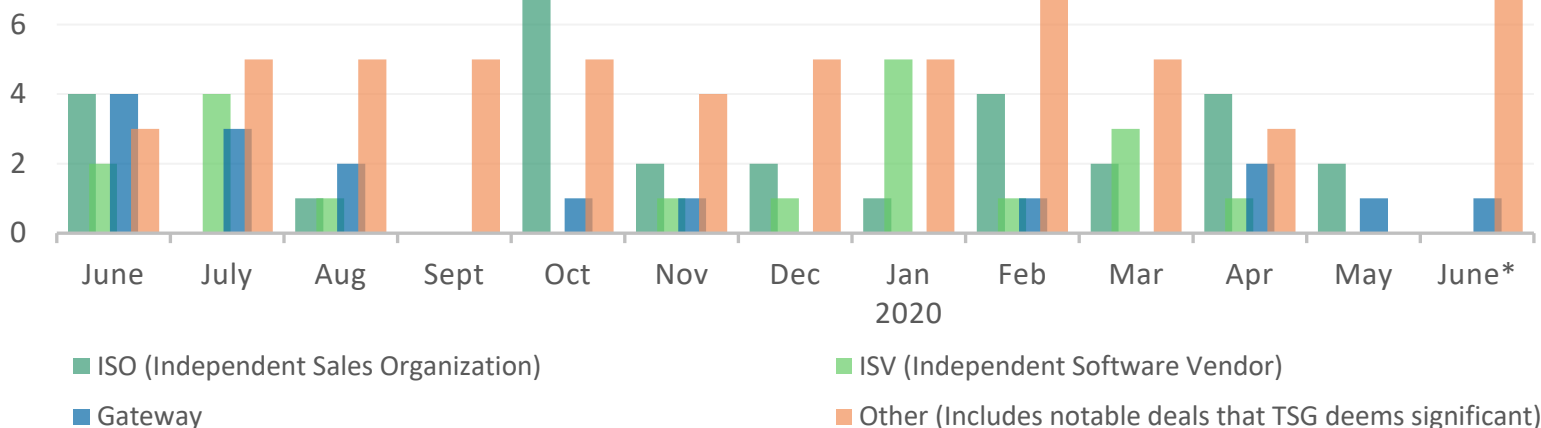
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Activity within the merchant acquiring space is continuing to play out this week with the announcement that Wirecard North America is seeking out buyers for the operation. Wirecard North America, which operates as a separate legal business of Wirecard AG, is seeking to break ties from its parent company Wirecard AG. The troubled Wirecard AG continues to be under an ongoing investigation related to accounting manipulation and is facing insolvency. Clearly, the outcome for both Wirecard AG and Wirecard North America are uncertain at this point.

In other M&A news, MFS Africa announced their acquisition of Beyonic, which provides management solutions for digital payments in Africa. This acquisition will help further drive digital payment accessibility in Africa for small businesses, especially pertaining to cross-border transactions.

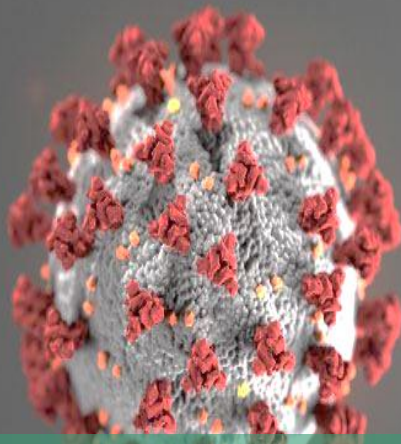
## 2020/2019 M&A Activity – Year to Date

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 29<sup>th</sup> – July 3<sup>rd</sup>

**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.**

### **How the Pandemic Has Hastened Small Merchants' Conversion to Contactless And Online Channels**

[Digital Transactions](#) | July 1<sup>st</sup>, 2020

*Evidence continues to accumulate that the Covid-19 pandemic is not only boosting contactless and online payments, but doing so in historically short order. Some 48% of small and medium-size merchants reported in mid-June that they had observed an increase in the number of consumers either using contactless payments or asking about doing so.*

### **American Express Commits More than \$200 Million to Help Get Customers Shopping Small with its Largest-Ever Global Shop Small® Campaign**

[BusinessWire](#) | June 29<sup>th</sup>, 2020

*American Express, which has a long history of backing small businesses, today (June 29<sup>th</sup>) announced its largest-ever global Shop Small Campaign, that includes a commitment of more than \$200 million over the next several months to help jumpstart spending at small merchants, many of which were impacted by COVID-19.*

### **Stripe Launches Products To Support Platforms Powering The Economic Recovery**

[Stripe Newsroom](#) | June 29<sup>th</sup>, 2020

*Today (June 29<sup>th</sup>), Stripe is launching a series of products to help platforms and their business customers adapt as the economy reboots. From telemedicine to on-demand grocery delivery, platforms have powered business and connected people online during the lockdown.*

### **Citi and Citi Foundation Reach Over \$100 Million in Commitments for COVID-19 Community Relief and Economic Recovery Efforts**

[Citi Newsroom](#) | June 29<sup>th</sup>, 2020

*Citi today (June 29<sup>th</sup>) announced that Citi and the Citi Foundation have committed more than \$100 million to date in support of COVID-19-related community relief and economic recovery efforts globally. This includes more than \$35 million in new funding, adding to the previously announced \$65 million in grants and charitable contributions to deliver ongoing relief and support for longer-term economic recovery in communities impacted by the global pandemic.*





## Payments Monetization

### Drive Growth Through The Monetization Of Payments

The continuous adoption of integrated software solutions among business owners has created a large opportunity for independent software vendors (ISVs). Effectively implementing payment processing capabilities can create significant payment revenue through their platform, increasing overall market valuation.

The process of monetizing payments within ISVs can be challenging and time consuming [as there are several models to choose from](#). An ISV needs to evaluate factors such as the revenue opportunity, the level of risk, the resources required, and the overall customer relationship.

The Strawhecker Group's expertise and experience can [provide customized guidance](#) on your firm's go-forward strategy and execution.

#### EXPERTISE

TSG has served leading software companies and is well positioned to build-out a payment strategy that helps you avoid barriers to entry. **TSG can assess your current situation, review relationships, and develop a roadmap to your financial and operational objectives.**



#### INDUSTRY CONTACTS

TSG is highly knowledgeable of payment providers and can pin-point the appropriate partner to create a cohesive solution for you and your customers. **TSG can provide an experienced guide that will reduce complexity, speed up implementation, and maximize your investment.**



TSG can identify and assess areas of payment monetization and provide support to a relationship that is financially beneficial and increases enterprise value. Whether it is a new or existing offering, TSG can provide actionable insights to maximize the benefits of integrated payments among software solutions.

For more information, please contact [MI@thestrwegroup.com](mailto:MI@thestrwegroup.com)



# Historical M&A Tracker

Transaction History: February 2020 – June 2020

## 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	MFS Africa	Beyonic	-	6/30/2020
Other	Mastercard	Finicity	\$825	6/23/2020
Gateway	Planet	3C Payment	-	6/18/2020
Other	Professional Datasolutions	National Payment Card Association (ZipLine)	-	6/18/2020
Other	Boku	Fortumo Holdings	\$41	6/17/2020
Other	Square	Verse	-	6/15/2020
Other	TAS Group	Infraxis	-	6/10/2020
Other	Infibeam Avenues	Cardpay Technologies	-	6/8/2020
Other	Zip	QuadPay	\$403	6/2/2020
ISO	Base	LucentPay *merchant accounts	-	5/28/2020
Gateway	Checkout.com	Pin Payments	-	5/26/2020



# Historical M&A Tracker

Transaction History: February 2020 – June 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Ontario Systems	SwervePay	-	5/19/2020
Other	Santander	Ebury	\$453	4/29/2020
Other	Euronet	Dolphin Debit	-	4/28/2020
ISO	Rapyd	Korta	-	4/24/2020
Gateway	Worldline	GoPay	-	4/23/2020
ISV	Gojek	Moka POS	\$130	4/22/2020
ISO	Payroc	Gateway Payments	-	4/22/2020
Gateway	Harbour & Hills	Global Envoi	-	4/8/2020
Other	SoFi	Galileo Financial Technologies	\$1,200	4/7/2020
ISO	Celero Commerce	FlashBanc	-	4/7/2020
ISO	VizyPay	Echo Daily	-	4/2/2020
Other	Brex	Neji	-	3/24/2020
Other	Brex	Compose Labs	-	3/24/2020
Other	Brex	Landria	-	3/24/2020
ISV	Fiserv	Bypass Mobile	-	3/18/2020
Other	Accuity	Apply Financial	-	3/12/2020
ISO	Nets	Polskie ePłatnosci (PeP)	\$439	3/11/2020





# Historical M&A Tracker

Transaction History: February 2020 – June 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	InterPayments	SurchX	-	3/6/2020
ISV	Mindbody	ZeeZor	-	3/4/2020
ISO	Fiserv	MerchantPro Express	-	3/3/2020
ISV	RevSpring	Loyale Healthcare	-	3/3/2020
Gateway	Checkout.com	ProcessOut	-	2/26/2020
ISO	Santander	Elavon Mexico	\$85.7	2/24/2020
Other	Intuit	Credit Karma	\$7,100	2/24/2020
Other	LendingClub	Radius Bancorp	\$185	2/18/2020
ISV	Flywire	Simplee	-	2/13/2020
Other	Klarna	Moneymour	-	2/12/2020
ISO	REPAY	Ventanex	\$50	2/10/2020
Other	Square	Dessa	-	2/7/2020
Other	Intercontinental Exchange	Bridge2 Solutions	-	2/5/2020
ISO	Australis Capital	Paytron Merchant Services	-	2/4/2020
Other	Worldline	Ingenico	\$8,600	2/3/2020
Other	Accenture	Mudano	-	2/3/2020
ISO	Cornerstone Payment Systems	Move Your Mountain	-	1/31/2020



## Headline News

June 29<sup>th</sup> – July 3<sup>rd</sup>



EUROPEAN CENTRAL BANK

EUROSYSTEM

### **Major EU Banks To Launch Their Own Payment System**

[Electronic Payments International](#) | June 30<sup>th</sup>, 2020

A pan-European payment system is in the works, designed to challenge the perceived dominance of Visa and Mastercard as well as technology companies such as Google, Apple, AliPay and WeChat Pay. The initiative, known as the Pan European Payment System Initiative (PEPSI) aims to handle all forms of cashless transactions.



### **Wirecard North America Inc. Pursues Acquisition**

[BusinessWire](#) | June 29<sup>th</sup>, 2020

Wirecard North America Inc., a separate legal and business entity of Wirecard AG with over 20 years in the payments industry, today (June 29<sup>th</sup>) announced that it is seeking acquisition. An investment bank is coordinating the sale process. Wirecard North America is a self-sustaining entity that is substantially autonomous from Wirecard AG. Wirecard North America was formerly the Citi Prepaid Card Services business, which Wirecard AG acquired in 2016.



### **EU Antitrust Regulators To Rule On Mastercard's Scandinavian E-pay Deal By August 3<sup>rd</sup>**

[Reuters](#) | June 30<sup>th</sup>, 2020

EU antitrust regulators will decide by Aug. 3<sup>rd</sup> whether to clear Mastercard Inc's bid for part of Scandinavian payments group Nets, according to a European Commission filing. Mastercard's planned acquisition of European rival Nets' three divisions covering corporate clearing, instant payments and e-billing, has already triggered regulatory concerns.





## Partnership Activity

June 29<sup>th</sup> – July 3<sup>rd</sup>



In a push to further accelerate cashless payments and digital banking across the Middle East and North Africa regions, Careem established a partnership with Visa which will integrate Visa's digital payment solutions into the Dubai-based ride hailing application. As COVID-19 continues to affect markets in countries worldwide, the increased shift in contactless payments have shown to be beneficial as companies look to eliminate areas of potential infection.



SoftBank is seeking to end its partnership with Wirecard AG as the ongoing investigation into the company continues to unfold. SoftBank, which has invested more than \$1 billion into Wirecard AG, is reportedly looking to distance itself from the company amid the ongoing scandal. The two companies previously struck a 5-year partnership agreement in 2019, which SoftBank is now attempting to terminate. The fallout of this partnership could drastically affect Wirecard AG and their future financial stability.

### Other Notable Partnerships:

- **SumUp** partners with **Google** on enabling gift card support for merchants using Google My Business.
- **Mastercard** and **EedenBull** expand their partnership into the APAC region.
- **JCB** further expands its global network into Spain through a partnership with **3C Payment** which brings the card's acceptance to over 85 hotel locations in the country.
- **Credorax** partners with **Feedai** on providing merchants with advanced anti-money laundering and anti-fraud capabilities.
- **Currencycloud** partners with **RippleNet** on cross-border payment processing.



# Management Changes

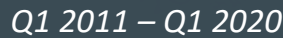
June 29<sup>th</sup> – July 3<sup>rd</sup>



## Midigator Appoints Domenic Cirone as the Company's New Senior VP of Acquirer Solutions

Midigator announced earlier this week the appointment of Domenic Cirone as the company's new Senior VP of Acquirer Solutions. Mr. Cirone joins Midigator after serving as VP of Chargeback Processing for EVO Payments International.

Date Announced	Company	Personnel	New Position	Previous Position
6/29/2020	Midigator	<b>Domenic Cirone</b>	<i>Senior VP of Acquirer Solutions</i>	VP of Chargeback Processing at EVO Payments International
6/30/2020	Capitolis	<b>Rahul Auradkar</b>	<i>Chief Product Officer</i>	Chief Product Officer at AnsweriQ
7/1/2020	National Merchants Association	<b>Jeff Socha</b>	<i>CFO</i>	Current CEO of Ark Financial
7/1/2020	Digital River	<b>Ted Rogers</b>	<i>Chief Marketing Officer</i>	VP of Strategic Marketing at Digital River
7/2/2020	Western Union	<b>Joyce Phillips</b>	<i>Board Member</i>	Current Founder & CEO of EqualFuture Corp.



\$700  
\$600  
\$500  
\$400  
\$300  
\$200  
\$100  
\$-

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## 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.

