



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:

July 5th – July 9th

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Deal Activity Summary

July 5th – July 9th

This Week's M&A Overview

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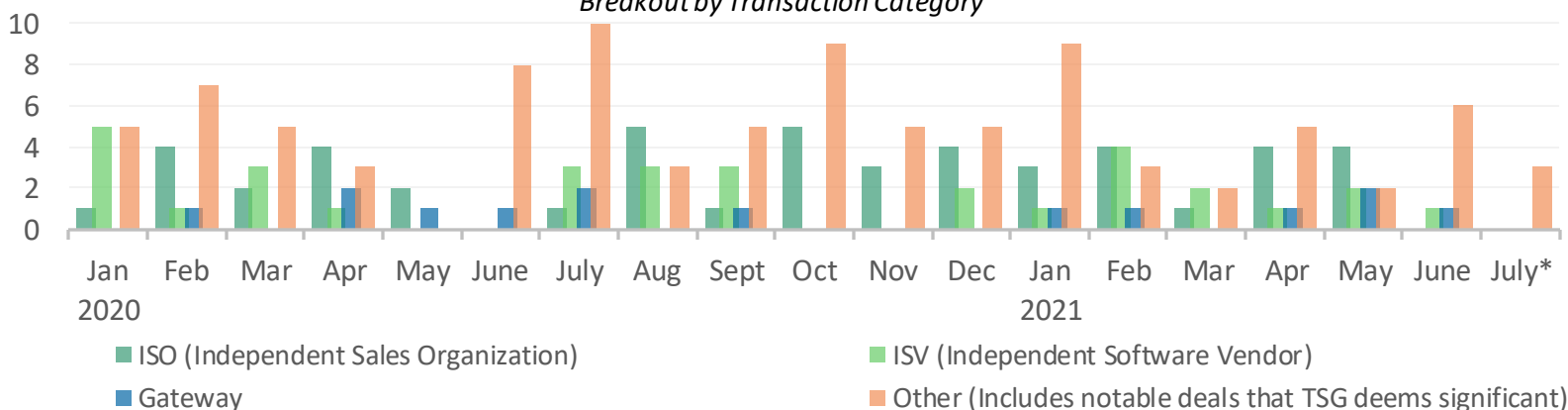
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SPACs continue to play a significant role this year in the payments market as the fintech provider, Circle, announced its merger with Concord Acquisition Corp. SPACs have fetched a lot of attention and popularity this year in bringing payment and technology firms to the public market as opposed to the traditional IPO route. While some SPAC deals have prospered, several others have had downfalls leading to speculation surrounding their success in the long-term. The cryptocurrency platform provider Circle is the latest fintech firm to go public via a SPAC, with the agreement valuing the firm at \$4.5 billion making this one of the largest SPAC fintech deals to date.

In other M&A news, the global B2B platform provider, Nium, announced its agreement to acquire Wirecard Forex. Based in India, Wirecard Forex is a pre-paid card and remittance service provider that's licensed by the Reserve Bank of India. This acquisition expands Nium's licensing portfolio and further equips them with more digital payment offerings which has witnessed accelerated growth in the region brought on by COVID-19.

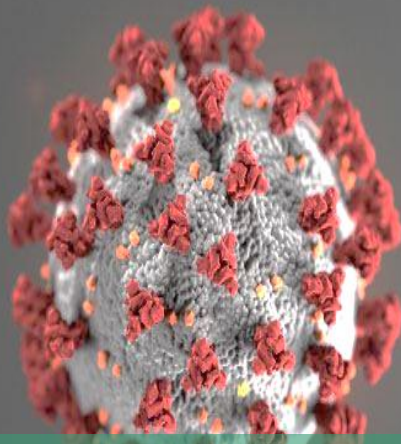
2020 – 2021 YTD M&A Activity

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

July 5th – July 9th

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.

Real-Time Payments Now as Popular as Cash in Southeast Asia as Pandemic Accelerates Digitization of Payments, New ACI Worldwide Research Reveals

[BusinessWire](#) | July 6th, 2021

Real-time payments are now as popular as cash as a payment method for consumers in Southeast Asia, according to new research from ACI Worldwide and YouGov. Three out of five consumers (61%) in Indonesia, Malaysia, Thailand and Singapore prefer real-time payments as a favored way to pay in 2021, level with cash (61%) and higher than other payment categories, including digital wallets requiring cash or card top-ups (56%) and credit cards (30%).

Marginal Improvements in May Travel Demand

[IATA Newsroom](#) | July 7th, 2021

The International Air Transport Association (IATA) announced that both international and domestic travel demand showed marginal improvements in May 2021, compared to the prior month, but traffic remained well below pre-pandemic levels.

Mastercard SpendingPulse: U.S. retail sales grew 11.0%* year-over-year in June

[Mastercard Newsroom](#) | July 8th, 2021

Just as summer months bring warmer weather, U.S. retail sales continue to heat up, with June marking the ninth consecutive month of total retail sales growth. According to Mastercard SpendingPulse™, U.S. retail sales excluding automotive and gasoline increased +11.0% year-over-year in June and increased +10.4% compared to June 2019.*

New Jobless Claims Hold Near Pandemic Low, as Number on Benefits Falls

[The Wall Street Journal](#) | July 8th, 2021

New applications for unemployment benefits held near pandemic lows last week while the number of Americans collecting continuing payments fell sharply in late June as many states acted to curtail jobless aid. Initial unemployment claims, a proxy for layoffs, rose by 2,000 the week ended July 3, from a pandemic low the prior week, to a seasonally adjusted 373,000, the Labor Department said Thursday (July 8th).



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	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
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



Historical M&A Tracker

Transaction History: February 2021 – June 2021

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



Historical M&A Tracker

Transaction History: February 2021 – June 2021

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



Headline News

July 5th – July 9th



Crypto-linked cards see continued growth

[Visa Newsroom](#) | July 7th, 2021

Today the value of crypto assets held in regulated digital wallets is in the hundreds of billions. For the tens of millions of people using those platforms, one of the simplest ways to spend crypto is through a Visa card. We're partnering with 50 of the leading crypto platforms on card programs that make it easy to convert and spend digital currency at 70 million merchants worldwide. With more than \$1 billion spent on crypto-linked Visa cards in the first half of 2021, it's clear that the crypto community sees value in linking digital currencies to Visa's global network.



Paytm Ready to Launch \$2.2 Billion IPO Plan for July Investor Vote

[Bloomberg](#) | July 5th, 2021

India's Paytm will seek shareholders' approval next week for an initial public offering with an initial fundraising target of 160 billion rupees (\$2.2 billion), according to people familiar with the plan, setting in motion the process for the country's largest ever debut. If green-lit during a shareholder meeting slated for July 12, the digital payments startup will have the option of raising that target to as much as roughly \$2.6 billion, per regulatory guidelines.



Square

Square Announces Early Access Programme for French Businesses

[BusinessWire](#) | July 6th, 2021

Square, the globally trusted software, payments, and hardware solution for businesses of all sizes, today (July 6th) announces an Early Access Programme in France, offering exclusive access to an integrated suite of tools to seamlessly sell in-person and online. This limited-space programme is now seeking SMEs across France who want access to the only comprehensive solution of its kind.



Partnership Activity

July 5th – July 9th



BigCommerce Teams with Amazon Multi-Channel Fulfillment To Help Merchants Process Orders Faster

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

BigCommerce, a leading Open SaaS ecommerce platform for fast-growing and established brands, today (July 7th) announced a new integration with Amazon Multi-Channel Fulfillment (MCF) that allows BigCommerce U.S. merchants to more easily fulfill their ecommerce orders using Amazon's order fulfillment services whether they sell on Amazon or not.



Carbon, Visa enter five-year partnership to support payments across Africa

[FinTech Global](#) | July 5th, 2021

African FinTech Carbon has entered a five-year strategic alliance with Visa to provide digital and physical issuance of Visa cards to its customers on the continent. Founded in 2012, Carbon is a Nigerian company that provides individuals with access to credit, simple payments solutions, high-yield investment opportunities and easy-to-use tools for personal financial management.

Other Notable Partnerships:

- **REPAY** teams up with **Credit Management Company** (CMC) to expand **BillingTree**, a REPAY company, to more healthcare markets.
- **KAL** and **EVO Payments** partner to launch a new ATM service across Europe.
- **ACI Worldwide** and **Swedbank** partner to help decrease card fraud through supporting Strong Customer Authentication (SCA) in the Nordic and Baltic regions.
- **Payroc** partners with **Fluid Pay** and **IVR Technology Group** to enable pay-by-phone processing for its merchant base.



Management Changes

July 5th – July 9th



Steve Arentzoff



FlexPay Adds Two Payments Industry Veterans To Its Leadership Team

FlexPay announced this week the appointment of two new individuals to its leadership team. These new hires include Steve Arentzoff (pictured) who will serve as Senior VP of Marketing, as well as Ray Watson who joins as Senior VP of Channel Partnerships and E-commerce. Both individuals have a background in payments which will help contribute to FlexPay's growth in the payments ecosystem.

Date Announced	Company	Personnel	New Position	Previous Position
7/6/2021	FlexPay	Steve Arentzoff	Senior VP of Marketing	VP Demand Generation at Medallia
7/6/2021	FlexPay	Ray Watson	Senior VP of Channel Partnerships and E-commerce	Global Payments Consultant, North America at Worldline



TSG Payments Index

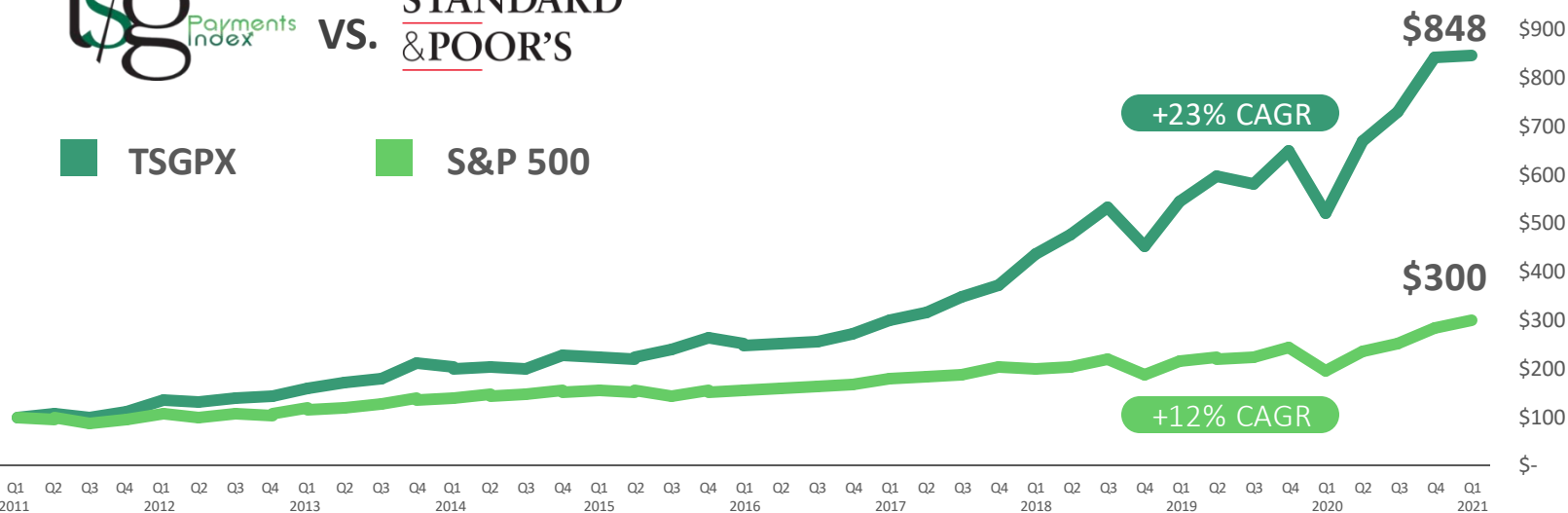
Q1 2011 – Q1 2021



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





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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.

