

# TransactionWatch

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

*Week of:*

*September 13<sup>th</sup> – September 17<sup>th</sup>*

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# Deal Activity Summary

September 13<sup>th</sup> – September 17<sup>th</sup>

## This Week's M&A Overview

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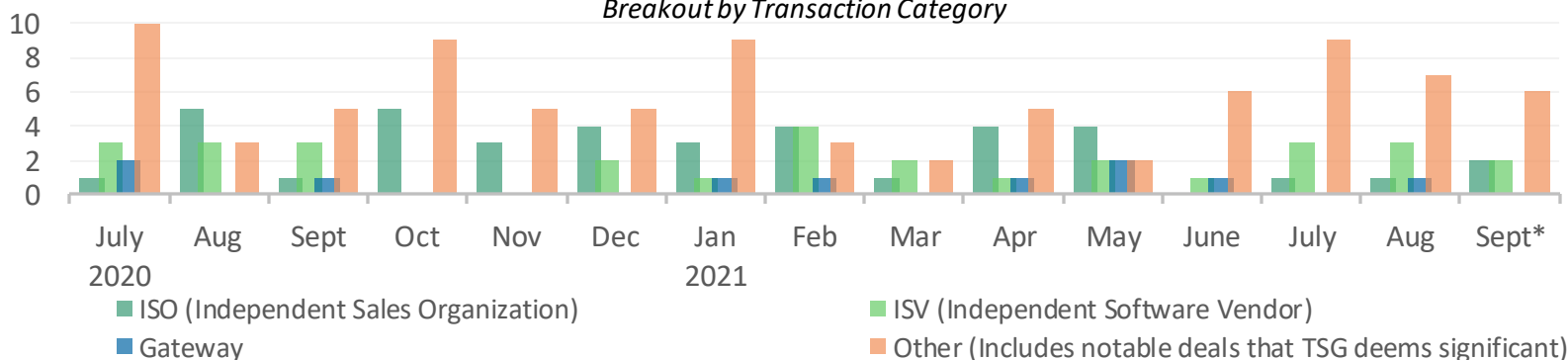
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M&A activity powers ahead this week as movement within the payments industry continues to take strides. To start, the Point-of-Sale (POS) provider SpotOn announced \$300 million in Series E funding, now raising their valuation to \$3.15 billion, which is nearly double than their prior valuation estimate. SpotOn is using this capital to acquire Appetize, a complementary POS provider geared towards sports and entertainment venues. This acquisition falls in line with SpotOn's existing technologies and is aimed to extend their market reach into new and existing verticals.

After last week's speculation, Intuit announced this week their agreement to acquire Mailchimp for approximately \$12 billion in cash and stock incentives. This acquisition ties into Intuit's existing suite of product solutions, including QuickBooks, which aims to offer enhanced capabilities to the SMB market. This deal is expected to close in Intuit's fiscal second quarter of 2022. Separately, FortisPay has announced their acquisition of OmniFund, a cloud-based Payments-as-a-Platform solution. This acquisition will enable FortisPay to expand their platform and capabilities for new and existing merchants. According to FortisPay, they have acquired payment facilitation, expanded into Canada, and developed over a dozen new ISV relationships in just the past three months.

## H2 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: May 2021 – August 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
ISO	FortisPay	OmniFund	-	9/14/2021
ISV	Intuit	Mailchimp	\$12,000	9/13/2021
ISV	SpotOn	Appetize	-	9/13/2021
Other	Mastercard	CipherTrace	-	9/9/2021
Other	Global Payments	MineralTree	\$500	9/8/2021
ISO	Nuvei	Paymentez	-	9/7/2021
Other	PayPal	Paidy	\$2,700	9/7/2021
Other	Mastercard	Aiia	-	9/7/2021
Other	Zilch	NepFin	-	9/2/2021
Other	Zip	Payflex	-	9/1/2021
ISO	PayU	BillDesk	\$4,700	8/31/2021



# Historical M&A Tracker

Transaction History: May 2021 – August 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	LexisNexis	TruNarrative	-	8/25/2021
ISV	NCR	Foremost Business Systems	-	8/23/2021
Other	Paysafe	Viafintech	-	8/22/2021
Other	Paysafe	SafetyPay	\$441	8/16/2021
ISV	U.S. Bank	Bento Technologies	-	8/12/2021
Other	Paymentus	Payveris	\$152.2	8/10/2021
Gateway	EVO Payments	Anderson Zaks	-	8/2/2021
Other	Paysafe	PagoEfectivo	-	8/2/2021
ISV	NCR	LibertyX	-	8/2/2021
Other	Fleetcor	ALE Solutions	-	8/2/2021
Other	Square	Afterpay	\$29,000	8/1/2021
ISV	Klarna	APPRL	-	7/27/2021
Other	Klarna	Stocard	\$133	7/22/2021
Other	Visa	Currencycloud	\$963	7/22/2021
ISO	GreenBox POS	Transact Europe	\$35	7/19/2021
Other	Bill.com	Invoice2go	\$625	7/19/2021
ISV	Waystar	Patientco	-	7/15/2021



# Historical M&A Tracker

Transaction History: May 2021 – August 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISV	Square	Crew	-	7/14/2021
Other	Payroc	ACheck21	-	7/14/2021
Other	AvidXchange	FastPay	-	7/12/2021
Other	Klarna	HERO	\$160	7/9/2021
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
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





## Headline News

September 13<sup>th</sup> – September 17<sup>th</sup>



### ***Toast seeks \$16 billion valuation at IPO after restaurant-tech company helped eateries survive pandemic***

[CNBC](#) | [September 13<sup>th</sup>, 2021](#)

Toast is gearing up for an initial public offering next week that could value the restaurant-tech company at more than \$16 billion. That's about double its valuation from a secondary share sale last November. The company has taken a very uneven path to the New York Stock Exchange.



### ***Square Offers Sellers and Consumers a New Checkout Experience with Cash App Pay***

[Square Press Release](#) | [September 13<sup>th</sup>, 2021](#)

Starting today (Sept. 13<sup>th</sup>), Square sellers will be able to accept payments through Cash App Pay, a new contactless payment method for both online and in-person transactions. With Cash App Pay, consumers can seamlessly pay with their Cash App account at participating Square sellers. For both in-person and online transactions, customers simply scan a seller's QR code at checkout, or click a button on their mobile device for a payment process that is fast, elegantly designed, and more secure.



### ***Adobe Announces Payment Services for Adobe Commerce***

[BusinessWire](#) | [September 15<sup>th</sup>, 2021](#)

Adobe today (Sept. 15<sup>th</sup>) announced the upcoming availability of Payment Services for Adobe Commerce, the industry's leading end-to-end commerce application for B2B, D2C and hybrid use cases. By integrating Payment Services to their digital storefronts, Adobe merchants of all sizes will soon have access to a robust, secure, and integrated payment solution that can easily be managed from their Adobe Commerce Admin, instead of having to do the work of integrating with third-party payment providers.



## Partnership Activity

September 13<sup>th</sup> – September 17<sup>th</sup>

### J.P.Morgan

#### Chase Merchant Services Scores a U.S. Collaboration With Alipay to Process for Alibaba.com

[Digital Transactions](#) | September 16<sup>th</sup>, 2021

The biggest U.S. processor of card transactions announced on Thursday (Sept. 16<sup>th</sup>) it has started processing credit card payments in the U.S. for the massive Alibaba.com online marketplace. As part of the arrangement, J.P. Morgan Merchant Services said it is working with the mobile and online payments provider Alipay to manage transactions on the massive business-to-business platform.



### BNY MELLON

#### BNY Mellon, Citi and Verizon Launch Real-Time Bill Pay for Retail Customers in Market First

[PR Newswire](#) | September 15<sup>th</sup>, 2021

BNY Mellon and Citi have collaborated with Verizon to be the first company to send request-for-payment messages to consumers who bank with Citi. When using BNY Mellon's new Real-Time E-Bills and Payments functionality, Verizon customers with Citibank accounts can pay their bills immediately, at any time of day, 365 days a year, and enjoy greater control over their finances to help avoid overdraft fees.

#### Other Notable Partnerships:

- **Silicon Valley Bank** has partnered with **Plaid** for tokenized payment capabilities.
- **Paydek** teams up with **Ripple** for real-time cross-border payments across the Latin America and African regions.
- **WEX** has entered into a state-wide fleet card contract with the **State of Minnesota**.
- **ReceiptHero** has partnered with **Visa** and **Mastercard** to support their expansion into the European market.
- **Flutterwave** teams up with **Currencycloud** to accelerate their launch into the U.S. and Europe.





# Management Changes

September 13<sup>th</sup> – September 17<sup>th</sup>



**Paysafe:**

## Paysafe Appoints Zak Cutler As CEO Of Their North America iGaming Business

Paysafe announced this week the appointment of Zak Cutler to the newly created position of CEO, North America iGaming. Under this new role, Cutler will be tasked with further expanding the company's growth in online gaming, sports betting, and iLottery. Cutler joins Paysafe from Jackpocket, where he most recently served as VP of Product and Strategy.

Date Announced	Company	Personnel	New Position	Previous Position
9/12/2021	Mastercard	<b>Candido Botelho Bracher</b>	<i>Board Member</i>	Current Board of Directors member at Itaú Unibanco Group
9/14/2021	Western Union	<b>Gabriella Fitzgerald</b>	<i>President, Americas Region</i>	Executive VP and General Manager of Global Commercial Services at American Express
9/15/2021	Paysafe	<b>Zak Cutler</b>	<i>Chief Executive Officer, North America iGaming</i>	Vice President of Product and Strategy at Jackpocket



# TSG Payments Index

Q1 2011 – Q2 2021

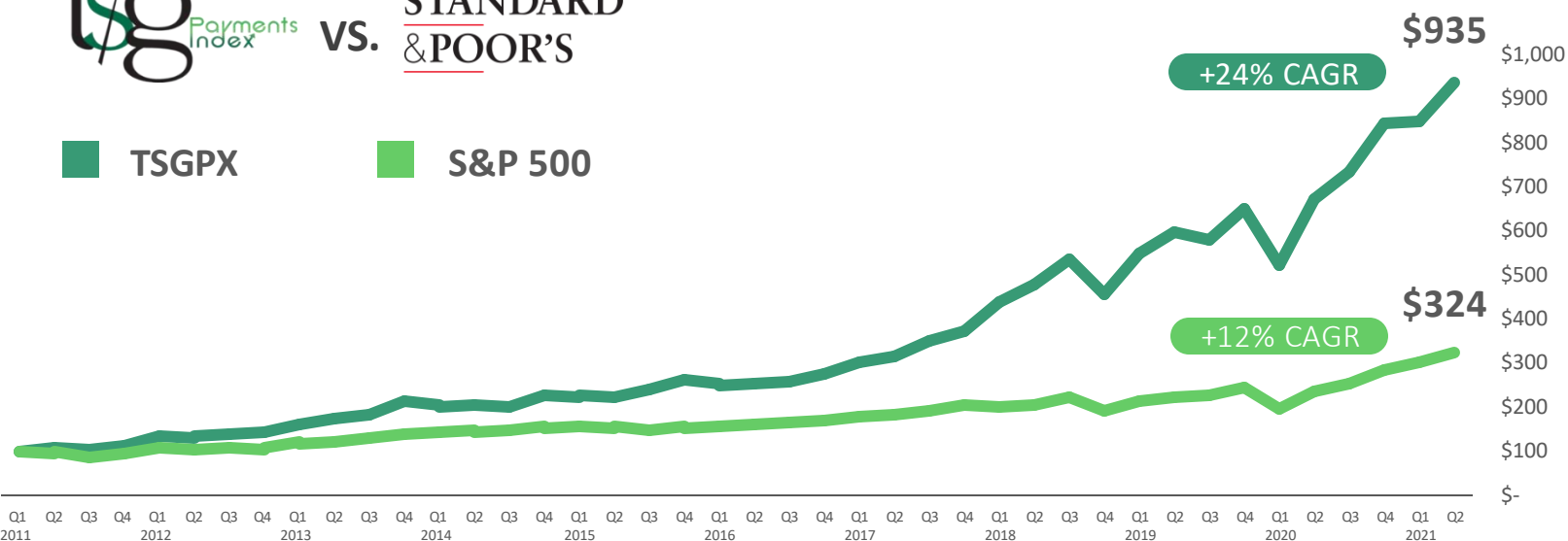
tsg  
Payments  
Index

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 \$935 in Q2 2021, as compared to \$324, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **12% 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 a debit card  
sponsorship  
portfolio 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 its  
sale to



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.

