

TransactionWatch

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

*Week of:
August 30th – September 3rd*









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Deal Activity Summary

August 30th – September 3rd

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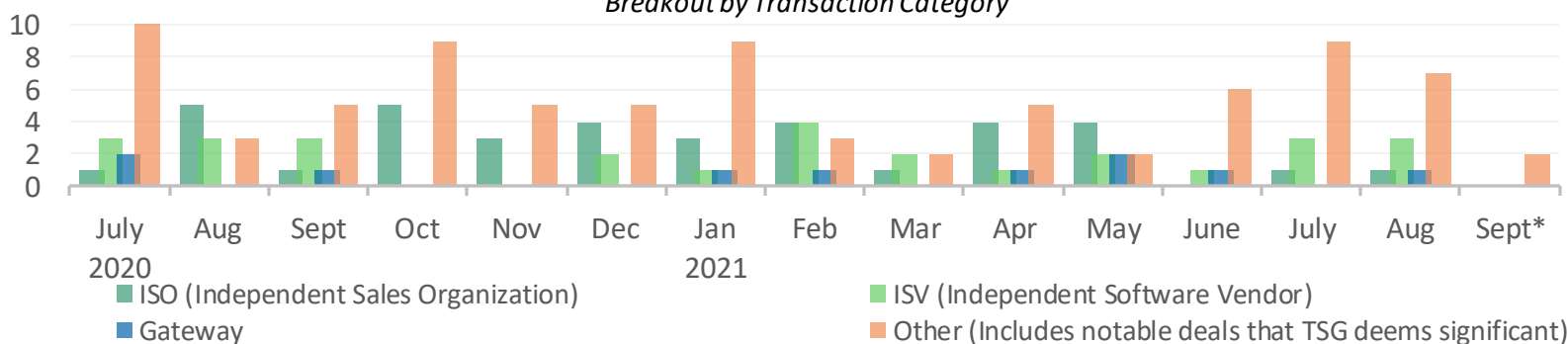
This Week's M&A Overview

The buy now, pay later (BNPL) market continues to heat up this week as several providers set their sights on global expansion. To start, the Australia-based BNPL provider Zip, formerly Quadpay, has acquired Payflex, a complementary BNPL provider based in South Africa. This acquisition enables Zip to expand their market reach into regions across Africa that were previously untapped. Zip aims to set a record year-end growth for the company as they estimate \$5.8 billion in payment volume handled through their platform from a merchant base of over 50,000 worldwide. Separately, the BNPL provider Zilch seeks to expand into the U.S. market with their acquisition of NepFin (Neptune Financial) for an undisclosed sum. This acquisition is specifically intended for Zilch to enter the U.S. as it will allow them to set up a team in NepFin's headquarters in San Francisco.

In other M&A news, Prosus has agreed to PayU's acquisition of BillDesk for \$4.7 billion. Both PayU and BillDesk are leading payment providers in India and neighboring countries. Following the transaction, the collective company will process approximately \$147 billion in annual payment volume. This acquisition of BillDesk will ultimately quadruple PayU's current transaction volume within the country of India and will allow them to accelerate their growth as digital payments continue to increase across the region.

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



Historical M&A Tracker

Transaction History: April 2021 – July 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	Zilch	NepFin	-	9/2/2021
Other	Zip	Payflex	-	9/1/2021
ISO	PayU	BillDesk	\$4,700	8/31/2021
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



Historical M&A Tracker

Transaction History: April 2021 – July 2021

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



Historical M&A Tracker

Transaction History: April 2021 – July 2021

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



Headline News

August 30th – September 3rd



PayPal is exploring a stock-trading platform for U.S. customers

[CNBC](#) | [August 30th, 2021](#)

PayPal is exploring a possible stock-trading platform. After rolling out the ability to trade cryptocurrencies last year, the payments giant has been exploring ways to let users trade individual stocks, according to two sources familiar with the plans. The San Jose, California-based company recently hired brokerage industry veteran Rich Hagen as part of the move, according to one of the sources.



Square to launch a new paid subscription, Invoices Plus

[TechCrunch](#) | [August 30th, 2021](#)

Square's popular free invoicing software is becoming the company's next big subscription service. The company is poised to announce a paid subscription offering called Invoices Plus, which will offer sellers a set of advanced features, including some that had previously been available with the free service. The service itself had been quietly introduced to individual sellers, but has not yet been publicly announced. Some sellers who were already using Square Invoices were recently alerted to the upcoming changes via email. In the announcement shared with some sellers, the new subscription will include a series of features that were released in the past year as part of a limited trial.



Adyen launches Score with GoFundMe -- a machine learning tool to easily identify malicious platform users

[PR Newswire](#) | [August 31st, 2021](#)

Adyen, the global payments platform of choice for many of the world's leading companies, today (Aug. 31st) launched Score. The company is first-to-market with a machine learning driven solution on a single platform for signaling irregular activity and monitoring platform compliance. By leveraging data insights analyzing the platform merchant's data and flagging unusual platform user behavior, Score helps Adyen's merchants prevent misuse of the platform.



Partnership Activity

August 30th – September 3rd



PayPal and Mastercard Continues Expansion of Popular Debit Card Offering Across Europe

[PayPal Newsroom](#) | September 1st, 2021

Today (Sept. 1st), PayPal and Mastercard announced that they are continuing the global expansion of the popular PayPal Business Debit Mastercard in four new European countries – Belgium, Finland, the Netherlands, and Portugal. This is in addition to Austria, France, Germany, Ireland, Italy, Spain, the United Kingdom and United States where the PayPal Business Debit Mastercard is currently available.



Stripe deepens partnership with UnionPay

[Finextra](#) | August 31st, 2021

Stripe, a technology company that builds economic infrastructure for the internet, has deepened its partnership with China's UnionPay International, one of the world's largest payment networks. The integration will enable businesses in more than 30 markets, including Australia, Singapore, Hong Kong SAR, Canada, the United States, the United Kingdom, as well as across the European Union.

Other Notable Partnerships:

- **Amazon** partners with **Affirm** to offer buy now, pay later option at checkout.
- **UnionBank of the Philippines** partners with **Visa's FinTech Fast Track** program as a BIN sponsor.
- **Astra** teams up with **Plaid** for integrated automated bank transfers.
- **Global-e** partners with **Klarna** to offer flexible payment options across the U.S., U.K., France, Spain, Italy and Australia.
- **Payscout** has integrated with **Collect!** for enhanced accounts receivable management offering.



Management Changes

August 30th – September 3rd



Stax by Fattmerchant Appoints Menda Sims As Chief Payments Officer

Stax by Fattmerchant announced this week the appointment of Menda Sims to serve as the company's Chief Payments Officer. Under this new role, Menda will oversee and drive the company's corporate payments vision and strategy across all Stax holding companies. Menda joins Stax from FIS, where she recently served as Chief of Staff and Head of Strategy and Operations.

Date Announced	Company	Personnel	New Position	Previous Position
8/31/2021	CheckAlt	Trip Colden	<i>Chief Revenue Officer</i>	Senior VP, Head of Americas Financial Corporates at S&P Global Market Intelligence
8/31/2021	CheckAlt	Jason Donaldson	<i>Director of Solution Design</i>	VP, Receivables Product Management Team Manager at PNC
9/1/2021	Stax by Fattmerchant	Menda Sims	<i>Chief Payments Officer</i>	Chief of Staff and Head of Strategy and Business Operations for FIS



TSG Payments Index

Q1 2011 – Q2 2021

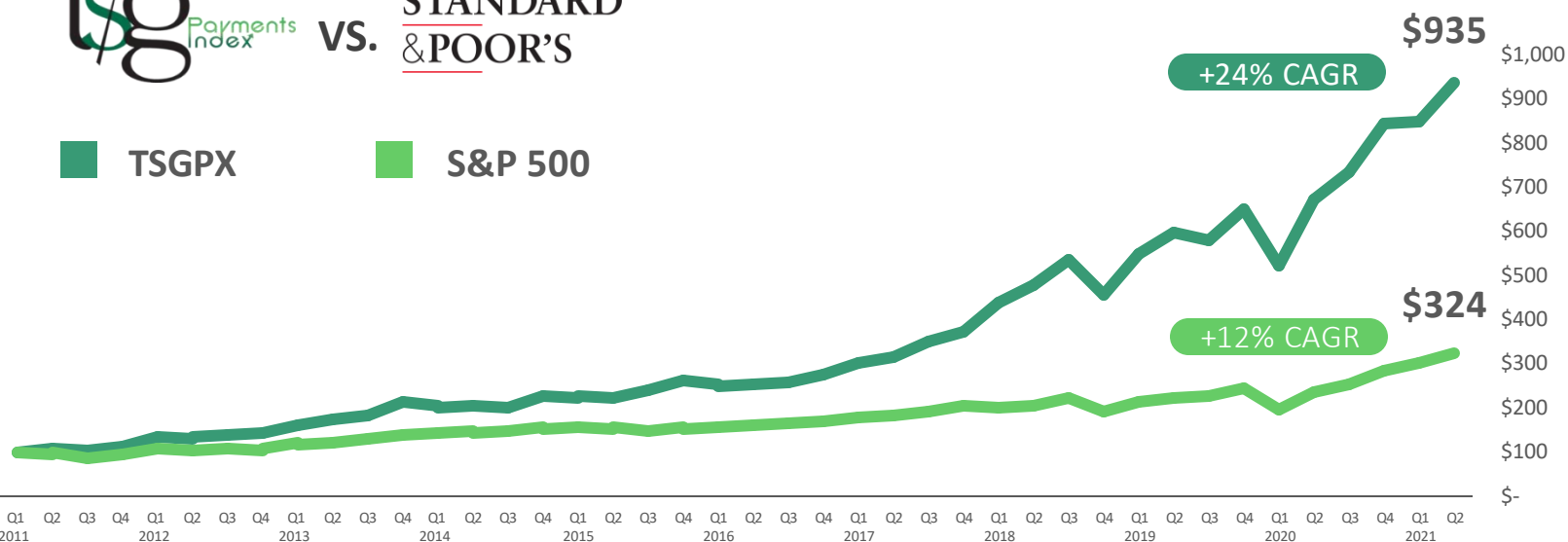
tsg
Payments
Index

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.

