

TransactionWatch

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

*Week of:
May 4th – May 8th*

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Deal Activity Summary

May 4th – May 8th

This Week's M&A Overview

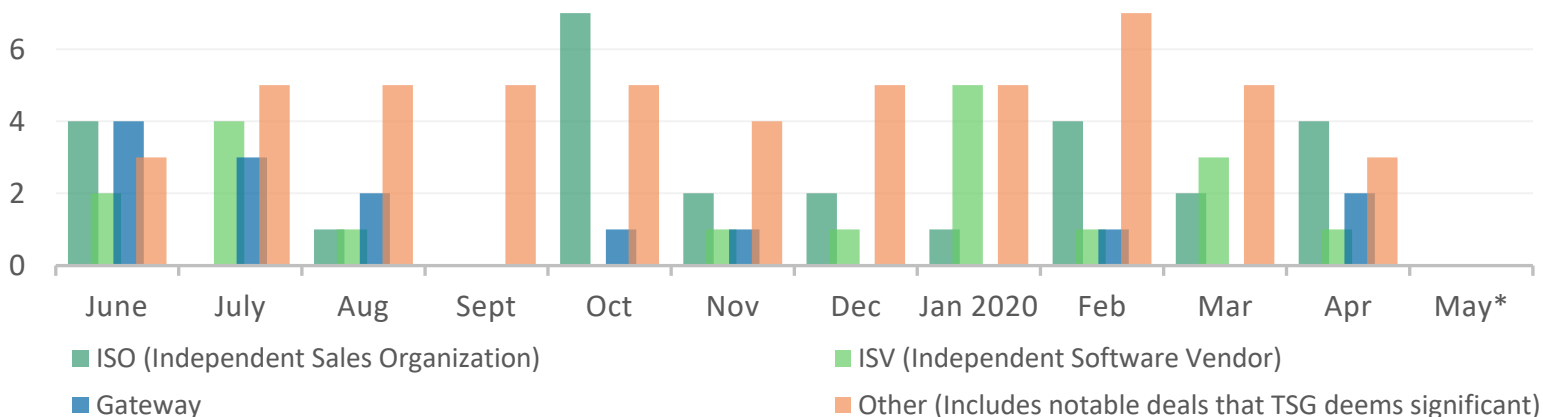
M&A activity continued to remain low throughout this week, however, many merchant acquirers are experiencing increases in their eCommerce processing volumes as merchants continue to pursue further into online marketplaces. While many merchant establishments across the nation have closed their doors during the ongoing COVID-19 pandemic, the shift in eCommerce solutions has been apparent. Global Payments, for example, reported their omnichannel and eCommerce processing business was up approximately 10% during the month of April while Square indicated its weekly payments volume from its merchants' online stores were up more than five times since the middle of March. However, overall payment volumes for many acquirers have taken a significant hit due to the current economic environment. Nonetheless, several acquirers are starting to see their payment volumes stabilize as numerous states slowly begin to reopen its businesses.

Table of Contents

- [Deal Activity Summary](#)
- [COVID-19 Industry Impact](#)
- [Historical M&A Tracker](#)
- [Headline News](#)
- [Partnership Activity](#)
- [Management Changes](#)
- [TSG Payments Index](#)
- [TSG Buy/Sell Services](#)

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

May 4th – May 8th

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.

Citi Helps US Government Tackle Covid-19-related Fraud

[Finextra](#) | May 6th, 2020

Citi, Alibaba and Amazon are among the firms working with the US government on an effort to thwart Covid-19-related fraud. Crooks are exploiting fear surrounding the pandemic, using a plethora of scams to dupe people into handing over financial information and into buying fake drugs and PPE.

Banks Extend \$500B In PPP Loans To Help Struggling SMBs

[PYMNTS](#) | May 5th, 2020

Banks in the U.S. have extended over \$500 billion in loans to small and medium-sized businesses (SMBs) affected by the COVID-19 pandemic. The Small Business Administration (SBA) and the Treasury Department said there is roughly \$145 billion left in the fund, according to a Reuters report on Sunday (May 3).

Pandemic Will Lead To Push For Touch-free Technology

[Finextra](#) | May 4th, 2020

Touch-free shopping and payments could be one of the lasting legacies of the Covid-19 outbreak, as consumers shy away from devices - like ATMs - that require manual keying, according to research from product and design agency Foolproof. The study, conducted among 2,000 UK consumers, identified that 80% of people will change the way they engage with publicly-available technology, in light of the pandemic.

Open Banking Review Faces 'Worrying' Delay As Pandemic Drives Canadians To Fintech

[Financial Post](#) | May 6th, 2020

The coronavirus pandemic has thrown a wrench into the federal government's review of open banking, causing concern that the delay could further wound financial-technology companies, while leaving scores of Canadian consumers sharing their financial data in potentially risky ways.



Historical M&A Tracker

Transaction History: January 2020 – April 2020

Transaction Categories:



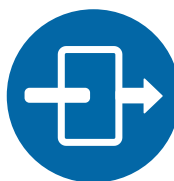
ISO

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	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



Historical M&A Tracker

Transaction History: January 2020 – April 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
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
ISO	Ally Financial	CardWorks	\$2,650	2/18/2020
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



Historical M&A Tracker

Transaction History: January 2020 – April 2020

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	WEX	eNett; Optal	\$1,700	1/24/2020
Other	RS2	Kalicom Kassen System	-	1/23/2020
ISV	DNA Payments	Zash AB	-	1/17/2020
Other	Far Point Acquisition	Global Blue	\$2,600	1/16/2020
ISV	Goldman Sachs Merchant Banking	Aptos	-	1/13/2020
Other	Visa	Plaid	\$5,300	1/13/2020
Other	PayU	PaySense	\$185	1/10/2020
ISV	Nets	Poplatek	-	1/9/2020
ISV	MTBC	CareCloud	-	1/8/2020
ISV	Lightspeed	Gastrofix	\$100+	1/7/2020
Other	Mastercard	RiskRecon	-	12/23/2019



Headline News

May 4th – May 8th



Visa Postponing Most Interchange Rate Changes Until April 2021

[Digital Transactions](#) | [May 5th, 2020](#)

Citing the business disruptions caused by the Covid-19 pandemic, Visa Inc. announced late Tuesday (May 5th) that it will delay until next April most of the interchange rate changes it had planned for July. The network also publicly confirmed the six-month postponement of its EMV liability shift for fuel pumps, and further said it will be waiving Covid-related dispute fees.



New Stores Created On Shopify Jump 62 Pct Amid Shift To eCommerce

[PYMNTS](#) | [May 6th, 2020](#)

As the coronavirus pandemic speeds up consumers' transitions to online shopping, Shopify reported that new stores created on the platform jumped 62 percent from March 13 to April 24 compared to the six weeks before. According to the company, the growth was powered by "the shift of commerce to online as well as by the extension of the free trial period on standard plans from 14 days to 90 days," according to an announcement.



Paypal And Square See Improvements In April, But Square Has A Longer Road Ahead

[MarketWatch](#) | [May 7th, 2020](#)

The COVID-19 outbreak is driving big shifts in how consumers think about payments, and that's affecting PayPal Holdings Inc. and Square Inc. differently. Both companies highlighted March weakness in their earnings reports Wednesday, but only one of the two had an April for the record books. PayPal Chief Executive Dan Schulman told MarketWatch that April "was probably the strongest month for PayPal" since it became a standalone public company in mid-2015. The company added 7.4 million net new active accounts in April, a monthly record. And the momentum has carried over to May thus far, as PayPal had its largest single day of transactions on May 1, topping previous Black Friday and Cyber Monday records.



Partnership Activity

May 4th – May 8th



Global Payments has signed a long-term deal with Truist Financial Corp., the sixth largest commercial bank in the United States. Under this agreement, Global Payments will apply its TSYS Issuer Solutions business to process Truist's consumer, commercial, and small business credit card portfolios. In addition, Truist will have access to TSYS's suite of payment solutions, include their TS2 processing platform. The company expects to begin the conversion in late 2021 and finishing the transition sometime in the year 2022.



Currencycloud

Online cross-border payments provider, CurrencyCloud, has entered into a partnership with Carta Worldwide to help further advance real-time foreign exchange services at the point of sale. Through this partnership, CurrencyCloud is hoping to drive innovation on cross-border transactions and bring additional transparency to the process for its customers. The company is enhancing its real-time exchange rates so that its customers have a better understanding of their rates when making international purchases.

Other Notable Partnerships:

- **Veon** has established a partnership with **Mastercard** on strengthening its JazzCash digital wallet in Pakistan.
- **Tipalti** teams up with three new partners including **FloQast**, **Myers-Holum**, and **Affise**.
- **Mastercard** and **DPO Group** have partnered to help shift African businesses to move online.
- **QuadPay** has partnered with **Stripe** to further boost their buy now, pay later offering for both online and in-store transactions.
- **Openbravo** has entered into an agreement with **Adyen** for payment processing solutions.



Management Changes

May 4th – May 8th



Fiserv Announces Frank Bisignano As CEO Successor To Jeffery Yabuki

Fiserv announced that Frank Bisignano will succeed Jeffery Yabuki as CEO effective July 1st. Mr. Yabuki will continue to serve as Executive Chairman throughout the remainder of 2020. Frank Bisignano came to Fiserv as a result from Fiserv's acquisition of First Data in mid-2019, where he served as Chairman and CEO of First Data.

Date Announced	Company	Personnel	New Position	Previous Position
5/4/2020	Standard Chartered	Marnix Zwart	<i>Global Head of Partnerships, Retail Banking division</i>	Chief Commercial Officer at GoBear
5/4/2020	Mastercard	Mark Barnett	<i>President of Mastercard Europe</i>	Divisional President at Mastercard
5/4/2020	Citigroup	Kaleem Rizvi	<i>Asia Pacific Head of Corporate Banking</i>	Managing Director at Citigroup
5/5/2020	Stanchion Payment Solutions	Kevin Blackwell	<i>Managing Director</i>	Business Development Director at Stanchion Payment Solutions
5/5/2020	Ubiquity Global Services	Annie H. Kirkland	<i>VP of Solution Design</i>	Client Consultant at TSYS
5/5/2020	Discover Financial Services	Thomas Maheras	<i>Board of Directors Chairman</i>	Current Managing Partner of Tegean Capital Management
5/6/2020	Payvision	Andre Valkenburg	<i>CEO</i>	CSO at Geldmaat
5/7/2020	Paysafe	Noah Sharp	<i>Chief Banking Officer</i>	Director, FinTech Banking & Advisory at Standard Chartered
5/7/2020	Fiserv	Frank Bisignano	<i>CEO (effective July 1st)</i>	President & COO at Fiserv



TSG Payments Index

Q1 2011 – Q1 2020

*Drop in value from Q4 2019 to Q1 2020 is attributed to the volatility and uncertainty caused by the ongoing COVID-19 pandemic

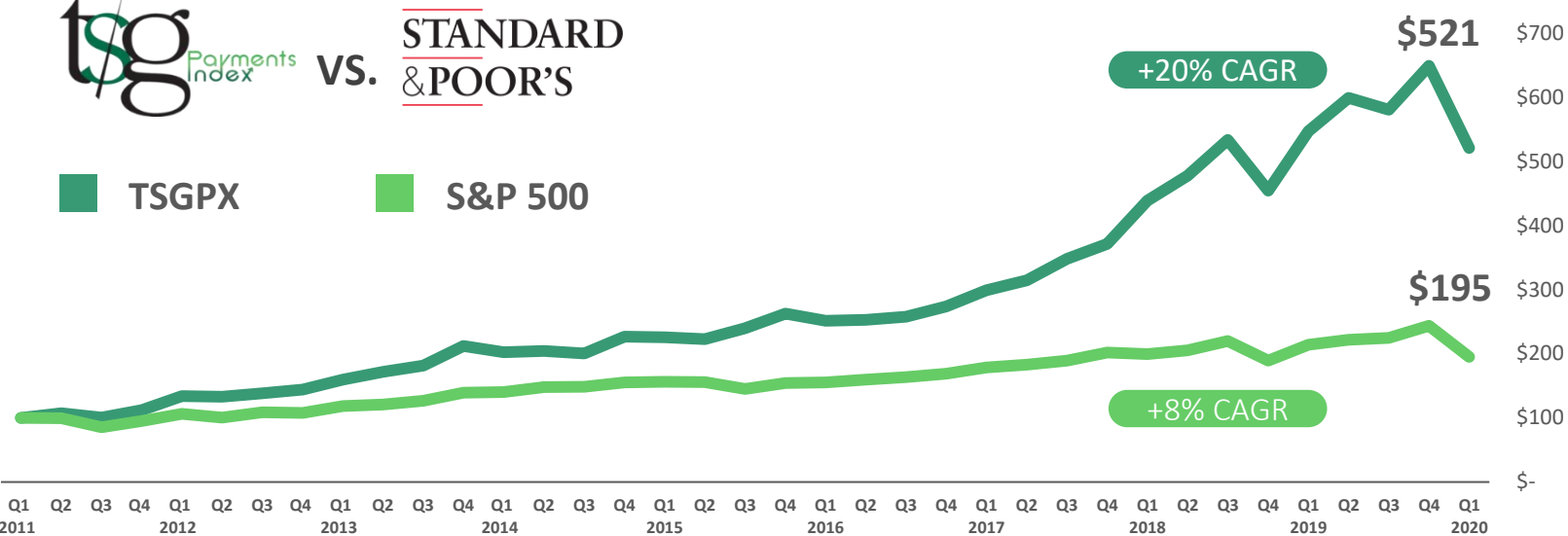


VS.

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 \$521 in Q1 2020, as compared to \$195, 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 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.

