

TransactionWatch

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

*Week of:
June 8th – June 12th*

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Deal Activity Summary

June 8th – June 12th

This Week's M&A Overview

As consumer and merchant behaviors continue to shift due to the COVID-19 impact, payment entities are seeking opportunities that will enhance their digital footprint. Market players now understand that these online focused technologies are not only a key competitive differentiator but may also be needed for survival. The adoption of digital payment solutions, from both consumers and merchants, has become more apparent in recent months as individuals shy away from cash in favor of more contactless payment methods. This has led the way for increased usage of eCommerce purchases, order-ahead mobile app payments, buy now, pay later methods, as well as other emerging digital payment technologies.

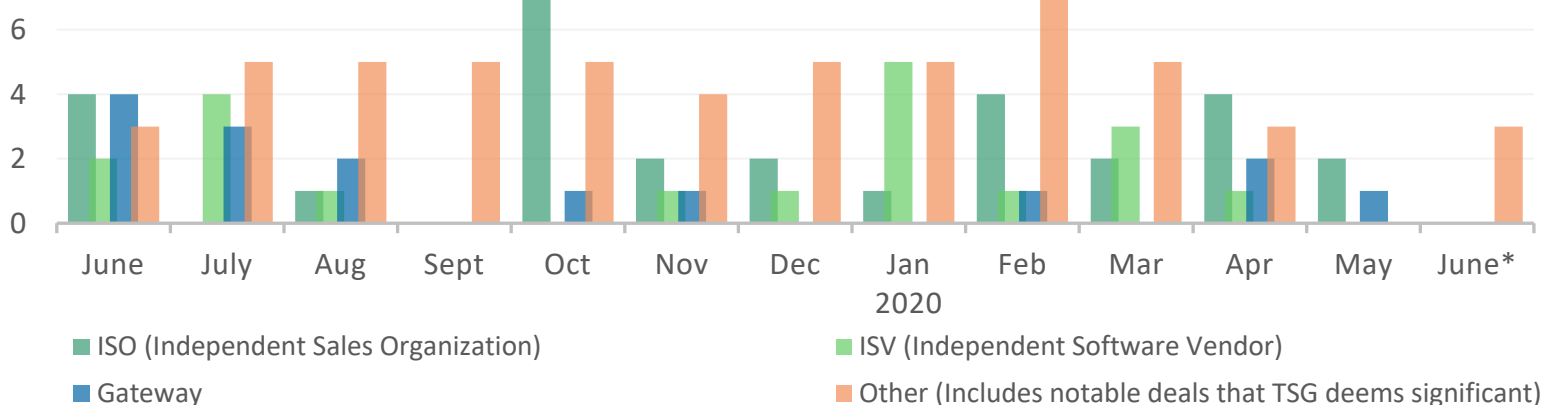
In addition, last Friday (June 5th) Shift4 Payments, a technology company which offers services such as online ordering and mobile payment solutions, debuted their IPO on the NYSE which raised \$345 million in offering, well above its initial target. The stock ticker, listed as FOUR, gained 46% on its first day of trading.

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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 8th – June 12th

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.

Fed Expects 6.5 Pct Drop In GDP This Year

[PYMNTS](#) | June 10th, 2020

The Federal Reserve Board and the Federal Open Market Committee (FOMC) have released economic projections for the next few years, showing that the gross domestic product (GDP) could contract by 6.5 percent this year, but predicting recovery in the next several years. GDP is projected to rise to 5 percent by 2021 and settle around 3.5 percent in 2022, before going even lower to around 1.8 percent after that in the long term.

Brits Go Weeks Without Using Cash During Covid-19 Lockdown

[Finextra](#) | June 10th, 2020

Brits have gone an average of 44 days without using cash as they ditch notes and coins for contactless payments during the Covid-19 pandemic, according to a survey from Nationwide Building Society. Of 2,000 people polled by Nationwide, more than a quarter have gone two months or more without cash. Nearly a third admit they don't even remember what they last bought with cash.

EU Launches Financial Crime Team To Police Pandemic Economy

[PYMNTS](#) | June 8th, 2020

The European Union (EU) has established a new unit to wage war against financial crime amid an economy struck by the coronavirus pandemic. Europol, EU's police department, has given the green light for a 65-person investigative division to fight fraud and money laundering, DW.com reported. These crimes are expected to rise in the wake of the economic downturn caused by the coronavirus pandemic.

Overall Retail Sales Are in a Slump, But E-Commerce Is a Big Bright Spot

[Digital Transactions](#) | June 8th, 2020

Total U.S. retail sales, including auto and fuel, will drop 10.5%, to \$4.894 trillion in 2020, a total not seen since 2016, forecasts eMarketer Inc. That's sharper than the 8.2% slump in 2009, in the midst of that recession more than 10 years ago. E-commerce, however, is the bright spot. EMarketer says online retail sales will increase 18% this year to \$709.8 billion from \$601.7 billion in 2019.



Historical M&A Tracker

Transaction History: January 2020 – May 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	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
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



Historical M&A Tracker

Transaction History: January 2020 – May 2020

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



Historical M&A Tracker

Transaction History: January 2020 – May 2020

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



Headline News

June 8th – June 12th



Mastercard Updates Second-Quarter 2020 Operating Metrics

[Mastercard Newsroom](#) | June 8th, 2020

Mastercard today (June 8th) is updating its operating metrics with an additional three weeks of information. We are monitoring the impact of the pandemic and related actions being taken by governments as it relates to border restrictions, social distancing measures and opening of businesses, and the resultant impact on spending levels. With an additional three weeks of activity, we continue to see the transition from the Stabilization phase to the Normalization phase in most markets domestically.



Skrill Launches Free International Money Transfer Service In U.S.

[Paysafe Newsroom](#) | June 8th, 2020

Paysafe, a leading specialized payments platform, today (June 8th) announced the U.S. launch of its Skrill Money Transfer service. Existing and new Skrill customers in the United States can now use the solution to transfer money for free to friends and family in Mexico, India and 16 other Asian and European countries, with others available shortly.



Merchant eSolutions, Inc. Rebrands To MerchantE

[MerchantE Newsroom](#) | June 10th, 2020

Merchant eSolutions, Inc. a leading end-to-end digital commerce platform, today (June 10th) announces the company's rebrand to MerchantE. The new name, logo and website reflect its increased focus on providing growing businesses with more innovative choices, further transparency and expanded fintech offerings to better manage their money.



Partnership Activity

June 8th – June 12th



Citibank and Mastercard are partnering on improving Citibank customer's checkout experience by enabling Click to Pay functionality, which currently has more than 10,000 merchants that have adopted the technology. Citibank will leverage Mastercard's Token Connect platform which will enable Citibank cardholders to submit their card information from the Citibank mobile app to merchants who have integrated Click to Pay. This ultimately helps ease the online checkout experience by making it a more secure and seamless process.



This week Payrailz announced a partnership with Transactis, a Mastercard company, on the integration of Transactis's bill presentment and payment solution, BillerIQ. This integration will sync with Payrailz's smart payments hub and will provide its clients with digital billing capabilities and payment management solutions. Banking clients of Payrailz will be enabled to manage their loans and payments solutions online and through mobile devices.

Other Notable Partnerships:

- **Nium** partners with **Visa** on issuing cards in Australia through its membership of Visa's Fintech Fast Track program.
- **Stocard** is collaborating with **Wirecard** on developing a new mobile payments feature for its app.
- **Empays Payments Systems** partners with **Mastercard** on enabling contactless ATM withdrawals in India.
- **Klarna** partners with **Raisin** on offering savings accounts for German consumers.
- **JPMorgan Chase** partners with Canadian-based **Sensibill** to roll out a digital receipt management tool by end of year.



Management Changes

June 8th – June 12th

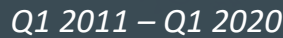


PAYTRONIX

Paytronix Appoints Amy Porter To The Company's Board of Directors

Founder and Executive Chairman of Affinipay, Amy Porter, has been appointed to the Board of Directors at Paytronix. Mrs. Porter has a wealth of experience in the payments industry which will help drive Paytronix's growth and innovation for the coming years ahead.

Date Announced	Company	Personnel	New Position	Previous Position
6/8/2020	Paytronix	Amy Porter	<i>Board Member</i>	Current Executive Chairman at Affinipay
6/9/2020	Zenus Bank	John Woods	<i>Chief Marketing Officer</i>	Marketing Director/CMO at Zellis
6/10/2020	Euronet Worldwide	Michael Frumkin	<i>Board Member</i>	Current Lead of Google's Accelerated Science Team
6/10/2020	UniCredit	Roberta Marracino	<i>Head of Group ESG Strategy & Impact Banking</i>	Business Innovation & Market Management Head at Zurich Insurance
6/11/2020	Marqeta	Helen Riley	<i>Board Member</i>	CFO of X, an Alphabet Company
6/11/2020	Marqeta	Judson Linville	<i>Board Member</i>	Chief Executive of Citi Global Cards & Consumer Services



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

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.

