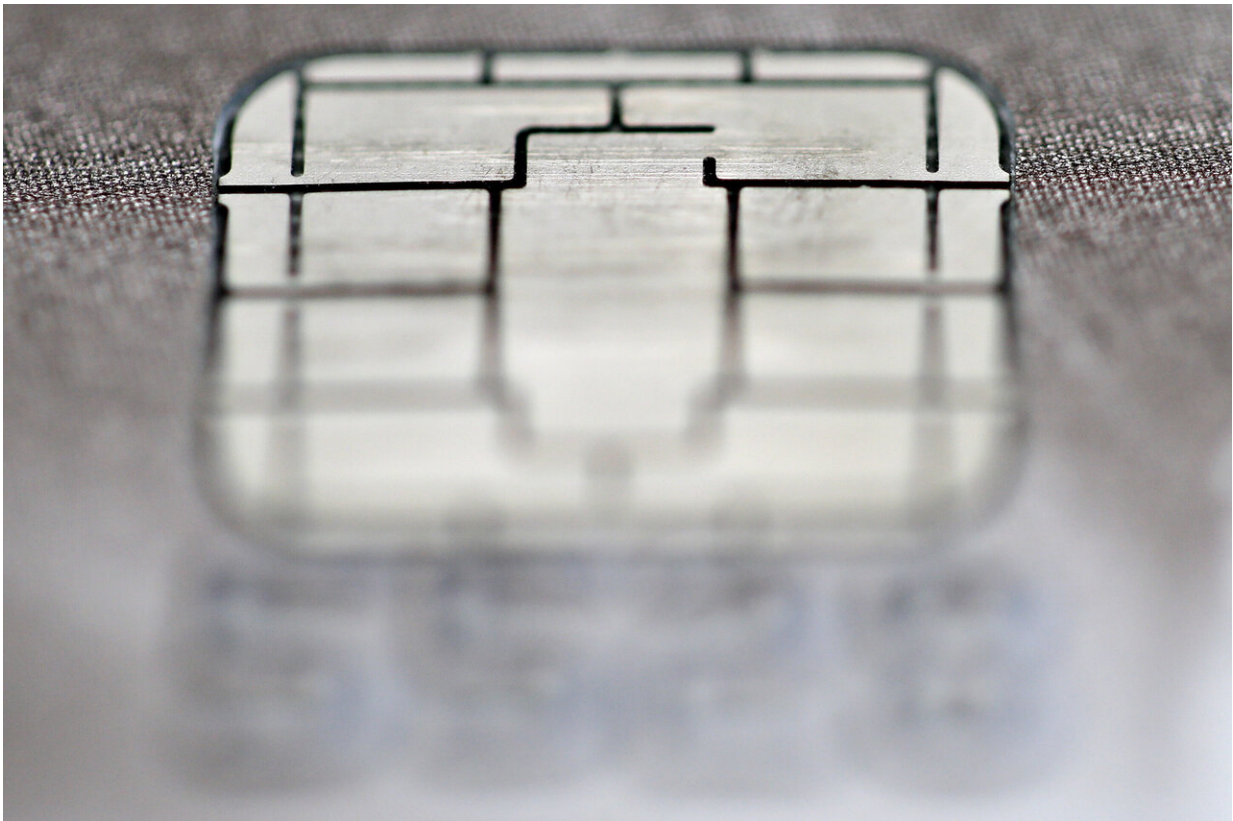


Global Payments buying Total System Services in \$21.5B deal

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This June 10, 2015, file photo shows a chip credit card in Philadelphia. Global Payments is buying Total System Services in an all-stock deal valued at \$21.5 billion, the third major acquisition in the payment processing sector this year. (AP Photo/Matt Rourke, File)

Global Payments will buy Total System Services in an all-stock deal

valued at \$21.5 billion, the third major acquisition in the payment technology sector this year.

Traditional payment processors like Global Payments are consolidating as they compete increasingly with upstarts like PayPal and Square, which is led by Twitter co-founder Jack Dorsey.

In March, Fidelity National Information Services said it would buy Worldpay for about \$35 billion. In January, Fiserv bought First Data in a \$22 billion all-stock deal.

The payment service industry works behind the scenes to help complete the process for purchases. It was a simpler exercise when those transactions took place in person with a swipe of a card. But transactions have largely moved online and grown in complexity, forcing those background players to deal with multiple currencies, various forms of payment and more at lightning speed. The industry also faces a growing base of startup competitors.

Under the agreement announced Tuesday, Total System shareholders will receive 0.8101 Global Payments shares for each share of TSYS common stock, about a 20% premium to TSYS's common share price at the close of business on May 23, 2019.

Upon expected closing in the final quarter of 2019, Global Payments shareholders will own 52% of the combined company, and TSYS shareholders will own 48%.

The company, which will keep the Global Payments name, says it will provide payment and software technology to about 3.5 million small-to-mid-sized business and more than 1,300 financial institutions in 100 countries. Global Payments said the combined entity would process more than 50 billion transactions annually.

TSYS had revenue of \$4 billion in 2018, while processing more than 32.3 billion financial transactions. Global payments also had revenue of about \$4 billion last year.

The board of directors will be made up of six directors from each company and Global Payments CEO Jeff Sloan will be the chief executive of the combined company. TSYS CEO Troy Woods will become chairman of the board.

Global Payments is based in Atlanta and TSYS is based in Columbus, Georgia. The company will maintain dual headquarters.

Shares in Total System Services Inc. rose about 4% in premarket trading and shares of Global Payments Inc. fell by about the same.

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