

# Deals

## Global Payments, Total System Have Held Tie-Up Talks, Sources Say

By [Nabila Ahmed](#), [Matthew Monks](#), and [Ed Hammond](#)  
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- ▶ All-stock deal could be announced as soon as next week
- ▶ Global Payments shares hit record high, Total System up 12%

### In this article

GPN  
**GLOBAL PAYMENTS**  
153.44 USD  
▲ +5.48 +3.70%

TSS  
**TOTAL SYS SERVS**  
113.45 USD  
▲ +13.83 +13.88%

WP  
**WORLDPAY INC-A**  
120.01 USD  
▼ -1.97 -1.62%

FISV  
**FISERV INC**  
86.90 USD  
▼ -0.30 -0.34%

V  
**VISA INC-CLASS A**  
162.64 USD  
▲ +1.13 +0.70%

Global Payments Inc. is nearing an all-stock deal to buy Total System Services Inc. for about \$20 billion, according to a person familiar with the matter, in what would be the third mega-merger in the payments industry this year.

The companies are preparing to announce a transaction as early as Tuesday, said the person, who asked not to be identified because the matter isn't public. The companies had also discussed possible joint ventures and other ways to partner up, people with knowledge of the talks said earlier.



No deal has been finalized and talks could fall apart, the people said.

A representative for Global Payments declined to comment, while a Total System Services representative didn't respond to requests for comment.

Global Payments shares rose 4.6% to \$154.85 at 1:05 p.m. in New York, valuing the company at about \$24.3 billion. Total System Services jumped the most in nine years to \$111.66 for

a market valuation of \$19.8 billion.

## Potential Targets

Market watchers have pegged Global Payments and Total System Services as potential takeover targets or merger partners in the wake of two jumbo payments deals. Fidelity National Services Inc. struck a \$34 billion deal for Worldpay Inc. in March, two months after Fiserv Inc. agreed to buy First Data Corp. for \$22 billion.

"We are not surprised that two of the larger players left standing are contemplating their options, including a potential tie-up," Steven Kwok, an analyst with Keefe, Bruyette & Woods Inc., said in a research note Friday. "We think there are multiple options that may make sense -- merger, JV, partnership."

[Read more: Street sees Total System deal as strong for Global Payments](#)

Payments firms are pairing up to diversify and grow as consumers increasingly shy away from using cash to make purchases. While this year's merger wave in the payments industry might have exhausted the prospect for many more mega-deals, Total System Services and Global Payments could still be the exceptions, Bloomberg Intelligence analyst David Ritter has said.

Global Payments and Total System Services have complementary businesses, as they focus on different parts of the payments ecosystem. Coming together would enable them to create a network that serves and connects financial institutions and merchants, similar to the offerings of Visa Inc. and Mastercard Inc.

Together they could potentially bypass payment networks by routing debit transactions from merchants directly to banking systems, which would be a "big prize," Moshe Katri, an analyst at Wedbush Securities Inc., said in a research note.

Total System Services, based in Columbus, Georgia, is the

largest third-party processor for credit-card issuers in the U.S., servicing about 40% of the domestic card accounts of both [Visa](#) and [Mastercard](#) last year, according to its annual report. Led by Chief Executive Officer Troy Woods, it has made several acquisitions on his watch, including the \$2.4 billion purchase of TransFirst Inc. in 2016.

Atlanta-based Global Payments is the fifth-biggest merchant acquirer in the U.S., according to a report in March from the Nilson Report, an industry trade publication. Merchant acquirers are financial institutions that help businesses handle credit and debit card payments, among other transaction services.

Global Payments CEO Jeff Sloan -- a former Goldman Sachs Group Inc. investment banker -- is a serial dealmaker. His company has pursued almost a dozen acquisitions since he took the helm in 2013, including a \$4.3 billion deal for Heartland Payment Systems Inc.

#### **What Bloomberg Intelligence Says**

"Global could pay a premium of about 30%, adding low-double digits to earnings per share, assuming synergies akin to the FIS/Worldpay and Fiserv/First Data deals."

--David Ritter, senior fintech analyst

Click [here](#) to read the full report

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– *With assistance by Liana Baker, and Jennifer Surane*

*(Updates with deal timing and details from first paragraph.)*

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