

Network Merchants Receives Major Growth Investment from Bregal Sagemount

Written by Australian Business

ROSELLE, Ill.--([BUSINESS WIRE](#))--Network Merchants, LLC (d/b/a “Network Merchants Inc.,” or “NMI”), a leading provider of e-commerce payment gateways and value-added services, announced today that Bregal Sagemount has made a significant growth investment in the company. The existing management team, led by Chief Executive Officer Jim McKenzie, will continue to run the business.

“We’re very pleased to be investing in NMI alongside management”

Network Merchants provides a comprehensive suite of gateway and security features, distributed exclusively through a channel of over 400 affiliate partners that serve more than 60,000 merchants worldwide. Along with its core gateway functionality, the company has an extensive suite of market-leading products, including fraud monitoring, payment routing, and mobile functionality. All products are offered on a modular basis, enabling affiliate partners and merchants to select optimal solutions for their processing needs while staying out of scope of PCI compliance requirements.

“We’ve enjoyed building a partner-centric company that strategically enables the success of some of the leading and fastest growing payments companies in the industry,” said McKenzie. “This transaction marks a major milestone for us and we’re excited to join forces with Bregal Sagemount, which will further advance our ability to serve clients. When they approached us, it was clear the Bregal Sagemount team had done their homework on the sector and had a thoughtful investment thesis. Collectively, we have developed a growth plan to expand our product suite and increase our market footprint to further serve our affiliate partners.”

The “NMI Way” – working exclusively through payments professionals – has made NMI the e-commerce gateway provider of choice for industry experts and software developers. The company’s broad integrations include over 110 payment processing networks and nearly 120 different third-party shopping carts. NMI has experienced explosive growth of more than 40% over the past year and has maintained one of the highest customer retention rates in the industry.

“We’re very pleased to be investing in NMI alongside management,” said Gene Yoon,

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Managing Partner at Bregal Sagemount. “Network Merchants has developed a compelling set of products which have seen fantastic traction in the market over the past several years. The company is well positioned to capture opportunities around the growth in e-commerce and mobile commerce, as well as the growing adoption of integrated payments solutions. We’re looking forward to working with Jim and the NMI team in the coming years as they build on their leadership position in this large and exciting market.”

Bregal Sagemount led the investment in NMI in a transaction valuing the company at nearly \$200 million. Additional financing was provided by Goldman Sachs Specialty Lending Group and TPG Specialty Lending, Inc. The new board of directors includes McKenzie, Ted Cucci, and Matthew Schmidgall, all co-founders of NMI, as well as Yoon and Michael Kosty from Bregal Sagemount.

Financial Technology Partners LP and FTP Securities LLC (together, “FTP Partners”) served as exclusive financial and strategic advisor to Network Merchants.

About Network Merchants

Since 2001, Network Merchants has built e-commerce payment gateways for companies that want to process online transactions in real-time anywhere in the world. With an exceptional team of software engineers, Network Merchants creates, maintains, and delivers a substantial suite of payment solutions through a partner-centric distribution channel.

The company integrates and works exclusively with financial institutions, merchant acquirers, payment processors, ISOs, MSPs, and VARs, as well as developers of software, Internet, and mobile applications. With an easy to integrate transparent and private-label program, Affiliate Partners maintain their own look and feel while providing merchants with efficient and secure payment processing solutions.

Network Merchants’ open-architectural design allows Affiliate Partners to earn substantial residuals without competition from the gateway. This non-compete commitment makes Network Merchants the clear choice for companies in the acquiring business.

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For more information, please see www.nmi.com .

About Bregal Sagemount

Bregal Sagemount is a growth-focused private equity firm with \$500 million in committed capital. Bregal Sagemount makes investments of \$15 million to \$150 million in market leaders in high-growth industries.

For more information, please see www.bregalsagemount.com .