



HOULIHAN LOKEY

# SPECIALTY FINANCE

MARKET UPDATE | FALL 2021



# Houlihan Lokey Specialty Finance Market Update

Dear Clients and Friends,

We are pleased to present our Specialty Finance Market Update for the fall of 2021.

We hope you and your families are having a great fall. As always, please reach out if you'd like to connect or brainstorm any current needs or relevant topics with us. We've been very busy recently closing a couple of sale/financing transactions and executing on sellside transactions that we hope to be in a position to discuss in more detail by year-end (in our next newsletter).

As in prior newsletters, we have included select recent transaction announcements, a public markets overview, and industry insights to help you stay ahead in our dynamic and constantly evolving industry. We hope you find this quarterly update to be informative and that it serves as a valuable resource to you in staying abreast of the market. We look forward to staying in touch with you and, hopefully, getting together in person soon for a drink, coffee, or lunch.

Best regards,



**Brent Ferrin**  
*Managing Director*  
*Financial Institutions Group*  
[BFerrin@HL.com](mailto:BFerrin@HL.com)  
212.497.4203

## Additional Specialty Finance Team Contacts

**Jonathan Sloan**  
*Managing Director*  
*Financial and Valuation Advisory*  
[JSloan@HL.com](mailto:JSloan@HL.com)  
212.497.4232

**Oscar Aarts**  
*Managing Director*  
*Financial and Valuation Advisory*  
[OAarts@HL.com](mailto:OAarts@HL.com)  
212.497.7869

## Specialty Finance Subverticals Covered

ALTERNATIVE FINANCIAL SERVICES	ASSET-BASED LENDING	AUTO LOANS/BHPH
CREDIT CARDS	DEBT BUYING/COLLECTION	EQUIPMENT LEASING
FACTORING	FLEET LEASING	HEALTHCARE FINANCE
INSTALLMENT LOANS	LITIGATION FINANCE	PAYDAY LENDING/PAWN
PREMIUM FINANCE	POINT-OF-SALE FINANCE	TRANSPORTATION FINANCE
SMALL BUSINESS LOANS	STUDENT LENDING	

**HLI**  
LISTED  
**NYSE**

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

**No. 1 Advisor to Specialty Finance Companies**

**2016–2020 M&A Advisory Rankings  
All U.S. Specialty Finance Transactions**

Advisor	Deals
<b>1 Houlihan Lokey, Inc.</b>	<b>45</b>
2 Stifel/Keefe, Bruyette & Woods	20
3 J.P. Morgan Securities LLC	19
3 Credit Suisse (USA), Inc.	19
5 Barclays Capital Inc.	16
6 Piper Sandler & Co.	15
6 Hovde Group, LLC	15
8 Morgan Stanley	12
9 Wells Fargo Securities, LLC	11
10 Citigroup Global Markets Inc.	9

Source: S&P Global Market Intelligence.

**2011–2020 M&A Advisory Rankings  
All U.S. Specialty Finance Transactions**

Advisor	Deals
<b>1 Houlihan Lokey, Inc.</b>	<b>86</b>
2 J.P. Morgan Securities LLC	42
3 Piper Sandler & Co.	37
4 Stifel/Keefe, Bruyette & Woods	34
5 Credit Suisse (USA), Inc.	33
6 BofA Securities, Inc.	30
6 Barclays Capital Inc.	30
8 Citigroup Global Markets Inc.	26
9 Morgan Stanley	23
10 Deutsche Bank Securities Inc.	19

Source: S&P Global Market Intelligence.

**Exceptional Qualifications in Specialty Finance (Select Transactions)**

**2020/2021**

 Term Loan & Delayed Draw Term Loan Refinancing & Growth Financing \$85,000,000 Exclusive Placement Agent	 has received an investment from THL Thomas H. Lee Partners Sellside Advisor	 has been acquired by sojitz Sellside Advisor	 has been acquired by CURO Sellside Advisor	Project Encore Advised a fund on acquisition of POS finance company Buyside Advisor	Project Wave Litigation finance and structured settlement business Sellside Advisor	 a subsidiary of element has completed the sale of certain assets to Hilco Global. Sellside Advisor	 Series A Senior Secured Notes Growth Capital \$50,000,000 Exclusive Financial Advisor & Placement Agent
---	---	--	--	---	---	--	--

**2018/2019**

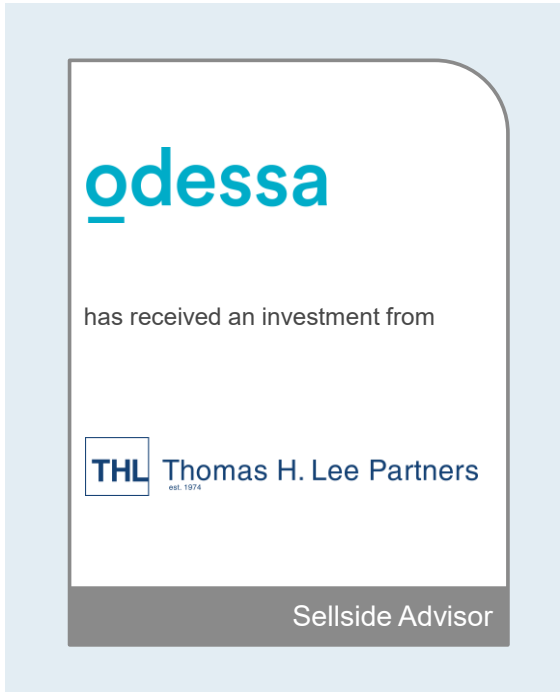
 has been acquired by RSC Sellside Advisor	 has been acquired by WATERFALL Asset Management Sellside Advisor	 has acquired NXT CAPITAL Buyside Advisor	 has sold a 49% stake to FUYO LEASE FUYO GENERAL LEASE CO., LTD. Sellside Advisor	 has been acquired by Zillow GROUP Sellside Advisor	 has been acquired by TRIUMPH Sellside Advisor	 has merged with WMIH Corp. Sellside Advisor	 has been acquired by NEW RESIDENTIAL Institute Corp. Sellside Advisor
---	--	--	---	--	---	---	--

**2016/2017**

 has merged with Oasis Financial Sellside Advisor	 has acquired CASH CANADA PROFESSIONAL PAWN PAWN Buyside Advisor	 has acquired a 14.4% interest in PENSKE Truck Leasing Fairness Opinion	 has acquired LANCASTER POLLARD Buyside Advisor	 SBA LENDING a subsidiary of capital spring has been acquired by GULF COAST BANK & Trust Company Sellside Advisor	Certain equipment finance assets and operations of  has been acquired by BOFI FEDERAL BANK Sellside Advisor	 has been acquired by HITACHI Inspire the Next Hitachi Capital America Corp. Sellside Advisor	 has been acquired by affiliates of WHITE OAK GLOBAL ADVISORS Sellside Advisor
--	---	---	--	---	--	--	--

## Odessa/Thomas H. Lee Partners (September 2021)

Odessa has received an investment from Thomas H. Lee Partners (THL).



### Client Profile

- Odessa is a software company exclusively focused in the leasing industry and is the developer of the Odessa Platform.
- Headquartered in Philadelphia, Odessa’s leasing solutions and workforce of 1,000+ power a diverse customer base of asset finance companies globally.
- Odessa provides a powerful, end-to-end, extensible solution for lease and loan origination and portfolio management.
- The Odessa Platform further provides rich feature sets, including low-code development, test automation, reporting, and business intelligence to ensure organizations can more effectively align business and IT objectives.

### Houlihan Lokey’s Role

Houlihan Lokey served as the exclusive M&A advisor to Odessa and assisted in marketing, structuring, and negotiating the transaction on Odessa’s behalf.

### Transaction Snapshot

- As the leader in asset finance technology, Odessa is ideally positioned to drive further customer-focused innovation and to unlock additional market opportunities with the help of a strong, premier partner.
- THL couples deep sector expertise with dedicated internal operating resources to transform and build great companies of lasting value in partnership with management.
- The investment seeks to catalyze Odessa’s growth initiatives and further accelerate the company’s platform roadmap and geographic expansion, including through M&A opportunities.

**Transaction gives Houlihan Lokey clear line of sight into market for leasing technology services and investment appetite among top-tier PE sponsors**



# New Market Developments—Case Study

## Greensky Inc./Goldman Sachs Group, Inc. (September 2021)

Goldman Sachs Group, Inc. (Goldman Sachs) announced that it has entered into a definitive agreement to acquire GreenSky Inc. (GreenSky) in an all-stock transaction valued at ~\$2.24 billion.

	
<b>Purchase Price:</b>	<b>\$2.24B</b>
<b>Consideration:</b>	<b>100% Stock</b>
<b>Stock Price Premium:</b>	<b>25%</b>
<b>Implied NTM Multiples:</b>	<b>~25x P/E ~13.5x EV/EBITDA</b>

### Target Profile—GreenSky Inc.

- Founded in 2006 and headquartered in Atlanta, Georgia, GreenSky is a tech-enabled data processing company that enables promotional financing at the point of sale for merchants, consumers, and bank partners
- Offers a proprietary technology infrastructure that supports the full transaction lifecycle, including credit application, underwriting, real-time allocation to bank partners, document distribution, funding, settlement, and servicing functions
- Platform enables its bank partners to do business in all 50 states with a vast network of 10,000+ merchants

### Acquirer Profile—Goldman Sachs Group, Inc.

- Founded in 1869 and headquartered in New York, Goldman Sachs is one of the largest full-service investment banks in the world
- Goldman operates mainly through four segments, including investment banking, global markets, asset management, and consumer and wealth management
- The firm has recently developed a consumer banking platform, Marcus, that offers payment plans to customers with home-improvement projects or healthcare needs, among others

### Transaction Overview

- Goldman Sachs to acquire GreenSky in all-stock transaction; exchange ratio of 0.03x Goldman Sachs common stock per share of GreenSky common stock
- Exchange ratio implies purchase price of \$12.11 per GreenSky common share<sup>(1)</sup> (~\$2.24B)
- Purchase price represents 25% premium over GreenSky share price<sup>(1)</sup>
- Expected to close Q4 2021–Q1 2022

### Transaction Rationale

- ✓ Provide differentiated lending capabilities and market-leading merchant and consumer ecosystems that will help accelerate the efforts of Goldman Sachs to create the consumer banking platform of the future
- ✓ GreenSky's unique capabilities and growing user base combined with the expanding products of Marcus by Goldman Sachs creates a compelling banking platform positioned for significant growth
- ✓ Offers an opportunity to access a \$430 billion+<sup>(2)</sup> home improvement market that provides 20% returns at scale

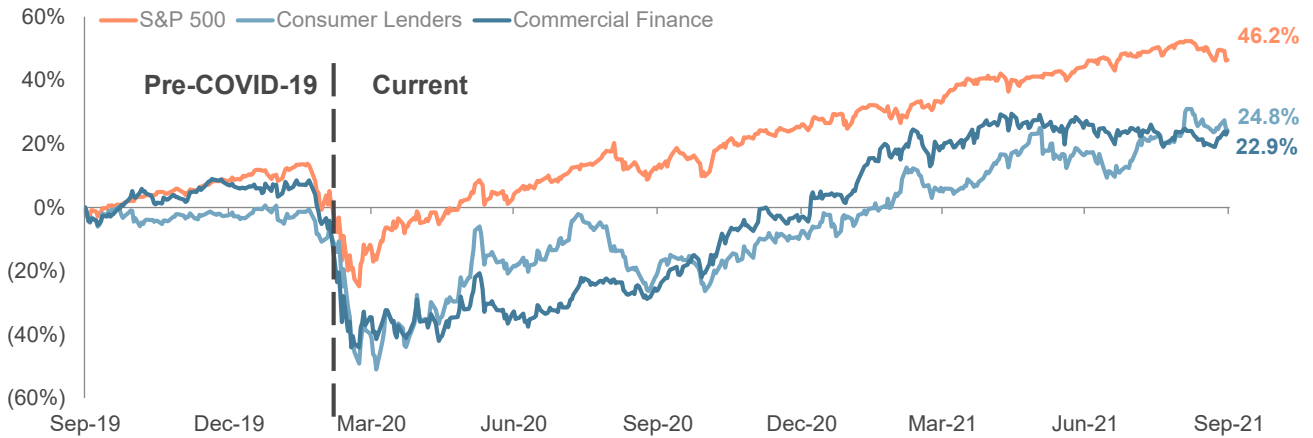
(1) Based on Goldman Sachs stock price of \$403.69 and GreenSky price of \$7.77 as of market close on September 14, 2021.

(2) Joint Center for Housing Studies of Harvard University, 2021.

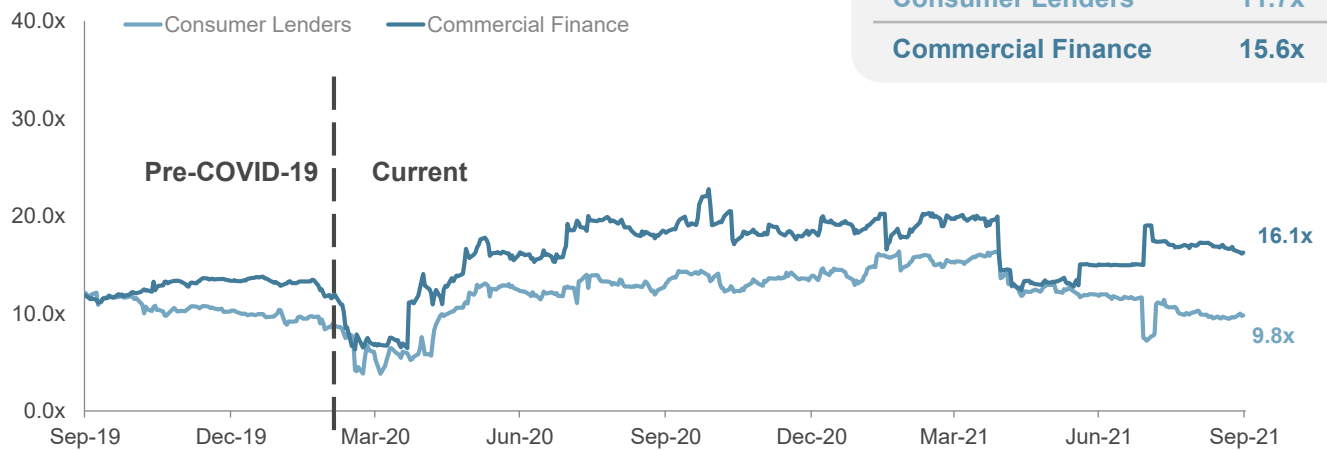
Source: Public filings.

# Public Company Valuation

## Performance vs. S&P 500 (Sept. 2019–Sept. 2021)



## Median Trailing (LTM) P/E (Sept. 2019–Sept. 2021)

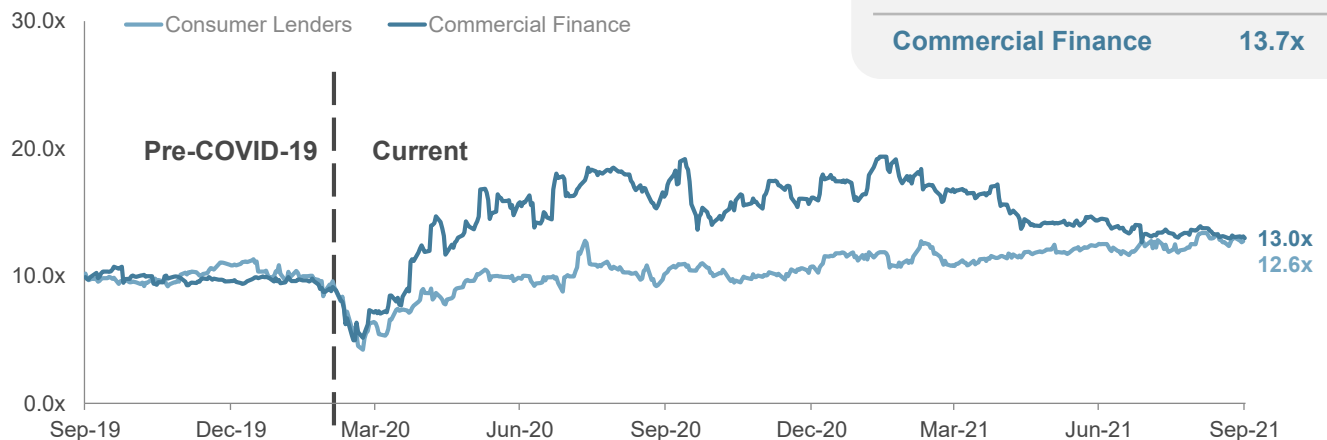


2-Year Avg.

Consumer Lenders 11.7x

Commercial Finance 15.6x

## Median Forward (NTM) P/E (Sept. 2019–Sept. 2021)



2-Year Avg.

Consumer Lenders 10.5x

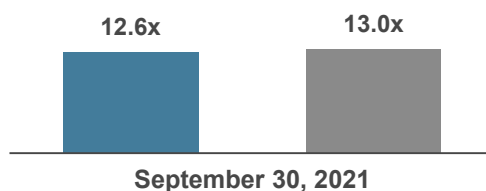
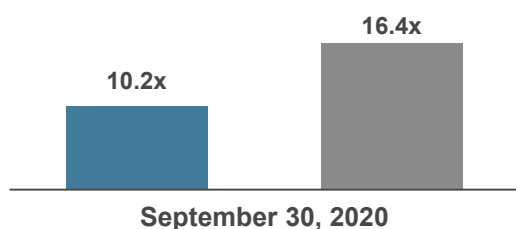
Commercial Finance 13.7x

Source: S&P Capital IQ data as of September 30, 2021.  
 Note: Public company constituents can be seen on page 9.

# Public Company Valuation (cont.)

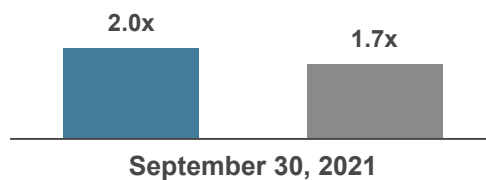
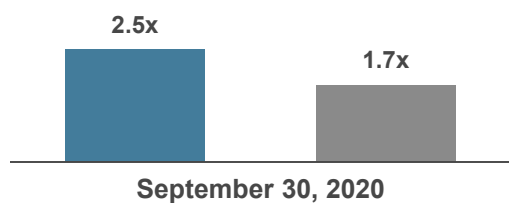
## Median Forward (NTM) P/E

- Consumer Lenders
- Commercial Finance



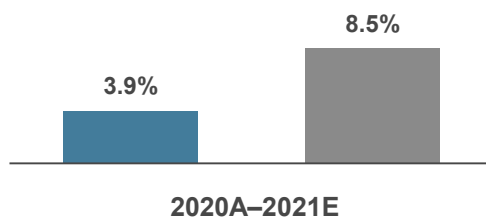
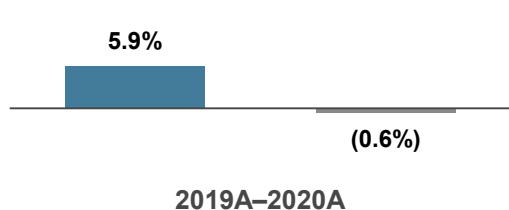
## Median Price/Tangible Book Value

- Consumer Lenders
- Commercial Finance



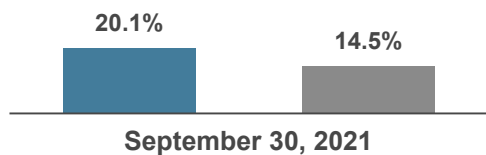
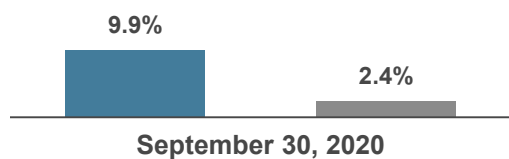
## Median Revenue Growth Rate

- Consumer Lenders
- Commercial Finance



## Median ROE (LTM)

- Consumer Lenders
- Commercial Finance



# Public Company Valuation (cont.)

(\$ in millions)													
Company	Industry Focus	Market Cap	% of 52 Week High	P/EPS			Price		Operating Metrics				
				2021E	2022E	2023E	BV	TBV	LTM		2020A-2021E		
									ROA	ROE	Pre-Tax Margin	Revenue Growth	Pre-Tax Growth
<b>Consumer Lenders</b>													
Credit Acceptance Corporation	Auto Financing	\$9,392.9	87.2%	12.1x	13.7x	14.2x	4.0x	4.0x	11.9%	NM	NM	99.9%	NM
OneMain Holdings, Inc.	Installment	7,306.1	87.6	5.2	6.2	6.2	2.3	5.2	6.4	NM	53.4%	55.5	88.4%
FirstCash, Inc.	Pawn	3,539.5	97.5	25.4	21.4	19.9	2.7	NM	5.5	10.1%	10.9	0.6	8.2
Navient Corporation	Student Loan Servicing	3,311.5	82.9	4.6	6.2	6.2	1.2	1.7	1.1	39.2	53.4	(28.0)	72.5
Nelnet, Inc.	Student Loan Servicing	3,028.3	97.1	10.0	12.2	NM	1.1	1.2	2.2	19.7	53.2	9.8	82.5
PROG Holdings, Inc.	Retail Leasing	2,793.7	62.5	10.3	9.6	9.1	2.6	4.6	14.1	20.5	13.8	11.3	(13.4)
LendingClub Corporation	Online Lender	2,784.4	84.8	NM	23.1	14.5	3.7	4.6	0.5	NM	(18.5)	70.6	NM
goeasy Ltd.	POS/Installment	2,636.9	73.2	18.8	15.8	13.5	3.5	6.5	11.2	38.7	54.7	79.6	NM
ECN Capital Corp.	Diversified Consumer	2,002.6	69.0	19.0	32.0	30.0	2.9	NM	1.6	3.6	14.0	77.5	NM
GreenSky, Inc. <sup>(1)(2)</sup>	HIP	2,002.0	93.2	20.6	23.6	16.2	NM	NM	4.6	NM	17.4	2.3	NM
PRA Group, Inc.	NPLs	1,931.6	92.6	10.5	12.4	9.8	1.3	2.0	5.8	15.5	23.3	1.3	17.7
Encore Capital Group, Inc.	NPLs	1,491.4	97.9	4.7	5.3	4.1	1.1	3.8	8.3	23.7	22.4	5.4	19.6
Enova International, Inc.	Online Lender	1,274.0	84.1	5.1	6.3	4.5	1.2	1.6	NM	NM	67.8	86.8	NM
World Acceptance Corporation	Installment	1,152.8	90.7	16.6	16.9	19.5	2.8	3.1	9.1	22.2	20.9	(10.0)	181.6
Sunlight Financial Holdings Inc. <sup>(1)</sup>	Solar/MIP	909.1	53.3	20.8	14.7	10.5	NM	NM	NM	NM	19.8	63.7	153.3
OppFi Inc. <sup>(1)</sup>	Online Lender	863.3	71.1	10.3	9.4	7.3	0.6	0.6	NM	NM	35.1	88.9	(0.8)
America's Car-Mart, Inc.	BPHH	763.4	65.8	10.0	8.9	8.4	1.8	1.8	11.5	29.3	13.9	16.8	63.4
CURO Group Holdings Corp.	Online/Payday	718.0	83.3	12.7	7.4	5.7	2.7	NM	6.8	NM	25.1	(3.3)	NM
Oportun Financial Corporation	Online Lender	702.0	95.9	13.1	10.1	9.3	1.4	1.6	0.6	2.7	4.1	14.6	NM
Regional Management Corp.	Installment	598.9	90.8	8.1	11.4	10.2	2.2	2.2	7.3	26.5	24.6	11.3	157.6
Katapult Holdings, Inc.	Retail Leasing	525.7	36.9	13.2	7.2	5.2	NM	NM	NM	NM	4.7	26.6	NM
EZCORP, Inc.	Pawn	424.3	93.2	NM	13.5	NM	0.6	1.3	1.2	NM	(2.4)	(13.8)	NM
Elevate Credit, Inc.	Online Lender	138.8	84.3	NM	5.9	NM	0.9	0.9	8.7	13.9	7.2	(16.5)	NM
FlexShopper, Inc.	Retail Leasing	66.1	78.3	NM	6.6	NM	NM	NM	5.7	6.8	2.1	31.9	NM
<b>Median</b>			<b>84.5%</b>	<b>11.3x</b>	<b>10.7x</b>	<b>9.5x</b>	<b>2.0x</b>	<b>2.0x</b>	<b>6.1%</b>	<b>20.1%</b>	<b>19.8%</b>	<b>13.0%</b>	<b>68.0%</b>
<b>Mean</b>			<b>81.4%</b>	<b>12.6x</b>	<b>12.5x</b>	<b>11.2x</b>	<b>2.0x</b>	<b>2.7x</b>	<b>6.2%</b>	<b>19.5%</b>	<b>22.7%</b>	<b>28.5%</b>	<b>69.2%</b>
<b>Commercial Finance</b>													
CIT Group Inc. <sup>(2)</sup>	Diversified	\$5,150.5	91.8%	11.4x	11.6x	10.7x	0.9x	0.9x	1.2%	12.0%	34.9%	30.4%	NM
Element Fleet Management Corp.	Fleet Mgmt.	4,209.2	66.2	14.4	12.4	11.0	1.4	4.1	2.1	8.8	28.3	(32.6)	21.0
GATX Corporation	Rail	3,176.9	84.2	19.9	17.2	14.9	1.6	1.7	2.0	5.1	11.6	4.4	44.8
McGrath RentCorp	Heavy Equipment	1,744.4	82.2	17.2	15.0	12.8	2.5	3.4	5.7	14.5	21.7	8.5	(0.8)
CAI International, Inc. <sup>(2)</sup>	Container/Rail	969.3	99.5	7.2	6.7	6.2	1.5	1.5	4.1	17.3	40.0	19.3	88.1
Marlin Business Services Corp. <sup>(2)</sup>	Equipment Finance	264.1	95.7	NM	NM	NM	1.3	1.3	3.2	17.9	43.6	NM	NM
Chesswood Group Limited	Equipment Finance	157.9	67.9	8.9	8.3	8.6	1.0	1.7	2.3	15.6	36.5	NM	NM
<b>Median</b>			<b>84.2%</b>	<b>12.9x</b>	<b>12.0x</b>	<b>10.8x</b>	<b>1.4x</b>	<b>1.7x</b>	<b>2.3%</b>	<b>14.5%</b>	<b>34.9%</b>	<b>8.5%</b>	<b>32.9%</b>
<b>Mean</b>			<b>83.9%</b>	<b>13.2x</b>	<b>11.9x</b>	<b>10.7x</b>	<b>1.4x</b>	<b>2.1x</b>	<b>3.0%</b>	<b>13.0%</b>	<b>30.9%</b>	<b>6.0%</b>	<b>38.3%</b>

Source: S&P Capital IQ data as of September 30, 2021.

(1) Implied market capitalization.






(2) Target in an announced acquisition/merger.



# Recent Transactions

## Consumer Finance: 2018–2021 YTD Select Transactions

(\$ in millions)

Consumer Finance Transactions							
Ann. Date <sup>(1)</sup>	Target	Target Description	Acquirer	Deal Value	Price		
					LTM Earnings	BV	TBV
Sep-21*	GreenSky, Inc.	Technology services platform for banks	Goldman Sachs Group, Inc.	\$2,232	26.2x	NA	NA
Sep-21*	First Investors Financial Services Group, Inc.	Automotive specialty leasing services	Stellantis N.V	\$285	NA	NA	NA
 Aug-21*	HomeBridge Financial Services, Inc.	Mortgage services provider	Figure Technologies, Inc.	NA	NA	NA	NA
Aug-21*	Service Finance	Point-of-sale (POS) finance in HIP space	Truist Financial Corp.	\$2,000	NA	NA	NA
Jun-21*	Exeter Finance Corporation	Tech-enabled auto finance	Warburg Pincus LLC	NA	NA	NA	NA
May-21	Premier Financial Services, LLC	Automotive specialty leasing services	1st Financial Bank USA	NA	NA	NA	NA
Apr-21	Auto Lenders Liquidation Center, Inc.	Auto dealer in buying, selling, and leasing used vehicles	Crestview Partners, L.P.	NA	NA	NA	NA
Apr-21	LendCare Holdings Inc.	Point-of-sale (POS) platform for consumer purchases	goeasy Ltd.	\$255	13.0x <sup>(2)</sup>	NA	NA
 Feb-21	Flexiti Financial, Inc.	Point-of-sale (POS) platform	CURO Group	\$119	NA	NA	NA
Jan-21	Allegro Credit	Point-of-sale (POS) platform for music, hearing, and dental	Synchrony Financial (NYSE:SYF)	NA	NA	NA	NA
Jan-21	Social Finance, Inc.	Online personal finance platform	Social Capital Hedosophia Holdings Corp. V.	\$8,650	NM	NA	NA
Dec-20	Acima Holdings LLC	Provider of virtual lease-to-own solutions	Rent-A-Center, Inc. <sup>(3)</sup>	\$1,653	9.9x	NA	NA
Dec-20*	Katapult Holding, Inc.	Point-of-sale (POS) platform for nonprime consumers	FinServ Acquisition Corp. <sup>(4)</sup>	\$962	35.6x	NA	NA
Oct-20*	Spanish Moss Premium Finance LLC	Insurance premium lending	RTCORE Inc.	NA	NA	NA	NA
Oct-20	FIFS Holdings Corp.	Automobile finance receivables and promissory notes	Gallatin Point Capital LLC	NA	NA	NA	NA
May-20	Asta Funding, Inc.	NPL consumer debt consolidator	RBF Capital LLC	\$81	11.7x	0.9x	0.9x
Apr-20	Tidewater Credit	Financing services for furniture/home improvement retailers	Genesis FS Card Services, Inc.	NA	NA	NA	NA
Feb-20	North State Acceptance, LLC	Sub-prime automobile finance company	Fourshore Capital, LLC	NA	NA	NA	NA
Feb-20	Fairstone Financial Inc.	Non-prime credit card and consumer finance lender	Duo Bank	\$417	NA	NA	NA
Jul-19	Health Credit Services, LLC	Digital point-of-sale payment solution for healthcare space	Ally Financial Inc.	\$190	NA	NA	NA
 Jul-19	Merchants Preferred	Lease purchase services for furniture	Rent-A-Center, Inc.	\$48	NA	NA	NA
Jun-19	Lendmark Financial Services, LLC	Loan products and financing services	Lightyear Capital	NA	NA	NA	NA
Jun-19	Base Capital, LLC	Income share agreements (ISAs) for college students	Stride Funding	NA	NA	NA	NA
Jun-19	Skills Fund, LLC	Student financing platform for higher education	Goal Structured Solutions, Inc.	NA	NA	NA	NA
May-19	CreditGenie Inc.	Point-of-sale (POS) financing solutions	Purpose Financial LP	NA	NA	NA	NA
Apr-19	Athena Art Finance Corporation	Loan provider for global art market	YieldStreet Management, LLC	\$170	NA	NA	NA
Dec-18	Caribbean Financial Group Inc.	Installment loan services	BayBoston Managers LLC	NA	NA	NA	NA
Nov-18	Spruce Finance Inc.	Consumer financing for energy efficient home products	HPS Investment Partners, LLC	NA	NA	NA	NA
 Aug-18	LenderLive Network, LLC	Mortgage services provider	Computershare Loan Services	\$32	NA	1.5x	NA
 Aug-18	Mortgage Lenders of America LLC	Mortgage brokers and services	Zillow Group Inc.	\$67	NA	5.2x	6.5x
<b>Mean</b>					<b>19.3x</b>	<b>2.5x</b>	<b>3.7x</b>
<b>Median</b>					<b>13.0x</b>	<b>1.5x</b>	<b>3.7x</b>

Sources: SNL, S&P Capital IQ, and public filings.

Note: Screening criteria includes select FY18, FY19, FY20, and FY21 YTD specialty finance (consumer-focused) transactions over \$10 million in deal value located in the United States.

(1) Deals that include an asterisk (\*) denote pending transactions.

(2) Represents forward P/E multiple on 2021 earnings.

(3) To calculate P/E multiple: divided deal value by tax-effected 2020E EBITDA of \$225 million, assuming 26.0% tax rate.

(4) To calculate P/E multiple: divided \$962 million equity value by \$27 million 2020E net income.

# Recent Transactions (cont.)

## Commercial Finance: 2018–2021 YTD Select Transactions

(\$ in millions)

Commercial Finance Transactions						
Ann. Date <sup>(1)</sup>	Target	Target Description	Acquirer	Deal Value	Price	
					BV	TBV
Sep-21*	North Avenue Capital, LLC	Asset-backed lending	Veritex Community Bank	\$58	NA	NA
Aug-21	FastPay Partners LLC	Asset-backed lending services for media companies	North Mill Capital LLC	NA	NA	NA
Jul-21	GemCap Partners	Asset-backed lending	VION Investments	NA	NA	NA
Jun-21	OTR Capital	Factoring and working capital services for the freight industry	Summit Partners, L.P.	NA	NA	NA
Jun-21	Yardline Capital Corp.	Growth capital solutions and insights to Amazon sellers	Thrasio Holdings, Inc.	NA	NA	NA
May-21	Fountain Leasing, LLC	Equipment financing to SME	SmartBank	NA	NA	NA
Apr-21*	Marlin Business Services Corp. (NASDAQ:MRLN)	Credit and service solutions to small- and mid-sized businesses	HPS Investment Partners, LLC	\$299	1.5x	1.5x
Apr-21*	General Finance Corporation (NASDAQ:GFN)	Specialty rental services	United Rentals, Inc. (NYSE:URI)	\$996	3.9x	NA
Mar-21	Genesis Capital Finance LLC	Commercial lending to long-haul trucking industry	Fourshore Capital, LLC	NA	NA	NA
Mar-21	Southwest Rail Industries, Inc.	Railcar leasing and management services	Sojitz Corporation of America	NA	NA	NA
Feb-21*	Greenworks Lending, LLC	Commercial property assessed clean energy financing	Nuveen, LLC	NA	NA	NA
Feb-21	Civic Financial Services, LLC	Residential business-purpose loans	Pacific Western Bank	NA	NA	NA
Jan-21	BB&T Commercial Equipment Capital Corp.	Commercial equipment leasing and financing	TCF National Bank	NA	NA	NA
Nov-20	Donlen Corp. (Hertz Global Holdings Inc.)	Fleet leasing and management solutions	Athene Holding Ltd.	\$875	2.3x	2.5x
Nov-20	Summit Commercial Finance	Equipment leasing solutions	Alliance Funding Group	NA	NA	NA
Nov-20	Kingsbridge Holdings, LLC	Equipment finance solutions	Solar Capital Ltd.	\$216	NA	NA
Oct-20*	CIT Group Inc.	Commercial and consumer banking services	First Citizens Bancshares, Inc.	\$2,158	0.4x	0.4x
Jul-20	OnDeck Capital, Inc.	Online lending to small businesses	Enova International, Inc.	\$117	0.5x	NA
Jul-20	Prosperity Funding, Inc.	Funding services to staffing firms	eCapital Corp.	NA	NA	NA
Jul-20	Sky Bridge Business Funding, LLC	Short-term capital advance solutions for small businesses	Revenued	NA	NA	NA
Jul-20	Vero Business Capital LLC	Freight factoring services for trucking company owners	Love's Financial	NA	NA	NA
May-20	19th Capital	Credit and financing solution for fleet management firms	Hilco Global	NA	NA	NA
Mar-20	Pinnacle Capital Partners, LLC	Working capital loans and leasing solutions to various markets	Alliance Funding Group, Inc.	NA	NA	NA
Mar-20	Snap Premium Finance	Financing for commercial and personal lines insurance policies	IPFS Corporation	NA	NA	NA
Feb-20	Ascentium Capital LLC	Equipment lease and finance solutions	Regions Financial Corporation	NA	NA	NA
Oct-19	CoreVest American Finance Lender, LLC	Business-purpose lending originator	Redwood Trust, Inc.	\$492	1.0x	1.4x
Feb-19	Pavestone Capital, LLC	Factoring solutions to transportation industry	WEX Inc.	\$28	1.8x	NA
Feb-19	Flex Fleet Rental	Truck rental and leasing	Waterfall Asset Mgmt./TRP Capital Partners	NA	NA	NA
Jan-19	Pacific Rim Capital, Inc.	Financial leasing services to material handling equipment	Fuyo General Lease Co., Ltd.	NA	NA	NA
<b>Mean</b>					<b>1.6x</b>	<b>1.5x</b>
<b>Median</b>					<b>1.5x</b>	<b>1.4x</b>

Sources: SNL, S&P Capital IQ, and public filings.

Note: Screening criteria includes select FY18, FY19, FY20, and FY21 YTD specialty finance (commercial-focused) transactions over \$10 million in deal value located in the United States.

(1) Deals that include an asterisk (\*) denote pending transactions.

# About Houlihan Lokey

Houlihan Lokey (NYSE:HLI) is a global investment bank with expertise in [mergers and acquisitions](#), [capital markets](#), [financial restructuring](#), and [valuation](#). The firm serves corporations, institutions, and governments worldwide with offices in the United States, Europe, the Middle East, and the Asia-Pacific region. Independent advice and intellectual rigor are hallmarks of the firm's commitment to client success across its advisory services. Houlihan Lokey is the No. 1 M&A advisor for the past six consecutive years in the U.S., the No. 1 global restructuring advisor for the past seven consecutive years, and the No. 1 global M&A fairness opinion advisor over the past 20 years, all based on number of transactions and according to data provided by Refinitiv.

## Locations



North America	Europe and Middle East	Asia-Pacific
Atlanta	Amsterdam	Beijing
Boston	Dubai	Hong Kong
Chicago	Frankfurt	Singapore
Dallas	London	
Houston		
Los Angeles		
Miami	Madrid	Sydney
Minneapolis	Milan	Tokyo
New York	Paris	
San Francisco		
Washington, D.C.		



## Industry Expertise

### Product Expertise

- Mergers and Acquisitions
- Capital Markets
- Financial Restructuring
- Financial and Valuation Advisory

### Dedicated Industry Groups

- Business Services
- Consumer, Food, and Retail
- Data and Analytics
- Energy
- Financial Institutions
- Healthcare
- Industrials
- Real Estate, Lodging, and Leisure
- Technology, Media, and Telecom

### Financial Sponsors

- Active Dialogue With a Diverse Group of 1,000+ Sponsors
- Private Equity Firms
- Hedge Funds
- Capital Alliances

# Disclaimer

---

© 2021 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include those in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and member of FINRA ([www.finra.org](http://www.finra.org)) and SIPC ([www.sipc.org](http://www.sipc.org)) (investment banking services); Houlihan Lokey Financial Advisors, Inc. (financial advisory services); HL Finance, LLC (syndicated leveraged finance platform); and Houlihan Lokey Real Estate Group, Inc. (real estate advisory services); (ii) Europe: Houlihan Lokey EMEA, LLP, and Houlihan Lokey (Corporate Finance) Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); Houlihan Lokey GmbH; Houlihan Lokey S.p.A.; Houlihan Lokey (Netherlands) B.V.; Houlihan Lokey (España), S.A.; and Houlihan Lokey (Corporate Finance), S.A.; (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) China: Houlihan Lokey Howard & Zukin Investment Consulting (Beijing) Co., Limited (financial advisory services); (vii) Japan: Houlihan Lokey K.K. (financial advisory services); and (viii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the [Australian Securities and Investments Commission](#) (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the European Economic Area (EEA), Dubai, Singapore, Hong Kong, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (EEA and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.

