



HOULIHAN LOKEY

# SPECIALTY FINANCE

MARKET UPDATE | SUMMER 2021



# Houlihan Lokey Specialty Finance Market Update

Dear Clients and Friends,

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

We hope you are having a great summer. 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 discussing strategic alternatives with PE and private owners, and we'll have some exciting processes launching in the fall.

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.

Regards,



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## 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**

Rank	Advisor	Deals
1	Houlihan Lokey, Inc.	45
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**

Rank	Advisor	Deals
1	Houlihan Lokey, Inc.	86
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

 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	Project Encore  Advised a fund on acquisition of POS finance co Buyside Advisor	Project Wave  Litigation finance and structured settlement business Sellside Advisor	 a subsidiary of:  has completed the sale of certain assets to  Sellside Advisor	 Series A Senior Secured Notes Growth Capital \$50,000,000 Exclusive Financial Advisor & Placement Agent	 Growth Equity \$40,000,000 Preferred Equity Exclusive Placement Agent
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2018/2019

 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 has acquired  Buyside Advisor	 has sold a 49% stake to  Sellside Advisor	 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 has merged with WMIH Corp. Sellside Advisor	 has been acquired by  Sellside Advisor
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2016/2017

 has merged with  Sellside Advisor	 has acquired  Buyside Advisor	 has acquired a 14.4% interest in  Fairness Opinion	 has acquired  Buyside Advisor	 has been acquired by  Sellside Advisor	Certain equipment finance assets and operations of  have been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 has been acquired by affiliates of  Sellside Advisor
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# Accounting, Tax, and Valuation Considerations When Contemplating a SPAC Transaction

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As companies like OppFi Inc. and Social Finance have recently shown, private specialty finance companies are increasingly contemplating (or accessing) public markets through transactions with SPACs, as they have proven to be an effective alternative to a traditional IPO when accessing the capital markets. Given that upon merging with a SPAC the target company will become part of a public company (a hugely significant event in any company's lifecycle), a variety of accounting, tax, and valuation requirements will be triggered and must be considered long before the merger. These include:

## Public Company Readiness

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Given that to complete the de-SPAC transaction, the target company must supply all necessary information for the SPAC's SEC filing, SPACs will generally assess the target's readiness as part of the overall due diligence process. How ready the target is could impact not only the speed of the merger process but also the effectiveness of the combined entity post close.

## SEC Reporting, Accounting, Tax, and Valuation

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As the SPAC is a shell company with limited historical operating activity, the target's financial information and management will play a significant role in the merger process. This includes filing the S-4 registration statement or proxy statement on Schedule 14A, which requires a significant amount of accounting and reporting considerations:

- 1 The SPAC and the target must determine which entity is the acquirer for accounting purposes (the "accounting acquirer"). The determination of the accounting acquirer has a pervasive impact on the basis of the financial statement presentation and which company's financial statements are required to be reported at fair value in accordance with ASC 805 upon close.
- 2 The filing process with the SEC is very similar to that of a traditional IPO and requires a form to be filed with the SEC—either an S-4 or proxy statement. This form will include the historical financial statements of the target that are compliant with public company accounting standards, management discussion and analysis for the target, and pro forma financial information to reflect the accounting for the transaction, among other requirements.
- 3 A number of private companies have not yet adopted ASC 842 *Leases* or ASC 326 current expected credit losses (*CECL*). All historical financial statements filed with the SEC must comply with accounting standards effective for public companies. Additionally, all private company accounting elections are not permissible (e.g., goodwill amortization).
- 4 Complex financial instruments are often issued in connection with the SPAC transaction that present technical accounting, valuation, and tax complexities. These often include redeemable and non-redeemable stock, warrants, and promissory notes to the sponsors for funds used to pay fees until completion of the SPAC IPO.

# Accounting, Tax, and Valuation Considerations When Contemplating a SPAC Transaction (cont.)

- 5 SPAC transactions present opportunities for tax and legal structuring to ensure the most optimal outcome for each party. For example, an increasing number of flow-through taxpayers are entering into business combinations with SPACs through the use of the Up-C structure, which allows existing target shareholders the ability to maintain their investment in partnership form and may provide for incremental future cash flows when coupled with a tax receivable agreement.

**Houlihan Lokey is the only investment bank with a dedicated team of ex-Big 4 accounting, valuation, and tax specialists who partner with clients to navigate the risks and challenges related to SPAC mergers through an independent assessment of the targets' public company readiness and other deal issues. Below are some recent selected SPAC credentials:**

Houlihan Lokey's Specialty Finance team includes the technical accounting, valuation, and tax expertise to assist companies with implications of SPAC transactions. Please contact Eric Jourdan (technical accounting services), Oscar Aarts or Robert Zarnoch (valuation services), or Tom Goldrick (M&A tax) to discuss further.



Acquired by FG New America Acquisition Corporation (FGNA) and is trading on the New York Stock Exchange

Accounting and Valuation Advisor



Acquired by Replay Acquisition Corporation (RPLA) and is trading on the New York Stock Exchange

Accounting and Valuation Advisor



Acquired by Fifth Wall Acquisition Corporation (FWAA) and is trading on the New York Stock Exchange

Accounting and Valuation Advisor

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# New Market Developments—Case Study

## Exeter Finance LLC/Warburg Pincus LLC (June 2021)

An investor group led by Warburg Pincus LLC (Warburg Pincus) announced that it has entered into a definitive agreement to acquire Exeter Finance LLC (Exeter) from funds managed by Blackstone.



WARBURG PINCUS

**Managed Loan Portfolio**      **\$7+ billion**

**Number of Auto Dealers in Network**      **11,000+**

**Number of Customers**      **475,000+**

**Expected Closing**      **Q4 '21**

### Target Profile—Exeter Finance LLC

- Founded in 2006 and headquartered in Irving, Texas, Exeter is a tech-enabled indirect auto lender that underwrites, purchases, services, and securitizes retail installment contracts from U.S. automobile dealers
- Exeter works with more than 11,000 dealers and 475,000 customers nationwide providing indirect financing for both new and used vehicles
- Leverages its existing automobile finance industry knowledge to deliver leading-edge technology and financial solutions to more than one million customers

### Acquirer Profile—Warburg Pincus LLC

- Founded in 1966 and headquartered in New York, Warburg Pincus is a leading global growth equity investor
- As of June 2021, Warburg Pincus manages \$60+ billion in private equity AUM and has 200+ active portfolio companies across stage, sector, and geography
- The firm has successfully raised 19 private equity funds and is an experienced partner to management teams seeking to build durable companies with sustainable value

### Transaction Overview

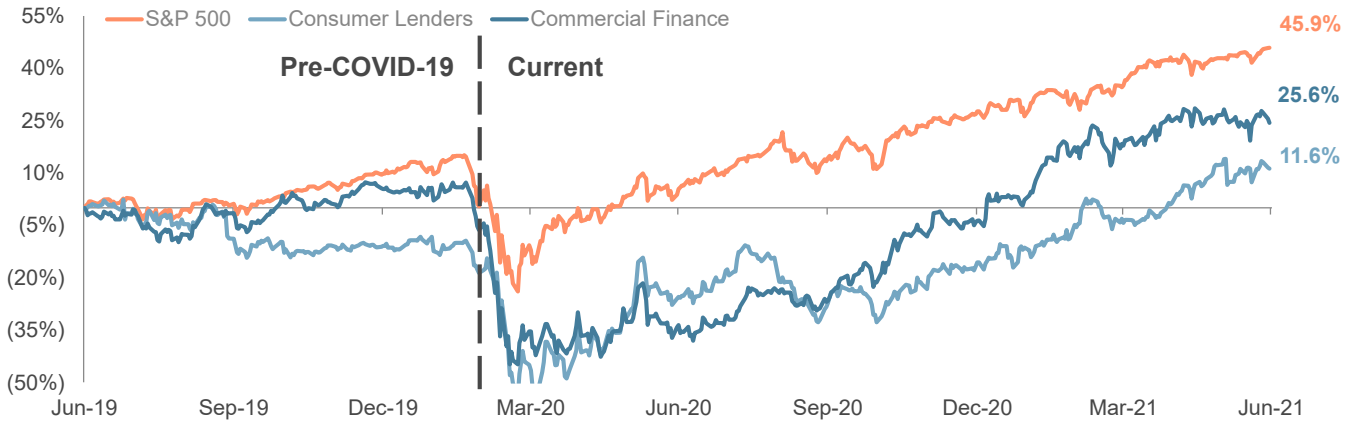
- Investor group led by Warburg Pincus to acquire Exeter Finance from funds managed by Blackstone
- Jason Grubb, CEO of Exeter, will remain as CEO and a meaningful investor in the company, alongside the current Exeter management team
- Terms of the private transaction were not disclosed

### Transaction Rationale

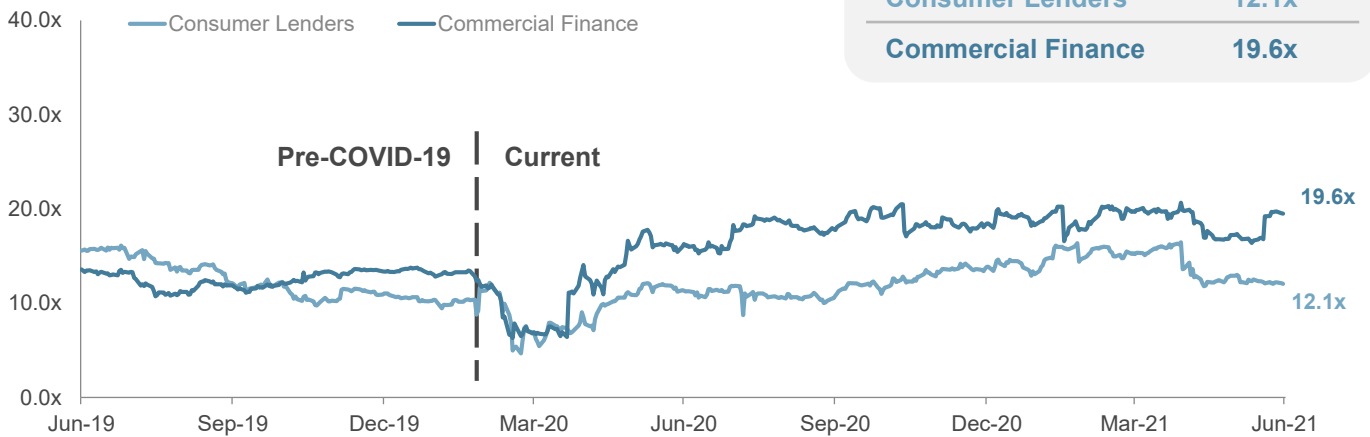
- ✓ Provide new capital to fuel Exeter's next phase of growth by building upon Exeter's leading market position
- ✓ Warburg Pincus is a long-time, active investor in the auto industry and seeks to increase its footprint within the sector; notable auto investments include Santander Consumer USA (SCUSA), China Auto Rental, and Cango

# Public Company Valuation

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

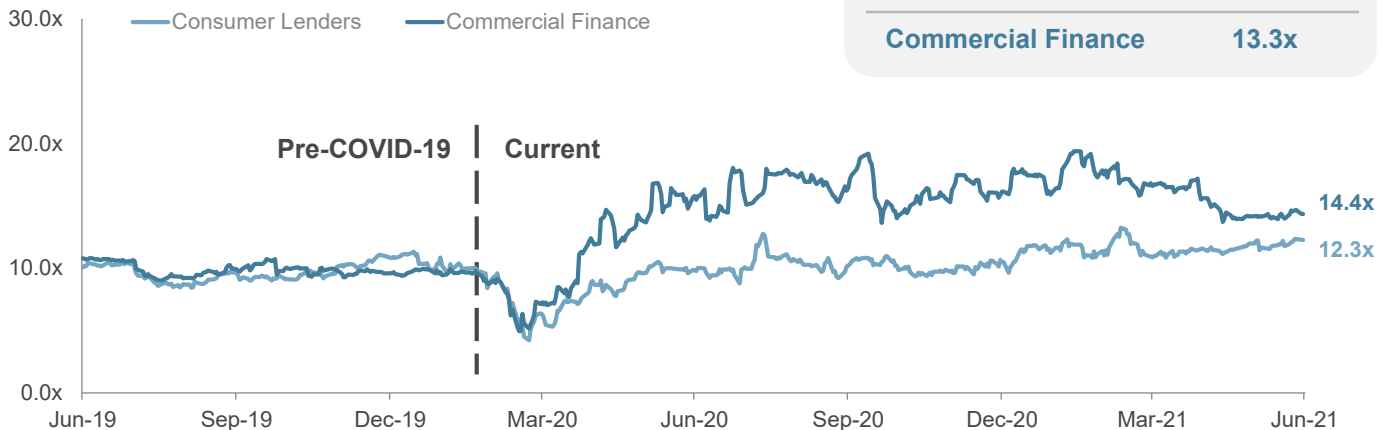


## Median Trailing (LTM) P/E (June 2019–June 2021)



	2-Year Avg.
Consumer Lenders	12.1x
Commercial Finance	19.6x

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

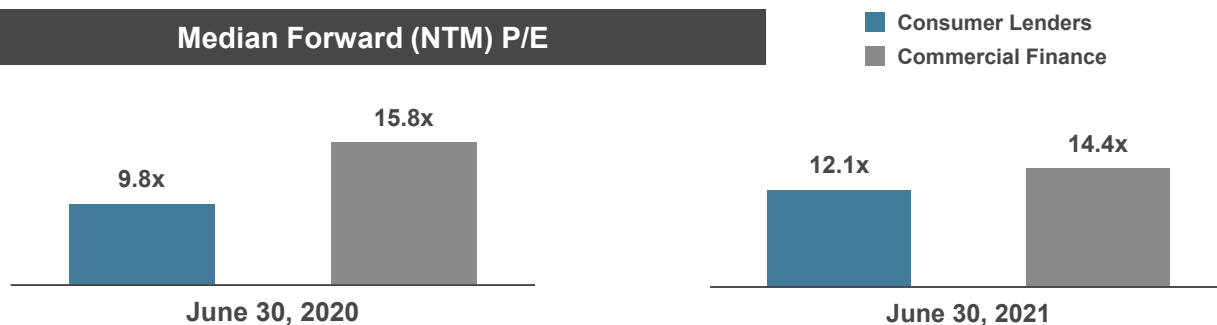


	2-Year Avg.
Consumer Lenders	10.3x
Commercial Finance	13.3x

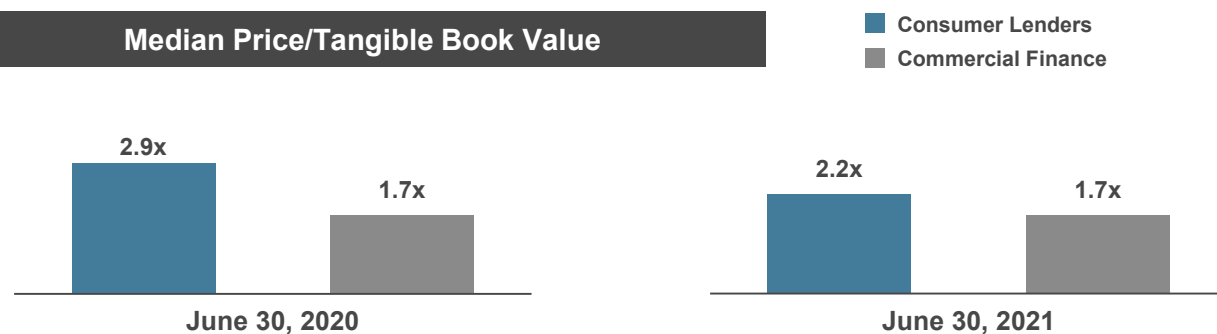
Source: S&P Capital IQ data as of June 30, 2021.  
 Note: Public company constituents can be seen on page 9.

# Public Company Valuation (cont.)

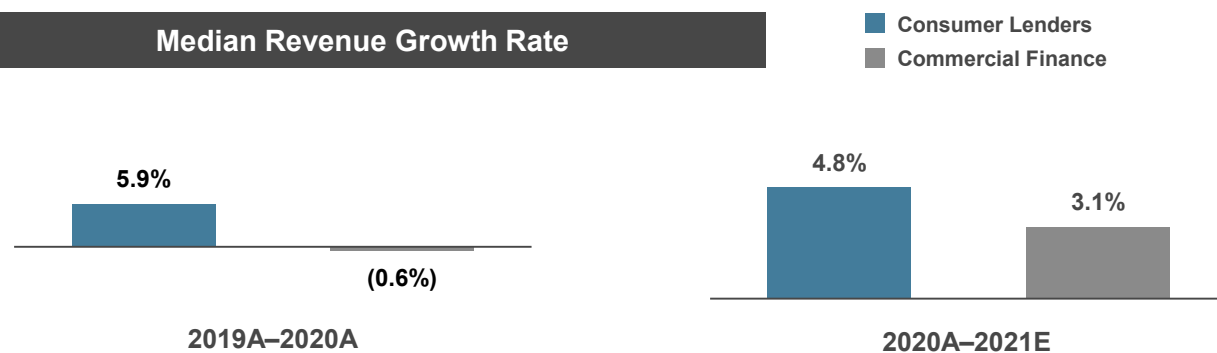
## Median Forward (NTM) P/E



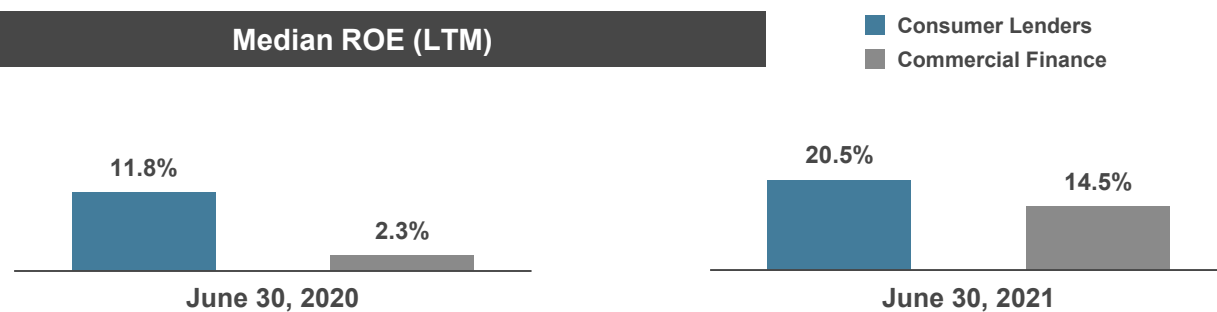
## Median Price/Tangible Book Value



## Median Revenue Growth Rate



## Median ROE (LTM)





# Public Company Valuation (cont.)

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>														
OneMain Holdings, Inc.	Installment	\$8,056.5	96.8%	5.6x	6.8x	6.8x	2.3x	4.4x	6.1%	NM	53.4%	NM	67.0%	
Credit Acceptance Corporation	Auto Financing	7,577.6	84.3	9.6	10.7	11.3	3.1	3.1	11.9	NM	NM	NM	NM	
Navient Corporation	Student Loan Servicing	3,470.0	95.9	4.8	6.0	5.9	1.2	1.6	1.1	39.2	53.4	(29.7)	68.4	
PROG Holdings, Inc.	Retail Leasing	3,259.3	71.6	11.7	10.9	10.4	3.0	5.3	14.1	20.5	13.8	11.5	(14.6)	
FirstCash, Inc.	Pawn	3,136.1	90.1	23.1	19.8	18.4	2.4	NM	5.2	8.7	9.4	(3.1)	2.6	
Nelnet, Inc.	Student Loan Servicing	2,898.2	95.0	10.7	11.9	NM	1.1	1.1	2.3	20.2	52.6	7.4	NM	
goeasy Ltd.	POS/Installment	2,109.3	78.6	16.0	13.5	11.5	3.5	3.8	15.0	NM	59.9	NM	NM	
ECN Capital Corp.	Diversified Consumer	1,827.0	78.6	15.9	12.6	10.9	2.7	NM	0.9	2.0	8.6	NM	NM	
LendingClub Corporation	Online Lender	1,762.7	79.9	NM	14.8	9.3	2.3	2.6	0.4	NM	(18.4)	19.6	NM	
PRA Group, Inc.	NPLs	1,761.9	81.2	11.4	12.0	9.5	1.3	2.0	5.8	16.4	23.8	(1.3)	3.0	
Encore Capital Group, Inc.	NPLs	1,469.6	95.3	4.1	4.8	3.9	1.2	4.6	8.9	29.1	25.2	2.3	6.6	
Enova International, Inc.	Online Lender	1,261.4	83.3	5.1	6.3	4.5	1.2	1.6	NM	NM	67.8	NM	NM	
GreenSky, Inc. <sup>(1)</sup>	HIP	989.0	75.0	9.7	10.7	7.2	NM	NM	4.0	NM	17.4	8.1	NM	
World Acceptance Corporation	Installment	987.2	91.6	14.0	14.3	16.1	2.4	2.6	9.3	22.2	20.9	(10.0)	NM	
America's Car-Mart, Inc.	BPHH	939.0	79.9	12.1	10.2	9.9	2.3	2.4	11.9	29.3	14.7	16.8	63.4	
CURO Group Holdings Corp.	Online/Payday	707.8	81.7	11.6	7.4	5.9	2.7	NM	6.8	NM	25.1	0.5	(48.3)	
Oportun Financial Corporation	Online Lender	560.4	87.5	11.2	8.2	7.5	1.2	1.3	NM	NM	(7.2)	14.6	NM	
Regional Management Corp.	Installment	494.6	89.0	6.5	9.0	8.2	1.7	1.8	7.3	26.5	24.6	8.3	NM	
EZCORP, Inc.	Pawn	338.0	78.5	25.1	9.0	6.4	NM	NM	1.2	NM	(2.4)	(13.8)	NM	
Elevate Credit, Inc.	Online Lender	127.6	72.9	NM	6.3	NM	0.8	0.8	8.7	13.9	7.2	(17.2)	NM	
FlexShopper, Inc.	Retail Leasing	63.5	75.2	20.2	6.1	NM	NM	NM	5.2	NM	0.2	39.7	NM	
<b>Median</b>			<b>81.7%</b>	<b>11.4x</b>	<b>10.2x</b>	<b>8.7x</b>	<b>2.3x</b>	<b>2.4x</b>	<b>6.1%</b>	<b>20.5%</b>	<b>19.1%</b>	<b>4.8%</b>	<b>4.8%</b>	
<b>Mean</b>			<b>83.9%</b>	<b>12.0x</b>	<b>10.1x</b>	<b>9.1x</b>	<b>2.0x</b>	<b>2.6x</b>	<b>6.6%</b>	<b>20.7%</b>	<b>22.5%</b>	<b>3.4%</b>	<b>18.5%</b>	
<b>Commercial Finance</b>														
CIT Group Inc. <sup>(2)</sup>	Diversified	\$5,110.8	92.3%	9.4x	11.6x	10.6x	0.9x	0.9x	1.1%	10.6%	31.8%	34.9%	NM	
Element Fleet Management Corp.	Fleet Mgmt.	5,032.7	76.4	17.1	14.5	NM	1.6	4.8	2.1	8.8	28.3	(31.2)	24.6	
GATX Corporation	Rail	3,130.6	83.2	19.8	17.1	14.3	1.6	1.7	2.1	5.6	12.1	1.6	20.9	
McGrath RentCorp	Heavy Equipment	1,975.5	93.2	20.2	17.1	16.1	2.8	3.8	5.7	14.5	21.7	3.1	4.5	
CAI International, Inc. <sup>(2)</sup>	Container/Rail	960.7	99.7	7.1	6.7	6.2	1.5	1.5	4.1	17.3	40.0	17.3	NM	
Marlin Business Services Corp. <sup>(2)</sup>	Equipment Finance	270.5	98.0	NM	NM	NM	1.3	1.3	3.2	17.9	43.6	NM	NM	
Chesswood Group Limited	Equipment Finance	177.1	76.4	8.8	9.5	NM	1.1	1.9	2.3	15.6	36.5	NM	NM	
<b>Median</b>			<b>92.3%</b>	<b>13.3x</b>	<b>13.0x</b>	<b>12.4x</b>	<b>1.5x</b>	<b>1.7x</b>	<b>2.3%</b>	<b>14.5%</b>	<b>31.8%</b>	<b>3.1%</b>	<b>20.9%</b>	
<b>Mean</b>			<b>88.4%</b>	<b>13.7x</b>	<b>12.7x</b>	<b>11.8x</b>	<b>1.6x</b>	<b>2.3x</b>	<b>2.9%</b>	<b>12.9%</b>	<b>30.6%</b>	<b>5.1%</b>	<b>16.7%</b>	
<b>Total Median</b>			<b>83.3%</b>	<b>11.4x</b>	<b>10.7x</b>	<b>9.4x</b>	<b>1.6x</b>	<b>1.9x</b>	<b>5.2%</b>	<b>16.9%</b>	<b>23.8%</b>	<b>3.1%</b>	<b>6.6%</b>	
<b>Total Mean</b>			<b>85.0%</b>	<b>12.4x</b>	<b>10.7x</b>	<b>9.6x</b>	<b>1.9x</b>	<b>2.5x</b>	<b>5.6%</b>	<b>17.7%</b>	<b>24.6%</b>	<b>3.8%</b>	<b>18.0%</b>	

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





(1) Implied market capitalization.

(2) Target in an announced acquisition/merger.

# Recent Transactions

## Consumer Finance: 2018–2021 YTD Select Transactions

(\$ in millions)

Ann. Date <sup>(1)</sup>	Target	Target Description	Acquirer	Deal Value	Price		
					LTM Earnings	BV	TBV
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
Jan-21	Allegro Credit	Point-of-sale (POS) platform for music, hearing, and dental	Synchrony Financial (NYSE:SYF)	NA	NA	NA	NA
 Feb-21	Flexiti Financial, Inc.	Point-of-sale (POS) platform	CURO Group	\$119	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>17.6x</b>	<b>2.5x</b>	<b>3.7x</b>
<b>Median</b>					<b>12.4x</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)

Ann. Date <sup>(1)</sup>	Target	Target Description	Acquirer	Deal Value	Price	
					BV	TBV
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	N/A
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.

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