



Houlihan Lokey

Specialty Finance

Market Update

Fall 2023

ABOUT OUR FIRM



Houlihan Lokey, Inc., is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

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

We invite you to learn more about how our advisors can serve your needs:

Learn More About Corporate Finance

Learn More About Financial Restructuring

Learn More About Financial and Valuation Advisory

Learn More About Our Industry Coverage

Key Facts and Figures



36
LOCATIONS
WORLDWIDE⁽¹⁾

~2,000
TOTAL FINANCIAL
PROFESSIONALS

326
MANAGING
DIRECTORS^(1,2)

2,000+
CLIENTS SERVED
ANNUALLY

\$7.0B+
MARKET
CAPITALIZATION⁽³⁾

\$1.8B
REVENUE⁽⁴⁾

Our Ranking by Service

Corporate Finance

2022 M&A Advisory Rankings Global Transactions Under \$1 Billion

| Rank | Advisor | Deals |
|------|--------------------|-------|
| 1 | Houlihan Lokey | 381 |
| 2 | Rothschild & Co | 369 |
| 3 | JP Morgan | 217 |
| 4 | Lazard | 206 |
| 5 | Goldman Sachs & Co | 203 |

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1 Global M&A Advisor for Transactions Under \$1 Billion

Leading Capital Markets Advisor

Financial Restructuring

2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

| Rank | Advisor | Deals |
|------|------------------|-------|
| 1 | Houlihan Lokey | 58 |
| 2 | PJT Partners Inc | 30 |
| 3 | Lazard | 29 |
| 4 | Rothschild & Co | 25 |
| 5 | Moelis & Co | 21 |

Source: Refinitiv.

No. 1 Global Restructuring Advisor

1,500+ Transactions Completed Valued at More Than \$3.0 Trillion Collectively

Financial and Valuation Advisory

1998 to 2022 Global M&A Fairness Advisory Rankings

| Rank | Advisor | Deals |
|------|---------------------------------|-------|
| 1 | Houlihan Lokey | 1,232 |
| 2 | JP Morgan | 1,030 |
| 3 | Duff & Phelps, A Kroll Business | 938 |
| 4 | Morgan Stanley | 725 |
| 5 | BofA Securities Inc | 710 |

Source: Refinitiv. Announced or completed transactions.

No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years

1,000+ Annual Valuation Engagements

Fully Integrated Financial Sponsors Coverage

26 Senior officers dedicated to the sponsor community in the Americas and Europe

1,000+ Sponsors covered, providing market insights and knowledge of buyer behavior

700+ Companies sold to financial sponsors over the past five years

Houlihan Lokey Is a Global Firm

Americas

Atlanta Houston San Francisco
Baltimore Los Angeles São Paulo
Boston Miami Washington, D.C.
Chicago Minneapolis
Dallas New York

Europe and Middle East

Amsterdam Madrid Stockholm
Antwerp Manchester Tel Aviv
Dubai Milan Zurich
Frankfurt Munich
London Paris

Asia-Pacific

Beijing Mumbai Sydney
Fukuoka Nagoya Tokyo
Gurugram Shanghai
Hong Kong Singapore
SAR

(1) As of June 30, 2023. (2) Excludes corporate MDs. (3) As of September 2023. (4) LTM ended June 30, 2023.

ABOUT OUR FINANCIAL SERVICES INDUSTRY GROUP

Houlihan Lokey's Financial Services Group has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital-raising, restructuring, and financial and valuation advisory services.

The global Houlihan Lokey Financial Services team has more than 40 dedicated financial staff located in five offices around the world, including New York, Miami, Boston, Los Angeles, and London.

**Excludes accounting firms and brokers.*

2022 M&A Advisory Rankings Global Financial Services Transactions Under \$1 Billion

| Advisor | Deals |
|-----------------------|-------|
| 1 Houlihan Lokey | 40 |
| 2 Rothschild & Co | 39 |
| 3 JP Morgan | 27 |
| 4 BofA Securities Inc | 26 |
| 5 Goldman Sachs & Co | 24 |

Source: Refinitiv. Excludes bank transactions. Excludes accounting firms and brokers.

Learn More About Our
Financial Services Industry Coverage

Key Facts and Figures

40+

Dedicated Financial Services financial staff

69

Completed financial services M&A/
private placement transactions in CY22

\$2.9B

In financing deals in CY22

Industry Sector Coverage

We cover a broad array of sectors, with financial staff dedicated to each of our primary coverage areas.



Asset and Wealth Management



Banking and Depositories



Broker-Dealers and Capital Markets



Insurance



Mortgage and Related Services



Specialty Finance

Featured Financial Services Industry Transactions

TORREYA
has been acquired by
STIFEL
Sellside Advisor

...Saltus
has received significant investment from
PRESERVATION CAPITAL PARTNERS
Financial Advisor

ReedGroup
a subsidiary of
Guardian
has been acquired by
alight
Sellside Advisor

MORTGAGE NETWORK
has sold its retail mortgage operations to
MOVEMENT MORTGAGE
Exclusive Financial Advisor

CASCADIA CAPITAL LLC
has received a strategic growth equity investment from
ATLAS MERCHANT CAPITAL
Financial Advisor

Reorg
a portfolio company of
PERMIRA
has acquired
FinDox
Buyside Advisor

SÄKRA
a portfolio company of
Adelis Equity
has been acquired by
Cinven
Sellside Advisor

enra
Specialty Finance
has been acquired by
ELLIOTT
ADVISORS L.P. (NYSE: EFC)
Sellside Advisor

annexus
has been acquired by
INTEGRITY
MORTGAGE CAPITAL
Sellside Advisor

NAPIER PARK
has been acquired by
First Eagle Investments
Sellside Advisor

FOX POINT TRUCKS
Term Loan & Delayed Draw Term Loan
Refinancing & Growth Financing
\$85,000,000
Exclusive Placement Agent

NAVIENT
has transferred its student loan servicing contract with the U.S. Department of Education and associated operations to
MAXIMUS
Sellside Advisor

An affiliate of
AXAR CAPITAL
has acquired
STONEMOR
Buyside Advisor

MAIDEN HOLDINGS LTD
has exchanged its outstanding Preference Shares into Common Shares
Fairness Opinion

ABOUT OUR SPECIALTY FINANCE TEAM



The specialty finance sector, which operates within Houlihan Lokey's Financial Services Group, has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital-raising, restructuring, and financial and valuation advisory services.

The global Houlihan Lokey Financial Services team has more than 40 dedicated financial staff located in five offices around the world, including New York, Miami, Boston, Los Angeles, and London. We are deeply experienced in advising clients across business models of all types, including advisory, distribution, services, technology, and balance-sheet-driven companies. When our experience is combined with our comprehensive understanding of the industry's financial, regulatory, and competitive dynamics, we are able to more effectively analyze a full range of strategic options, such as mergers, acquisitions, divestitures, capital-raising, and asset sale transactions.

Leadership



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Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

Request a Meeting

Learn More About Us

Subsector Coverage



- Asset-Based Lending/Factoring
- Auto Finance
- Credit Cards
- Debt Buying/Settlements
- Equipment Leasing
- Installment Loans
- Litigation Finance
- Payday Lending/Pawn
- Point-of-Sale Finance
- Small Business Lending
- Solar/HIP/Recreation
- Student Lending
- Transportation Finance

Featured Transactions

| | | | |
|--|---|--|--|
| <p>JG WENTWORTH a portfolio company of AXAR CAPITAL</p> <p>Term Loan & Delayed Draw Term Loan Refinancing and Growth Capital \$75,000,000</p> <p>Exclusive Placement Agent</p> | <p>FLEX FLEET a portfolio company of a fund managed by WATERFALL CAPITAL and TRIP Capital Partners</p> <p>has been acquired by Kaizen</p> <p>Sellside Advisor</p> | <p>NATIONS CAPITAL INC has received a majority investment from Gordon Brothers</p> <p>Sellside Advisor</p> | <p>Momentum FINANCIAL SERVICES GROUP has sold select U.S. stores to POPULUS FINANCIAL GROUP</p> <p>Sellside Advisor</p> |
| <p>MEDSHIFT Debt Financing \$108,000,000</p> <p>Placement Agent</p> | <p>NMEF has invested in BRITECAP</p> <p>Financial Advisor</p> | <p>PRC has sold a 49% stake to FUYO LEASE PERSONAL LEASE CO. LTD.</p> <p>Sellside Advisor</p> | <p>CREEKRIDGE CAPITAL has been acquired by HITACHI Hitachi Capital America Corp.</p> <p>Sellside Advisor</p> |
| <p>FLEXITI has been acquired by CURO</p> <p>Sellside Advisor</p> | <p>odessa has received an investment from THL Thomas H. Lee Partners</p> <p>Sellside Advisor</p> | <p>TRUMP CAPITAL has been acquired by TRIUMPH</p> <p>Sellside Advisor</p> | <p>19TH CAPITAL a subsidiary of element has completed the sale of certain assets to Hiico Global.</p> <p>Sellside Advisor</p> |
| <p>tricolor Growth Equity \$40,000,000 Preferred Equity</p> <p>Exclusive Placement Agent</p> | <p>AmeriHome mortgage a portfolio company of APOLLO ATHENE</p> <p>has been acquired by Western Alliance Bancorporation</p> <p>Sellside Advisor</p> | <p>Merchants Series A Senior Secured Notes Growth Capital \$50,000,000</p> <p>Exclusive Financial Advisor & Placement Agent</p> | <p>ORIX has acquired NXT CAPITAL</p> <p>Buy-side Advisor</p> |

Tombstones included herein represent transactions closed from 2016 forward.

SPECIALTY FINANCE MARKET UPDATE

Introduction

We are pleased to present our Specialty Finance Market Update for the summer of 2023. The first half of 2023 was a tale of two cities in many ways. The financial services sector stabilized in Q2 following the bank sector disruption during the first quarter of the year. The S&P 500 financials index has turned positive, up 2% on a year-to-date basis, and is up 13% from the lows seen in mid-March this year. While headwinds such as inflation and higher financing costs continue to pose challenges, there are more opportunities for specialty finance companies to fill the void in certain lending areas with current malaise in the bank sector.

As we move forward into the rest of 2023, the sector is expected to benefit from increasing loan demand and potentially attracting higher-credit borrowers, contributing to a positive outlook for its performance in the latter half of the year. The specialty finance sector maintains a positive outlook as specialty finance companies capitalize on unmet borrower demand and flexible capital allocation strategies for M&A activity, which are driving growth and attracting significant interest from both financial sponsors and potential strategic partners.

We remain busy with engagements across both commercial and consumer finance, where differentiated platforms continue to garner interest in the capital markets and among strategic and financial buyers. As in prior newsletters, we have included industry insights to help you stay ahead in our dynamic and constantly evolving sector, a public markets update, and featured transaction announcements. We hope you find this quarterly update to be informative and that it serves as a valuable resource to you. We look forward to staying in touch and hopefully getting together soon for a drink, coffee, or lunch.

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FEATURED TRANSACTIONS EXECUTED BY HOULIHAN LOKEY'S SPECIALTY FINANCE TEAM

JG Wentworth Company Has Received a \$45 Million First Lien Term Loan and \$30 Million Delayed Draw Term Loan

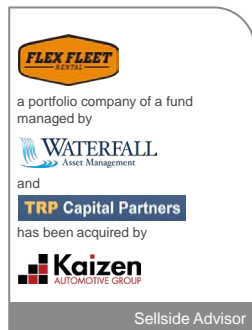
Closed September 7, 2023



- JG Wentworth Company, LLC (JG Wentworth), a portfolio company of Axar Capital Management LP, has raised a \$45 million first lien term loan and a \$30 million delayed draw term loan.
- JG Wentworth is a leading direct-to-consumer specialty finance company that has been the market leader in structured settlement payment purchasing for 25+ years, and more recently, has launched debt resolution and personal lending business segments.
- Houlihan Lokey served as the exclusive financial advisor and placement agent to JG Wentworth.
- Proceeds from the transaction were used to refinance the company's existing indebtedness and fund its continued growth initiatives in debt resolution and personal lending.

Flex Fleet Rental Has Been Acquired by Kaizen Automotive Group

Closed September 1, 2023



- Flex Fleet Rental, LLC (FFR), a portfolio company of a fund managed by Waterfall Asset Management LLC and TRP Capital Partners, LP, has been acquired by Kaizen Automotive Group (Kaizen).
- Founded in 2013, FFR is a leading commercial truck rental company that has consistently set the benchmark for service excellence and innovation in North America. With a focus on delivering top-notch vehicles, exceptional customer service, and cutting-edge technology, FFR continues to redefine the industry.
- Founded more than 30 years ago, Kaizen is a Calgary-based company with 16 dealerships, representing Cadillac, Buick, GMC, Chevrolet, Ford, Lincoln, Kia, Nissan, Honda, Hyundai, and Genesis. Kaizen also offers industrial and commercial rentals, leasing, telematics, fleet management, and fleet card services across North America through its subsidiary, Summit Fleet.
- Houlihan Lokey acted as the exclusive financial advisor to FFR.
- This strategic move ushers in a new era of possibilities, as FFR and Summit Fleet join forces to forge one of the largest and most dynamic commercial truck fleet entities on the continent.

FEATURED TRANSACTIONS EXECUTED BY HOULIHAN LOKEY'S SPECIALTY FINANCE TEAM (CONT.)

Nations Capital Has Received a Majority Investment From Gordon Brothers Group








Closed July 27, 2023







- Nations Capital Inc. (NCI) has received a majority investment from Gordon Brothers Group, LLC (Gordon Brothers).
- Founded in May 2020, NCI is an industry-leading commercial and industrial business with a focus on and expertise in finance, restructuring, and insolvency. The firm has completed and managed large transactions in the transportation, oil and gas, mining, construction, and consumer products sectors.
- Since 1903, Gordon Brothers has brought a powerful combination of expertise and capital to clients, developing customized solutions across four service areas: valuations, dispositions, financing, and investment.
- Houlihan Lokey served as the exclusive financial advisor to NCI.
- The transaction bolsters both firms' existing commercial and industrial capabilities in North America, which include asset-focused solutions across valuations, dispositions, financing, and investing.

FEATURED SECTOR NEWS

The current market environment has created a bifurcation across the consumer finance sector between companies looking to grow and those who are looking to weather the storm.

| Date | Company | Description | Article Link |
|-----------|---|--|---------------------------|
| 8/12/2023 |  Katapult | Katapult Holdings underwent a 1-for-25 reverse stock split, consolidating every 25 common shares into 1 share, with no change in par value. The common stock began trading on a reverse split-adjusted basis on Nasdaq and equity awards, and incentive plans were adjusted. Each publicly traded warrant now becomes exercisable for 0.04 of a common share at an exercise price of \$287.50. The transfer and exchange agent for the reverse stock split was Continental Stock Transfer & Trust Co. No fractional shares were issued. | Read More |
| 8/9/2023 |  Oportun | In August 2021, Oportun Financial Corp. sold \$400 million of personal loans to Castlake, LP, and \$300 million to Neuberger Berman Group LLC for loan origination over the next year. CFO Jonathan Coblentz confirmed Neuberger Berman's agreement in June. This move signals Oportun's ongoing expansion, as it recently announced its plans to launch a credit card. | Read More |
| 7/18/2023 |  synchrony | Synchrony Financial CEO Brian Doubles announced during a conference call that the consumer has been surprisingly resilient with strong purchasing volumes and credit metrics within expectations. The company is exercising caution while monitoring the situation and listening to calls; however, nothing abnormal has been detected. As a result, shares have increased by 2% to \$36.22 in morning trading. | Read More |
| 5/25/2023 |  credit acceptance | Credit Acceptance has successfully completed a \$4,000 million asset-backed non-recourse secured financing. The proceeds will be used to refinance previously issued facilities and for general corporate purposes. Credit Acceptance remains committed to providing affordable car financing to consumers with less-than-perfect credit. Through the completion of this financing, the company has strengthened its balance sheet and capital position, which will enable it to continue its strategic initiatives. | Read More |
| 5/23/2023 |  PROG Holdings, Inc. | PROG Holdings launched Build, a credit-building tool that combines an installment loan and a secured savings account to help customers build a positive credit history and personal savings. The Build Credit Builder Account was initially launched in December 2021 and was made available in 16 states. However, the company expected to offer it to consumers in all 50 states and the District of Columbia by the end of 2023. PROG Holdings continues to develop empowering products that fill gaps in traditional personal finance, credit, and payment options. | Read More |
| 5/16/2023 |  upbound | Upbound Group, Inc., and Genesis Financial Solutions agreed to provide credit solutions to consumers from Upbound's consumer leasing brands, Rent-A-Center® and Acima®. The partnership includes general-purpose and private-label credit cards serviced by Genesis and near-prime credit with the lease-to-own solution to retail partners. The financial solutions will be tested and phased in over the next few months before a fully white-labeled product launch in late 2023 or early 2024. Genesis will serve as the program manager on behalf of the issuing bank for the credit card programs. | Read More |
| 5/12/2023 |  CURO | CURO Group Holdings Corp. has sold its Canadian point-of-sale unit, FLX Holding, to Questrade Financial Group Inc. for approximately CAD 55 million. The sale enables CURO Group to increase its focus on its core direct lending business in both the U.S. and Canada. Solomon Partners Securities, King & Spalding LLP, and Norton Rose Fulbright Canada LLP acted as legal counsel to CURO Group while BMO Capital Markets and Bennett Jones LLP acted for Questrade. The sale closed in September 2021. | Read More |

FEATURED SECTOR NEWS (CONT.)

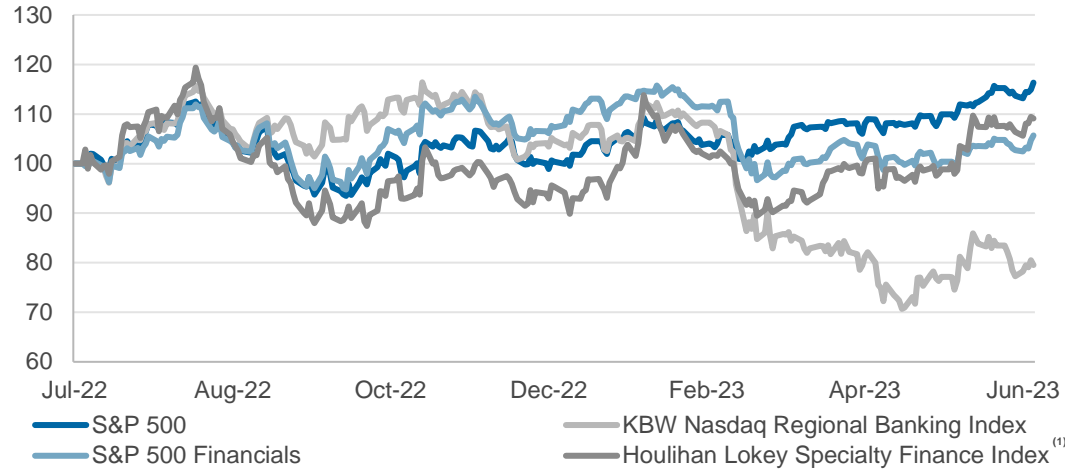
| Date | Company | Description | Article Link |
|-----------|---|--|---------------------------|
| 5/12/2023 |  | <p>CURO Group Holdings Corp. secured more than \$230 million in debt arrangements to increase liquidity and funding capacity, consisting of \$150 million in commitments for its first lien senior secured term loan and \$83 million for a Canadian special purpose vehicle facility. The transaction allowed CURO to pursue responsible balance sheet growth, capitalize on opportunities, and expand its direct lending capabilities in the U.S. and Canada, including scalable omnichannel acquisition, credit, automated underwriting, and centralized servicing and collections.</p> | Read More |
| 5/11/2023 |  | <p>In May, goeasy Ltd. increased its securitization facility by CAD 150 million, with SLC Management structuring the facility. It was securitized by consumer loans from goeasy's subsidiary, LendCare Capital. The amendment had an initial interest rate of interpolated Government of Canada bond yields plus an initial spread of 310 basis points. Proceeds were used for general corporate purposes, including funding growth of the consumer loan portfolio.</p> | Read More |
| 5/2/2023 |  | <p>OneMain Financial partnered with FinMkt to enter the home improvement point of sale financing market, using FinMkt's purpose-built technology to offer personalized, responsible credit solutions to nonprime customers. With a streamlined loan experience at the point of sale, homeowners could access financing options from a lender waterfall, and contractors could manage all financing accounts with a user-friendly interface. OneMain's Chief Strategy Officer, Jenny Osterhout, and FinMkt's CEO, Luan Cox, expressed their excitement about the partnership, which aims to provide exemplary customer service.</p> | Read More |
| 4/7/2023 |  | <p>Sunlight Financial and Demand IQ have partnered to enable homeowners to pre-qualify for solar energy financing while shopping online for solar systems. The collaboration integrates Sunlight's Orange platform with Demand IQ's Stella, providing a faster, more effective, and more transparent experience for homeowners and contractors. The partnership facilitates leads directly into the Orange platform while populating all required forms, enabling contractors to concentrate on sales and marketing. With the integration, a self-guided solar shopping process, including pre-qualification for funding, is made available to reduce costs and increase transparency and shopper trust.</p> | Read More |



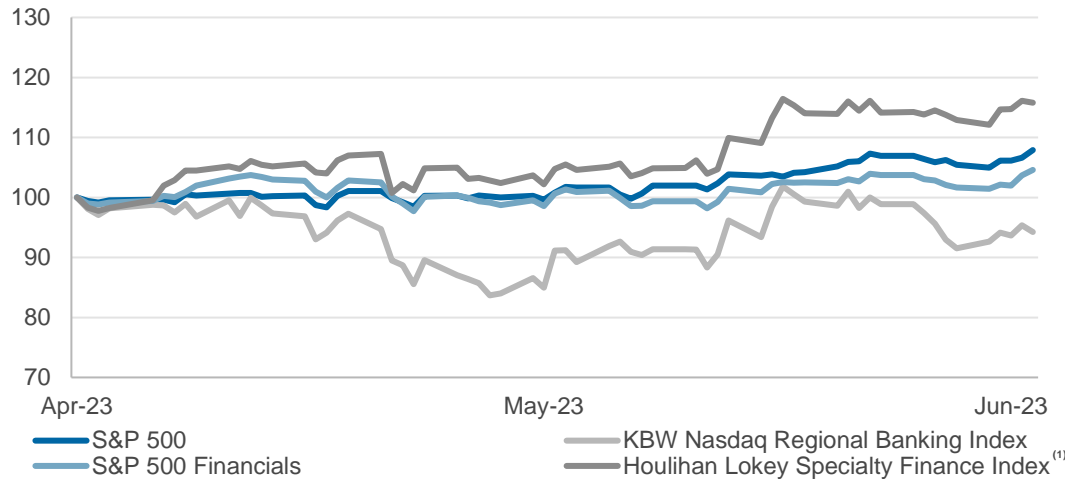
EQUITY MARKET INDEX PERFORMANCE

- Despite broader challenges, many specialty firms have continued to perform well, particularly those focused on commercial lending.
- While rising rates have depressed new issuances and originations volumes, investors have been focused on resilient businesses as opposed to growth with varying impacts across specialty finance categories.
- The Federal Reserve's policy of aggressive rate increases aimed at curbing rising inflation has led to a significant repricing of banks as well.
- The broader market and most financials have rebounded from Q1 lows, although banks continue to underperform.

LTM June 2023 Performance



April–June 2023 Performance



Source: S&P Capital IQ.

Notes: Data as of June 30, 2023. All share prices rebased to 100.

(1) The Houlihan Lokey Specialty Finance Index consists of a diversified set of 31 companies across the specialty finance sector. See pages 14 and 15 for a complete list.

EQUITY MARKET INDEX PERFORMANCE

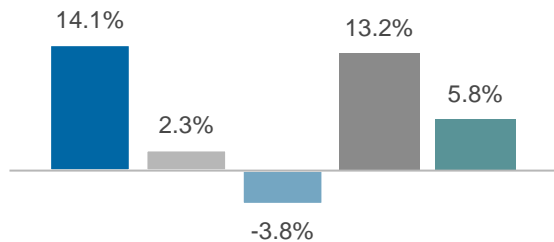
SPECIALTY FINANCE SUBSECTORS

Public specialty finance company trading performance has been mixed during 1H 2023 with investors maintaining a cautious outlook for originations and earnings.

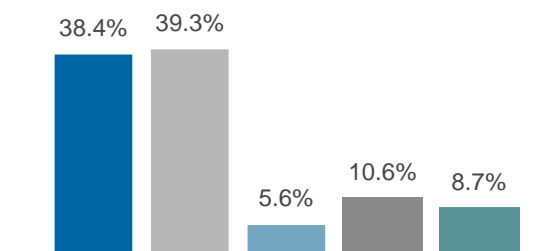
LTM June 2023 Performance by Subsector



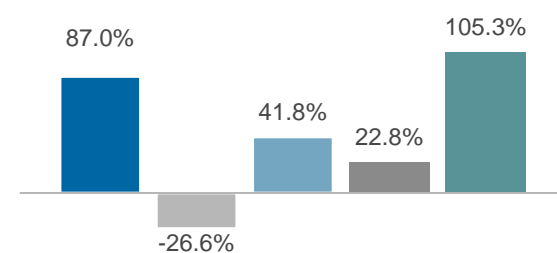
Monthly Performance



YTD Performance

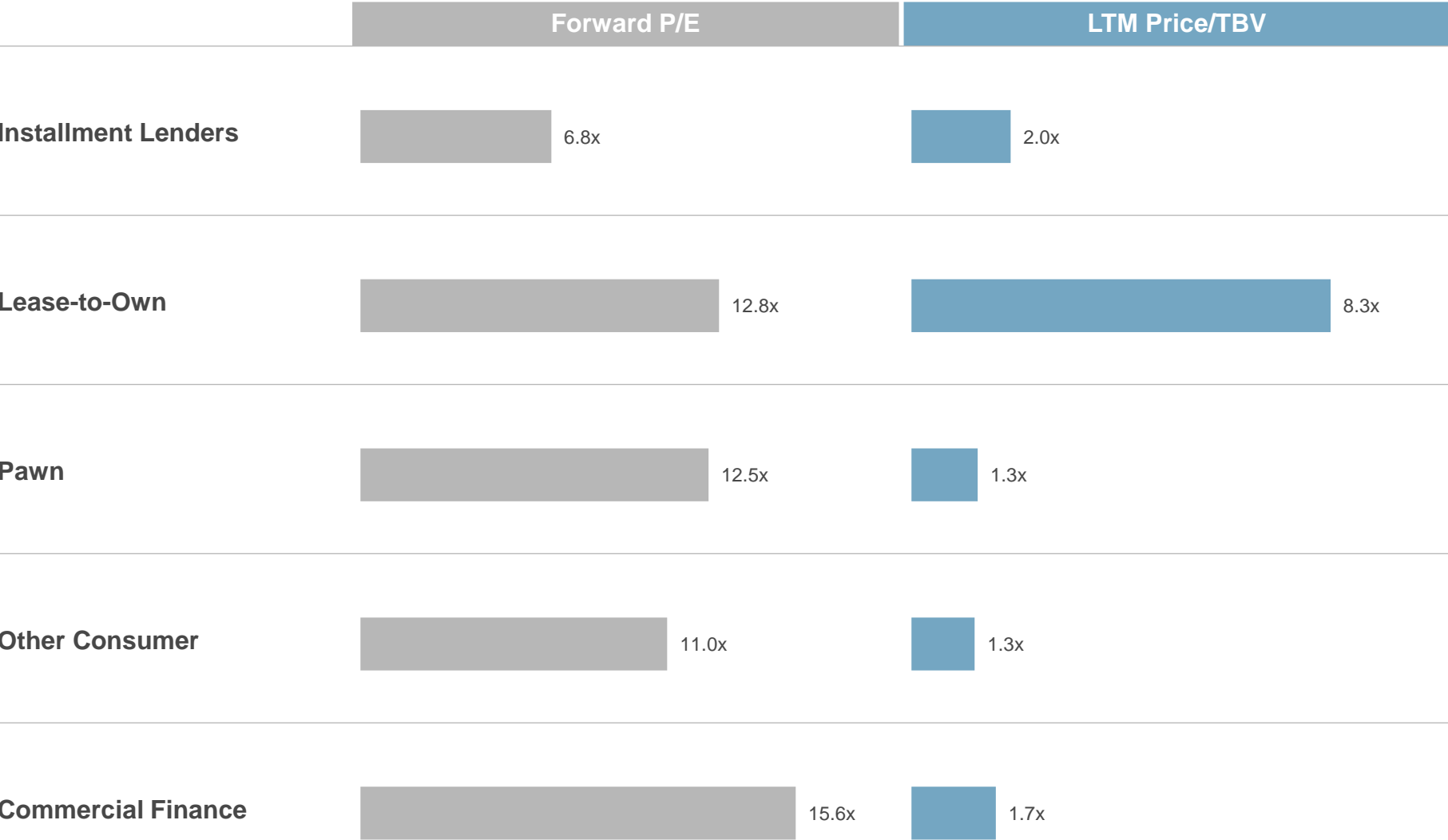


Three-Year Performance



Source: S&P Capital IQ.
Notes: Data as of June 30, 2023. All share prices rebased to 100.

PUBLIC COMPANY VALUATIONS (LTM JUNE 2023)



Source: S&P Capital IQ.
 Note: Data as of June 30, 2023.

PUBLIC COMPANY VALUATIONS



Source: S&P Capital IQ.
 Note: Data as of June 30, 2023.

PUBLIC COMPARABLES (2023E)

SPECIALTY FINANCE

| | | P/Pre-Tax | | P/E | | 2021–2023E CAGR | | Pre-Tax Margin | | Forward P/E | |
|-----------------------|----------------------------------|--------------|--------------|--------------|---------------|-----------------|--------------|----------------|--------------|--------------|-------|
| | | 2022 | 2023E | 2022 | 2023E | Revenue | Pre-Tax | 2022 | 2023E | 2022 | 2023E |
| Installment Lenders | OneMain Holdings, Inc. | 4.5x | 6.2x | 6.0x | 7.9x | 11.5% | (30.3%) | 41.6% | 19.7% | 5.1x | 6.7x |
| | Enova International, Inc. | 6.1x | 5.8x | 8.0x | 6.8x | 48.0% | (7.6%) | 27.2% | 13.8% | 7.9x | 6.6x |
| | Oportun Financial Corp. | N/M | N/M | N/M | N/M | 34.0% | N/A | N/M | N/M | 2.3x | N/M |
| | goeasy Ltd. | 9.5x | 6.1x | 13.3x | 8.0x | 44.0% | (4.6%) | 30.7% | 24.5% | 8.7x | 7.4x |
| | CURO Group Holdings Corp. | N/M | N/M | N/M | N/M | 31.0% | N/A | N/M | N/M | 3.0x | N/M |
| | Regional Management Corp. | 4.5x | 6.5x | 5.7x | 9.2x | 14.7% | (36.8%) | 13.2% | 8.2% | 4.5x | 5.8x |
| | World Acceptance Corp. | N/M | 10.0x | N/M | 18.2x | 1.3% | (11.5%) | 2.8% | 13.3% | 25.7x | 16.7x |
| | OppFi Inc. | 10.2x | 0.9x | 4.4x | 0.9x | 46.1% | (36.6%) | 1.7% | 7.1% | 0.6x | 1.1x |
| | LendingClub Corp. | 6.8x | 25.5x | 3.6x | N/M | (1.0%) | 49.2% | 12.1% | 4.7% | 6.4x | N/M |
| Median | 6.5x | 6.2x | 5.9x | 7.9x | 31.0% | (11.5%) | 13.2% | 13.3% | 5.1x | 6.6x | |
| Mean | 6.9x | 8.7x | 6.8x | 8.5x | 25.5% | (11.2%) | 18.5% | 13.1% | 7.1x | 7.4x | |
| Lease-to-Own | Upbound Group, Inc. | 28.3x | 15.9x | N/M | 9.0x | (7.4%) | (24.8%) | 1.4% | 2.8% | 5.6x | 9.8x |
| | PROG Holdings, Inc. | 10.1x | 8.3x | 15.2x | 10.1x | (5.7%) | (25.6%) | 5.7% | 7.6% | 10.1x | 13.1x |
| | The Aaron's Company, Inc. | N/M | 20.1x | N/M | 11.2x | 8.9% | N/M | N/M | 1.0% | 4.9x | 12.5x |
| | Conn's, Inc. | N/M | N/M | N/M | N/M | (11.0%) | N/A | N/M | N/M | 6.5x | N/M |
| | FlexShopper, Inc. | N/M | N/M | 2.0x | N/M | (8.9%) | N/A | N/M | N/M | 7.3x | N/M |
| | Katapult Holdings, Inc. | N/M | N/M | N/M | N/M | (13.7%) | N/A | N/M | N/M | N/M | N/M |
| Median | 19.2x | 15.9x | 8.6x | 10.1x | (8.1%) | (25.2%) | 3.6% | 2.8% | 6.5x | 12.5x | |
| Mean | 19.2x | 14.7x | 8.6x | 10.1x | (6.3%) | (25.2%) | 3.6% | 3.8% | 6.9x | 11.8x | |
| Pawn | FirstCash Holdings, Inc. | 13.1x | 14.4x | 16.7x | 16.6x | 35.9% | 33.2% | 11.9% | 9.4% | 17.4x | 16.1x |
| | EZCORP, Inc. | 6.5x | 6.9x | 9.1x | 6.2x | 17.8% | 44.9% | 7.6% | 6.3% | 8.7x | 7.0x |
| Median | 9.8x | 10.6x | 12.9x | 11.4x | 26.8% | 39.1% | 9.7% | 7.8% | 13.0x | 11.6x | |
| Mean | 9.8x | 10.6x | 12.9x | 11.4x | 26.8% | 39.1% | 9.7% | 7.8% | 13.0x | 11.6x | |
| Other Consumer | Navient Corp. | 2.8x | 4.6x | 3.6x | 5.9x | (37.2%) | (26.1%) | 49.9% | 57.0% | 5.5x | 6.7x |
| | Nelnet, Inc. | 7.1x | N/A | 8.8x | N/A | N/A | N/A | 33.6% | N/A | 14.0x | N/A |
| | Credit Acceptance Corp. | 9.2x | 17.3x | 12.2x | 12.8x | 6.5% | (45.3%) | 60.1% | 19.8% | 9.9x | 11.9x |
| | Encore Capital Group, Inc. | 3.7x | 7.4x | 5.9x | 9.3x | (9.7%) | (40.4%) | 22.2% | 11.8% | 4.8x | 6.6x |
| | PRA Group, Inc. | 5.8x | N/M | 7.6x | N/M | (15.5%) | N/A | 16.0% | N/M | 10.8x | N/M |
| | ECN Capital Corp. | 28.7x | N/M | N/M | 27.9x | 43.9% | 13.5% | 11.3% | N/M | 6.3x | 12.3x |
| | America's Car-Mart, Inc. | 11.1x | 29.5x | 14.2x | N/M | 14.8% | N/A | 4.2% | 1.5% | 7.7x | 19.4x |
| | Sunlight Financial Holdings Inc. | N/M | N/M | N/M | N/M | N/A | (20.3%) | N/M | N/M | 0.6x | 11.3x |
| Median | 7.1x | 12.3x | 8.2x | 11.1x | (1.6%) | (26.1%) | 22.2% | 15.8% | 7.0x | 11.6x | |
| Mean | 9.8x | 14.7x | 8.7x | 14.0x | 0.5% | (23.7%) | 28.2% | 22.5% | 7.4x | 11.4x | |
| Commercial Finance | Air Lease Corp. | N/M | 7.0x | N/M | 7.3x | 13.6% | 10.6% | N/M | 24.5% | 7.6x | 7.0x |
| | Element Fleet Management Corp. | 14.7x | 12.7x | 19.7x | 15.8x | (9.5%) | 13.9% | 49.4% | 32.7% | 20.1x | 15.7x |
| | GATX Corp. | 21.6x | 16.5x | 29.2x | 18.2x | 4.5% | 18.4% | 16.6% | 20.1% | 25.8x | 20.0x |
| | Textainer Group Holdings Ltd. | 5.3x | 7.2x | 5.4x | 8.2x | (2.2%) | (10.2%) | 34.7% | 28.3% | 5.9x | 8.3x |
| | McGrath RentCorp | 15.1x | 14.2x | 19.7x | 19.2x | 14.6% | 14.4% | 20.4% | 19.7% | 20.8x | 19.3x |
| | Chesswood Group Ltd. | 3.3x | 22.8x | 5.1x | N/A | N/M | N/M | 27.8% | 2.0% | N/A | N/A |
| Median | 14.7x | 13.4x | 19.7x | 15.8x | 4.5% | 13.9% | 27.8% | 22.3% | 20.1x | 15.7x | |
| Mean | 12.0x | 13.4x | 15.8x | 13.7x | 4.2% | 9.4% | 26.4% | 24.0% | 16.0x | 14.1x | |
| Overall Median | 8.1x | 9.1x | 8.0x | 9.3x | 7.7% | (10.2%) | 16.6% | 12.5% | 7.3x | 10.6x | |
| Overall Mean | 10.4x | 12.1x | 10.3x | 11.4x | 9.6% | (5.8%) | 21.1% | 16.0% | 9.1x | 11.0x | |

PUBLIC COMPARABLES (LTM JUNE 2023)

SPECIALTY FINANCE

| | | LTM | | | | | | |
|-----------------------|----------------------------------|--------------------|------------------------------|------------------|-----------------|-----------------|----------------|--------------|
| | | Market Cap USDm | Equity Value/ LTM Pre-Tax | Revenue USDm | Pre-Tax USDm | Pre-Tax Margin | EPS | Forward P/E |
| Installment Lenders | OneMain Holdings, Inc. | \$5,268.5 | 6.1x | \$2,525.0 | \$859.0 | 34.0% | \$5.3 | 6.7x |
| | Enova International, Inc. | 1,658.1 | 6.3x | 1,012.2 | 264.9 | 26.2% | 6.2 | 6.6x |
| | Oportun Financial Corp. | 202.3 | N/M | 895.4 | (279.3) | N/M | (6.8) | N/M |
| | goeasy Ltd. | 1,381.0 | 7.4x | 513.4 | 187.3 | 36.5% | 8.2 | 7.4x |
| | CURO Group Holdings Corp. | 55.3 | N/M | 304.1 | (259.3) | N/M | (6.9) | N/M |
| | Regional Management Corp. | 294.1 | 8.6x | 516.8 | 34.0 | 6.6% | 2.8 | 5.8x |
| | World Acceptance Corp. | 773.3 | 15.4x | 598.0 | 50.2 | 8.4% | 6.6 | 16.7x |
| | OppFi Inc. | 31.1 | 1.9x | 190.4 | 16.0 | 8.4% | (0.0) | 1.1x |
| | LendingClub Corp. | 1,047.8 | 11.7x | 1,230.5 | 89.7 | 7.3% | 0.9 | N/M |
| Median | | | 7.4x | \$598.0 | \$50.2 | 8.4% | \$2.8 | 6.6x |
| Mean | | | 8.2x | \$865.1 | \$106.9 | 18.2% | \$1.8 | 7.4x |
| Lease-to-Own | Upbound Group, Inc. | \$1,741.2 | N/M | \$4,009.6 | \$24.3 | 0.6% | (\$0.0) | 9.8x |
| | PROG Holdings, Inc. | 1,501.4 | 7.5x | 2,485.9 | 200.7 | 8.1% | 2.8 | 13.1x |
| | The Aaron's Company, Inc. | 437.0 | N/M | 2,267.7 | (13.3) | N/M | (0.1) | 12.5x |
| | Conn's, Inc. | 89.7 | N/M | 1,287.3 | (111.8) | N/M | (4.2) | N/M |
| | FlexShopper, Inc. | 27.8 | N/M | 102.9 | (9.4) | N/M | (0.4) | N/M |
| | Katapult Holdings, Inc. | 89.6 | N/M | 209.4 | (37.1) | N/M | (9.4) | N/M |
| Median | | | 7.5x | \$1,777.5 | (\$11.3) | 4.3% | (\$0.3) | 12.5x |
| Mean | | | 7.5x | \$1,727.1 | \$8.9 | 4.3% | (\$1.9) | 11.8x |
| Pawn | FirstCash Holdings, Inc. | \$4,243.7 | 14.1x | \$2,934.8 | \$300.7 | 10.2% | \$5.0 | 16.1x |
| | EZCORP, Inc. | 464.4 | 9.0x | 1,012.0 | 51.7 | 5.1% | 0.5 | 7.0x |
| | Median | | 11.5x | \$1,973.4 | \$176.2 | 7.7% | \$2.7 | 11.6x |
| Mean | | 11.5x | \$1,973.4 | \$176.2 | 7.7% | \$2.7 | 11.6x | |
| Other Consumer | Navient Corp. | \$2,349.7 | 4.8x | \$1,309.0 | \$491.0 | 37.5% | \$2.9 | 6.7x |
| | Nelnet, Inc. | 3,597.7 | 16.3x | 1,278.0 | 221.3 | 17.3% | 5.1 | N/A |
| | Credit Acceptance Corp. | 6,520.5 | 14.8x | 944.1 | 439.8 | 46.6% | 25.4 | 11.9x |
| | Encore Capital Group, Inc. | 1,141.7 | 19.7x | 1,177.4 | 57.9 | 4.9% | 0.1 | 6.6x |
| | PRA Group, Inc. | 895.0 | N/M | 832.4 | (7.6) | N/M | (0.6) | N/M |
| | ECN Capital Corp. | 495.6 | N/M | 127.1 | (30.7) | N/M | (0.2) | 12.3x |
| | America's Car-Mart, Inc. | 635.7 | 24.6x | 1,401.1 | 25.8 | 1.8% | 3.1 | 19.4x |
| | Sunlight Financial Holdings Inc. | 24.8 | N/M | 31.5 | (645.8) | N/M | (140.9) | 11.3x |
| Median | | 16.3x | \$1,060.8 | \$41.8 | 17.3% | \$1.5 | 11.6x | |
| Mean | | 16.0x | \$887.6 | \$69.0 | 21.6% | (\$13.1) | 11.4x | |
| Commercial Finance | Air Lease Corp. | \$4,646.0 | 7.3x | \$2,472.0 | \$640.2 | 25.9% | \$4.3 | 7.0x |
| | Element Fleet Management Corp. | 5,950.0 | 13.8x | 1,372.0 | 432.2 | 31.5% | 0.8 | 15.7x |
| | GATX Corp. | 4,550.3 | 15.9x | 1,325.8 | 285.7 | 21.5% | 6.0 | 20.0x |
| | Textainer Group Holdings Ltd. | 1,669.6 | 6.2x | 872.9 | 269.8 | 30.9% | 5.5 | 8.3x |
| | McGrath RentCorp | 2,263.6 | 15.4x | 822.2 | 146.6 | 17.8% | 4.6 | 19.3x |
| | Chesswood Group Ltd. | 106.7 | 4.9x | 116.2 | 21.7 | 18.7% | 0.8 | N/A |
| Median | | 10.5x | \$1,099.3 | \$277.7 | 23.7% | \$4.5 | 15.7x | |
| Mean | | 10.6x | \$1,163.5 | \$299.4 | 24.4% | \$3.7 | 14.1x | |
| Overall Median | | 9.0x | \$1,012.0 | \$51.7 | 17.6% | \$0.9 | 10.6x | |
| Overall Mean | | 11.0x | \$1,167.0 | \$119.9 | 18.5% | (\$2.3) | 11.0x | |

Source: S&P Capital IQ.

Note: Data as of June 30, 2023.

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