



Houlihan
Lokey

Specialty Finance

Market Update—Q1 2024



About Our Firm

Houlihan Lokey 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.

CORPORATE FINANCE

2023 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	352
2	Rothschild & Co	349
3	Goldman Sachs & Co	300
3	JP Morgan	300
5	Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1

Global M&A Advisor

Leading

Capital Markets Advisor

FINANCIAL RESTRUCTURING

2023 Global Distressed Debt & Bankruptcy
Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	73
2	PJT Partners	64
3	Rothschild	51
4	Lazard	37
5	Evercore Partners	27

Source: LSEG (formerly Refinitiv).

No. 1

Global Restructuring Advisor

1,700+

Transactions Completed Valued at
More Than **\$3.5 Trillion** Collectively

FINANCIAL AND VALUATION ADVISORY

1999 to 2023 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,247
2	JP Morgan	1,035
3	Duff & Phelps, A Kroll Business	977
4	UBS	884
5	Morgan Stanley	716

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1

Global M&A Fairness Opinion
Advisor Over the Past 25 Years

2,000+

Annual Valuation Engagements



Learn more about how
our advisors can serve
your needs:

Corporate Finance →

Financial Restructuring →

Financial and
Valuation Advisory →

Our Industry Coverage →

Our clients benefit from our local presence and global reach.



36 Locations Worldwide ~2,000 Total Financial Professionals 312 Managing Directors⁽¹⁾ 2,000+ Clients Served Annually \$8.8B Market Cap⁽²⁾ \$1.8B Annual Revenue⁽³⁾

AMERICAS	Atlanta	Los Angeles	EUROPE AND MIDDLE EAST	Amsterdam	Milan
	Baltimore	Miami		Antwerp	Munich
	Boston	Minneapolis		Dubai	Paris
	Charlotte	New York		Frankfurt	Stockholm
	Chicago	San Francisco		London	Tel Aviv
	Dallas	São Paulo		Madrid	Zurich
	Houston	Washington, D.C.		Manchester	

ASIA-PACIFIC	Beijing	Shanghai
	Fukuoka	Singapore
	Gurugram	Sydney
	Hong Kong SAR	Tokyo
	Mumbai	

Fully Integrated Financial Sponsor Coverage

29

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

1,100+

Sponsors covered, providing market insights and knowledge of buyer behavior.

730+

Companies sold to financial sponsors over the past five years.



(1) As of December 31, 2023; excludes corporate MDs.

(2) As of March 31, 2024.

(3) LTM ended December 31, 2023.

About Our Financial Services Coverage 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 professionals located in five offices around the world, including New York, Miami, Boston, Los Angeles, and Tokyo.

2023 M&A Advisory Rankings—Global Financial Services Transactions Under \$1 Billion

	Advisor	Deals
1	Houlihan Lokey	41
2	Rothschild	32
3	Goldman Sachs	29
4	UBS	27
5	Morgan Stanley	26

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

According to data provided by LSEG (formerly Refinitiv), our Financial Services Group was once again ranked as the

No. 1

M&A advisor for global financial services transactions under \$1 billion in 2023.



Featured Transactions

 has been acquired by STIFEL Sellside Advisor	 has received significant investment from PRESERVATION CAPITAL PARTNERS Financial Advisor	 a subsidiary of Guardian has been acquired by alight Sellside Advisor	 has sold its retail mortgage operations to MOVEMENT MORTGAGE Exclusive Financial Advisor	 has received a strategic growth equity investment from ATLAS MERCHANT CAPITAL Financial Advisor	 a portfolio company of PERMIRA has acquired FinDox Buyside Advisor	 a portfolio company of Adelis Equity has been acquired by Cinven Sellside Advisor
 has been acquired by ELLIOTT Sellside Advisor	 has been acquired by INTEGRITY Sellside Advisor	 has been acquired by First Eagle Investments Sellside Advisor	 a portfolio company of a fund managed by WATERFALL and TRP Capital Partners has been acquired by Kaizen Sellside Advisor	 a portfolio company of AXAR CAPITAL Term Loan & Delayed Draw Term Loan Refinancing and Growth Capital \$75,000,000 Exclusive Placement Agent	 has received a majority investment from Gordon Brothers Sellside Advisor	 has exchanged its outstanding Preference Shares into Common Shares Fairness Opinion

Industry Sector Coverage

We cover a broad array of sectors, with financial professionals 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

Key Facts and Figures

46

Dedicated Financial Services professionals.

41

Completed financial services M&A/private placement transactions in CY23.

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 professionals 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.

Featured Transactions

 a portfolio company of AXAR CAPITAL Term Loan & Delayed Draw Term Loan Refinancing and Growth Capital \$75,000,000 Exclusive Placement Agent	 a portfolio company of a fund managed by WATERFALL CAPITAL and Capital Partners has been acquired by Kaizen Sellside Advisor	 has received a majority investment from Gordon Brothers Sellside Advisor	 has sold select U.S. stores to POPULUS FINANCIAL GROUP Sellside Advisor	 Debt Financing \$108,000,000 Placement Agent	 has invested in BRITECAP Financial Advisor	 has sold a 49% stake to FUVO LEASE Sellside Advisor	 has been acquired by HITACHI Hitachi Capital America Corp. Sellside Advisor
 has been acquired by CURO Sellside Advisor	 has received an investment from THL Thomas H. Lee Partners Sellside Advisor	 has been acquired by TRIUMPH Sellside Advisor	 is a subsidiary of element has completed the sale of certain assets to Hilco Global Sellside Advisor	 Growth Equity \$40,000,000 Preferred Equity Exclusive Placement Agent	 a portfolio company of A POL.L.C ATHENE has been acquired by Western Alliance Bancorporation Sellside Advisor	 Series A Senior Secured Notes Growth Capital \$50,000,000 Exclusive Financial Advisor & Placement Agent	 has acquired NXT CAPITAL Buy-side Advisor

Tombstones included herein represent transactions closed from 2016 forward.

Subsector Coverage



Asset-Based Lending/Factoring



Payday Lending/Pawn



Auto Finance



Point-of-Sale Finance



Credit Cards



Small Business Lending



Debt Buying/Settlements



Solar/HIP/Recreation



Equipment Leasing



Student Lending



Installment Loans



Transportation Finance/Fleet



Litigation Finance

Leadership

Financial Services Group



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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.

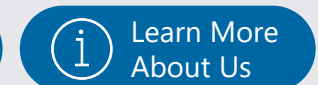




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Disclaimer

Introduction **Specialty Finance Market Update**

We are pleased to present our Specialty Finance Market Update for Q1 2024. The commercial and consumer finance sectors are currently experiencing strong growth, primarily driven by the increased bank pullbacks from specialized lending products.

Recent tailwinds have created a favorable environment across the sector, leading to growth opportunities for companies looking to pursue strategic initiatives.

The first quarter of 2024 has shown significant improvements in M&A activity as we continue to see robust demand for well-scaled platforms that have proven growth or resilience during a period of uncertain credit performance.

Overall, deal volume across the specialty finance sector continues to be fueled by significant buyer appetite to expand lending products, diversify their portfolio exposures, and rapidly increase scale. Well-capitalized strategic balance sheets and record amounts of dry powder across the alternatives universe create significant opportunities to execute M&A transactions.

In the public markets, specialty finance companies have generally traded well, particularly the larger businesses with existing underwriting infrastructure and sustained profitability in recent quarters. Hyper-growth companies in the consumer finance sector have traded down based on increased losses and dampened origination volumes.

As our firm continues to execute transactions in this space, we invite you to contact us to discuss past transactions, future opportunities, or the specialty finance ecosystem more broadly.



Bryan Pyne
Director

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Announcement!

We are thrilled to announce that Bryan Pyne has joined our group as a Director in the Atlanta office. Most recently, Bryan spent 12+ years at Stephens Inc.



Featured Transactions Executed by Houlihan Lokey's Specialty Finance Team

JG Wentworth has received a \$45 million first lien term loan and \$30 million delayed draw term loan.



Closed September 7, 2023

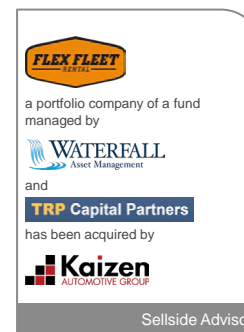
JG Wentworth Company, LLC (JG Wentworth), a portfolio company of Axar Capital Management LP, has raised a \$45 million first lien term loan and a \$30 million delayed draw term loan.

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.

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.

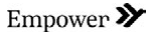








Since 1903, Gordon Brothers has brought a powerful combination of expertise and capital to clients, developing customized solutions across four service areas: valuations, dispositions, financing, and investment.

Houlihan Lokey served as the 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

Flurry of recent activity within the consumer finance segment, including acquisitions, refinancings, and strategic partnerships.

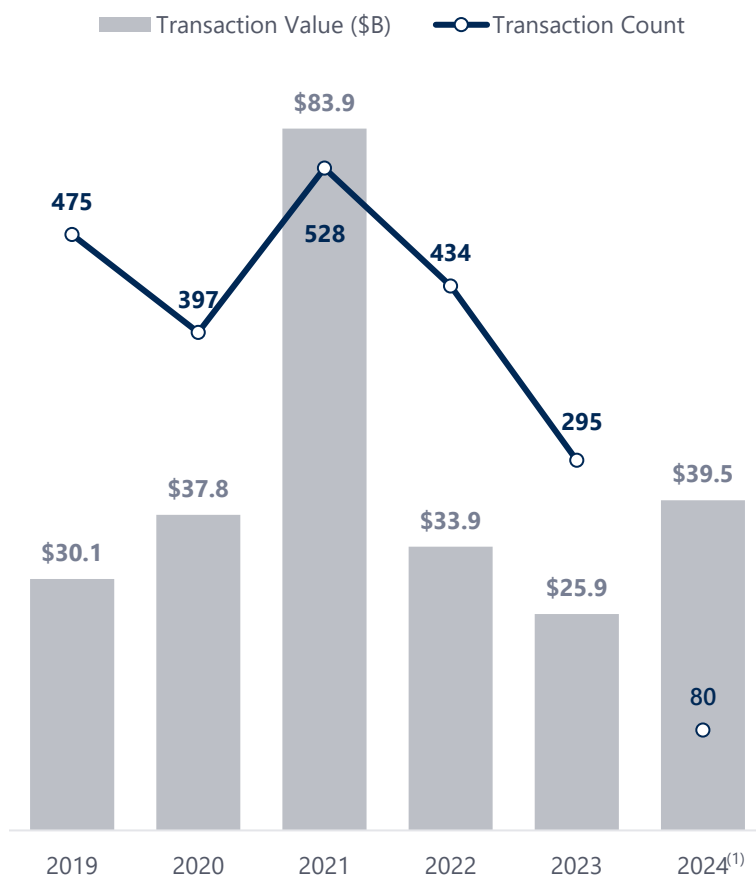
Date	Company	Description	Article Link
04/09/2024	 Empower	Empower enters the U.S. credit card category and the Southeast Asian credit market, poised to revolutionize lending with a smarter, more inclusive approach to underwriting and product innovation.	Read More
04/02/2024	 Yes &	Integra Consumer Lending, a leading financial service organization under Yes& Companies, announced the strategic acquisition of Aztec Pawn, a well-established pawn business with two locations in Arizona.	Read More
02/20/2024	 Capital One	Capital One Financial Corporation (NYSE:COF) and Discover Financial Services (NYSE:DFS) announced that they have entered into a definitive agreement under which Capital One will acquire Discover in an all-stock transaction valued at \$35.3 billion.	Read More
02/13/2024	 Oportun	Oportun (NASDAQ:OPRT) announced the issuance of \$200 million of fixed-rate asset-backed notes secured by a pool of unsecured and secured installment loans.	Read More
12/19/2023	 Apple Goldman Sachs	Apple Inc. is considering ending its financial collaboration with Goldman Sachs, impacting Apple Card and Savings, which currently holds \$10 billion in deposits. Rumors are circulating about the potential new partner, with Chase and AmEx emerging as leading contenders.	Read More
12/05/2023	 credit acceptance	Credit Acceptance Corp. has announced an offering of \$500.0 million in senior notes due 2028, with the express purpose of managing its financial obligations related to the \$400.0 million 2024 senior notes, and for overarching corporate initiatives.	Read More
12/05/2023	 Oportun	Findell Capital Management LLC, an activist shareholder of Oportun Financial Corp., has advocated for the divestiture of Oportun's credit card division, CEO replacement, and a board restructuring to address the company's financial challenges and underperformance relative to competitors.	Read More
12/04/2023	 enova	Enova International, Inc., has initiated an offering of \$400.0 million in senior notes due 2028, backed with full guarantees from its domestic subsidiaries. The strategic financial maneuver is poised to reallocate proceeds toward the redemption of maturing 2024 senior notes and support various corporate expenditures.	Read More
11/29/2023	 DISCOVER	Discover Financial Services has authorized its management to explore the sale of its student loan portfolio and the outsourcing of loan servicing to a third-party provider. Starting February 1, 2024, new student loan applications will no longer be accepted, while existing loans will remain unchanged.	Read More

Sources: Company websites, press releases.

Additional Specialty Finance M&A Highlights

Transaction Value and Deal Volume

(\$ in Billions)



Source: S&P Capital IQ.

(1) Data as of March 31, 2024; YTD transaction value largely fueled due to Capital One acquisition of Discover in an all-stock transaction valued at \$35.3B.

Notable Transactions

Date	Target	Acquirer	Deal Value \$M
Feb-2024	DISCOVER	Capital One	35,300.0
Jan-2024	McGRATH	WILLSCOT	3,800.0
Oct-2023	tex	Stonepeak	7,400.0
Oct-2023	GreenSky	SIXTH STREET KKR BAYVIEW CardWorks	500.0
Sep-2023	FLEX FLEET RENTAL	Kaizen AUTOMOTIVE GROUP	--
Jul-2023	NATIONS CAPITAL	Gordon Brothers	--
Jul-2023	PACIFIC WESTERN BANK	BANC OF CALIFORNIA	1,042.4
Dec-2022	stilt Digital Lending Business	JG WENTWORTH	--
Nov-2022	E/evate	PARK CITIES ASSET MANAGEMENT	67.0
Sep-2022	VRG Lending & Finance	CIVISTA BANK	39.0
Sep-2022	CIG FINANCIAL CAPITAL INCENTIVE GROUP	AutoNation	85.0
Sep-2022	BankDirect CAPITAL FINANCE	AFCO	3,400.0

Houlihan Lokey Advised

Key Takeaways

During the first quarter of 2024, transaction volume showed that ongoing growth and sector-related tailwinds, including increasing optimism that the Fed will begin rate cuts, have helped continue its upward trajectory.

Additionally, scaled platforms have a renewed focus on diversifying portfolios/products and increasing technology adoption to streamline workflow, which has led to players looking to grow by acquisition to fulfill key areas of focus.

Continued dislocation in the commercial bank environment creates a tailwind for specialized lenders across different secured and unsecured credit solutions.

Capital Markets Group Update

Overview of Houlihan Lokey's Global Capital Markets Team

Houlihan Lokey's Capital Markets Group comprises ~100 dedicated professionals across 12 offices in six countries that raised and advised on more than ~\$14 billion across approximately 100 transactions with ~65 different financial sponsors in 2023.

Capabilities

Private Capital Solutions

- Placement of solution-oriented capital for a wide range of financing needs.
- Differentiated investor relationships and access to decision-makers.
- High-touch, confidential, targeted process.
- Senior debt to minority equity.

Debt Capital Markets Advisory

- Independent advisor on bank commitments and securities offerings.
- Liability management.
- Ability to act as bookrunner.











Public Equity Capital Markets Advisory

- Independent advisor on public equity offerings.
- Deep market participant connections.

Specialty Finance Expertise

- Deep expertise with respect to consumer and commercial lenders, mortgage finance companies, and specialized asset classes such as debt resolution.
- Cover rated and unrated secured and unsecured debt, preferred equity and other forms of hybrid capital, minority equity, and forward flow transactions.

Featured Financial Services and Structured Credit Transactions

 <p>CENLAR CENTRAL BANK ADMINISTRATION & ENDORSE</p> <p>Non-Cumulative Perpetual Preferred Equity \$30,000,000</p> <p>Exclusive Placement Agent</p>	 <p>JG WENTWORTH a portfolio company of</p> <p>AXAR CAPITAL</p> <p>Term Loan & Delayed Draw Term Loan Refinancing and Growth Capital \$75,000,000</p> <p>Exclusive Placement Agent</p>	 <p>RELAM a portfolio company of</p> <p>PAGELINE</p> <p>Second Lien Term Loan Refinancing</p> <p>Exclusive Placement Agent</p>
 <p>MAXEX has received a strategic equity investment led jointly by</p>  <p>South Street SECURITIES</p> <p>Financial Advisor</p>	 <p>OMNI BRIDGEWAY</p> <p>Omni Bridgeway has completed a debt capital raise of \$525m to refinance its existing debt instruments and to accelerate growth</p> <p>Exclusive Placement Agent</p>	 <p>BAUSCH-Health</p> <p>Non-Recourse Receivables Facility</p> <p>General Corporate Purposes \$600,000,000</p> <p>Exclusive Placement Agent</p>
 <p>FOX POINT TRUCKS</p> <p>Term Loan & Delayed Draw Term Loan Refinancing & Growth Financing \$85,000,000</p> <p>Exclusive Placement Agent</p>	 <p>MFA FINANCIAL, INC.</p> <p>\$500,000,000 Senior Secured Term Loan with Warrants \$1,650,000,000 Asset-Based Term Facility</p> <p>Recapitalization</p> <p>Financial Advisor & Exclusive Placement Agent</p>	 <p>enra Special Finance</p> <p>a portfolio company of</p> <p>Exponent</p> <p>has successfully completed a refinancing transaction</p> <p>Financing Advisor</p>

Tombstones included herein represent transactions closed from 2020 forward.
Sources: LCD PitchBook, CLO Dashboard.

Recent Market Developments—Improving Tone in Private and Public Markets

Private Credit: The market remains robust, with improved pricing and leverage for selected borrowers.

- Market conditions continue to strengthen in Q2 2024 despite rate uncertainty, with top credits pricing at/through SOFR + 500 (vs. ~675 in Q1 2023) and achieving max leverage of 6.5x+.
- High-quality borrowers are also seeing lower OID and better DDTL terms, given increased public market competition.
- More than \$200 billion of capital was raised by private credit funds in 2023, of which one-third was for direct lending, the second largest pocket of capital across private markets.

Public Credit: Public leveraged loan and high-yield bond markets offer compelling execution to selected issuers.

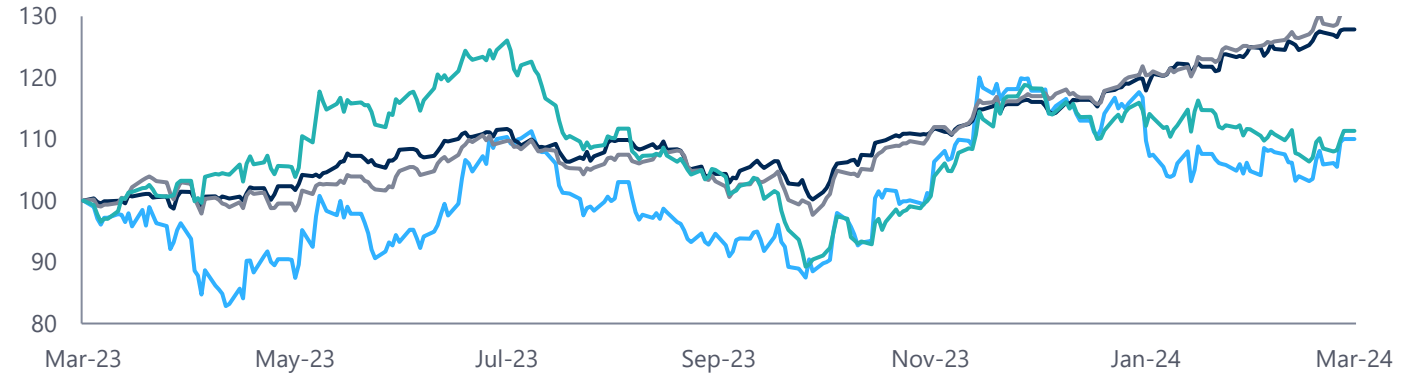
- Despite higher rates, Q1 2024 marked the highest quarterly loan volume since Q1 2021 (third highest in the past 10 years), with ~50% of volume from repricings given tighter spreads.
- Q1 2024 also saw material loan refi activity, including out-of-private markets (e.g., KKR's purchase of a stake in Cotiviti), as well as the highest dividend recap volume since Q3 2021.
- Average single-B new-issue loan spreads were SOFR + 441 in Q1 2024, down ~25% from the Q3 2022 peak, although yields remain ~2.0x 2022 levels and interest coverage appears weak.
- Similarly, the high-yield bond market witnessed a 100%+ increase in volume in Q1 2024 vs. Q1 2023, and average yields fell to a seven-quarter low of 7.73% despite the Fed's hawkish tone.

ABS and CLOs: Markets followed similar trends of robust issuance and spread tightening.

- Consumer and commercial ABS continues to show stable loss and delinquency trends, and appetite for esoteric ABS remains high, with ~\$16 billion issued through mid-February.
- CLO issuance is up ~2.0x YoY, and while spreads widened in March and default rates are elevated (~3%), recent middle-market CLOs priced low-A risk at ~SOFR + 300 and low-IG tranches at ~high-400s to low-500s (~100 bps tighter than Q4 2023).

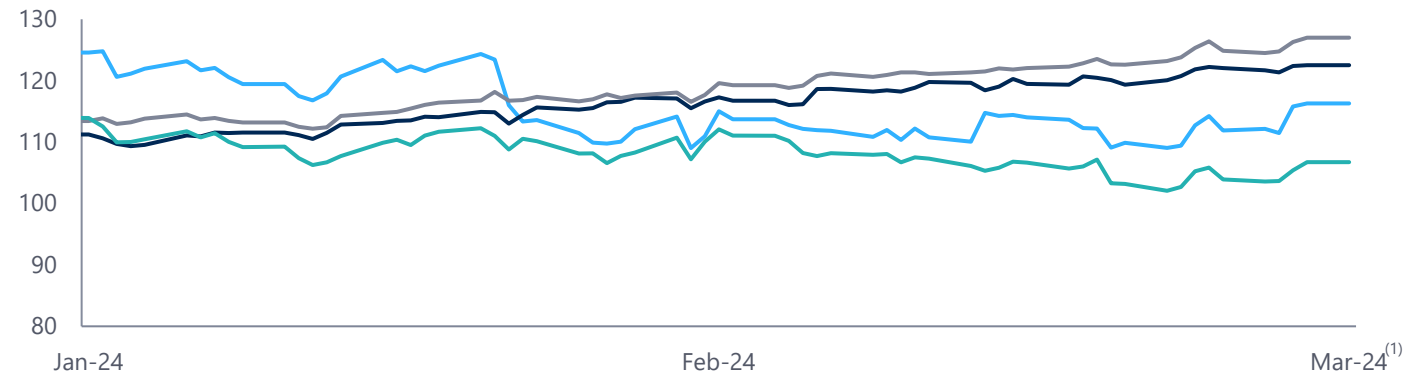
Equity Market Index Performance

LTM March 2024 Performance



S&P 500 Financials Index	31.0%
S&P 500	27.9%
Houlihan Lokey Specialty Finance Index	11.4%
KBW Nasdaq Regional Banking Index	10.0%

Q1 2024 Performance



S&P 500 Financials Index	28.1%
S&P 500	22.5%
KBW Nasdaq Regional Banking Index	18.7%
Houlihan Lokey Specialty Finance Index	7.2%

Key Takeaways

Despite the continued theme of macro-related uncertainty leading into 2024, improved earnings performance has been evident across both commercial and consumer finance.

The Houlihan Lokey Specialty Finance Index is up 11.4% LTM Q1-2024, slightly outperforming the Regional Bank Index, which is up 10.0% during the same period.

The void created by commercial bank environment uncertainty continues to be a market tailwind for commercial and consumer finance companies, creating a massive opportunity to gain origination share.

The broader market has favored scaled platforms with proven underwriting success through credit cycles and diversified products/loan portfolios.

Source: S&P Capital IQ. Data as of March 31, 2024. All share prices rebased to 100.
 (1) The Houlihan Lokey Specialty Finance Index consists of a diversified set of 28 companies across the specialty finance sector. See pages 15 and 16 for a complete list.

Equity Market Index Performance Specialty Finance Subsectors

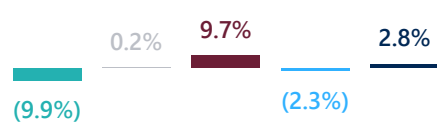
LTM March 2024 Performance by Subsector



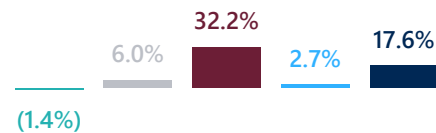
Resilient Market Performance

Public company specialty finance performance has traded mixed throughout the past year; certain consumer-focused lenders have had challenges navigating the difficult macroeconomic landscape, while commercial-focused underwriters have benefited from lending to clients with a more stable asset base.

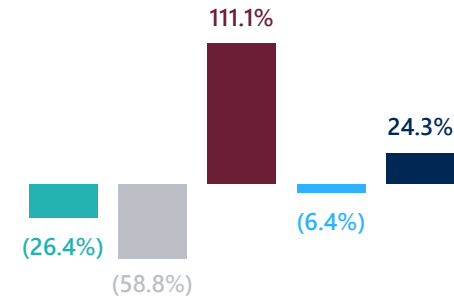
Monthly Performance



Six-Month Performance

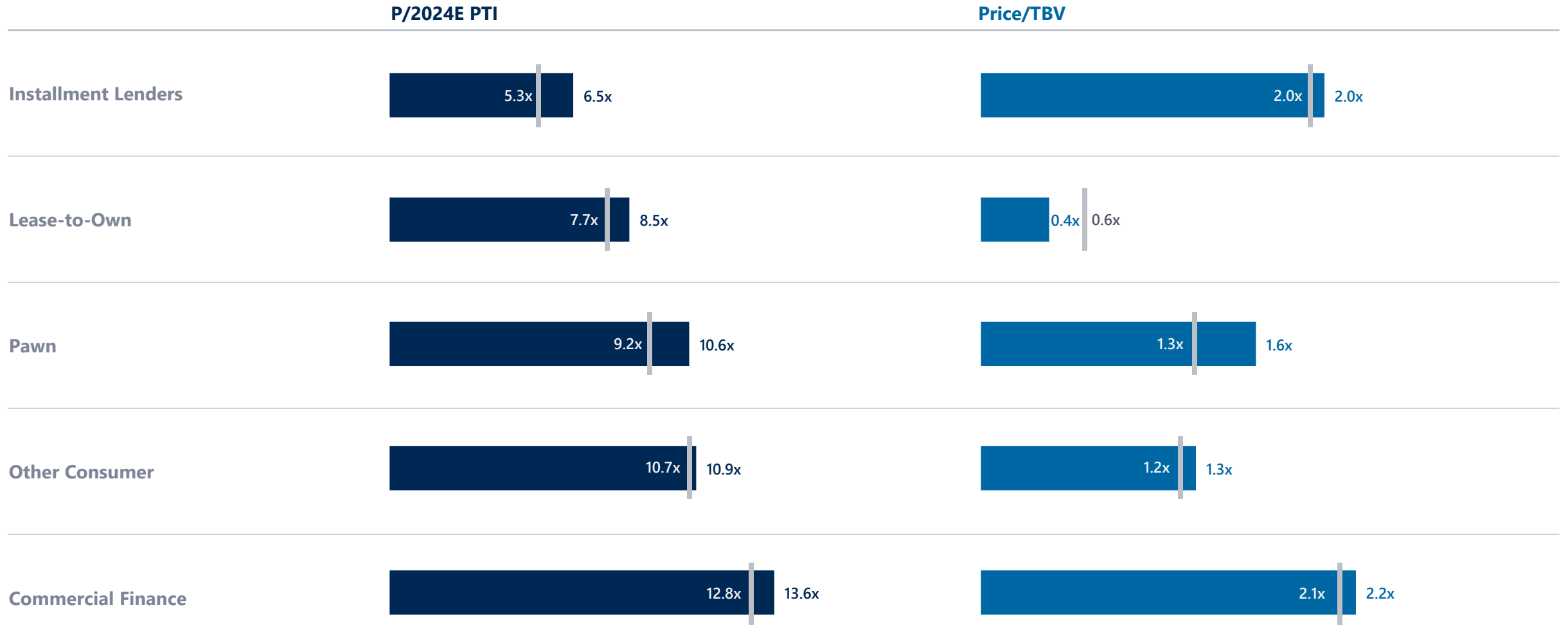


Three-Year Performance



Source: S&P Capital IQ. Data as of March 31, 2024. All share prices rebased to 100.

Public Company Valuations



Data as of January 31, 2024 (Previous Newsletter Date)

Source: S&P Capital IQ. Data as of March 31, 2024.

Public Comparables

Specialty Finance

(\$ in Millions, Except per-Share Prices)

		Market	P/Pre-Tax		P/E		Price	2023A–2025E CAGR		Pre-Tax Margin		LTM
As of 3/31/24		Capitalization	2023A	2024E	2023A	2024E	TBV	Revenue	Pre-Tax	2023A	2024E	ROE
Installment Lenders	OneMain Holdings, Inc.	\$6,118.8	7.3x	6.9x	9.5x	9.1x	4.1x	37.0%	23.4%	32.8%	19.5%	20.7%
	goeasy Ltd.	1,969.3	7.7x	7.0x	10.5x	9.2x	3.5x	47.3%	11.9%	45.1%	25.5%	25.8%
	Enova International, Inc.	1,727.0	7.6x	6.1x	9.9x	7.6x	2.0x	N/M	18.5%	22.0%	11.6%	14.4%
	LendingClub Corp.	970.5	17.8x	27.7x	24.9x	N/M	0.9x	(11.4%)	43.4%	4.8%	4.9%	3.2%
	World Acceptance Corp.	825.2	10.0x	N/A	12.3x	11.3x	2.3x	N/M	N/M	14.3%	0.0%	17.5%
	OppFi Inc.	274.0	6.6x	4.7x	N/M	5.8x	N/M	N/M	23.2%	18.5%	11.1%	22.4%
	Regional Management Corp.	236.3	11.4x	4.7x	14.8x	6.3x	0.8x	8.4%	N/M	3.9%	8.5%	5.1%
	Oportun Financial Corp.	84.0	N/M	N/M	N/M	N/M	0.3x	11.8%	N/M	N/M	N/M	(37.8%)
Median			7.7x	6.5x	11.4x	8.3x	2.0x	11.8%	23.2%	18.5%	11.1%	15.9%
Mean			9.8x	9.5x	13.7x	8.2x	2.0x	18.6%	24.1%	20.2%	11.6%	8.9%
Lease-to-Own	Upbound Group, Inc.	\$1,916.0	36.2x	7.0x	N/M	9.1x	N/M	3.9%	N/M	1.3%	6.6%	(1.0%)
	PROG Holdings, Inc.	1,504.6	7.7x	10.0x	10.8x	12.2x	N/M	0.6%	(6.0%)	8.1%	6.5%	23.9%
	The Aaron's Company, Inc.	\$229.7	N/M	N/M	N/M	N/M	0.6x	0.9%	N/A	N/M	N/M	0.4%
	Conn's, Inc.	82.2	N/M	N/M	N/M	N/M	0.2x	27.8%	N/A	N/M	N/M	(15.4%)
	Katapult Holdings, Inc.	\$47.5	N/M	N/M	N/M	N/M	N/M	13.6%	N/M	N/M	N/M	N/M
	FlexShopper, Inc.	32.3	N/M	N/M	N/M	N/M	14.0x	N/M	21.6%	N/A	N/M	N/M
Median			22.0x	8.5x	10.8x	12.2x	0.4x	8.8%	(6.0%)	4.7%	6.6%	(1.0%)
Mean			22.0x	8.5x	10.8x	11.7x	0.4x	11.4%	(6.0%)	4.7%	6.6%	(1.2%)
Pawn	FirstCash Holdings, Inc.	\$5,753.1	19.6x	15.7x	26.2x	18.5x	N/M	9.3%	21.1%	9.3%	10.5%	11.3%
	EZCORP, Inc.	624.9	9.6x	5.5x	12.5x	7.5x	1.6x	7.3%	41.3%	6.0%	9.6%	6.8%
	Median		14.6x	10.6x	19.3x	13.0x	1.6x	8.3%	31.2%	7.6%	10.0%	9.0%
Mean		14.6x	10.6x	19.3x	13.0x	1.6x	8.3%	31.2%	7.6%	10.0%	9.0%	
Other Consumer	Navient Corp.	\$1,961.8	6.3x	6.3x	8.6x	8.3x	1.0x	(25.4%)	(6.2%)	27.1%	43.7%	7.9%
	Nelnet, Inc.	3,506.0	47.3x	N/A	N/M	18.6x	1.1x	13.3%	N/M	6.3%	N/M	1.7%
	Credit Acceptance Corp.	\$6,785.7	18.5x	10.9x	23.7x	13.2x	3.9x	N/M	38.1%	40.9%	29.4%	16.9%
	Encore Capital Group, Inc.	1,073.9	N/M	5.6x	N/M	7.7x	3.3x	15.2%	N/A	N/M	13.7%	(19.5%)
	PRA Group, Inc.	\$1,023.6	N/M	N/M	N/M	N/M	1.4x	14.9%	N/A	N/M	3.6%	(5.3%)
	ECN Capital Corp.	432.1	N/M	11.7x	N/M	10.8x	N/M	N/M	N/A	N/M	17.4%	(53.0%)
	America's Car-Mart, Inc.	\$408.3	N/M	30.0x	N/M	N/M	0.8x	(1.0%)	N/A	N/M	0.9%	(6.2%)
Median			18.5x	10.9x	16.2x	10.8x	1.3x	13.3%	16.0%	27.1%	15.5%	(5.3%)
Mean			24.0x	12.9x	16.2x	11.7x	1.9x	3.4%	16.0%	24.8%	18.1%	(8.2%)

Source: S&P Capital IQ. Data as of March 31, 2024.

Public Comparables (cont.)

Specialty Finance

(\$ in Millions, Except per-Share Prices)

	Market	P/Pre-Tax		P/E		Price	2023A–2025E CAGR		Pre-Tax Margin		LTM	
		Capitalization	2023A	2024E	2023A		2024E	TBV	Revenue	Pre-Tax	2023A	2024E
As of 3/31/24												
Commercial Finance	Air Lease Corp.	\$5,728.7	7.6x	8.3x	9.3x	9.3x	0.8x	8.1%	3.2%	28.1%	24.0%	8.9%
	Element Fleet Management Corp.	6,291.1	13.7x	12.5x	17.8x	15.1x	5.4x	(14.5%)	9.4%	30.4%	48.9%	12.3%
	GATX Corp.	\$4,763.2	15.0x	14.7x	18.4x	17.6x	2.2x	7.3%	3.5%	22.5%	21.0%	12.0%
	McGrath RentCorp	3,022.1	20.2x	17.0x	17.3x	22.8x	5.5x	4.5%	16.1%	18.0%	20.8%	12.9%
	Chesswood Group Ltd.	\$98.4	N/M	N/M	N/M	N/M	1.1x	N/M	N/A	N/M	N/M	(15.8%)
Median			14.4x	13.6x	17.6x	16.3x	2.2x	5.9%	6.4%	25.3%	22.5%	12.0%
Mean			14.1x	13.1x	15.7x	16.2x	3.0x	1.3%	8.0%	24.7%	28.7%	6.1%
Overall Median			10.7x	8.3x	12.5x	10.1x	1.4x	8.2%	17.3%	18.2%	11.6%	6.8%
Overall Mean			15.0x	11.2x	15.1x	11.7x	2.0x	9.1%	17.2%	18.8%	16.1%	2.1%

Source: S&P Capital IQ. Data as of March 31, 2024.

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