

A low-angle, upward-looking photograph of several modern skyscrapers against a clear blue sky. The buildings are made of glass and steel, with some windows reflecting the sky. The perspective creates a sense of height and scale.

Houlihan
Lokey

Specialty Finance Market Update

Q3 2024

About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) 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+
Restructuring Transactions
Completed Valued at More Than \$3.5
Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

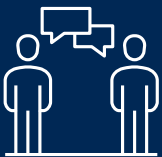
1999 to 2023 Global M&A
Fairness Advisory Rankings

	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

323

Managing
Directors⁽¹⁾

2,000+

Clients Served
Annually

\$12B

Market
Cap⁽²⁾

\$2.1B

Annual
Revenue⁽³⁾

AMERICAS

Atlanta
Baltimore
Boston
Charlotte
Chicago
Dallas
Houston

Los Angeles
Miami
Minneapolis
New York
San Francisco
São Paulo
Washington, D.C.

EUROPE AND MIDDLE EAST

Amsterdam
Antwerp
Dubai
Frankfurt
London
Madrid
Manchester

Milan
Munich
Paris
Stockholm
Tel Aviv
Zurich

ASIA- PACIFIC

Beijing
Fukuoka
Gurugram
Hong Kong SAR
Mumbai

Shanghai
Singapore
Sydney
Tokyo

(1) As of September 30, 2024.

(2) As of October 31, 2024.

(3) LTM ended September 30, 2024.

Fully Integrated Financial Sponsor Coverage

30

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

1,300+

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

800+

Companies sold to financial sponsors over the past five years.



About Our Financial Services 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 confirmed a "prepackaged" Chapter 11 Plan of Reorganization, restructuring approximately \$1.2 billion of prepetition funded corporate-level debt and addressing approximately \$900 million of prepetition SPV debt

Secured Creditor Advisor

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

Buy-side Advisor

a portfolio company of

Adelis Equity

has been acquired by

Cinven

Sellside Advisor

has been acquired by

ELLIOTT ADVISORS LLC LIMITED

Sellside Advisor

has been acquired by

INTEGRITY MARKETING GROUP

Sellside Advisor

has been acquired by

First Eagle Investments

Sellside Advisor

a portfolio company of a fund managed by

WATERFALL CAPITAL INVESTMENTS

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

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

Waller Helms Acquisition



Houlihan Lokey

WHA

Waller Helms Advisors

We at Houlihan Lokey are thrilled to announce our pending acquisition of Waller Helms Advisors, a move that will enhance our capabilities in the insurance and wealth management sectors by expanding our expertise and resources. We are excited to welcome a talented team of 50 professionals, including 13 Managing Directors, from Waller Helms Advisors. On a pro forma basis, and according to data from LSEG, the new combined group now ranks as the No. 1 advisor for all global M&A transactions in 2023 in the insurance sector; the asset management sector, including wealth management; and the financial services sector, excluding depositories. The shared cultural values and client-first ethos between our firms promise to deliver superior client outcomes and reinforce our dedication to deep sector expertise and collaborative success.

The deal is expected to be completed before December 31, 2024, following regulatory approvals.



Read More



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.

2014–2023 M&A Advisory Rankings
All U.S. Specialty Finance Transactions

	Advisor	Deals
1	Houlihan Lokey	73
2	JP Morgan Securities	41
3	UBS Investment Bank	33
3	Piper Sandler & Co	33
5	Hovde Group	30

Source: S&P Global Market Intelligence.

Tombstones included herein represent transactions closed from 2019 forward.

Featured Transactions

has confirmed a "prepackaged" Chapter 11 Plan of Reorganization, restructuring approximately \$1.2 billion of prepetition funded corporate-level debt and addressing approximately \$800 million of prepetition SPV debt

Secured Creditor Advisor

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 Asset Management

and YRP 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

FUYO LEASE FUYO GENERAL LEASE CO., LTD.

Sellside Advisor

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.

Request a Meeting

Learn More About Us



A vertical strip on the left side of the page features a dark background with several financial charts. At the top, a blue line chart with a white moving average is visible. Below it, a yellow line chart is shown. At the bottom, a candlestick chart with green and red bars is displayed, along with a yellow line chart.

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Introduction Specialty Finance Market Update

We are pleased to present our Specialty Finance Market Update for Q3 2024. The commercial and consumer finance sectors continue to undergo fundamental change, further accelerated by recent rate cuts (and expected incremental cuts), widespread existing opportunities, and appetite from institutional relationships.

As we move into the second half of 2024, compelling entry points exist for companies seeking to allocate to the asset class. Sponsors' record levels of capital/commitments and increasing urgency to deploy aging dry powder have driven innovative deal structures and favorable valuations.

The specialty finance industry is navigating a period of profound transformation, marked by significant shifts, including traditional financing retrenchment. Asset-based finance (ABF) is becoming an exceedingly critical funding source for SME commercial businesses and consumers seeking flexible capital across a broad range of sectors.

Funding/growth capital within the industry remains robust, with larger allocations from institutional capital providers seeking more aggressive credit risk/return strategies that specialty finance lenders target. Strategically constructed portfolios can deliver attractive income streams and yield higher returns. Additionally, highly specialized managers with the expertise to accurately price underlying collateral (inventory, receivables, equipment, etc.) continue to be the preferred avenues for capital providers looking to diversify away from single-name corporate risk.

Following recent U.S. monetary policy adjustments, including a significant pivot from the Federal Reserve to lower the federal funds target rate by 50 bps, and increasing speculation around additional cuts, specialty finance M&A continued to grow over Q3 2024 with further consolidation expected. Primary acquisition rationale will include companies looking to broaden offerings, diversify portfolio holdings, and accelerate scale. Operators also remain focused on efficiency through automation, integration, and renewed underwriting criteria.

In the public markets, specialty finance companies have underperformed broader indices, although they have seen a dramatic turnaround from the previous quarter. Most notably, the consumer segment is seeing impressive data suggesting NCOs have peaked or are near peak with a deceleration in delinquencies as consumers self-regulate spending.

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.



Financial and Valuation Advisory **Asset-Based Finance Update**

Despite the market for broadly syndicated loans (BSLs) rebounding during fiscal year 2024, private credit markets—more specifically, the ABF or specialty finance markets—continue to benefit from robust market demand. Over the past five years, specialty finance markets have nearly doubled, raising an estimated \$2.5 trillion, and are expected to more than double again to reach an estimated market size of ~\$7 trillion by 2028, with the growth prospects mostly in the ABF space. This projected growth is being driven by a demand for investments from institutional investors, including pension funds, insurance companies, endowments, sovereign wealth funds, and banks, such as Wells Fargo and Citi. While previously investing in the public debt markets, these investors have had difficulty generating the returns needed to meet their liabilities and have increased investment allocations to ABF.

Whereas investments in the direct lending markets are primarily made to below-investment-grade corporations, the ABF market is largely investment-grade rated debt instruments and generally collateralized by pools of residential or commercial real estate assets, portfolios of consumer loans, hard assets, and/or other fixed income investments. ABF structures offer investors several benefits, including attractive risk-adjusted returns, structural protection, portfolio diversification, and low correlation to the broader capital markets. Additionally, as public securitization markets have recently experienced dislocation, partly due to rising interest rates and economic uncertainty, Houlihan Lokey has seen such dislocation be a catalyst for asset sponsors to diversify their financing channels.

ABF solutions require some degree of expertise, limiting the number of solution providers. With the influx of capital to ABF markets and the curated relationships structurers have with their asset sponsors, Houlihan Lokey has seen a wide range of constructs, albeit rooted around the following themes:

- i. Joint ventures/equity investments in portfolio companies with financing through investment-grade ABF structures.
- ii. Rated note feeder investments into master funds managed by direct lenders and other asset managers.
- iii. Pro rata interests from bank lending facilities allowing banks to free up capital and diversify their exposure.

Momentum in the ABF market is expected to experience continued growth, as reported by some of the largest asset managers in the space today like Apollo, KKR, BlueOwl, Castlake (Brookfield), and Blackstone. This growth could also launch a myriad of capital markets partnerships, services, and financing tools to satisfy investor demand and asset sponsor needs.

Sources: Global Monitoring Report on Non-Bank Financial Intermediation, Financial Stability Board (2013, 2018 data); Integer Advisors (2023 and 2028 estimate); Preqin and S&P Global

Featured Transactions Executed by Houlihan Lokey's Specialty Finance Team

Navient Has Sold Xtend Healthcare to CorroHelath



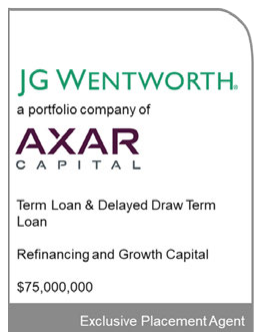
Xtend Healthcare, a subsidiary of Navient, a loan management and processing and business solutions firm, was acquired by CorroHealth, a portfolio company of Carlyle, on September 19, 2024, for \$365 million.

Xtend Healthcare provides specialized, tech-enabled RCM solutions to enhance the financial success of leading health systems, including hospitals and affiliated physician groups. Leveraging its proprietary technology platform, Xtend Healthcare offers a full suite of RCM services ranging from discrete point solutions to end-to-end outsourcing engagements.

Houlihan Lokey served as the exclusive finance advisor to Navient.

Closed September 19, 2024

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



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.

Closed September 7, 2023

CURO Group Holdings Has Emerged From Chapter 11 Bankruptcy



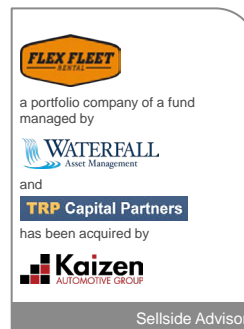
CURO Group Holdings Corp. (CURO) announced its financial restructuring on July 19, 2024, through a prepackaged Chapter 11 plan of reorganization.

CURO is an omnichannel consumer finance company serving a full spectrum of nonprime, near-prime, and prime consumers in portions of the United States and Canada. CURO provides alternative access to credit for its customers, providing them the ability to apply for, update, and manage their loans.

Houlihan Lokey served as the financial advisor to an ad hoc group of prepetition-secured creditors, leading the structuring and negotiation of \$70 million of committed new money DIP-to-exit financing and the restructuring of approximately \$2.1 billion of aggregate prepetition-funded debt.

Emerging From Chapter 11
on July 19, 2024

Flex Fleet Rental Has Been Acquired by Kaizen Automotive Group



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.

Closed September 1, 2023

Featured Sector News

Recent developments in the specialty finance segment, including acquisitions, refinancings, strategic partnerships, and new product integration.

Date	Company	Description	Article Link
09/27/2024		Citigroup and Apollo have entered a landmark partnership to establish a \$25 billion private credit program in North America, potentially expanding globally. This initiative aims to enhance access to private lending, meeting evolving client needs efficiently.	Read More
09/19/2024		Fundbox has secured a new credit facility with Cross River and Waterfall Asset Management, boosting its annual origination capacity to \$2 billion. This partnership supports Fundbox's mission to provide SMBs with necessary working capital, leveraging cutting-edge technology for embedded finance solutions.	Read More
09/18/2024		McGrath RentCorp has announced the termination of its merger with WillScot Holdings, receiving a \$180 million fee. McGrath RentCorp will focus on modular storage growth and shareholder value, increasing its stock repurchase plan to 2 million shares.	Read More
09/05/2024		Drip Capital has recently secured \$113 million in funding—\$23 million from Japanese investors and \$90 million in debt from IFC and East West Bank—to expand lending to SMBs globally, enhance product offerings, and employ AI for risk analysis.	Read More
08/21/2024		United Leasing & Finance has secured a \$125 million revolving credit facility and a \$300 million warehouse facility to enhance its equipment financing capabilities. Bank of America led the financing arrangement, with U.S. Bank and Truist Bank as additional lenders.	Read More
08/20/2024		EverBank has launched its Asset-Backed Finance division, merging fund finance with specialty and lender finance. Led by Jeff Johnston, Asset-Backed Finance is focused on structured lending for asset classes like fund finance and private credit.	Read More
08/13/2024		Navient has agreed to sell its Healthcare Services business, Xtend Healthcare, to CorroHealth for \$365 million. Approximately 950 employees will transition to CorroHealth, which will continue to operate Xtend Healthcare from Hendersonville, Tennessee, following the closure of the deal.	Read More
08/09/2024		Chesswood Group has sold its interests in Vault Credit and Vault Home Credit to HB Leaseco Holdings for C\$60 million to reduce debt. This move, part of Chesswood's credit facility action plan, aims to address covenant compliance issues.	Read More
08/01/2024		OppFi has acquired a 35% equity stake in Bitty Advance, providing an entry into small business financing. OppFi can increase its ownership in Bitty in the coming years, aiming to leverage its expertise to scale Bitty's digital platform in the \$550 billion nonbank lending market for small businesses.	Read More
07/30/2024		REV Capital has unveiled a new market strategy to enhance commercial finance solutions in North America, including transitioning its U.S. transportation portfolio to Love's Solutions. Known for cash flow management and client-centric service, REV Capital aims to expand in high-potential markets.	Read More

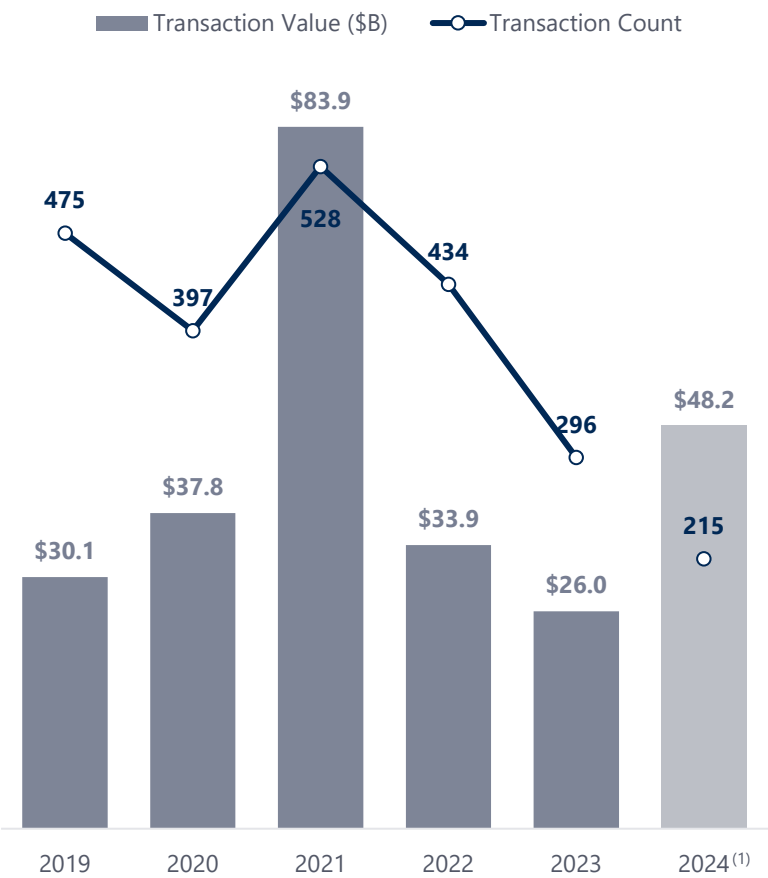
Sources: Company websites, press releases.

Houlihan Lokey Advised



Additional Specialty Finance M&A Highlights

Transaction Value and Deal Volume



Source: S&P Capital IQ.
(1) Data as of September 30, 2024; YTD 2024 transaction value largely fueled due to Capital One acquisition of Discover in an all-stock transaction valued at \$35.3 billion.

Notable Transactions

Date	Target	Acquirer	Deal Value \$M
Sep-2024	BEEQUIP MKB EQUIPMENT LEASE	APOLLO	--
Aug-2024	SOLERA Auto Finance	Obra CAPITAL	--
Aug-2024	VAULT	HB Leaseco Holdings	44
Jun-2024	Funding Circle	iBUSINESS Funding	--
Jun-2024	Aaron's	IQ VENTURES™	504
Apr-2024	OCS Oakmont Capital Services	JA MITSUI LEASING	--
Feb-2024	DISCOVER™	Capital One	35,300
Nov-2023	Foursight CAPITAL	OneMain Financial	115
Oct-2023	tex	Stonepeak	7,400
Oct-2023	GreenSky™	SIXTH STREET K K R BAYVIEW CardWorks	500
Sept-2023	FLEX FLEET RENTAL	Kaizen AUTOMOTIVE GROUP	--
Jul-2023	NATIONS CAPITAL	Gordon Brothers	--

Houlihan Lokey Advised

Key Takeaways

Specialty finance transaction deal volume in Q3 2024 increased marginally as compared to the previous quarter, while LTM transaction value has more than doubled YoY.

Major players have focused on enhancing their technology stack and diversifying product streams through M&A, further fortifying their value proposition and realigning services with client needs. Bank retrenchment also continues to provide ample opportunity for alternative lenders to fill the void.

With speculation of additional rate cuts in the final quarter of 2024, M&A activity is expected to burgeon. Banks are seeking transformational transactions, nonbank lenders are pursuing scale in a crowded market, and record-high levels of dry powder sitting on the sidelines are set to be used.

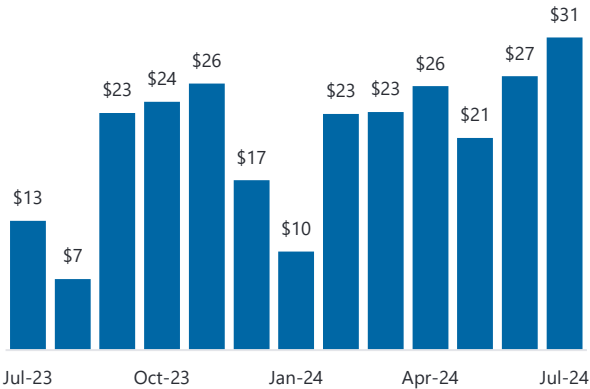


U.S. Direct Lending Market Update

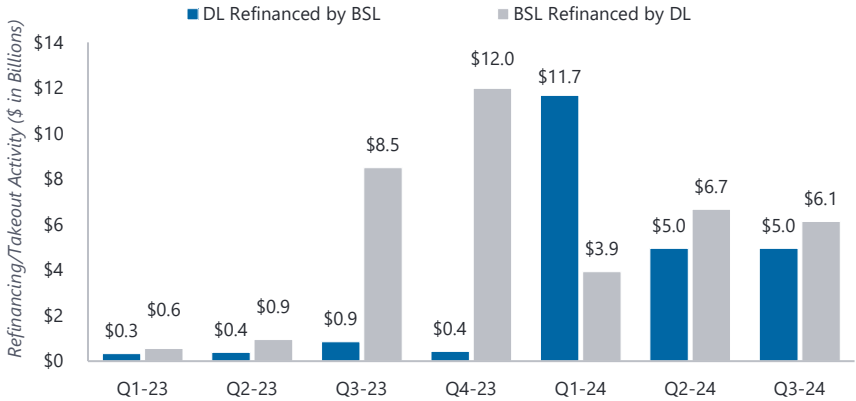
Direct lending volumes are on pace to hit record levels in 2024 driven by refinancing and LBO volumes.

Direct Lending Volume

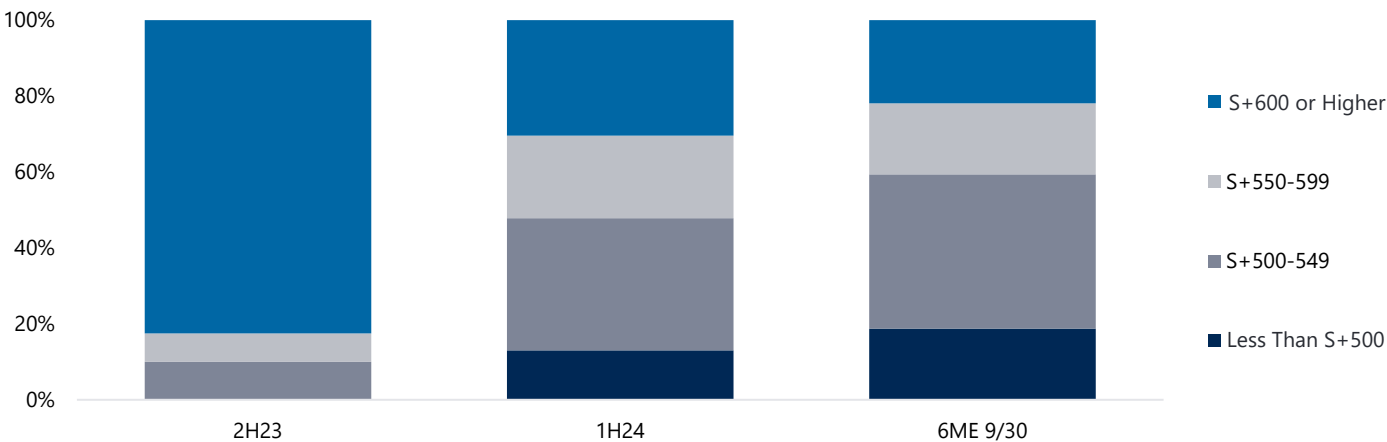
(\$ in Billions)



Broadly Syndicated and Direct Lending Takeouts⁽¹⁾



Distribution of Spreads for New-Issue Sponsored Direct Lending Activity⁽¹⁾



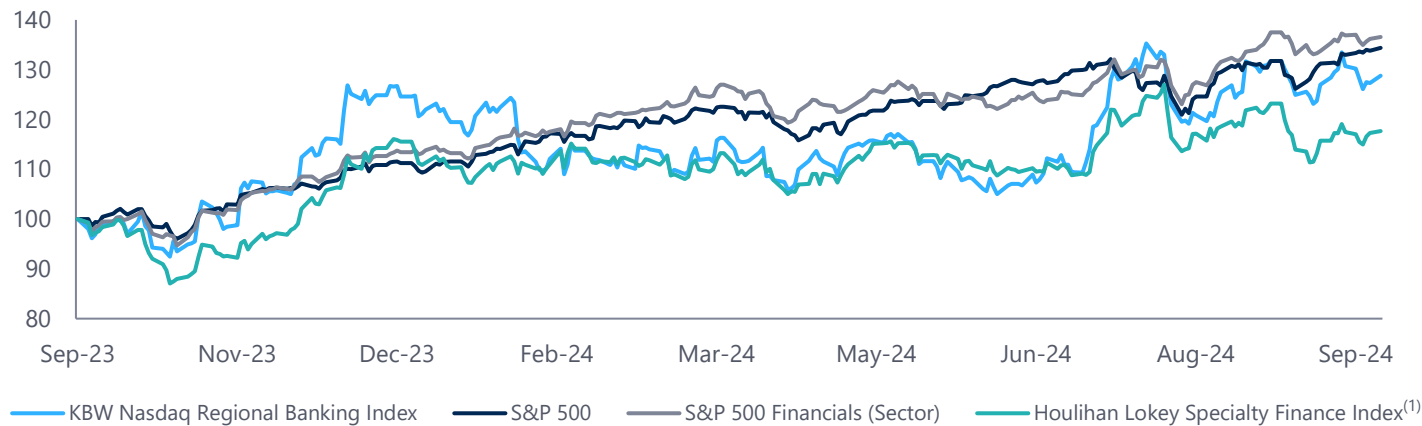
Key Takeaways

- Private credit has provided borrowers greater certainty of execution, clarity on pricing, increased flexibility, and customization in transaction terms than the public credit markets.
- According to KBRA DLD Private Data, direct lending volumes have surpassed \$230 billion year-to-date, overtaking last year's annual record of \$146 billion.
- Opportunistic refinancings dominated the first half of 2024; however, the market has seen LBO volumes show incremental improvement and are now poised to hit new annual highs.
- Private jumbo loan volume year-to-date has climbed to \$77 billion, with full-year volume expected to reach \$100 billion vs. ~\$50 billion for all of 2023.
- Refinancing activity in the public and private debt markets has reached a better balance in Q3 2024, following significant fluctuations in late 2023 and early 2024.
- Increased competition has resulted in more favorable deal terms for borrowers, with the share of senior secured and unitranche deals priced below S+500bps rising from 0% in 2H 2023 to 19% in the six months ending September 30, 2024.

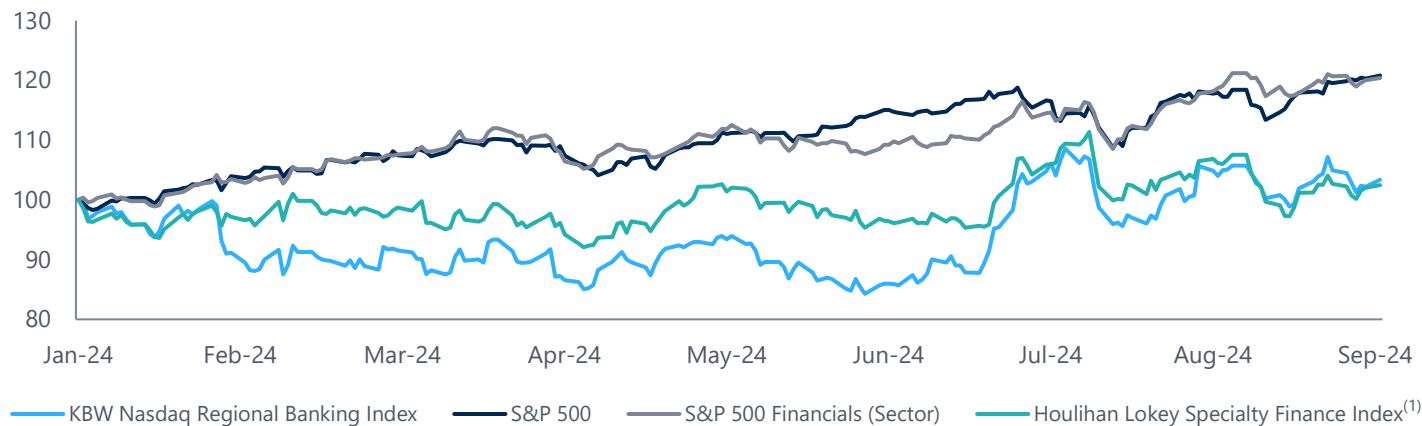


Equity Market Index Performance

LTM September 2024 Performance



YTD 2024 Performance



Key Takeaways

Positive macroeconomic factors, including the moderation of inflation and recent adjustments to central bank policy, have led to a general upswing in public equities.

The Houlihan Lokey Specialty Finance Index is up 17.7% LTM Q3 2024, largely underperforming the Regional Bank Index, which is up 28.8% during the same period.

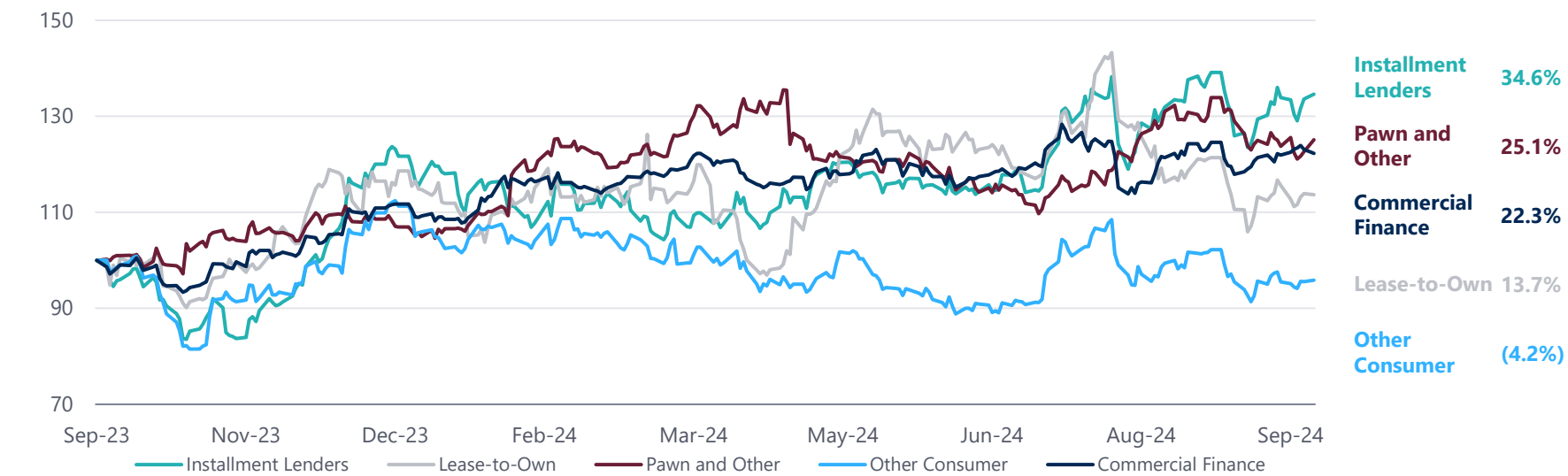
Regional banks are still experiencing sector dislocation, albeit closing out 2024 with a renewed focus on expense reductions and liquidity—boding well with investors.

The market will continue to look favorably upon experienced management teams with proven business models, strict underwriting criteria, and diversified portfolios. Additionally, public lenders with exposure to bad credit quality may benefit from expected incremental rate cuts over the next few months.

Source: S&P Capital IQ. Data as of September 30, 2024. All share prices rebased to 100.
(1) The Houlihan Lokey Specialty Finance Index consists of a diversified set of 25 companies across the specialty finance sector. See pages 16 and 17 for a complete list.

Equity Market Index Performance Specialty Finance Subsectors

LTM September 2024 Performance by Subsector

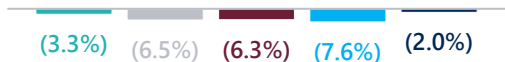


Market Performance

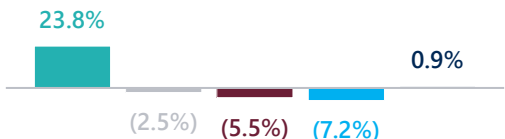
Public specialty finance stock performance traded mixed throughout the past 12 months, with installment lenders, pawn and other lenders, and commercial finance indices strongly outperforming other subsectors.

A few notable delistings occurred in Q3 2024: CURO Group Holdings (NYSE:CURO), an installment lender, was delisted from the New York Stock Exchange, and Conn’s, Inc. (NASDAQ:CONN), a furniture and home appliance retailer and consumer finance company, was delisted from Nasdaq.

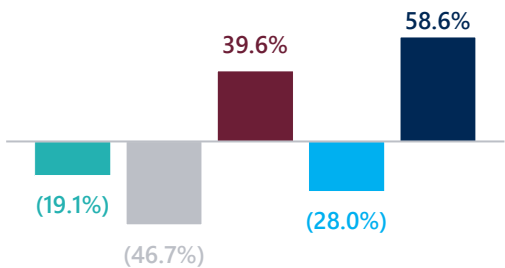
Monthly Performance



Six-Month Performance

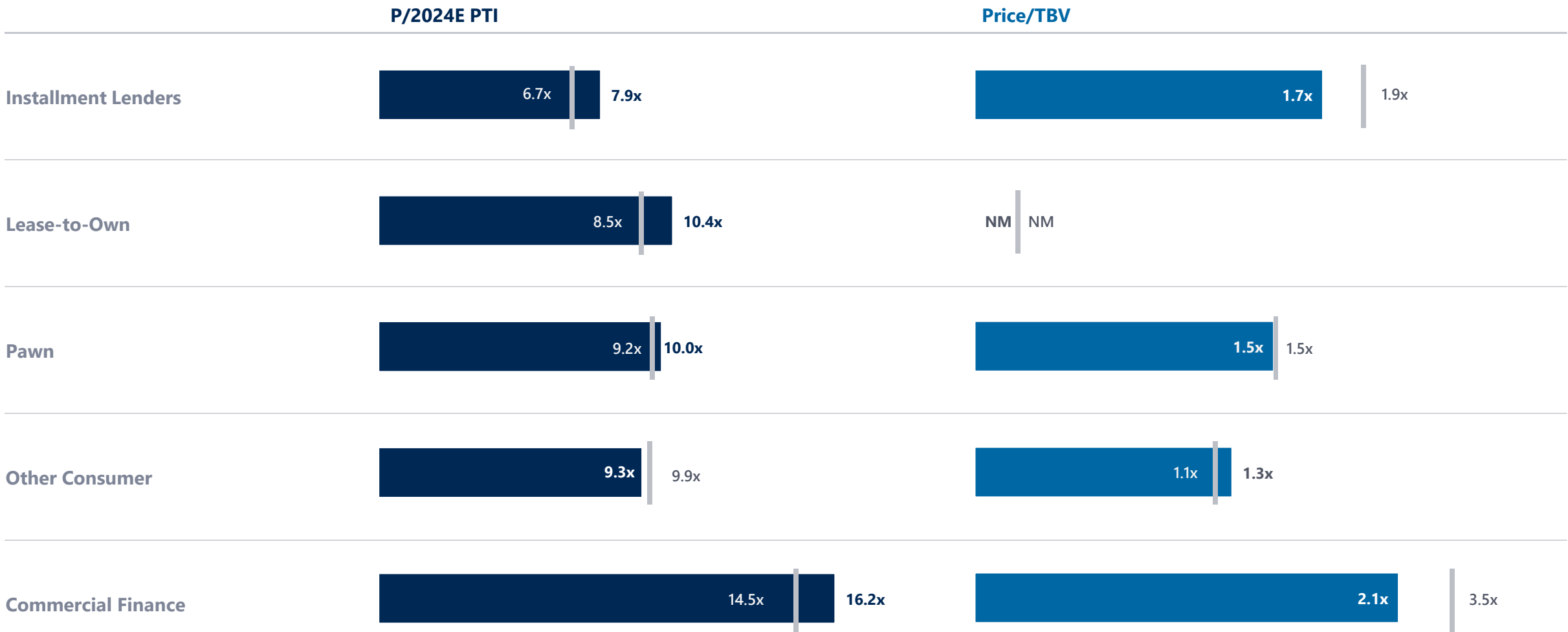


Three-Year Performance



Source: S&P Capital IQ. Data as of September 30, 2024. All share prices rebased to 100.

Public Company Valuations



Data as of June 30, 2024 (Previous Newsletter Date)

Source: S&P Capital IQ. Data as of September 30, 2024.

Public Comparables

Specialty Finance

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

		Market	P/Pre-Tax		P/E		Price	2023A–2025E CAGR		Pre-Tax Margin		Previous P/Pre-Tax	Previous P/TBV	LTM
		Capitalization	2023A	2024E	2023A	2024E	TBV	Revenue	Pre-Tax	2023A	2024E	2024E	TBV	ROE
As of 9/30/24														
Installment Lenders	OneMain Holdings, Inc.	\$5,637.6	6.7x	9.1x	8.8x	9.6x	3.7x	38.6%	6.6%	32.8%	15.4%	7.1x	3.9x	17.4%
	goeasy Ltd.	3,040.0	9.0x	7.9x	12.3x	10.6x	3.8x	N/M	18.0%	45.1%	24.5%	8.6x	4.4x	25.3%
	Enova International, Inc.	2,211.8	9.7x	7.8x	12.6x	8.9x	2.6x	N/M	22.8%	22.0%	10.0%	6.2x	2.0x	14.8%
	LendingClub Corp.	1,278.1	23.4x	21.7x	N/M	24.5x	1.2x	(9.4%)	N/M	4.8%	8.7%	22.7x	0.9x	4.1%
	World Acceptance Corp.	647.4	7.8x	N/A	9.7x	8.8x	1.7x	(1.3%)	N/M	14.4%	0.0%	N/A	1.9x	20.3%
	OppFi Inc.	518.4	12.4x	6.8x	N/M	8.6x	N/M	N/M	36.2%	18.5%	14.7%	1.1x	6.5x	29.2%
	Regional Management Corp.	332.2	16.0x	5.7x	20.8x	7.7x	1.0x	8.1%	N/M	3.9%	9.8%	4.9x	0.9x	7.5%
	Oportun Financial Corp.	100.4	N/M	N/M	N/M	9.7x	0.4x	7.0%	N/A	N/M	N/M	N/M	0.4x	(29.6%)
Median			9.7x	7.9x	12.3x	9.3x	1.7x	7.0%	20.4%	18.5%	10.0%	6.7x	1.9x	16.1%
Mean			12.2x	9.8x	12.8x	11.1x	2.1x	8.6%	20.9%	20.2%	11.9%	8.4x	2.6x	11.1%
Lease-to-Own	PROG Holdings, Inc.	\$2,052.2	10.5x	12.5x	14.8x	14.0x	N/M	4.1%	4.6%	8.1%	6.7%	10.1x	N/M	25.8%
	Upbound Group, Inc.	1,749.4	33.1x	8.4x	N/M	8.2x	N/M	5.9%	N/M	1.3%	4.4%	6.8x	N/M	13.4%
	Katapult Holdings, Inc.	43.3	N/M	N/M	N/M	N/A	N/M	9.6%	N/A	N/M	N/M	N/M	N/M	N/M
	FlexShopper, Inc.	22.2	N/M	N/M	N/M	N/M	N/M	16.1%	N/A	N/M	N/M	N/M	N/M	(1.9%)
Median			21.8x	10.4x	14.8x	11.1x	N/M	7.7%	4.6%	4.7%	5.6%	8.5x	N/M	13.4%
Mean			21.8x	10.4x	14.8x	11.1x	N/M	8.9%	4.6%	4.7%	5.6%	8.5x	N/M	12.4%
Pawn	FirstCash Holdings, Inc.	\$5,137.6	17.5x	14.6x	23.4x	17.3x	N/M	6.5%	20.0%	9.3%	10.2%	13.4x	N/M	12.5%
	EZCORP, Inc.	613.6	9.5x	5.5x	12.2x	7.2x	1.5x	7.3%	40.2%	6.0%	9.6%	5.0x	1.5x	10.1%
Median			13.5x	10.0x	17.8x	12.3x	1.5x	6.9%	30.1%	7.6%	9.9%	9.2x	1.5x	11.3%
Mean			13.5x	10.0x	17.8x	12.3x	1.5x	6.9%	30.1%	7.6%	9.9%	9.2x	1.5x	11.3%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of September 30, 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		Previous P/Pre-Tax	Previous P/TBV	LTM
		Capitalization	2023A	2024E	2023A	2024E	TBV	Revenue	Pre-Tax	2023A	2024E	2024E	TBV	ROE
As of 9/30/24														
Other Consumer	Credit Acceptance Corp.	\$5,370.3	14.6x	17.1x	18.8x	16.8x	3.3x	N/M	26.6%	40.9%	13.1%	11.3x	3.6x	11.3%
	Nelnet, Inc.	4,106.4	55.4x	N/A	N/M	19.3x	1.3x	10.4%	N/M	6.3%	N/M	N/A	1.2x	4.0%
	Navient Corp.	1,705.7	5.4x	6.1x	7.5x	9.3x	0.8x	(31.6%)	(18.4%)	27.1%	31.5%	6.2x	0.8x	2.8%
	Encore Capital Group, Inc.	1,119.9	N/M	6.2x	N/M	8.0x	3.2x	14.5%	N/A	N/M	12.7%	5.4x	3.0x	(17.6%)
	PRA Group, Inc.	881.4	N/M	N/M	N/M	15.3x	1.2x	18.9%	N/A	N/M	8.1%	11.0x	1.1x	4.8%
	ECN Capital Corp.	618.5	N/M	12.5x	N/M	22.2x	N/M	N/M	N/A	N/M	14.6%	8.8x	N/M	(33.7%)
	America's Car-Mart, Inc.	339.4	N/M	N/M	N/M	N/M	0.7x	(0.3%)	N/A	N/M	N/M	25.3x	0.8x	(7.5%)
Median			14.6x	9.3x	13.1x	16.0x	1.3x	10.4%	4.1%	27.1%	13.1%	9.9x	1.1x	2.8%
Mean			25.1x	10.5x	13.1x	15.1x	1.7x	2.4%	4.1%	24.8%	16.0%	11.3x	1.7x	(5.1%)
Commercial Finance	Element Fleet Management Corp.	\$11,607.8	19.2x	16.0x	24.9x	19.0x	N/M	(9.8%)	N/M	30.4%	48.7%	N/A	6.3x	12.6%
	Air Lease Corp.	5,044.3	6.7x	9.5x	8.2x	13.4x	0.7x	6.6%	(3.3%)	28.1%	19.3%	8.1x	0.7x	8.0%
	GATX Corp.	4,717.4	14.8x	19.6x	18.2x	16.9x	2.1x	10.0%	3.1%	22.5%	19.8%	15.1x	2.2x	11.9%
	McGrath RentCorp	2,584.6	17.3x	16.3x	14.8x	19.8x	4.6x	5.1%	15.7%	18.0%	0.0%	14.5x	4.8x	22.4%
Median			16.1x	16.2x	16.5x	18.0x	2.1x	5.8%	3.1%	25.3%	19.6%	14.5x	3.5x	12.2%
Mean			14.5x	15.4x	16.5x	17.3x	2.5x	3.0%	5.2%	24.7%	22.0%	12.5x	3.5x	13.7%
Overall Median			13.5x	9.3x	13.7x	12.0x	1.5x	6.8%	16.8%	18.2%	11.4%	8.6x	1.9x	10.7%
Overall Mean			16.1x	11.3x	14.8x	13.4x	2.0x	5.8%	14.3%	18.9%	14.1%	10.1x	2.5x	7.0%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of September 30, 2024

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