



Houlihan  
Lokey

## Specialty Finance

Market Update—Winter 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.



Learn more about how our advisors can serve your needs.

## CORPORATE FINANCE

2023 M&A Advisory Rankings  
All Global Transactions

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>352</b>
2	Rothschild	349
3	Goldman Sachs	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	<b>Houlihan Lokey</b>	<b>73</b>
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	<b>Houlihan Lokey</b>	<b>1,247</b>
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

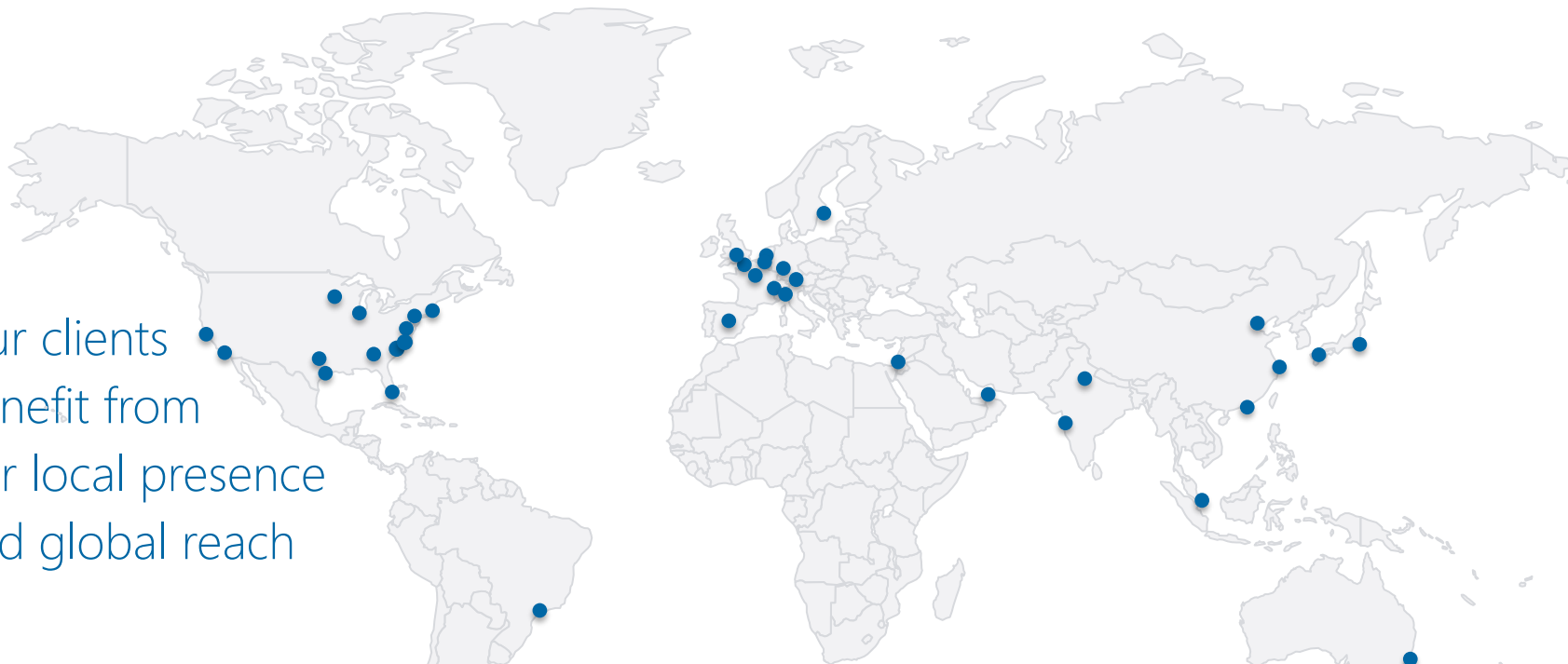
Corporate Finance →

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<sup>(1)</sup>    2,000+ Clients Served Annually    \$8.8B Market Cap<sup>(2)</sup>    \$1.8B Annual Revenue<sup>(3)</sup>

<b>AMERICAS</b>	Atlanta	Los Angeles	<b>EUROPE AND MIDDLE EAST</b>	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	

<b>ASIA-PACIFIC</b>	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 Managing Directors.

(2) As of February 29, 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	<b>Houlihan Lokey</b>	<b>41</b>
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  Sellside Advisor	 has received significant investment from  Financial Advisor	 a subsidiary of  has been acquired by  Sellside Advisor	 has sold its retail mortgage operations to  Exclusive Financial Advisor	 has received a strategic growth equity investment from  Financial Advisor	 a portfolio company of  has acquired  Buyside Advisor	 a portfolio company of  has been acquired by  Sellside Advisor
 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 a portfolio company of a fund managed by  and  has been acquired by  Sellside Advisor	 a portfolio company of  Term Loan and Delayed Draw Term Loan Refinancing and Growth Capital \$75,000,000 Exclusive Placement Agent	 has received a majority investment from  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

# 43

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

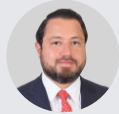
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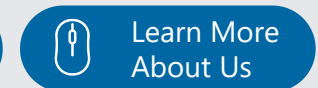
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## Contact us

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

We are pleased to present our Specialty Finance Market Update. The broader financial services sector maintains a positive outlook as many companies are optimistic about the macroeconomic backdrop. On an LTM-Jan 2024 basis, the S&P financials have recovered, up 6%, while the S&P 500 broadly is up 19%. Decreased headwinds from inflation and higher financing costs create significant opportunities for specialty finance companies looking to fill the void in certain lending areas.

As we welcome the start of the new year, the specialty finance sector is expected to benefit from the expected slowdown in rate hikes. Many companies continue to capitalize on unmet borrower demand and flexible capital allocation strategies for M&A activity, which drive growth and attract significant interest from both financial sponsors and potential strategic partners. While M&A has moderated in 2023, inflation has slowed pace during 2H 2023 and companies have increasing optimism that the Fed will achieve a “soft landing” with an easing or drawback of rate hikes in 2024.

We remain busy with engagements across both commercial and consumer finance, where differentiated platforms continue to garner interest in the capital markets and among both 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.

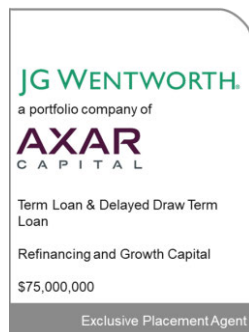
As our firm continues to execute transactions in this space, we invite you to contact us to discuss past transactions, future opportunities, or the specialty finance ecosystem more broadly.

Source: S&P Capital IQ.



# 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

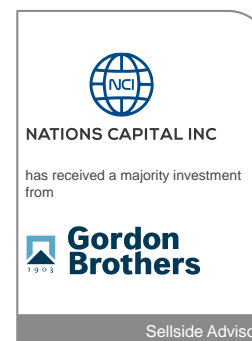
JG Wentworth Company, LLC (JG Wentworth), a portfolio company of Axar Capital Management LP, has raised a \$45 million first lien term loan and a \$30 million delayed draw term loan.

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.

## 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).

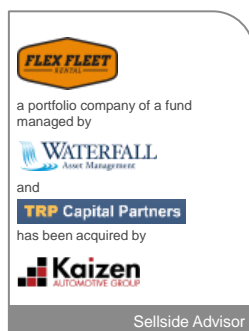
Founded in May 2020, NCI is an industry-leading commercial and industrial business with a focus on and expertise in finance, restructuring, and insolvency. The firm has completed and managed large transactions in the transportation, oil and gas, mining, construction, and consumer products sectors.

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.

## 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 Sector News

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

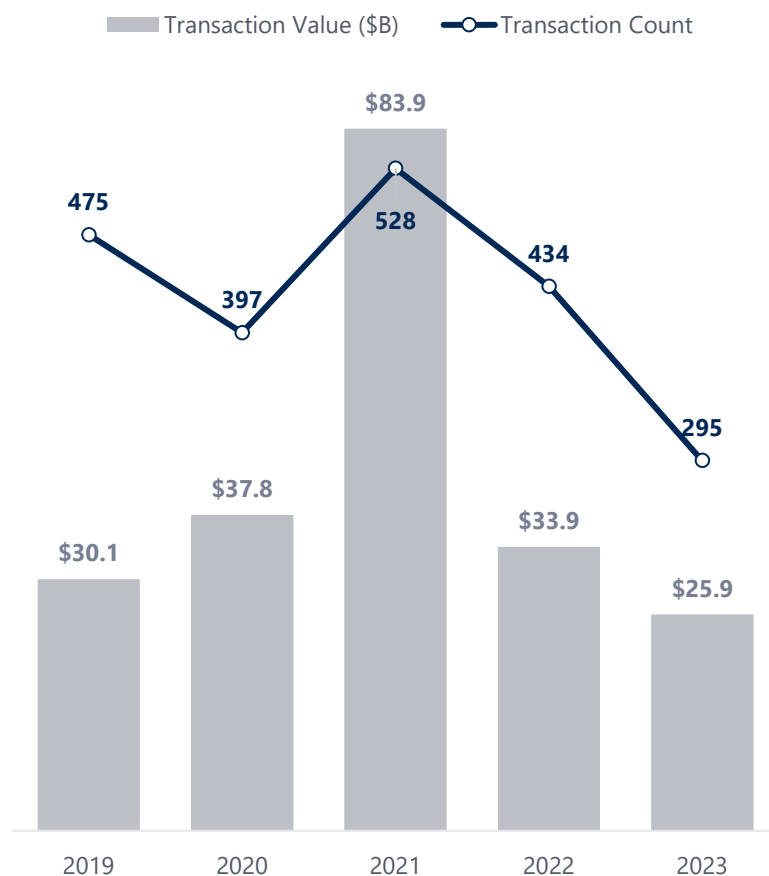
Date	Company	Description	Article Link
12/19/2023		Apple Inc. is considering ending its financial collaboration with Goldman Sachs, impacting Apple Card and Savings, which currently holds \$10 billion in deposits. Rumors are circulating about the potential new partner, with Chase and AmEx emerging as leading contenders.	<a href="#">Read More</a>
12/05/2023		Credit Acceptance Corp. has confidently 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.	<a href="#">Read More</a>
12/05/2023		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.	<a href="#">Read More</a>
12/04/2023		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.	<a href="#">Read More</a>
11/29/2023		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.	<a href="#">Read More</a>
11/27/2023		Synchrony Financial has entered into an agreement to divest its subsidiary, Pets Best Insurance, to Poodle Holdings in exchange for cash and equity in Independence Pet Holdings. The transaction is set to conclude in the first quarter of 2024 and is anticipated to result in an approximate net gain of \$750 million, subject to regulatory approval.	<a href="#">Read More</a>
11/21/2023		OneMain Holdings Inc. has announced plans to acquire Foursight Capital LLC for \$115 million, absorbing a \$900 million loan portfolio and 200 employees, with closure expected in Q1 2024.	<a href="#">Read More</a>
10/11/2023		Goldman Sachs Group Inc. has divested its GreenSky Inc. platform and loan assets to a consortium led by Sixth Street Partners LLC, which includes KKR & Co. Inc., Bayview Asset Management LLC, and CardWorks Inc., with backing from Pacific Investment Management Co. LLC and CPP Investments. This transaction, anticipated in Q1 2024, foresees a 19-percent decrease in Goldman Sachs Group's Q3 earnings per share.	<a href="#">Read More</a>
10/10/2023		goeasy Ltd. announced a significant increase in its revolving securitization warehouse facility, raising it from \$200 million to \$375 million by adding Wells Fargo Bank to the lending syndicate. This move demonstrates the financial market's confidence in goeasy's robust automotive financing program, despite economic uncertainties.	<a href="#">Read More</a>

Sources: Company websites, press releases.

# Additional Specialty Finance M&A Highlights

## Transaction Value and Deal Volume

(\$ in Billions)



Source: S&P Capital IQ. Data as of December 31, 2023.

## Featured Notable Transactions

Date	Target	Acquirer	Deal Value \$M
Oct-2023		Stonepeak	7,400.0
Oct-2023		SIXTH STREET, KKR, RAYVIEW, CardWorks	500.0
Sep-2023		Kaizen AUTOMOTIVE GROUP	--
Jul-2023		Gordon Brothers	--
Jul-2023		BANC OF CALIFORNIA	1,042.4
Dec-2022		JG WENTWORTH	--
Nov-2022		PARK CITIES ASSET MANAGEMENT	67.0
Sep-2022		CIVISTA BANK	39.0
Sep-2022		AFCO	3,400.0
Jul-2022		AutoNation	85.0

Houlihan Lokey Advised

## Key Takeaways

Overall, 2023 experienced a decrease in M&A activity across the specialty finance sector compared to the previous four-year period, with a total of 295 transactions announced.

However, significant pools of capital and interest in accelerating growth through consolidation remain, providing elevated competition for auction processes involving quality assets.

While new issuances and origination volumes have been impacted, public companies with clear long-term value propositions and strong infrastructure bases remain active in seeking new avenues for expansion.

There were several noteworthy transactions in the industry over the past several months involving both financial sponsors and specialty finance companies, such as the acquisition of Greensky by a consortium led by Sixth Street and the purchase of Textainer Group by Stonepeak Infrastructure Partners (announced in October).

# Capital Markets Group Update

## Overview of Houlihan Lokey's Global Capital Markets Team

Houlihan Lokey is among the largest and most active non-balance-sheet placement agents globally, with more than 90 dedicated professionals across 12 offices in six countries that have raised and advised on more than ~\$14 billion across approximately 100 transactions in 2023.

	Capabilities	Selected Financial Services and Structured Credit Transactions
<b>Private Capital Solutions</b>	<ul style="list-style-type: none"> <li>Placement of solution-oriented capital for a wide range of financing needs.</li> <li>Differentiated investor relationships and access to decision-makers.</li> <li>High-touch, confidential, targeted process.</li> <li>Senior debt to minority equity.</li> </ul>	<p><b>CENLAR</b> Non-Cumulative Perpetual Preferred Equity \$30,000,000 Exclusive Placement Agent</p> <p><b>AXAR CAPITAL</b> Term Loan &amp; Delayed Draw Term Loan Refinancing and Growth Capital \$75,000,000 Exclusive Placement Agent</p> <p><b>RELAM</b> a portfolio company of <b>PAGELINE</b> Second Lien Term Loan Refinancing Exclusive Placement Agent</p>
<b>Debt Capital Markets Advisory</b>	<ul style="list-style-type: none"> <li>Independent advisor on bank commitments and securities offerings.</li> <li>Liability management.</li> <li>Ability to act as bookrunner.</li> </ul>	<p><b>MAXEX</b> has received a strategic equity investment led jointly by <b>STUSS WENCHART CAPITAL</b> <b>South Street SECURITIES</b> Financial Advisor</p> <p><b>OMNI BRIDGEWAY</b> Omni Bridgeway has completed a debt capital raise of \$525m to refinance its existing debt instruments and to accelerate growth Exclusive Placement Agent</p> <p><b>BAUSCH+Health</b> Non-Recourse Receivables Facility General Corporate Purposes \$600,000,000 Exclusive Placement Agent</p>
<b>Public Equity Capital Markets Advisory</b>	<ul style="list-style-type: none"> <li>Independent advisor on public equity offerings.</li> <li>Deep market participant connections.</li> </ul>	
<b>Specialty Finance Expertise</b>	<ul style="list-style-type: none"> <li>Deep expertise with respect to consumer and commercial lenders, mortgage finance companies, and specialized asset classes such as debt resolution.</li> <li>Cover secured and unsecured debt, preferred equity, and other forms of hybrid capital, minority equity, and forward flow transactions.</li> </ul>	<p><b>FOX POINT TRUCKS</b> Term Loan &amp; Delayed Draw Term Loan Refinancing &amp; Growth Financing \$85,000,000 Exclusive Placement Agent</p> <p><b>MFA FINANCIAL, INC.</b> \$500,000,000 Senior Secured Term Loan with Warrants \$1,650,000,000 Asset-Based Term Facility Recapitalization Financial Advisor &amp; Exclusive Placement Agent</p> <p><b>enra</b> a portfolio company of <b>Exponent</b> has successfully completed a refinancing transaction Financing Advisor</p>

Tombstones included herein represent transactions closed from 2020 forward.

Sources: LCD PitchBook, CLO Dashboard.

(1) Over term SOFR.

## Recent Market Developments—Improving Tone in Private and Public Markets

**Private Credit:** Market remains stable, with increased leverage and improved pricing for selected borrowers.

- 2023 direct lending volumes exceeded 2022, driven by a rally in the second half of 2023 and a boost in jumbo financings.
- Top credits are now pricing at ~SOFR + 525–600 bps (vs. ~675 bps in Q1/early Q2 2023), with max leverage of ~5.5x–5.9x.
- Limited near-term maturities, creating positive technical for borrowers.
- Syndicated market improvement has not yet extended to below B borrowers, creating opportunity for direct lenders.

**CLOs:** Record new-issue volumes on the back of improved pricing.

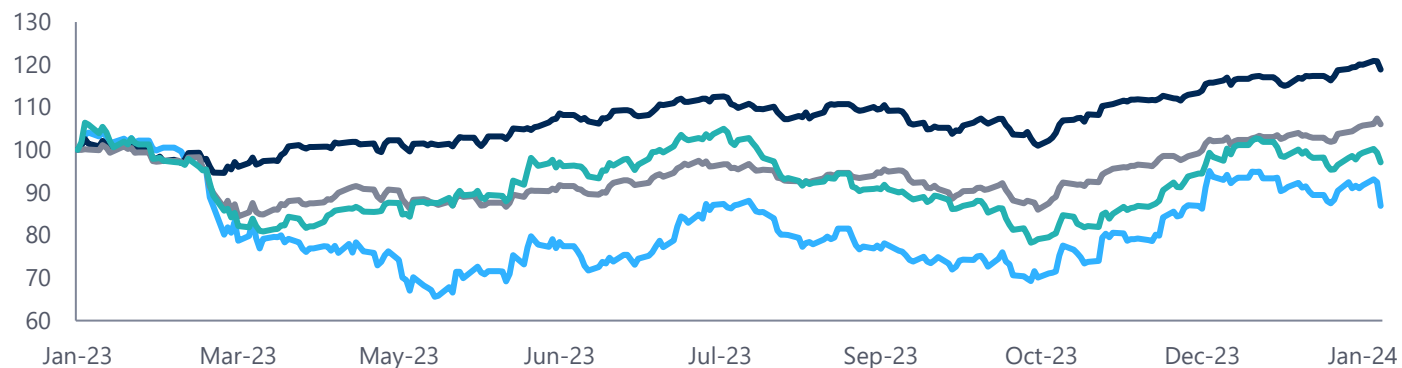
- YTD new-issue volume ranks as the fastest start ever, given spread tightening.
- Average middle-market CLO AAA spreads<sup>(1)</sup> in February 2024 are 199 bps, a tightening of 30+ bps from January 2024 and ~45 bps from Q4 2023.

**Syndicated Leveraged Loans:** Syndicated markets also offering compelling execution for selected borrowers.

- \$65.5 billion new-issue volume in January 2024 (highest since January 2022), and YTD volume is ~3.0x higher than in 2023.
- Primarily driven by refinancings, including from the private markets (e.g., \$5.0 billion syndicated leveraged loan to finance KKR's purchase of stake in healthcare tech firm Coviti in February 2024), but also \$8.0 billion of dividend recapitalizations in January (highest since November 2021).
- Average new-issue yields on single B-rated loans were ~9.7% in January 2024 vs. ~10.2% in December 2023.

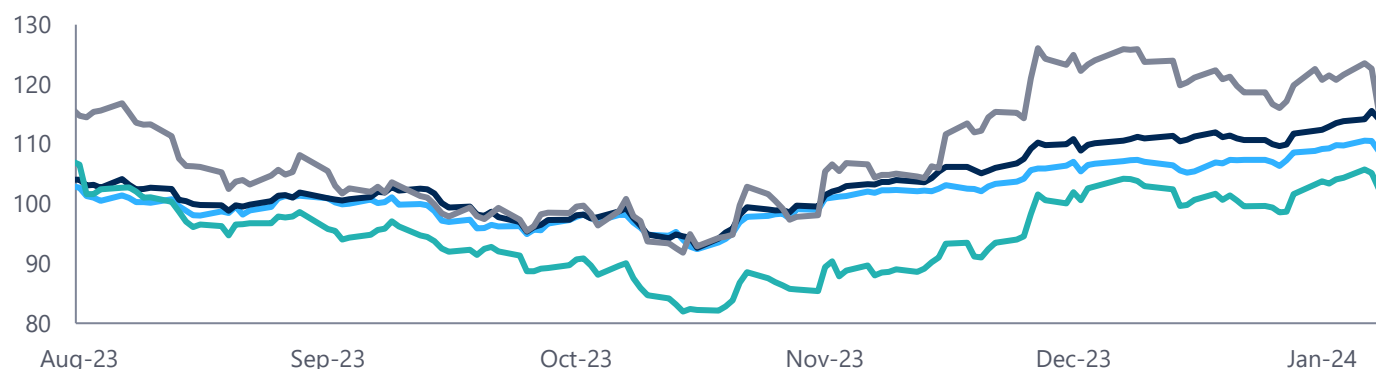
# Equity Market Index Performance

## LTM January 2024 Performance



— Kbw Nasdaq Regional Banking Index — S&P 500 — S&P 500 Financials (Sector) — Houlihan Lokey Specialty Finance Index <sup>(1)</sup>

## Six-Month Performance



— Kbw Nasdaq Regional Banking Index — S&P 500 — S&P 500 Financials (Sector) — Houlihan Lokey Specialty Finance Index <sup>(1)</sup>

<b>S&amp;P 500</b>	<b>18.9%</b>
<b>S&amp;P 500 Financials Index</b>	<b>6.0%</b>
<b>Houlihan Lokey Specialty Finance Index</b>	<b>(2.9%)</b>
<b>KBW Nasdaq Regional Banking Index</b>	<b>(13.1%)</b>

## Key Takeaways

Public specialty finance company trading performance has rebounded significantly in 2023 despite macroeconomic challenges, as many companies either have realized profitable quarters or anticipate achieving positive earnings in the upcoming release.

A meaningful number of leadership teams across the sector are excited about the improving marketing conditions and impact on financial results heading into 2024.

Selected players continue to remain cautious around earnings guidance as concerns around near-term credit performance still loom.

The broader market and most financial services companies have rebounded from Q1 2023 lows; banks have been gaining steam during 2H 2023 but still have not fully recovered.

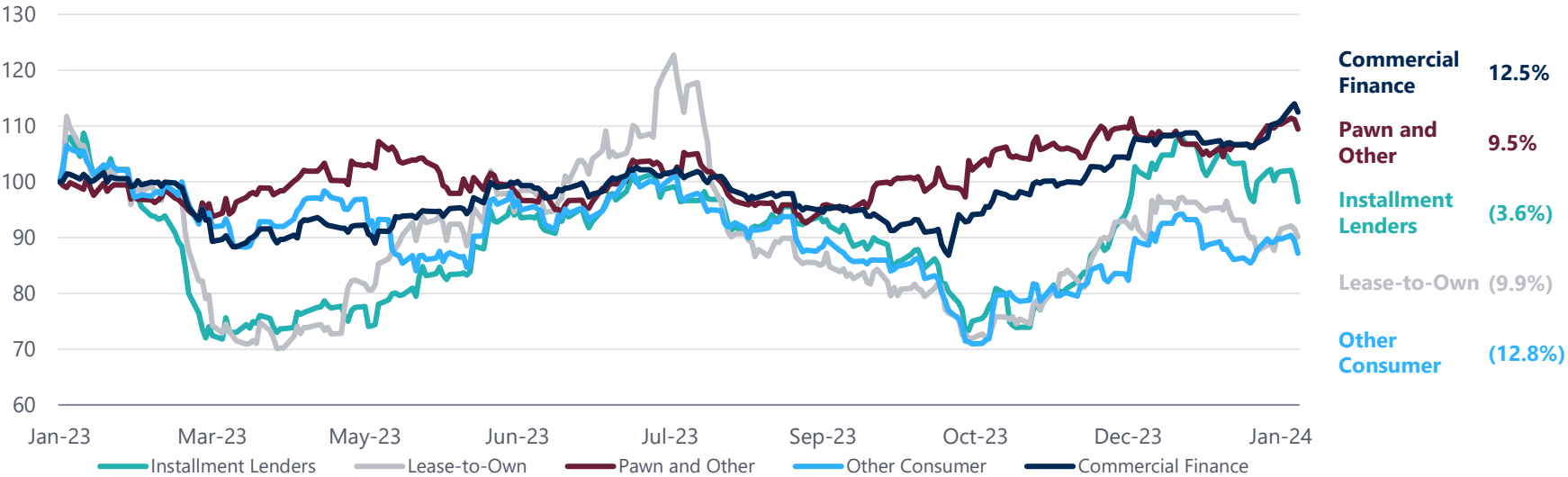
Source: S&P Capital IQ. Data as of January 31, 2024. All share prices rebased to 100.

(1) The Houlihan Lokey Specialty Finance Index consists of a diversified set of 30 companies across the specialty finance sector. See pages 15 and 16 for a complete list.

# Equity Market Index Performance

## Specialty Finance Subsectors

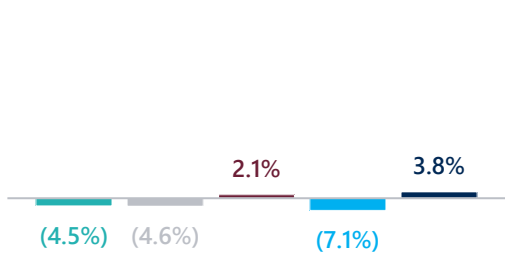
### LTM January 2024 Performance by Subsector



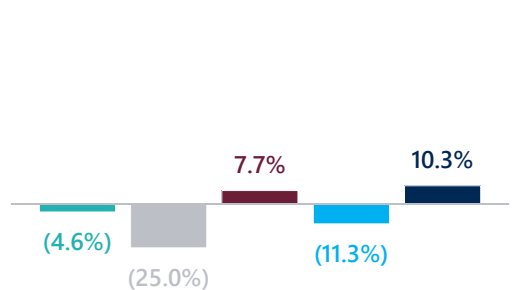
Public specialty finance company trading prices have rebounded as credit performance and origination volumes continue to improve across both commercial and consumer finance.

Despite the challenging macro environment in 2023, publicly listed installment lenders have developed strong marketing campaigns and improved their technology interfaces to carry significant momentum in the new year.

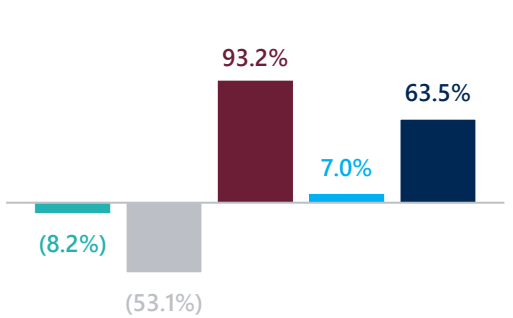
### Monthly Performance



### Six-Month Performance

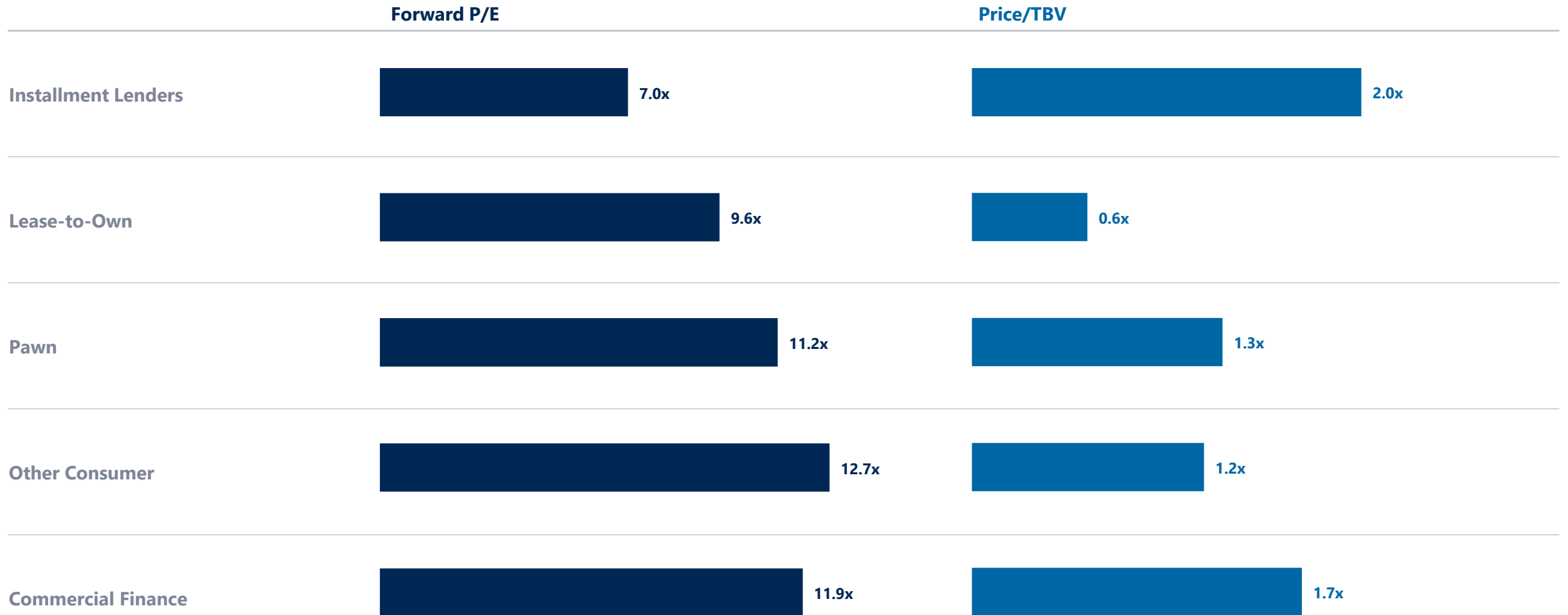


### Three-Year Performance



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

# Public Company Valuations



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

# Public Comparables

## Specialty Finance

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

As of 1/31/24

		P/Pre-Tax			P/E			2021–2023E CAGR		Pre-Tax Margin		
		LTM	2023E	2024E	LTM	2023E	2024E	Revenue	Pre-Tax	LTM	2023E	2024E
Installment Lenders	OneMain Holdings, Inc.	6.8x	6.9x	6.7x	8.9x	8.8x	8.4x	11.3%	(31.0%)	32.8%	19.4%	18.7%
	Enova International, Inc.	7.0x	6.4x	5.6x	9.0x	7.4x	7.0x	49.6%	(14.3%)	22.0%	11.7%	11.5%
	goeasy Ltd.	5.6x	5.8x	5.0x	7.7x	7.9x	6.5x	48.5%	1.7%	45.1%	26.2%	25.5%
	Oportun Financial Corp.	N/M	N/M	4.2x	N/M	N/M	5.4x	35.0%	N/A	N/M	N/M	2.9%
	CURO Group Holdings Corp.	N/M	N/M	N/M	N/M	N/M	N/M	24.2%	N/A	N/M	N/M	N/M
	Regional Management Corp.	11.5x	6.6x	4.7x	15.0x	8.6x	6.5x	14.9%	(43.2%)	3.9%	6.6%	8.7%
	World Acceptance Corp.	9.1x	9.0x	6.2x	11.3x	15.7x	9.2x	0.2%	(7.8%)	14.3%	14.8%	22.2%
	OppFi Inc.	1.8x	1.3x	0.8x	7.4x	1.4x	1.0x	46.1%	(28.8%)	15.0%	8.9%	13.1%
LendingClub Corp.	18.2x	22.4x	28.2x	25.6x	N/M	N/M	(1.9%)	N/M	4.8%	5.2%	4.9%	
<b>Median</b>		<b>7.0x</b>	<b>6.6x</b>	<b>5.3x</b>	<b>9.0x</b>	<b>8.3x</b>	<b>6.5x</b>	<b>24.2%</b>	<b>(21.6%)</b>	<b>15.0%</b>	<b>11.7%</b>	<b>12.3%</b>
<b>Mean</b>		<b>8.6x</b>	<b>8.3x</b>	<b>7.7x</b>	<b>12.1x</b>	<b>8.3x</b>	<b>6.3x</b>	<b>25.3%</b>	<b>(20.6%)</b>	<b>19.7%</b>	<b>13.2%</b>	<b>13.4%</b>
Lease-to-Own	Upbound Group, Inc.	N/M	22.6x	6.3x	N/M	9.1x	8.6x	(7.0%)	(35.9%)	1.3%	2.0%	6.9%
	PROG Holdings, Inc.	7.0x	6.7x	9.0x	9.9x	8.0x	10.8x	(5.3%)	(21.2%)	8.1%	8.5%	6.6%
	Conn's, Inc.	N/M	N/M	N/M	N/M	N/M	N/M	(10.6%)	N/A	N/M	N/M	N/M
	The Aaron's Company, Inc.	N/M	36.9x	9.0x	N/M	8.9x	9.3x	8.0%	N/M	N/M	0.4%	1.6%
	FlexShopper, Inc.	N/M	N/M	N/M	8.7x	N/M	N/M	(3.3%)	N/A	N/M	N/M	N/M
	Katapult Holdings, Inc.	N/M	N/M	N/M	N/M	N/M	N/M	(14.5%)	N/A	N/M	N/M	N/M
<b>Median</b>		<b>7.0x</b>	<b>22.6x</b>	<b>9.0x</b>	<b>9.3x</b>	<b>8.9x</b>	<b>9.3x</b>	<b>(6.1%)</b>	<b>(28.5%)</b>	<b>4.7%</b>	<b>2.0%</b>	<b>6.6%</b>
<b>Mean</b>		<b>7.0x</b>	<b>22.0x</b>	<b>8.1x</b>	<b>9.3x</b>	<b>8.7x</b>	<b>9.5x</b>	<b>(5.5%)</b>	<b>(28.5%)</b>	<b>4.7%</b>	<b>3.6%</b>	<b>5.0%</b>
Pawn	FirstCash Holdings, Inc.	17.7x	17.7x	14.1x	23.6x	19.6x	16.8x	36.2%	32.7%	9.3%	9.3%	10.5%
	EZCORP, Inc.	7.3x	8.1x	4.2x	9.5x	6.4x	5.2x	18.3%	35.7%	6.0%	5.4%	9.6%
<b>Median</b>		<b>12.5x</b>	<b>12.9x</b>	<b>9.1x</b>	<b>16.5x</b>	<b>13.0x</b>	<b>11.0x</b>	<b>27.3%</b>	<b>34.2%</b>	<b>7.6%</b>	<b>7.4%</b>	<b>10.1%</b>
<b>Mean</b>		<b>12.5x</b>	<b>12.9x</b>	<b>9.1x</b>	<b>16.5x</b>	<b>13.0x</b>	<b>11.0x</b>	<b>27.3%</b>	<b>34.2%</b>	<b>7.6%</b>	<b>7.4%</b>	<b>10.1%</b>

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

# Public Comparables (cont.)

## Specialty Finance

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

As of 1/31/24

		P/Pre-Tax			P/E			2021–2023E CAGR		Pre-Tax Margin		
		LTM	2023E	2024E	LTM	2023E	2024E	Revenue	Pre-Tax	LTM	2023E	2024E
Other Consumer	Navient Corp.	6.5x	4.3x	6.4x	8.9x	5.6x	8.2x	(35.3%)	(29.1%)	27.1%	49.4%	46.2%
	Nelnet, Inc.	43.8x	19.7x	12.3x	N/M	N/A	16.0x	(2.3%)	(42.7%)	6.3%	12.7%	N/M
	Credit Acceptance Corp.	18.4x	19.6x	11.8x	23.7x	13.4x	14.2x	6.2%	(47.7%)	40.9%	18.2%	29.1%
	Encore Capital Group, Inc.	N/M	8.8x	6.1x	N/M	12.1x	8.5x	(11.1%)	(44.6%)	N/M	10.5%	13.7%
	PRA Group, Inc.	N/M	N/M	N/M	N/M	N/M	N/M	(15.1%)	N/A	N/M	N/M	3.6%
	ECN Capital Corp.	N/M	N/M	7.3x	N/M	N/M	8.2x	N/M	N/M	N/M	N/M	24.4%
	America's Car-Mart, Inc.	N/M	N/M	11.5x	N/M	N/M	15.2x	14.0%	N/A	N/M	N/M	2.3%
<b>Median</b>		<b>18.4x</b>	<b>14.2x</b>	<b>9.4x</b>	<b>16.3x</b>	<b>12.1x</b>	<b>11.4x</b>	<b>(6.7%)</b>	<b>(43.7%)</b>	<b>27.1%</b>	<b>15.4%</b>	<b>19.1%</b>
<b>Mean</b>		<b>22.9x</b>	<b>13.1x</b>	<b>9.3x</b>	<b>16.3x</b>	<b>10.3x</b>	<b>11.7x</b>	<b>(7.3%)</b>	<b>(41.0%)</b>	<b>24.7%</b>	<b>22.7%</b>	<b>19.9%</b>
Commercial Finance	Air Lease Corp.	6.2x	7.0x	6.7x	7.6x	6.6x	8.4x	12.5%	10.4%	28.1%	24.9%	24.1%
	Element Fleet Management Corp.	10.9x	10.5x	9.6x	14.2x	12.8x	11.4x	(6.1%)	17.1%	30.4%	48.6%	49.0%
	GATX Corp.	13.7x	14.5x	14.0x	16.8x	17.4x	16.0x	5.8%	23.6%	22.5%	21.3%	20.0%
	Textainer Group Holdings Ltd.	9.8x	9.4x	8.7x	10.0x	10.5x	9.8x	(3.9%)	(12.7%)	25.8%	27.7%	28.7%
	McGrath RentCorp	20.6x	19.7x	17.3x	17.6x	26.0x	23.2x	24.2%	16.1%	18.0%	18.9%	20.8%
	Chesswood Group Ltd.	9.1x	27.9x	4.5x	12.8x	N/A	9.6x	N/M	N/M	10.0%	1.4%	8.3%
<b>Median</b>		<b>10.3x</b>	<b>12.5x</b>	<b>9.1x</b>	<b>13.5x</b>	<b>12.8x</b>	<b>10.6x</b>	<b>5.8%</b>	<b>16.1%</b>	<b>24.2%</b>	<b>23.1%</b>	<b>22.4%</b>
<b>Mean</b>		<b>11.7x</b>	<b>14.8x</b>	<b>10.1x</b>	<b>13.2x</b>	<b>14.7x</b>	<b>13.1x</b>	<b>6.5%</b>	<b>10.9%</b>	<b>22.5%</b>	<b>23.8%</b>	<b>25.2%</b>
<b>Overall Median</b>		<b>9.1x</b>	<b>9.2x</b>	<b>6.7x</b>	<b>10.0x</b>	<b>8.9x</b>	<b>8.9x</b>	<b>6.0%</b>	<b>(14.3%)</b>	<b>16.5%</b>	<b>12.2%</b>	<b>13.1%</b>
<b>Overall Mean</b>		<b>12.2x</b>	<b>13.3x</b>	<b>8.8x</b>	<b>13.1x</b>	<b>10.8x</b>	<b>10.1x</b>	<b>8.5%</b>	<b>(11.7%)</b>	<b>18.6%</b>	<b>16.0%</b>	<b>16.5%</b>

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



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