

Bryant Park Capital

Specialty Finance Market Update Q4 2018



MERGERS & ACQUISITIONS

CAPITAL RAISING

ADVISORY

VALUATION

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MARKET VIEW: At the Federal Reserve's January 30th meeting, the Federal Open Market Committee voted to maintain the benchmark federal funds rate steady between 2.25% to 2.50%, marking a break in the Fed's plan to continue its rate hikes into early 2019. Unlike previous meetings, the Fed declined to comment on their outlook regarding the likelihood of future hikes, and said that it would depend entirely on the incoming economic data. Even though labor markets have continued to strengthen, the Fed's current monetary policy is driven largely by cooling global economies, particularly in Europe and Asia. The U.S. trade deficit unexpectedly narrowed to its lowest amount in five months due to a decline in im-

ports, with 40% of the decline coming from China where imports fell \$2.9 billion. This might suggest the effectiveness of Trump's tariffs, but also highlights the increasing economic tensions as the U.S. seeks to reach a trade deal with China in the first half of 2019. Despite these economic trends, the U.S. equity markets in January performed their best in three decades, recovering from a 14% decline during the 3-month period ending December 31. The primary factors driving this surge include better-than-expected corporate earnings and a slower rising interest rate environment, both of which have somewhat eased investor fears of a potential recession. The fixed income markets, however, experienced weak results in the fourth quarter, pressured by a lower level of issuance across the corporate bond, asset-backed securities, and mortgage-related securities markets. Despite smaller deal size and volume in the fourth quarter, M&A activity in the specialty finance sector continues to be robust, with deal volume rising by 13%.

FIXED INCOME

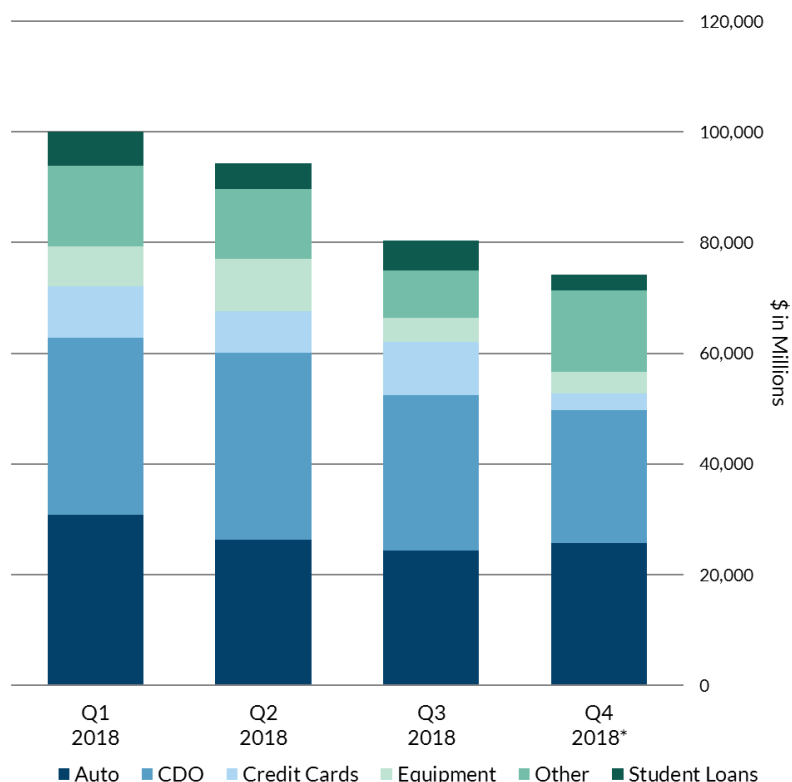
BOND MARKET

- Bloomberg Barclays U.S. Aggregate Bond Index posted a 2.33% gain to close out Q4 2018.
- Corporate high-yield bonds recorded their lowest issuance total since 2009, down 40% to US\$168bn. Over the last two years, loans have outpaced HY bond issuance by the largest margins on record, reflecting investor demand for floating rate assets.

ASSET-BACKED SECURITIES

- Issuance of asset-backed securities continued to decline by roughly 8.34% to \$74.1 billion in Q4 2018 from \$80.3 billion in Q3 2018.
- Auto loans outpaced all other categories with \$25.7 billion in Q4 2018 issuance, followed by Collateralized Debt Obligations: \$24.1 billion; Other: \$14.7 billion; Equipment: \$3.8 billion; Credit Cards: \$2.9 billion; and Student Loans: \$2.7 billion.

U.S. ASSET-BACKED SECURITIES ISSUANCE



Sources: Morningstar, Thomson Reuters, SIFMA

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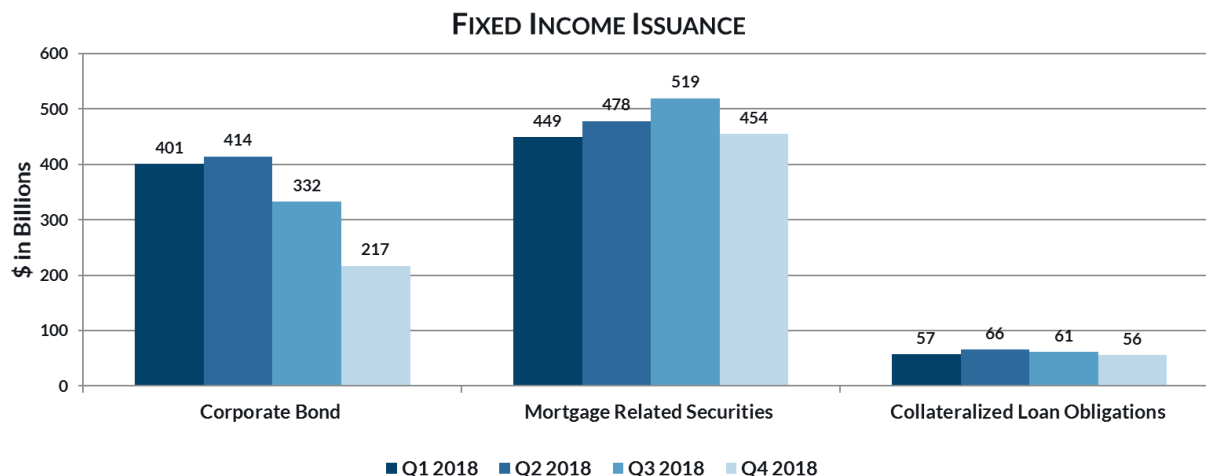
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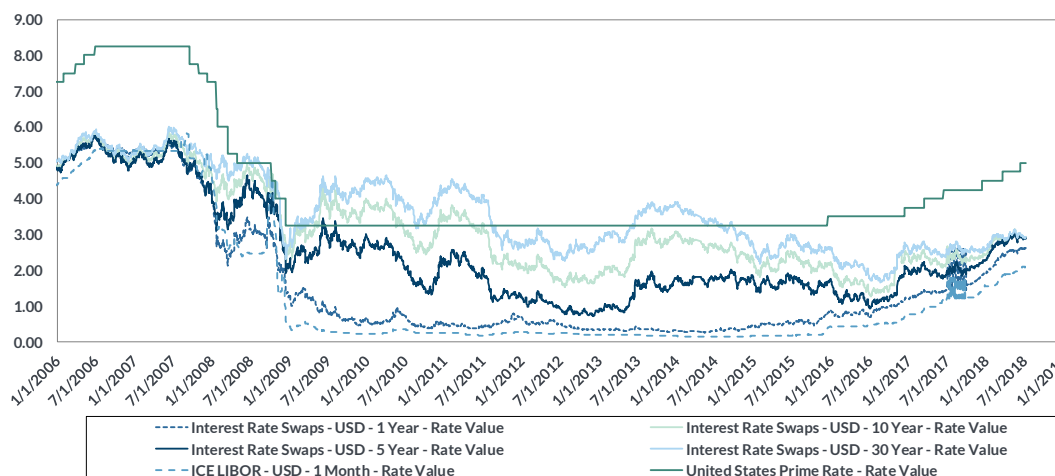
FIXED INCOME



INTEREST RATES

The Federal Open Market Committee (the “Committee”) met most recently on January 30, 2019, and announced that the target federal funds rate would remain at the current level of 2.25% to 2.50%. The committee cited stable economic activity and a strong labor market for the lack of change in fiscal policy, both of which compose the FOMC’s statutory mandate. Unlike previous meetings, the Fed declined to comment on their outlook regarding the likelihood of future hikes and said that it would depend entirely on the incoming economic data.

HISTORICAL U.S. PRIME, LIBOR, AND SWAP RATES



RATES AS OF 02/08/2019

1 Year	2.67%
5 year	2.54%
10 year	2.70%
30 year	2.80%
LIBOR - 1 month	2.52%
Prime Rate	5.50%

DEFINITIONS KEY

- Fixed Rate Swaps** occur between two parties exchanging a set of fixed-rate payments and floating-rate payments based on LIBOR as a reference rate. The rate is the percentage over LIBOR that one side agrees to pay.
- LIBOR** is the most used benchmark for short-term interest rates and is derived from an average of the most creditworthy banks’ interbank deposit rates.
- Prime Rate** is the rate that creditworthy customers receive from commercial banks and is largely determined by the federal funds rate.

Sources: Federal Reserve, SIFMA, U.S. BLS, SIFMA, and ICE

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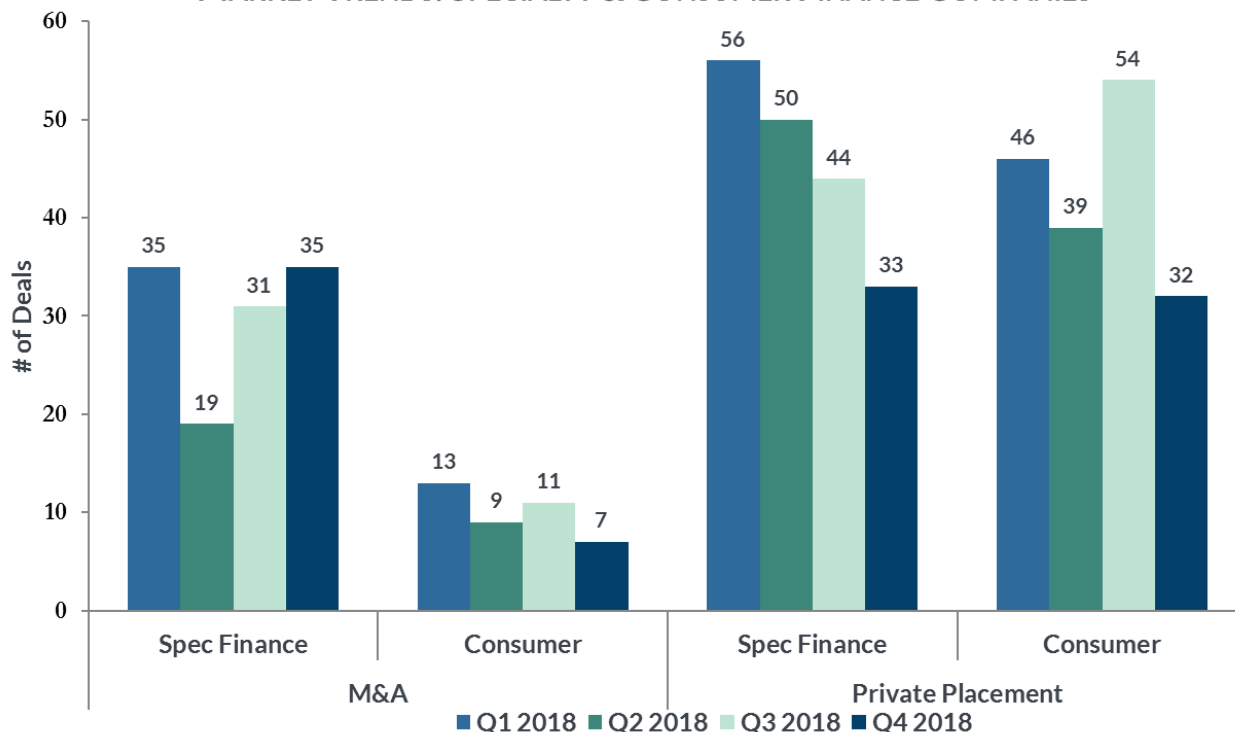
VALUATION

MERGERS AND ACQUISITIONS

OVERALL MARKET TRENDS

- In Q4 2018, global M&A values dipped to \$708.3 billion, the lowest Q4 deal value since Q4 2013 (\$570.2billion), caused by unsteady political disputes and falling asset prices worldwide. North America made up over 46% of global M&A deal value during FY 2018 (up 15.7% from 2017), followed by Europe (28%), and Asia/Pacific (20.3%).
- In the U.S., M&A values for Q4 2018 declined to \$319.8 billion, down almost 21.6% from Q4 2017. Despite this Q4 decline, US M&A values for FY 2018 reached \$1.5 trillion, the second-highest annual total ever and an increase of 15.4% from 2017.
- U.S. M&A deal volume within the Financial Services sector for Q4 2018 totaled \$7.2 billion, a 14.3% increase over Q4 2017. The US Financial Services sector also saw an increase of nearly 50% in M&A deal volume during the same period.

MARKET TRENDS: SPECIALTY & CONSUMER FINANCE COMPANIES



(a) Consumer refers to companies which operate consumer loan, personal credit agencies, and offer fund transfers clearance and exchange services.

Sources: Mergermarket, PWC and CapIQ

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TRANSACTIONS: MERGERS AND ACQUISITIONS

- *November 19th* - **HPS Investment Partners, LLC** finalized the acquisition of the remaining equity stake in **Spruce Finance Inc.** This deal follows Spruce Finance's previous private equity funding round of \$25 million from HPS Investment Partners on June 29, 2017. Spruce Finance will be headquartered in Houston and maintain its executive and M&A offices in San Francisco. Spruce Finance Inc. provides consumer financing to purchase residential solar systems, water conservation upgrades, and energy efficiency home improvements.
- *November 26th* - **Nelnet Business Solutions, Inc.** acquired **Tuition Management Systems LLC** from **The First Marblehead Corporation**. Nelnet Business Solutions operates as a subsidiary of **Nelnet, Inc. (NYSE: NNI)** and offers a suite of educational technology solutions and financing services for K-12 school administrators, teachers, and families. Tuition Management Systems provides tuition payment solutions for families and schools and will operate as a subsidiary of Nelnet Business Solutions.
- *December 3rd* - An unknown buyer acquired **DealStruck, Inc.** for an undisclosed amount. A group of private investors, including Community Investment Management, Trinity Ventures, and Peterson Ventures, has created a new ownership coalition to manage the target company. Incorporated in 2012 and based in Carlsbad, CA, DealStruck provides an online lending marketplace that connects small and medium-sized businesses with accredited and institutional investors.
- *December 3rd* - **Caribbean Financial Group Inc.** was acquired by a consortium, led by **BayBoston Managers**, including **Insigneo Financial Services, LLC**, **The Elias Group**, **Amzak Capital Management**, **M&A Capital**, and **Victory Park Capital Advisors**. Debt facilities to support the acquisition were also provided by **Victory Park Capital** and **Prival Bank**. Caribbean Financial Group is a consumer finance company providing unsecured personal loans and related credit insurance products to individuals.
- *December 5th* - **Mitsubishi UFJ Lease & Finance Company Limited (TSE: 8593)** acquired **ENGs Holdings Inc.**, a subsidiary of **ENGs Commercial Finance Co.** for an undisclosed amount. Founded in 1952 in Itasca, Illinois, ENGs Holdings Inc. provides vendor finance solutions for transportation asset, machine tools, and construction equipment. ENGs Holdings Inc. will operate as a subsidiary of Mitsubishi UFJ Lease and Finance Company.
- *December 14th* - **Access Financial Services Limited** acquired **Embassy Loans Inc.** for \$6.4 million. The transaction was funded from the proceeds of a \$900 million global bond issued in October 2018. Embassy Loans is a consumer finance company specializing in auto title loans. Embassy offers auto equity loans for consumers and is based out of Cooper City, Florida.

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TRANSACTIONS: PRIVATE PLACEMENTS

- **October 2nd** - **Petal Card, Inc.** received \$34 million in a round of funding from **Jefferies LLC, Investment Arm** and **Silicon Valley Bank, Investment Arm**. Petal Cards has raised \$50.6 million to date and will use this recent funding round to support its credit card operations. Petal Cards issues credit cards to people who do not have traditional credit history, such as students and immigrants. The company was founded in 2015 and is based in New York City.
- **October 4th** - **Clearinghouse Community Development Financial Institution** received \$1 million in exchange for class A common shares in a primary funding round with **Cathay Bank**. Clearinghouse Community will use the proceeds to benefit low-income and distressed communities in California and throughout the Western United States, and to continue its mission of financing community facilities, affordable housing, commercial real estate, and other projects that create jobs and services underserved areas.
- **October 5th** - **Brex Inc.** received \$125 million in its series C round of funding led by **Greenoaks Capital Partners LLC, DST Global, and Institutional Venture Partners**. The round is raised at a post money valuation of more than \$1.1 billion. Brex Inc. will use the proceeds to grow its corporate credit card service, the Brex Visa, and to expand its market reach to companies outside of the technology sector. Brex Inc. was founded in 2017 and is based in San Francisco, California.
- **October 8th** - **Latitude20 Capital Partners LLC** has received an undisclosed amount of funding by means of a senior secured credit facility from **Tennenbaum Capital Partners, LLC**. Latitude20 has also announced that it plans to receive an additional \$250 million through a second round of venture capital funding with **Corrum Capital Management LLC**, but has yet to close on the transaction. Latitude20 provides structured trade financing solutions to small and medium sized enterprises and caters to emerging markets in Latin America. The company is based in New York, New York.
- **October 9th** - **CNote Group, Inc.** received \$1.62 million in venture capital funding by issuing convertible security for future equity in the transaction pursuant to Regulation D. After amending the initial terms of the transaction, the company received \$105,000 in its first tranche and \$1.5 million in its second and final tranche of funding. The transaction included participation from 41 investors. CNote operates a financial platform for socially-conscious savers and investors and is based in Oakland, California.
- **October 2nd** - **Black Diamond Funding Ventures, LLC** received \$400,000 in funding in exchange for issuing non-convertible debt to three separate investors. This is Black Diamond's 16th round of venture capital funding at an aggregate amount raised of \$4.69 million. Black Diamond provides legal funding services to personal injury plaintiffs and attorneys. The company was founded in 2010 and is based out of Sunrise, Florida.
- **October 22nd** - **InVenture Capital Corporation** has received an undisclosed amount of private equity funding from **PayPal Holdings (Nasdaq: PYPL)**. The company will use the proceeds to further product development and broaden its reach. InVenture Capital is a mobile technology and data science company that develops a mobile application that uses alternative data to deliver credit in the form of micro-loans. While the company was incorporated in 2011 in Santa Monica, California, it operates out of East Africa and Southeast Asia.
- **October 24th** - **Clearinghouse Community Development Financial Institution** received \$50,000 in a private equity funding round from **Partners Bank of California** in exchange for class A common shares. Clearinghouse Community will use the proceeds to benefit low-income and distressed communities in California and throughout the Western United States. The company was founded in 1996 and is based in Lake Forest, California.
- **October 25** - **Assembled Brands LP** received \$100 million in capital from funds managed by **Oaktree Capital Management, LP**. Assembled Brands will use the funds to expand its breadth and continue developing its proprietary underwriting technology. Assembled Brands provides working capital and data intelligence to consumer brands.

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- **October 30th - The Credit Junction, LLC** received \$23 million in venture funding from **Century Equity Partners** in exchange for an undisclosed stake in the company. The Credit Junction has raised \$81.56 million in equity funding to date, and will use this fourth round of funding to expand its ability to provide financing solutions to Supply Chain America, as well as commercialize its proprietary data and risk analytics platform. The Credit Junction operates an asset based lending platform that focuses on providing working capital, growth, and supply chain financing solutions to small and mid-size enterprises.
- **November 16th - Engage Financial Technology** received \$5.5 million from an undisclosed investor in exchange for common shares. Engage Financial has raised an aggregate amount of \$7.85 million over 4 rounds of venture funding. Through its partnership with OnBudget, Inc. Engage Financial provides a general purpose reloadable prepaid card for managing personal or household budgets.
- **October 31st - Shepherd's Finance, LLC** received \$400,000 in private equity funding by issuing four series C cumulative preferred units at \$100,000 per unit to a single undisclosed investor. Shepherd's Finance engages in the commercial lending activities to participants in the residential construction and development industry in 16 states across the United States. The company was founded in 2007 and is based in Jacksonville, Florida.
- **November 1st - PayJoy Inc.** received \$20 million in funding through a debt transaction with **Arc Labs**. PayJoy plans to use the proceeds to spread financial inclusion and alternative financing options nationwide in Mexico. The company currently provides smartphone-enabled consumer financing solutions through their software application. The company was founded in 2015 and is based out of Saratoga, California.
- **November 2nd - Zestful Inc.** received \$85 million in funding through a Simple Agreement for Future Equity with four undisclosed investors. Zestful offers a pre-loaded debit card for employees to shop for products and services offered in the Zestful catalog. The company was founded in 2016 and is based in Denver, Colorado.
- **November 5th - Flowhub Holdings, LLC** received gross proceeds of \$250,000 from **General Cannabis Corp.** through a simple agreement for future equity. Flowhub Holdings is a debt issuing vehicle based out of Denver, Colorado and founded in 2017.
- **November 8th - Funding-University, Inc.** received \$4.89 million in its seed round of funding with **Deciens Capital** and **Valor Ventures**. The transaction included participation from **GMO VenturePartners Inc.** and other angel investors. After amending the terms of the transaction, Funding-University received an additional 2.49 million in the second tranche, bringing the transaction value to \$4.89 million across 23 investors. Funding-University, Inc. will use the proceeds to increase its workforce, further technology development and nurture more bank and lender relationships. Funding-University provides a loan refinancing to undergraduate students in Georgia.
- **November 8th - Bespoke Financial, Inc.** received \$1.4 million from an undisclosed investor in exchange for common shares. Bespoke Financial provides custom tailored funding to niche business environments for operating capital needs. The company was incorporated in 2018 and is based in Los Angeles, California.
- **November 14th - Shepherd's Finance, LLC** received \$100,000 from an undisclosed investor through one round of series C cumulative redeemable preferred stock. Shepherd's Finance engages in the commercial lending activities to participants in the residential construction and development industry in 16 states across the United States. The company was founded in 2007 and is based in Jacksonville, Florida.
- **November 27th - MPOWER Financing** received \$110 million in a round of venture capital funding led by **Gray Matters Capital and Community Investment Management LLC** in exchange for \$10 million in new funding and \$100 million in a credit facility. The transaction involved participation from a number of other investors and capital providers. MPOWER will use the proceeds to support new product growth and technology enhancements. MPOWER was founded in 2014 and is based in Washington, DC.

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- *November 28th* - **Petros Pace Finance, LLC** raised an undisclosed amount of private equity funding from a new institutional investment partner. To date, Petros Pace has raised \$10 million in aggregate funding. The company provides long-term financing for energy retrofits to commercial properties. Petro Pace was founded in 2010 and is based in Austin, Texas.
- *December 5th* - **Greenworks Lending, LLC** received \$40 million in venture capital funding from **CarVal Investors LLC**. Greenworks plans to use the proceeds to fuel growth in existing and new markets and take advantage of the interest in demand for large-balance commercial property assessed clean energy part of the market. The company provides financing to commercial property owners. Greenworks was founded in 2015 and is headquartered in Darien, Connecticut.
- *December 12th* - **BlockFi Inc.** received \$4 million in its fifth round of venture capital funding led by **Akuna Capital, LLC** in exchange for convertible debt and warrants. The transaction included participation from numerous other investors, and consisted of three separate tranches of funding over a one-month period. BlockFi has raised \$60.38 in aggregate funding to date and plans to use this latest round of funding to launch new products within its portfolio of financial loans for cryptoasset owners.
- *December 12th* - **Sensible Holding Company, Inc.** received \$3 million in private equity funding from one undisclosed investor in exchange for newly issued common shares. This funding will go towards one of the companies operating subsidiaries, Sensible Auto Lending, LLC, which provides consumers with subprime financing solutions to purchase pre-owned and new automobiles. The company is based out of Old Saybrook, Connecticut, and was founded in 2009.
- *December 26th* - **Bitnomial, Inc.** received \$7.46 million in venture capital funding from 12 separate undisclosed investors. Bitnomial develops and operates as a bitcoin derivatives exchange. The company was incorporated in 2015 and is based in Chicago, Illinois.

December 29th - An undisclosed consumer finance company closed a \$20 million senior secured credit facility with an institutional investor. **Bryant Park Capital acted as exclusive financial advisor in connection with this transaction.**



Specialty Finance Market Update

Analysis of Comparable Publicly Traded Financial Services Companies (as of 02/07/2019)

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics							Price / BV ^(a)	
		Mkt Cap 2/7/19	Enterprise Value	Sales	EBITDA			Net Income			EV / Sales	EV / EBITDA				P / E			
				LTM	LTM	Margin	2019 E	LTM	2019 E	2020 E	LTM	LTM	2019 E	2020 E	LTM	2019 E	2020 E		
<u>Specialty Finance - Other</u>																			
Asta Funding, Inc.	ASFI	\$27.6	\$21.3	\$22.0	\$6.3	28.8%	NA	\$4.4	NA	NA	1.0x	3.4x	NA	NA	6.3x	NA	NA	0.3x	
Encore Capital Group, Inc.	ECPG	\$937.0	\$4,291.7	\$1,329.8	\$396.2	29.8%	\$459.8	\$92.6	\$145.8	\$162.3	3.2x	10.8x	9.3x	8.5x	10.1x	6.4x	5.8x	1.2x	
GWG Holdings, Inc.	GWGH	\$292.2	\$2,018.5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1.2x	
Medallion Financial Corp.	MFIN	\$130.3	\$1,279.3	\$91.1	NA	NA	NA	(\$18.5)	(\$48.0)	\$14.7	NM	NA	NA	NA	NM	NM	8.9x	0.5x	
On Deck Capital, Inc.	ONDK	\$540.3	\$1,286.7	\$233.3	NA	NA	\$44.6	\$16.2	\$40.7	\$44.8	5.5x	NA	NM	NM	33.3x	13.3x	12.1x	1.9x	
PRA Group, Inc.	PRAA	\$1,356.4	\$3,485.5	\$867.8	\$301.8	34.8%	\$230.0	\$97.6	\$63.5	\$80.1	4.0x	11.5x	15.2x	12.9x	13.9x	21.3x	16.9x	1.2x	
Mean						31.1%					3.4x	8.6x	12.2x	10.7x	15.9x	13.7x	10.9x	1.1x	
Median						29.8%					3.6x	10.8x	12.2x	10.7x	12.0x	13.3x	10.5x	1.2x	
<u>Leasing / Rental</u>																			
Chesswood Group Limited	TSX:CHW	\$141.7	\$574.8	\$50.0	NA	NA	\$25.6	\$14.3	\$15.0	\$16.5	NM	NA	NM	NM	9.9x	9.4x	8.6x	1.2x	
Element Fleet Management Corp.	EFN	\$2,334.0	\$13,039.0	\$634.8	NA	NA	NA	(\$128.5)	\$229.4	\$258.7	NM	NA	NA	NA	NM	10.2x	9.0x	1.1x	
Fly Leasing Limited	FLY	\$353.6	\$3,190.5	\$399.3	NA	NA	\$374.4	\$62.8	\$84.9	\$94.4	8.0x	NA	8.5x	8.0x	5.6x	4.2x	3.7x	0.5x	
Marlin Business Services Corp.	MRLN	\$271.6	\$314.8	\$97.4	NA	NA	NA	\$20.4	\$28.6	\$32.6	3.2x	NA	NA	NA	13.3x	9.5x	8.3x	1.4x	
Mobile Mini, Inc.	MINI	\$1,618.1	\$2,515.9	\$593.2	\$206.7	34.8%	\$235.4	\$61.8	\$85.0	\$96.8	4.2x	12.2x	10.7x	9.9x	26.2x	19.0x	16.7x	2.0x	
Textainer Group Holdings Limited	TGH	\$750.9	\$3,854.7	\$552.7	\$399.1	72.2%	\$457.7	\$27.4	\$59.3	\$86.7	7.0x	9.7x	8.4x	7.6x	27.4x	12.7x	8.7x	0.6x	
Mean						53.5%					5.6x	10.9x	9.2x	8.5x	16.5x	10.8x	9.2x	1.1x	
Median						53.5%					5.6x	10.9x	8.5x	8.0x	13.3x	9.8x	8.6x	1.2x	
<u>Asset Based Lending</u>																			
Accord Financial Corp.	TSX:ACD	\$60.7	\$232.5	\$26.7	NA	NA	NA	\$4.7	NA	NA	8.7x	NA	NA	NA	12.8x	NA	NA	1.0x	
Callidus Capital Corporation	TSX:CBL	\$75.8	\$419.5	\$109.1	NA	NA	NA	(\$98.5)	NA	NA	3.8x	NA	NA	NA	NM	NA	NA	0.9x	
CIT Group Inc.	CIT	\$4,871.4	\$12,873.7	\$2,287.1	NA	NA	NA	\$422.3	\$478.8	\$541.6	5.6x	NA	NA	NA	11.5x	10.2x	9.0x	0.9x	
Mean						NA					6.1x	NA	NA	NA	12.2x	10.2x	9.0x	0.9x	
Median						NA					5.6x	NA	NA	NA	12.2x	10.2x	9.0x	0.9x	
<u>Consumer Finance</u>																			
Atlanticus Holdings Corporation	ATLC	\$51.2	\$423.1	\$47.5	NA	NA	NA	(\$25.3)	NA	NA	8.9x	NA	NA	NA	NM	NA	NA	(1.1x)	
CURO Group Holdings Corp.	CURO	\$498.1	\$1,233.4	\$1,094.3	\$170.0	15.5%	\$259.0	\$41.9	\$121.1	\$155.8	1.1x	7.3x	4.8x	4.0x	11.9x	4.1x	3.2x	(11.1x)	
Elevate Credit, Inc.	ELVT	\$189.6	\$682.6	\$772.8	\$96.5	12.5%	\$114.3	\$7.4	\$11.7	\$29.5	0.9x	7.1x	6.0x	4.9x	25.5x	16.2x	6.4x	1.7x	
Enova International, Inc.	ENVA	\$791.6	\$1,596.6	\$1,034.7	NA	NA	\$236.8	\$63.4	\$104.1	\$123.2	1.5x	NA	6.7x	6.1x	12.5x	7.6x	6.4x	2.3x	
EZCORP, Inc.	EZPW	\$561.7	\$677.8	\$824.9	\$94.8	11.5%	\$123.8	\$36.4	\$51.7	\$55.1	0.8x	7.2x	5.5x	5.3x	15.4x	10.9x	10.2x	0.8x	
FirstCash, Inc.	FCFS	\$3,569.3	\$4,088.4	\$1,780.9	\$284.7	16.0%	\$304.4	\$134.0	\$168.6	\$195.8	2.3x	14.4x	13.4x	11.9x	26.6x	21.2x	18.2x	2.7x	
Green Dot Corporation	GDOT	\$3,839.3	\$2,853.0	\$1,016.9	\$167.4	16.5%	\$250.1	\$83.3	\$169.4	\$191.3	2.8x	17.0x	11.4x	10.0x	46.1x	22.7x	20.1x	4.3x	
LendingClub Corporation	LC	\$1,402.2	\$1,362.0	\$733.9	NA	NA	\$92.3	(\$29.3)	\$40.1	\$80.1	1.9x	NA	14.8x	10.3x	NM	35.0x	17.5x	1.6x	
Regional Management Corp.	RM	\$328.0	\$931.2	\$283.7	\$83.0	29.2%	\$82.9	\$27.4	\$36.3	\$42.5	3.3x	11.2x	11.2x	10.4x	12.0x	9.0x	7.7x	1.2x	
World Acceptance Corporation	WRLD	\$1,035.0	\$1,332.0	\$575.0	\$121.7	21.2%	NA	\$60.2	\$75.1	\$77.5	2.3x	10.9x	NA	NA	17.2x	13.8x	13.4x	1.8x	
Mean						17.5%					2.6x	10.7x	9.2x	7.9x	20.9x	15.6x	11.5x	0.4x	
Median						16.0%					2.1x	10.9x	9.0x	8.0x	16.3x	13.8x	10.2x	1.7x	

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				LTM	LTM	Margin	2019 E	LTM	2019 E	2020 E	LTM	LTM	2019 E	2020 E	LTM	2019 E	2020 E		
<u>Automotive Financing</u>																			
America's Car-Mart, Inc.	CRMT	\$486.5	\$653.2	\$647.9	\$57.6	8.9%	\$62.7	\$29.2	\$35.2	\$40.7	1.0x	11.3x	10.4x	9.6x	16.7x	13.8x	12.0x	2.0x	
Consumer Portfolio Services, Inc.	CPSS	\$89.9	\$2,297.3	\$154.2	NA	NA	NA	\$13.8	\$11.5	\$13.2	NM	NA	NA	NA	6.5x	7.8x	6.8x	0.5x	
Credit Acceptance Corporation	CACC	\$8,088.6	\$11,883.8	\$1,072.3	NA	NA	NA	\$471.9	\$621.0	\$664.9	NM	NA	NA	NA	17.1x	13.0x	12.2x	4.1x	
Nicholas Financial, Inc.	NICK	\$85.1	\$200.9	\$34.6	NA	NA	NA	\$1.2	NA	NA	5.8x	NA	NA	NA	NM	NA	NA	0.8x	
Mean						8.9%					3.4x	11.3x	10.4x	9.6x	13.4x	11.6x	10.3x	1.8x	
Median						8.9%					3.4x	11.3x	10.4x	9.6x	16.7x	13.0x	12.0x	1.4x	
<u>eFinance</u>																			
GAIN Capital Holdings, Inc.	GCAP	\$287.8	(\$822.4)	\$356.9	NA	NA	\$92.3	\$24.5	\$34.2	\$26.1	(2.3x)	NA	(8.9x)	(9.9x)	11.7x	8.4x	11.0x	0.8x	
Intercontinental Exchange, Inc.	ICE	\$42,950.0	\$49,768.0	\$4,979.0	\$3,183.7	63.9%	\$3,231.1	\$1,564.3	\$2,142.4	\$2,447.9	10.0x	15.6x	15.4x	13.7x	27.5x	20.0x	17.5x	2.5x	
MarketAxess Holdings Inc.	MKTX	\$8,289.5	\$8,043.2	\$435.6	\$235.6	54.1%	\$270.3	\$136.3	\$191.6	\$217.3	NM	NM	NM	NM	NM	43.3x	38.2x	13.6x	
Nasdaq, Inc.	NDAQ	\$14,234.7	\$17,252.7	\$4,277.0	\$1,293.0	30.2%	\$1,355.8	\$583.8	\$840.2	\$916.6	4.0x	13.3x	12.7x	11.9x	24.4x	16.9x	15.5x	2.6x	
Mean						49.4%					3.9x	14.5x	6.4x	5.2x	21.2x	22.2x	20.6x	4.9x	
Median						54.1%					4.0x	14.5x	12.7x	11.9x	24.4x	18.5x	16.5x	2.6x	
<u>Fin Tech</u>																			
Broadridge Financial Solutions, Inc.	BR	\$11,208.3	\$12,152.6	\$4,318.5	\$812.3	18.8%	\$953.5	\$335.5	\$558.7	\$603.5	2.8x	15.0x	12.7x	12.4x	33.4x	20.1x	18.6x	10.0x	
CoreLogic, Inc.	CLGX	\$3,049.3	\$4,715.7	\$1,839.2	\$416.2	22.6%	\$487.2	\$121.2	\$219.5	\$224.0	2.6x	11.3x	9.7x	9.6x	25.2x	13.9x	13.6x	3.0x	
Fiserv, Inc.	FISV	\$32,860.7	\$38,404.7	\$5,823.0	\$2,082.0	35.8%	\$2,336.5	\$845.0	\$1,361.5	\$1,577.5	6.6x	18.4x	16.4x	15.4x	38.9x	24.1x	20.8x	14.3x	
MoneyGram International, Inc.	MGI	\$120.8	\$814.8	\$1,510.0	\$214.5	14.2%	\$240.3	\$19.6	\$39.6	\$33.2	0.5x	3.8x	3.4x	3.4x	6.2x	3.1x	3.6x	(0.5x)	
The Western Union Company	WU	\$8,112.2	\$10,572.5	\$5,589.9	\$1,386.8	24.8%	\$1,397.0	\$619.6	\$841.5	\$894.2	1.9x	7.6x	7.6x	7.2x	13.1x	9.6x	9.1x	(26.2x)	
WEX Inc.	WEX	\$7,079.7	\$8,935.9	\$1,439.7	\$535.4	37.2%	\$615.4	\$165.8	\$352.4	\$384.8	6.2x	16.7x	14.5x	12.9x	42.7x	20.1x	18.4x	3.8x	
Mean						25.6%					3.4x	12.1x	10.7x	10.2x	26.6x	15.1x	14.0x	0.7x	
Median						23.7%					2.7x	13.1x	11.2x	11.0x	29.3x	17.0x	16.0x	3.4x	

Specialty Finance Market Update

Analysis of Comparable Publicly Traded Financial Services Companies (as of 02/07/2019)

(US\$ in millions, except per share data)

		Market Statistics		Operating Metrics							Valuation Metrics								
Company	Ticker	Mkt Cap 2/7/19	Enterprise Value	Sales	EBITDA			Net Income			EV / Sales	EV / EBITDA				P / E			Price / BV ^(a)
				LTM	LTM	Margin	2019 E	LTM	2019 E	2020 E	LTM	LTM	2019 E	2020 E	LTM	2019 E	2020 E		
SBA Lending/BDC																			
Ares Capital Corporation	ARCC	\$7,046.7	\$10,806.7	\$1,299.0	\$898.8	69.2%	NA	\$420.0	\$685.7	\$723.0	8.3x	12.0x	NA	NA	16.8x	10.3x	9.7x	1.0x	
FS KKR Capital Corp.	FSK	\$2,849.0	\$4,299.4	\$402.0	NA	NA	NA	\$133.0	\$435.8	\$422.1	NM	NA	NA	NA	21.4x	6.5x	6.7x	1.4x	
Garrison Capital Inc.	GARS	\$119.6	\$333.7	\$38.9	NA	NA	NA	\$10.8	\$15.9	\$15.2	8.6x	NA	NA	NA	11.1x	7.5x	7.9x	0.7x	
Hercules Capital, Inc.	HTGC	\$1,248.2	\$2,002.4	\$201.1	\$150.6	74.9%	NA	\$64.2	\$114.2	\$128.2	10.0x	13.3x	NA	NA	19.5x	10.9x	9.7x	1.2x	
KCAP Financial, Inc.	KCAP	\$132.7	\$234.7	\$27.4	NA	NA	NA	\$6.6	\$11.0	\$12.6	8.6x	NA	NA	NA	20.0x	12.0x	10.5x	0.8x	
Main Street Capital Corporation	MAIN	\$2,255.6	\$3,149.8	\$229.9	NA	NA	NA	\$95.0	\$155.0	\$156.8	NM	NA	NA	NA	23.7x	14.5x	14.4x	1.5x	
Medley Management Inc.	MDLY	\$22.8	\$69.6	\$62.0	\$17.5	28.2%	\$21.8	\$11.4	\$1.3	\$1.9	1.1x	4.0x	3.2x	2.8x	2.0x	16.9x	11.9x	(2.0x)	
Monroe Capital Corporation	MRCC	\$252.7	\$477.5	\$57.0	NA	NA	NA	\$19.6	\$31.7	\$30.4	8.4x	NA	NA	NA	12.9x	8.0x	8.3x	1.0x	
Newtek Business Services Corp.	NEWT	\$363.8	\$658.4	\$45.3	\$7.3	16.0%	NA	(\$8.0)	\$36.1	\$38.7	NM	NM	NA	NA	NM	10.1x	9.4x	1.3x	
Oaktree Capital Group, LLC	OAK	\$3,059.9	\$5,253.0	\$1,386.1	\$411.4	29.7%	\$689.9	\$182.3	\$234.7	\$260.0	3.8x	12.8x	7.6x	7.4x	16.8x	13.0x	11.8x	3.1x	
Och-Ziff Capital Management Group LLC	OZM	\$264.5	\$1,393.1	\$770.0	\$197.1	25.6%	\$219.6	\$183.5	\$23.6	\$66.5	1.8x	7.1x	6.3x	4.2x	1.4x	11.2x	4.0x	(0.6x)	
PennantPark Investment Corporation	PNNT	\$489.8	\$1,027.5	\$107.0	NA	NA	NA	\$35.6	\$56.7	\$61.0	9.6x	NA	NA	NA	13.8x	8.6x	8.0x	0.8x	
Prospect Capital Corporation	PSEC	\$2,424.0	\$4,866.1	\$705.2	NA	NA	NA	\$195.8	\$303.7	NA	6.9x	NA	NA	NA	12.4x	8.0x	NA	0.7x	
Solar Capital Ltd.	SLRC	\$871.0	\$1,147.2	\$154.2	NA	NA	NA	\$46.0	\$74.7	\$76.4	7.4x	NA	NA	NA	18.9x	11.7x	11.4x	0.9x	
Oxford Square Capital Corp.	OXSQ	\$329.3	\$470.8	\$54.5	NA	NA	NA	\$20.4	\$33.0	\$32.3	8.6x	NA	NA	NA	16.1x	10.0x	10.2x	0.9x	
TP ICAP plc	TCAP	\$2,300.4	\$2,409.9	\$2,251.1	NA	NA	\$394.6	\$172.7	\$238.7	\$229.3	1.1x	NA	6.1x	6.1x	13.3x	9.6x	10.0x	1.0x	
Mean						40.6%					6.5x	9.8x	5.8x	5.1x	14.7x	10.6x	9.6x	0.8x	
Median						28.9%					8.3x	12.0x	6.2x	5.2x	16.1x	10.2x	9.7x	0.9x	
Real Estate Financing																			
ARMOUR Residential REIT, Inc.	ARR	\$1,092.0	\$7,786.6	\$214.5	NA	NA	NA	\$110.6	\$131.7	\$120.0	NM	NA	NA	NA	9.9x	8.3x	9.1x	1.1x	
Fidelity National Financial, Inc.	FNF	\$9,572.3	\$9,480.3	\$7,875.0	\$1,137.0	14.4%	\$1,144.0	\$568.9	\$756.0	\$795.4	1.2x	8.3x	8.3x	8.3x	16.8x	12.7x	12.0x	2.0x	
First Acceptance Corporation	OTCPK: FACO	\$53.8	\$25.6	\$332.1	\$30.4	9.1%	NA	\$14.4	NA	NA	0.1x	0.8x	NA	NA	3.7x	NA	NA	0.7x	
Meta Financial Group, Inc.	CASH	\$946.9	\$1,106.3	\$320.2	NA	NA	NA	\$37.0	\$104.9	NA	3.5x	NA	NA	NA	25.6x	9.0x	NA	1.2x	
MFA Financial, Inc.	MFA	\$3,353.6	\$11,316.5	\$412.0	NA	NA	NA	\$214.0	\$285.5	\$298.5	NM	NA	NA	NA	15.7x	11.7x	11.2x	0.9x	
Mr. Cooper Group Inc.	COOP	\$1,382.2	\$14,526.2	\$439.2	NA	NA	NA	\$15.0	\$191.4	\$233.5	NM	NA	NA	NM	NM	7.2x	5.9x	0.7x	
Walker & Dunlop, Inc.	WD	\$1,599.7	\$2,969.3	\$714.3	NA	NA	\$252.4	\$133.5	\$163.7	\$168.4	4.2x	NA	11.8x	11.3x	12.0x	9.8x	9.5x	1.8x	
Mean						11.8%					2.2x	4.6x	10.0x	9.8x	13.9x	9.8x	9.6x	1.2x	
Median						11.8%					2.3x	4.6x	10.0x	9.8x	13.8x	9.4x	9.5x	1.1x	

Source: Cap IQ

(a) Price as of February 07, 2019 divided by the last reported book value

Bryant Park Capital

Specialty Finance Market Update Q4 2018



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VALUATION

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SELECTED SPECIALTY FINANCE TRANSACTIONS

<p>Amount Not Disclosed</p> <p>NORTH MILL EQUIPMENT FINANCE LLC has been acquired by WAFRA CAPITAL PARTNERS EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$250,000,000</p> <p>DIVIDENDSOLAR has merged with Figtree and secured equity and debt financing affiliates of LL Funds, LLC EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$30,000,000</p> <p>FOX POINT TRUCKS Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>Up to \$120,000,000</p> <p>GOLDEN PEAR FUNDING Structured Portfolio Sale & Forward Flow Agreement EXCLUSIVE FINANCIAL ADVISER</p>
<p>\$75,000,000</p> <p>PAWNEE LEASING CORPORATION Term-Out Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$60,000,000</p> <p>Northern Leasing Systems, Inc. Senior Secured Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>Up to \$50,000,000</p> <p>THRIVEST™ Senior Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$20,000,000</p> <p>ADF APPLIED DATA FINANCE Mezzanine Debt CO-ADVISER</p>
<p>\$150,000,000</p> <p>GOLDEN PEAR FUNDING \$100,000,000 Senior Secured Credit Facility \$50,000,000 Additional Commitment EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>RAPID CASH FUNDING has been acquired by J.G. WENTWORTH EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>FAIRFIELD FUNDING The Right Solution at the Right Time Structured Settlement Asset Sale EXCLUSIVE FINANCIAL ADVISER</p>	<p>£25,200,000</p> <p>THE MONEY PORTAL PLC Convertible Cumulative Redeemable Preference Shares EXCLUSIVE FINANCIAL ADVISER</p>
<p>\$240,000,000</p> <p>J.G. WENTWORTH has sold a majority stake in the company through a leveraged buyout transaction to JLL Partners EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>peachtree FINANCIAL SOLUTIONS Lottery Financing Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$50,000,000</p> <p>Consumer Lending Company Senior Secured Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$50,000,000</p> <p>CashReady Portfolio Purchase Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>
<p>Amount Not Disclosed</p> <p>CBC SETTLEMENT FUNDING has been acquired by Asta EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$30,000,000</p> <p>PRINCIPIS CAPITAL Senior Secured Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$40,000,000</p> <p>peachtree PRE SETTLEMENT FUNDING Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$25,000,000</p> <p>LEISURE CONCEPTS MANAGEMENT Redefining Resort Community Living Acquisition Line of Credit and Consumer Finance Line of Credit FINANCIAL ADVISER</p>
<p>\$150,000,000</p> <p>MoneyLion Senior Secured Credit Facility EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$60,000,000</p> <p>GOLDEN PEAR FUNDING \$30,000,000 Junior Secured Credit Facility \$30,000,000 Additional Commitment EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>JGWPT HOLDINGS, LLC Valuation Services EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$30,000,000</p> <p>GOLDEN PEAR FUNDING Portfolio Sale of Assets EXCLUSIVE FINANCIAL ADVISER</p>

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