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Industry Observations – September 30, 2018
Financial Services Industry

Select Financial Services Public Company Industry Data As of September 30, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates		
		Price at 09/30/18	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM Normalized EPS	CY 2018 Revenue Estimate	CY 2018 EBITDA Estimate	
Investment Banking and Brokerage Services												
LPL Financial Holdings Inc.	LPLA	NasdaqGS:LPLA	\$64.51	88.0%	\$5,702.75	\$7,374.34	71.7%	\$5,289.81	\$4,987.80	\$3.58	\$5,226.05	\$859.23
The Goldman Sachs Group, Inc.	GS	NYSE:GS	\$224.24	81.5%	\$84,663.21	\$0.00	83.3%	\$957,190.00	\$35,918.00	\$21.29	\$36,477.83	\$0.00
Morgan Stanley	MS	NYSE:MS	\$46.57	78.4%	\$81,254.86	\$0.00	78.9%	\$865,517.00	\$41,059.00	\$4.35	\$41,372.15	\$0.00
The Charles Schwab Corporation	SCHW	NYSE:SCHW	\$49.15	81.6%	\$66,404.74	\$0.00	24.7%	\$272,102.00	\$9,705.00	\$2.00	\$10,131.65	\$5,010.47
Raymond James Financial, Inc.	RJF	NYSE:RJF	\$92.05	90.1%	\$12,992.49	\$0.00	34.2%	\$0.00	\$7,253.84	\$5.67	\$7,465.46	\$1,416.50
E*TRADE Financial Corporation	ETFC	NasdaqGS:ETFC	\$52.39	78.8%	\$13,601.33	\$0.00	35.7%	\$64,706.00	\$2,875.00	\$3.22	\$2,878.24	\$1,597.33
Stifel Financial Corp.	SF	NYSE:SF	\$51.26	74.5%	\$3,649.82	\$0.00	46.8%	\$23,760.05	\$3,035.52	\$3.32	\$3,002.63	\$579.00
Evercore Inc.	EVR	NYSE:EVR	\$100.55	85.6%	\$4,118.13	\$0.00	17.8%	\$1,705.61	\$1,764.25	\$4.99	\$1,791.17	\$480.46
BGC Partners, Inc.	BGCP	NasdaqGS:BGCP	\$11.82	69.7%	\$3,863.29	\$0.00	57.3%	\$8,732.30	\$3,667.33	\$0.23	\$3,937.70	\$934.00
Greenhill & Co., Inc.	GHL	NYSE:GHL	\$26.35	78.8%	\$561.36	\$0.00	83.9%	\$485.59	\$308.47	\$1.08	\$349.87	\$60.33
Specialized Finance												
MSCI Inc.	MSCI	NYSE:MSCI	\$177.41	96.3%	\$15,759.84	\$14,558.09	87.2%	\$3,806.41	\$1,407.08	\$751.21	\$1,434.76	\$781.45
Intercontinental Exchange, Inc.	ICE	NYSE:ICE	\$74.89	95.4%	\$42,944.66	\$52,731.24	31.3%	\$87,242.00	\$4,803.00	\$2,984.00	\$4,944.95	\$3,171.60
CME Group Inc.	CME	NasdaqGS:CME	\$170.21	96.0%	\$57,972.55	\$69,704.16	12.8%	\$70,364.10	\$3,972.80	\$2,700.70	\$4,176.48	\$2,823.05
Moody's Corporation	MCO	NYSE:MCO	\$167.20	88.9%	\$32,085.68	\$32,271.12	89.1%	\$8,439.10	\$4,548.10	\$2,151.10	\$4,553.40	\$2,175.85
MarketAxess Holdings Inc.	MKTX	NasdaqGS:MKTX	\$178.49	77.7%	\$6,706.04	\$7,458.88	0.0%	\$646.13	\$425.73	\$231.15	\$433.30	\$238.70
S&P Global Inc.	SPGI	NYSE:SPGI	\$195.39	89.9%	\$49,140.59	\$50,250.34	60.0%	\$9,383.00	\$6,309.00	\$3,147.00	\$6,365.70	\$3,147.69
Cboe Global Markets, Inc.	CBOE	BATS:CBOE	\$95.96	69.3%	\$10,730.13	\$13,406.17	27.8%	\$5,119.50	\$2,641.80	\$783.00	\$1,183.85	\$800.02
Nasdaq, Inc.	NDAQ	NasdaqGS:NDAQ	\$85.80	88.6%	\$14,114.83	\$18,503.83	40.9%	\$14,855.00	\$4,177.00	\$1,306.00	\$2,515.26	\$1,296.05
A-Mark Precious Metals, Inc.	PHH	NasdaqGS:AMRK	\$13.02	75.6%	\$91.55	\$620.84	88.7%	\$720.50	\$7,007.55	\$1.17	\$6,865.31	\$2.14

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt); EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

(USD in millions, except per share data)

The material contained in this publication is meant to provide general information regarding valuation topics. This publication does not constitute investment advice with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Professional advice should be obtained before taking any action based on the information contained herein.

Publicly available information utilized in this publication has been obtained from sources deemed to be reliable. Houlihan does not guarantee the accuracy or completeness of the information provided within this publication. The material presented reflects information known to the authors at the time this publication was written and this information is subject to change.

Select Financial Services Public Company Industry Data As of September 30, 2018

(USD in millions, except per share data)

Company Name	Ticker		Market Data				LTM Operating Data			Forward Estimates		
			Price at 09/30/18	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM Normalized EPS	CY 2018 Revenue Estimate	CY 2018 EBITDA Estimate
Personal Credit Agencies												
FirstCash, Inc.	FCFS	Nasdaq:FCFS	\$82.00	86.0%	\$3,634.82	\$4,197.99	31.4%	\$2,116.48	\$1,779.86	\$279.71	\$1,787.00	\$283.20
Green Dot Corporation	AXP	NYSE:GDOT	\$88.82	97.1%	\$4,668.97	\$3,902.97	6.9%	\$2,344.06	\$1,016.91	\$161.02	\$1,036.96	\$249.56
EZCORP, Inc.	ALLY	NasdaqGS:EZPW	\$10.70	70.9%	\$582.77	\$641.94	36.2%	\$1,240.11	\$789.25	\$89.02	\$813.84	\$105.65
World Acceptance Corporation	NAVI	NasdaqGS:WRLD	\$114.36	91.4%	\$1,037.15	\$1,191.01	28.9%	\$838.95	\$563.05	\$131.43	\$534.57	\$0.00
PRA Group, Inc.	SC	NasdaqGS:PRAA	\$36.00	82.3%	\$1,630.80	\$3,571.44	65.5%	\$3,656.76	\$867.78	\$301.16	\$886.06	\$220.84
Elevate Credit, Inc.	SLM	NYSE:ELVT	\$8.06	71.5%	\$348.12	\$683.34	83.2%	\$736.30	\$772.84	\$96.23	\$791.91	\$114.30
CURO Group Holdings Corp.	CACC	NYSE:CURO	\$30.23	93.9%	\$1,383.64	\$1,460.41	98.9%	\$995.73	\$1,060.74	\$205.96	\$1,097.52	\$216.69

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

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Select Financial Services Public Company Valuation Metrics As of September 30, 2018

(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics					Trading Multiples				
		Return On Assets	Return On Equity	Assets Under Management	Revenue Growth	EPS Growth	Price / TBV	PEG	P / Normalized EPS	P / Forward EPS	
Investment Banking and Brokerage Services											
LPL Financial Holdings Inc.	LPLA	7.6%	39.9%	\$ 3,061.00	19.5%	82.1%	NM	0.8x	18.9x	12.2x	
The Goldman Sachs Group, Inc.	GS	0.6%	6.8%	\$ -	10.8%	28.2%	1.2x	0.7x	11.0x	9.2x	
Morgan Stanley	MS	0.9%	10.0%	\$ 4,780.00	9.6%	36.3%	1.3x	0.7x	10.9x	9.1x	
The Charles Schwab Corporation	SCHW	1.3%	16.3%	\$ -	16.3%	48.7%	4.2x	1.0x	24.6x	17.6x	
Raymond James Financial, Inc.	RJF	0.0%	14.2%	\$ -	13.7%	13.9%	2.4x	0.7x	14.6x	11.0x	
E*TRADE Financial Corporation	ETFC	1.5%	13.6%	\$ -	19.9%	72.5%	4.2x	0.8x	16.8x	13.4x	
Stifel Financial Corp.	SF	1.3%	9.1%	\$ -	9.3%	30.7%	2.1x	0.8x	17.5x	9.1x	
Evercore Inc.	EVR	15.3%	30.6%	\$ 98.96	9.6%	31.7%	8.6x	0.7x	19.3x	11.3x	
BGC Partners, Inc.	BGCP	1.9%	10.6%	\$ -	17.3%	17.1%	NM	0.0x	76.5x	7.7x	
Greenhill & Co., Inc.	GHL	0.4%	1.0%	\$ -	14.0%	0.0%	NM	0.0x	22.1x	13.0x	
	Mean	3.1%	15.2%	\$ 794.00	14.0%	36.1%	3.4x	0.6x	23.2x	11.4x	
	Median	1.3%	12.1%	\$ 90.53	13.9%	31.2%	2.4x	0.7x	18.2x	11.1x	

Company Name	Ticker	LTM Operating Statistics					Trading Multiples				
		Return On Assets	Return On Equity	Assets Under Management	Revenue Growth	EPS Growth	TEV/ LTM Revenue	TEV/ NTM Revenue	P / Normalized EPS	P / Forward EPS	
Specialized Finance											
MSCI Inc.	MSCI	12.0%	113.8%	\$ -	14.2%	31.9%	10.3x	10.1x	40.1x	26.7x	
Intercontinental Exchange, Inc.	ICE	1.9%	16.0%	\$ -	3.7%	21.2%	11.0x	10.7x	31.6x	21.2x	
CME Group Inc.	CME	2.1%	20.5%	\$ -	8.6%	39.4%	17.5x	16.7x	37.8x	27.0x	
Moody's Corporation	MCO	14.6%	487.5%	\$ -	14.3%	24.3%	7.1x	7.1x	27.6x	19.9x	
MarketAxess Holdings Inc.	MKTX	21.7%	29.5%	\$ -	9.4%	7.9%	17.5x	17.2x	59.2x	41.2x	
S&P Global Inc.	SPGI	20.4%	83.1%	\$ -	7.4%	23.5%	8.0x	7.9x	30.0x	20.6x	
Cboe Global Markets, Inc.	CBOE	7.2%	18.0%	\$ -	46.8%	38.1%	5.1x	11.3x	32.9x	22.6x	
Nasdaq, Inc.	NDAQ	4.6%	13.3%	\$ -	7.0%	17.4%	4.4x	7.4x	25.8x	18.1x	
A-Mark Precious Metals, Inc.	PHH	-0.2%	-3.4%	\$ -	-4.6%	0.0%	0.1x	0.1x	74.0x	23.3x	
	Mean	9.4%	86.5%	\$ -	11.9%	22.6%	9.0x	9.8x	39.9x	24.5x	
	Median	7.2%	20.5%	\$ -	8.6%	23.5%	8.0x	10.1x	32.9x	22.6x	

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)
Source: Capital IQ

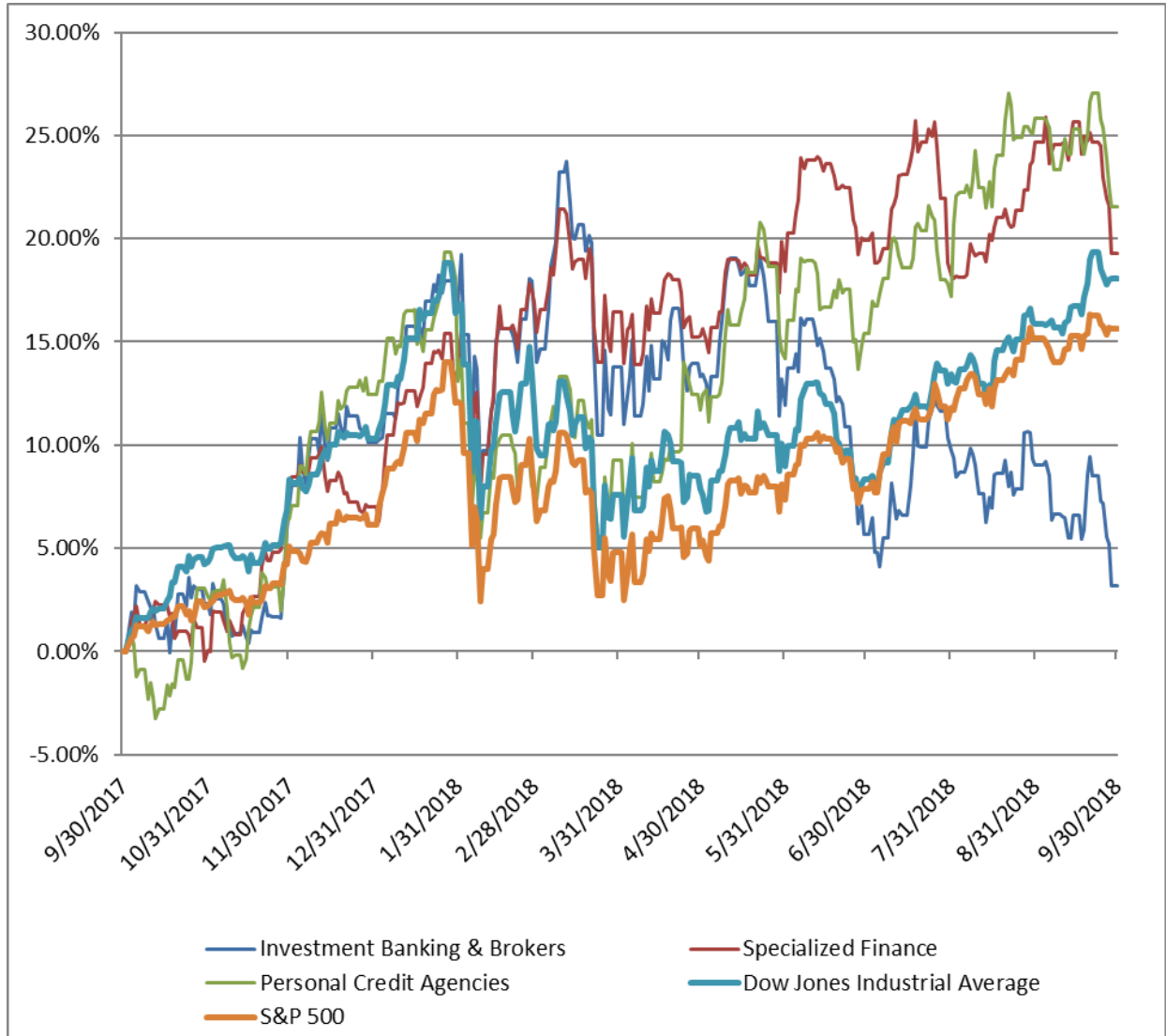
Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)
Source: Capital IQ

Select Financial Services Public Company Valuation Metrics As of September 30, 2018

Personal Credit Agencies											
FirstCash, Inc.	FCFS	6.9%	12.4%	\$	-	1.0%	27.9%	2.4x	2.3x	28.9x	21.2x
Green Dot Corporation	AXP	3.3%	14.3%	\$	-	21.1%	48.8%	3.8x	3.8x	63.8x	26.6x
EZCORP, Inc.	ALLY	3.7%	7.1%	\$	-	5.2%	22.1%	0.8x	0.8x	13.4x	11.4x
World Acceptance Corporation	NAVI	9.1%	11.4%	\$	-	7.7%	4.7%	2.1x	2.2x	14.9x	12.5x
PRA Group, Inc.	SC	5.0%	13.1%	\$	-	12.8%	14.9%	4.1x	4.0x	14.8x	16.6x
Elevate Credit, Inc.	SLM	8.1%	-3.5%	\$	-	19.1%	69.4%	0.9x	0.9x	25.0x	7.3x
CURO Group Holdings Corp.	CACC	13.3%	-3.6%	\$	-	15.9%	-7.5%	1.4x	1.3x	11.5x	6.7x
	Mean	7.0%	7.3%	\$	-	11.8%	25.8%	2.2x	2.2x	24.6x	14.6x
	Median	6.9%	11.4%	\$	-	12.8%	22.1%	2.1x	2.2x	14.9x	12.5x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)
Source: Capital IQ

Financial Services Public Company LTM Equity Performance
As of March 31, 2018



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

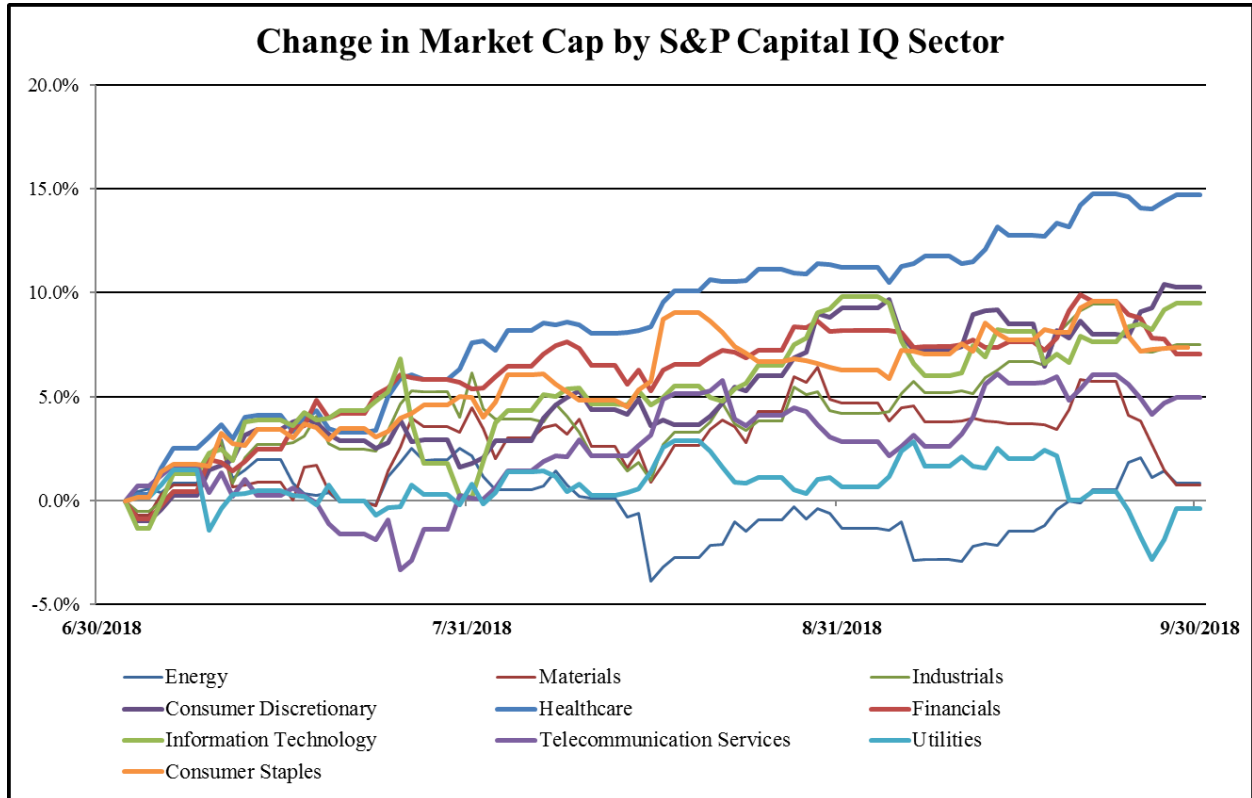
Recent M&A Activity in the Financial Services Industry September 30, 2017 to September 30, 2018

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Equity Value
12/22/2017	NewStar Financial, Inc., Portfolio of Investment Assets	GSO Capital Partners LP; GSO Diamond Portfolio	Specialized Finance	\$2,370.70
9/19/2018	Energy Project Finance Debt Business of GE Energy Financial	Starwood Property Trust, Inc.	Specialized Finance	\$2,160.00
10/20/2017	Sterling Jewelers Inc., \$1 Billion Prime-Only Credit Quality	Comenity Bank	Specialized Finance	\$960.20
8/29/2018	NXT Capital, LLC	ORIX Corporation USA	Specialized Finance	\$900.00
7/23/2018	TMC Bonds L.L.C.	Intercontinental Exchange, Inc.	Investment Banking and Brokerage	\$685.00
10/5/2017	Global Cash Card Inc.	Automatic Data Processing, Inc.	Specialized Finance	\$490.00
12/22/2017	NewStar Financial, Inc.	Arnhold and S. Bleichroeder Holdings, Inc.	Specialized Finance	\$475.40
6/29/2018	Shore Premier Finance Division of Union Bank & Trust	Centennial Bank (Conway, AR)	Specialized Finance	\$402.70
2/23/2018	Poloniex, LLC	Circle Internet Financial, Inc.	Investment Banking and Brokerage	\$400.00
1/2/2018	KCG BondPoint, Inc.	Intercontinental Exchange, Inc.	Investment Banking and Brokerage	\$400.00
10/5/2017	Access Point Financial, Inc.	Watani Investment Company K.S.C. c; Wafra	Specialized Finance	\$350.00
2/1/2018	EQ Shareowner Services	N/A	Investment Banking and Brokerage	\$227.00
11/1/2017	Ares Capital Management LLC, Venture Lending Portfolio Assets	Bearcub Acquisitions LLC	Specialized Finance	\$125.80
1/31/2018	US Premium Finance Holding Company	Ameris Bancorp	Specialized Finance	\$76.14
2/28/2018	Haitong Securities USA LLC and Haitong (UK) Limited	Haitong International (BVI) Limited	Investment Banking and Brokerage	\$29.31
1/1/2018	BBN Financial Corporation	Atlantic Community Bancshares, Inc.	Specialized Finance	\$17.00
10/1/2017	Siena Capital Finance LLC.	1/0/1900	Specialized Finance	\$4.03
10/2/2017	Interwest Transfer Company, Inc.	Issuer Direct Corporation	Investment Banking and Brokerage	\$2.27
10/27/2017	CapX Partners (nka:Accord CapX LLC)	Accord Financial Corp.	Specialized Finance	\$2.22
3/26/2018	Logical Brokerage Corp	Riot Blockchain, Inc.	Investment Banking and Brokerage	\$0.65
9/30/2018	Toledo Postal Employees Credit Union, Inc.	Champion Credit Union, Inc.	Specialized Finance	NA
9/29/2018	Brooks Community Federal Credit Union	North Star Credit Union	Specialized Finance	NA
9/13/2018	Vanbridge Holdings LLC	Edgewood Partners Insurance Center, Inc.	Investment Banking and Brokerage	NA
9/4/2018	KGS-Alpha Capital Markets, LP	Bank of Montreal	Investment Banking and Brokerage	NA
9/3/2018	VTB Capital Inc. (nka:Xtellus Capital Partners LLC)	1/0/1900	Investment Banking and Brokerage	NA
9/1/2018	Palmetto Trust Federal Credit Union	Self-Help Credit Union	Specialized Finance	NA
9/1/2018	Simply Service Federal Credit Union	Highmark Federal Credit Union	Specialized Finance	NA
9/1/2018	Dallas Credit Union	Neighborhood Credit Union	Specialized Finance	NA
9/1/2018	Peoples-Neighborhood Federal Credit Union	D.C. Federal Credit Union	Specialized Finance	NA
9/1/2018	Taft Employees Credit Union	Total Choice Federal Credit Union	Specialized Finance	NA
9/1/2018	Des Moines County Postal Credit Union	Alliant Credit Union	Specialized Finance	NA
9/1/2018	National Geographic Federal Credit Union	O.A.S. Staff Federal Credit Union	Specialized Finance	NA
8/31/2018	Times Federal Credit Union	Hawaiian Financial Federal Credit Union	Specialized Finance	NA
8/31/2018	Melrose Credit Union	Teachers Federal Credit Union	Specialized Finance	NA
8/29/2018	Co-Op Toledo Credit Union, Inc.	Superior Federal Credit Union	Specialized Finance	NA
8/27/2018	CTS Capital Advisors, LLC	Cherry Bekaert LLP	Investment Banking and Brokerage	NA
8/27/2018	D&S Factors LLC	The Internet Truckstop, LLC	Specialized Finance	NA
8/21/2018	Rogers Employees Federal Credit Union	Personal Care America Federal Credit Union	Specialized Finance	NA
8/17/2018	Ukrainian Future Credit Union	Selfreliance Ukrainian American Federal Credit	Specialized Finance	NA
8/1/2018	Collateral Management Business of Kramer Van Kirk Credit	THL Credit Advisors LLC	Specialized Finance	NA
8/1/2018	Kekaha Federal Credit Union	N/A	Specialized Finance	NA
8/1/2018	TIP OF TEXAS Federal Credit Union	One Source Federal Credit Union	Specialized Finance	NA
7/31/2018	GlassRatner Advisory & Capital Group LLC	B. Riley Financial, Inc.	Investment Banking and Brokerage	NA
7/19/2018	Vend Lease Company, Inc.	LEAF Commercial Capital, Inc.	Specialized Finance	NA
7/17/2018	Brokerage & Advisory Assets of Capital One Investing LLC	Woodbury Financial Services, Inc.	Investment Banking and Brokerage	NA
7/12/2018	Vandham Securities Corp.	Wall Street Access Corporation	Investment Banking and Brokerage	NA
7/10/2018	Resitrader, Inc.	Optimal Blue	Investment Banking and Brokerage	NA
7/10/2018	Allied Affiliated Funding L.P.	Axiom Bank	Specialized Finance	NA
7/2/2018	Central Kansas Credit Union	Credit Union of America	Specialized Finance	NA
7/2/2018	SageLink Credit Union	Portland Federal Credit Union, Inc.	Specialized Finance	NA
6/29/2018	Louisville Metro Police Officers Credit Union, Inc.	Commonwealth Credit Union, Inc.	Specialized Finance	NA
6/19/2018	Projector Federal Credit Union	Teachers Federal Credit Union	Specialized Finance	NA
6/18/2018	Ogg Trading, LLC	OTC Exchange Network, Inc.	Investment Banking and Brokerage	NA
6/11/2018	Enchanted Mountains Federal Credit Union	Olean Area Federal Credit Union	Specialized Finance	NA
6/6/2018	Manufactured Housing Floorplan Loan Portfolio	Triad Financial Services, Inc.	Specialized Finance	NA
6/4/2018	Far West Capital Inc	Advantage Business Capital, Inc.	Specialized Finance	NA
6/4/2018	Zeno Consulting Group, LLC	Abel/Noser Corp.	Investment Banking and Brokerage	NA
6/4/2018	Niagara Falls Memorial Medical Center Federal Credit Union	Niagara's Choice Credit Union	Specialized Finance	NA

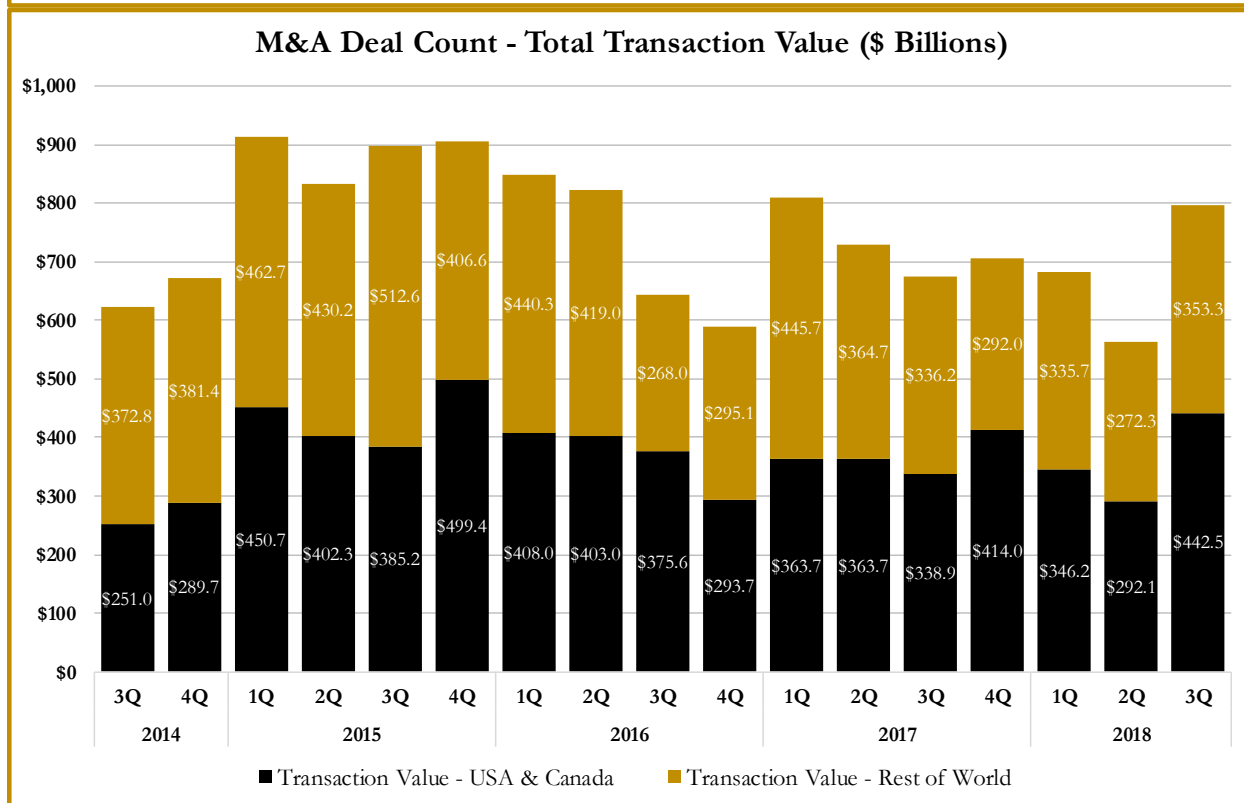
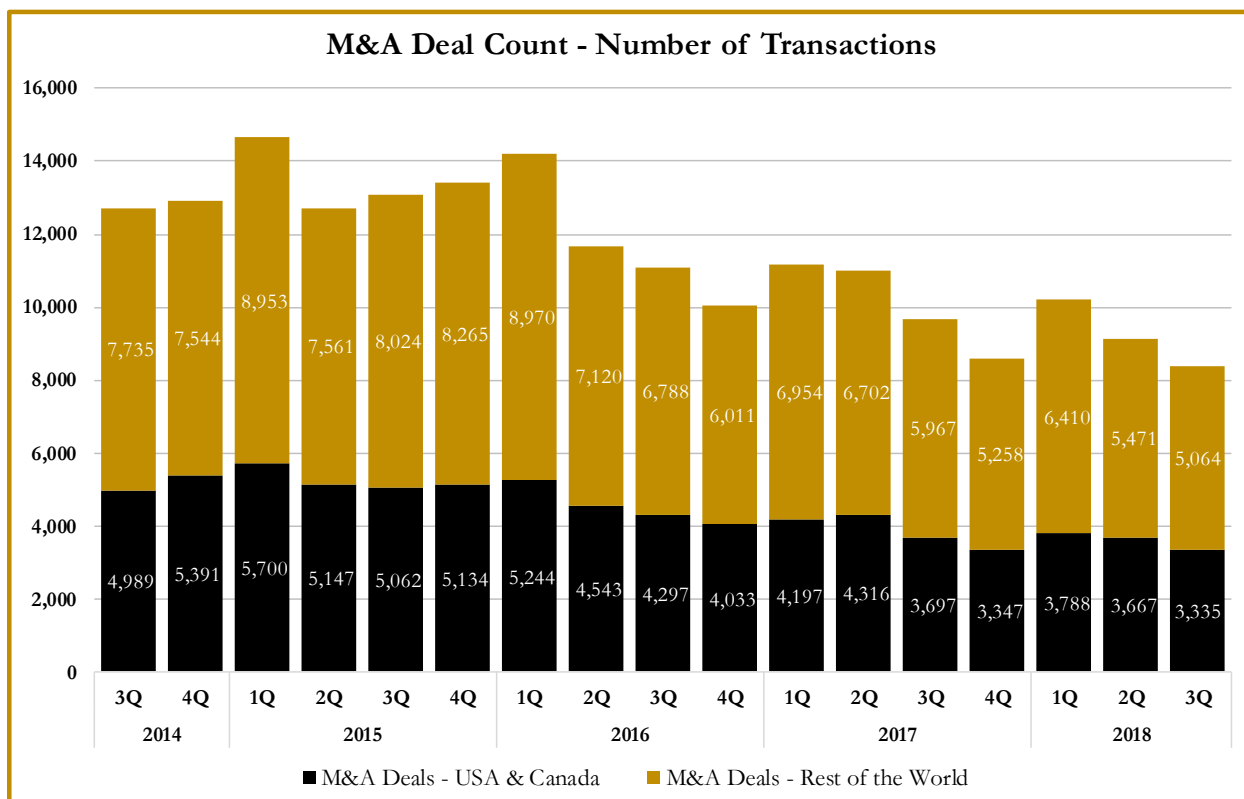
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of September 30, 2018

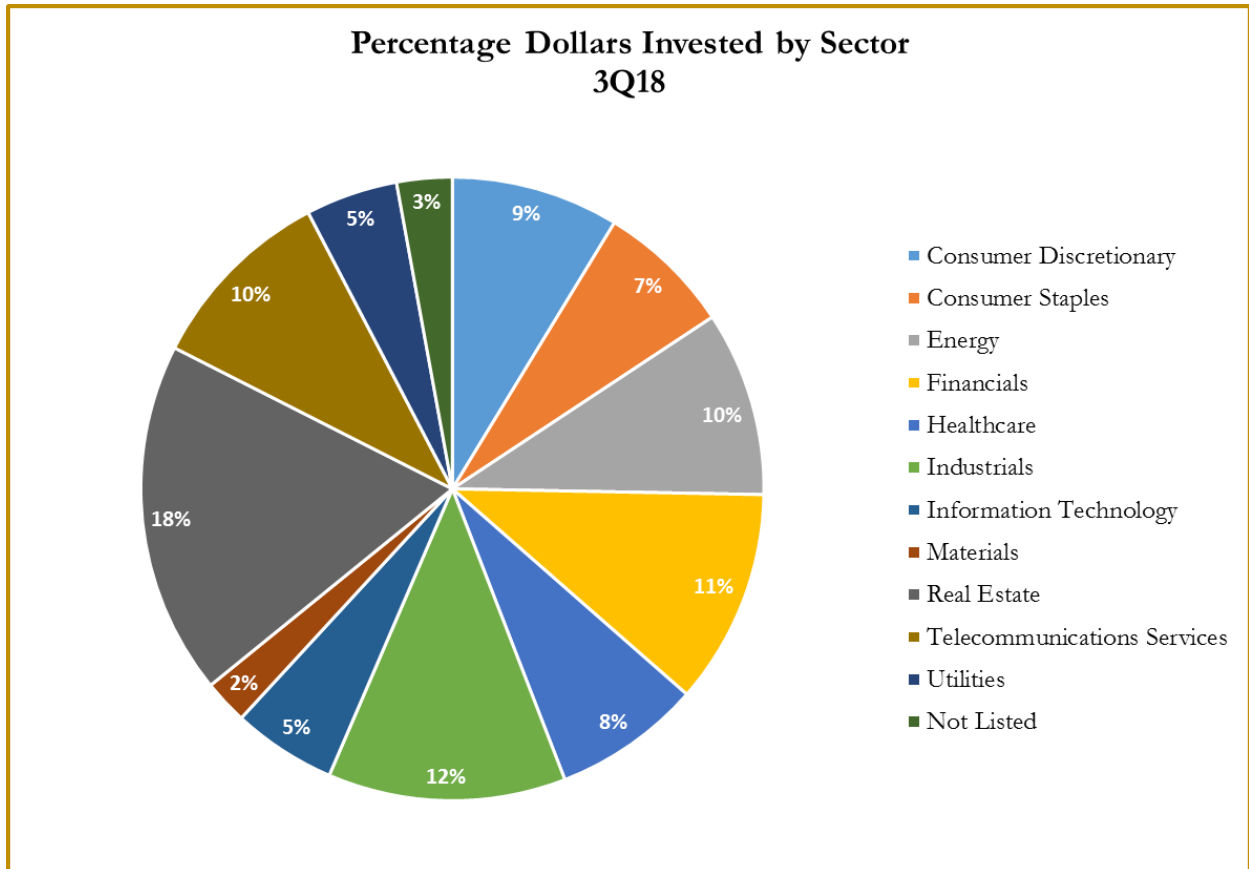


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector As of September 30, 2018



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of September 30, 2018





About Us

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Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

Investment Banking

Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

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Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

For additional information about our industry expertise and services, visit:

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Andrew Smith asmith@houlihancapital.com 312.450.8610	Paul Clark pclark@houlihancapital.com 312.450.8656	Michael Norton mnorton@houlihancapital.com 312.450.8628	Monica Blocker mblocker@houlihancapital.com 312.450.8699
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