HOULIHAN CAPITAL

Value. Added.

Industry Observations – September 30, 2019

Financial Services Industry

Select Financial Services Public Company Industry Data
As of September 30, 2019

(USD in millions, except per share data)

		Market Data					LTM Operating Data			Forward Estimates	
Company Name	Ticker	Price at 09/30/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM Normalized EPS	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
Investment Banking and Brokerage Services											
LPL Financial Holdings Inc.	LPLA	$81.90	91.1%	$6,740.45	$8,584.98	71.8%	$5,363.96	$5,409.48	$5.19	$5,620.08	$1,028.13
The Goldman Sachs Group, Inc.	GS	$207.23	88.5%	$74,512.35	$0.00	81.6%	$1,007,000	$33,720.00	$19.64	$34,968.57	$0.00
Morgan Stanley	MS	$42.67	87.7%	$70,523.61	$0.00	79.4%	$0.00	$39,110.00	$3.97	$40,185.04	$0.00
The Charles Schwab Corporation	SCHW	$41.83	79.7%	$54,679.47	$0.00	25.7%	$279,000.00	$10,784.00	$2.36	$10,700.34	$5,379.74
Raymond James Financial, Inc.	RJF	$82.46	85.8%	$11,449.01	$0.00	33.9%	$38,677.00	$7,585.75	$6.12	$7,769.91	$1,565.00
E*TRADE Financial Corporation	ETFC	$43.69	80.3%	$10,399.46	$0.00	17.7%	$61,707.00	$2,986.00	$3.67	$2,884.20	$1,537.61
Stifel Financial Corp.	SF	$57.38	92.6%	$3,992.76	$0.00	45.3%	$24,343.60	$3,087.38	$4.88	$3,167.42	$671.65
Evercore Inc.	EVR	$80.10	78.6%	$3,193.75	$0.00	29.7%	$1,939.75	$2,099.04	$6.87	$2,082.52	$555.75
BGC Partners, Inc.	BGCP	$5.50	46.0%	$1,898.09	$0.00	59.2%	$5,391.82	$1,964.91	$0.20	$2,106.70	$543.00
Greenhill & Co., Inc.	GHL	$13.12	42.2%	$259.21	$0.00	94.6%	$469.65	$255.17	-$0.14	$299.53	$26.48
Specialized Finance											
MSCI Inc.	MSCI	$217.75	88.0%	$18,443.13	$20,999.99	109.2%	$3,425.09	$1,476.56	$767.41	$1,543.21	$835.44
Intercontinental Exchange, Inc.	ICE	$92.27	96.6%	$51,709.47	$60,318.15	32.1%	$90,930.00	$5,071.00	$3,116.00	$5,231.46	$3,381.71
CME Group Inc.	CME	$211.34	94.0%	$75,679.93	$80,088.04	15.2%	$70,349.50	$4,593.10	$2,975.90	$4,971.02	$3,244.23
Moody's Corporation	MCO	$204.83	91.9%	$38,753.84	$46,006.86	91.2%	$9,591.60	$4,496.60	$2,103.00	$4,699.57	$2,241.95
MarketAxess Holdings Inc.	MKTX	$327.50	77.7%	$12,365.31	$13,046.42	11.9%	$812.01	$463.87	$246.49	$507.63	$280.00
S&P Global Inc.	SPGI	$244.98	90.9%	$60,338.57	$66,154.22	64.1%	$10,185.00	$6,357.00	$3,149.00	$6,598.89	$3,349.22
Cboe Global Markets, Inc.	CBOE	$114.91	93.5%	$12,833.40	$13,775.93	22.6%	$5,159.30	$2,545.70	$798.40	$1,147.81	$773.92
Nasdaq, Inc.	NDAQ	$99.35	94.4%	$16,361.73	$19,722.51	41.2%	$14,132.00	$4,199.00	$1,284.00	$2,534.15	$1,301.27
A-Mark Precious Metals, Inc.	PHH	$12.05	79.5%	$84.73	$627.99	88.4%	$705.36	$4,783.16	$2.26	$0.00	$0.00

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

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, 2019

(USD in millions, except per share data)

		Market Data					LTM Operating Data			Forward Estimates	
Company Name	**Ticker**	**Price at 09/30/19**	**% of 52 Week High**	**Equity Value**	**Enterprise Value**	**Debt / Total Capital**	**Total Assets**	**LTM Revenue**	**LTM Normalized EPS**	**CY 2019 Revenue Estimate**	**CY 2019 EBITDA Estimate**
Personal Credit Agencies											
FirstCash, Inc.	FCFS	$91.67	85.8%	$3,938.44	$4,854.70	40.5%	$2,404.49	$1,824.70	$292.67	$1,884.21	$306.05
Green Dot Corporation	AXP	$25.25	27.2%	$1,308.45	$180.17	4.0%	$2,502.05	$1,076.46	$185.89	$1,082.75	$240.16
EZCORP, Inc.	ALLY	$6.46	57.4%	$357.90	$417.77	24.0%	$1,069.22	$840.23	$91.51	$866.59	$97.60
World Acceptance Corporation	NAVI	$127.51	72.5%	$1,053.47	$1,415.02	44.7%	$1,040.69	$560.19	$107.56	$598.22	$0.00
PRA Group, Inc.	SC	$33.79	91.5%	$1,534.37	$4,196.69	70.1%	$4,165.41	$960.56	$207.71	$1,010.23	$274.43
Elevate Credit, Inc.	SLM	$4.21	52.0%	$185.80	$660.95	79.5%	$741.24	$776.03	$113.49	$763.57	$132.03
CURO Group Holdings Corp.	CACC	$13.28	43.3%	$574.60	$1,365.91	94.1%	$1,085.36	$1,148.54	$186.58	$1,152.79	$256.57

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)

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Select Financial Services Public Company Valuation Metrics
As of September 30, 2019

(USD in millions, except per share data)

		LTM Operating Statistics					Trading Multiples			
Company Name	**Ticker**	**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	9.9%	52.0%	$ 3,273.00	14.6%	34.0%	NM	0.8x	15.4x	12.1x
The Goldman Sachs Group, Inc.	GS	0.9%	10.1%	$ -	-6.1%	-8.6%	1.0x	1.2x	10.6x	8.7x
Morgan Stanley	MS	0.0%	0.0%	$ -	-4.7%	3.9%	1.1x	0.9x	11.2x	8.6x
The Charles Schwab Corporation	SCHW	1.4%	17.9%	$ -	11.1%	9.8%	3.2x	2.6x	17.0x	16.2x
Raymond James Financial, Inc.	RJF	2.7%	15.8%	$ 1,431.31	7.7%	12.9%	2.0x	0.8x	13.8x	10.9x
E*TRADE Financial Corporation	ETFC	1.7%	15.8%	$ -	3.9%	0.7%	3.2x	0.8x	11.2x	12.1x
Stifel Financial Corp.	SF	1.8%	13.3%	$ -	4.3%	8.4%	2.1x	1.6x	12.6x	9.1x
Evercore Inc.	EVR	24.0%	46.8%	$ 100.75	17.3%	-8.0%	5.3x	0.0x	12.3x	9.2x
BGC Partners, Inc.	BGCP	1.8%	8.3%	$ -	81.3%	-46.2%	NM	0.0x	28.7x	8.8x
Greenhill & Co., Inc.	GHL	-1.2%	-9.2%	$ -	-7.1%	-75.2%	NM	0.0x	NM	8.7x
	Mean	4.3%	17.1%	$ 480.51	12.2%	-6.8%	2.5x	0.9x	14.7x	10.4x
	Median	1.7%	14.5%	$ 89.01	6.0%	2.3%	2.1x	0.8x	12.6x	9.1x
Specialized Finance										
MSCI Inc.	MSCI	12.3%	1011.8%	$ -	7.7%	17.2%	14.2x	13.6x	53.4x	34.0x
Intercontinental Exchange, Inc.	ICE	1.9%	12.1%	$ -	6.5%	5.9%	11.9x	11.5x	35.5x	23.5x
CME Group Inc.	CME	2.3%	7.3%	$ -	16.0%	0.1%	17.4x	16.1x	45.6x	30.0x
Moody's Corporation	MCO	13.0%	241.7%	$ -	-0.7%	9.4%	10.2x	9.8x	39.6x	25.8x
MarketAxess Holdings Inc.	MKTX	19.7%	30.4%	$ -	11.6%	13.7%	28.1x	25.7x	92.0x	61.4x
S&P Global Inc.	SPGI	18.9%	94.6%	$ -	1.3%	8.5%	10.4x	10.0x	39.8x	25.9x
Cboe Global Markets, Inc.	CBOE	7.4%	12.4%	$ -	-4.9%	-8.7%	5.4x	12.0x	35.6x	24.1x
Nasdaq, Inc.	NDAQ	4.6%	9.7%	$ -	0.9%	1.2%	4.7x	7.8x	26.7x	19.3x
A-Mark Precious Metals, Inc.	PHH	0.0%	3.2%	$ -	-37.1%	0.0%	0.1x	N/A	48.4x	0.0x
	Mean	8.9%	158.1%	$ -	0.1%	5.2%	11.4x	13.3x	46.3x	27.1x
	Median	7.4%	12.4%	$ -	1.3%	5.9%	10.4x	11.8x	39.8x	25.8x

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

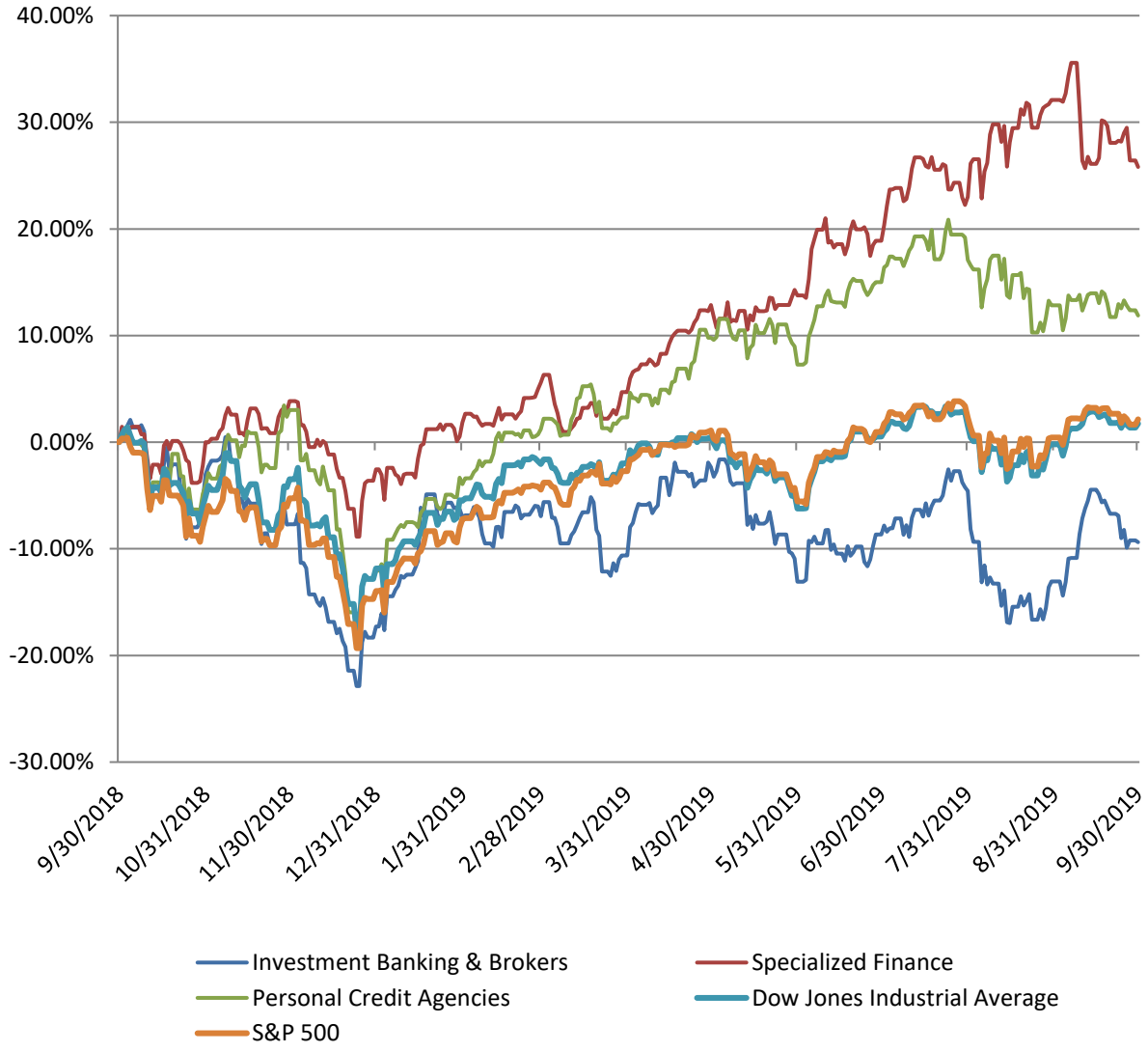
Select Financial Services Public Company Valuation Metrics
As of September 30, 2019

(USD in millions, except per share data)

		LTM Operating Statistics					Trading Multiples			
Company Name	**Ticker**	**Return On Assets**	**Return On Equity**	**Assets Under Management**	**Revenue Growth**	**EPS Growth**	**Price / TBV**	**PEG**	**P / Normalized EPS**	**P / Forward EPS**
Personal Credit Agencies										
FirstCash, Inc.	FCFS	7.1%	11.9%	$ -	2.2%	10.5%	2.7x	2.6x	29.9x	22.5x
Green Dot Corporation	AXP	3.5%	13.1%	$ -	7.8%	-17.2%	0.2x	0.2x	13.8x	10.1x
EZCORP, Inc.	ALLY	3.4%	0.4%	$ -	6.6%	11.4%	0.5x	0.5x	11.6x	6.1x
World Acceptance Corporation	NAVI	6.7%	12.5%	$ -	10.1%	-15.5%	2.5x	2.4x	21.4x	17.2x
PRA Group, Inc.	SC	3.0%	6.1%	$ -	11.6%	17.2%	4.4x	4.2x	65.3x	17.3x
Elevate Credit, Inc.	SLM	8.9%	15.0%	$ -	4.3%	119.8%	0.9x	0.9x	11.8x	6.6x
CURO Group Holdings Corp.	CACC	11.0%	-35.1%	$ -	13.7%	44.2%	1.2x	1.2x	10.2x	4.2x
	Mean	6.2%	3.4%	$ -	8.0%	24.3%	1.8x	1.7x	23.4x	12.0x
	Median	6.7%	11.9%	$ -	7.8%	11.4%	1.2x	1.2x	13.8x	10.1x

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 September 30, 2019



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

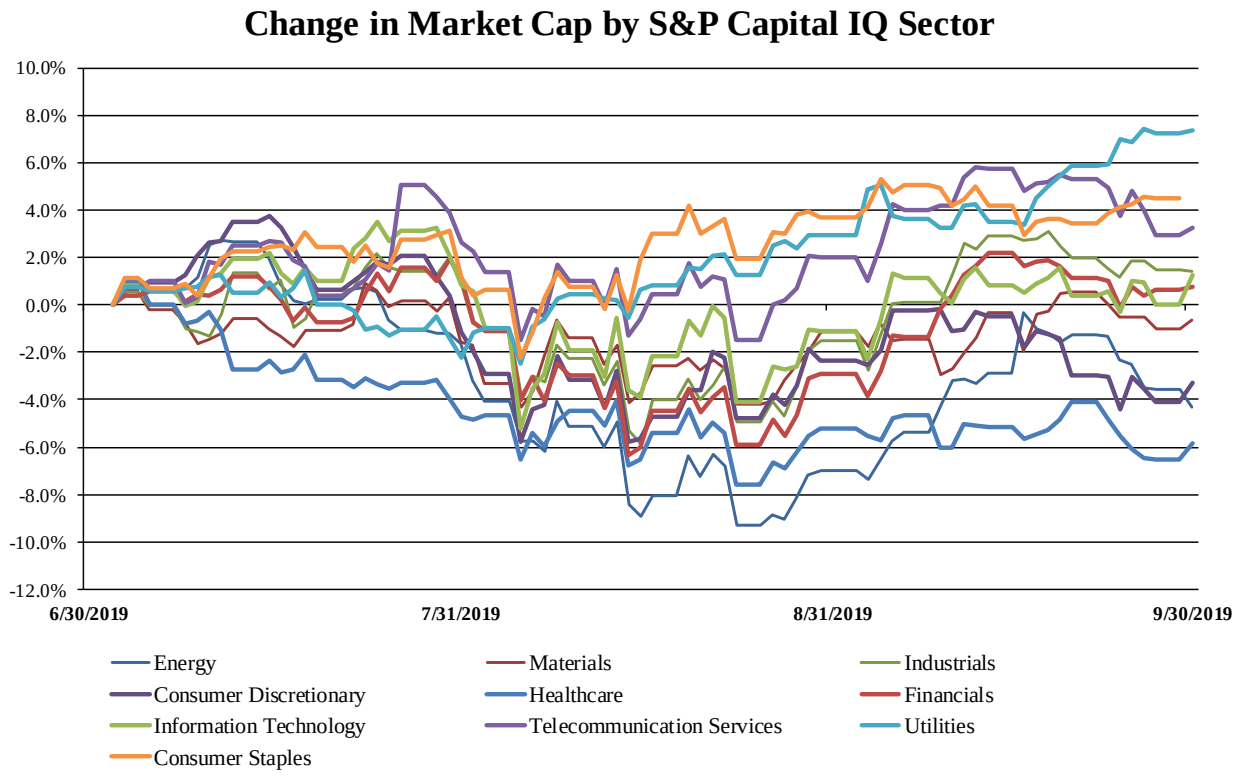
Recent M&A Activity in the Financial Services Industry September 30, 2018 to September 30, 2019

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Equity Value
3/1/2019	Investment Technology Group, Inc. (nka:Virtu ITG Holdings	Impala Borrower LLC	Investment Banking and Brokerage	$1,110.25
12/31/2018	Three Credit Card Portfolios of Alliance Data Systems Corporation	1/0/1900	Specialized Finance	$851.70
10/17/2018	Rail Portfolio of Element Rail Leasing I LLC	Trinity Industries Leasing Company, Inc.	Specialized Finance	$654.55
1/9/2019	CSI Enterprises, Inc.	Edenred SA	Specialized Finance	$600.00
1/4/2019	Leerink Holdings LLC (nka:SVB Leerink Holdings LLC)	SVB Financial Group	Investment Banking and Brokerage	$280.00
1/2/2019	Bossier Casino Venture (HoldCo), Inc.	VICI Properties Inc.	Specialized Finance	$261.13
8/30/2019	Bannockburn Global Forex, LLC	First Financial Bank	Investment Banking and Brokerage	$109.95
11/6/2018	About 1 Million Retail Brokerage Account with $18 Billion Asset	E*TRADE Financial Corporation	Investment Banking and Brokerage	$109.00
1/28/2019	COR Securities Holdings Inc.	Axos Clearing, LLC	Investment Banking and Brokerage	$76.00
7/2/2019	Advocate Capital, Inc.	Pinnacle Bank (Nashville TN)	Specialized Finance	$59.00
8/2/2019	Weeden & Co. LP	Piper Jaffray Companies	Investment Banking and Brokerage	$43.40
2/11/2019	National Holdings Corporation	B. Riley Financial, Inc.	Investment Banking and Brokerage	$40.60
2/13/2019	Business of Petsky Prunier LLC	Canaccord Genuity LLC	Investment Banking and Brokerage	$30.00
2/6/2019	Weeden Prime Services, LLC	t0 Technologies, LLC	Investment Banking and Brokerage	$21.57
10/1/2018	AmOne Corp.	QuinStreet, Inc.	Specialized Finance	$20.33
11/2/2018	Axiom Commodity Group, LLC	TP ICAP plc	Investment Banking and Brokerage	$15.10
7/15/2019	Marsco Investment Corporation	Tiger Fintech Holdings Inc.	Investment Banking and Brokerage	$9.40
2/8/2019	Prestige Capital Corporation	Great Elm Capital Corporation; Great Elm Capital	Specialized Finance	$9.25
12/28/2018	Portfolio of Mortgage Securities of Novation Companies, Inc.	1/0/1900	Investment Banking and Brokerage	$8.50
1/14/2019	GMP Securities, LLC	INTL FCStone Inc.	Investment Banking and Brokerage	$8.20
2/1/2019	Great Bay Renewables	Altius Renewable Royalties Corp.	Specialized Finance	$5.00
7/1/2019	Certain Retail Customer Accounts of Capital Financial Services,	Calton & Associates, Inc.	Investment Banking and Brokerage	$0.08
9/30/2019	Certain Assets of George K. Baum & Company	Stifel Financial Corp.	Investment Banking and Brokerage	NA
9/19/2019	Qu Capital Management, LLC	N/A	Investment Banking and Brokerage	NA
9/18/2019	Cambridge Yacht Group, Inc.	Apollo Yachts, LLC	Investment Banking and Brokerage	NA
9/9/2019	Cleary Gull, Inc. (nka:CIBC Cleary Gull)	Canadian Imperial Bank of Commerce	Investment Banking and Brokerage	NA
9/4/2019	Assets of Phil Bailey & Associates, P.A.	HUB International Limited	Investment Banking and Brokerage	NA
8/31/2019	Cross Roads Credit Union	United Consumers Credit Union	Specialized Finance	NA
8/31/2019	Hanesbrands Credit Union	Members Credit Union	Specialized Finance	NA
8/23/2019	1619 Brill Broadway LLC	Company 3, LLC	Specialized Finance	NA
8/14/2019	Select Assets, Broker Dealer and Advisory Business of Foresters	Cetera Financial Group, Inc.	Investment Banking and Brokerage	NA
8/2/2019	Advisor Group, Inc.	Reverence Capital Partners LLC	Investment Banking and Brokerage	NA
8/1/2019	Inspirus Credit Union	Gesa Credit Union	Specialized Finance	NA
7/31/2019	Metro North Federal Credit Union	Birmingham Bloomfield Credit Union	Specialized Finance	NA
7/31/2019	North Side Community Federal Credit Union	Great Lakes Credit Union	Specialized Finance	NA
7/30/2019	Sweney Cartwright & Co.	Boenning & Scattergood, Inc.	Investment Banking and Brokerage	NA
7/27/2019	Remaining Assets Of SALT Lending Holdings, Inc.	Nexo AG	Specialized Finance	NA
7/22/2019	Credit Card Portfolio of BMW Bank of North America Inc.	U.S. Bancorp	Specialized Finance	NA
7/18/2019	Lending Business of Breakout Capital Finance, LLC	SecurCapital Corporation	Specialized Finance	NA
7/16/2019	$27 Million Portfolio of Four Non-Performing Notes	Bain Capital Credit, LP; SKW Funding, LLC	Specialized Finance	NA
7/1/2019	Energy Services Federal Credit Union	SPIRE Credit Union	Specialized Finance	NA
7/1/2019	Mooreland Partners LLC	Stifel Financial Corp.	Investment Banking and Brokerage	NA
7/1/2019	Constellation Federal Credit Union	Northwest Federal Credit Union	Specialized Finance	NA
6/30/2019	North East Kentucky Cap Federal Credit Union	Members Choice Credit Union	Specialized Finance	NA
6/30/2019	First United Credit Union	Keystone Credit Union	Specialized Finance	NA
6/28/2019	eCapital LLC	Accutrac Capital Solutions Inc.	Specialized Finance	NA
6/28/2019	Kings Cash Group, LLC	Kalamata Capital LLC	Specialized Finance	NA
6/27/2019	JNK Securities Corp.	Uphold, Inc.	Investment Banking and Brokerage	NA
6/6/2019	Spartan Federal Credit Union	South Carolina Federal Credit Union	Specialized Finance	NA
6/3/2019	NEXT Financial Group, Inc./Next Financial Insurance Services	Atria Wealth Solutions, Inc.	Investment Banking and Brokerage	NA
5/31/2019	Insured Deposits of The Enloe State Bank in Enloe	Legend Bank, N.A.	Specialized Finance	NA
5/22/2019	ETF and Wholesale Market Making Businesses of Cantor	Global Trading Systems, LLC	Investment Banking and Brokerage	NA
5/1/2019	JustBoatLoans by Vertisol, Inc. (nka:JustBoatLoans, A Division of	BankNewport	Specialized Finance	NA
5/1/2019	Cedars-Sinai Federal Credit Union	Credit Union of Southern California	Specialized Finance	NA
5/1/2019	McGraw-Hill Federal Credit Union	Pentagon Federal Credit Union	Specialized Finance	NA
4/30/2019	Lyra Lender Services, LLC	1/0/1900	Specialized Finance	NA
4/30/2019	Investment Partner Holdings, LLC	RushNet, Inc.	Specialized Finance	NA
4/30/2019	FIG Partners, LLC	Janney Montgomery Scott LLC	Investment Banking and Brokerage	NA

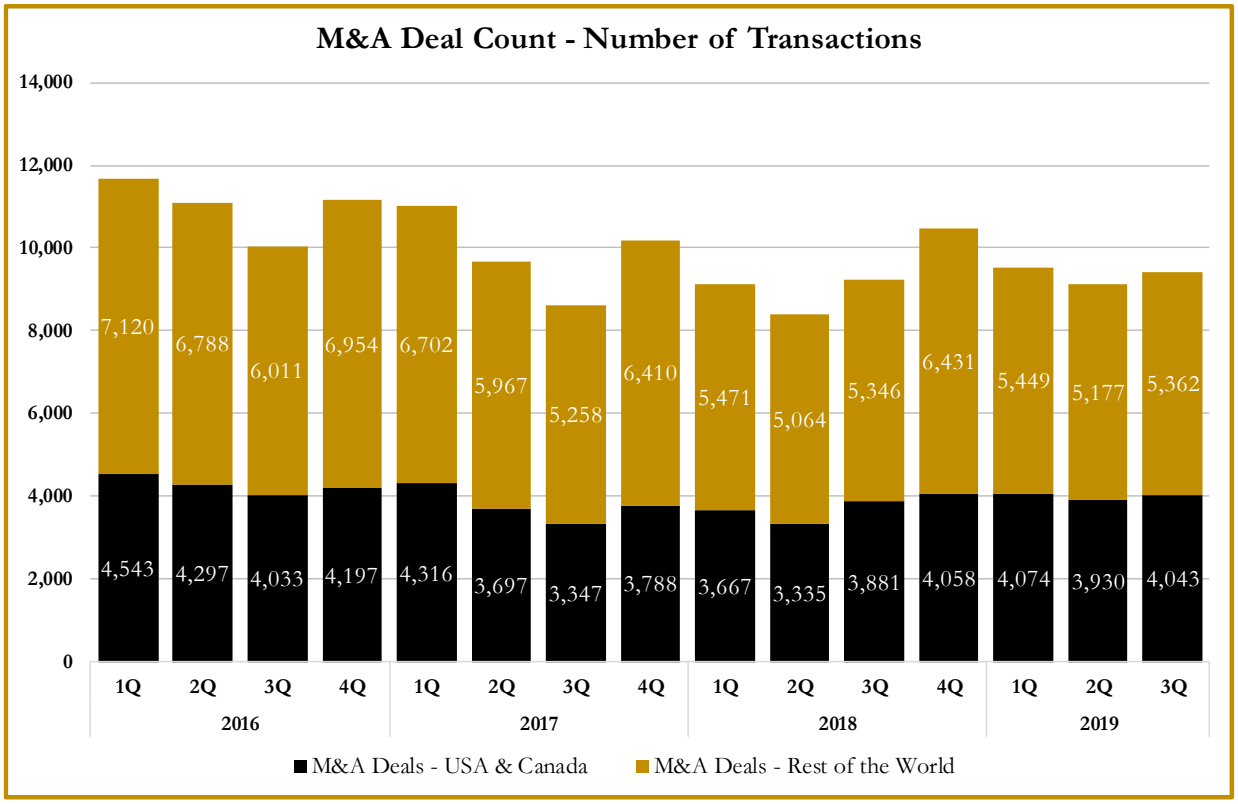
Source: Capital IQ

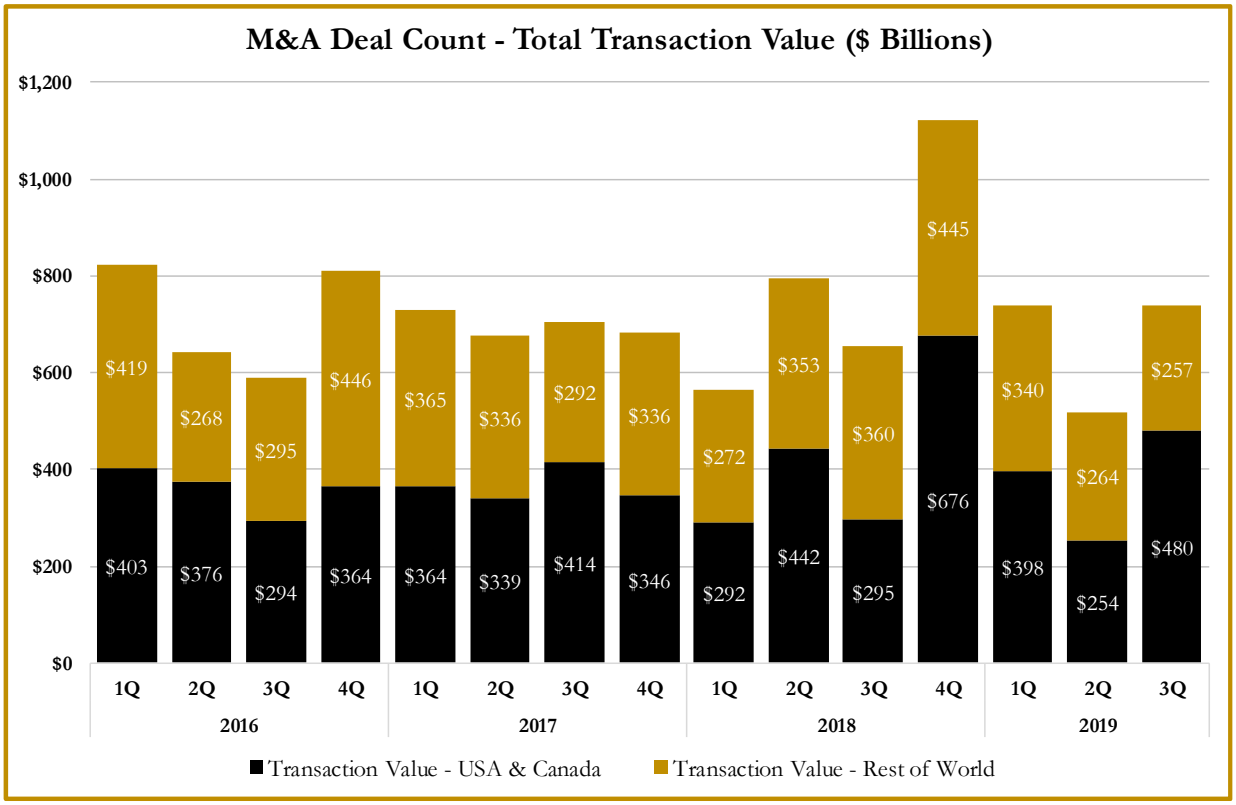
S&P Capital IQ - Sector Last 3 Month Equity Performance
As of September 30, 2019



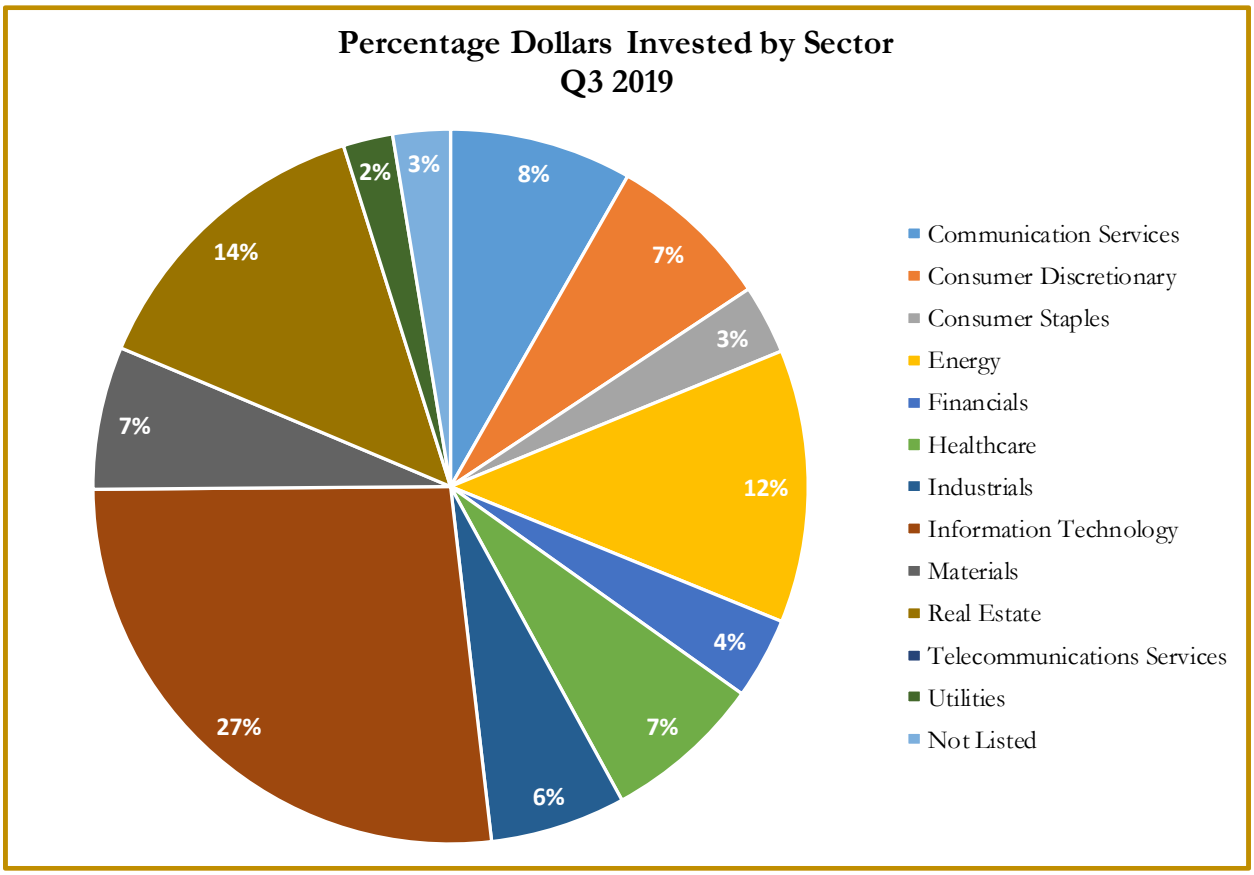
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector
As of September 30, 2019





M&A Deal Flow Statistics by S&P Capital IQ Sector
As of September 30, 2019



HOULIHAN CAPITAL *Value. Added.*

About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

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, private placement and capital raises.

Special Situations

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.

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

www.houlihancapital.com

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312.450.8610	312.450.8656	312.450.8628	312.450.8699