



Industry Update  
**Financial Services**  
Q3 2020

## 1

# Financial Performance

## Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile				LTM Operating Data		Forward Estimates	
		Price at 09/30/20	% of 52 Week High	TEV	Market Cap	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
<b>Investment Banking and Brokerage Services</b>									
Morgan Stanley	MS	\$48.35	84.0%	\$0	\$94,440	\$45,415	NA	\$45,377	\$0
The Charles Schwab Corporation	SCHW	\$36.23	70.2%	\$0	\$77,741	\$10,121	NA	\$11,527	\$5,211
The Goldman Sachs Group, Inc.	GS	\$200.97	80.2%	\$0	\$72,815	\$39,633	NA	\$42,033	\$0
Raymond James Financial, Inc.	RJF	\$72.76	71.0%	\$0	\$10,879	\$7,757	NA	\$8,014	\$1,224
LPL Financial Holdings Inc.	LPLA	\$76.67	77.0%	\$8,013	\$6,235	\$5,738	\$934	\$5,782	\$886
Stifel Financial Corp.	SF	\$50.56	73.2%	\$0	\$4,206	\$3,587	NA	\$3,591	\$634
Evercore Inc.	EVR	\$65.46	77.8%	\$0	\$3,397	\$1,997	NA	\$1,826	\$374
BGC Partners, Inc.	BGCP	\$2.40	39.1%	\$0	\$1,181	\$1,995	NA	\$2,038	\$429
Greenhill & Co., Inc.	GHL	\$11.35	49.2%	\$0	\$207	\$260	NA	\$269	\$21
<b>Specialized Finance</b>									
S&P Global Inc.	SPGI	\$360.60	94.9%	\$89,845	\$85,651	\$7,310	\$4,046	\$7,318	\$3,995
Intercontinental Exchange, Inc.	ICE	\$100.05	93.5%	\$73,829	\$56,667	\$5,663	\$3,488	\$5,936	\$3,837
CME Group Inc.	CME	\$167.31	74.2%	\$56,691	\$54,010	\$4,911	\$3,224	\$4,915	\$3,285
Moody's Corporation	MCO	\$289.85	94.7%	\$59,174	\$54,672	\$5,314	\$2,691	\$5,269	\$2,639
MSCI Inc.	MSCI	\$356.78	89.5%	\$36,865	\$34,628	\$1,658	\$915	\$1,693	\$970
MarketAxess Holdings Inc.	MKTX	\$481.59	85.7%	\$21,823	\$22,063	\$648	\$374	\$683	\$404
Nasdaq, Inc.	NDAQ	\$122.71	89.0%	\$25,260	\$21,851	\$5,230	\$1,464	\$2,826	\$1,545
Cboe Global Markets, Inc.	CBOE	\$87.74	68.6%	\$9,824	\$8,973	\$3,182	\$865	\$1,241	\$865
A-Mark Precious Metals, Inc.	PHH	\$33.72	96.0%	\$638	\$211	\$5,461	\$33	\$5,318	\$36

## Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile				LTM Operating Data		Forward Estimates	
		Price at 09/30/20	% of 52 Week High	TEV	Market Cap	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
<b>Personal Credit Agencies</b>									
PRA Group, Inc.	SC	\$39.95	84.4%	\$4,213	\$1,692	\$1,061	\$348	\$1,046	\$390
FirstCash, Inc.	FCFS	\$57.21	59.3%	\$3,075	\$2,348	\$1,737	\$262	\$1,634	\$233
World Acceptance Corporation	NAVI	\$105.55	78.8%	\$1,148	\$641	\$558	\$98	\$545	\$99
CURO Group Holdings Corp.	CACC	\$7.05	41.5%	\$1,053	\$341	\$948	\$203	\$852	\$180
EZCORP, Inc.	ALLY	\$5.03	71.8%	\$418	\$264	\$870	\$65	\$851	\$0
Elevate Credit, Inc.	SLM	\$2.57	43.0%	\$392	\$108	\$717	\$121	\$500	\$124
Green Dot Corporation	AXP	\$50.61	88.9%	\$0	\$2,892	\$1,218	NA	\$1,196	\$198

## 2

## Valuation Metrics

## Return Profile, Trading Multiples

Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Investment Banking and Brokerage Services</b>									
Morgan Stanley	MS	1.1%	11.6%	16.1%	N/A	N/A	1.5x	0.0x	N/A
The Charles Schwab Corporation	SCHW	0.0%	0.0%	-6.1%	N/A	N/A	1.1x	0.0x	N/A
The Goldman Sachs Group, Inc.	GS	0.6%	7.3%	17.5%	N/A	N/A	1.4x	0.0x	N/A
Raymond James Financial, Inc.	RJF	0.0%	12.0%	0.8%	N/A	N/A	1.3x	0.0x	N/A
LPL Financial Holdings Inc.	LPLA	8.0%	43.8%	4.4%	16.3%	-9.0%	1.5x	1.4x	8.6x
Stifel Financial Corp.	SF	0.0%	0.0%	12.9%	N/A	N/A	1.6x	0.0x	N/A
Evercore Inc.	EVR	11.7%	25.6%	-5.8%	N/A	N/A	1.7x	0.0x	N/A
BGC Partners, Inc.	BGCP	1.1%	7.1%	-1.5%	N/A	N/A	1.9x	0.0x	N/A
Greenhill & Co., Inc.	GHL	0.0%	0.0%	2.0%	N/A	N/A	1.1x	0.0x	N/A
	Mean	2.5%	11.9%	4.5%	16.3%	-9.0%	1.5x	0.2x	8.6x
	Median	0.6%	7.3%	2.0%	16.3%	-9.0%	1.5x	0.0x	8.6x
<b>Specialized Finance</b>									
S&P Global Inc.	SPGI	22.2%	96.2%	12.4%	55.3%	24.3%	1.0x	12.3x	22.2x
Intercontinental Exchange, Inc.	ICE	1.7%	11.2%	8.7%	61.6%	9.1%	0.6x	13.0x	21.2x
CME Group Inc.	CME	1.7%	8.0%	-1.0%	65.6%	1.1%	0.4x	11.5x	17.6x
Moody's Corporation	MCO	14.6%	152.3%	14.1%	50.6%	23.0%	1.2x	11.1x	22.0x
MSCI Inc.	MSCI	14.0%	N/A	9.6%	55.2%	15.5%	0.8x	22.2x	40.3x
MarketAxess Holdings Inc.	MKTX	20.4%	34.8%	31.1%	57.8%	39.1%	0.5x	33.7x	58.3x
Nasdaq, Inc.	NDAQ	5.7%	16.1%	20.7%	28.0%	11.6%	0.8x	4.8x	17.3x
Cboe Global Markets, Inc.	CBOE	8.0%	14.0%	20.3%	27.2%	6.9%	0.6x	3.1x	11.4x
A-Mark Precious Metals, Inc.	PHH	2.6%	35.5%	14.2%	0.6%	1363.4%	-0.5x	0.1x	19.3x
	Mean	10.1%	46.0%	14.5%	44.7%	166.0%	0.6x	12.4x	25.5x
	Median	8.0%	25.4%	14.1%	55.2%	15.5%	0.6x	11.5x	21.2x

## Valuation Metrics (cont.)

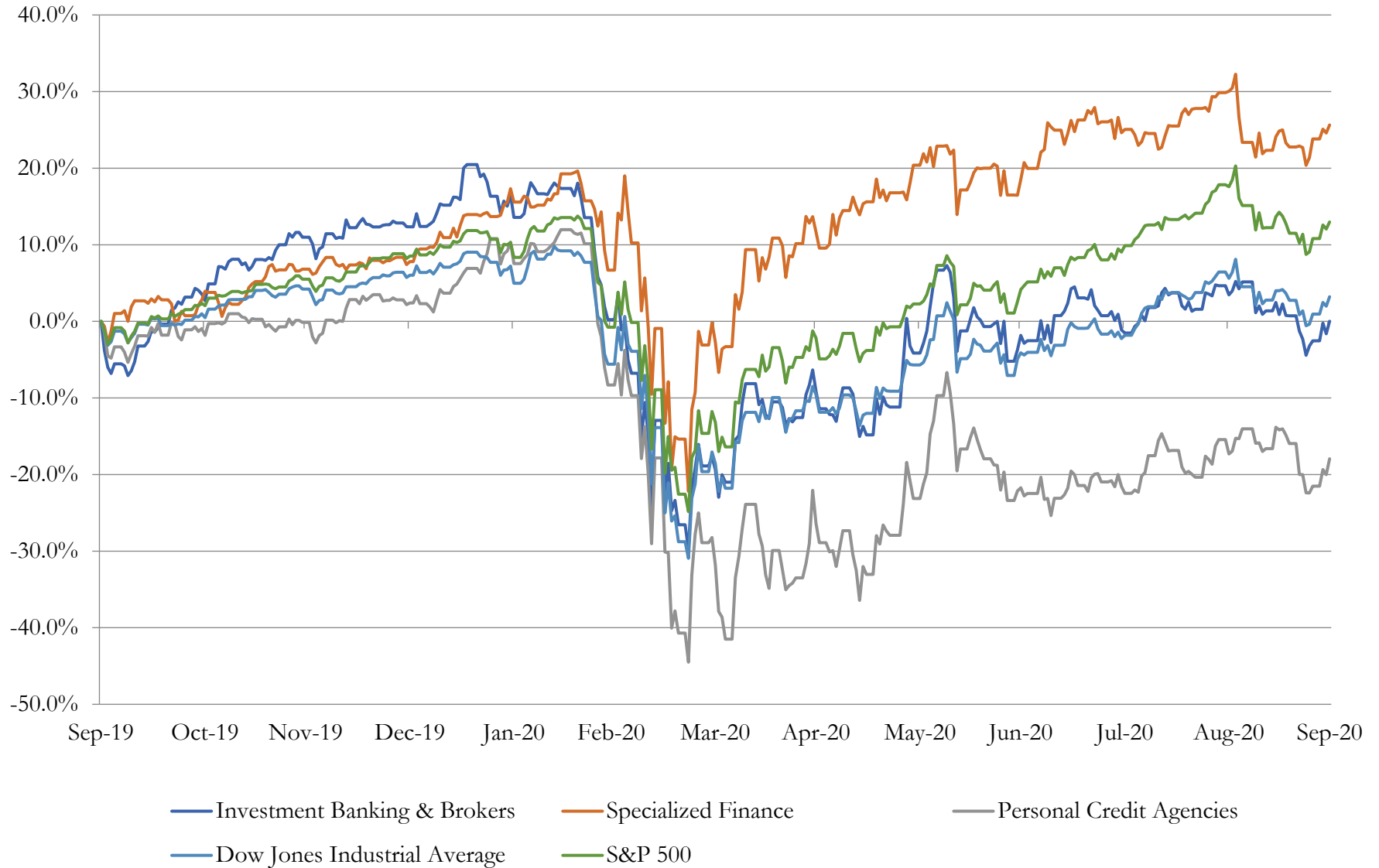
### Return Profile, Trading Metrics

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Personal Credit Agencies</b>									
PRA Group, Inc.	SC	5.0%	13.4%	7.7%	32.8%	52.8%	1.5x	4.0x	12.1x
FirstCash, Inc.	FCFS	5.9%	9.9%	-5.9%	15.1%	-11.6%	0.6x	1.8x	11.7x
World Acceptance Corporation	NAVI	5.3%	12.1%	-2.8%	17.6%	1.4%	1.7x	2.1x	11.7x
CURO Group Holdings Corp.	CACC	10.6%	134.9%	-15.9%	21.4%	-9.7%	3.2x	1.1x	5.2x
EZCORP, Inc.	ALLY	1.9%	-6.4%	3.7%	7.5%	-27.2%	1.7x	0.5x	6.4x
Elevate Credit, Inc.	SLM	10.4%	24.9%	-0.3%	16.9%	9.7%	3.0x	0.5x	3.2x
Green Dot Corporation	AXP	1.7%	5.0%	10.8%	N/A	N/A	1.1x	0.0x	N/A
	<b>Mean</b>	<b>5.8%</b>	<b>27.7%</b>	<b>-0.4%</b>	<b>18.6%</b>	<b>2.6%</b>	<b>1.8x</b>	<b>1.4x</b>	<b>8.4x</b>
	<b>Median</b>	<b>5.3%</b>	<b>12.1%</b>	<b>-0.3%</b>	<b>17.3%</b>	<b>-4.2%</b>	<b>1.7x</b>	<b>1.1x</b>	<b>9.0x</b>

# 3

## LTM Equity Performance

### Major Indexes



## 4

## Recent M&amp;A Activity

*Last Twelve (12) Months as of September 30, 2020*

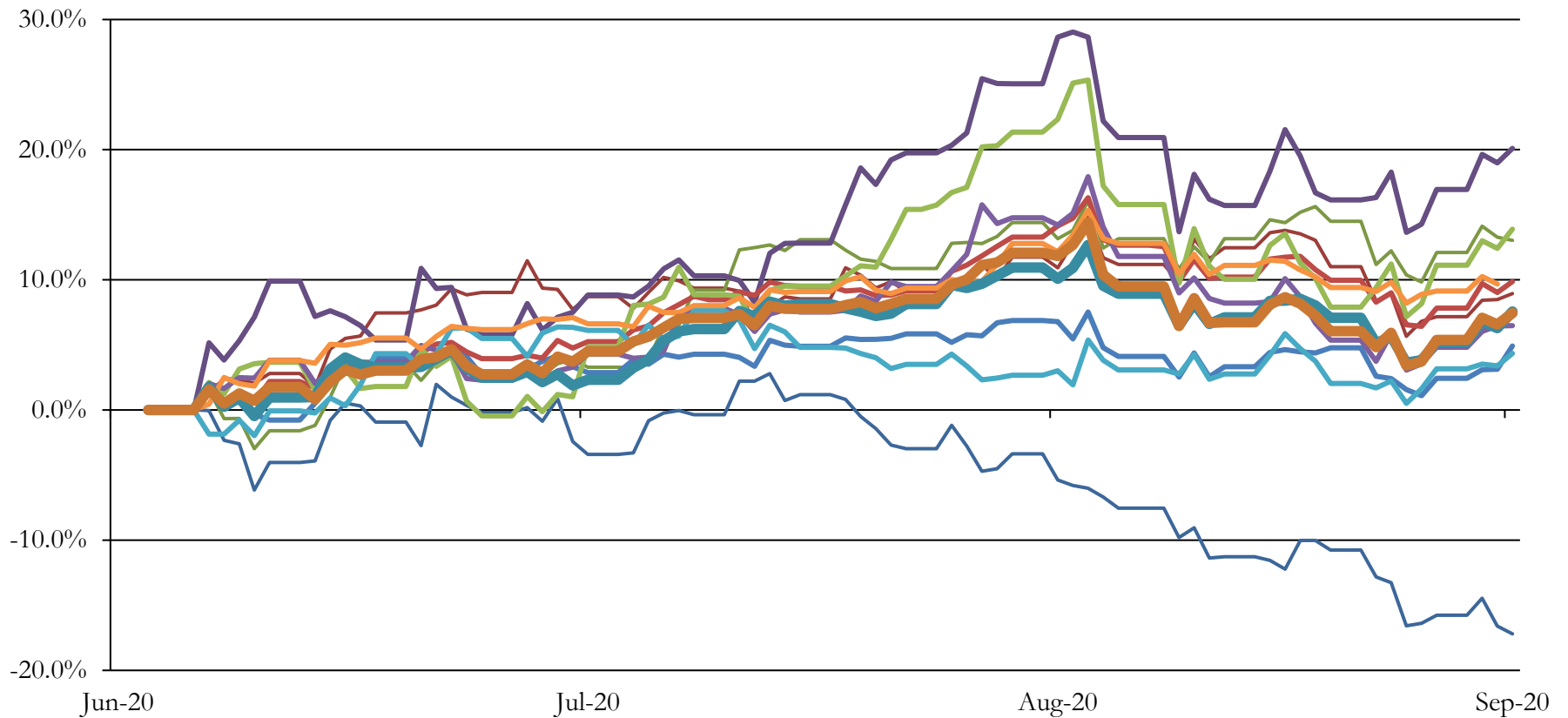
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Mar-20	Agency Portfolio of AG Mortgage Investment Trust, Inc.	N/A	\$38
Sep-19	Unsecured Purchased Indirect Loan Portfolio of Citizens Community Bancorp,	N/A	\$11
Sep-20	Brokerage Assets of Bodell Overcash Anderson & Co., Inc.	Chelsea Financial Services	NA
Sep-20	Assets of Decker & Co, Llc	Wedbush Securities Inc.	NA
Sep-20	Bailey & Quinn Financial Consulting Group	Wedbush Securities Inc.	NA
Sep-20	Great Lakes Business Credit LLC	N/A	NA
Sep-20	\$354.9 Million of Paycheck Protection Program Loans	Loan Source, Inc.	NA
Sep-20	Magnolia Financial, Inc.	First Bancorp	NA
Aug-20	Factoring Portfolio of REV Finance Group, Inc.	eCapital Corp.	NA
Aug-20	Spartanburg City Employees Credit Union	South Carolina Federal Credit Union	NA
Aug-20	First Castle Federal Credit Union	Pelican State Credit Union	NA
Jul-20	Mid East Tennessee Community Credit Union	ORNL Federal Credit Union	NA
Jul-20	GAIN Capital Holdings, Inc.	INTL FCStone Inc. (nka:StoneX Group Inc.)	NA
Jul-20	Certain Assets of Diversified Funding Services, Inc.	Heritage Southeast Bank	NA
Jul-20	Clear Capital Advisors, LLC	American Discovery Capital LLC	NA
Jul-20	SBA PPP loan portfolio	N/A	NA
Jul-20	Adara Asset Management, LLC	GEH Sport LLC	NA
Jul-20	Substantially all of \$556 million Paycheck Protection Program portfolio	Fountainhead Commercial Capital, LLC	NA
Jul-20	Factoring Assets of Transport Financial Solutions	Advance Business Capital LLC	NA
Jul-20	Sky Bridge Business Funding, LLC	Revenued LLC	NA
Jul-20	Prosperity Funding, Inc.	eCapital Corp.	NA
Jul-20	Vero Business Capital LLC	Love's Financial	NA
Jul-20	Three Rivers Credit Union	Georgia's Own Credit Union	NA
Jun-20	Triumph Premium Finance (nka:Peoples Premium Finance)	Peoples Bank	NA
Jun-20	Fluke Employees Federal Credit Union	Sound Credit Union	NA
Jun-20	Ohio PACE Energy, LLC / Energize Kentucky LLC	Bricker & Eckler LLP	NA
Jun-20	All Paycheck Protection Program Loans Portfolio	Loan Source, Inc.	NA
Jun-20	PPP Loan Portfolio	Loan Source, Inc.; ACAP SME, LLC	NA
Jun-20	Technology and Intellectual Property Assets of Motif Investing, Inc.	The Charles Schwab Corporation	NA
Jun-20	Belor Advisory Group	Walker & Dunlop, Inc.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of September 30, 2020



- Energy
- Consumer Discretionary
- Information Technology
- Consumer Staples
- Materials
- Healthcare
- Telecommunication Services
- Dow Jones Industrial Average
- Industrials
- Financials
- Utilities
- S&P 500

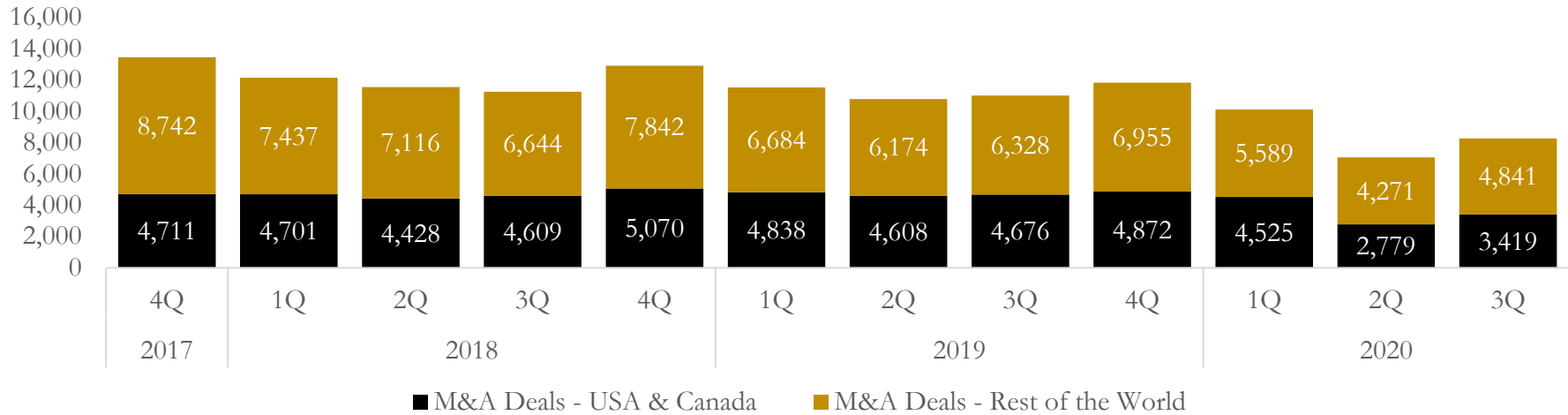


# 6

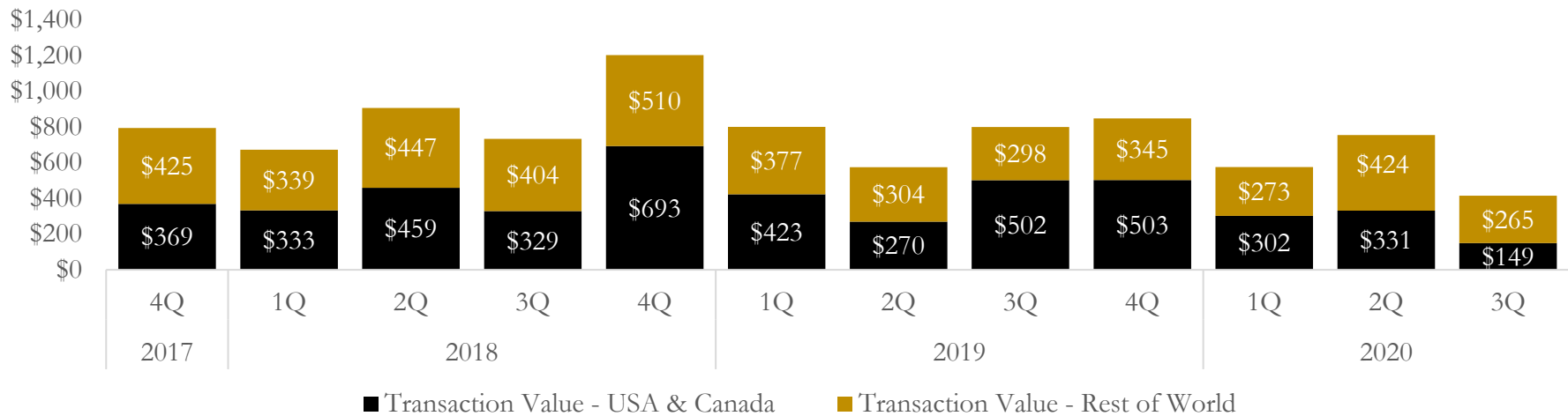
## M&A Deal Flow Statistics

Last Three (3) Years as of September 30, 2020

### M&A Deal Count - Number of Transactions



### M&A Deal Count - Total Transaction Value (\$B)



## 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 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.

### Litigation Support

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

## Contact:

**Andrew Smith**

President

[asmith@houlihancapital.com](mailto:asmith@houlihancapital.com)

(312) 450-8610

**Paul Clark**

Managing Director

[pclark@houlihancapital.com](mailto:pclark@houlihancapital.com)

(312) 450-8656

**Michael Norton**

Director, Business Development

[mnorton@houlihancapital.com](mailto:mnorton@houlihancapital.com)

(312) 450-8628

**Monica Blocker**

Vice President, Business Development

[mblocker@houlihancapital.com](mailto:mblocker@houlihancapital.com)

(312) 450-8699