

## Fintech - Lending Marketplaces

### INDUSTRY SUMMARY

COGENT VALUATION identified Fintech - Lending Marketplaces publicly traded companies, IPOs, and recent M&A transactions within the Lending Marketplaces industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since June 30, 2017, the median 52-week share price return of the Lending Marketplaces industry was -4.2%. Between June 30, 2016 and June 30, 2018, the median EV/EBITDA multiple decreased from 13.1 to 8.6. Furthermore, the median price-to-earnings multiple decreased from 14.8 to 11.0 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 8.6% and 13.0%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

**-4.2%**

Median 3-Year CAGR  
Return

**-15.4%**

Median EV/Revenue  
Multiple

**3.2x**

Median EV/EBITDA  
Multiple

**8.6x**

Median Price/Earnings  
Multiple

**11x**

Median EV/Gross CF  
Multiple

**10x**

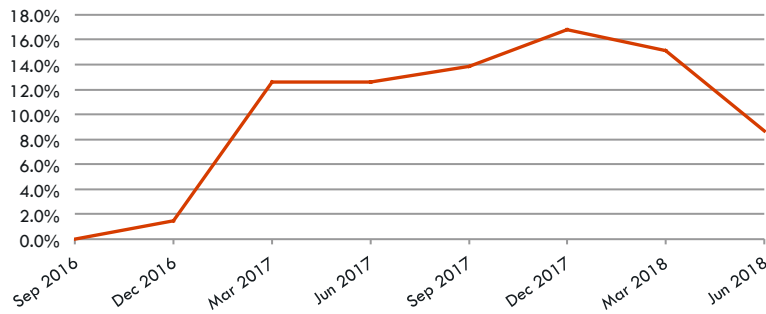
## Comparable Public Company Market Price Returns as of June 30, 2018

	YTD	3 Month	1 Year	2 Year	3 Year	2017	2016	2015
China Rapid Finance Limited	-62.1%	-12.9%	N/A	N/A	N/A	N/A	N/A	N/A
Credible Labs Inc.	-42.1%	-29.5%	N/A	N/A	N/A	N/A	N/A	N/A
Elevate Credit, Inc.	12.4%	-6.0%	N/A	N/A	N/A	N/A	N/A	N/A
Jianpu Technology Inc.	2.0%	-14.7%	N/A	N/A	N/A	N/A	N/A	N/A
LendingClub Corporation	-8.2%	-15.3%	-36.2%	-35.1%	-43.7%	-21.3%	-52.5%	-56.3%
LendingTree, Inc.	-37.2%	-3.6%	161.8%	83.2%	80.3%	235.9%	13.5%	84.7%
LexinFintech Holdings Ltd.	-11.9%	4.3%	N/A	N/A	N/A	N/A	N/A	N/A
On Deck Capital, Inc.	22.0%	-2.6%	10.9%	-15.3%	-36.0%	24.0%	-55.0%	-54.1%
PPDAI Group Inc.	-16.3%	4.8%	N/A	N/A	N/A	N/A	N/A	N/A
Qudian Inc.	-29.3%	-6.7%	N/A	N/A	N/A	N/A	N/A	N/A
Yirendai Ltd.	-51.7%	-8.5%	60.3%	85.9%	N/A	112.2%	119.3%	N/A
Yixin Group Limited	-47.7%	-27.9%	N/A	N/A	N/A	N/A	N/A	N/A
<b>Median of Industry Public Companies</b>	<b>-22.8%</b>	<b>-7.6%</b>	<b>35.6%</b>	<b>34.0%</b>	<b>-36.0%</b>	<b>68.1%</b>	<b>-19.5%</b>	<b>-54.1%</b>

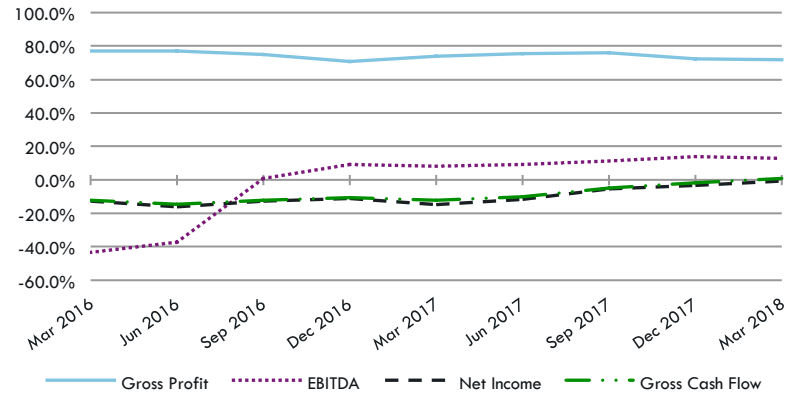
(Multiple year periods are calculated as the average annual return.)

# Industry Revenue Growth and Profit Margins for the Past Two Years

**Median Quarterly Revenue Growth of All Fintech Lending Marketplace Companies**



**Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins**



## Public Company Median Multiples by Quarter

	6/30/18	3/31/18	12/31/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
<b>EV/Revenues Multiple</b>	3.2x	3.5x	4.5x	3.7x	2.6x	2.7x	2.7x	2.1x
<b>EV/EBITDA Multiple</b>	8.6x	9.4x	10.7x	11.9x	7.7x	10.6x	14.8x	13.1x
<b>Price/Earnings Multiple</b>	11.0x	12.3x	12.7x	40.5x	29.9x	25.6x	16.7x	14.8x
<b>EV/Gross Cash Flows Multiple</b>	10.0x	12.2x	12.2x	8.7x	9.4x	11.2x	14.0x	11.8x

 Highest Multiple

 Lowest Multiple

 Median Multiple

## Initial Public Offerings Fintech - Lending Marketplaces (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
2/13/18	TruFin plc	\$2.64	36.8	\$97.3	\$139.9	\$12.2	\$3.6	(\$11.9)	(\$11.0)	(\$11.9)
12/8/17	Credible Labs Inc.	\$0.91	55.4	\$50.3	\$51.3	\$0.0	\$17.7	(\$3.6)	(\$7.9)	(\$3.4)
4/6/17	Elevate Credit, Inc.	\$6.50	12.3	\$80.6	\$589.5	\$511.3	\$606.1	\$48.0	(\$26.5)	\$52.9
12/16/14	On Deck Capital, Inc.	\$20.00	10.0	\$200.0	\$466.0	\$350.2	\$73.0	NA	(\$20.0)	N/A
12/10/14	LendingClub Corporation	\$15.00	58.0	\$870.0	\$2,814.8	\$49.2	\$176.5	NA	(\$21.0)	N/A
	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$97.3</b>	<b>\$466.0</b>	<b>\$49.2</b>	<b>\$73.0</b>	<b>(\$3.6)</b>	<b>(\$20.0)</b>	<b>(\$3.4)</b>

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
6/30/18	<b>Kreditech Ceska republika s.r.o</b>	Kancelaria Medius S.A.	\$2.8	90%	N/A	8.1x
8/14/17	<b>FastMatch Inc.</b>	Euronext US Inc.	\$157.0	100%	\$18.0	N/A
8/9/17	<b>Cambridge Mercantile Corp.</b>	FleetCor Technologies	\$675.0	100%	N/A	N/A
1/6/17	<b>Gateway2Finance Limited</b>	Equiniti Group plc	\$1.5	14%	N/A	N/A
11/7/16	<b>HarMoney Corp Limited</b>	Trade Me Group Limited	\$0.5	85%	N/A	1.3x
8/22/16	<b>The First Marblehead</b>	FP Resources USA Inc.	\$56.7	100%	\$50.3	N/A
5/2/16	<b>Capital Markets Cooperative</b>	Computershare Limited	\$71.2	100%	N/A	5.7x
9/11/15	<b>Xoom Corporation</b>	PayPal, Inc.	\$1,073.1	100%	\$174.0	N/A
3/31/15	<b>FXCM Asia Ltd.</b>	Rakuten Securities, Inc.	\$58.2	100%	N/A	N/A
1/12/15	<b>HarMoney Corp Limited</b>	Trade Me Group Limited	\$6.0	15%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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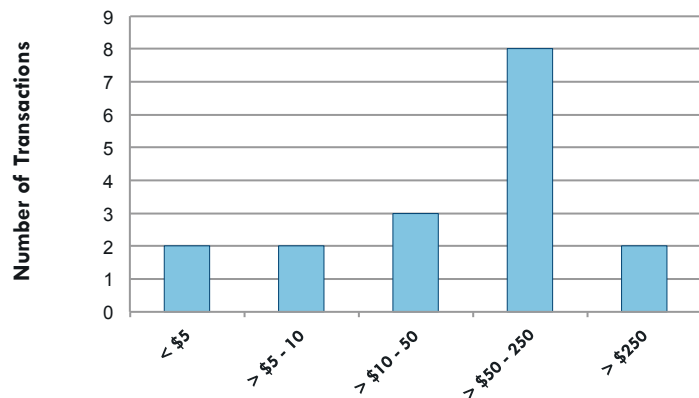
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
2/14/13	<b>Wage Day Advance Limited</b>	<b>CURO Financial Technologies</b>	\$170.6	100%	\$61.3	2.8x
4/13/12	<b>Artiste Holding Limited</b>	<b>EZCORP, Inc.</b>	\$32.4	72%	N/A	N/A
4/1/11	<b>Purpose U.K. Holdings</b>	<b>Dollar Financial UK</b>	\$195.0	92%	N/A	N/A
3/15/11	<b>First Residential Mortgage</b>	<b>Home Loan Center</b>	\$8.0	100%	N/A	N/A
10/26/10	<b>ACM Advanced Currency</b>	<b>Swissquote Group Holding</b>	\$43.4	100%	N/A	N/A
<b>Median of the 15 M&amp;A Transaction Targets</b>			<b>56.7%</b>	<b>100%</b>	<b>\$55.8</b>	<b>4.3x</b>

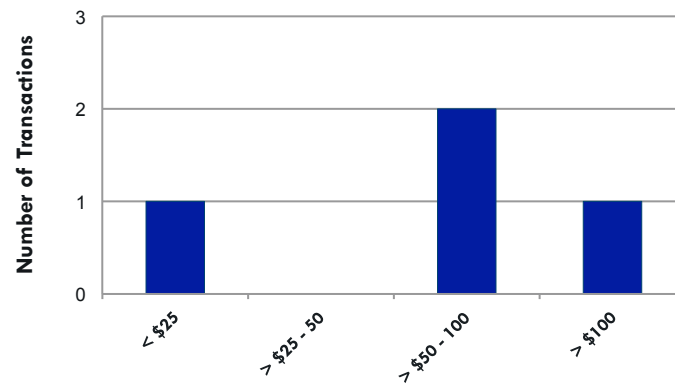
■ USA   
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## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2018

Size of the M&A Transactions



LTM Revenues Reported





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**Definitions of Financial Terms Used in this Quarterly Industry Update:**

**Enterprise Value (EV):** Market Value of Equity + Market Value of Debt —Cash

**Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA):** Profitability metric sometimes also referred to as operating profit or operating earnings.

**Gross Cash Flows:** Net Income + Depreciation and Amortization Expense

**Latest Twelve Months (LTM):** Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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