

Q4: Quarterly Industry Update

AS OF December 31, 2019



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 December 31, 2018, the median 52-week share price return of the Lending Marketplaces industry was -21.1%. Between December 31, 2017 and December 31, 2019, the median EV/EBITDA multiple decreased from 14.8 to 7.5. Furthermore, the median price-to-earnings multiple decreased from 16.7 to 10.2 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 4.7% and 12.7%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-21.1%

Median 3-Year CAGR
Return

-8.6%

Median EV/Revenue
Multiple

2.3x

Median EV/EBITDA
Multiple

7.5x

Median Price/Earnings
Multiple

10.2x

Median EV/Gross CF
Multiple

12.0x

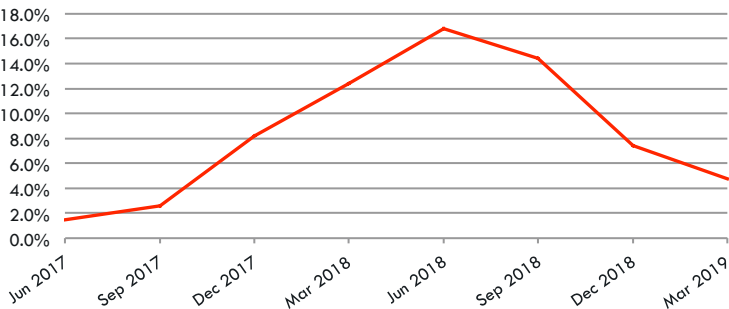
Comparable Public Company Market Price Returns as of December 31, 2019

	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
China Rapid Finance Limited	-50.0%	-50.0%	N/A	N/A	N/A	N/A	N/A	N/A
Credible Labs Inc.	-30.8%	-30.8%	N/A	N/A	N/A	N/A	N/A	N/A
Elevate Credit, Inc.	7.0%	7.0%	N/A	N/A	N/A	N/A	N/A	N/A
Jianpu Technology Inc.	-24.5%	-24.5%	N/A	N/A	N/A	N/A	N/A	N/A
LendingClub Corporation	-6.1%	-6.1%	-36.2%	-35.1%	-43.7%	-21.3%	-52.5%	-56.3%
LendingTree, Inc.	-32.4%	-32.4%	161.8%	83.2%	80.3%	235.9%	13.5%	84.7%
LexinFintech Holdings Ltd.	-28.6%	-28.6%	N/A	N/A	N/A	N/A	N/A	N/A
On Deck Capital, Inc.	31.9%	31.9%	10.9%	-15.3%	-36.0%	24.0%	-55.0%	-54.1%
PPDAI Group Inc.	-24.3%	-24.3%	N/A	N/A	N/A	N/A	N/A	N/A
Qudian Inc.	-58.5%	-58.5%	N/A	N/A	N/A	N/A	N/A	N/A
Yirendai Ltd.	-58.2%	-58.2%	60.3%	85.9%	N/A	112.2%	119.3%	N/A
Yixin Group Limited	-72.2%	-72.2%	N/A	N/A	N/A	N/A	N/A	N/A
Median of Industry Public Companies	-48.6%	-48.6%	35.6%	34.0%	-36.0%	68.1%	-19.5%	-54.1%

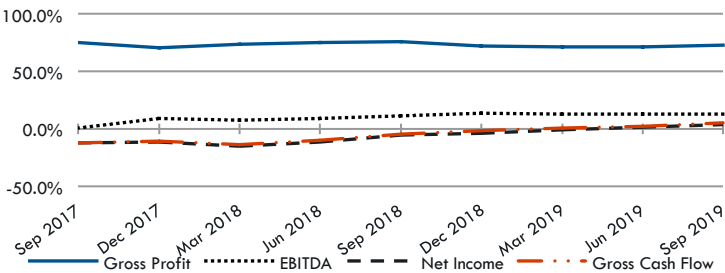
(Multiple year periods are calculated as the average annual return.)

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

	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
EV/Revenues Multiple	2.3x	3.2x	3.5x	4.5x	3.7x	3.4x	2.3x	2.7x
EV/EBITDA Multiple	7.5x	8.6x	9.4x	10.7x	11.1x	11.9x	7.7x	10.6x
Price/Earnings Multiple	10.2x	11.0x	12.3x	12.7x	54.3x	40.5x	29.9x	25.6x
EV/Gross Cash Flows Multiple	12.0x	10.0x	12.2x	12.2x	11.7x	8.7x	9.4x	11.2x

■ 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
12/19/19	X Financial	\$9.50	36.8	\$97.3	\$139.9	\$12.2	\$457.8	\$210.7	(\$11.0)	(\$11.9)
11/19/19	creditsheff Aktiengesellschaft	\$93.14	55.4	\$50.3	\$51.3	\$0.0	\$2.1	(\$3.4)	(\$7.9)	(\$3.4)
11/13/18	TruFin plc	\$2.64	12.3	\$80.6	\$589.5	\$511.3	\$3.6	(\$11.9)	(\$26.5)	\$52.9
12/8/18	Credible Labs Inc.	\$0.91	10.0	\$200.0	\$466.0	\$350.2	\$17.7	(\$3.6)	(\$20.0)	N/A
4/6/18	Elevate Credit, Inc.	\$6.50	58.0	\$870.0	\$2,814.8	\$49.2	\$606.1	\$48.0	(\$21.0)	N/A
	Median of all IPOs	nm	nm	\$97.3	\$466.0	\$49.2	\$73.0	(\$3.4)	(\$20.0)	(\$3.4)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
12/20/19	Kreditech Ceska republika s.r.o	Kancelaria Medius S.A.	\$28.3	90%	N/A	8.1x
11/14/19	FastMatch Inc.	Euronext US Inc.	\$2.8	100%	\$18.0	N/A
10/9/19	Cambridge Mercantile Corp.	FleetCor Technologies	\$157.0	100%	N/A	N/A
12/8/18	Gateway2Finance Limited	Equiniti Group plc	\$675.0	64%	N/A	N/A
4/6/17	HarMoney Corp Limited	Trade Me Group Limited	\$0.5	85%	N/A	1.3x
8/22/16	The First Marblehead	FP Resources USA Inc.	\$56.7	100%	\$50.3	N/A
5/2/16	Capital Markets Cooperative	FP Resources USA Inc.	\$71.2	100%	N/A	5.7x
9/11/15	Xoom Corporation	PayPal, Inc.	\$1,073.1	100%	\$174.0	N/A
3/31/15	FXCM Asia Ltd.	Rakuten Securities, Inc.	\$58.2	100%	N/A	N/A
1/12/15	HarMoney Corp Limited	Trade Me Group Limited	\$6.0	75%	N/A	N/A

 USA
  International

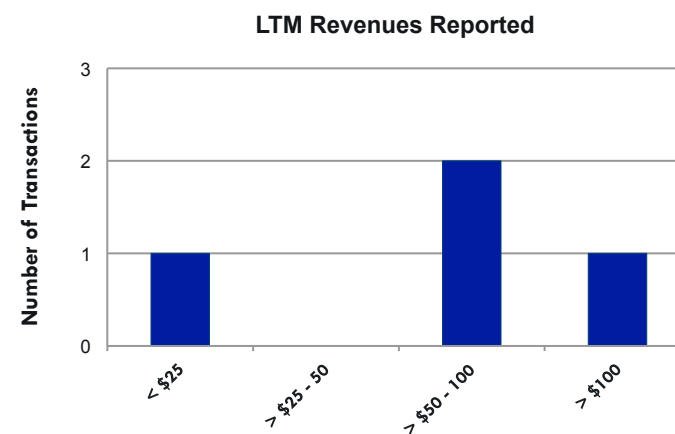
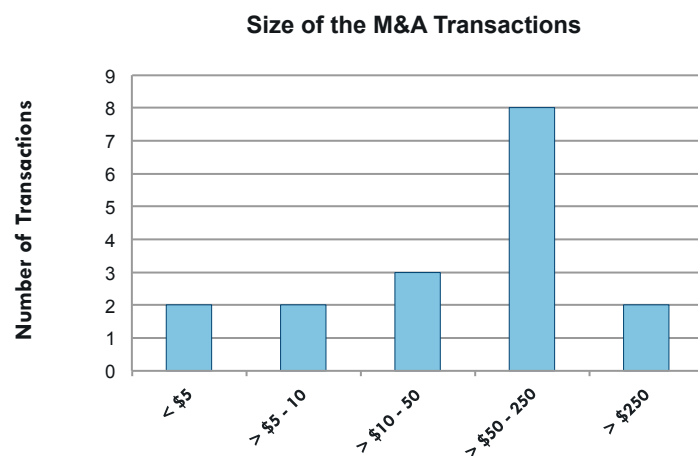
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
2/14/13	Wage Day Advance Limited	CURO Financial Technologies	\$170.6	100%	\$61.3	2.8x
4/13/12	Artiste Holding Limited	EZCORP, Inc.	\$32.4	72%	N/A	N/A
4/1/11	Purpose U.K. Holdings	Dollar Financial UK	\$195.0	92%	N/A	N/A
3/15/11	First Residential Mortgage	Home Loan Center	\$8.0	100%	N/A	N/A
10/26/10	ACM Advanced Currency	Swissquote Group Holding	\$43.4	100%	N/A	N/A
Median of the 17 M&A Transaction Targets			56.7%	100%	\$55.8	4.3x

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



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): 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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