CAS INSIGHTS

EXPERTS IN OUTSOURCED BUSINESS SERVICES

SECOND QUARTER 2017

CAS
Corporate Advisory Solutions
INTEGRITY • CONFIDENTIALITY • EXPERIENCE

INTRODUCTION

The outsourced business services (OBS) M&A market continues to be frothy, influenced by ongoing interest from buyers and sellers to get deals done coupled with an evolving regulatory minefield that would make even Fred Astaire think twice about where to step next. The good news is, deals are still getting done and interest in pursuing acquisitions is on the rise.

We at CAS were hoping, and at some level expecting, a more regulatory friendly environment given the Trump Administration's campaign promises and position on rolling back Dodd-Frank and TCPA. However, these changes have not yet occurred and it is difficult to predict if, and when, they will. With that said, we have seen certain M&A trends unfold within our core sectors that represent successful acquisition strategies.

In the Accounts Receivable Management (ARM) industry, larger companies with appropriate regulatory compliance systems in place coupled with strong Balance Sheets have had the most success in pursuing and closing acquisitions with smaller ARM companies. While some deal structure has existed in almost all of the transactions this year, these strategic buyers have been more successful at closing the gap with sellers in terms of value expectations, and also establish a level of comfort with the seller's client base. Financial buyers are having better success with the larger businesses that are generating north of $5-10 million in adjusted earnings, which then become the next crop of strategic buyers.

In the Healthcare Revenue Cycle Management (RCM) industry, acquirers with strong Balance Sheets and a motivation/ability to help the sellers expand into new regions are having the greatest success this year. While we have seen a slight reduction in M&A activity in Q2 within the healthcare RCM services sector as compared to prior quarters, this is not unusual given the increased level of deals being completed over the past two years – see the healthcare RCM section for further details. We are anticipating another consolidation period among the vendors in the next 12-18 months as they compete for market share from the larger health systems and networks.

In the Customer Relationship Management (CRM) industry, acquirers with a global presence and an ability to service both domestic and international client needs are consummating the majority of M&A transactions. We are also seeing an increased level of interest from financial buyers, particularly in markets that are starting to open up such as Brazil and Asia.

Overall, we at CAS maintain a positive outlook on the M&A opportunities within the OBS sector, and look forward to working with those of you who have an interest in exploring them. Please contact us with any questions regarding this newsletter, and if you wish to confidentially discuss your business interests.

I would also like you to know that my partner, Michael Lamm, along with our analyst, Nick Ciabattone, are attending the ACA Annual Convention in Seattle this week. Michael is speaking on July 18th at 2:45 pm and his topic is "Agency Value Drivers and Detractors". Say hello if you are able to attend!

Sincerely,

Mark Russell

Mark Russell
Managing Partner

CAS CONFERENCE AND EVENT ACTIVITY

Please connect with us at one of the upcoming conferences/seminars that will be attended by CAS team members:

- July 16-18 – ACA International Annual Meeting 2017
  - Washington State Convention Center, Seattle, WA
  - Attended by: Michael Lamm, Nick Ciabattone

  [Michael Lamm will be presenting a special session on Agency Value Drivers & Detractors at 2:45 PM on Tuesday, July 18th]

- September 17-19 – New York State Debt Collectors Association: Northeast Debt Collection Expo 2017
  - Caesars - Atlantic City, NJ
  - Attended by: Michael Lamm

- October 3-4 – ACG's M&A East
  - Philadelphia Convention Center, Philadelphia, PA
  - Attended by: Michael Lamm, Nick Ciabattone

Here are some key highlights of what you will find in this newsletter:

- **Overview of the M&A market for OBS sub-sectors (ARM, RCM and CRM).** Included in the overview: a breakdown on completed OBS transactions, leverage analysis for completed M&A transactions, OBS sub-sector overviews, public comparable research and details surrounding noteworthy transactions within each sub-sector.

- **Specialty Financing Industry Highlights.** Overview of some of the largest, publicly traded specialty financing companies, key industry trends and noteworthy transactions.

- **ARM Regulatory Update from CAS team member Elaine Rowley** detailing the latest government news, regulation and compliance activities in the ARM sector.

With companies vying for revenue growth and attempting to increase their market share, there is ongoing interest for companies to grow via acquisition rather than more organic measures due to how time and capital-intensive organic growth can be. The advent of the Trump Administration has incentivized a race to establish a domestic footprint in the States. President Trump's proposed tariffs have spurred renewed interest in reshoring opportunities and have also sparked an effort by foreign entities to establish operations on American soil. Meanwhile, the tiresome regulatory environment has caused many in the industry to consider sale, but it seems that looming changes on the horizon are leaving others optimistic for decreased regulation. With the financial well-being of American consumers increasing, there has been an accompanying increase in debt on the books for individuals. OBS companies are enjoying increasing and diversifying streams of revenue thanks to the expanding opportunities. These factors translate to a positive interest for OBS companies to expand via acquisition.

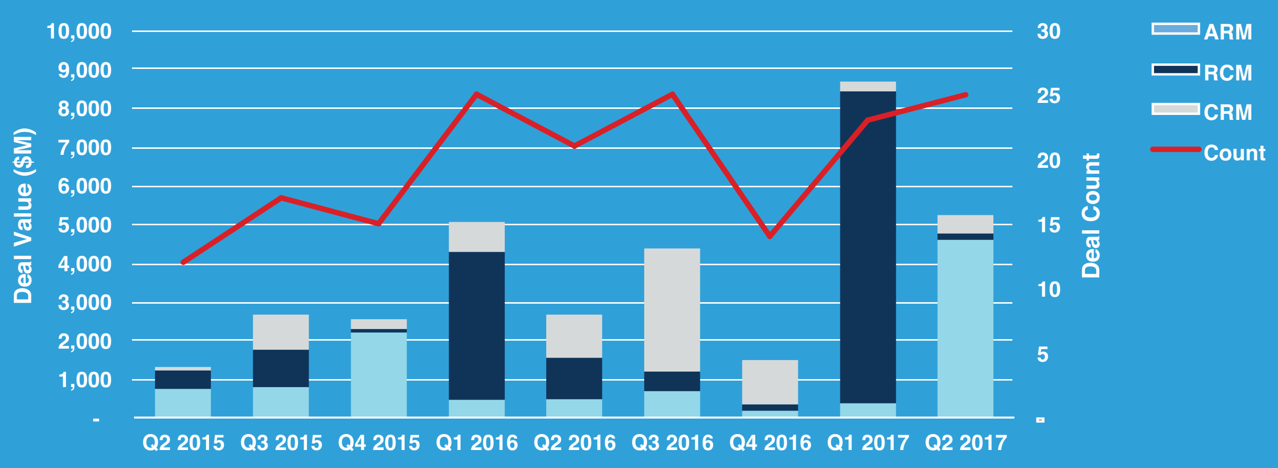
The ARM market continues to have strong M&A activity with 13 deals closed in Q2 2017. Strategic buyers have continued with strong levels of concentration and remain highly interested in acquiring smaller companies. We have also started to see increased interest from private equity and outside investor groups looking for platform or add-on companies in the ARM industry.

RCM deal activity normalized in Q2 with 5 transactions consummated, after we witnessed high levels of activity in past quarters (i.e. Q1 2017 had 9 completed transactions). There is a great deal of movement and interest within this sector and we expect deal activity to rival the volumes seen in the ARM sector.

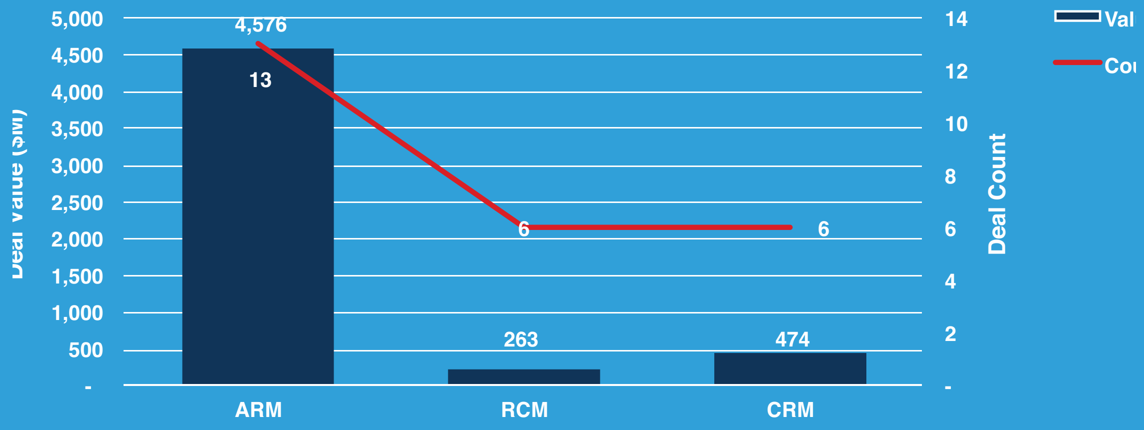
Lastly, the CRM market realized another strong quarter with 6 deals completed in Q2 2017. The CRM sector has had consistent growth and could see an increase in M&A activity in the coming quarters due to the interest in re-shoring call center operations.

Regulation, changing industry landscapes, as well as national policies and economic factors are the most prominent drivers in M&A activity in each of the sub-sectors within OBS. Our newsletter focuses on these significant market trends we have observed in the second quarter of 2017.

OBS Deals in Q2 2017



OBS Deal Breakout by Sector in Q2 2017

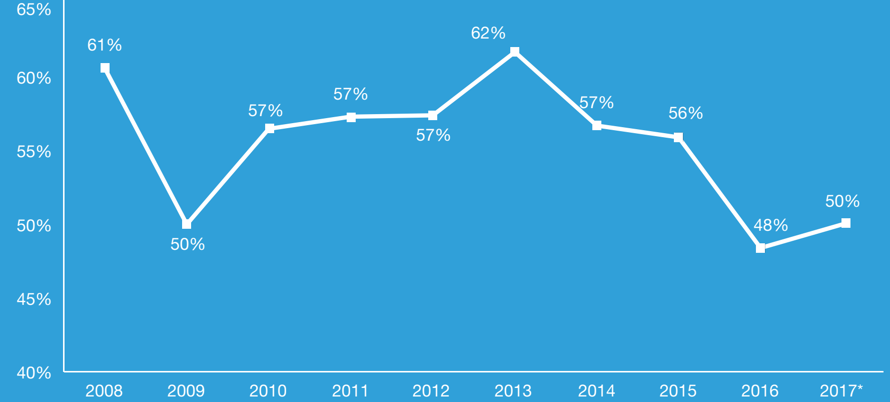


The OBS industry is seeing further changes resulting from the new Trump Administration. The Administration has caused quite a stir around pending changes in the current regulatory environment as well as influenced many OBS companies who chose to outsource labor overseas. From a macroeconomic perspective, American households are better off financially than they have been in many years. Debt-to-income ratios have fallen to the lowest levels since the early 2000s, despite many forms of debt increasing. American households' wealth currently sits at a grand total $93.8 Trillion, thanks to an increase of roughly $2.4 Trillion (1.4%) over the course of the first quarter. Unemployment is at its lowest level since 2001, and all signs indicate an increase in debt and borrowing on the books for the American consumer.

Within the OBS sub-verticals, consolidation remains a popular trend as many seek to create strategic platforms with a diverse set of verticals and client base. We are observing a greater shift towards consolidating business lines and customer facing departments in efforts to further integrate technology for more efficient operations. The use of automation artificial intelligence has become a popular talking point in the industry and many companies, particularly in the ARM and CRM sub-verticals, have expressed interest in looking to pursue these technologies, largely through acquisition.

In Q2 2017, deal value in the OBS industry totaled $4.56 Billion and was comprised of 25 completed deals. Total deal value for Q1 2017 has exceeded the total deal value for Q1 2017 by over 97%. Information for the OBS deals was obtained from public filings, press releases, confidential discussions with individuals in the OBS industry and proprietary deal activity.

We have also included an analysis on the trend of leverage utilized to complete M&A transactions market-wide as of May 23, 2017. The chart below illustrates the median debt levels used to complete and fund US M&A transactions.



Note: 2017 data is through 5/23/2017. Source: PitchBook.

Accounts Receivable Management (ARM)

Overview:

In the second quarter of 2017, the ARM sector witnessed substantially high levels of M&A activity with 13 deals completed, representing $4.58 Billion in enterprise value. Pursuing vertical diversification (i.e. healthcare, student loans, auto, utilities) is challenging to pursue organically, motivating companies to look to strategic acquisitions for growth. The higher level of activity today is also driven by increased interest from participants outside of the ARM industry.

The ARM industry has grown a presence in the national media with the Department of Education's and Internal Revenue Service's outsourcing efforts making national headlines. Consumer debt levels are reaching record highs, but low unemployment rates and higher levels of disposable income are keeping the pace manageable. A shift away from increased regulation and support from Congress have powered the industry YTD in 2017. Private equity and family offices are taking notice of the strong industry dynamics and we at CAS are fielding an increased amount of calls compared to this period last year. Investors are consistently looking for sizable, technology enabled platforms that can capitalize on the consolidation of the market. While increased awareness can be a boom for the industry, many consumer litigation attorneys are also taking notice. Litigation is becoming more prevalent in the marketplace and when it comes to small balance disputes, many ARM companies are forced to settle to avoid having to potentially cover high levels of plaintiff attorney fees.

Due to the litigious environment surrounding traditional third-party contingency servicing, first party servicing is showing increased interest in the market. Strategic acquirers continue to look at opportunities for moving toward earlier stages in the delinquency cycle. Businesses that have a high portion of early stage work rather than late stage work are garnering higher valuations in the market today. The CFPB ruling signaled the markets differentiation of the first-party creditor and third-party servicing model. The CFPB acknowledged that first party creditors have information that is not always readily available to third-party servicers. In July, the CFPB also announced that Ohad Samet was appointed to their advisory board. Mr. Samet is the only ARM industry participant on the board and his company TrueAccord relies much more on technology than a traditional third-party collection agency. The movement in the rule-making going forward and shift towards technology enable services, following the CFPB's comments and announcements will be an important trend to watch.

Debt purchasing is also continuing to pick up steam. JH Capital Group announced on June 30th their plans to go public in Q3 2017. JH Capital will trade on the NASDAQ exchange under the ticker, JHCG. As a point of reference, the last ARM servicer to go public was Performant (NASDAQ: PFMT) in 2012. The news from JH Capital substantiates the debt buying opportunity that exists within the United States today. The transaction will provide JH Capital with access to increased capital to put to work in the market. JH Capital's management team is very bullish on major creditors (Wells Fargo, Bank of America, Chase, etc.) re-entering the market in the near term, adding an estimated $29.8 billion into the debt buying market. JH Capital estimates that this would more than double the available debt purchasing market today. The popularity of debt purchasing is a continuation of a trend we began to see pick up traction earlier this year. SRA Associates was acquired by Global IT Sales in January 2017, mainly to expand and grow the collection platform into a hybrid debt purchasing and servicing platform. SRA Associates has been a leader in the third-party auto delinquency servicing sector, providing them with proprietary knowledge into the liquidations of the auto paper out in the market today. In early June, a bankruptcy judge in New York approved the sale of SquareTwo Financial to Resurgent Capital, agreeing to invest $405.1 Million into SquareTwo *(Wall Street Journal).*

While much of the focus today has been on the growing opportunity within the US market, the European market is gaining very notable traction. Bloomberg recently quoted the European non-performing loan market at around $1.1 Trillion. Nordic Capital, a private equity firm focused in northern Europe is among many investors today that are bullish on the market. On June 27th, Nordic Capital announced that Intrum Justitia and Lindorff completed a $4.4 Billion merger to create the largest receivables management firm in Europe. Private equity remains heavily interested in the ARM sector and the opportunities that exist for debt purchasing and servicing.

Public Comparables:

Analysis of Selected Publicly Traded Outsourced Business Services Companies (In Millions)

All Data as of 6/30/2017

Company Name	Ticker	Price	Market Cap (1)	TEV (2)	LTM Revenue	LTM EBITDA	LTM Net Income	TEV/ Revenue	TEV/ EBITDA	TEV/ Net Income
Arrow Global Group, PLC (3)	LON:ARW	5.24	913.54	1,925.60	332.86	86.44	10.28	5.79x	22.28x	187.34x
Asta Funding, Inc.	ASFI	8.10	91.90	174.68	52.17	5.25	0.66	3.35x	33.29x	265.07x
Collection House Limited (3)	ASX:CLH	0.87	115.21	154.15	94.73	26.35	13.72	1.63x	5.85x	11.23x
Credit Corp Group Limited (3)	ASX:CCP	13.17	614.72	632.74	168.61	52.63	33.95	3.75x	12.02x	18.64x
Encore Capital Group	ECPG	40.15	1,035.64	3,737.16	1,012.18	275.19	72.97	3.69x	13.58x	51.21x
Intrum Justitia (3)	STO:IJ	32.56	2,355.87	3,326.05	718.65	251.77	170.87	4.63x	13.21x	19.47x
Performant Financial Group	PFMT	2.09	104.92	128.60	136.19	16.66	(14.49)	0.94x	7.72x	--
PRA Group	PRAA	37.90	1,756.90	3,359.31	812.26	271.69	101.28	4.14x	12.36x	33.17x
Mean (ARM)			873.59	1,679.79	415.96	123.25	48.65	3.49x	15.04x	83.73x
Median (ARM)			764.13	1,279.17	250.73	69.53	23.84	3.72x	12.79x	33.17x

Notes
(1) - Market Cap equates to total shares outstanding multiplied by the price per share
(2) - Total enterprise value consists of market cap plus debt less cash
(3) - Converted to USD from Pitchbook using exchange rate as of 6/30/2017

Source: PitchBook

Within the publicly traded ARM sector, there were 3 deals that were completed in the second quarter of 2017. Intrum Justitia has finalized its merger with Lindorff Group, creating one of the largest providers of credit management services in the world. Intrum Justitia has also closed a deal to acquire Romanian ARM company Top Factoring, in an effort to expand their European footprint. , Arrow Global Group has acquired Zenith Service to assist in efforts to expand into the Italian debt markets.

Below is another noteworthy transaction that took place in the ARM sector in Q1 2017:

- Gatestone & Co. Inc, has acquired all of the outstanding shares of NCO Financial Services, to help expand their global footprint and the core business.

Revenue Cycle Management (RCM)

Overview:

In Q2 2017, 5 deals worth $236 Million in deal value were completed in the RCM sector. The market has seen a steady trend in deal volume and value, with the exception of Q1 2017, as the constant changes in the healthcare market have consistently spurred interest in tech-enabled solutions to face the concerns surrounding the ever-changing payment model.

While the election introduced uncertainty, the post-election market is showing no slow-down in healthcare investments. Daily prices for healthcare industry stocks have been closing at record highs while US national healthcare expenditures continue to climb. US national healthcare expenditures amounted to $3.2 Trillion in 2015 and are forecasted to rise above 5.8% per year to a total of $4.1 Trillion in 2019 , outpacing GDP growth. The US spends considerably more on healthcare than any other OECD country, and this high level of expenditure has led to a need for a shift to address these unsustainable rising costs.

CAS's team recently attended the HFAM ANI conference in Orlando. The major transformative trends were evident at the conference. The major point of discuss was the rising US health sector's shifting landscape due to unsustainable rising costs. The fee-for-service model is in the process of morphing into a value based model. Even amidst uncertainty, market forces are pushing the transition to value-based care. Approximately 41% of providers and payers have already adopted the value-based care reimbursement and this is expected to rise to 90% by 2023 . The increase in patient financial responsibility for healthcare costs has outpaced consumer growth in wages. This escalation of out-of-pocket costs represents a major revenue cycle challenge for healthcare providers and an increased interest in patient financing.

As the provider/payer driven system is transformed into a consumerism and technology driven system, there is greater interest in tech-enabled RCM companies among financial buyers. Healthcare companies and investors are looking to capitalize on business intelligence and advanced analytical tools to drive their performance in this changing market. The Affordable Care Act (ACA) has altered the reimbursement models and spurred quality of care initiatives, and while the law itself may be repealed and replaced, these changes will persist.

Upcoming changes in the ACA will have important consequences for the industry. The uncertainty surrounding the ACA repeal has driven consolidation among healthcare providers, and therefore vendors. RCM companies interest in M&A is driven by their desire to gain access capital, improve economies of scale, and expand their market presence. As hospitals' and healthcare providers' needs for comprehensive technology deepens, RCM vendors look to develop their offerings into an end-to-end service that encompasses the entirety of their clients' needs.

The constant changes to the compliance environment remain at the forefront of the conversation. While the Trump administration has promised decreased regulation, the industry continues to improve its compliance systems and demand the highest levels of compliance from its vendors. Healthcare providers expect regulatory excellence rather than simple regulatory compliance.

As the political landscape continues to change, the fate of the ACA and American Health Care Act (AHCA), which faces profound uncertainty in the Senate, remain unclear. However, we at CAS expect continued and growing interest in the market as the long-term drivers remain strong. Strategic and financial buyers will be looking for ways to consolidate and provide end-to-end services to healthcare providers and the RCM industry remains an attractive opportunity for growth.

Public Comparables:

Analysis of Selected Publicly Traded Outsourced Business Services Companies (In Millions)

All Data as of 6/30/2017

Company Name	Ticker	Price	Market Cap (1)	TEV (2)	LTM Revenue	LTM EBITDA	LTM Net Income	TEV/ Revenue	TEV/ EBITDA	TEV/ Net Income
Advisory Board Company	ABCO	1.66	182.74	250.20	57.29	3.23	18.61	4.37x	77.42x	13.44x
HMS Holdings Corp.	HMSY	18.50	1,552.43	1,581.94	483.69	96.12	34.52	3.27x	16.46x	48.83x
Allscripts Healthcare Solutions, Inc.	MDRX	12.76	2,350.92	3,615.66	1,617.82	224.78	(47.68)	2.23x	16.09x	--
Cerner Corporation	CERN	66.47	22,289.90	22,308.14	4,918.82	1,459.63	659.34	4.54x	15.28x	33.83x
Huron Consulting Group, Inc.	HURN	43.20	912.17	1,321.80	806.73	117.42	36.91	1.64x	11.26x	35.81x
Quality Systems, Inc.	QSII	17.21	1,063.89	1,041.21	509.62	67.20	18.24	2.04x	15.49x	57.08x
Mean (RCM)			4,725	5,020	1,399	328	120	3.01x	25.33x	37.20x
Median (RCM)			1,308	1,452	658	107	27	2.75x	15.79x	35.81x

Notes

(1) - Market Cap equates to total shares outstanding multiplied by the price per share

(2) - Total enterprise value consists of market cap plus debt less cash

Source: PitchBook

Within the publicly traded RCM sector, there was 1 transaction that closed in Q2 2017. HMS Holding Corp. has acquired RCM company Eliza in efforts to increase its service offerings.

Customer Relationship Management (CRM)

Overview:

The ever-changing political sphere brings with it a cloud of doubt over the future of the CRM industry. The Trump Administration has remained steadfast in its intent to bring jobs back to American shores through its "America First" policy. For years, domestic companies have benefited from outsourcing CRM functions to companies who have operations abroad to fight growing labor costs in the United States. Many CRM companies remain worried that the Administration's pledge will expand beyond the manufacturing sector. In a previous newsletter, CAS highlighted the notion that reshoring efforts are the logical reaction to the policy trends of the Trump Administration, particularly with CRM companies. We have already observed an increase in reshoring efforts as emerging from the changing political environment in these spaces. CAS predicts that this trend will continue and there will be an overall increase of M&A activity in the CRM industry to gain a domestic foothold and circumvent any tariffs resulting from a Trump Presidency. CAS has worked directly with at least two large scale CRM companies with headquarters that are based overseas, looking to gain a foothold in the CRM industry here in the United States.

The Customer Relationship Management market is expected to increase to $81.9 Billion by 2025 according to a study published earlier this year . The CRM industry is experiencing an impressive growth rate, despite having a mature market presence of over 20 years. CRM providers are expected to benefit from a growing need to reduce costs of market and the desire to create an efficient "on-the-go" sales cycle. CRM companies are seeing a positive reaction to the increasing deployment of cloud-based technologies on an industry-wide scale to enhance their service offering. Companies small-to-large are looking to the CRM market to handle the integration challenges that come with a changing technological landscape and the incorporation of big data.

Within the industry, there are several changes that CAS is observing. CRM companies are initiating a breakdown of traditional departments in favor of integrating their customer facing departments. Sales, service, and marketing traditionally have existed in different departments. With technological convergence, these departments are converging and providing a more streamlined customer experience. CRM companies are now more easily able to act as an extension of the company in a remote location. In addition, the larger players in the CRM space are attempting to become more streamlined through the growing use of automation and deployment of Artificial Intelligence systems, something which has garnered much of the public's attention recently and are attractive selling points for clients.

Public Comparables:

Analysis of Selected Publicly Traded Outsourced Business Services Companies (In Millions)

All Data as of 6/30/2017

Company Name	Ticker	Price	Market Cap (1)	TEV (2)	LTM Revenue	LTM EBITDA	LTM Net Income	TEV/ Revenue	TEV/ EBITDA	TEV/ Net Income
Atento SA	ATTO	11.15	823.16	1,190.26	1,806.14	200.95	13.79	0.66x	5.92x	86.31x
Convergys Corporation	CVG	25.26	384.09	384.09	98.24	59.80	52.40	3.91x	6.42x	7.33x
Sykes Enterprises, Incorporated	SYKE	33.53	1,402.65	1,382.82	1,523.31	173.60	67.15	0.91x	7.97x	20.59x
StarTrek, Inc.	SRT	12.24	192.90	198.87	306.82	16.38	2.16	0.65x	12.14x	92.20x
Teleperformance SE (3)	PAR:RCF	123.86	7,092.81	8,835.40	3,846.76	542.91	225.60	2.30x	16.27x	39.16x
TeleTech Holdings, Inc.	TTEC	40.80	1,910.29	2,032.57	1,301.13	133.17	41.70	1.56x	15.26x	48.75x
Genpact Ltd.	G	27.83	5,675.48	6,381.55	2584.05	429.74	264.46	2.47x	14.85x	24.13x
West Corporation	WSTC	23.32	1,936.06	4,919.22	2,293.73	604.12	202.93	2.14x	8.14x	24.24
Mean (CRM)			2,427.18	3,165.60	1,720.02	270.08	108.77	1.82X	10.87x	42.84x
Median (CRM)			1,656.47	1,707.70	1,664.72	187.27	59.78	1.85x	10.14x	31.70x

Notes

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(3) - Converted to USD from Pitchbook using exchange rate as of 6/30/2017

Source: PitchBook

Within the publicly traded CRM sector, there were 2 transactions that closed in Q2 2017. Atento has completed an acquisition of a majority stake in Interfile which allows Atento the opportunity to offer end-to-end solutions for the financial services industry. TeleTech Holdings has acquired health services and engagement company Connextions, which allows Teletech to increase their size and scale in the healthcare vertical.

Specialty Finance

Overview:

We see significant opportunities on the horizon in the specialty finance vertical within receivables management. These opportunities are increasing in popularity and companies within the market are expanding and improving their platform and acquiring a lending base conducive to their goals. An increasing amount of debt purchasers and servicers are moving into specialty finance receivables. Specialty finance paper is attractive to the receivables management industry largely due to the variety in balance sizes, which can be tailored toward a size conductive to a servicers competitive advantage. As a point of reference, a small loan can be made and granted online in a short amount of time, with some taking under 10 minutes to complete. We are witnessing a reemergence of subprime lending, exasperated by the popularity in specialty finance platforms, which are targeted at millennials and non-traditional lending metrics. More lenders are willing to take on riskier borrowers in attempts to seek growth and high yields.

We are also observing relatively low verification standards with some of the largest online lenders. Many of the online lenders today are not verifying key borrowing data. Two of the largest online lenders stated that they currently only verified a third of the income for some of their most popular loans. Others state they did not check key data like employment or income on up to a quarter of the loans. These firms are utilizing different scoring models to determine consumers' propensity to pay. Many of these companies are writing off increasing portions of their loans. Along with growing volumes, from our discussions with participants in the marketplace, specialty finance paper has historically shown higher gross margins than some of the other asset classes being worked today.

From a regulatory perspective, the Supreme Court earlier this year ruled that Debt Purchasers were not subject to enforcement under the FDCPA when purchasing debts. We expect this ruling to have a positive impact on the interest from specialty finance creditors to sell or service debt. The loosening of regulatory scope of the FDCPA by the Supreme Court should serve to incentivize more activity among Specialty Financing creditors. Additionally, there is an increasing importance for purchasers to determine who owns the original loan as many specialty finance platforms have their loans originated and serviced by separate parties.

Public Comparables:

Analysis of Selected Publicly Traded Specialty Finance Companies (In Millions)

All Data as of 6/30/2017

Company Name	Ticker	Price	Market Cap (1)	TEV (2)	LTM Revenue	LTM EBITDA	LTM Net Income	TEV/ Revenue	TEV/ EBITDA	TEV/ Net Income
LendingClub Corporation	LC	5.51	2,163.49	6,197.85	1,146.07	519.40	(179.95)	5.41x	11.93x	--
Navient Solutions, Inc.	NAVI	16.65	5,049.11	116,819.11	4,921.00	3,517.00	589.00	23.74x	33.22x	198.33x
OneMain Holdings, Inc.	OMF	24.59	3,315.95	16,994.95	3,649.00	1,461.00	111.00	4.66x	11.63x	153.11x
Credit Acceptance Corp.	CACC	257.14	5,182.31	8,029.81	1,004.10	675.80	351.70	8.00x	11.88x	22.83x
Mean (Specialty Finance)			3,927.71	37,010.43	2,680.04	1,543.30	217.94	10.45x	17.17x	124.76x
Median (Specialty Finance)			4,182.53	12,512.38	2,397.54	1,068.40	231.35	6.70x	11.91x	153.11x

Notes

(1) - Market Cap equates to total shares outstanding multiplied by the price per share

(2) - Total enterprise value consists of market cap plus debt less cash

Source: PitchBook

CAS is pleased to provide a link to the Site Selection Group's Location *Intelligence Newsletter*

Overview:

Site Selection Group is a leading, conflict-free location advisory, economic incentive and corporate real estate services firm providing solutions to corporations and communities across the world. We offer four core services to our customers: Location Advisory Services, Economic Incentive Services, Corporate Real Estate Services and Economic Development Consulting. Our mission is to align the needs of corporations with the optimal locations in order to provide the absolute maximum economic benefit. Click HERE for the latest Location Intelligence Newsletter.

Site Selection Group
Strategic Location Solutions

ARM REGULATORY RESOURCE

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The *ARM Regulatory Resource* is the CAS quarterly Newsletter feature focused on government news, regulation and compliance so you are informed of the latest activities of government agencies with oversight over the ARM sector. Your comments and suggestions are welcome!

Highlights:

- The Consumer Financial Protection Bureau is moving forward with regulations for the debt collection industry but will do a separate rule mandating that collectors contact the correct consumers about accurate amounts owed. CFPB Director Richard Cordray said the bureau was working on a proposal that would update rules governing debt collection to include new technologies like cellphones. This is unlike an outline released last summer by the CFPB that called for doing one rule governing the "right consumer, right amount" principle for companies that collect on debt that they issue and one for debt-buyers and other third-party collectors, Cordray said the bureau will move forward with a single rule for both classes of debt buyers. *Source: Law360, June 2017*

- The federal government to the Consumer Advisory Board, Community Bank Advisory Council, Credit Union Advisory Council, and Academic Research Council. The four bodies provide advice to CFPB leadership on a broad range of consumer financial issues and emerging market trends. For more information, click here.

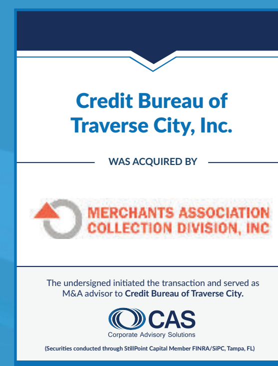
For the latest agency reports and information, click on the icons below!

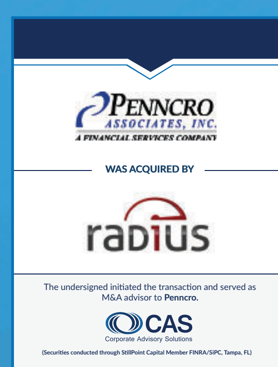
CFPB | FTC | FDIC | IRS

OTHER HELPFUL LINKS:

CFPB Consumer Complaint Database
FTC, Fair Debt Collection Practices Act
IRS, Internal Revenue Service Affordable Care Act

SELECT CAS TRANSACTIONS:





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We encourage you to contact CAS
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