

# Portfolio Recovery Associates, Inc.(USD)

## PRAA

**Last Close \$** \$58.86    **Sales \$Mil** \$657    **Mkt Cap \$Mil** \$2,986    **Industry** Business Services    **Currency** USD

Portfolio Recovery Associates, Inc., is engaged in the business of purchasing, managing and collecting portfolios of defaulted consumer receivables, as well as offering accounts receivable management and payment processing services.

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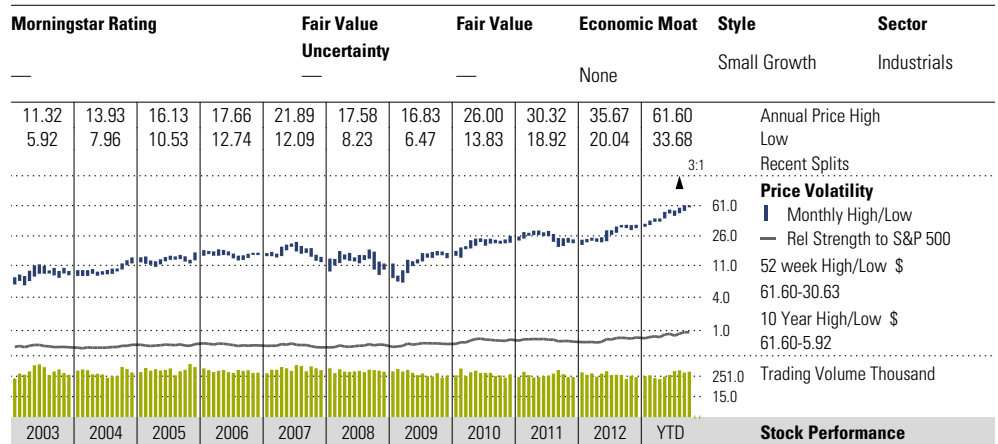
Growth Rates Compound Annual					
<b>Grade: B</b>	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue %	29.2	28.2	21.8	26.7	
Operating Income %	21.4	38.9	21.6	26.3	
Earnings/Share %	26.3	37.1	19.3	22.9	
Dividends %	—	—	—	—	
Book Value/Share %	20.6	24.7	21.9	21.5	
Stock Total Return	69.4	40.8	32.1	21.8	
+/- Industry	32.9	20.6	16.4	11.7	
+/- Market	51.1	24.7	20.9	14.6	

Profitability Analysis				
<b>Grade: C</b>	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	21.2	17.5	16.6	20.0
Return on Assets %	11.5	8.6	5.1	8.1
Revenue/Employee \$K	195.5	153.3	—	1015.3
Fixed Asset Turns	24.7	16.6	7.4	7.1
Inventory Turns	—	—*	12.4	11.5
Gross Margin %	100.0	100.0	39.8	42.8
Operating Margin %	39.1	34.2	12.1	19.5
Net Margin %	23.0	19.2	6.6	13.8
Free Cash Flow/Rev %	24.9	30.0	10.2	11.7
R&D/Rev %	—	—	0.3	—

Financial Position (USD)			
<b>Grade:</b>	12-12 \$Mil	06-13 \$Mil	
Cash	33	43	
Inventories	—	—	
Receivables	1089	1250	
Current Assets	1122	1293	
Fixed Assets	25	27	
Intangibles	130	124	
Total Assets	1289	1457	
Payables	15	9	
Short-Term Debt	127	216	
Current Liabilities	359	457	
Long-Term Debt	201	198	
Total Liabilities	581	665	
Total Equity	708	792	

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	19.8	14.1	28.6	17.0
Forward P/E	15.1	—	—	21.4
Price/Cash Flow	17.2	8.8	13.4	10.2
Price/Free Cash Flow	18.3	9.3	17.7	36.2
Dividend Yield %	—	—	1.1	2.2
Price/Book	3.8	2.2	4.7	2.4
Price/Sales	4.5	2.7	1.9	2.8
PEG Ratio	1.3	—	—	2.4

\*3Yr Avg data is displayed in place of 5 Yr Avg



Stock Performance											
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD	
45.5	55.3	12.7	0.5	-12.9	-14.7	32.5	67.7	-10.2	58.3	65.2	Total Return %
16.8	44.4	7.8	-15.3	-18.4	22.3	6.1	52.6	-12.3	42.3	45.6	+/- Market
16.2	45.5	6.8	-17.0	-19.0	16.4	4.8	53.4	-14.1	42.1	31.5	+/- Industry
—	—	—	—	—	—	—	—	—	—	—	Dividend Yield %
404	636	730	743	599	517	696	1283	1156	1807	2986	Market Cap \$Mil

Financials (USD)											
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TTM	
85	113	149	188	221	263	281	373	459	593	657	Revenue \$Mil
—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	Gross Margin %
34	45	60	72	81	85	81	130	178	216	257	Oper Income \$Mil
40.6	39.6	40.1	38.2	36.8	32.2	28.7	34.8	38.8	36.5	39.1	Operating Margin %
21	27	37	44	48	45	44	73	101	127	151	Net Income \$Mil
0.44	0.58	0.76	0.92	1.02	0.99	0.96	1.45	1.95	2.46	2.98	Earnings Per Share \$
—	—	—	—	—	—	—	—	—	—	—	Dividends \$
47	48	48	48	47	46	46	51	52	51	51	Shares Mil
2.61	3.27	4.14	5.18	5.19	6.19	7.21	9.58	11.58	13.97	15.61	Book Value Per Share \$
35	49	58	59	80	82	85	144	173	131	175	Oper Cash Flow \$Mil
-2	-2	-3	-7	-9	-6	-5	-10	-10	-7	-11	Cap Spending \$Mil
33	47	54	53	72	76	81	134	163	124	164	Free Cash Flow \$Mil

Profitability											
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TTM	
19.3	18.2	17.4	16.4	12.5	8.0	6.1	8.2	9.8	10.7	11.5	Return on Assets %
20.7	20.3	21.2	20.1	20.0	17.5	14.3	17.8	18.6	19.4	21.2	Return on Equity %
0.79	0.75	0.70	0.70	0.57	0.46	0.39	0.42	0.44	0.50	0.50	Asset Turnover
24.4	24.2	24.8	23.6	21.9	17.2	15.8	19.7	22.0	21.4	23.0	Net Margin %
1.1	1.2	1.3	1.2	2.0	2.3	2.4	2.0	1.8	1.8	1.8	Financial Leverage

Financial Health (USD)											
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	06-13	
2	2	16	1	—	0	1	2	1	201	198	Long-Term Debt \$Mil
119	151	195	247	235	284	335	491	595	708	792	Total Equity \$Mil
0.02	0.02	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.25	Debt/Equity
—	—	—	—	189	216	271	395	505	763	836	Working Capital \$Mil

Valuation											
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TTM	
20.1	23.8	20.4	16.9	13.0	11.4	15.6	17.3	11.5	14.5	19.8	Price/Earnings
0.0	0.0	—	—	0.0	0.0	0.0	0.0	—	0.0	1.2	P/E vs. Market
4.9	5.8	5.0	4.0	2.8	2.0	2.5	3.4	2.5	3.1	4.5	Price/Sales
3.4	4.2	3.7	3.0	2.5	1.8	2.1	2.6	1.9	2.6	3.8	Price/Book
11.9	13.3	12.9	12.6	7.8	6.3	8.1	8.8	6.7	13.9	17.2	Price/Cash Flow

Quarterly Results (USD)							
Revenue \$Mil				Sep	Dec	Mar	Jun
Most Recent				150.0	154.0	169.0	182.0
Previous				114.0	118.0	140.0	147.0
Rev Growth %				Sep	Dec	Mar	Jun
Most Recent				31.7	30.6	21.0	23.7
Previous				19.6	17.2	25.4	28.8
Earnings Per Share \$				Sep	Dec	Mar	Jun
Most Recent				0.65	0.70	0.75	0.28
Previous				0.49	0.51	0.49	0.62

Close Competitors				
	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%

Major Fund Holders		% of shares
Pioneer Oak Ridge Small Cap Growth A		1.95
Vanguard Small Cap Index		1.57
Vanguard Total Stock Mkt Idx		1.41