HC2 Holdings, Inc. (HCHC – $2.09*)

Diversified Industrials: Producer Manufacturing
Buy; $13.00 PT; $95.3M Market Cap
Raise Price Target
Friday, August 9, 2019

Discovery Group

Core Sales/Adj EBITDA Beat Our Estimates, Marine Services Segment Receives Multiple Preliminary Bids; Marking-Up Life Sciences Portfolio Valuation—Raise PT from $11 to $13, Reiterate Buy

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STOCK DATA	
Market Cap (mil)	$95.3
52-Week Range	$1.90 – $6.58
3-Month ADTV	353,555
Shares Outstanding (mil)	45.6
Float (%)	91.0
Short Interest	4,181,958
Enterprise Val. (mil)	$1,006.9
Fiscal Year-End	December

EARNINGS DATA			
EBITDA (Q)	2018A	2019E	2020E
1Q	9.3	14.3A	27.9
2Q	40.2	34.8A	35.9
3Q	26.3	32.8	38.0
4Q	28.5	35.6	36.2
FY	104.3	117.5	138.0

Core subsidiaries EBITDA (Construction, Marine Services, Telecom, and Energy segments).

FINANCIAL DATA			
FY	2018A	2019E	2020E
Rev. (mil)	$1,976.7	$2,051.7	$2,060.1
EBITDA (mil)	$104.3	$117.5	$138.0
ROE	1.3%	(0.1)%	(0.2)%
Debt/Capital	77.0%	64.6%	65.4%
BV/Share	$1.88	$6.04	$5.42

BALANCE SHEET DATA	
	2Q19
Cash & Equivalents	$280.4
Accounts Receivable	$350.7
Accounts Payable	$338.5
Total Debt	$828.2
Shareholders' Equity	$329.9
Debt/Cap	0.0%

$ in millions unless otherwise specified.Cash & equivalents includes ~$226M in "Insurance" segment.

Summary and Recommendation

Buy-rated HC2 Holdings (HCHC, $13 PT) reported 2Q revenues/adjusted EBITDA of $430M/$35M from its core operating subsidiaries, exceeding our estimates of $400M/$25M. The strength was primarily attributable to the construction and marine services segments (the dominant generators of operating performance for HCHC), even though management has not provided FY19 guidance for the marine services segment, which is in a sales process, HCHC maintained FY19 adjusted EBITDA guidance of $75M–$80M for the construction segment. We remain encouraged by the backlogs for both the construction and marine services segments, which stood at $468M and $406M, respectively. We therefore maintain our FY19/FY20 adjusted EBITDA estimates for both construction and marine services. (Refer to Exhibit II: "Estimate Revisions" on page 3 of this report for details.) We raise our PT, from $11 to $13, as we mark up HCHC's life sciences portfolio investments to reflect the Huadong Medicine Company's recent equity valuations for R2 Dermatology and MediBeacon. (Refer to Exhibit III: "Sum-of-the-Parts Valuation Analysis" on page 4 of this report for details.) A reminder: Global Marine is in the process of evaluating strategic alternatives. In that regard, on the earnings conference call, HCHC's management affirmed a more robust sales process, after taking steps to separate the HMN JV from Global Marine. Over the past month, the company has received multiple preliminary bids from high-quality acquirers. Should HCHC successfully sell the marine services segment, proceeds should be used to reduce debt at the HoldCo. level. With HCHC shares trading at such a wide discount to our SOTP analysis, and potential asset monetization catalysts on the horizon, we reiterate our Buy rating.

Key Points

- **2Q core operating results.** HCHC reported 2Q revenues/adjusted EBITDA from its core operating subsidiaries of $430M/$35M, exceeding our estimates of $400M/$25M, with strength primarily attributable to the construction segment (adjusted EBITDA of $23M, vs. our $16M forecast) and the marine services segment (adjusted EBITDA of $10M, vs. our $7M estimate). HCHC's life sciences, broadcasting, and other investments generated an adjusted EBITDA loss of ($2.7M), compared to our loss estimate of ($5.0M). In that regard, the broadcasting segment loss of ($0.9M) was lower than our ($2.0M) estimate as management's integration and cost-restructuring efforts move the segment towards breakeven (which we continue to assume management achieves in 4Q20). Losses from the life sciences segment were ($1.8M), better than our ($3.0M) loss forecast. Given that R2 Dermatology and MediBeacon received equity funding of $10M and $15M, respectively, from the Huadong Medicine Company (as highlighted in our earnings preview note), we have raised our loss forecasts: We expect the portfolio companies to enter the next phase of developing their respective products (including engaging in clinical trials and the FDA approval process). Finally, HCHC's non-operating corporate EBITDA of ($4.4M) was better than our forecast of ($6.5M). (Refer to Exhibit I: "Reported Results vs. Expectations" on page 3 for details.)
- **HCHC maintained FY19 adjusted EBITDA guidance of $75M–$80M for the construction segment.** Its backlog, at the end of 2Q, was $468M ($81M was attributable to GrayWolf), vs. backlog of $656M in the prior year: Large projects have converted to revenues/EBITDA at this juncture. Recall: As large projects roll off, management is focused on maintaining discipline and adding smaller, more profitable projects in the $25M–$50M range, enabling a quicker conversion to revenues/cash flows. That said, in our view, the construction segment's current backlog represents a more sustainable, "normalized" range. **(continued on page 2)**

Analyst certification and important disclosures can be found on pages 8 - 11 of this report.

This document represents an abbreviated discussion of the subject issuer and should not be used as the sole basis for an investment decision.
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The current awarded, but unsigned, backlog statistic exceeded was $661M ($547M was attributable to DBM Global and $114M to GrayWolf). In sum, we maintain our FY19/FY20 construction segment adjusted EBITDA of $75M/$80M, respectively. (Refer to Exhibit II: “Estimate Revisions” on page 3 of this report for details.)

- **Marine services segment’s results above our expectations; sales process draws multiple preliminary bids.** The marine services segment generated sales/adjusted EBITDA of $39M/$10M, vs. our model of $50M/$7M, respectively. The marine services backlog stood at $406M at the end of 1Q, of which $315M was attributable to three, multiyear telecom maintenance contracts, while $91M relates to installation projects. In that regard, installation projects have increased by $60M Y/Y. Even though quarterly results are lumpy, we believe the marine services backlog supports the long-term health and cash flow generation of the business. We thus expect operating performance in 2H19 to reflect a material improvement, vs. 1H19. Therefore, we continue to model marine services adjusted EBITDA of $35M in FY19 and $50M in FY20. (Refer to Exhibit II: “Estimate Revisions” on page 3 of this report for details.) Finally, on the earnings conference call, HCHC’s management affirmed a more robust sales process, after taking steps to separate the HMN JV from Global Marine. Over the past month, the company has received multiple preliminary bids from high-quality acquirers, including bids for Global Marine, as well as distinct bids for the combined Global Marine and HMN JV. The potential sale of the marine services segment could enable HCHC to rapidly reduce debt, which is management’s stated goal. We value the marine services division at $400M, of which 72.5% is owned by HCHC.
- **Marking up life sciences portfolio valuation to reflect Huadong Medicine Company’s equity investments in R2 Dermatology and MediBeacon.** In June, Huadong made a $10M equity investment in HCHC’s life sciences portfolio company, R2 Dermatology, at a pre-money valuation of ~$50M. HCHC’s fully diluted equity ownership in R2 Dermatology, after the transaction, is ~58%. Thus, the new valuation reference point for R2 Dermatology works out to ~$29M for HCHC’s position. In July, portfolio company MediBeacon received a $15M equity investment from Huadong, at a pre-money valuation of ~$300M. HCHC’s fully diluted equity ownership in MediBeacon, after the transaction, is ~42%. The new valuation reference point for MediBeacon increases from $25M previously to $125M for HCHC’s position. The step-up in these life sciences portfolio assets adds ~$2 per HCHC share (assuming full dilution), vs. our prior SOTP valuation analysis. We therefore raise our price target from $11 to $13.
- **Sum-of-the-parts valuation.** Our PT is based on an SOTP valuation analysis. (Refer to Exhibit III: “Sum-of-the-Parts Valuation Analysis” on page 4 of this report for details.)

Exhibit I: Reported Results vs. Expectations

	2Q19E	2Q19A	Variance
	Adj. EBITDA	Adj. EBITDA	Variance
Construction	$16.0	$23.1	44.4%
Marine Services	$7.0	$9.6	37.1%
Telecom	$0.7	$0.8	14.3%
Energy	$1.0	$1.3	29.9%
Core Total	**$24.7**	**$34.8**	**40.9%**
Life Sciences	($3.0)	($1.8)	-40.0%
Broadcasting	($2.0)	($0.9)	-55.0%
Other	$0.0	$0.0	NM
Corporate	($6.5)	($4.4)	-32.3%
Total, ex. Insurance	**$13.2**	**$27.7**	**109.8%**
	Pre-tax AOI	**Pre-tax AOI**	
Insurance	$15.0	$33.0	120.0%

Source: B. Riley FBR Research and HCHC earnings release

Exhibit II: Estimate Revisions

B. Riley FBR Estimates ($Ms)				
	FY2019E		FY2020E	
Adj. EBITDA	Old	New	Old	New
Construction	$75.0	$75.0	$80.0	$80.0
Marine Services	$35.0	$35.0	$50.0	$50.0
Energy	$4.1	$4.5	$4.1	$5.0
Telecom	$2.9	$3.0	$3.0	$3.0
Core Total	**$117.0**	**$117.5**	**$137.1**	**$138.0**
Life Sciences	($11.9)	($15.0)	($30.0)	($30.0)
Broadcasting	($7.3)	($4.7)	($1.5)	($1.0)
Other	$0.0	$0.0	$0.0	$0.0
Corporate	($25.6)	($25.0)	($26.0)	($26.0)
Total, ex. Insurance	**$72.2**	**$72.8**	**$79.6**	**$81.0**

Source: B. Riley FBR Research

Exhibit III: Sum-of-the-Parts Valuation Analysis

Business Unit	Financial Statistic Description	Statistic (Ms)	Multiple	Est. Valuation
DBM Global	FY20E EBITDA - 92.5% ownership	$80	8.0	$640
Global Marine Systems	FY20E EBITDA - 72.5% ownership	$50	8.0	$400
ICS Group Holdings	FY20E EBITDA - 100% ownership	$3	3.0	$9
Pansend Life Sciences	Cost basis of total investments below (per HCHC filings):			
MediBeacon	42% ownership	$300	42%	$125
R2 Dermatology	58% ownership	$50	58%	$29
BeneVir Biopharm Inc.	Potential payments to HC2 from milestone achievements	$512	10%	$51
Genovel Orthopedics	80% ownership	$3	0.1	$0
Triple Ring Technologies	Undisclosed ownership	$3	0.1	$0
Continental Insurance Group	Total adjusted capital of $331M	$331	0.8	$265
American Natural Gas	69% ownership; valuing at investment cost	$92	1.0	$92
HC2 Broadcasting Holdings	Cost basis of total investments (per HCHC filings)	$176	1.0	$176
Total Sum of the Parts				**$1,786**
Minus:				
Corporate expenses	FY20E Corporate Expenses	$26.0	5	$130
Total debt (incl. capital lease obligations)				$828
Less: cash, cash equivalents, and restricted cash, plus ~$9M BeneVir (in escrow), less ~$226M insurance co. cash				$63
Net debt (cash)				$765
Less: $55M conv. notes	Assume conversion into ~12.6M shares of HCHC stock			($55)
Preferred stock ($10M)	Assume conversion into ~2.2M shares of HCHC stock			$0
Noncontrolling interest				$158
Total HCHC equity value				**$788**
Est. diluted shares	Includes ~14.8M shares of HCHC stock assumed from conversions above			60.5
Est. HCHC Net Asset Value				**$13.02**

Source: B. Riley FBR Research

Valuation

Our price target of $13 is based on a sum-of-the-parts analysis.

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$ in millions.

Risks

Acquisition/Integration. The company actively evaluates potential acquisitions as part of its growth strategy. Acquisitions pursued by the company could be dilutive to financial results and result in a difficult, dilutive, or expensive integration.

Acquisition/Integration. The company recently completed acquisition(s). If the company fails to successfully integrate the acquisition, the deal may lead to disappointing returns.

Growth plan. There are many factors that may impact the company's ability to achieve its stated growth objectives.

Insider ownership. Directors and executive officers collectively own a significant percentage of the company. While this may align interest with other shareholders, investors might view a future sale by any director or officer negatively.

Liquidity and solvency. The company has a significant debt load and interest expense, which may hamper its ability to invest in the business. Also, the company may need to raise additional capital in the future, and access to such capital is difficult to predict.

General industry. The company could miss our estimates and/or its financial guidance.

Competition. The company operates in a highly competitive environment for acquisition opportunities, including from public companies with similar business strategies, investment partnerships, blank-check companies, private equity firms, among others.

Economy. A decline in economic growth or economic disruptions could have a negative impact on the company's operating units and financial results.

Foreign currency risk. The company has operations outside of the U.S., primarily in the U.K., exposing the company to foreign currency exchange rate fluctuations, which could adversely impact the company's operations and/or financial condition.

Holding company. The company is a publicly traded holding company, and its equity interests in operating subsidiaries and other investments comprise primarily all of its assets. As a result, the company's principal revenue and cash flow is distributions from subsidiaries, which may be limited by law or by contract in making certain distributions to the holding entity. Further, the holding company's ability to service debt and/or to finance future acquisitions are dependent on the ability of subsidiaries to make upstream cash distributions.

Insurance operations. The company's insurance operations are subject to legal restrictions and regulatory requirements, including the amount of statutory capital that must be held to maintain financial strength. Further, financial results from the insurance operations could be negatively affected if actual performance differs from management's assumptions and estimates.

International operations. The company operates in international markets and could in the future pursue additional investments in foreign entities. Exposure to international laws, regulations, politics, taxes, and currency poses risk to the company's operations.

Minority investments. The company owns a minority interest in a number of entities, over which the company does not exercise control and/or has little to limited influence. As a result, the company may be unable to direct or manage those operations to drive value.

Loss of key personnel. The current management team will be instrumental in executing the company's growth strategy. The resignation or loss of a key member of management would have a negative impact on the company.

Significant stockholder security sales. Future sales of substantial amounts of common stock by holders of preferred stock, or by other significant stockholders, could adversely impact the market price of the company's common shares.

HC2 Holdings, Inc. - HCHC
Model ($ in 000s)
B. Riley FBR, Inc.
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	2016(A)	2017(A)	2018(A)	Q1-Mar	Q2-Jun(A)	Q3-Sep(E)	Q4-Dec	2019(E)	Q1-Mar	Q2-Jun	Q3-Sep	Q4-Dec	2020(E)
Net revenues	**1,558,126**	**1,634,124**	**1,976,700**	**491,400**	**518,600**	**510,775**	**530,891**	**2,051,666**	**501,538**	**517,189**	**522,843**	**518,502**	**2,060,072**
Cost of revenue - services	842,977	0	0	0	0	0	0	0	0	0	0	0	0
Cost of revenue - sales	411,064	1,313,069	1,585,205	357,700	381,200	370,904	386,779	1,496,583	366,314	374,361	377,785	374,711	1,493,171
Insurance benefits and acquisition expenses	123,182	108,695	197,324	52,700	48,000	60,000	60,000	220,700	60,000	60,000	60,000	60,000	240,000
SG&A expenses	152,890	182,880	218,442	52,900	52,100	55,821	58,262	219,083	57,824	57,228	57,109	57,540	229,701
D&A	24,493	31,315	31,669	6,900	7,600	14,300	14,300	43,100	14,800	14,800	14,800	14,800	59,200
(Gain) loss on sale or disposal of assets	2,362	(704)	(86)	(400)	(1,200)	0	0	(1,600)	0	0	0	0	0
Lease termination costs	179	0	0	0	0	0	0	0	0	0	0	0	0
Asset impairment expense	2,400	0	0	0	0	0	0	0	0	0	0	0	0
Total operating expenses	1,559,547	1,635,255	2,032,554	469,800	487,700	501,025	519,341	1,977,866	498,938	506,389	509,694	507,051	2,022,072
Income (loss) from operations	**(1,421)**	**(1,131)**	**(55,854)**	**21,600**	**30,900**	**9,750**	**11,550**	**73,800**	**2,600**	**10,800**	**13,150**	**11,451**	**38,000**
Interest expense	(43,375)	(55,098)	(75,662)	(22,300)	(23,000)	(24,329)	(24,329)	(93,958)	(24,329)	(24,329)	(24,329)	(24,329)	(97,315)
(Gain) loss on extinguishment or restructuring of debt	0	0	102,141	0	0	0	0	0	0	0	0	0	0
Contingent rights valuation	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income (expense), net	(11,765)	(1,361)	196,309	3,300	(3,600)	0	0	(300)	0	0	0	0	0
Income (loss) from equity investees	10,768	17,840	15,355	(4,900)	6,100	0	0	1,200	0	0	0	0	0
Income (loss) from continuing operations, before taxes	**(45,793)**	**(39,750)**	**182,289**	**(2,300)**	**10,400**	**(14,579)**	**(12,779)**	**(19,258)**	**(21,729)**	**(13,529)**	**(11,179)**	**(12,878)**	**(59,315)**
Income tax benefit (expense)	(51,638)	(10,740)	(2,363)	(4,000)	(1,200)	3,645	3,195	1,639	5,432	3,382	2,795	3,220	14,829
Income (loss) from continuing operations	**(97,431)**	**(50,490)**	**179,926**	**(6,300)**	**9,200**	**(10,934)**	**(9,584)**	**(17,618)**	**(16,297)**	**(10,147)**	**(8,384)**	**(9,659)**	**(44,487)**
Gain (loss) from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income (loss)	(97,431)	(50,490)	179,926	(6,300)	9,200	(10,934)	(9,584)	(17,618)	(16,297)	(10,147)	(8,384)	(9,659)	(44,487)
Attributable to noncontrolling interests	2,882	3,580	(17,915)	3,500	200	1,000	1,000	5,700	1,000	1,000	1,000	1,000	4,000
Net income (loss) to HC2 Holdings	(94,549)	(46,910)	162,011	(2,800)	9,400	(9,934)	(8,584)	(11,918)	(15,297)	(9,147)	(7,384)	(8,659)	(40,487)
Less: Preferred stock dividends and accretion	10,849	2,767	6,409	(1,200)	400	400	400	0	400	400	400	400	1,600
Net income (loss) to common stock	**(105,398)**	**(49,677)**	**155,602**	**(1,600)**	**9,000**	**(10,334)**	**(8,984)**	**(11,918)**	**(15,697)**	**(9,547)**	**(7,784)**	**(9,059)**	**(42,087)**
Basic shares	37,260	42,824	44,300	44,800	45,600	45,900	46,000	45,575	46,100	46,200	46,300	46,400	46,250
Diluted shares	37,260	42,977	46,800	45,629	58,100	58,400	58,500	55,157	58,600	58,700	58,800	58,900	58,750
GAAP EPS	**($2.83)**	**($1.16)**	**$3.32**	**($0.04)**	**$0.15**	**($0.23)**	**($0.20)**	**($0.26)**	**($0.34)**	**($0.21)**	**($0.17)**	**($0.20)**	**($0.91)**
Adj. EBITDA By Segment:													
Construction	59,860	51,588	60,853	12,400	23,100	19,500	20,000	75,000	15,000	20,000	22,000	23,000	80,000
Marine Services	41,176	44,027	32,724	100	9,600	11,500	13,800	35,000	11,000	14,000	14,000	11,000	50,000
Energy	2,543	2,911	5,457	1,000	1,300	1,050	1,150	4,500	1,200	1,200	1,250	1,351	5,000
Telecom	5,561	6,929	5,258	800	800	700	700	3,000	700	700	800	800	3,000
Core Adj. EBITDA	**109,140**	**105,455**	**104,292**	**14,300**	**34,800**	**32,750**	**35,650**	**117,500**	**27,900**	**35,900**	**38,050**	**36,151**	**138,000**
Life Sciences	(12,037)	(22,366)	(14,909)	(2,900)	(1,800)	(4,800)	(5,500)	(15,000)	(7,500)	(7,500)	(7,500)	(7,500)	(30,000)
Broadcasting	0	0	(16,884)	(2,500)	(900)	(700)	(600)	(4,700)	(500)	(300)	(200)	0	(1,000)
Other	(11,218)	(3,139)	(2,180)	0	0	0	0	0	0	0	0	0	0
Corporate	(25,716)	(29,153)	(25,785)	(6,100)	(4,400)	(7,000)	(7,500)	(25,000)	(6,500)	(6,500)	(6,500)	(6,500)	(26,000)
Total adj. EBITDA, ex. Insurance	**60,169**	**50,797**	**44,534**	**2,800**	**27,700**	**20,250**	**22,050**	**72,800**	**13,400**	**21,600**	**23,850**	**22,151**	**81,000**
Common Size:													
Gross margin	11.6%	13.0%	9.8%	16.5%	17.2%	15.6%	15.8%	16.3%	15.0%	16.0%	16.3%	16.2%	15.9%
SG&A	9.8%	11.2%	11.1%	10.8%	10.0%	10.9%	11.0%	10.7%	11.5%	11.1%	10.9%	11.1%	11.2%
D&A	1.9%	2.2%	2.0%	1.8%	1.9%	2.8%	2.7%	2.3%	3.0%	2.9%	2.8%	2.9%	2.9%
Adj. EBITDA margin, ex. Financial Services	**3.3%**	**3.4%**	**2.5%**	**4.1%**	**6.3%**	**4.7%**	**4.9%**	**4.2%**	**4.0%**	**4.9%**	**5.4%**	**5.1%**	**4.7%**
Tax rate	-112.8%	-27.0%	1.3%	-173.9%	11.5%	25.0%	25.0%	8.5%	25.0%	25.0%	25.0%	25.0%	25.0%
Selected Balance Sheet Data:													
Cash, cash equivalents, and restricted cash	115,869	97,885	325,000	302,200	280,400	54,278	56,079	56,079	56,020	66,764	62,791	67,604	67,604
Accounts receivable, net	267,598	322,446	379,200	328,400	350,700	355,134	359,375	359,375	356,188	351,461	358,811	359,264	359,264
Accounts payable and other current liabilities	251,733	347,492	344,900	320,300	338,500	330,926	333,380	333,380	331,361	333,304	330,944	331,098	331,098
Total debt (incl. capital lease obligations)	428,496	593,172	743,900	762,000	828,200	829,264	830,328	830,328	831,467	832,606	833,744	834,883	834,883
Preferred stock	29,459	26,296	20,300	10,300	10,300	10,700	11,100	11,100	11,500	11,900	12,300	12,700	12,700
HC2 stockholders' equity	44,215	73,171	88,100	233,100	329,900	335,560	333,371	333,371	324,468	321,716	320,726	318,462	318,462
Total stockholders' equity	99,424	216,027	222,000	349,800	451,400	457,460	455,671	455,671	447,168	444,816	444,226	442,362	442,362
Valuation:													
Price	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09	$2.09
Market cap	**77,873**	**89,822**	**97,812**	**95,365**	**121,429**	**122,056**	**122,265**	**115,279**	**122,474**	**122,683**	**122,892**	**123,101**	**122,788**
Total debt (incl. capital lease obligations)	428,496	593,172	743,900	762,000	828,200	829,264	830,328	830,328	831,467	832,606	833,744	834,883	834,883
Less: cash, cash equivalents, and restricted cash	115,869	97,885	325,000	302,200	280,400	54,278	56,079	56,079	56,020	66,764	62,791	67,604	67,604
Net debt (cash)	312,627	495,287	418,900	459,800	547,800	774,986	774,249	774,249	775,446	765,841	770,954	767,279	767,279
Preferred stock	29,459	26,296	20,300	10,300	10,300	10,700	11,100	11,100	11,500	11,900	12,300	12,700	12,700
Noncontrolling interest	23,224	114,951	105,600	99,100	100,900	100,900	100,900	100,900	100,900	100,900	100,900	100,900	100,900
Enterprise value	**443,183**	**726,356**	**642,612**	**664,565**	**780,429**	**1,008,642**	**1,008,514**	**1,001,527**	**1,010,320**	**1,001,324**	**1,007,046**	**1,003,980**	**1,003,667**
Net debt (cash) per share	8.39	11.52	8.95	10.08	9.43	13.27	13.24	14.04	13.23	13.05	13.11	13.03	13.06
EV/Sales (TTM)	0.3	0.4	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (TTM)	9.6	14.3	14.4	9.8	10.7	12.6	11.6	13.8	11.7	12.4	12.0	11.9	12.4
P/BV - HC2 stockholders' equity	1.8	1.2	1.1	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4

*Closing price of last trading day immediately prior to the date of this publication unless otherwise indicated.

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BUY [Buy]	77.22%	30.34%
HOLD [Neutral]	22.13%	10.78%
SELL [Sell]	0.65%	0.00%

(1) As of midnight on the business day immediately prior to the date of this publication.

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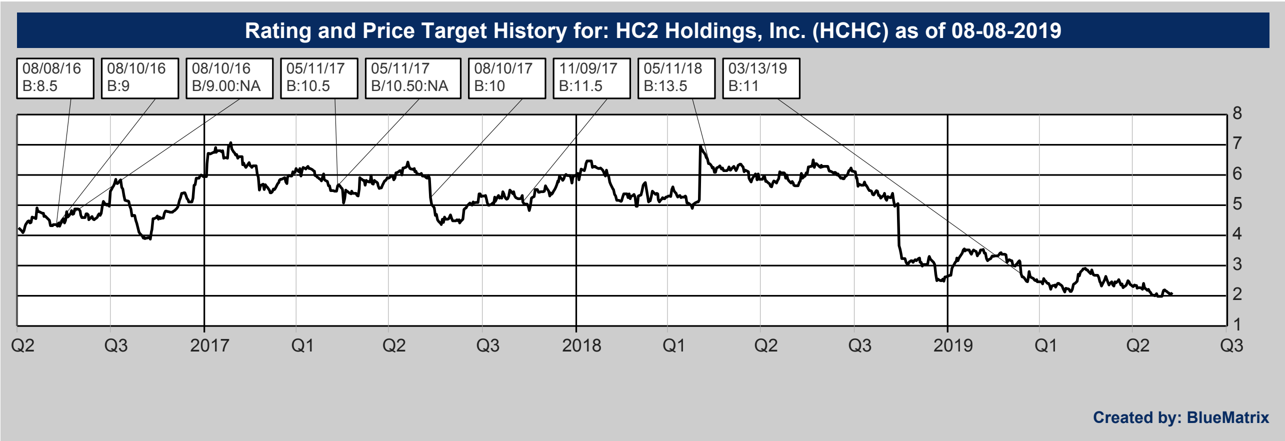
Rating and Price Target History for: HC2 Holdings, Inc. (HCHC) as of 08-08-2019
08/08/16 B:8.5
08/10/16 B:9
08/10/16 B/9.00:NA
05/11/17 B:10.5
05/11/17 B/10.50:NA
08/10/17 B:10
11/09/17 B:11.5
05/11/18 B:13.5
03/13/19 B:11
8
7
6
5
4
3
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Q2
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2017
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