

SECTOR M&A ACTIVITY REMAINS QUIET AMID AN UNCERTAIN REAL ESTATE MARKET

REAL ESTATE TECHNOLOGY SECTOR UPDATE | SEPTEMBER 2023



**CAPSTONE
PARTNERS**

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














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REAL ESTATE TECHNOLOGY COVERAGE VERTICALS

Capstone’s Real Estate Technology practice provides high-quality corporate finance advice to software and hardware technology and technology-enabled service providers across the entire Real Estate spectrum. We leverage domain knowledge to provide high-quality mergers and acquisitions, institutional financing, and strategic advisory services to private and publicly traded real estate technology companies.

	Description	Representative Companies
Construction & Development Software	Software used to manage the development process and construction of residential and commercial real estate.	 AUTODESK.  Bentley  built  BUILDERTREND  PROCORE
Online Listings & Marketplaces	Online sites that connect buyers with sellers, lessors with tenants, and generate leads for brokers, lenders, and vendors.	Apartment  List  CoStar Group  Apartments.com  AUCTION.COM  realtor.com  Zillow
Real Estate Brokerage & Agent Tools	Software and other digital tools used by brokerage firms and agents to increase accessibility, productivity, and profitability.	 inside real estate  DocuSign  LONE WOLF TECHNOLOGIES  moxiworks  Zillow  ShowingTime
Mortgage Technology & Alternative Financing	Technology to digitize lending and settlement processes, and providers of alternative financing and sales models.	 ice  BLACK KNIGHT  blend meridianlink  Opendoor
Property & Facilities Management Software	Software to manage property portfolios, facility operations, and tenant relationships and leasing.	 appfolio  entrata  mri  REALPAGE  YARDI
Real Estate Data & Analytics	Data and information services used to inform real estate decisions and deliver insights.	 ATTOM DATA SOLUTIONS  ice  BLACK KNIGHT  CoreLogic  MSCI  REIS



Real Estate Technology

Sector M&A Activity Remains Quiet Amid an Uncertain Real Estate Market

KEY SECTOR TAKEAWAYS

Capstone Partners' [Financial Technology & Services Group](#) is pleased to share its Real Estate Technology report. The Federal Reserve's higher-for-longer stance on interest rates has brought the Real Estate sector into the spotlight during the last year. The swift rise in interest rates that began in March 2022 has put real estate owners, property managers, mortgage lenders, and service providers on their heels as they grappled with market headwinds. Despite headwinds, the Real Estate Technology sector has witnessed strong demand as services providers have increasingly relied on sector participants' technology offerings to drive new revenue opportunities, make data-driven decisions, bolster operational efficiency, and enhance customer experience. While a slight uptick in mergers and acquisitions (M&A) and fundraising activity has occurred in year-to-date (YTD) 2023, dealmaking remains quiet and will likely remain so until 2024. Management teams and company shareholders largely remain patient and cautious regarding deal participation, as they continue to refine business models and go-to-market strategies, recalibrate to a new valuation and financing environment, and reset their M&A priorities. To-date, deal activity has been spurred more by companies facing urgent capital demands or exploring distressed exits than by sellers viewing market conditions as favorable. Several additional report takeaways are outlined below.

1. Since March 2022, the Federal Reserve increased its Fed Funds target rate on 11 occasions for an aggregate increase of 500 bps. The rapid and dramatic increase in this interest rate benchmark has been a leading cause of the nearly 60% year-over-year (YOY) decline in commercial real estate transaction volumes and approximate 20% YOY decline in residential transactions during 2023.
2. Driven by the need to optimize operational efficiency, real estate firms increasingly demand interoperable software tools, digital marketplaces, and technology-enabled support services.
3. M&A activity in the Real Estate Technology sector is considerably lower than the 2021 peak, and remains largely in-line with 2022 lows, with transaction volume rising ~4% YOY in YTD. Notably, the majority of deals completed in 2022YTD were done in the early months of the period, whereas the last few months of 2023 YTD have been the most active of the year-to-date period—a potential sign that deal activity is recovering.
4. Strategic buyers have driven a higher portion of transaction activity in 2023—completing 66.7% of the YTD 2023 deals—as financial sponsors have shied away from deploying capital in the sector.
5. Average M&A transaction multiples in the sector have, like broader technology, contracted from prior-year peaks, but continue to outpace the broader Financial Technology industry through YTD.
6. Sector financing activity has declined YOY as many earlier-stage companies were reluctant to price new investment rounds at lower valuations and investors have remained cautious of new opportunities, more often opting to participate in additional funding rounds for current holdings.

Capstone Partners has developed a full suite of corporate finance solutions, including, financial advisory services, merger and acquisition advisory, debt advisory, and equity capital financing to help privately owned businesses and private equity firms navigate through each stage of a company's lifecycle.

To learn more about Capstone's wide range of advisory services and Real Estate Technology sector knowledge, please [contact us](#).

REAL ESTATE MARKETS GRIDLOCKED, TECHNOLOGY DRIVES EFFICIENCY

The Real Estate Technology sector has been a bright spot in an otherwise volatile U.S. Real Estate market, as services providers have increasingly relied on sector participants' technology offerings to bolster operational efficiency amid declining property transaction activity. An elevated interest rate environment has undoubtedly contributed to declining property transactions and investments, as the inflated cost of capital has deterred many buyers and investors. Of note, total U.S. home sales dropped to 4.8 million in July 2023, representing a 11.8% decline from July 2022, according to National Association of Realtors (NAR).¹ In addition, total real estate investment in the Commercial end market has also registered a steep decline, dropping 64.2% YOY to \$75 billion in Q2 2023, according to CBRE Group (NYSE:CBRE).² While the outlook in the Commercial end market has remained uncertain, the Residential end market is expected to see some reprieve from elevated housing starts which should spur new home sales.

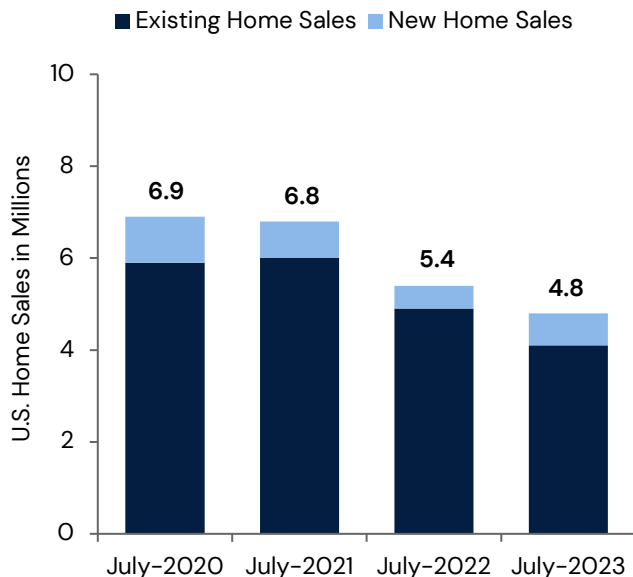


**Taylor Woodson,
Managing Director**

"We expect M&A and capital raising activity to intensify in the coming quarters. The Federal Reserve is approaching the end of its rate-hiking cycle and the odds of it threading-the-needle by delivering on a 'soft-landing' seem to increase with each day that passes, removing much of the uncertainty that has plagued the market for the last year and a half. Additionally, corporate balance sheets of Real Estate Technology acquirors are generally healthy and well-capitalized, while financial sponsors remain flush with more than \$1.0 trillion of committed capital to deploy across North American focused buyout and growth equity funds."

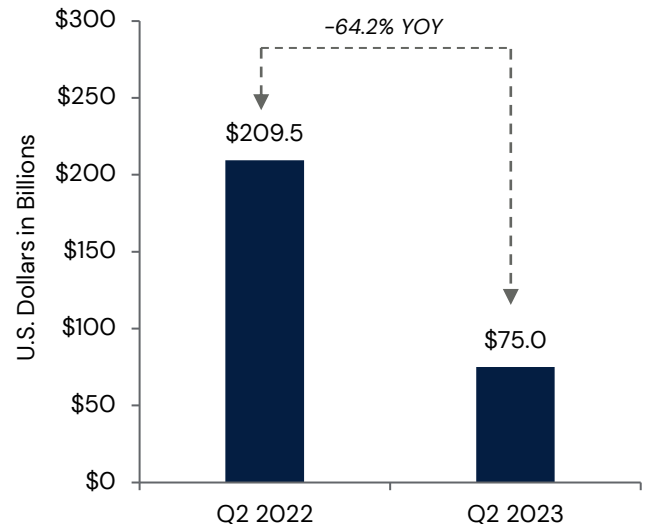
Driven by the need to optimize operational efficiency, real estate firms have increasingly demanded interoperable software tools, digital marketplaces, and technology-enabled support services, providing Real Estate Technology sector participants with ample revenue and M&A opportunities. Notably, only 35% of real estate agents surveyed in NAR's 2022 Technology study indicated that their brokerage firm provides them with sufficient technology tools.³ Real estate agent demand, coupled with accelerated digital transformation tailwinds in the space, is anticipated to support sector growth through year end and into 2024. In addition, robust U.S. construction spending will likely spur an increase in home sales, providing a favorable long-term growth outlook for sector participants in the Residential end market.

Total U.S. Home Sales Fall Year-Over-Year



Source: National Association of Realtors

U.S. Commercial Real Estate Investment Plummetts Year-Over-Year

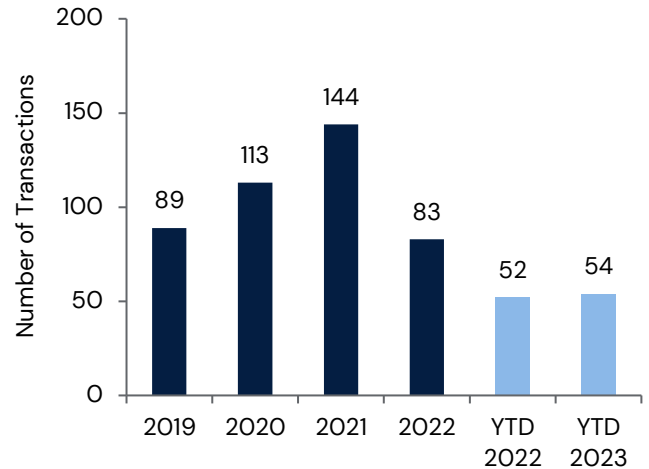


Source: CBRE Group

M&A VOLUME REMAINS MUTED, VALUATIONS HOLD STEADY

M&A volume in the Real Estate Technology sector has seen immaterial improvement from 2022 lows, with 54 transactions announced or completed through YTD 2023. This marks a 3.8% rise compared to YTD 2022 (52 deals). Transaction levels have been hindered by limited deal-process launches and a strategic and financial buyer pool that, while generally willing and able to buy, has significantly “raised the bar” for the acquisition targets they will pursue. Strategic acquirers have comprised the majority (66.7%) of sector deals in YTD 2023, led by private strategic buyers which accounted for 38.9% of transactions. As a portion of total transactions, private strategic dealmaking has increased 4.3% YOY as private businesses often face less shareholder pressure compared to public companies, a trend that has become more prevalent in the M&A markets due to public equity volatility. Private equity has decreased their presence in the sector YOY, accounting for 33.3% of deals in YTD 2023. Due to a difficult lending environment, sponsors have namely focused on add-on acquisitions (25.9% of transactions to-date) to bolster current portfolio businesses rather than chase platform deals which typically require substantial amounts of debt financing.

Real Estate Technology M&A Volume Sees Growth



Year-to-date (YTD) ended August 10
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

The Real Estate Technology segment has continued to drive sector transaction activity, with targets in this segment comprising 83.3% of deals to-date. M&A targets in the Mortgage Technology segment have remained on pace with YTD 2022 levels, accounting for 16.7% of sector targets to-date. An elevated interest rate environment has hindered M&A activity in the Mortgage Technology segment, as declining mortgage issuance has resulted in declining revenues and significant margin compression for many participants.

Real Estate Technology Valuation Analysis

Valuation Method	Average Revenue Multiple	Average EBITDA Multiple
Real Estate Technology Sector* M&A Transactions (2020-YTD)	6.5x	20.5x
Financial Technology Industry M&A Transactions (2020-YTD)	5.4x	15.2x

*Note: Real Estate Technology sector includes Mortgage Technology deals
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Valuation Insight

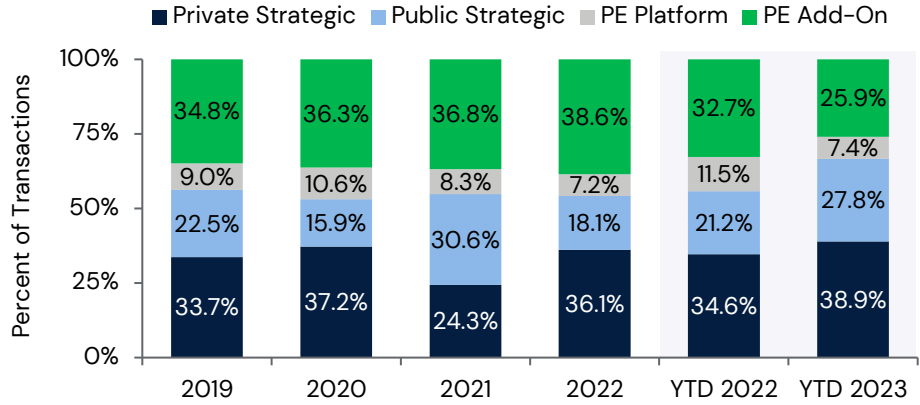
M&A transaction multiples in the Real Estate Technology sector have averaged a robust 6.5x EV/Revenue and 20.5x EV/EBITDA from 2020 through YTD, outpacing the Financial Technology industry average of 5.4x EV/Revenue and 15.2x EV/EBITDA during the same period. The Real Estate Technology segment has been the primary driver of elevated sector M&A pricing through YTD, as activity in the Mortgage Technology segment has been particularly muted except for Intercontinental Exchange’s (NYSE:ICE) long-pending acquisition of Black Knight (NYSE:BKI). Although sector valuations have been uplifted by large-scale deals, high quality middle-market targets have also received favorable M&A pricing, exemplified by Johnson Controls’ acquisition of FM:Systems for an enterprise value of \$610.0 million (July 2023).



REAL ESTATE TECHNOLOGY M&A BREAKDOWN

Private Strategic Appetite Rises, Add-Ons Hold Strong

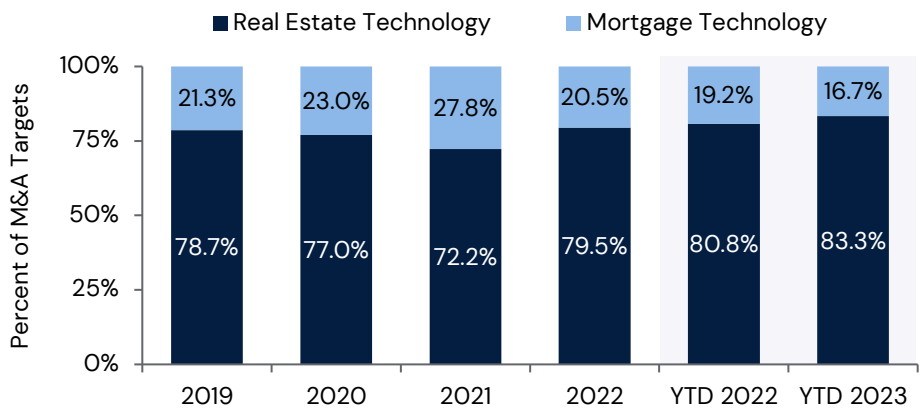
Private strategic buyers comprised the largest share (38.9%) of sector M&A activity through YTD 2023, marking an increase of 4.3% from YTD 2022. Although sponsor add-on deals have slightly declined YOY as a percentage of total transaction activity, private equity firms have remained acquisitive in the space.



Year-to-date (YTD) ended August 10
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Real Estate Technology Segment M&A Most Active

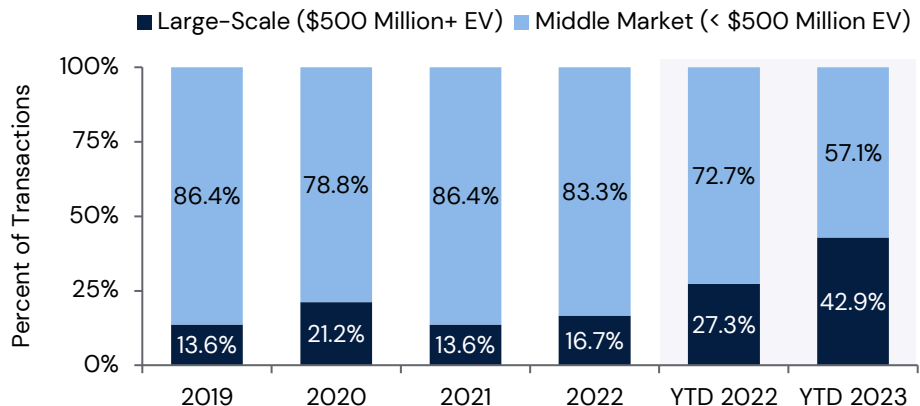
Real Estate Technology segment participants have continued to comprise the majority (83.3%) of sector M&A targets in YTD 2023. However, select pockets of the Mortgage Technology segment, especially those that are less correlated to mortgage origination volumes, have continued to pique acquirer interest.



Year-to-date (YTD) ended August 10
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Middle Market Deals Comprise Majority

Middle market businesses have continued to account for the majority of sector M&A targets, representing 57.1% of disclosed transactions in YTD 2023. However, there has been an upswing of large-scale sector deals in YTD 2023 as public strategic acquirers have increasingly consolidated competitors at premium valuations.



Year-to-date (YTD) ended August 10
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

NOTABLE M&A TRANSACTIONS



In August 2023, Zillow Group (Nasdaq:ZG) announced its acquisition of online title insurance provider Spruce (undisclosed), immediately following its acquisition of real estate content management software provider Aryeo for an enterprise value of \$35 million. The transactions represent Zillow’s re-entry into the M&A market after only completing one acquisition in 2022. The acquisition of Spruce is expected to bolster Zillow’s digital-powered closing services, while Aryeo enables real estate agents to showcase multimedia listings on Zillow’s marketplace.



Mortgage vendor platform provider Stavvy acquired Brace Software in August 2023. Although terms of the transaction were undisclosed, the acquisition is part of Stavvy’s \$130 million strategic growth plan, according to a press release.⁴ Brace develops an application for mortgage servicing, enabling users to streamline messaging to mitigate enterprise losses from delinquent borrowers. The acquisition is expected to solidify Stavvy’s position as a servicing leader, providing a dynamic and streamlined experience for both servicers and homeowners in a historically fragmented system.



In July 2023, Entrata acquired Rent Dynamics for an undisclosed sum. Entrata develops property management software including features such as resident payments, resident portals, direct messaging, utility procurement, and lease prospecting. Rent Dynamics’ resident rent reporting and financial resources platform is anticipated to bolster Entrata’s software suite and market share in the Multifamily and Residential end markets, as Rent Dynamics has served more than 26,000 multifamily communities as of 2023, according to a press release.⁵



Johnson Controls International (NYSE:JCI) acquired FM:Systems Group in July 2023 for an enterprise value of \$610 million. FM:Systems operates as a digital workplace management solutions provider for facilities and real estate professionals. Johnson Controls pursued the acquisition to add complementary, cloud-based workplace management capabilities and significant revenue synergies, as FM:Systems has achieved an average net revenue retention of 110% from 2020 through July 2023, according to a press release.⁶



Constellation Software (TSX:CSU) has announced the acquisitions of Black Knight’s Optimal Blue (July 2023, \$700 million) and Empower (March 2023, undisclosed) divisions. Black Knight has divested both divisions in an effort to bypass the regulatory hurdles faced in its sale to Intercontinental Exchange (NYSE:ICE), completed in September 2023 for an enterprise value of \$14.9 billion, equivalent to 9.6x EV/Revenue and 18.2x EV/EBITDA. Constellation has been an opportunistic buyer, enhancing its loan origination systems through the transactions.



In May 2023, EasyKnock acquired Ribbon Home. Terms of the transaction were undisclosed. EasyKnock offers sale-leaseback programs for homeowners through its digital platform. Ribbon develops an online real estate platform, specializing in power buying. The transaction aggregates home buying, home selling, and agent solutions into a unified software tool. In addition, the acquisition bolsters EasyKnock’s network of agents and lenders, with a combined network of more than 90,000 sector professionals, according to a press release.⁷



SELECT REAL ESTATE & MORTGAGE TECHNOLOGY M&A TRANSACTIONS

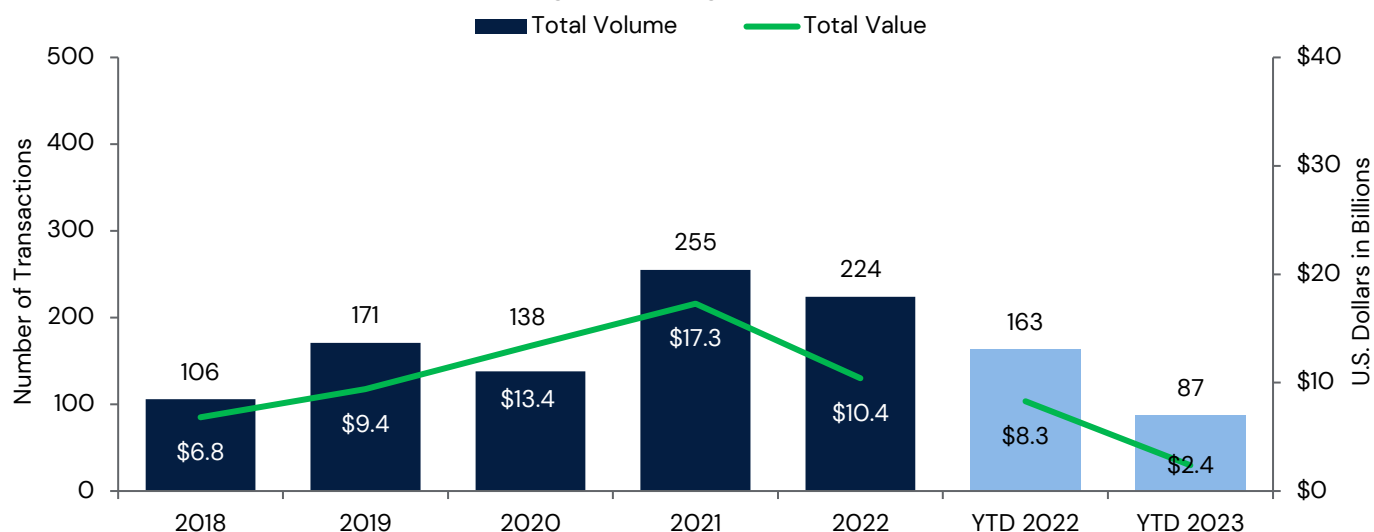
Date	Target	Acquirer	Target Business Description	Target Subsegment
08/10/23	Spruce Holdings	Zillow Group (Nasdaq:ZG)	Provides title and escrow management software.	Transaction Management
08/03/23	Aryeo	Zillow Group (Nasdaq:ZG)	Develops real estate content software tools.	Real Estate Brokerage & Agent Tools
08/01/23	Brace Software	Stavvy	Develops an application for mortgage servicing.	Servicing & Default Management
07/17/23	Optimal Blue -Black Knight	Constellation (TSX:CSU)	Offers market-leading product pricing & eligibility (PPE) engine.	Origination (POS, LOS, PPE)
07/13/23	Rent Dynamics	Entrata	Offers rent reporting and financial software.	Property & Facilities Management
07/12/23	Vitruvi (fka Fresnel Software)	Bow River Capital Partners	Develops construction management software.	Construction & Development
07/10/23	Retransform	Apex Group	Offers property technology solutions.	Real Estate Brokerage & Agent Tools
05/17/23	Doorsey	Auction.io	Operates a platform that enables users and agents to buy and sell homes.	Online Listings & Marketplaces
05/09/23	Corecon Technologies	The Sage Group (LSE:SGE)	Develops project management software solutions for general contractors.	Construction & Development
05/08/23	Ribbon Home	EasyKnock	Operates an online platform that helps in selling and buying real estate.	iBuyers & Power Buyers & Alt. Financing
04/06/23	Launch Real Estate	Compass (NYSE:COMP)	Provides an online platform that connects home buyers, sellers, and investors.	Online Listings & Marketplaces
04/06/23	Innsoft	Yanolja Cloud	Develops hotel management software.	Property & Facilities Management
04/04/23	Pantera Global Technology	Quest Construction Data	Offers bid, project, and risk management software for the Construction industry.	Construction & Development
03/21/23	UNIFI Labs	Autodesk (Nasdaq:ADSK)	Develops a cloud-based platform to manage building projects.	Construction & Development
03/21/23	Clue Insights	Heavy Construction Sys.	Provides an artificial intelligence platform for the Construction industry.	Construction & Development
03/03/23	LMPM Property Manager	Inhabit IQ	Offers property management Software-as-a-Service.	Property & Facilities Management
02/28/23	WennSoft	Volaris Group	Provides field service and construction management software.	Construction & Development
02/22/23	Roostify	CoreLogic	Develops a digital home lending platform.	Origination (POS, LOS, PPE)
01/21/23	Expetitle	Real Brokerage (Nasdaq:REAX)	Offers title services through a digital platform.	Transaction Management
01/20/23	BoomTown ROI	InsideRE	Provides digital real estate sales tools.	Real Estate Brokerage & Agent Tools
01/12/23	SMS ASSIST	Lessen	Develops a cloud-based property management platform.	Property & Facilities Management
01/05/23	Darwin Homes	Pagaya (Nasdaq:PGY)	Develops a rental property management platform.	Property & Facilities Management
01/04/23	GNET Integration Services	Trimble (Nasdaq:TRMB)	Operates an integration platform for flow of data between construction applications.	Construction & Development

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

FINANCING ACTIVITY

Capital invested in the Real Estate Technology sector has declined to \$2.4 billion in YTD 2023, down 71.2% from \$8.3 billion in YTD 2022—the vast majority of which was raised in the first few months of 2022. Economic headwinds, including elevated interest rates, have hindered financing activity in the sector. The number of sector financing deals YTD has also declined YOY as many venture capital and private equity firms have remained cautious of new investment opportunities, opting to participate in additional funding rounds for current holdings.

Real Estate Technology Financing Activity Trails Prior Year Levels



*Year-to-date (YTD) ended August 10
 Note: Excludes financing rounds less than \$10 million
 Source: PitchBook and Capstone Partners*

NOTABLE FINANCING TRANSACTIONS

Measurabl (Series D, \$93 Million)

Measurabl, an environmental, social, and governance (ESG) real estate technology platform provider, raised \$93 million in Series D funding led by Energy Impact Partners and Sway Ventures for a post-money valuation of \$433 million (May 2023). The funding is expected to support the expansion of Measurabl’s ESG technology solutions for real estate, continued international expansion, and bolster the company’s global partnerships. The transaction marks Measurabl’s largest funding round, with \$193.6 million total raised to-date.

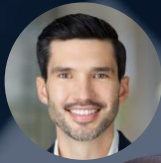
Juniper Square (Capital Raise, \$133 Million)

In February 2023, Juniper Square completed a \$133 million minority capital raise. The investment was led by Owl Rock, with contributions from existing investors Ribbit Capital, Redpoint Ventures, and Felicis Ventures. Juniper Square develops real estate investment software, enabling GPs and LPs to manage real estate investments on a centralized platform. The financing is expected to enhance Juniper Square’s fund administration capabilities and fuel rapid growth regarding the company’s private capital markets exposure.

Landing (Series C, \$165 Million)

Landing, an operator of an online, subscription-based real estate marketplace, raised \$165 million in Series C funding led by Delta-V Capital for a post-money valuation of \$575 million (January 2023). Landing’s marketplace comprises fully furnished apartments across the globe, providing its members with flexible leases and all-inclusive amenities. Landing plans to utilize the funding to expand its network of apartments in the U.S. market.

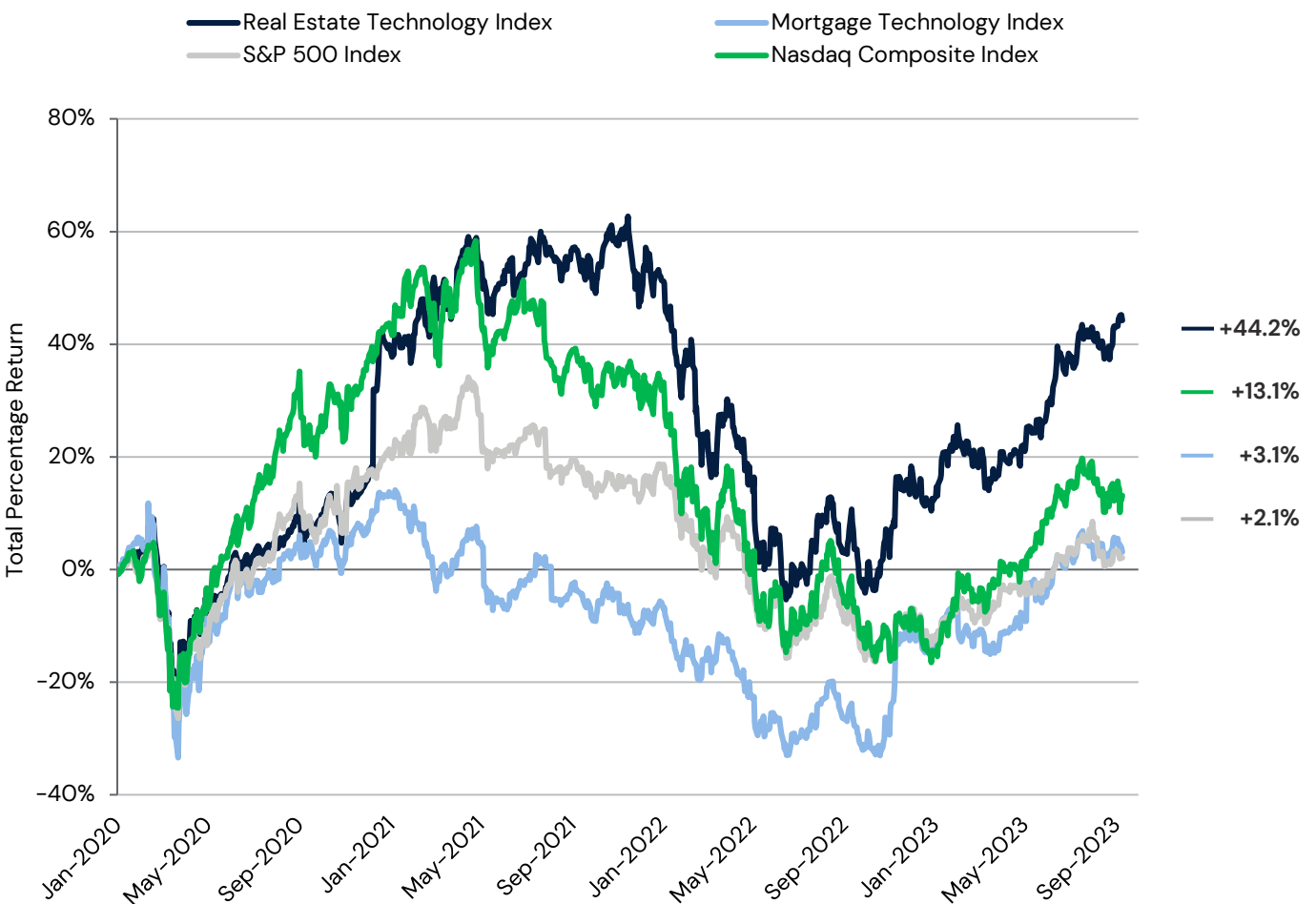
PUBLIC COMPANY PERFORMANCE



Taylor Woodson,
Managing Director

“The public equity markets continue to ‘defy gravity’ and set a positive tone for deal-making in the private markets. As of early September, both the trading levels and valuation multiples of Capstone’s Real Estate & Mortgage Technology indices, surprisingly, exceeded the levels seen in mid-March of 2022—just prior to the Fed’s shift to an incredibly hawkish stance. Shares of publicly traded companies within the sector should continue to perform well so long as inflation benchmarks continue to drift lower and concerns of an economic recession fade.”

Capstone’s Real Estate Technology and Mortgage Technology Indices

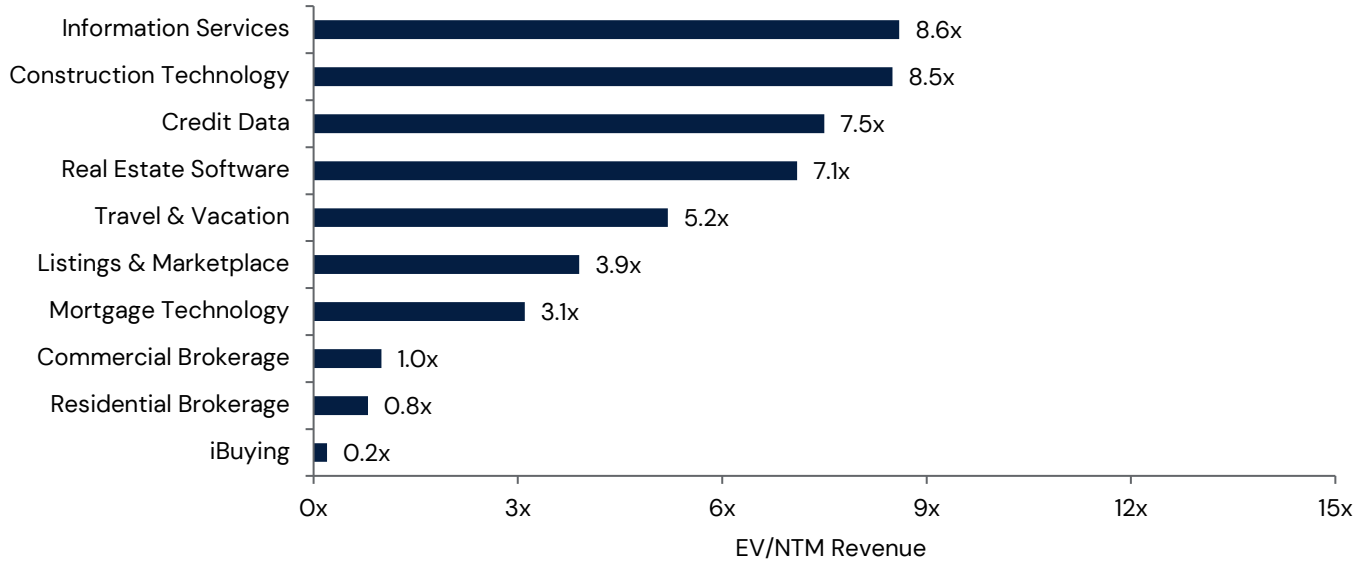


Source: FactSet as of September 10, 2023

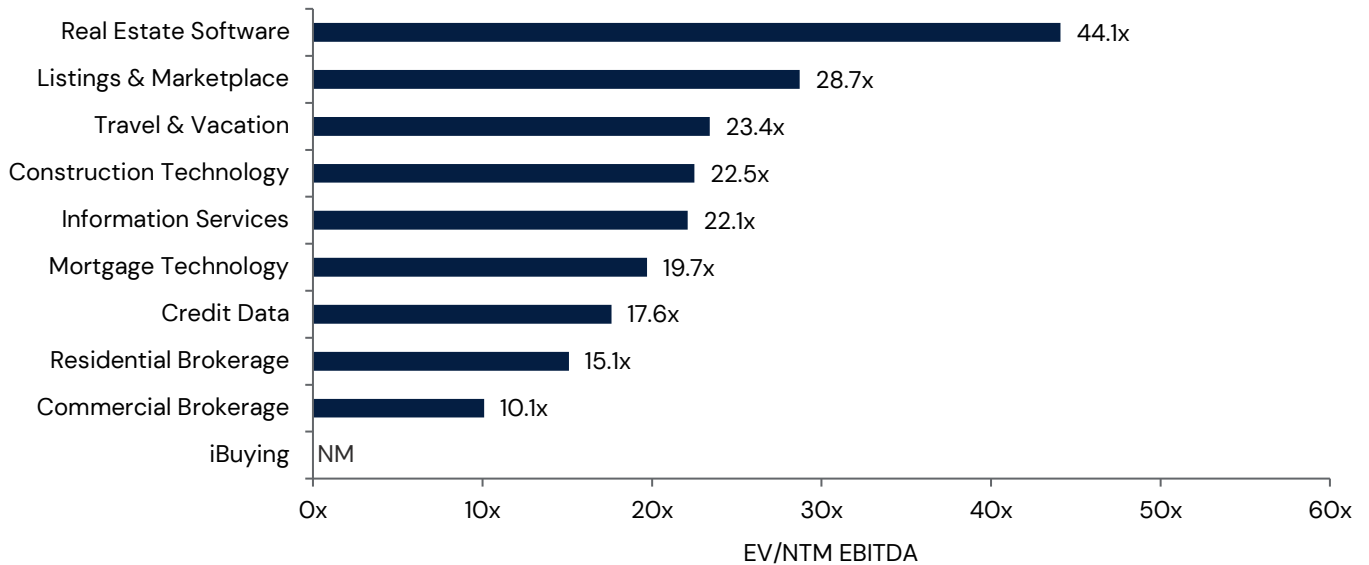
Real Estate Technology Index includes: ABNB, ADSK, AIF, APPF, ASPS, BSY, CBRE, CIGI, COMP, CSGP, CWK, EFX, EXPI, EXPN, FICO, HOUS, ICE, JLL, MCO, MSCI, MTTR, OPAD, OPEN, OPEN, ORCL, PCOR, PRCH, RDFN, RDFN, RMAX, ROP, SMRT, SOND, TRMB, TRU, VCSA, ZG
 Mortgage Technology Index includes: ASPS, BLND, DOMA, EFX, EXPN, FAF, FICO, FNF, ICE, MLNK, RDN, REAL, TRU, VXTR

PUBLIC COMPANY PERFORMANCE (CONTINUED)

Average Real Estate Technology Revenue Multiples by Subsegment



Average Real Estate Technology EBITDA Multiples by Subsegment



NM = not meaningful; NTM = next twelve months

Source: FactSet as of September 10, 2023

Commercial Brokerage Index includes: CBRE, CIGI, CWK, JLL

Construction Technology Index includes: ADSK, BSY, ORCL, PCOR, ROP, TRMB

Credit Data Index includes: EFX, EXPN, FICO, TRU

iBuying Index includes: OPAD, OPEN

Information Services Index includes: AIF, CSGP, EFX, EXPN, FICO, ICE, MCO, MSCI, TRU, ZG

Listings & Marketplace Index includes: ASPS, CSGP, PRCH, RDFN, VCSA, ZG

Travel & Vacation Index includes: ABNB, SOND, VCSA

Mortgage Technology Index includes: ASPS, BLND, DOMA, FAF, FNF, ICE, MLNK, RDN, REAL, VXTR

Real Estate Software Index includes: ADSK, APPF, BSY, MTRR, PCOR, SMRT

Residential Brokerage Index includes: COMP, EXPI, HOUS, RDFN, RMAX



PUBLIC COMPANY DATA BY SUBSEGMENT

Company	Price	% 52 Wk	Market	Enterprise	NTM			EV / NTM		
	09/10/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA	
COMMERCIAL BROKERAGE										
CBRE Group	\$85.24	95.2%	\$23,935.6	\$31,703.7	\$33,780.2	\$2,711.6	8.0%	0.9x	11.7x	
Colliers International Group	\$114.05	87.8%	\$3,941.1	\$8,155.0	\$4,699.2	\$720.5	15.3%	1.7x	11.3x	
Cushman & Wakefield	\$8.93	56.4%	\$2,813.2	\$5,043.2	\$7,098.3	\$729.3	10.3%	0.7x	6.9x	
Jones Lang LaSalle	\$168.35	89.3%	\$7,571.3	\$12,146.9	\$22,084.1	\$1,168.8	5.3%	0.6x	10.4x	
			Median	\$5,756.2	\$10,151.0	\$14,591.2	\$949.1	9.2%	0.8x	10.9x
			Mean	\$9,565.3	\$14,262.2	\$16,915.5	\$1,332.5	9.7%	1.0x	10.1x
CONSTRUCTION TECHNOLOGY										
Autodesk	\$219.19	93.8%	\$46,259.4	\$47,717.9	\$5,807.2	\$2,215.0	38.1%	8.2x	21.5x	
Bentley Systems	\$49.02	88.5%	\$10,682.0	\$17,891.7	\$1,319.7	\$461.0	34.9%	13.6x	38.8x	
Oracle	\$126.32	99.0%	\$287,415.2	\$435,043.1	\$55,217.9	\$28,755.3	52.1%	7.9x	15.1x	
Procore Tech	\$65.75	85.5%	\$6,565.5	\$8,763.7	\$1,068.2	\$22.1	2.1%	8.2x	NM	
Roper Technologies	\$491.51	97.4%	\$45,844.7	\$57,991.5	\$6,361.1	\$2,600.6	40.9%	9.1x	22.3x	
Trimble	\$50.98	79.1%	\$12,483.3	\$15,757.3	\$4,049.0	\$1,066.3	26.3%	3.9x	14.8x	
			Median	\$29,164.0	\$32,804.8	\$4,928.1	\$1,640.6	36.5%	8.2x	21.5x
			Mean	\$68,208.4	\$97,194.2	\$12,303.9	\$5,853.4	32.4%	8.5x	22.5x
CREDIT DATA										
Equifax	\$196.56	81.8%	\$23,809.1	\$29,859.2	\$5,678.6	\$1,981.1	34.9%	5.3x	15.1x	
Experian	£27.8	87.9%	\$30,000.3	\$35,869.6	\$7,261.0	\$2,570.4	35.4%	4.9x	14.0x	
Fair Isaac	\$899.72	98.2%	\$10,363.7	\$24,605.2	\$1,671.5	\$887.0	53.1%	14.7x	27.7x	
TransUnion	\$79.83	96.5%	\$10,935.7	\$20,736.8	\$4,094.6	\$1,525.0	37.2%	5.1x	13.6x	
			Median	\$17,372.4	\$27,232.2	\$4,886.6	\$1,753.0	36.3%	5.2x	14.5x
			Mean	\$18,777.2	\$27,767.7	\$4,676.4	\$1,740.9	40.1%	7.5x	17.6x
iBUYING										
Offerpad Solutions	\$10.02	41.5%	\$113.8	\$153.2	\$1,950.6	-\$27.1	-1.4%	0.1x	NM	
Opendoor Technologies	\$3.78	69.9%	\$739.4	\$2,698.9	\$7,307.2	-\$268.0	-3.7%	0.4x	NM	
			Median	\$426.6	\$1,426.0	\$4,628.9	-\$147.5	-2.5%	0.2x	NM
			Mean	\$426.6	\$1,426.0	\$4,628.9	-\$147.5	-2.5%	0.2x	NM

EV = enterprise value; NTM = next twelve months
 NM = not meaningful; \$ in millions except per share data

Source: FactSet as of September 10, 2023

PUBLIC COMPANY DATA BY SUBSEGMENT (CONTINUED)

Company	Price	% 52 Wk	Market	Enterprise	NTM			EV / NTM		
	09/10/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA	
INFORMATION SERVICES										
Altus Group	CAD 51.84	84.2%	\$1,789.6	\$2,003.0	\$626.4	\$127.0	20.3%	3.2x	15.8x	
CoStar Group	\$82.57	89.4%	\$30,520.7	\$29,478.8	\$2,732.9	\$614.4	22.5%	10.8x	48.0x	
Equifax	\$196.56	81.8%	\$23,809.1	\$29,859.2	\$5,678.6	\$1,981.1	34.9%	5.3x	15.1x	
Experian	£27.8	87.9%	\$30,000.3	\$35,869.6	\$7,261.0	\$2,570.4	35.4%	4.9x	14.0x	
Fair Isaac	\$899.72	98.2%	\$10,363.7	\$24,605.2	\$1,671.5	\$887.0	53.1%	14.7x	27.7x	
Intercontinental Exchange	\$114.96	96.8%	\$57,347.8	\$73,882.6	\$8,139.5	\$5,379.8	66.1%	9.1x	13.7x	
Moody's	\$339.77	93.6%	\$51,043.2	\$68,056.7	\$6,387.8	\$2,960.1	46.3%	10.7x	23.0x	
MSCI Inc	\$533.79	93.2%	\$37,195.0	\$46,520.0	\$2,669.2	\$1,611.8	60.4%	17.4x	28.9x	
TransUnion	\$79.83	96.5%	\$10,935.7	\$20,736.8	\$4,094.6	\$1,525.0	37.2%	5.1x	13.6x	
Zillow Group	\$49.63	89.1%	\$7,311.5	\$10,465.1	\$2,084.8	\$486.3	23.3%	5.0x	21.5x	
			Median	\$26,904.7	\$29,669.0	\$3,413.7	\$1,568.4	36.3%	7.2x	18.6x
			Mean	\$26,031.7	\$34,147.7	\$4,134.6	\$1,814.3	40.0%	8.6x	22.1x
LISTINGS & MARKETPLACE										
Altisource Portfolio	\$3.97	22.5%	\$152.6	\$271.0	\$193.2	\$16.5	8.5%	1.4x	16.5x	
CoStar Group	\$82.57	89.4%	\$30,520.7	\$29,478.8	\$2,732.9	\$614.4	22.5%	10.8x	48.0x	
Porch Group	\$0.81	20.3%	\$185.1	\$181.0	\$372.0	-\$16.2	-4.4%	0.5x	NM	
Redfin	\$9.31	52.7%	\$465.1	\$1,994.5	\$1,126.4	\$12.1	1.1%	1.8x	NM	
Vacasa	\$0.50	11.7%	\$297.9	-\$174.6	\$1,141.9	\$20.3	1.8%	NM	NM	
Zillow Group	\$49.63	89.1%	\$7,311.5	\$10,465.1	\$2,084.8	\$486.3	23.3%	5.0x	21.5x	
			Median	\$381.5	\$1,132.8	\$1,134.1	\$18.4	5.1%	1.8x	21.5x
			Mean	\$6,488.8	\$7,036.0	\$1,275.2	\$188.9	8.8%	3.9x	28.7x
TRAVEL & VACATION										
Airbnb	\$145.82	94.1%	\$53,950.5	\$88,925.3	\$10,701.8	\$3,799.3	35.5%	8.3x	23.4x	
Sonder Holdings	\$0.43	16.5%	\$271.3	\$1,502.9	\$735.1	-\$65.6	-8.9%	2.0x	NM	
Vacasa	\$0.50	11.7%	\$297.9	-\$174.6	\$1,141.9	\$20.3	1.8%	NM	NM	
			Median	\$297.9	\$1,502.9	\$1,141.9	\$20.3	1.8%	5.2x	23.4x
			Mean	\$18,173.2	\$30,084.6	\$4,192.9	\$1,251.3	9.4%	5.2x	23.4x

EV = enterprise value; NTM = next twelve months
 NM = not meaningful; \$ in millions except per share data

Source: FactSet as of September 10, 2023



PUBLIC COMPANY DATA BY SUBSEGMENT (CONTINUED)

Company	Price 09/10/23	% 52 Wk High	Market Cap	Enterprise Value	NTM			EV / NTM		
					Revenue	EBITDA	Margin	Revenue	EBITDA	
MORTGAGE TECHNOLOGY										
Altisource Portfolio	\$3.97	22.5%	\$152.6	\$271.0	\$193.2	\$16.5	8.5%	1.4x	16.5x	
Blend Labs	\$1.11	33.0%	\$346.9	\$280.6	\$174.0	-\$33.6	-19.3%	1.6x	NM	
Doma Holdings	\$6.29	26.7%	\$149.1	\$176.2	\$284.0	\$5.8	2.1%	0.6x	30.2x	
Fidelity National	\$42.80	94.0%	\$10,244.3	\$13,017.8	\$11,612.9	\$2,269.5	19.5%	1.1x	5.7x	
First American Financial	\$60.24	93.2%	\$5,401.5	\$5,720.2	\$6,495.7	\$1,005.7	15.5%	0.9x	5.7x	
Intercontinental Exchange	\$114.96	96.8%	\$57,347.8	\$73,882.6	\$8,139.5	\$5,379.8	66.1%	9.1x	13.7x	
MeridianLink	\$16.50	72.7%	\$1,107.2	\$1,652.7	\$324.2	\$117.9	36.4%	5.1x	14.0x	
Radian Group	\$26.61	94.2%	\$2,995.1	\$5,853.3	\$1,284.1	\$682.9	53.2%	4.6x	8.6x	
Real Matters	CAD 6.22	87.6%	\$251.3	\$293.9	\$57.1	\$8.5	14.9%	5.1x	34.6x	
Voxtur Analytics	CAD 0.15	24.2%	\$111.6	\$104.9	\$96.5	\$2.2	2.2%	1.1x	48.5x	
			Median	\$727.1	\$973.3	\$304.1	\$67.2	15.2%	1.5x	14.0x
			Mean	\$7,810.7	\$10,125.3	\$2,866.1	\$945.5	19.9%	3.1x	19.7x
REAL ESTATE SOFTWARE										
AppFolio	\$193.10	95.6%	\$3,721.5	\$6,746.2	\$697.4	\$93.9	13.5%	9.7x	71.9x	
Autodesk	\$219.19	93.8%	\$46,259.4	\$47,717.9	\$5,807.2	\$2,215.0	38.1%	8.2x	21.5x	
Bentley Systems	\$49.02	88.5%	\$10,682.0	\$17,891.7	\$1,319.7	\$461.0	34.9%	13.6x	38.8x	
Matterport	\$2.50	52.6%	\$813.5	\$300.9	\$173.6	-\$39.4	-22.7%	1.7x	NM	
Procore Tech	\$65.75	85.5%	\$6,565.5	\$8,763.7	\$1,068.2	\$22.1	2.1%	8.2x	NM	
SmartRent	\$3.07	74.5%	\$482.4	\$415.6	\$296.1	\$3.7	1.3%	1.4x	NM	
			Median	\$5,143.5	\$7,755.0	\$882.8	\$58.0	7.8%	8.2x	38.8x
			Mean	\$11,420.7	\$13,639.3	\$1,560.4	\$459.4	11.2%	7.1x	44.1x
RESIDENTIAL BROKERAGE										
Anywhere Real Estate	\$7.40	71.4%	\$699.6	\$4,163.6	\$6,075.3	\$356.5	5.9%	0.7x	11.7x	
Compass	\$3.34	64.7%	\$1,020.8	\$1,938.2	\$5,516.1	\$130.7	2.4%	0.4x	14.8x	
eXp World Hldgs	\$18.79	74.0%	\$1,693.5	\$2,732.2	\$4,714.3	\$85.7	1.8%	0.6x	31.9x	
RE/MAX	\$14.63	60.3%	\$333.2	\$190.5	\$334.3	\$100.7	30.1%	0.6x	1.9x	
Redfin	\$9.31	52.7%	\$465.1	\$1,994.5	\$1,126.4	\$12.1	1.1%	1.8x	NM	
			Median	\$699.6	\$1,994.5	\$4,714.3	\$100.7	2.4%	0.6x	13.3x
			Mean	\$842.4	\$2,203.8	\$3,553.3	\$137.1	8.2%	0.8x	15.1x

EV = enterprise value; NTM = next twelve months
 NM = not meaningful; \$ in millions except per share data

Source: FactSet as of September 10, 2023

REAL ESTATE TECHNOLOGY REPORT CONTRIBUTORS

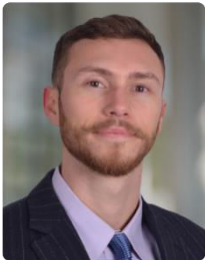


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Taylor is a Managing Director within Capstone’s FinTech & Services Group. He possesses nearly 20 years of investment banking experience advising FinTech, PropTech, and other high-growth technology businesses on a wide range of transactions, including sell-side and buy-side M&A, private capital raises, corporate divestitures, and debt and equity financings.

Prior to Capstone, Taylor was a senior member of Truist Securities’ FinTech practice within its broader Technology investment banking group. While at Truist Securities (formerly SunTrust Robinson Humphrey), Taylor co-led the investment bank’s coverage of the Bank Technology, Capital Markets Technology, and Financial Data & Information Services subsectors of its FinTech practice and led the firm’s coverage of the Real Estate Technology and Mortgage Technology subsectors.

Previously, Taylor was a Vice President at Berkery, Noyes & Company, an independent investment bank predominantly focused on technology companies. During his four years with Berkery, Noyes & Company, Taylor closed nearly 20 sell-side M&A transactions across the FinTech, Data & Information Services, and broader technology sectors.



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Max serves as Manager on Capstone’s Market Intelligence Team. He provides M&A insights, proprietary research analysis, and macroeconomic trends for C-suite middle market executives, specializing in the coverage of the Business Services, Financial Technology & Services, and Technology, Media & Telecom industries. Prior to joining Capstone, Max was an analyst at Lab42 Research, a Chicago-based market research firm. During his time at Lab42 Research, he specialized in the development, implementation, and analysis of proprietary research projects for clients in the Business Services, Consumer, Financial Services, Government, and Technology industries.



FIRM TRACK RECORD

Capstone has represented numerous companies in the Real Estate Technology sector. Sample recent engagements include the following:



RESIDENTIAL WARRANTY SERVICES, INC.

HAS BEEN ACQUIRED BY




VANGUARD
TITLE INSURANCE AGENCY, LLC.

HAS BEEN ACQUIRED BY




CONSTRUCTION JOURNAL

HAS BEEN ACQUIRED BY



A portfolio company of



MLS TECHNOLOGY HOLDINGS, LLC
MLSs INVESTING IN A BETTER MLS 

HAS ACQUIRED




circlepix

HAS BEEN ACQUIRED BY




CoreLogic Jenark™

HAS BEEN ACQUIRED BY




REALPAGE
Outperform

HAS SECURED \$4.0 BN IN SR. SECURED CREDIT FACILITIES

JOINT LEAD ARRANGER / JOINT BOOKRUNNER



CoStar Group™

HAS SECURED \$1.0 BN IN SR. SECURED NOTES

JOINT BOOKRUNNER



REAL FACTORS

HAS BEEN ACQUIRED BY



a portfolio company of



Note: Above transactions also include those which were completed outside of the Capstone Partners platform



ENDNOTES

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Disclosure

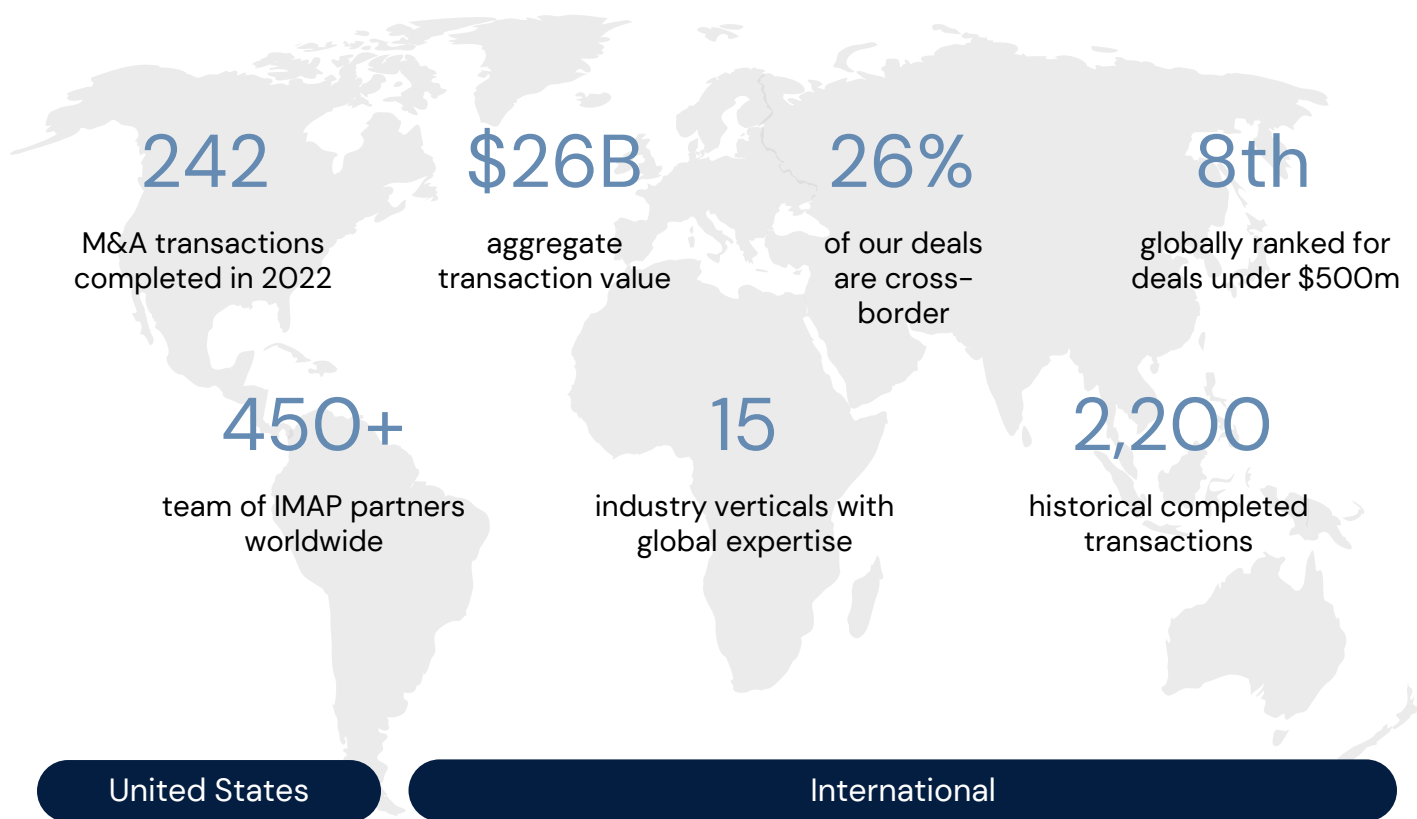
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CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ partners across 41 countries.



~200 professionals
8 offices

Boston · Chicago · Dallas ·
Denver · Detroit · Irvine ·
New York · Tampa

450+ partners
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Ivory Coast · Mauritius · Morocco · Nigeria · Senegal · South Africa
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Panama & Central America · Peru
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany · Hungary · Ireland
Italy · Netherlands · Poland · Portugal · Russia · Serbia · Slovakia · Slovenia · Spain · Sweden · United Kingdom