

Quarterly Industry Update

As of December 31, 2016

Industry: Real Estate Software

Industry Summary

Cogent Valuation identified Real Estate Software publicly traded companies, IPOs, and recent M&A transactions within the Real Estate Software industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2015, the median 52-week share price return of the Real Estate Software industry was -5.3%. Between December 31, 2014 and December 31, 2016, the median EV/EBITDA multiple decreased from 13.7 to 9.5. Furthermore, the median price-to-earnings multiple decreased from 26.2 to 22.2 over the same period.

Comparable Public Company Key Statistics

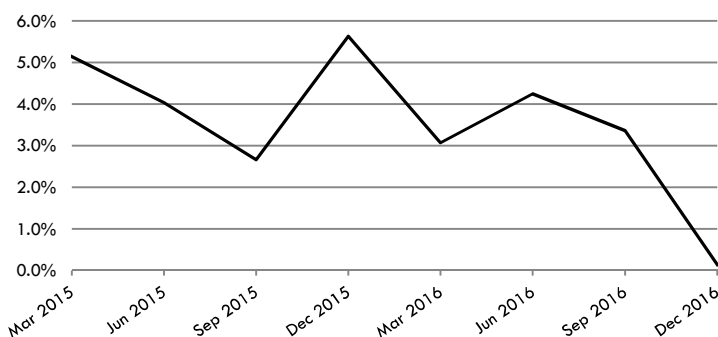
Median 52-Week Return	-5.3%	Median EV/Revenue Multiple	1.2x	Median Price/Earnings Multiple	22.2x
Median 3-Year CAGR Return	6.2%	Median EV/EBITDA Multiple	9.5x	Median EV/Gross CF Multiple	20.5x

Comparable Public Company Market Price Returns As of December 31, 2016

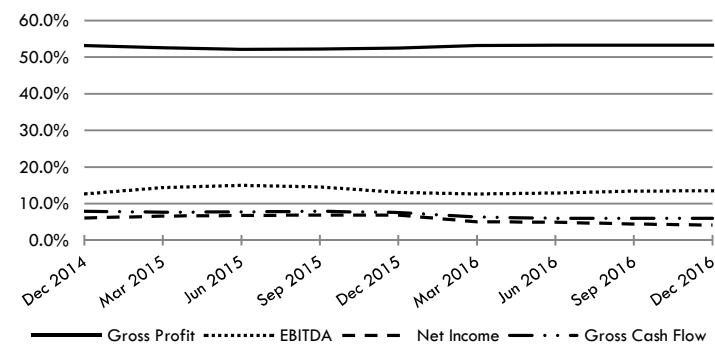
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Altisource Portfolio Solutions S.A.	-4.4%	-17.9%	-4.4%	-11.3%	-44.9%	-11.9%	-17.7%	-78.7%	83.1%	72.7%	74.8%
BGC Partners, Inc.	4.3%	16.9%	4.3%	5.7%	19.1%	11.5%	7.2%	51.2%	74.9%	-41.8%	-28.5%
CBRE Group, Inc.	-8.9%	12.5%	-8.9%	-4.1%	6.2%	15.7%	1.0%	30.2%	32.2%	30.7%	-25.7%
Colliers International Group Inc.	-17.2%	-12.2%	-17.2%	-15.2%	-5.1%	6.8%	-13.1%	18.9%	52.9%	6.3%	-12.3%
HFF, Inc.	-2.6%	9.2%	-2.6%	-8.2%	4.1%	24.0%	-13.5%	33.8%	80.2%	44.2%	6.9%
Leju Holdings Limited	-16.1%	-10.1%	-16.1%	-33.2%	N/A	N/A	-46.8%	N/A	N/A	N/A	N/A
Marcus & Millichap, Inc.	-8.3%	2.2%	-8.3%	-10.4%	21.5%	N/A	-12.4%	123.2%	N/A	N/A	N/A
RE/MAX Holdings, Inc.	50.1%	27.9%	50.1%	27.9%	20.4%	N/A	8.9%	6.8%	N/A	N/A	N/A
Realty Holdings Corp.	-29.8%	-0.5%	-29.8%	-24.0%	-19.6%	N/A	-17.6%	-10.1%	17.9%	N/A	N/A
RealPage, Inc.	33.6%	16.7%	33.6%	16.9%	8.7%	3.5%	2.2%	-6.1%	8.4%	-14.6%	-18.3%
Reis, Inc.	-6.2%	8.7%	-6.2%	-7.8%	5.0%	19.5%	-9.3%	36.1%	47.6%	42.9%	29.7%
Zillow Group, Inc.	40.0%	5.8%	40.0%	1.6%	10.2%	37.2%	-26.2%	29.6%	194.5%	23.4%	N/A
Median of Industry Public Companies	-5.3%	7.3%	-5.3%	-8.0%	6.2%	13.6%	-12.7%	29.6%	52.9%	27.1%	-12.3%

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

Median Quarterly Revenue Growth of All Real Estate Software Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Real Estate Software Industry

Date:	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
EV/Revenues Multiple	2.3x	2.1x	2.3x	2.1x	1.5x	1.4x	1.3x	1.2x	1.2x
EV/EBITDA Multiple	13.7x	14.2x	11.4x	11.5x	8.4x	9.2x	8.8x	9.5x	9.5x
Price/Earnings Multiple	26.2x	27.9x	24.9x	27.9x	20.1x	19.0x	18.7x	20.9x	22.2x
EV/Gross Cash Flows Multiple	22.3x	28.1x	28.2x	26.0x	23.9x	18.4x	17.3x	17.8x	20.5x

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Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
4/16/2014	Leju Holdings Limited	\$10.00	10.0	\$120.3	\$402.9	\$0.0	\$335.4	\$85.2	\$42.5	\$88.2
10/30/2013	Marcus & Millichap, Inc.	\$12.00	6.0	\$72.0	\$48.0	\$0.0	\$413.7	\$54.1	\$29.1	\$57.1
10/1/2013	RE/MAX Holdings, Inc.	\$22.00	10.0	\$220.0	\$238.1	\$223.2	\$151.8	\$63.3	\$34.4	\$65.5
10/10/2012	Realty Holdings Corp.	\$27.00	40.0	\$1,080.0	\$7,362.0	\$7,640.0	\$4,267.0	\$470.0	(\$399.0)	\$540.0
7/19/2011	Zillow Group, Inc.	\$20.00	3.5	\$69.2	\$28.6	\$0.0	\$36.4	(\$2.9)	(\$4.8)	(\$1.8)
8/11/2010	RealPage, Inc.	\$11.00	12.3	\$135.3	\$160.5	\$66.9	\$160.0	\$21.6	\$26.4	\$31.3
1/30/2007	HFF, Inc.	\$18.00	14.3	\$257.4	N/A	N/A	N/A	N/A	N/A	N/A
Median of All IPOs		nm	nm	\$135.3	\$199.3	\$33.4	\$247.7	\$58.7	\$27.7	\$61.3

nm: not meaningful, N/A: not applicable

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
11/4/2016	Onthehouse Holdings	77 Victoria Street Venture	\$43.3	81%	\$19.3	2.7x
6/1/2016	ReCI Inc	Goyo Intex Co., Ltd.	\$1.2	100%	N/A	N/A
4/20/2016	FNC, Inc.	CoreLogic Solutions, LLC	\$475.0	100%	N/A	N/A
3/21/2014	Leju Holdings Limited	Tencent Holdings Limited	\$180.0	15%	\$335.4	3.4x
9/17/2010	SouFun Holdings Limited (nka:Fang Holdings Limited)	Apax Partners LLP	\$410.2	43%	\$158.3	5.1x
4/10/2007	Realty Corporation	Apollo Global Management	\$9,261.9	100%	\$6,677.0	1.2x
8/31/2006	SouFun Holdings Limited (nka:Fang Holdings Limited)	Telstra Corporation Limited	\$254.0	51%	N/A	N/A
Median of the 7 M&A Transaction Targets			\$295.1	90%	\$246.8	3.1x

Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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