

Q1: Quarterly Industry Update

AS OF March 31, 2019



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 March 31, 2018, the median 52-week share price return of the Real Estate Software industry was 27.8%. Between March 31, 2018 and March 31, 2019, the median EV/EBITDA multiple increased from 9.3 to 12.6. Furthermore, the median price-to-earnings multiple increased from 20.5 to 23.4 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.8% and 11.9%, respectively.

Public Company Key Statistics

Median 52-Week
Return

27.8%

Median 3-Year CAGR
Return

8.3%

Median EV/Revenue
Multiple

1.8x

Median EV/EBITDA
Multiple

12.6x

Median Price/Earnings
Multiple

23.4x

Median EV/Gross CF
Multiple

24.6x

Comparable Public Company Market Price Returns as of March 31, 2019

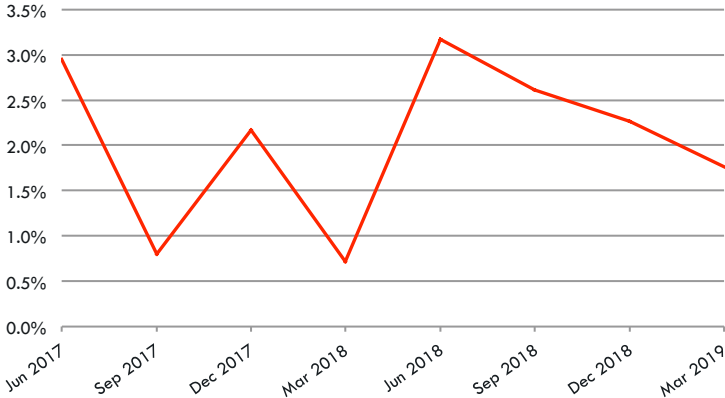
	2019	3 Month	1 Year	2 Year	2018	2017	2016	2015
Altisource Portfolio Solutions S.A.	-5.1%	-5.1%	-27.8%	4.9%	5.3%	-4.4%	-17.7%	-78.7%
BGC Partners, Inc.	-11.0%	-11.0%	18.4%	21.9%	47.7%	4.3%	7.2%	51.2%
CBRE Group, Inc.	9.0%	9.0%	35.7%	28.0%	37.5%	-8.9%	1.0%	30.2%
Colliers International Group Inc.	14.6%	14.6%	46.9%	35.2%	64.2%	-17.2%	-13.1%	18.9%
HFF, Inc.	2.2%	2.2%	79.6%	34.4%	60.8%	-2.6%	-13.5%	33.8%
Leju Holdings Limited	-6.2%	-6.2%	-60.6%	-49.1%	-70.0%	-16.1%	-46.8%	N/A
Marcus & Millichap, Inc.	10.6%	10.6%	46.7%	19.2%	22.0%	-8.3%	-12.4%	123.2%
RE/MAX Holdings, Inc.	24.6%	24.6%	1.7%	32.8%	-13.4%	50.1%	8.9%	6.8%
Realty Holdings Corp.	2.9%	2.9%	-8.4%	-13.1%	3.0%	-29.8%	-17.6%	-10.1%
RealPage, Inc.	16.3%	16.3%	47.6%	57.2%	47.7%	33.6%	2.2%	-6.1%
Zillow Group, Inc.	3.9%	3.9%	59.7%	45.4%	-7.2%	-6.2%	-9.3%	36.1%
Median of Industry Public Companies	32.5%	32.5%	27.8%	25.0%	11.8%	40.0%	-26.2%	29.6%

Multiple year periods are calculated as the average annual return.

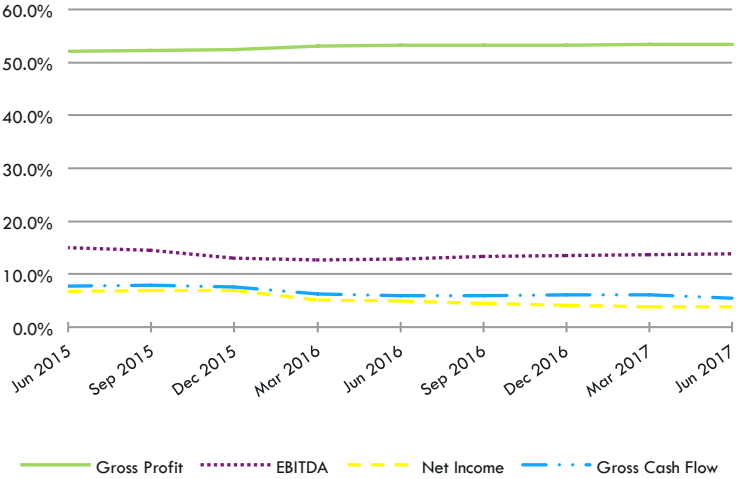
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Real Estate Software Companies



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



Public Company Median Multiples by Quarter

	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
EV/Revenues Multiple	1.8x	1.8x	1.9x	1.4x	1.3x	1.3x	1.2x	1.2x
EV/EBITDA Multiple	12.6x	10.5x	10.6x	11.1x	10.4x	9.6x	9.5x	8.8x
Price/Earnings Multiple	23.4x	22.5x	17.7x	17.8x	18.5x	17.4x	22.4x	19.8x
EV/Gross Cash Flows Multiple	24.6x	20.0x	24.2x	21.0x	20.6x	18.8x	22.4x	13.2x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Real Estate Software (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
1/25/19	Real Matters Inc.	\$8.75	18.1	\$114.5	\$179.2	\$16.2	\$301.1	\$16.5	(\$8.2)	\$17.9
4/16/14	Leju Holdings Limited	\$10.00	10.0	\$120.3	\$394.3	\$0.0	\$374.1	\$96.1	\$54.6	\$88.2
10/30/13	Marcus & Millichap, Inc.	\$12.00	6.0	\$72.0	\$60.8	\$0.0	\$434.4	\$55.4	\$30.0	\$57.1
10/1/13	RE/MAX Holdings, Inc.	\$22.00	10.0	\$220.0	\$252.0	\$229.0	\$153.7	\$73.7	\$7.1	\$65.5
10/10/12	Realogy Holdings Corp.	\$27.00	40.0	\$1,080.0	\$7,351.0	\$7,591.0	\$283.0	\$487.0	(\$405.0)	\$540.0
7/19/11	Zillow Group, Inc.	\$20.00	3.5	\$69.2	\$33.9	\$0.0	\$44.9	\$1.1	(\$1.2)	(\$1.8)
8/11/10	RealPage, Inc.	\$11.00	12.3	\$135.3	\$160.5	\$67.0	\$160.0	\$22.2	\$26.4	\$31.3
4/20/17	Median of All IPOs	nm	nm	\$120.3	\$179.2	\$16.2	\$283.0	\$55.4	\$7.1	\$57.1

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
11/3/18	Onthehouse Holdings	77 Victoria Street Venture	\$43.3	81%	\$19.3	2.7x
6/1/18	ReCI Inc	Goyo Intex Co., Ltd.	\$1.2	100%	N/A	N/A
4/20/18	FNC, Inc.	CoreLogic Solutions, LLC	\$475.0	100%	N/A	N/A
3/21/14	Leju Holdings Limited	Tencent Holdings Limited	\$180.0	15%	\$335.4	3.4x
9/17/10	SouFun Holdings Limited (nka:Fang Holdings Limited)	Apax Partners LLP	\$410.2	43%	\$158.3	5.1x
4/10/07	Realty Corporation	Apollo Global Management	\$9,261.9	100%	\$6,677.0	1.2x
8/31/06	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

■ USA
 ■ International

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): 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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