



Houlihan
Lokey

2023 PropTech Year in Review

February 2024



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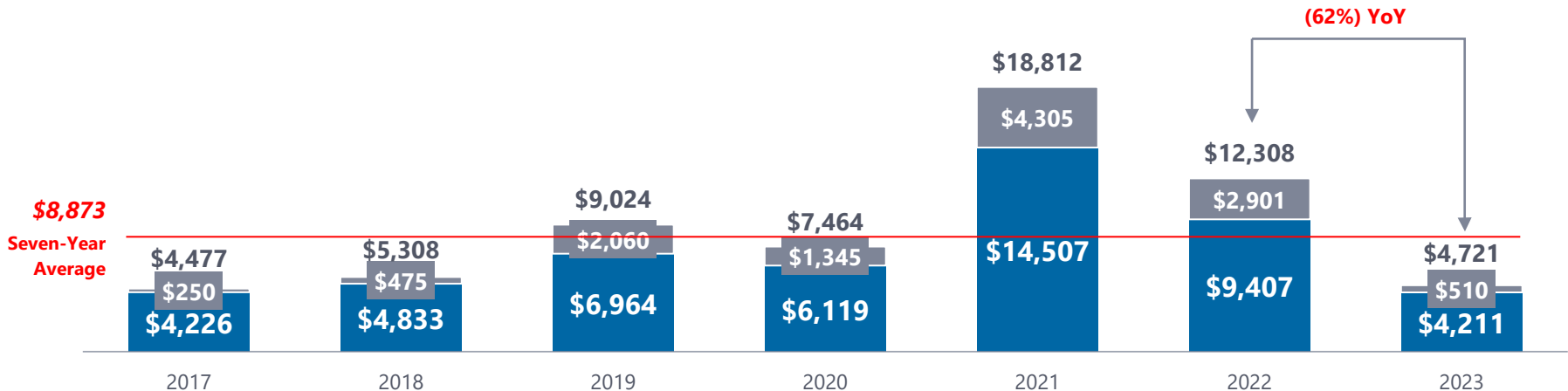
PropTech 2023—A Challenging Year With Optimism Ahead

While PropTech experienced a significant market pullback in 2023, the market opportunity remains large and attractive for category leaders.

- Against the backdrop of macroeconomic uncertainty, increasing interest rates, and a tightening residential real estate market, 2023 saw more than **\$4.7 billion in growth equity and debt investments into U.S. PropTech companies**.
 - PropTech remains **a very diverse market**. Some end markets have been more affected by the macro environment (e.g., mortgage, office), but **there is still a large opportunity driven by increasing technology adoption among real estate investors and property managers** looking to streamline operations and increase efficiency.
- ~50 capital raises were north of \$20 million in 2023 as scale leaders continue to emerge across all categories of PropTech.
 - Multiple \$50+ million capital raises in construction tech, multi-family, and CRE technology (Avenue One, Kasa Living, Mighty Buildings) highlight the TAM opportunity and attractiveness of certain end markets.
 - Throughout the year, investors increasingly prioritized growth, profitability, and revenue stability.

U.S. PropTech Private Growth Capital Investment—Trailing Seven Years

(\$M) ■ Equity Raise Value ■ Debt Raise Value — Average U.S. PropTech Growth Investment/Year (2017–2023)



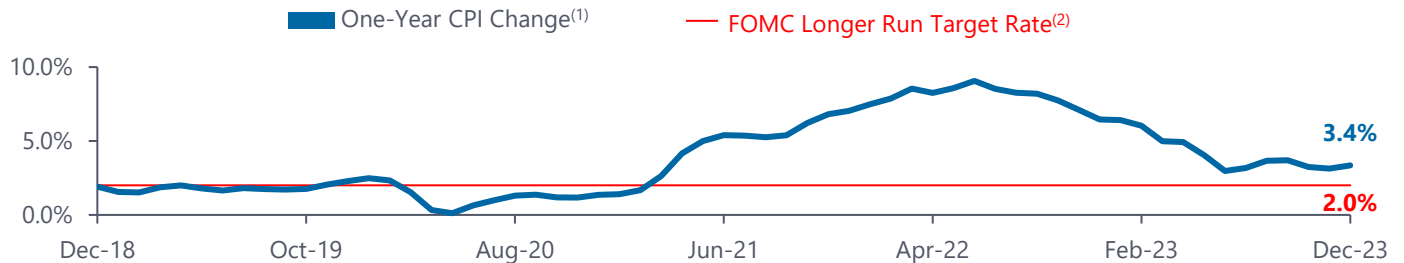
Sources: PitchBook, CB Insights, company filings, company websites, press releases.

Alignment of Multiple Factors Drove 2023 Headwinds

An aggressive rate tightening cycle, increased office vacancy rate, and the ongoing NAR lawsuit all negatively impacted the 2023 PropTech market.

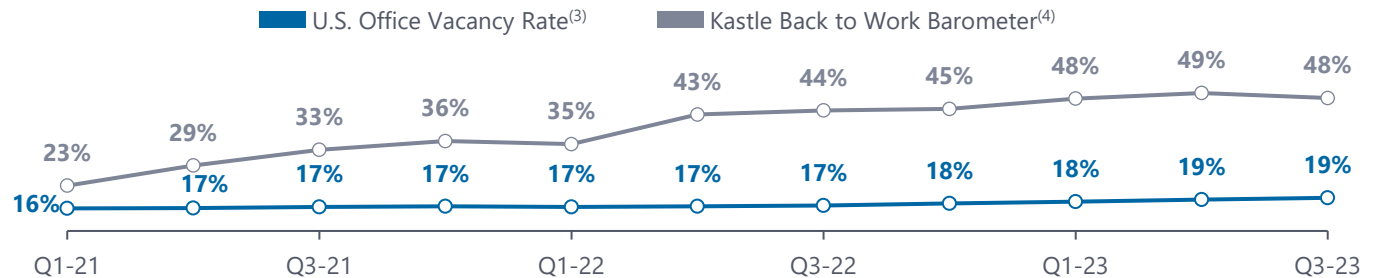
1 Inflation Down From 2022 High but Remains Above FOMC Longer-Run Target Rate

YoY inflation declined to 3.4% in Dec-23, down from the high of 9.1% in Jun-22.⁽¹⁾



2 U.S. Office Vacancy Increasing as Return to Office Stalls

U.S. office utilization has stagnated at ~50% of workdays as companies settle into hybrid work plans.⁽⁴⁾



3 Landmark NAR Class-Action Decision Threatens Agent Commissions, Creating Uncertainty for Residential Sector

While NAR plans to appeal the decision, the potential decoupling of buyer and seller commissions could put downward pressure on commission rates.

Traditional brokers will undoubtedly now train their agents to welcome conversations about fees...it's also possible that buyers will become the ones who decide how much to pay a buyer's agent...many buyers will still hire a buyer's agent, but at a fee they negotiate.

– Glenn Kelman | CEO, Redfin⁽⁵⁾



The U.S. model of independent, local broker marketplaces is widely considered the best value and most efficient model in the world, with no hidden or extra costs and with more complete, verified information compared to other countries. We look forward to arguing our case in court.

– Mantill Williams | VP PR & Communication Strategy, NAR⁽⁶⁾



(1) Bureau of Labor Statistics.

(2) Federal Reserve.

(3) Cushman & Wakefield, "U.S. Office MarketBeat Q3 2023."

(4) Kastle Systems Back to Work Barometer. Reflects swipes of Kastle access controls from the top 10 cities, averaged weekly.

(5) Redfin, 10/31/2023.

(6) National Association of Realtors (NAR), 9/6/2023.

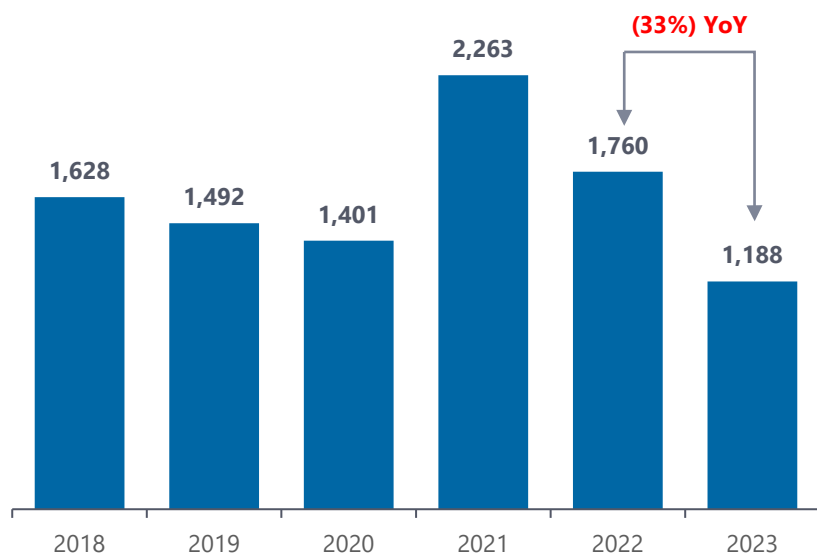
PropTech Is Not Alone: Challenging Conditions Impacted Private Markets Broadly in 2023

Broad private market tech slowdown as macroeconomic and geopolitical headwinds persist.

- Software M&A volumes were impacted by the market uncertainty in 2023, **with U.S. software M&A deal volume down ~33% YoY**, a significant decline when compared to **U.S. PropTech M&A deal volume only being down ~5% YoY**.
 - **Continued “flight-to-quality” in M&A and growth investing**; investors are willing to pay more for companies with market-leading KPIs.
- Challenging market conditions heavily impacted growth capital investing in 2023, with **U.S. software growth equity investment declining ~33% YoY to ~\$67 billion**, versus a ~62% YoY decline for U.S. PropTech.

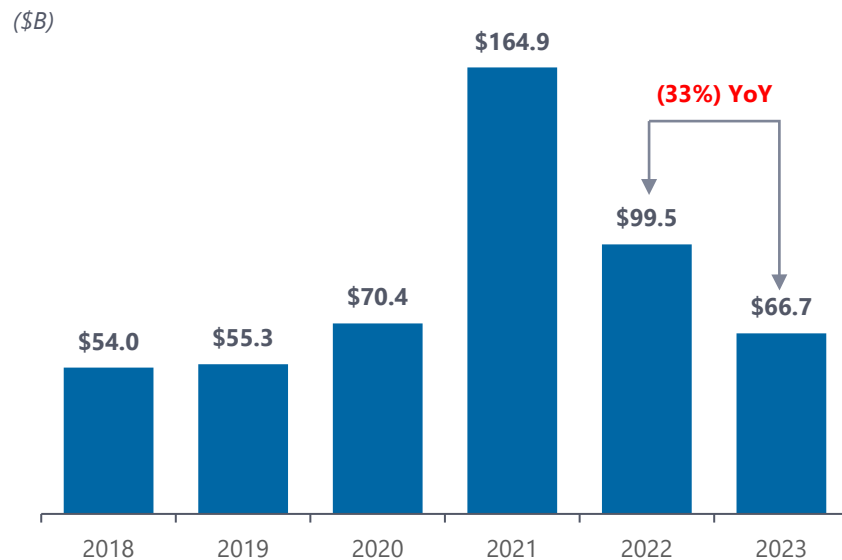
U.S. Annual Software M&A Deal Volume⁽¹⁾

2023 was a slow year for software M&A activity, especially when viewed against 2021 and 2022.



U.S. Annual Software Growth Capital Deal Value⁽²⁾

Software growth capital also declined in 2023 compared to the previous two years.



Sources: S&P Capital IQ as of 12/31/2023, PitchBook.

(1) Total deal volume reflects count of M&A/buyout transactions of U.S. headquartered software target companies.

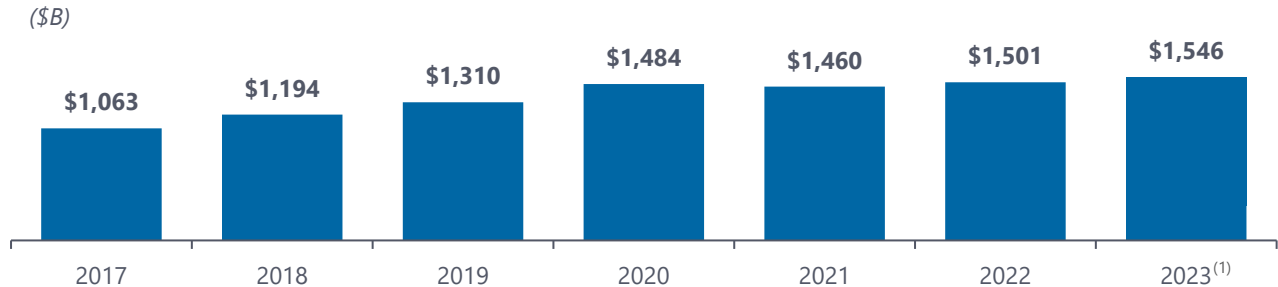
(2) Total deal value is represented in billions and inclusive of both equity and debt raises. Includes all VC stages and growth/expansion investments of U.S. headquartered software target companies.

Drivers of Optimism in PropTech for 2024

Substantial private equity dry powder, stronger public company performance, and expectations for future interest rate cuts offer optimism for a stronger 2024.

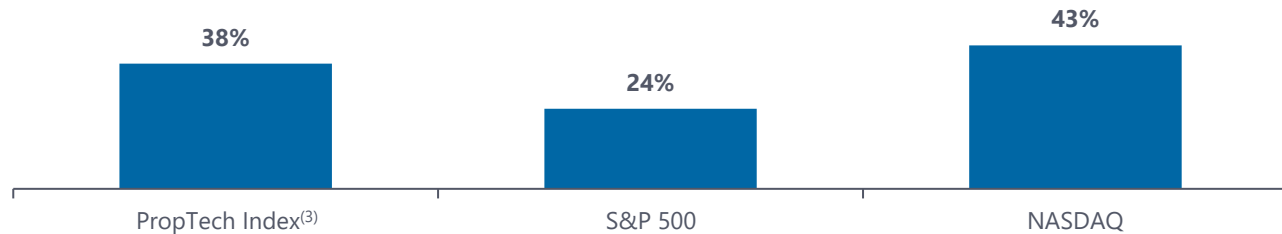
1 Investors Face Increased Pressure to Deploy Capital as Global PE Dry Powder Reaches Record Levels

Dry powder accumulating within PE Universe, but fund dynamics create **increased pressure for capital deployment in 2024.**



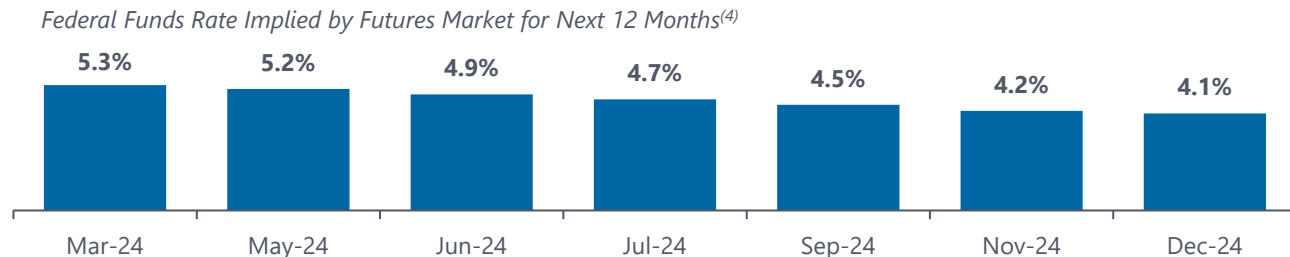
2 Strong 2023 Public Market Performance Provides Healthy Valuation Environment for M&A Activity

Public strategic PropTech companies have **\$73 billion** in cash on their balance sheets and are well positioned to drive consolidation.⁽²⁾



3 Investors Expecting Rate Cuts in 2024

Investors anticipate rate cuts in 2024, **increasing incentive for investors and acquirers to deploy dry powder/ cash reserves.**



Source: S&P Capital IQ as of 12/31/2023.

(1) PitchBook (12/4/23), "Q3 2023 Global Private Market Fundraising Report." Dry powder as of 3/31/2023.

(3) PropTech Index includes all companies shown on page 36 and is weighted on a market-capitalization basis.

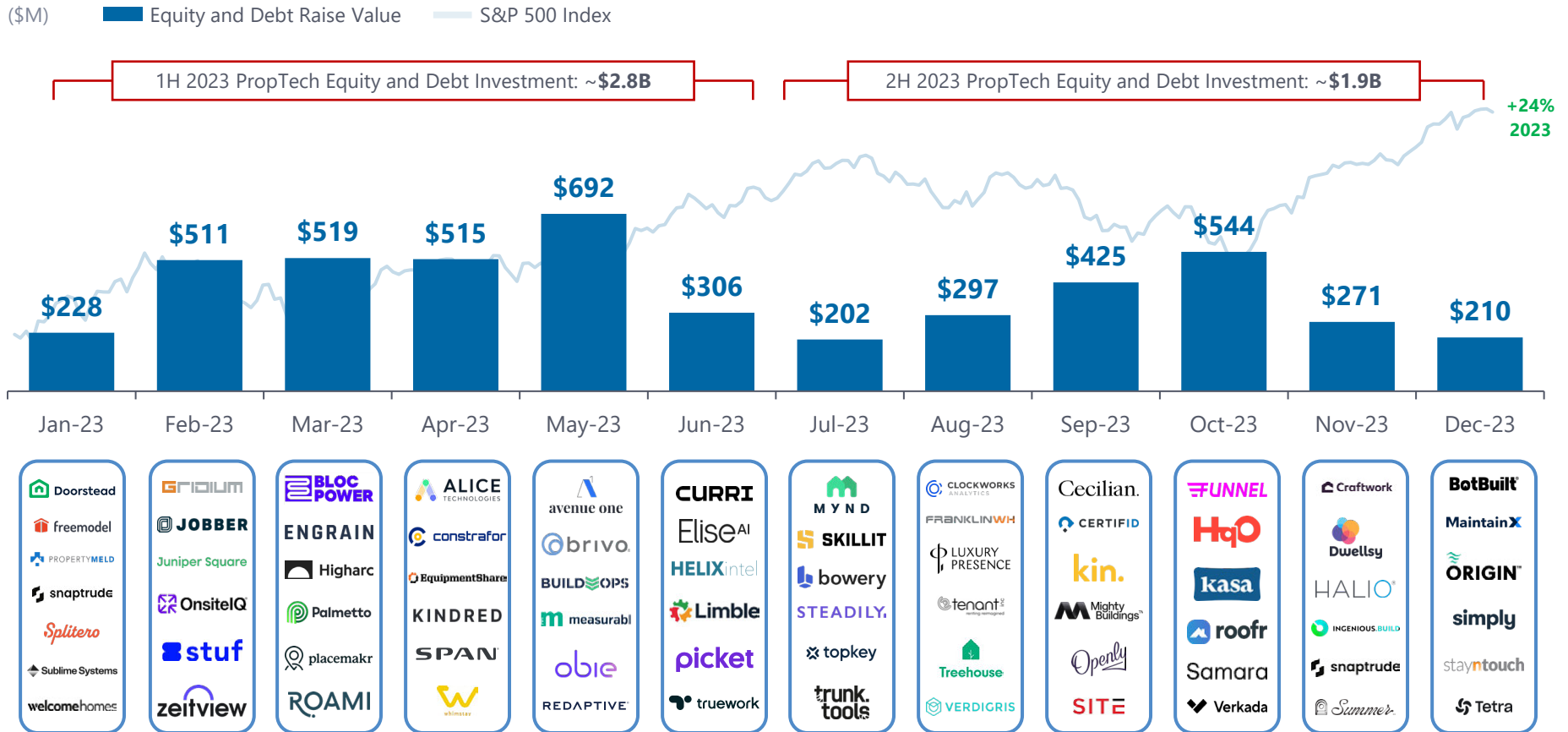
(2) Includes companies in the PropTech Index shown on page 36; latest available cash balance as of 12/31/2023. (4) CME FedWatch Tool, represents expected value based on mid-point of fed fund rate range as of 2/2/2024.

PropTech Financing Market—1H vs. 2H 2023

PropTech investment activity slowed throughout 2023 as many investors exercised caution and many companies focused on extending runway from prior funding rounds by cutting costs.

- Following several years of record investment activity, 2023 saw a fundamental shift in the growth capital fundraising market, both for PropTech and tech more broadly, as investors increasingly focused on **responsible growth, revenue visibility, and profitability**.

2023 Monthly PropTech Growth Investment vs. S&P 500 Index

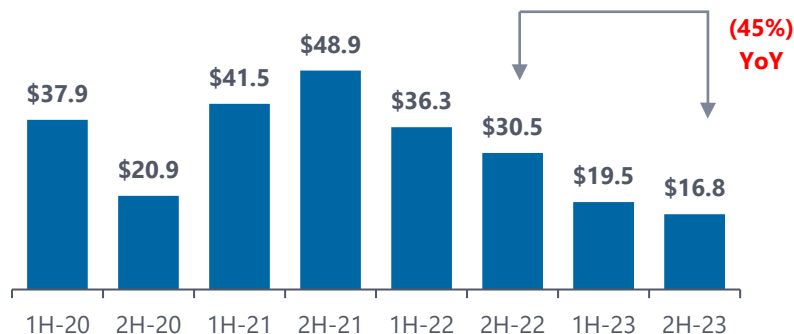


Sources: PitchBook, CB Insights, S&P Capital IQ as of 12/31/2023, company filings, company websites, press releases.

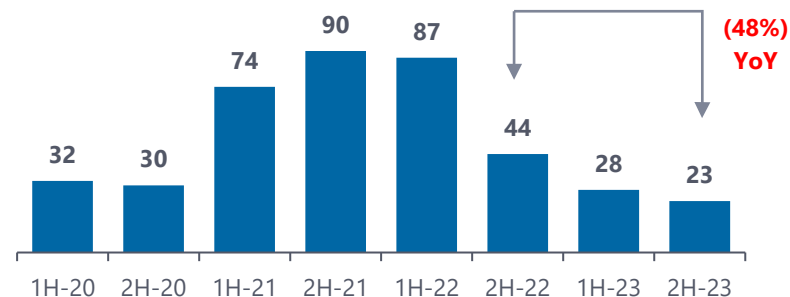
On Average, Smaller Investment Sizes With More Meaningful Slowdown in Larger Growth Rounds

Average investment size stabilized in 2H 2023 but remained below 2022 levels, reflecting a continued focus on funding capital-efficient businesses.

Average U.S. PropTech Investment Deal Size (\$M)

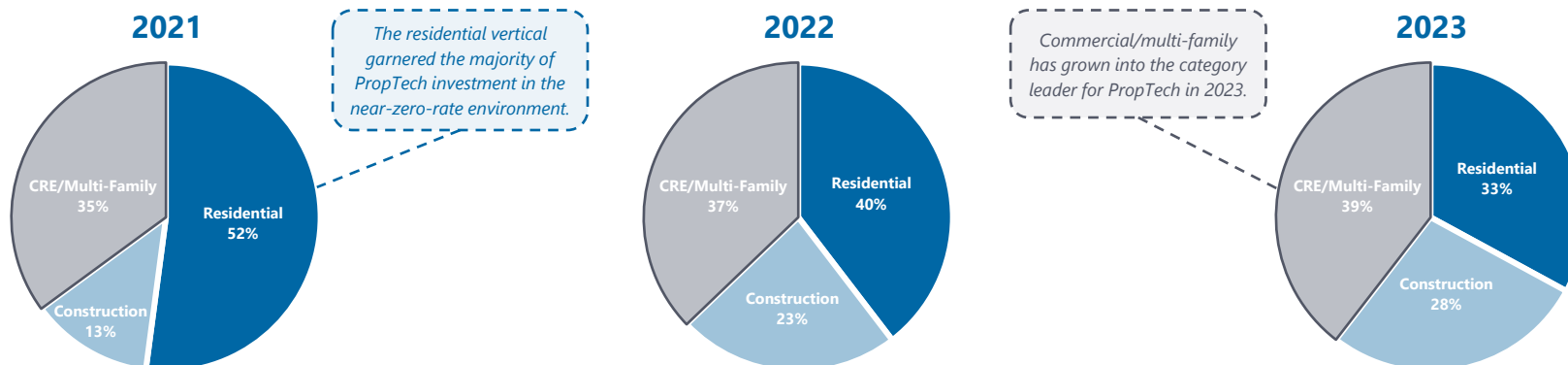


Count of \$20M+ U.S. PropTech Investments



Commercial/Multi-Family Increased Its Share of PropTech Equity Investment by Category

- Investors continue to shift capital away from residential in favor of commercial and multi-family, highlighted by rounds raised by market leaders—including MaintainX, HALIO, and Verkada—in 2H 2023.



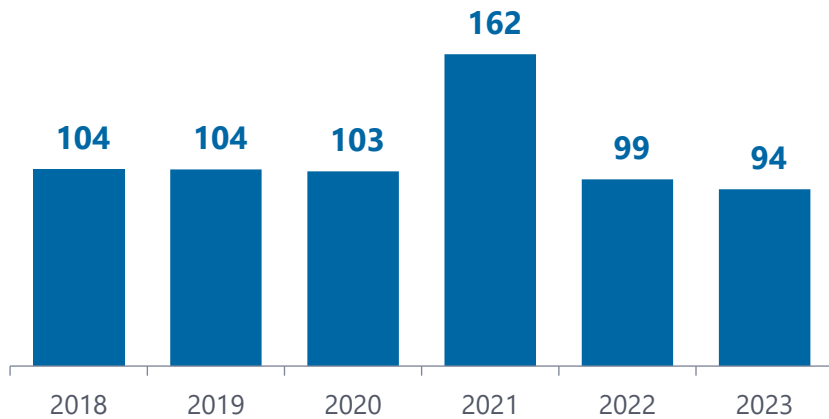
Sources: PitchBook, CB Insights, company filings, company websites, press releases.

PropTech M&A Market Remained Active With Continued Consolidation Despite Market Pressure

Strategic acquirers drove ~90% of overall activity in PropTech M&A.

- Expanding number of large strategics and PE-backed platforms (e.g., Zillow, GreenStreet, etc.) will continue to drive M&A activity in 2024.

U.S. PropTech M&A Transactions—Trailing Six Years



Significant 2023 M&A Transactions⁽¹⁾



- The market continued to show a “flight to quality” in 2023, shifting toward **enterprise-oriented solutions with a demonstrated track record of profitability**. Going forward, we expect that:
 - The market will increasingly value businesses that have used capital efficiently to build a strong profitability and growth profile.
 - Financial sponsors will face increasing pressure to deploy dry powder, but the focus will remain on reserving premium multiples for top-quality assets with differentiated growth, retention, and cash flow metrics.
 - The PropTech market will continue to rebound as investors adjust to higher interest rates and the overall technology landscape continues to see returns in the public market.

Sources: PitchBook, CB Insights, company filings, company websites, press releases.

(1) Deal values represent enterprise values.

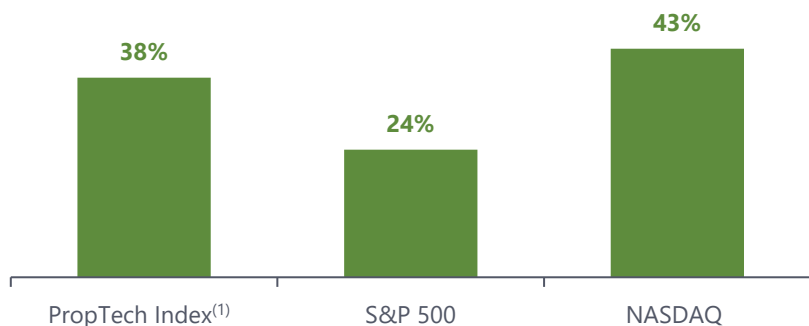
(2) Includes \$400 million cash consideration and up to \$100 million potential earnout over three years.

Strong PropTech Public Market Performance Fueled by Broader Tech Rebound

PropTech stocks outperformed in 2023, with high-quality, “profitable growth” companies continuing to trade at premium valuations.

2023 Public Market Performance

- Houlihan Lokey’s PropTech Index **outperformed the S&P 500 in the 2023**, with multiple constituents seeing 100%+ share price increases.



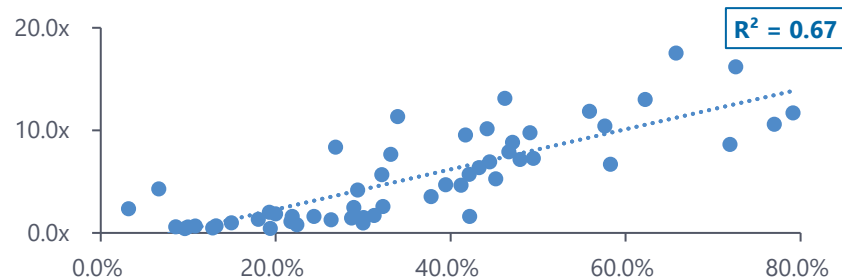
Top 10 2023 PropTech Performers⁽²⁾⁽³⁾

Opendoor	REDFIN	UWM <small>UNITED WHOLESALE MORTGAGE</small>	loanDepot	ROCKET Companies, Inc.
286%	143%	116%	113%	107%
FICO	Zillow	meridianlink	blend	BOOKING HOLDINGS
94%	82%	80%	77%	76%

Public Market Performance Driven by Combination of Growth and Profitability

- Investors are increasingly valuing companies that balance revenue growth and profitability and **no longer rewarding “growth at all costs.”**

2024E EV/Revenue vs. “Rule of 40”⁽³⁾⁽⁴⁾



2024E EV/Revenue vs. “Rule of 40” Components⁽³⁾⁽⁴⁾

		CY24E EBITDA Margin	
		<25%	25%+
CY24E Revenue Growth	<15%	2.0x	8.3x
	15%+	4.6x	13.3x

Source: S&P Capital IQ as of 12/31/2023.

(1) PropTech Index includes all companies shown on page 36 and is weighted on a market-capitalization basis.

(2) Individual companies’ performances are based on stock price performance as of 12/31/2023.

(3) Includes all companies shown on page 36, excluding negative Rule of 40 companies.

(4) Reflects metrics based on CY24E revenue, EBITDA, and revenue growth.

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Leader in PropTech Advisory

<p>Transaction Pending</p> <p>a portfolio company of</p> <p>has agreed to be acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has acquired</p> <p>Buyside Advisor</p>	<p>has acquired</p> <p>a portfolio company of</p> <p>Buyside Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has received funding from</p> <p>Financial Advisor*</p>
<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has received a strategic growth investment from</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor*</p>	<p>has been acquired by</p> <p>AUSTIN BOARD OF REALTORS First in Georgia Real Estate MIAMI REALTORS</p> <p>Sellside Advisor*</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor*</p>
<p>has received an investment from</p> <p>Financing Advisor*</p>	<p>has been acquired by</p> <p>Sellside Advisor*</p>	<p>has received a majority investment from</p> <p>Sellside Advisor*</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor*</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>
<p>has received a strategic investment from</p> <p>Sellside Advisor*</p>	<p>has acquired</p> <p>Buyside Advisor*</p>	<p>has received a majority recapitalization from</p> <p>Sellside Advisor*</p>	<p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor*</p>	<p>has been acquired by</p> <p>Sellside Advisor*</p>	<p>has been acquired by</p> <p>Sellside Advisor*</p>

Tombstones included herein represent transactions closed from 2019 forward.

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Global Team Built to Advise the Converging Software, FinTech, and Financial Services Markets

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Chris Pedone
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Paul Tracey
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FinTech

Additional Senior Officers With End-Market and Business-Model Expertise



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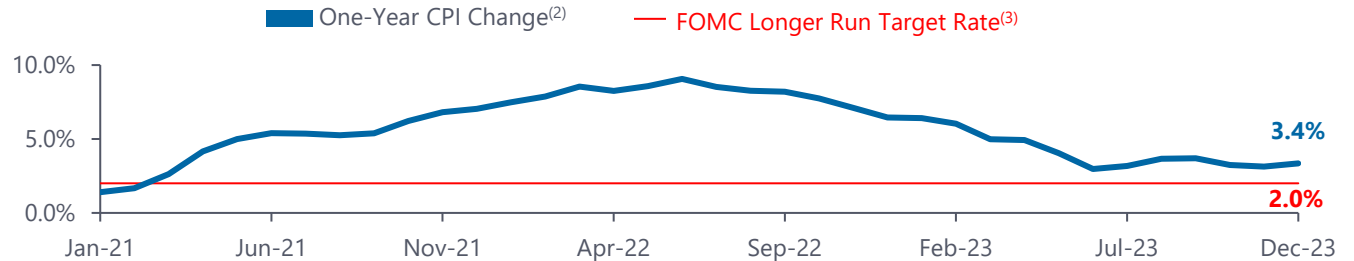
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Macroeconomic Trends Affecting the Real Estate Market

Cooling inflation, strong labor market, and declining mortgage rates suggest investors see path to a successful “soft landing” in 2024.

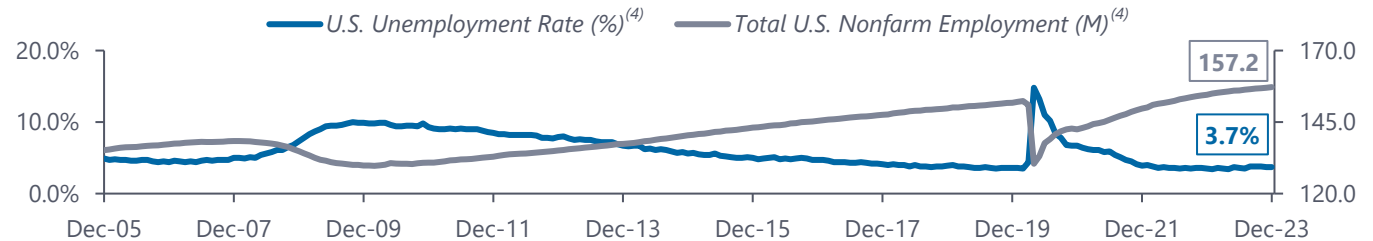
1 Inflation Down From 2022 High but Remains Above Fed Target Rate

While Fed is “within striking distance” of 2% target, officials expect to approach rate cuts “methodically and carefully.”⁽¹⁾



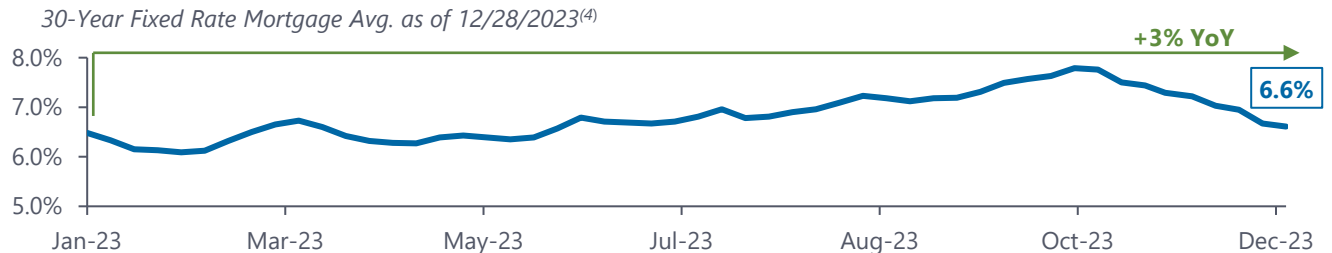
2 Continued Strength in the Labor Market; Unemployment Rate Near 20-Year Low

Labor market showing continued resilience as employment metrics improve despite tight monetary policy.



3 Mortgage Rates Have Begun to Decline; Projected to Keep Declining With News of Inflation Calming

Mortgage rates declined for nine consecutive weeks to end 2023 and are forecasted to decline to 6.1% by Q4 2024.⁽⁵⁾



(1) Reuters.
(2) Bureau of Labor Statistics.

(3) Federal Reserve.
(4) Freddie Mac.

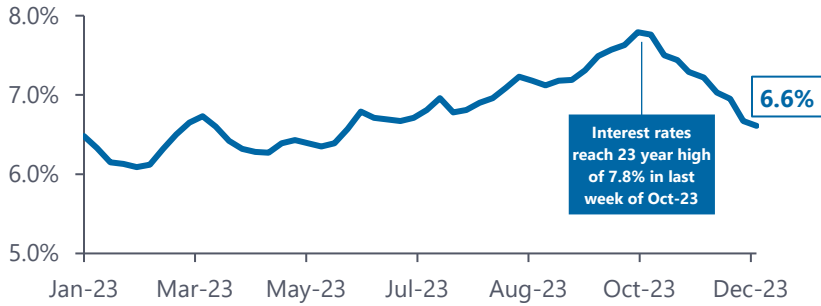
(5) National Association of Realtors (NAR). Reflects 30-year fixed rate mortgage forecast for Q4 2024 as of 1/26/24.

Key Subsegment Trends: Residential Real Estate

Difficult market conditions significantly impacted the residential real estate and mortgage markets in 2023, but home sales are expected to rise in 2024 as mortgage rates are expected to continue to decline in line with rate cuts.

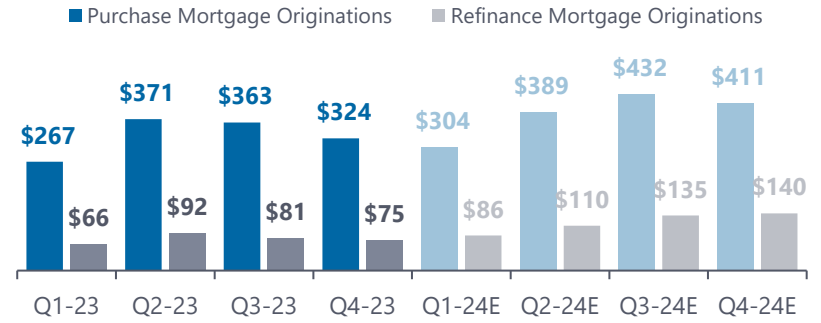
1 Mortgage Rates Have Begun to Fall From the 2023 High With the Decline Expected to Continue

30-Year Fixed Rate Mortgage Avg. as of 12/28/2023⁽¹⁾



2 The Level of Refinancing for Mortgage Origination Expected to Increase in 2024

Total 1-to-4 Family Home Mortgage Originations (\$B)⁽²⁾

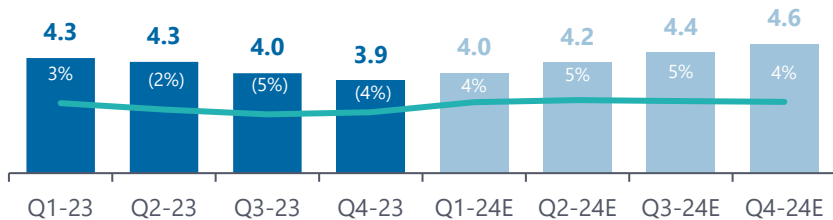


3 Residential Transactions Fell Throughout 2023, Expected to Rebound in 2024

Existing home sales saw continuous QoQ declines in 2023 but are expected to return to positive growth in 2024.

Existing Home Sales (SAAR, M) and QoQ Growth⁽²⁾

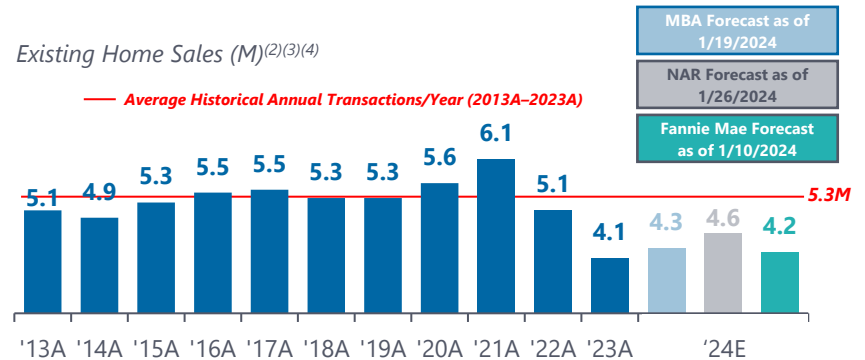
MBA Forecast as of 1/19/2024



4 Existing Home Sales Expected to Rise in 2024 but Remain Below Historical Average

Forecasts for 2024 expect an average of 6% YoY growth in existing home sales.

Existing Home Sales (M)⁽²⁾⁽³⁾⁽⁴⁾



(1) Freddie Mac.
(2) Mortgage Bankers Association (MBA).

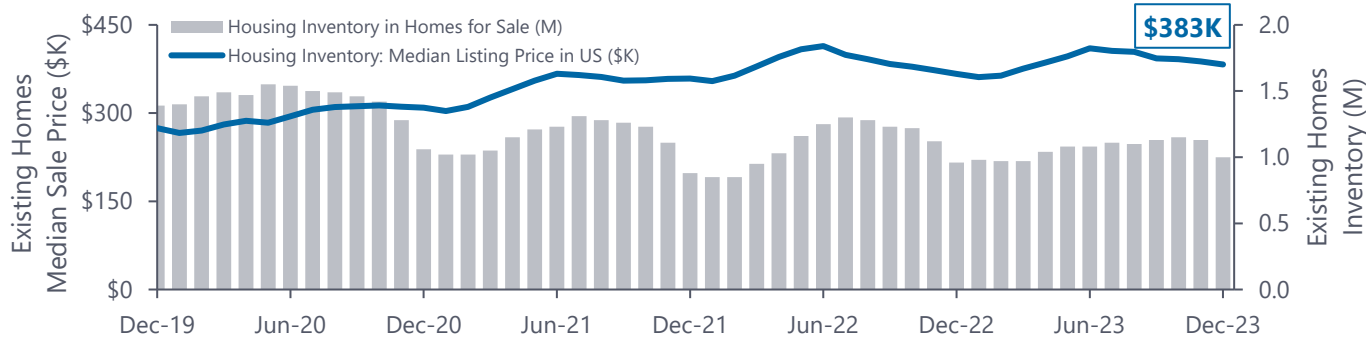
(3) National Association of Realtors (NAR).
(4) Fannie Mae.

Key Subsegment Trends: Residential Real Estate (cont.)

Tight inventory conditions in residential market kept home prices elevated and pushed cost of ownership vs. renting gap higher.

1 Home Prices Remain Elevated Despite Higher Rates as Inventory Remains Tight

Housing Inventory in Existing Homes (M)⁽¹⁾ and Median Sales Price for Existing Homes (\$K)⁽¹⁾



(28%)

Decrease in housing inventory since December 2019.⁽¹⁾

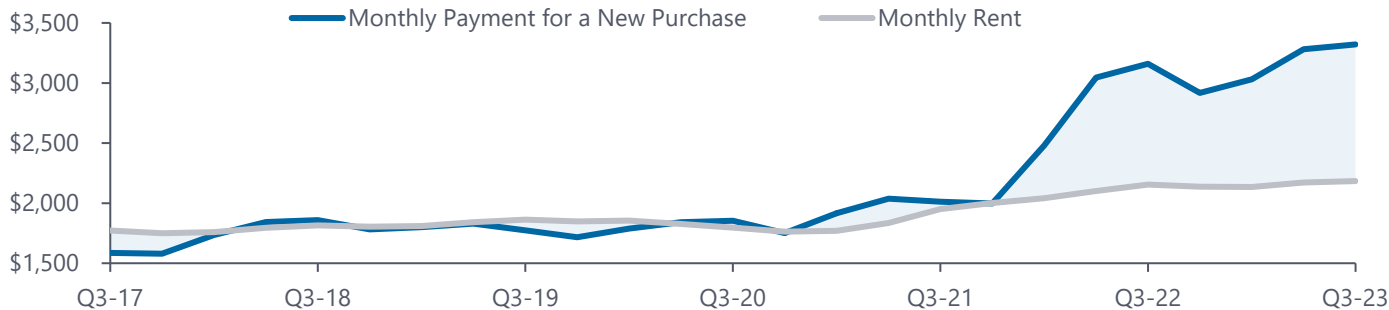
+39%

Increase in median sales price for existing home since December 2019.⁽¹⁾

2 Significant and Expanding Gap Between Rental and Home Purchase Cost

New Home Purchase Cost Remains Substantially More Expensive Than Apartment Rents

Monthly Payment for a New Purchase vs. Monthly Rent⁽²⁾



+52%

Higher monthly payment for newly purchased home vs. renting.⁽²⁾

+79%

Increase in monthly payment for a new home purchase since Q3 2020.⁽²⁾

(1) Freddie Mac.

(2) CBRE Research, CBRE Econometric Advisors, Freddie Mac, U.S. Census Bureau, Realtor.com®, FHFA, Q3 2023.

Key Subsegment Trends: Residential Real Estate Tech

Residential Real Estate (RRE) Tech Highlights

Activity Slowdown

- Slowdown in residential RE software consolidation in 2023 as the market grappled with declines in existing home sales, driven by a challenging macroeconomic environment.

Key Players



Home Sustainability

- IOT/smart home solutions focused on optimizing energy and water consumption, monitoring air quality, and reducing carbon footprint continue to attract interest from sustainability-conscious investors.

Key Players



Significant RRE M&A

- Residential real estate technology players saw a wave of M&A activity in 2023 as the sector continues to consolidate.

Key Transactions



Top 10 U.S. RRE Tech Equity Rounds of 2023

(\$M)

Date	Company	Selected Investor(s)	Equity Invested	Equity Funding to Date	Latest Reported Valuation
3/6	Palmetto	TPG RISE CLIMATE	\$150	\$574	\$1,092
4/24	SPAN	WELLINGTON MANAGEMENT*	\$100	\$236	\$700
2/7	JOBBER	GENERAL ATLANTIC	\$100	\$176	\$400
7/1	EasyKnock	Mistral Equity Partners	\$38	\$134	\$410
10/11	perch ENERGY	nuveen	\$30	\$37	\$88
1/12	welcome	Era.	\$29	\$35	\$200
8/25	FRANKLINWH	PARTICLE	\$25	\$25	\$433
12/7	simply	GUTTER	\$22	\$25	NA
1/31	freemodel	QED INVESTORS	\$20	\$23	NA
8/3	LUXURY PRESENCE	Bessemmer Venture Partners	\$19	\$53	\$209

Sources: PitchBook, CB Insights, company filings, company websites, press releases.

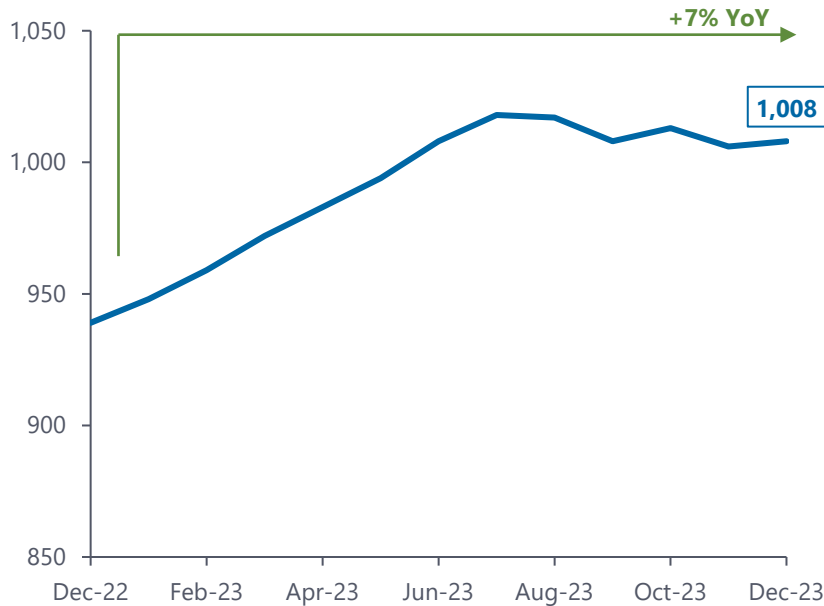
Key Subsegment Trends: Multi-Family

Multi-family construction and completion continues to bring new inventory online.

1 Multi-Family Construction Levels Hit Record in July

Multi-family units under construction remained **near an all-time high in December 2023**.⁽¹⁾

U.S. Multi-Family Housing Units Under Construction (in Thousands)⁽¹⁾



+7.3%

Increase in multi-family housing units under construction YoY in December 2023.⁽¹⁾

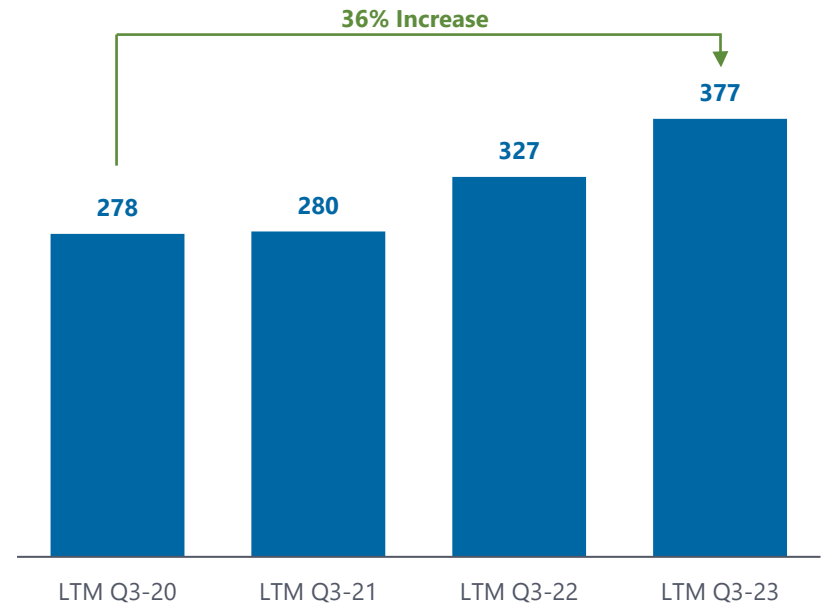
1.02M

Record multi-family housing units under construction in July 2023.⁽¹⁾

2 Multi-Family Completions Levels Continues Strength

Multi-family completions have experienced **sustained growth in the past four years**.

U.S. Multi-Family Housing Units Completed (in Thousands)⁽²⁾



115K

Multi-family completions in Q3 2023.⁽²⁾

+15%

Increase in multi-family completion YoY in LTM Q3 2023, the highest on record.⁽²⁾

(1) U.S. Census Bureau.

(2) CBRE Research.

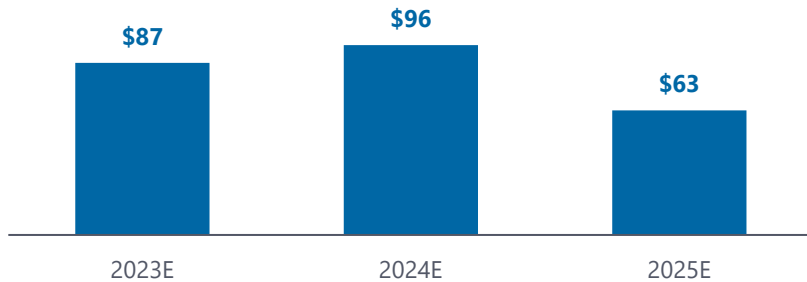
Key Subsegment Trends: Multi-Family (cont.)

Stabilizing rents and vacancy rate normalization demonstrates a return to normal while upcoming debt maturities may put pressure on multi-family owners and investors.

1 Multi-Family Debt Maturity “Wall”

\$246 billion of multi-family loans originated in lower-rate environment from 2020 to 1H 2022 will mature in the next three years.⁽¹⁾⁽²⁾

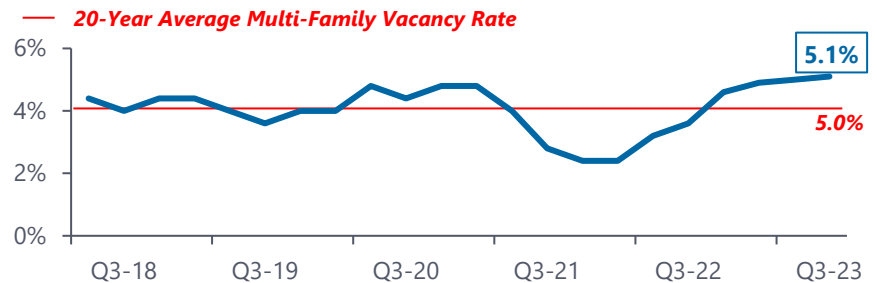
Multi-Family Loans Maturing: 2020 – 1H 2022 Originations (\$B)⁽¹⁾⁽²⁾



2 Multi-Family Rental Vacancy Rates Normalizes at 20-Year Average

Vacancy rates have trended up over the past few quarters but have **normalized near the long-run average of 5%.**⁽³⁾

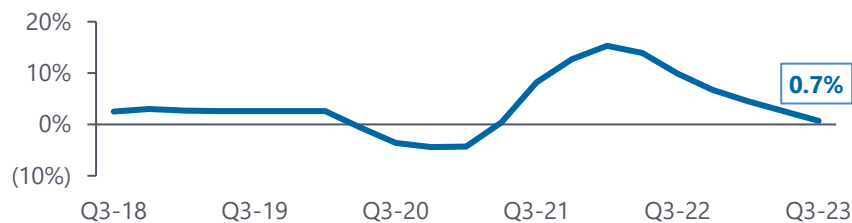
Multi-Family Vacancy Rate⁽³⁾



3 Multi-Family Rent Growth Normalizes as Inflation Subsides

Multi-family rent growth rates are down significantly from the record 15.2% YoY increase in Q1 2022.⁽³⁾

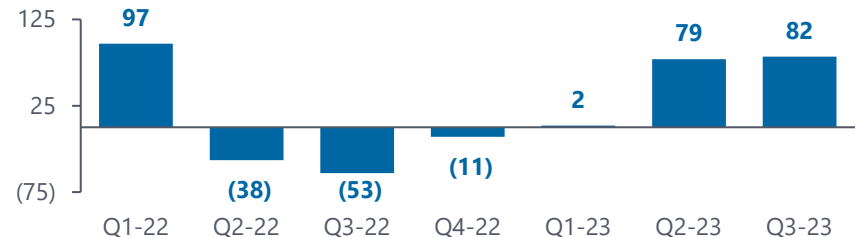
Multi-Family YoY Rent Growth⁽²⁾



4 Multi-Family Net Absorption Growth Signals Optimism

Net absorption totaled 82K units in Q3 2023, a **significant improvement from the negative figure in 2022.**⁽³⁾

Multi-Family Net Absorption (Units in Ks)⁽³⁾



(1) Newmark 2023 U.S. Multifamily Capital Markets Report.

(2) Globest.

(3) CBRE Research, CBRE Econometric Advisors.

Key Subsegment Trends: Multi-Family Tech

Multi-Family Tech Highlights

Highly Fragmented Market for Consolidation

Key Players









- Multi-family property owners/operators continue to utilize manual “point-solutions”; daily processes such as leasing, rental payment processing, and back-office competencies are at an inflection point, ripe for digitization.

AI Tenant Acquisition and Payments Modernization

Key Players













- The implementation of AI across tenant acquisition, especially within the virtual leasing market, has driven substantial efficiency gains as consumer demand for multi-family rises.
- Vertical-focused multi-family payment platforms gaining momentum as landlords and tenants adopt modernized rent processing solutions.

Top 10 U.S. Multi-Family Tech Equity Rounds of 2023

(\$M)

Date	Company	Selected Investor(s)	Equity Invested	Equity Funding to Date	Latest Reported Valuation
10/31			\$70	\$120	\$270
12/12			\$48	\$200+	NA
6/7			\$35	\$67	\$285
10/30			\$32	\$99	NA
1/6			\$22	\$37	\$100
1/26			\$15	\$22	NA
5/24			\$13	\$33	NA
3/16			\$12	\$18	NA
10/17			\$10	\$10	NA
11/29			\$9	\$9	NA

Sources: PitchBook, CB Insights, company filings, company websites, press releases.

Multi-Family Technology Landscape (cont.)

To view full market map, please contact:
Chris.Gough@HL.com, Rip.Furniss@HL.com, or Pat.Hagerty@HL.com

Multi-Family Software Platforms

appfolio

entrata

inhabit

mri
REAL ESTATE SOFTWARE

REALPAGE

YARDI

Management/Operations

PMS

Lease Admin.

HOA/Condo Management

Maintenance/Operations

Energy/Utilities Management

Back Office

Building Connectivity/ Smart Apartments

Data, Analytics, and LMS

Payments-Related

Access Management

apartment

apartment

BLOCK
KEYS

LATCH

SmartPass

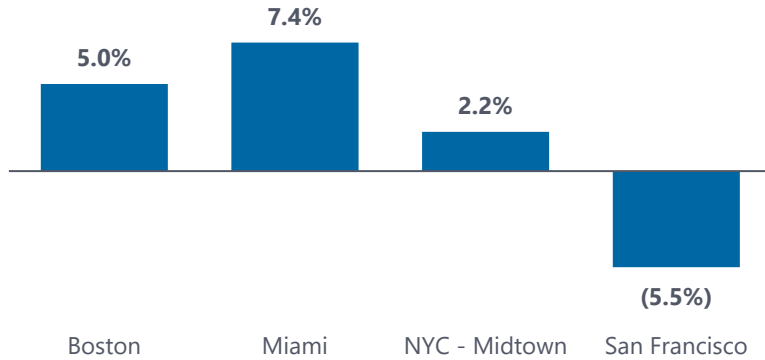
SmartPass

Key Subsegment Trends: Commercial Real Estate

The CRE market remains mixed across geographies as concerns linger about the market's vacancy rates and long-term return-to-office trends.

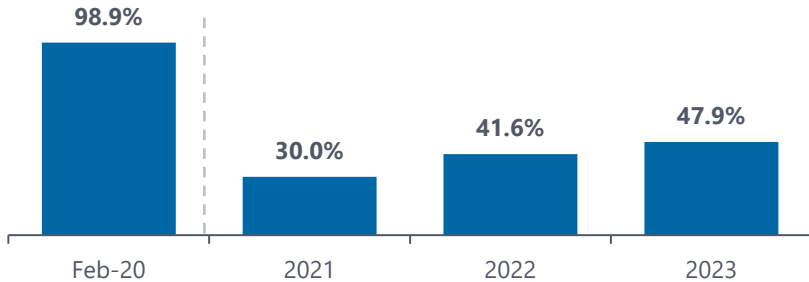
1 Changes in Office Rent Rates Highlight Divergence Across Markets

YoY Change in Office Rent Asking Price per Square Foot in Q4 2023⁽¹⁾⁽²⁾



3 U.S. Office Utilization Increasing, but Still Below Pre-Pandemic Levels as Employers Accept Hybrid Reality

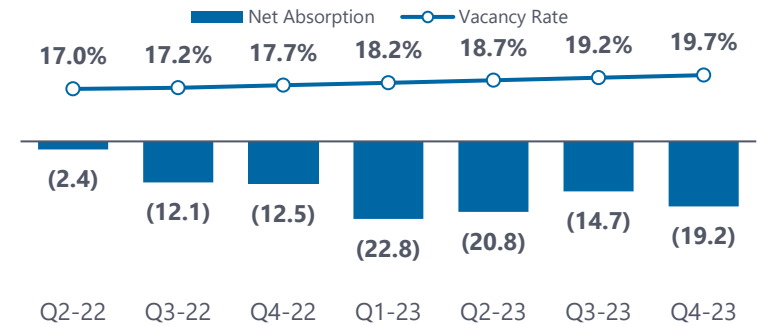
Kastle's Back-to-Work Barometer Average for Top 10 U.S. Cities Throughout the year⁽³⁾



2 Net Absorption Reached a Multi-Year Low in 2023, Vacancy Rate Climbing

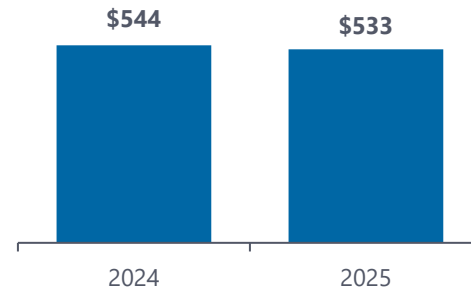
U.S. net absorption rates remained meaningfully negative, as vacancy rates continued to increase throughout 2023.⁽¹⁾

U.S. Office Market Net Absorption (S.F. in M) and Vacancy Rate (%)⁽¹⁾



4 ~\$1.1 Trillion "Maturity Wall" Approaching for Commercial Real Estate Debt

U.S. Near-Term CRE Debt (\$B)⁽⁴⁾



With nearly \$1.1 trillion of the outstanding U.S. commercial real estate debt maturing before the end of 2025, borrowers are under pressure as liquidity problems persist. Refinancing risk will remain a key challenge through 2025.⁽⁴⁾

(1) Cushman & Wakefield, "U.S. Office MarketBeat Q4 2023."

(2) New York City represents "New York - Midtown South" office market.

(3) Kastle Systems, Back to Work Barometer.

(4) Trepp, "The Year-End 2023: CRE at a Crossroads."

Commercial Real Estate Tech Landscape

To view full market map, please contact:
Chris.Gough@HL.com, Rip.Furniss@HL.com, or Pat.Hagerty@HL.com

CRE Software Platforms

Sales and Leasing

CRM, Marketing, and Workflow

Listing Services

Lease Management

Valuation and Appraisal

Funding Marketplaces

Financing Platforms

Deal Management

Investor Management

Portfolio Management

Data and Analytics

Building Operations

IWMS

Tenant Experience

Visitor Management

Access Management

Operations and Facility Management

IoT/Smart Buildings

Energy Management

Flex Space Management

Parking Management

Key Subsegment Trends: Commercial Real Estate Tech

Commercial Real Estate (CRE) Tech Highlights

Hybrid Reality

Key Players

EQUIEM

HqO

officernd

OFFICE SPACE

- CRE owners and tenants have continued to utilize technology to encourage in-person attendance while acknowledging that a hybrid work environment is the “new normal.”

ESG/Regulatory Drivers

Key Players

buildings IOT

Density

INFOGRID

measurabl

- Technology solutions that reduce the climate impact for CRE owners continue to draw investment as the industry faces increasing pressure from regulators to reduce climate impact.

Top 10 U.S. CRE Tech Equity Rounds of 2023

(\$M)

Date	Company	Selected Investor(s)	Equity Invested	Equity Funding to Date	Latest Reported Valuation
2/13	Juniper Square	BLUE OWL	\$133	\$239	\$474
5/17	EAGLE EYE NETWORKS	SECOM	\$100	\$142	NA
10/9	Verkada	ALKEON CAPITAL MANAGEMENT	\$100	\$445	\$3,300
5/31	measurabl	ENERGY FINTECH PARTNER /sway ventures	\$93	\$173	\$433
5/17	brivo.	SECOM	\$93	\$116	NA
11/16	HALIO®	SKC	\$70	\$357	\$693
6/22	Limble	Goldman Sachs Growth Equity	\$58	\$93	\$450
12/6	MaintainX	BainCapital VENTURES	\$50	\$104	\$1,000
10/18	HqO	KOCH INVESTMENTS GROUP	\$50	\$150	\$560
5/3	REDAPTIVE®	Linse Capital	\$50 ⁽¹⁾	\$426	\$1,000

Sources: PitchBook, CB Insights, company filings, company websites, press releases.

(1) Extension to Series E, bringing total round funding to \$250 million.

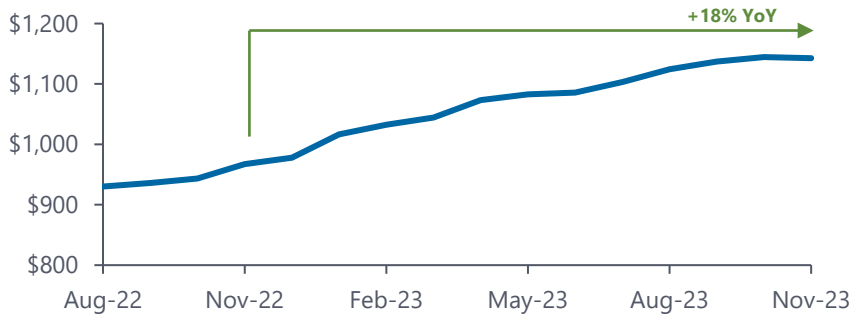
Key Subsegment Trends: Construction

Commercial construction project demand/pipeline at record levels, despite labor shortage and office market uncertainty.

1 Nonresidential Construction Spend Hits Record Levels in 2023

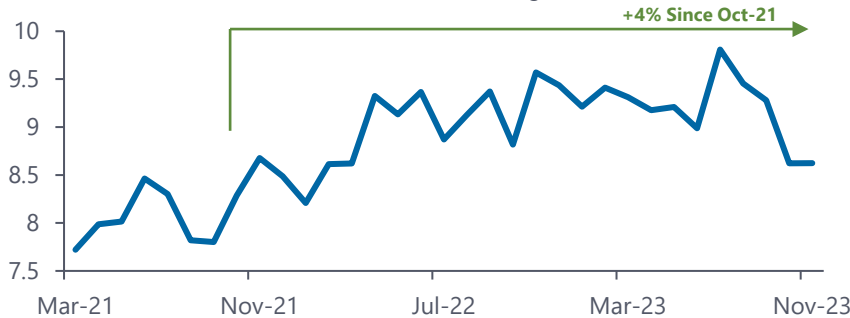
Since the pandemic there has been a large increase in commercial construction spend, growing **18% YoY**.⁽¹⁾

U.S. Seasonally Adjusted Annual Rate of Nonresidential Construction Spend (\$B)⁽¹⁾



3 Despite Recent Dip, Commercial Backlogs Remain Strong as Labor Supply Does Not Meet Demand

Commercial and Institutional Construction Backlog Indicator⁽³⁾



2 Construction Starts Remain Slightly Below 2022 Highs, Nonbuilding Starts Driven by IIJA Funding

Construction starts have slightly weakened as **high interest rates and tight credit have restrained activity**.

(4%)

Decrease in total construction starts YoY as of YTD November 2023.⁽²⁾

+19%

Increase in nonbuilding construction starts YoY as of YTD November 2023.⁽²⁾

(7%)

Decrease in nonresidential construction starts YoY as of YTD November 2023.⁽²⁾

(14%)

Decrease in residential construction starts YoY as of YTD November 2023.⁽²⁾

4 The IIJA Has Introduced a High Level of Funding for Infrastructure Projects

As the spending ramps up into 2025, construction companies will see a large investment from the **U.S. government to start on new infrastructure projects with:**

\$550B

Earmarked for new federal infrastructure projects over a five-year period.⁽⁴⁾

~50%

Increase in Federal Transit Administration and Federal Highway Administration funding post-IIJA.⁽⁵⁾

(1) U.S. Census Bureau.
 (2) Dodge Construction Network.
 (3) Associated Builders and Contractors.

(4) CNN, "What Biden's Infrastructure Law Has Done so Far."
 (5) Construction Dive, "IIJA Brings New Funds, Challenges to NYC Infrastructure Overhaul."

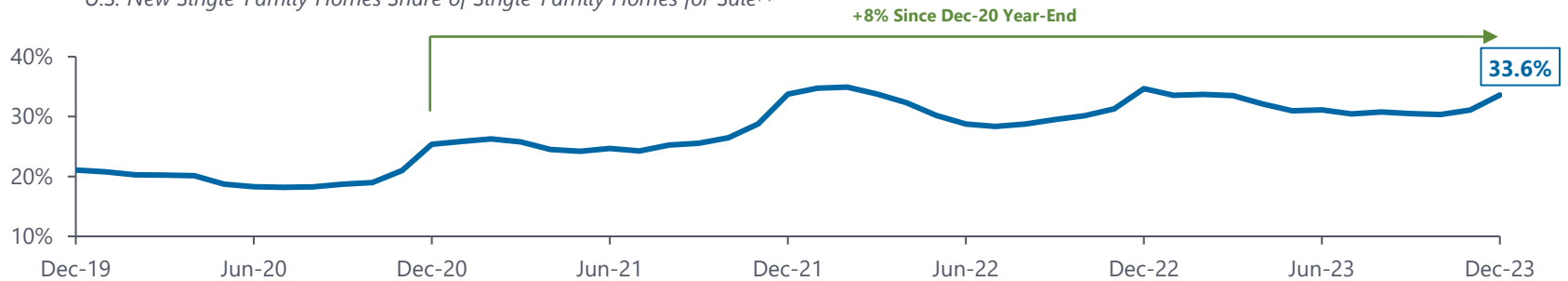
Key Subsegment Trends: Construction (cont.)

Despite headwinds in the residential real estate market, homebuilder activity has remained strong throughout 2023.

1 The Share of New Single-Family Homes for Sale Has Risen as Homebuilding Has Increased and Existing Homeowners Are Less Likely to Sell as Mortgage Rates Remain High

Many buyers are opting for new construction homes as builders have been providing attractive concessions, including mortgage rate buydowns to attract bidders and offload inventory.

U.S. New Single-Family Homes Share of Single-Family Homes for Sale⁽¹⁾



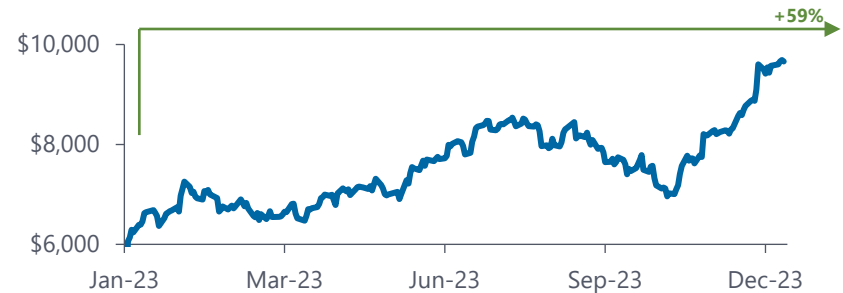
2 Undersupply of Single-Family Homes Likely to Persist as Residential Construction Starts Remain Depressed When Compared to Pre-2008

Single-Family Homes Construction Starts (in Thousands)⁽²⁾



3 Positive Sentiment Drives a Market Recovery for Homebuilding Stocks

S&P Homebuilders Select Industry Index⁽³⁾



(1) National Association of Realtors (NAR) and Freddie Mac.

(2) U.S. Census Bureau.

(3) S&P Capital IQ as of 12/31/2023.

Key Subsegment Trends: Construction Tech

Construction Tech Highlights

Industrial Strength

- The industrial construction market continues to benefit from the Infrastructure Investment and Jobs Act as spending ramps up into 2025, driving investment and M&A for tech companies focused on the space.

Key Players



Technology Is Needed to Fill Labor Gaps

- Construction hiring and job openings continue to outpace labor supply, driving the need for greater technology adoption within construction.

Key Players



Significant Construction Tech M&A

- The construction tech landscape is highly fragmented and has begun to see consolidation across multiple subsectors from both public and sponsor-backed companies.

Key Transactions



Top 10 U.S. Construction Tech Equity Rounds of 2023

(\$M)

Date	Company	Selected Investor(s)	Equity Invested	Equity Funding to Date	Latest Reported Valuation
9/22	EquipmentShare	BDT&MSD	\$440 ⁽¹⁾	\$735	\$3,750
2/6	zeitview	VALOR	\$55	\$114	\$185
9/12	Mighty Buildings™	WAED BOLD (CAPITAL PARTNERS)	\$52	\$150	\$342
5/18	BUILD OPS	fika (01.ADVISORS)	\$50	\$111	\$300
6/6	CURRI	Bessemer Venture Partners	\$42	\$48	\$162
10/30	Samara	THRIVE CAPITAL	\$41	\$41	\$121
1/17	Sublime Systems	LOWER CARBON CAPITAL	\$40	\$40	\$90
11/17	INGENIOUS.BUILD	MORPHEUS NAVITAS CAPITAL	\$37	\$56	\$78
10/18	roofr	VERTICAL VENTURE PARTNERS	\$24	\$44	\$117
11/9	snaptrude	Accel	\$14	\$22	NA

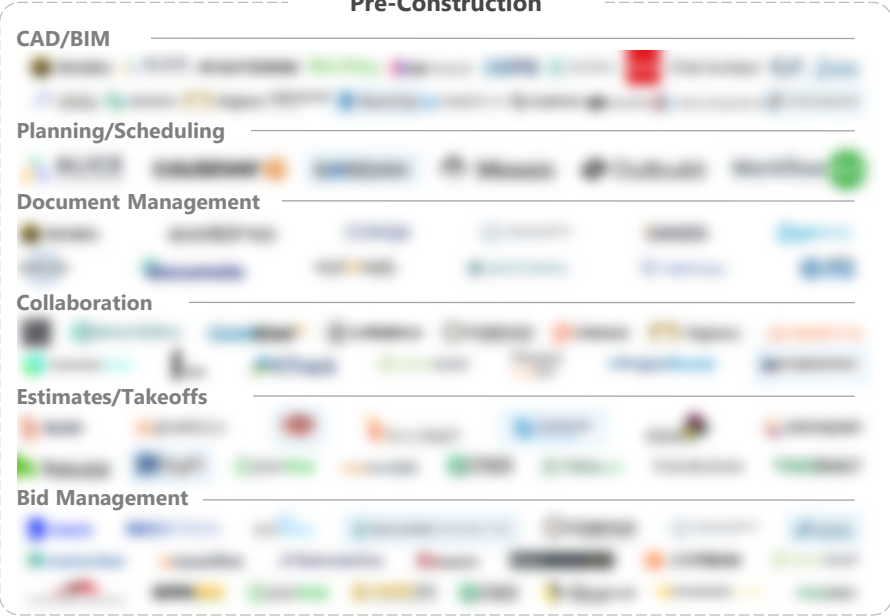
Sources: PitchBook, CB Insights, company filings, company websites, press releases.

(1) Includes the Series E extension.

Construction Technology Landscape

To view full market map, please contact:
Chris.Gough@HL.com, Rip.Furniss@HL.com, or Pat.Hagerty@HL.com

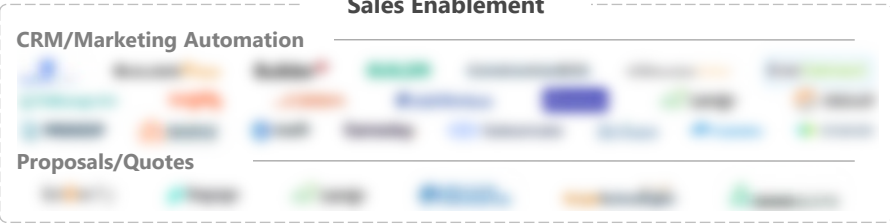
Pre-Construction



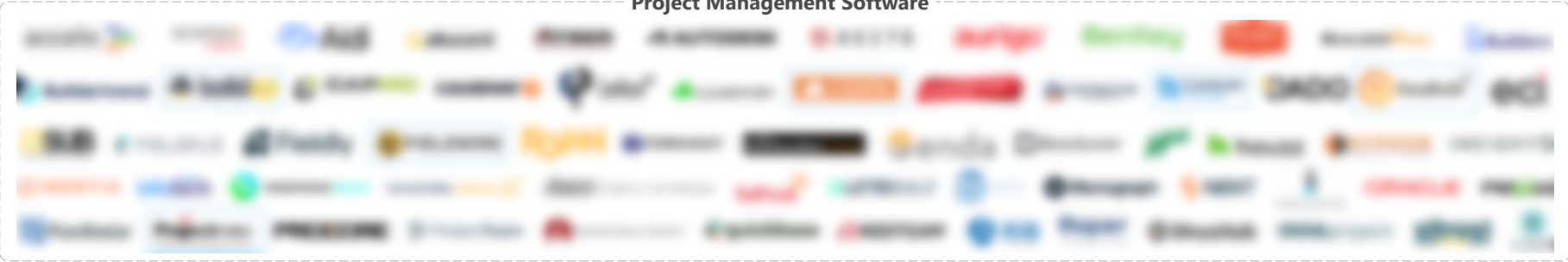
Operations Management



Sales Enablement



Project Management Software



Construction Technology Landscape (cont.)

To view full market map, please contact:
Chris.Gough@HL.com, Rip.Furniss@HL.com, or Pat.Hagerty@HL.com

Financial Management Software

ERP/Accounting

Payments/Lending

Insurtech

Communication

Asset Management

CMMS

Equipment Management

Fleet Management

Data/Analytics

Supply Chain Management Procurement/Marketplaces

Build Materials

Heavy Equipment

Remodeling

Materials/Inventory Management

Logistics

Robotics

Prefab/Modular






































































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03	PROPTECH MARKET SUMMARY	31
04	PUBLIC MARKETS	35
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Top PropTech Investors in 2023 by Number of Investments

Multiple, large funds with a dedicated PropTech sector thesis.

	 FIFTH WALL	 RET Ventures.	 metaprop.	 JLLSpark	 SECOND CENTURY VENTURES	 andressen horowitz	 khosla ventures	 CAMBER CREEK
Selected 2023 Investments	 constrafor	 ENGRAIN	 billy	 ALICE	 Bisly	 Craftwork	 Honey Homes	 bowery
	 CONSTRUEX	 FUNNEL	 Doorstead	 appear [here]	 Fyma	 KINDRED	 Mighty Buildings™	 measurabl
	 Juniper Square	 kasa	 OnsiteIQ	 desana	 LOCAL LOGIC	 loft	 Mighty Buildings™	 measurabl
	 Lessen	 MARKERR	 Pest Share	 EliseAI	 MATRIX	 loft	 Mighty Buildings™	 measurabl
	 loft	 measurabl	 REVELA	 INFOGRID	 topkey	 loft	 Visible	 placemakr
	 Propexo	 OnsiteIQ	 SKILLIT	 INGENIOUS.BUILD	 offr	 topkey	 Visible	 placemakr
	 SPAN	 picket	 SYNCO	 qbia	 zavvie	 topkey	 Visible	 placemakr
	 trunk.tools	 RentButter RENT BETTER!						
	 VERO							

Source: PitchBook.












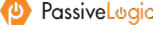


























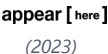



































Note: Portfolio companies not necessarily new entrants as of 2023.

Continued Activity From Strategic Investors

Investment arms of real estate, insurance, and brokerage incumbents are increasingly participating in growth rounds for PropTech companies alongside private equity and venture capital firms or as stand-alone investors.

Strategic Growth Investors

Selected Investments (2022 and 2023)

 Asset Owners/Managers		    
		     
		  
		     
 Insurance/Title		   
		      
 Brokerage		          
		         
Other Strategies		    
		       

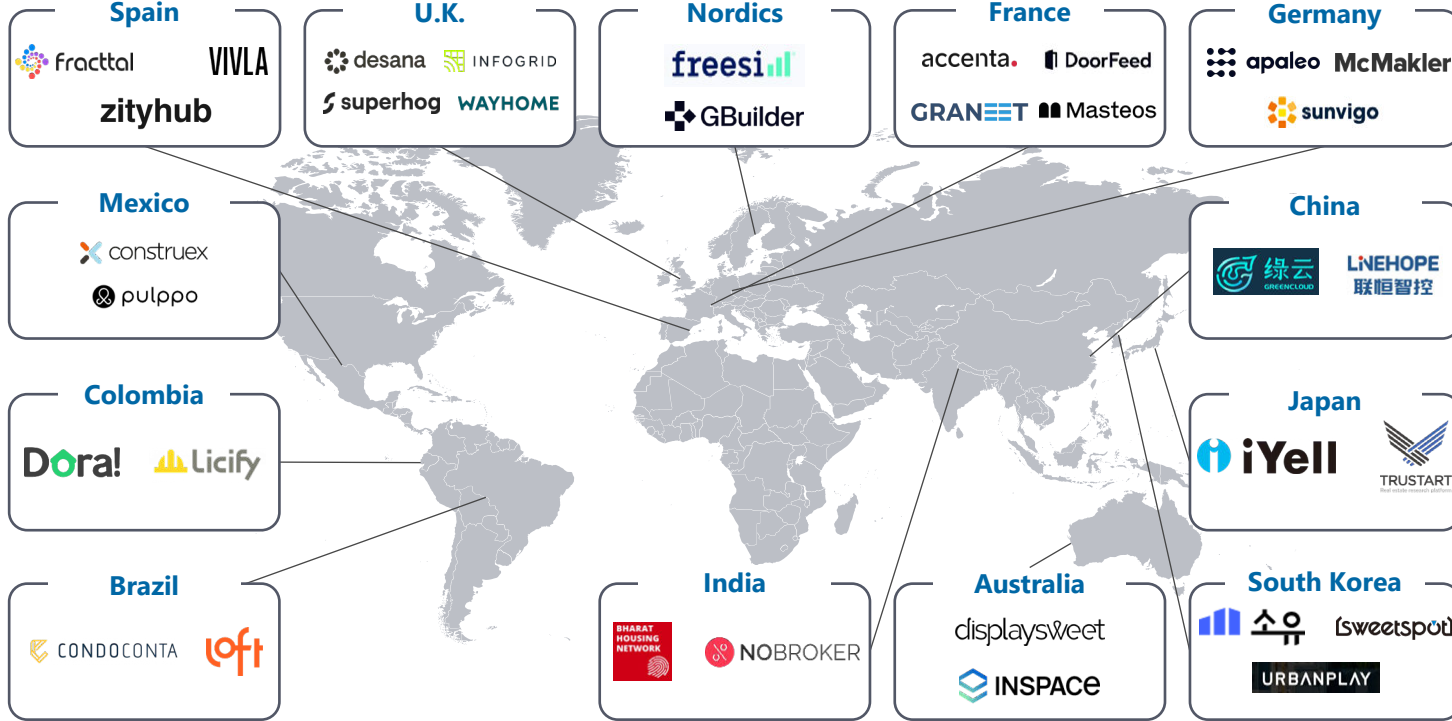
Source: PitchBook.

Note: Portfolio companies shown are 2022 investments unless annotated as 2023.

Globalization of the PropTech Market

Global PropTech market poised to surpass \$32 billion by 2030.⁽¹⁾

International PropTech Innovation Gaining Momentum



European PropTech M&A Activity Summary

	# of PropTech Companies ⁽²⁾	% of M&A Activity ⁽³⁾
	805	20%
	547	27%
	342	12%
	304	8%
	277	9%
	143	9%
	140	3%
	105	4%

SIGNIFICANT M&A OUTSIDE OF THE U.S. IN 2023



Source: PitchBook, CrunchBase.

Note: All companies shown completed capital raises in 2023.

(1) Zion Market Research.

(2) Ascendix, "What Is PropTech and How It Changed the Real Estate Industry," 2023.

(3) PitchBook, all transactions with a European-based target in construction technology and real estate technology (January 2020 to December 2023).



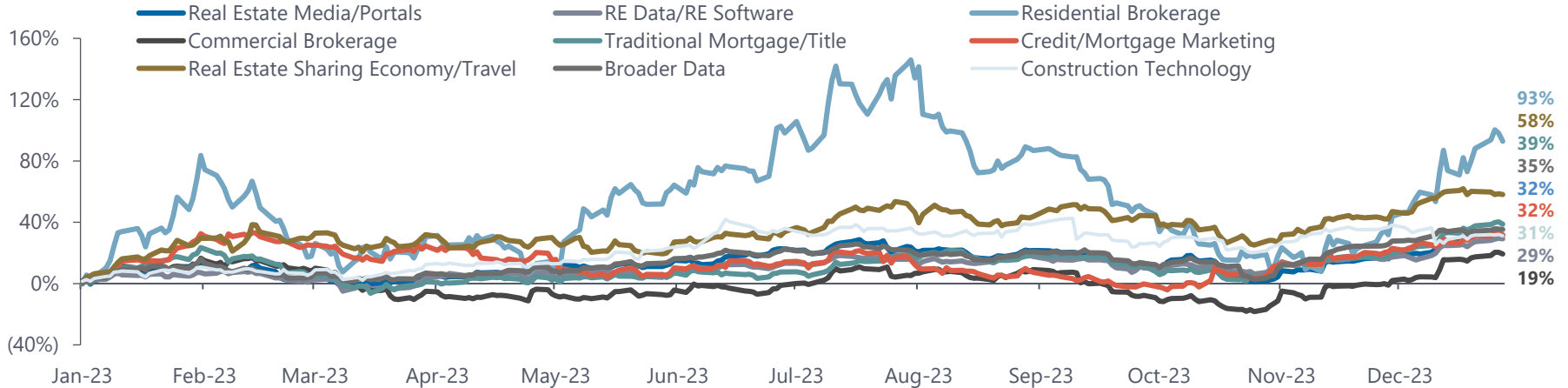
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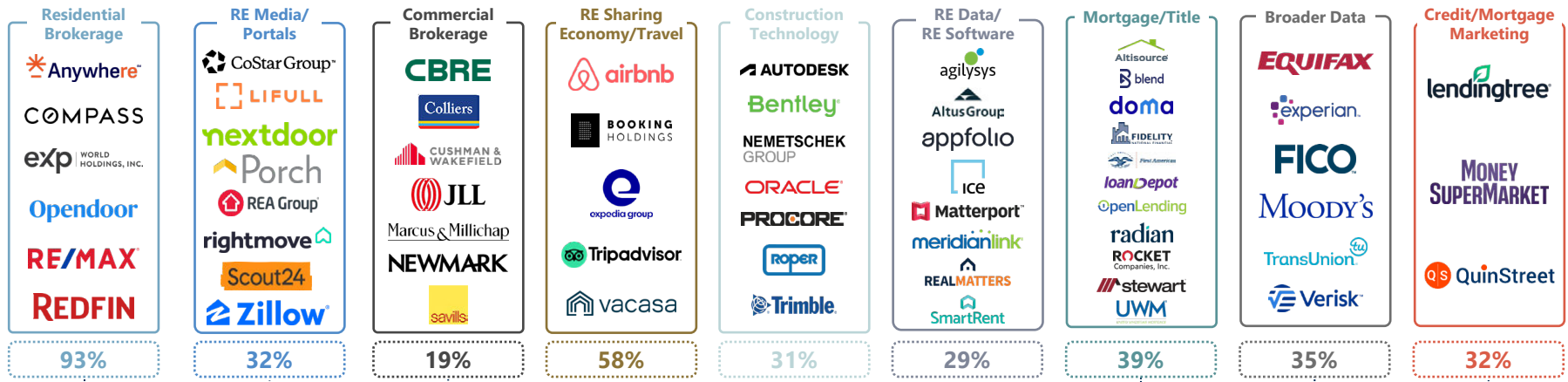
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PropTech Public Company Performance

2023 Share Price Performance



Public PropTech Ecosystem

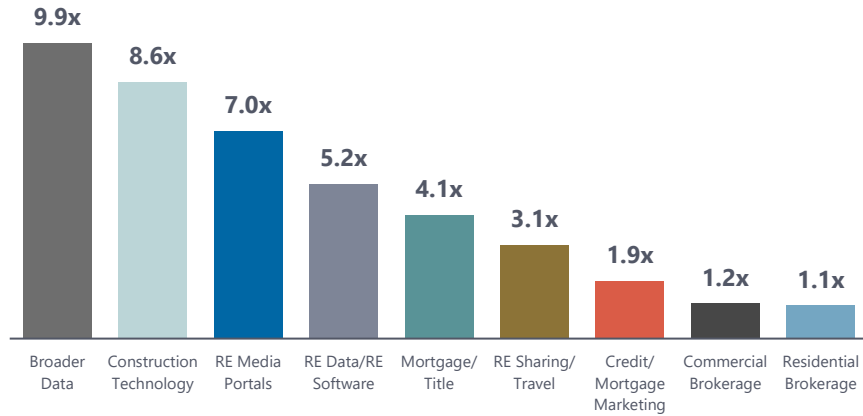


2023 Share Price Performance

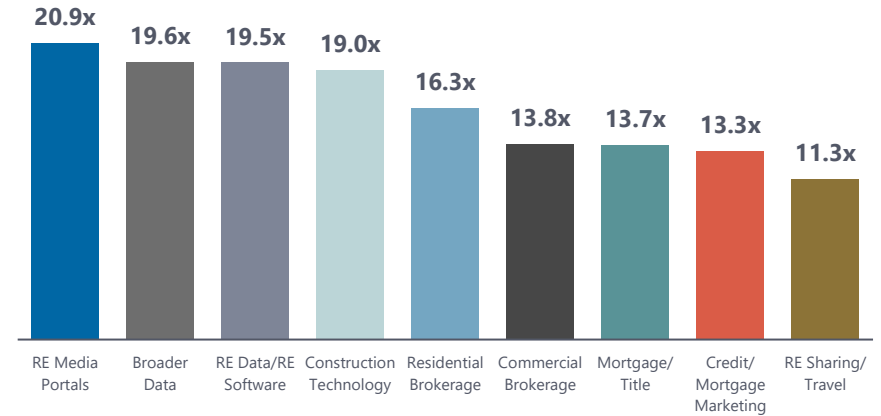
Source: S&P Capital IQ as of 12/31/2023.

PropTech Public Company Valuation

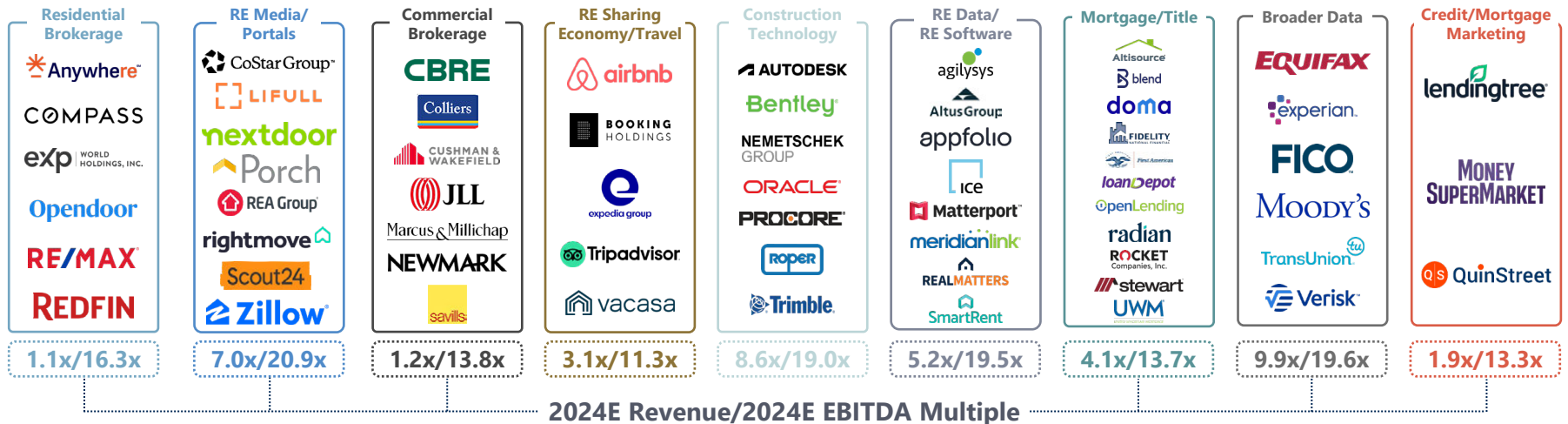
Enterprise Value/2024E Revenue



Enterprise Value/2024E EBITDA



Public PropTech Ecosystem



Source: S&P Capital IQ as of 12/31/2023.
 Note: Multiples represent mean value of sector group.



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Houlihan Lokey Advises Next One Technology on Its Sale to EQT

Transaction Overview

Houlihan Lokey acted as the exclusive financial advisor to Next One Technology (Next) on its sale to EQT.

- On December 20, 2023, Next announced it had been acquired by EQT.
- Next, headquartered in Linköping, Sweden, with operations across the Nordics and the United Kingdom, provides a leading cloud-based construction technology project management platform tailored for construction, maintenance, and contractor businesses.

- Next helps customers to achieve long-term sustainable profitability through instant visibility on project financial performance, increasing productivity, slashing administrative time, and ensuring compliance.
- The platform allows SME customers to get more organized and gain a better business overview, and it also enables smarter and faster administration, leading to significant improvements in terms of productivity, control, quality, and profitability.

Company Highlights⁽¹⁾




2,500+
Customers

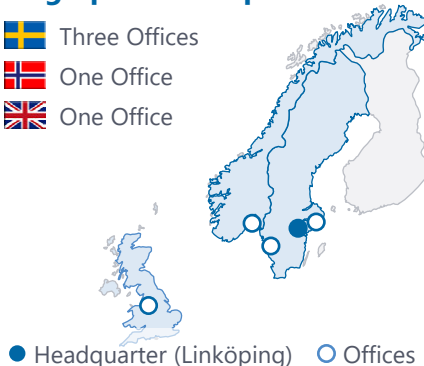
SEK 200M+
Revenue

130+
FTEs

Sources: Company websites, press releases.
(1) As of 1/3/2023.

Geographical Footprint

-  Three Offices
-  One Office
-  One Office



Selected Transaction Commentary

Next and HVD Group have an exciting and complementary fit. Not only from a product perspective, but also in terms of the culture and people, having followed Mikael and his team over the recent years. We are also confident that a combined offering will continue to drive our already high customer satisfaction, as we together with HVD Group will be able to offer an even more comprehensive product to our end users.

—**Johan Jarskog**, CEO, Next



Investing in HVD Group and Next creates a strong Northern European platform with leading tech and product capabilities. We have followed the space for several years and are excited to back what is in our mind the most attractive platforms in one of the largest verticals globally. We are extremely impressed by the respective teams led by Mikael and Johan, and we look forward to bringing EQT Private Equity's software experience to support the organizations.

—**Ali Farahani**, Partner, EQT



Next Platform



Project Management

- Planning
- Procurement
- Deviation Handling
- Document Management



Financial Management

- Project Budget
- Payment Plan
- Invoice Handling
- Project Forecast



Site Execution

- Inspections
- Journal
- Checklists
- Staff Register

Houlihan Lokey Advises Treetop on Its Sale to ECI

Transaction Overview

a portfolio company of

has been acquired by

Sellside Advisor

Houlihan Lokey acted as the exclusive financial advisor to Nedvest, the sole shareholder of Treetop, on Treetop's sale to ECI.

- On December 18, 2023, Treetop, a portfolio company of Nedvest, announced it had been acquired by ECI.
- Treetop offers a wide range of enterprise resource planning software and business applications that cater to SMBs in the residential construction and crafts sector in the Netherlands.

- Treetop's connected software platform enables construction companies to seamlessly manage business processes and deliver meaningful digital transformation.
- In 2024, Treetop plans to launch a new cloud-native ERP software solution for smaller construction companies, delivering substantial value.

Company Highlights⁽¹⁾

3,000+ Customers

120+ FTEs

6 Unique Brands

Sources: Company websites, press releases.
 (1) As of 1/8/2024.

Selected Transaction Commentary

As this industry continues to evolve and modernize, ECI remains steadfast in its mission to empower and elevate its customers with investments in innovation, a top-notch R&D team and global support for customer growth. As Treetop and ECI join forces, we look forward to continuing the customer-centric approach that has defined Treetop's success.

—Geert-Jan den Besten, CEO, Treetop

Treetop empowers business owners through modern technology and automation that addresses the unique business challenges of the Dutch residential construction industry. ECI's heritage as a leader in residential construction industry software and Treetop's many decades of experience and deep, loyal customer base in the Netherlands make a great combination.

—Trevor Gruenewald, CEO, ECI Software Solutions

Treetop Platform

admicom
 All-in-one ERP software built specifically for SMB construction companies.

kraan
 ERP software platform for middle-market construction companies.

technosoft
 2D/3D building design software for constructors.

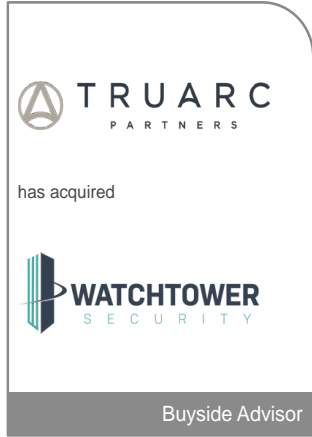
treetop
 Construction managed services provider.

homedna
 Customer and quality processes software.

frank
 Construction software for the self-employed.

Houlihan Lokey Advises TruArc Partners on Its Acquisition of Watchtower Security

Transaction Overview



Houlihan Lokey acted as the exclusive buyside financial advisor to TruArc on its acquisition of Watchtower Security.

- On December 1, 2023, TruArc Partners announced it had acquired Watchtower Security.
- Watchtower Security, headquartered in St. Louis, provides state-of-the-art managed video surveillance and analytics solutions to property managers and owners in the multi-family housing market.
- Watchtower’s integrated end-to-end solution offering protects properties through best-in-class software, hardware, and ancillary services, including 24/7 system monitoring.

Company Mission

We aim to be the national leader in providing video surveillance services to the multi-family housing industry and intend to achieve it by developing a staff that is passionate about providing premium service and technology while adapting to emerging client needs.



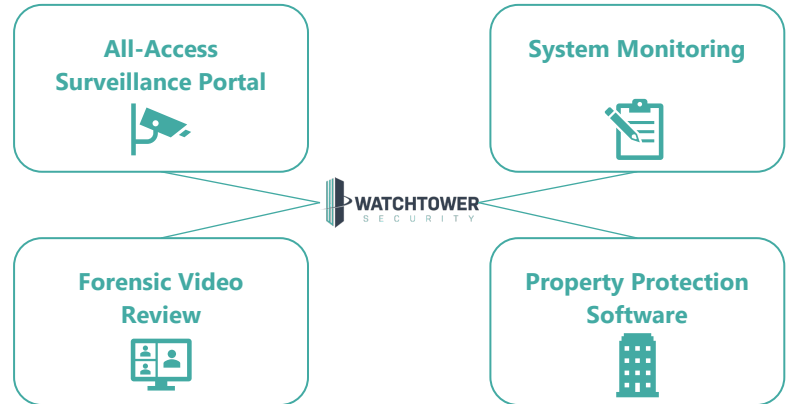
Selected Transaction Commentary

TruArc is thrilled to welcome Watchtower into our portfolio. Asset protection continues to be an active investment theme that we have great conviction in. We believe that Watchtower’s recurring business model and commitment to innovation and customer satisfaction align seamlessly with our investment framework.

—**Brandon Kiss**, Partner, TruArc Partners



Watchtower Platform



Differentiated video surveillance platform exclusive to multi-family. Watchtower’s full-service approach allows property managers 24/7 property insights while delivering substantial cost savings.

Houlihan Lokey Advises Stirling Square on Its Acquisition of Infobric

Transaction Overview



has acquired



a portfolio company of



Buy-side Advisor

Houlihan Lokey acted as the exclusive financial advisor to Stirling Square Capital Partners on its acquisition of Infobric from Summa Equity.

- On June 21, 2023, Stirling Square Capital Partners announced it had acquired Infobric from Summa Equity.
- Infobric, headquartered in Sweden with operations across the Nordics and the United Kingdom, provides end-to-end construction software products supporting the digitalization of the construction industry.

- Infobric enables its customers to manage site safety, machinery and equipment, contracts, and workers and provides efficient sharing of resources and workforce optimization.
- Since being acquired by Summa in 2018, Infobric has pursued impressive geographical growth and expanded its offering, while making several acquisitions across the sector. Infobric is now the market leader in Sweden, Norway, and the U.K.

Company Highlights⁽¹⁾

10,000+
Customers

300,000+
Individual Users

Recent Bolt-On Acquisitions

Job safe

(Announced
3/30/2023)

Orndata AB

(Announced
3/17/2023)

INTERSHARE

(Announced
3/16/2023)

HYRMA

(Announced
1/5/2023)

Sources: Company websites, press releases.

(1) As of 6/21/2023.

Selected Transaction Commentary

We are proud to welcome Stirling Square as our new investor as they bring sector expertise, local market knowledge as well as pan-European expertise which will be critical as we continue to expand internationally. Importantly, they also share Infobric's values as growth-oriented, long-term entrepreneurial investors who share our commitment to sustainability.

—**Dan Friberg**, President and CEO, Infobric



We are delighted to invest in Infobric alongside its ambitious management team who have built a software leader in the build phase of the construction value chain. We look forward to bringing our experience in the contech sector to support the business to accelerate its impressive growth trajectory, including enabling further international growth and expanding the software offering.

—**Patrick Severson**, Partner, Stirling Square



Infobric Platform



Rich Data Insights



Reduces Time and
Administration Effort



Data Sharing
Between Sites

Workforce



Site Workforce
Management



Contractor
Management

Equipment and Assets



Mobile Workforce
Management



Fleet and Asset
Management

Houlihan Lokey Advises BoomTown on Its Sale to Inside Real Estate

Transaction Overview



Houlihan Lokey acted as the exclusive financial advisor to BoomTown on its sale to Inside Real Estate.

- On January 20, 2023, BoomTown announced that it had been acquired by Inside Real Estate.
- BoomTown is the leading end-to-end residential real estate technology platform for high-producing agent-teams and brokers, enabling a seamless workflow from lead to close.
- The transaction will create an industry leading provider of residential real estate software and services, across product and customer segments.

Selected Transaction Commentary

“Joining Joe and the talented Inside Real Estate team enables us to continue on our combined mission to serve the real estate industry with world class technology and services. With a clear vision for the future, we look forward to accelerating the pace of innovation to fuel our clients’ growth and success.”



Grier Allen,
Co-Founder and CEO,
BoomTown

“I’m thrilled to welcome BoomTown to the Inside Real Estate family! Our companies share a common DNA that is focused on driving real results for every client, every day. Together, we will deliver an unmatched experience for every user from single agents, to top performing teams and mega teams, to robust national enterprise brands.”



Joe Skousen,
CEO,
Inside Real Estate

Sources: Company websites, press releases.

BoomTown Highlights

~100k

Real Estate Professionals
Served

40%

Real Trends Top 250
Teams Served

No. 1

User-Rated Real Estate
CRM

350+

Employees

Premier Front-Office Solution for Agents, Teams, and Brokers



- Category-leading custom IDX-integrated websites specifically designed for residential RE brokers and teams.
- Data-driven digital marketing with dynamic campaign management enables high-ROI lead generation.

Fully Integrated Predictive CRM



- Cloud-based intelligent CRM automates lead capture and engagement to drive leads to conversion.
- Lead and workflow management tools allow agents to identify, target, and convert their highest probability buyers/sellers.

Comprehensive Transaction Management and Back-Office Platform



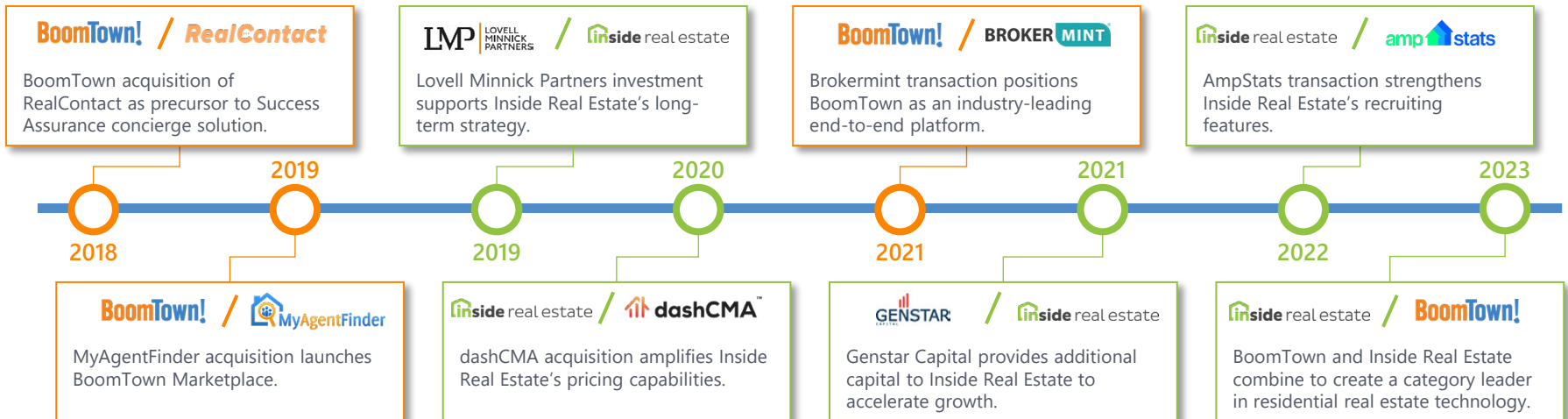
- Integrated transaction management platform creates seamless lead-to-close solution.
- Full suite of capabilities including commission automation, accounting, agent management, and reporting/analytics tools.

Houlihan Lokey Advises BoomTown on Its Sale to Inside Real Estate (cont.)

BoomTown! + **inside real estate** **Combine to Create a Category Leader in RRE Technology**

No. 1 Front-Office Experience	<ul style="list-style-type: none"> The combined technology will deliver an enhanced and elevated front-office experience that supports every type of user—from single agents, to top-performing teams and mega teams, to top brokerages and enterprise brands in growing their businesses. 	
First Complete and Modern Back-Office Suite	<ul style="list-style-type: none"> Together, the company's combined portfolio of back-office solutions, including CORE Back Office, Brokermint, and Inside Real Estate's recently acquired AmpStats, will provide the foundation for the industry's most innovative, modern, and complete back-office solution. 	
Leading Marketplace and Tech Partner Ecosystem	<ul style="list-style-type: none"> Inside Real Estate's marketplace of leading add-on services and solutions, including the Propertyboost listing promotion and lead generation tool, will continue to expand and be paired with a new Preferred Partner program, unlocking additional value and differentiation for customers through a vetted, network of premium, tightly integrated partner solutions. 	
Industry-Leading Home Ownership Solutions	<ul style="list-style-type: none"> Inside Real Estate will continue to invest heavily in the first integrated lifetime homeownership platform, CORE Home. The technology, paired with smart affiliated services solutions and branded for Inside Real Estate's customers, will place brokers and agents at the heart of the consumer relationship. 	

The Growth of a Category-Leading Platform



Sources: Company websites, press releases.

A Global Leader in Technology Advisory

Partner-Led Approach

Providing unbiased, insightful advice in the best interest of our clients, Houlihan Lokey will have **significant senior resources dedicated** to guiding clients.

Key Facts and Figures



36

LOCATIONS
WORLDWIDE

~2,000

TOTAL FINANCIAL
PROFESSIONALS

312

MANAGING
DIRECTORS⁽¹⁾

2,000+

CLIENTS SERVED
ANNUALLY

\$8.3B

MARKET
CAPITALIZATION⁽²⁾

\$1.8B

REVENUE⁽³⁾

Expertise in High-Growth Technology Sectors

Significant experience and expertise across vertical and horizontal business management software, HCM, property tech, tech-enabled services, UCaaS, industrial tech, data and analytics, FinTech, adtech, and cyber.

Global Tech Coverage and Knowledge

Our global footprint with offices in key M&A markets in the Americas, Asia, and Europe gives us integrated coverage, while our local roots mean that we have a strong understanding of the markets we cover.

Broad and Deep Investor Coverage

29 senior officers dedicated to the sponsor community the America's and Europe.

Coverage of **1,000+** private equity firms, **250+** credit funds, and **70+** family offices.

2023 M&A Advisory Rankings
All Global Technology Transactions

Advisor	Deals
1 Houlihan Lokey	89
2 Rothschild & Co	76
3 JP Morgan	68
4 Goldman Sachs & Co	63
5 Morgan Stanley	59

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

Note: Ranking based on data provided by Refinitiv. Excludes accounting firms and brokers.

(1) As of December 2023; excludes corporate MDs.

(2) As of January 31, 2024.

(3) LTM ended December 31, 2023.

Our Tech M&A Team Is No. 1 Globally With Unrivaled Reach

Americas

Atlanta

Los Angeles

Baltimore

Miami

Boston

Minneapolis

Charlotte

New York

Chicago

San Francisco

Dallas

São Paulo

Houston

Washington, D.C.

Europe and Middle East

Amsterdam

Milan

Antwerp

Munich

Dubai

Paris

Frankfurt

Stockholm

London

Tel Aviv

Madrid

Zurich

Manchester

Asia-Pacific

Beijing

Shanghai

Fukuoka

Singapore

Gurugram

Sydney

Hong Kong SAR

Tokyo

Mumbai

No. 1

GLOBAL TECH
M&A ADVISOR*

36

LOCATIONS
WORLDWIDE

150+

TECHNOLOGY
FINANCIAL
PROFESSIONALS

40+

TECH MANAGING
DIRECTORS

89

TECHNOLOGY
DEALS IN CY23

Local Technology Team

Houlihan Lokey's Subsector Research

Click on the images below to access Houlihan Lokey's recent sector-specific reports.



Commercial Real Estate Technology



Multi-Family Technology



Construction Technology



Travel & Hospitality Technology



Field and Frontline Operations



Houlihan
Lokey



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03	PROPTECH MARKET SUMMARY	31
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EquipmentShare Raises \$150 Million in Series E Extension Round

Transaction Overview



Series E Extension
Led by



\$150M Equity Raised

- On September 13, EquipmentShare announced its \$150 million Series E extension funding round led by BDT & MSD Partners.
- EquipmentShare is a leading equipment and digital solutions provider serving the construction industry.
- By empowering contractors, builders, and equipment owners with its proprietary technology, T3, EquipmentShare aims to drive productivity, efficiency, and collaboration across the construction sector.

Platform Overview

T3 Technology Platform: The OS for Construction

-  **Fleet Management**
-  **Work Orders**
-  **Time Tracking**
-  **CRM**
-  **E-Logs/ Reporting**
-  **Cost Capture**
-  **Analytics**
-  **Inventory Management**

Sources: PitchBook, company website, press releases.

EquipmentShare Overview

Headquarters	Columbia, MO
Founded	2015
Description	Developer of a fleet management platform intended to serve contractors and original equipment manufacturers. The company's platform offers services that include insurance verification, background checks, payment processing, and an easy interface for lending and renting contracting equipment, enabling construction contractors to make informed decisions about their equipment and fleet through automated data collection.

Select Current Investors



Selected Deal Commentary

This round of funding not only attracts fresh capital from both new and existing investors, but it also showcases our ability to stand tall in a challenging macroeconomic landscape, positioning us for even greater success in the future.

—**Jabbok Schlacks**,
Co-Founder and CEO,
EquipmentShare



Through a combination of deep, hands-on industry knowledge and cutting-edge technology systems, EquipmentShare is helping to make the rental equipment market and broader construction space more productive, efficient and safe.

—**Henry Yeagley**,
Partner, BDT & MSD Partners

Limble Raises \$58 Million in Series B Round

Transaction Overview



Series B
Led by



\$58M Equity Raised

- On June 22, Limble announced its \$58 million Series B funding round led by Goldman Sachs Growth Equity.
- Limble provides a leading CMMS software that streamlines everyday maintenance workflows and drastically lowers stress from unexpected breakdowns.
- In 2022 alone, maintenance teams used Limble to save hundreds of millions of dollars in downtime, parts spend, and labor while doing the unseen work of keeping our world safe and functional.

Limble Overview

Headquarters	Lehi, UT
Founded	2015
Description	Developer of computerized maintenance management software designed to track, manage, schedule, and report maintenance activities. The company's platform has a variety of features such as asset management, work order, preventive maintenance, predictive maintenance, inventory, and vendor management, enabling professionals to increase efficiency and reduce costs.

Select Current Investors



Platform Overview

 Work Order Management	 Spare Parts Inventory
 Preventive Maintenance	 Asset Management
 Predictive Maintenance	 Reports and Dashboard

\$135M Customers saved in downtime costs in 2022.	\$68M Customers saved in parts spend in 2022.	\$442M Customers saved in reduced labor costs in 2022.
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Selected Deal Commentary

“The success of Limble can truly be credited to a deep understanding of the specific challenges that face maintenance and facility managers, and the design of a powerful yet streamlined system to solve those problems. We set out to empower the maintenance professionals.”

—**Bryan Christiansen**,
Founder and CEO,
Limble



“Limble has disrupted this market with an intuitive, user-friendly, and modern CMMS that streamlines even the largest operations, and fast implementation means customers see ROI within weeks. The product has proven its value with thousands of customers worldwide.”

—**Brendon Hardin**,
Vice President,
Goldman Sachs




Sources: PitchBook, company website, press releases.

HqO Raises \$50 Million in Series D Round

Transaction Overview



Series D
Led by



\$50M Equity Raised

- On October 18, HqO announced its \$50 million Series D funding round led by Koch Real Estate Investments.
- HqO leverages real estate experience insights from 1.7+ million people and 8,000+ workplaces to inform its tenant experience platform.
- Through its Real Estate Experience (REX) platform, a powerful and dynamic suite of applications and services, HqO has powered over 400 million square feet at more than 700 properties across 32 countries.

HqO Overview

Headquarters	Boston, MA
Founded	2015
Description	Developer of a professional tenant experience platform designed to connect people to places, experiences, and each other. The company's platform offers a tool for startup companies to search for products or services and get connected with professionals who can provide advice, references, and introductions, enabling users to communicate with their closest business contacts and connect with new partners.

Select Current Investors



Platform Overview

HqO REX Platform



Experience Manager

Asset-agnostic, cross-property tenant experience management system



Intelligence

Standard for measuring and assessing end-user experience within a property



Marketplace

Directory of services and amenity partners

Sources: PitchBook, company website, press releases.

Selected Deal Commentary

HqO is here to reimagine the status quo and lead the charge toward a more connected, efficient, and user-centric real estate experience. We're doubling down on our commitment to connect real estate to the people and help create spaces that truly serve the evolving needs of those who use them.

—Chase Garbarino,
Co-Founder and CEO,
HqO



By developing cutting-edge technology and tools that prioritize user sentiment, HqO is not only adapting to the rapidly changing real estate industry, but driving its progression. With HqO's vision and our investment, we are confident that together we are building a more transformative ecosystem.

—Justin Wilson,
Managing Director,
Koch Real Estate



Funnel Leasing Raises \$32 Million in Series B-2 Round

Transaction Overview



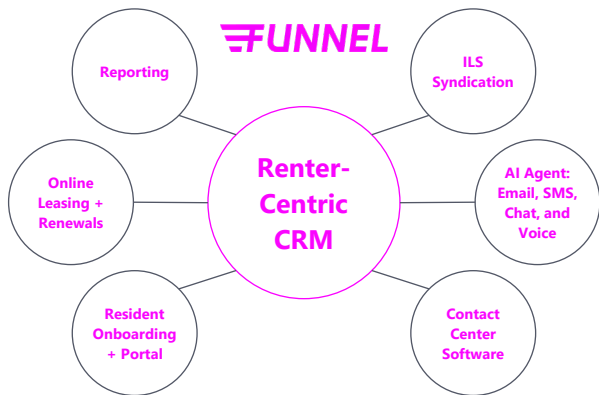
Series B-2
Led by



\$32M Equity Raised

- On October 30, Funnel Leasing announced its \$32 million Series B-2 funding round led by RET Ventures.
- Funnel provides renter management software (RMS) built on a foundation of modern, renter-centric technology.
- The financing expands Funnel's sales and marketing teams significantly.
- The round further recognizes the completion of Funnel's front office suite including CRM, virtual leasing agent, online leasing, onboarding, and a resident portal.

Platform Overview



86%

Initial inquiries handled by automation.

90%

Increase in tours scheduled.

85%

Increase in lead-to-lease conversion.

Sources: PitchBook, company website, press releases.

Funnel Leasing Overview

Headquarters	Odessa, FL
Founded	2010
Description	Developer of a cloud-based real estate marketing software designed to manage inventory and optimize the renter experience from prospect to close. The company's software offers complete marketing and leasing management services, enabling residential professionals to manage inventory, track leads and deals, advertise listings, and access performance analytics.

Select Current Investors

 CAMBER CREEK

Expansion Venture Capital 

 **RET.V.**

 **Trinity**
VENTURES

Selected Deal Commentary

The future of multifamily leverages enterprise-grade technology, automations and shared services to provide renters and residents the best experience at every step of their journey—from inquiry to move-in to renewals—all while making teams' roles more engaging.

—Tyler Christiansen,
CEO, Funnel



Our conversations with our strategic investors point to the need for a streamlined, centralized operating model that leverages automation to reduce costs for multifamily operators while improving the customer experience. Only Funnel's renter-centric architecture empowers operators to make these needed changes.

—John Helm,
Founder and Partner,
RET Ventures



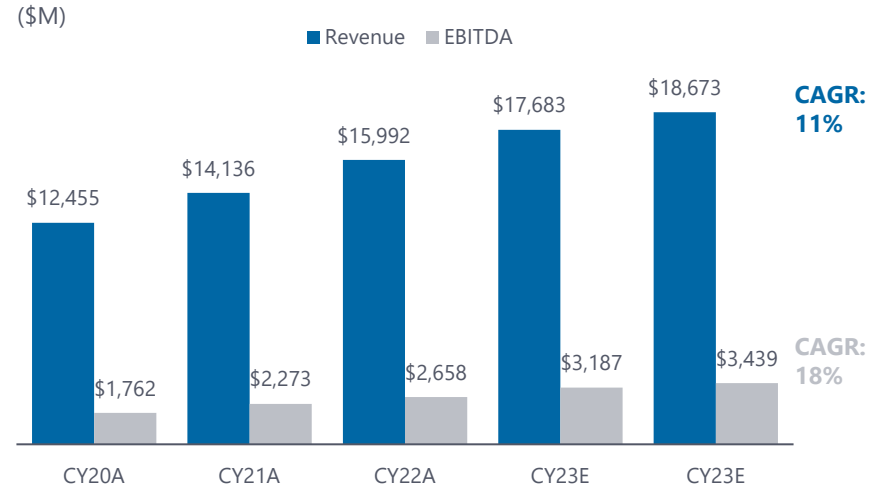
Trane Technologies Acquires Nuvolo

Transaction Overview

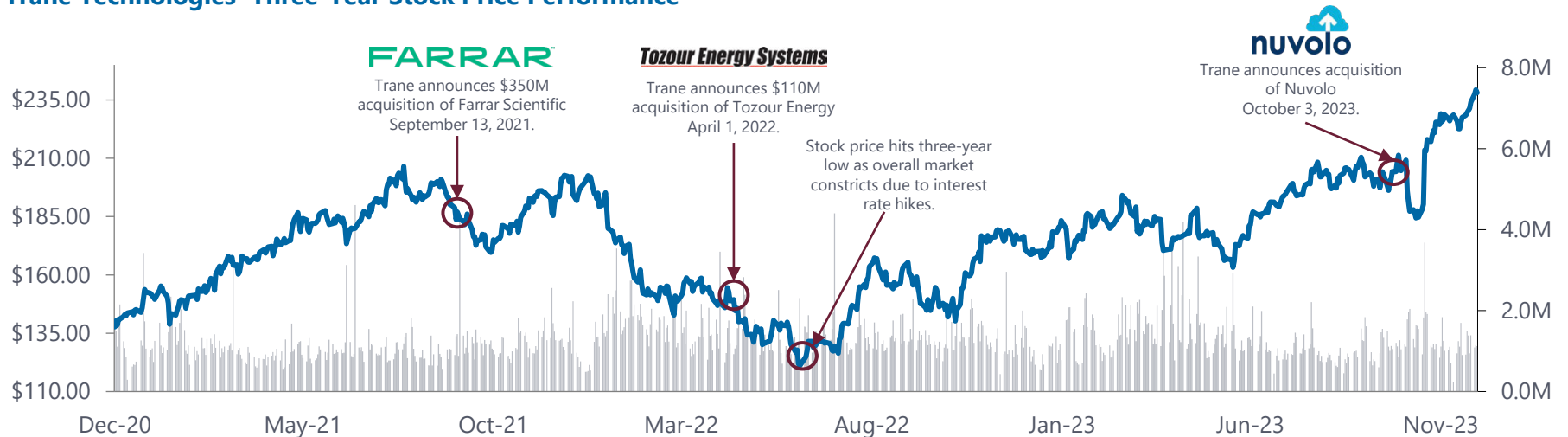


- On October 3, Trane Technologies (Trane) announced that it had signed a definitive agreement to acquire Nuvolo for an undisclosed amount.
- Nuvolo, a global leader in modern, cloud-based connected workplace and enterprise asset management products and solutions, will augment Trane's offerings across retail, life sciences, and education.
- Following the close of the transaction, Nuvolo's Founder and CEO, Tom Stanford, will join Trane in a leadership role and continue to lead the Nuvolo business.

Trane Technologies Financial Detail⁽¹⁾



Trane Technologies' Three-Year Stock Price Performance



Sources: S&P Capital IQ as of 12/13/2023, PitchBook, company website, press releases.

(1) Estimates per S&P Capital IQ.

Trane Technologies Acquires Nuvolo (cont.)

Select Transaction Commentary

Nuvolo is an outstanding fit with Trane Technologies' strategy to broaden the impact of our climate leadership and innovate for sustainability. With this acquisition, we see an opportunity to accelerate Nuvolo's global growth and unlock new value and offerings for our respective customers and partners. We look forward to welcoming the talented Nuvolo team as we further expand our digital leadership with cloud-based solutions and services that help our customers achieve their decarbonization and workplace transformation goals. This bolt-on acquisition follows our proven model of adding leading technologies that augment our core business and scaling them to deliver strong returns over time.

—Paul Camuti, EVP and CTO, Trane



Following a decade of innovation and growth, we dedicated ourselves to finding an extraordinary partner aligned with our core values and future vision, who could take Nuvolo to the next stage of development. We are thankful to have found that partner in Trane Technologies. As a global decarbonization pioneer, Trane Technologies shares our commitment to innovation, forward thinking and a relentless commitment to customer-focused solutions. We are proud to be part of the Trane Technologies family, and excited about the next phase of growth with this new partnership.

—Tom Stanford, Founder and CEO, Nuvolo



Nuvolo Overview

Headquarters	Wellesley, MA
Founded	2014
Description	Developer of a connected workplace platform designed to help businesses optimize their facilities, staff, and assets. The platform provides operational technology security, automates workflows, and keeps inventory data accurate and reliable along with space management, enabling enterprises to manage their assets and improve operational efficiency.

Selected Prior Investors



Strategic Rationale



Unified Cloud-Based Workplace Management

The newly combined platform will benefit from the growing convergence of workplace management, occupancy analytics, and HVAC controls, as building managers look to streamline energy efficiency protocols.



Enterprise Asset Management

Nuvolo's Connected Workplace software will be incorporated into Trane's asset management system, providing facilities managers insight into asset lifecycle management via centralized vendor dashboards.




Assists Customers in Meeting Decarbonization Goals

Together, Trane and Nuvolo will deliver significant value to customers who are looking to reduce their climate footprint via its cloud-based building automation systems.


Sources: PitchBook, company website, press releases.

Foundation Software Acquired AboutTime Technologies


Transaction Overview

 **FOUNDATION** software

A Portfolio Company of

 **THOMABRAVO**

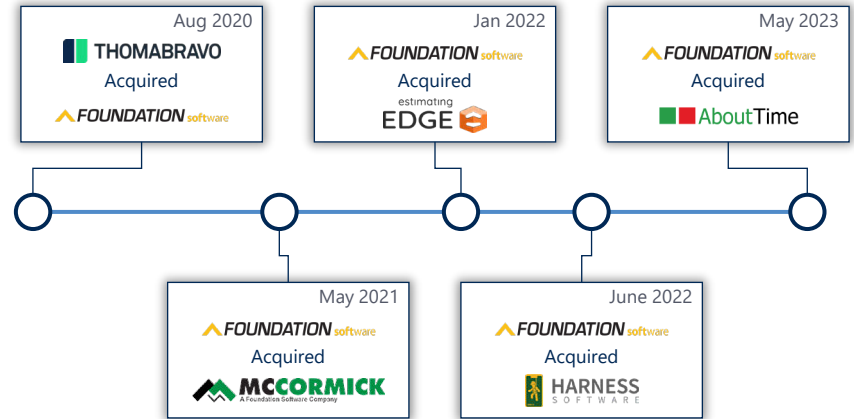
Acquired

 **AboutTime**

Undisclosed

- On May 4, Foundation Software announced it had acquired AboutTime Technologies, developer of WorkMax, for an undisclosed sum.
- WorkMax is a web-based mobile resource management solution that enables construction companies to track and manage their time and labor.
- The combination of AboutTime’s resource management solution with Foundation Software’s leading products in construction software further enables Foundation Software to seamlessly deliver a robust suite of services.

Foundation Software Acquisition History



AboutTime Platform Overview

Instantly Reduce Labor Costs by Tracking Progress, Productivity, Time, Compliance, Safety, and Risk



Time

Easy-to-Use Point and Click, Time-Tracking Solution



Forms

Digital Data Collection



Assets

Asset and Equipment Tracking



Insight

Progress, Productivity, and EVM

Sources: PitchBook, Bloomberg, company website, press releases.

Foundation Software Acquired AboutTime Technologies (cont.)

Select Transaction Commentary

AboutTime Technologies is a great addition to the Foundation Software product family because we share similar values—we both want to provide integrated, best-of-breed solutions to the construction community. We’ve known the team at AboutTime for years, so this fit feels very natural. The whole team is excited to take this to the next level.

—**Mike Ode**, CEO, Foundation Software



Since 2004, AboutTime has blazed trails with award-winning innovation for the construction industry and is truly the gold standard. AboutTime and WorkMax solutions deliver a significant positive impact for thousands of contractors around the globe, every day. Today is a monumental day as we have joined forces with another proven industry leader, Foundation Software. We are confident this will help continue to serve customers well and will propel AboutTime and WorkMax to amazing new levels. We could not be more excited for the future.

—**Ryan Remkes**, CEO, AboutTime Technologies



AboutTime Overview

Headquarters Payson, UT

Founded 2003

Description Developer of mobile resource management and attendance tracking software designed to help manage company data more efficiently. The company specializes in tracking mobile employees and their production through GPS, biometric fingerprint recognition, sync technologies, and other technological services, thereby helping companies connect with teams and leverage technology to make their business more profitable.

Selected Prior Investors N/A

Strategic Rationale

 FOUNDATION software



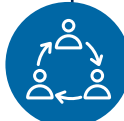
 AboutTime

Expand Offerings



Together, the combined platform will provide a full end-to-end suite of construction solutions to contractors and strengthen Foundation’s back-office operations offerings.

Improve Field-to-Office Collaboration



AboutTime’s solutions will be implemented into Foundation’s software suite and allow companies to easily track and manage their time and labor, assets, forms, compliance, productivity, and project cost management in real-time.

Grow Global Customer Base



The transaction allows Foundation Software to expand its current customer base to the thousands of contractors around the globe that AboutTime currently serves.

Sources: PitchBook, company website, press releases.

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