

INVESTMENT MEMORANDUM

Urban Dynamics

Date: October 30, 2023 | Prepared by: Jamie Thompson

EXECUTIVE SUMMARY

Urban Dynamics presents a compelling investment opportunity in the rapidly growing real estate technology sector. With innovative solutions that enhance property management and analytics, the company is positioned for significant growth and scalability.

COMPANY OVERVIEW

Founded in 2018 and headquartered in Austin, Texas, Urban Dynamics specializes in providing software solutions that streamline real estate operations. The company has developed a unique platform that integrates property management, tenant engagement, and data analytics to optimize real estate portfolios.

INVESTMENT THESIS

- The increasing demand for digital transformation in the real estate sector offers substantial growth potential for Urban Dynamics.
- The company's proprietary platform provides a competitive advantage in the market.

FINANCIAL SUMMARY

Revenue (TTM)	\$45M
Revenue Growth	25%
EBITDA (TTM)	\$10M
EBITDA Margin	22%
Net Debt	\$5M
EV/EBITDA	10.0x

HISTORICAL FINANCIALS

Year	Revenue	EBITDA	Margin
2021	\$25M	\$4M	16%
2022	\$36M	\$7M	19%
2023	\$45M	\$10M	22%

KEY RISKS AND MITIGANTS

Risk		Mitigant	
Economic	Market competition may intensify as new entrants emerge.	Strengthen brand loyalty through enhanced customer service and continuous innovation.	
	Economic downturns may adversely affect client budgets for technology solutions.	Diversify target markets and offer flexible pricing models.	
Technological	Technological advancements may outpace Urban Dynamics' current offerings.	Invest in R&D to stay ahead of industry trends and maintain competitive advantage.	

VALUATION SUMMARY

Enterprise Value	\$100M
Equity Value	\$95M
EV/Revenue	2.2x
EV/EBITDA	10.0x
Target IRR	25%
Target MOIC	2.5x

RECOMMENDATION

INVEST due to Urban Dynamics' strong growth trajectory, innovative technology platform, and favorable market conditions that support the continued evolution of real estate operations.