

Nomination Form: 5690

Winn, Steve

Page: Nomination Form

Nominee's First & Last Name (or contact name for nominated company)

Winn, Steve

Nominee's Business Title

CEO, Chairman of the Board

Nominee's Company Name

RealPage

Please select the nomination category

Category

Corporate CEO

- The nominee's company must own or develop proprietary intellectual property. Or the nominee's company develops technology that is sold to customers, which contribute to a majority of the company's operating revenues. Augmenting other companies' technology or intellectual property, that is marked and sold separately, may satisfy this requirement.
- The company is headquartered in North Texas or is a division of a company headquartered outside of North Texas and the breakthrough technology was led by the North Texas division.
- The company has 2017 operating revenues of more than \$200 million.

As part of the selection process, nominations will be judged on the following criteria:

- How the company's accomplishments are unique, innovative and/or "breakthrough." (40%)
- How the company's accomplishments will positively change and/or advance the industry, business and/or individual's lifestyle. (40%)
- What results this company has achieved to date. (20%)

Was 2017 operating revenue above \$200 million?

Yes

Is the nominee's company a technology company?

Yes

1. Describe briefly the company's business and industry sector.

The rental real estate market generates more than \$3.5 billion every day. According to the latest joint study by the National Apartment Association and National Multi Housing Council, 4.6 million new apartments will be needed through 2030 to fulfill growing demand. As the leading global provider of software and data analytics to the real estate industry, RealPage, Inc. has developed the innovative solutions transforming the way residents live, communities thrive, and the way investors and operators drive asset performance. Founded in 1998 in north Texas to address the underserved technology needs of the apartment sector, RealPage soon released its first market innovation with an on-demand property management system for conventional and affordable multifamily housing that made it easier to manage operations and accounting. Over the last two decades, we have expanded our platform of solutions to cover resident services, asset optimization, asset and investment management, leasing and marketing, in addition to property management. RealPage empowers the real estate industry with a unique, powerful and data-rich platform that improves owner and manager operational returns through increased revenue, reduced expenses and less risk. With 12,400+ clients—including the ten largest multifamily property management companies in the United States—over 13 million multifamily, single family and vacation rental units utilize RealPage's innovative technology. For more information, please visit <https://www.realpage.com>.

2. Describe how the nominee has demonstrated leadership, vision, commitment and involvement. (30%)

Mr. Winn is the CEO, Chairman of the Board and member of the Board of Directors at RealPage, Inc. His vision to cultivate and develop the technology that would revolutionize the rental housing industry—by improving performance and productivity for owners and operators, and providing more conveniences for greater resident satisfaction—has transformed RealPage into the global leader it is today.

Following is a timeline covering industry disruptions, innovations and company advancement that have resulted from Mr. Winn's tireless initiative and guidance:

- 1998 – He creates RealPage with the goal of making property management easy and enjoyable through innovative technology.
- 1999 – He acquires the renowned industry think tank MPF Research and helps build its reputation as a trusted a source for apartment market intelligence.
- 2000 – He shepherds the launch of the first web-based property management system for the rental real estate industry.
- 2002 – He disrupts the industry with the introduction of a revenue

- management system developed solely for multifamily that uses real-time lease transaction data to determine a unit's optimum rent price on a daily basis to consistently generate maximum revenue.
- 2005-2006 – He continues to lead the charge to set firsts by introducing the industry's first web-based payments processing system and integrated utility billing system.
- 2008 – He expands the company's global imprint by opening offices in Hyderabad, India.
- 2010 – He takes the company public with an initial public offering of over 12 million shares of common stock that has since seen the stock price skyrocket and accelerated company growth.
- 2016 – His vision to give the resident experience an extreme makeover is realized with the success of a fully integrated resident portal that includes online payment options, community networking and a 24/7 contact center and maintenance request service.
- 2017 – His strategic goal to create the industry's ultimate source for multifamily data analytics comes to fruition with the acquisitions of Axiometrics® and LRO®.

Mr. Winn's global impact on the rental real estate industry, local impact on North Texas' hi-tech industry and far-reaching philanthropic scope has been recognized by the community, educational institutions and his peers including:

- The University of Texas at Austin Cockrell School of Engineering naming him a 2018 Distinguished Engineering Graduate
- The National Apartment Association declaring him one of five leaders in the multifamily industry
- Ranking on *Forbes* 2018 "The World's Billionaires" List
- Accounting Today recognizing him as one of the 100 Most Influential People in Accounting
- Receiving the Ernst & Young Entrepreneur of the Year 2012 Southwest Area North Award
- Providing funding for the construction of the Giant Magellan Telescope, the Winn Science Center at St. Mark's and the Winn Software Lab at the University of Texas' School of Engineering

3. Describe and define what measurable accomplishments the company has achieved as a direct result of the nominee's leadership. (50%)

Under Mr. Winn's leadership, RealPage stock has appreciated over 100% creating a business with an enterprise value of over \$4 billion. RealPage continues to augment our product portfolio with a consistent M&A strategy. Our inorganic investments in 2017 were centered on five acquisitions:

- First, the acquisition of Axiometrics® helped improve our data analytics offerings and begin to attack the transactional opportunity within multifamily rental housing assets.
- Second, the acquisition of American Utility Management (AUM) expanded the scale of our resident billing operations and included important energy consumption and cost data. Our Resident Utility Management

platform is now one of the largest solutions in the industry with over 2.6 million units on the platform.

- Third, the acquisition of On-Site solidified our front-end solution to manage the entire leasing process, from lead assimilation to applicant screening, to the final generation of signed lease documents. The acquisition also significantly improved our lease management integration into major third-party property management systems.
- Finally, in October and December, we closed the acquisition of PEX™ and LRO, respectively. Combined, LRO, YieldStar® and Axiometrics to form the most comprehensive suite of solutions for data analytics and asset optimization for rental housing assets.

Highlights from our Q1 2018 Earnings Report further illustrate the accomplishments achieved due to Mr. Winn's leadership acumen:

- Total revenue of \$201.3 million, an increase of 32% year-over-year;
- Net income of \$10.9 million, or \$0.13 in net income per diluted share, a year-over-year increase of 33% and 30%, respectively;
- Non-GAAP total revenue of \$201.6 million, an increase of 31% year-over-year;
- Adjusted EBITDA of \$54.2 million, an increase of 46% year-over-year; and
- Non-GAAP net income of \$31.1 million, or \$0.37 in non-GAAP net income per diluted share, a year-over-year increase of 77% and 68%, respectively.

Mr. Winn speaks directly to these accomplishments that he has helped drive and is further demonstration of his leadership and vision:

"In 2018 and beyond, two themes will guide our focus—innovation and simplification. We call these themes our "North Star," a key element of an operational strategy to grow toward and beyond our 2020 target of \$1 billion in revenue and \$300 million in Adjusted EBITDA. But, what does this mean? First, we are driving a culture across the entirety of the organization that fosters and encourages innovation at every level. Second, we want to make RealPage easier to do business with. We are working toward showing our clients a unified and cohesive product offering and service while we continue to extend our capabilities through organic innovation augmented with a productive M&A strategy.

Organic innovation is driving continued adoption of our solutions, with particular emphasis on suite sales that combine multiple product solutions into a unified suite. Strong new sales bookings for new and existing clients during Q1 are evidence of this, and we expect to build on new sales momentum to drive deeper client adoption across our platform. Our M&A program is another major factor driving innovation over the long term, and is a critical piece of our capital allocation strategy directed at maximizing shareholder returns. The recent acquisition of ClickPay is directly in-line with both of these capital and operational strategies. As a result of all of these factors, combined with the acquisition of ClickPay, we are significantly raising

our full-year guidance expectations for revenue and profit growth.” Because of the implementation of Mr. Winn’s strategic initiatives, the company as a whole has deepened its global imprint and amplified its brand as a go-to source for rental real estate industry data intelligence, referenced frequently by top tier business, financial and real estate media and publishing platforms including *Forbes*, *Bloomberg*, *The Wall Street Journal* and *The Financial Times*.

4. Describe how the nominee promotes and provides positive impact to the technology industry and the community. (20%)

Mr. Winn values bringing jobs, experience and growth to the community, which is evidenced by his decision to relocate corporate headquarters to Richardson’s tech corridor, investing in continuing education programs for his employees via partnerships with local high school and colleges, philanthropic involvement with local secondary and post-secondary educational institutions, and focusing on the health and wellness of employees by way of participation in Richardson’s famous annual Corporate Challenge program.

But perhaps most impressive is that Mr. Winn and his wife Melinda decided a few years ago to donate every penny of their estate to the Winn Family Foundation to support educational, scientific and charitable organizations around the world. Following is a short list of some of the many contributions he has made to help the global community and advance the future of science technology:

- At St. Marks School of Texas, the Foundation is helping build a state-of-the-art science center focused on creating the next generation of scientists, mathematicians, engineers and technologists.
- The Foundation helped to build a science center at Cristo Rey college preparatory school in Pleasant Grove serving students with limited financial means, but unlimited determination. RealPage is also a sponsor for Cristo Rey’s Corporate Work Study program in which students gain on-the-job experience and cultivate professional skills.
- At the University of Texas Cockrell School of Engineering, the Foundation helped build the 430,000 square foot Engineering Education and Research Center that opened in August 2017.
- The Foundation also contributed to the international construction of the revolutionary Giant Magellan Telescope in Chile, now underway, that will have a resolving power 10 times greater than the Hubble Space Telescope and become the largest optical observatory in the world.
- The Foundation is also contributing to children’s wellness by underwriting grants at Children’s Medical Center and helping fund Camp John Marc--a very special camp providing specialized camp facilities for children with chronic medical and physical conditions.
- The Foundation also underwrites a global organization called “Build a Nest” that empowers women in underdeveloped areas of the world to free their families from poverty by facilitating women-owned artisan businesses and distributing their goods through international brand partners.

Other contributions he has made to the RealPage Corporate and surrounding communities include:

- Deciding to relocate the RealPage corporate headquarters from Carrollton to Richardson in 2016, becoming part of Richardson's iconic tech corridor and cultivating top tech talent from the area. RealPage contributes tech developments and innovation that have global reach that start with the ideas and creation of the community in which it operates.
- Supporting the company's involvement in the UTDesign program at the University of Texas at Dallas. UTDesign helps companies expand their resources by taking advantage of the skills, energy and enthusiasm of talented engineering and computer science students. RealPage has hosted 8 students within this program, offering full-time employment to one at the close of the 2017-2018 school year.
- Mr. Winn has also fully supported the professional development of his employees by making more continuing education resources more accessible. Working in partnership with Richland College, he has helped provide job training using a \$1,323,223 Skills Development Fund grant from the Texas Workforce Commission (TWC) that provides customized training for 700 new and incumbent workers for emerging IT with focused instruction on virtualization and cloud software, software supporting web-based application, project management and process control instruction. Trainees include IT project managers, computer analysts, network support engineers, software engineers and technical writers.
- The Richardson Corporate Challenge is an annual, 10-week program that promotes, enables and supports teamwork, company pride and corporate wellness - all through healthy competition. In addition to the employee benefits, the Challenge is used as a cost-effective marketing tool to promote RealPage throughout the community and garner business. To-date, hundreds of RealPage employees have participated in the Olympic-style challenge.
- Following Mr. Winn's charitable example, for the last 19 years thousands of RealPage employees have donated millions of dollars and volunteered countless hours to the United Way—helping the community by rallying employees to leave a legacy of giving. In the most recent campaign (fall 2017), RealPage raised a grand total of \$469,096 and more than 200 employees volunteered during the community's Day of Caring.

5. Additional comments related to nomination.

RealPage's Origin Story

It was one of those "happy accidents" that determined Steve Winn's trajectory to the top. Mr. Winn was running Computer Language Research, a publicly traded company providing tax processing software solutions to banks, corporations and accounting firms, when the company decided to acquire Prentice Hall's accounting solution from Simon & Schuster.

The deal was agreed to, but with one proviso: CLR would have to buy Prentice Hall's property management software solution, improbably named "Little Buddy."

Therein lies the happy accident. Little Buddy was used by thousands of apartment communities around the U.S. for lease accounting and facilities management. And, though he had no intention of keeping it, Winn asked his biz dev team to study the apartment market. They reported to him that the market was highly fragmented, with no concentrations of ownership or management and no large software providers developing solutions that could make property management easier, more efficient and elicit greater resident satisfaction, and ultimately, more profitable. Intrigued by the industry and inspired to make a difference, Winn decided not only to hold on to Little Buddy, but to expand its market share. Through the course of the few years, CLR acquired a number of similar small business, touching the various operations of multifamily property management.

Mr. Winn moved quickly to purchase other property management software companies with solutions that complemented his own. By early 2000 he had acquired a bundle of DOS-based solutions that, collectively, were being used to manage over 20,000 apartment communities. He made a disruptive decision: he would bypass migration to Windows™ client server and, instead, provide Internet access to his software.

"I was concerned that Microsoft might change operating systems from generation to generation without backward compatibility," he says. "If this occurred, on a Windows-based platform, RealPage would be required to re-write its software every three or four years. I decided we'd standardize solutions managed centrally on our servers that were accessible over the Internet. This was a tough decision because few owners wanted to lose control of their data, even though in reality we could manage it more securely and reliably than they could. We raised about \$40 million to pay for the development of what was then known as on-demand software." Winn breathed a sigh of relief when Camden, a major multifamily REIT, selected RealPage as its software provider and instantly legitimized the methodology chosen by RealPage—now known as Software-as-a-Service (or SaaS). The next few years saw RealPage seizing one property management innovation opportunity after another, including mining the valuable data on millions of apartment units stored in the company's databases. RealPage entered the resident screening business using this data to calibrate credit scoring models that predicted whether renters would make their lease payments. The company introduced revenue management to the industry, enabling scientifically calculated rent pricing based on supply, demand and other criteria—similar to methods used in the airline, rental car and hotel industries. The purchase of a small renters insurance company was parlayed into a business that would one day insure millions of residents. A call center allowed apartment operators to address the 50% of prospect calls that were going unanswered at their properties. And RealPage became the largest money services business in the industry by helping properties move from cumbersome paper rent checks to electronic payments.

Today, RealPage offers over 21 product solutions that benefit from a central repository of nearly six petabytes of data (growing each month by 100 terabytes). The company processes upwards of four billion transactions per day for over 12 million apartment units. The big data implications have not been lost on him. "I think the single greatest opportunity to improve apartment yields and resident

living lies in predicting areas where performance can be improved based on analyzing millions of data samples.”

Further giving way to his inner geek, Winn says he hopes one day to enable property management companies to employ miniature, artificially intelligent digital robots to coach site personnel on how they’re doing and how they can improve to better operations and better meet the needs of their communities to help them thrive. “Perhaps we’ll get back to our roots and call these tiny robots ‘Little Buddies.’”

Attach an optional document related to the nomination. (i.e. video, powerpoint, website) Judges may or may not review it.

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