Q3 2017 FINANCIAL RESULTS

NOVEMBER 2017
FORWARD LOOKING STATEMENT

This presentation contains "forward-looking" statements relating to RealPage, Inc.’s strategy and focus, expected, possible or assumed future results including its financial outlook for the fourth quarter and calendar year ending December 31, 2017, possible timing and results of pending acquisitions, anticipated speed and success of our acquisition integration efforts and the achievement of related synergy objectives, the expected results of our investments to drive innovation and future revenue growth, and RealPage’s long-term revenue and adjusted EBITDA margin goals. These forward-looking statements are based on management’s beliefs and assumptions and on information currently available to management.

Forward-looking statements include all statements that are not historical facts and may be identified by terms such as “expects,” “believes,” “plans,” or similar expressions and the negatives of those terms. Those forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The company may be required to revise its results upon finalizing its review of quarterly and full-year results, which could cause or contribute to such differences. Additional factors that could cause or contribute to such differences include, but are not limited to, the following: (a) the possibility that general economic conditions, including leasing velocity or uncertainty, could cause information technology spending, particularly in the rental housing industry, to be reduced or purchasing decisions to be delayed; (b) an increase in insurance claims; (c) an increase in client cancellations; (d) the inability to increase sales to existing clients and to attract new clients; (e) RealPage’s failure to integrate acquired businesses and any recent or future acquisitions successfully or to achieve expected synergies, including the timing and completion of the pending acquisition of LRO; (f) the timing and success of new product introductions by RealPage or its competitors; (g) changes in RealPage’s pricing policies or those of its competitors; (h) legal or regulatory proceedings; (i) the inability to achieve revenue growth or to enable margin expansion; and (j) such other risks and uncertainties described more fully in documents filed with or furnished to the Securities and Exchange Commission (“SEC”) by RealPage, including its Annual Report on Form 10-K previously filed with the SEC on March 1, 2017 and its Quarterly Report on Form 10-Q filed on August 4, 2017. All information provided in this release is as of the date hereof and RealPage undertakes no duty to update this information except as required by law.
A global software and data analytics company that improves the operational and transactional performance of real estate assets.
SELL MORE NEW UNITS

- 46M TOTAL ADDRESSABLE MARKET (UNITS)
- 12.3M RP UNITS
- 4X

CROSS-SELL HIGHER RPU

- $247 RP RPU
- $58 RPU
- 4X

TAM (6% Penetrated)

- $11B
- 16X
- $709M

RealPage ACV
Q3’17 SUMMARY

• Strong financial performance ~ 17%\(^{(1)}\) Non-GAAP total revenue growth YOY and significant adjusted EBITDA YOY margin expansion

• Accelerating pace of acquisition integration and synergies

• Investing across RealPage platform

\(^{(1)}\) Excludes a $3.4 million impact from the company’s renters’ insurance solution related to hurricanes Harvey and Irma.
INVESTING FOR THE FUTURE

- Leveraging data from nearly 12.3 million units to drive innovation
- Unity investments accelerating acquisition integration, achievement of synergies and helping clients
- Investing in next-generation Leasing & Marketing platform, anticipate fully integrating On-Site in 2018
- Anticipate launching new front-end solution with initial On-Site integration by end of 2017
- “The Source” is complete with Axiometrics database integration
- New Data Analytics functionality is on the horizon
SALES FORCE INVESTMENTS YIELDING RESULTS

- Strong new sales bookings ~ 17% YOY growth
- Strong productivity growth at nearly 20% growth YOY
- Modest sales force investments expected to continue, deploying new product solution reps
ACQUISITIONS

- Integration of AXIOMetrics in-line with expectations
  - Achieving synergies ~ currently represents 11x adjusted EBITDA on run-rate basis
- Integration AUM acquisition with RUM platform
  - Expected to create industry’s most accurate database of utility consumption and cost data
  - Achieving synergies ~ currently represents 8x adjusted EBITDA on run-rate basis, well ahead of plan
- Unity facilitating On-Site integration
  - Identified and acted on 50% of expense synergy needed to achieve target, well ahead of plan to achieve 10x adjusted EBITDA exiting 2018
  - Identified revenue synergies for ~700,000 unique units
- LRO acquisition pending
- Closed PEX acquisition – expands presence in international markets
MACROECONOMIC TRENDS:
RENTAL APARTMENT HOUSING MARKET STABILIZING

- Rents grew 2.6% in Q3’17, in-line with long-term trend
- Market essentially full 95.5% occupancy, down 50 basis points annually

Source: MPF Research and AxioMetrics data.
QUARTERLY FINANCIAL HIGHLIGHTS

- Strong Q3’17 financial results
- Steady progress towards 2020 objectives
- Results highlight compelling financial model
- Will continue to invest in innovation through acquired technology and internal development
- Investing modestly in certain areas within sales force
- Non-GAAP on demand subscription revenue grew 20% YOY

Non-GAAP Total Revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (in millions)</th>
<th>YOY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3’16</td>
<td>$148</td>
<td>22%</td>
</tr>
<tr>
<td>Q4’16</td>
<td>$149</td>
<td>23%</td>
</tr>
<tr>
<td>Q1’17</td>
<td>$154</td>
<td>20%</td>
</tr>
<tr>
<td>Q2’17</td>
<td>$162</td>
<td>14%</td>
</tr>
<tr>
<td>Q3’17</td>
<td>$173(^1)</td>
<td>17%(^2)</td>
</tr>
</tbody>
</table>

\(^1\) Excludes a $3.4 million impact from the company’s renters’ insurance solution related to hurricanes Harvey and Irma.

\(^2\) See the appendix section of this presentation for a reconciliation of GAAP to Non-GAAP measures.
INVESTMENTS YIELDING RETURNS

• Sales force investments yielding strong new sales bookings and productivity growth
  • Corporate and SMB sales categories driving significant year-over-year bookings and productivity growth
  • Further tailoring go-to-market strategy
• Unity driving accelerated acquisition integration
  • AXIOMetrics represents ~11X adjusted EBITDA on run-rate basis as of Q3’17
  • AUM represents ~8x adjusted EBITDA on run-rate basis as of Q3’17
  • On-Site identified and acted upon ~50% of expense needed to achieve target, well ahead of 10X adjusted EBITDA run-rate target exiting 2018
TOP 50 RPU CLIENTS

- Average $188 in RPU in Q3’17
- Average RPU of $188 is over 3.0X aggregate RP RPU of $58
PRODUCT FAMILY QUARTERLY FINANCIAL HIGHLIGHTS

- Q3’17 Non-GAAP total revenue and on-demand subscription growth of 17%(1) and 20%, respectively, driven by:
  - Resident Services – 27%(1) YOY growth
  - Property Management – 8% YOY growth
  - Asset Optimization – 46% YOY growth
  - Leasing & Marketing – Flat* YOY growth

* Excludes the sale of the senior referral business in 2016.
* See the appendix section of this presentation for a reconciliation of GAAP to Non-GAAP measures.

(1) Excludes a $3.4 million impact from the company’s renters’ insurance solution related to hurricanes Harvey and Irma.
LAND AND EXPAND

- Total ACV of $709 million – 25% YOY growth
- Top 100 ACV clients average RPU of $84
- Consistent growth across all client segments

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q3’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACV</td>
<td>$405.2</td>
<td>$469.7</td>
<td>$566.3</td>
<td>$708.8</td>
</tr>
<tr>
<td>UNITS</td>
<td>9.6</td>
<td>10.6</td>
<td>11.0</td>
<td>12.3</td>
</tr>
<tr>
<td>RPU</td>
<td>$42.39</td>
<td>$44.45</td>
<td>$51.53</td>
<td>$57.85</td>
</tr>
</tbody>
</table>

- 20,000 Units+
- 5,000 - 20,000 Units
- Below 5,000 Units
QUARTERLY PROFITABILITY

- Efficiency gains across business
- Adjusted EBITDA margin expansion of 130 basis points YOY ~ 270\(^{(1)}\) basis points YOY excluding hurricane impact
- Achieving leverage while investing for the long-term

Adjusted EBITDA ($)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted EBITDA ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3’16</td>
<td>$33</td>
</tr>
<tr>
<td>Q4’16</td>
<td>$36</td>
</tr>
<tr>
<td>Q1’17</td>
<td>$37</td>
</tr>
<tr>
<td>Q2’17</td>
<td>$39</td>
</tr>
<tr>
<td>Q3’17</td>
<td>$43(^{(1)})</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excludes a $3.4 million impact from the company’s renters’ insurance solution related to hurricanes Harvey and Irma.

*See the appendix section of this presentation for a reconciliation of GAAP to Non-GAAP measures.
LIQUIDITY AND OPERATING CASH FLOW

- Cash flow from operations was $26 million
- Capital expenditures of over $11 million
- Strengthened capital structure with cost-effective sources of capital
- Nearly $700\(^1\) million of capital deployed – expect aggregate purchase price valuation of 10X adjusted EBITDA exiting 2018

<table>
<thead>
<tr>
<th>(millions)</th>
<th>Q4 '16</th>
<th>Q3 '17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCE SHEET</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH AND CASH EQUivalents</td>
<td>$104.9</td>
<td>$109.3</td>
</tr>
<tr>
<td>DEBT</td>
<td>$122.1</td>
<td>$307.7</td>
</tr>
<tr>
<td><strong>CASH FLOW</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING CASH FLOW(^2)</td>
<td>$31.1</td>
<td>$25.8</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES</td>
<td>$14.2</td>
<td>$11.4</td>
</tr>
</tbody>
</table>

\(^1\) Includes the pending acquisition of LRO.
\(^2\) Includes the accounting treatment of tenant reimbursements related to headquarters of ~$19 million.
\(^3\) Excludes a $3.4 million impact from the company’s renters’ insurance solution related to hurricanes Harvey and Irma.

*See the appendix section of this presentation for a reconciliation of GAAP to Non-GAAP measures.*
2017 EXPECTATIONS & FINANCIAL SUMMARY

- Q4'17 GAAP total revenue of $182.7 million to $185.7 million
- Q4'17 Non-GAAP total revenue of $183.2 million to $186.2 million
- Q4'17 GAAP net income per diluted share is expected to be in the range of $0.09 to $0.12
- Q4'17 Adjusted EBITDA of $44.0 million to $45.5 million
- Q4'17 Non-GAAP diluted EPS of $0.25 to $0.26
- FY'17 GAAP total revenue of $666.0 million to $669.0 million
- FY'17 Non-GAAP total revenue of $668.8 million to $671.8 million
- FY'17 GAAP net income per diluted share is expected to be in the range of $0.35 to $0.38
- FY'17 Adjusted EBITDA of $160.5 million to $162.0 million
- FY'17 Non-GAAP diluted EPS of $0.91 to $0.92

*See the appendix section of this presentation for a reconciliation of GAAP to Non-GAAP measures.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES

The following is a reconciliation of the non-GAAP financial measures used by RealPage to describe its financial results determined in accordance with accounting principles generally accepted in the United States of America, or GAAP. An explanation of these measures is also included under the heading “Explanations of Non-GAAP Financial Measures.”

While the company believes that these non-GAAP financial measures provide useful supplemental information to investors regarding the underlying performance of its business operations, investors are reminded to consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with GAAP. In addition, it should be noted that these non-GAAP financial measures may be different from non-GAAP measures used by other companies, and the company may utilize other measures to illustrate performance in the future.

Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP.

### Non-GAAP Total Revenue

Set forth below is a presentation of the company’s “Non-GAAP Total Revenue.” Please reference the “Explanation of Non-GAAP Financial Measures” section.

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>YTD'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (GAAP)</td>
<td>$322,172</td>
<td>$377,022</td>
<td>$404,551</td>
<td>$468,520</td>
<td>$128,383</td>
<td>$142,719</td>
<td>$147,955</td>
<td>$150,071</td>
<td>$568,128</td>
<td>$152,919</td>
<td>$161,306</td>
<td>$169,058</td>
<td>$483,283</td>
</tr>
<tr>
<td>Acquisition-related and other deferred revenue</td>
<td>$89</td>
<td>$2,737</td>
<td>$435</td>
<td>$(2,157)</td>
<td>$(345)</td>
<td>$(129)</td>
<td>$(181)</td>
<td>$(187)</td>
<td>$(98)</td>
<td>705</td>
<td>945</td>
<td>698</td>
<td>2,348</td>
</tr>
<tr>
<td>Non-GAAP Total Revenue</td>
<td>$322,261</td>
<td>$379,739</td>
<td>$404,986</td>
<td>$466,363</td>
<td>$126,040</td>
<td>$142,461</td>
<td>$147,794</td>
<td>$148,884</td>
<td>$567,179</td>
<td>$153,624</td>
<td>$162,251</td>
<td>$169,756</td>
<td>$485,631</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA

Set forth below is a presentation of the company’s “Adjusted EBITDA.” Please reference the “Explanation of Non-GAAP Financial Measures” section.

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>YTD'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) (GAAP)</td>
<td>$5,183</td>
<td>$20,692</td>
<td>$(59,274)</td>
<td>$(59,274)</td>
<td>$9,218</td>
<td>$12,239</td>
<td>$17,391</td>
<td>$19,971</td>
<td>$30,749</td>
<td>$31,928</td>
<td>$34,112</td>
<td>$42,411</td>
<td>$127,654</td>
</tr>
<tr>
<td>Acquisition-related and other deferred revenue</td>
<td>$89</td>
<td>$2,717</td>
<td>$435</td>
<td>$(2,157)</td>
<td>$(345)</td>
<td>$(129)</td>
<td>$(181)</td>
<td>$(187)</td>
<td>$(98)</td>
<td>705</td>
<td>945</td>
<td>698</td>
<td>2,348</td>
</tr>
<tr>
<td>Depreciation, asset impairment, and loss on disposal of assets</td>
<td>$13,559</td>
<td>$14,411</td>
<td>$19,288</td>
<td>$19,288</td>
<td>$7,111</td>
<td>$7,137</td>
<td>$7,847</td>
<td>$7,575</td>
<td>$10,269</td>
<td>$7,899</td>
<td>$8,227</td>
<td>$9,335</td>
<td>$25,551</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>19,498</td>
<td>17,648</td>
<td>22,404</td>
<td>25,771</td>
<td>$7,111</td>
<td>$7,137</td>
<td>$7,847</td>
<td>$7,575</td>
<td>$10,269</td>
<td>$7,899</td>
<td>$8,227</td>
<td>$9,335</td>
<td>$25,551</td>
</tr>
<tr>
<td>Acquisition-related (income) expense</td>
<td>$(350)</td>
<td>$3,289</td>
<td>$1,967</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
<td>$(1,841)</td>
</tr>
<tr>
<td>Costs related to the Hart-Scott-Rodino review process</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>481</td>
<td>2,228</td>
<td>5,993</td>
<td>8,702</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>$2,360</td>
<td>$1,477</td>
<td>$1,337</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$1,367</td>
<td>$8,777</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>$4,219</td>
<td>$661</td>
<td>$4,013</td>
<td>$2</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Litigation-related expense</td>
<td>$10,158</td>
<td>$661</td>
<td>$4,013</td>
<td>$2</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Headquarters relocation costs</td>
<td>18,178</td>
<td>29,697</td>
<td>37,050</td>
<td>38,122</td>
<td>$8,391</td>
<td>$10,737</td>
<td>$8,255</td>
<td>$9,469</td>
<td>$10,092</td>
<td>$10,936</td>
<td>$11,764</td>
<td>$35,732</td>
<td>—</td>
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<tr>
<td>Stock-based expense</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
<td>575</td>
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<td>575</td>
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</tr>
<tr>
<td>Stock registration costs</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$73,949</td>
<td>$96,312</td>
<td>$93,988</td>
<td>$92,391</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
<td>$70,652</td>
</tr>
</tbody>
</table>

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES (Unaudited, in thousands, except per share amounts)
### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES

#### Non-GAAP Net Income

Set forth below is a presentation of the company’s "Non-GAAP Net Income" and "Non-GAAP Net Income per Diluted Share." Please reference the "Explanation of Non-GAAP Financial Measures" section.

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>2016</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>YTD'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) (GAAP)</td>
<td>$5,183</td>
<td>$20,692</td>
<td>$(10,274)</td>
<td>$(9,218)</td>
<td>$2,996</td>
<td>$2,083</td>
<td>$4,210</td>
<td>$7,361</td>
<td>$16,650</td>
<td>$8,195</td>
<td>$6,213</td>
<td>$6,834</td>
<td>$21,242</td>
<td></td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>4,219</td>
<td>$(210)</td>
<td>$(633)</td>
<td>$(3,846)</td>
<td>2,114</td>
<td>1,545</td>
<td>3,540</td>
<td>3,637</td>
<td>10,836</td>
<td>811</td>
<td>$(3,132)</td>
<td>$(7,273)</td>
<td>$(9,994)</td>
<td></td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>9,402</td>
<td>20,482</td>
<td>$(16,607)</td>
<td>$(13,064)</td>
<td>5,110</td>
<td>3,628</td>
<td>7,750</td>
<td>10,996</td>
<td>27,406</td>
<td>9,096</td>
<td>3,081</td>
<td>$(4,093)</td>
<td>11,648</td>
<td></td>
</tr>
</tbody>
</table>

#### Acquisition-related and other deferred revenue

- 2012: $89,217 thousand
- 2013: $2,717 thousand
- 2014: $435 thousand
- 2015: $(2,157) thousand

#### Asset impairment and loss on disposal of assets

- 2012: $19,498 thousand
- 2013: $17,468 thousand
- 2014: $22,404 thousand
- 2015: $28,377 thousand

#### Amortization of intangible assets

- 2012: $71,11 thousand
- 2013: $7,737 thousand
- 2014: $7,847 thousand
- 2015: $7,573 thousand

#### Acquisition-related (income) expense

- 2012: $(3,350) thousand
- 2013: $3,269 thousand
- 2014: $1,987 thousand
- 2015: $(1,841) thousand

#### Costs related to the Hart-Scott-Rodino review process

- 2012: $10,158 thousand
- 2013: $2,228 thousand
- 2014: $5,993 thousand
- 2015: $8,702 thousand

#### Litigation-related expense

- 2012: $10,158 thousand
- 2013: $661 thousand
- 2014: $4,915 thousand
- 2015: $2 thousand

#### Headquarters relocation costs

- 2012: $675 thousand
- 2013: —
- 2014: —
- 2015: —

#### Stock registration costs

- 2012: —
- 2013: —
- 2014: —
- 2015: —

#### Amortization of convertible note discount

- 2012: —
- 2013: —
- 2014: —
- 2015: $1,052 thousand

#### Stock-based expense

- 2012: $18,178 thousand
- 2013: $29,697 thousand
- 2014: $37,050 thousand
- 2015: $38,122 thousand

#### Non-GAAP net income before income taxes

- 2012: $58,218 thousand
- 2013: $74,788 thousand
- 2014: $50,570 thousand
- 2015: $70,310 thousand

#### Assumed rate for income tax expense

- 2012: 40.0%
- 2013: 40.0%
- 2014: 40.0%
- 2015: 40.0%

#### Assumed provision for income tax expense

- 2012: $23,287 thousand
- 2013: $29,915 thousand
- 2014: $20,228 thousand
- 2015: $28,124 thousand

#### Non-GAAP net income

- 2012: $34,931 thousand
- 2013: $44,873 thousand
- 2014: $30,342 thousand
- 2015: $42,186 thousand

#### Non-GAAP net income per share - diluted

- 2012: $0.07
- 2013: $0.27
- 2014: $(0.13)
- 2015: $(0.12)

#### Weighted average outstanding shares - basic

- 2012: 71,838 thousand
- 2013: 74,962 thousand
- 2014: 76,991 thousand
- 2015: 76,689 thousand

#### Weighted average outstanding shares - diluted

- 2012: 74,002 thousand
- 2013: 76,187 thousand
- 2014: 76,991 thousand
- 2015: 76,689 thousand
RECONCILIATION OF NON-GAAP
FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES

Non-GAAP On Demand Revenue, Ending On Demand Units, RPU and ACV

Set forth below is a presentation of the company’s “Non-GAAP On Demand Revenue,” “Ending On Demand Units,” “RPU,” and “ACV.” Please reference the “Explanation of Non-GAAP Financial Measures” section.

Q1'16 | Q2'16 | Q3'16 | Q4'16 | 2016 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | YTD'17
---|---|---|---|---|---|---|---|---|---
On demand revenue (GAAP) | $123,411 | $136,610 | $140,883 | $141,627 | $542,531 | $146,213 | $154,727 | $161,578 | $462,518
Acquisition-related and other deferred revenue | (343) | (258) | (161) | (187) | (949) | 705 | 945 | 698 | 2,348
Non-GAAP On Demand Revenue | 123,068 | 136,352 | 140,722 | 141,440 | 541,582 | 146,918 | 155,672 | 162,276 | 464,866
Ending On Demand Units | 10,999 | 11,141 | 11,251 | 10,989 | 11,112 | 11,485 | 12,253 | 12,253 | 12,253
Average on demand units | 10,783 | 11,070 | 11,196 | 11,120 | 11,050 | 11,298 | 11,869 | 11,406 | 11,406
RPU | $48.10 | $49.27 | $50.28 | $51.53 | $53.65 | $56.51 | $57.85 | $57.85 | $57.85
ACV | $529,052 | $548,917 | $565,700 | $566,263 | $596,159 | $649,017 | $708,836 | $708,836 | $708,836

2014 | 2015 | Q1'16 | Q2'16 | Q3'16 | Q4'16 | 2016 | Q1'17 | Q2'17 | Q3'17 | YTD'17
---|---|---|---|---|---|---|---|---|---|---
Property Management | $121,433 | $137,239 | $39,023 | $52,890 | $152,890 | $40,341 | $41,404 | $42,175 | $123,920
% of Total | 31% | 31% | 28% | 28% | 28% | 26% | 26% | 26% | 27%
Y-O-Y growth | 12% | 13% | 11% | 14% | 11% | 10% | 11% | 8% | 9%
Resident Services | $110,136 | $146,138 | $59,012 | $60,602 | $218,657 | $60,940 | $70,517 | $70,517 | $196,033
% of Total | 28% | 33% | 37% | 40% | 41% | 42% | 42% | 43% | 42%
Y-O-Y growth | 15% | 33% | 36% | 60% | 50% | 49% | 48% | 49% | 21%
Leasing and Marketing | $118,133 | $118,097 | $20,852 | $20,451 | $118,550 | $20,324 | $20,334 | $18,973 | $87,673
% of Total | 30% | 26% | 24% | 22% | 20% | 19% | 19% | 19% | 19%
Y-O-Y growth | -5% | 0% | -2% | -2% | -3% | -3% | -3% | -3% | 0%
Asset Optimization | $41,335 | $46,711 | $12,700 | $13,897 | $14,088 | $55,039 | $17,984 | $20,884 | $58,118
% of Total | 11% | 10% | 10% | 10% | 10% | 12% | 10% | 12% | 13%
Y-O-Y growth | 13% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 13%
Subscription | $343,884 | $399,211 | $110,464 | $123,404 | $127,155 | $128,455 | $498,478 | $134,439 | $192,924
% of Total | 88% | 89% | 90% | 91% | 91% | 90% | 90% | 90% | 90%
Y-O-Y growth | 18% | 17% | 15% | 16% | 15% | 15% | 15% | 15% | 15%
Transactional | $47,173 | $49,094 | $12,604 | $12,948 | $15,987 | $12,985 | $52,104 | $12,951 | $9,712
% of Total | 12% | 11% | 9% | 10% | 9% | 10% | 9% | 9% | 6%
Y-O-Y growth | -20% | 9% | 5% | 1% | 1% | 1% | 1% | 1% | -2%

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RECONCILIATION OF NON-GAAP
FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES

**Non-GAAP Total Revenue Guidance**

Set forth below is a presentation of the company’s “Non-GAAP total revenue” guidance for the fourth quarter and year ended December 31, 2017. Please reference the “Explanation of Non-GAAP Financial Measures” section.

<table>
<thead>
<tr>
<th>Guidance Range for the</th>
<th>Guidance Range for the</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three Months Ending</td>
<td>Twelve Months Ending</td>
</tr>
<tr>
<td>December 31, 2017</td>
<td>December 31, 2017</td>
</tr>
<tr>
<td><strong>Low (1)</strong></td>
<td><strong>High (1)</strong></td>
</tr>
<tr>
<td>$182,747</td>
<td>$185,747</td>
</tr>
<tr>
<td>$183,199</td>
<td>$186,199</td>
</tr>
</tbody>
</table>

Set forth below is a presentation of the company’s “Non-GAAP Net Income” and “Non-GAAP Net Income per Diluted Share” guidance for the fourth quarter and year ended December 31, 2017. Please reference the “Explanation of Non-GAAP Financial Measures” section.

<table>
<thead>
<tr>
<th>Guidance Range for the</th>
<th>Guidance Range for the</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three Months Ending</td>
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</tr>
<tr>
<td>December 31, 2017</td>
<td>December 31, 2017</td>
</tr>
<tr>
<td><strong>Low (1)</strong></td>
<td><strong>High (1)</strong></td>
</tr>
<tr>
<td>$7,168</td>
<td>$10,088</td>
</tr>
<tr>
<td>$20,397</td>
<td>$21,417</td>
</tr>
</tbody>
</table>

Revenue (GAAP)

Acquisition-related and other deferred revenue 452 452 2,800 2,800

Non-GAAP total revenue 183,199 186,199 668,830 671,830

Net income (GAAP) 7,168 10,088 28,410 31,330

Income tax expense (1,316) (936) (10,910) (10,530)

Income before income taxes 5,852 9,152 17,500 20,800

Acquisition-related and other deferred revenue 452 452 2,800 2,800

Amortization of intangible assets 11,649 11,549 37,000 36,900

Amortization of core intangible assets 2,497 2,497 6,000 6,000

Amortization of convertible note discount 2,497 2,497 6,000 6,000

Net income before income taxes 13,598 14,278 49,920 50,600

Non-GAAP income before income taxes 13,598 14,278 49,920 50,600

Non-GAAP Net Income 20,397 21,417 74,880 75,900

Net income per diluted share 0.09 0.12 0.35 0.38

Non-GAAP net income per diluted share 0.25 0.26 0.91 0.92

Weighted average outstanding shares - diluted (2) 83,250 83,250 82,100 82,100

(1) Does not include the impact of certain option exercises

(2) Includes the dilutive impact of convertible preferred stock

(3) Assumes all preferred stock outstanding

(4) Does not include the impact of the acquisition of Lighthouse

(5) Includes the dilutive impact of convertible preferred stock

(6) Assumes all preferred stock outstanding

(7) Does not include the impact of the acquisition of Lighthouse

(8) Includes the dilutive impact of convertible preferred stock

(9) Assumes all preferred stock outstanding

(10) Does not include the impact of the acquisition of Lighthouse

(11) Includes the dilutive impact of convertible preferred stock

(12) Assumes all preferred stock outstanding

(13) Does not include the impact of the acquisition of Lighthouse

(14) Includes the dilutive impact of convertible preferred stock

(15) Assumes all preferred stock outstanding
## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES

**Adjusted EBITDA Guidance**

Set forth below is a presentation of the company’s "Adjusted EBITDA" guidance for the fourth quarter and year ended December 31, 2017. Please refer to the "Explanation of Non-GAAP Financial Measures" section.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income (GAAP)</strong></td>
<td><strong>Net Income (GAAP)</strong></td>
</tr>
<tr>
<td>Low (1) $7,168</td>
<td>High (1) $10,088</td>
</tr>
<tr>
<td>Acquisition-related and other deferred revenue</td>
<td>452</td>
</tr>
<tr>
<td>Depreciation, asset impairment, and loss on disposal of assets</td>
<td>7,165</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>11,649</td>
</tr>
<tr>
<td>Acquisition-related income</td>
<td>401</td>
</tr>
<tr>
<td>Costs related to the Hart-Scott-Rodino review process</td>
<td>2,348</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>5,363</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(1,316)</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>10,768</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>Adjusted EBITDA</strong></td>
</tr>
<tr>
<td>Low (1) $43,998</td>
<td>High (1) $45,498</td>
</tr>
<tr>
<td>Adjusted EBITDA guidance</td>
<td>Adjusted EBITDA guidance</td>
</tr>
</tbody>
</table>

(1) We use a non-GAAP tax rate of 40.0% in order to approximate the Company’s long-term effective corporate tax rate. Please reference the "Explanation of Non-GAAP Financial Measures" section.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The company may be required to revise its results upon finalizing its review of quarterly and full year results, which could cause or contribute to such differences. All information provided in this release is as of the date hereof and RealPage, Inc. undertakes no duty to update this information except as required by law. See additional discussion under "Cautionary Statement Regarding Forward-Looking Statements."

For periods with GAAP net losses and non-GAAP net income, the weighted-average outstanding shares used to calculate non-GAAP net income per share includes potentially dilutive securities that were excluded from the calculation of GAAP net income per share as the effect was anti-dilutive.
RECONCILIATION OF NON-GAAP
FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES

The company reports its financial results in accordance with accounting principles generally accepted in the United States of America, or GAAP. However, the company believes that, in order to properly understand its short-term and long-term financial, operational and strategic trends, it may be helpful for investors to exclude certain non-cash or non-recurring items when used as a supplement to financial performance measures in accordance with GAAP. These non-cash or non-recurring items result from facts and circumstances that vary in both frequency and impact on continuing operations. The company also uses results of operations excluding such items to evaluate the operating performance of RealPage and compare it against prior periods, make operating decisions, determine executive compensation, and serve as a basis for long-term strategic planning. These non-GAAP financial measures provide the company with additional means to understand and evaluate the operating results and trends in its ongoing business by eliminating certain non-cash expenses and other items that RealPage believes might otherwise make comparisons of its ongoing business with prior periods more difficult, obscure trends in ongoing operations, reduce management's ability to make useful forecasts, or obscure the ability to evaluate the effectiveness of certain business strategies and management incentive structures. In addition, the company also believes that investors and financial analysts find this information to be helpful in analyzing the company’s financial and operational performance and comparing this performance to the company’s peers and competitors.

The company defines “Non-GAAP Total Revenue” as total revenue plus acquisition-related and other deferred revenue adjustments. The company believes it is useful to include deferred revenue written down for GAAP purposes under purchase accounting rules and revenue deferred due to a lack of historical experience determining the settlement of the contractual obligation in order to appropriately measure the underlying performance of its business operations in the period of activity and associated expense. Further, the company believes this measure is useful to investors as a way to evaluate the company’s ongoing performance because it provides a more accurate depiction of on demand revenue arising from our strategic acquisitions.

The company defines “Adjusted Gross Profit” as gross profit, plus (1) acquisition-related and other deferred revenue adjustments, (2) depreciation, (3) amortization of intangible assets, (4) headquarters relocation costs, and (5) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s ability to generate income from ongoing business operations.

The company defines “Adjusted EBITDA” as net income (loss), plus (1) acquisition-related and other deferred revenue adjustments, (2) depreciation, asset impairment, and the loss on disposal of assets, (3) amortization of intangible assets, (4) acquisition-related expense (income), (5) costs related to the Hart-Scott-Rodino review process, (6) interest expense, net, (7) income tax expense (benefit), (8) headquarters relocation costs, and (9) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s ability to generate income from ongoing business operations.

The company defines “Non-GAAP Product Development Expense” as product development expense, excluding (1) headquarters relocation costs, and (2) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s ongoing expenditures related to product innovation.

The company defines “Non-GAAP Sales and Marketing Expense” as sales and marketing expense, excluding (1) amortization of intangible assets, (2) headquarters relocation costs, and (3) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s ongoing expenditures related to its sales and marketing strategies.
The company defines “Non-GAAP General and Administrative Expense” as general and administrative expense, excluding (1) loss on disposal of assets, (2) acquisition-related expense (income), (3) costs related to the Hart-Scott-Rodino review process, (4) headquarters relocation costs, and (5) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s underlying expense structure to support corporate activities and processes.

The company defines “Non-GAAP Operating Expense” as operating expense, excluding (1) asset impairment and loss on disposal of assets, (2) amortization of intangible assets, (3) acquisition-related expense (income), (4) costs related to the Hart-Scott-Rodino review process, (5) headquarters relocation costs, and (6) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s underlying expense structure to support ongoing operations.

The company defines “Non-GAAP Operating Income” as operating income (loss), plus (1) acquisition-related and other deferred revenue, (2) asset impairment and loss on disposal of assets, (3) amortization of intangible assets, (4) acquisition-related expense (income), (5) costs related to the Hart-Scott-Rodino review process, (6) stock-based expense, and (7) stock-based expense. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s ability to generate income from ongoing business operations.

The company defines “Non-GAAP Net Income” as net income (loss), plus (1) income tax (benefit) expense, (2) acquisition-related and other deferred revenue, (3) asset impairment and loss on disposal of assets, (4) amortization of intangible assets, (5) acquisition-related expense (income), (6) costs related to the Hart-Scott-Rodino review process, (7) headquarters relocation costs, (8) amortization of convertible note discount, (9) stock-based expense, and (9) provision for income tax expense based on an assumed rate in order to approximate the company’s long-term effective corporate tax rate, and the company defines “Non-GAAP Net Income per Diluted Share” as Non-GAAP Net Income divided by weighted average diluted shares outstanding. The company believes that investors and financial analysts find these non-GAAP financial measures to be useful in analyzing the company’s financial and operational performance, comparing this performance to the company’s peers and competitors, and understanding the company’s ability to generate income from ongoing business operations.

The company defines “Non-GAAP On Demand Revenue” as total on demand revenue plus acquisition-related and other deferred revenue adjustments. The company believes it is useful to include deferred revenue written down for GAAP purposes under purchase accounting rules and revenue deferred due to a lack of historical experience determining the settlement of the contractual obligation in order to appropriately measure the underlying performance of the company’s business operations in the period of activity and associated expense. Further, the company believes that investors and financial analysts find this measure to be useful in evaluating the company’s ongoing performance because it provides a more accurate depiction of on demand revenue arising from our strategic acquisitions.

The company defines “Ending On Demand Units” as the number of rental housing units managed by our clients with one or more of our on demand software solutions at the end of the period. We use ending on demand units to measure the success of our strategy of increasing the number of rental housing units managed by our on demand software solutions. Property unit counts are provided to us by our customers as new sales orders are processed. Property unit counts may be adjusted periodically as information related to our clients’ properties is updated or supplemented, which could result in adjustments to the number of units previously reported.

The company defines “Average On Demand Units” as the average of the beginning and ending on demand units for each quarter in the period presented. The company’s management monitors this metric to measure its success in increasing the number of on demand software solutions utilized by our clients to manage their rental housing units, our overall revenue, and profitability.

The company defines “ACV,” or Annual Client Value, as management’s estimate of the annual value of the company’s on demand revenue contracts. The company’s management monitors this metric to measure its success in increasing the number of on demand units, and the amount of software solutions utilized by its clients to manage their rental housing units.
The company defines “RPU,” or Revenue Per Unit, as ACV divided by ending on demand units. The company monitors this metric to measure its success in increasing the penetration of on demand software solutions utilized by its clients to manage their rental housing units.

The company excludes or adjusts each of the items identified below from the applicable non-GAAP financial measure referenced above for the reasons set forth with respect to each excluded item:

- **Non-GAAP tax rate** – The company uses a 40.0% tax rate in order to approximate the Company’s long-term effective corporate tax rate. The GAAP tax rate includes certain tax items which may include, but are not limited to: income tax expenses or benefits that are not related to ongoing business operations in the current year; unusual or infrequently occurring items; tax adjustments associated with fluctuations in foreign currency re-measurement; certain changes in estimates of tax matters related to prior fiscal years; certain changes in the realizability of deferred tax assets and liabilities; and changes in tax law. We believe excluding these items assists investors and analysts in understanding the tax provision and the effective tax rate related to ongoing operations.

- **Acquisition-related and other deferred revenue** – These items are included to reflect deferred revenue written down for GAAP purposes under purchase accounting rules and revenue deferred due to a lack of historical experience determining the settlement of the contractual obligation in order to appropriately measure the underlying performance of the company’s business operations in the period of activity and associated expense.

- **Asset impairment and loss on disposal of assets** – These items comprise gains (losses) on the disposal and impairment of long-lived assets, which are not reflective of the company’s ongoing operations. We believe exclusion of these items facilitates a more accurate comparison of the company’s results of operations between periods.

- **Amortization of intangible assets** – These items are amortized over their estimated useful lives and generally cannot be changed or influenced by the company after acquisition. Accordingly, these items are not considered by the company in making operating decisions. The company does not believe such charges accurately reflect the performance of its ongoing operations for the period in which such charges are incurred.

- **Acquisition-related expense (income)** – These items consist of direct costs incurred in our business acquisition transactions and the impact of changes in the fair value of acquisition-related contingent consideration obligations. We believe exclusion of these items facilitates a more accurate comparison of the company’s ongoing operations across periods and eliminates volatility related to changes in the fair value of acquisition-related contingent consideration obligations.

- **Costs related to the Hart-Scott-Rodino review process** – This item relates to the company’s ongoing Hart-Scott-Rodino Antitrust Improvements Act review process related to its proposed acquisition of LRO and recently completed acquisition of On-Site. The company believes that these significant legal costs are not reflective of its ongoing operations.

- **Headquarters relocation costs** – These items consist of duplicative rent and other expenses related to the relocation of our corporate headquarters and data center. These costs are not reflective of the company’s ongoing operations due to their non-recurring nature.

- **Amortization of the convertible note discount** – This item consists of non-cash interest expense related to the amortization of the discount recognized on the convertible notes issued in May 2017. Management excludes this item as it is not indicative of the company’s ongoing operating performance.

- **Stock-based expense** – This item is excluded because these are non-cash expenditures that the company does not consider part of ongoing operating results when assessing the performance of our business, and also because the total amount of the expenditure is partially outside of its control because it is based on factors such as stock price, volatility, and interest rates, which may be unrelated to the company’s performance during the period in which the expenses are incurred.