



## Real Matters Q1 2026 Conference Call - Transcript

January 29, 2026

### Corporate Participants

**Brian Lang**, *Chief Executive Officer*

**Rodrigo Pinto**, *Executive Vice President and Chief Financial Officer*

**Lyne Beauregard**, *Vice President, Investor Relations & Corporate Communications*

### Other Participants

**Stephen Machielsen**, *BMO Capital Markets Analyst*

**Gavin Fairweather**, *Cormark Analyst*

**John Shao**, *TD Cowen Analyst*

**Martin Toner**, *ATB Capital Markets Analyst*

**Richard Tse**, *National Bank Capital Markets Analyst*

### Presentation

#### Operator

Good day. And thank you for standing by. Welcome to the First Quarter 2026 Real Matters Earnings Conference Call.

At this time, all participants are in a listen-only mode. After the speakers' presentation there will be a question-and-answer session. (Operator Instructions)

Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today Lyne Beauregard, Vice President, Investor Relations and Corporate Communications.

Please go ahead.

#### Lyne Beauregard

Thank you, Operator. And good morning, everyone. Welcome to Real Matters' Financial Results Conference Call for the First Quarter ended December 31, 2025.

With me today are Real Matters' Chief Executive Officer, Brian Lang; and Chief Financial Officer, Rodrigo Pinto.

This morning before market open we issued a news release announcing our results for the three months ended December 31, 2025. The release, accompanying slide presentation as well as financial statements and MD&A are posted in the financial section of our website at [realmatters.com](http://realmatters.com).

During the call, we may make certain forward-looking statements which reflect the current expectations of management with respect to our business and the industry in which we operate. However, there are a number of risks, uncertainties and other factors that could cause our results to differ materially from expectations. Please see the slide entitled cautionary note regarding forward-looking information in the accompanying slide presentation for more details.

You can also find additional information about these risks in the risk factors section of the company's annual information form for the year ended September 30, 2025, which is available on SEDAR+ and in the financials section of our website.

As a reminder, we refer to non-GAAP measures in our slide presentation including net revenue, net revenue margins, adjusted net income or loss, adjusted net income or loss per diluted share, adjusted EBITDA and adjusted EBITDA margin. Non-GAAP measures are described in our MD&A for the three months ended December 31, 2025, where you will also find a reconciliation to the nearest IFRS measures.

With that, I'll turn the call over to Brian.

**Brian Lang**

Thank you, Lyne. Good morning, everyone. And thank you for joining us on the call today.

Fiscal 2026 is off to a good start, with double-digit top line growth headlining our performance in the first quarter.

We also launched eight new clients in the first quarter, including two top 100 lenders, and we added a new channel with a Tier one lender in U.S. Title.

Consolidated revenues were up 14% and net revenue increased 19% year-over-year, reflecting gains across all three segments. The Company achieved positive consolidated adjusted EBITDA of \$0.1 million for the quarter, driven by strong operating leverage in U.S. Appraisal and U.S. Title.

Despite the first quarter typically being seasonally slow, the successful onboarding of new clients and expansion of market share, supported by favorable conditions in the refinance market contributed to a positive bottom line. Notably, this is the first time since Q1 2022 that profitability was achieved in the first quarter, despite current market volumes being approximately 70% lower than at that time, demonstrating the impact of our market share gains combined with improved efficiencies in the business.

It also reinforces that our model can generate significant operating leverage even under these market conditions.

In U.S. Appraisal, we maintained leading positions on lender scorecards, which contributed to gaining additional market share sequentially with two large clients. Furthermore, the segment demonstrated strong operating leverage as reduced operating costs, combined with a 7% increase in net revenue, drove 36% year-over-year growth in adjusted EBITDA. Refinance origination volumes in our U.S. Title segment more than doubled as a result of new client wins, market share growth and to a lesser extent, mortgage market tailwinds.

With increased volumes, net revenue for the U.S. Title segment increased by 110%. The vast majority of that net revenue gain contributed directly to our bottom line, bringing us closer to achieving breakeven results in this segment. Even with the recent increase in our title volume run rate, we still have the capacity to almost double our volumes with the existing cost base outside of variable cost increases.

In other words, a high proportion of each incremental dollar of our revenue we will generate in the Title segment will continue to flow directly to EBITDA as we continue to scale up the title business.

With the potential mortgage market recovery on the horizon, more lenders are turning their attention toward capacity planning, which includes ensuring they have the right partners to deliver leading performance when volumes ramp up.

Our sales team is capitalizing on this trend and our network management model's ability to deliver performance at scale to drive more RFP conversations and accelerate the momentum in our U.S. title sales pipeline.

Turning to Canada. The business launched three new clients in the first quarter, and we delivered modest revenue and net revenue growth despite a decline in mortgage market volumes and lower insurance inspection revenues.

With that, I'll hand it over to Rodrigo. Rodrigo?

## Rodrigo Pinto

Thank you, Brian. And good morning, everyone.

In fiscal Q1, the average 30-year fixed mortgage rate fell from approximately 6.43% in early October to 6.32% at the end of December, largely due to tighter spreads. From October to December 10-year U.S. treasury yields rose slightly from 4.1% to about 4.15%. Meanwhile, the gap between 30-year mortgage rates and 10-year treasury yields narrowed by around 20 basis points, finishing the quarter at roughly 200 basis points.

This shift indicates that risk premiums in the housing financing markets are continuing to ease, showing clear progress towards the long-term historical average spread of 170 basis points. The modest decrease in rates over the quarter prompted growth in refinance market originations, although from a low base. Meanwhile, purchase market original volume experienced a slightly decline consistent with projections from MBA and Fannie Mae.

We continue to be committed to managing areas within our control, such as scaling operations in responsive volume changes and maintaining disciplined expenses practices.

As we consistently stated, our priority is to expand our client base and market share by enhancing operating efficiency driving leverage and margin growth and keeping our balance sheet robust.

Turning to our first quarter financial performance.

I'll start with our U.S. Appraisal segment, where we recorded revenues of \$32.9 million, up 12% from the same period last year. Revenues from purchase mortgage originations declined modestly. However, revenues from refinance mortgage originations increased by 27% and due to higher addressable mortgage origination volume from refinance transactions.

The comparable quarter also included higher purchase and refinance volumes from a temporary reallocation of market share from one of our leading clients, which will no longer impact comparable results after this quarter.

Home equity revenues were up 22% year-over-year and accounted for 26% of the segment's revenue.

U.S. Appraisal net revenue was \$8.4 million for the first quarter compared with \$7.8 million in Q1 '25, and net revenue margins decreased by 110 basis points mostly due to the distribution of transactions volumes as it relates to geographies, clients and product mix.

First quarter U.S. Appraisal operating expenses decreased by 5% year-over-year to 5.1 million. We posted U.S. Appraisal adjusted EBITDA of \$3.3 million, up 36% from the first quarter of fiscal 2025, and adjusted EBITDA margin increased by 820 basis points to 39.1% compared with the first quarter last year as we benefited from strong operating leverage.

Turning to our U.S. Title segment.

First quarter revenues increased 76% year-over-year to \$4.4 million and refinance origination revenues were up 135%, principally due to market share gains with existing and new clients and higher refinance mortgage origination volume. U.S. Title net revenue was 2.8 million, up 110% from the first quarter last year, and net revenue margins increased to 63.9% from 53.4% due to higher refinance origination volumes.

Given the order flow of volumes in Q2, we currently expect net revenue margins to trend closer to the lower end of our target operating model range in the second quarter.

U.S. Title operating expenses were up 16% year-over-year, primarily due to additional hires to accelerate the deployment of new title clients, and we recorded an adjusted EBITDA loss of 0.8 million for the U.S. Title segment compared with the loss of 1.8 million we posted in the first quarter of fiscal 2025.

If we exclude the investments we made in our title sales capabilities, approximately 85% of the incremental net revenue we recorded in the quarter would have flowed to the bottom line.

In Canada, first quarter revenues increased modestly to 9.2 million from 9.1 million in the prior year, due to net market share gains with new and existing clients for appraisal, which were partially offset by lower mortgage market volumes and lower insurance inspection services. Net revenue was up 3% to 1.8 million and adjusted EBITDA was flat at 1.1 million.

In total, first quarter consolidated revenue and net revenue were up 14% and 19% year-over-year, respectively, principally driven by the growth in our U.S. Appraisal and U.S. Title segments.

We recorded consolidated adjusted EBITDA of 0.1 million, up from a loss of 1.7 million in the first quarter of 2025.

We ended the year with a very strong balance sheet with no debt and cash of 43.8 million at December 31, 2025. The increase in our cash balance from the prior quarter was mainly due to the timing of collections and changes in working capital, which normalized from the fourth quarter.

With that, I'll turn it back over to Brian. Brian?

**Brian Lang**

Thank you, Rodrigo.

Our first quarter results marked a strong beginning to the fiscal year. We achieved double-digit top line growth and demonstrated effective operating leverage, resulting in positive adjusted EBITDA during a period that is typically a seasonal low for our business.

Additionally, we successfully onboarded new clients, expanded into an additional channel and consistently ranked highly on lender scorecards.

Our performance in Q1 illustrates that our business model is well positioned to achieve substantial operating leverage as we scale. Higher transaction volumes on our platform have the potential to meaningfully enhance both margins and profitability.

Looking ahead, we remain cautiously optimistic about improving fundamentals in the U.S. mortgage market.

Today, there are 13 million mortgages with interest rates above 6%. In fact, there are now more mortgages with rates above 6%, than below 3%. That means that we are seeing a rebalancing of the interest rates on outstanding mortgage debt, which is indicative of a shift toward a more normalized distribution of the market. This dynamic gives us confidence that there is a substantial pool of refinance candidates, which could become a significant tailwind for volume growth in the years ahead.

Our strategy of adding clients and growing market share through better performance remains on track, positioning our business for scale and the achievement of our target operating model.

With that, Operator, we'd like to open it up for questions now.

## Question and Answer Session

### Operator

(Operator Instructions) Our first question comes from Stephen Machielsen with BMO Capital Markets.

### Stephen Machielsen

I was wondering if you could give us a bit of color into the cadence of re-fi activity through the quarter just as the rates declined? Like did you see a lot of demand front loaded? And how has demand progressed into Q2?

### Brian Lang

Great. Thanks for the question, Stephen. And it's a good question.

We had another what we would call months boomlet in September and October heading into Q1.

So, there was definitely a benefit that we saw. We would have actualized a chunk of the September volume on Appraisal in the previous quarter, but definitely on Title, we benefited because of the time lag to realizing revenue.

So re-fi volumes were solid in the quarter, as I say, a little bit stronger in the front end than the back end. But we're definitely seeing, and if you look at the industry MBA and Fannie results, they're going to look to a decent growth in re-fi in the quarter.

On the flip side, purchase has definitely struggled.

So purchase has definitely been a little bit more of a challenge in the market, but we definitely had some re-fi tailwinds. When we look at our results, though, Stephen, if we take a look at the Title results, two-thirds of that came from -- for us, the growth, two-thirds of that came from the Tier 1 launch that we had. Q1 was the first quarter that we realized the full revenue from that Tier 1.

And so, one-third of it came from the actual market.

### Stephen Machielsen

Okay. That's some good color.

So do you expect your traditional lender Tier 1 clients to continue being as aggressive, even as it sounds like the mortgage rate spreads are coming in?

### Brian Lang

Well, we're definitely seeing that to date. So, I can't really comment on forward-looking.

But even as we enter into this quarter, some of the big Tier 1s are definitely the most aggressive when it comes to setting their 30-year rates.

So that's, for us, we see that as a positive potential tailwind on the business. But as we talk about, Stephen, I mean right now the way our business runs, we are 50% revenue with banks and 50% revenue with non-banks.

And when I take a look at, at least on the Appraisal business, we mentioned that this past quarter, we were sequentially moving up market share with two of our significant customers, one of them was a bank and one of them was a non-bank.

So we continue to build momentum behind both sides of it.

But to your point and to your question, definitely, some of the larger banks have been stepping up as the spread has come down and been aggressive from a rate standpoint.

#### **Operator**

Our next question comes from Gavin Fairweather with Cormark.

#### **Gavin Fairweather**

An impressive level of new logos that you saw there in the first quarter, maybe you can just discuss kind of the pipeline and how prospects in the pipe are reacting to the more recent drop in rates you're seeing more urgency to find new vendors or more of these being issued. Any commentary there would be helpful.

#### **Brian Lang**

Great question, Gavin.

And the short answer will be yes. Yes. That we are seeing customers definitely moving on the RFP side of things.

I would say -- I would specifically point to Title, simply because there has been a significant amount of movement there.

As we mentioned last year, we had invested in the sales capabilities on the Title side of the business. And I think we're seeing a lot of that being actualized now with more RFPs.

I think, Gavin, to your comment, it's a reaction to the bump that we saw, the little sort of monthly boom that we saw last year. Last September, October '24, '25. And then, again it's been reemphasized with the bump we saw this last quarter, September, October, where all of a sudden, there's a good chunk more volume.

I think it's definitely got a lot of lenders thinking about making sure that they've got the capacity to manage that.

So, from a pipeline standpoint, we mentioned eight new clients this quarter. Again, I think that's very positive and not only that, two of them our top 100 customers, so not only bringing on customers, but the right type of customers, one in Title and one in Appraisal.

And as we look forward, Gavin, I'm very ambitious about the pipeline. As I say, I think the sales investments we've made are really starting to pay off. So, we hope that we'll continue to be announcing some good wins over the upcoming quarters.

I'm going to anticipate your question about Tier 1s.

So we do have two Tier 1s on the platform now. Again, good news from the last quarter is that we're now in a second channel with the Tier 1 that we just brought on. So we've now sort of diversified with them.

The third Tier 1, our expectation is that we will launch that this year.

So we're, again, progress on that has gone very well and now it's just a matter, frankly, of implementation.

**Gavin Fairweather**

Great to hear.

So just to clarify, the new channel with the Tier 1 in Title, that was at the more recent Tier 1?

And maybe you can just -- is that a big opportunity to that channel? Maybe any further color there would be helpful.

**Brian Lang**

Sure. It is the same one that we launched, Gavin.

And, of course, it's because, I think, we launched incredibly well and our performance clicked up quite quickly with them from a performance standpoint.

So we launched in the origination channel, and now we've moved into the home equity channel. That's always a decent channel to be in, Gavin.

And so, we'll have to see how the home equity market performs over the remainder of the year, but we're happy to be in two different channels with them.

**Gavin Fairweather**

Great.

And then just lastly for me, maybe a longer-term question.

We saw the profitability that Real Matters posted in 2020 and 2021 in a busier market.

So as we start to think about the volume ramping back up, maybe not to those levels, how do you expect the business to perform versus the last cycle from a profitability perspective? Do you think that you've found additional efficiencies in the business that could drive more profitability? Or are there any mitigating factors we should be aware of?

Any thoughts there would be great.

**Rodrigo Pinto**

Sure, Gavin. I'll take this one. Yes, for sure. And that's why we set up the target operating model last year.

And we see with volumes and scaling the business that we are still very confident that we can achieve the numbers that we have in our target operating model. So seeing similar volumes, as the target operating model demonstrates, seeing similar volumes that we saw 2020, 2021, we should do better.

We are talking about adjusted EBITDA close to \$100 million, which is higher than what we saw before. And that's a consequence of all the operating efficiencies that we'll put in the system over the last five, six years.

**Operator**

Our next question comes from John Shao with TD Cowen.

**John Shao**

I just wanted to revisit your keyword cautiously optimistic in your prepared remarks.

So my question is, where does that caution come from? Is this just based on yesterday's FED rate decision or just based on the overall recovery timeline?

**Brian Lang**

Yes. Good question, John. And listen, it's the overall recovery timeline.

So again, if we take a look at what the industry is looking at for Q2, they're looking, both MBA and Fannie, they're looking at the market coming down 10% in Q2.

So that's the cautiously optimistic is sort of more a comment on Q2. But if you look at the predictions for the year, you're talking more about 50%-plus growth in the market.

So that's really the only caution we have. We're, as I say, quite ambitious around the growth of the business in Title.

We're now onboarding customers. We're going to start realizing full quarter revenue from, again, the customers we just brought on, and we're looking forward to the pipeline of customers that we think we're going to be able to announce over the next couple of customers, so five quarters.

So, I think that's really -- there's lots of positive in the business. The comment around cautious is simply the market and the seasonality sort of click in Q2. Q3 and Q4, we're thinking the market's going to be in solid shape.

**John Shao**

Appreciate the color.

In terms of the Fannie Mae market share with some of the top lenders, could you maybe remind us the pace of the market share gain, does that happen with at the same time with the market recovery? Or is it going to be independent?

**Brian Lang**

Well, that's actually a really good question, John.

So, if we look very broadly at how we win market share, it's how much we outperform our other competitors.

So when the volume is very low, the gap of competition and performance between first and second is tighter than it is when there's significant volume in the business.

And we saw that through 2021, where we could really distance ourselves from the second-place competitor when it came to performance.

So that's why I think this last quarter, we were happy to talk about moving the market share needle forward sequentially with two of our larger players in Appraisal.

It's been somewhat of a challenge the last year or two to be able to really move that, again, just because of the differential in performance.

So as business scales, we always talk about that being a significant driver of supporting the increase in market share gains. So that's really on the Appraisal side because, of course we've been at that business with those Tier ones for quite some time.

What we're seeing on the Title side is that our performance is very strong, especially with the Tier 1 that we just brought on, because I think we're a new player now amongst that competitive set.

So the feedback we got, we actually had our quarterly review yesterday, if you can believe it, and the feedback was incredibly strong.

And I think the fact that they've now launched us into the second channel is very supportive of that strength and performance. So I think with the new Tier 1 that we brought on, we'll continue to build share. We've got a small amount of share now, which is always the case.

And as we've always talked about, in the first year, we try and march forward to 5% to 10% by the end of the year. I think we'll be in a much better place than that with this player by the end of the year.

### **Operator**

(Operator Instructions) Our next question comes from Martin Toner with ATB Capital Markets.

### **Martin Toner**

My only question is with respect to the potential change in regulatory environment. You guys got a - the market as a whole got a nice shot in the arm with the bond buying, spreads came in nicely very quickly.

Obviously, affordability is going to be a key election issue in the midterm.

As you guys look at what might happen this year and beyond, just any thoughts to if there's further tailwinds for real [vendors], in terms of regulatory changes?

### **Brian Lang**

Sure. So Martin, you were a little bit light there.

So I'll just reiterate the question for folks so they can hear it. It was around regulatory either support or challenge as we look forward with business, specifically, I think in the U.S.

So I think to your question, I think there's a couple of elements. Again, I won't get into the political side of it. But just if I look at how the administration is looking at affordability, I think, clearly, they have a couple of mandates which are: number one, how do we address home affordability.

So you're hearing lots of conversations around portable mortgages, around 50-year mortgages. And as you've mentioned, Martin, very recently, the direction to the GSEs around purchasing MBS, \$200 billion worth of MBS, I think all of those are very positive signs that the administration is very supportive of going after affordability.

On another vector, of course, they've been working hard on trying to drop the interest rates.

So again, we'll have to see, Martin, how that eventually evolves over time. We've got mid-term elections in November.

So I'm assuming over the next quarter or two, there's probably going to be an awful lot of effort from the administration to do their best to bring down affordability and to bring down interest rates.

### **Operator**

Our next question comes from Richard Tse with National Bank Capital Markets.

### **Richard Tse**

Yes. Thank you.

As we sort of look out through the rest of this year, when you sort of pull together your internal forecast, what's sort of the base case you use for your kind of market volumes for mortgages, both purchase and re-fi.

I'm sort of just asking because I'm just sort of curious like how conservative you are in that. Do you kind of really just take the sort of the MBA data forecast and kind of use as a base case? Or do you make your kind of on adjustments here?

### **Rodrigo Pinto**

Yes. Richard, so we do look a lot at MBA and Fannie Mae.

Of course, we use our judgment as well on top of this. But like based on everything we are seeing right now it seems to be reasonable that their estimates for the year, right?

They have a single-digit increase for purchases for our fiscal 2026, if you average MBA, Fannie Mae, they are around 50% increases in refinance.

As you probably have seen out there for next -- for this quarter, Q2, they are not very optimistic about volumes. They have a decrease of close to 10%.

So what it implies that there's a substantial increase coming up Q3, Q4 which, again, seasonality also helps the market during that time of the year.

So not calling rates here, but just stating what we are seeing from MBA, Fannie and others in the industry, that's based on a 30-year mortgage rate hovering around 6%. No one is predicting rates going to close to 5%. And that's what we are using for our estimates as well.

**Richard Tse**

Okay.

And I think you sort of briefly touched on the competitive environment, but if you kind of look broadly this year versus same time last year, has there been any sort of moves among that competitive market that has kind of been notable that we should be aware of in terms of what you're seeing?

**Brian Lang**

No. I'd say, Richard, it's actually been quite a quiet year, I would say year-over-year.

We did have quite a bit of movement the year before, where we had sort of one of our bigger competitors that was in both Title and Valuation sold their valuation business. So they exited that business.

So we've seen a little bit of that.

But beyond that, we had one other player that was purchased from a different company. So there's been a little bit of that sort of movement from one private equity to another.

But beyond that, Richard, we've seen very little changes really on the competitive front.

The only thing I think I would add to Rodrigo's commentary just on where the market is going. Just remember, when we're talking about the minus 10%, we're talking about quarter-over-quarter.

So I mean if you scan back a little bit, year-over-year, the market, I think is growing in the right direction. And frankly, as we sort of hopefully outlined today I mean our big focus has been on bringing on new customers and continue to perform and drive market share.

So the fortune we have, I think right now in Title is that because that business is really starting to scale now. The way we're looking at the year is a lot of the growth, we're not looking at the market to enhance the growth, we hope it helps. But as I mentioned in this past quarter that we just came out of, two-thirds of our growth in the Title business came from our customer, right, from growing our customers, a third came from the market.

So our focus is less right now on the rates because just because as you guys all know we can't control them. We'd like them to come down.

But the focus is really just continuing to double down on the core business and drive the volume whether the rates move significantly or not.

**Richard Tse**

Okay. And then sort of going back to the question on competition from Mike, it was more around the other question is in terms of the UAD and UAD 3.6 readiness, like the fact that you have this platform, I would imagine that gives you a little bit of an edge relative to the competitors. And does sort of UAD require you to invest more?

Or the fact that you do have this technology platform you can sort of make those modifications on a very cost-effective basis.

**Brian Lang**

Richard, I love the industry knowledge of that question.

So I'm not sure how many other folks are following the rollout of UAD, which is the new forms that are coming out, which may sound like a small endeavor, but is probably the biggest, I would say, sort of governance change in the industry in the past decade.

So it's a really good question actually, Richard.

So I guess I'm happy to announce that we've actually done our first UAD transaction. We did that in the last quarter.

So we are the first, frankly, out of the box to do that, and that's because one of our biggest customers is a forerunner in getting prepared for UAD.

So it's interesting you say that, Richard. A lot of our competitors are struggling, of course, right now.

We put this front and center. We did make the investment. So we've got a couple of million dollars invested in this.

We will continue to invest. Good news, some of that investment comes off this year so we can redeploy and we will redeploy investments into other areas of our platform, just to continue to make sure we're doing the things we need to future-proof the platform.

But your point around UAD, it is a differentiator for us. We'll see what happens over the next little while.

We have had customers call and ask us, we probably need to start talking to you because you guys are UAD compliant. And we're struggling with whoever might be servicing them.

**Operator**

There are no further questions at this time. This concludes today's conference call. Thank you for participating.

You may now disconnect.