QuinStreet, Inc. Acquires Modernize to Establish Leading Home Improvement Marketplace

July 14, 2020

Transaction combines QuinStreet's industry best consumer reach technology with Modernize's depth and brand in home improvement

FOSTER CITY, Calif., July 14, 2020 /PRNewswire/ -- QuinStreet, Inc. (Nasdaq: QNST), a leader in performance marketplace products and technologies, today announces the acquisition of Modernize, a leader in home improvement performance marketing services. *"Modernize Home Services"* will serve as QuinStreet's flagship brand in home services going forward, advancing its mission to set the standard for transparency and trust in the home improvement and home services selection process, enabling millions of homeowners to make good and confident decisions.

The market for home improvement and other home services is enormous, with consumer spending on professional home improvement alone estimated at more than $200 billion in 2019. Costs for typical home improvement projects such as installing new windows, remodeling a bathroom, replacing gutters, installing a solar power system, and other home projects typically range from thousands to tens of thousands of dollars. The process of identifying and selecting a qualified product and service provider can be complicated and time-consuming for homeowners. Conversely, reaching and communicating with homeowners can be difficult and expensive for providers.

Modernize Home Services' vision is to solve problems on both sides of the market and simplify the process; the business brings unprecedented depth, capabilities and reach to do so. Modernize Home Services will initially operate in more than 15 high-value, high-consideration home segments, including new and replacement windows, solar installation, roofing, heating and air conditioning, siding, bathrooms and kitchens, new and replacement gutters, home security, and more. The business brings a network of more than 1,000 contractors and providers across all segments, offering broad geographical coverage and choice for homeowners. Modernize Home Services also has extensive marketing and reach in digital media through QuinStreet's unprecedented performance marketplace capabilities and presence, providing opportunities to engage with and service homeowners in all its major channels. Over the past 12 months, the combined business connected more than 3 million homeowners with home service professionals for their projects.

Modernize Home Services enables homeowners to be matched with up to four home service providers based on their unique project requirements and location. Homeowners receive access to a resource center with aggregated and verified project reviews related to contractors as well as information on accreditations, Better Business Bureau profiles, and Google Business profiles. This valuable data inspires homeowner confidence as they plan projects and connect with contractors.

Likewise, QuinStreet and Modernize service provider clients will now have the ability to reach new homeowners through one convenient platform and to receive important consulting and analytical insights on their businesses. After matching, Modernize Home Services facilitates communication between the homeowner and home service provider, soliciting feedback from both parties throughout the project lifecycle to ensure an efficient and transparent process.

"Modernize has developed a highly-recognizable brand and deep relationships with contractors in select segments of the home improvement ecosystem," notes Alan Godfrey, senior vice president of QuinStreet's Modernize Home Services client vertical. "We are very excited to be a part of QuinStreet's expanded home services business and to have the opportunity to serve more clients and homeowners in a greater number of market segments."

"Home improvement and related home services represents an enormous addressable market opportunity for QuinStreet's future growth," explains Doug Valenti, QuinStreet's chief executive officer. "Modernize Home Services will combine our two organizations' capabilities to fuel expansion at scale for many years to come, while providing unparalleled consumer choice."

The consideration paid for the acquisition totaled $67.5 million in cash and notes payable over five years, subject to certain closing adjustments. Modernize is expected to add $50-60 million to QuinStreet FY2021 revenue, and contribution margins immediately accretive to Company EBITDA. More details on the transaction will be shared in QuinStreet's FY2020 Q4 earnings call in August, 2020, and in subsequent reports filed with the Securities and Exchange Commission.

To learn more about QuinStreet products and services, complete a Contact Us form here: https://www.quinstreet.com/our-products/

About QuinStreet, Inc.

QuinStreet, Inc. (Nasdaq: QNST) is a pioneer in delivering online marketplace solutions to match searchers with brands in digital media. QuinStreet is committed to providing consumers and businesses with the information and tools they need to research, find and select the products and brands that meet their needs.

About Modernize

Located in Austin, Texas, Modernize was previously one of the largest privately-owned lead generation companies in home improvement in the United States. For 15 years, Modernize has been a leader in the home improvement industry, connecting homeowners with contractors within energy-efficient trades such as solar, windows, air conditioning, roofing, and siding.

Legal Notice Regarding Forward-Looking Statements

This press release and its attachments contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties. Words such as "estimate", "will", "believe", "expect", "intend", "outlook", "potential", "promises" and similar expressions are intended to identify forward-looking statements. These forward-looking statements include the statements in quotations from management in this press release, as well as any statements regarding the Company's anticipated financial results, growth, and strategic and operational plans. The Company's actual results may differ materially from those anticipated in these forward-looking statements. Factors that may contribute to such differences include, but are not limited to: the impact from risks and uncertainties relating to a novel strain of the coronavirus (COVID-19); the impact from risks and uncertainties relating to our previously announced strategic alternatives; the impact of changes in industry standards and government regulation including, but not limited to investigation or enforcement activities of the Department of Education, the Federal Trade Commission and other regulatory agencies; the Company's ability to maintain and increase client marketing spend; the Company's ability to maintain and increase the number of visitors to its websites and to convert those visitors and those to its third-party publishers' websites into client prospects in a cost-effective manner; the impact of the current economic climate on the Company's business; the Company's ability to access and monetize Internet users on mobile devices; the Company's ability to attract and retain qualified executives and employees; the Company's ability to compete effectively against others in the online marketing and media industry both for client budget and access to third-party media; the Company's ability to identify and manage acquisitions; and the impact and costs of any alleged failure by the Company to comply with government regulations and industry standards. More information about potential factors that could affect the Company's business and financial results are contained in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q as filed with the Securities and Exchange Commission ("SEC"), including the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2020, filed with the SEC. The Company does not intend and undertakes no duty to release publicly any updates or revisions to any forward-looking statements contained herein.

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