

Opendoor Technologies

4Q beat but soft outlook; Retracts '24 Adj. net income positive goal; Reit. UP

Reiterate Rating: UNDERPERFORM | PO: 2.75 USD | Price: 3.35 USD

4Q beat driven by higher-than-expected home sales

4Q Rev/EBITDA of \$870mn/\$69mn) was above Street estimates at \$827mn/ \$(99mn) and guidance. Revenue beat was driven by higher-than-expected homes sales while EBITDA benefited from better gross margin performance on "new cohort" homes (higher spreads), lower ad spend, and shift in timing of some expenses to 1Q. 4Q contribution profit at \$30mn (3.4% margin) was also above Street at \$23mn. In 4Q, Opendoor sold 2,364 homes (vs Street at 2,298), purchased 3,693 homes (vs Street at 3,013) and ended the quarter with \$1.8bn inventory representing 5,326 homes (up 1,319 q/q).

1Q outlook below Street; Retracts adj. net income goal

1Q revenue outlook of \$1.05-\$1.1bn and CP of \$40-50mn was below Street estimates at \$1.2bn and \$52mn respectively, while EBITDA outlook of \$(80mn)-\$(70mn) bracketed Street at \$(81mn). Opendoor highlighted macro conditions still uncertain as mortgage rates remain volatile. The company retracted the goal to be Adj. Net Income positive for a quarter in 2024 given outlook for lower acquisition and resale volumes. However, Opendoor maintained goal of \$10bn steady-state annual revenue, which we see a far stretched given high mortgage rates (locking in sellers) and historic low affordability.

Lowering 2024 revenue by 13% and gross profit by 2%

We are lowering our revenue ests. reflecting lower inventory turnaround but slightly raising S&M reflecting higher advertising cost to rebuild inventory. Our revised ests. reflect slightly higher gross margin given improved spread performance. For 2024E, we lower revenue by 13% to \$5.3bn, GP by 2% to \$446mn and estimate Adj. EBITDA of \$(222mn). For 2025E, we lower revenue by 5% to \$6.6bn, GP by 2% to \$575mn and estimate Adj. EBITDA of \$(137mn). We lower our PO to \$2.75 (from \$3.0) given lower '25E GP but slightly higher 1.75x multiple (vs 1.5x) given slightly higher gross margin.

Cautious on business model & profitability prospects

Opendoor continues to show strong expense management and leveraging new avenues to promote its services (home acquisitions through partnership channels up 140% since 1Q'23). However, given high mortgage rates (historic low affordability), and low inventories, we believe inventory turnover will remain constrained over the next several quarters, driving Opex deleverage and company will likely face difficulties in scaling to the \$10bn annual revenue rate. We also see significant risks with Opendoor's business model and ability to generate sustainable profits. Reiterate UP and \$3.0 PO.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	(0.91)	(1.17)	(0.60)	(0.50)	(0.47)
GAAP EPS	(2.14)	(0.42)	(0.80)	(0.70)	(0.67)
EPS Change (YoY)	-355.0%	-28.6%	48.7%	16.7%	6.0%
Consensus EPS (Bloomberg)			(0.55)	(0.47)	(0.28)
DPS	0	0	0	0	0
Valuation (Dec)					
Free Cash Flow Yield*	30.9%	103.0%	-49.0%	-14.5%	-11.9%

* For full definitions of *IQmethod*SM measures, see page 8.

15 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	3.00	2.75
2024E Rev (m)	6,061.2	5,295.7
2025E Rev (m)	6,992.2	6,618.2
2026E Rev (m)	NA	7,604.5
2025E EPS	-0.53	-0.50
2026E EPS	NA	-0.47

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Stock Data

Price	3.35 USD
Price Objective	2.75 USD
Date Established	15-Feb-2024
Investment Opinion	C-3-9
52-Week Range	1.10 USD - 5.41 USD
Mkrt Val (mn) / Shares Out (mn)	2,240 USD / 668.6
Free Float	91.2%
Average Daily Value (mn)	66.23 USD
BofA Ticker / Exchange	OPEN / NAS
Bloomberg / Reuters	OPEN US / OPEN.OQ
ROE (2024E)	-38.4%
Net Dbt to Eqty (Dec-2023A)	117.4%
ESGMeter TM	Medium

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

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Timestamp: 15 February 2024 09:08PM EST

CP: Contribution Profit

S&M: Sales and Marketing

GP: Gross profit

iQprofileSM Opendoor Technologies

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	-10.6%	-6.9%	-8.5%	-6.2%	-5.9%
Return on Equity	-34.4%	-75.8%	-38.4%	-32.9%	-38.8%
Operating Margin	-6.0%	-5.5%	-6.8%	-4.4%	-3.5%
Free Cash Flow	693	2,307	(1,098)	(324)	(267)

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	NM	NM	NM	NM	NM
Asset Replacement Ratio	0.4x	0.6x	0.5x	0.4x	0.4x
Tax Rate	NM	NM	NM	NM	NM
Net Debt-to-Equity Ratio	300.1%	117.4%	141.4%	205.6%	288.9%
Interest Cover	-2.4x	-1.8x	-1.9x	-1.4x	-1.2x

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	15,567	6,946	5,296	6,618	7,604
% Change	94.1%	-55.4%	-23.8%	25.0%	14.9%
Gross Profit	667	487	446	575	657
% Change	-8.7%	-27.0%	-8.3%	28.8%	14.2%
EBITDA	(168)	(627)	(222)	(137)	(103)
% Change	NM	-273.2%	64.5%	38.4%	24.9%
Net Interest & Other Income	(420)	4	(193)	(210)	(217)
Net Income (Adjusted)	(574)	(778)	(416)	(359)	(344)
% Change	-396.3%	-35.5%	46.6%	13.7%	4.2%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	(1,353)	(275)	(556)	(499)	(484)
Depreciation & Amortization	83	65	60	70	80
Change in Working Capital	956	2,557	(804)	(108)	(76)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	1,044	(3)	232	242	242
Capital Expenditure	(37)	(37)	(30)	(30)	(30)
Free Cash Flow	693	2,307	-1,098	-324	-267
% Change	NM	232.9%	NM	70.5%	17.6%
Share / Issue Repurchase	6	5	0	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	(1,747)	(2,277)	477	130	30

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	1,137	999	919	725	488
Trade Receivables	NA	NA	NA	NA	NA
Other Current Assets	5,329	2,446	3,279	3,422	3,469
Property, Plant & Equipment	58	66	66	66	66
Other Non-Current Assets	84	56	38	39	41
Total Assets	6,608	3,567	4,303	4,252	4,064
Short-Term Debt	1,376	0	0	0	0
Other Current Liabilities	129	70	99	134	105
Long-Term Debt	3,020	2,134	2,611	2,742	2,772
Other Non-Current Liabilities	997	396	396	396	396
Total Liabilities	5,522	2,600	3,106	3,271	3,273
Total Equity	1,086	967	1,197	981	791
Total Equity & Liabilities	6,608	3,567	4,303	4,252	4,064

* For full definitions of iQmethodSM measures, see page 8.

Company Sector

Internet/e-Commerce

Company Description

Opendoor is a digital real estate platform allows consumers to conveniently and quickly buy and sell homes as well as adjacent services such as title & escrow and financing. OPEN was founded in 2014 by CEO Eric Wu and is headquartered in Tempe Arizona. The company primarily competes with traditional real estate brokerages as well as other online-based 'iBuyers'. OPEN is currently in 53 markets and we expect the company to generate over \$7bn in revenue in 2023.

Investment Rationale

Opendoor (OPEN) is a high growth digital real estate platform that buys and sells home (an 'iBuyer'). We see the potential for share gains as high given a large underlying market and industry fragmentation. However we believe this is outweighed by the underlying risk, low margins and high capital use of the iBuyer model. In our view this is magnified by a significant increase in OPEN's inventory through 2022 just as the US real estate market is expected to slow

Stock Data

Average Daily Volume 19,771,594

Quarterly Earnings Estimates

	2023	2024
Q1	-0.64A	-0.17E
Q2	-0.30A	-0.16E
Q3	-0.11A	-0.13E
Q4	-0.14A	-0.14E

4Q Positives:

- **4Q Rev/EBITDA above Street:** 4Q Rev/EBITDA of \$870mn/\$69mn was above Street estimates at \$827mn/\$99mn and Opendoor's guidance. Revenue beat was driven by higher-than-expected homes sales while EBITDA benefited from better gross margin performance on "new cohort" homes (higher spreads), lower ad spend, and shift in timing of some expenses to 1Q. 4Q contribution profit at \$30mn (3.4% margin) was also above Street estimates at \$23mn.
- **4Q gross margin above Street:** 4Q gross margin of 8.3% was above Street estimates at 6.3% driven by higher mix of new book of homes. In 4Q, new book of homes generated gross margins of 8.6% and contribution margin of 5.1%.
- **Focus on lowering costs:** In 4Q'23, Opendoor made improvements to its tooling technology and processes to make its platform more efficient, which resulted in 30% y/y decline in adjusted operating expenses (excluding the impact from reduced advertising spend). In 4Q'23, the company also exited 3 markets, which represented less than 1% of Opendoor's volume to lower cost footprint.
- **Effectively leveraging partnership channels:** In 4Q, acquisition from partnership channels, which includes online real estate platforms, home builders and agents increased 35% q/q and up over 140% since 1Q'23. In 4Q'23, Opendoor also extended its national exclusive partnership with Redfin for cash offers. The company expects volumes from the partnership channel to continue grow on an absolute basis in 2024.
- **Homes acquisition above Street:** In 4Q, Opendoor purchased 3,683 homes (up 17% q/q) and above Street expectations at 2,997. Higher than expected growth in homes acquisitions was driven by spread reductions due to improvement in cost structure and pricing accuracy. Management expressed confidence that spreads improvements combined with growing partnership channels and increase ad spend in 1H'24 should allow Opendoor to accelerate home acquisitions through 2024.
- **Improving portfolio management:** Opendoor highlighted as of Dec'23, 18% of the company's homes had been listed on the market for more than 120 days (versus 21% for the broader market as adjusted for buy box). Opendoor has seen a significant improvement in this metric compared to Dec'22, when 55% of OPEN homes had been listed on the market for more than 120 days.

4Q Negatives:

- **Retracted Adj. Net Income positive goal:** Opendoor highlighted that macro conditions still uncertain as mortgage rates remain volatile. The company retracted the goal to be Adj. Net Income positive for a quarter in 2024 given outlook for lower acquisition and resale volumes. However, Opendoor maintained goal of \$10bn steady-state annual revenue, which we see a far stretched given high mortgage rates and historic low affordability.
- **Outlook for higher expenses:** For 1Q'24, Opendoor expects adjusted operating expenses of \$120mn (vs \$99mn in 4Q'23) as the company revamps marketing and rebuilds inventory levels. In 2024, Opendoor plans to ramp up its marketing spend (advertising spend expected to increase 50% q/q in 1Q'23, approx. \$10.5mn q/q increase) to widen the top of the funnel and reach more sellers.
- **Growing inventory Risk:** Opendoor highlighted that home price stability, combined with cost savings and pricing accuracy improvements, enabled the company to reduce spreads, which resulted in higher home acquisitions each



quarter as 2023 progressed. In 4Q, Opendoor acquired 3,683 homes (up 17% y/y). Opendoor expects monthly home acquisitions to accelerate through 1Q'23, with home acquisitions expected to be up over 100% y/y. The company also expect to see an increase in contract volume late in 1Q'24, which would translate into q/q increase in home acquisitions in 2Q'24. We see potential inventory risk given very weak housing demand, persistently high rates and potentially lower prices into 2024. While market conditions are very different, Opendoor over bought inventory in 2021 and 2022 resulting in write-downs, margin pressure and inefficient (and expensive) capital use.

- **1Q'24 Outlook below Street:** For 1Q'24, Opendoor guided revenue of \$1.05-\$1.1bn and CP of \$40-50mn was below Street estimates at \$1.2bn and \$52mn respectively, while EBITDA outlook of \$(80mn)-\$(70mn) bracketed Street estimates at \$(81mn).

Actual vs Estimates

Exhibit 1: 4Q'23 Actual vs Estimates

Opendoor reported revenue of 870mn, above our estimate of \$841mn.

4Q'23 Actual vs BofA Estimates

Opendoor (\$000's)	Actual	BofA Ests.	Difference
Homes Sold	2,364	2,329	35
Average Revenue per Home Sold	\$368	\$361	\$7
Revenue	\$870,000	\$841,387	\$28,614
y/y %	(70%)	(71%)	1%
q/q %	(11%)	(14%)	3%
Cost of revenue	\$798,000	\$772,770	\$25,230
As a % of revenue	92%	92%	(0%)
Gross profit	\$72,000	\$68,617	\$3,383
Margin (%)	8%	8%	0%
Operating Expenses			
Sales, marketing and advertising	\$84,871	\$103,070	(\$18,199)
% of revenue	10%	12%	(2%)
General and Administrative	\$32,516	\$33,655	(\$1,139)
% of revenue	4%	4%	(0%)
Technology and Development	\$33,613	\$29,869	\$3,744
% of revenue	4%	4%	0%
SBC	\$32,000	\$30,000	\$2,000
Operating expenses (GAAP)	\$151,000	\$166,595	(\$15,595)
% of revenue	17%	20%	(2%)
Operating income (GAAP)	(\$111,000)	(\$127,978)	\$16,978
Margin (%)	(13%)	(15%)	2%
GAAP Basic EPS	(\$0.14)	(\$0.25)	\$0.12
GAAP Diluted EPS	(\$0.14)	(\$0.25)	\$0.11
Adjusted EBITDA	(69,000)	(100,553)	31,553
Margin (%)	(8%)	(12%)	4%
y/y %	(80%)	(71%)	(9%)

Source: BofA Global Research estimates, Company Filings

BofA GLOBAL RESEARCH



Estimate Changes

We are lowering our revenue ests. reflecting lower inventory turnaround but slightly raising S&M reflecting higher advertising cost to rebuild inventory. Our revised ests. reflect slightly higher gross margin given improved spread performance. We estimate 1Q'24E revenue of \$1.1bn, GP of \$90mn, and Adj. EBITDA of \$(72mn). For 2024E, we lower revenue by 13% to \$5.3bn, GP by 2% to \$446mn and estimate Adj. EBITDA of \$(222mn). For 2025E, we lower revenue by 5% to \$6.6bn, GP by 2% to \$575mn and estimate Adj. EBITDA of \$(137mn). We lower our PO to \$2.75 (from \$3.0) given lower '25E GP but slightly higher 1.75x multiple (vs 1.5x) given slightly higher gross margin.

Exhibit 2: Estimate Changes

We are lowering 2025 gross profit estimate, key for valuation, by 2% to \$575mn.

Opendoor (\$000's)	1Q24E			2024E			2025E		
	New	Old	Diff	New	Old	Diff	New	Old	Diff
Homes Sold	2,979	3,723	(745)	14,022	16,171	(2,149)	17,150	18,112	(962)
Average Revenue per Home Sold	\$373	\$373	\$0	\$378	\$375	\$3	\$386	\$386	(\$0)
Revenue	\$1,111,968	\$1,389,960	(\$277,992)	\$5,295,740	\$6,061,235	(\$765,495)	\$6,618,154	\$6,992,241	(\$374,087)
y/y %	(64%)	(55%)	(9%)	(24%)	(12%)	(11%)	25%	15%	10%
q/q %	28%	65%	(37%)	0%	0%	0%	0%	0%	0%
Cost of revenue	\$1,022,257	\$1,277,821	(\$255,564)	\$4,849,304	\$5,605,848	(\$756,545)	\$6,043,230	\$6,403,488	(\$360,257)
As a % of revenue	92%	92%	0%	92%	92%	(1%)	91%	92%	(0%)
Gross profit	\$89,711	\$112,139	(\$22,428)	\$446,436	\$455,387	(\$8,951)	\$574,923	\$588,753	(\$13,830)
Margin (%)	8%	8%	0%	8%	8%	1%	9%	8%	0%
Operating Expenses									
Sales, marketing and advertising	\$94,517	\$105,637	(\$11,120)	\$402,239	\$424,556	(\$22,317)	\$460,121	\$454,496	\$5,625
% of revenue	9%	8%	1%	8%	7%	1%	7%	7%	0%
General and Administrative	\$33,359	\$34,749	(\$1,390)	\$133,645	\$149,579	(\$15,934)	\$129,665	\$167,878	(\$38,213)
% of revenue	3%	3%	1%	3%	2%	0%	2%	2%	(0%)
Technology and Development	\$33,359	\$31,969	\$1,390	\$132,938	\$137,456	(\$4,518)	\$133,611	\$153,852	(\$20,240)
% of revenue	3%	2%	1%	3%	2%	0%	2%	2%	(0%)
SBC	\$35,000	\$30,000	\$5,000	\$140,000	\$120,000	\$20,000	\$140,000	\$120,000	\$20,000
Operating expenses (GAAP)	\$161,235	\$172,355	(\$11,120)	\$668,822	\$711,591	(\$42,769)	\$723,398	\$776,226	(\$52,828)
% of revenue	15%	12%	2%	13%	12%	1%	11%	11%	(0%)
Operating income (GAAP)	(\$106,524)	(\$90,216)	(\$16,308)	(\$362,386)	(\$376,204)	\$13,819	(\$288,475)	(\$307,472)	\$18,998
Operating margin (GAAP)	(10%)	(6%)	(3%)	(7%)	(6%)	(1%)	(4%)	(4%)	0%
GAAP Basic EPS	(\$0.22)	(\$0.19)	(\$0.03)	(\$0.80)	(\$0.78)	(\$0.02)	(\$0.70)	(\$0.70)	\$0.01
GAAP Diluted EPS	(\$0.22)	(\$0.19)	(\$0.03)	(\$0.80)	(\$0.77)	(\$0.03)	(\$0.70)	(\$0.70)	\$0.00
Adjusted EBITDA	(72,181)	(62,286)	(9,895)	(222,480)	(260,242)	37,762	(137,141)	(182,110)	44,969
Margin (%)	(6%)	(4%)	(2%)	(4%)	(4%)	0%	(2%)	(3%)	1%
y/y %	(79%)	(82%)	3%	(65%)	(60%)	(4%)	(38%)	(30%)	(8%)

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Price objective basis & risk

Opendoor Technologies (OPEN)

Our \$2.75 price objective is based on 1.75x 2025E EV/gross profit. This is below other low margin online companies including real estate fintech peers. We believe a discount is warranted given much lower gross margins which limits long-term profit potential and the high cyclical of OPEN's underlying industry.

Downside risks to our PO are: slower than expected conversion of home inventory, weaker gross margins on slowing home price appreciation and limited home service attachment and a softer than expected recovery in the housing market.

Upside risks to our PO are: greater than expected shares gains as OPEN expands into new markets, better than expected pricing spreads as OPEN improves its pricing models and higher than expected leverage from a recovery in existing home sales.

Analyst Certification

I, Curtis Nagle, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alphabet	GOOGL	GOOGL US	Justin Post
	Alphabet	GOOG	GOOG US	Justin Post
	Amazon.com	AMZN	AMZN US	Justin Post
	AppLovin	APP	APP US	Omar Dessouky, CFA
	DoorDash	DASH	DASH US	Michael McGovern
	DoubleVerify Holdings, Inc.	DV	DV US	Omar Dessouky, CFA
	Electronic Arts	EA	EA US	Omar Dessouky, CFA
	Integral Ad Science Holding Corp.	IAS	IAS US	Omar Dessouky, CFA
	LegalZoom	LZ	LZ US	Michael McGovern
	Match Group	MTCH	MTCH US	Curtis Nagle, CFA
	Meta Platforms Inc	META	META US	Justin Post
	Pinterest	PINS	PINS US	Justin Post
	RH	RH	RH US	Curtis Nagle, CFA
	Roblox Corp. Class A	RBLX	RBLX US	Omar Dessouky, CFA
	Squarespace, Inc.	SQSP	SQSP US	Michael McGovern
	Uber	UBER	UBER US	Justin Post
	Udemy Inc	UDMY	UDMY US	Curtis Nagle, CFA
	Vivid Seats	SEAT	SEAT US	Curtis Nagle, CFA
	Wayfair	W	W US	Curtis Nagle, CFA
	Wix.com	WIX	WIX US	Michael McGovern
NEUTRAL				
	ACV Auctions	ACVA	ACVA US	Curtis Nagle, CFA
	Airbnb	ABNB	ABNB US	Justin Post
	Beyond Inc	BYON	BYON US	Curtis Nagle, CFA
	Booking Holdings Inc	BKNG	BKNG US	Justin Post
	Bumble	BMBL	BMBL US	Curtis Nagle, CFA
	Digital Turbine, Inc	APPS	APPS US	Omar Dessouky, CFA
	Duolingo	DUOL	DUOL US	Curtis Nagle, CFA
	eBay	EBAY	EBAY US	Justin Post
	Etsy, Inc.	ETSY	ETSY US	Curtis Nagle, CFA
	Expedia	EXPE	EXPE US	Justin Post
	Instacart	CART	CART US	Justin Post
	Magnite, Inc.	MGNI	MGNI US	Omar Dessouky, CFA
	Snap	SNAP	SNAP US	Justin Post
	Take-Two Interactive	TTWO	TTWO US	Omar Dessouky, CFA



US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Zillow	ZG	ZG US	Curtis Nagle, CFA
	Zillow	Z	Z US	Curtis Nagle, CFA
UNDERPERFORM				
	Chewy Inc	CHWY	CHWY US	Curtis Nagle, CFA
	Lyft, Inc.	LYFT	LYFT US	Michael McGovern
	Opendoor Technologies	OPEN	OPEN US	Curtis Nagle, CFA
	Peloton	PTON	PTON US	Curtis Nagle, CFA
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	Shutterstock	SSTK	SSTK US	Curtis Nagle, CFA

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

iQmethodSM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of *iQmethod* are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

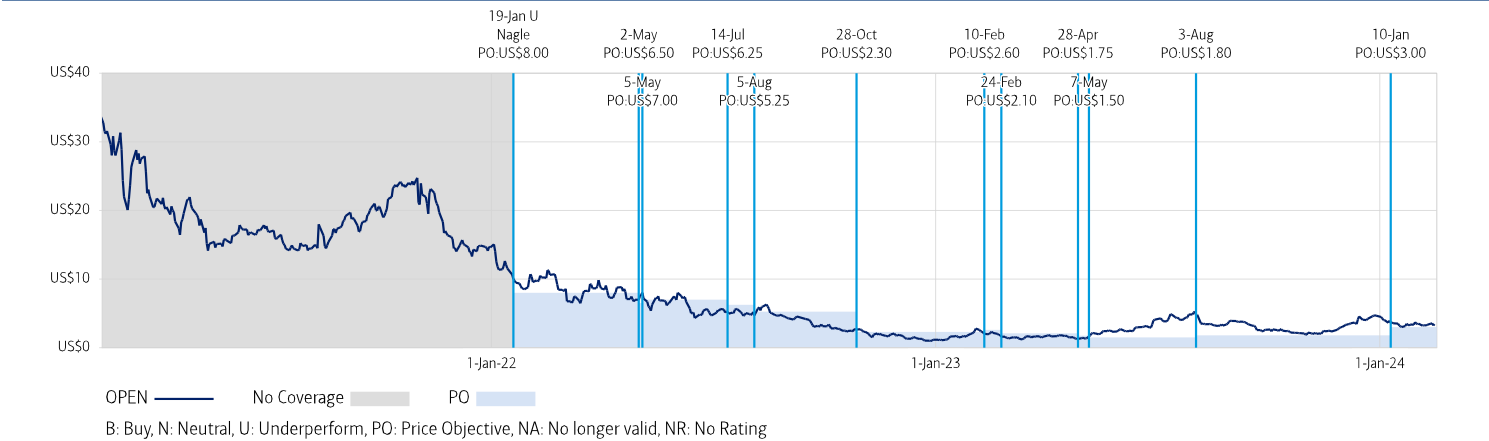
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Opendoor (OPEN) Price Chart



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Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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