



CASE STUDY

InstaLend

Fidelman & Company's Expertise in Capital Investor Presentation, Financial Modeling, Valuation and Business Advisory prepares InstaLend, one of the first real estate investment crowdfunding companies, with a strong foundation to raise their Series A funding round.

In just three months, Fidelman & Co.'s work prepared InstaLend to raise \$1 million in equity, increase revenue by 150% in one year, and expand the loan portfolio by \$30 million

COMPANY PROFILE

InstaLend is a real estate crowdfunding platform that provides accredited investors with access to senior debt investment offerings. A residential real estate lending marketplace, InstaLend allows investors to participate in loans with individuals who fix and flip. InstaLend provides a platform for borrowers seeking flexible short-term financing to present investment opportunities to potential investors (which are underwritten by InstaLend).

PROBLEM

A company missing a sound financial model, an investor presentation with numerous gaps and holes in it, and a lack of a way to defend its worth to investors.

SOLUTION

A robust financial model with unique benchmarks, comprehensive investor presentation, and thorough valuation analysis to formulate a strong case to investors of the company's worth.

CHALLENGE

InstaLend began operations with a small number of loans funded by a single investor on their beta platform. The initial portfolio had assets that were shorter than the borrowers wanted (6-9 months) and had a restricted growth capacity. InstaLend planned to increase its marketing budget in order to attract new investors, which necessitated raising \$3.5 million in equity for team and brand growth. Until this point, the company had not done any large-scale marketing, meanwhile its competitors were getting terrible online ratings, providing a great opportunity to stand out in the market as a viable alternative.

Prior to working with Fidelman & Co., InstaLend faced the following challenges:

- Lack of Professional Investor Presentation – Upon initial review of the investor presentation, important areas of investor interest were missing from the collateral. The presentation was sparse and did not offer the support needed to inspire action.
- Weak Financial Projections – InstaLend did not have a robust financial model to present to the investors. Therefore, potential investors were unable to align their interests to the business or see where this organization would fit in their portfolio.
- Lack of Clarity Regarding Valuation – When meeting with investors, InstaLend was not prepared to defend any particular valuation, creating an uneven negotiating power.

DELIVERABLES

InstaLend engaged Fidelman & Co. in March 2018 to begin a 90-day comprehensive review and revision session to address the problem.

Investor Presentation

Fidelman & Co. completed a thorough, comprehensive presentation after three rounds of revisions, and provided the InstaLend team with an easy-to-use tool to go to market and return with accredited investments.

Detailed Financial Model

Fidelman & Co. produced a financial model from the ground up and worked through several modifications to create a viable benchmark that is both hyper-specific to the business and yet adaptable for future organizational development.

Comprehensive Valuation Analysis

A thorough valuation analysis revealed a strong pre-money valuation position for the client, providing them with information that aided their fundraising efforts. The client's clear vision of where they stand in the market allows them to move toward investors and methods that fit their size while also meeting the growth demands of borrowers or investors.

RESULTS

In just three months, Fidelman & Co.'s work prepared InstaLend to raise \$1 million in equity, increase revenue by 150% in one year, and expand the loan portfolio by \$30 million.

CONCLUSION

Fidelman & Co. continues to provide Business Advisory services to companies like InstaLend post-raise, refining both underwriting policy guidelines and contributing to risk management activities. InstaLend is ready to manage efficiency from proactive angles in the newly established dynamic pricing structures linked to cost of debt.

AT A GLANCE



Industry Vertical

- Real Estate, PropTech

Challenges

- Licensing in BMA
- Funding
- Lack of Infrastructure

Solution

- Establishment of Licensing
- Establishing Partnership to Develop \$1B Pipeline to Raise Institutional Capital



“Jeffrey helped us re-think our strategy while revising the InstaLend presentation. He built an in-depth financial model which we are still using to project various capitalization scenarios in order to efficiently deploy capital. I think our work together was crucial to bringing InstaLend to where we are today.”

Sohin Shah,
Founder and CEO, InstaLend