

REDFIN

A Technology-Powered Real Estate Company

Q2 2023 Earnings Slides



Important Legal Information

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, our market growth and trends, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “plan,” “potentially,” “preliminary,” “likely,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022, as supplemented by Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, each of which are available on our Investor Relations website at <http://investors.redfin.com>. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely on forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this presentation or to conform these statements to actual results or revised expectations.

This presentation also contains information using industry publications that generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. While we are not aware of any misstatements regarding the information from these industry publications, we have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied on therein.

Q2 2023 Highlights



Real estate services revenue of \$181M (v. guidance of \$175M-\$183M)



Market share (by units) of 0.75% (v. 0.83% in Q2 2022)¹



52 million average monthly visitors (v. 53 million in Q2 2022)²



Premier gaining traction: over 1,300 \$1M+ listings since launching in Q1



19% mortgage attach rates (up from 8% in Q2 2022)



19% rentals revenue growth - 3rd consecutive quarter of growth



Launched title in Florida, 58% coverage of Redfin's sales (v. 55% in Q1)

(1) Please refer to our 10-Q for additional information on how market share is calculated.

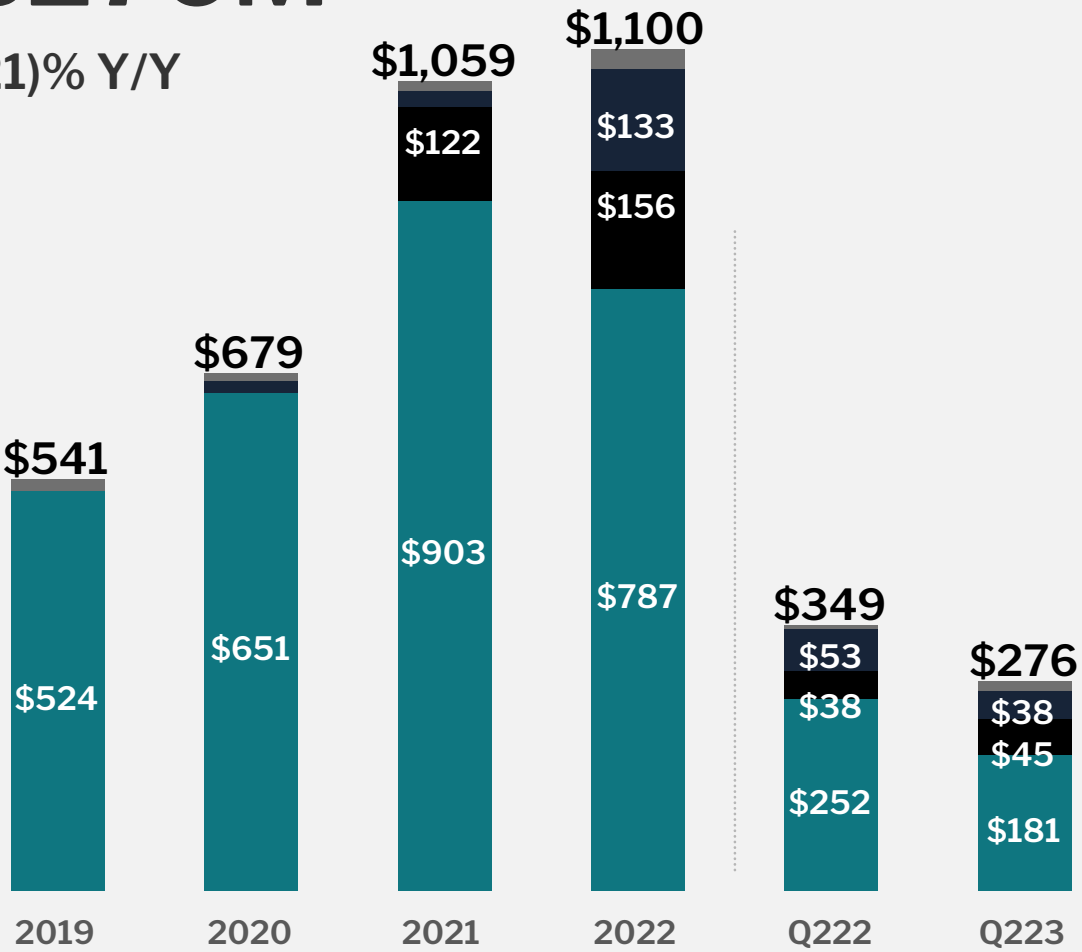
(2) Source: Google Analytics, web and mobile application visitors.

Key Financial Results

Q2 2023 Revenue¹

\$276M

(21)% Y/Y

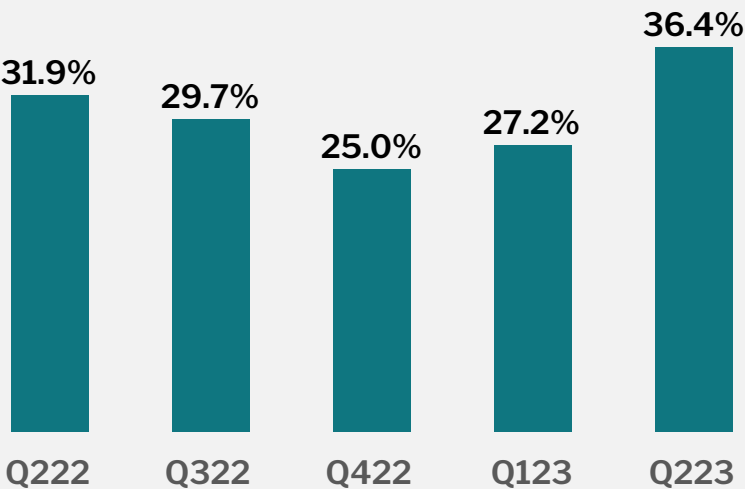


Real estate services Rentals Mortgage Other

Q2 2023 Gross Margin¹

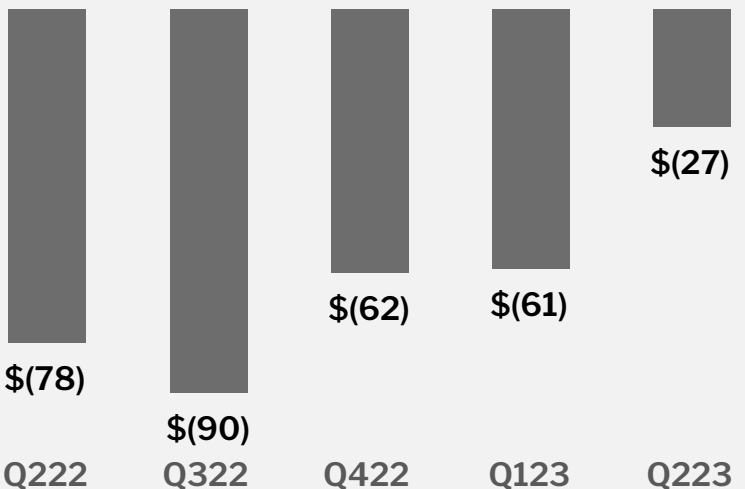
36.4%

+450 bps Y/Y



Q2 2023 Net Loss

\$(27)M

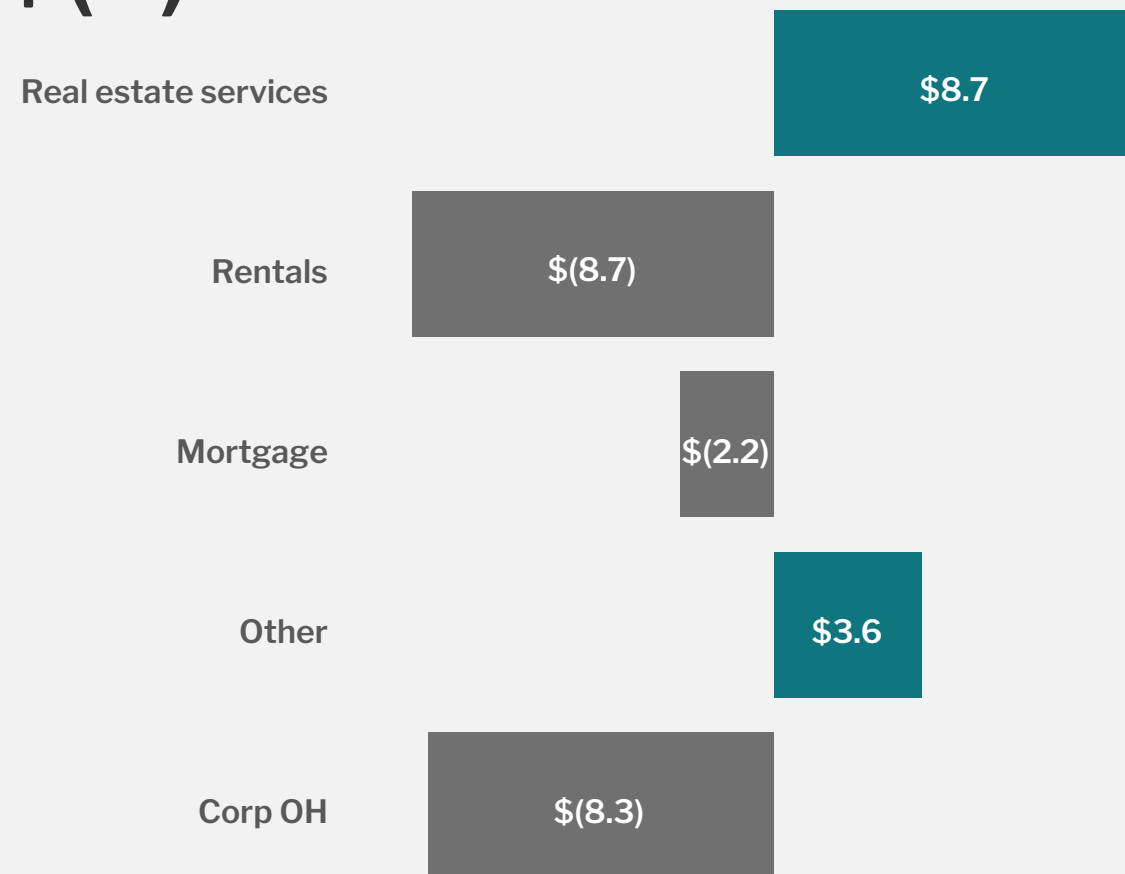


(1) Revenue and gross margin figures reflect results from continuing operations (excluding discontinued properties business).

Segment Profit (Continuing Operations)

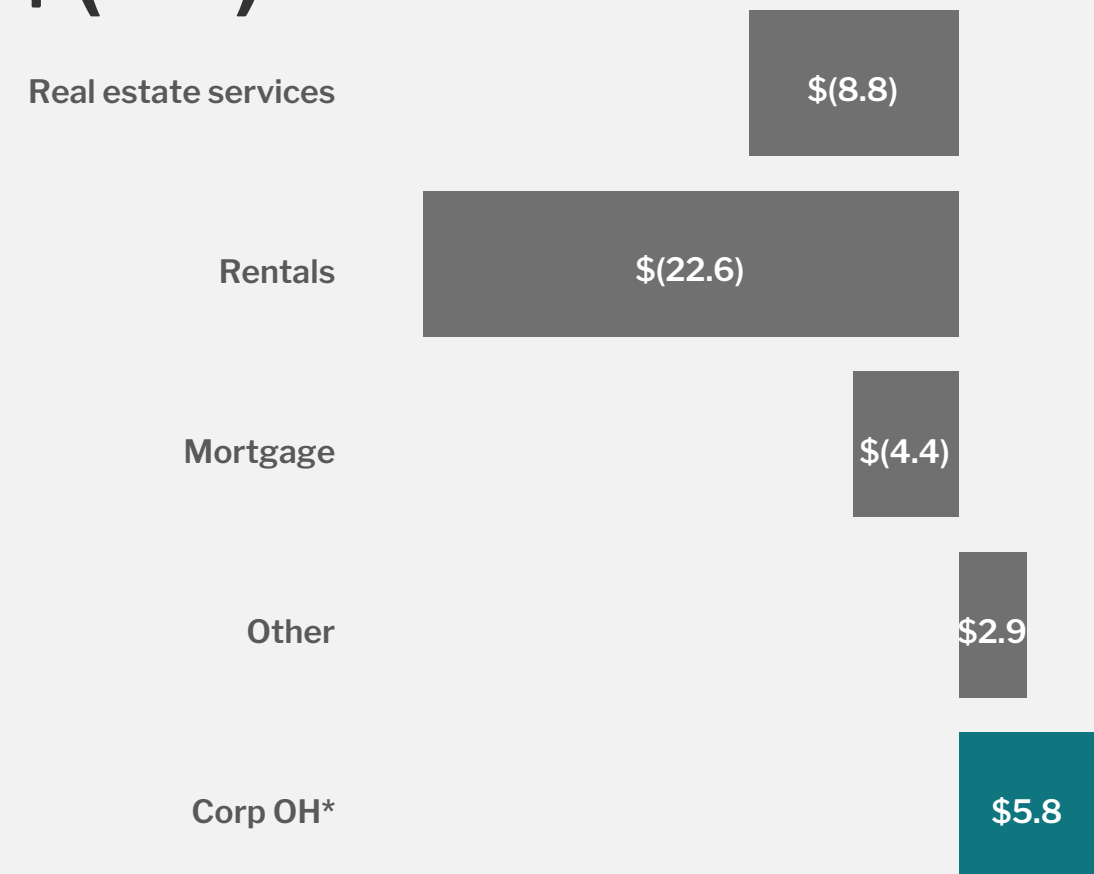
Q2 2023 Adjusted EBITDA¹

\$(7)M



Q2 2023 Net Loss¹

\$(27)M



(1) Adjusted EBITDA and net loss figures reflect results from continuing operations (excluding discontinued properties business).
*Net loss includes a \$20M gain on extinguishment of convertible senior notes.

Real Estate Services

Q2 2023 Revenue

\$181M

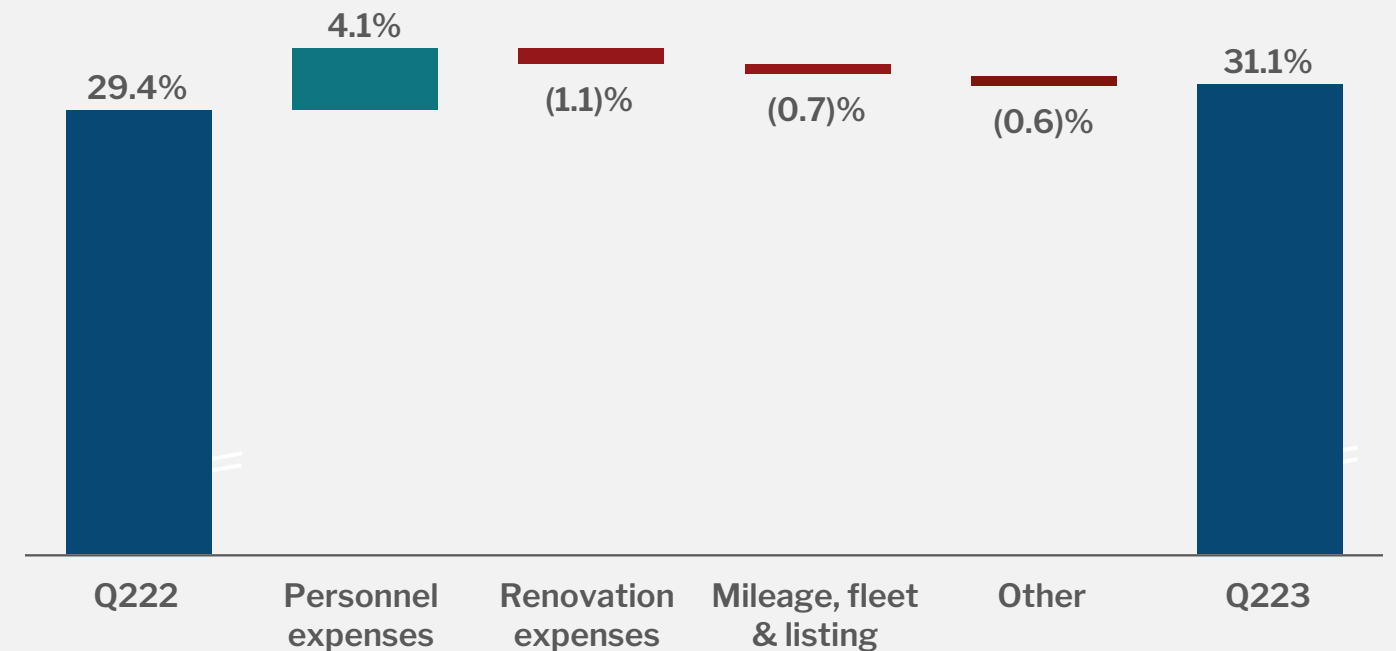
(28)% Y/Y

Q2 2023 Gross Margin

31.1%

+170 bps Y/Y

\$ Millions	Q2 2023	Q2 2022	YoY Change
Brokerage revenue	\$ 170	\$ 240	(29)%
Partner revenue	11	11	(4)%
Total real estate services revenue	\$ 181	\$ 252	(28)%
U.S. market share	0.75 %	0.83 %	-8 bps
Average lead agents	1,792	2,640	(32)%
Brokerage transactions	13,716	20,565	(33)%
Transactions per lead agent	7.7	7.8	(1)%
Partner transactions	3,952	3,983	(1)%



Rentals

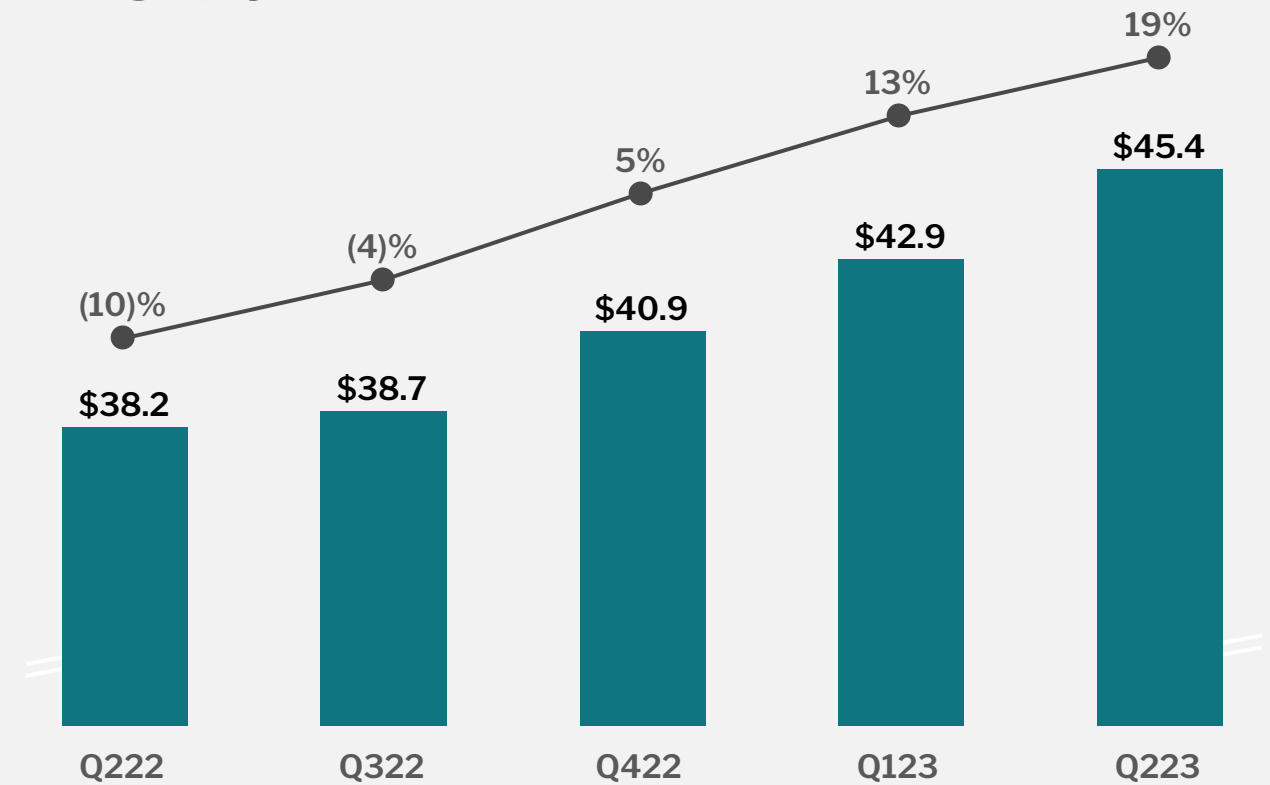
Q2 2023 Revenue

\$45M

+19%Y/Y

Q2 2023 Revenue Growth

19%



\$ Millions	Q2 2023	Q2 2022	YoY Change
Rentals revenue	\$ 45	\$ 38	19 %
Cost of revenue	10	8	32 %
Gross profit	\$ 35	\$ 30	15 %
Gross margin	77.0 %	79.3 %	-230 bps

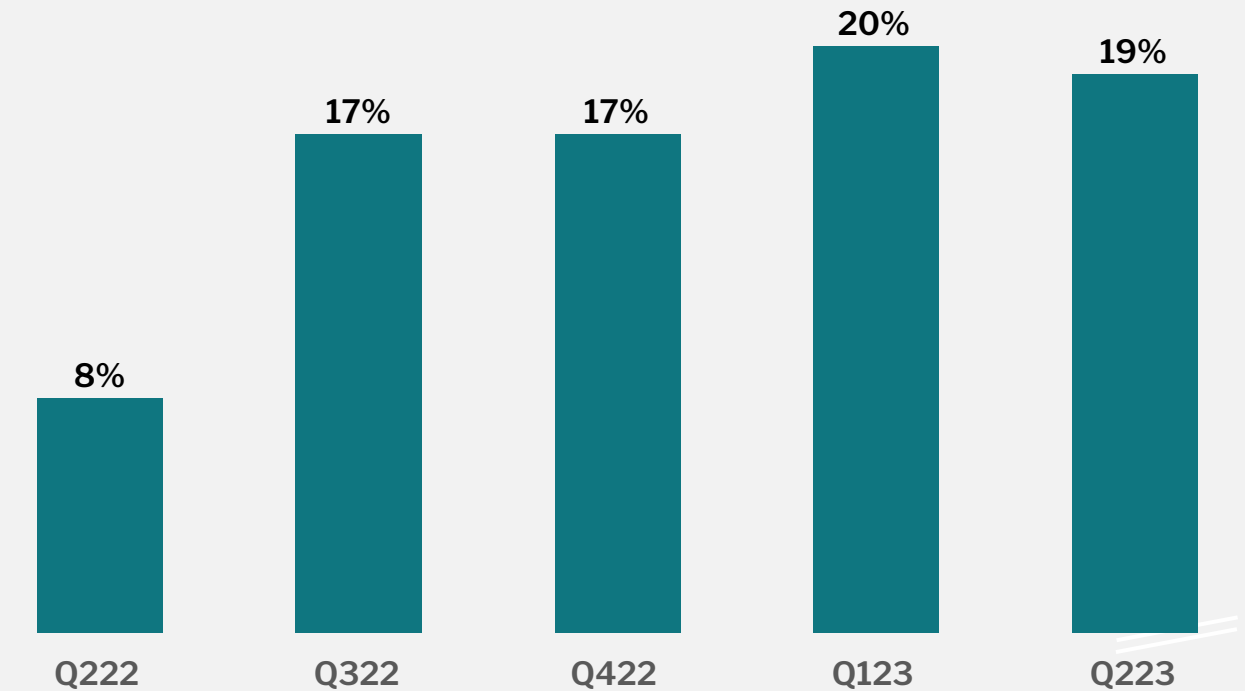
Mortgage

Q2 2023 Revenue

\$38M

Q2 2023 Attach Rate¹

19%



\$ Millions	Q2 2023	Q2 2022	YoY Change
Mortgage revenue	\$ 38	\$ 53	(28)%
Cost of revenue	34	46	(26)%
Gross profit	\$ 4	\$ 7	(39)%
Gross margin	10.8 %	12.8 %	-190 bps
Originations (\$ value, in millions)	\$ 1,282	\$ 1,565	(18)%
Originations (units, in ones)	3,131	3,860	(19)%

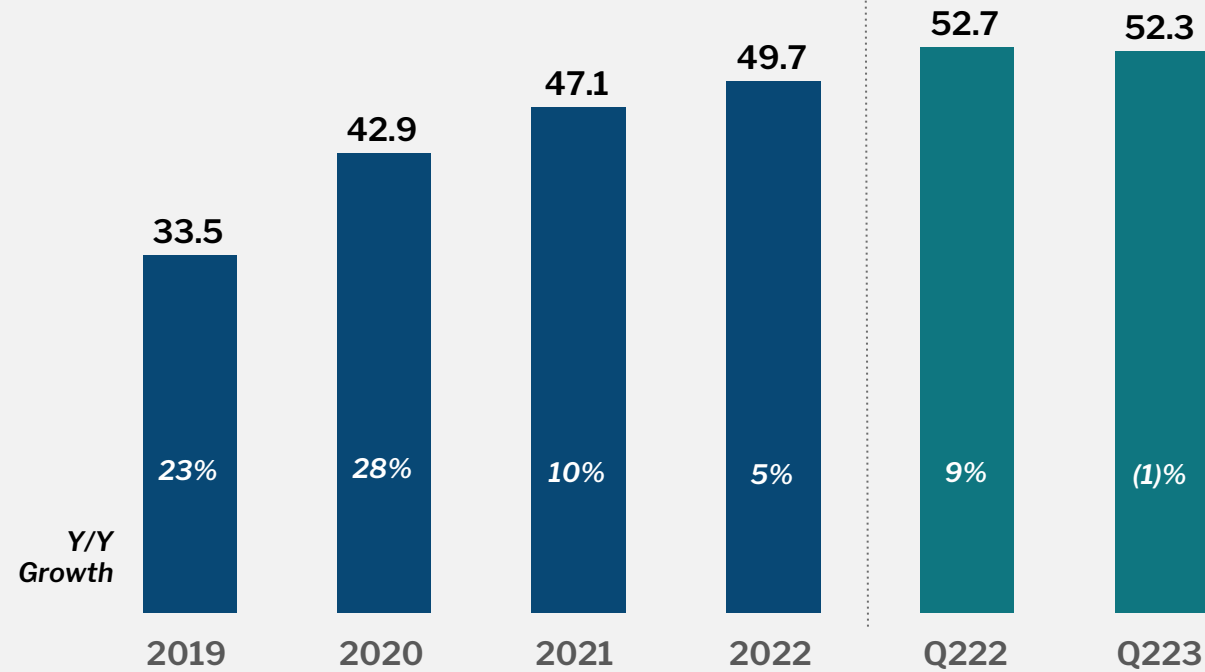
(1) Attach rate reflects total closed loans for Redfin buy-side customers divided by total Redfin buy-side transactions for the period. Redfin completed the acquisition of Bay Equity on April 4, 2022.

Traffic and Market Share

Q2 2023 Average Monthly Visitors

52M

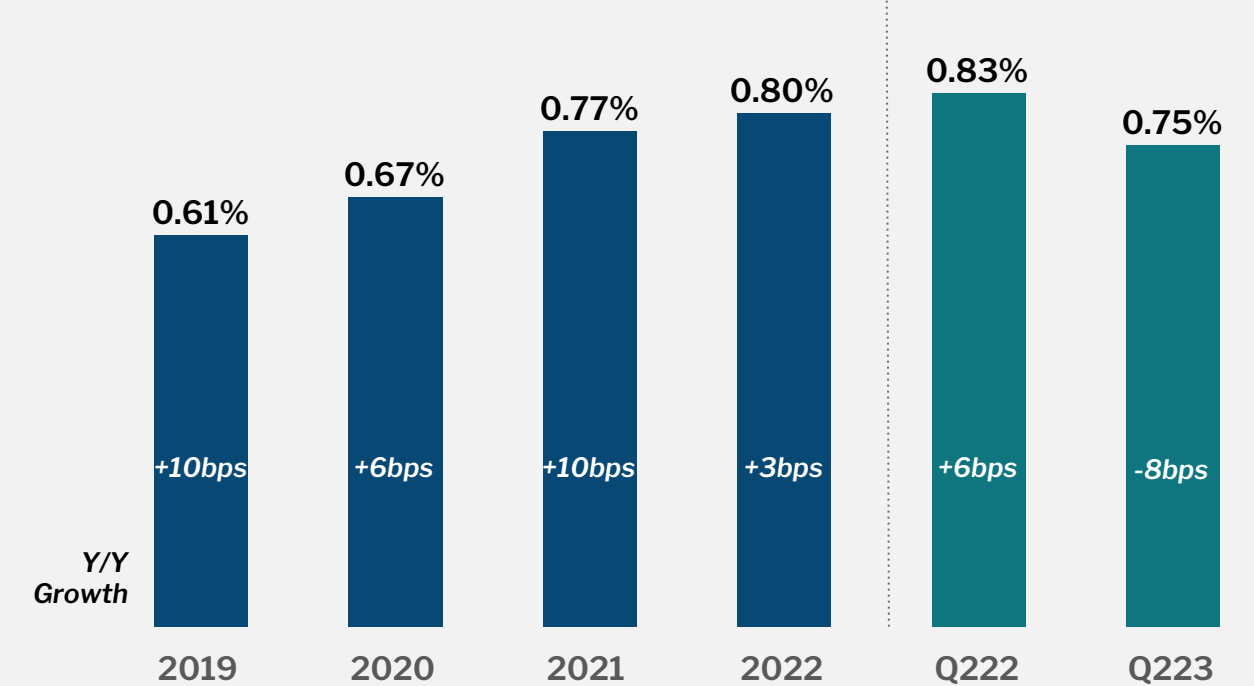
(1)% Y/Y



Q2 2023 U.S. Market Share by Value

0.75%

-8 bps Y/Y

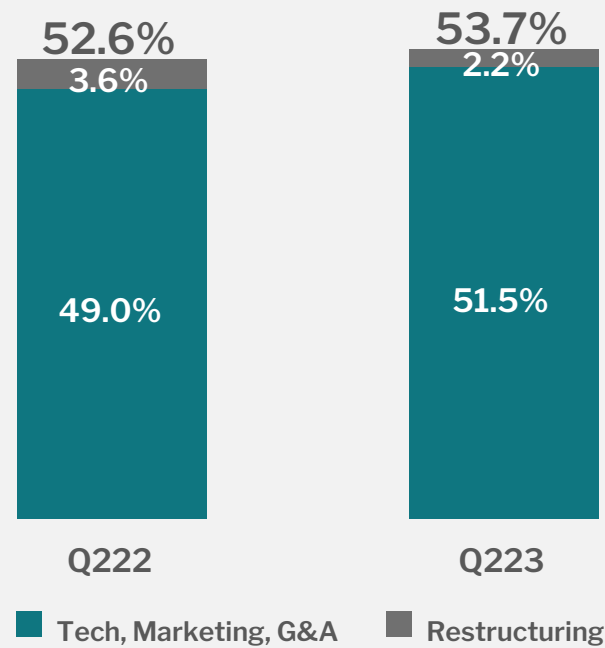


Median Home Price	\$392,000	\$410,000	\$455,000	\$460,000	\$487,000	\$449,900
Average Home Price	\$468,464	\$492,865	\$555,119	\$556,960	\$591,533	\$536,842
Transactions (Units)	65,174	75,800	94,579	80,203	24,548	17,668

Operating Expenses

Q2 2023 % of Revenue

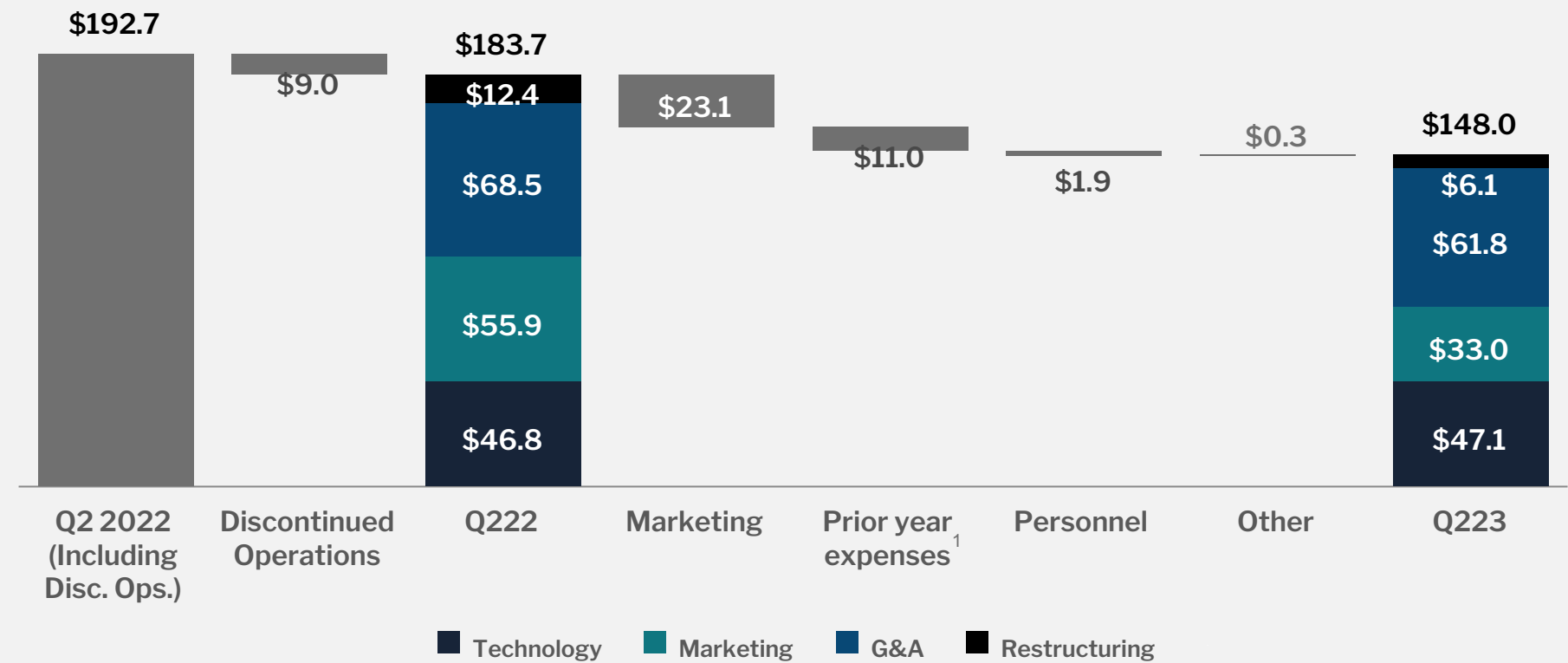
53.7%



Q2 2023 Operating Expenses

\$148M

(19)% Y/Y



(1) Includes legal, acquisition and restructuring expenses in the prior year that did not repeat in Q2 2023.

Q3 2023 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue	\$265	\$279	<ul style="list-style-type: none"> Year over year decline between (13)% and (9)% compared to revenue from continuing operations in Q3 2022
Real Estate Services	172	182	<ul style="list-style-type: none"> Year over year decline between (19)% and (14)% Gross margin to increase 400bps to 600bps compared to Q3 2022
Rentals	46	47	<ul style="list-style-type: none"> Year over year growth between 20% and 23%
Mortgage	35	38	<ul style="list-style-type: none"> Year over year decline between (28)% and (22)% Double digit positive gross margins
Other Revenue	12	12	<ul style="list-style-type: none"> Year over year growth between 66% and 70% Includes revenue from title, digital revenue and other revenue
Net Loss	(30)	(21)	<ul style="list-style-type: none"> Includes approximately \$25 million in total marketing expense, \$18 million in stock-based compensation and \$17 million in depreciation and amortization Quarterly dividend of 30,640 shares of common stock to our preferred shareholder
Adjusted EBITDA	4	14	<ul style="list-style-type: none"> Excludes \$18 million of stock-based compensation and \$17 million of depreciation and amortization

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Thank You