

REDFIN

A Technology-Powered Real Estate Company

Q3 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 September 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.

Q3 2023 Highlights

1

Gross profit up 8% year-over-year in spite of revenue headwind¹

2

Market share (by units) of 0.78% (up from 0.75% in Q2 2023)²

3

51 million average monthly visitors (up 1% compared to Q3 2022)³

4

Rentals segment 23% revenue growth and positive adjusted EBITDA

5

Mortgage segment attach rate of 18% (up from 17% in Q3 2022)

6

Other segment third consecutive quarter of positive adjusted EBITDA⁴

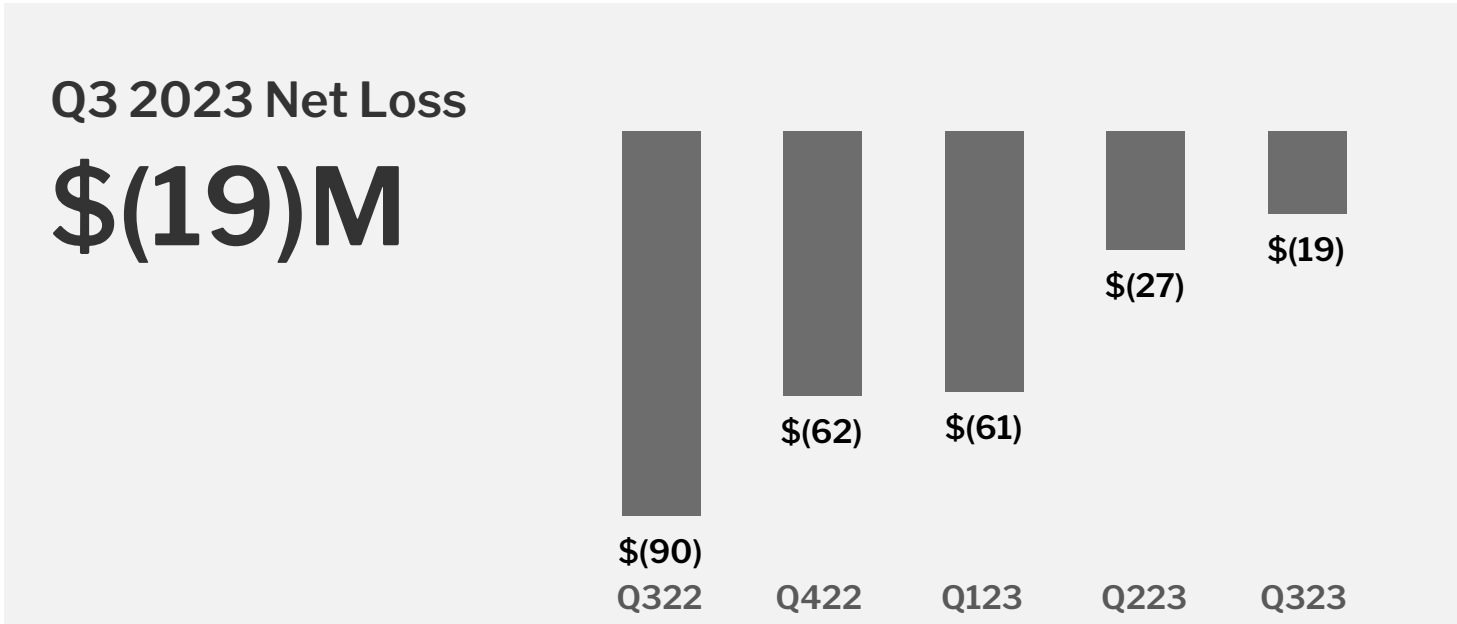
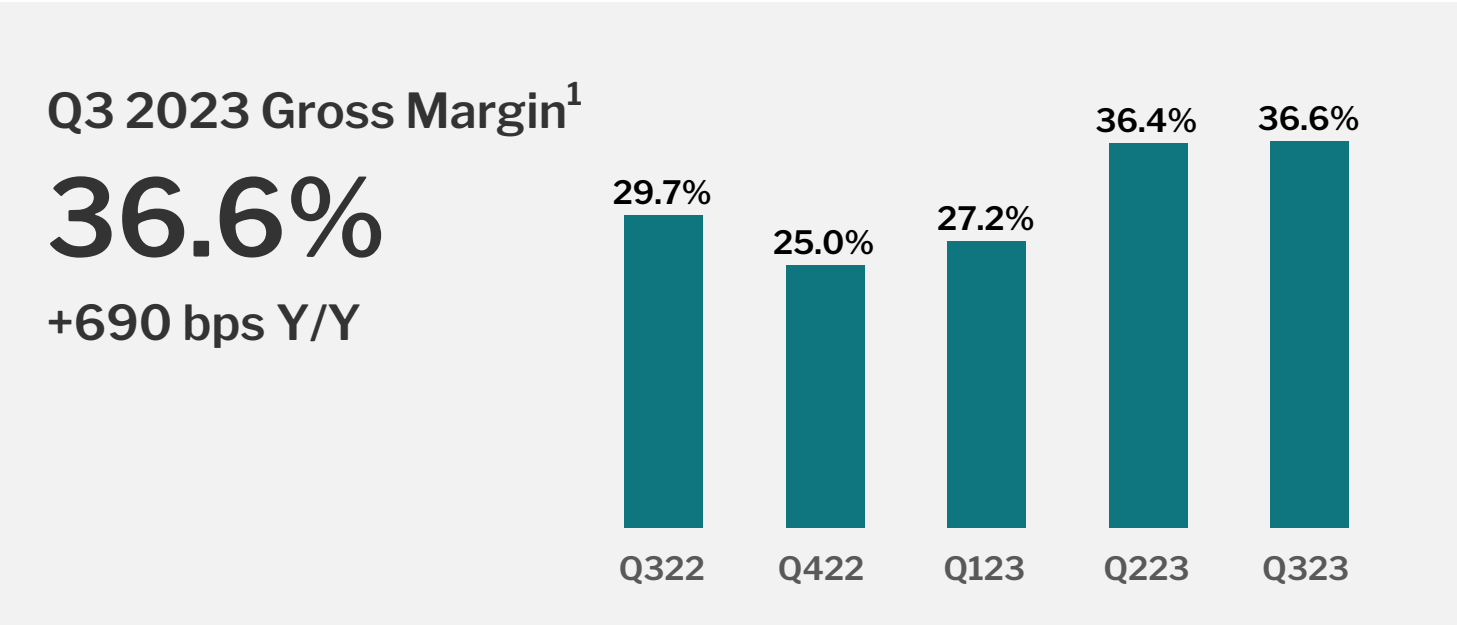
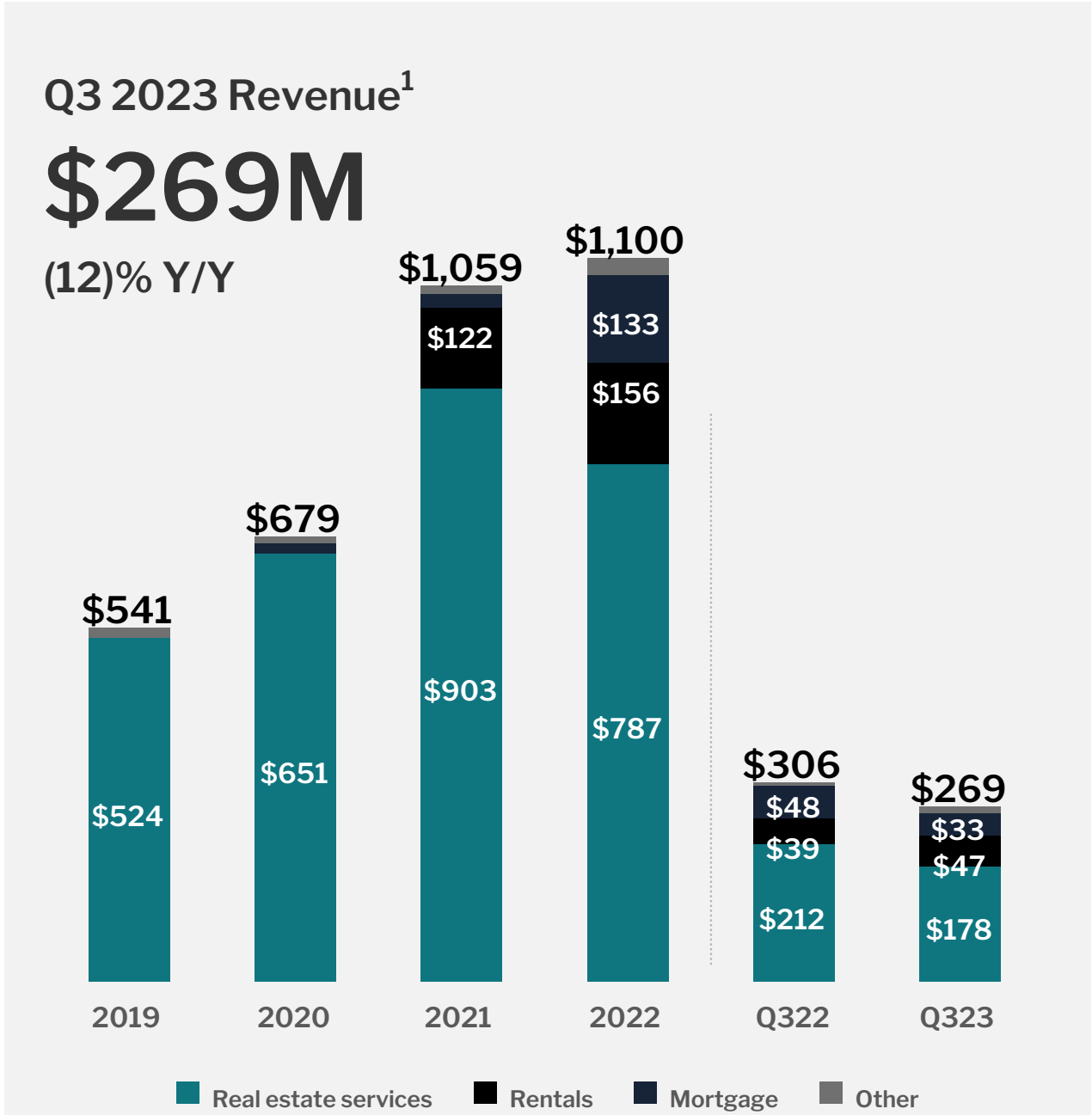
(1) Financial comparisons reflect results from continuing operations (excluding discontinued properties business).

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

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

(4) Other segment includes our title and digital revenue businesses.

Key Financial Results

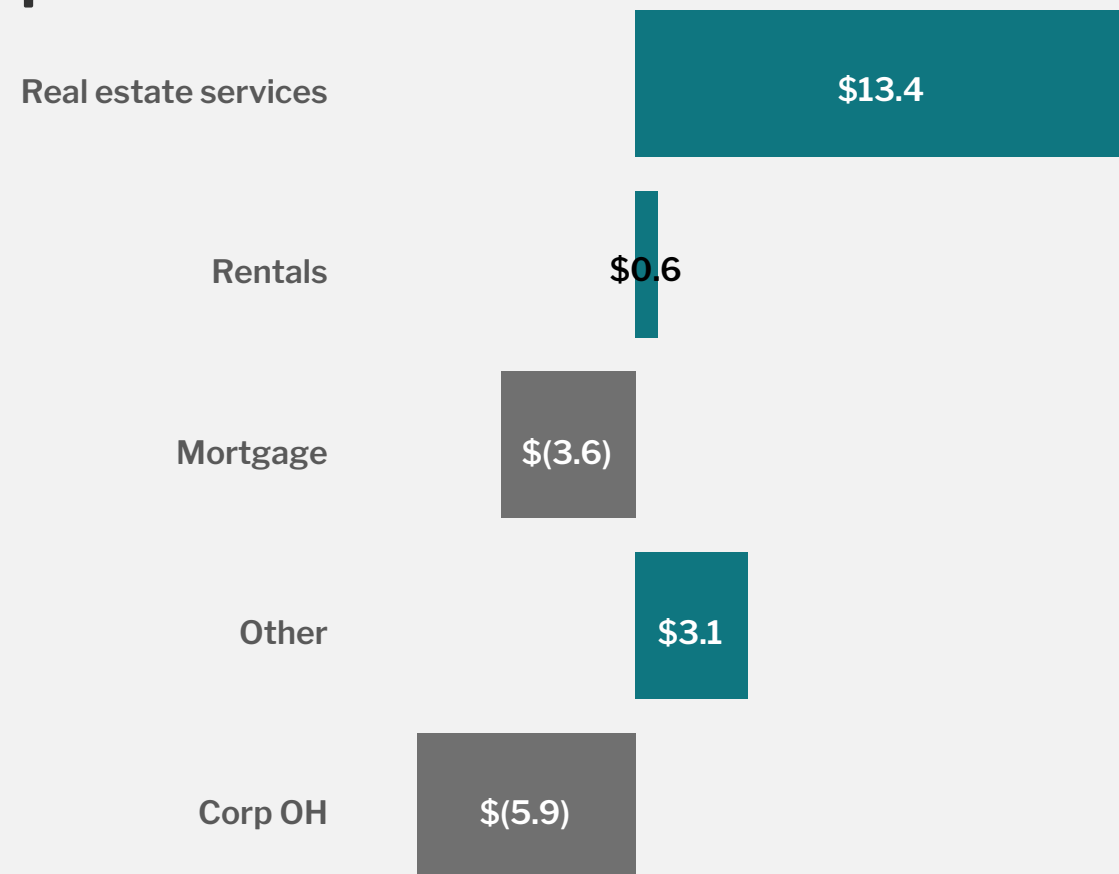


(1) Revenue and gross margin figures reflect results from continuing operations (excluding discontinued properties business).

Segment Profit (Continuing Operations)

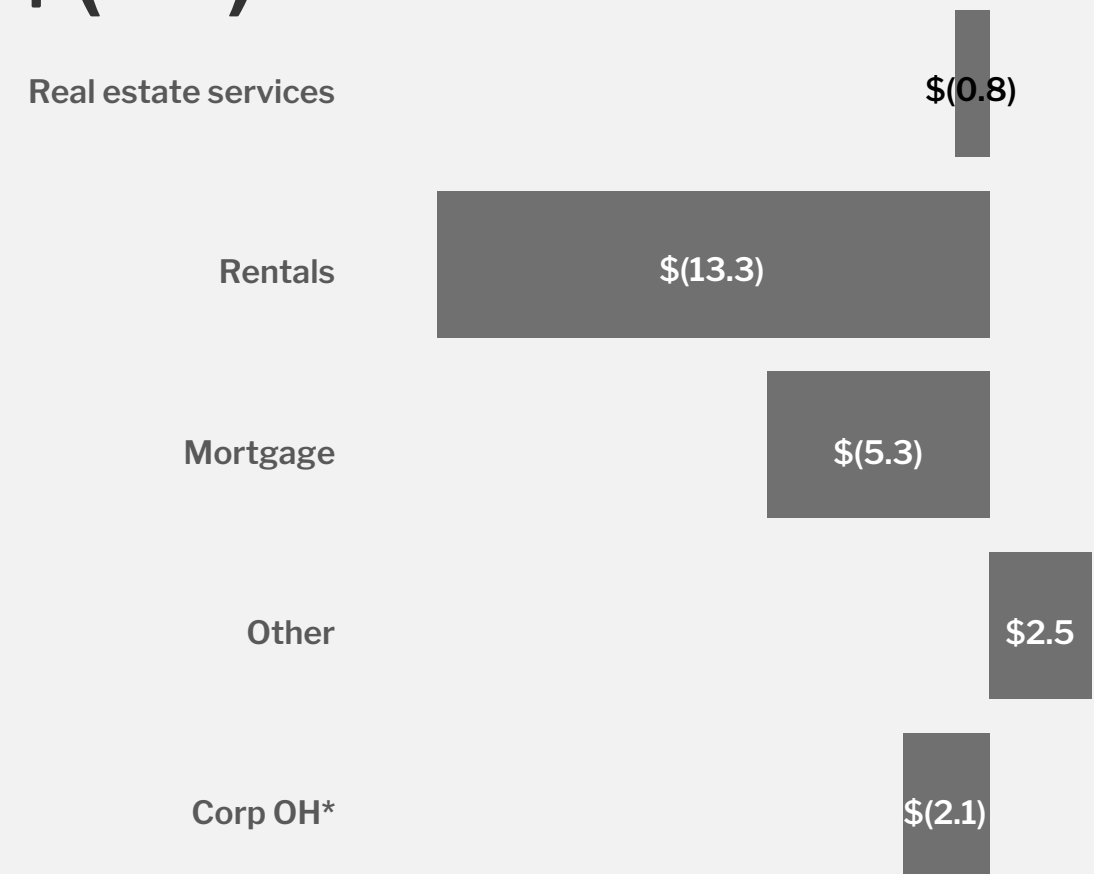
Q3 2023 Adjusted EBITDA¹

\$8M



Q3 2023 Net Loss¹

\$(19)M



(1) Adjusted EBITDA and net loss figures reflect results from continuing operations (excluding discontinued properties business).
*Net loss includes a \$6M gain on extinguishment of convertible senior notes.

Real Estate Services

Q3 2023 Revenue

\$178M

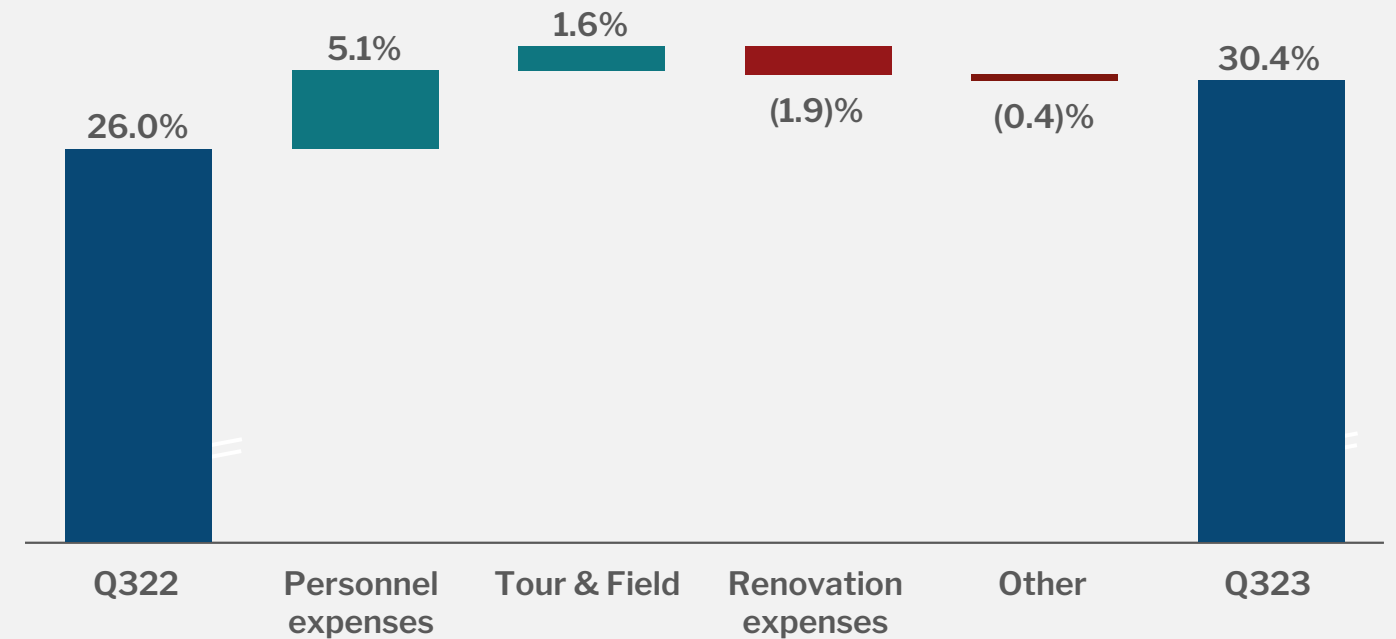
(16)% Y/Y

Q3 2023 Gross Margin

30.4%

+440 bps Y/Y

\$ Millions	Q3 2023	Q3 2022	YoY Change
Brokerage revenue	\$ 166	\$ 203	(18)%
Partner revenue	12	9	30 %
Total real estate services revenue	\$ 178	\$ 212	(16)%
U.S. market share	0.78 %	0.80 %	-2 bps
Average lead agents	1,744	2,293	(24)%
Brokerage transactions	13,075	18,245	(28)%
Transactions per lead agent	7.5	8.0	(6)%
Partner transactions	4,351	3,507	24 %



Rentals

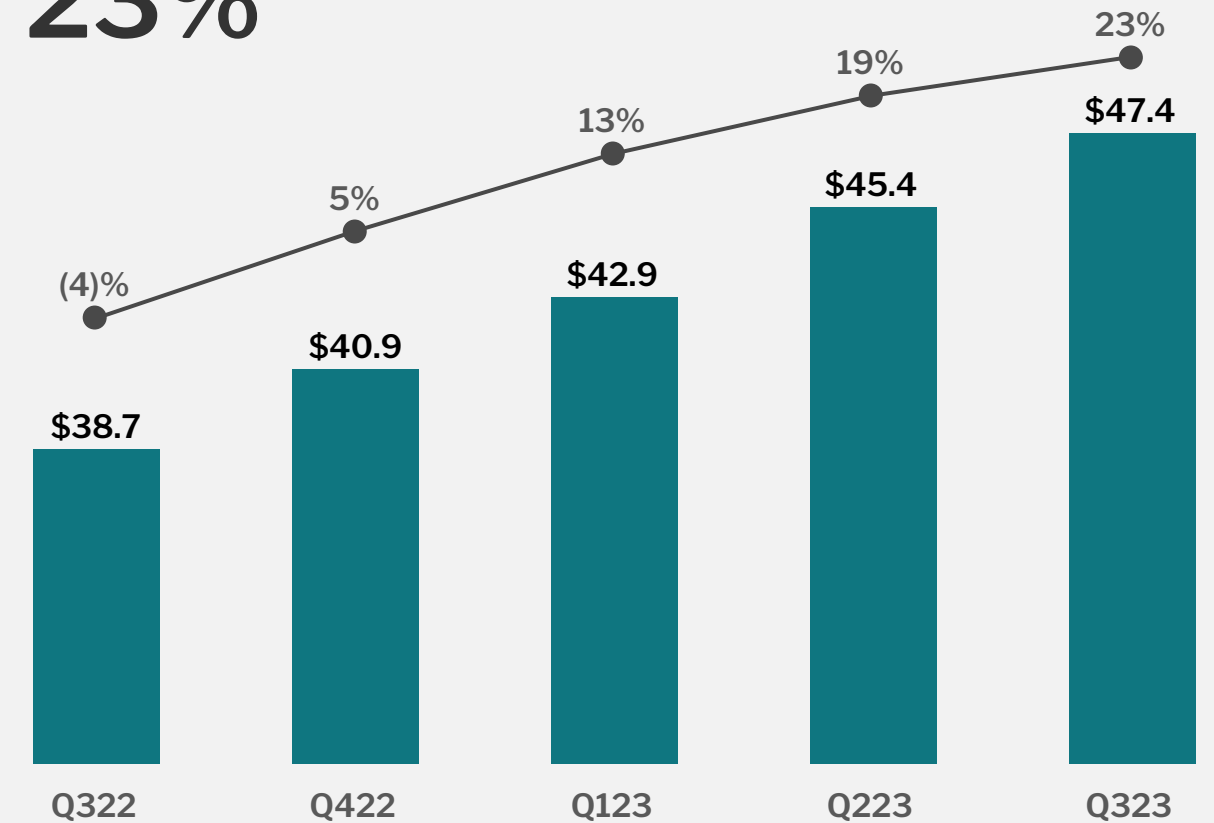
Q3 2023 Revenue

\$47M

+23%Y/Y

Q3 2023 Revenue Growth

23%



\$ Millions	Q3 2023	Q3 2022	YoY Change
Rentals revenue	\$ 47	\$ 39	23 %
Cost of revenue	11	9	25 %
Gross profit	\$ 37	\$ 30	22 %
Gross margin	77.2 %	77.6 %	-40 bps

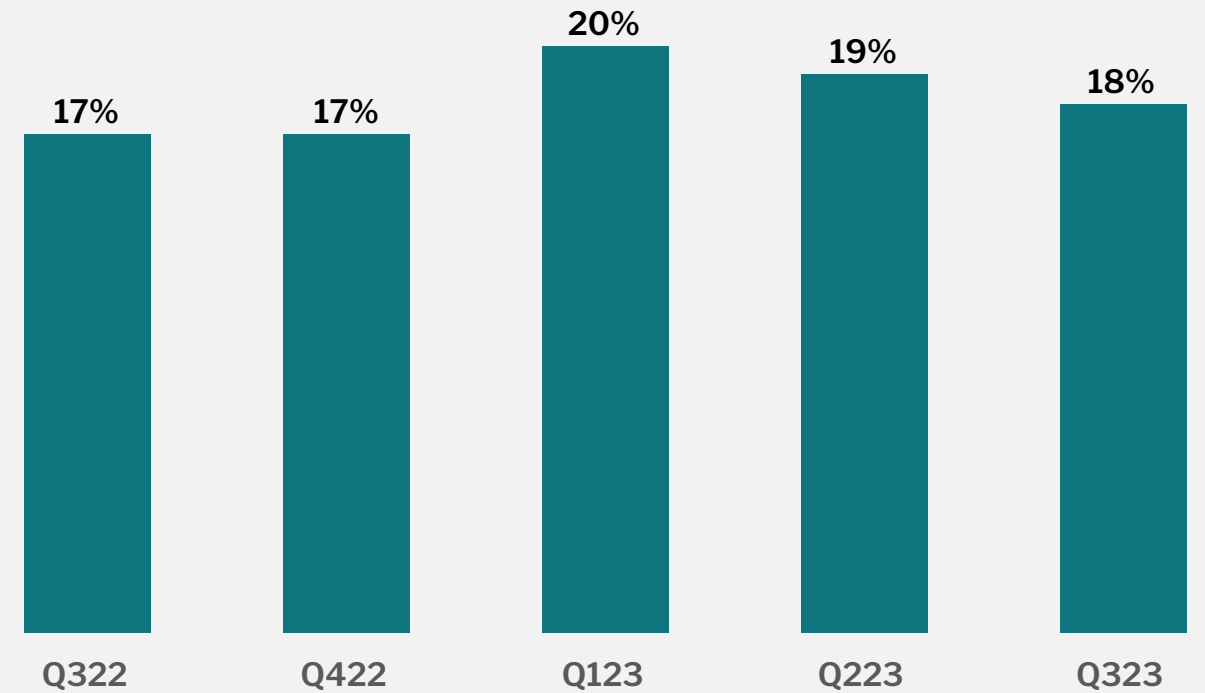
Mortgage

Q3 2023 Revenue

\$33M

Q3 2023 Attach Rate¹

18%



\$ Millions	Q3 2023	Q3 2022	YoY Change
Mortgage revenue	\$ 33	\$ 48	(32)%
Cost of revenue	30	44	(32)%
Gross profit	\$ 3	\$ 5	(30)%
Gross margin	10.0 %	9.7 %	30 bps
Originations (\$ value, in millions)	\$ 1,110	\$ 1,557	(29)%
Originations (units, in ones)	2,786	3,720	(25)%

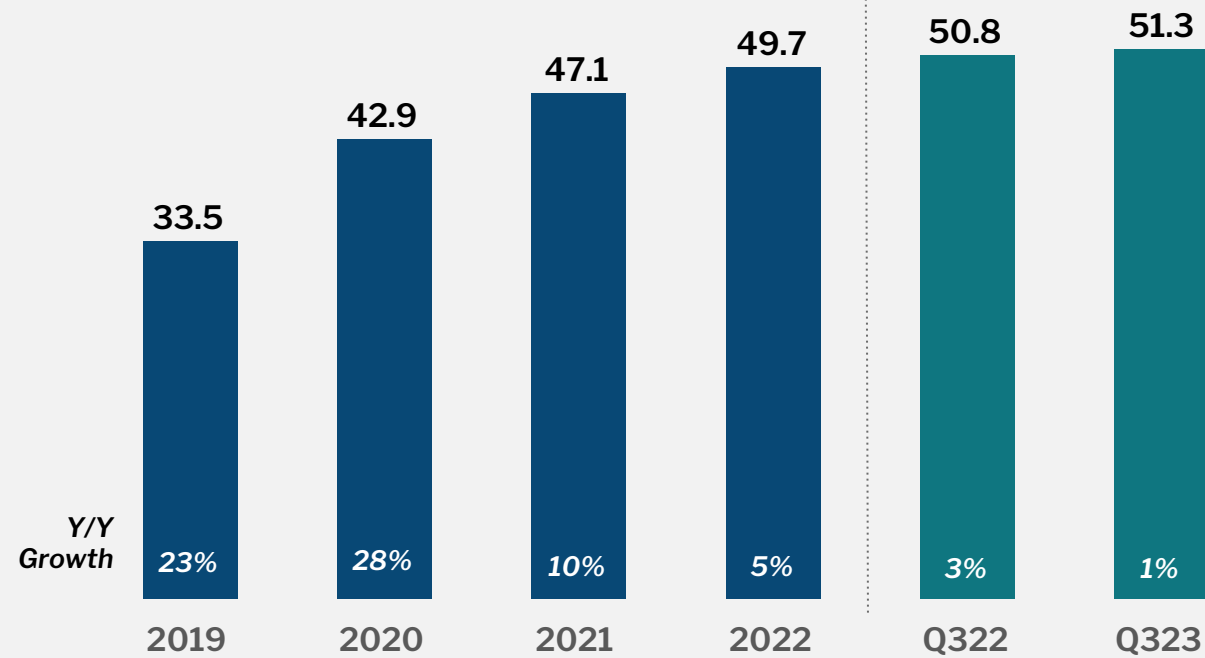
(1) Attach rate reflects total closed loans for Redfin buy-side customers divided by total Redfin buy-side transactions for the period.

Traffic and Market Share

Q3 2023 Average Monthly Visitors

51M

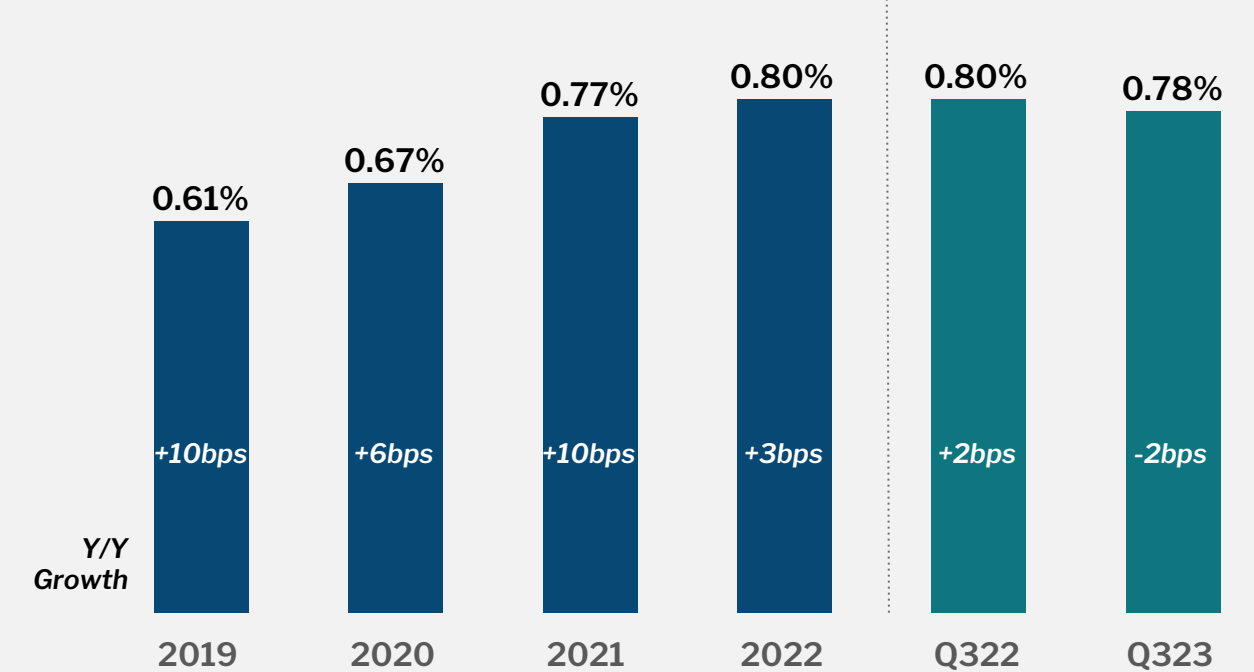
1% Y/Y



Q3 2023 U.S. Market Share by Value

0.78%

-2 bps Y/Y

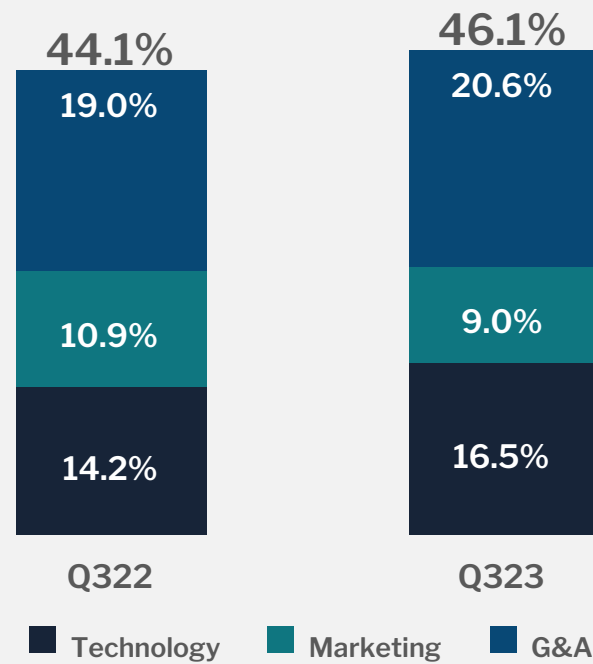


	2019	2020	2021	2022	Q322	Q323
Median Home Price	\$392,000	\$410,000	\$455,000	\$460,000	\$456,000	\$451,000
Average Home Price	\$468,464	\$492,865	\$555,119	\$556,960	\$543,077	\$538,867
Transactions (Units)	65,174	75,800	94,579	80,203	21,752	17,426

Operating Expenses

Q3 2023 % of Revenue

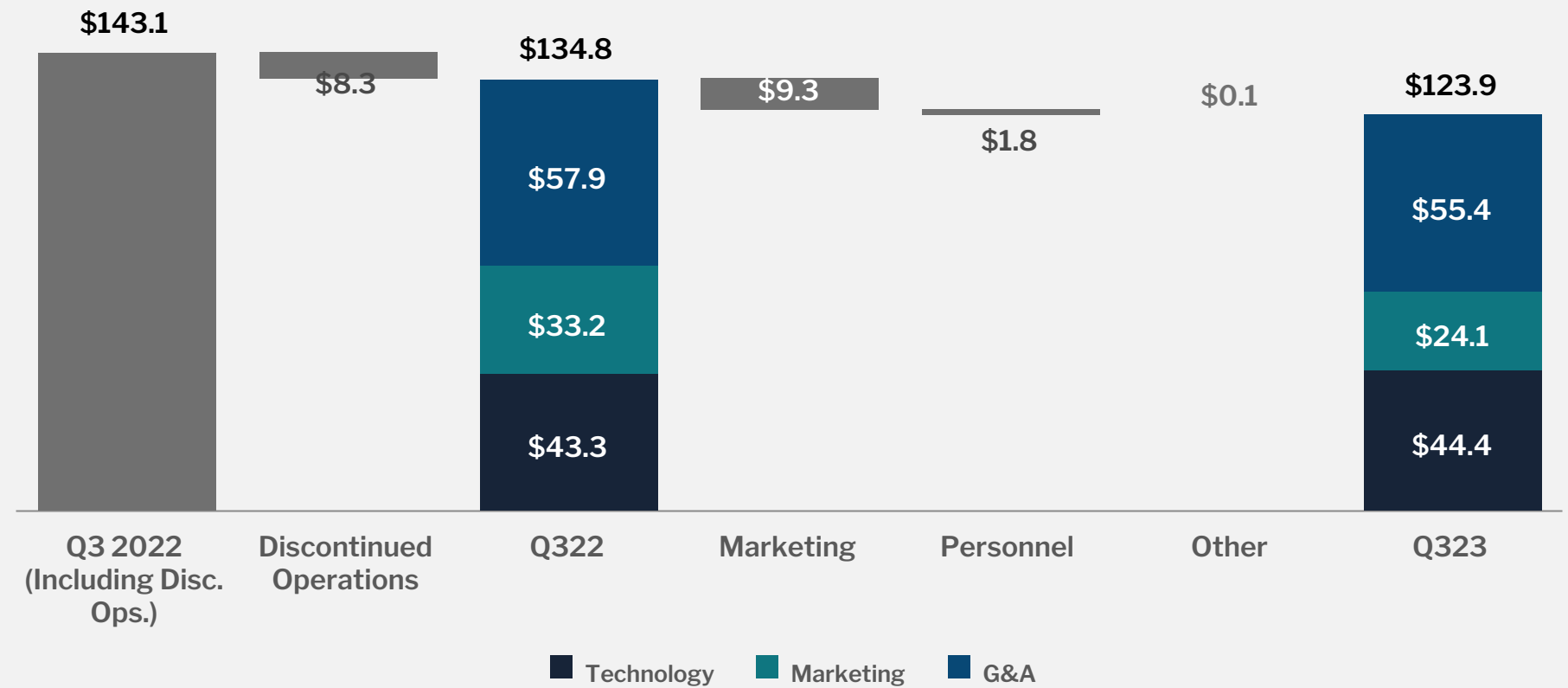
46.1%



Q3 2023 Operating Expenses

\$124M

(8)% Y/Y



Q4 2023 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue	\$211	\$226	<ul style="list-style-type: none"> Year over year decline between (5)% and 2% for revenue from continuing operations
Real Estate Services	127	137	<ul style="list-style-type: none"> Year over year decline between (13)% and (6)% Gross margin to increase 200bps to 500bps compared to Q4 2022
Rentals	49	50	<ul style="list-style-type: none"> Year over year growth between 19% and 22%
Mortgage	26	29	<ul style="list-style-type: none"> Year over year change between (8)% and 2% Positive gross margins
Other Revenue	9	10	<ul style="list-style-type: none"> Year over year growth between 49% and 55% Includes revenue from title, digital revenue and other revenue
Net Loss	(27)	(18)	<ul style="list-style-type: none"> Includes approximately \$20 million in total marketing expense, \$18 million in stock-based compensation, \$15 million in depreciation and amortization, \$27 million in gains on extinguishment of convertible senior notes and \$2 million to \$3 million in net interest expense Quarterly dividend of 30,640 shares of common stock to our preferred shareholder
Adjusted EBITDA	(19)	(9)	<ul style="list-style-type: none"> Excludes \$18 million of stock-based compensation and \$15 million of depreciation and amortization, \$27 million in gains on extinguishment of convertible senior notes and \$2 million to \$3 million in net interest expense

Note: guidance assumes, among other things, that no additional business acquisitions, investments, restructurings, convertible note or stock repurchases, or legal settlements are concluded and that there are no further revisions to stock-based compensation estimates.

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Thank You