



REDFIN

**A Technology-Powered
Real Estate Company**

Q1 2022 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, 2021, , as supplemented by Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, each of which is 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.

Q1 2022 Highlights



Real estate services revenue ahead of guidance (+5% year-over-year)



Reached market share of 1.18% (+2 bps year-over-year)¹



51.3 million average monthly visitors (+11% v. prior year)²



Properties generated its 5th consecutive quarter of positive gross profit



Successfully launched rental listings on Redfin.com in March 2022



Announced the acquisition of Bay Equity, which closed on April 1



Building a one stop shop for brokerage, iBuying, rentals, mortgage & title

1. We calculate our market share by aggregating the home value of brokerage and partner real estate services transactions. Then, in order to account for both the sell- and buy-side components of each transaction, we divide that value by two-times the estimated aggregate value of U.S. home sales. We calculate the aggregate value of U.S. home sales by multiplying the total number of U.S. existing home sales by the mean sale price of these homes, each as reported by the National Association of REALTORS® ("NAR"). NAR data for the most recent period is preliminary and may subsequently be updated by NAR.

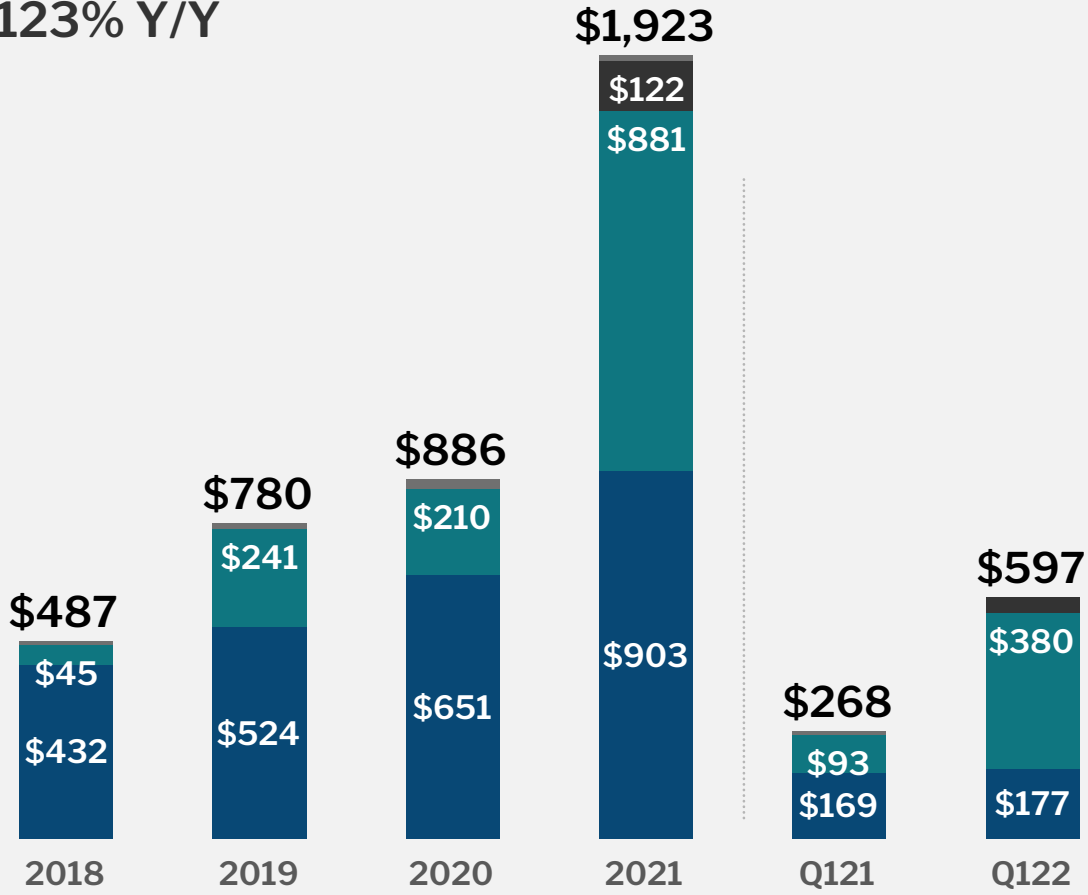
2. Source: Google Analytics, web and mobile application visitors.

Key Financial Results

Q1 2022 Revenue

\$597M

+123% Y/Y

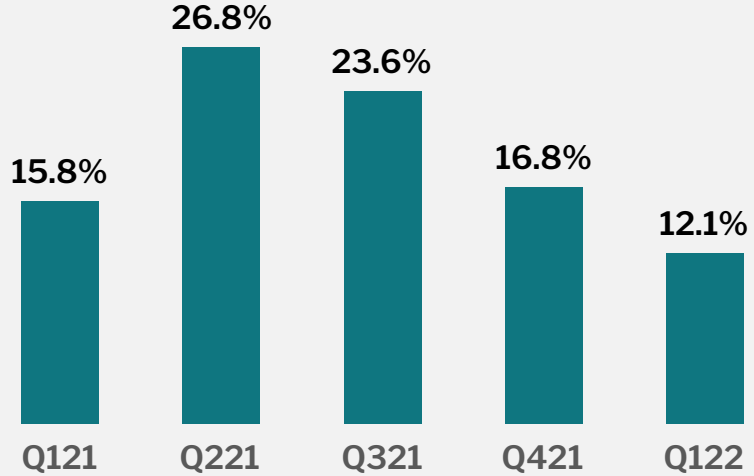


Real estate services Properties Rentals Other*

Q1 2022 Gross Margin

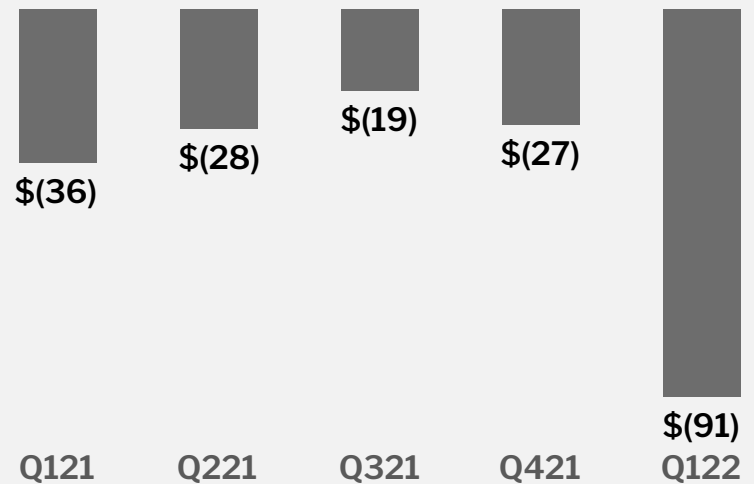
12.1%

-370 bps Y/Y



Q1 2022 Net Loss

\$91M



* Other revenue is net of intercompany eliminations.

Real Estate Services

Q1 2022 Revenue

\$177M

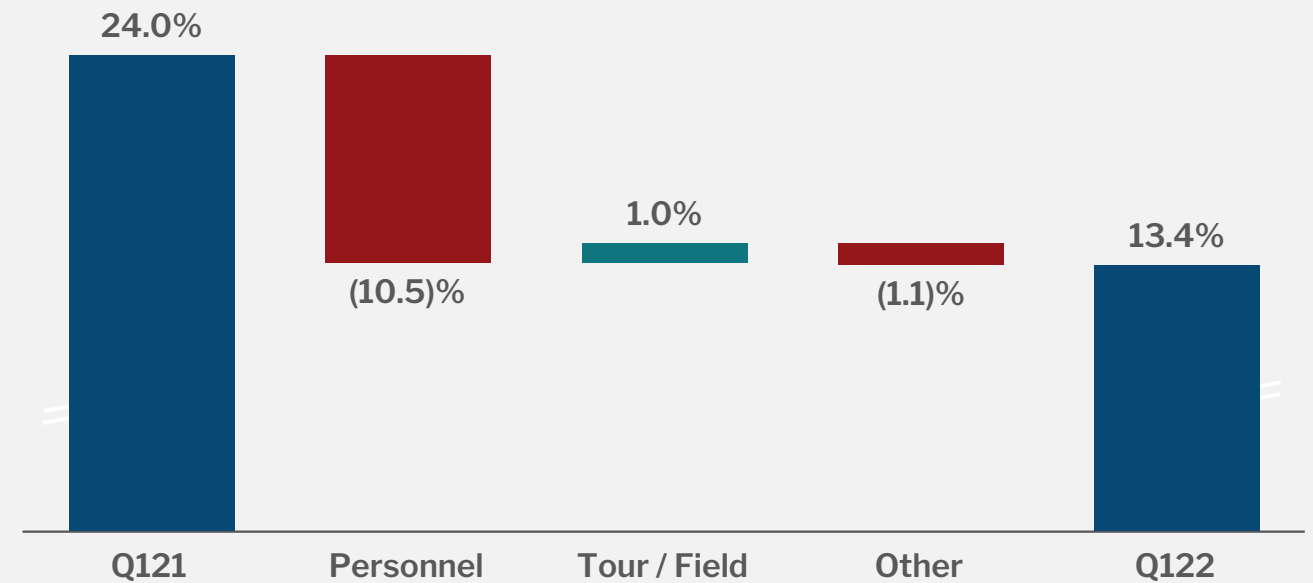
+5% Y/Y

Q1 2022 Gross Margin

13.4%

-1,060 bps Y/Y

\$ Millions	Q1 2022	Q1 2021	YoY Change
Brokerage revenue	\$ 168	\$ 156	8 %
Partner revenue	10	12	(20)%
Total real estate services revenue	\$ 177	\$ 168	5 %
Aggregate home value of transactions (\$M)	\$ 10,346	\$ 9,710	7 %
U.S. market share	1.18 %	1.16 %	2 bps
Average lead agents	2,750	2,277	21 %
Brokerage transactions	15,001	14,317	5 %
Transactions per lead agent	5.5	6.3	(13)%
Partner transactions	3,417	3,944	(13)%



Properties

Q1 2022 Revenue

\$380M

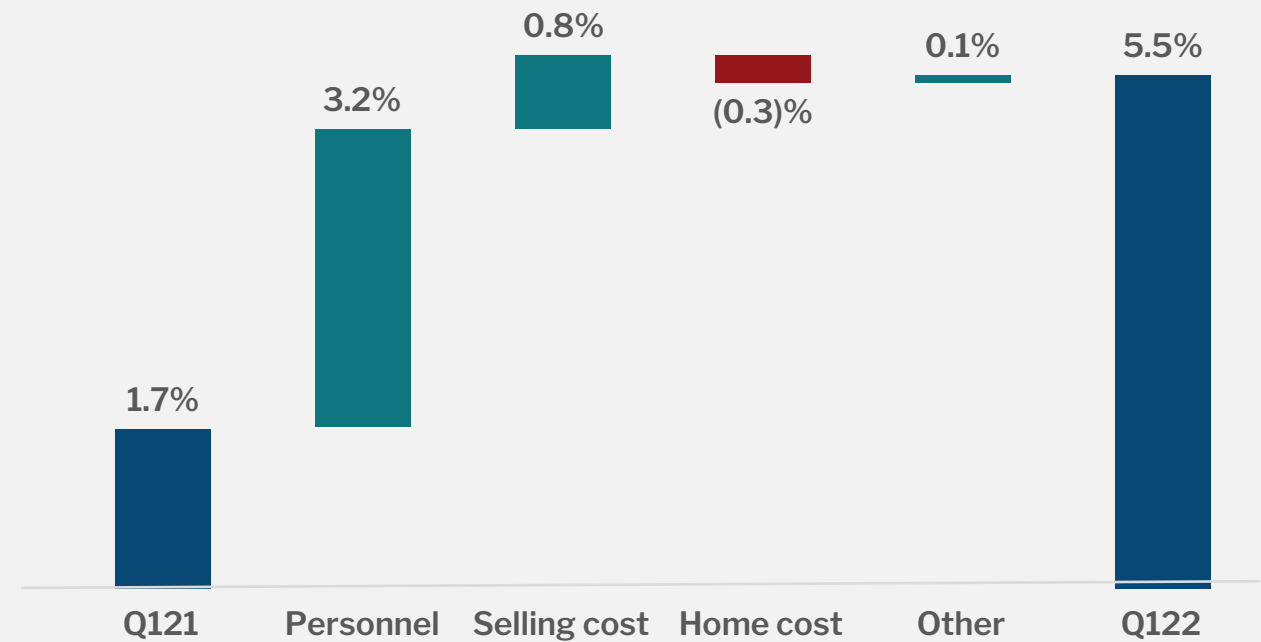
+310% Y/Y

Q1 2022 Gross Margin

5.5%

+380 bps Y/Y

\$ Millions	Q1 2022	Q1 2021	YoY Change
RedfinNow revenue	\$ 376	\$ 90	318 %
Other properties revenue	4	3	NM
Total properties revenue	\$ 380	\$ 93	310 %
RedfinNow homes sold	617	171	261 %
Revenue per home sold (thousands)	\$ 609	\$ 526	16 %
RedfinNow homes purchased	398	256	55 %

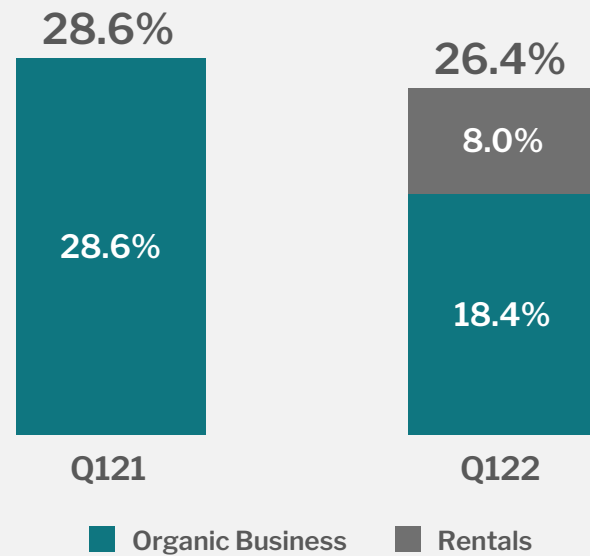


Operating Expenses

Q1 2022 % of Revenue

26.4%

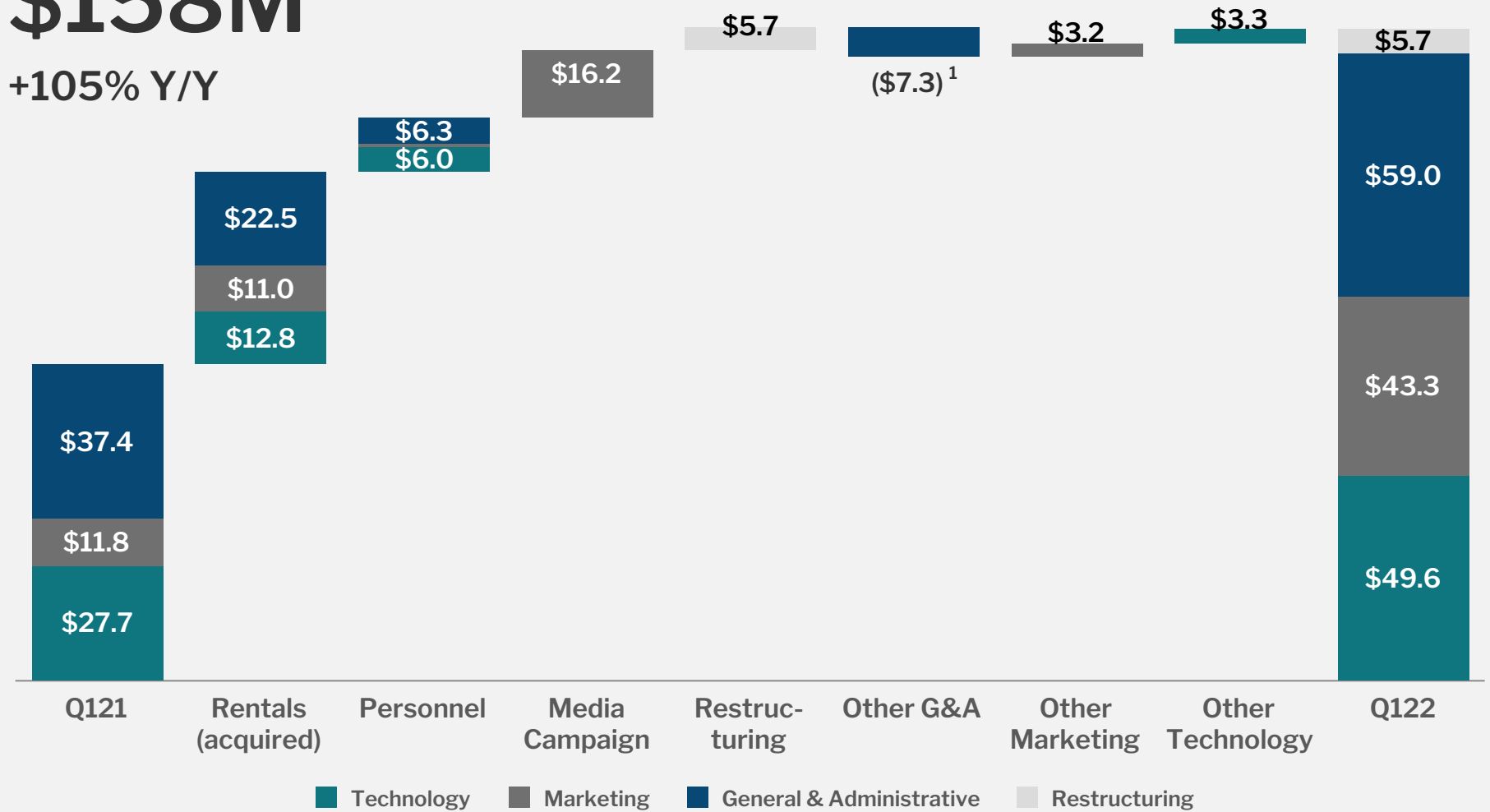
-220 bps Y/Y



Q1 2022 Operating Expenses

\$158M

+105% Y/Y



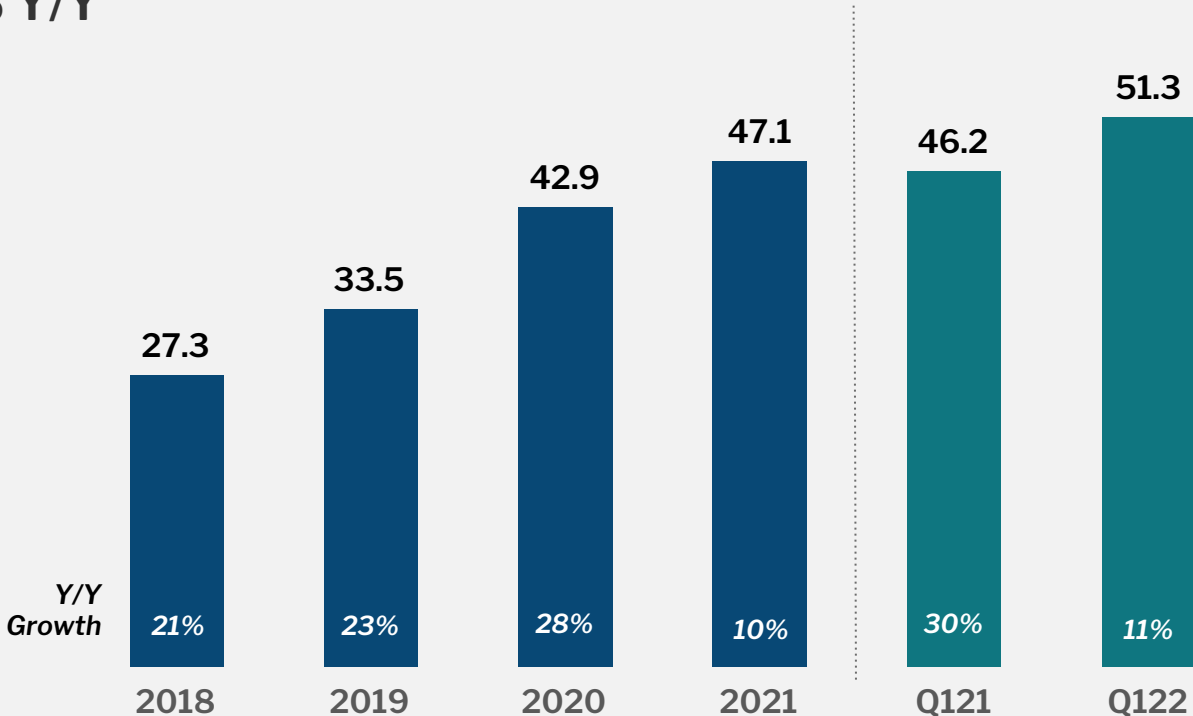
1. Includes a \$4.7 million decrease in advertising campaign and contractor expenses for recruiting employees and \$2.9 million decrease in legal expenses.

Key Metrics

Q1 2022 Average Monthly Visitors

51M

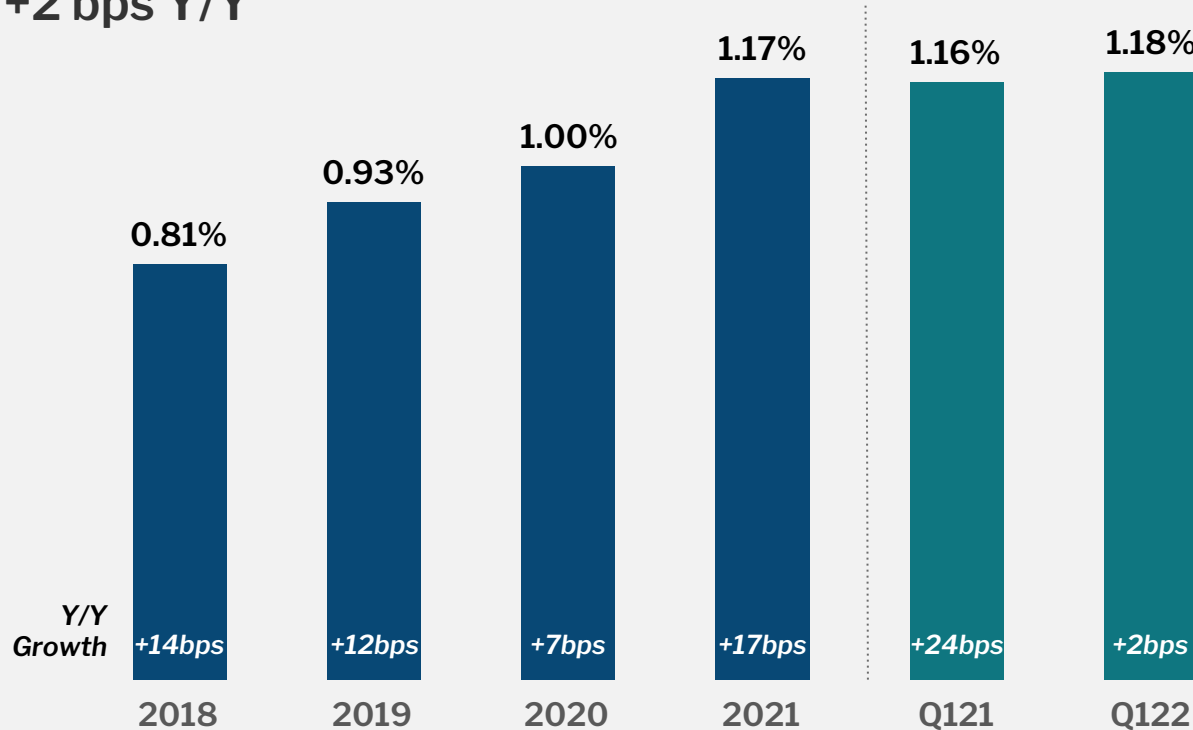
11% Y/Y



Q1 2022 U.S. Market Share by Value

1.18%

+2 bps Y/Y



Historical Adjusted EBITDA

To supplement our consolidated financial statements that are prepared and presented in accordance with GAAP, we also compute and present adjusted EBITDA, which is a non-GAAP financial measure. We believe adjusted EBITDA is useful for investors because it enhances period-to-period comparability of our financial statements on a consistent basis and provides investors with useful insight into the underlying trends of the business. The presentation of this financial measure is not intended to be considered in isolation or as a substitute of, or superior to, our financial information prepared and presented in accordance with GAAP. Our calculation of adjusted EBITDA may be different from adjusted EBITDA or similar non-GAAP financial measures used by other companies, limiting its usefulness for comparison purposes. Our historical adjusted EBITDA is presented below, along with a reconciliation of adjusted EBITDA to net (loss) income.

Reconciliation of Adjusted EBITDA to Net (Loss) Income

unaudited, in thousands	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Net (loss) income	\$ (60,117)	\$ (6,611)	\$ 34,166	\$ 14,035	\$ (35,784)	\$ (27,878)	\$ (18,949)	\$ (27,002)	\$ (90,806)
Interest income ⁽¹⁾	(1,365)	(784)	(674)	(532)	(515)	(548)	(580)	(586)	(538)
Interest expense ⁽²⁾	2,702	3,047	2,926	12,215	1,767	3,220	4,071	4,370	4,138
Income tax (benefit) expense	—	—	—	—	—	(5,052)	(311)	(744)	134
Depreciation and amortization	3,307	3,558	3,716	3,983	4,341	13,677	14,285	14,603	14,813
Stock-based compensation ⁽³⁾	7,211	7,205	11,348	11,209	12,583	13,743	13,110	15,286	16,788
Acquisition-related costs ⁽⁴⁾	—	—	—	—	2,107	5,616	202	—	917
Restructuring and reorganization ⁽⁵⁾	—	6,233	266	—	—	—	—	—	5,710
Impairment ⁽⁶⁾	1,420	—	643	—	—	—	—	—	—
Adjusted EBITDA	\$ (46,842)	\$ 12,648	\$ 52,391	\$ 40,910	\$ (15,501)	\$ 2,778	\$ 11,828	\$ 5,927	\$ (48,844)

1. Interest income includes \$0.3 million, \$1.6 million, and \$1.3 million of interest income related to originated mortgage loans for the three months ended March 31, 2022 and the years ended December 31, 2021 and 2020, respectively.

2. Interest expense includes \$0.3 million, \$1.7 million, and \$1.4 million of interest expense related to our warehouse credit facilities for the three months ended March 31, 2022 and the years ended December 31, 2021 and 2020, respectively.

3. Stock-based compensation consists of expenses related to stock options, restricted stock units, and our employee stock purchase program. See Note 12 to our consolidated financial statements for more information.

4. Acquisition-related costs consist of fees for external advisory, legal, and other professional services incurred in connection with our acquisition of other companies.

5. Restructuring and reorganization expenses consist of personnel-related costs associated with employee terminations, furloughs, or retention.

6. Impairment costs consist of write-downs of certain cost-method investments.

Q2 2022 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue	\$613	\$650	<ul style="list-style-type: none"> • Year over year growth between 30% and 38%
Real Estate Services	249	256	<ul style="list-style-type: none"> • Year over year growth between (1)% to 1% • Gross margin to decrease compared to Q2 2021
Properties	256	281	<ul style="list-style-type: none"> • Year over year growth between 48% to 63% • Gross margin to increase compared to Q2 2021
Rentals	38	38	<ul style="list-style-type: none"> • Contribution to net loss is expected to be about \$(21) million
Mortgage	68	73	<ul style="list-style-type: none"> • Reflects a full quarter of Bay Equity results; acquisition closed April 1 • Contribution to net income is expected to be about \$4 million
Other & Eliminations	2	2	<ul style="list-style-type: none"> • Includes revenue from title and other revenue as well as inter-company eliminations
Net Loss	(72)	(60)	<ul style="list-style-type: none"> • \$4 million in restructuring expense • \$61 million in total marketing expense • \$21 million in stock-based compensation, \$17 million in D&A, \$4 million in interest expense • We expect to pay a quarterly dividend of 30,640 shares of common stock to our preferred shareholder

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Thank You