

REDFIN

A Technology-Powered Real Estate Company

Q4 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, 2022, 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.

Q4 and Full Year 2022 Highlights



Q4 real estate services revenue of \$146M (v. guidance of \$136M-\$144M)



Reached market share (by units) of 0.80% for FY 2022 (+3 bps v. 2021)¹



50 million average monthly visitors in FY 2022 (+5% v. 2021)²



Expanded listing coverage to 98% of the U.S. population



17% mortgage attach rates in Q4 (up from 8% in Q2)



Rentals revenue growth (+5% v. Q4 2021); first positive growth in years



Complete customer solution - including brokerage, rentals, mortgage & title

(1) Please refer to our 10-K for additional information on how market share is calculated. We are now reporting market share by units rather than by dollar volume.

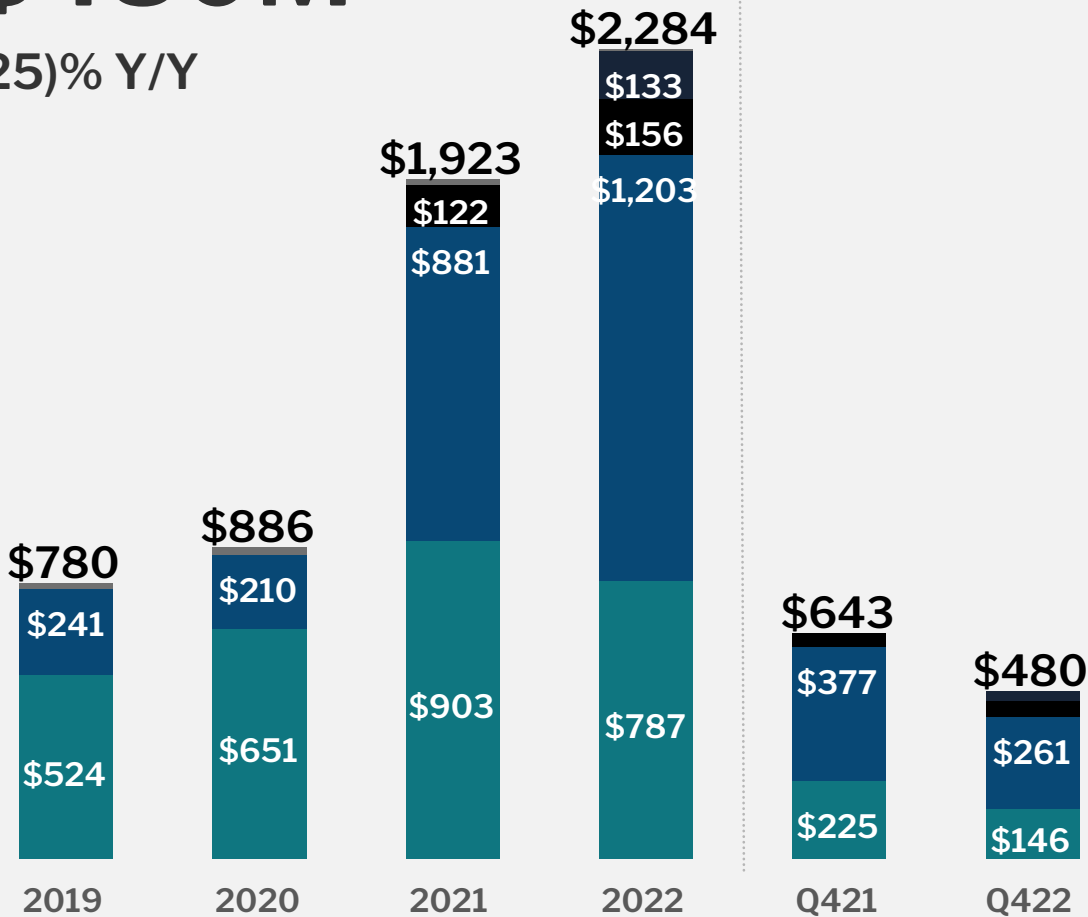
(2) Source: Google Analytics, web and mobile application visitors.

Key Financial Results

Q4 2022 Revenue

\$480M

(25)% Y/Y

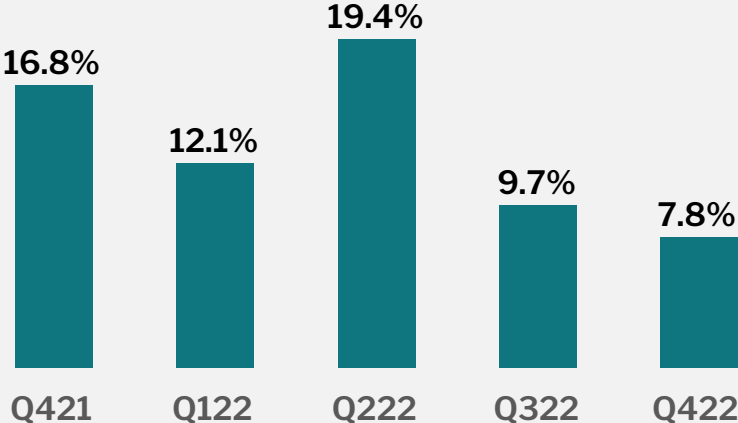


Real estate services Properties* Rentals
Mortgage Other & Eliminations

Q4 2022 Gross Margin

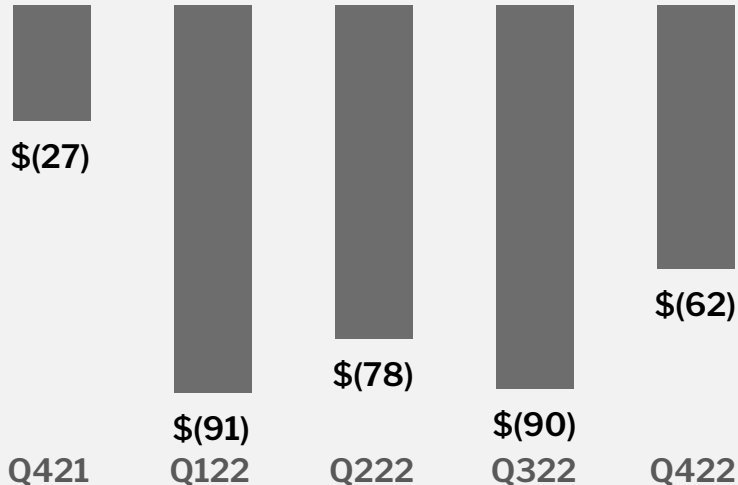
7.8%

-900 bps Y/Y



Q4 2022 Net Loss

\$(62)M



*In November 2022 we announced our decision to wind-down RedfinNow, which comprises the bulk of our properties segment revenue; revenue for this segment will be de minimis once the wind-down is complete.

Segment Profit

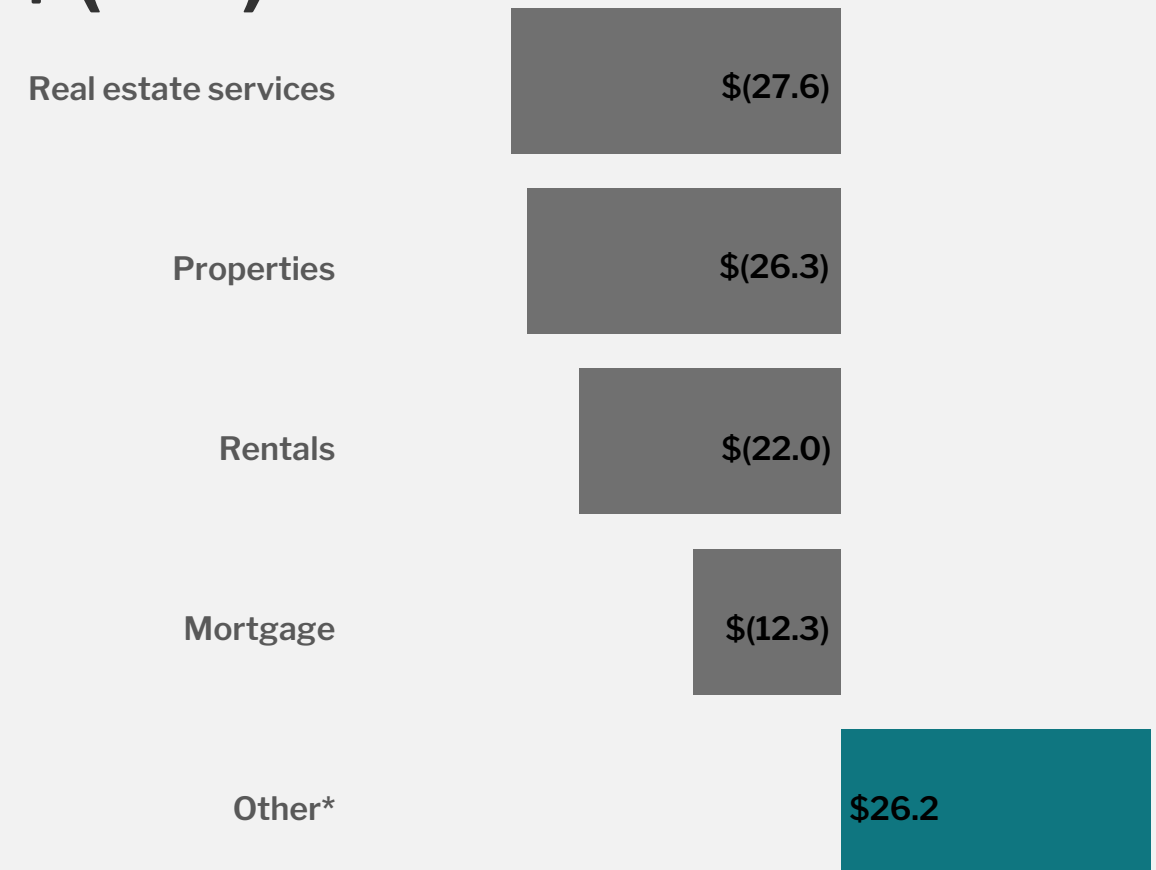
Q4 2022 Adjusted EBITDA

\$(63)M



Q4 2022 Net Loss

\$(62)M



*Includes other, corporate overhead and eliminations. Q4 2022 includes a \$57M gain on extinguishment of convertible senior notes.

Real Estate Services

Q4 2022 Revenue

\$146M

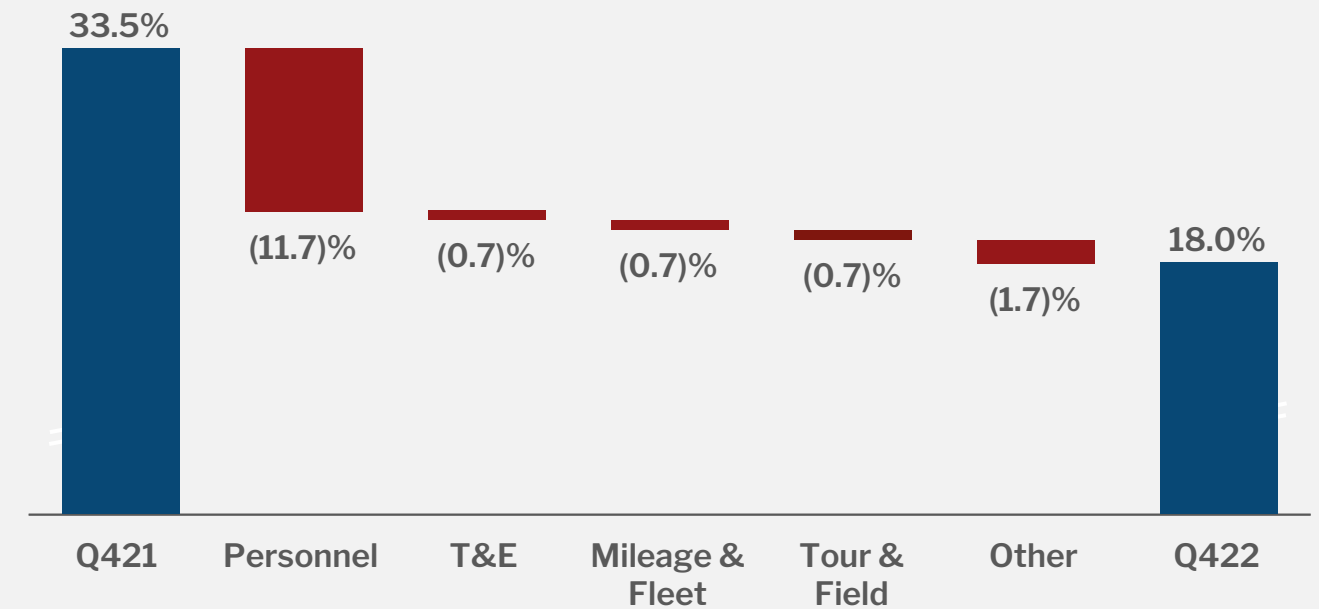
(35)% Y/Y

Q4 2022 Gross Margin

18.0%

-1550 bps Y/Y

\$ Millions	Q4 2022	Q4 2021	YoY Change
Brokerage revenue	139	\$ 212	(34)%
Partner revenue	7	13	(45)%
Total real estate services revenue	\$ 146	\$ 225	(35)%
U.S. market share	0.76 %	0.78 %	-2 bps
Average lead agents	2,022	2,485	(19)%
Brokerage transactions	12,743	19,428	(34)%
Transactions per lead agent	6.3	7.8	(19)%
Partner transactions	2,742	4,603	(40)%



Properties

Q4 2022 Revenue

\$261M

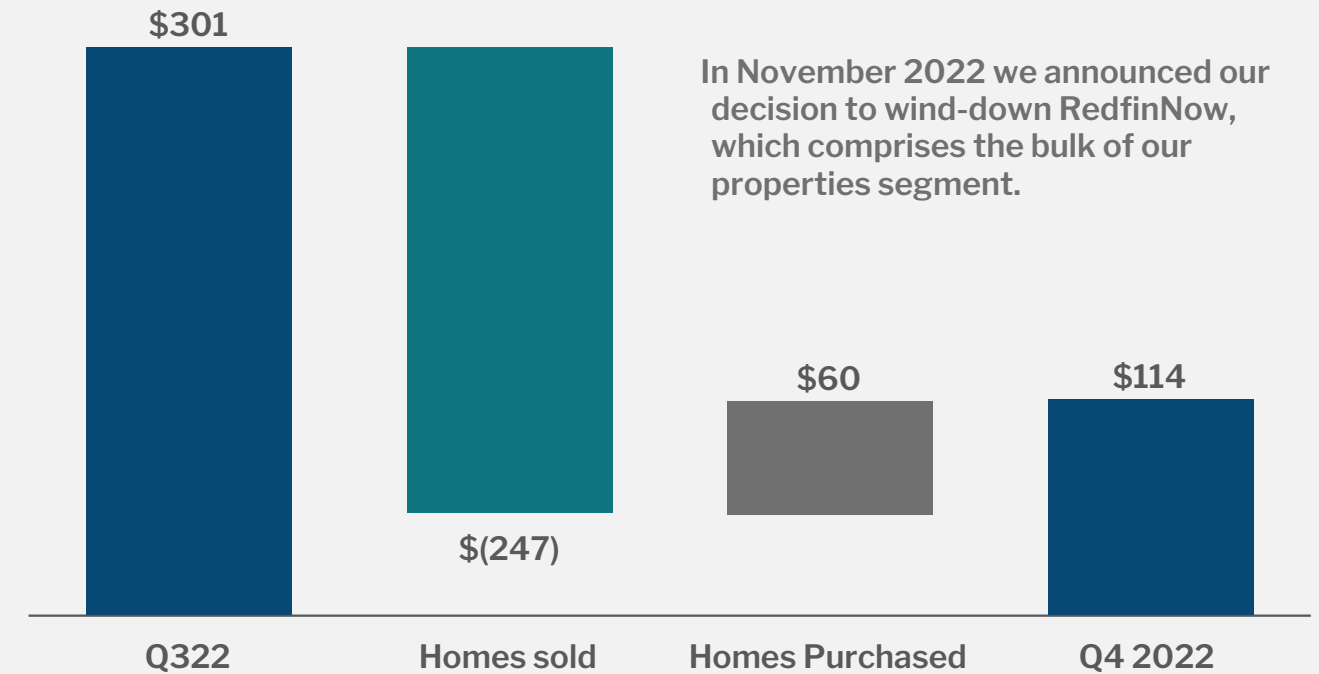
(31)% Y/Y

Q4 2022 Inventory

\$114M

(68)% Y/Y

\$ Millions	Q4 2022	Q4 2021	YoY Change
RedfinNow revenue	\$ 255	\$ 374	(32)%
Other properties revenue	5	4	48 %
Total properties revenue	\$ 261	\$ 377	(31)%
Gross Margin	(7.0)%	1.1 %	-810 bps
RedfinNow homes sold	474	600	(21)%
Revenue per home sold (thousands)	\$ 539	\$ 623	(13)%
RedfinNow homes purchased	131	493	(73)%

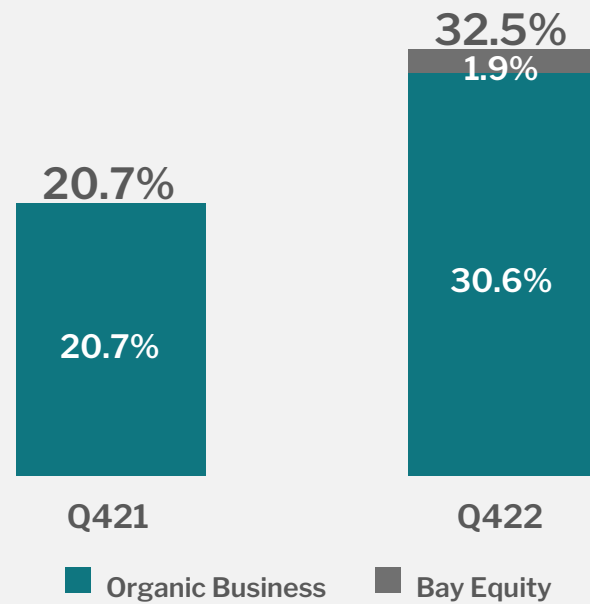


Operating Expenses

Q4 2022 % of Revenue

32.5%

+1180 bps Y/Y



Q4 2022 Operating Expenses

\$156M

+17% Y/Y



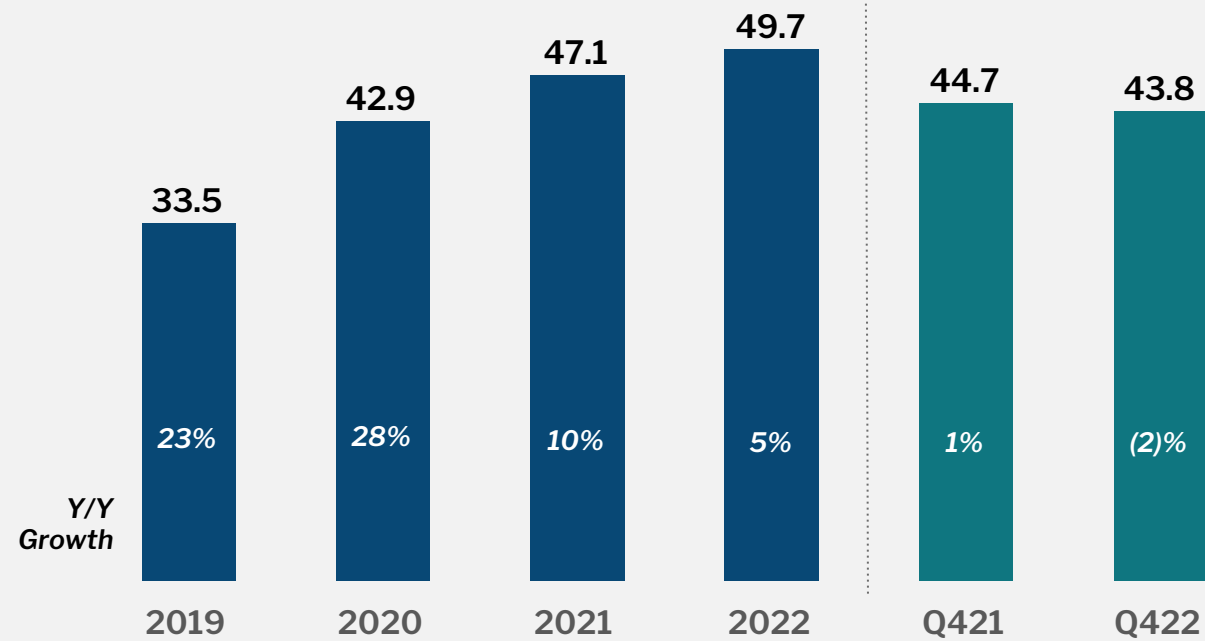
Technology Marketing General & Administrative + Restructuring

Traffic and Market Share

Q4 2022 Average Monthly Visitors

44M

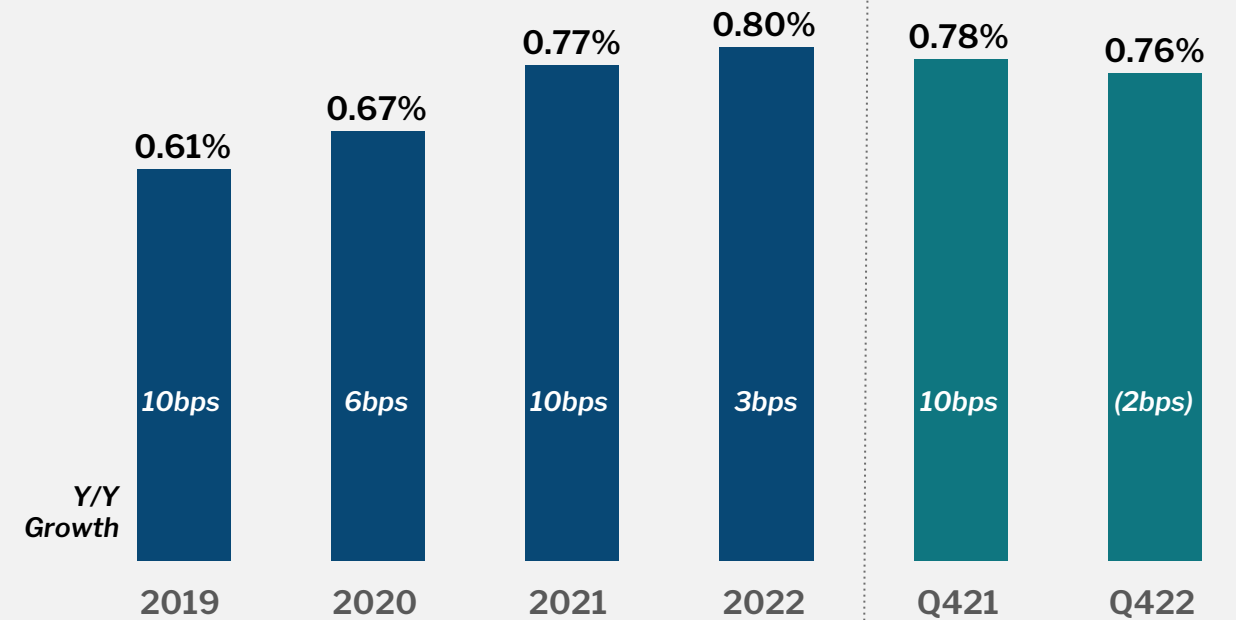
(2)% Y/Y



Q4 2022 U.S. Market Share by Value

0.76%

-2 bps Y/Y



Median Home Price	\$392,000	\$410,000	\$455,000	\$460,000	\$455,000	\$430,000
Average Home Price	\$468,464	\$492,865	\$555,119	\$556,960	\$551,562	\$515,982
Transactions (Units)	65,174	75,800	94,579	80,203	24,031	15,485

Q1 2023 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue	\$307	\$324	<ul style="list-style-type: none"> Year over year decline between (49)% and (46)%
Real Estate Services	122	130	<ul style="list-style-type: none"> Year over year decline between (31)% to (27)% Gross margin flat to slightly down compared to Q1 2022
Properties	108	113	<ul style="list-style-type: none"> Year over year decline between (72)% to (70)% as we wind down operations Gross profit loss of approximately \$0 million
Rentals	41	42	<ul style="list-style-type: none"> Year over year growth between 9% to 12%
Mortgage	29	32	<ul style="list-style-type: none"> Positive gross margin
Other & Eliminations	6	7	<ul style="list-style-type: none"> Includes revenue from title and other revenue as well as inter-company eliminations
Net Loss	(116)	(105)	<ul style="list-style-type: none"> Includes approximately \$45 million in total marketing expenses, \$20 million of stock-based compensation, \$17 million of depreciation and amortization, \$7 million in gains on extinguishment of convertible senior notes and \$1 million in restructuring expenses Quarterly dividend of 30,640 shares of common stock to our preferred shareholder
Adjusted EBITDA	(84)	(73)	<ul style="list-style-type: none"> Excludes \$20 million of stock-based compensation, \$17 million of depreciation and amortization, \$7 million in gains on extinguishment of convertible senior notes and \$1 million in restructuring expenses

Note: Figures may not sum due to rounding.

Path to Profitability

Redfin has established a target to generate positive Adjusted EBITDA in FY 2023. The table summarizes the estimated impact of actions we've taken and assumptions to achieve this target.

Focus Area	Actions Taken / Assumptions	Estimated Impact (year-over year)
Real estate services gross margin	<ul style="list-style-type: none"> Eliminated the refund we provided to homebuyers effective December 1, 2022 	+\$1,000 revenue per brokerage transaction
	<ul style="list-style-type: none"> Implemented two workforce reductions in June and November 2022 to match brokerage staff with demand 	Additional +500 bps segment gross margin
RedfinNow	<ul style="list-style-type: none"> Announced the closure of RedfinNow in November 2022, a strategic decision to focus our resources on our core businesses 	+\$20 million gross profit
Operating expenses	<ul style="list-style-type: none"> Net savings as a result of workforce reductions in June and November 2022, even after including full-year expenses from Bay Equity acquisition. Excludes restructuring and reorganization 	+\$25 million operating expense (reduction)
Business momentum	<ul style="list-style-type: none"> Expect stabilizing market conditions and operational momentum to be a tailwind for our rentals and mortgage segments 	+\$40 million adjusted EBITDA
Traffic monetization	<ul style="list-style-type: none"> Developing additional ways to monetize our audience including better leveraging our partner network, mortgage marketplace and display ads 	In progress

REDFIN

Thank You