

REDFIN

A Technology-Powered Real Estate Company

Q1 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 March 31, 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.

Q1 2023 Highlights



Real estate services revenue of \$127M (v. guidance of \$122M-\$130M)



Market share (by units) of 0.78% (v. 0.79% in Q1 2022)¹



50 million average monthly visitors (v. 51 million in Q1 2022)²



Expanded Redfin Premier nationwide and made the service available to homebuyers for the first time



20% mortgage attach rates (up from 5% in Q1 2022)



13% rentals revenue growth - 2nd consecutive quarter of growth



Launched title in northern California on April 3, expanding coverage of Redfin's sales from 48% to 55%

(1) Please refer to our 10-Q for additional information on how market share is calculated. Q1 2023 market share benefited from a partner collections activity tailwind. Without this tailwind, Q1 2023 market share would have been 0.76%.

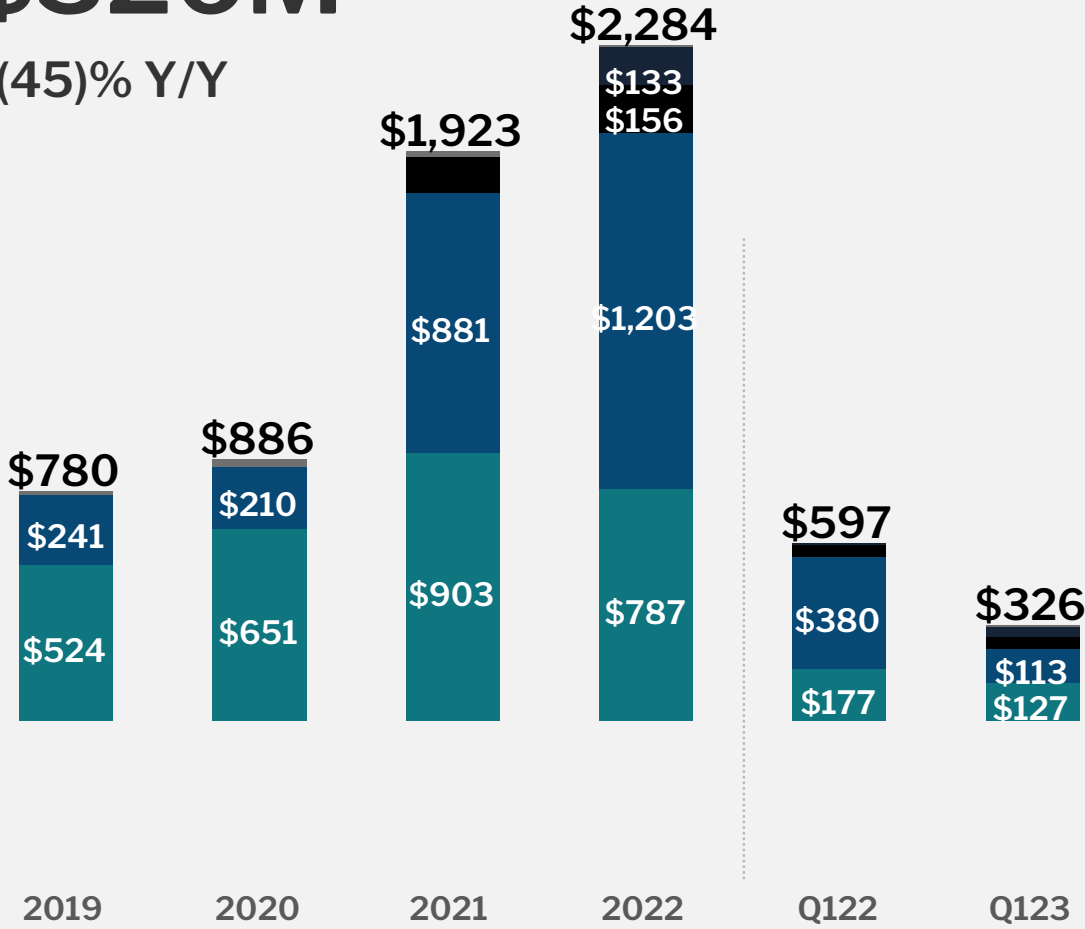
(2) Source: Google Analytics, web and mobile application visitors.

Key Financial Results

Q1 2023 Revenue

\$326M

+(45)% Y/Y

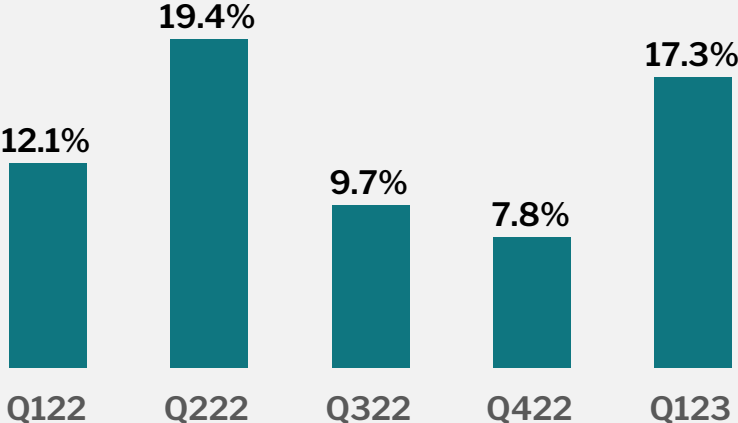


Real estate services Properties* Rentals
Mortgage Other & Eliminations

Q1 2023 Gross Margin

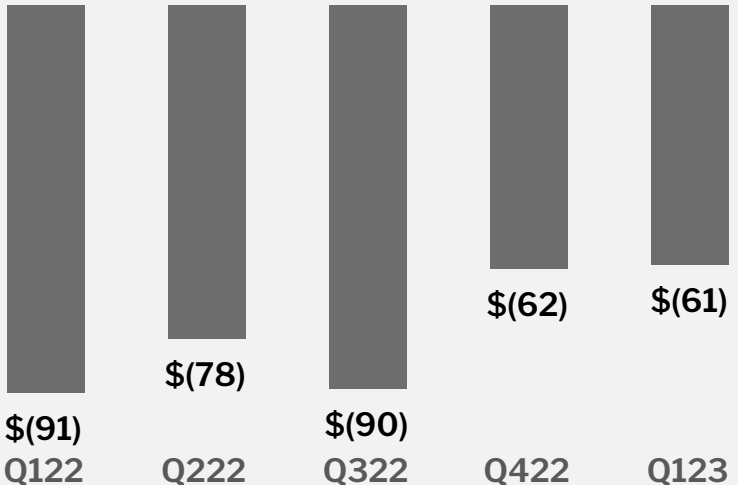
17.3%

520 bps Y/Y



Q1 2023 Net Loss

\$(61)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

Q1 2023 Adjusted EBITDA

\$(67)M

Real estate services

\$(43.7)

Properties

\$(3.1)

Rentals

\$(9.7)

Mortgage

\$1.1

Other*

\$(11.3)

Q1 2023 Net Loss

\$(61)M

Real estate services

\$(57.8)

Properties

\$(2.7)

Rentals

\$(23.4)

Mortgage

\$(1.3)

Other*

\$24.4

*Includes other, corporate overhead and eliminations. Net loss includes a \$42M gain on extinguishment of convertible senior notes.

Real Estate Services

Q1 2023 Revenue

\$127M

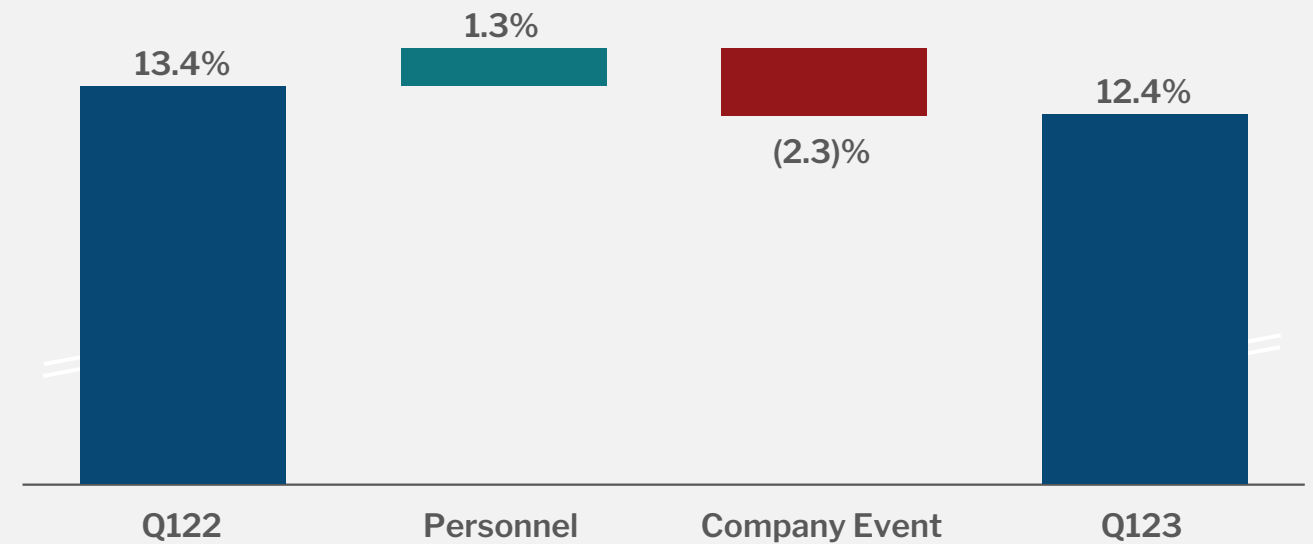
(28)% Y/Y

Q1 2023 Gross Margin

12.4%

-100 bps Y/Y

\$ Millions	Q1 2023	Q1 2022	YoY Change
Brokerage revenue	\$ 119	\$ 168	(29)%
Partner revenue	8	10	(14)%
Total real estate services revenue	\$ 127	\$ 177	(28)%
U.S. market share	0.78 %	0.79 %	-1 bps
Average lead agents	1,876	2,750	(32)%
Brokerage transactions	10,301	15,001	(31)%
Transactions per lead agent	5.5	5.5	— %
Partner transactions	3,187	3,417	(7)%



Properties

Q1 2023 Revenue

\$113M

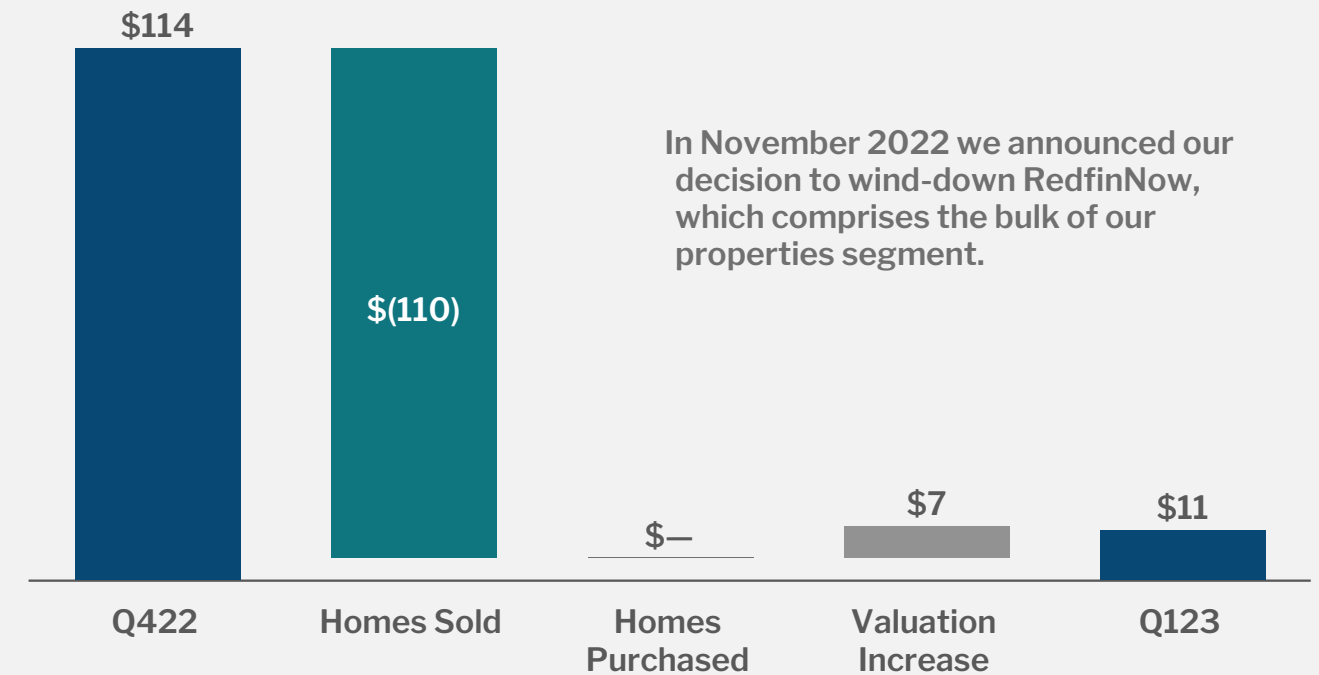
(70)% Y/Y

Q1 2023 Inventory

\$11M

(97)% Y/Y

\$ Millions	Q1 2023	Q1 2022	YoY Change
RedfinNow revenue	\$ 110	\$ 376	(71)%
Other properties revenue	3	4	(22)%
Total properties revenue	\$ 113	\$ 380	(70)%
RedfinNow homes sold	191	617	(69)%
Revenue per home sold (thousands)	\$ 574	\$ 609	(6)%
RedfinNow homes purchased	0	398	(100)%



Rentals

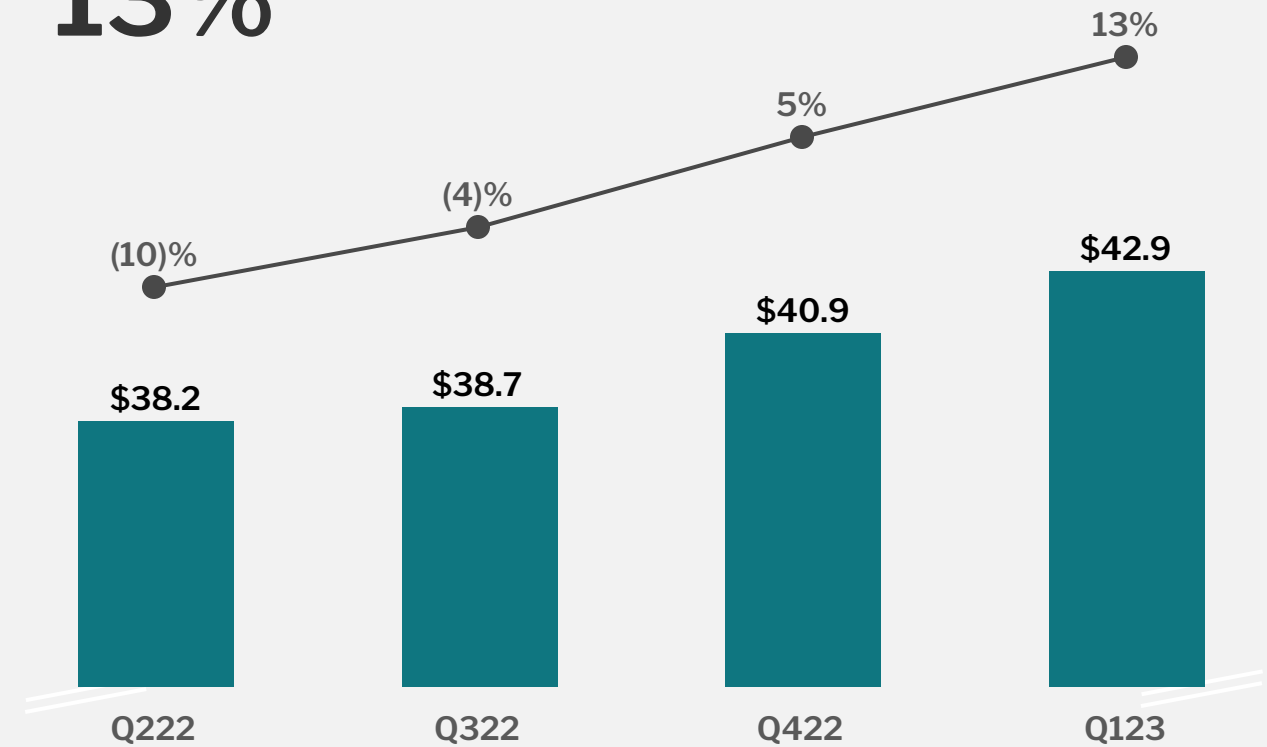
Q1 2023 Revenue

\$43M

+13%Y/Y

Q1 2023 Revenue Growth

13%



\$ Millions	Q1 2023	Q1 2022	YoY Change
Rentals revenue	\$ 43	\$ 38	13 %
Cost of revenue	10	7	36 %
Gross profit	\$ 33	\$ 31	7 %
Gross margin	77.2 %	81.1 %	-390 bps

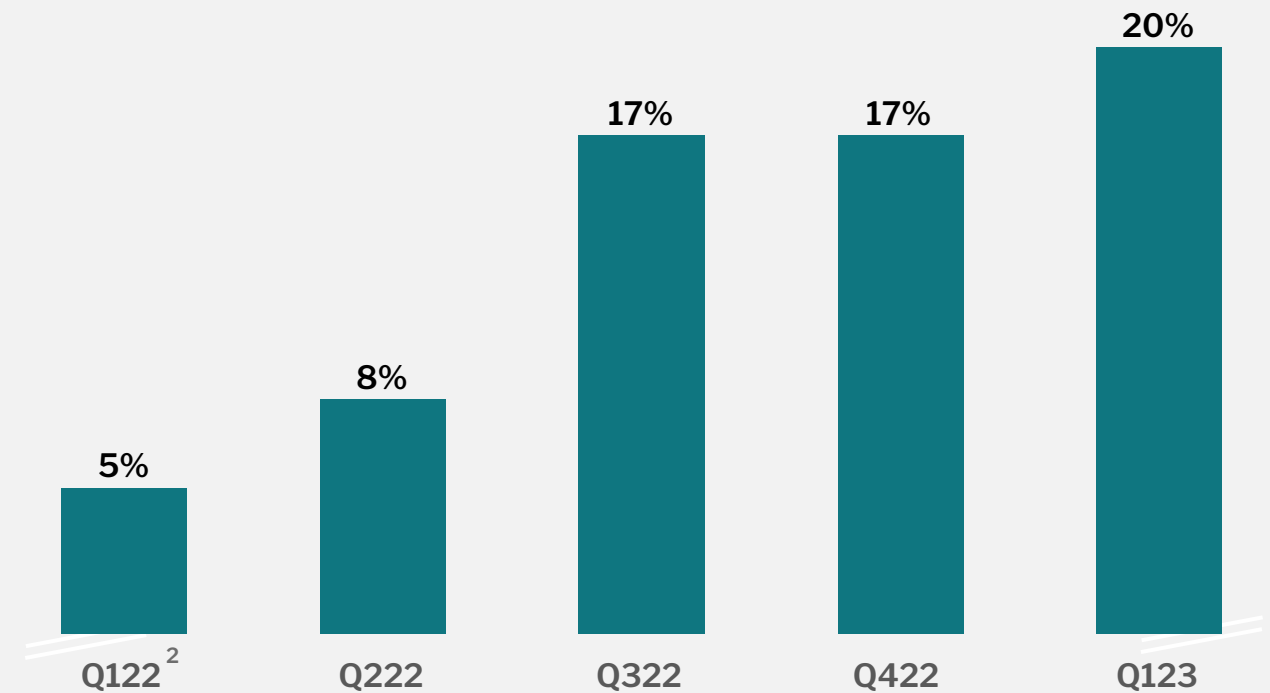
Mortgage

Q1 2023 Revenue

\$36M

Q1 2023 Attach Rate¹

20%



\$ Millions	Q1 2023	Q1 2022	YoY Change
Mortgage revenue	\$ 36	\$ 3	1100 %
Cost of revenue	29	6	429 %
Gross profit	\$ 7	\$ (3)	380 %
Gross margin	19.9 %	(89.1)%	10,900 bps
Originations (\$ value, in millions)	\$ 991	\$ 159	523 %
Originations (units, in ones)	2,444	414	490 %

(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.

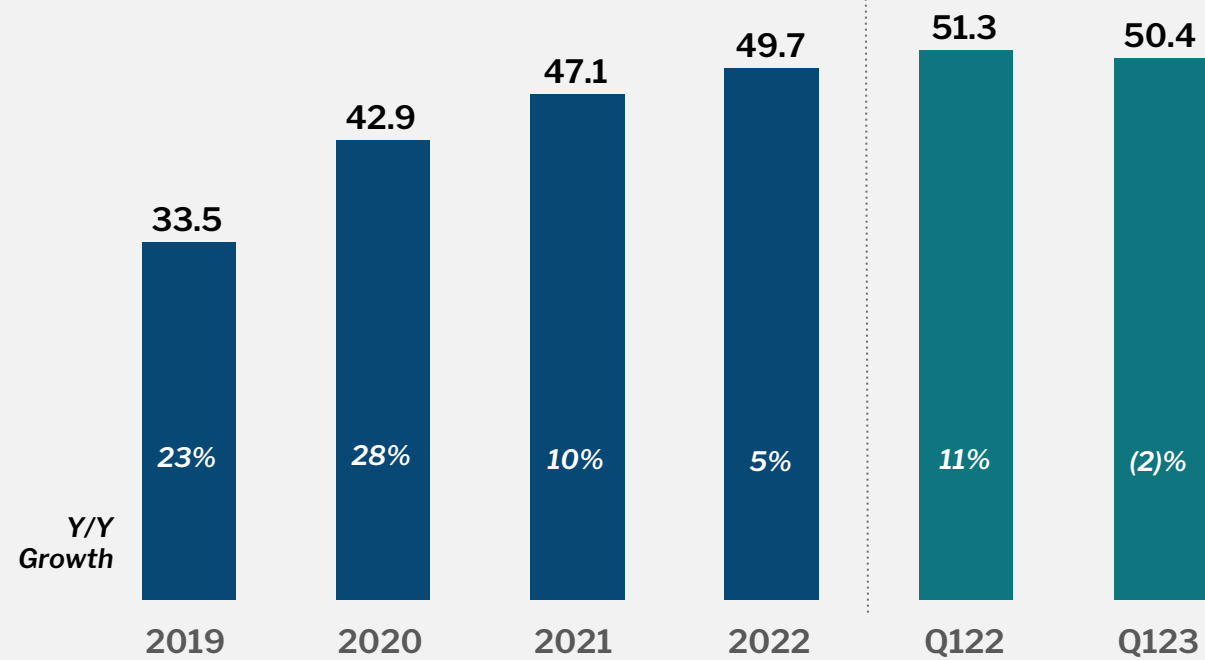
(2) Attach rates for Q1 2022 reflect Redfin's legacy mortgage business.

Traffic and Market Share

Q1 2023 Average Monthly Visitors

50M

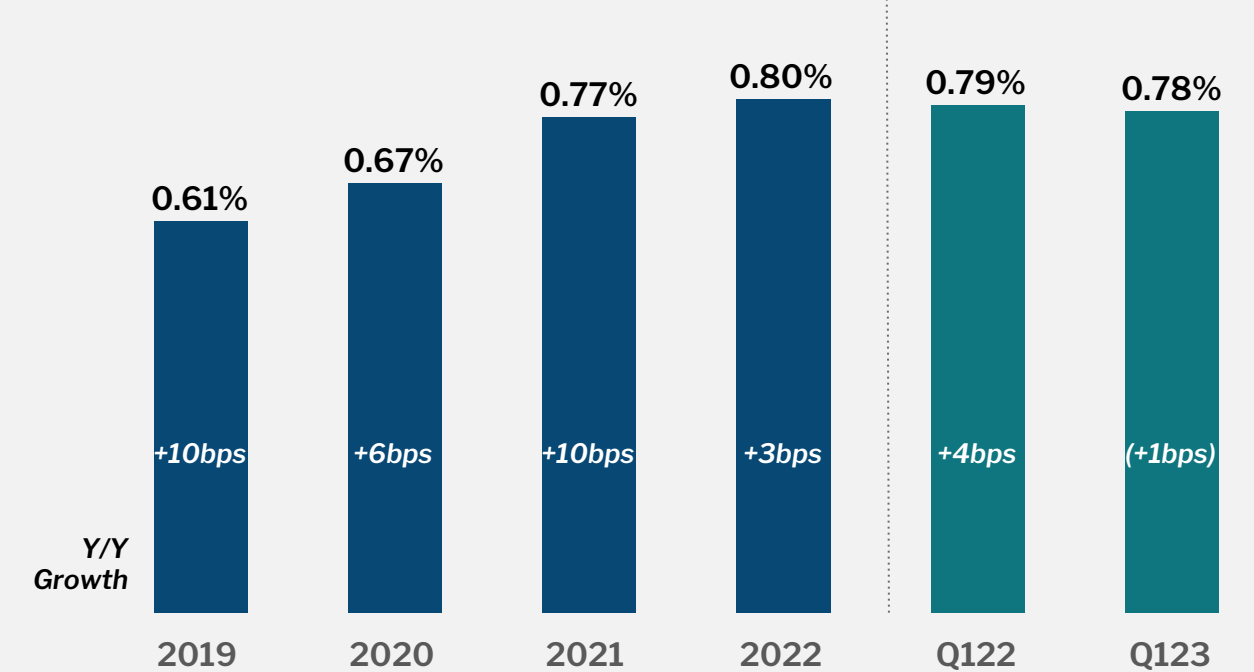
(2)% Y/Y



Q1 2023 U.S. Market Share by Value

0.78%

-1 bps Y/Y

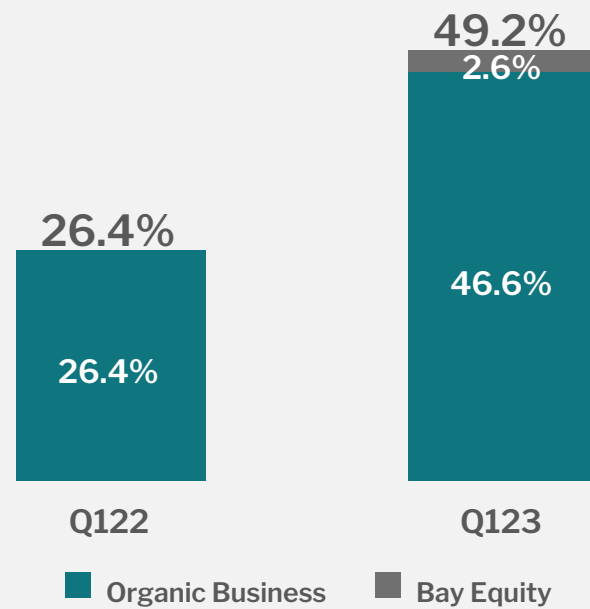


Median Home Price	\$392,000	\$410,000	\$455,000	\$460,000	\$460,000	\$425,000
Average Home Price	\$468,464	\$492,865	\$555,119	\$556,960	\$561,729	\$498,566
Transactions (Units)	65,174	75,800	94,579	80,203	18,418	13,488

Operating Expenses

Q1 2023 % of Revenue

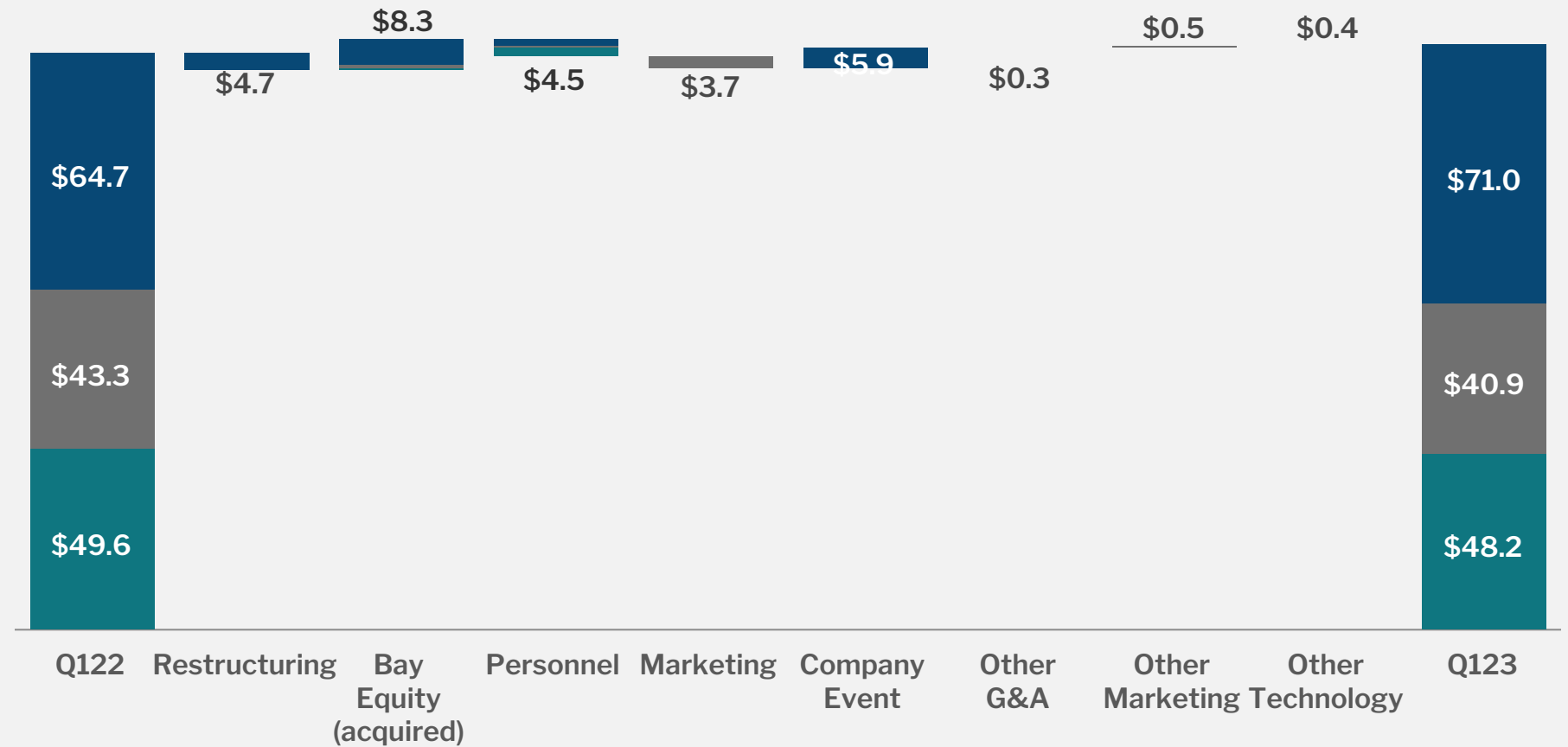
49.2%



Q1 2023 Operating Expenses

\$160M

+2% Y/Y



Technology Marketing General & Administrative + Restructuring

Q2 2023 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue ¹	\$268	\$281	<ul style="list-style-type: none"> Year over year decline between (24)% and (20)%
Real Estate Services	175	183	<ul style="list-style-type: none"> Includes \$5 million in revenue from concierge (new activity within brokerage business) Year over year decline between (31)% and (27)%; 2% tailwind from concierge Gross margin to increase 100bps to 250bps compared to Q2 2022, after including 100bps headwind from concierge
Rentals	45	46	<ul style="list-style-type: none"> Year over year growth between 18% and 20%
Mortgage	38	41	<ul style="list-style-type: none"> Year over year decline between (29)% and (22)% Double-digit positive gross margins
Other Revenue	10	11	<ul style="list-style-type: none"> Includes revenue from title, digital revenue and other revenue
Net Loss ²	(44)	(35)	<ul style="list-style-type: none"> Includes approximately \$31 million in total marketing expense, \$17 million in stock-based compensation, \$17 million in depreciation and amortization, \$4 million in gains on extinguishment of convertible senior notes and \$5 million in restructuring expense Quarterly dividend of 30,640 shares of common stock to our preferred shareholder
Adjusted EBITDA	(9)	1	<ul style="list-style-type: none"> Excludes \$17 million of stock-based compensation, \$17 million of depreciation and amortization, \$4 million in gains on extinguishment of convertible senior notes and \$5 million in restructuring expenses

(1) We expect to report our properties segment as discontinued operations in the second quarter, and these results are not included in total revenue.

(2) Discontinued operations are included in net loss, but are expected to have no impact on the total.

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Thank You