

REDFIN

A Technology-Powered Real Estate Company

Q4 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, 2023, 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.

2023 Highlights

1

Gross profit up 7% (v. FY 2022) in spite of revenue headwind¹

2

Market share (by units) of 0.76%²

3

49 million average monthly visitors (steady v. 2022)³

4

Rentals segment 19% revenue growth

5

Mortgage attach rate of 25% in Q4 (v. 21% in Q4 2022)⁴

6

Other segment fourth consecutive quarter of positive adjusted EBITDA⁵

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

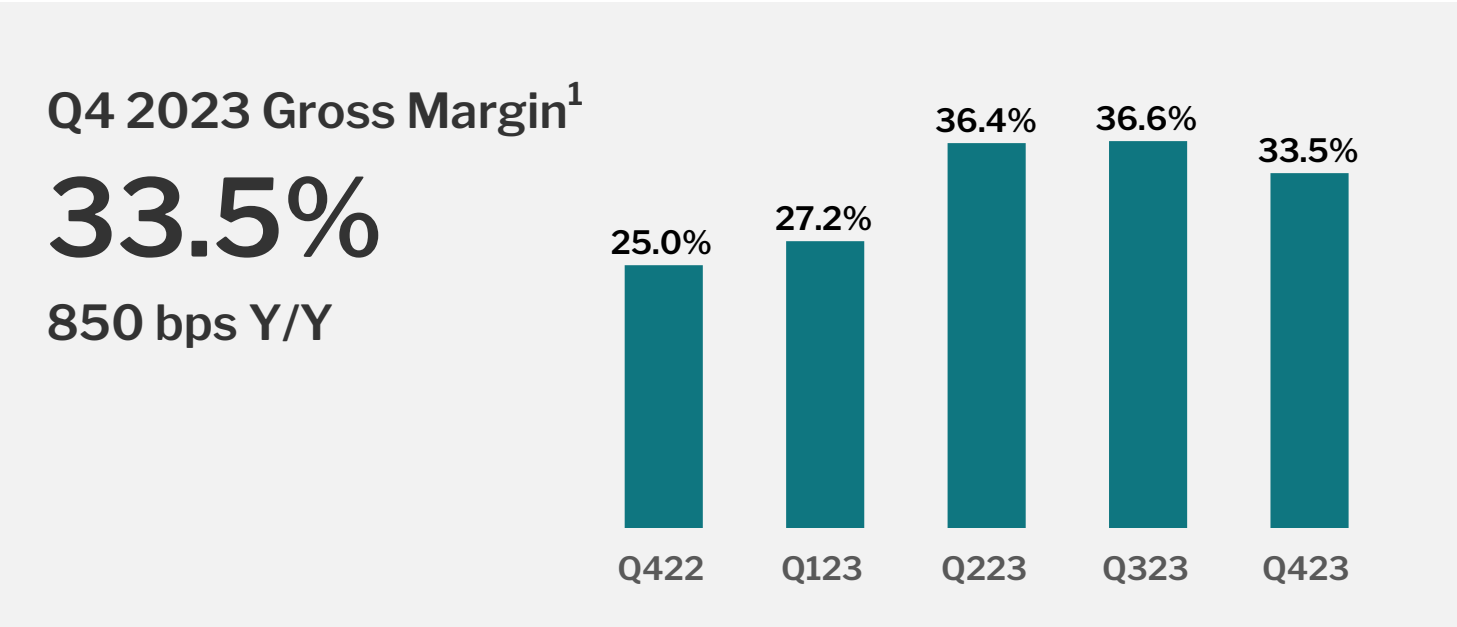
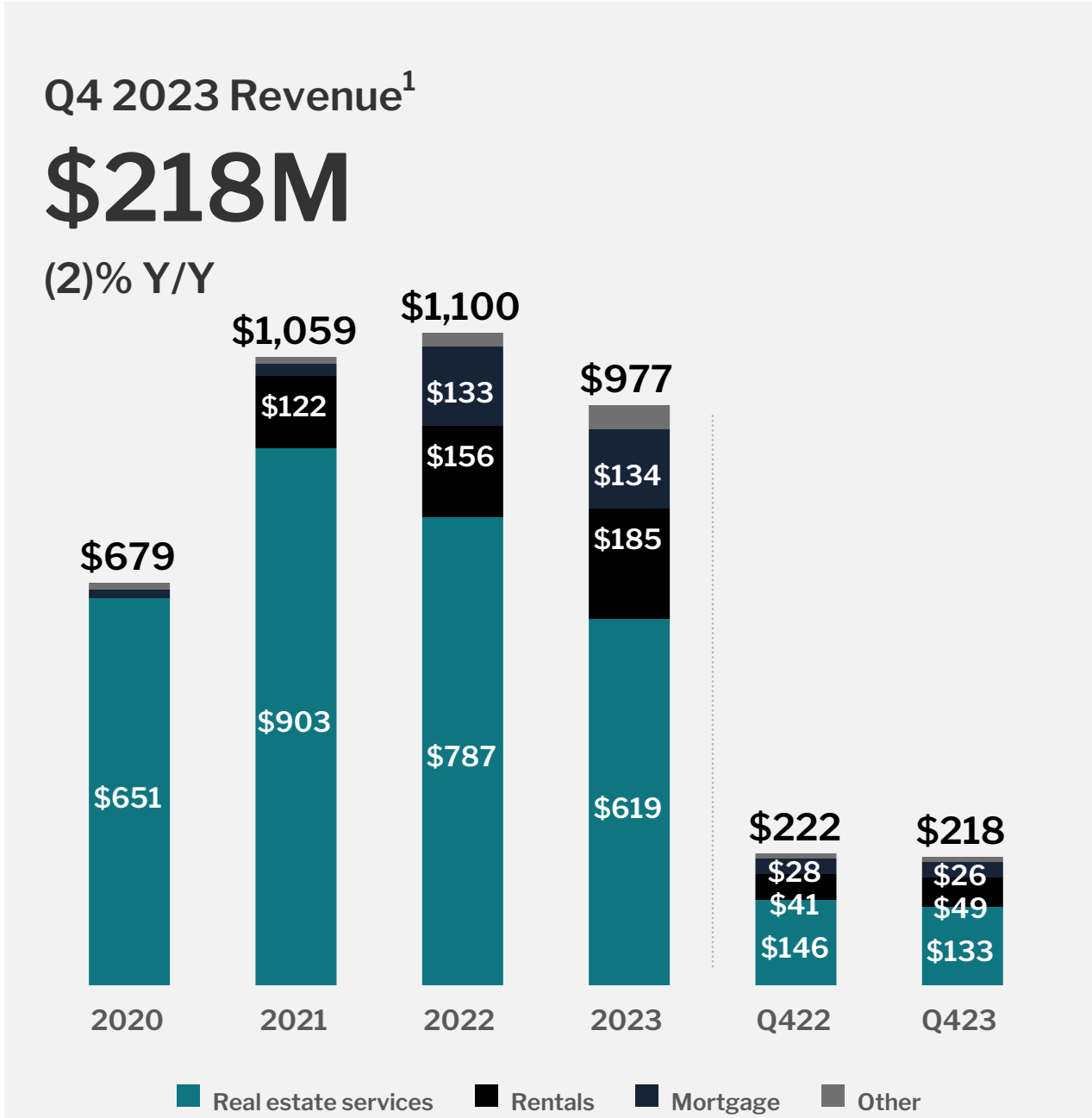
(2) Please refer to our 10-K for additional information on how market share is calculated.

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

(4) Attach rate reflects total closed loans for Redfin buy-side customers divided by Redfin buy-side transactions with a mortgage (excluding cash transactions) for the period. We previously reported only the inclusive attach rate (includes cash transactions in the denominator), which was 19% in Q4 2023, compared to 17% in Q4 2022.

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

Key Financial Results

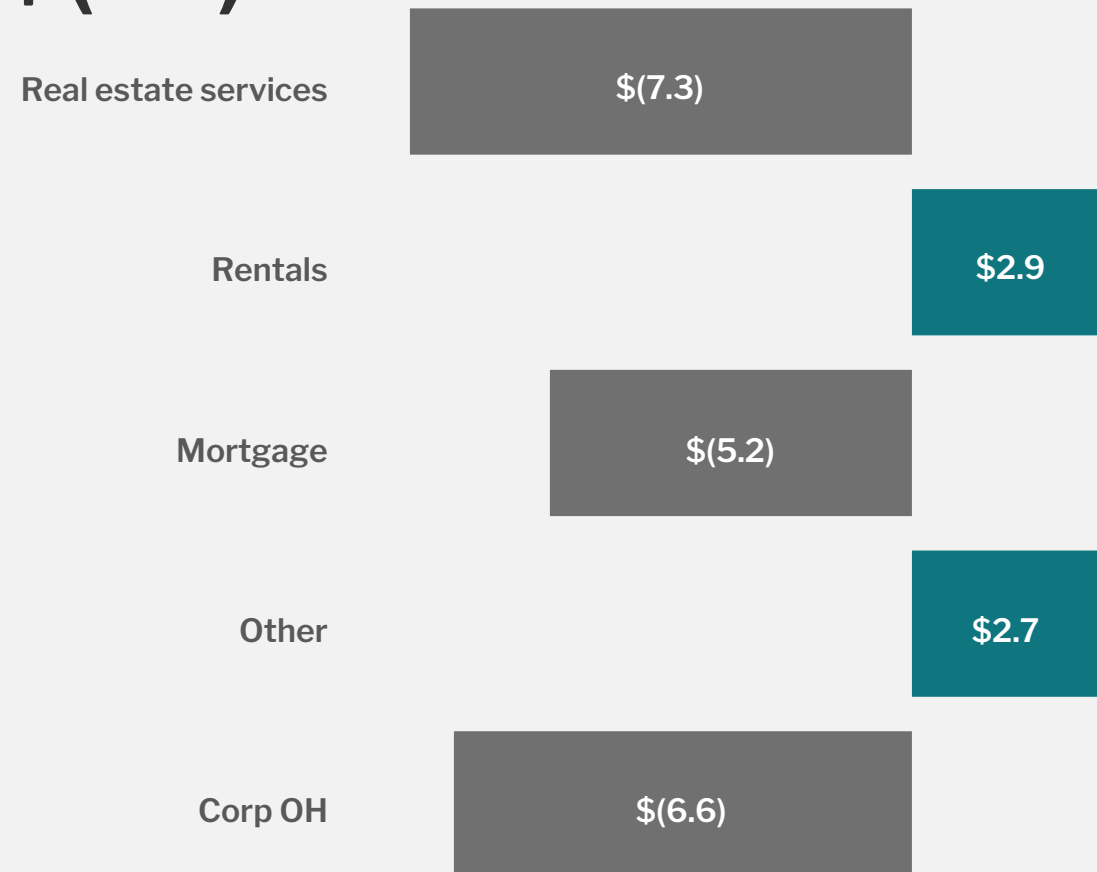


(1) Revenue and gross margin figures reflect results from continuing operations (excluding discontinued properties business).

Segment Profit and Loss

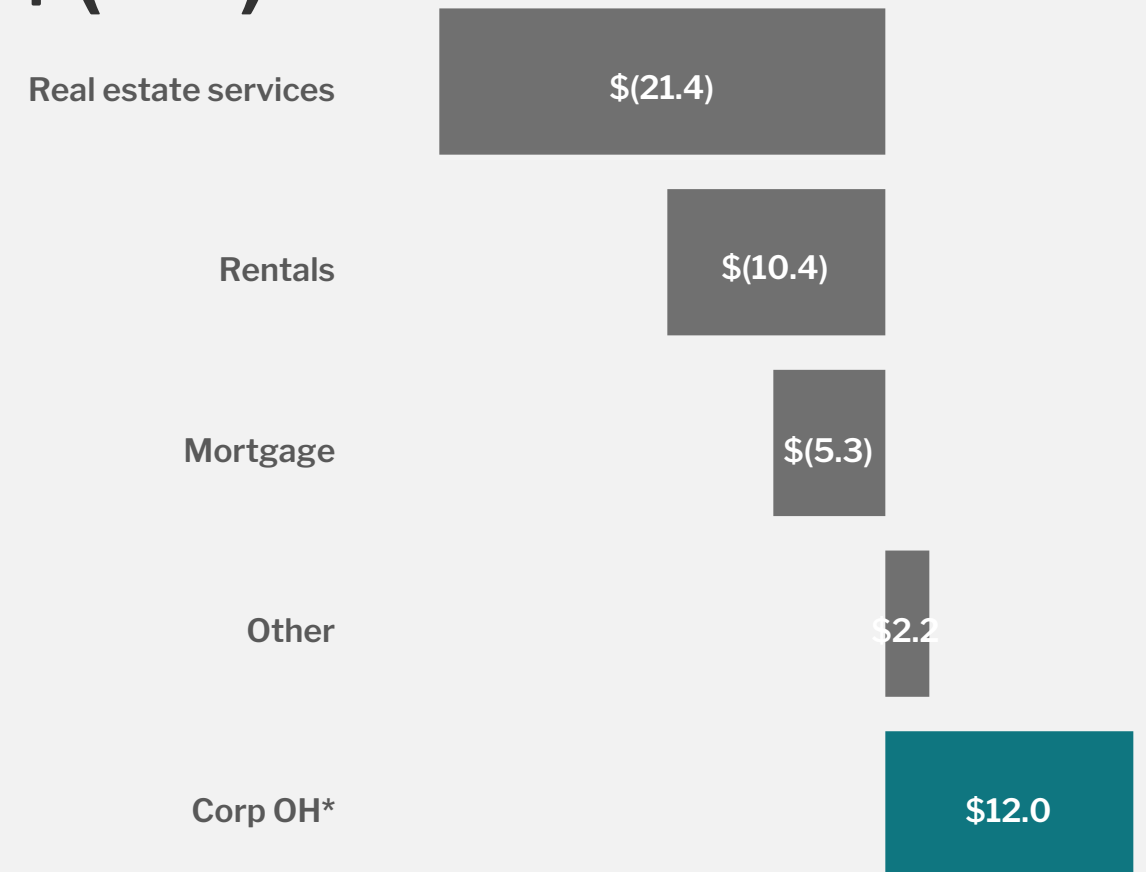
Q4 2023 Adjusted EBITDA

\$(13)M



Q4 2023 Net Loss

\$(23)M



*Corporate overhead net loss includes a \$25M gain on extinguishment of convertible senior notes.

Real Estate Services

Q4 2023 Revenue

\$133M

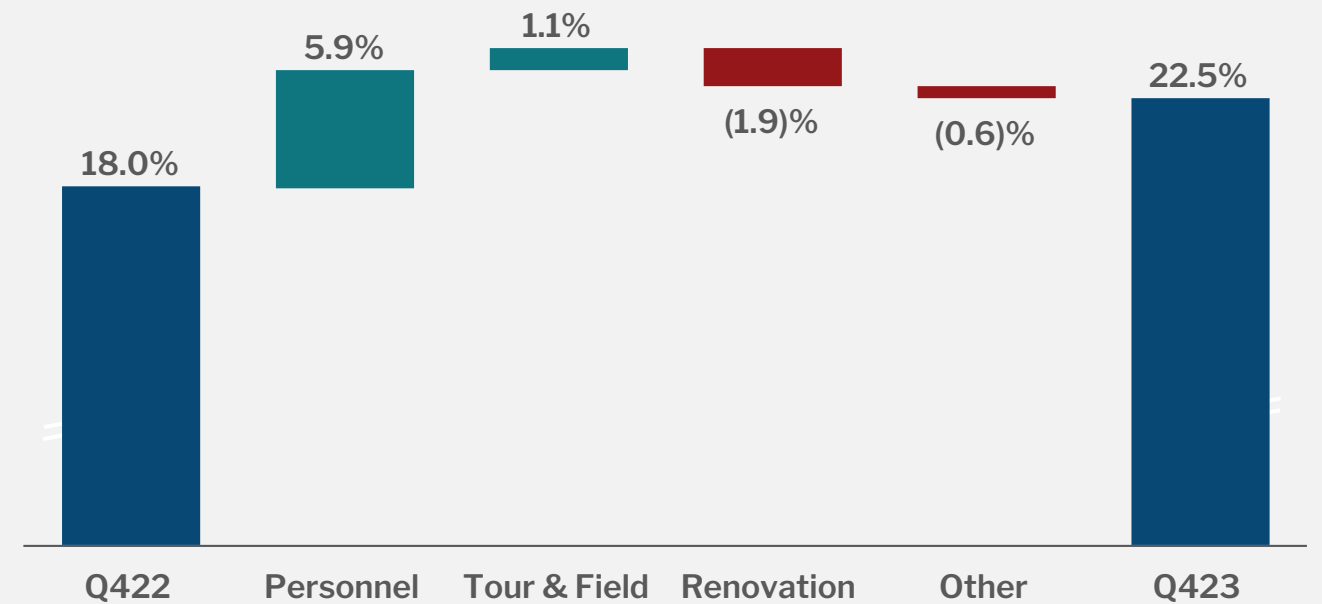
(9)% Y/Y

Q4 2023 Gross Margin

22.5%

450 bps Y/Y

\$ Millions	Q4 2023	Q4 2022	YoY Change
Brokerage revenue	124	\$ 139	(11)%
Partner revenue	9	7	19 %
Total real estate services revenue	\$ 133	\$ 146	(9)%
U.S. market share	0.72 %	0.76 %	-4 bps
Average lead agents	1,692	2,022	(16)%
Brokerage transactions	10,152	12,743	(20)%
Transactions per lead agent	6.0	6.3	(5)%
Partner transactions	3,186	2,742	16 %



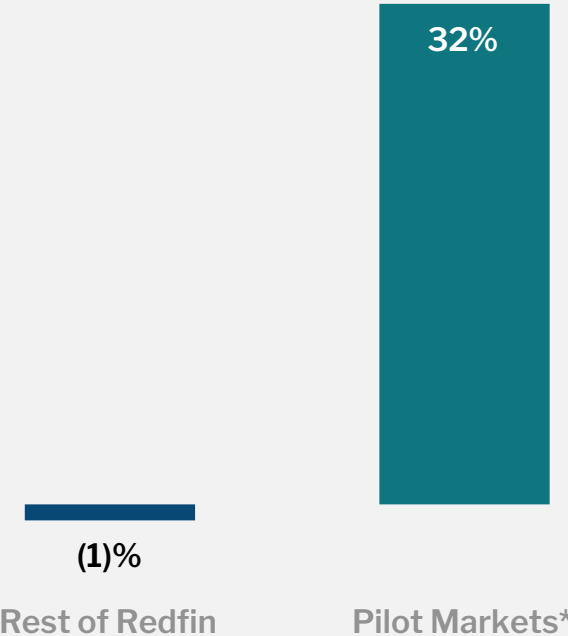
Brokerage Initiatives

We began piloting three major sales initiatives in the fall of 2023 aimed at improving customer service, increasing close rates, and driving profitable market share gains. We're just beginning to see evidence that these initiatives are making a difference.

Redfin Next

Paying agents competitive splits as high as 75% for self-sourced deals (in lieu of a base salary). Currently in four markets and planning to expand to seven more in Q2.

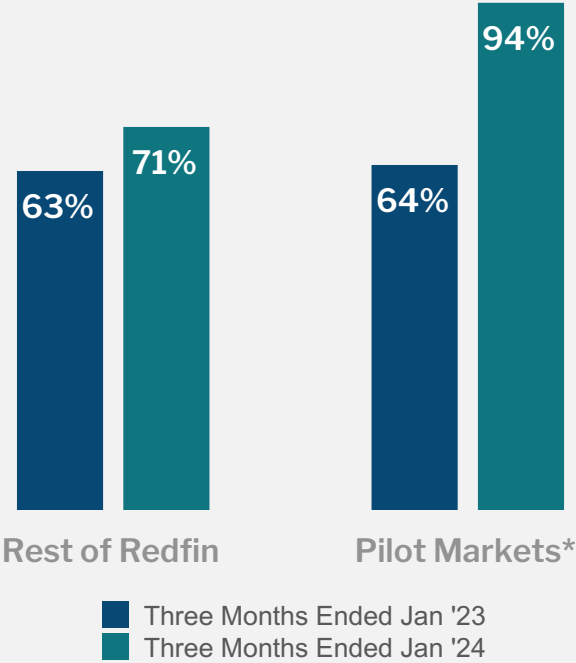
Year-over-Year Growth in Brokerage Closed Sales (YTD as of Feb 23)



All You Can Meet

Assigning customers exclusively to lead agents who are available to host the first tour. Four pilot markets started in November, expanded to two more in January and rolled out broadly in February (now in more than 50 markets).

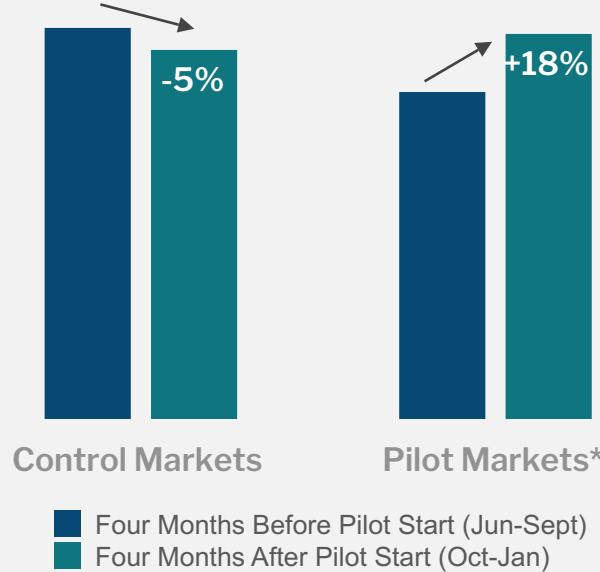
Percentage of Customers' First Tours Hosted by Redfin Lead Agent



Sign & Save

Giving homebuyers a refund of 0.25-0.5% when they sign an agency agreement before the second tour. Four pilot markets started in September, expanded to six more in November and rolling out broadly in Q1.

Close Rate - Fraction of Redfin Customers with Winning Offers, 60 Days from First Tour



*Reflects results for the original four pilot markets for each initiative respectively.

Rentals

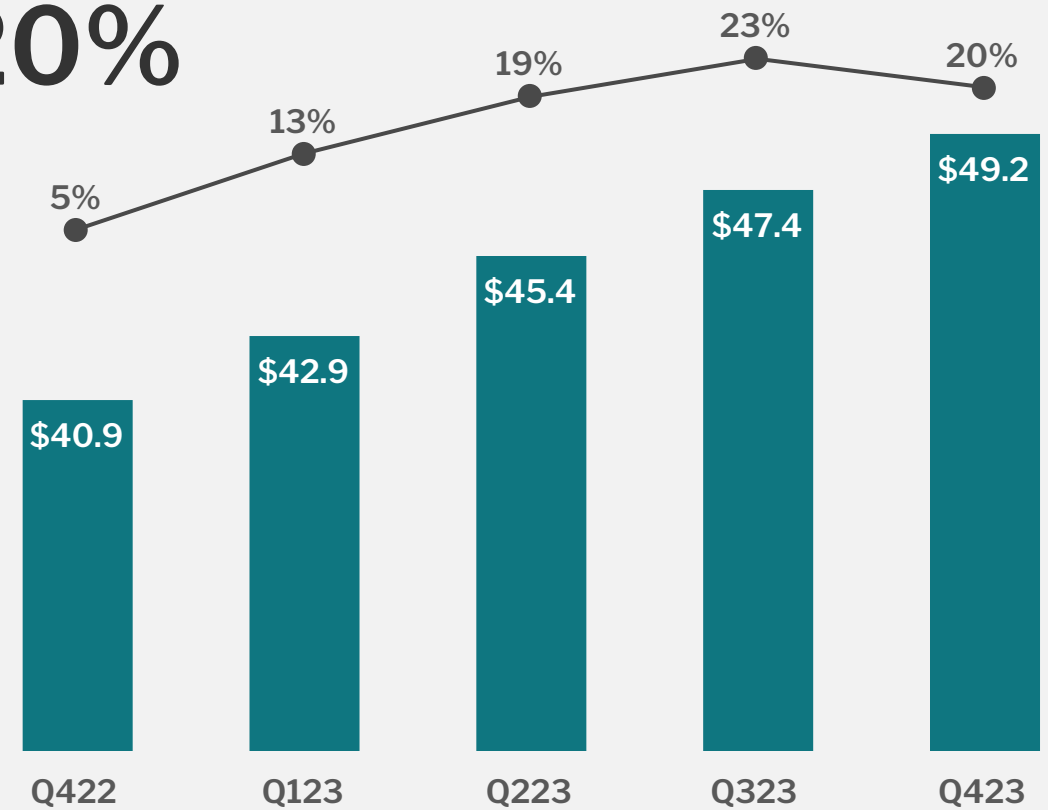
Q4 2023 Revenue

\$49M

20%Y/Y

Q4 2023 Revenue Growth

20%



\$ Millions	Q4 2023	Q4 2022	YoY Change
Rentals revenue	\$ 49	\$ 41	20 %
Cost of revenue	11	10	15 %
Gross profit	\$ 38	\$ 31	22 %
Gross margin	77.5 %	76.4 %	110 bps

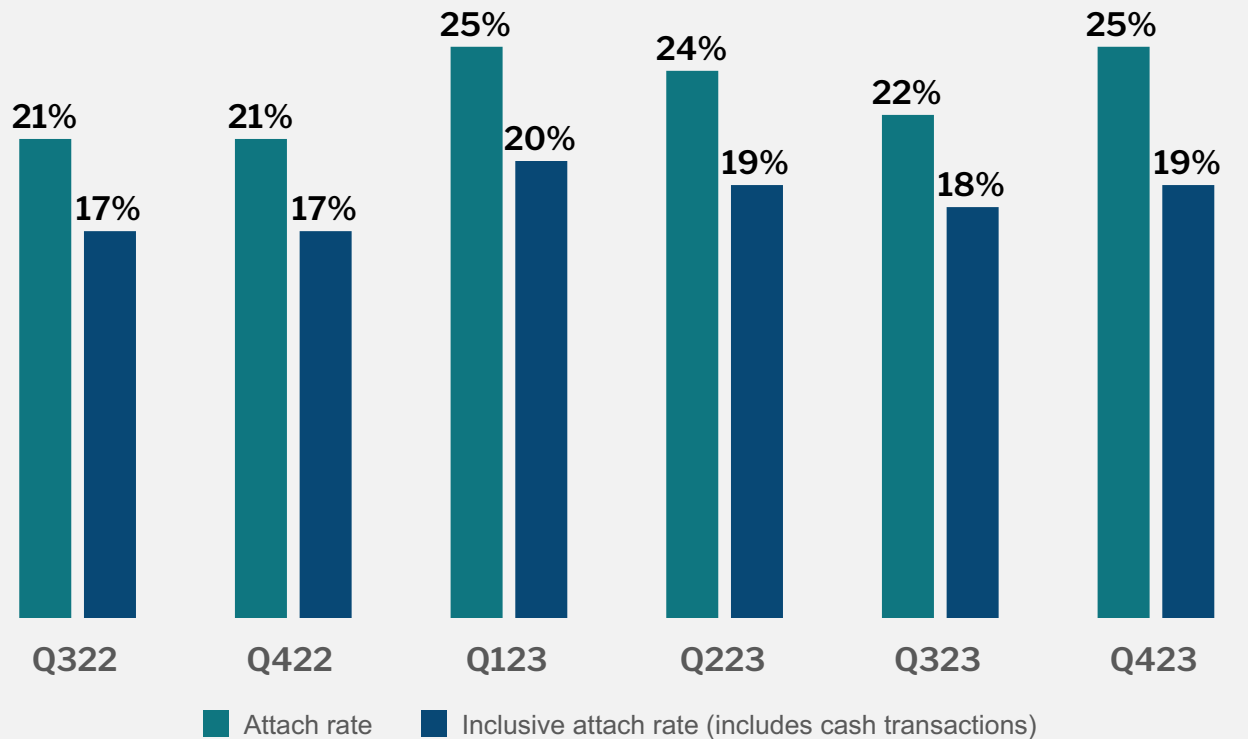
Mortgage

Q4 2023 Revenue

\$26M

Q4 2023 Attach Rate¹

25%



\$ Millions	Q4 2023	Q4 2022	YoY Change
Mortgage revenue	\$ 26	\$ 28	(8)%
Cost of revenue	25	31	(19)%
Gross profit	\$ 1	\$ (3)	(148)%
Gross margin	4.6 %	(8.9)%	1,340 bps
Originations (\$ value, in millions)	\$ 885	\$ 1,036	(15)%
Originations (units, in ones)	2,293	2,631	(13)%

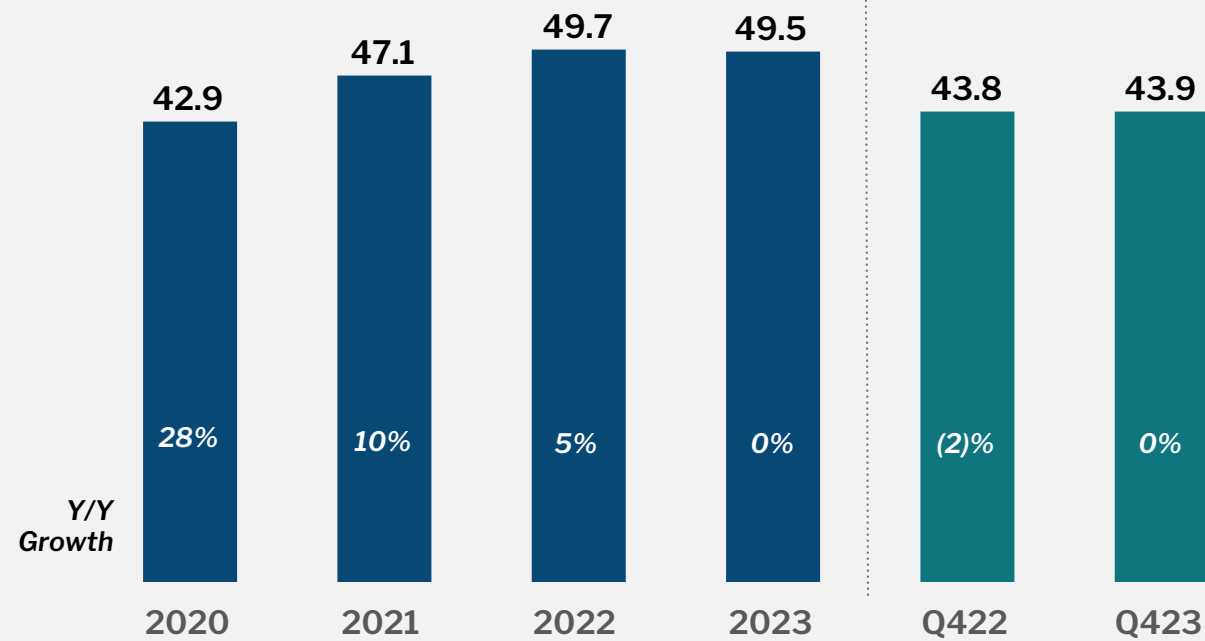
(1) Attach rate reflects total closed loans for Redfin buy-side customers divided by Redfin buy-side transactions with a mortgage (excluding cash transactions) for the period. We previously reported only the inclusive attach rate (which includes cash transactions in the denominator).

Traffic and Market Share

Q4 2023 Average Monthly Visitors

44M

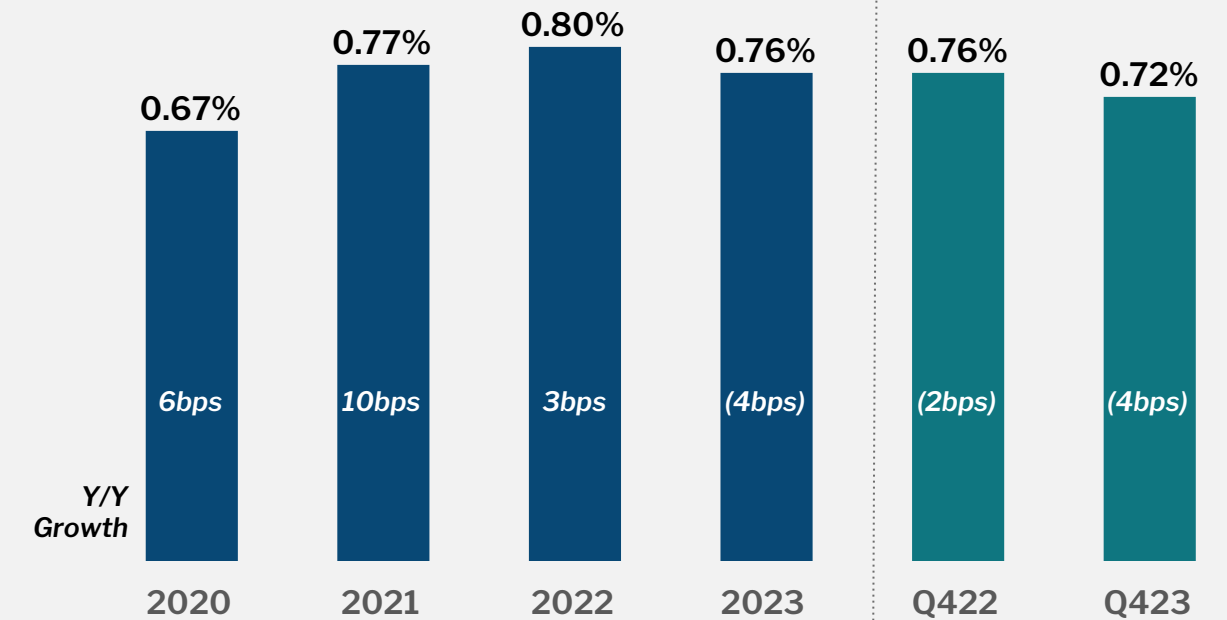
0% Y/Y



Q4 2023 U.S. Market Share by Units

0.72%

-4 bps Y/Y

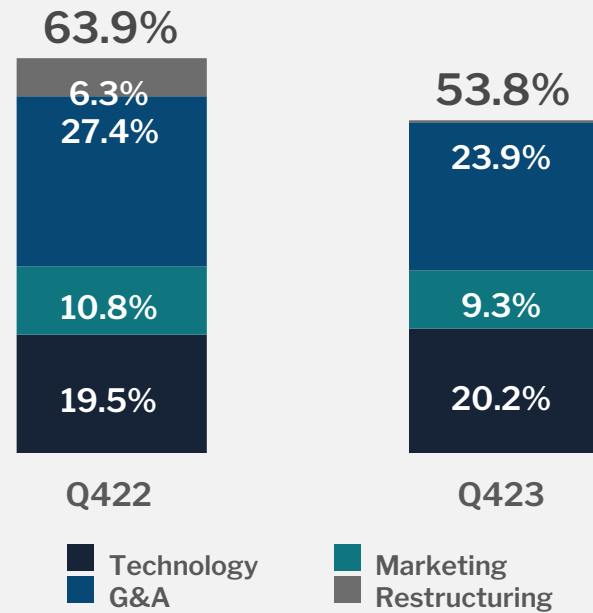


	2020	2021	2022	2023	Q422	Q423
Median Home Price	410k	455k	460k	435k	430k	430k
Average Home Price	493k	555k	557k	526k	516k	523k
Transactions (Units)	75,800	94,579	80,203	61,920	15,485	13,338

Operating Expenses

Q4 2023 % of Revenue

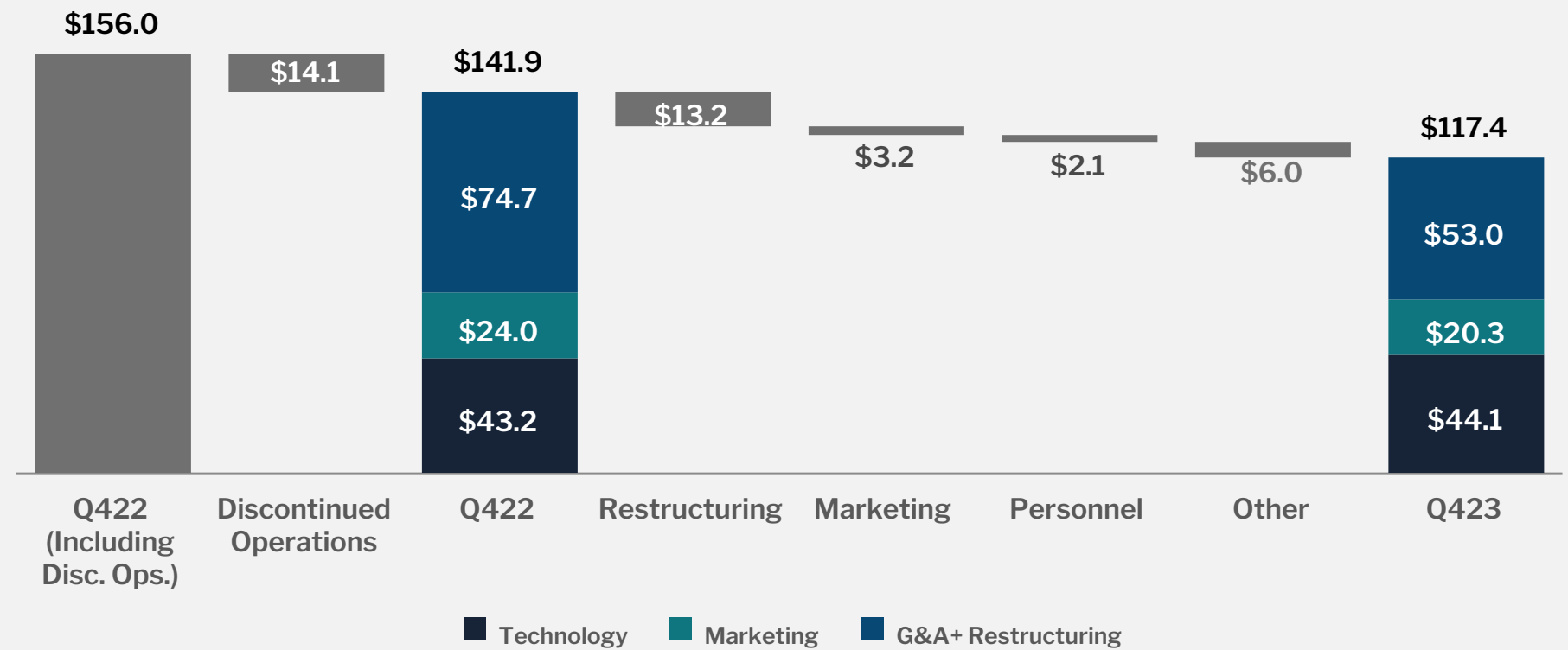
53.8%



Q4 2023 Operating Expenses

\$117M

+(17)% Y/Y



Q1 2024 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue	\$214	\$223	<ul style="list-style-type: none"> Year over year change between 0% and 4%
Real Estate Services	126	131	<ul style="list-style-type: none"> Year over year change between (1)% to 3% Gross margin of approximately 14% to 17%
Rentals	49	50	<ul style="list-style-type: none"> Year over year growth between 13% to 16%
Mortgage	29	32	<ul style="list-style-type: none"> Positive gross margin
Other	9	10	<ul style="list-style-type: none"> Year over year growth between 28% to 29% Includes revenue from title, digital revenue and other revenue
Net Income	(72)	(65)	<ul style="list-style-type: none"> Includes approximately \$25 million in total marketing expenses, \$18 million in stock-based compensation, \$14 million in depreciation and amortization and \$3 million in net interest expense Quarterly dividend of 30,640 shares of common stock to our preferred shareholder
Adjusted EBITDA	(36)	(29)	<ul style="list-style-type: none"> Excludes \$18 million in stock-based compensation, \$14 million in depreciation and amortization and \$3 million in net interest expense

Note: Figures may not sum due to rounding.

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Thank You