



# REDFIN

A Technology-Powered  
Real Estate Company

Q3 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 September 30, 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.

# Q3 2022 Highlights



Real estate services revenue of \$212M (v. guidance of \$200M-\$208M)



Reached market share (by units) of 0.80% (+2 bps year-over-year)<sup>1</sup>



51 million average monthly visitors (+3% v. prior year)<sup>2</sup>



Expanded listing coverage to 96% of the U.S. population



17% mortgage attach rates (up from 8% for Q2)



Second consecutive quarter of sequential rentals revenue growth



Building a one stop shop - including brokerage, rentals, mortgage & title

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

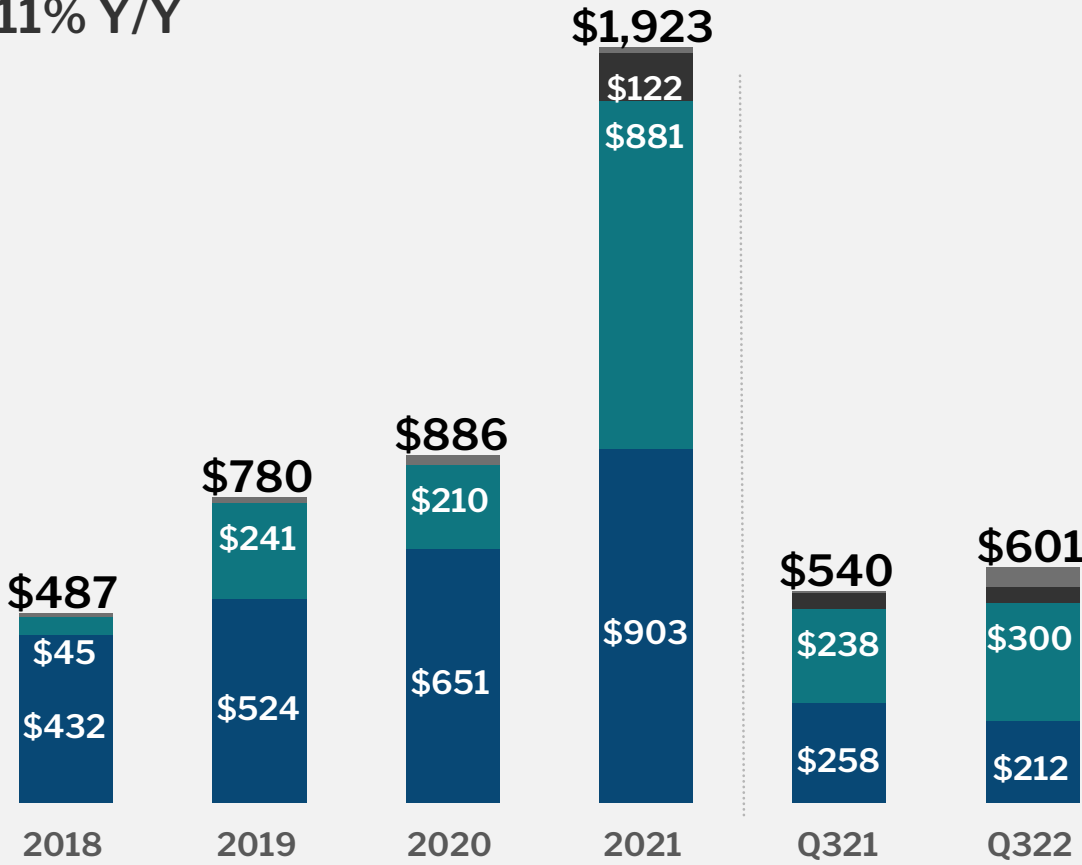
(2) Source: Google Analytics, web and mobile application visitors.

# Key Financial Results

## Q3 2022 Revenue

**\$601M**

+11% Y/Y

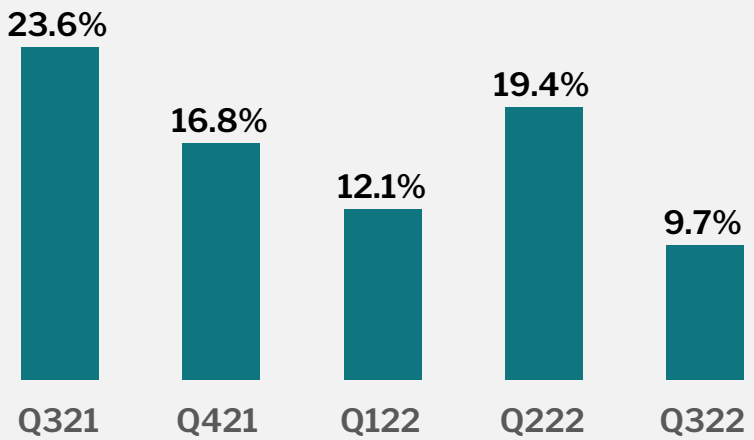


Real estate services    Properties  
Rentals    Mortgage, Other & Eliminations

## Q3 2022 Gross Margin

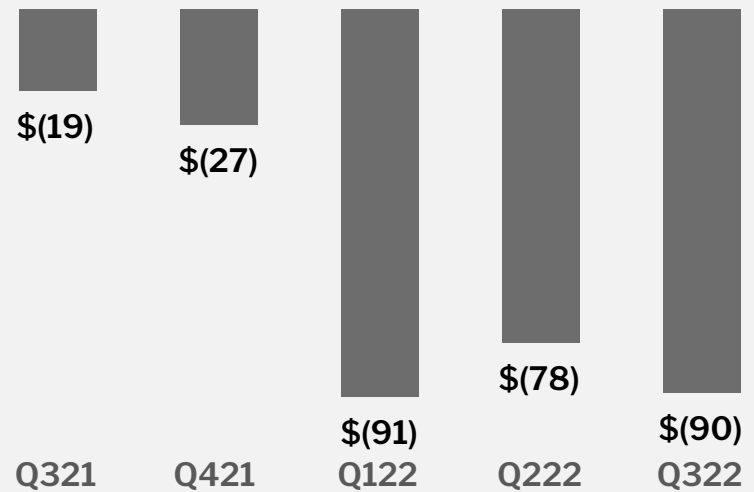
**9.7%**

-1390 bps Y/Y



## Q3 2022 Net Loss

**\$90M**



# Segment Profit

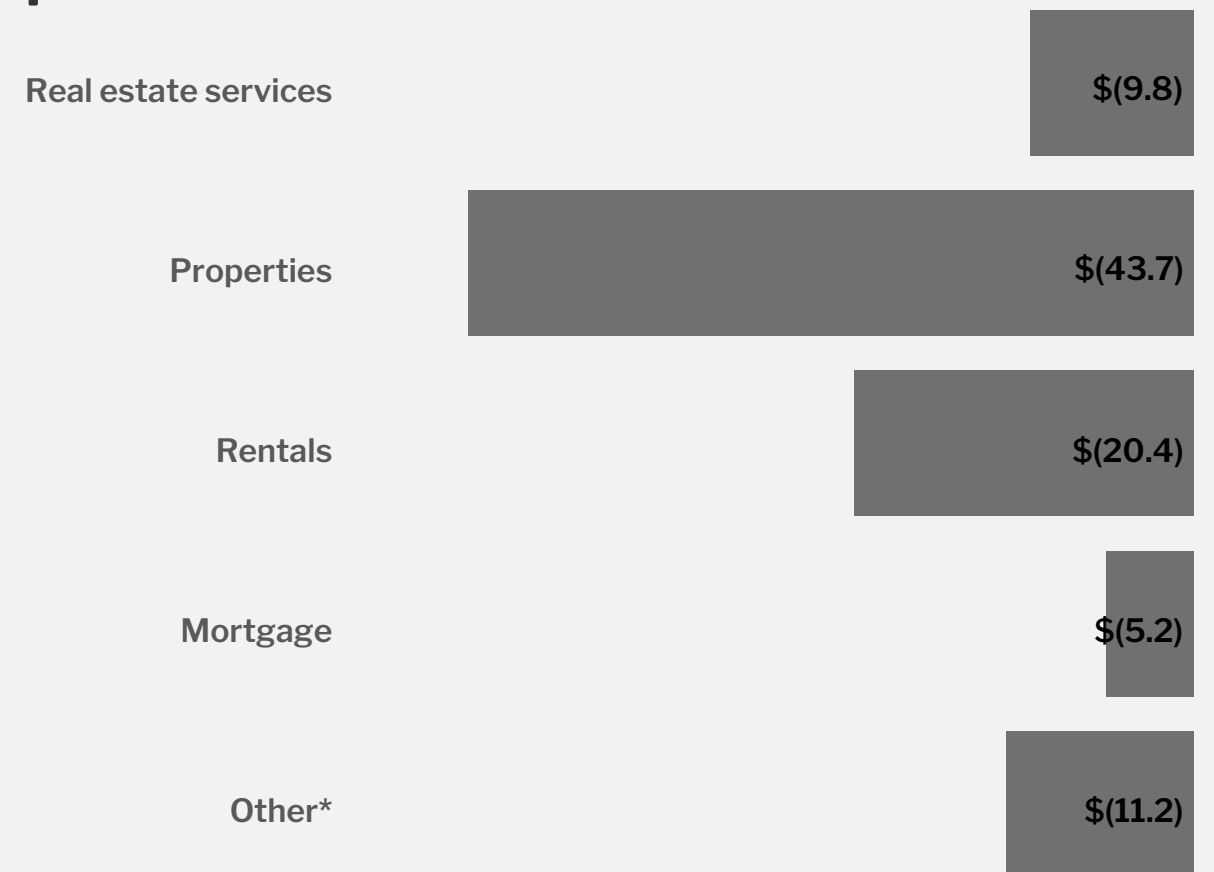
## Q3 2022 Adjusted EBITDA

**\$(51)M**



## Q3 2022 Net Loss

**\$90M**



\*Includes other, corporate overhead and eliminations.

# Real Estate Services

Q3 2022 Revenue

**\$212M**

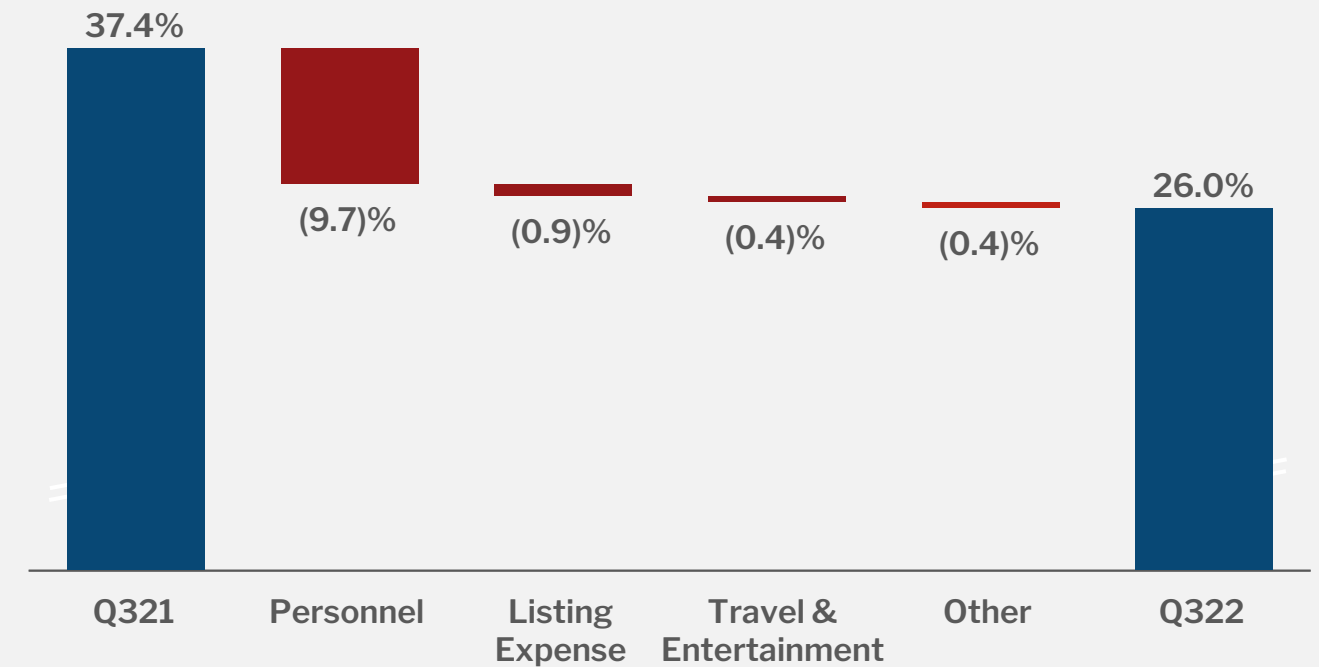
(18)% Y/Y

Q3 2022 Gross Margin

**26.0%**

-1,140 bps Y/Y

\$ Millions	Q3 2022	Q3 2021	YoY Change
Brokerage revenue	\$ 203	\$ 244	(17)%
Partner revenue	9	14	(37)%
Total real estate services revenue	\$ 212	\$ 258	(18)%
U.S. market share	0.80 %	0.78 %	2 bps
Average lead agents	2,293	2,370	(3)%
Brokerage transactions	18,245	21,929	(17)%
Transactions per lead agent	8.0	9.3	(14)%
Partner transactions	3,507	4,755	(26)%



# Properties

Q3 2022 Revenue

**\$300M**

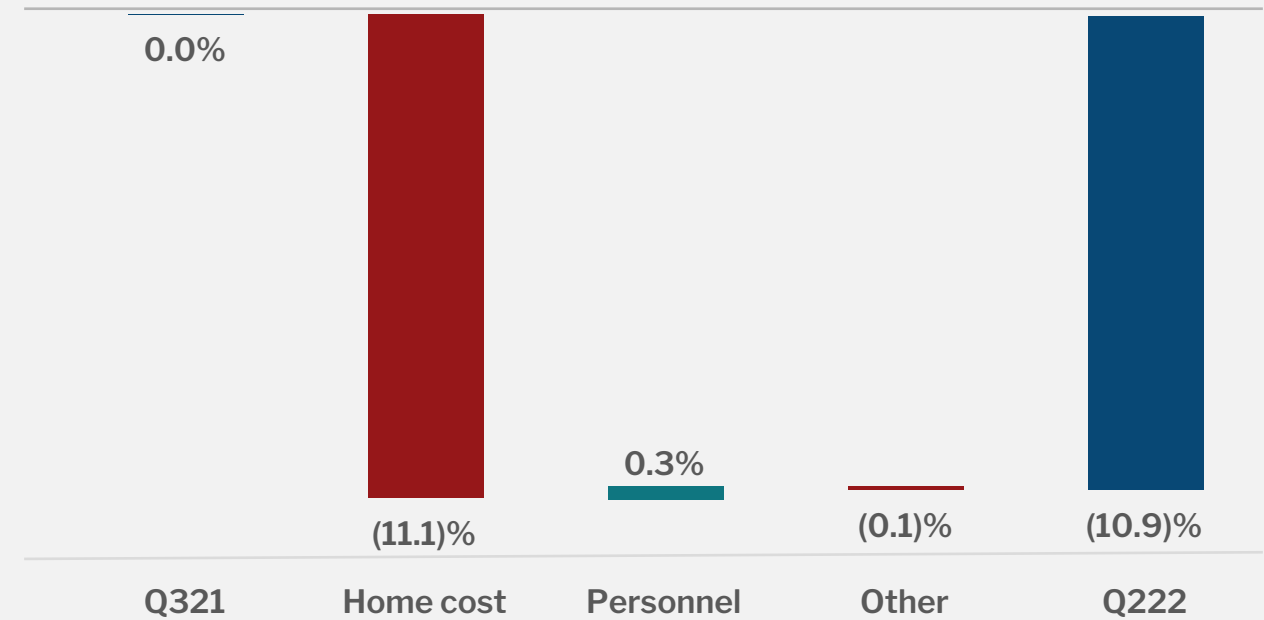
+26% Y/Y

\$ Millions	Q3 2022	Q3 2021	YoY Change
RedfinNow revenue	\$ 292	\$ 233	25 %
Other properties revenue	8	6	36 %
<b>Total properties revenue</b>	<b>\$ 300</b>	<b>\$ 238</b>	<b>26 %</b>
RedfinNow homes sold	530	388	37 %
Revenue per home sold (thousands)	\$ 551	\$ 600	(8)%
RedfinNow homes purchased	396	720	(45)%

Q3 2022 Gross Margin

**(10.9)%**

-1090 bps Y/Y

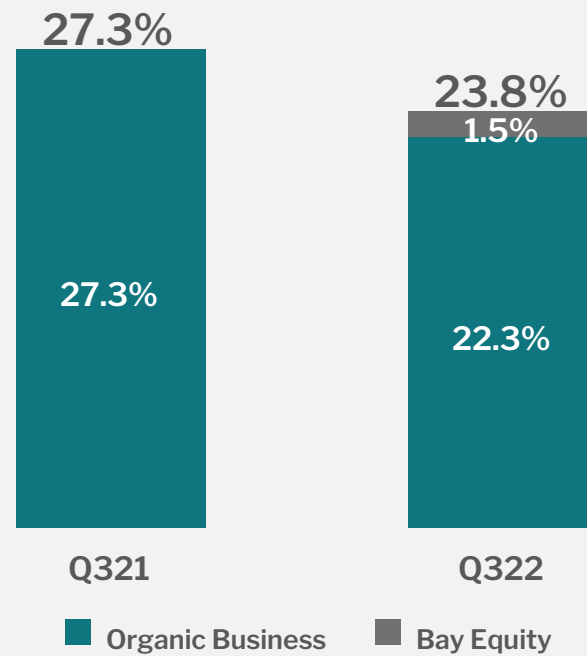


# Operating Expenses

Q3 2022 % of Revenue

**23.8%**

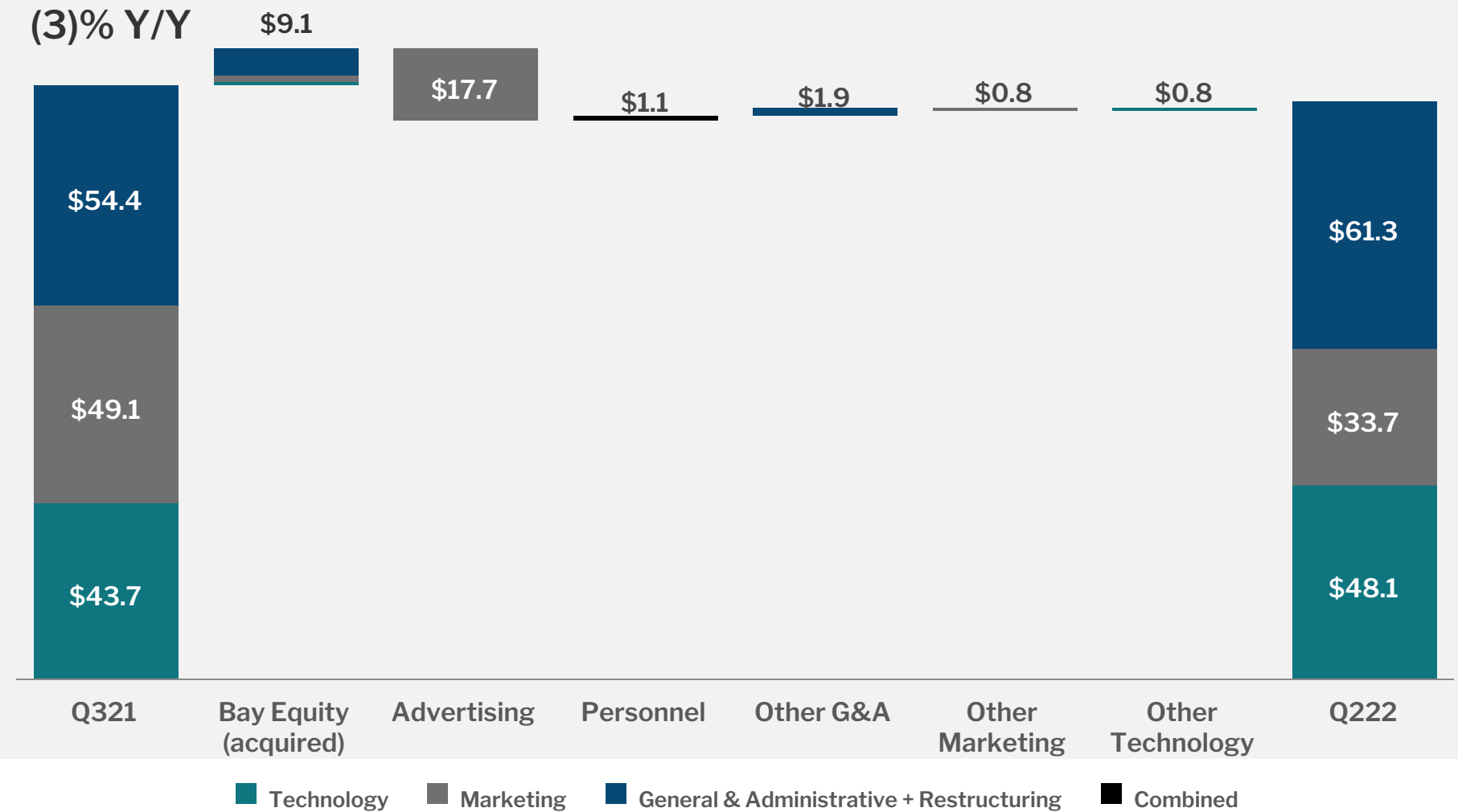
-350 bps Y/Y



Q3 2022 Operating Expenses

**\$143M**

(3)% Y/Y



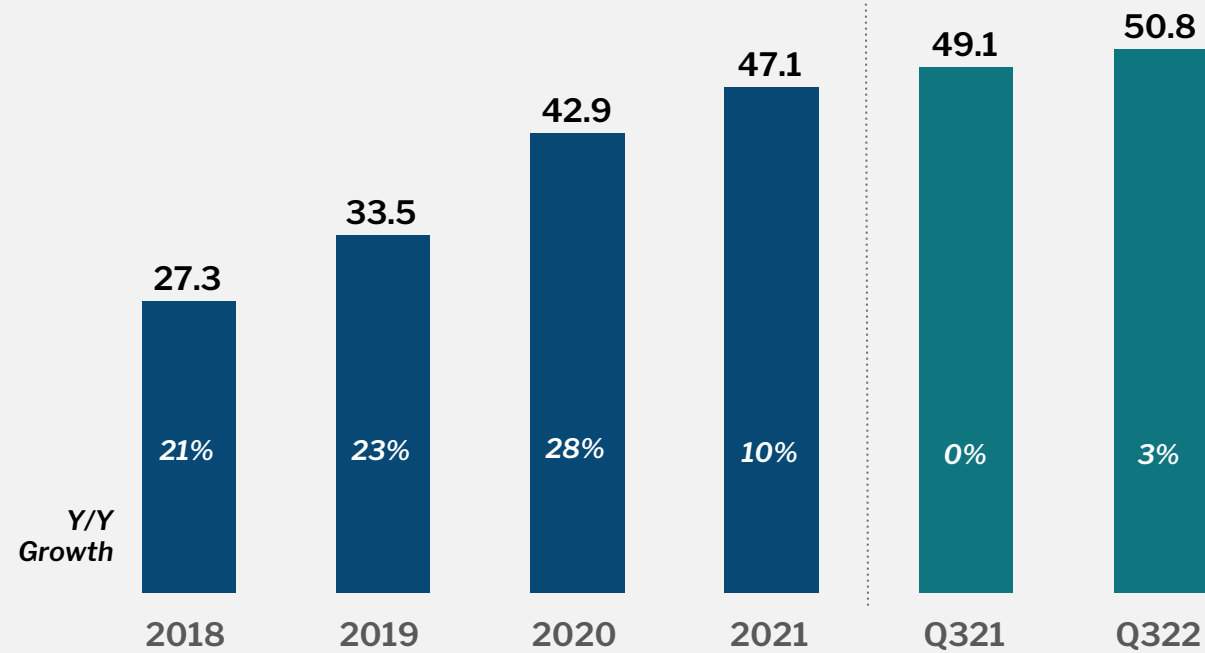


# Traffic and Market Share

Q3 2022 Average Monthly Visitors

**50.8**

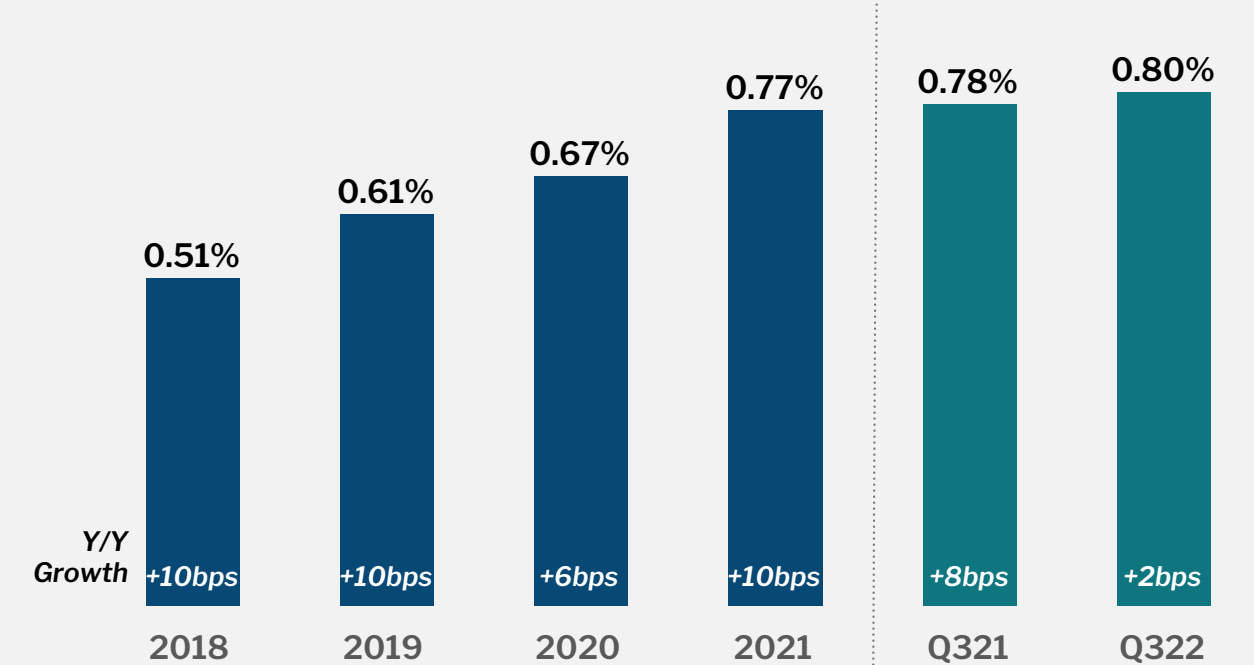
+3% Y/Y



Q3 2022 U.S. Market Share by Units

**0.80%**

+2 bps Y/Y



	2018	2019	2020	2021	Q321	Q322
Median Home Price	\$398,000	\$392,000	\$410,000	\$455,000	\$460,000	\$456,000
Average Home Price	\$473,074	\$468,464	\$492,865	\$555,119	\$559,358	\$543,077
Transactions (Units)	54,562	65,174	75,800	94,579	26,684	21,752

# Q4 2022 Outlook

\$ in millions	Low	High	Assumptions
Total Revenue	\$430	\$459	<ul style="list-style-type: none"> <li>Year over year decline between (33)% to (29)%</li> </ul>
Real Estate Services	136	144	<ul style="list-style-type: none"> <li>Year over year decline between (40)% to (36)%</li> <li>Gross margin to decrease compared to Q3 2022</li> </ul>
Properties	220	240	<ul style="list-style-type: none"> <li>Year over year decline between (42)% to (36)%</li> <li>Gross profit loss of \$21 million to \$17 million</li> </ul>
Rentals	39	40	<ul style="list-style-type: none"> <li>Year over year growth between 0% to 3%</li> </ul>
Mortgage	29	32	<ul style="list-style-type: none"> <li>Gross profit loss of \$1 million to \$3 million</li> </ul>
Other & Eliminations	4	4	<ul style="list-style-type: none"> <li>Includes revenue from title and other revenue as well as inter-company eliminations</li> </ul>
Net Loss	(134)	(118)	<ul style="list-style-type: none"> <li>\$25 million in total marketing expense</li> <li>Quarterly dividend of 30,640 shares of common stock to our preferred shareholder</li> </ul>
Adjusted EBITDA	(71)	(58)	<ul style="list-style-type: none"> <li>Assumes \$5 million to \$4 million in net interest expense, \$17 million in stock-based compensation, \$18 million in D&amp;A and \$23 million to \$21 million in restructuring and reorganization expense</li> </ul>

Note: Figures may not sum due to rounding.

**REDFIN**

**Thank You**