

# REDFIN

## A Technology-Powered Real Estate Company

Investor Presentation | 2024



# 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.

# Our Mission: Redefine Real Estate in the Consumer's Favor

## Redfin at a glance



Invented map-based  
real estate search



Unique employee  
agent model <sup>1</sup>



End to end  
product offerings



Remove friction with  
technology at every step

**#1**

### **Most-visited brokerage website**

5x the traffic of our next closest brokerage competitor <sup>2</sup>

**\$1.6 billion**

### **Customer savings**

Cumulative customer savings since our  
launch in 2006 on 559,000 transactions  
worth more than \$281 billion <sup>3</sup>

1. Redfin lead agents are employees of Redfin (not independent contractors) and are entitled to healthcare and other benefits.

2. Source: per Comscore report 2023.

3. Savings based on Redfin customer savings compared to a typical 2.5% commission rate. Savings based exclusively on sell-side transactions beginning in Q4 2022.

# Investment Highlights



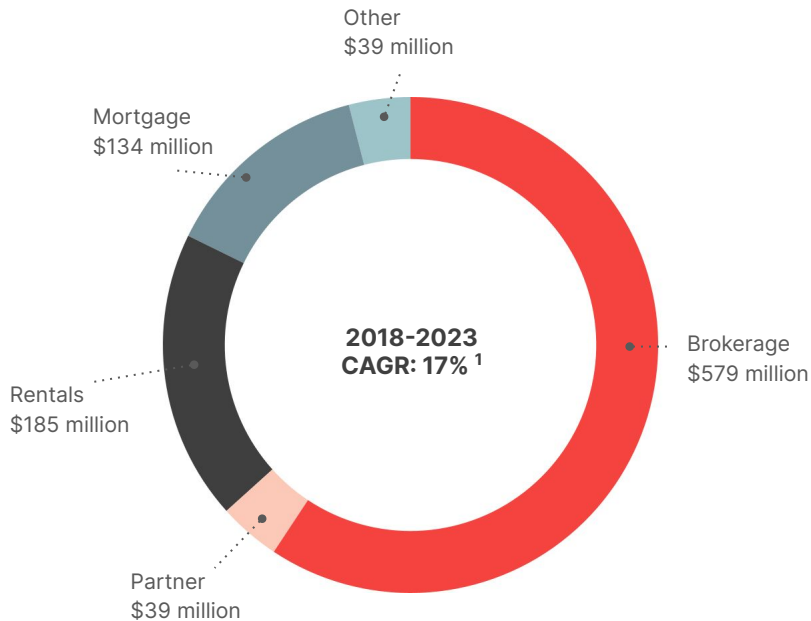
1. Source: National Association of Realtors 2023 existing-home-sales data, assuming 5% commission.

2. The largest group of millennials will be in their early-to-mid 30s over the next several years, which intersects with the median age of first-time home buyers.

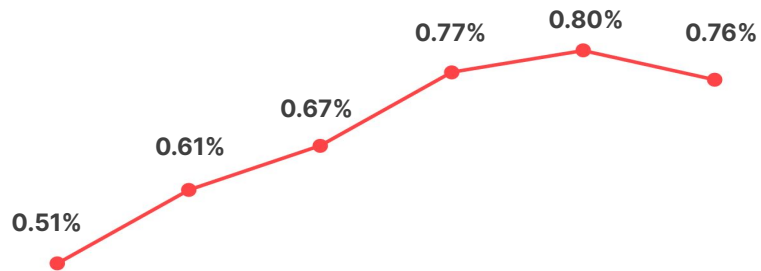
3. Source: Google Analytics, web and mobile application visitors for Redfin (does not include visitors to our rentals network web or mobile applications).

# Revenue & Market Share

## 2023 Revenue (\$ in millions)



## U.S. Market Share by Units<sup>2</sup>



	2018	2019	2020	2021	2022	2023
Median home price	\$398k	\$392k	\$410k	\$455k	\$460k	\$435k
Average home price	\$473k	\$468k	\$493k	\$555k	\$557k	\$526k
Transactions (units)	54,562	65,174	75,800	94,579	80,203	61,920

1. Revenue comparison reflects results from continuing operations (excluding discontinued properties business).  
 2. Source: NAR Existing Home Sales and Redfin data.

# End-to-End Product Offering

## Real Estate Services

### Brokerage

Unique employee agent model paired with proprietary online tools



### Partners

Vetted partner agent network to assist with peak volume & adjacent geographies

## Rentals

### Rent™

End-to-end digital marketing platform that connects consumers with available apartments and houses for rent across all 50 states and the District of Columbia.

Bringing rentals and brokerage together gives consumers a one-stop shop for housing, increases website traffic, and diversifies the company's revenue base with high margin advertising revenue.

## Mortgage

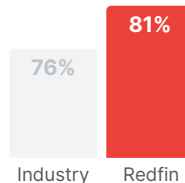
### Bay Equity

- Service footprint covering >98% of brokerage transactions <sup>1</sup>
- **Attach rate of 25%** in Q4 2023 <sup>2</sup>

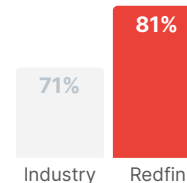
### One-stop-shop advantage

When we work together as a broker, lender, and title company, we can solve customer problems that no one else can, generating more value for the customer, and more revenue per customer.

**More likely to close post mutual <sup>3</sup>**



**More likely to close on-time <sup>3</sup>**



**~2x the revenue per customer**

\$12k brokerage  
+  
\$13k mortgage  
and \$3k title

## Title & Escrow

### Title Forward

- Service footprint covering 54% of brokerage transactions <sup>1</sup>
- **Attach rate of 61%** in Q4 2023

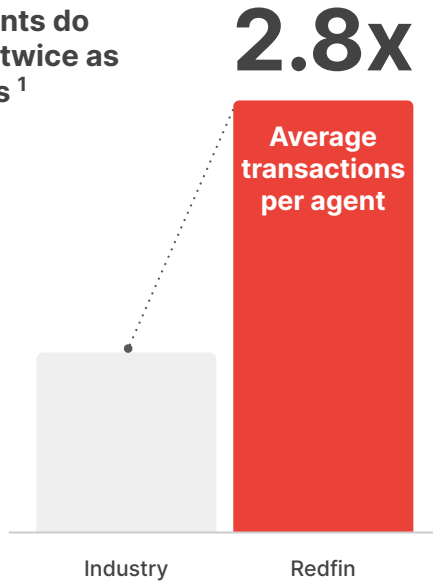
1. As of year-end 2023.

2. 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.

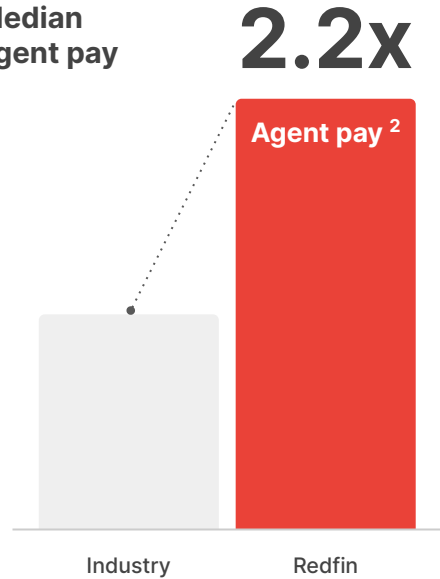
3. As of Q4 2023.

# Technology Enabled Productivity

Redfin agents do more than twice as many deals <sup>1</sup>



Median agent pay



1. Source: Redfin agents do more than twice as many deals on average across the industry compared to non-Redfin agents and 2.8x as many deals compared to other top 20 brokerages (by total volume). Per MLS data 2023.  
2. Source: Industry agent pay from NAR 2023 Member Profile report. Redfin agent pay from internal payroll system.

# A Better Deal for Buyers



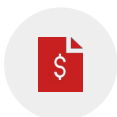
## Work with a top agent

Redfin agents are the most productive of any top-20 brokerage. <sup>1</sup>



## Get into homes fast

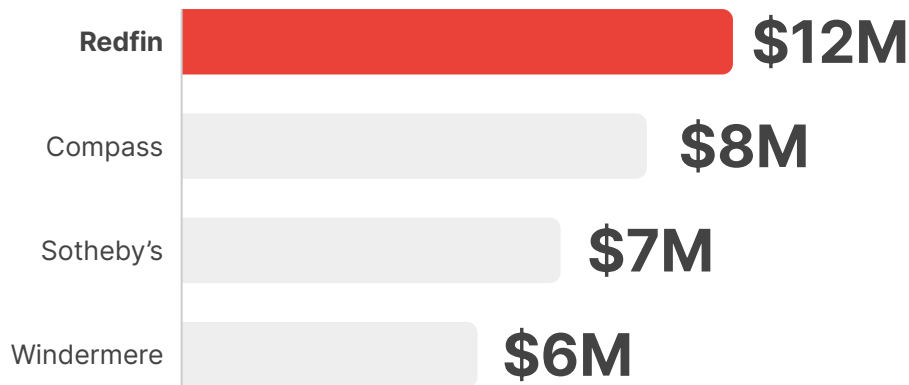
With on-demand tours, buyers can set up a tour in just a few clicks.



## Sign & Save

Homebuyers who sign up to work with a Redfin agent after the first tour can get a refund of 0.25 - 0.5% of the purchase price at closing. <sup>2</sup>

Annual sales volume per agent <sup>1</sup>



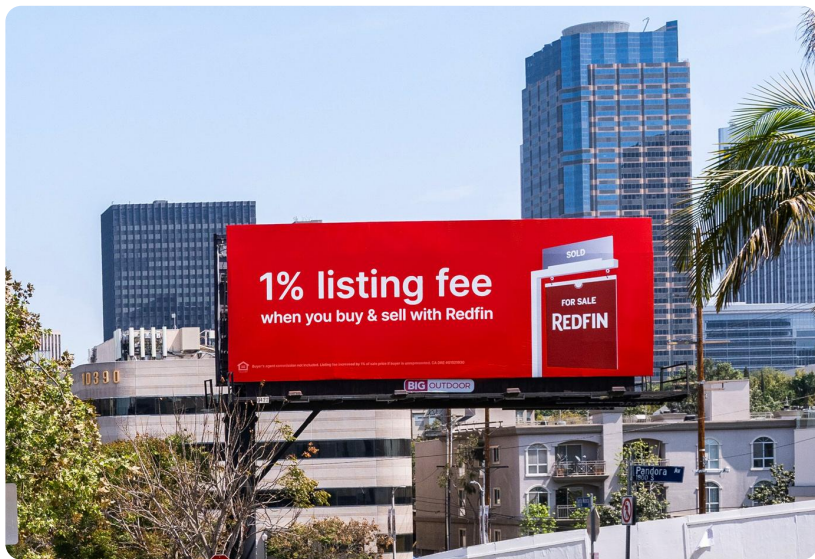
<sup>1</sup> Annual sales volume per agent based Redfin analysis of MLS data for the 12-month period ended December 31, 2023. Excludes ibuying transactions.



# A Better Deal for Sellers

## Save on listing fees and sell faster

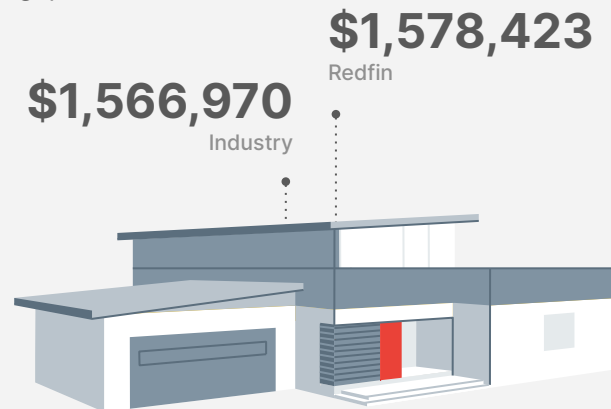
Redfin customers save thousands of dollars with our low listing fee. In 2023 Redfin saved home sellers \$127 million dollars. <sup>1</sup> In addition, Redfin agents sell homes about 4 days faster. <sup>2</sup>



## Sell for more with Redfin Premier

High-end homes sold with Redfin sell for \$11,453 more on average. <sup>2</sup>

Illustrative selling price of a 2,562 sq. ft. home (avg. premier home size).



1. Redfin charges 1% for customers who buy and sell within a 12 month period. Otherwise, the listing fee is 1.5%. Subject to minimums. Savings based on Redfin customer savings compared to a typical 2.5% commission rate.  
2. Source: Precision Consulting study commissioned by Redfin and dated August 2023. Compared to competing brokerages' sales Redfin homes were on the market 4 fewer days (36 v. 40 days). For sales  $\geq$ \$1M, Redfin had a \$0.71 higher list price per sq ft, \$4.47 higher sale price per sq ft, 1% higher in the percentage change in price per sq ft, sold 3.34 days faster, had 2.59 times more likelihood of selling within 60 days, and 4.11 times more likelihood of selling within 90 days.

# Seller Solutions



## Three-Dimensional Scans

We publish interactive, 3D scans of nearly all the homes listed by Redfin agents.



## Redfin Premier

- Exclusive services for high-end homes, without the high-end fees.
- Upgraded marketing package includes premium placement on Redfin.com as well as twilight and drone photography.

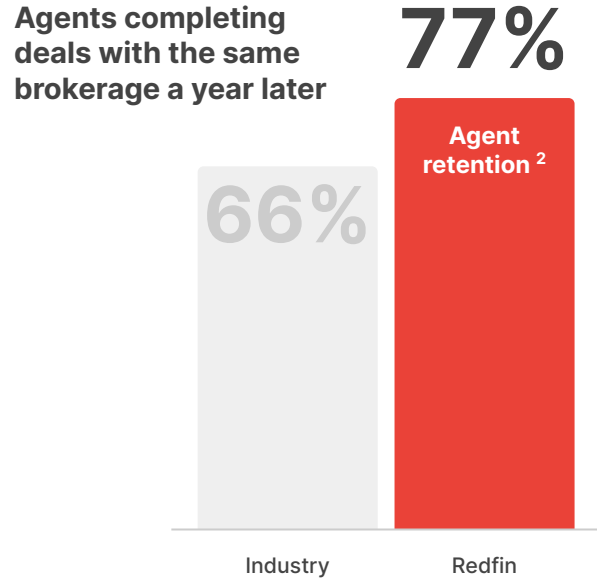
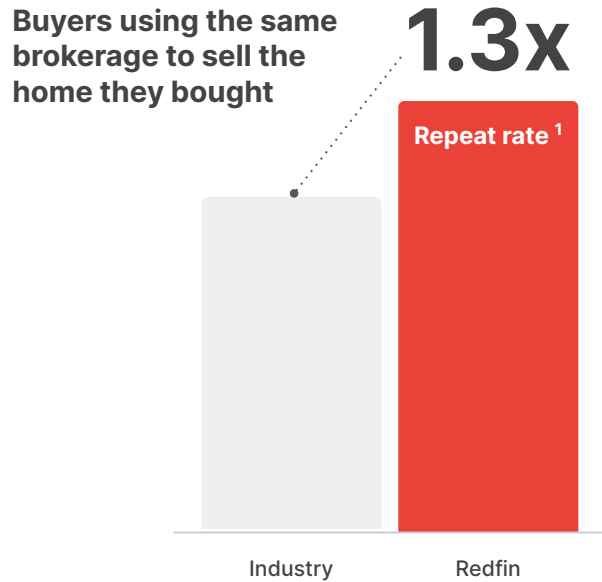


## Redfin Concierge

- Professionally managed design plan and no upfront costs to the seller. <sup>1</sup>
- Completed over \$16 million in renovations in 2023.

<sup>1</sup>. Customers receive an itemized statement of work, which includes a project management fee. Costs deducted from home sale proceeds at escrow.

# Loyalty as an Engine for Growth



1. Source: Multiple Listing Services, homes sold in 2023. Buyers using the same brokerage to sell the home they bought.

2. Source: Multiple Listing Services, agents completing deals with the same brokerage in Q3 2020 and Q3 2021. Showing 2021 data since 2022 and 2023 were impacted by layoffs. For 2023, Redfin's retention rate was 64% v. 59% for the industry.

# Strong platform for growth

## Real estate services

- Long-term gross margin potential 35%+
- Brokerage initiatives (Redfin Next, All You Can Meet and Sign & Save) aimed at driving higher close rates and share growth
- Shifting volume to partners (24% of transaction in '23) increases resilience and helps maximize gross profit dollars

## Rentals

- High margin advertising revenue (77% gross margin in '23)
- Successful turnaround (acquired out of bankruptcy in '21)
- Revenue growth (+19% in '23) driven by successful sales execution and industry tailwinds
- Adjusted EBITDA of \$3.5M in H2 '23 (v. \$17M loss in H2 '22)

## Mortgage

- Poised for growth when industry volumes recover
- Adjusted EBITDA loss narrowed by \$15M from '22 to '23
- Potential to nearly double revenue per customer with brokerage + mortgage attach
- Long-term gross margin potential 30-35%

## Other segment

- Revenue grew 65% and gross profit grew 12x in '23
- High margin digital revenue streams (display ads, new construction, etc.)
- Geographically expanding title (added CA and FL in '23) and growing attach rates

## Traffic share gains

- Top of funnel traffic share gains have remained strong; driven by SEO rankings and improvement to our recommendations engine
- Vast majority of traffic is self-generated (not paid)

## Capital structure

- From November 2022 through December 2023, repurchased \$468M of our 2025 convertible notes and \$72M of our 2027 convertible notes
- New term loan (announced October 2023) provides cash and liquidity to cover maturities through 2025 and extends debt maturities into 2028

**REDFIN**

Thank you

