



Q2 2024 Financial Results

Virtual Fireside Chat

July 31, 2024



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Q2 2024 Earnings Speakers



Glenn Sanford

Founder, Chairman &
Chief Executive Officer,
eXp World Holdings



Leo Pareja

Chief Executive Officer,
eXp Realty



Kent Cheng

Principal Financial Officer,
Chief Accounting Officer,
eXp World Holdings

Forward Looking Statements

There will be a number of forward-looking statements¹ made today that should be considered in conjunction with the cautionary statements contained in the Company's SEC filings.

Forward-looking statements are subject to various risks and uncertainties that could cause our actual results to differ materially from these statements.

Please see our filings with the SEC, including our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q, for a discussion of specific risks that may affect our business, performance and financial condition.

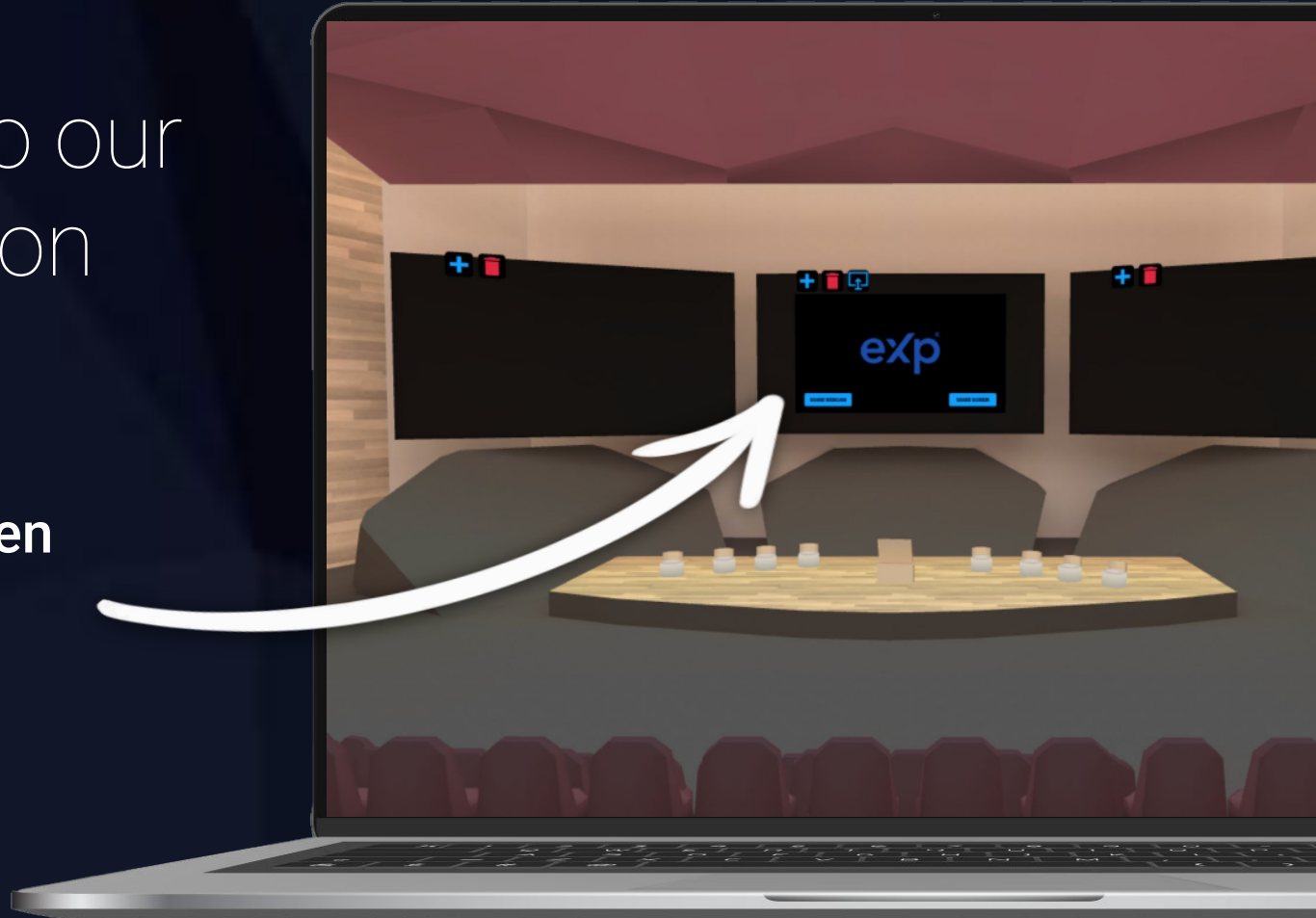
We assume no obligation to update or revise any forward-looking statements or information.

¹Within the meaning of the Private Securities Litigation Reform Act of 1995

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Business Highlights Q2 2024



Glenn Sanford

Founder, Chairman &
Chief Executive Officer,
eXp World Holdings

The eXp Platform

A Differentiated Platform Creating
Value & Driving Success Worldwide

The Most Agent-Centric Real Estate Brokerage on the Planet

exp[®] | NORTH AMERICA
REALTY

exp[®] | INTERNATIONAL
REALTY

SUCCESS[®]

 **FRAME**

Q2 2024 vs. Q2 2023

- aNPS improved 4 points, from 72 to 76
- Increased transactions and revenue
 - 1% increase in real estate sales transactions
 - 5% increase in revenue
 - 6% increase in sales productivity⁽¹⁾
- 22% increase in Adjusted EBITDA⁽²⁾
 - Operating costs decreased 4% year over year
- Increased North America revenue 5%
 - 13% increase in North America Adjusted EBITDA⁽³⁾
 - North America SG&A/Unit improved 9%
- Increased International realty revenue 69%
 - 50% increase in units, 71% increase in productivity, 70% increase in sales volume
 - 33% decrease in SG&A/Unit
 - Adjusted EBITDA⁽³⁾ loss decreased 37%
- Continued to strengthen the agent value proposition worldwide
 - Launched eXp Elevate Coaching
 - Launched the Global Agent Referral Platform

(1) Productivity is a monthly average of sales units/agent, excluding referral agents.

(2) A reconciliation of adjusted EBITDA to net income and a discussion of why management believes adjusted EBITDA, a non-GAAP measure, is useful is included in the Appendix.

(3) A reconciliation of adjusted segment EBITDA to net income and a discussion of why management believes adjusted EBITDA by segment, a non-GAAP measure, is useful is included in the Appendix.

Q2 Recap



Leo Pareja

Chief Executive Officer,
eXp Realty

eXp U.S. Outperforms the Industry

eXp Continues To Increase Market Share

2024 Home Sales Transactions Growth (Y/Y)

	eXp Realty	Industry
Q2	-3.0%	-3.4%
YTD	-0.8%	-3.1%

eXp Estimated Market Share

	2023	2024	Growth (Y/Y)
Q2	4.2%	4.2%	0.5%
YTD	4.2%	4.3%	2.4%



Continued to add notable agents, independent brokers and industry experts

- Kendall Bonner joined eXp Realty as VP Industry Relations
 - Named 2024 HousingWire Woman of Influence
- Tanya Memme, TV host and real estate expert
- 44 eXp Realty agents named to the **2024 RealTrends + Tom Ferry The Thousand List**, an annual, national program that ranks the top 500 agents and top 500 teams in the U.S. by transaction sides and sales volume

The Most Agent-Centric Brokerage on the Planet™

Improving the Agent Value
Proposition in Q2 2024

- **REVENUE Share 2.0**
 - eXp paid out nearly \$7 MILLION in Real Time REVshare in the first 60 days
- **Launched eXp Elevate Coaching**
 - Featuring Live and On-Demand coaching programs, solely dedicated to real estate career and business coaching
- **Launched the Global Agent Referral Platform**
 - Extended the reach of the Agent Referral Platform to connect eXp agents internationally, spanning 22 additional markets
- **Fast Start Attraction Bonus**
 - Launched July 1
 - Direct upline sponsors will receive 50% effective revenue share of their level one agents

Expanding Options for Agents

Recent Initiatives Gaining Traction With Agents

- **eXp Exclusives**
 - Expanded EXP Exclusives participation by 24% quarter over quarter
- **Express Offers**
 - OpenDoor instant cash offer partner has led to over 2300 property submissions to Opendoor alone in Q2
- **eXp Luxury**
 - 130% growth in agent count vs Q2 2023
- **Education**
 - 127% increase in training attendance YTD 2024 vs YTD 2023
- **Pay Now**
 - 61% of payments were made through real-time payments in Q2

Constantly Innovating for Agents

- **Enterprise OpenAI ChatGPT Usage**
 - > 1 million messages sent in Q2, a 108% increase over Q1 2024 increasing staff productivity
- **Task Center**
 - Streamlined agent onboarding process by auto-completing over 5,000 tasks for staff by synchronously updating actions across multiple platforms reducing double entry and manual work in Q2
 - Aided in the completion of over 710,000 tasks on agents, invoices and transaction documents across 5 different operational teams and 15 different role types year to date
- **Hubspot closed over 1M agent tickets worldwide in Q2**
- **FrameVR.io Adoption**
 - Increased exp.world visits by 1.1M in the first half of 2024

Improved Operating Efficiency

Increasing Value to Agent-
Owners & Shareholders

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Decreasing Costs

 **9** %

Reduced North American Realty
SG&A/unit by 9% year-over-year

Improving Operating Efficiency

 **13** %

Grew North American Realty Adjusted
EBITDA¹ by 13% year-over-year

(1) A reconciliation of adjusted EBITDA to net income and a discussion of why management believes adjusted EBITDA, a non-GAAP measure, is useful is included in the Appendix.

- **eXp's "Buyer-Broker Representation Agreement" recognized by the Consumer Federation of America**
 - "This agreement can serve as a model for how Realtor organizations and brokerages can craft an agreement that is much more understandable and fairer to everyday buyers."⁽¹⁾
- **NAR practice changes go in effect on August 17**
 - Buyers required to enter into a signed agreement
 - Net effect will likely be little change
 - Adjustment period for both agents and consumers
 - Transparency and fluidity are good and make a market strong

(1) https://consumerfed.org/press_release/buyer-beware-new-contracts-for-home-purchasers1/

Financial Highlights Q2 2024



Kent Cheng

Principal Financial Officer,
Chief Accounting Officer,
eXp World Holdings

eXp Consolidated Key Metrics for Q2 2024



	Q2 2024	Q2 2023	Variance
<u>Operating Metrics</u>			
ANPS	76	72	4
Agents	87,111	88,248	-1%
Real Estate Sales Transactions	120,613	119,277	1%
Real Estate Sales Volume (\$B)	\$51.9B	\$48.6B	7%
Cost per Transaction	\$488	\$533	-8%
<u>Financial Metrics</u>			
Revenue	\$1,295.2	\$1,231.1	5%
Commissions and Agent-Related	\$1,197.7	\$1,135.6	5%
General and Administrative	\$61.2	\$64.9	-6%
Technology and Development	\$14.8	\$14.9	0%
Sales and Marketing	\$3.0	\$2.9	6%
Operating Income (Loss)	\$18.5	\$12.8	44%
Net Income (Loss) from Cont Ops	\$11.8	\$11.4	4%
Adjusted EBITDA ⁽¹⁾	\$32.8	\$26.8	22%
Adjusted Operating Cash Flow ⁽²⁾	\$60.4	\$64.6	-6%
Cash & Equivalents	\$108.4	\$124.7	-13%

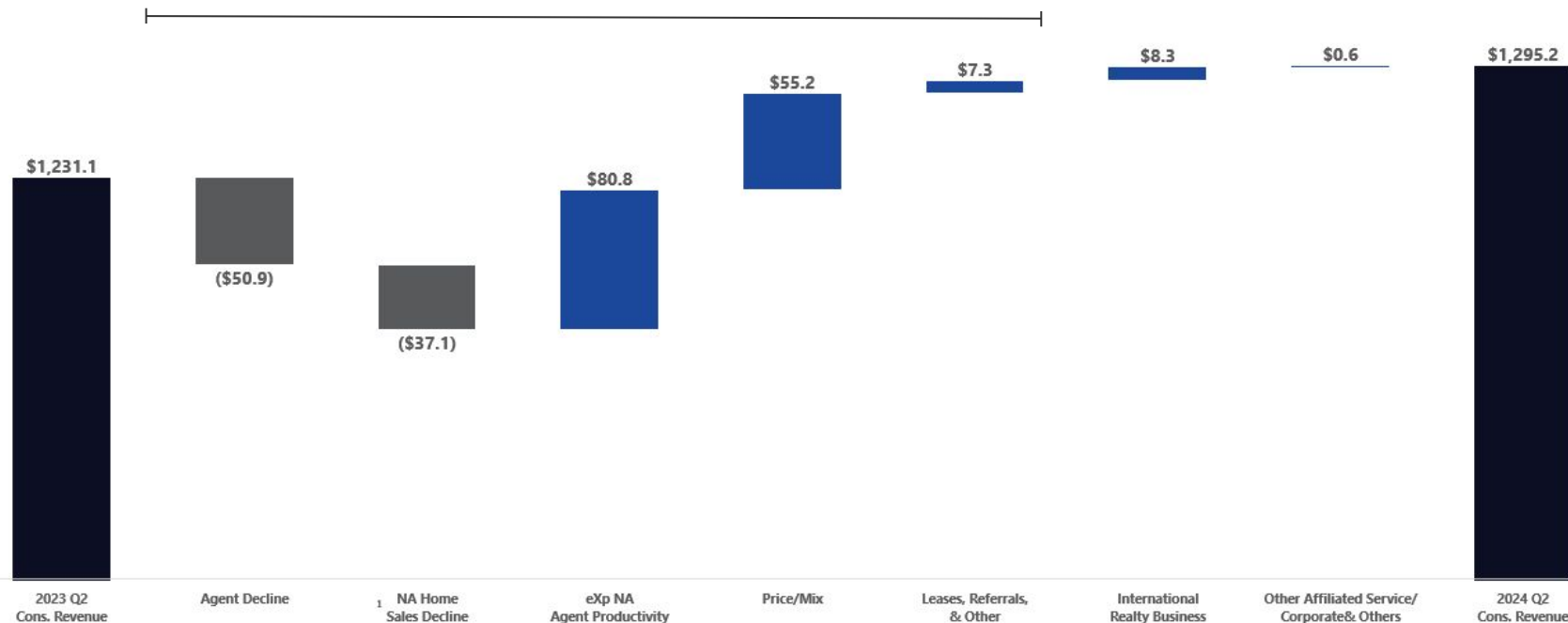
Q2 Summary

- Continued investing in agent onboard and transaction technology and process.
- Agent base declined slightly due to market conditions in the US.
- Real estate sales transactions and volume increased, with US sales units modestly outpacing the US market⁽¹⁾ while cost per transaction decreased 8%.
- Revenue increased 5% driven by increased eXp agent productivity and higher home sales prices. Commissions and other agent-related costs increase was proportional to revenue increase.
- General and administrative expenses decreased due to cost containment initiatives, reflected in lower expenses related to the shareholders summit in 2024, since it was conducted virtually, partially offset by increased legal expenses related to the antitrust lawsuits.
- Technology and development expenses relatively flat with prior year and include employee and other costs related to the maintenance and development of our agent- and employee-facing technology.
- Operating income and Adj. EBITDA⁽²⁾ increased due to lower operating costs and higher revenues and gross profit.
- Net income from continuing operations was flat driven by higher tax expense. Including discontinued operations, net income was \$12.4 in 2024 and \$9.4 in 2023, growth of 31%.
- Strong Adj. Operating Cash Flow⁽³⁾ and cash position.
- Share repurchases of \$48.2M during the quarter.

(1) Sources: US Industry transactions -3.4% based on NAR existing home sales (assuming 2 sides per sale) and U.S. Census Bureau new home sales (assuming 1 side per sale).
(2) A reconciliation of adjusted EBITDA to net income and a discussion of why management believes adjusted EBITDA, a non-GAAP measure, is useful is included in the Appendix.
(3) A reconciliation of adjusted operating cash flow to operating cash flow and a discussion of why management believes adjusted operating cash flow, a non-GAAP measure, is useful is included in the Appendix.

Consolidated Q2 2024 Revenue Change vs. Q2 2023

North American Realty Segment Revenue Change +\$55M



(1) Sources: US Industry transactions -3.4% based on NAR existing home sales (assuming 2 sides per sale) and U.S. Census Bureau new home sales (assuming 1 side per sale); Canada Industry transactions -3.7% based on CREA Residential Sales Activity (SAAR).

Q2 2024 Segment Financial Highlights

Q2 2024	N American Realty	International Realty	Other Affiliated Services	Corporate & Eliminations	eXp World Holdings
Revenue	\$1,274.6M	\$20.3M	\$1.5M	\$(1.2)M	\$1,295.2M
<i>Variance % y/y</i>	5%	69%	37%	10%	5%
Adj. EBITDA⁽¹⁾	\$38.5M	\$(2.4)M	\$(1.0)M	\$(2.3)M	\$32.8M
<i>Variance % y/y</i>	13%	37%	15%	–	22%

Q2 2024 Financial Summary

- Excellent agent engagement - aNPS continued to increase during the quarter.
- Grew real estate sales transactions 1% despite a slight decrease in agent count, driven by agent productivity gains.
- Reduced realty cost per transaction 8% due to operating efficiency initiatives
- Transactions outperformed the industry in the US.⁽¹⁾
- Grew real estate sales volume 7% to \$51.9B due to higher unit sales and price per unit.
- Increased revenue 5%, driven by higher agent productivity and average home sales prices.
- Strong International Realty revenue growth of 69% year-over-year.
- Grew adjusted EBITDA⁽²⁾ 22% in a challenging market, driven by revenue growth and cost containment initiatives.
- Returned \$55.7M to shareholders via share repurchases of \$48.2M and dividend distributions of \$7.5M.
- Maintained a solid financial condition.
- On track with profitability improvement plan and well-positioned for the remainder of the year.

Q2 2024 Earnings Q&A



Glenn Sanford

Founder, Chairman &
Chief Executive Officer,
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Principal Financial Officer,
Chief Accounting Officer,
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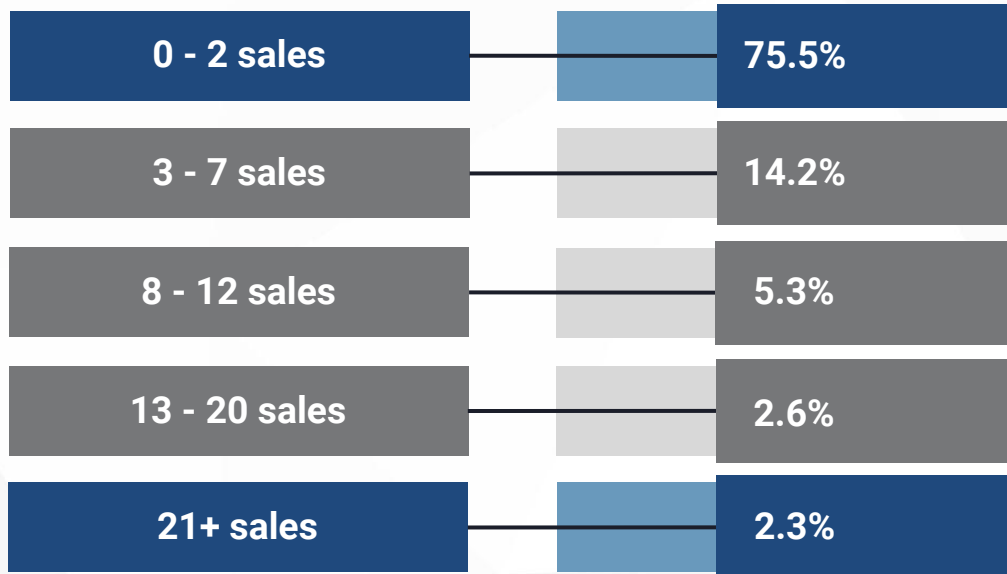
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Appendix

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Attrition by U.S. Agent Annual Productivity



- Majority of departing agents are in the low-producing cohort
- High producing agents are multiples less likely to churn than low-producing agents
- 38% of new agents to eXp were on teams in Q2'24
 - Agents on teams are 78% more productive than individual agents

Use of Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, this chat deck includes references to adjusted EBITDA, adjusted segment EBITDA, adjusted net income, and adjusted operating cash flow, which are non-U.S. GAAP financial measures that may be different from similarly titled measures used by other companies. These measures are presented to enhance investors' overall understanding of the Company's financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

The Company's non-GAAP financial measures provide useful information about financial performance, enhance the overall understanding of past performance and future prospects, and allow for greater transparency with respect to key metrics used by management for financial and operational decision-making. These measures may also provide an additional tool for investors to use in comparing core financial performance over multiple periods with other companies in the industry.

Adjusted EBITDA, adjusted segment EBITDA, adjusted net income, and adjusted operating cash flow should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP.

Adjusted EBITDA helps identify underlying trends in the business that otherwise could be masked by the effect of the expenses that are excluded in adjusted EBITDA. In particular, the Company believes the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of operations and provides better transparency into results of operations. The Company defines adjusted EBITDA to mean net income (loss) from continuing operations, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, litigation contingency expenses, stock-based compensation expense, and stock option expense.

Adjusted Segment EBITDA helps identify underlying trends in the business that otherwise could be masked by the effect of the expenses that are excluded in adjusted segment EBITDA. In particular, the Company believes the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of operations and provides better transparency into results of operations. The Company defines adjusted segment EBITDA to mean operating profit (loss) from continuing operations, plus depreciation, amortization, impairment charges, litigation contingency expenses, stock-based compensation expense, and stock option expense.

Adjusted net income excludes significant non-operating related expenses that management does not consider on-going in nature. The Company defines adjusted net income to mean net income adjusted for net loss from discontinued operations and the after tax impact of the litigation contingency accrual.

Adjusted operating cash flow helps investors see the Company's performance through the eyes of management. The Company defines adjusted operating cash flow to mean cash flows from operations excluding the change in customer deposits.

Reconciliation of GAAP to Non-GAAP Operating Expenses

(in thousands, unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 1,295,244	\$ 1,231,116	\$ 2,238,298	\$ 2,079,569
GAAP Commissions and other agent-related costs	\$ 1,197,668	\$ 1,135,615	\$ 2,062,414	\$ 1,912,453
<i>Adjusted to exclude the following:</i>				
Stock compensation expense	\$ (8,593)	\$ (8,473)	\$ (16,726)	\$ (18,054)
Revenue Share	(59,050)	(59,283)	(105,082)	(101,936)
Non-GAAP Commissions and other agent-related costs	\$ 1,130,025	\$ 1,067,859	\$ 1,940,606	\$ 1,792,463
GAAP Gross Margin	7.5%	7.8%	7.9%	8.0%
Non-GAAP Gross Margin	12.8%	13.3%	13.3%	13.8%
GAAP General and administrative expenses	\$ 61,160	\$ 64,917	\$ 123,742	\$ 119,543
<i>Adjusted to exclude the following:</i>				
Stock compensation expense	\$ (736)	\$ (15)	\$ (1,431)	\$ (94)
Stock option expense	(1,985)	(2,380)	(3,975)	(5,126)
Non-GAAP General and administrative expenses	\$ 58,439	\$ 62,522	\$ 118,336	\$ 114,323
GAAP and Non-GAAP Technology and development expenses	\$ 14,848	\$ 14,888	\$ 29,609	\$ 28,948
GAAP and Non-GAAP Sales and marketing expenses	\$ 3,031	\$ 2,860	\$ 6,170	\$ 5,787

Reconciliation of GAAP to Non-GAAP Financial Measures

CONSOLIDATED US-GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) from continuing operations	\$ 11,766	\$ 11,355	\$ (2,064)	\$ 13,347
Other (income) expense, net	(1,375)	(1,151)	(2,414)	(1,683)
Income tax (benefit) expense	8,146	2,632	4,841	1,174
Depreciation and amortization	2,963	3,143	5,363	5,358
Litigation contingency	—	—	16,000	—
Stock compensation expense ⁽¹⁾	9,329	8,488	18,157	18,148
Stock option expense	1,985	2,380	3,975	5,126
Adjusted EBITDA	\$ 32,814	\$ 26,847	\$ 43,858	\$ 41,470

⁽¹⁾ This includes agent growth incentive stock compensation expense and stock compensation expense related to business acquisitions.

CONSOLIDATED US-GAAP NET INCOME TO ADJUSTED NET RECONCILIATION

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 12,383	\$ 9,422	\$ (3,256)	\$ 10,875
Add back:				
Net loss from discontinued operations	(617)	1,933	1,192	2,472
Litigation contingency	—	—	16,000	—
Tax benefit on litigation contingency	—	—	(4,595)	—
Adjusted net (loss) income	\$ 11,766	\$ 11,355	\$ 9,341	\$ 13,347
(Loss) earnings per share:				
Adjusted diluted, net (loss) income	\$ 0.08	\$ 0.07	\$ 0.06	\$ 0.09
Weighted average shares outstanding				
Basic	153,580,879	153,249,120	154,160,607	152,899,883
Diluted	155,984,147	156,693,959	154,160,607	156,119,627

Reconciliation of GAAP to Non-GAAP Financial Measures

ADJUSTED OPERATING CASH FLOW

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Cash Provided by Operating Activities	\$ 71,147	\$ 98,024	\$ 131,801	\$ 154,168
Less: Customer Deposits	10,707	33,472	41,946	50,854
Adjusted Operating Cash Flow	\$ 60,440	\$ 64,552	\$ 89,855	\$ 103,314