



EARNINGS CALL

Q2 2021



CENTURY 21



CORCORAN



Sotheby's
INTERNATIONAL REALTY



MANAGEMENT PRESENTERS



RYAN SCHNEIDER
Chief Executive Officer and
President



CHARLOTTE SIMONELLI
Executive Vice President and
Chief Financial Officer



ALICIA SWIFT
Senior Vice President, Investor Relations and
Financial Planning & Analysis

IMPORTANT DISCLOSURES

Forward-Looking Statements

This presentation contains forward-looking statements. The Company desires to take advantage of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995 and is including this statement for the express purpose of availing itself of the protections of the safe harbor with respect to all forward-looking statements. Therefore, the Company wishes to caution each participant to consider carefully the specific factors discussed with each forward-looking statement in this presentation and other factors contained in the Company's filings with the Securities and Exchange Commission under the captions "Forward-Looking Statements", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as such factors in some cases have affected, and in the future (together with other factors) could affect, the ability of the Company to implement its business strategy and may cause actual results to differ materially from those contemplated by the statements expressed herein. Forward-looking statements and projections are inherently subject to significant economic, competitive, and other uncertainties and contingencies, many of which are beyond the control of management, including, among others, the ongoing COVID crisis, inventory levels, and uncertainties related to the continued strength of the housing market. The information contained in this presentation is as of July 29, 2021. The Company assumes no obligation to update the information or the forward-looking statements contained herein, whether as a result of new information or otherwise. RECIPIENTS ARE STRONGLY ADVISED TO READ THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION BECAUSE THEY CONTAIN IMPORTANT INFORMATION.

Non-GAAP Financial Measures

Certain financial measures, as used in this presentation, are supplemental measures of the Company's performance that are not Generally Accepted Accounting Principles ("GAAP") measures. Refer to slides 20-22 of this presentation and Tables 1a, 5a, 5b, 6a, 6b, 7, 8a, 8b and 9 of the July 29th press release announcing second quarter 2021 financial results for the definitions of these non-GAAP financial measures, a reconciliation of these measures to their most comparable GAAP measures, and the Company's explanation of why it believes these non-GAAP measures are useful to investors.

NAR data referenced herein is based on NAR's most recent public estimates, which are subject to review and revision. Factors that may impact the comparability of the Company's homesale statistics to NAR are outlined in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 and its Annual Report on Form 10-K for the year ended December 31, 2020.

LEADING AND MOST INTEGRATED Provider of U.S. Residential Real Estate Services



Nation's largest owner and operator of residential real estate brokerages. Leading brands:



Global franchisor of some of the most recognized brands in the real estate industry.



Segment also includes Realogy Leads Group and Cartus Relocation



Significant provider of title agency and underwriting services in the U.S.

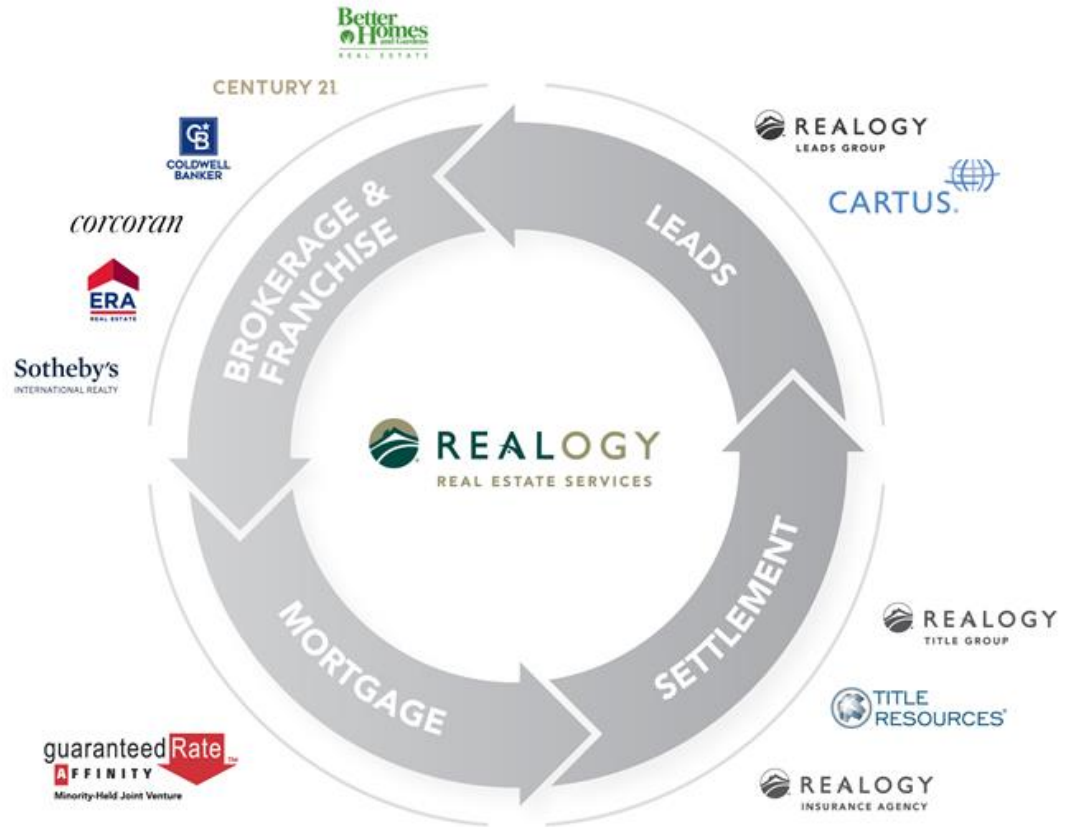
Segment includes Realogy's minority-held mortgage joint venture

RECOGNITION AND AWARDS



REALOGY VALUE CIRCLE

Realogy Integrated Model



INDUSTRY LEADERSHIP STRONG VALUE PROPOSITION



TECHNOLOGY &
DATA SCALE



WELL KNOWN &
ESTABLISHED BRANDS



POWERFUL
FINANCIAL ENGINE

DRIVE ORGANIC GROWTH

DESIGN CONCIERGE

SPARK

EXCLUSIVE LOOK

LISTING CONCIERGE

SocialAdEngine

DESK

IPROSPECT

DELIVER HIGH QUALITY LEADS

AARP

**REALOGY
MILITARY
REWARDS**

Leads Engine

MOVE TO SIMPLIFY

Brand Integration

Standardization

Automation

Artificial Intelligence

ENHANCE THE CONSUMER EXPERIENCE

real
sure
Sell.
Buy.
Exhale.

REALVITALIZE™

EXPANDED VIRTUAL PRODUCTS

Virtual product suite across all stages of the transaction including **virtual staging, open houses, tours, and various digital title and mortgage products.**

CULTIVATING CULTURE, DIVERSITY AND GOVERNANCE

SOCIAL

CULTURE AND COMMUNITY

- Employee Resource Groups (ERGs)
- Action & Inclusion Council
- Charitable Partnerships

DIVERSITY COMMITMENT

- Fair Housing Pledge
- Agents of Change Program
- Ascend: Executive Leadership Experience
- Inclusive Ownership Program

GOVERNANCE

GOVERNANCE AND INTEGRITY

- Diverse and Independent Board of Directors - Gender, Ethnic, and Age Diversity
- Expanded Nominating & Corporate Governance Committee Charter in 2020 to include ESG
- Robust Board-led investor outreach program since 2018

RECOGNITION AND AWARDS



Additional details in
Realty's 2020
[Corporate Social Responsibility Report](#)

Q2 2021 BY THE NUMBERS

\$2.3 Billion
REVENUE GENERATED

+ \$1.0 BILLION Y/Y

\$310 Million
OPERATING EBITDA¹

+ \$135 MILLION Y/Y

\$243 Million
FREE CASH FLOW²

+ \$196 MILLION Y/Y

2.5x
NET DEBT/EBITDA³

**Market Share
Growth**

**FOURTH CONSECUTIVE
QUARTER**

+85% Y/Y
TRANSACTION
VOLUME GROWTH
+ 37% SIDES | +35% PRICE

¹ See Slide 20 for a reconciliation of Operating EBITDA to Net (loss) income attributable to the Company. Refer to Table 9 of the Press Release dated July 29, 2021 for the definitions of certain non-GAAP financial measures and the Company's explanation of why it believes these non-GAAP measures are useful to investors.

² See Slide 22 for a reconciliation of Net (loss) income attributable to the Company and free cash flow.

³ Refer to Table 8b of the Press Release dated July 29, 2021 for the Company's calculation of net debt leverage ratio.

Q2 2021 HIGHLIGHTS

INDUSTRY LEADING SIZE AND SCALE	<ul style="list-style-type: none"> • Leading national footprint with 16.4% market share LTM 6/30¹ • 4th consecutive quarter of market share gains
INTEGRATED MODEL	<ul style="list-style-type: none"> • Core brokerage business and national franchise business • Fully scaled national title business and mortgage JV • Differentiated consumer offerings such as RealSure
TECHNOLOGY LEADERSHIP	<ul style="list-style-type: none"> • Strategic advantage with open architecture • Great marketing, technology, and data products to support agents and franchisees
HIGH PROFILE BRANDS	<ul style="list-style-type: none"> • National multi-brand strategy including leading luxury brands • Luxury grew substantially above overall volume in the quarter and in the past year
STRONG FUNDAMENTALS	<ul style="list-style-type: none"> • Top and bottom-line growth and free cash flow generation • Balance sheet strength – 2.5x net debt leverage ratio and \$859M in cash²

¹ For a description of how the Company calculates market share, see "Housing Market and Market Share" under Part I, Item 1. of the Company's Form 10-K filed February 23, 2021.

² Refer to Tables 8a and 8b of the Press Release dated July 29, 2021 for the Company's calculation of senior secured leverage ratio and net debt leverage ratio.

Q2 2021 TRANSACTION VOLUME

	<u>vs. Q2-20</u>	<u>vs. Q2-19</u>
Realogy Franchise Group & Brokerage Group Combined		
Closed Homesale Sides	37%	7%
Average Homesale Price	35%	32%
Combined Total Homesale Transaction Volume (sides x price)	85%	41%
Realogy Franchise Group⁽¹⁾		
Closed Homesale Sides	35%	6%
Average Homesale Price	34%	35%
Franchise Total Homesale Transaction Volume (sides x price)	80%	44%
Realogy Brokerage Group		
Closed Homesale Sides	46%	9%
Average Homesale Price	35%	26%
Brokerage Total Homesale Transaction Volume (sides x price)	96%	37%

Closed Transaction Volume is based on the actual number of business days in the period presented, without adjustment.

(1) Includes all franchisees except for Realogy Brokerage Group.

CAPITAL ALLOCATION PROGRESS AND PRIORITIES

INVEST FOR GROWTH

- 1. MARKETING, TECHNOLOGY, DATA PRODUCTS**
- 2. LUXURY FRANCHISE EXPANSION**
Domestic and International
- 3. OPEN ARCHITECTURE**
Expanding the ecosystem
- 4. TITLE/MORTGAGE**
Seamless end-to-end transaction process
- 5. REALSURE**
Expanding and going direct-to-consumer

Q2 HIGHLIGHTS

ACCELERATING REALSURE GROWTH & INVESTMENT

- Unique model is helping win listings
- Operating at scale in 21 markets
- Commenced direct-to-consumer marketing

STRENGTHENING LUXURY LEADERSHIP

- Growing brands and expanding referral networks

OPEN TECHNOLOGY ECOSYSTEM

- Data driven analytic tools provide powerful insights intended to increase agent productivity

¹ Refer to Table 8b of the Press Release dated July 29, 2021 for the Company's calculation of net debt leverage ratio.

BALANCE SHEET PROGRESS

OPPORTUNISTIC BALANCE SHEET MANAGEMENT

SINCE THE END OF 2019

- ✓ REDUCED NET DEBT BY ~\$600M
- ✓ REFINANCED \$1B+ ACROSS 4 DEBT TRANSACTIONS
- ✓ LOWERED LEVERAGE RATIO BY OVER 2 TURNS
- ✓ LENGTHENED MATURITY PROFILE

Q2 HIGHLIGHTS

- ✓ 2.5x NET LEVERAGE AT 6/30¹
- ✓ EXITED Q2 WITH \$859M IN CASH
- ✓ ZERO REVOLVER BALANCE SINCE OCT 2020
- ✓ RATING AGENCY UPGRADES

¹ Refer to Table 8b of the Press Release dated July 29, 2021 for the Company's calculation of net debt leverage ratio.

REVENUE BY BUSINESS

Net Revenue (\$ in millions)	Q2 2020	Q2 2021	\$ Change
Realogy Franchise Group ¹	\$ 227	\$ 347	\$ 120
Realogy Brokerage Group	933	1,791	858
Realogy Title Group	160	255	95
Intercompany Eliminations	(65)	(117)	(52)
Total Revenue	\$ 1,255	\$ 2,276	\$ 1,021

1. Realogy Franchise Group is inclusive of Realogy Leads Group and Cartus Relocation Services.

KEY REVENUE DRIVERS

	Q2 2021 vs. Q2 2020	
	Amount	% Change
Realogy Franchise Group		
Closed Homesale Sides	320,463	35%
Average Homesale Price	\$430,756	34%
Average Broker Commission Rate	2.46%	(3) bps
Net Royalty per Side	\$418	29%
Realogy Brokerage Group		
Closed Homesale Sides	103,945	46%
Average Homesale Price	\$678,978	35%
Average Broker Commission Rate	2.43%	0 bps
Gross Commission Income per Side	\$17,053	33%
Realogy Title Group		
Purchase Title and Closing Units	47,375	48%
Refinance Title and Closing Units	14,472	(18)%
Average Fee per Closing Unit	\$2,608	26%

OPERATING EBITDA BY BUSINESS

Operating EBITDA (\$ in millions)	Q2 2020	Q2 2021	\$ Change
Realty Franchise Group ¹	\$ 125	\$ 224	\$ 99
Realty Brokerage Group	15	70	55
Realty Title Group ²	61	55	(6)
Corporate	(26)	(39)	(13)
Operating EBITDA	\$ 175	\$ 310	\$ 135

1. Realty Franchise Group is inclusive of Realty Leads Group and Cartus Relocation Services.
2. Realty Title Group (RTG) includes our title, escrow and settlement services (title agency), title insurance underwriter and mortgage origination joint venture businesses. Excluding the mortgage joint venture from Operating EBITDA, title agency and title insurance underwriter represented approximately 60% and 40%, respectively of Operating EBITDA for the period ended June 30, 2021. The year-over-year decline in Operating EBITDA contribution from the mortgage origination joint venture was driven primarily by a negative \$19 million related to mark-to-market adjustments on the mortgage loan pipeline as well as margin compression and a decline in refinance volumes, partially offset by strong purchase volume growth.

Note: See Slide 21 for a reconciliation of Operating EBITDA to Net (loss) income attributable to the Company. Refer to Table 9 of the Press Release dated July 29, 2021 for the definitions of certain non-GAAP financial measures and the Company's explanation of why it believes these non-GAAP measures are useful to investors.

REALOGY FRANCHISE AND BROKERAGE OPERATING EBITDA WITHOUT INTERCOMPANY ROYALTY

Operating EBITDA (\$ in millions)	Q2 2020	Q2 2021	\$ Change
Realogy Franchise Group	\$ 60	\$ 107	\$ 47
Realogy Brokerage Group	80	187	107
Realogy Franchise and Brokerage Groups Combined	\$ 140	\$ 294	\$ 154

Note: The segment numbers noted above do not reflect the impact of intercompany royalties and marketing fees paid by Realogy Brokerage Group to Realogy Franchise Group of \$65 million and \$117 million during the three months ended June 30, 2020 and 2021, respectively.

CAPITALIZATION TABLE

	Pricing	Maturity	As of June 30, 2021
Non-extended Revolving Credit Commitment	L+225 ¹	February 2023	\$ —
Extended Revolving Credit Commitment	L+225 ¹	February 2025	—
Non-extended Term Loan A	L+225 ¹	February 2023	197
Extended Term Loan A	L+225 ¹	February 2025	236
Term Loan B	L+225 ²	February 2025	237
Senior Secured Second Lien Notes	7.625%	June 2025	550
Senior Notes	4.875%	June 2023	407
Senior Notes	9.375%	April 2027	550
Senior Notes	5.750%	January 2029	900
Exchangeable Senior Notes	0.250%	June 2026	403
Finance Lease Obligations			27
Corporate Debt (excluding securitizations)			3,507
Less: Cash and cash equivalents			859
Net Corporate Debt (excluding securitizations)			\$ 2,648
EBITDA as defined by the Senior Secured Credit Agreement			\$ 1,067
Net Debt Leverage Ratio ³			2.5 x

1. Adjusts up or down based on the previous quarter senior secured leverage ratio as defined by the senior secured credit facilities.

2. Includes 75 basis points LIBOR floor.

3. Defined as net corporate debt divided by EBITDA as defined by the senior secured credit facilities. See Table 8b of our July 29, 2021 press release for a Net Debt Leverage Ratio calculation.

APPENDIX

RESTRUCTURING COSTS

Restructuring (\$ in millions)	Q2 2020	Q2 2021
Personnel-related costs ¹	\$ 5	\$ 2
Facility-related costs ²	13	3
Total restructuring charges	\$ 18	\$ 5

- Personnel-related costs consist of severance costs provided to employees who have been terminated and duplicate payroll costs during transition.*
- Facility-related costs consist of costs associated with planned facility closures such as contract termination costs, amortization of lease assets that will continue to be incurred under the contract for its remaining term without economic benefit to the Company, accelerated depreciation on asset disposals and other facility and employee relocation related costs.*

GAAP RECONCILIATION

(\$ in millions)	For the three months ended	
	6/30/2020	6/30/2021
Net (loss) income attributable to Realogy Holdings	\$ (14)	\$ 149
Income tax (benefit) expense	(5)	60
(Loss) income before income taxes	(19)	209
Add: Depreciation and amortization	46	51
Interest expense, net	59	57
Restructuring costs, net ¹	18	5
Impairments ²	63	1
Former parent legacy cost, net	—	1
Loss on the early extinguishment of debt	8	1
Gain on the sale of business	—	(15)
Operating EBITDA	\$ 175	\$ 310

1. Restructuring charges incurred for the three months ended June 30, 2020 include \$4 million at Realogy Franchise Group, \$12 million at Realogy Brokerage Group and \$2 million at Realogy Title Group. Restructuring charges incurred for the three months ended June 30, 2021 include \$1 million at Realogy Franchise Group, \$2 million at Realogy Brokerage Group and \$2 million at Corporate and Other.

2. Non-cash impairments for the three months ended June 30, 2020 include \$44 million of impairment charges during the three months ended June 30, 2020 (while Cartus Relocation Services was held for sale) to reduce the net assets to the estimated proceeds and other asset impairments of \$19 million primarily related to lease asset impairments. Impairments for the three months ended June 30, 2021 primarily relate to lease asset and software impairments.

Note: Refer to Table 9 of the Press Release dated July 29, 2021 for the definitions of certain non-GAAP financial measures and the Company's explanation of why it believes those non-GAAP measures are useful to investors.

GAAP RECONCILIATION

(\$ in millions)	For the three months ended	
	6/30/2020	6/30/2021
Realogy Franchise Group	\$ 125	\$ 224
Realogy Brokerage Group	15	70
Realogy Title Group	61	55
Corporate and Other	(26)	(39)
Operating EBITDA	175	310
Less: Depreciation and amortization	46	51
Interest expense, net	59	57
Income tax (benefit) expense	(5)	60
Restructuring costs, net ¹	18	5
Impairments ²	63	1
Former parent legacy cost, net	—	1
Loss on the early extinguishment of debt	8	1
Gain on the sale of business	—	(15)
Net (loss) income attributable to Realogy Holdings	\$ (14)	\$ 149

1. Restructuring charges incurred for the three months ended June 30, 2020 include \$4 million at Realogy Franchise Group, \$12 million at Realogy Brokerage Group and \$2 million at Realogy Title Group. Restructuring charges incurred for the three months ended June 30, 2021 include \$1 million at Realogy Franchise Group, \$2 million at Realogy Brokerage Group and \$2 million at Corporate and Other.

2. Non-cash impairments for the three months ended June 30, 2020 include \$44 million of impairment charges during the three months ended June 30, 2020 (while Cartus Relocation Services was held for sale) to reduce the net assets to the estimated proceeds and other asset impairments of \$19 million primarily related to lease asset impairments. Impairments for the three months ended June 30, 2021 primarily relate to lease asset and software impairments.

Note: Refer to Table 9 of the Press Release dated July 29, 2021 for the definitions of certain non-GAAP financial measures and the Company's explanation of why it believes those non-GAAP measures are useful to investors.

GAAP RECONCILIATION

(\$ in millions)	For the three months ended	
	6/30/2020	6/30/2021
Net (loss) income attributable to Realogy Holdings	\$ (14)	\$ 149
Income tax (benefit) expense, net of payments	(6)	49
Interest expense, net	59	57
Cash interest payments	(85)	(69)
Depreciation and amortization	46	51
Capital expenditures	(20)	(27)
Restructuring costs and former parent legacy items, net of payments	6	—
Impairments	63	1
Loss on the early extinguishment of debt	8	1
Gain on the sale of business	—	(15)
Working capital adjustments	42	62
Relocation receivables (assets), net of securitization obligations	(52)	(16)
Free Cash Flow	\$ 47	\$ 243

Note: Refer to Table 7 of the Press Release dated July 29, 2021 for a reconciliation of net cash used in operating activities to Free Cash Flow.

Refer to Table 9 of the Press Release dated July 29, 2021 for the definitions of certain non-GAAP financial measures and the Company's explanation of why it believes those non-GAAP measures are useful to investors.