



RE/MAX Holdings, Inc.
Investor Presentation
May 2021

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are often identified by the use of words such as “believe,” “intend,” “expect,” “estimate,” “plan,” “outlook,” “project,” “anticipate,” “may,” “will,” “would” and other similar words and expressions that predict or indicate future events or trends that are not statements of historical matters. Forward-looking statements include statements related to: agent count; franchise sales; revenue; operating expenses; the Company’s outlook for the second quarter and full year 2021; dividends; non-GAAP financial measures; housing and mortgage market conditions; drivers of shareholder return; and the Company’s strategic and operating plans and business models. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily accurately indicate the times at which such performance or results may be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties include the global COVID-19 pandemic, which continues to pose significant and widespread risks to the Company’s business, including the Company’s agents, loan originators, franchisees, and employees, as well as home buyers and sellers. Other important risks and uncertainties include, without limitation, (1) changes in the real estate market or interest rates and availability of financing, (2) changes in business and economic activity in general, (3) the Company’s ability to attract and retain quality franchisees, (4) the Company’s franchisees’ ability to recruit and retain real estate agents and mortgage loan originators, (5) changes in laws and regulations, (6) the Company’s ability to enhance, market, and protect its brands, including the RE/MAX and Motto Mortgage brands, (7) the Company’s ability to implement its technology initiatives, and (8) fluctuations in foreign currency exchange rates, and those risks and uncertainties described in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (“SEC”) and similar disclosures in subsequent periodic and current reports filed with the SEC, which are available on the investor relations page of the Company’s website at www.remax.com and on the SEC website at www.sec.gov. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Except as required by law, the Company does not intend, and undertakes no obligation, to update this information to reflect future events or circumstances.

Leading Dual-Brand Franchisor With Many Competitive Advantages

First and Only National Mortgage Brokerage Franchise in U.S.



Among the Fastest-Growing Franchises¹ and a Top New Franchise Brand²



Nobody in the World Sells More Real Estate than RE/MAX³

RE/MAX Agents outsell Other Agents 2 to 1 at Large Brokerages⁴

Unmatched Global Footprint⁵

Highest Level of Unaided Brand Awareness Among Competitors in Survey of U.S. and Canadian Home Buyers and Sellers⁶

¹Source: Entrepreneur Magazine based on the net number of franchise units added worldwide between July 2019 to July 2020 as reflected in a its review of unit lists and Franchise Disclosure Documents of 1,116 participating franchises across all industries

²Source: Entrepreneur Magazine based on its analysis of data, including costs, fees, size, growth and brand and financial strength, from franchise disclosure and related documents dated August 2019 to July 2020 of 262 participating franchise systems that began franchising in the last 5 years (in 2016 or later)

³As measured by residential transaction sides

⁴Source: Transaction sides per agent calculated by RE/MAX based on 2021 REAL Trends 500 data, citing 2020 transaction sides for the 1,753 largest participating U.S. brokerages. RE/MAX average: 16.0. Competitors: 7.3.

⁵RE/MAX has a presence in more than 110 countries and territories

⁶Source: MMR Strategy Group study of unaided awareness

21^{TO}1

RE/MAX® agents average double the sales of other agents in the REAL Trends 500 survey* of large brokerages.



*Transaction sides per agent calculated by RE/MAX based on 2021 REAL Trends 500 data, citing 2020 transaction sides for the 1,753 largest participating U.S. brokerages. RE/MAX average: 16.0. Competitors: 7.3 ©2021 RE/MAX, LLC. Each Office Independently Owned and Operated. 21_303352



©2021 Motto Franchising, LLC. Each Office is Independently Owned, Operated and Licensed. 0421-0075. For more information about the 2019, 2020 and 2021 Motto Mortgage awards and disclaimers, please visit: <https://www.mottomortgage.com/awards-disclaimers>

Why Invest in RE/MAX Holdings, Inc. Today?

Organic Growth, Catalysts and Return of Capital

Shareholder Return Driven By				
Organic Growth	+	Catalysts	+	Return of Capital
<ul style="list-style-type: none">Stable recurring revenueHigh margins & strong free cash flow <p>Driven by¹:</p> <ol style="list-style-type: none">Agent growthMotto MortgageFranchise salesRising average home prices		<ul style="list-style-type: none">Independent region acquisitionsReinvest in the businessOther acquisitions within or related to our core competencies of franchising, real estate, and mortgage		<ul style="list-style-type: none">Committed to returning capital through dividend payments over timeDividend metrics:<ul style="list-style-type: none">~42% of FCF in 2020²\$0.23 quarterly dividend in 2021
FCF Fuels Catalysts and Return of Capital to Create Shareholder Value				

¹Other potential organic growth opportunities include increases in agent productivity, monetizing our technology offerings and expanding our approved supplier relationships.
²Free Cash Flow ("FCF") = Operating Cash Flow - Capital Expenditures - Changes in restricted cash of the Marketing Funds; \$27M 2020 quarterly dividend distributions / \$65M 2020 FCF = 42%; see Appendix for reconciliation of non-GAAP measures

Hallmarks of a Successful Franchise Business

Successful Franchisors



DUNKIN'



CHOICE
HOTELS

Marriott



RE/MAX
HOLDINGS, INC.

Key Success Factors of Franchisors

- Unique product or service offering
- Brand name and market share
- Training and productivity tools
- Group purchasing power

RE/MAX Holdings, Inc. is a Premium Franchisor



Nobody in the world sells more real estate than RE/MAX¹



RE/MAX and Motto Mortgage are 100% franchised businesses, delivering the full economic benefits of the model



Dual-brand franchisor, focused on our core businesses



Among the best-in-class franchisor operating margins



The Real Estate Brokerage Franchisor


2021

★ USA

RE/MAX[®](U.S.) THE INDUSTRY

Choose the brand with outstanding agents, leading brand awareness and an unmatched global presence.



	TRANSACTION SIDES PER U.S. AGENT ¹	U.S. TRANSACTION SIDES ²	U.S. BRAND AWARENESS (UNAIDED) ³	COUNTRIES & TERRITORIES	OFFICES WORLDWIDE	AGENTS WORLDWIDE
RE/MAX[®]	15.7	979,522	37.3%	110+	8,664	137,792
	8.6	110,686	2.0%	33	2,300	36,700
	8.1	54,579	0.2%	6	500	8,000
	7.8	706,420	19.4%	40	3,100	98,600
REDFIN	7.6	60,510	9.0%	2	50	7,924
COMPASS	7.5	144,784	1.3%	1	300	19,385
	7.2	150,738	3.9%	75	1,000	24,000
	7.2	1,154,613	14.1%	51	1,070	176,467
CENTURY 21	7.1	359,430	33.4%	84	13,222	144,700
	7.1	359,859	8.7%	9	1,500	50,000
	6.9	85,457	1.9%	5	400	12,500
	6.1	238,981	0.3%	9	NA	41,313
ONE REALTYONEGROUP	5.8	87,512	0.3%	2	300	15,000
	3.7	74,200	0.3%	1	180	20,000

RE/MAX Leads National Full-Service Brokerage Brands and Franchises in Agent Productivity

*Except as noted, Coldwell Banker, Century 21, ERA, Sotheby's and Better Homes and Gardens data is as reported by Realogy Corporation on SEC 10-K, Annual Report for 2020; data for all other competitors is from company websites and industry reports.

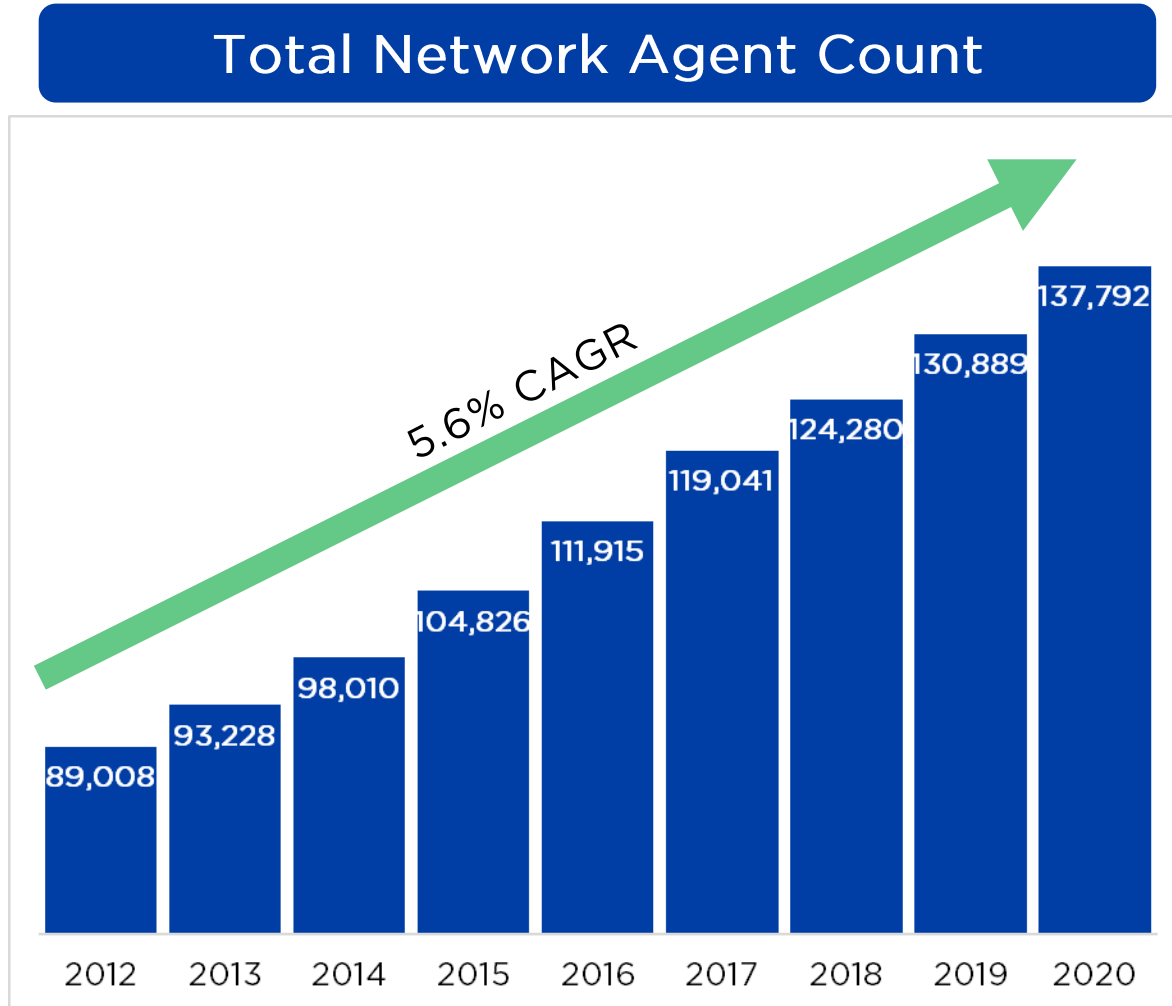
¹U.S. transaction sides per agent are from the T3 Sixty Real Estate Almanac Enterprises report, citing 2020 transaction sides and agent counts, some of which are estimated by T3 Sixty.

²RE/MAX, Keller Williams, Berkshire Hathaway HomeServices, Compass, Better Homes and Gardens, Century 21, Coldwell Banker, ERA and Sotheby's transaction totals include commercial transactions while totals for all other brands are residential only.

³MMR Strategy Group study of unaided awareness among buyers, sellers, and those planning to buy or sell; asked, when they think of real estate brands, which ones come to mind?

RE/MAX[®]

Total Agent Count Growth: 2012 - 2020



- ★ 48,784 agents added to network from 2012-2020
- ★ 6,903 agents added in 2020
- ★ Slightly less than two-thirds of our agents are in the U.S. and Canada
- ★ Over 50,000 agents outside the U.S. and Canada

Unmatched Global Footprint

RE/MAX Global Footprint

As of March 31, 2021

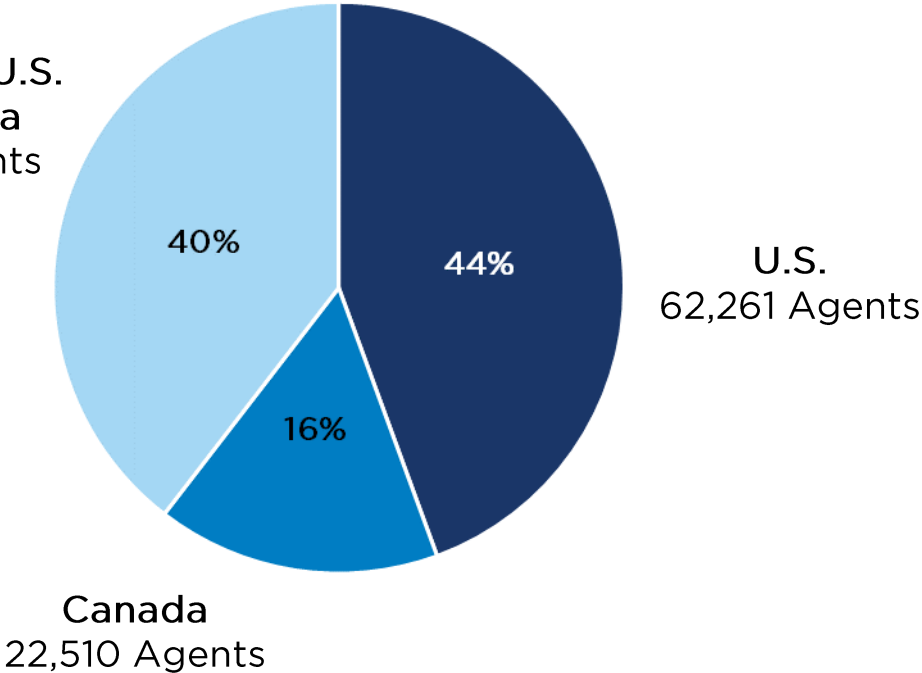


■ RE/MAX Regional or Franchise Presence

Agents by Geography

As of March 31, 2021

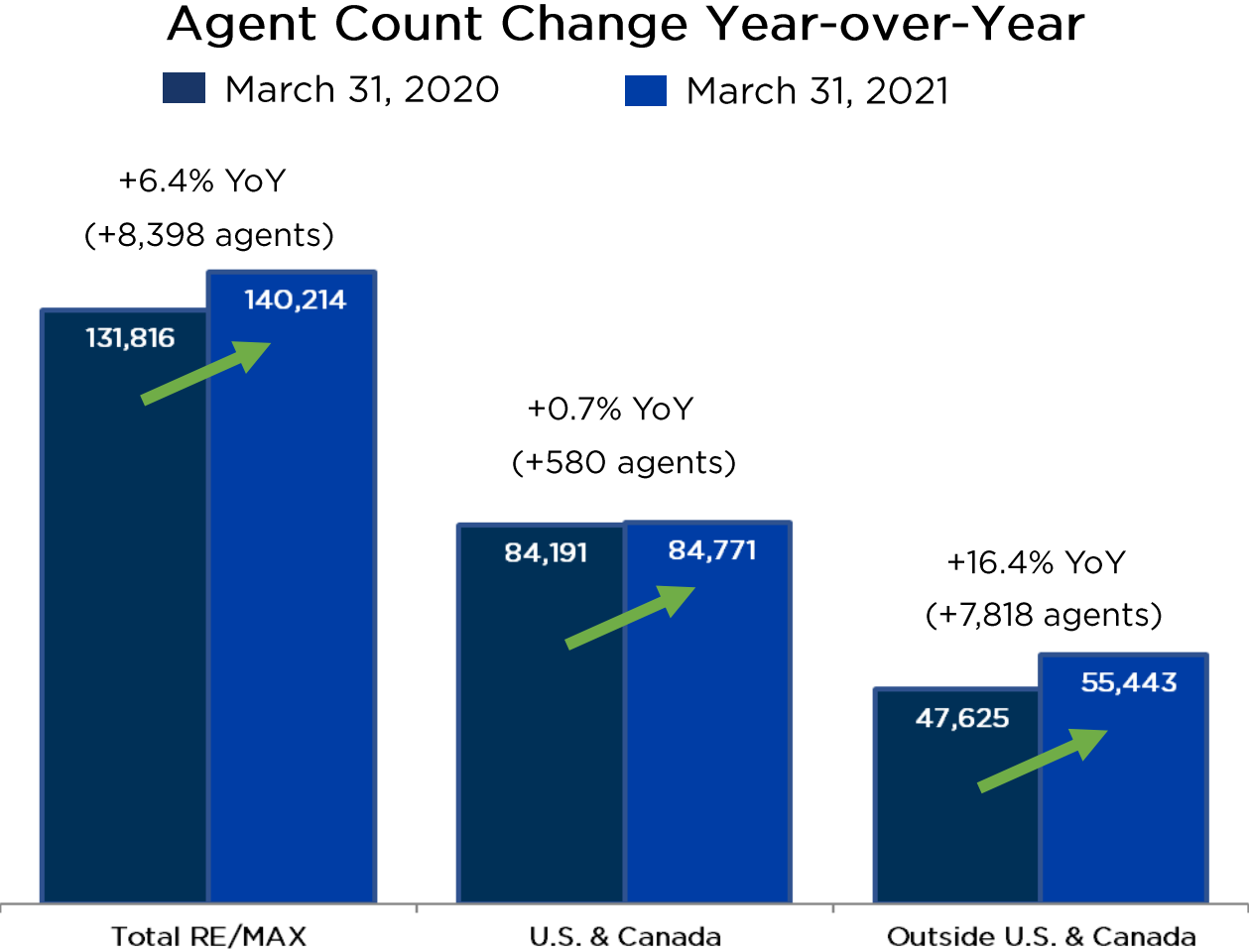
Outside the U.S.
and Canada
53,443 Agents



The RE/MAX brand has a presence in over 110 countries and territories

Growing Our Global Network

Year-over-Year Agent Count Growth of 6.4%



Unique and Effective Agent-Centric RE/MAX Model

Traditional Brokerage

- ❑ Owned & operated by brokerage
- ❑ 30-40% of commission goes to broker¹
- ❑ Commission rate typically determined by brokerage, not agent
- ❑ Lack of autonomy within brokerage
- ❑ Marketing dictated by brokerage

Revenue Driven by Commission

The RE/MAX Model



- RE/MAX is 100% franchised
- Recommended 95% agent commission
- Ability for agent to set commission rates with sellers in many cases
- Entrepreneurially driven agents
- Multiple support channels: brand, marketing & training

Revenue Driven by Agent Count

Differentiated Agent-Centric Approach

Attracts Entrepreneurial Agents and Franchisees

Our Agents and Franchisees are in Business FOR Themselves, But NOT by Themselves

Affiliation with #1 Brand

- #1 name in real estate¹
- RE/MAX agents average double the sales of other agents in the 2021 REAL Trends 500 survey of large brokerages²

Attractive Agent & Franchise Economics

- Recommended 95% / 5% split with broker vs. 70% / 30% or 60% / 40% at traditional brokerages
- Sell more, earn more
- Relatively low initial franchisee fee

Lead Referral System

- We believe we generate more free leads than any other national real estate brokerage brand
- Global agent network facilitates agent-to-agent referrals
- #1 real estate franchisor website³; global websites attract buyers and sellers

Training Programs

- RE/MAX University[®]; 24/7 on demand and certification training courses

Entrepreneurial Culture

- Founded by industry “mavericks”
- Agent-centric model
- Freedom to set commission rates, self-promote, etc.



¹MMR Strategy Group study of unaided awareness.

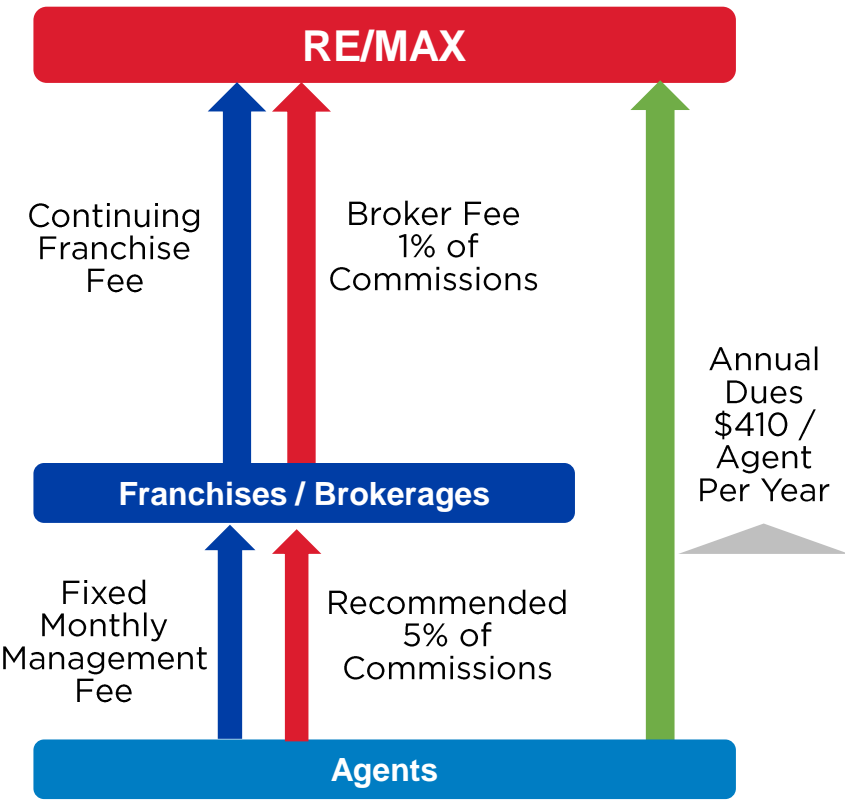
²Transaction sides per agent calculated by RE/MAX based on 2021 REAL Trends 500 data, citing 2020 transaction sides for the 1,753 largest participating U.S. brokerages. RE/MAX average: 16.0. Competitors: 7.3.

³According to SimilarWeb report of 2020 data for all U.S. real estate franchisors among website visits in the “Business and Consumer Services/Real Estate” category

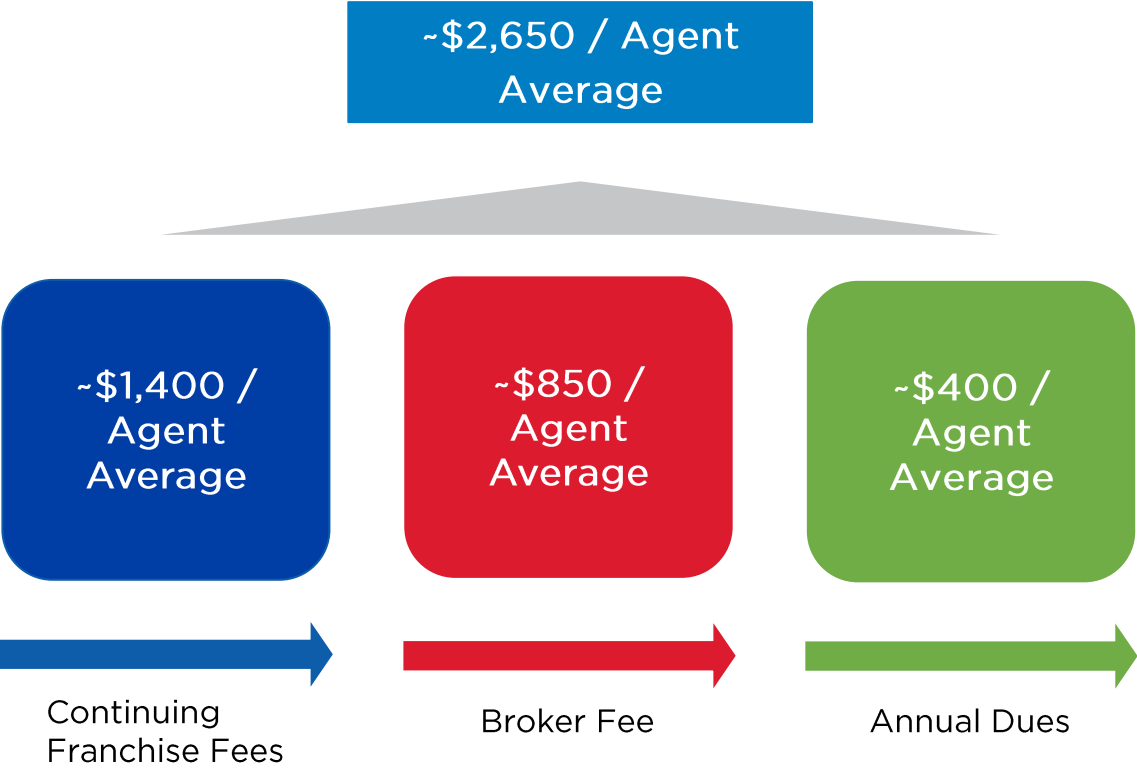
Revenue Model

Company-owned Regions in U.S. & Canada

Revenue Streams from Agent to Franchisee to RE/MAX¹



2020 Annual Revenue per Agent to RE/MAX (U.S. & Canada)²

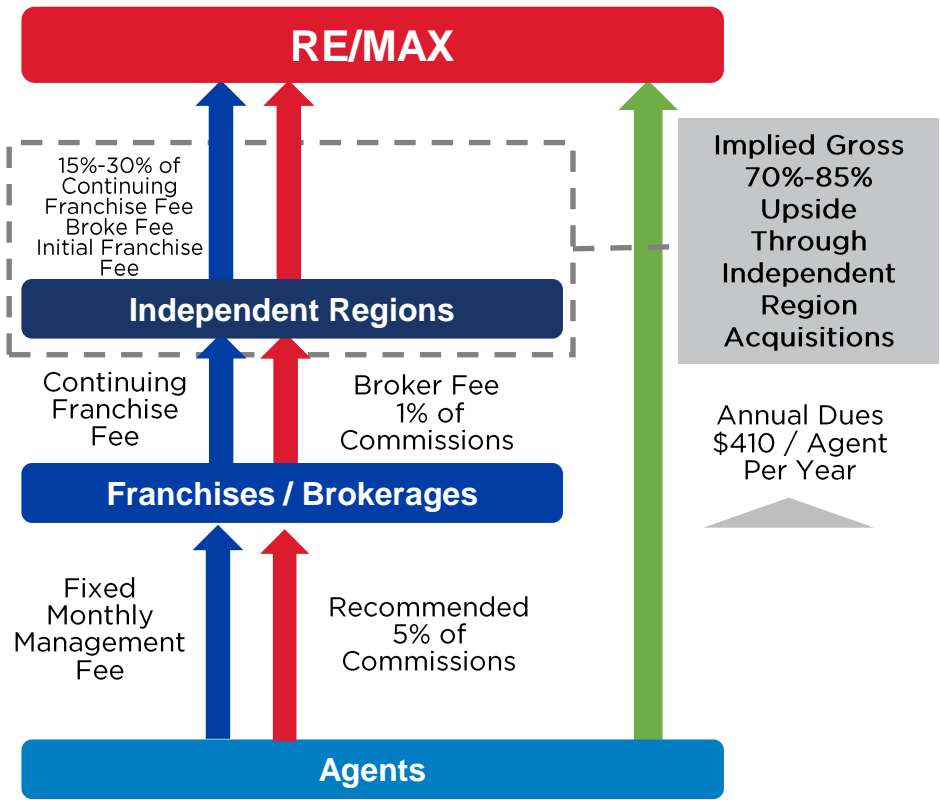


RE/MAX[®] ¹Illustrative of the majority of Company-owned Regions in the U.S. ²Annual dues are currently a flat fee of US\$410/CA\$410 per agent annually for our U.S. and Canadian agents. The average per agent for the year ended December 31, 2020 in both Independent Regions and Company-Owned Regions reflects the impact of foreign currency movements related to revenue received from Canadian agents.

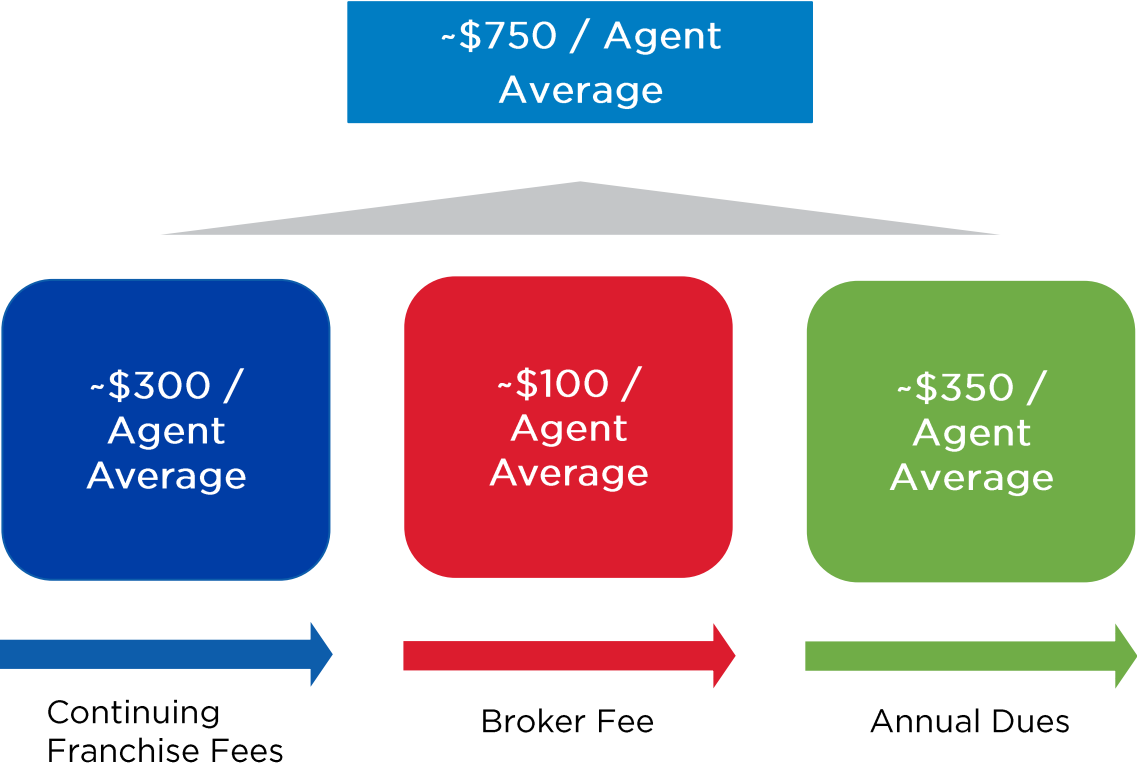
Revenue Model

Independent Regions in U.S. & Canada

Revenue Streams from Agent to Franchisee to Independent Region to RE/MAX¹



2020 Annual Revenue per Agent to RE/MAX (U.S. & Canada)²

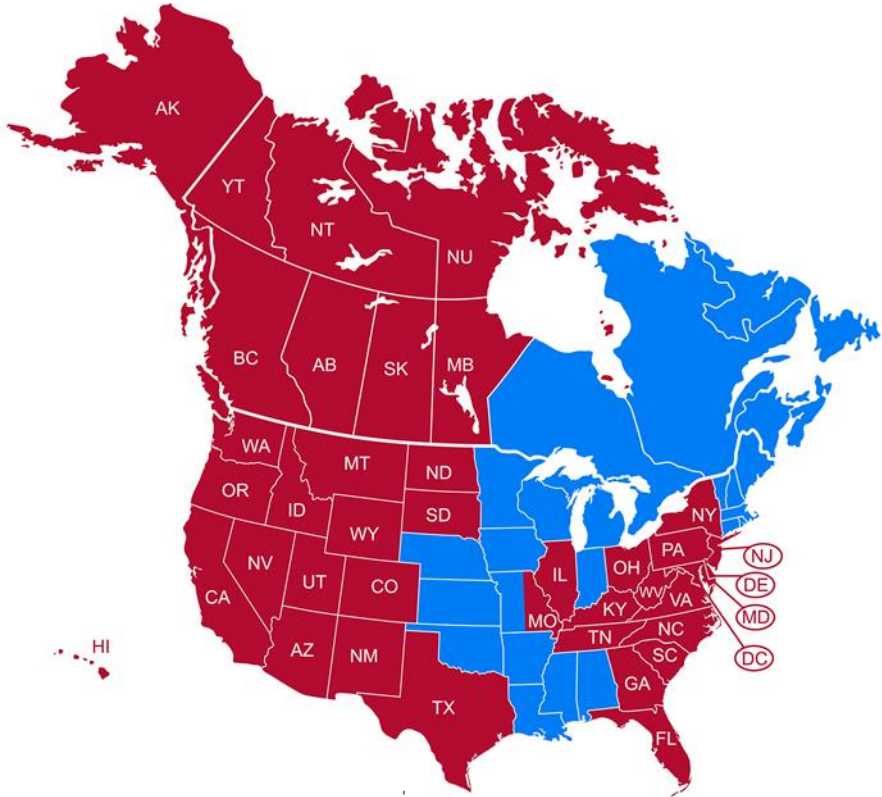


¹Illustrative of Independent Regions in the U.S.
²Annual dues are currently a flat fee of US\$410/CA\$410 per agent annually for our U.S. and Canadian agents. The average per agent for the year ended December 31, 2020 in both Independent Regions and Company-Owned Regions reflects the impact of foreign currency movements related to revenue received from Canadian agents. The ratio of Canadian agents to U.S. agents in Independent Regions has increased as a result of U.S. Independent Region acquisitions.

Reacquiring Independent Regions

Annual Revenue Per Agent Increases ~\$1,900

65% of Agents in the U.S. & Canada are in Company-owned Regions¹



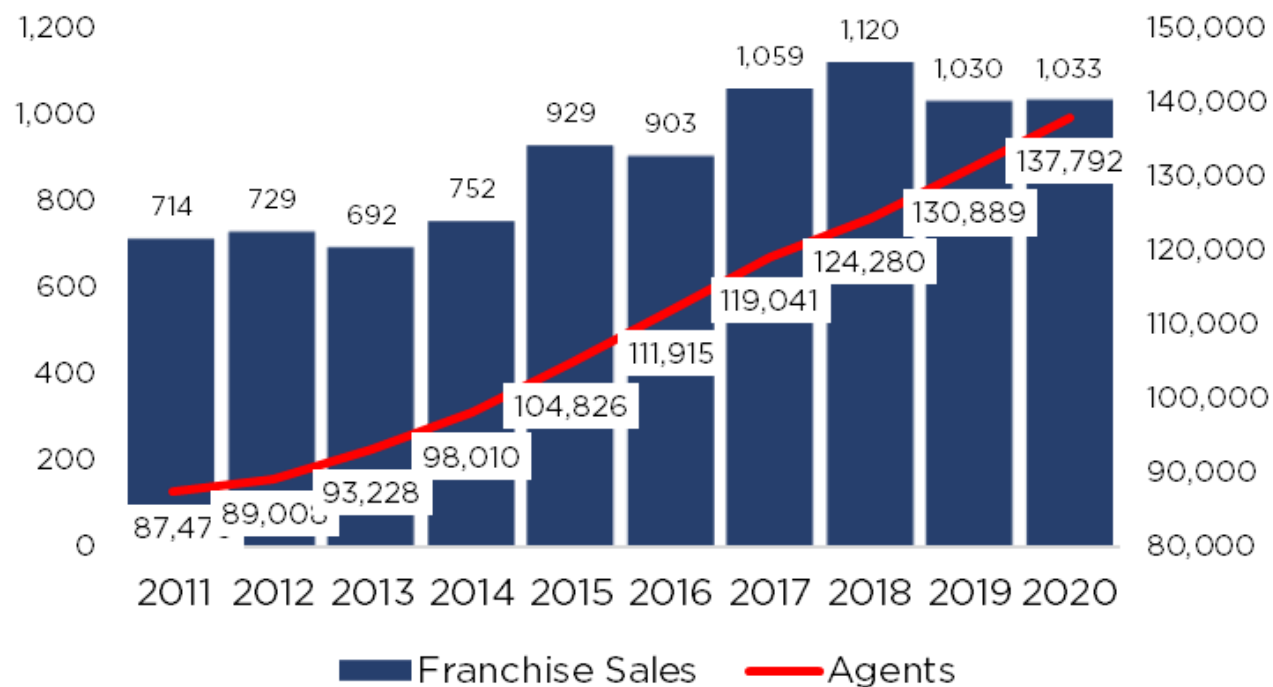
■ Company-owned Regions
■ Independent Regions

U.S./Canada Overview¹

- **Company-owned Regions**
 - 19 regions
 - 54,394 agents
- **Independent Regions**
 - 9 regions
 - 29,856 agents
- **Average Annual Revenue per Agent**
 - Company-owned regions:
~\$2,650
 - Independent regions:
~\$750

Franchise Sales Drive Agent Growth

Global Franchise Sales Consistently Strong



- ✓ Target geographies in the U.S. and Canada where RE/MAX share is below network average
- ✓ Selling to entrepreneurial brokers who will grow the business
- ✓ Over 1,000 annual global franchise sales in 2017 - 2020

Smarter Agents, Smarter Technology



An ecosystem that connects agent and consumer.

TECHNOLOGY

TOOLS

BRAND



Facts

- Gadberry GroupSM is a location intelligence data company whose products have been instrumental in the success of the re-launched www.remax.com consumer website
- Founded in 2000, Gadberry Group's team comprises a total of 16 employees including engineers, data scientists and customer success experts who specialize in building best-in-class products that help clients solve geospatial challenges through accurate and precise location data.
- Gadberry Group will continue to serve non-RE/MAX clients while maintaining their contributions to the RE/MAX technology stack.

“For our RE/MAX brand, Gadberry Group is highly complementary to both our First app and booj Platform, further strengthens our overall technology infrastructure, and bolsters our formidable data and analytic capabilities. For RE/MAX Holdings, Gadberry Group further broadens our revenue mix and represents another attractive avenue for growth.”

-Adam Contos



The Mortgage Brokerage Franchisor

Motto Mortgage Fact Sheet

- 100% franchised mortgage brokerage business
- Not a lender and does not underwrite loans
- Offers convenience to home buyers by bringing real estate agents and licensed loan originators together under one roof
- Motto Mortgage loan originators access a variety of quality loan options from multiple leading wholesalers
- Core operational team is scaling as Motto grows
- Franchises can be purchased by select qualified candidates both within and outside of RE/MAX network



Motto Mortgage Timeline



Illustrative of the expected sequence and timing of events for a new Motto Mortgage franchisee. Actual sequence and timing of events may vary.

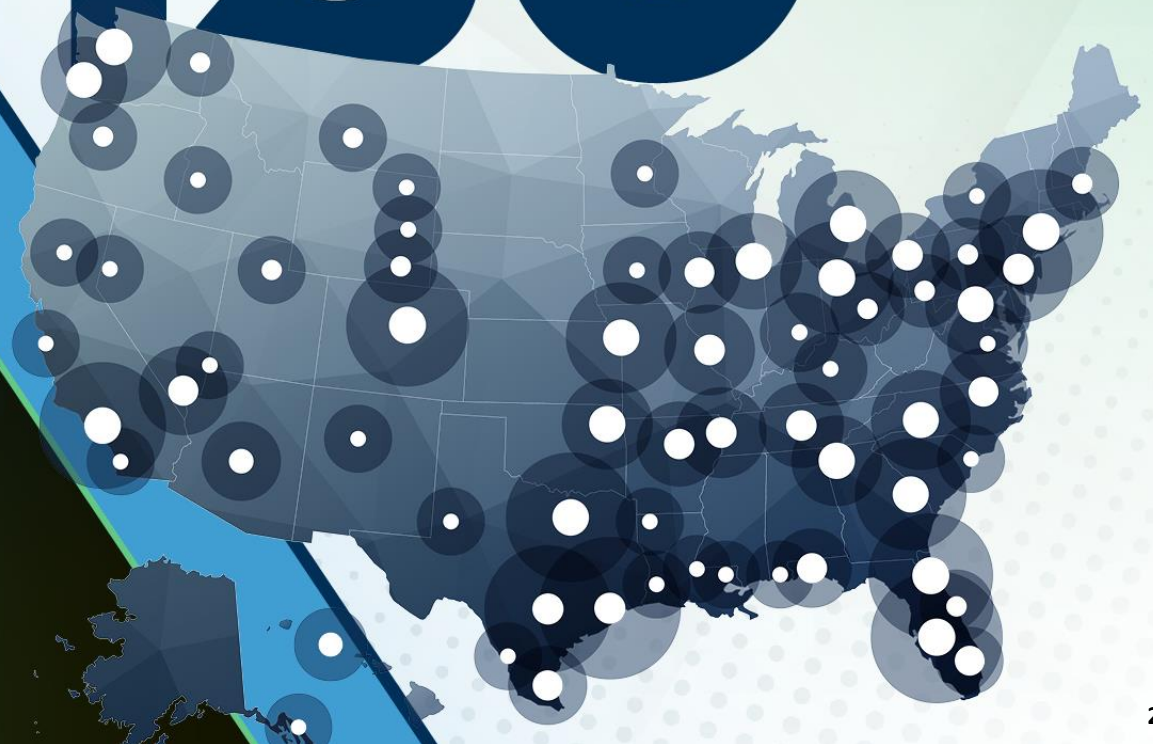


Strong brand.
Growing presence.

Coast to *Coast*

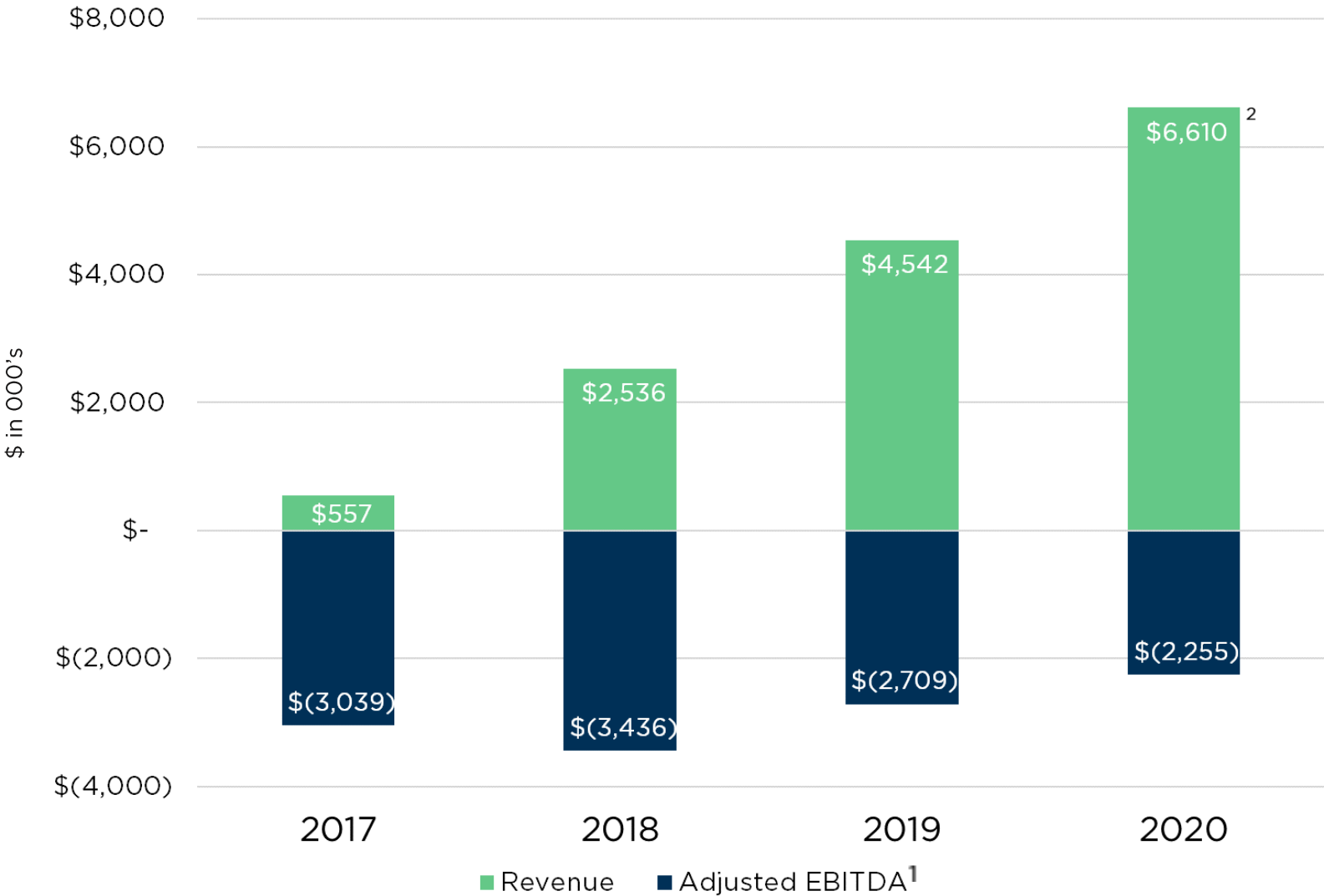
150

250



Motto Mortgage Continues to Expand

Year-over-Year Revenue Growth of ~46%, Losses Narrowing as Motto Scales



¹Adjusted EBITDA is a non-GAAP measure and excludes all adjustments attributable to the non-controlling interest. See the Appendix for definitions and reconciliations of non-GAAP measures.
²Motto waived \$437K of Continuing Franchise Fees in 2020 due to Covid-19. Had these fees not been waived, we believe both 2020 Revenue and Adjusted EBITDA would have increased by \$437K.

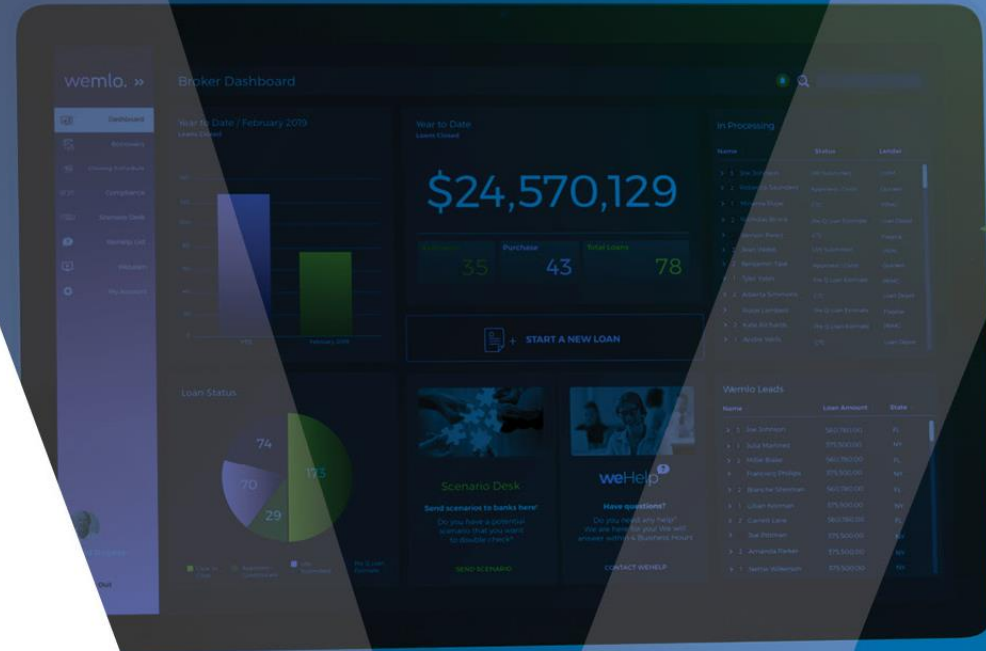


Facts

- wemloSM is reshaping the mortgage loan processing in the mortgage broker channel.
- wemlo has developed the first enterprise-grade tech solution for mortgage brokers, combining third-party mortgage loan processing with an all-in-one digital platform.
- wemlo's streamlined platform improves mortgage loan processing by integrating pricing, lender onboarding services, document collection/verification, processing, e-closing, compliance, and more.
- wemlo earns revenue through the fees it charges for processing mortgage loans on a per-file basis.

Benefits to Motto Mortgage

- Significant expansion of Motto Mortgage value proposition
- Complementary business with exciting growth opportunities beyond current offerings
- Access to dependable, efficient mortgage loan processing services at attractive prices for Motto Mortgage franchisees
- Helps solve one of the biggest pain points for Motto Mortgage franchisees and the mortgage brokerage industry as a whole: inefficient mortgage loan processing

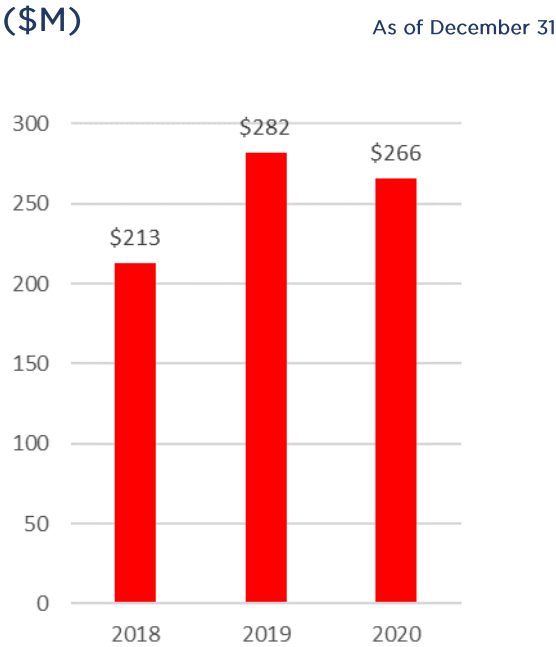




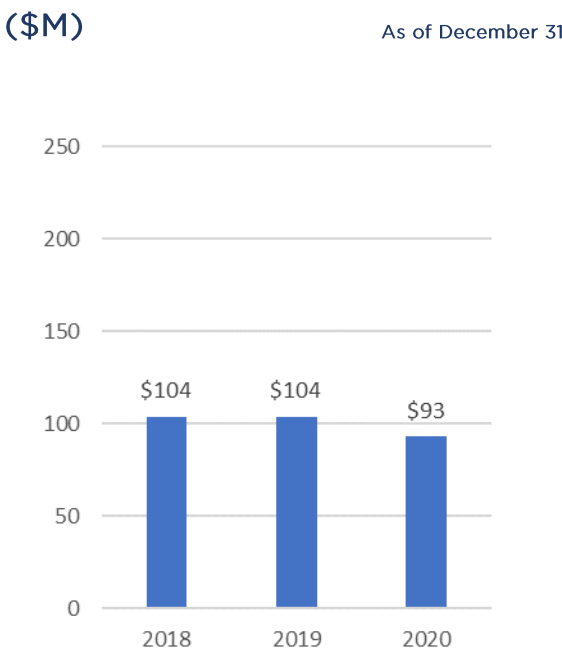
Financials

Strong Annual Financial Performance

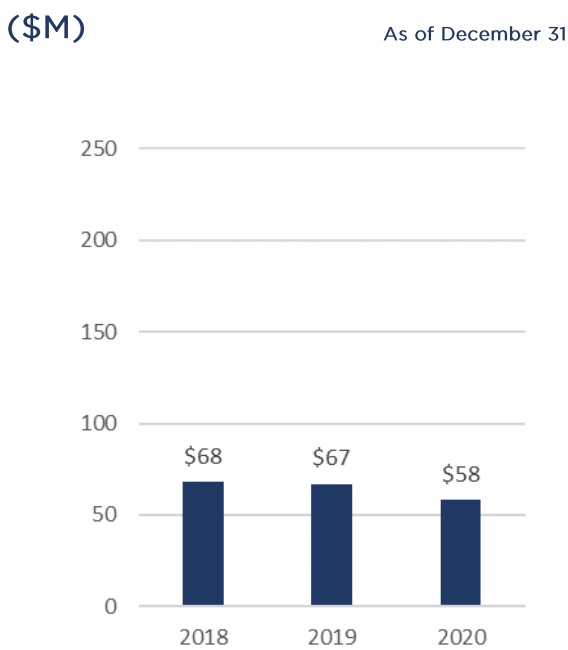
Revenue¹



Adjusted EBITDA²



Adjusted Net Income²



Relatively High Adjusted
EBITDA Margins³



49%

37%

35%

¹Revenue was impacted by the acquisition of the Marketing Funds on January 1, 2019. Revenue excluding the Marketing Funds in 2020 decreased 4% from 2019 to \$201.6 million

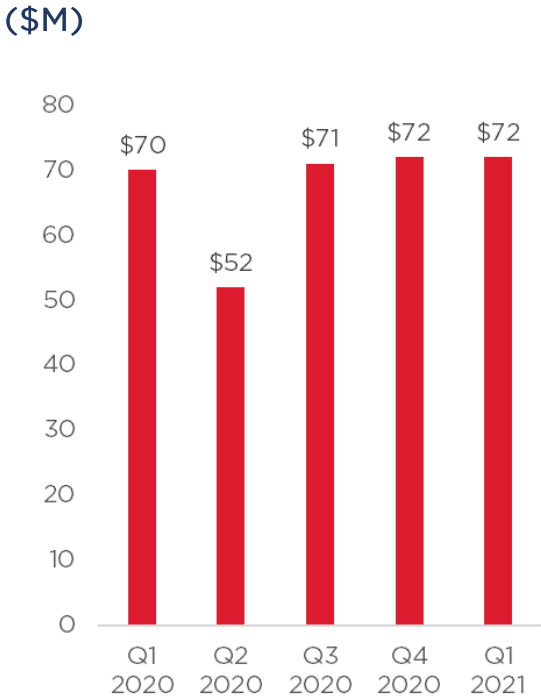
²Adjusted EBITDA and Adjusted Net Income are Non-GAAP measures. See Appendix for definitions and reconciliations of non-GAAP measures.

³Adjusted EBITDA margins were impacted by the acquisition of the Marketing Funds on January 1, 2019. The Marketing Funds have no impact to Adjusted EBITDA as revenue from the Marketing Funds is offset by an equal amount of expenses; however, there is an impact to Adjusted EBITDA margin due to higher revenue from the Marketing Funds.

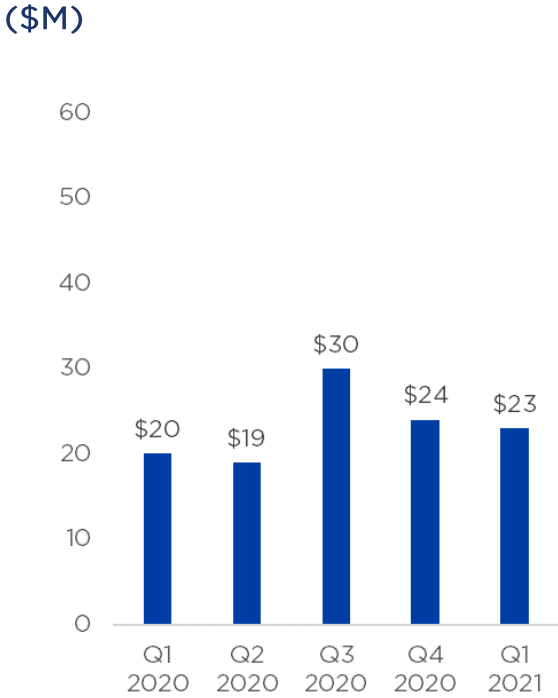
Quarterly Financial Performance

Generating High Margins

Revenue



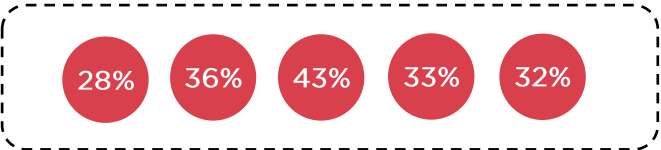
Adjusted EBITDA¹



Adjusted Net Income¹



Relatively High Adjusted
EBITDA Margins²



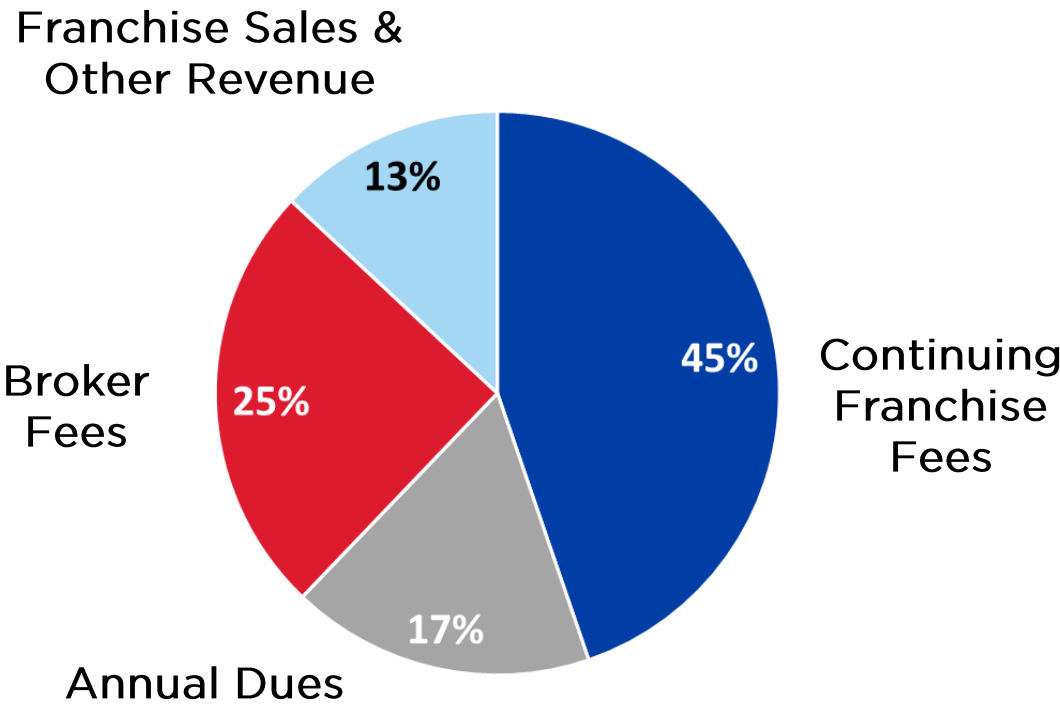
¹Adjusted EBITDA and Adjusted Net Income are Non-GAAP measures. See Appendix for definitions and reconciliations of Non-GAAP measures.

²Adjusted EBITDA margins for the three months ended March 31, 2020, the three months ended June 30, 2020, the three months ended September 30, 2020, the three months ended December 31, 2020, and the three months ended March 31, 2021, were impacted by the acquisition of the Marketing Funds on January 1, 2019. The Marketing Funds have no impact to Adjusted EBITDA as revenue from the Marketing Funds are offset by an equal amount of expenses; however, there is an impact to Adjusted EBITDA margin due to higher revenue from the Marketing Funds. Excluding the impact of the Marketing Funds, Adjusted EBITDA margin was 37%, 47%, 56%, 44%, and 43% for the three months ended March 31, 2020, the three months ended June 30, 2020, the three months ended September 30, 2020, the three months ended December 31, 2020, and the three months ended March 31, 2021, respectively.

Revenue by Stream and Geographic Area

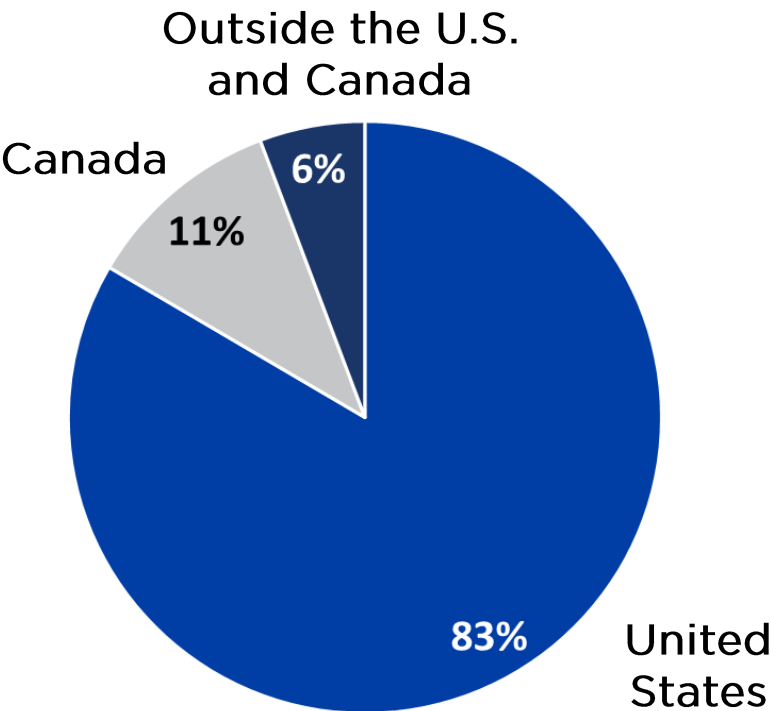
Growing Recurring Revenue Base

2020 Revenue Streams¹



Recurring fees and dues (i.e. Continuing Franchise Fees and Annual Dues) accounted for 62% of revenue in 2020

2020 Revenue by Geographic Area¹

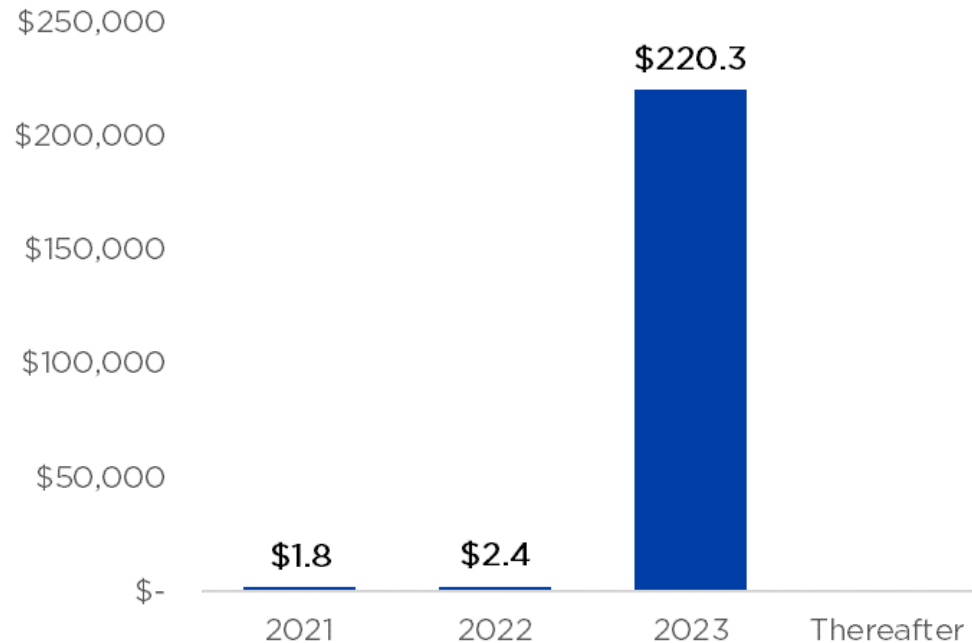


~94% of 2020 revenue was generated in the U.S. and Canada

¹Excludes revenue from Marketing Funds

Low Leverage to Support Strategy

Maturities of Debt¹



Balance Sheet

- Credit facility of \$235.0 million plus \$10.0 million revolving credit facility
- Covenant light deal
- Variable Rate: LIBOR + 275bps with 0.75% floor
- \$223.0 million in outstanding debt¹ and no revolving loans outstanding
- Cash balance of \$102.6 million on March 31, 2021
- Total Debt / Adjusted EBITDA² of 2.3x³
- Net Debt / Adjusted EBITDA² of 1.3x⁴

¹Net of unamortized debt discount and debt issuance costs

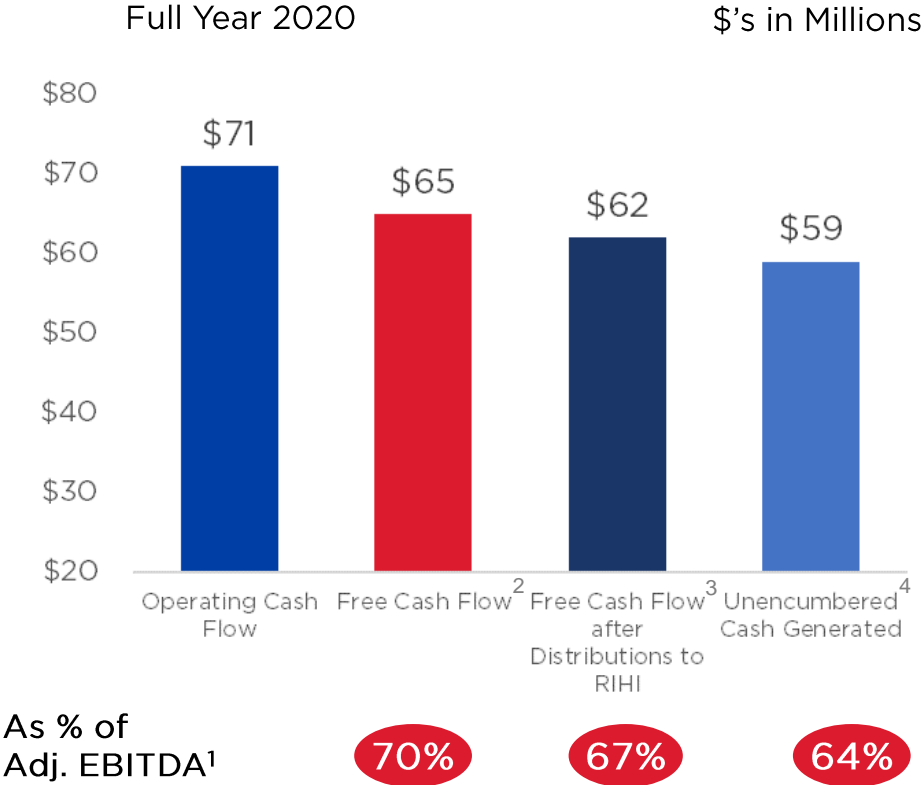
²Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP numbers and exclude all adjustments attributable to the non-controlling interest. See the Appendix for definitions and reconciliations of non-GAAP measures.

³Based on twelve months ended March 31, 2021, Adjusted EBITDA of \$96.2M and total debt of \$223.0M, net of unamortized debt discount and debt issuance costs.

⁴Based on twelve months ended March 31, 2021, Adjusted EBITDA of \$96.2M and net debt of \$120.4M, net of unamortized debt discount, debt issuance costs and unrestricted cash balance on March 31, 2021.

Cash Flow Generation Fuels Capital Allocation Strategy

Strong Annual Adjusted EBITDA¹ Conversion to Free Cash Flow



Capital Allocation Priorities

- Acquire Independent Regions
- Reinvest in the business to drive future organic growth
- Other strategic acquisitions & partnerships
- Return of capital

¹Adjusted EBITDA and Free Cash Flow are non-GAAP measures and exclude all adjustments attributable to the non-controlling interest. See the Appendix for definitions and reconciliations of non-GAAP measures.

²Free Cash Flow = Operating Cash Flow - Capital Expenditures

³Free Cash Flow after Distributions to RIHI = Free Cash Flow - Tax and other discretionary non-dividend distributions paid to RIHI to enable RIHI to satisfy its income tax obligations

⁴Unencumbered Cash Generated = Free Cash Flow after Distributions to RIHI - Quarterly debt principal payments - Annual excess cash flow payment on debt, see Appendix for reconciliation of Non-GAAP measures

RE/MAX Holdings, Inc.



#1 Name in Real Estate¹ (US/Canada) and Unmatched Global Footprint²



Highly Productive Network of Nearly 140,000 Agents



Agent-Centric Model is Different and Better



Rapidly Expanding Network of Offices with Almost \$2.5 Billion in 2020 Annual Loan Volume



First and Only National Mortgage Brokerage Franchise in U.S.



Among the Fastest Growing Franchises³ and a Top New Franchise Brand⁴

RMAX: Recurring Revenue, High Margins & Strong Free Cash Flow

¹Source: MMR Strategy Group Study of unaided brand awareness

²RE/MAX has a presence in more than 110 countries and territories

³Source: Entrepreneur Magazine based on the net number of franchise units added worldwide between July 2019 to July 2020 as reflected in a its review of unit lists and Franchise Disclosure Documents of 1,116 participating franchises across all industries

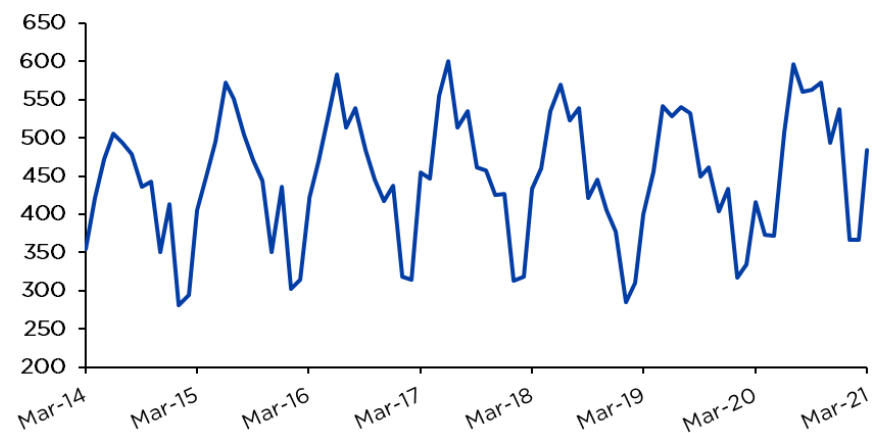
⁴Source: Entrepreneur Magazine based on its analysis of data, including costs, fees, size, growth and brand and financial strength, from franchise disclosure and related documents dated August 2019 to July 2020 of 262 participating franchise systems that began franchising in the last 5 years (in 2016 or later)



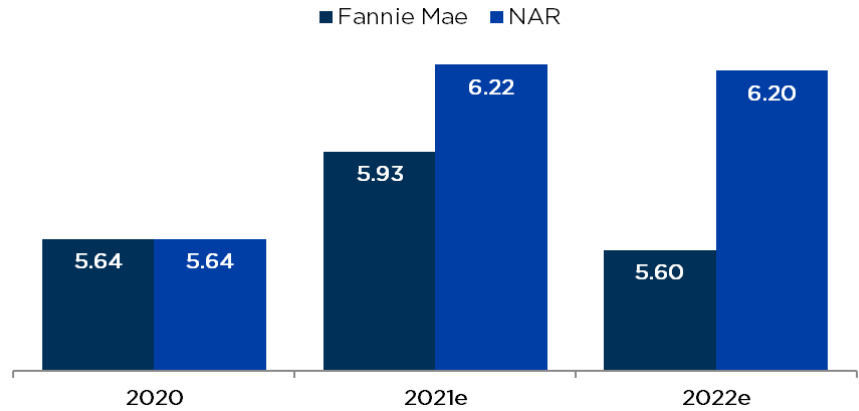
Appendix

Industry Forecasts

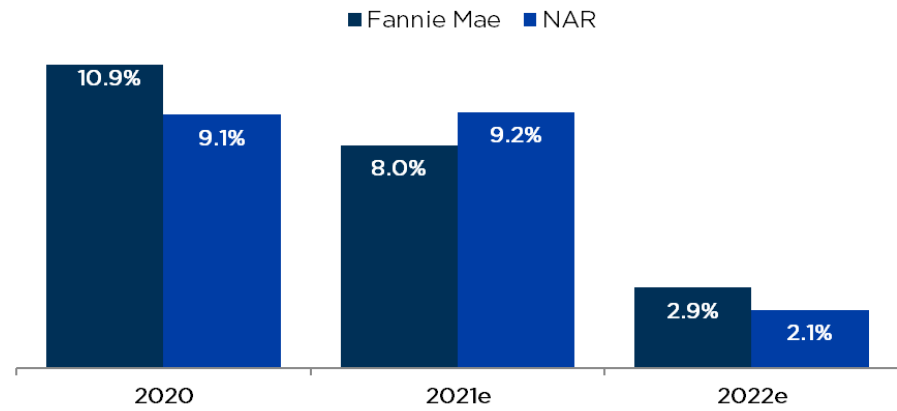
Monthly Existing Home Sales¹ (Thousands)



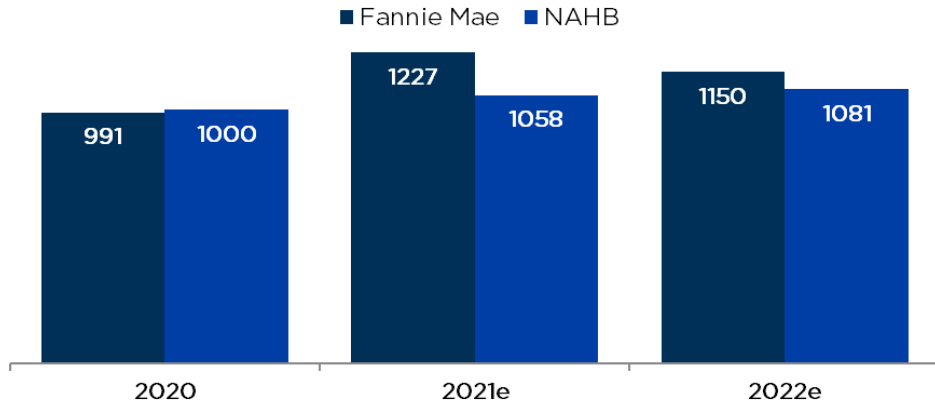
Annual Existing Home Sales^{2,3} (Millions)



Home Price Appreciation^{2,3} (YoY)



Housing Starts - Single Family^{3,4} (Thousands)

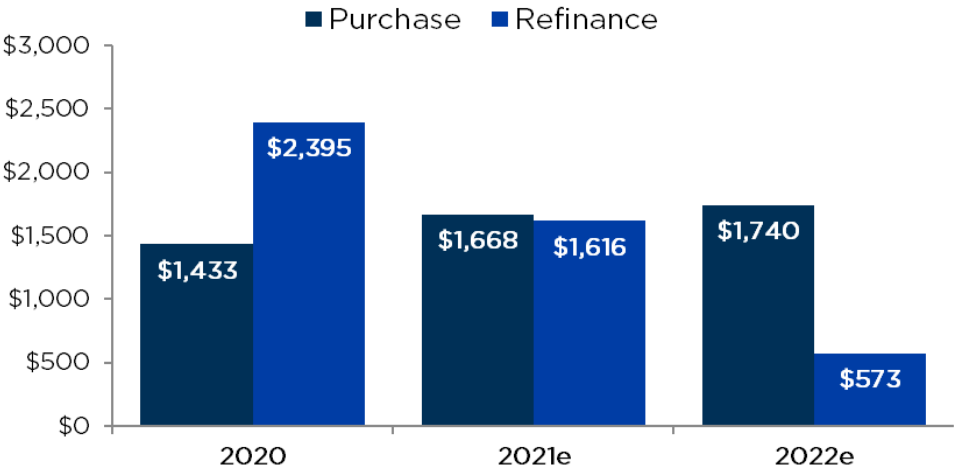


¹Source: NAR (National Association of Realtors) - Existing Home Sales, numbers presented are not seasonally adjusted; March 2014 through March 2021
²Source: NAR (National Association of Realtors) - U.S. Economic Outlook, May 2021
³Source: Fannie Mae - Economic and Strategic Research - Housing Forecast, April 2021
⁴Source: NAHB (National Association of Home Builders) - Housing and Interest Rate Forecast April 2021

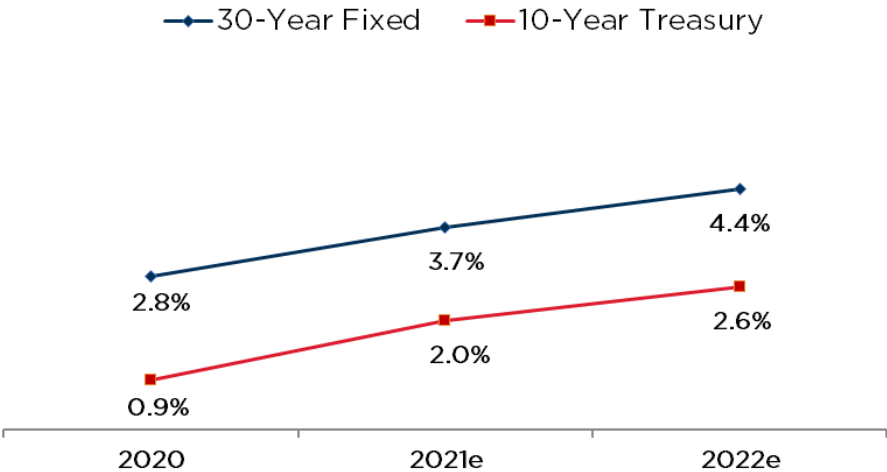
Mortgage Finance Forecasts

Purchase Originations Expected to Grow Slightly, Rates to Increase

Loan Originations¹ (\$'s in billions)



Mortgage & Interest Rates¹



¹Source: Mortgage Bankers Association – MBA Mortgage Finance Forecast April 2021

RE/MAX Holdings, Inc.

Agent Count

	As of							
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Agent Count:								
U.S.								
Company-Owned Regions	48,041	48,212	48,263	47,886	48,840	49,267	48,576	48,748
Independent Regions	14,220	14,091	14,041	13,791	13,828	13,854	13,972	13,952
U.S. Total	62,261	62,303	62,304	61,677	62,668	63,121	62,548	62,700
Canada								
Company-Owned Regions	6,262	6,182	6,135	6,102	6,217	6,338	6,402	6,510
Independent Regions	16,248	15,765	15,363	15,193	15,306	15,229	15,117	14,923
Canada Total	22,510	21,947	21,498	21,295	21,523	21,567	21,519	21,433
U.S. and Canada Total	84,771	84,250	83,802	82,972	84,191	84,688	84,067	84,133
Outside U.S. and Canada								
Independent Regions	55,443	53,542	50,967	48,933	47,625	46,201	44,191	42,887
Outside U.S. and Canada Total	55,443	53,542	50,967	48,933	47,625	46,201	44,191	42,887
Total	140,214	137,792	134,769	131,905	131,816	130,889	128,258	127,020
Net change in agent count compared to the prior period	2,422	3,023	2,864	89	927	2,631	1,238	1,488

RE/MAX Holdings, Inc.

Adjusted EBITDA Reconciliation to Net Income

(Reflects RE/MAX Holdings with 100% ownership of RMCO, LLC)

\$ in 000's	Three Months Ended	
	March 31,	
	2021	2020
Net income	\$ 1,640	\$ 5,290
Depreciation and amortization	6,937	6,310
Interest expense	2,098	2,682
Interest income	(163)	(269)
Provision for income taxes	(58)	3,790
EBITDA	10,454	17,803
(Gain) loss on sale or disposition of assets	(11)	(11)
Equity-based compensation expense	12,054	2,186
Acquisition-related expense ⁽¹⁾	943	566
Gain on reduction in tax receivable agreement liability	—	(500)
Fair value adjustments to contingent consideration ⁽²⁾	(280)	(505)
Adjusted EBITDA ⁽³⁾	\$ 23,160	\$ 19,539
Adjusted EBITDA Margin ⁽³⁾	32.0 %	27.8 %

Footnote:

- (1) Acquisition-related expense includes personnel, legal, accounting, advisory and consulting fees incurred in connection with acquisition activities and integration of acquired companies.
- (2) Fair value adjustments to contingent consideration include amounts recognized for changes in the estimated fair value of the contingent consideration liabilities.
- (3) Non-GAAP measure. See the end of this press release for definitions of non-GAAP measures.

RE/MAX Holdings, Inc.

Adjusted Net Income & Adjusted Earnings per Share

(Reflects RE/MAX Holdings with 100% ownership of RMCO, LLC)

\$ in 000's	Three Months Ended	
	March 31,	
	2021	2020
Net income	\$ 1,640	\$ 5,290
Amortization of acquired intangible assets	4,855	4,849
Provision for income taxes	(58)	3,790
Add-backs:		
(Gain) loss on sale or disposition of assets	(11)	(11)
Equity-based compensation expense	12,054	2,186
Acquisition-related expense ⁽¹⁾	943	566
Gain on reduction in tax receivable agreement liability	—	(500)
Fair value adjustments to contingent consideration ⁽²⁾	(280)	(505)
Adjusted pre-tax net income	19,143	15,665
Less: Provision for income taxes at 24% ⁽³⁾	(4,594)	(3,760)
Adjusted net income ⁽⁵⁾	\$ 14,549	\$ 11,905
Total basic pro forma shares outstanding	31,056,132	30,533,864
Total diluted pro forma shares outstanding	31,426,327	30,593,231
Adjusted net income basic earnings per share ⁽⁴⁾	\$ 0.47	\$ 0.39
Adjusted net income diluted earnings per share ⁽⁴⁾	\$ 0.46	\$ 0.39

Footnote:

- (1) Acquisition-related expense includes personnel, legal, accounting, advisory and consulting fees incurred in connection with acquisition activities and integration of acquired companies.
- (2) Fair value adjustments to contingent consideration include amounts recognized for changes in the estimated fair value of the contingent consideration liabilities.
- (3) 24% is the combined federal and state statutory rate and is an estimate of our long-term tax rate assuming the full exchange of all outstanding non-controlling interests for Class A common stock. It excludes the impacts of (a) our partnership structure, (b) unusual, non-recurring tax matters, such as the conversion of First and wemlo to LLC's, and (c) lower income for 2020 due to the pandemic.
- (4) Non-GAAP measure. See the end of this press release for definitions of non-GAAP measures.

RE/MAX Holdings, Inc.

Free Cash Flow & Unencumbered Cash Generation

\$ in 000's	Three Months Ended	
	March 31,	
	2021	2020
Cash flow from operations	\$ 20,832	\$ 13,649
Less: Purchases of property, equipment and capitalization of software	(4,381)	(1,965)
(Increases) decreases in restricted cash of the Marketing Funds ⁽¹⁾	(1,628)	(3,595)
Free cash flow ⁽²⁾	14,823	8,089
Free cash flow	14,823	8,089
Less: Tax/Other non-dividend distributions to RIHI	—	(14)
Free cash flow after tax/non-dividend distributions to RIHI ⁽²⁾	14,823	8,075
Free cash flow after tax/non-dividend distributions to RIHI	14,823	8,075
Less: Debt principal payments	(660)	(660)
Unencumbered cash generated ⁽²⁾	\$ 14,163	\$ 7,415
Summary		
Cash flow from operations	\$ 20,832	\$ 13,649
Free cash flow ⁽²⁾	\$ 14,823	\$ 8,089
Free cash flow after tax/non-dividend distributions to RIHI ⁽²⁾	\$ 14,823	\$ 8,075
Unencumbered cash generated ⁽²⁾	\$ 14,163	\$ 7,415
Adjusted EBITDA	\$ 23,160	\$ 19,539
Free cash flow as % of Adjusted EBITDA ⁽²⁾	64.0%	41.4%
Free cash flow less distributions to RIHI as % of Adjusted EBITDA ⁽²⁾	64.0%	41.3%
Unencumbered cash generated as % of Adjusted EBITDA ⁽²⁾	61.2%	37.9%

Footnote:

- (1) This line reflects any subsequent changes in the restricted cash balance (which under GAAP reflects as either (a) an increase or decrease in cash flow from operations or (b) an incremental amount of purchases of property and equipment and capitalization of developed software) so as to remove the impact of changes in restricted cash in determining free cash flow.
- (2) Non-GAAP measure. See the end of this presentation for definitions of non-GAAP measures.

Non-GAAP Financial Measures

The SEC has adopted rules to regulate the use in filings with the SEC and in public disclosures of financial measures that are not in accordance with U.S. GAAP, such as Adjusted EBITDA and the ratios related thereto, Adjusted net income, Adjusted basic and diluted earnings per share (Adjusted EPS) and free cash flow. These measures are derived on the basis of methodologies other than in accordance with U.S. GAAP.

The Company defines Adjusted EBITDA as EBITDA (consolidated net income or loss before depreciation and amortization, interest expense, interest income and the provision for income taxes, each of which is presented in the unaudited condensed consolidated financial statements included earlier in this press release), adjusted for the impact of the following items that are either non-cash or that the Company does not consider representative of its ongoing operating performance: loss or gain on sale or disposition of assets and sublease, impairment charge on leased assets, equity-based compensation expense, acquisition-related expense, gain on reduction in tax receivable agreement liability, expense or income related to changes in the estimated fair value measurement of contingent consideration, and other non-recurring items.

Because Adjusted EBITDA and Adjusted EBITDA margin omit certain non-cash items and other non-recurring cash charges or other items, the Company believes that each measure is less susceptible to variances that affect its operating performance resulting from depreciation, amortization and other non-cash and non-recurring cash charges or other items. The Company presents Adjusted EBITDA and the related Adjusted EBITDA margin because the Company believes they are useful as supplemental measures in evaluating the performance of its operating businesses and provides greater transparency into the Company's results of operations. The Company's management uses Adjusted EBITDA and Adjusted EBITDA margin as factors in evaluating the performance of the business.

Adjusted EBITDA and Adjusted EBITDA margin have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analyzing the Company's results as reported under U.S. GAAP. Some of these limitations are:

- these measures do not reflect changes in, or cash requirements for, the Company's working capital needs;
- these measures do not reflect the Company's interest expense, or the cash requirements necessary to service interest or principal payments on its debt;
- these measures do not reflect the Company's income tax expense or the cash requirements to pay its taxes;
- these measures do not reflect the cash requirements to pay dividends to stockholders of the Company's Class A common stock and tax and other cash distributions to its non-controlling unitholders;
- these measures do not reflect the cash requirements pursuant to the tax receivable agreements;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often require replacement in the future, and these measures do not reflect any cash requirements for such replacements;
- although equity-based compensation is a non-cash charge, the issuance of equity-based awards may have a dilutive impact on earnings per share; and
- other companies may calculate these measures differently so similarly named measures may not be comparable.

The Company's Adjusted EBITDA guidance does not include certain charges and costs. The adjustments to EBITDA in future periods are generally expected to be similar to the kinds of charges and costs excluded from Adjusted EBITDA in prior quarters, such as gain on sale or disposition of assets and sublease and acquisition-related expense, among others. The exclusion of these charges and costs in future periods will have a significant impact on the Company's Adjusted EBITDA. The Company is not able to provide a reconciliation of the Company's non-GAAP financial guidance to the corresponding U.S. GAAP measures without unreasonable effort because of the uncertainty and variability of the nature and amount of these future charges and costs.

Non-GAAP Financial Measures (continued)

Adjusted net income is calculated as Net income attributable to RE/MAX Holdings, assuming the full exchange of all outstanding non-controlling interests for shares of Class A common stock as of the beginning of the period (and the related increase to the provision for income taxes after such exchange), plus primarily non-cash items and other items that management does not consider to be useful in assessing the Company's operating performance (e.g., amortization of acquired intangible assets, gain on sale or disposition of assets and sub-lease, impairment charge on leased assets, acquisition-related expense and equity-based compensation expense).

Adjusted basic and diluted earnings per share (Adjusted EPS) are calculated as Adjusted net income (as defined above) divided by pro forma (assuming the full exchange of all outstanding non-controlling interests) basic and diluted weighted average shares, as applicable.

When used in conjunction with GAAP financial measures, Adjusted net income and Adjusted EPS are supplemental measures of operating performance that management believes are useful measures to evaluate the Company's performance relative to the performance of its competitors as well as performance period over period. By assuming the full exchange of all outstanding non-controlling interests, management believes these measures:

- facilitate comparisons with other companies that do not have a low effective tax rate driven by a non-controlling interest on a pass-through entity;
- facilitate period over period comparisons because they eliminate the effect of changes in Net income attributable to RE/MAX Holdings, Inc. driven by increases in its ownership of RMCO, LLC, which are unrelated to the Company's operating performance; and
- eliminate primarily non-cash and other items that management does not consider to be useful in assessing the Company's operating performance.

Free cash flow is calculated as cash flows from operations less capital expenditures and any changes in restricted cash of the Marketing Funds, all as reported under GAAP, and quantifies how much cash a company has to pursue opportunities that enhance shareholder value. The restricted cash of the Marketing Funds is limited in use for the benefit of franchisees and any impact to free cash flow is removed. The Company believes free cash flow is useful to investors as a supplemental measure as it calculates the cash flow available for working capital needs, re-investment opportunities, potential independent region and strategic acquisitions, dividend payments or other strategic uses of cash.

Free cash flow after tax and non-dividend distributions to RIHI is calculated as free cash flow less tax and other non-dividend distributions paid to RIHI (the non-controlling interest holder) to enable RIHI to satisfy its income tax obligations. Similar payments would be made by the Company directly to federal and state taxing authorities as a component of the Company's consolidated provision for income taxes if a full exchange of non-controlling interests occurred in the future. As a result and given the significance of the Company's ongoing tax and non-dividend distribution obligations to its non-controlling interest, free cash flow after tax and non-dividend distributions, when used in conjunction with GAAP financial measures, provides a meaningful view of cash flow available to the Company to pursue opportunities that enhance shareholder value.

Unencumbered cash generated is calculated as free cash flow after tax and non-dividend distributions to RIHI less quarterly debt principal payments less annual excess cash flow payment on debt, as applicable. Given the significance of the Company's excess cash flow payment on debt, when applicable, unencumbered cash generated, when used in conjunction with GAAP financial measures, provides a meaningful view of the cash flow available to the Company to pursue opportunities that enhance shareholder value after considering its debt service obligations.

THANK YOU

RE/MAX[®]

HOLDINGS, INC.

RE/MAX[®]

 **MOTTO[®]**
MORTGAGE