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# Q4 & Full Year 2023 Financial Results

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## **Virtual Fireside Chat**

February 22, 2024

# Q4 & Full-Year 2023 Earnings



**Glenn Sanford**

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Founder, Chairman & CEO,  
eXp World Holdings  
CEO, eXp Realty



**Leo Pareja**

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Chief Strategy  
Officer,  
eXp Realty



**Kent Cheng**

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Principal Financial Officer,  
Chief Accounting Officer,  
eXp World Holdings

# Forward Looking Statements

There will be a number of forward-looking statements<sup>1</sup> 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 Reports on Form 10-Q, for a discussion of specific risks that may affect our business, performance and financial condition.

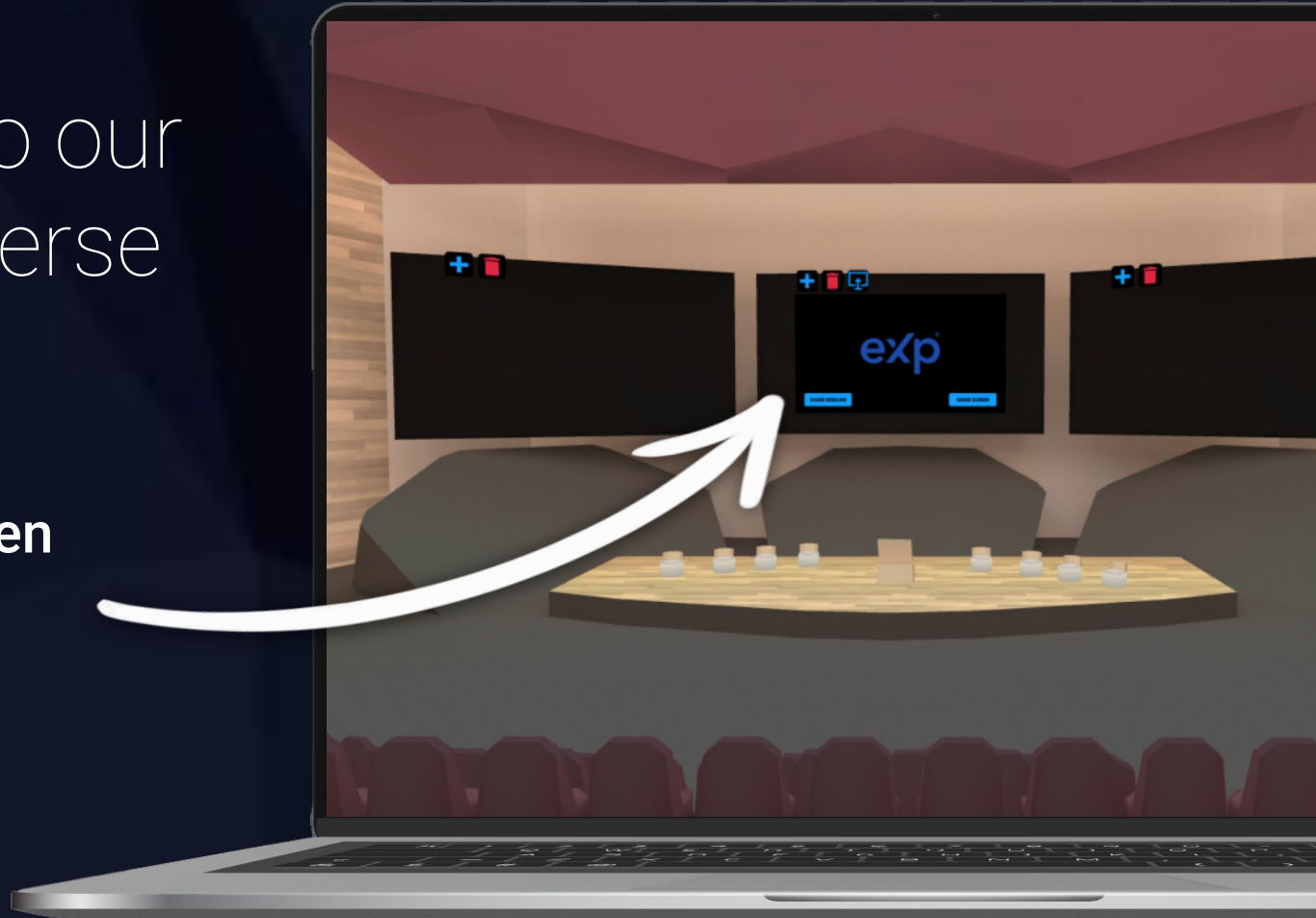
We assume no obligation to update or revise any forward-looking statements or information.

<sup>1</sup>Within the meaning of the Private Securities Litigation Reform Act of 1995

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Welcome to our  
new metaverse  
on the web

**Click on a screen  
to zoom into it.**





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# Business Highlights Q4 & Full-Year 2023



## **Glenn Sanford**

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Founder, Chairman & CEO,  
eXp World Holdings  
CEO, eXp Realty

# Expanding the Metaverse Opportunity



Next Generation  
Spatial Computing

## High Level

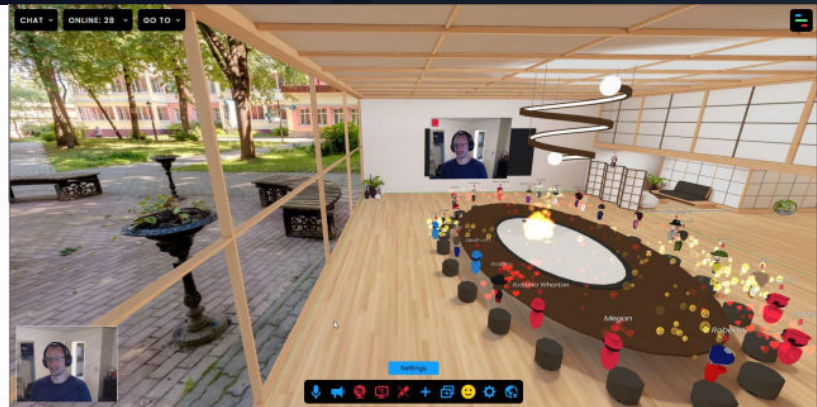
- Presented by the CTO of Microsoft at Microsoft Build 2023
- Cross-platform, even works on Meta Quest 3 and Apple Vision Pro
- No-code creation + collaboration for the spatial, AI-powered web

## Agent-Facing Features

- eXp agents can create their own spaces + meet with clients to give remote home tours.
- Look at 360 photos of properties, walk around matterport scans, and navigate Google Street View with others.

## AI Integrations

- Frame uses AI to do real-time translations and closed-captions, but also to help people create their own custom spaces and 3D bots.
- **Aggressively developing at the intersection of AI and 3D - stay tuned.**



# Our Path to Success

Driving Worldwide Growth  
& Long-Term Profitability

**exp**<sup>®</sup> | NORTH AMERICA  
REALTY

**exp**<sup>®</sup> | INTERNATIONAL  
REALTY

**exp**<sup>®</sup> | REVENOS

# Our Differentiated Value Prop

Constantly Iterating On  
The Agent Value Proposition



## SUCCESS<sup>®</sup>

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Creating an Ecosystem  
of Personal Development,  
Health Resources & Media



FRAME



Virbela

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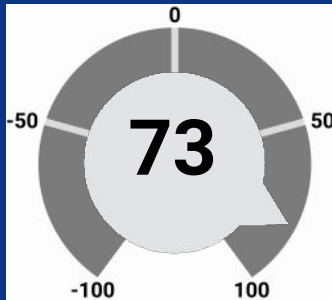
Enterprise and Web-based  
Metaverse Platforms

# Investing in Agents Drives NPS and Long-Term Growth

Anps Scores Reflect An Increasingly Strong Agent Value Proposition

**2023 aNPS score of 73,  
a 2 point improvement  
over 2022**

**aNPS is a leading  
indicator of future  
growth**



## **Agent NPS Remains Strong**

- 77 for Q4'23 vs 73 for Q4'22

## **Strong Agent NPS Driven by Continued Investment in our Agents**

- Improved onboarding & transaction support
  - Luna
  - eXpress Pay
  - eXpert care desk
- Expanded benefits within eXp Agent Healthcare
- Improved marketing center in U.S. & launched into all other countries
- Launched agent advisory councils in more jurisdictions

# Agent Awards & Recognition

eXp Widely Recognized



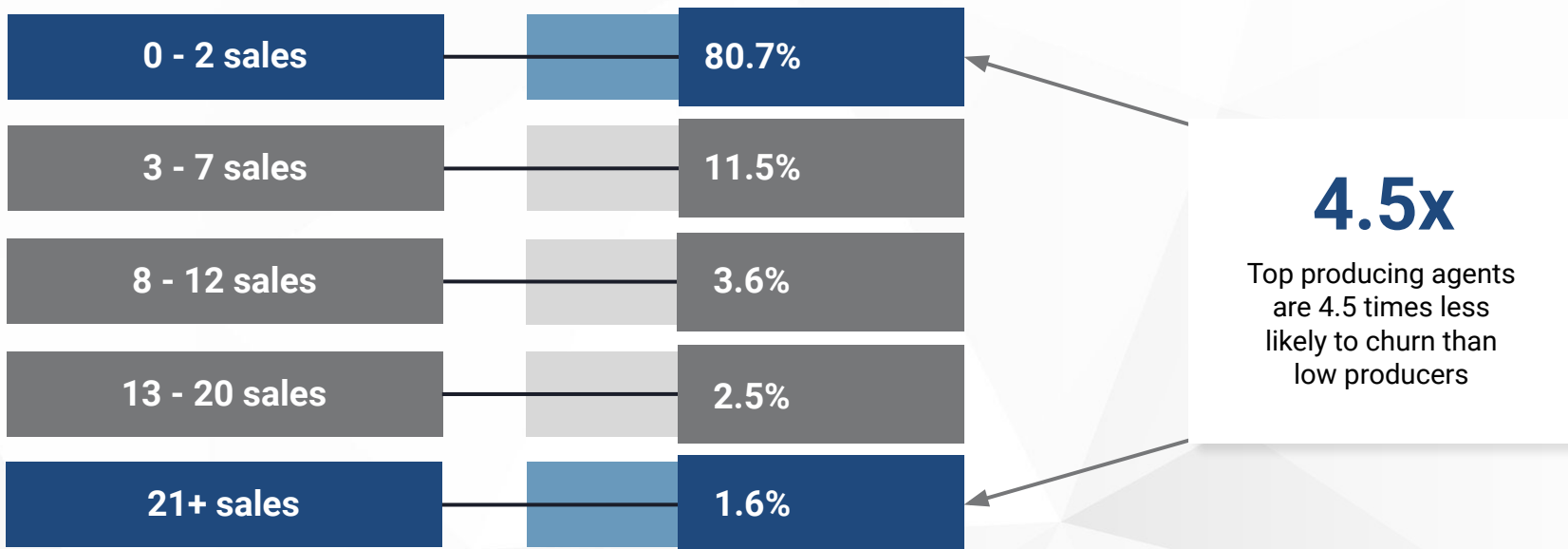
## eXp Accolades

- No. 350 on the Deloitte Technology Fast 500™, with 369% revenue growth over three year period
- U.S.: #20 on Glassdoor's list of 100 Best Places to Work U.S. list in the large company category—it's the sixth year in a row that we made the list!
- CANADA: #7 on Glassdoor's 50 Best Places to Work Canada list, up from #15 last year

## Industry Accolades

- 48 agents & teams named to 2023 RealTrends + Tom Ferry's The Thousand list
- 14 agents and 4 teams made the AREAA A-List 2023 Top Producers list
- 89 wins across 7 categories on the National Association of Hispanic Real Estate Professionals (NAHREP®) 12th annual [Top 250 Latino Agents Report](#)
- #1 growth leader across agent count, volume and transactions at Realtrends, T3, Power Broker

### Attrition by U.S. Agent Annual Productivity



Source: Company data, Q4'23. Agent attrition statistics based on prior 12 months of sales data.

# eXp Realty Outperforms the Industry

eXp Continues To Increase Market Share Due To Agent Growth And Productivity Gains

## 2023 Home Sales Transactions Growth (Y/Y)

	eXp Realty	Industry
<b>Q4</b>	-1.9%	-10.4%
<b>Full Year</b>	-8.1%	-17.3%

## eXp Estimated Market Share

	2022	2023	Growth (Y/Y)
<b>Q4</b>	4.0%	4.2%	6.8%
<b>Full Year</b>	3.9%	4.2%	8.4%

# Strong Momentum into 2024

Exiting 2023 Poised  
For Growth

## Agent NPS Remains Strong

- 73 for 2023 vs 71 for 2022
- 77 for Q4'23 vs 73 for Q4'22
- Big teams and agents are joining worldwide
- We are retaining our most productive agents

## We are Increasing Efficiencies by Leveraging Technology

- Faster agent onboarding, support, and payments

## U.S. Market Share Increased 8.4% year-over-year

- 4.2% U.S. Market Share in 2023 vs 3.9% in 2022

## We have a solid vision for 2024

# 2023 Recap & 2024 Vision



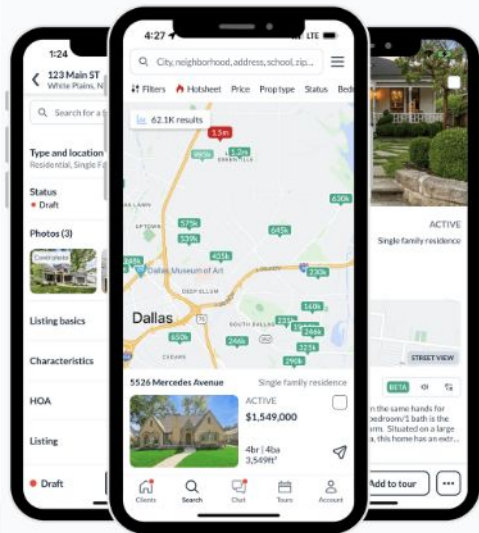
**Leo Pareja**

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Chief Strategy Officer  
eXp Realty

# 2023 Recap: A Year of Operational Excellence

## eXp Exclusives



- **Faster onboarding, faster support, faster payments**
- **eXp Exclusives™**
  - 7,000+ agents using the application, hundreds of unique listings
- **eXp Luxury™**
  - Over 1,100 agents, expanded into 5 countries in 2023
- **First-of-its-kind collaboration with [OpenDoor](#)**
  - True “instant offer” for our agents and their sellers in 50+ markets across the U.S.
- **Revenos™**
  - Increased agent leads 250% over 2022
- **Hired Chief Learning Officer, Bryon Ellington**
- **Accelerate™, Boost™ & Thrive™ Programs**
  - Incentives for new agents, ICON agents, independent brokerages culturally aligned to eXp
- **Profitability improvement plan initiated in Q4 2023**

# 2024 Vision: Innovate to Drive Efficient Growth

## We Are Just Getting Started

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- **Technology**

- My eXp app coming out of beta
- Additional software partnerships

- **International**

- Expanded eXp Luxury™ to Portugal, Spain, France, Italy, Germany and Greece in January
- Launching Luxury division in all countries this year

- **New divisions**

- Farm & Ranch, Sport & Entertainment, Green divisions

- **Training and coaching programs**

- Partnerships & Services

- **Livestreaming radio station**

- Podcasting, content creators, and industry experts

- **Focused on SG&A/Unit as a KPI to measure efficiency in 2024**

# Financial Highlights Q4 & Full-Year 2023



**Kent Cheng**

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Principal Financial Officer,  
Chief Accounting Officer,  
eXp World Holdings

# eXp Consolidated Key Metrics for Q4 2023

	2023	2022	Variance
<b><u>Operating Metrics</u></b>			
ANPS	77	73	4
Agents	87,515	86,203	2%
Units	115,424	109,168	6%
Price per Unit	\$337	\$344	-2%
Volume (In Billions)	\$38.9	\$37.6	3%
<b><u>Financial Metrics</u></b>			
Revenue	\$983.0	\$933.4	5%
Gross Profit	\$70.9	\$83.1	-15%
Gross Margin %	7.2%	8.9%	-19%
SG&A	\$89.4	\$93.8	-5%
Impairment expense	\$9.2	\$-	-
Operating Income (Loss)	\$(27.7)	\$(10.7)	-159%
Net Income (Loss)	\$(21.2)	\$(7.2)	-194%
Adjusted EBITDA <sup>(1)</sup>	\$0.5	\$3.6	-85%
Adjusted Operating Cash Flow <sup>(2)</sup>	\$42.3	\$38.1	11%
Cash & Equivalents	\$126.9	\$121.6	4%

(1) Adjusted EBITDA is a non-GAAP term, "Use of Non-GAAP Financial Measures" as disclosed in our Form 10-K for the period ended December 31, 2023.

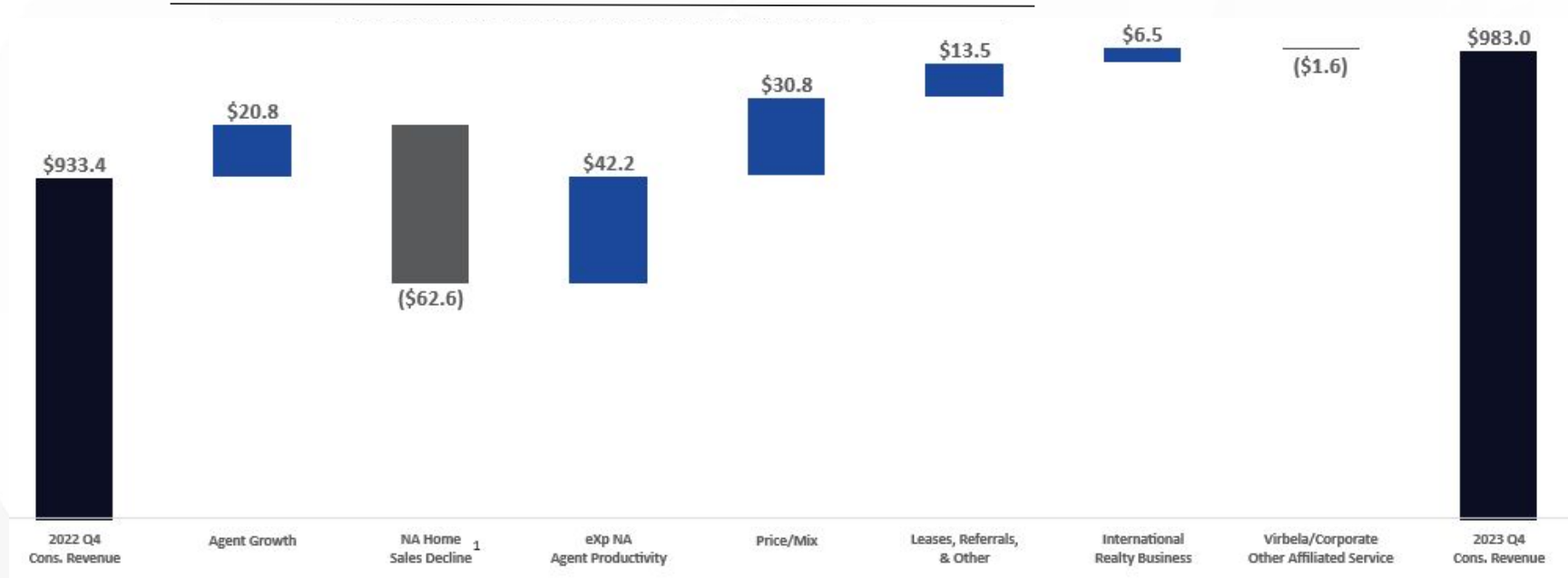
(2) Adjusted Operating Cash Flow presented is net cash provided by operating activities excluding change in customer deposits.

## Q4 Summary

- One of the best quarters for aNPS performance.
- Agent base growth driven by US & Canada.
- Units and revenue increased, with US sales units outpacing the US market.
- Gross profit decreased due to agent growth incentive (AGIP) stock compensation. Excluding AGIP, gross profit was essentially flat year-over-year.
- SG&A increased 5%, primarily due to the reallocation of agent growth incentive stock compensation expense. Q4 2023 SG&A included appx \$8M one time costs
- Virbela goodwill and intangible impairment \$9.2M.
- Operating and Net (loss) impacted by the \$9.2M Virbela impairment. Q4 2023 included \$8M one-time expenses.
- Positive Adj. EBITDA<sup>(1)</sup> in spite of large one-time expenses in a challenging market.
- Strong Adj. Operating Cash Flow<sup>(2)</sup> and cash position.
- Share repurchases of \$25.9M during the quarter.

# Consolidated Q4 2023 Revenue Change vs. Q4 2022

## North American Realty Segment Revenue Change +\$45M



(1) Sources: US Industry transactions -8.1% 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 +3.1% based on CREA Residential Sales Activity (SAAR)

# Q4 2023 Segment Financial Highlights

Q4 2023	N American Realty	International Realty	Virbela	Other Affiliated Services	Corporate & Eliminations	eXp World Holdings
<b>Revenue</b>	\$965.4M	\$16.3M	\$1.6M	\$1.1M	\$(1.3)M	\$983.0M
<i>Variance % y/y</i>	5%	67%	-31%	-40%	-15%	5%
<b>Adj. EBITDA<sup>(4)</sup></b>	\$8.6M	\$(3.6)M	\$(1.9)M	\$(1.0)M	\$(1.5)M	\$0.5M
<i>Variance % y/y</i>	-29%	14%	-102%	-123%	49%	-85%

# eXp Consolidated Key Metrics for Full-Year 2023

	2023	2022	Variance
<b><u>Operating Metrics</u></b>			
ANPS	73	71	2
Agents	87,515	86,203	2%
Units	494,408	511,859	-3%
Price per Unit	\$342	\$366	-6%
Volume (In Billions)	\$169.2	\$187.3	-10%
<b><u>Financial Metrics</u></b>			
Revenue	\$4,281.1	\$4,598.2	-7%
Gross Profit	\$324.1	\$366.9	-12%
Gross Margin %	7.6%	8.0%	-5%
SG&A	\$331.3	\$361.5	-8%
Impairment expense	\$9.2	\$-	-
Operating Income (Loss)	\$(16.5)	\$5.4	NM
Net Income (Loss)	\$(9.0)	\$15.4	NM
Adjusted EBITDA <sup>(1)</sup>	\$57.5	\$60.5	-5%
Adjusted Operating Cash Flow <sup>(2)</sup>	\$202.4	\$241.5	-16%
Cash & Equivalents	\$126.9	\$121.6	4%

(1) Adjusted EBITDA is a non-GAAP term, "Use of Non-GAAP Financial Measures" as disclosed in our Form 10-K for the period ended December 31, 2023.

(2) Adjusted Operating Cash Flow presented is net cash provided by operating activities excluding change in customer deposits.

## 2023 Summary

- Continuous improvement of the agent experience in 2023.
- Agent base growth driven by US & Canada.
- Units and revenues declined modestly with US sales units outpacing the US market.
- Gross Profit decreased due to agent growth incentive (AGIP) stock compensation. Excluding AGIP, gross profit was essentially flat year-over-year.
- SG&A decreased primarily due to the reclassification of AGIP stock compensation. Excluding AGIP, SG&A increased primarily due to higher eXpcon expenses and increased FTE.
- Virbela goodwill and intangible impairment \$9.2M.
- Operating and Net loss impacted by \$9.2M Virbela impairment.
- Modestly decreased Adj. EBITDA(1) in spite of a challenging market.
- Strong Adj. Operating Cash Flow(2) and cash position.
- Share repurchases of \$160.6M during the year.

# Consolidated FY 2023 Revenue Change vs. 2022

## North American Realty Segment Revenue Change -\$333M



Sources: US Industry transactions -17.3% 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 -11.1% based on CREA Sales Activity Forecast Jan 2024

# FY 2023 Segment Financial Highlights

Despite a significant market decline, eXp World Holdings 2023 Adjusted EBITDA(1) was down modestly vs. 2022

FY 2023	N American Realty	International Realty	Virbela	Other Affiliated Services	Corporate & Eliminations	eXp World Holdings
Revenue	\$4,220.1M	\$53.9M	\$7.3M	\$4.8M	\$(5.0)M	\$4,281.1M
Variance % y/y	-7%	50%	-14%	-6%	-17%	-7%
Adj. EBITDA <sup>(1)</sup>	\$91.1M	\$(13.7)M	\$(5.7)M	\$(3.8)M	\$(10.4)M	\$57.5M
Variance % y/y	-12%	0%	41%	-46%	38%	-5%

# 2023 Financial Summary

- Excellent agent engagement - aNPS continued to increase during the year.
- Continued to grow our agent base - increased agent count 2% vs prior year.
- Completed 494K real estate transactions and generated \$4.3 billion of revenue despite a tough macro environment. Our top lines (revenue and unit) outperformed the industry in the US and Canada.
- Strong International revenue growth to 50% year-over-year.
- Achieved positive Adjusted EBITDA(1) of \$57.5M, down only modestly vs. 2022 despite a significant market decline.
- Excluding a \$9.2 million goodwill impairment and intangible charge related to the Virbela segment, full-year 2023 net income was approximately breakeven.
- Returned \$180 million to shareholders via share repurchase \$160.6M and dividend distributions \$28.5M.
- Implementing a profitability improvement plan and well-positioned for 2024.

# Q4 & Full-Year 2023 Earnings



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Founder, Chairman & CEO,  
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CEO, eXp Realty



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