

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 29, 2022

Redfin Corporation

(Exact name of registrant as specified in its charter)

Delaware	001-38160	74-3064240
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
1099 Stewart Street Seattle	Suite 600 WA	98101
(Address of principal executive offices)		(Zip Code)
(206)576-8333		
Registrant's telephone number, including area code		

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	RDFN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

We are providing additional financial information for our four reportable segments (real estate services, properties, rentals, and mortgage), as well as our "other" segment, for each of the three months ended March 31, 2022, December 31, 2021, September 30, 2021, June 30, 2021, and March 31, 2021 (collectively, the "Reporting Periods"). We have assigned certain previously reported expenses to each segment to conform to the way we internally manage and monitor our business. We allocated indirect costs to each segment based on a reasonable allocation methodology, when such costs are significant to the performance measures of the segments. Accordingly, the additional information shows operating expenses and net income (loss) for each segment with respect to the Reporting Periods.

The additional information provides greater visibility into the profitability of each of our segments but does not revise our previously reported gross profit (on a consolidated basis or with respect to any segment) for the Reporting Periods. However, due to our new allocation methodology, the amount of operating expenses allocated to each segment with respect to the Reporting Periods was revised from previously reported amounts on a segment basis. Operating expenses on a consolidated basis have not been revised from our previously reported amounts for the Reporting Periods.

Additionally, for each reportable segment and our "other" segment, we are presenting adjusted EBITDA, along with a reconciliation from net income (loss), for each Reporting Period. Adjusted EBITDA is a non-GAAP financial measure. We believe adjusted EBITDA is useful for investors because it enhances period-to-period comparability of our financial statements on a consistent basis and provides investors with useful insight into the underlying trends of the business. The presentation of this financial measure is not intended to be considered in isolation or as a substitute of, or superior to, our financial information prepared and presented in accordance with GAAP. Our calculation of adjusted EBITDA may be different from adjusted EBITDA or similar non-GAAP financial measures used by other companies, limiting its usefulness for comparison purposes.

Exhibit 99.1 contains the additional financial information and our presentation of adjusted EBITDA and the related reconciliation.

Item 9.01 Financial Statements and Exhibits.

Exhibit Number	Description
99.1	Segment Financial Information
104	Cover page interactive data file, submitted using inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Redfin Corporation
(Registrant)

Date: July 29, 2022

/s/ Chris Nielsen

Chris Nielsen
Chief Financial Officer

Redfin Corporation and Subsidiaries
Segment Financial Information
(in thousands, unaudited)

Three Months Ended							
March 31, 2022							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Revenue	\$ 177,487	\$ 379,753	\$ 38,044	\$ 2,917	\$ 4,368	\$ (5,223)	\$ 597,346
Cost of revenue	153,784	358,866	7,193	5,517	4,671	(5,223)	524,808
Gross profit	23,703	20,887	30,851	(2,600)	(303)	—	72,538
Operating expenses							
Technology and development	26,739	4,119	14,282	2,347	1,036	1,117	49,640
Marketing	30,844	1,153	11,042	28	53	222	43,342
General and administrative	22,992	2,825	24,192	1,524	712	6,721	58,966
Restructuring and reorganization ⁽⁵⁾	—	—	—	—	—	5,710	5,710
Total operating expenses	80,575	8,097	49,516	3,899	1,801	13,770	157,658
Income (loss) from operations	(56,872)	12,790	(18,665)	(6,499)	(2,104)	(13,770)	(85,120)
Interest income, interest expense, income tax expense, and other expense, net	—	(1,624)	469	1	1	(4,533)	(5,686)
Net (loss) income	\$ (56,872)	\$ 11,166	\$ (18,196)	\$ (6,498)	\$ (2,103)	\$ (18,303)	\$ (90,806)

Three Months Ended							
March 31, 2022							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Net (loss) income	\$ (56,872)	\$ 11,166	\$ (18,196)	\$ (6,498)	\$ (2,103)	\$ (18,303)	\$ (90,806)
Interest income ⁽¹⁾	—	(25)	—	(318)	(1)	(194)	(538)
Interest expense ⁽²⁾	—	1,649	—	277	—	2,212	4,138
Income tax expense	—	—	(203)	—	—	337	134
Depreciation and amortization	4,018	537	9,356	302	255	345	14,813
Stock-based compensation ⁽³⁾	10,140	1,537	2,240	601	369	1,901	16,788
Acquisition-related costs ⁽⁴⁾	—	—	—	—	—	917	917
Restructuring and reorganization ⁽⁵⁾	—	—	—	—	—	5,710	5,710
Adjusted EBITDA	\$ (42,714)	\$ 14,864	\$ (6,803)	\$ (5,636)	\$ (1,480)	\$ (7,075)	\$ (48,844)

(1) Interest income includes \$0.3 million of interest income related to originated mortgage loans for the three months ended March 31, 2022.

(2) Interest expense includes \$0.3 million of interest expense related to our warehouse credit facilities for the three months ended March 31, 2022.

(3) Stock-based compensation consists of expenses related to stock options, restricted stock units, and our employee stock purchase program.

(4) Acquisition-related costs consist of fees for external advisory, legal, and other professional services incurred in connection with our acquisition of other companies.

(5) Restructuring and reorganization expenses primarily consist of personnel-related costs associated with employee terminations, furloughs, or retention for our mortgage and rentals segments due to the restructuring and reorganization activities from our acquisitions of Bay Equity and RentPath, respectively.

Three Months Ended							
December 31, 2021							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Revenue	\$ 224,732	\$ 377,065	\$ 38,923	\$ 3,996	\$ 3,347	\$ (5,006)	\$ 643,057
Cost of revenue	149,529	373,105	6,774	6,690	3,941	(5,006)	535,033
Gross profit	75,203	3,960	32,149	(2,694)	(594)	—	108,024
Operating expenses							
Technology and development	20,727	3,724	13,876	2,582	990	1,995	43,894
Marketing	11,923	466	9,450	149	104	305	22,397
General and administrative	23,842	2,828	25,530	2,620	823	11,319	66,962
Total operating expenses	56,492	7,018	48,856	5,351	1,917	13,619	133,253
Income (loss) from operations	18,711	(3,058)	(16,707)	(8,045)	(2,511)	(13,619)	(25,229)
Interest income, interest expense, income tax expense, and other expense, net	—	(1,723)	2,777	1	1	(2,829)	(1,773)
Net income (loss)	\$ 18,711	\$ (4,781)	\$ (13,930)	\$ (8,044)	\$ (2,510)	\$ (16,448)	\$ (27,002)

Three Months Ended							
December 31, 2021							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Net income (loss)	\$ 18,711	\$ (4,781)	\$ (13,930)	\$ (8,044)	\$ (2,510)	\$ (16,448)	\$ (27,002)
Interest income ⁽¹⁾	—	(2)	—	(424)	(1)	(159)	(586)
Interest expense ⁽²⁾	—	1,725	—	431	—	2,214	4,370
Income tax expense	—	—	(2,177)	—	—	1,433	(744)
Depreciation and amortization	3,583	554	9,307	387	247	525	14,603
Stock-based compensation ⁽³⁾	8,963	1,492	994	820	348	2,669	15,286
Adjusted EBITDA	\$ 31,257	\$ (1,012)	\$ (5,806)	\$ (6,830)	\$ (1,916)	\$ (9,766)	\$ 5,927

(1) Interest income includes \$0.4 million of interest income related to originated mortgage loans for the three months ended December 31, 2021.

(2) Interest expense includes \$0.4 million of interest expense related to our warehouse credit facilities for the three months ended December 31, 2021.

(3) Stock-based compensation consists of expenses related to stock options, restricted stock units, and our employee stock purchase program.

Three Months Ended

September 30, 2021

	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Revenue	\$ 257,795	\$ 238,417	\$ 40,406	\$ 5,013	\$ 3,193	\$ (4,750)	\$ 540,074
Cost of revenue	161,449	238,397	7,395	6,705	3,576	(4,750)	412,772
Gross profit	96,346	20	33,011	(1,692)	(383)	—	127,302
Operating expenses							
Technology and development	20,732	3,602	13,849	2,910	586	1,979	43,658
Marketing	33,894	645	14,113	149	42	300	49,143
General and administrative	18,383	2,258	23,264	2,334	533	7,623	54,395
Total operating expenses	73,009	6,505	51,226	5,393	1,161	9,902	147,196
Income (loss) from operations	23,337	(6,485)	(18,215)	(7,085)	(1,544)	(9,902)	(19,894)
Interest income, interest expense, income tax expense, and other expense, net	(56)	(1,456)	311	1	1	2,144	945
Net income (loss)	\$ 23,281	\$ (7,941)	\$ (17,904)	\$ (7,084)	\$ (1,543)	\$ (7,758)	\$ (18,949)

Three Months Ended

September 30, 2021

	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Net income (loss)	\$ 23,281	\$ (7,941)	\$ (17,904)	\$ (7,084)	\$ (1,543)	\$ (7,758)	\$ (18,949)
Interest income ⁽¹⁾	—	(1)	—	(402)	(1)	(176)	(580)
Interest expense ⁽²⁾	—	1,456	—	399	—	2,216	4,071
Income tax expense	—	—	(311)	—	—	—	(311)
Depreciation and amortization	3,470	530	9,189	427	181	488	14,285
Stock-based compensation ⁽³⁾	8,138	1,312	143	721	167	2,629	13,110
Acquisition-related costs ⁽⁴⁾	—	—	—	—	—	202	202
Adjusted EBITDA	\$ 34,889	\$ (4,644)	\$ (8,883)	\$ (5,939)	\$ (1,196)	\$ (2,399)	\$ 11,828

(1) Interest income includes \$0.4 million of interest income related to originated mortgage loans for the three months ended September 30, 2021.

(2) Interest expense includes \$0.4 million of interest expense related to our warehouse credit facilities for the three months ended September 30, 2021.

(3) Stock-based compensation consists of expenses related to stock options, restricted stock units, and our employee stock purchase program.

(4) Acquisition-related costs consist of fees for external advisory, legal, and other professional services incurred in connection with our acquisition of other companies.

Three Months Ended							
June 30, 2021							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Revenue	\$ 252,199	\$ 172,445	\$ 42,548	\$ 5,099	\$ 3,422	\$ (4,398)	\$ 471,315
Cost of revenue	164,125	167,420	7,570	6,832	3,630	(4,398)	345,179
Gross profit	88,074	5,025	34,978	(1,733)	(208)	—	126,136
Operating expenses							
Technology and development	20,010	3,080	13,568	2,536	479	1,815	41,488
Marketing	41,746	572	12,607	130	30	313	55,398
General and administrative	18,498	2,078	23,116	1,927	416	13,532	59,567
Total operating expenses	80,254	5,730	49,291	4,593	925	15,660	156,453
Income (loss) from operations	7,820	(705)	(14,313)	(6,326)	(1,133)	(15,660)	(30,317)
Interest income, interest expense, income tax expense, and other expense, net	(3)	(662)	212	1	1	2,890	2,439
Net income (loss)	\$ 7,817	\$ (1,367)	\$ (14,101)	\$ (6,325)	\$ (1,132)	\$ (12,770)	\$ (27,878)

Three Months Ended							
June 30, 2021							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Net income (loss)	\$ 7,817	\$ (1,367)	\$ (14,101)	\$ (6,325)	\$ (1,132)	\$ (12,770)	\$ (27,878)
Interest income ⁽¹⁾	—	(2)	—	(414)	(1)	(131)	(548)
Interest expense ⁽²⁾	—	664	—	407	—	2,149	3,220
Income tax expense	—	—	(212)	—	—	(4,840)	(5,052)
Depreciation and amortization	3,180	412	9,110	313	167	495	13,677
Stock-based compensation ⁽³⁾	9,042	1,239	113	770	191	2,388	13,743
Acquisition-related costs ⁽⁴⁾	—	—	—	—	—	5,616	5,616
Adjusted EBITDA	\$ 20,039	\$ 946	\$ (5,090)	\$ (5,249)	\$ (775)	\$ (7,093)	\$ 2,778

(1) Interest income includes \$0.4 million of interest income related to originated mortgage loans for the three months ended June 30, 2021.

(2) Interest expense includes \$0.4 million of interest expense related to our warehouse credit facilities for the three months ended June 30, 2021.

(3) Stock-based compensation consists of expenses related to stock options, restricted stock units, and our employee stock purchase program.

(4) Acquisition-related costs consist of fees for external advisory, legal, and other professional services incurred in connection with our acquisition of other companies.

Three Months Ended							
March 31, 2021							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Revenue	\$ 168,609	\$ 92,726	\$ —	\$ 5,711	\$ 3,646	\$ (2,373)	\$ 268,319
Cost of revenue	128,216	91,130	—	5,869	3,119	(2,373)	225,961
Gross profit	40,393	1,596	—	(158)	527	—	42,358
Operating expenses							
Technology and development	20,119	2,830	199	2,367	473	1,690	27,678
Marketing	11,182	207	5	134	34	240	11,802
General and administrative	23,932	2,429	33	1,426	517	9,054	37,391
Total operating expenses	55,233	5,466	237	3,927	1,024	10,984	76,871
Loss from operations	(14,840)	(3,870)	(237)	(4,085)	(497)	(10,984)	(34,513)
Interest income, interest expense, income tax expense, and other expense, net	(28)	(420)	—	1	1	(825)	(1,271)
Net loss	\$ (14,868)	\$ (4,290)	\$ (237)	\$ (4,084)	\$ (496)	\$ (11,809)	\$ (35,784)

Three Months Ended							
March 31, 2021							
	Real estate services	Properties	Rentals	Mortgage	Other	Corporate Overhead and Intercompany Eliminations	Total
Net loss	\$ (14,868)	\$ (4,290)	\$ (237)	\$ (4,084)	\$ (496)	\$ (11,809)	\$ (35,784)
Interest income ⁽¹⁾	—	(5)	—	(357)	(1)	(152)	(515)
Interest expense ⁽²⁾	—	425	—	429	—	913	1,767
Income tax expense	—	—	—	—	—	—	—
Depreciation and amortization	3,049	391	1	279	167	454	4,341
Stock-based compensation ⁽³⁾	8,518	1,135	61	674	150	2,045	12,583
Acquisition-related costs ⁽⁴⁾	—	—	—	—	—	2,107	2,107
Adjusted EBITDA	\$ (3,301)	\$ (2,344)	\$ (175)	\$ (3,059)	\$ (180)	\$ (6,442)	\$ (15,501)

(1) Interest income includes \$0.4 million of interest income related to originated mortgage loans for the three months ended March 31, 2021.

(2) Interest expense includes \$0.4 million of interest expense related to our warehouse credit facilities for the three months ended March 31, 2021.

(3) Stock-based compensation consists of expenses related to stock options, restricted stock units, and our employee stock purchase program.

(4) Acquisition-related costs consist of fees for external advisory, legal, and other professional services incurred in connection with our acquisition of other companies.