RE/MAX Holdings, Inc.

First Quarter 2022 Earnings

April 29, 2022

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 2022; non-GAAP financial measures; housing and mortgage market conditions; growth catalysts and opportunities; Motto Mortgage revenue opportunities and the potential number of Motto offices; 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, without limitation, (1) the global COVID-19 pandemic, which continues to pose significant and widespread risks and ongoing uncertainty for the Company's business, including the Company's agents, loan originators, franchisees and employees, as well as home buyers and sellers, (2) changes in the real estate market or interest rates and availability of financing, (3) changes in business and economic activity in general, (4) the Company's ability to attract and retain quality franchisees, (5) the Company's franchisees' ability to recruit and retain real estate agents and mortgage loan originators, (6) changes in laws and regulations, (7) the Company's ability to enhance, market, and protect its brands, including the RE/MAX and Motto Mortgage brands, (8) the Company's ability to implement its technology initiatives, (9) risks related to the Company's CEO transition, (10) fluctuations in foreign currency exchange rates, and (11) 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.remaxholdings.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.

Q1 2022 Highlights

Revenue, Adjusted EBITDA both up more than 20%; organic revenue growth of 10.5%

Q1 2022 Operating Highlights

- Total agent count grew 2,191 agents, or 1.6%, YoY to a record 142,405 agents
- Agent count in the U.S. and Canada combined increased 0.5%
- Motto open offices increased 27.3% YoY to 191 offices[1]
- Motto annual franchise sales pace re-accelerated to over 70 sales on a TTM basis

Comparisons represent Q1 2022 versus Q1 2021 unless otherwise noted

Q1 2022 Financial Highlights

- Revenue of $91.0 million, up 25.9%
- Organic revenue growth[2] of 10.5%
- Adjusted EBITDA[3] of $27.9 million, up 20.5%
- Adjusted EBITDA Margin[3] of 30.7%
- Adjusted Diluted EPS[3] of $0.51, up 10.9%

Comparisons represent Q1 2022 versus Q1 2021 unless otherwise noted

[1] Total open Motto Mortgage franchises includes only "bricks and mortar" offices with a unique physical address with rights granted by a full franchise agreement with Motto Franchising, LLC and excludes any "virtual" offices or Branches[SM] offices.

[2] Organic revenue growth is for Revenue excluding the Marketing Funds, which is a non-GAAP measure of financial performance that differs from the U.S. Generally Accepted Accounting Principles. See the Appendix for the definition and reconciliation to the most directly comparable U.S. GAAP measure. The Company defines organic revenue growth as revenue growth from continuing operations excluding (i) Marketing Funds, (ii) revenue from acquisitions, and (iii) the impact of foreign-currency movements. The Company defines revenue from acquisitions as the revenue generated from the date of an acquisition to its first anniversary (excluding Marketing Funds revenue related to acquisitions where applicable).

[3] Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Basic and Diluted EPS 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.

MOTTO® MORTGAGE

By the numbers

$50 M

Annual revenue opportunity

Over 300

Motto franchises sold lifetime-to-date through March 31, 2022

Nearly 200

Open Motto offices as of March 31, 2022

Over 1,000

Motto offices we believe we can have open and operating in the U.S. over time

~ 80/20

Purchase/refi split of all loans originated by the Motto network in Q1 2022

RE/MAX® HOLDINGS, INC.

MOTTO® MORTGAGE

Prices Climb, Home Sales Decline Amid Tight Inventory and Rising Rates

RE/MAX National Housing Report based on March 2022 MLS Data

Closed Transactions

Year-over-year change

month-over-month
+32.2%
March 2022

SOLD
March 2022
-6.5%

SOLD
February 2022
-4.7%

SOLD
March 2021
15.0%

Months Supply

-25.0%
year-over-year

-27.1%
month-over-month

March 2022
1.0

February 2022
1.3

March 2021
1.3

Median Sales Price

Median of 51 metro median prices

+16.7%
year-over-year

+4.7%
month-over-month

$360,000
March 2022

$344,000
February 2022

$308,463
March 2021

Days on Market

Number of days from listing to signed contract

-8 days
from last year

-4 days
from last month

Mar 2022
31

Feb 2022
35

Mar 2021
39

Source: RE/MAX National Housing Report based on March 2022 MLS data. See About The RE/MAX National Housing Report in the Appendix for Description and Definitions.

2 TO 1

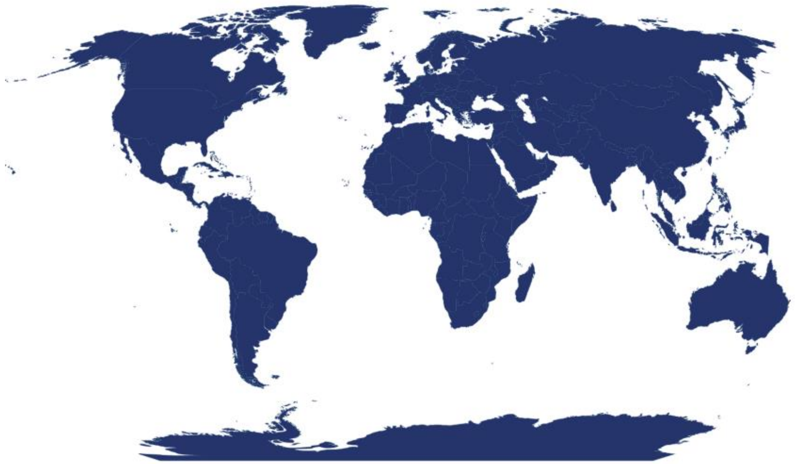
RE/MAX® agents average double the sales of other agents in the RealTrends 500 survey* of large brokerages.

RE/MAX

*Transaction sides per agent calculated by RE/MAX based on 2022 RealTrends 500 data, citing 2021 transaction sides for the 1,733 largest participating U.S. brokerages. RE/MAX average: 16.5. Competitors: 7.6 2022 RE/MAX, LLC. Each Office Independently Owned and Operated.

Agent Count Change Year-over-Year

March 31, 2022, over March 31, 2021

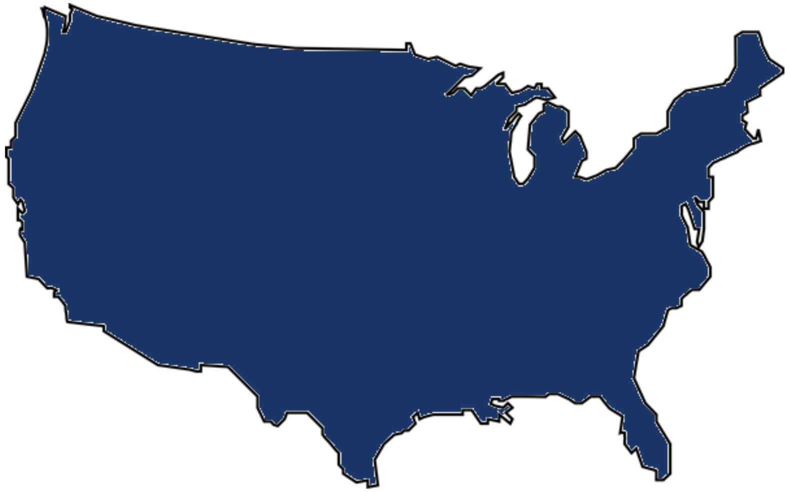


+3.3%
(+1,802 Agents)

Agents Outside U.S. & Canada

+8.6%
(+1,933 Agents)

Agents in Canada



-2.5%
(-1,544 Agents)

Agents in the U.S.

Total agent count grew 2,191 agents, or 1.6%, YoY to 142,405 agents

RE/MAX

Revenue

Total Revenue Growth of 25.9%, Organic Revenue Growth of 10.5%

Revenue ($M)	Three Months Ended March 31,			
	2022	2021	Increase/(Decrease) $	%
Continuing franchise fees	$33.5	$25.4	$8.1	32.0%
Annual dues	$8.9	$8.7	$0.2	2.9%
Broker fees	$15.1	$12.0	$3.1	26.2%
Marketing Funds fees	$22.9	$18.1	$4.7	25.9%
Franchise sales and other revenue	$10.6	$8.2	$2.5	30.6%
Total Revenue	$91.0	$72.3	$18.7	25.9%

For Q1 2022:

- Revenue excluding the Marketing Funds was $68.2 million in the first quarter of 2022, an increase of 25.9%, versus the same period in 2021. This increase was comprised of organic revenue growth of 10.5%, acquisitive revenue growth of 15.1% and revenue growth from foreign-currency movements of 0.3%. Organic growth increased primarily due to increased event-based revenue from attendance at our annual RE/MAX agent convention, increased broker fees due to rising home prices, incremental revenue from fewer agent recruiting initiatives, a price increase in RE/MAX continuing franchise fees, and Motto growth. Growth attributable to acquisitions was due to revenue from the RE/MAX INTEGRA North American regions acquisition.
- Recurring revenue[3] streams, which consist of continuing franchise fees and annual dues, increased $8.4 million, or 24.6%, compared to the first quarter of 2021 and accounted for 62.2% of revenue (excluding the Marketing Funds) in the first quarter of 2022 compared to 62.9% of revenue in the prior-year period.

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[1]Revenue excluding the Marketing Funds is a non-GAAP measure of financial performance that differs from the U.S. Generally Accepted Accounting Principles. See the Appendix for the definition and reconciliation to the most directly comparable U.S. GAAP measure.
[2]The Company defines organic revenue growth as revenue growth from continuing operations excluding (i) Marketing Funds, (ii) revenue from acquisitions, and (iii) the impact of foreign-currency movements. The Company defines revenue from acquisitions as the revenue generated from the date of an acquisition to its first anniversary (excluding Marketing Funds revenue related to acquisitions where applicable).
[3]Recurring revenue is comprised of Continuing franchise fees and Annual dues.

Selling, Operating and Administrative Expenses

Selling, Operating & Administrative Expenses ($M)	Three Months Ended March 31,			
	2022	2021	Increase/(Decrease) $	%
Personnel	$26.7	$28.3	($1.6)	(5.7%)
Professional fees	$4.8	$4.3	$0.5	12.6%
Lease costs	$2.3	$2.1	$0.2	11.8%
Other	$14.0	$9.0	$5.0	55.5%
Total	$47.8	$43.7	$4.2	9.5%

For Q1 2022:

- Selling, operating and administrative expenses, excluding the Marketing Funds, represented 70.2% of revenue, compared to 80.7% in the prior-year period.
- First quarter 2022 selling, operating and administrative expenses increased primarily due to higher travel and events expenses largely from our annual RE/MAX agent convention, an increase in acquisition-related expenses, and higher personnel costs from headcount increases and the reinstatement of the full 401(k) match, partially offset by lower equity-based compensation expense. In the first quarter of 2021, we incurred $5.5 million of equity-based compensation expense due to the one-time acceleration of certain equity awards.

RE/MAX HOLDINGS, INC.

Looking Ahead – Q2 2022 and FY 2022 Outlook

Growing our Business, our Brands, and our Networks

Q2 2022 Outlook[1]

For the second quarter of 2022, RE/MAX Holdings expects:

- Agent count to increase 2.0% to 3.0% over second quarter of 2021;
- Revenue in a range of $91.0 million to $94.0 million (including revenue from the Marketing Funds in a range of $22.0 million to $24.0 million); and
- Adjusted EBITDA[2] in a range of $32.5 million to $35.0 million.

Full-Year 2022 Outlook[1]

For the Full-Year 2022, RE/MAX Holdings expects:

- Agent count to increase 2.0% to 4.0% over full-year 2021;
- Revenue in a range of $366.0 million to $376.0 million (including revenue from the Marketing Funds in a range of $91.5 million to $95.5 million); and
- Adjusted EBITDA[2] in a range of $130.0 million to $135.0 million.

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[1]The Company's second quarter and full-year 2022 Outlook assumes no further currency movements, acquisitions or divestitures.
[2]Adjusted 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.

RE/MAX Holdings, Inc.

A Leading Dual-Brand Franchisor with Compelling Growth Opportunities

- #1 Name in Real Estate[1] (US/Canada) and Unmatched Global Footprint[2]
- Highly Productive Network of More Than 140,000 Agents
- Agent-Centric Model is Different and Better

- Rapidly Expanding Network of Offices with Almost $3.5 Billion in 2021 Annual Loan Volume
- First and Only National Mortgage Brokerage Franchise in U.S.
- Among the Fastest Growing-Franchises[3] and a Top New Franchise Brand[4]

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

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[1]Source: MMR Strategy Group Study of unaided brand awareness
[2]RE/MAX has a presence in more than 110 countries and territories
[3]Source: Entrepreneur Magazine based on the net number of franchise units added worldwide between July 2020 to July 2021 as reflected in a its review of unit lists and Franchise Disclosure Documents of 1,116 participating franchises across all industries
[4]Source: 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)

THANK YOU

RE/MAX®

HOLDINGS, INC.

About The RE/MAX National Housing Report

Description

The RE/MAX National Housing Report is distributed each month on or about the 15th. The first Report was distributed in August 2008. The Report is based on MLS data in approximately 51 metropolitan areas, includes all residential property types, and is not annualized. For maximum representation, many of the largest metro areas in the country are represented, and an attempt is made to include at least one metro from each state. Metro area definitions include the specific counties established by the U.S. Government's Office of Management and Budget, with some exceptions.

Definitions

Transactions are the total number of closed residential transactions during the given month. Months Supply of Inventory is the total number of residential properties listed for sale at the end of the month (current inventory) divided by the number of sales contracts signed (pended) during the month. Where "pended" data is unavailable, this calculation is made using closed transactions. Days on Market is the number of days that pass from the time a property is listed until the property goes under contract for all residential properties sold during the month. Median Sales Price is the median of the median sales prices in each of the metro areas included in the survey.

MLS data is provided by contracted data aggregators, RE/MAX brokerages and regional offices. While MLS data is believed to be accurate, it cannot be guaranteed. MLS data is constantly being updated, making any analysis a snapshot at a particular time. Every month the RE/MAX National Housing Report re-calculates the previous period's data to ensure accuracy over time. All raw data remains the intellectual property of each local MLS organization.

RE/MAX® HOLDINGS, INC.

2022 ★ USA

RE/MAX (vs.) THE INDUSTRY

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

NATIONAL, FULL-SERVICE BROKERAGE BRANDS

	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	**16.1**	**988,480**	**34.0%**	**110+**	**8,964**	**141,998**
Realty Executives	12.1	78,177	0.1%	4	500	8,000
ERA	8.6	113,862	2.1%	33	2,200	36,000
COMPASS	8.6	225,272	1.2%	1	435	26,257
Sotheby's	8.0	173,107	2.3%	79	1,000	25,000
CB	8.0	753,355	16.3%	41	2,200	100,000
REDFIN	7.9	76,680	7.0%	2	NA	9,700
BERKSHIRE HATHAWAY	7.7	386,073	6.0%	7	1,500	50,000
CENTURY 21	7.6	377,898	25.3%	85	14,250	144,700
kw KELLERWILLIAMS.	7.5	1,275,365	12.7%	53	1,100	188,121
Better Homes	7.1	88,980	1.7%	5	390	12,500
ONE REALTY ONE GROUP	6.9	119,982	0.3%	6	400	17,000
eXp REALTY	6.2	444,367	0.9%	21	NA	75,000
HomeSmart	4.1	93,600	0.5%	1	200	25,000

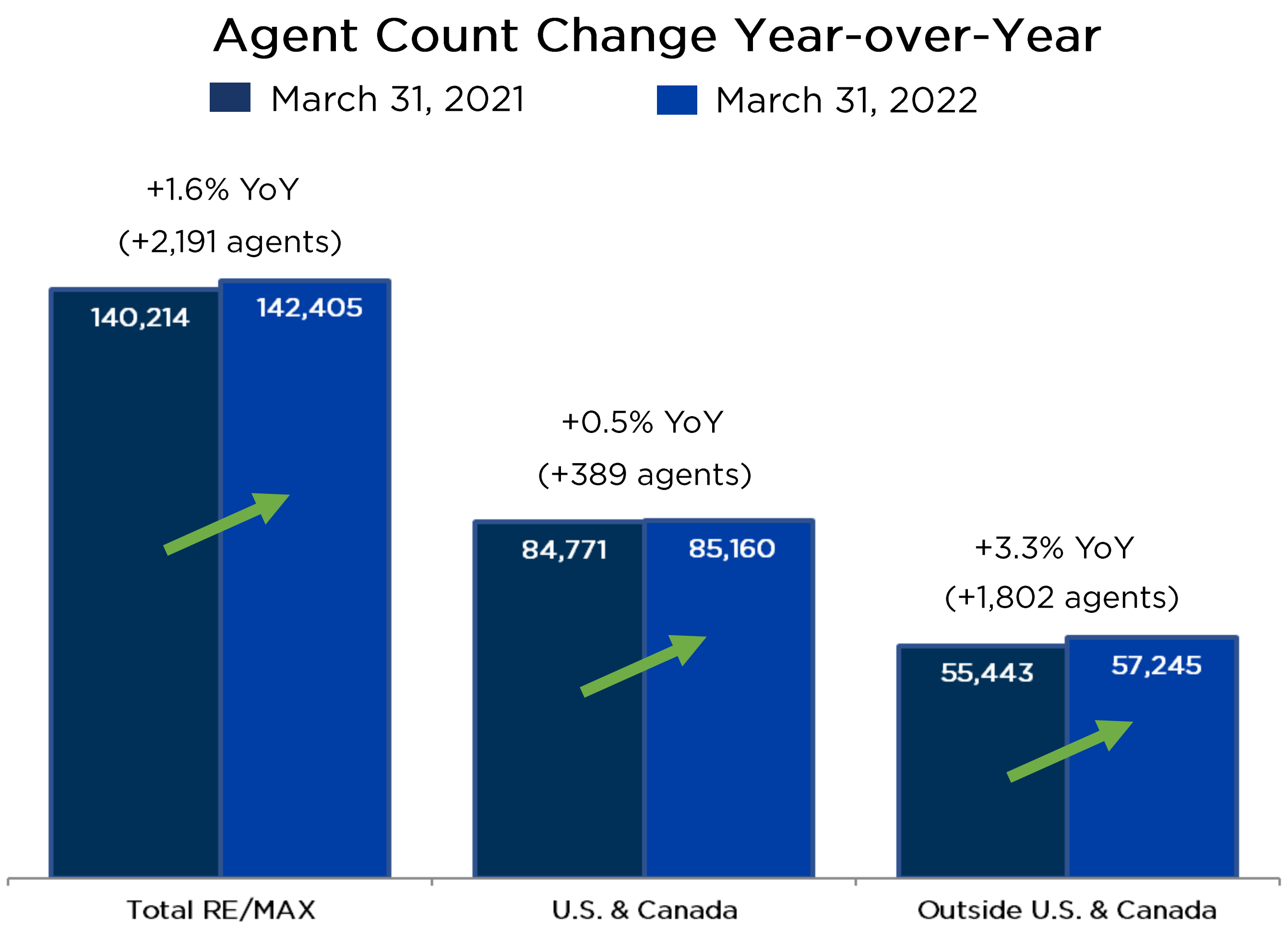
RE/MAX Leads National Full-Service Brokerage Brands and Franchises in Agent Productivity

RE/MAX

*Data is full-year or as year-end 2021, as applicable. 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 2021; data for all other competitors is from company websites and industry reports.
[1]U.S. transaction sides per agent are calculated from the T3 Sixty Real Estate Almanac Enterprises report. It also cites 2021 transaction sides and agent counts, some of which are estimated by T3 Sixty.
[2]RE/MAX and Keller Williams transactions totals are residential only, as reported to T3 Sixty. T3 Sixty transactions data for other brands may include commercial when they comprise less than 3% of the total sales volume.
[3]MMR 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?

Growing Our Global Network

Year-over-Year Agent Count Growth of 1.6%

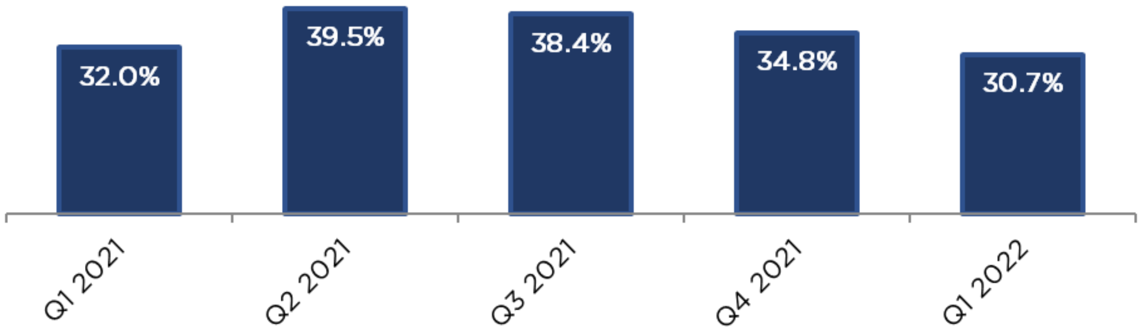


Adjusted EBITDA[1]

20.5% increase YoY driven primarily by RE/MAX INTEGRA acquisition

Adjusted EBITDA[1] ($M)

Adjusted EBITDA Margin[1]



For Q1 2022:

- First quarter 2022 Adjusted EBITDA increased primarily due to contributions from the acquisition of RE/MAX INTEGRA's North American regions. Adjusted EBITDA also increased due to higher broker fees caused by rising home prices, incremental revenue from fewer agent recruiting initiatives, and a price increase in RE/MAX continuing franchise fees.
- Adjusted EBITDA margin[1] was 30.7% in the first quarter of 2022, down compared to 32.0% in the first quarter of 2021.

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[1]Adjusted 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.

Strong Balance Sheet Bolsters Ability to Reinvest and Return Capital to Shareholders

Balance Sheet & Leverage

- Cash balance of $118.5 million on March 31, 2022, down $7.8 million from December 31, 2021
- $451.1 million in outstanding debt[1] and no revolving loans outstanding
- Total Debt / Adjusted EBITDA[2] of 3.6x[3]
- Net Debt / Adjusted EBITDA[2] of 2.7x[4]

Dividend

- On April 27, 2022, the Company announced that its Board of Directors approved a quarterly cash dividend of $0.23 per share of Class A common stock. The quarterly dividend is payable on May 25, 2022, to shareholders of record at the close of business on May 11, 2022.

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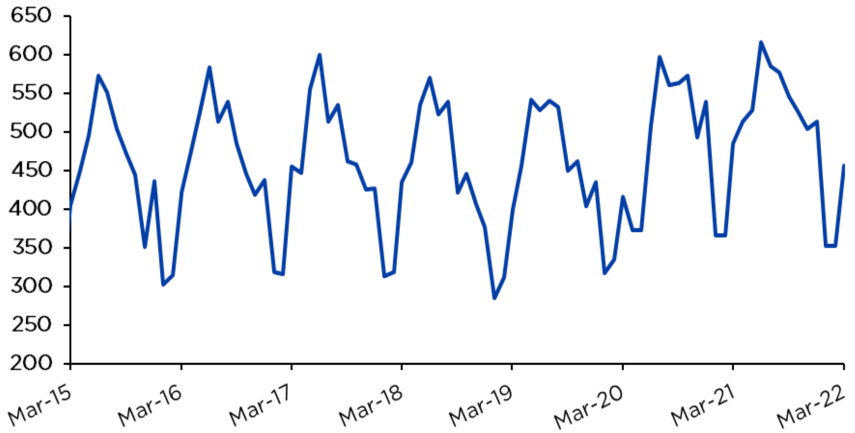
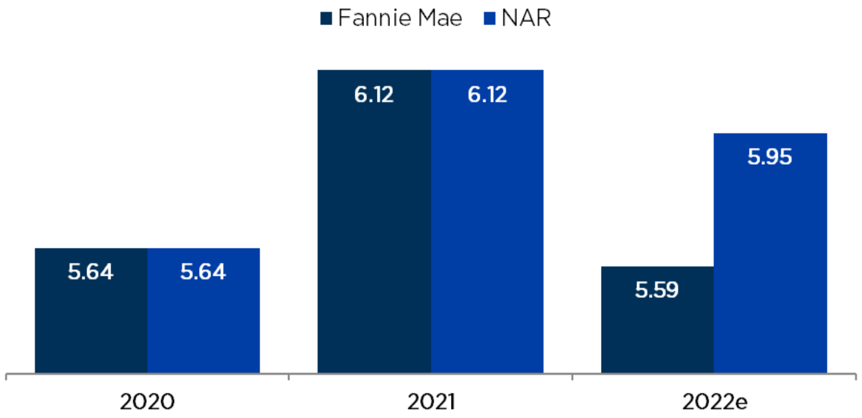
[1]Net of unamortized debt discount and debt issuance costs
[2]Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP numbers and exclude all adjustments attributable to the non-controlling interest. See the Appendix for definitions and reconciliations of non-GAAP measures.
[3]Based on twelve months ended March 31, 2022, Adjusted EBITDA of $124.4M and total debt of $451.1M, net of unamortized debt discount and debt issuance costs
[4]Based on twelve months ended March 31, 2022, Adjusted EBITDA of $124.4M and net debt of $332.6M, net of unamortized debt discount, debt issuance costs and unrestricted cash balance on March 31, 2022

Industry Forecasts

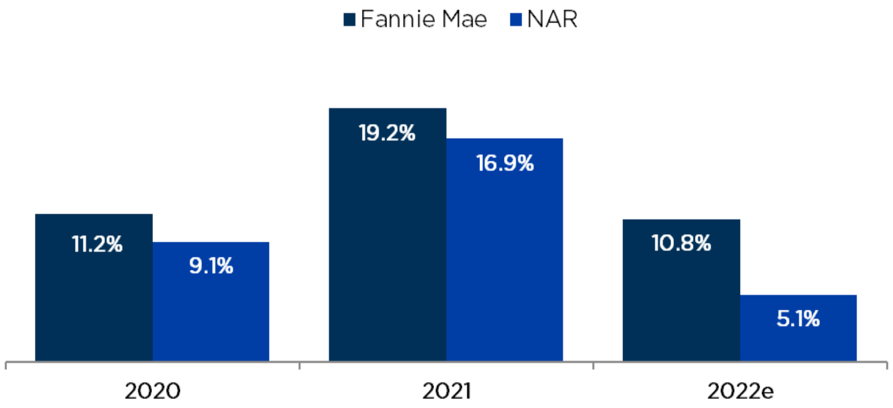
Monthly Existing Home Sales[1] (Thousands)



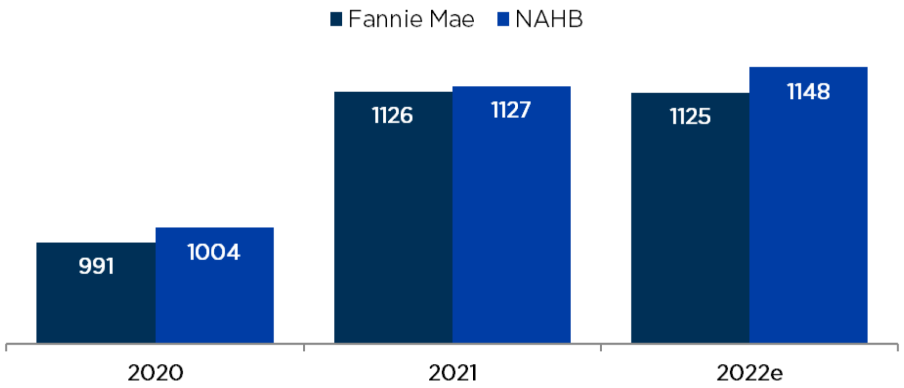
Annual Existing Home Sales[2,3] (Millions)



Home Price Appreciation[2,3] (YoY)



Housing Starts - Single Family[3,4] (Thousands)



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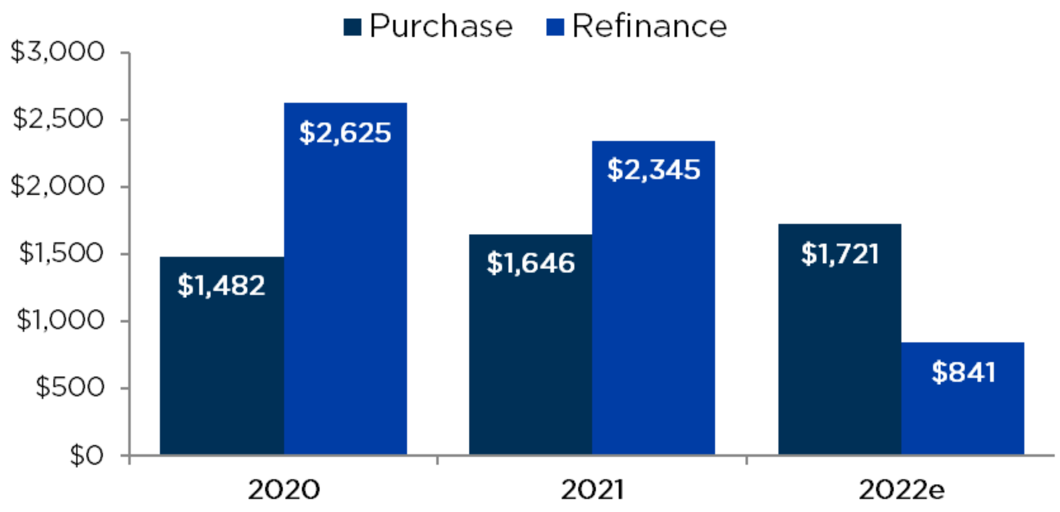
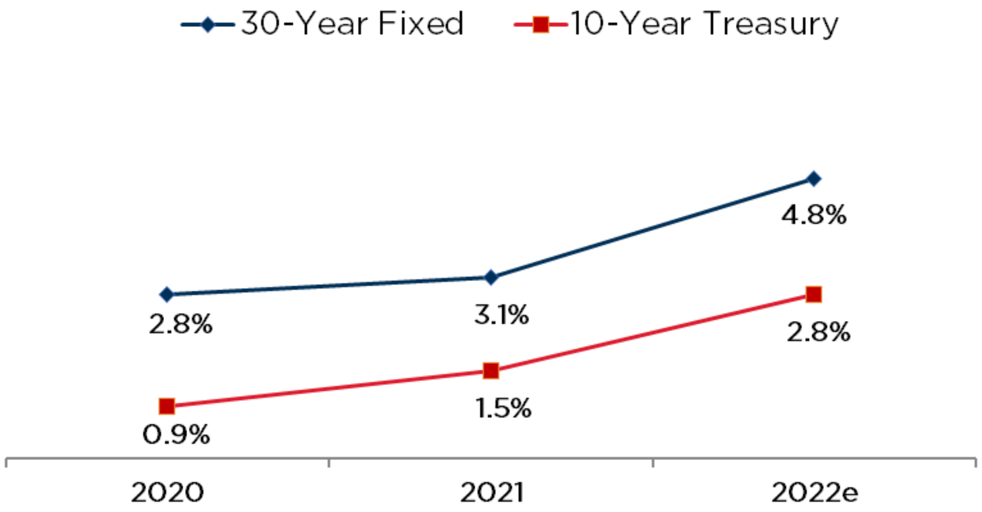
[1]Source: NAR (National Association of Realtors) – Existing Home Sales, numbers presented are not seasonally adjusted; March 2015 through March 2022
[2]Source: NAR (National Association of Realtors) – U.S. Economic Outlook, February 2022
[3]Source: Fannie Mae – Economic and Strategic Research – Housing Forecast, April 2022
[4]Source: NAHB (National Association of Home Builders) – Housing and Interest Rate Forecast April 2022

Mortgage Finance Forecasts
Purchase Originations Expected to Grow Slightly, Rates to Increase

Loan Originations[1] ($'s in billions)



Mortgage & Interest Rates[1]



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[1]Source: Mortgage Bankers Association – MBA Mortgage Finance Forecast April 2022

RE/MAX Holdings, Inc.
Agent Count and Revenue Excluding Marketing Funds

	As of							
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Agent Count:								
U.S.								
Company-Owned Regions	53,338	53,946	54,578	48,025	48,041	48,212	48,263	47,886
Independent Regions	7,379	7,381	7,429	14,403	14,220	14,091	14,041	13,791
U.S. Total	**60,717**	**61,327**	**62,007**	**62,428**	**62,261**	**62,303**	**62,304**	**61,677**
Canada								
Company-Owned Regions	19,751	19,596	19,207	6,387	6,262	6,182	6,135	6,102
Independent Regions	4,692	4,548	4,442	16,679	16,248	15,765	15,363	15,193
Canada Total	**24,443**	**24,144**	**23,649**	**23,066**	**22,510**	**21,947**	**21,498**	**21,295**
U.S. and Canada Total	**85,160**	**85,471**	**85,656**	**85,494**	**84,771**	**84,250**	**83,802**	**82,972**
Outside U.S. and Canada								
Independent Regions	57,245	56,527	55,280	54,707	55,443	53,542	50,967	48,933
Outside U.S. and Canada Total	**57,245**	**56,527**	**55,280**	**54,707**	**55,443**	**53,542**	**50,967**	**48,933**
Total	**142,405**	**141,998**	**140,936**	**140,201**	**140,214**	**137,792**	**134,769**	**131,905**
Net change in agent count compared to the prior period	**407**	**1,062**	**735**	**(13)**	**2,422**	**3,023**	**2,864**	**89**

	Three Months Ended March 31,	
	2022	2021
Revenue excluding the Marketing Funds:		
Total revenue	$ 91,004	$ 72,295
Less: Marketing Funds fees	22,851	18,145
Revenue excluding the Marketing Funds (1)	$ 68,153	$ 54,150

(1) Non-GAAP measure. See the end of this press release for definitions of non-GAAP measures.

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, 2022	Three Months Ended March 31, 2021
Net income (loss)	$ 2,945	$ 1,763
Depreciation and amortization	8,985	6,808
Interest expense	3,651	2,098
Interest income	(19)	(163)
Provision for income taxes	1,205	(52)
EBITDA	16,767	10,454
Impairment charge - leased assets (1)	3,735	—
Equity-based compensation expense	5,637	12,054
Acquisition-related expense (2)	1,257	943
Fair value adjustments to contingent consideration (3)	285	(280)
Other	236	(11)
Adjusted EBITDA (4)	$ 27,917	$ 23,160
Adjusted EBITDA Margin (4)	30.7 %	32.0 %

Footnote:

(1) Represents the impairment recognized on a portion of our corporate headquarters office building.

(2) Acquisition-related expense includes personnel, legal, accounting, advisory and consulting fees incurred in connection with acquisition activities and integration of acquired companies.

(3) Fair value adjustments to contingent consideration include amounts recognized for changes in the estimated fair value of the contingent consideration liabilities.

(4) Non-GAAP measure. See the end of this press release for definitions of non-GAAP measures.

RE/MAX HOLDINGS, INC.

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, 2022	2021
Net income (loss)	$ 2,945	$ 1,763
Amortization of acquired intangible assets	6,169	4,726
Provision for income taxes	1,205	(52)
Add-backs:		
Impairment charge - leased assets [(1)]	3,735	—
Equity-based compensation expense	5,637	12,054
Acquisition-related expense [(2)]	1,257	943
Fair value adjustments to contingent consideration [(3)]	285	(280)
Other	236	(11)
Adjusted pre-tax net income	21,469	19,143
Less: Provision for income taxes at 25% and 24%, respectively [(4)]	(5,367)	(4,594)
Adjusted net income [(5)]	$ 16,102	$ 14,549
Total basic pro forma shares outstanding	31,494,024	31,056,132
Total diluted pro forma shares outstanding	31,771,203	31,426,327
Adjusted net income basic earnings per share [(5)]	$ 0.51	$ 0.47
Adjusted net income diluted earnings per share [(5)]	$ 0.51	$ 0.46

Footnote:

(1) Represents the impairment recognized on a portion of our corporate headquarters office building.

(2) Acquisition-related expense includes personnel, legal, accounting, advisory and consulting fees incurred in connection with acquisition activities and integration of acquired companies.

(3) Fair value adjustments to contingent consideration include amounts recognized for changes in the estimated fair value of the contingent consideration liabilities.

(4) The long-term tax rate assumes the exchange of all outstanding non-controlling interest partnership units for Class A Common Stock that (a) removes the impact of unusual, non-recurring tax matters, and (b) does not estimate the residual impacts to foreign taxes of additional step-ups in tax basis from an exchange because that is dependent on stock prices at the time of such exchange and the calculation is impracticable, and (c) increased to 25% due to the acquisition of INTEGRA in 2021..

(5) Non-GAAP measure. See the end of this presentation for definitions of non-GAAP measures.

RE/MAX Holdings, Inc.
Adjusted Free Cash Flow & Unencumbered Cash Generation

$ in 000's	Three Months Ended March 31, 2022	2021
Cash flow from operations	$ 16,502	$ 20,832
Less: Purchases of property, equipment and capitalization of software	(3,723)	(4,381)
(Increases) decreases in restricted cash of the Marketing Funds [1]	(4,760)	(1,628)
Adjusted free cash flow [2]	8,019	14,823
Adjusted free cash flow [2]	8,019	14,823
Less: Tax/Other non-dividend distributions to RIHI	(5)	—
Adjusted free cash flow after tax/non-dividend distributions to RIHI [2]	8,014	14,823
Adjusted free cash flow after tax/non-dividend distributions to RIHI [2]	8,014	14,823
Less: Debt principal payments	(1,150)	(660)
Unencumbered cash generated [2]	$ 6,864	$ 14,163
Summary		
Cash flow from operations	$ 16,502	$ 20,832
Adjusted free cash flow [2]	$ 8,019	$ 14,823
Adjusted free cash flow after tax/non-dividend distributions to RIHI [2]	$ 8,014	$ 14,823
Unencumbered cash generated [2]	$ 6,864	$ 14,163
Adjusted EBITDA [2]	$ 27,917	$ 23,160
Adjusted free cash flow as % of Adjusted EBITDA [2]	28.7%	64.0%
Adjusted free cash flow less distributions to RIHI as % of Adjusted EBITDA [2]	28.7%	64.0%
Unencumbered cash generated as % of Adjusted EBITDA [2]	24.6%	61.2%

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 adjusted free cash flow.

(2) Non-GAAP measure. See the end of this presentation for definitions of non-GAAP measures.

RE/MAX HOLDINGS, INC.

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.

Revenue excluding the Marketing Funds is calculated directly from our consolidated financial statements as Total revenue less Marketing Funds fees.

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, settlement or impairment charges, 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.

Adjusted 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 adjusted free cash flow is removed. The Company believes adjusted 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.

Adjusted free cash flow after tax and non-dividend distributions to RIHI is calculated as adjusted 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, adjusted 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 adjusted 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.

RE/MAX® HOLDINGS, INC.