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# INVESTOR PRESENTATION

## Q2 2024



# FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and other "forward-looking statements". Words such as: "drive", "engage", "generation", "giving", "may", "nurturing", "offering", "service", "to", "will", and other expressions that are predictions of or could indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those indicated in the forward-looking statements include, but are not limited to: any resurgence of COVID-19 (including any impact of COVID-19 on the economy and the Company's business), changes in the supply or demand of houses for sale in Canada or in any particular region within Canada, changes in the selling price for houses in Canada or any particular region within Canada, changes in the Company's cash flow, changes in the Company's strategy with respect to and/or ability to pay dividends, changes in the productivity of the Company's REALTORS® or the commissions they charge their customers, changes in government policy, laws or regulations which could reasonably affect the housing markets in Canada or the economy in general, changes to any products or services developed or offered by the Company, consumer response to any changes in the housing markets in Canada or any changes in government policy, laws or regulations, changes in general economic conditions (including interest rates, consumer confidence and other general economic factors or indicators), changes in global and regional economic growth, changes in the demand for and prices of natural resources on local and international markets, the level of residential real estate transactions, competition from other real estate brokers or from discount and/or Internet-based real estate alternatives, the closing of existing real estate brokerage offices, other developments in the residential real estate brokerage industry or the Company that reduce the number of REALTORS® in the Company's network or revenue from the Company's network of REALTORS®, our ability to maintain brand equity through the use of trademarks, the methods used by shareholders or analysts to evaluate the value of the Company and its publicly-traded securities, changes in tax laws or regulations, and other risks detailed in the Company's annual information form, which is filed with securities commissions and posted on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Forward-looking information is based on various material factors or assumptions, which are based on information currently available to management. Material factors or assumptions that were applied in drawing conclusions or making estimates set out in the forward-looking statements include, but are not limited to: anticipated economic conditions, anticipated impact of government policies, anticipated financial performance, anticipated market conditions, business prospects, the successful execution of the Company's business strategies and recent regulatory developments, including as the foregoing relate to COVID-19. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking statements contained in this presentation are based upon what management believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This document should be read in conjunction with the Company's [Q2 2024 financial statement and MD&A](#).

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# ● Q2 2024 FINANCIAL HIGHLIGHTS

- Revenue in the second quarter amounted to \$110.1 million, compared to the \$12.8 million generated in 2023, due to the inclusion of gross commission income and other revenues of the acquired businesses, franchise fee increases implemented at the start of 2024, and improving market conditions.
- The Company generated net earnings of \$0.17 per fully diluted share, compared to net earnings of \$0.12 per diluted share in 2023, primarily due to earnings from the businesses acquired from Brookfield.
- Cash provided by operating activities amounted to \$10.5 million in Q2 2024, compared to \$3.7 million in 2023. The increase of \$6.8 million includes approximately \$4.8 million that will ultimately be paid to sales representatives, positive cash flow from the acquired businesses, and lower overall working capital balances, partly offset by higher interest costs.
- The Board of Directors approved a dividend to shareholders of \$0.1125 per Restricted Voting Share payable on September 30, 2024, to shareholders of record on August 30, 2024.

# COMPANY FINANCIAL HIGHLIGHTS

Unaudited in \$000's (except per share amounts, which are calculated on a fully diluted basis)

|                                       | Q2 2024<br>For three months ended<br>June 30 | Q2 2023<br>For three months ended<br>June 30 | Q2 2024<br>For six months ended<br>June 30 | Q2 2023<br>For six months ended<br>June 30 |
|---------------------------------------|----------------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------|
| Total revenue                         | \$110,091                                    | \$12,841                                     | \$121,955                                  | \$24,832                                   |
| Net earnings (loss)                   | \$10,580                                     | \$1,139                                      | \$8,613                                    | (\$3,566)                                  |
| Cash provided by operating activities | \$10,549                                     | \$3,673                                      | \$12,624                                   | \$6,893                                    |
| Dividends                             | \$3,201                                      | \$3,201                                      | \$6,402                                    | \$6,402                                    |
| Diluted earnings (loss) per share     | \$0.17                                       | \$0.12                                       | \$0.34                                     | (\$0.38)                                   |
| Dividends per share                   | \$0.34                                       | \$0.34                                       | \$0.68                                     | \$0.68                                     |

# COMPANY OPERATING RESULTS

Unaudited in \$000's

|                        | Three months ended<br>June 30, 2024 | Three months ended<br>June 30, 2023 | Six months ended<br>June 30, 2024 | Six months ended<br>June 30, 2023 |
|------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| <b>Segment Revenue</b> |                                     |                                     |                                   |                                   |
| Brokerage Operations   | \$ 95,787                           | \$ -                                | \$ 95,787                         | \$ -                              |
| Franchise Operations   | 15,407                              | 12,841                              | 27,271                            | 24,832                            |
| Eliminations           | (1,103)                             | -                                   | (1,103)                           | -                                 |
| <b>Total Revenue</b>   | <b>\$ 110,091</b>                   | <b>\$ 12,841</b>                    | <b>\$ 121,955</b>                 | <b>\$ 24,832</b>                  |
| <b>Segment EBITDA</b>  |                                     |                                     |                                   |                                   |
| Brokerage Operations   | \$ 2,008                            | \$ -                                | \$ 2,008                          | \$ -                              |
| Franchise Operations   | 7,730                               | 6,660                               | 13,590                            | 13,206                            |
| Unallocated EBITDA     | (900)                               | -                                   | (900)                             | -                                 |
| <b>Total Revenue</b>   | <b>\$ 8,838</b>                     | <b>\$ 6,660</b>                     | <b>\$ 14,698</b>                  | <b>\$ 13,206</b>                  |

# COMPANY OPERATING RESULTS

Unaudited in \$000's

| As at,                | June 30, 2024     | December 31, 2023 |
|-----------------------|-------------------|-------------------|
| <b>Segment Assets</b> |                   |                   |
| Brokerage Operations  | \$ 114,658        | \$ -              |
| Franchise Operations  | 80,188            | 64,892            |
| <b>Total Assets</b>   | <b>\$ 194,846</b> | <b>\$ 64,892</b>  |

| As at,                                | June 30, 2024 | December 31, 2023 |
|---------------------------------------|---------------|-------------------|
| REALTORS® at company-owned brokerages | 2,751         | N/A               |
| REALTORS® in the franchise network    | 20,570*       | 20,529            |

\*includes 2,055 at company-owned brokerages

# COMPANY OPERATIONAL HIGHLIGHTS

- During the second quarter, the Company continued to drive adoption of the best-in-class, fully-customized and Canadianized, AI-driven digital ecosystem, rlpSPHERE™, offering robust lead generation and nurturing opportunities to members of the national Royal LePage® network.
- We unveiled a new insurance referral partnership for members of the Proprio Direct® brand, offering a suite of comprehensive financial protection products and giving our team of real estate professionals a competitive edge by offering better value to their clients in the province of Quebec.
- In the first six months of 2024, Via Capitale® franchise agents listed 8.5 properties on average, more than twice as many listings as the average REALTOR® in the province of Quebec.
- We continued to prioritize the expansion of more efficient and modern marketing tactics for members of the GTA-based Johnston & Daniel® luxury real estate brand, using advanced AI tools and technology to engage and service a wider audience of luxury homebuyers and sellers.

# THE MARKET: Q2 2024 OVER Q2 2023



CANADA



GREATER VANCOUVER



GREATER TORONTO



PROVINCE OF QUEBEC

Average Price

**-3%**

**+3%**

**-1%**

**+6%**

Unit Sales

**-2%**

**-13%**

**-15%**

**+11%**



## ● ● APPENDIX

## EBITDA reconciled to Net Earnings

The Company evaluates the results of its operating segments using EBITDA, among other measures. EBITDA is defined as net earnings (loss) and total comprehensive earnings (loss) before deducting income tax expense, interest expense, loss on impairment, loss on fair value of Exchangeable Units and depreciation and amortization and before any gains on the fair value of Exchangeable Units or on the settlement of liabilities. The Company uses EBITDA to evaluate its segment operating results because it believes that it is a useful supplemental measure of performance as it provides an indication of the amount of cash earnings generated by those segments which is available to the Company to meet its investing, financing and other operating cash requirements. The Company's determination and presentation of EBITDA may not be comparable to similar measures used by other companies.

|                                                      | Three months ended<br>June 30, 2024 | Three months ended<br>June 30, 2023 | Six months ended<br>June 30, 2024 | Six months ended<br>June 30, 2023 |
|------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Net earnings (loss) and total comprehensive earnings | \$ 10,580                           | \$ 1,139                            | \$ 8,613                          | \$ (3,566)                        |
| Income tax expense (recovery)                        | 1,100                               | (853)                               | 1,599                             | (1,576)                           |
| Earnings (loss) before income taxes                  | 11,680                              | 1,992                               | 10,212                            | (1,990)                           |
| Add: Interest expense                                | 1,534                               | 740                                 | 2,824                             | 1,483                             |
| Impairment and write-off and of intangible assets    | 169                                 | 91                                  | 1,721                             | 193                               |
| Depreciation and amortization                        | 3,352                               | 1,734                               | 5,047                             | 3,475                             |
| Interest on Exchangeable Units                       | 2,725                               | 1,452                               | 4,177                             | 2,904                             |
| Gain (loss) on fair value of Exchangeable Units      | (10,622)                            | 499                                 | (7,960)                           | 6,489                             |
| Gain (loss) on interest rate swap                    | -                                   | 152                                 | -                                 | 530                               |
| Loss on debt facility amendment                      | -                                   | -                                   | -                                 | 122                               |
| Gain on settlement of deferred payments              | -                                   | -                                   | (1,224)                           | -                                 |
| Gain on settlement of contract transfer obligation   | -                                   | -                                   | (99)                              | -                                 |
| <b>EBITDA</b>                                        | <b>\$ 8,838</b>                     | <b>\$ 6,660</b>                     | <b>\$ 14,698</b>                  | <b>\$ 13,206</b>                  |

The table above reconciles net and comprehensive earnings (loss) as presented in the statement of net and comprehensive earnings (loss) to EBITDA used by management to evaluate the business segments of the Company.