



# Investor Presentation

November 2021



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Please see the appendix to this document for a reconciliation of GAAP net income to non-GAAP Adjusted EBITDA.

# Agenda

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# INTRODUCTION

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# Introduction to the Douglas Elliman Management Team



**Howard Lorber**  
Chairman, President and  
Chief Executive Officer



**Richard Lampen**  
Director, Executive Vice  
President and Chief  
Operating Officer



**Scott Durkin**  
President and Chief  
Executive Officer,  
Douglas Elliman



**Bryant Kirkland**  
Senior Vice President,  
Treasurer and Chief  
Financial Officer



**Marc Bell**  
Senior Vice President,  
Secretary and General  
Counsel



**David Ballard**  
Senior Vice President,  
Enterprise Efficiency and  
Chief Technology Officer



**Daniel Sachar**  
Vice President of  
Innovation and Managing  
Director of New Valley  
Ventures LLC



**Stephen Larkin**  
Vice President of  
Communications



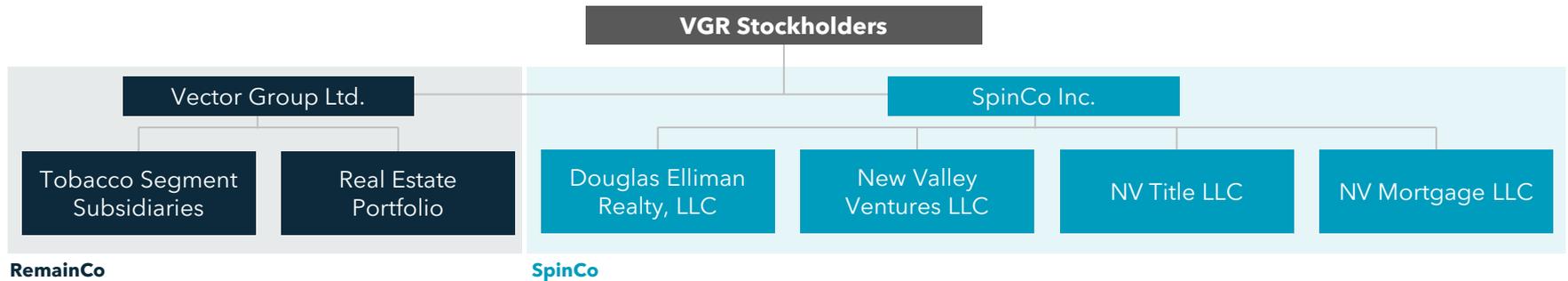
**Karen Chesleigh**  
Vice President of  
Human Resources

**Experienced and skilled team with committed Board of Directors will enable a successful transaction and further development of Douglas Elliman**

# Transaction Summary

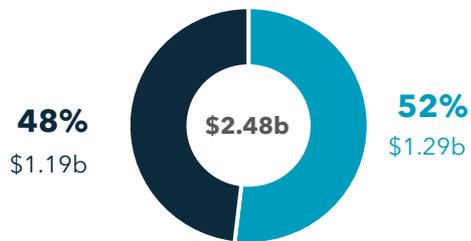
## Pro Forma Transaction Structure

- Planned as tax-free spin-off of Douglas Elliman to Vector Group Ltd. ("Vector" or "VGR") stockholders



## Financial Highlights

### Revenue



### Adjusted EBITDA



## Spin-off Rationale

- Business-appropriate capital structures and capital policies
- Directly and more efficiently access capital markets, while also widening the potential investor base for Douglas Elliman
- Enhance ability to attract and retain key employees and agent talent
- Ability to use pure-play stock for M&A
- Unlock value of Douglas Elliman business through separation from tobacco business

# Distribution & Governance

<b>Ticker</b>	NYSE: DOUG
<b>Post Spin-off Shares Outstanding</b>	Approximately 77.6 million, based on Vector outstanding common stock on September 30, 2021
<b>Distribution Ratio</b>	1 share of SpinCo for every 2 shares of Vector
<b>Expected Annual Dividend</b>	\$0.20 per share of SpinCo common stock (\$0.05 paid quarterly), subject to Board approval
<b>Board Composition</b>	Howard Lorber, Richard Lampen, Ronald Kramer, Michael Liebowitz, Lynn Mestel, Wilson White, Mark Zeitchick
<b>Distribution and Ancillary Agreements</b>	Allocation of assets, liabilities and obligations, transfer pricing, ongoing commercial relationships, other tax and employment matters
<b>Advisors</b>	Jefferies LLC Sullivan & Cromwell LLP

# Douglas Elliman at a Glance

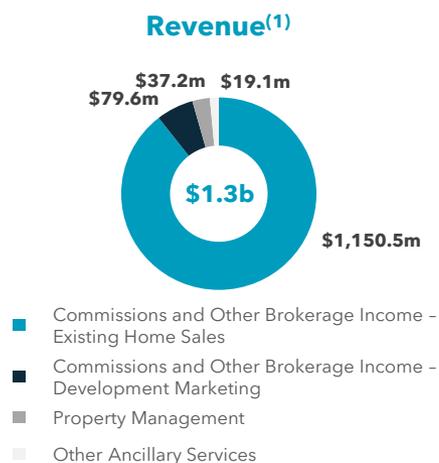
## Business Overview

- Founded in 1911 as a pioneer in the real estate industry that has continued to challenge the status quo through innovation and high-quality service provided by best-in-class real estate agents
- Leading brand associated with service, luxury and forward thinking operating in markets that are primarily densely populated international finance and technology hubs offering housing inventory at premium price points
- Core residential real estate brokerage and new development sales and marketing (“DEDM”) services complemented with ancillary services including property management, title and escrow services
- Comprehensive suite of technology-enabled real estate solutions that bring efficiency, market intelligence and competitive advantage to our agents while supporting agent recruitment, retention and productivity
- Technology powered by leading providers and our investments in innovative PropTech companies keeps our agents on the cutting edge with solutions that can be quickly integrated into our infrastructure, while also allowing us to remain asset-light
- Strong market share gains and top-line growth along with recent cost savings have driven a step-function increase in profitability
- Well-positioned to capitalize on attractive opportunities in the large and growing U.S. residential real estate market

## By the Numbers<sup>(1)</sup>

<b>Total Agents</b>	~6,600
<b>Principal Agents<sup>(2)</sup></b>	5,246
<b>Gross Transaction Value</b>	\$47.7 billion
<b>Revenue</b>	\$1.29 billion
<b>Adj. EBITDA</b>	\$106.1 million

## Business Mix and Growth



## Gross Transaction Volume (\$ billions)



1) Figures are as of and for the LTM period ended 9/30/2021.

2) Principal agents are defined as agents who are either leaders of their respective agent teams or individual agents operating independently on our platform. Metric is a point-in-time figure. Excludes referral agents. Includes principal agents added as part of Real Estate Associates of Houston LLC (d/b/a Douglas Elliman Real Estate Texas, "Douglas Elliman Texas") acquisition in August 2021.

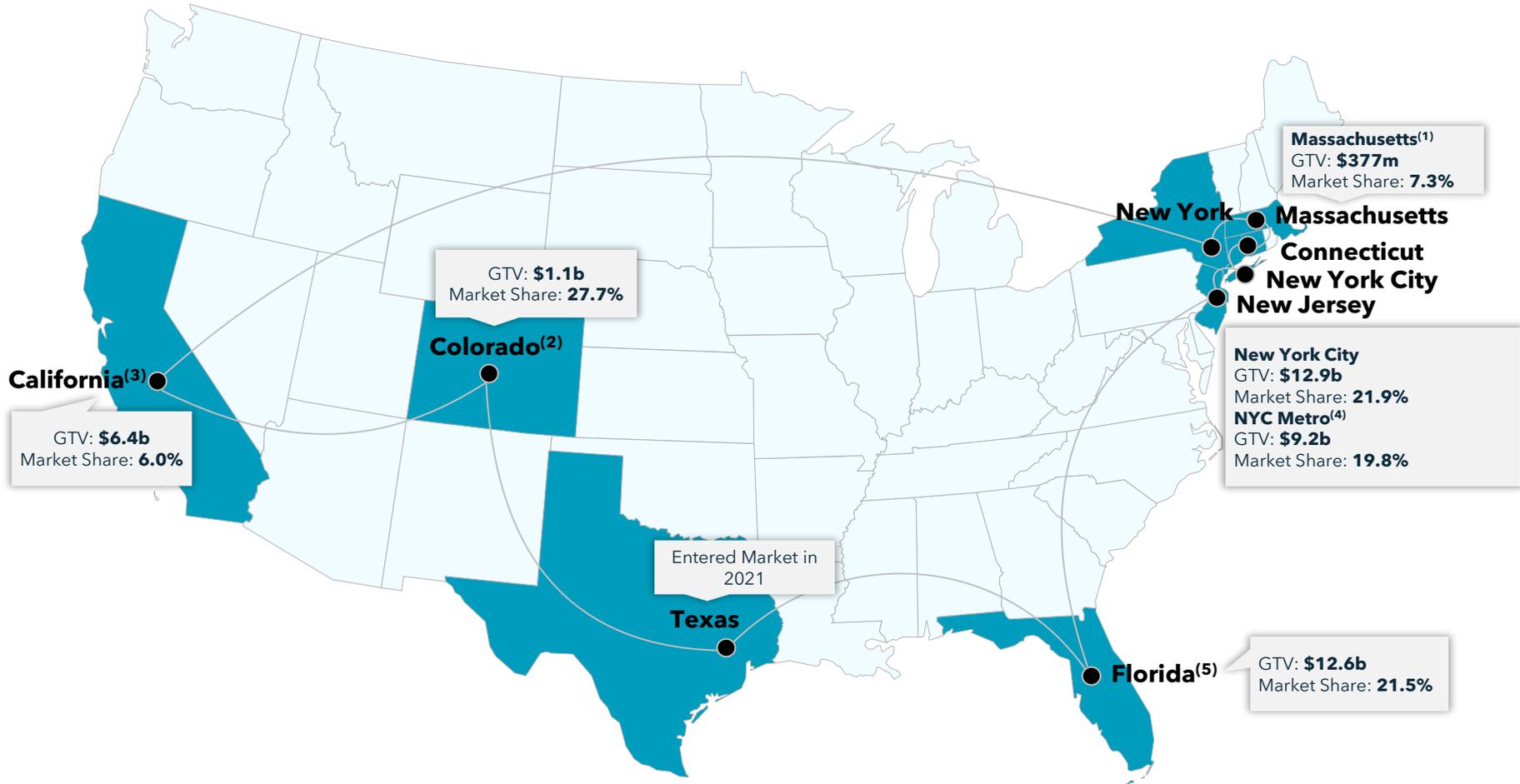
# Douglas Elliman's Geographical Footprint

**#6** Nationally

**One of the Largest** in New York

 ~6,600 affiliated agents across ~100 offices in the U.S.

 Alliance with Knight Frank provides an international network of ~384 offices across ~51 countries and ~16,000 agents



Source: Miller Samuel reports.

Note: Market share and rankings represent YTD 9/30/2021 based on gross transaction value ("GTV"). Figures based on transaction close date. GTV in each selected region represents LTM 9/30/2021.

1) Includes Boston.

2) Includes Aspen and Snowmass Village.

3) Includes Los Angeles (Westside and Downtown), Malibu, Malibu Beach, Orange County and San Diego County.

4) Includes Long Island, North Fork, Hamptons, Greenwich and Westchester County.

5) Includes Boca Raton / Highland Beach, Coral Gables, Delray Beach, Fort Lauderdale, Palm Beach Gardens, Jupiter, Manalapan, Miami, Palm Beach, St. Petersburg, Tampa, Wellington and West Palm Beach.



## THE DOUGLAS ELLIMAN STORY

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# Investment Highlights



1

Highly attractive dynamics in the U.S. residential real estate market

2

Comprehensive solution provides for multiple revenue streams and monetization of valuable agent relationships

3

Industry-leading brand name with a strong presence in most major U.S. luxury markets

4

Cutting-edge technology supportive of agent recruitment, retention and productivity

5

Strong platform for continued growth

6

Attractive financial profile with significant operating leverage and balance sheet strength

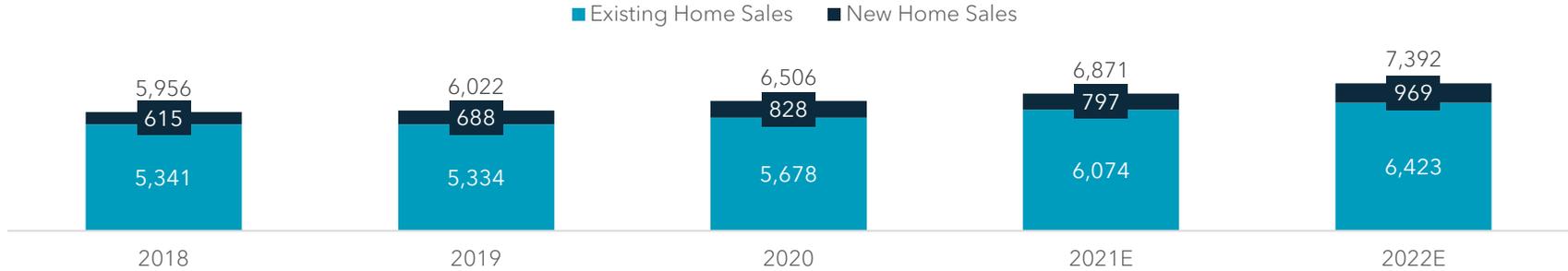
7

Experienced management team with substantial real estate expertise and a track record of driving growth

# Highly Attractive Dynamics in the U.S. Residential Real Estate Market

## Consistent Growth in New and Existing Home Sales and Increasing Home Ownership Rates<sup>(1)</sup>

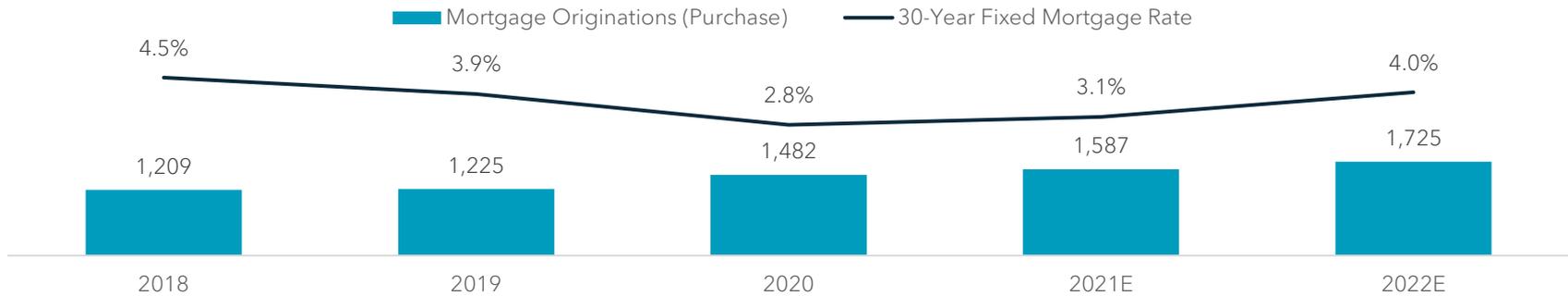
(thousands)



Since 1Q'20, U.S. homeowner equity has increased 17.6% to approximately \$23.6 trillion<sup>(2)</sup>

## Sustained Period of Low Mortgage Rates Driving Home Sales<sup>(1)</sup>

(\$ billions)



## Increased Mobility Coming out of COVID-19



**Remote Work Flexibility**



**Increased Demand for Greater Space**



**Increased Demand for Second Homes**

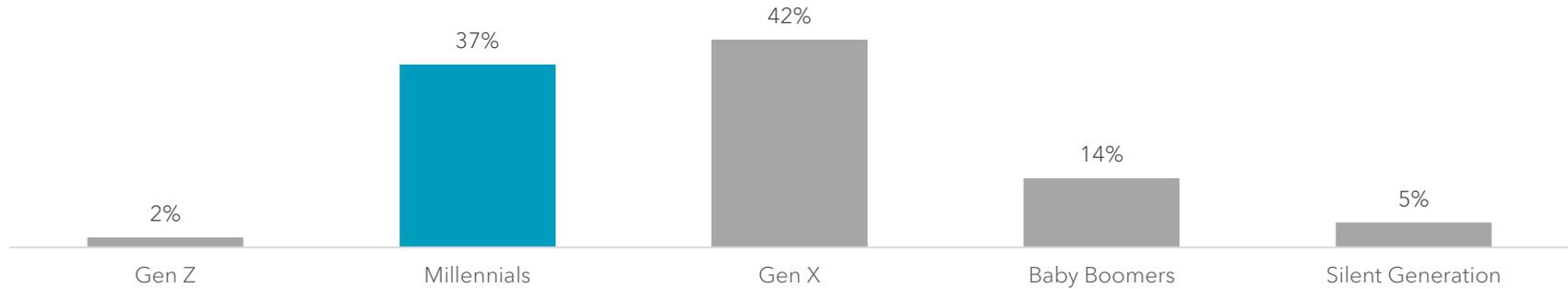
1) Source: Mortgage Bankers Association - MBA Mortgage Finance Forecast October 2021.

2) Source: Board of Governors of the Federal Reserve System (U.S.) - Households; Owners' Equity in Real Estate.

# Highly Attractive Dynamics in the U.S. Residential Real Estate Market (Cont.)

## Positive Demographics as Millennials are Entering the Housing Market in Larger Numbers<sup>(1)</sup>

(% of home buyers)



## Significant Home Price Appreciation<sup>(2)</sup>



**Benefiting from aforementioned increased demand as well as supply constraints given record low inventories**

## Agents Play a Critical Role in Residential Real Estate

- ~90% of real estate transactions involve the use of agents, highlighting the central role they continue to play

1) Source: National Association of Realtors - 2021 Home Buyers and Sellers Generational Trends Report.

2) Source: National Association of Realtors - November 2021 Economic Outlook. Represents existing home price appreciation.

# Comprehensive Solution Provides for Multiple Revenue Streams and Monetization of Valuable Agent Relationships

- Agents are able to generate significant repeat business from clients and referrals
  - 67% of home sellers and 60% of home buyers in 2020 chose to work with an agent they had used in the past or through a referral, according to NAR
- Repeat business, as well the ability to provide ancillary services, allows agents to extend their client relationships and generate significant lifetime value



## Residential Real Estate Brokerage

- Advising Sellers:
  - Assist in pricing a property and preparing it for sale, advertising, showing to prospective buyers and negotiating terms of sale and closing transaction
- Advising Buyers:
  - Locating / showing properties and assisting in negotiating terms of sale and closing transaction



## New Sales and Development Marketing Platform

- DEDM offers expertise in sales, leasing and marketing for new developments throughout key markets in the United States and internationally
- Drawing upon decades of experience and market-specific knowledge, offers a multidisciplinary approach that includes comprehensive in-house research, planning and design, marketing and sales



## Residential Property Management Services

- Management of cooperative, condominium and rental apartment buildings
- Provides a full range of fee-based management services for ~360 properties representing ~56,500 units in New York City, Nassau County, Long Island City and Westchester County



## Title Insurance & Escrow Services

- Acts in the capacity of a title insurance agent and sells title insurance to property buyers and mortgage lenders
- Leading escrow services provider in select markets including holding escrow funds trust account, delivering documents for property recording and releasing funds to the seller and appropriate parties



## Mortgage Services

- In April 2021, Douglas Elliman acquired a 50% interest in Clear Path Mortgage, which will originate mortgage loans, including both purchase and refinancing transactions in select markets
- Clear Path Mortgage will originate and market its mortgage lending services to real estate agents across Douglas Elliman's Florida market as well as a broad consumer audience

# Industry-leading Brand and Thought Leadership

**Marquee Douglas Elliman Brand Synonymous with Luxury**



**Douglas Elliman expands into Texas market with Bravo's Million Dollar Listing stars**

by Alsha Khan May 04, 2021



**Douglas Elliman Expands to Naples, Florida**

We are thrilled to announce that Douglas Elliman is expanding on the west coast of Florida to Naples, with the addition of its number one agent, Michael G. Lawler.

**Leading Voice in Real Estate Across All Markets in Which We Operate**

- Douglas Elliman's reach and ad-value significantly exceed peers
- We are #1 in 10 regions including NYC, Florida and LA County

## Meltwater New York

	Articles	Reach	Ad-Value	Sentiment
DouglasElliman	2,000 ▲79.9% 46.0% SOV	13.1B ▲55.9% 56.7% SOV	\$121M ▲54.7%	13%
Brown Harris Stevens	1,076 ▲85.5% 13.8% SOV	1.9B ▼5.0% 8.3% SOV	\$18M ▼5.2%	95%
COMPASS	976 ▼15.2% 10.6% SOV	3.1B ▼16.2% 13.5% SOV	\$29M ▼14.7%	32%
corcoran	1,059 ▲31.1% 13.5% SOV	2.2B ▲15.8% 9.8% SOV	\$21M ▲16.7%	41%
Sotheby's	1,253 ▲44.23.9% 16.0% SOV	2.7B ▲22.7% 11.8% SOV	\$25M ▲25%	24%

\*\* Compared to same period last year

## H1 2021 Media Reports<sup>(1)</sup>

### Florida

	Articles	Reach	Ad-Value	Sentiment
DouglasElliman	4,491 ▲31.9% 49.1% SOV	14.9B ▲181.1% 68.8% SOV	\$137M ▲179%	7% 92%
COMPASS	1,411 ▲36.2% 14.0% SOV	4B ▲66.7% 14.3% SOV	\$37M ▲69.5%	21% 78%
corcoran	887 ▲421.8% 11.7% SOV	1.6B ▲1311% 11.7% SOV	\$15M ▲400%	38% 62%
ONE Sotheby's	1,434 ▲4.7% 25.2% SOV	3.1B ▲47.6% 12.9% SOV	\$28M ▲40%	9% 91%

\*\* Compared to same period last year

**"Report of Record" Miller Samuel Reports**

- Our Miller Samuel Reports are considered the "report of record" within each market covered and contain a number of innovations, introducing many "firsts" that have been largely adopted by competitors



# Large and Growing Presence in Most Major U.S. Luxury Markets

## Leading Presence in Large Luxury Markets

- ✓ Markets are primarily international finance and technology hubs that are densely populated and offer inventory at premium prices
- ✓ Large national presence augmented by alliance with Knight Frank, providing an international network of ~384 offices across ~51 countries and ~16,000 agents
- ✓ Gaining share in several luxury markets including New York, Florida, California, Texas and Colorado, among others
- ✓ Douglas Elliman is the **6<sup>th</sup> largest** brokerage nationally and **one of the largest in New York** by sales volume

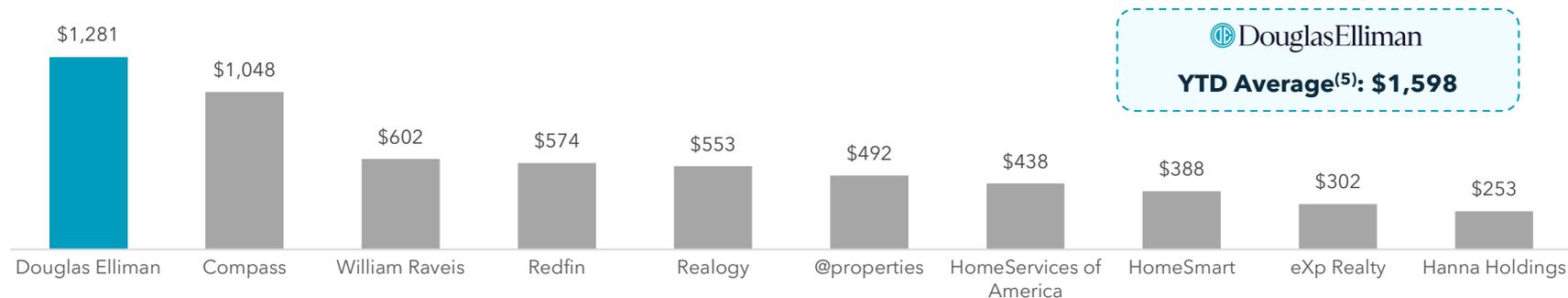
## Market Share by Volume<sup>(1)</sup>



## Highest Transaction Values in the Industry<sup>(3)</sup>

### Average Selling Price (2020)<sup>(4)</sup>

(\$ thousands)



1) Source: Miller Samuel reports.

2) Includes Long Island, North Fork, Hamptons, Greenwich and Westchester County.

3) Source: RealTrends.

4) Represents average selling price for top 10 residential real estate brokerage firms by volume.

5) Represents YTD average for period ended 9/30/2021.

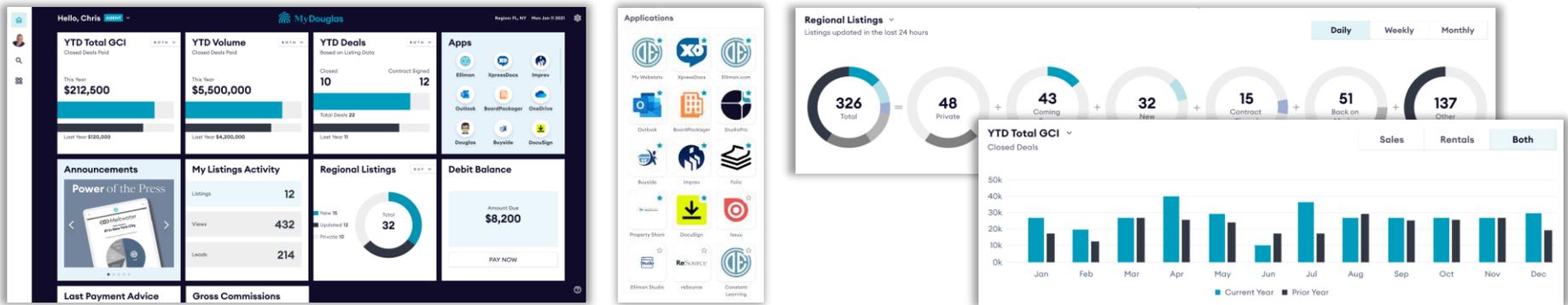
# Cutting-edge Technology Supportive of Agent Recruitment, Retention and Productivity



## MyDouglas

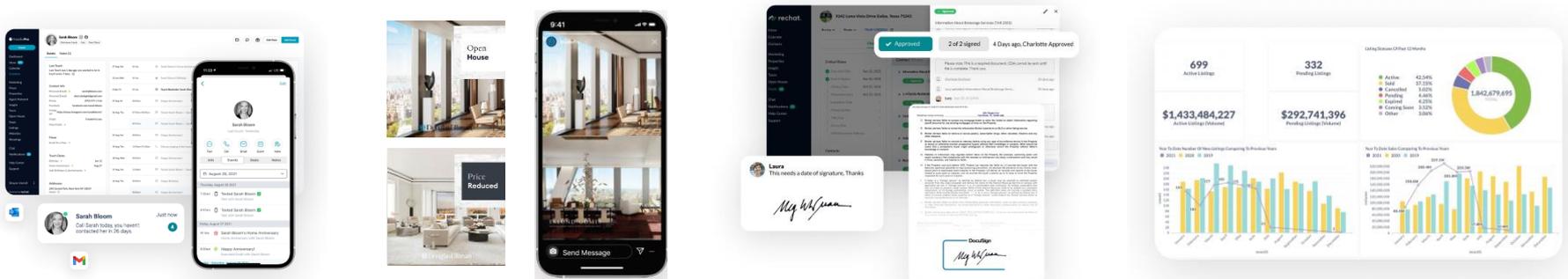
- Premier, customizable, mobile-friendly and cloud-based agent portal that integrates all agent resources in one user-friendly suite
- Fully mobile-friendly, allowing agents to manage their business anytime, anywhere and on any device, in coordination with Elliman Everywhere platform
- All integrated data assets that back automated and simplified agent workflows that incorporates expansive data-rich dashboards and reports

Powered by industry leading technology capabilities developed by innovative PropTech leaders and start-ups



## StudioPro

- Comprehensive platform which includes a customer relationship management system, digital transaction management and custom DIY marketing templates
- Provides agents one place to manage their network, initiate marketing via email, social or print – and even close deals



## Capabilities

### Team Management

Agent Social Media • Learning Management System  
• MyDouglas Team Views • Team Deal Management

### Agent Brand Management

VideoBolt - One-Click Video Creation/Virtual Tours  
• Elliman.com • Custom Property Websites

### Listing Management

CMA • Home Valuation • MyDouglas - Listing Analytics • Digital Ad Campaigns  
• StudioPro - Open House Management • Regional Listings Insights

### Current Clients and Customers

StudioPro - CRM • StudioPro - Email Marketing  
• StudioPro - Marketing Center

### Performance Analytics

YTD Total GCI Deals and Volume Summary • Commission Check Tracking

### Deal Management

StudioPro - Transaction Management • Title and Escrow Services  
• MLS Services - Collaborative Home Search • StudioPro - Listing Tour  
• Scheduling and Coordination • Digitized eSignature • eNotary service

### Post-Closing Client and Customer Stewardship

Home Services • Client Portal • New Development Marketing  
• Digital Board Packages (NYC only)

### Artificial Intelligence (“AI”) and Predictive Analytics

## Solutions

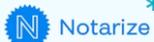
northpass    
 

   ReSource



 DocuSign   
  

 Humming Homes 

\* New Valley Ventures PropTech Investee Company

# Open Architecture Technology Infrastructure Benefits Agents and Minimizes Costs



*Open Architecture Technology Infrastructure, Kept State-of-the-art Through Strategic Investments in Early Stage PropTech Companies with Technology Purpose-built for the Real Estate Industry*

## Key Benefits of Our Technology Strategy

### Benefits to Agents

- Access to a variety of platforms that cater to agents' preferred way of doing business
  - Presented as one integrated platform
- Cloud-native, plug & play modular infrastructure
  - Allows new features and functionality to be rolled out quickly with scalability and vendor optionality
- Differentiated and early access to new technology
- MyLearning platform enables agents and employees with online tools for growth and development

### Benefits to Douglas Elliman

- Better ROI than in-house development
  - In-house development is costly, takes longer to bring new tech to market and rarely generates the most cutting-edge solutions
  - Innovation best fostered in smaller, purpose-built technology firms that operate outside of large corporations
- Valuation growth of break-through tech firms
- Mission critical technology outsourced to best-in-class technology firms
  - Website hosting, agent portal, deal & listing management, marketing systems and back-office systems

### Benefits to PropTech Firms

- Gain access to distribution network of ~6,600 agents nation-wide
- Maintain independence and ability to scale and innovate at "start-up speed"
- Incentivizes management of young firms to grow broadly, creating industry-wide solutions that go beyond the needs of just one brokerage

## Recent PropTech Investments



Rewards program which allows renters to earn points on payments



Platform build to enable enterprises to manage carbon footprint



Dashboard for real estate agents' marketing, CRM and transaction management



Platform that cuts out inefficiencies of home repairs



White label client-facing digital concierge service



Automated artificial intelligence platform to aid in home buying

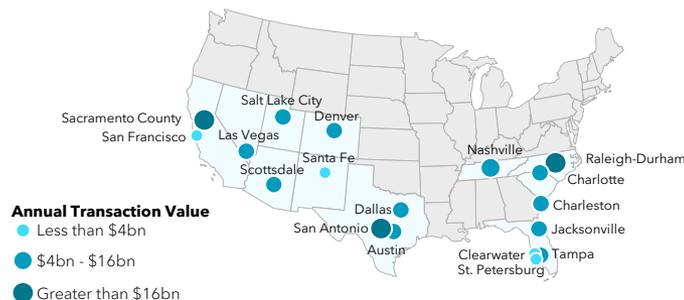
# Strong Platform for Continued Growth



## Expand Footprint into Adjoining Markets

- Further grow leadership position in NY while entering and expanding into adjoining markets where the Douglas Elliman brand has strong awareness and brand equity, including Florida, California, Colorado and Texas
- Disciplined regional expansion to protect our luxury brand and keep focus on premium markets
- Opportunity to expand markets currently served by more than 50% in terms of annual transaction value

## Market Expansion Opportunity



18 markets representing \$180bn of Combined Annual Transaction Value<sup>(1)</sup>

## Continue Executing on DEDM Growth Strategy

- Highly successful hybrid platform of matching experienced new development experts with skilled brokerage professionals provides differentiated expertise and real-time market intelligence to clients
- Strong pipeline provides clear path to significant growth in near-term and expansion into new markets (e.g., Texas) provides exciting opportunities for medium to long term growth
- Strong momentum following COVID-driven disruption in 2020

## DEDM Revenue

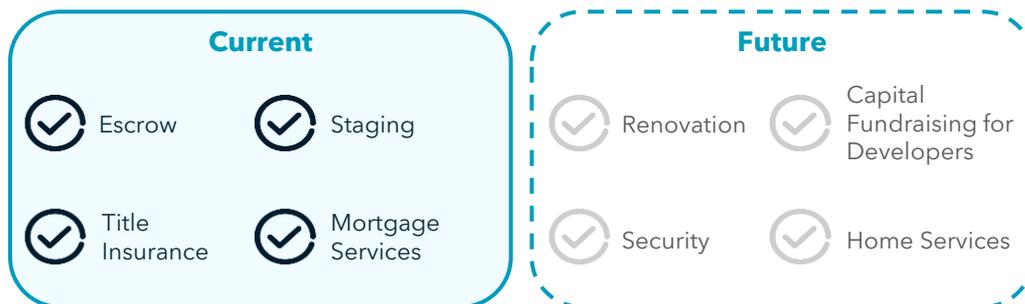
(\$ millions)



## Expand Ancillary Services to Enhance Client Experience and Drive Growth

- Technology to be key differentiator in terms of adoption by agents, delivery to clients and disruption of traditional business models

## Ancillary Offerings



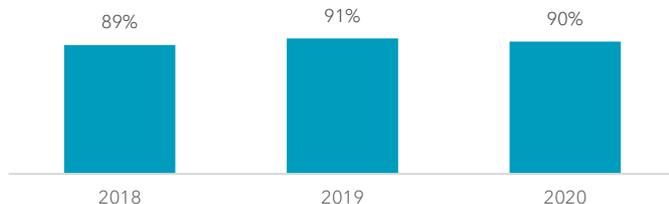
1) Source: Miller Samuel reports. Aggregate annual transaction volume based on 3Q'21 annualized figures for selected growth regions.

# Strong Platform for Continued Growth (Cont.)



## Continue to Recruit Best-in-class Agents

### Retention<sup>(1)</sup>



**87%**  
of LTM Revenue comes from agents with >3 years of tenure

In 2019 and 2020, average retained agent was **~2.5x to ~3.0x** more productive than attrited agents



**High retention**



**Long-tenured agents**



**High profile recruitment**

### Recruitment of Star Agents

**Douglas Elliman expands to Naples, brings on top Sotheby's agent Michael Lawler**

*Lawler had been with Sotheby's for more than 20 years*

**MDLLA's Josh Flagg Leaving Longtime Company for Rival Douglas Elliman: 'Interesting Synergy'**

**Kirsten Jordan Opens Up About Finally Starting Her Own Team**

*"This is such a big breakout for me," the Million Dollar Listing New York agent said of her next chapter at Douglas Elliman.*

## Opportunistically Pursue Acquisitions and Aqiu-hires

### Overview

• Purchased Teles Properties in 2017

• Purchased interest in Texas brokerage in 2021

• High profile recruitment of team in Naples in 2021

### Benefits to Douglas Elliman

• Ability to expand in southern California's luxury markets, such as Beverly Hills, Newport and Brentwood

• Added over \$65M Gross Commission Income ("GCI") and ~600 agents in over 20 offices

• Ability to expand in luxury markets in Texas such as Houston and Dallas both in residential sales and new development marketing

• Added over \$30M GCI and ~180 in agents in 4 offices

• Ability to expand in luxury markets in southwest Florida

• Added ~\$10M GCI

- We will continue to seek through M&A attractive groups of agents from core and adjacent markets that fit with our brand and accelerate our growth
- Potential to use our publicly listed stock as consideration

1) Retention, in any particular period, is calculated as the quotient of the prior year revenue generated by agents retained in the subject year period divided by the prior year period revenue generated by all agents, whether or not retained. We use retention as a measure of the stability of the agents that are on the Douglas Elliman platform.

# Strong Platform for Continued Growth (Cont.)

## Invest in Compelling PropTech Opportunities that Facilitate Growth and Differentiation

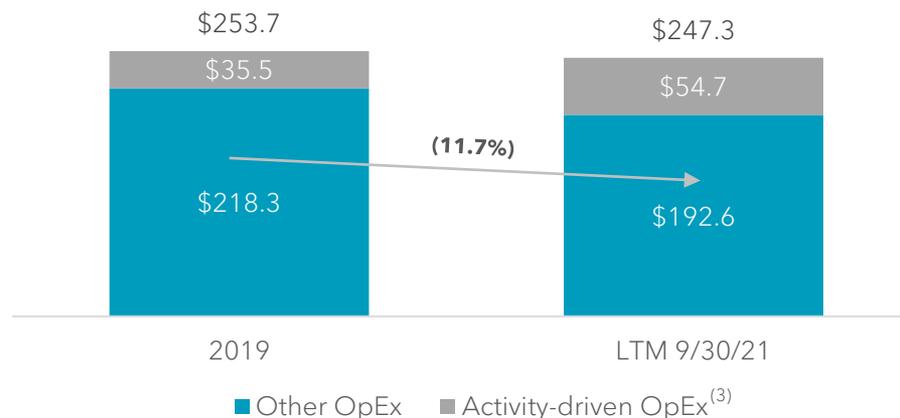
- Grow New Valley Ventures and create a portfolio of start-ups that, through our investment relationship, have access to our operating businesses/distribution, as well as our know-how and experience, to grow their own businesses, while also propelling our growth and competitive differentiation
- Invest strategically in early-stage PropTech companies that equip our stakeholders with early and differentiated access to cutting-edge and industry-leading technology built in entrepreneurial environments
- Enable us to benefit from potential adjacent revenue streams and valuation growth of breakthrough tech firms

## Relentlessly Pursue Operational Efficiencies

- Focus on efficiency to continue following recent expense reduction initiatives
  - \$26 million of expense savings realized from 2019 to LTM 9/30/2021<sup>(2)</sup>
- Expense discipline a top priority as we seek benefits of operating leverage accompanying future growth

### Operating Expenses<sup>(1)</sup>

(\$ millions)



1) Represents operating expenses, less depreciation & amortization, restructuring, and other one-time costs.  
 2) Represents other operating expenses.  
 3) Discretionary compensation and advertising expenses (associated with level of business).



# DOUGLAS ELLIMAN FINANCIAL OVERVIEW

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# Attractive Financial Profile

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## Strong performance

across KPIs with impressive revenue growth



Disciplined expense management drive **significant operating leverage**

## Healthy margins and limited CapEx

requirements drive high cash flow conversion, **supporting future growth** initiatives and shareholder dividends



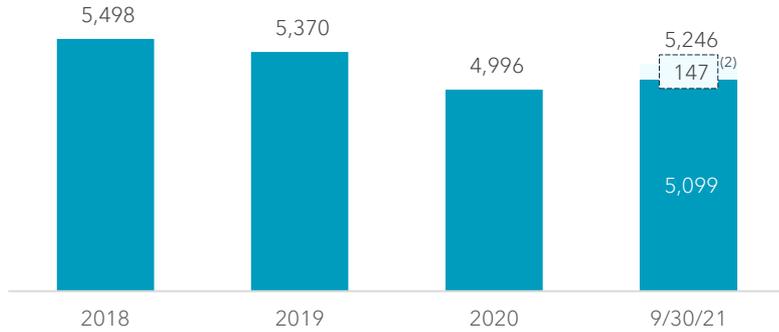
Strong balance sheet with **\$200 million of net cash<sup>(1)</sup>**



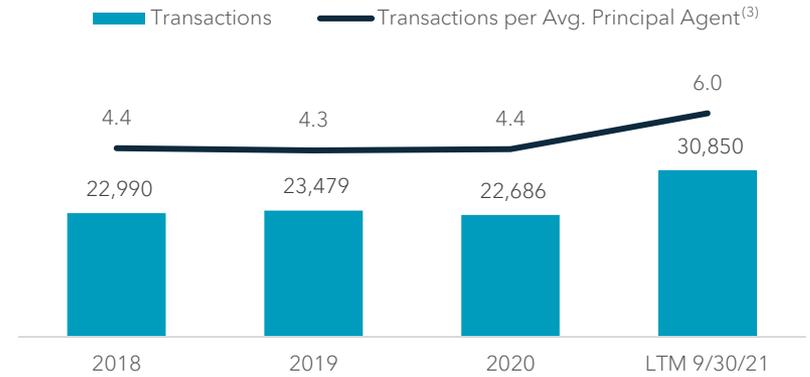
1) Pro forma for transaction adjustments.

# Summary of KPIs

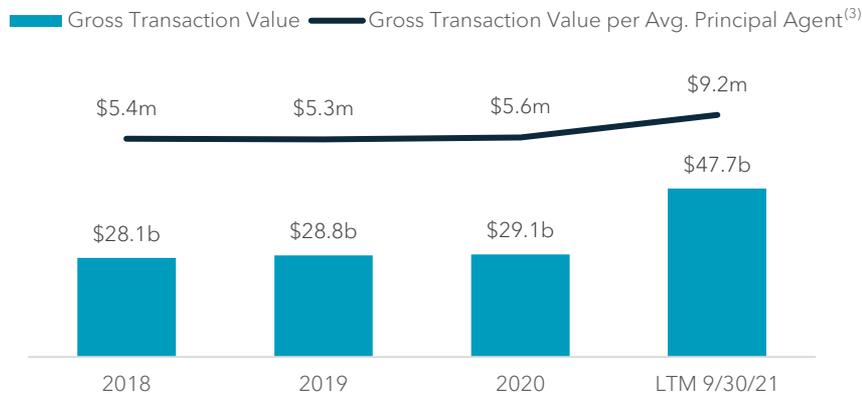
## Principal Agents<sup>(1)</sup>



## Transactions



## Gross Transaction Value



## Average Transaction Value

(\$ thousands)



- 1) Principal agents are defined as agents who are either leaders of their respective agent teams or individual agents operating independently on our platform. Metric is a point-in-time figure. Excludes referral agents.
- 2) Represents principal agents added as part of Douglas Elliman Texas acquisition in August 2021.
- 3) Average of beginning and ending period principal agents. Excludes Texas agents.

# Financial Summary

(\$ millions)

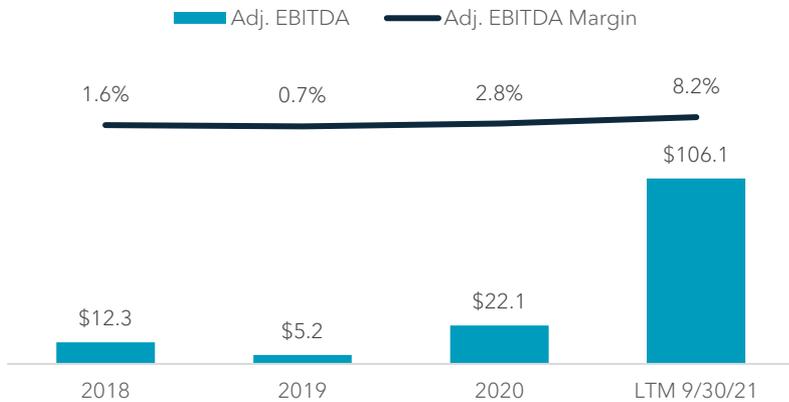
## Revenue



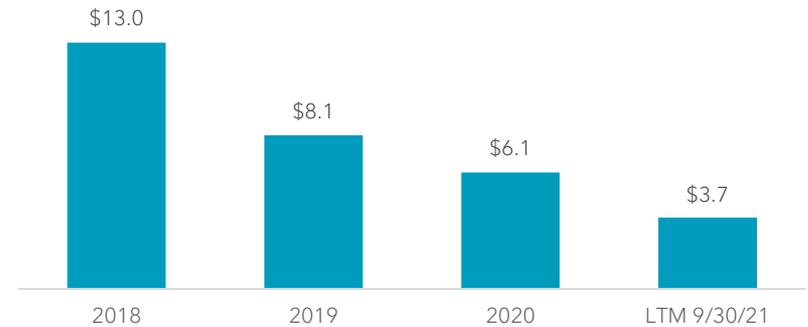
## Gross Profit<sup>(1)</sup>



## Adjusted EBITDA



## Capital Expenditures



Note: See appendix for Adjusted EBITDA reconciliation.  
 1) Defined as total revenues less real estate commissions.

# Income Statement

(\$ thousands)

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2018	2019	2020	2020	2021	2021
Revenues:						
Commissions and other brokerage income	\$715,458	\$742,414	\$733,751	\$477,720	\$974,048	\$1,230,079
Property management	33,350	35,461	35,115	26,195	28,289	37,209
Other ancillary services	5,281	6,233	5,121	2,611	16,575	19,085
<b>Total revenues</b>	<b>\$754,089</b>	<b>\$784,108</b>	<b>\$773,987</b>	<b>\$506,526</b>	<b>\$1,018,912</b>	<b>\$1,286,373</b>
Expenses:						
Real estate agent commissions	\$500,369	\$525,233	\$546,948	351,325	737,767	\$933,390
Sales and marketing	72,419	76,897	64,097	40,649	59,331	82,779
Operations and support	70,957	65,044	49,895	35,809	56,697	70,783
General and administrative	91,682	96,540	76,134	62,275	64,481	78,340
Technology	8,799	15,236	14,858	11,137	11,302	15,023
Depreciation and amortization	8,364	8,638	8,537	6,405	6,409	8,541
Loss on sale of assets	-	-	1,169	-	-	1,169
Litigation settlement and judgment	(\$2,468)	-	-	-	-	-
Impairments of goodwill and intangible assets	-	-	58,252	58,252	-	-
Restructuring expenses	-	-	3,382	3,281	-	101
<b>Operating (loss) income</b>	<b>\$3,967</b>	<b>(\$3,480)</b>	<b>(\$49,285)</b>	<b>(\$62,607)</b>	<b>\$82,925</b>	<b>\$96,247</b>
Other income:						
Interest income	\$387	\$600	\$190	\$148	\$65	\$107
Equity in earnings from equity-method investments	1,243	8,472	30	(196)	(118)	108
Change in fair value of contingent liability	-	3,157	2,149	2,082	(3,252)	(3,185)
Investment income	-	64	588	-	566	1,154
<b>Income (loss) income before provision for income taxes</b>	<b>\$5,597</b>	<b>\$8,813</b>	<b>(\$46,328)</b>	<b>(\$60,573)</b>	<b>\$80,186</b>	<b>\$94,431</b>
Income tax (benefit) expense	400	354	44	(168)	1,656	1,868
<b>Net (loss) income</b>	<b>\$5,197</b>	<b>\$8,459</b>	<b>(\$46,372)</b>	<b>(\$60,405)</b>	<b>\$78,530</b>	<b>\$92,563</b>
Net income attributed to non-controlling interest	(\$1,528)	-	-	-	120	120
<b>Net (loss) income attributed to Douglas Elliman, Inc.</b>	<b>\$3,669</b>	<b>\$8,459</b>	<b>(\$46,372)</b>	<b>(\$60,405)</b>	<b>\$78,650</b>	<b>\$92,683</b>

# Balance Sheet

(\$ thousands)

	December 31, 2019	December 31, 2020	September 30, 2021
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$71,485	\$94,421	\$158,804
Receivables	21,308	24,377	26,531
Income taxes receivable, net	162	-	-
Agent receivables, net	5,115	7,346	11,127
Restricted cash and cash equivalents	4,423	10,374	12,548
Other current assets	15,749	11,847	9,512
<b>Total current assets</b>	<b>\$118,242</b>	<b>\$148,365</b>	<b>\$218,522</b>
Property, plant and equipment, net	47,919	42,703	40,132
Operating lease right-of-use assets	137,452	133,103	124,797
Long-term investments at fair value	-	-	3,566
Contract assets, net	18,443	24,002	28,688
Goodwill	78,008	31,756	32,571
Intangible assets, net	80,474	68,310	74,619
Equity-method investments	1,667	1,412	2,790
Other assets	6,402	4,331	8,755
<b>Total assets</b>	<b>\$488,607</b>	<b>\$453,982</b>	<b>\$534,440</b>
<b>LIABILITIES AND NET INVESTMENT:</b>			
Current liabilities:			
Current portion of notes payable and other obligations	\$10,063	\$12,500	\$12,526
Current operating lease liabilities	15,692	23,753	22,503
Income taxes payable, net	-	17	1,143
Accounts payable	3,066	6,337	8,228
Commissions payable	18,378	25,615	25,648
Accrued salaries and benefits	13,325	12,038	23,293
Contract liabilities	9,358	7,633	5,843
Other current liabilities	13,683	11,756	20,200
<b>Total current liabilities</b>	<b>\$83,565</b>	<b>\$99,649</b>	<b>119,384</b>
Notes payable and other obligations less current portion	20,000	12,920	3,309
Deferred income taxes, net	277	143	143
Non-current operating lease liability	145,873	143,296	131,923
Contract liabilities	29,045	32,104	38,734
Other liabilities	5,564	2,280	4,250
<b>Total liabilities</b>	<b>\$284,324</b>	<b>\$290,392</b>	<b>\$297,743</b>
Commitments and contingencies			-
Net investment:			
Parent's net investment	\$204,283	\$163,590	234,817
Non-controlling investment	-	-	1,880
Total net investment	-	-	236,697
<b>Total liabilities and net investment</b>	<b>\$488,607</b>	<b>\$453,982</b>	<b>\$534,440</b>

# Investment Highlights

*Unique Investment Opportunity in Tech-Enabled Residential Real Estate Brokerage with Comprehensive Suite of Real Estate Solutions, Industry-leading Brand Name and Talented Team of Employees and Agents*





## APPENDIX

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# Adjusted EBITDA Reconciliation

(\$ thousands)

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2018	2019	2020	2020	2021	2021
Net income (loss)	\$5,197	\$8,459	(\$46,372)	(\$60,405)	\$78,650	\$92,683
Interest income, net	(387)	(600)	(190)	(148)	(65)	(107)
Income tax expense (benefit)	400	354	44	(168)	1,656	1,868
Depreciation and amortization	8,364	8,638	8,537	6,405	6,409	8,541
Equity in (earnings) losses from equity method investments <sup>(1)</sup>	(1,243)	(8,472)	225	196	118	147
Restructuring <sup>(2)</sup>	-	-	3,382	3,281	-	101
Loss on disposal of assets	-	-	1,169	-	-	1,169
Impairments of goodwill and other intangible assets <sup>(3)</sup>	-	-	58,252	58,252	-	-
Change in fair value of contingent liability	-	(3,157)	(2,149)	(2,082)	3,252	3,185
Other, net	-	(64)	(843)	-	(686)	(1,529)
<b>Adjusted EBITDA</b>	<b>\$12,331</b>	<b>\$5,158</b>	<b>\$22,055</b>	<b>\$5,331</b>	<b>\$89,334</b>	<b>\$106,058</b>

1) Represents equity in (earnings) losses recognized from Douglas Elliman's investment in an equity method investment that is accounted for under the equity method and is not consolidated in Douglas Elliman's financial results.

2) Represents restructuring related to Douglas Elliman Realty, LLC's realignment of administrative support functions, office locations and business model.

3) Represents non-cash intangible asset impairment charges related to the goodwill and trademark of Douglas Elliman Realty, LLC.