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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): August 3, 2017**

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**Realogy Holdings Corp.**

(Exact Name of Registrant as Specified in its Charter)

Delaware	001-35674	20-8050955
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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**Realogy Group LLC**

(Exact Name of Registrant as Specified in its Charter)

Delaware	333-148153	20-4381990
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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175 Park Avenue  
Madison, NJ 07940  
(Address of principal executive offices) (Zip Code)

(973) 407-2000  
(Registrant's telephone number, including area code)

None  
(Former name or former address if changed since last report)

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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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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.

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**Item 2.02. Results of Operations and Financial Condition.**

On August 3, 2017, the Registrants announced their financial results for the second quarter of 2017. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

*(d) Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated August 3, 2017.

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**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.

REALOGY HOLDINGS CORP.

By: /s/ Anthony E. Hull

Anthony E. Hull, Executive Vice President, Chief  
Financial Officer and Treasurer

Date: August 3, 2017

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.

REALOGY GROUP LLC

By: /s/ Anthony E. Hull

Anthony E. Hull, Executive Vice President, Chief  
Financial Officer and Treasurer

Date: August 3, 2017

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press Release dated August 3, 2017.



## REALOGY REPORTS FINANCIAL RESULTS FOR SECOND QUARTER 2017

**MADISON, N.J. (August 3, 2017)** - Realogy Holdings Corp. (NYSE: RLGY), the largest full-service residential real estate services company in the United States, today reported financial results for the second quarter ended June 30, 2017, including the following highlights:

- Revenue was \$1.8 billion, an increase of 8% as compared with the second quarter in 2016, driven by increases in homesale transaction volume at the Company-owned brokerage segment (NRT) and Realogy Franchise Group (RFG).
- The Company's combined homesale transaction volume increased 9% year-over-year, consisting of a 12% volume gain at NRT and a 7% volume gain at RFG.
- Net income increased 18% to \$109 million for the period, compared to \$92 million in the same period in the prior year. Basic earnings per share was \$0.79 compared with basic earnings per share of \$0.63 in the second quarter of 2016.
- Adjusted net income per share was \$0.78 compared with adjusted net income per share of \$0.74 in the second quarter of 2016. *(See Table 1a).*<sup>1</sup>
- Operating EBITDA was \$269 million, compared with \$275 million in the second quarter of 2016. *(See Table 6).*<sup>2</sup> The \$269 million includes an \$8 million reserve to settle a pending legal matter. Excluding the reserve, Operating EBITDA would have been up \$2 million year-over-year.
- Free Cash Flow for the second quarter was \$229 million compared with \$209 million in Q2 2016, an increase of \$20 million due to favorable working capital movements. Year to date Free Cash Flow was \$157 million, up from \$96 million in the first half of 2016. *(See Table 7).*<sup>3</sup>
- In the first half of 2017, Realogy returned \$145 million of capital to shareholders through share repurchases and dividends.

"We delivered another quarter of strong results," said Richard A. Smith, Realogy's chairman, chief executive officer and president. "Our residential real estate business outperformed our expectations during the second quarter, driven by stronger average homesale price gains and the strengthening of high end markets across the nation. We are pleased with the progress we are making on our strategic initiatives, the most important of which are designed to strengthen the recruitment and retention of sales agents at NRT. We remain focused on maintaining our business momentum and continuing to generate sustainable organic growth."

In the second quarter of 2017, RFG and NRT achieved a combined homesale transaction volume (transaction sides multiplied by average sale price) of approximately \$147 billion, an increase of 9% compared with the second quarter of 2016, which exceeded the Company's guidance range based on stronger than expected average sales price at both business units. NRT reported a homesale transaction sides increase of 3% and an average homesale price increase of 9%, while RFG reported a homesale transaction sides increase of 1% and an average homesale price increase of 6%.

In the title and settlement services sector, TRG was involved in the closing of approximately 53,000 transactions in the second quarter of 2017, reflecting a 7% increase in purchase units compared with the second quarter of 2016, and a 44% decrease in refinance units, which is consistent with industry trends.

In the relocation segment, while Cartus' performance in the second quarter was slightly below last year, Cartus continues to be an important part of our value proposition, generating highly qualified leads for our network of

agents and helping them to build their businesses. Cartus generated referral opportunities to agents that resulted in over 25,000 homesale closings in the second quarter.

### **Looking Ahead**

For the third quarter of 2017, Realogy expects to achieve overall homesale transaction volume gains in the range of 4% to 7% year-over-year. Based on the Company's closed and open sales activity in July, Realogy expects third quarter homesale transaction sides to increase between 0% to 2% year-over-year and average homesale price to increase in the 4% to 5% range year-over-year. On a year-over-year basis RFG volume in the third quarter is anticipated to increase between 4% to 7%, while NRT transaction volume is expected to increase by 5% to 7%.

For the full year 2017, Realogy expects to generate revenue of between \$6.1 billion and \$6.2 billion, driven by combined transaction volume gains of between 5% to 7% year-over-year. Realogy expects full year 2017 Operating EBITDA of between \$760 million and \$770 million, net of the \$8 million legal reserve for the litigation matter, and reflects management's current view on commission splits for the year, modest investment in growth initiatives and the transition to our new mortgage joint venture. Based on the expected Operating EBITDA range noted above, this is expected to result in the Company generating Free Cash Flow of between \$500 million and \$530 million in 2017.

### **Capital Allocation**

The Company returned \$145 million of capital to shareholders through share repurchases and dividends in the first half of 2017. During the first half of 2017, Realogy repurchased approximately 4.1 shares of common stock in the open market at a weighted average market price of \$28.97 per share for a total of \$120 million and returned an additional \$25 million through quarterly cash dividends paid to stockholders. The Company had approximately 136.8 million shares of common stock outstanding as of June 30, 2017.

"We are encouraged by the success of NRT's strategic initiatives and the strengthening we are seeing at the high end of the market, combined with the benefits of our earlier business optimization initiatives," said Anthony E. Hull, Realogy's executive vice president, chief financial officer and treasurer. "We believe this positions the Company to generate strong free cash flow and higher absolute revenue and EBITDA levels in the future."

### **Balance Sheet**

The Company ended the quarter with cash and cash equivalents of \$219 million. Total long-term corporate debt, including the short-term portion, net of cash and cash equivalents (net corporate debt), totaled \$3.3 billion at June 30, 2017. The Company's net debt leverage ratio<sup>4</sup> was 3.9 times at June 30, 2017.

A consolidated balance sheet is included as Table 2 of this press release.

### **Investor Conference Call**

Today, August 3, at 8:30 a.m. (EDT), Realogy will hold a conference call via webcast to review its second quarter 2017 results. The call will be hosted by Richard A. Smith, chairman, chief executive officer and president, and Anthony E. Hull, executive vice president, chief financial officer and treasurer, and will conclude with an investor Q&A period with management.

Investors may access the conference call live via webcast at [www.realogy.com](http://www.realogy.com) under "Investors" or by dialing (888) 895-3527 (toll free); international participants should dial (706) 679-2250. Please dial in at least 5 to 10 minutes prior to start time. A webcast replay also will be available on the website.

### **About Realogy Holdings Corp.**

Realogy Holdings Corp. (NYSE: RLGYY) is a global leader in residential real estate franchising and brokerage with many of the best-known industry brands including Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, Corcoran®, ERA®, Sotheby's International Realty® and ZipRealty®. Collectively, Realogy's franchise system members operate approximately 14,250 offices with approximately 281,000 independent sales agents conducting business in 114 countries and territories around the world. NRT LLC, Realogy's company-owned real estate brokerage, is the largest residential brokerage company in



the United States, operates under several of Realogy's brands and also provides related residential real estate services. Realogy also owns Cartus, a prominent worldwide provider of relocation services to corporate and affinity clients, Title Resource Group (TRG), a leading provider of title, settlement and underwriting services, and ZapLabs LLC, its innovation and technology development subsidiary. Realogy is headquartered in Madison, New Jersey.

**Footnotes:**

<sup>1</sup> Adjusted net income (loss) is defined as net income (loss) before mark-to-market interest rate adjustments, former parent legacy items, restructuring charges and loss on the early extinguishment of debt.

<sup>2</sup> Operating EBITDA is defined as EBITDA before restructuring costs, loss on the early extinguishment of debt and former parent legacy items.

<sup>3</sup> Free Cash Flow is defined as net income (loss) attributable to Realogy before income tax expense (benefit), net of payments, interest expense, net, depreciation and amortization, capital expenditures, restructuring costs and former parent legacy costs (benefits), net of payments, loss on the early extinguishment of debt, working capital adjustments and relocation assets, net of change in securitization obligations.

<sup>4</sup> Net corporate debt divided by EBITDA, as defined by the Senior Secured Credit Facility, for the twelve-month period ended June 30, 2017.

**Forward-Looking Statements**

*Certain statements in this press release constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Realogy Holdings Corp. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "estimates" and "plans" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements.*

*Various factors that could cause actual future results and other future events to differ materially from those estimated by management include, but are not limited to: adverse developments or the absence of sustained improvement in general business, economic and political conditions; adverse developments or the absence of improvement in the residential real estate markets including but not limited to the lack of sustained improvement in the number of home sales and/or stagnant or declining home prices, low levels of consumer confidence, the impact of slow economic growth or future recessions and related high levels of unemployment in the U.S. and abroad, continued low inventory levels, renewed high levels of foreclosures, seasonal fluctuations in the residential real estate brokerage business, and increasing mortgage rates and down payment requirements and/or constraints on the availability of mortgage financing; inability to achieve sales agent recruiting and retention goals and the inability to increase sales agent productivity; the Company's geographic and high-end market concentration, particularly with respect to its Company-owned brokerage operations; the Company's failure to enter into or renew franchise agreements or maintain its brands; risks relating to our outstanding debt and interest obligations; variable rate indebtedness which subjects the Company to interest rate risk; the Company's inability to access capital or refinance or repay existing indebtedness, or return capital to stockholders; the Company's inability to realize the benefits from acquisitions or the new mortgage origination joint venture that the Company has agreed to form with Guaranteed Rate, Inc.; any outbreak or escalation of hostilities on a national, regional or international basis; government regulation as well as legislative, tax or regulatory changes that would adversely impact the residential real estate market, including but not limited to potential reform of the financing of the U.S. housing and mortgage markets and/or the Internal Revenue Code and changes in state or federal employment laws or regulations that would require reclassification of independent contractor sales agents to employee status, and wage and hour regulations; the Company's inability to sustain improvements in its operating efficiency and to achieve anticipated cost savings from its business optimization initiatives; any adverse resolution of litigation, governmental or regulatory proceedings or arbitration awards; and the final resolution or outcomes with respect to Cendant's (our former parent) remaining contingent liabilities.*

*Consideration should be given to the areas of risk described above, as well as those risks set forth under the headings "Forward-Looking Statements" and "Risk Factors" in our filings with the Securities and Exchange Commission, including our Quarterly Report filed on Form 10-Q for the quarters ended March 31, 2017 and June 30, 2017, and our Annual Report on Form 10-K for the year ended December 31, 2016, and our other filings*

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made from time to time, in connection with considering any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law.

#### **Non-GAAP Financial Measures**

This release includes certain non-GAAP financial measures as defined under SEC rules. As required by SEC rules, important information regarding such measures is contained in the Tables attached to this release. See Tables 1a, 8 and 9 for definitions of these non-GAAP financial measures and Tables 1a, 4a, 4b, 5, 6, 7 and 8 for reconciliations of the historical non-GAAP financial measures to their most comparable GAAP terms.

Because of the forward-looking nature of the Company's forecasted non-GAAP financial measures, specific quantifications of the amounts that would be required to reconcile forecasted Operating EBITDA to forecasted net income and forecasted Free Cash Flow to forecasted net income are not readily determinable. The Company believes that there is a degree of volatility with respect to certain of the Company's GAAP measures which preclude the Company from providing accurate forecasted GAAP to non-GAAP reconciliations. Based on the above, the Company believes that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

#### **Investor Contacts:**

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**Table 1**

**REALOGY HOLDINGS CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
<b>Revenues</b>				
Gross commission income	\$ 1,374	\$ 1,251	\$ 2,255	\$ 2,077
Service revenue	255	252	449	442
Franchise fees	110	104	185	173
Other	54	55	107	104
Net revenues	1,793	1,662	2,996	2,796
<b>Expenses</b>				
Commission and other agent-related costs	970	864	1,575	1,422
Operating	385	391	768	758
Marketing	70	65	132	123
General and administrative	98	70	187	156
Former parent legacy (benefit) cost, net	(11)	—	(11)	1
Restructuring costs	2	12	7	21
Depreciation and amortization	49	48	99	96
Interest expense, net	47	59	86	132
Loss on the early extinguishment of debt	—	—	4	—
Total expenses	1,610	1,509	2,847	2,709
<b>Income before income taxes, equity in (earnings) losses and noncontrolling interests</b>	183	153	149	87
Income tax expense	73	64	64	40
Equity in (earnings) losses of unconsolidated entities	—	(5)	3	(5)
<b>Net income</b>	110	94	82	52
Less: Net income attributable to noncontrolling interests	(1)	(2)	(1)	(2)
<b>Net income attributable to Realty Holdings</b>	<u>\$ 109</u>	<u>\$ 92</u>	<u>\$ 81</u>	<u>\$ 50</u>
<b>Earnings per share attributable to Realty Holdings:</b>				
Basic earnings per share	\$ 0.79	\$ 0.63	\$ 0.58	\$ 0.34
Diluted earnings per share	\$ 0.78	\$ 0.63	\$ 0.58	\$ 0.34
<b>Weighted average common and common equivalent shares of Realty Holdings outstanding:</b>				
Basic	137.6	145.5	138.6	146.0
Diluted	138.9	146.7	139.9	147.2
Cash dividends declared per share (beginning in August 2016)	\$ 0.09	\$ —	\$ 0.18	\$ —

**Table 1a**

**REALOGY HOLDINGS CORP.**  
**Adjusted Net Income and Adjusted Earnings Per Share**  
(In millions, except per share data)

We present Adjusted net income and Adjusted earnings per share because we believe these measures are useful as supplemental measures in evaluating the performance of our operating businesses and provides greater transparency into our operating results.

Adjusted net income is defined by us as net income before: (a) mark to market interest rate swap adjustments, whose fair value is subject to movements in LIBOR and the forward yield curve and therefore are subject to significant fluctuations; (b) former parent legacy items, which pertain to liabilities of the former parent for matters prior to mid-2006 and are non-operational in nature; (c) restructuring charges as a result of the business optimization initiatives currently in progress; and (d) the loss on the early extinguishment of debt that results from refinancing and deleveraging debt initiatives. The gross amounts for these items as well as the adjustment for income taxes are shown in the table below.

Adjusted income per share is Adjusted net income divided by the weighted average common and common equivalent shares outstanding.

Set forth in the table below is a reconciliation of Net income to Adjusted net income for the three and six months ended June 30, 2017, and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
<b>Net income attributable to Realogy Holdings</b>	\$ 109	\$ 92	\$ 81	\$ 50
Addback:				
Mark-to-market interest rate swap adjustments	5	14	4	45
Former parent legacy (benefit) cost, net	(11)	—	(11)	1
Restructuring costs	2	12	7	21
Loss on the early extinguishment of debt	—	—	4	—
Adjustments for tax effect (a)	2	(10)	(2)	(27)
<b>Adjusted net income attributable to Realogy Holdings</b>	<u>\$ 107</u>	<u>\$ 108</u>	<u>\$ 83</u>	<u>\$ 90</u>
<b>Earnings per share</b>				
Basic earnings per share:	\$ 0.79	\$ 0.63	\$ 0.58	\$ 0.34
Diluted earnings per share:	\$ 0.78	\$ 0.63	\$ 0.58	\$ 0.34
<b>Adjusted earnings per share</b>				
Adjusted basic earnings per share:	\$ 0.78	\$ 0.74	\$ 0.60	\$ 0.62
Adjusted diluted earnings per share:	\$ 0.77	\$ 0.74	\$ 0.59	\$ 0.61
<b>Weighted average common and common equivalent shares outstanding:</b>				
Basic:	137.6	145.5	138.6	146.0
Diluted:	138.9	146.7	139.9	147.2

(a) Reflects tax effect of adjustments at an assumed tax rate of 40%.

**Table 2**

**REALOGY HOLDINGS CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions, except share data)  
(Unaudited)

	June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 219	\$ 274
Trade receivables (net of allowance for doubtful accounts of \$11 and \$13)	178	152
Relocation receivables	292	244
Other current assets	172	148
<b>Total current assets</b>	<b>861</b>	<b>818</b>
Property and equipment, net	267	267
Goodwill	3,694	3,690
Trademarks	748	748
Franchise agreements, net	1,327	1,361
Other intangibles, net	297	313
Other non-current assets	232	224
<b>Total assets</b>	<b>\$ 7,426</b>	<b>\$ 7,421</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 170	\$ 140
Securitization obligations	223	205
Due to former parent	17	28
Current portion of long-term debt	237	242
Accrued expenses and other current liabilities	423	435
<b>Total current liabilities</b>	<b>1,070</b>	<b>1,050</b>
Long-term debt	3,246	3,265
Deferred income taxes	446	389
Other non-current liabilities	241	248
<b>Total liabilities</b>	<b>5,003</b>	<b>4,952</b>
Commitments and contingencies		
Equity:		
Realogy Holdings preferred stock: \$.01 par value; 50,000,000 shares authorized, none issued and outstanding at June 30, 2017 and December 31, 2016	—	—
Realogy Holdings common stock: \$.01 par value; 400,000,000 shares authorized, 136,779,155 shares issued and outstanding at June 30, 2017 and 140,227,692 shares issued and outstanding at December 31, 2016	1	1
Additional paid-in capital	5,438	5,565
Accumulated deficit	(2,981)	(3,062)
Accumulated other comprehensive loss	(38)	(40)
<b>Total stockholders' equity</b>	<b>2,420</b>	<b>2,464</b>
Noncontrolling interests	3	5
<b>Total equity</b>	<b>2,423</b>	<b>2,469</b>
<b>Total liabilities and equity</b>	<b>\$ 7,426</b>	<b>\$ 7,421</b>

**Table 3a**

**REALOGY HOLDINGS CORP.  
2017 vs. 2016 KEY DRIVERS**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>RFG (a)</b>						
Closed homesale sides	322,745	319,748	1%	547,995	538,078	2%
Average homesale price	\$ 291,355	\$ 273,900	6%	\$ 284,973	\$ 267,872	6%
Average homesale broker commission rate	2.50%	2.51%	(1) bps	2.50%	2.51%	(1) bps
Net effective royalty rate	4.41%	4.49%	(8) bps	4.42%	4.50%	(8) bps
Royalty per side	\$ 333	\$ 319	4%	\$ 329	\$ 315	4%
<b>NRT</b>						
Closed homesale sides	101,043	98,314	3%	167,613	162,558	3%
Average homesale price	\$ 528,518	\$ 485,688	9%	\$ 520,844	\$ 488,627	7%
Average homesale broker commission rate	2.44%	2.49%	(5) bps	2.45%	2.47%	(2) bps
Gross commission income per side	\$ 13,625	\$ 12,732	7%	\$ 13,480	\$ 12,790	5%
<b>Cartus</b>						
Initiations	50,798	51,560	(1%)	87,313	88,734	(2%)
Referrals	25,284	26,138	(3%)	40,487	43,031	(6%)
<b>TRG</b>						
Purchase title and closing units (b)	47,008	43,914	7%	78,305	73,150	7%
Refinance title and closing units (c)	6,324	11,227	(44%)	14,857	20,930	(29%)
Average fee per closing unit	\$ 2,139	\$ 1,919	11%	\$ 2,080	\$ 1,890	10%

(a) Includes all franchisees except for NRT.

(b) The amounts presented for the three and six months ended June 30, 2017 include 3,054 and 5,026 purchase units, respectively, as a result of the acquisitions completed prior to the second quarter of 2017.

(c) The amounts presented for the three and six months ended June 30, 2017 include 610 and 1,133 refinance units, respectively, as a result of the acquisitions completed prior to the second quarter of 2017.

**Table 3b**

**REALOGY HOLDINGS CORP.  
2016 KEY DRIVERS**

	Quarter Ended				Year Ended
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	December 31, 2016
<b>RFG (a)</b>					
Closed homesale sides	218,330	319,748	323,176	274,090	1,135,344
Average homesale price	\$ 259,044	\$ 273,900	\$ 275,325	\$ 277,037	\$ 272,206
Average homesale broker commission rate	2.51%	2.51%	2.50%	2.49%	2.50%
Net effective royalty rate	4.51%	4.49%	4.50%	4.34%	4.46%
Royalty per side	\$ 309	\$ 319	\$ 322	\$ 313	\$ 317
<b>NRT</b>					
Closed homesale sides	64,244	98,314	95,605	77,536	335,699
Average homesale price	\$ 493,125	\$ 485,688	\$ 486,343	\$ 495,242	\$ 489,504
Average homesale broker commission rate	2.46%	2.49%	2.46%	2.44%	2.46%
Gross commission income per side	\$ 12,878	\$ 12,732	\$ 12,681	\$ 12,760	\$ 12,752
<b>Cartus</b>					
Initiations	37,174	51,560	40,556	33,773	163,063
Referrals	16,893	26,138	25,495	18,751	87,277
<b>TRG</b>					
Purchase title and closing units (b)	29,236	43,914	42,932	36,915	152,997
Refinance title and closing units (c)	9,703	11,227	15,170	14,819	50,919
Average fee per closing unit	\$ 1,848	\$ 1,919	\$ 1,824	\$ 1,907	\$ 1,875

(a) Includes all franchisees except for NRT.

(b) The amounts presented for the year ended December 31, 2016 include 18,930 purchase units as a result of the acquisitions.

(c) The amounts presented for the year ended December 31, 2016 include 4,469 refinance units as a result of the acquisitions.

**Table 4a**

**REALGY HOLDINGS CORP.  
SELECTED 2017 FINANCIAL DATA  
(In millions)**

	Three Months Ended	
	March 31, 2017	June 30, 2017
<b>Net revenues (a)</b>		
Real Estate Franchise Services	\$ 170	\$ 237
Company Owned Real Estate Brokerage Services	897	1,392
Relocation Services	77	102
Title and Settlement Services	120	157
Corporate and Other	(61)	(95)
Total Company	<u>\$ 1,203</u>	<u>\$ 1,793</u>
<b>EBITDA (b)</b>		
Real Estate Franchise Services	\$ 102	\$ 166
Company Owned Real Estate Brokerage Services	(26)	77
Relocation Services	1	27
Title and Settlement Services	2	26
Corporate and Other	(27)	(18)
Total Company	<u>\$ 52</u>	<u>\$ 278</u>
Less:		
Depreciation and amortization	50	49
Interest expense, net	39	47
Income tax expense (benefit)	(9)	73
Net income (loss) attributable to Realty Holdings	<u>\$ (28)</u>	<u>\$ 109</u>

(a) Transactions between segments are eliminated in consolidation. Revenues for the Real Estate Franchise Services segment include intercompany royalties and marketing fees paid by the Company Owned Real Estate Brokerage Services segment of \$61 million and \$95 million for the three months ended March 31, 2017 and June 30, 2017, respectively. Such amounts are eliminated through the Corporate and Other line.

Revenues for the Relocation Services segment include \$8 million and \$12 million of intercompany referral commissions paid by the Company Owned Real Estate Brokerage Services segment during the three months ended March 31, 2017 and June 30, 2017, respectively. Such amounts are recorded as contra-revenues by the Company Owned Real Estate Brokerage Services segment.

(b) Includes restructuring charges of \$5 million in the Company Owned Real Estate Brokerage Services segment and \$4 million related to the loss on the early extinguishment of debt in Corporate and Other for the three months ended March 31, 2017.

Includes a net benefit of \$11 million of former parent legacy items and an \$8 million expense related to the settlement of the Strader legal matter in Corporate and Other, and \$2 million of restructuring charges as follows: \$1 million in the Company Owned Real Estate Brokerage Services segment and \$1 million in the Real Estate Franchise Services segment for the three months ended June 30, 2017.

**Table 4b**

**REALOGY HOLDINGS CORP.  
SELECTED 2016 FINANCIAL DATA  
(In millions)**

	Three Months Ended				Year Ended
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	December 31, 2016
<b>Net revenues (a)</b>					
Real Estate Franchise Services	\$ 157	\$ 221	\$ 215	\$ 188	\$ 781
Company Owned Real Estate Brokerage Services	841	1,268	1,231	1,004	4,344
Relocation Services	83	109	116	97	405
Title and Settlement Services	111	149	164	149	573
Corporate and Other	(58)	(85)	(82)	(68)	(293)
Total Company	<u>\$ 1,134</u>	<u>\$ 1,662</u>	<u>\$ 1,644</u>	<u>\$ 1,370</u>	<u>\$ 5,810</u>
<b>EBITDA (b)</b>					
Real Estate Franchise Services	\$ 92	\$ 149	\$ 153	\$ 122	\$ 516
Company Owned Real Estate Brokerage Services	(21)	78	74	6	137
Relocation Services	5	29	40	22	96
Title and Settlement Services	—	26	23	13	62
Corporate and Other	(21)	(19)	(20)	(18)	(78)
Total Company	<u>\$ 55</u>	<u>\$ 263</u>	<u>\$ 270</u>	<u>\$ 145</u>	<u>\$ 733</u>
Less:					
Depreciation and amortization	48	48	53	53	202
Interest expense, net	73	59	37	5	174
Income tax expense (benefit)	(24)	64	74	30	144
Net income (loss) attributable to Realogy Holdings	<u>\$ (42)</u>	<u>\$ 92</u>	<u>\$ 106</u>	<u>\$ 57</u>	<u>\$ 213</u>

(a) Transactions between segments are eliminated in consolidation. Revenues for the Real Estate Franchise Services segment include intercompany royalties and marketing fees paid by the Company Owned Real Estate Brokerage Services segment of \$58 million, \$85 million, \$82 million and \$68 million for the three months ended March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively. Such amounts are eliminated through the Corporate and Other line.

Revenues for the Relocation Services segment include \$8 million, \$13 million, \$12 million and \$10 million of intercompany referral commissions paid by the Company Owned Real Estate Brokerage Services segment during the three months ended March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively. Such amounts are recorded as contra-revenues by the Company Owned Real Estate Brokerage Services segment.

(b) Includes a net cost of \$1 million and a net benefit of \$3 million of former parent legacy items for the three months ended March 31, 2016 and December 31, 2016, respectively.

Includes \$9 million, \$12 million, \$9 million and \$9 million of restructuring charges for the three months ended March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively.

The year ended December 31, 2016 includes a net benefit of \$2 million of former parent legacy items and restructuring charges of \$39 million.

The amounts broken down by business unit are as follows:

	Three Months Ended				Year Ended
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	December 31, 2016
Real Estate Franchise Services	\$ —	\$ 3	\$ 1	\$ —	\$ 4
Company Owned Real Estate Brokerage Services	2	7	6	7	22
Relocation Services	2	1	1	—	4
Title and Settlement Services	—	—	1	—	1
Corporate and Other	6	1	—	(1)	6
Total Company	<u>\$ 10</u>	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ 37</u>



**Table 5**

**REALOGY HOLDINGS CORP.**  
**2016 EBITDA AND OPERATING EBITDA**  
(In millions)

Set forth in the table below is a reconciliation of net income to EBITDA and Operating EBITDA for the year ended December 31, 2016:

	<b>Year Ended</b>
	<b>December 31, 2016</b>
Net income attributable to Realogy Holdings	\$ 213
Income tax expense	144
Income before income taxes	357
Interest expense, net	174
Depreciation and amortization	202
<b>EBITDA</b>	<b>733</b>
EBITDA adjustments:	
Restructuring costs	39
Former parent legacy benefit, net	(2)
<b>Operating EBITDA</b>	<b>\$ 770</b>

**Table 6**

**REALGY HOLDINGS CORP.  
EBITDA AND OPERATING EBITDA  
THREE MONTHS ENDED JUNE 30, 2017 AND 2016  
(In millions)**

Set forth in the table below is a reconciliation of net income to EBITDA and Operating EBITDA for the three-month periods ended June 30, 2017 and 2016:

	Three Months Ended	
	June 30, 2017	June 30, 2016
Net income attributable to Realty	\$ 109	\$ 92
Income tax expense	73	64
Income before income taxes	182	156
Interest expense, net	47	59
Depreciation and amortization	49	48
<b>EBITDA</b>	<b>278</b>	<b>263</b>
EBITDA adjustments:		
Restructuring costs	2	12
Former parent legacy benefit, net	(11)	—
<b>Operating EBITDA</b>	<b>\$ 269</b>	<b>\$ 275</b>

Set forth in the table below is a reconciliation of Operating EBITDA by reportable segments to the net income for the three months ended June 30, 2017 and 2016:

	Revenues				Operating EBITDA				Operating EBITDA Margin		
	2017	2016	Change	% Change	2017	2016	Change	% Change	2017	2016	Change
RFG	\$ 237	\$ 221	\$ 16	7 %	\$ 167	\$ 152	\$ 15	10 %	70%	69%	1
NRT	1,392	1,268	124	10	78	85	(7)	(8)	6	7	(1)
Cartus	102	109	(7)	(6)	27	30	(3)	(10)	26	28	(2)
TRG	157	149	8	5	26	26	—	—	17	17	—
Corporate and Other	(95)	(85)	(10)	*	(29)	(18)	(11)	*			
Total Company	\$1,793	\$1,662	\$ 131	8 %	\$ 269	\$ 275	\$ (6)	(2%)	15%	17%	(2)
Less: Restructuring costs					2	12					
Former parent legacy benefit, net					(11)	—					
Depreciation and amortization					49	48					
Interest expense, net					47	59					
Income tax expense					73	64					
Net income attributable to Realty Holdings					<u>\$ 109</u>	<u>\$ 92</u>					

\* not meaningful

**Table 7**

**REALOGY HOLDINGS CORP.**  
**FREE CASH FLOW**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016**  
(In millions)

A reconciliation of net income attributable to Realogy Holdings to Free Cash Flow is set forth in the following table:

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Net income attributable to Realogy Holdings</b>	\$ 109	\$ 92	\$ 81	\$ 50
Income tax expense, net of payments	67	59	56	33
Interest expense, net	47	59	86	132
Cash interest payments	(62)	(58)	(86)	(86)
Depreciation and amortization	49	48	99	96
Capital expenditures	(20)	(18)	(48)	(40)
Restructuring costs and former parent legacy items, net of payments	(15)	3	(18)	5
Loss on the early extinguishment of debt	—	—	4	—
Working capital adjustments	72	33	12	(49)
Relocation receivables (assets), net of securitization obligations	(18)	(9)	(29)	(45)
<b>Free Cash Flow</b>	<b>\$ 229</b>	<b>\$ 209</b>	<b>\$ 157</b>	<b>\$ 96</b>

A reconciliation of net cash provided by operating activities to Free Cash Flow is set forth in the following table:

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Net cash provided by operating activities</b>	\$ 198	\$ 167	\$ 186	\$ 103
Property and equipment additions	(20)	(18)	(48)	(40)
Net change in securitization	51	61	18	34
Effect of exchange rates on cash and cash equivalents	\$ —	(1)	1	(1)
<b>Free Cash Flow</b>	<b>\$ 229</b>	<b>\$ 209</b>	<b>\$ 157</b>	<b>\$ 96</b>
<b>Net cash used in investing activities</b>	<b>\$ (25)</b>	<b>\$ (24)</b>	<b>\$ (56)</b>	<b>\$ (58)</b>
<b>Net cash used in financing activities</b>	<b>\$ (159)</b>	<b>\$ (2)</b>	<b>\$ (186)</b>	<b>\$ (36)</b>

**Table 8**

**SENIOR SECURED LEVERAGE RATIO**  
**TWELVE MONTHS ENDED JUNE 30, 2017**  
(In millions)

The senior secured leverage ratio is tested quarterly and may not exceed 4.75 to 1.00. The senior secured leverage ratio is measured by dividing Realogy's Group total senior secured net debt by the trailing twelve month EBITDA calculated on a Pro Forma Basis, as those terms are defined in the senior secured credit facilities. Total senior secured net debt does not include unsecured indebtedness, including the Unsecured Notes, or the securitization obligations. EBITDA calculated on a Pro Forma Basis, as defined in the senior secured credit facilities, includes adjustments to EBITDA for restructuring costs, former parent legacy cost (benefit) items, net, loss on the early extinguishment of debt, non-cash charges and incremental securitization interest costs, as well as pro forma cost savings for restructuring initiatives, the pro forma effect of business optimization initiatives and the pro forma effect of acquisitions and new franchisees, in each case calculated as of the beginning of the twelve-month period. The Company was in compliance with the senior secured leverage ratio covenant at June 30, 2017 with a ratio of 2.22 to 1.00.

A reconciliation of net income attributable to Realogy Group to EBITDA, Operating EBITDA and EBITDA as defined by the Senior Secured Credit Facility for the twelve months ended June 30, 2017 are set forth in the following table:

		Less	Equals	Plus	Equals
	Year Ended	Six Months Ended	Six Months Ended	Six Months Ended	Twelve Months Ended
	December 31, 2016	June 30, 2016	December 31, 2016	June 30, 2017	June 30, 2017
Net income attributable to Realogy Group (a)	\$ 213	\$ 50	\$ 163	\$ 81	\$ 244
Income tax expense	144	40	104	64	168
Income before income taxes	357	90	267	145	412
Interest expense, net	174	132	42	86	128
Depreciation and amortization	202	96	106	99	205
<b>EBITDA (b)</b>	<b>733</b>	<b>318</b>	<b>415</b>	<b>330</b>	<b>745</b>
EBITDA adjustments:					
Restructuring costs					25
Former parent legacy benefit, net					(14)
Loss on the early extinguishment of debt					4
<b>Operating EBITDA</b>					<b>760</b>
Bank covenant adjustments:					
Pro forma effect of business optimization initiatives (c)					28
Non-cash charges (d)					51
Pro forma effect of acquisitions and new franchisees (e)					10
Incremental securitization interest costs (f)					4
<b>EBITDA as defined by the Senior Secured Credit Facility</b>					<b>\$ 853</b>
Total senior secured net debt (g)					\$ 1,894
<b>Senior secured leverage ratio</b>					<b>2.22x</b>

- (a) Net income attributable to Realogy consists of: (i) income of \$106 million for the third quarter of 2016, (ii) income of \$57 million for the fourth quarter of 2016, (iii) a loss of \$28 million for the first quarter of 2017 and (iv) income of \$109 million for the second quarter of 2017.
- (b) EBITDA consists of: (i) \$270 million for the third quarter of 2016, (ii) \$145 million for the fourth quarter of 2016, (iii) \$52 million for the first quarter of 2017 and (iv) \$278 million for the second quarter of 2017.
- (c) Represents the twelve-month pro forma effect of business optimization initiatives.
- (d) Represents the elimination of non-cash expenses, including \$58 million of stock-based compensation expense less \$5 million for the change in the allowance for doubtful accounts and notes reserves, \$1 million of foreign exchange benefit and \$1 million of other items from July 1, 2016 through June 30, 2017.
- (e) Represents the estimated impact of acquisitions and franchise sales activity, net of brokerages that exited our franchise system as if these changes had occurred on July 1, 2016. Franchisee sales activity is comprised of new franchise agreements as well as growth through acquisitions and independent sales associate recruitment by existing franchisees with our assistance. We have made a number

of assumptions in calculating such estimates and there can be no assurance that we would have generated the projected levels of EBITDA had we owned the acquired entities or entered into the franchise contracts as of July 1, 2016.

- (f) Incremental borrowing costs incurred as a result of the securitization facilities refinancing for the twelve months ended June 30, 2017.
- (g) Represents total borrowings under the Senior Secured Credit Facility and borrowings secured by a first priority lien on our assets of \$2,027 million plus \$27 million of capital lease obligations less \$160 million of readily available cash as of June 30, 2017. Pursuant to the terms of our Senior Secured Credit Facility and Term Loan A Facility, total senior secured net debt does not include our securitization obligations or unsecured indebtedness, including the Unsecured Notes.

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**NET DEBT LEVERAGE RATIO  
TWELVE MONTHS ENDED JUNE 30, 2017  
(In millions)**

Net corporate debt divided by EBITDA, as defined by the Senior Secured Credit Facility, for the twelve-month period ended June 30, 2017 (referred to as net debt leverage ratio) is set forth in the following table:

	<b>As of June 30, 2017</b>
Revolver	190
Term Loan A	402
Term Loan A-1	346
Term Loan B	1,089
Senior Notes	450
Senior Notes	550
Senior Notes	500
Total Debt (excluding securitizations)	\$3,527
Less: Cash and Cash Equivalents	\$219
Net Corporate Debt	\$3,308
EBITDA as defined by the Senior Secured Credit Facility	\$ 853
<b>Net Debt Leverage Ratio</b>	<b>3.9x</b>

**Table 9****Non-GAAP Definitions**

Adjusted net income (loss) is defined by us as net income (loss) before mark to market interest rate adjustments, former parent legacy items, restructuring charges and loss on the early extinguishment of debt. The gross amounts for these items as well as the adjustment for income taxes are presented. Adjusted income (loss) per share is Adjusted net income (loss) divided by the weighted average common and common equivalent shares outstanding. We present Adjusted net income (loss) and Adjusted earnings (loss) per share because we believe these measures are useful as supplemental measures in evaluating the performance of our operating businesses and provides greater transparency into our operating results.

EBITDA is defined by us as net income (loss) before depreciation and amortization, interest expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes and is our primary non-GAAP measure. Operating EBITDA is defined by us as EBITDA before restructuring, early extinguishment of debt and legacy items and is used as a supplementary financial measure.

We present EBITDA and Operating EBITDA because we believe they are useful as supplemental measures in evaluating the performance of our operating businesses and provide greater transparency into our results of operations. Our management, including our chief operating decision maker, uses EBITDA as a factor in evaluating the performance of our business. EBITDA and Operating EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations data prepared in accordance with GAAP.

We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results.

EBITDA and Operating EBITDA have limitations as analytical tools, and you should not consider EBITDA and Operating EBITDA either in isolation or as substitutes for analyzing our results as reported under GAAP. Some of these limitations are:

- these measures do not reflect changes in, or cash required for, our working capital needs;
- these measures do not reflect our interest expense (except for interest related to our securitization obligations), or the cash requirements necessary to service interest or principal payments on our debt;
- these measures do not reflect our income tax expense or the cash requirements to pay our taxes;
- these measures do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- 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; and
- other companies may calculate these measures differently so they may not be comparable.

Free Cash Flow is defined as net income (loss) attributable to Realogy before income tax expense (benefit), net of payments, interest expense, net, depreciation and amortization, capital expenditures, restructuring costs and former parent legacy costs (benefits), net of payments, loss on the early extinguishment of debt, working capital adjustments and relocation assets, net of change in securitization obligations. We use Free Cash Flow in our internal evaluation of operating effectiveness and decisions regarding the allocation of resources, as well as measuring the Company's ability to generate cash. Since Free Cash Flow can be viewed as both a performance measure and a cash flow measure, the Company has provided a reconciliation to both net income attributable to Realogy Holdings and net cash provided by operating activities. Free Cash Flow is not defined by GAAP and should not be considered in isolation or as an alternative to net income (loss), net cash provided by (used in) operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of the Company's operating performance or liquidity. Free Cash Flow may differ from similarly titled measures presented by other companies.