



INVESTOR DAY 2024

TRANSCRIPT

SEPTEMBER 10, 2024

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Founder and Chairman, Rocket Companies, Inc.



PRESENTATION

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Good morning, everyone. On behalf of the entire Rocket team, I'd like to extend a warm welcome to our very, very first Investor Day.

I'm Sharon Ng, Vice President of Investor Relations, and we have an incredible day lined up for you today. We're thrilled that you chose to spend the day with us, and we can't wait to share what makes Rocket so special.

We're kicking things off with presentations from our leadership team including our very own CEO, Varun Krishna; Our Chief Business Officer, Bill Banfield; our Chief Operating Officer, Heather Lovier; our Chief Technology Officer, Shawn Malhotra; our Chief Marketing Officer, Jonathan Mildenhall; and our Chief Financial Officer, Brian Brown. Together, they will share the vision, the strategy and the innovation driving Rocket forward.

Following these presentations, we'll dive into a Q&A session with Varun and Brian. If you'd like to submit a question, please send an e-mail to RKTInvestorDay@rocketcompanies.com. Following the Q&A session, our President, Bill Emerson, will host a fireside chat with our Founder and Chairman, Dan Gilbert. After that, we'll take a break for lunch in the next room. And in the afternoon, we're going to shift gears, get some fresh air, stretch our legs and get hands on. You'll have a chance to tour our headquarters for downtown Detroit and interact with our demos.

Now before we jump into the presentations, let me quickly go through the disclaimers. Should we read this aloud together? I'm just kidding.

Today's event will include presentations, a Q&A session, a fireside chat and immersion experience. These events may contain forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from the assumptions we mentioned today. We encourage you to consider the risk factors contained in our SEC filings for a detailed discussion of these risks and uncertainties. We undertake no obligation to update these statements as a result of new information or further events, except as required by law. This event is being broadcast online and is accessible on our IR website. A recording of the presentation, Q&A session and fireside chat will be posted shortly after the event. Today's presentations may include non-GAAP financial measures. Reconciliations between GAAP and non-GAAP measures can be found in the appendix included in the materials posted online.

Now let's get started.

[Video Presentation] (00:03:01-00:04:09)



Varun Krishna

Chief Executive Officer, Rocket Companies, Inc.

Good morning, everyone. How's everyone doing today? Doing good. All right. So welcome. Welcome to Rocket Companies first ever Investor Day. I'm Varun Krishna, Rocket Companies Chief Executive Officer.

For those of you that are here in person, thank you so much for making the trip to our beautiful city, my new hometown of Detroit. And for those of you that are on the webcast, thank you for being with us virtually. What an incredible day we have planned for you. I'm so excited for you to meet our leaders and get to see up close what makes our Rocket so special.

So, if we haven't had the pleasure of meeting just yet, let me just start by sharing a little bit about me. I've been in the product and technology space for more than 20 years, building consumer platforms for companies like Intuit, PayPal and Microsoft. I've rolled up my sleeves in early-stage start-ups that are seeking to disrupt major industries. And most recently, I was the Executive Vice President and General Manager at Intuit, where I led the consumer group overseeing the TurboTax business. While I was at Intuit, I was proud to introduce TurboTax Live, one of our creations in the consumer group that became the fastest-growing product in Intuit's history. And throughout my career, I've been lucky, I've had the opportunity to learn from and work with world-class mentors and teams. And I've been humbled to witness firsthand how innovation can transform industries and capture the hearts of millions of clients.

So, you learn a lot being in the space for 20 years, you learn what works, you learn what doesn't. You also learn a little bit about credibility, who's got real cred and who's just smoke and mirrors. And the reason that I came to Rocket is because I saw a sleeping giant with unlimited possibility. In my view, Rocket is the company with the most potential for hyper growth, not only in mortgage or even fintech or even technology but across the board. It's a company that I've admired for a long time for many, many reasons.

First, a company that's solving a worthy problem, the problem of homeownership. Homeownership is the bedrock of the American dream, and it's the pathway to financial freedom and generational wealth. Secondly, restlessness. Rocket has a unique ambition that's unlike any other company that I have seen. I believe this goes back to the philosophy of our Founder and Chairman, Dan Gilbert. Thanks to his ethos, our company has never accepted the status quo. We were the first to take the mortgage to the Internet. We were the first to make them digital. And now with the power of AI in the era of data, we are writing the next chapter of that book. Third is the market opportunity and Rocket's ability to capture that. It's a market that's not just massive, but it's antiquated, it's manual, it's inefficient, it's opaque, it's time consuming, yuck. In Rocket, I see a sleeping giant. I see a sleeping giant with tremendous untapped potential. But perhaps the most important reason that I joined Rocket was simpler. It was the culture.

As Peter Drucker famously says, culture eats strategy for breakfast. Rocket's culture is what creates perseverance. Our culture is a refusal to settle for what it is. It is a thirst for what can be. And this all starts with what we call our ISMs. Our ISMs are a set of values in guiding principles that are laid down by Dan that reflect who we are. And the reason I share this is because who we are is a culture that is so strong, it simply cannot be created again. It has to be built and fostered over decades, and there is no doubt it is our secret sauce. It's what will carry us forward, and it's a responsibility that I have the privilege to help



steward. You see our team members live and breathe Dan's pioneering spirit through these ISMs every single day. I am honored to carry the torch as leaders before me have, like Bill Emerson, at the back of the room here, an incredible friend and a leader to me, CEO for 15 years and over 30 years at this great company.

Now on a personal note, it's been amazing to realize that I've been at Rocket for exactly one year now. And it's hard to believe but what a ride it's been to remember. Okay. So enough about me. Let's get to the real reason we're here today. I'm going to walk you through our vision of Rocket's next chapter. Why we have the conviction to capture a massive market opportunity. How we're going to do it and the growth that we believe it translates into. You'll also hear from my leadership team, experts in what they do, who represent the future of this great company, and I'm just so grateful to be able to work alongside them every single day on our mission. And for those of you that are here in person, we have our technology immersion experience. You'll get to go behind the scenes for the first time and see what we're building that we have never ever shared before.

So Isaac Newton once said, if I've seen further than others, it is by standing on the shoulders of giants. And since Rocket's founding, we have helped 10 million clients and originated loans totaling approximately \$1.8 trillion. That is an astounding amount of origination. That's 10 million clients we've helped experience the joy of stepping into a new home, remodel their dream kitchen, consolidate their debt to improve their financial well-being. And along that journey, our humble Midwest roots were focused on one thing, the execution. And in doing so, we created a giant.

I am proud to say that we are America's largest retail lender and the most awarded mortgage company in history. And while we count ourselves lucky, our success is not driven by luck alone. It's built upon thousands upon thousands of small wins, what we refer to internally as the inches. Every day, we focus on these inches, making incremental improvements, pushing the boundaries and ensuring that our experiences are the very best possible. These inches are won by the hard work, the passion and the dedication of our incredible team members who are the true driving force behind Rocket. Now over the past four decades, we've redefined the way mortgages are processed, approved and serviced, driven by an unwavering commitment to innovation. We pioneered mortgage in a box way back in the mid-90s. We embraced the mobile revolution, introducing the first mobile app for mortgage in 2011, to the groundbreaking launch of the Rocket Mortgage brand in 2015. In 2020, we proudly became a public company on the New York Stock Exchange, uniting under the Rocket Companies name. And just a short year later, we again shattered records for origination volume. That brings us to today, 2024.

Since joining this incredible team a year ago, we have together embarked on a bold new chapter for Rocket. The next phase of growth is deeply rooted in our mission. Our mission is to 'Help Everyone Home'. This very mission is powered by our AI-fueled homeownership strategy, which you're going to hear all about today.

So let me just take a minute and reflect on the past year and where we spent our time. I started by meeting with our team members and leaders across the company and getting to know how they operate. I met with our investors, many of you are in the room today. I spent time visiting our offices, participating in our community. And over that period, I learned so much about this awesome company and the city. And of course, I got to know our clients deeply.



There's one example I want to highlight for you because I think it's important that it shows the details of how we operate. Today, I am copied on every client complaint e-mail that comes through our company. Those e-mails don't just go to our resolution team or the business area leader, they go all the way to me as well as Dan and Bill Emerson. This is a process that's actually been in place long before I got here. But I think it's cool because it speaks to Rocket's culture of urgency, connectivity, transparency and continuous improvement. This keeps us grounded in our clients' needs. It gives us real-time feedback on where we can improve at every single level of the organization. And as a team, we make our clients our highest priority, and we follow through with extreme accountability. Because if I don't care and my leaders don't care, how can we expect our team to care. Every client, every time, no exceptions, no excuses. So that's a little bit about how we spent the year. And after several months of intake, reflections and strategy discussion with my leadership team, we created a plan. We created a plan that defined that next chapter. Here are a few of the components.

First, we redefined and clarified our mission to 'Help Everyone Home'. Everything that we do is in service of that mission. Second, we streamlined our organization. We zeroed in on what truly drives impact. We narrowed our priorities, and we shifted resources to what matters most. As a result, we're now operating leaner and meaner than ever before. Third, we raised the bar on performance management driving more accountability and ensuring that we do what we say and we say what we do, something internally that we refer to as a simple say-do ratio. And finally, we significantly strengthened and elevated our talent. We have seasoned leaders in mortgage working alongside new leaders, bringing fresh perspective, putting us in the best place to execute with diverse thinking.

I think it's important to highlight that while executing these transformative shifts, we have not taken our eye off the ball at all. Over the past year, we achieved four consecutive quarters of double-digit year-over-year adjusted revenue growth. We've generated five consecutive quarters of positive adjusted EBITDA and surpassed the top end of our adjusted revenue guidance for six straight quarters. And we've certainly seen the response in shareholder value. Our stock price has outperformed the S&P, the NASDAQ and fintech by a factor of three. I want to reiterate that our roots remain the same. We're proud of these accomplishments, but we do not rest on them. Our ambitions are simply greater. This is just a glimmer of what we're capable of. So let me take a minute and turn outward.

Let's talk about the industry. We play in some of the largest and most critical segments of the economy, mortgage, real estate, financial services. Homeownership is a huge \$5 trillion market. And I know as this room knows highly fragmented ready for a revolution. If you take a step back and look at the mortgage sector alone, it's roughly a \$2 trillion marketplace. I'm going to say that number again, \$2 trillion.

That is a total addressable market or TAM that simply does not exist in other industries. And on top of that, the top 10 mortgage lenders accounted for only 24% of the total origination market share in the first half of this year. That's \$1.5 trillion that is up for grabs from the smaller players. That gets me excited. This is something that's unique to our industry as well. If you compare it to, say, something like e-commerce, where the top four players control nearly 50% of the market, it's a very different dynamic. And if I zoom into the purchase market alone, no single company holds more than a single-digit market share. So, we understand and work with the dynamics of our industry inside out, and we've built our strategy to capitalize exactly on this.



Let's talk about a few more market dynamics. In addition to a fragmented market, we truly are in extraordinary times, industry changes are reshaping the mortgage landscape as we know it. You have higher interest rates, and that's separating the wheat from the chaff. Hire for longer pushes out the smaller players, leaving more market share up for grabs for scaled players like Rocket. And once rates drop, we are uniquely poised to capitalize. You've also got banks that have been ceding market share for years, and we also see further opportunities to partner with them to capture even more share. Secondly, there's major regulation happening like the recent NAR ruling. This is causing fundamental shifts, making homeownership more accessible, and we stand for that. Because we have our ecosystem, which you'll hear about more today, it allows us to play a more prominent role in the home buying transaction and ultimately create more client value. Finally, we are leading the charge in the AI revolution. And I would just say that if you don't believe it yet, you soon will. This is not something that's going to go away. It is going to transform our industry.

I say this as a technologist, as an engineer and as someone who has been deeply involved in this space for years. We believe in this as a company, and we're focusing on accelerating our leadership in this transformation. As just one example, we brought on Alex Rampell, one of the greatest minds in fintech and AI to join our Board earlier this year. And I'm really excited that you'll hear much more on this from Shawn and Heather shortly, and we will show you that this is not a hype cycle. Our AI-focused initiatives are already making an impact.

So, let's get to the interesting stuff. How exactly are we writing that next chapter. At the very foundation is what we call our AI-fueled homeownership strategy, and I'm going to unpack that by introducing you to the Rocket Super Stack. Our Super Stack is composed of four key layers, each of which you'll hear about today. The synergy of these layers creates a true competitive advantage. It starts with a powerful ecosystem. The unparalleled experiences we create, the proprietary technology that powers it and the cherry on top an iconic brand. So, I'm going to summarize each layer, which you'll hear about today, and I'll start with the power of our end-to-end ecosystem.

Our unique ecosystem is designed to address every aspect of the homeownership journey, from home search to financing, title and closing, to servicing, to personal finance, these are ingredients that are combined to create a multiplier effect, and it allows us to become our clients' lender for life. You'll hear more about how this works from Bill Banfield shortly.

Second, our unparalleled experiences. Those same assets allow us to create incredible experiences that are at the nexus of humanity and technology. By driving automation and AI across the board, the Rocket experience is more personalized, more accurate and more seamless, not just for our clients but for our team members, our partners including our wholesale partners, and Heather Lovier is going to walk you through these standout experiences later.

Third is our proprietary technology platform. None of this is possible without technology at the core and no one, no one in the industry comes close to matching the strength of our technology and data foundation. We have 10 petabytes of data in our lake. We have 65 million call logs generated annually. We have a proprietary knowledge engine platform that we call Rocket Logic. On top of this, we have built



advanced decisioning engines, trading desk models and GPT fuel tools for our team members, and you're going to see all about this in our technology immersion. Shawn is also going to dive deeper here.

And finally, finally, the cherry on top, our iconic brand. We have a household brand today, make no mistake. But that brand can be so much more. Under Jonathan's leadership, we're going to go from good to great. We're going to reach new audiences. We're going to connect with clients in deeper ways. We're going to have a full funnel approach to marketing and a dramatic brand transformation. I cannot wait for you to hear from Jonathan.

So, in summary, every layer of the Rocket Super Stack represents a core strength. And when they all work together, they create a powerful engine for growth that simply cannot be replicated. That is what we call AI-fueled homeownership.

Look, I come from a technology background. So, I have to talk about tech a little bit. But when I think about the Super Stack, technology is a necessary component. I want to take just one more minute and explain what makes our Super Stack special from a technology perspective. See, we have created a groundbreaking new architecture. It's data-powered, humanity driven and self-learning. This engine fuels every aspect of our ecosystem. We spent years perfecting it, years patenting it. It's now driving efficiency, velocity and experience across the company. I am so excited for you to see this in action during our immersion experience.

All right. Let's get to the good stuff here. You've heard about why I came to Rocket. What makes us unique and a little bit about what we're building and where we're going. So let me turn that into what this means in terms of our execution and our future outlook.

We have a proven track record of market share. Market share is our North Star metric. And we have steadily expanded that share in both refinance and purchase through market cycles. From 2010 to the first half of 2024, we've grown our purchase share at 21% and refinance at 14% CAGR. That's good progress, but our aspiration is greater. And so, I would like to unveil for you for the first time, our three year market share growth targets.

We've set bold goals for 2027. We want to double purchase market share from 4% to 8% and expand our refinance market share from 12% to 20% by 2027. To do this, we're going to leverage our Super Stack and we're going to take some big swings to accomplish these goals. We're also unlocking dramatic new levels of productivity and capacity, all the while continuing to gain market share. And what that means is that we plan to achieve this growth while maintaining our current fixed cost structure. The beauty of our growth plan lies in the scalability of our platform. Our platform is what gives us real operating leverage. And this is something that Brian will expand on in more detail.

So, as I wrap up, in conclusion. The one takeaway that we're leaving you with today is confidence. Confidence in Rocket's ability to achieve our mission, our mission to 'Help Everyone Home'.

I am so excited for you to hear from five of our senior leaders. This is a team that brings decades of experience to propel us forward, and I am super privileged to work alongside them every day.



You'll hear from Heather Lovier, our Chief Operating Officer, and Bill Banfield, our Chief Business Officer, both of whom have been with Rocket for over 21 years. You'll also hear from Shawn Malhotra, our first ever Chief Technology Officer, and Jonathan Mildenhall, one of the most visionary CMOs in the world. These four leaders will zoom into each layer of our Super Stack. And lastly, you'll hear from our amazing CFO, Brian Brown. Brian will take us home and he will sum it up in the language of numbers and money that do not lead us, but they follow our strategy and mission.

Thank you all so much for being here today. Let's make it a great day together. And with that, let's kick it over to Bill Banfield. Thank you.



Bill Banfield

Chief Business Officer, Rocket Companies, Inc.

Hello. And thank you, everyone, for being here today. I'm Bill Banfield, the Chief Business Officer at Rocket. My career in mortgage lending started during the great refi boom of 1993. And I came to Rocket in 1999 where I spent much of my time involved in capital markets and risk management.

Now my role as Chief Business Officer drives the complex businesses of capital markets, government affairs, and I also have oversight of our servicing team where our portfolio now eclipses \$0.5 trillion. My experience draws from being deeply involved in the origination process including the products that we offer our clients, our gain on sale margins, our loan quality and ultimately, how loans perform when we service them. So, it's an end-to-end view of how the business is operating and how we drive towards profitable growth.

We're a highly regulated business, and we're always focused on growing and protecting the company. That said, there are two things that we're focused on every day, delivering award-winning experiences and helping our clients across their homeownership journey.

Now I couldn't be prouder of what we've done at Rocket over my 25 years here. And today, I'm going to talk to you about how we earn the right to be the client's lender for life. I'm going to expand on the end-to-end ecosystem, and I'll demonstrate how our flywheel sets us up for growth.

Now as you heard Varun talk about Rocket's end-to-end ecosystem, it spans the entire homeownership journey from buying and selling homes with Rocket Homes, mortgage origination and servicing through Rocket Mortgage, we have title and closing services through Amrock. And we also have personal financial management offerings through Rocket Money and Rocket Loans. And together, this ecosystem makes the homeownership experience seamless and more affordable for our clients. Now the flywheel, it starts with attracting new clients and giving them an incredible origination experience.

We then have the opportunity to delight them through servicing, which then sets us up to retain them over the life of their loan. And I have the privilege of overseeing multiple parts of the flywheel in action. And we're going to dive a little bit deeper into a few key components right now.

So first, let's talk about the origination experience. We've historically sourced clients through three channels: Our direct-to-consumer, our wholesale partners and through our enterprise partners like Chase Schwab, Morgan Stanley and our newest partner, Ameriprise. So, this multi-channel approach brings us broad reach that others, they simply don't have.

It also brings us volume at scale, which we process in our centralized infrastructure. And after we help our clients' become homeowners, we expand on that relationship through servicing. Traditionally, most servicers view the business purely as a cash flow earned over the life of the loan. This is why you hear servicers talk about MSRs in terms of book value and defined return ratios. But this is where there's a fork in the road, at Rocket, we appreciate the cash flow too, but we think about servicing completely different. So, behind every cash flow is a person, a household, a growing family looking to buy a bigger home or a single mom paying for their child's college tuition. For us, behind every cash flow is a client with evolving



needs. And together, with our origination and servicing businesses, they form a powerful homeownership flywheel for attracting new clients and organically creating MSRs, setting us up to help the client with their next purchase, refinance or home equity loan.

Simply put, our goal is to provide an experience that is so superior that we win the right to the client's future business. You'll hear Heather talk more about this shortly.

Now we built our servicing experience around this mindset so that we're there to help our clients with their evolving needs. And the recapture rate is what the industry calls it when we earn repeat business. Our approach to servicing is what leads us to have a recapture rate at 85%. With this rate, we are three times the industry average. So why are we so much higher? It's because we understand our clients and we work to earn their trust every single day.

Our servicing team has a mantra called Love, Protect, Amaze that they demonstrate in every client interaction every day. And then on the quantitative side, we draw rich client profiles from thousands of data points on every serviced client and this data helps us anticipate the clients' needs, so we can give them the right product at the right time. And by continuously building on trust, leveraging our brand and delivering actual offers to our clients, we earn the right to be their lender for life. In fact, 40% of our clients that we service have transacted with us two or more times. Now these deep relationships with our clients not only drive loyalty, but they drive our recapture business. And a major advantage of recapture is that it has virtually no acquisition costs. This creates significant operating leverage across our origination model.

Now as I mentioned, we've historically serviced and originated loans through our direct-to-consumer, our wholesale and our enterprise partners. But recently, we've added a fourth channel, MSR acquisitions. In a typical year, \$1 to \$1.5 trillion of unpaid principal balance comes up for sale in the MSR market, most of which do not fit our criteria. We're highly selective about the pools that we decide to bid on, and we target portfolios that have a higher recapture rate. And with our high recapture rates, we view MSR as a powerful growth channel with low marketing costs that expands our business and accelerates the flywheel we've been discussing.

Now as you know our liquidity clearly puts us in a league of our own. We have the flexibility to significantly expand our servicing portfolio. And we have a proven track record to evaluate, price, acquire and onboard and ultimately recapture portfolios of loans. So far this year, we've acquired and committed to buy MSRs representing 150,000 families and \$45 billion in loan volume. And our servicing portfolio now spans 2.6 million loans for \$535 billion and will continue to expand as the pools that we've committed to on board throughout this year.

Now onboarding is something that's easy to overlook. So, I want to spend a moment here. Have any of you guys had your loan transfer to a new servicer? Lot of jumbo mortgages out there, I'm assuming. So look, the typical onboarding experience is pretty terrible. It starts with a cryptic letter; you encounter poorly designed and complicated landing pages. And if you're brave enough to make a phone call you're going to face long hold times. And to top it off, you didn't ask for any of it, and you don't have a say in the matter. This happens because servicers underinvest in the onboarding process of acquired portfolios



because they view it as acquired portfolios and cash flow generating assets. But at Rocket, we view it totally different.

Here, we are very intentional about onboarding our clients. We want the client's first experience and every experience thereafter to be a great one. This is our first opportunity to earn the right to be their lender for life. We strive to make this experience easy through crystal clear communication, automatic payment transfers of payments and offering AI self-service tools. Through these investments, we've not only become more efficient experiencing a 47% reduction from calls from newly onboarded clients, but our clients also get to see J.D. Power award-winning experience from the start, and that paves the way for long-term growth. This client-first approach also extends to the way we think about mortgage products.

We wouldn't be able to support a robust flywheel if we didn't offer the right products to the right clients at the right time. At Rocket, one of our superpowers is the ability to innovate mortgage products for today and tomorrow's market. And we have a proven track record of meeting clients where they are. In fact, over the last few years, our teams have launched and expanded on more than 60 products. These products give our clients the confidence to transact with us in any market. So, we're going to take a look at two products that help our clients in unique situations and more specifically, our approach in doing so.

In today's market, home equity is at a record \$32 trillion. And many homeowners don't want to trade their existing rate, but many still have cash needs. So, we saw a huge opportunity to fill a gap and solve a problem. So, roughly two years ago, my team developed a second lien product, and we became the leader in home equity securitizations when in reality, a secondary market didn't exist. We made a calculated decision on how to grow while managing risks.

Since then, we've grown to be the largest originator of second mortgages in the country with an annualized run rate of \$6 billion. When the product continues to be in high demand, in the second quarter, our home equity originations reached an all-time high, more than double a year ago. And even better, about half of these clients are new clients to Rocket.

We believe we are just scratching the surface here. And one of the reasons this product has been so successful is that we can convert their equity in as little as seven days, and we do it clearly and simply. This product all came together, thanks to the strength of our balance sheet and our capital markets team pushing to find solutions for our clients. And I've been leading our capital markets team for decades. And we have a unique structure that covers pricing, hedging, trading, MSR valuation and the entire credit policy team all under one umbrella. And I believe this team brings scalable products to life, and I believe no one can hold the candle to them.

You're going to see a bit of the magic behind the team today when you get a glimpse of Rocket Exchange in the immersion sessions.

So, another example of adding to our track record of innovative product offerings is BUY+. This time, the problem we recognized was affordability. In today's market, especially, affordability challenges disproportionately impact first-time home buyers, low to moderate income borrowers and black and brown communities all struggling to afford down payments. We saw a need in the market, we knew we could help, and we went to work.



So, we brought together the entire ecosystem from Rocket Homes agents, our mortgage bankers, our marketing team, capital markets, all working together to create BUY+. The BUY+ product combines the home search and partner agent services provided by Rocket Homes and the financing services provided by Rocket Mortgage. And when clients utilize BUY+, with the bundled services, we're able to save them thousands of dollars at the closing table. This addresses one of the biggest obstacles of homeownership, saving for a down payment and closing costs.

Now we can offer a product like this because we collect revenue for multiple parts of the transaction from the agent commissions though gain on sale margin revenue. And this means we can be creative and share the savings back with the clients. From ideation and piloting to a national launch, we took this product to market in just four months. This is offered nationwide in 3,200 counties with thousands of real estate agents. And it's something only we can do because we have an end-to-end ecosystem, our scale and our go-to-market track record.

Now we're really proud of the results we're seeing. We've seen attachment rates with our agent network double since the launch of BUY+. And the majority of clients that use BUY+ are first-time home buyers and new clients to Rocket.

Now the impressive lineup of affordable products continues to grow with things like Welcome Home Rate Break, this is our newest product launched just a few weeks ago, designed to reduce monthly payments during the first two years of a client's home purchase. Across the board, our products are designed to 'Help Everyone Home'.

Now today, you heard me discuss the power of the flywheel. From search to servicing and servicing to search, our entire focus is the end-to-end experience. Most mortgage companies just offer mortgages, but our end-to-end connected ecosystem is so much more. We create unique value propositions across the homeownership journey. We're leveraging data and insights to acquire MSRs and offer best-in-class service and earn the right to be the clients' lender for life.

As you can tell I'm incredibly proud of what we've accomplished. I'm even more excited about what's to come. I want to thank you for your time today, and I'm going to now pass it over to my longtime friend, Heather Lovier, our Chief Operating Officer.



Heather Lovier

Chief Operating Officer, Rocket Companies, Inc.

Good morning, everyone. I'm excited to be here with you today. I'm Heather Lovier, Chief Operating Officer of Rocket Companies, and I've been with Rocket for over 20 years. I started in 2003 as a loan analyst and have worked my way through various roles across our client experience, business development and operations teams. As COO, I'm responsible for driving the day-to-day operations and ensuring efficiency across the organization including Rocket mortgages banking, client experience teams and Amrock, our title and closing sister company. Put together, we deliver scalable, best-in-class experiences, for our clients, our team members and wholesale and enterprise partners.

You may be thinking 20 years is a long time. But when you love what you do and who you work with, like I do, Rocket is the only place I want to be. From day one, I knew I was part of an organization with heart. We care deeply and are passionate about helping our clients. Since 1985, we have helped nearly 10 million clients. We're helping couples look for their first home, helping families access equity to remodel their dream kitchen or get cash out for a rainy day fund. Varun talked about how we've continuously made client experiences better by pushing the boundaries of what is possible through thousands of inches.

We're a company that has never been satisfied with the status quo, and we are obsessed with finding a better way, another one of our ISMs. Check this out. This massive folder is from my early days at rocket. It shows all the paperwork that used to be required to get a mortgage. Back then, I would literally take this to the underwriter's desk. When we were done with it, I would bring it back, I would get it ready for closing, surely printing more paper to put in this folder and then I would walk it to a metal basket that would then go down to our closing team. Someone actually came around with a cart and collected everything for closing. Everything was paper-based manual and slow back then. Even the handy-dandy two-hole punch was something you couldn't be without.

The days of the manual folder are gone. But it's still a very complicated financial transaction. We've come a long way from 20 years ago, and we will drive even more change in the next two years with AI. Today I will share how our experienced superpower drives our growth particularly in purchase, and how we deliver unparalleled experiences by marrying human empathy and technology. By harnessing the power of AI, we expect to grow at scale and help even more clients with greater velocity, personalization, operational efficiency and accuracy.

As Varun mentioned earlier, Rocket is on a mission to 'Help Everyone Home'. And buying a home is the largest financial decision that most Americans will make in their lifetime. Part of my role is to empower our people to deliver on a major pillar of the American dream, homeownership.

Today 92% of Americans aspire to purchase a home, but here's the thing. Only 19% of those same people think it's the right time to buy. Why is that? Well you heard from Bill about how home affordability has been a persistent challenge. Additionally, across the industry, the current home buying journey is stressful, fragmented and inefficient. In fact, more than 60% of millennial and Gen Z home buyers report experiencing tears of frustration. That's not okay. And 23% of recent home buyers have scheduled extra therapy sessions due to the stress. That's intense. But why is it so painful?



Well first off, the experience is fragmented and costly. The home buyer works with multiple parties. Let's just try to name a few. There's a buy-side agent, a sell-side agent, a mortgage lender, you'll need homeowners insurance, a title appraisal there. I just named six. And they all need to get paid, making the average transaction cost for the median home price over \$35,000. And what do you get for that \$35,000? An experience that is inefficient and slow.

For the industry, a purchase loan averages a staggering 43 days to close. That's crazy. A purchase loan with Rocket takes a fraction of that time. There are so many points in the home buying process that cause friction from searching to the perfect home, to playing phone tag with all the people who are part of the process to gathering dozens of documents. These issues create a chain of complications that ultimately prevent consumers from closing quickly and settling into their new home. Today's consumers expect ease and instant gratification. We expect same-day delivery from Amazon, I know I do, and we expect a credit card approval in minutes.

But why is homeownership the last frontier for technology disruption? Well to put it simply, it's hard work. The home buying industry is highly regulated and the industry cycles make it hard for most players to focus on the long term. The processes are complex and the accuracy standards are very high. We collect hundreds of data points on every client and any one of those data points could either qualify the loan under GSE standards or put the loan in jeopardy. Moving from slow paper-based processes stuck in the dark ages to one that is modern, easy and seamless, is a huge lift.

But at Rocket, we don't shy away from doing the hard things. We rise to the challenge. It takes a company like Rocket with dedication, scale, and assets to truly transform the industry. And it doesn't happen overnight. It takes constant pushing of thousands of inches. In underwriting a loan, we've taken complex processes in the categories of income, property, asset and credit and broken them down into hundreds of thousands of discrete tasks in order to apply automation and AI. We've been working on AI long before it was sexy.

As Varun highlighted, the purchase market is highly fragmented. No single player has higher than single-digit market share. The experience layer together with the ecosystem, technology and our brand layers of our Super Stack will enact this change and expand our growth and purchase.

Our experience layer powers our purchase growth in two major ways.

First, our relentless focus on deploying automation and AI to power great experiences helping to gain the inches to continuously deliver better experiences at scale. Whether it's helping a client close a loan faster in a competitive bidding situation, answering a chat related to filling out a mortgage application at 2:00 a.m. or converting a client after taking immediate action addressing their sentiment shift. These small gains, these inches, that push the boundaries are what will help us capture more purchase market share.

And we're doubling down to grow our wholesale partner channel. These important partners have deep relationships in their communities and excel in a purchase heavy market. We just brought on Dan Sogorka, an industry veteran, who most recently served as CEO of Sagent to take our Rocket Pro TPO group to the next level. We're focused on deepening our relationships with our partners and offering best-



in-class solutions to help them serve their clients the best way possible. Rocket exists at the nexus of humanity and technology. This is so important because buying a home is deeply personal and our AI-powered tools create bespoke experiences by saving team members valuable time, allowing them to build meaningful relationships with our clients.

We love hearing testimonials from clients like James, who recently shared how he appreciated the help of his Rocket banker, Lauren. Setting our clients' minds and hearts at ease, like Lauren did for James, is our goal with each and every client interaction. Every single loan still requires a licensed banker or what the industry refers to as a loan officer and a certified underwriter. Today, these roles remain important. We are equipping ours with the right tools, enabling them to do what they do best, focus on our clients and deliver world-class service. By unlocking capacity and productivity from our bankers and our underwriters, we can serve more clients, process more loans and deliver exceptional client experiences at scale through velocity, personalization, efficiency and accuracy.

Let's dive into some live cases. Meeting our clients where they are means connecting with them through their modality of choice at a time most convenient for them, not us. Whether through our self-service tools, chat, e-mail, text, phone or in person, with one of our wholesale partners. Let's take a look at how we use a few of these today.

First, our wholesale partners are crucial to penetrating a purchase heavy market and in a major area of focus for us. Every day, we have the opportunity to help over 8,000 of our wholesale partners better serve their clients with resources like marketing, and our specialized Rocket Pro TPO portal, which includes AI-powered origination tools like document tracking and income verification. We currently have the #2 position in wholesale, and we've set our sights much higher.

Take our AI-powered chat a mode of communication preferred by 80% of our clients. We deliver personalized experiences with instant responses and 24/7 availability. I know chat or text is a more effective way to get a hold of me, and I'm sure it's all the same for you. Chat is a real game changer. Chat allows us to respond faster and provide personalized service quickly directing our clients to the right solutions. Our bankers supercharged by AI are able to help multiple clients simultaneously enabling us to deliver exceptional client experiences at scale.

The impact is clear. Clients who use chat convert at a rate 3x higher, 3x higher. Imagine a future where chat is seamlessly integrated across all of our digital platforms, supporting every product and blending the human touch with technology in a truly transformative way. You'll see this come to life in the demos later today. Next, I want to turn to how you are driving operational efficiency. AI supercharges our team members so that they can devote their time and attention to what humans do best, empathy, heart and decision-making.

I want to highlight one example for you. Rocket Logic Assistant, which is an AI-powered personal assistant for our mortgage bankers and part of our proprietary AI platform, Rocket Logic. This tool transcribes client calls and automatically completes mortgage applications in real time. Rocket Logic assistant helps our bankers connect more deeply with our clients and helps our bankers do what they do best. They no longer need to pick up a pen or have hands on a keyboard, they can focus their full attention on our clients.



We are seeing so much productivity unlocked from Rocket Logic assistant. Every week, this tool generates over 300,000 detailed transcripts from our clients' calls. For every mortgage application, Rocket Logic assistant automates the extraction of over 100 data points to help complete the application. This can add up to tens of millions of data fields each week for our bankers. You'll be able to check out Rocket Logic assistant in action today in our day in the life of a banker demo this afternoon.

But our bankers aren't the only team members we are powering with AI tools. We are also supercharging our operations team members. Rocket Logic automates complex underwriting processes by breaking down hundreds of thousands of small discrete tests that generative AI can augment, streamlining work and maximizing velocity. Efficiencies like these have allowed us to shave purchase turn times by nearly 30% and refinance turn times by over 20% since 2022.

In fact, year-to-date, the majority of our refinance loans and home equity loans closed in less than 15 days versus the 45-day industry average for refinance loans. That's more than 3x faster. Speed matters in a competitive housing market like today, and our clients love that we give them an edge with certainty. Our client Stacey shared that her banker Amy was instrumental in quickly closing our deal. And that allowed her to get to the settlement table without any delays.

The results speak for themselves. By driving increased velocity, personalization, efficiency and accuracy, we've generated unmatched productivity for our operations and our banking teams. In operations, where we've focused our AI and automation efforts over the past few years, we see strong results. On average, our operations team members are helping 31% more clients. We're in year one of deploying AI tools to our bankers and in a short period of time, we're helping 50% more clients than we did just a year ago. There is so much more potential to unleash. Rocket Logic is already saving our team members over 700,000 hours on an annual basis. AI enables us to do more with the same resources, positioning us to originate significantly higher volumes with speed and certainty, and Brian will touch on this a little more later.

Through everything we do at Rocket, care and compassion for our clients remains at the center. The people you see here are our team members, and these are the folks who have gone above and beyond to provide personalized support for our clients. Every day, they demonstrate that we are a company that genuinely cares about people. It is the combination of our industry-leading AI-driven tools and the human touch that sets Rocket apart.

Now when it comes to Net Promoter Scores. As you all know 50 is considered really good. The industry NPS for financial services is only at 44 according to customer gauge. But not at Rocket. We are far above that. Rocket's all-in origination client Net Promoter Score is nearly double at 76.

And at Rocket, we will always be obsessed with finding a better way and putting our clients first. The days of the paper folder are long gone, but there's still so much more we can do to remove friction from the home buying process, deliver easy, seamless experiences to our clients, our team members and our partners. By blending human empathy with cutting-edge technology, we're creating unparalleled experiences at scale. This means we can help even more clients achieve their dreams of homeownership and financial freedom using the same resources.



I love being at a company that is actively part of the solution, redefining and elevating the home buying experience. Like I said, when you love what you do, and you love who you work with, like I do. Rocket is the only place I want to be.

A key layer in our Super Stack that powers our industry best experiences is our AI platform. And I'm thrilled to welcome our CTO, Shawn Malhotra, to the stage to show you how we make all of this happen. Thank you.



Shawn Malhotra

Chief Technology Officer, Rocket Companies, Inc.

Thanks so much, Heather. So, I'm the newest member of the Rocket leadership team, having joined just about four months ago, and I could not be more excited to be here. Also having grown up just across the river in Windsor, it's a privilege to be part of an organization that means so much to this vibrant community.

Now prior to Rocket, I spent 20 years building software. Most recently I was leading engineering at Thompson Reuters where we rolled out some of the world's most advanced generative AI tools for the legal industry. That included a generative AI assistant that spanned multiple products across the portfolio. I saw firsthand over the last one and a half years how a very heavily regulated industry, like the legal industry, was being disrupted by this massive new technology. I think that same opportunity exists right now in homeownership. And I believe Rocket is best positioned to do the disrupting.

Only Rocket sees the client from the beginning from home search all the way through the journey to servicing their mortgage, that 360 view of the client gives us data and insight around the client and industry that nobody else has. As a technologist, that data, that view is kind of like being a kid in the candy store.

Now when I joined, the first few weeks I spent digging into our foundation, what are we starting from? And it was clear to me that as Varun said, disruption truly is in our DNA. We've been trailblazers for quite some time. I saw a really strong foundation that's been delivering results for years. Now what you see on the screen is admittedly a little bit of an eye chart, but I'll focus you on a couple of things.

First, Rocket had the foresight to build its own loan origination system, Rocket Logic, that proprietary LOS. Second, Rocket recognized early on that AI was a game changer, there has understandably and justifiably been a lot of talk about AI since generative AI came on the scene. But it's important to remember that AI is not new. It's been around for a while, and it's been powerful for a while. Rocket delivered its first production AI models back in 2012. Today we've got over 200 in production, adding real value for our business and our clients. It's important to remember that AI is not a what, it's a how. It enables powerful outcomes, but those outcomes are what matter to our clients in our business.

Today you're going to see some of those in the demos. You're going to see Rocket Exchange. It's 122 proprietary models powered by six terabytes of data that allows us to accurately price within \$0.01 of optimal mortgage-based securities in less than a minute. That's a good outcome for our business. Heather touched on the process of underwriting. We received about 62 million documents related to that in the year. We can auto identify 65% of them. We can pull out the data within those documents 80% of the time. That all adds up to 700,000 hours of team member time saved annually. Another great outcome for our business and our clients. Those 62 million documents, they're part of another key part of our foundation, our data.

Let's consider Wikipedia for a second. I think we'd all agree Wikipedia has got lots of data. They've got about 46 terabytes of data. At Rocket, we have even more. In fact, we have 200x more, that's the 10



petabytes we've been talking about. That is a lot of data and that creates a lot of potential at this moment in time. Getting back to our foundation. Rocket Logic, that proprietary patented loan origination system.

It's five years and \$500 million in the making. It gives us the ability to adapt and be agile in a way that others who use off-the-shelf LOSs just don't have. I can tell you firsthand, building these things in production systems versus building a nice shiny proof of concept are two very different things. And so that five years of learning is incredibly valuable. It's why five months after ChatGPT was launched, we had our first production Generative AI models, helping process W2s.

It's why recently, we've been able to roll out tools like Pathfinder and Rocket Logic Synopsis, these use this disruptive new technology and our massive amounts of data to help team members better answer client questions. The result, 68% reduction in the time to resolve a client request, another awesome outcome for our clients. And this is all great, but we recognize one thing that's important. Like every other organization on Earth right now what got us here is not going to get us there.

Satya Nadella has talked about how AI is a title wave as big as the Internet. Goldman Sachs tells us that AI is going to produce the output of 300 million workers globally. It's a how. AI is a how, like I said before, but it's a pretty important one. And what's different about this disruption is speed.

Let's consider Netflix for a second. We all know and love Netflix, logging in with our own credentials these days, took them three and a half years to get to 1 million users. Then along comes Instagram, pace is picking up, two and a half months for Instagram get to that same million users. November 2022 comes along, ChatGPT burst onto the scene, five days later, they have 1 million users. That pace is picking up.

I saw firsthand how that pace is forcing even some very slow-moving traditional industries like the legal industry, no offense to any lawyers in the room, I'm married to one, but it is a slow-moving industry, but they were being forced to move in a different way because of what's happening right now. And I see the same opportunity in homeownership. I see an industry that is too tolerant of manual processes.

I see dots that could be connected to eliminate the points of friction that our clients face today. But to do that disrupting, we've got to pick up our pace, and I'm going to show you how. It all comes back to that proprietary AI-powered platform we talked about. It's what drives our value creation, but it's got to move faster. Its speed has to match the speed our clients are facing, and our ambition which is to disrupt homeownership.

So how are we going to do this? It starts with talent. We're going to continue to complement our amazing existing talent with new outside-in perspectives to help navigate this disruption. And we're going to arm all of our talent with the tools of tomorrow. Building software today is different than it was just a few years ago. Using tools like Microsoft GitHub CoPilot, we're helping our developers produce more code automatically. In the last 30 days, we estimate that 27% of our code, over 1/4 of it, was written by the AI. That's a good start, but soon, we're going to be doubling the number of developers who are using these tools. We're going to be adding more tools to their arsenal and giving them training and development to really get the most out of them. That's going to drive that 27% to multiples of productivity.



I've also talked about how only Rocket has this wide array of offerings across the client journey. But to deliver them effectively, we've got to really lean into a way of building that I would refer to as build once, deploy many. I'll give you an example. Every one of the experiences you see on the screen has one requirement that they all share. You've got to be able to log in, access only the documents and workflow that you're entitled to.

That's something we would call an identity and access management capability. What you don't want to do is rebuild that multiple times. That's inefficient, and it slows you down. Let's say you wanted to roll out multifactor authentication to all of your client experiences. You don't want to do that multiple times. You want to do it once, deploy it many times, build once, deploy many.

We do this today with identity and access management, and we estimate it saves us about 50,000 team member hours a year. It also helps us bring relevant features to market about seven weeks faster. And it's great that we do that, but we have more and more opportunity to do it with other capabilities.

As we do, we're going to move faster. And it's all enabled by a couple of very simple engineering principles known as building in an API-first way, and by leaning into cloud-native design architectures. And those same two engineering principles also enable the next accelerant to our platform, really embracing open ecosystems and partnerships.

We often talk about build versus buy. I really see it as build versus buy versus partner, and the partner part is becoming more and more important. We're always going to focus on our secret sauce, that loan origination system, our proprietary AI models, the things that are unique to our client needs. But then we're going to deeply partner with the world's best to leverage things like Amazon and Anthropic's great large models that are across domains. They're amazing AI infrastructure. But we're not going to just buy this from them. We're going to co-create. We are co-creating. We are partnering with them. We're making sure that those infrastructure pieces and that their language models work well for our use cases. And that API-first mentality and the cloud-native design principles means we can be nimble. We can switch partners. We can work with new ones because that landscape is evolving fast.

Next, we've talked a lot about data today. And frankly, we can't talk about it enough. It's a big deal. We've talked about that 10 petabytes of data and how it powers this platform. But what's important to realize is every day we're adding more and more. Each day, we exchange 130,000 texts, have 700,000 phone calls and have 1 million app and website visits from our clients. Every one of those interactions teaches us more about our clients and our industry.

We're going to be enhancing our Rocket data platform with new features like ID resolution, more powerful data ingestion, powerful data mastering to make it easy to take all of that data and turn it into outcomes for our clients. And this all complements our AI platform focus. They work together to drive faster value creation.

Finally, one of the big ramifications of this disruption is innovation is being democratized. It's been said that the new software development language is natural language. We're not quite there yet, but we're moving in that direction. The old way of innovating was to have your tech and product teams involved in every new idea, every proof of concept that you wanted to build.



But now even though I'm sure everybody here knows what retrieval augmented generation is, we can build tools that allow even those who don't to innovate with it as though they did. That unlocks tons of potential. What you see on the screen here is a new tool we've created for our team members called Navigator.

We built this in just under three months. And in the first month, we have 1,000 users interacting with language models over 18,000 times. And they're doing things like experimenting with how do I better interact with this client that has following characteristics? How do I automate parts of workflow? They don't know it, but they're actually experimenting with retrieval augmented generation and language models without a tech team being involved. And you're going to see more of this firsthand in the demos. You're going to see a great example where we have a business partner getting deep insights from our data without a data analyst or data engineer involved like they would have in the past. Instead, the AI is automatically creating very complicated database queries to give them the information they needed, letting them innovate on their own. As we embrace more of this self-service model, we're going to up the number of people who can innovate in this company by an order of magnitude.

In summary, our solid foundation has got us to today, but it's not going to get us to tomorrow. We're going to be enhancing our talent and augmenting them with the tools of tomorrow. We're going to be embracing that build once, deploy many mentality, enabling deep partnerships, capturing and operationalizing our rich data assets and super powering all of our team members with the ability to innovate with AI. It's exciting times.

Now what ties all of these great experiences together is our iconic brand. You got a 15-minute break in front of you, but I caution you, do not come back late because you're not going to want to miss Jonathan Mildenhall telling you how he's going to elevate that iconic brand to new heights. Thank you so much.

[Break] (01:11:08-01:26:40)



Jonathan Mildenhall

Chief Marketing Officer, Rocket Companies, Inc.

Hello Everyone. Hello, Investor community. And I just want to say thank you once again for giving us your time. We don't take a minute of it for granted. I am Jonathan Mildenhall, and I am super proud to be the Chief Marketing Officer here at Rocket.

This time last year I was enjoying semi-retirement as a result of a career in marketing that had exceeded my boldest ambition. You see I began my career in London and over a 15-year period, I helped build some of the world's most iconic brands: Guinness, Smirnoff, Audi and PlayStation. And then in 2006, I was lucky enough to move to United States when I joined the Coca-Cola Company as Vice President of Global Advertising and Content Excellence. Here, I was part of the leadership team that introduced the world to "Open Happiness".

Now "Open Happiness" is a global core creative idea that helped Coca-Cola enjoy unprecedented financial growth between the years of 2008 when it was introduced, and 2013, the year that Coca-Cola was named the Most Creative Marketer of the Year at the Cannes Lion Festival of Creativity. Now the significance of that accolade for you all is quite often eight out of ten times, the Creative Marketer for the year is also enjoying a financial metric that is also at an all-time high. So the Cannes Lion award really does prove out the correlation between the brand's outstanding creative impact and its outstanding financial success.

In 2014, I joined Airbnb, and I became the first Chief Marketing Officer at Airbnb. And during my time there, we launched a global core creative idea, "A World Where Anyone Can Belong Anywhere". This idea helped expand the core use case for Airbnb from millennials traveling around the world on a budget to include the more profitable travel categories such as family vacation rentals and business travel. Both of these categories had use cases that needed very different product and service propositions from Airbnb's original core. Ultimately, shortly after its IPO, Airbnb became the most valuable travel platform in the world.

In 2018, I left Airbnb to set up the brand consultancy with my co-founder, TwentyFirstCenturyBrand. Now TwentyFirstCenturyBrand partners with founders and executive leadership teams to help them unlock transformational growth through excellence in corporate, brand and go-to-market strategy. The companies that we serve include Pinterest, Chime, Uber, Netflix and TurboTax, where I got to work with Varun for the first time.

In 2023, I'd become Chair of TwentyFirstCenturyBrand. And as I said, I was living a life of semi-retirement. I was serving on several high-profile boards, and I was advising several high-profile founders. Life was great, if a little predictable. Then I got a text that would change everything.

"Hey brother, I have an audacious idea. Got time for a chat? Varun." Well that first chat would end up being the most inspirational conversation of my career, so much so that it pulled me out of semi-retirement and got me back into the operating role of a Chief Marketing Officer, which is a role I absolutely love. So what was so compelling about the call? Simply put, it was Varun sharing with me his vision -- our



vision for Rocket is more, much more than a mortgage company. We are going to build the world's most compelling homeownership platform. And our mission is to 'Help Everyone Home'.

Well, I was excited about this because this mission is bold, it's disruptive, it's innovative, its category defining. So to be honest with you, it didn't take long. After living with it for a few days, I knew I had to join this incredible team and help get the entire country including you all, our investors, to understand and care for this mission. So why am I so motivated by this mission? Homeownership. Let's think about it.

It is the fundamental building block of the American dream. And as Heather said, with 92% of Americans aspiring to own a home, it seems to be the one last thing that we, Americans can all agree on, even in American like me, that's got this weird accent.

Furthermore, from a marketing perspective, no brand in American history has ever been successful at owning the narrative of homeownership. Including all of the financial, social, emotional and cultural benefits that homeownership represents.

For me, this opportunity is deeply personal. You see I grow up in poverty in the north of England, sharing a moldy bedroom with my two brothers until I was 18 years old. And then thanks to government-funded education, I went off to college.

Now when I think of that young student Jonathan, adjusting to college, honestly, there was no way that he ever thought that he would own a home, ever. But I worked hard at school and in 1990, I became the first ethnic minority to be taken on by top London advertising agency, McCann Erickson. Just two years after starting my career, age 25, I bought my first home.

Speaking with Varun that day, brought back all of the experiences I went through to buy my first home, and most importantly, the feelings I had on that cold November Day when I took the keys and opened the door to this little teeny-tiny house in North London. Feelings of pride, dignity, safety, stability, identity. All of these feelings were new to me, and they were alien to everyone else in my family and yet they've stayed with me to this day with every single home I've purchased ever since. That's the power of homeownership, not to mention the financial security that will come with it.

So with homeownership as our North Star and 'Help Everyone Home' as our mission, I honestly believe there is no better Chief Marketing Officer role in this country. I'm now excited to share with you how we're going to evolve Rocket's approach to marketing to win the hearts, minds and business of all Americans who have ever dreamed about owning a home or have dreams that their existing home can help them realize.

These are really, really important goals, and I truly believe that Rocket has the potential to become one of the most culturally significant and commercially impactful brands in America over the next five years. For years, Rocket has invested significantly in marketing. And this investment has paid off handsomely. We've become the country's largest retail mortgage lender. Rocket is a powerful brand that is serving 10 million clients and has generated over \$1.8 trillion in origination volume. So the foundation upon which our go-forward marketing plans stand is rock solid. That said, with spontaneous awareness at only 12%, we have a massive opportunity to take Rocket's approach to marketing from good to greatest. And in



order to do that, there are four marketing strategies that we're seizing to ensure that Rocket meets this incredible opportunity ahead.

Firstly, as the retail brand leader, we must drive category growth by understanding the dynamic shifts in the U.S. over the next few years. Secondly, we must re-architect Rocket's core consumer segmentation as the foundation upon which all of our innovation and growth initiatives stand. Thirdly, we must reimagine our full funnel go-to-market strategy so that we're maximizing our marketing return on investment to further accelerate growth. And then finally, we must intentionally restage every aspect of the Rocket brand through the development of a culturally significant core creative idea and the introduction of an iconic visual identity system for the brand. This will ensure that we harness the power of the Rocket brand, but so that we become an iconic brand. Let's take a closer look.

As the biggest retail brand in the category, we must drive category growth by 'skating to where the puck is going, not to where it's been' to quote the great Wayne Gretzky. The demographic landscape in the United States is on the cusp of a transformation that will reshape homeownership as we know it.

Between 2024 and 2046, the U.S. will become majority minority with non-Hispanic making up the minority. Closer in by 2030, 20% of the Americans will be -- the age 65 or over. And the economic impact of women will continue to grow with women managing, not just influencing, an estimated two-thirds of household wealth.

By 2030, over half first-time home buyers will be Hispanic. And in addition, single women will continue to rise in prominence amongst first-time home buyers outpacing men by nearly 2:1. These changes won't just nudge the homeownership market, they will fundamentally redefine it, accelerating the trends we see today and reshaping the opportunities and challenges ahead for Rocket.

Meanwhile, as the population ages, the age of first-time home buyers is rising. Millennials and Gen Z burdened by affordability challenges, they face a really tough climb. With nearly half of renters spending over 30% of their income on housing. And half this population worrying that they'll never have enough for a down payment. To lead the homeownership market of the future, we must win definitively with Hispanics, with women, and with aging first-time home buyers.

Now these groups aren't just growing. They are actually transforming the landscape, bringing with them a unique set of expectations, needs and challenges. And Rocket requires a deep and nuanced understanding of their reality, so that they can -- so that we can show up as an authentic financial partner for life. And this is where a fundamental reimagining of our consumer segmentation comes into play.

Earlier this year, we embarked on an ambitious but essential ongoing project. And that is to develop Rocket's largest and rigorous homeownership consumer segmentation study to date. This study is exciting because it's going to help us identify the macro and micro consumer cohorts that make up the current and potential homeownership TMA in the U.S. over the next decade. The study is going to also help us identify the potential profit pools behind each of those consumer cohorts, and it will reveal how Rocket currently indexes against each group.



The study is going to share and reveal with us a unique understanding of the drivers and the barriers of Rocket adoption and advocacy against each one of those groups. And therefore, the consumer segmentation study will guide our levels of investment with each of our cohorts along with the optimum messaging framework so that we'll be able to reduce the barriers whilst promoting the drivers of Rocket adoption, thus enabling us to grow brand relevance against each of the cohorts in the most meaningful, efficient and highly targeted way.

In addition to the homeowner cohorts, the study will expand to include mortgage brokers and real estate agents so that Rocket becomes the preferred partner of choice within these critical groups of the Rocket community. This major consumer segmentation study will not only enable a more efficient approach to marketing investment, but the breadth and the depth, of the study is going to be so robust that we are confident that we'll use it to drive all future financial, digital and service product innovation.

Now let's turn to Rocket's full funnel investment. In 2023, Rocket's sophisticated marketing engine brought in a staggering 18 million leads to top of funnel. However, with a less than 2% conversion to closing client, we have a huge opportunity to rethink every single aspect of our approach.

Firstly, we evolved our media planning in and consolidated all of our spend, our performance spend and our brand media spend, into one single best-in-class media agency, Publicis Zenith. Now this agency has a total US buying power of \$32 billion. They are by far the biggest agency and most sophisticated agency here in the U.S. This single deal alone will create over \$57 million worth of value as we get to benefit from Publicis' huge market leverage.

Secondly, we know that our growth audiences of Hispanic women and aging first-time buyers all value a much more relational and less transactional experience with financial service brands. So for Rocket, that means that we have to define category excellence in that all important mid-funnel experience. Rocket must meet each client exactly where they are. You got to remember that behind each client is a human being. She's a mom. He's a dad. They're a first responder. They're a veteran. They're a first-time home buyer. They're a second homeowner. Each of these clients must be met with Rocket's compassionate service and our trailblazing solutions to help each client on their way, no matter over what time period. And we will do this with bespoke information, guidance and educational content that will build confidence in Rocket and brand affinity over time. In the early days of Airbnb, we would hold potential travelers in that funnel engagement experience for several years as moms, the driver of vacation rentals, and corporate execs, the user base for business travel, they visited the website time and time again, but it took time before they felt that Airbnb was right for their unique traveler needs. The aim at Rocket is exactly the same. We aim to increase mid to lower funnel conversion through effective long-term client cultivation. Now the exciting truth about this is, when we do it right, we will build value creating client advocacy for Rocket products and services even for those clients who have yet to close on a Rocket product. That's the power of proper client cultivation.

Thirdly, we are recalibrating the financial cost structure across the entire marketing organization. Over the past few months, we've concluded a holistic review of every single line item in the Rocket marketing budget. We've restructured our teams. We've made them smaller, more accountable and more agile. And that has created the headcount capacity for us to go into the market and recruit new talent and new skills that will help guide our future success. In addition, we're reviewing all of our working to nonworking



ratios. We want to ensure that most of our dollars are spent in media channels, engaging directly with our expanded community pool, rather than being spent on production, operating costs, a bloated agency roster and other headcount-related expenses. So even though we're going to restage the Rocket brand in 2025, we're still targeting a 20% reduction in our nonworking budget.

And finally, as we look to 2025, we are rethinking every aspect of the Rocket brand to ensure that we build both affinity and advocacy for Rocket against all of our different audiences. In short, what that means is we've got to broaden the aperture significantly, and that will help us capture a whole lot more of the market. So in Q1 2025, we will introduce a new brand visual identity system. The brief -- to ensure that Rocket is instantly recognizable, it is iconic, and it is universal in its appeal -- So this logo, and this approach will no longer exist. But I would like to reassure you there'll definitely be some bedazzled T-shirts within the new visual identity system.

And the second major initiative for the brand is to introduce a long-term core creative idea. One of the most underutilized assets in marketing is consistency of messaging. Messaging that shapes a desirable brand narrative in hearts and minds of consumers whilst redefining category meaning and creating what I like to call a strategic lockout for competitors. Now when we look at the homeownership category, candidly speaking, there's not a lot of inspiration that meets our collective ambition.

So rather like Airbnb did for the travel category, we have to look beyond our own category for culturally significant and commercially impactful benchmarks that we can meet. Apple, "Think Different"; Coca-Cola, "Open Happiness"; Nike, "Just Do It"; and Airbnb, "Belong Anywhere".

Each of these iconic brands, boast a visual identity system and a core creative idea, that have lived in Nike's case, in the market for decades. All of them have a clear call to action and have created significant step change in short-term and long-term category relationship preference. The value of such an approach is the compounding brand effect we see in terms of building both awareness and affinity and marketing efficiencies as each new dollar invested is drafting off the previous dollar invested.

Now whilst I can't share with you today, Rocket's go-forward brand visual identity system, or the core creative idea, I know call me in Investor Day tease, I can confirm that we all believe that what we have planned is comparable to the iconic brands that I've just referenced. Rocket's iconic brand and its core creative idea is going to be a simple call to action for every American who's ever had the dream of owning their own home, or who has ever wondered about the dreams they could realize via the built-up equity they have in their existing home. As a leadership team, we are confident that Rocket's go-forward approach to marketing will drive all aspects of our homeownership platform growth. And in so doing, will help position Rocket as one of the most culturally significant and commercially impactful brands in America.

So in conclusion, Rocket must become a huge growth driver of the homeownership category. Our understanding of the drivers of the category via our significant investment in our robust consumer segmentation study will give us an unparalleled set of insights. These insights will guide how we position our products, services, our marketing innovation in order for us to capture a disproportionate share of growth. And our ongoing obsessive focus on nurturing clients through that mid-funnel experience, no matter how long each individual client needs will become one of our deep competitive advantages. And



our relentless focus on optimizing marketing productivity to ensure that all of our dollars are working hard to engage with each consumer cohort with precision and efficiency will ensure that we start to lay the foundation for industry-leading conversion and cost of client acquisition metrics.

As we restage every aspect of the brand including the introduction of a new visual identity system and a culturally rich core creative idea, we will not only drive short-term market gains, but we are going to forever transform the category narrative in favor of Rocket's definitive brand positioning. Now believe me, teasing an audience is not something that comes easy to me. I'm a CMO, we like to show and tell. But for now, all I can ask you to do is to plan in sharing in this historic vision by tuning into the TV set on February 9, 2025, as Rocket will launch, its ongoing role in inspiring America about accessing the dream, the American dream, of homeownership all over again.

So now it gives me great pleasure to introduce you to Brian Brown. He's not only Rocket's Chief Financial Officer, but he's also one of the co-architects of everything that I've just shared. Brian Brown?



Brian Brown

Chief Financial Officer and Treasurer, Rocket Companies, Inc.

Hello. Hello. First of all, who thought it was a good idea to have the finance guy go out a marketing guy. Let's check the agenda there, see if we can make some adjustments. But hello, everyone. And welcome to Detroit. Dan Gilbert, our Founder and Chairman; he describes Detroit is the intersection of muscle in brains. And I think that's a great way to describe the city, but I think it's an even better way to describe this company. Because after all, Rocket was born here in Detroit.

Now I see a lot of familiar faces today. But for those of you who I haven't met, I'm Brian Brown, I'm the CFO in Rocket. Beyond the functions that traditionally roll up to finance, I also lead our corporate strategy and development team. I'm thrilled to be here with you today. When we went public four years ago, it was right in the middle of the pandemic. So I didn't get a chance to connect with many of you in person. So today, I think of it as making up for lost time. And I'm so excited that you'll hear from Dan shortly, but also that you'll get to interact with our innovative technology products at our afternoon immersion experience. You're really going to see what makes Rocket rock.

Now just a little bit about me. I spent the early part of my career at Ernst & Young. And during my time there, Rocket was formerly known as Quicken Loans, was my client. So I got an insider's view into the company, and I saw something really special. I saw an amazing culture focused on innovation, and I also saw a huge addressable market, ripe for disruption. I knew I had to be part of it. And in the 10 years I've been at Rocket, if you can name a finance role, I've probably had it. SVP of Finance, Chief Accounting Officer and Treasurer, just to name a few. And more importantly, I'm lucky to work with some of the brightest minds in the industry. Many of the folks that you've seen on the stage here with me earlier today. It's been an amazing ride so far, but we're just getting started.

By now you've heard from Varun and the team about how we're well positioned to capture a huge opportunity, particularly in purchase. Our Super Stack is fueling our lead in transforming the homeownership industry.

But now I'm going to get to the good stuff, the numbers. So I'll walk you through our business model that drives growth and profitability at scale as well as our vision for our next chapter of growth. And finally, I'll touch on our strong financial foundation and how we think about allocating capital.

So let's dive in. So let me just spend a minute recapping past few years from an industry perspective. It's been quite a time to be a CFO in the mortgage space. The industry saw unprecedented contraction, shrinking by almost 70% from 2021 to 2023. And we've all seen the headlines. Inflation soared to 9%, prompting the Fed to raise rates at the fastest pace in over 40 years. Mortgage rates shot up and sales of existing homes plummeted to historic lows. And these macro changes have reshaped our industry. Mortgage capacity has dropped by more than a third from its peak in 2021. And we've seen a huge wave of consolidation with over 60 M&A transactions, bankruptcies, exits, and that's in 2023 alone. And even today, we remain in a very unique market. Typically, we'd expect rising interest rates to lead to a decline in home prices. But even with affordability hovering at all-time lows, home prices continue to increase. And while there remains a very healthy demand for homes, many potential buyers are stuck on the sidelines.



Now over the past few years, we've done the hard work to adapt to the realities of this market. First and foremost, we reduced our cost base by almost 40%. This included making the tough but necessary decisions to reduce headcount. But we also wound down underperforming businesses like Rocket Auto and Rocket Solar. And most importantly, we lasered our focus to only the strategic priorities supporting homeownership, those that are driving the highest returns. And secondly, and frankly, what I'm most proud of, we never stopped investing in the business during this time. As Shawn discussed, while others in the space were pulling back and essentially waiting for rates to drop, we went completely against the grain. We rebuilt our proprietary loan origination system, Rocket Logic. And we estimate that Rocket Logic and the surrounding technologies are saving us 700,000 hours on an annual basis.

And the financial results, well they speak for themselves. We've delivered double-digit revenue over the past four quarters in one of the toughest mortgage markets in history. We achieved positive adjusted EBITDA for five consecutive quarters in one of the toughest mortgage markets in history. But that's not all. We also increased both purchase and refinance market share, our North Star metrics. And in fact, you can see here, we've increased our purchase market share by an annual growth rate of 21% and 14% in refinance. So you can see, it didn't just cut costs and wait for rates to drop like everyone else. We rightsized the business, but we also reallocated capital to invest and position us for growth.

But what's even better, and I hope you'll see here today, we're really just getting started. Right now no player in the purchase market has over single-digit share. And when you think about it, 20,000 different mortgage entities originated a purchase loan last year. We've all seen other very hyper-fragmented industries such as tax prep and insurance and travel, go through major consolidation. So in some ways, mortgage truly is the last frontier. Now our growth has been impressive, but we're not even close to being satisfied or done. We set even bolder goals for the next three years.

Our goal, as you heard from Varun is to double our current market share in purchase from 4% to 8% by the end of 2027, and to expand our already impressive refinance market share from 12% today to 20%. So to put this in perspective, if we applied those market share goals to the 2023 mortgage market of, let's say, about \$1.5 trillion, we would have originated \$150 billion in total loan origination volume. That's compared to the \$79 billion we actually originated last year.

But taking this a step further, how would those market share targets translate to, let's say, a more normalized market than today? Well if we take the number of mortgages produced, the number of mortgage transactions prior to 2020, and we apply today's loan sizes, which have grown quite substantially, you'd get to a mortgage market approaching \$2.5 trillion. So now if I take the 8% purchase market share target and the 20% refinance market share target, and I apply that to a \$2.5 trillion market, that would equate to \$275 billion in total loan origination volume.

So Varun team have already outlined how we'll achieve these market share targets by capitalizing on our competitive advantage, our Super Stack. But now let me walk through the three components of our business model. Our multichannel reach amplified by our iconic brand, our origination and servicing flywheel and of course, our proprietary technology platform. Together, these components enable us to grow -- deliver both growth and profitability at scale. So first, our multichannel approach helps us acquire clients across a full spectrum, spanning direct-to-consumer, enterprise partners, wholesale partners. This gives us more reach at scale than any other lender. And as Jonathan showed us, our iconic brand



enhances our reach to audience that, frankly, other lenders in the space could only dream of. The retailer direct-to-consumer segment represents about half of the mortgage market. And while we're already the #1 player in this space, we still see major growth potential.

We're creating exceptional digital client experiences and empowering our team members with technology and AI to make them more efficient and more scalable. Then, of course, there's the banks. And today, the banks still hold about 1/4 of the mortgage market. And that's despite the fact that they've been ceding share really for the past two decades. This trend was underway even before regulatory standards, such as Basel III even came into play. And the dynamic creates a really awesome opportunity for Rocket because similar to our enterprise partner with Charles Schwab, we can partner directly with the banks and provide their clients an unrivaled mortgage experience. Or, of course, we can capture share that they're leaving behind just through our direct-to-consumer business.

Now the wholesale channel is also large and makes up the rest of the mortgage market as many clients in realtors still prefer to work with a local professional community. And as Heather mentioned, we're the #2 player in this space, but we're continuing to invest heavily. The modern broker relies on tools and systems more than ever before, and we're equipping those brokers with the same cutting-edge technology that we're developing for our own bankers and our own team members in the direct-to-consumer channel. So you can see we can do more than just stand behind these brokers. We back them with almost 40 years of experience and the best capabilities that Rocket has to offer.

But there's one more, perhaps less obvious channel that I want to discuss, which is MSR acquisitions. We started retaining servicing in about 2011. And from the beginning, our focus has been on building a servicing platform that's all about capturing the client's next loan, a marketing platform, if you will. And as Bill mentioned, this is completely different than other servicers whose main goal is to collect the cash flows of that MSR at the lowest cost profitable possible. And while we enjoy this cash flow in the portfolio, I'll show you today how the value associated with recapturing the client on their next mortgage transaction is worth much more than those service and cash flows. So we proved early on that we have leading recapture when the client goes through our award-winning origination experience and then seamlessly transfers over to servicing.

But over the past few years, we've been testing our hypothesis that we could outpace industry recapture when we acquire the MSR inorganically. And the results have been positive. And that's given us the conviction to lean in and acquire more MSRs. And if we can do that, this changes everything. It opens up an entirely new channel for acquiring clients. And you see the MSR trades about \$1 trillion to \$1.5 trillion annually. And we, of course, have significant capital to selectively acquire those MSRs and high recapture potential to accelerate that origination and servicing flywheel. So far this year, we've acquired or committed to \$45 billion in unpaid principal balance or about 150,000 new clients to our servicing portfolio. And these clients are prime candidates for recapture. That could mean a rate and term refinance, it could mean a new home loan. It could be a cash out or a second lien to tap into that client's home equity.

And after we acquire clients through our multichannel approach, our origination servicing flywheel keeps those clients in our ecosystem. As Bill emphasized, that flywheel is a powerful force that positions us to be our clients' trusted partner and lender for life. You see Bill's team innovates on products that fit our



clients' needs. While Heather's team focuses on delivering the best experience for those clients. And as a result, those clients come back to us 85% of the time. That's 3x higher than the rest of the industry. And those clients that come back to us come back with a \$0 cost of acquisition. Now let me say that again, for those of you in the back, \$0 cost of acquisition. And anyone familiar with the mortgage and originating a new client knows the cost of acquisition is typically the highest cost in originating a new loan. So cutting out that cost leads to serious operating leverage. Now high recapture rates and no cost of acquisition means that our service clients represent substantial lifetime value, especially relative to the rest of the industry.

But now let me put some numbers around this flywheel. Let's take a typical service loan of, let's say, \$300,000 and unpaid principal and let's take a servicing strip of 30 basis points. That MSR asset generates about \$900 in fees annually. Now let's compare that against the revenue associated with recapturing the client's next mortgage. So let's assume a \$400,000 loan and a 400 basis point gain on sale margin. This recapture client represents \$16,000 in top line revenue to the organization. And oh, by the way, it also creates a new, more valuable MSR asset that we retain. So you can see this ability to recapture at scale is unique to Rocket. And again, much different than other servicers in the space.

So I just took you through the economics at a client level. But now let me zoom out and show you what this can look like on a broader scale. Let's say rates drop to 5%. In this scenario in our own servicing portfolio, almost \$100 billion of UPB would be instantly in or at the money. Now we generally expect roughly half of those clients in our servicing portfolio to transact on a rate in term refinance. So if we apply our recapture rates to the transacting population, you get to about \$40 billion in loan origination from this population alone. And because these servicing clients have no marketing costs, you'd expect to see roughly 70% of the revenue from these originations to drop to the bottom line.

Now the rate drop scenario I laid out seems pretty realistic given the recent economic news. But as much as we all love to know exactly when rates would drop, of course, no one has a crystal ball. So the real key to success in mortgage isn't knowing when these shifts will happen. But it's about being ready for them when they actually do. The true winners in our industry are the ones that can react with agility when change happens. This is why you often see folks tracking industry capacity through various points in the cycle. For most originators, a rate drop, though, can really send them into a frenzy to scale up staffing.

But to meet a sudden surge in staffing demand, it really presents a couple of challenges. One, it's time consuming. Recruiting, hiring, licensing, training loan officers and underwriters can take months, if not longer. And there's a clear mismatch between the immediacy of the demand shift and the time to ramp up headcount. Two, it's also just not scalable. Human capacity will always limit growth and you risk missing out on origination opportunities. And on the flip side, holding on too much capacity hurts profitability and cash flow. But finally, and perhaps most importantly, sudden hiring really negatively impacts the client experience. Newer team members or employees ramping up can lead to slower turn times, mistakes and even missed closing dates. This leaves clients extremely frustrated.

So the ability to dynamically scale capacity is an engine that drives growth and profitability in our industry. And at Rocket, this is exactly what our scalable technology platform has allowed us to do. While others have scrambled to stay afloat in the down cycle, we've thrived. And we've invested in ourselves, and we've doubled down on our commitment to technology and specifically our proprietary loan



origination system. As Shawn highlighted, the advances in analogy are enabling us to supercharge our team members and dynamically adjust our capacity.

Over the past year, our operations team members have served 31% more clients, and our bankers or loan officers have served over 15% more. So without adding \$1 of fixed cost to our current base, what loan volume do we think we could handle today? Well we estimate that we can close \$150 billion of annual loan production right now. So that's almost twice as much as we originated last year.

But we just talked about some pretty bold market share goals. So you may be wondering, what do we think our capacity to close loans could look like by the end of 2027? Well we believe the AI efficiencies that you've heard a lot about today will only accelerate from here. And we believe our technology platform will only scale from here. And our team members, well they'll only get more efficient from here. So by the end of 2027, we expect to have the capacity to close \$300 billion with only measured increases to our fixed costs, demonstrating significant operating leverage.

Now you've heard today of the competitive advantage through our Super Stack, but none of this would be possible without our strong capital position. We've always been committed to operating with positive cash flow in a long-term mindset. Our balance sheet and substantial liquidity has strategic advantages, no doubt, and it gives us remarkable flexibility to continue to invest in growth. So as of the second quarter, we had \$3.2 billion available cash and \$7.2 billion of the fair value of mortgage servicing rights, totaling about \$10.4 billion in value on our balance sheet. And our capital waterfall has been consistent.

First, our top priority has always been to capitalize the business. We maintain corporate credit ratings that are two notches higher than anyone else in the industry. And second, we reinvest organically in our own business. This has always been the best dollar we've ever spent. We continue to invest in our people and our technology, ensuring that we're positioned for long-term success regardless of the market we're operating in. And third, we seek out inorganic opportunities. This includes acquiring MSR portfolios to boost that origination servicing flywheel as well as potential acquisitions or even partnerships. We're selective and we're disciplined in these opportunities with these opportunities, and we have significant capital at our disposal. And then of course, finally, we return capital to our shareholders through either repurchases or dividends. So our robust capital position not only allows us to invest in growth but also provides tremendous flexibility to drive our next chapter forward.

And as we wrap up these presentations, I just want to express how excited I am to be part of this team to reshaping Rocket's future. I've been here for 10 years now but I have to say, I've never been more excited about the future. We've set some bold goals in a massive market that is truly ripe for disruption. And we have a business model uniquely designed to drive both top line and profitability growth, really powered by those three components. Our multichannel reach backed by our iconic brand, our origination servicing flywheel and the operating leverage provided by this scalable platform. We believe this will create long-term value for our shareholders.

So thank you for being on this journey with us and believing and our mission to help everyone home.

Now we will turn it over. I'll invite Sharon and Varun back up the stage, and we'll do a Q&A session with the group. And then right after that, you'll get to hear from Bill Emerson and Dan Gilbert.

QUESTION & ANSWER

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Welcome back, Varun, and thanks for taking us through, Brian. And thank you, everyone, for submitting questions to the Q&A inbox. There are quite a few questions, and there's some hard-hitting ones. So we're ready? All right.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Q

All right. Bold targets for 2027. Bold market share targets. How did you come up with them and how do you think you can achieve them? And do they contemplate M&A? Maybe, Varun, you can take this one.

Varun Krishna

Chief Executive Officer, Rocket Companies, Inc.

A

Sure.

I think I'll just start by saying that we play in a big space. And if you play in a big space, as a company that operates with our scale, you want to set models because those all goals simply reflect your engines. And those goals have to be tied to some level of practical execution in a plan, but it also implies that you've got to take big swings. And when we think about our goals, obviously we want to get serious about long-term growth and market share, just why we focused on purchase and refi.

But at the end of the day, I mean we feel like our goals are attainable. And I'll just share maybe just a couple of the reasons that I have a lot of confidence. When we think about execution, broadly, there's kind of two ways you execute, right? One way is organic, which is you build and achieve your strategy with the things that you have and the other is inorganic, where you think about how to leverage your capital and your balance sheet.

So I just look at organic alone, there's three compelling reasons for me that give me a lot of confidence that we will not only meet but exceed our long-term goals.

The first one is very thematically what you saw today in the context of our Super Stack. It's not just one layer. It's all of these layers that are working together, and it's the fact that they strengthen and reinforce each other.

It's not every day that you have a company that can say we have an ecosystem. We have experiences. We have powerful technology and a brand. And these are all things that are evolving and building and that alignment will likely increase our trajectory to be successful. The second thing is that we are unique in the sense that we're building what we consider to be an elastic technology platform. That means we can

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scale up without increasing our fixed cost dramatically. And that's something that we think is also very unique because as you think about growth, we've all seen that this industry has a lot of ebbs and flows. There's this yo-yo effect of ramping up, ramping down and that's just how you build a durable growth business. So the ability for us to be more efficient and handle more capacity is again something that is very unique to Rocket and gives me confidence in our organic approach.

And then the third one, it's really just the fact that we are multichannel, right? We're not just the direct-to-consumer player. We think about wholesale, we think about partners and we're able to offer kind of that spectrum of products and services. And so when you combine those three levers together, it creates a lot of rationale and sort of a pragmatic belief in our ability to hit bold goals.

So that's just kind of on the organic side. Brian talked a lot about this a few minutes ago, but when you consider inorganic, we're going to be very principle, but that \$10.4 billion of liquidity is a formidable asset.

It's an asset that allows us to be opportunistic and to think about additional levers that would allow us to be successful in achieving our growth in service to the strategy that you've seen laid out together. And so putting all these things together is how we came up with the goals, but they also reflect some of the rationale that we feel gives us confidence in our team and the assets that we have to actually go out and achieve them.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Q

Brian, you took us through the multichannel approach. And sometimes I get the question, where is the market share going to come from? So can you double click on that for us a little bit?

Brian Brown

Chief Financial Officer and Treasurer, Rocket Companies, Inc.

A

Sure. Yes.

I think to Varun's point, it starts with this multichannel approach, which I truly believe is a moat. And if I think about other players in the space, I honestly can't think of one that competes in all three of those categories at scale.

So I usually think about it across direct-to-consumer, banks and then wholesale. And I'll kind of start with direct-to-consumer. It's been our bread and butter and our super power over the years. We're the number one player in that space, but I'm really excited because I think we have a lot of room to run there. If you think about our starting point, it's a really large top of funnel. We have a huge top of funnel driven by a lot of the things Jonathan talked about, our reach and our engagement with the consumer.

And then you have personalized digital experience empowered by team members the best in the business, working that funnel down to actually putting clients in homes or giving them mortgages or



saving them money. So right there, you look at a very large top of the funnel and you look at the bottom of the funnel. And frankly speaking, the conversion is still relatively low. So that is a great opportunity in itself.

To Jonathan's point, growing that top of funnel and extending the reach is something I have a lot of confidence in, and also just continuing to work on that conversion and get better and get more personalized experiences gives me a lot of faith in growing that.

I think the other thing that's worth mentioning in this space, too, is -- who's our competition? What else is going on in the direct-to-consumer space for mortgage. And I think we kind of struggled to find someone that had invested through the cycle, that's sitting on capital that has really done the right things for their business over the past three years. So I think we don't know where rates will go, but if rates drop a little bit and the Fed does what everyone thinks the Fed will do, it will be interesting to see if those other players that had a big footprint in direct-to-consumer and really come back and capture share because we know they've shrunk their head count, we know they've shrunk their cost structure, and they're kind of just sitting and waiting. So that will be an interesting thing, but I think it provides a great opportunity for us to grow in that space.

And the second is the banks. We talked about 25% of the market today goes to the banks. They're definitely not out there trying to acquire mortgage as we know that. But that being said, it's a product that they know, and we know of course, that they need to be able to offer. So there's sort of two strategies there. One, we've talked a lot about with just partnering with the banks. And by the way, that's a lot more attractive and a bit of an easier sell now that we are competing with the banks and things outside mortgage. So if I take us back a couple of years ago, we had some competing products to the banks, and it's a little bit harder to work your way into a partnership deal with the bank when you're competing in other products. But now as we've talked about all day, you're doubling down on homeownership and doubling down in the mortgage space, makes those conversations with the banks, it frankly flips them on its head. So that's one opportunity.

But I think the second thing is just continuing to take share as they give up share. From our perspective, it's a tough sell. We all know mortgage works best at scale. You have -- no matter who you are, you have some fixed cost base that you have to clear and in mortgage because of the compliance and the underwriting and the processing and the closing in 50 states, 3,000 counties, it's hard. It's really hard.

So you have to get over that hump to make it a profitable business. And from our perspective, sort of from the outside looking in today, the things are getting over that hump. So it will be ultimately their decision, have Basel III on the horizon, but it's an exciting opportunity for us, and I think one that we're really the only player trying to capture.

And then thirdly, we talked about wholesale. Heather mentioned the #2 player in this space today, but really excited. I'm really excited about this opportunity to grow there. If you think about it, it's a lot of consumers still want to interact with a mortgage professional in their local community, which makes total sense, but who is in a better position to back those mortgage brokers and realtors with the best technology in the space and the learnings from 40 years of running an amazing direct-to-consumer



business? The obvious answer I think is us. And if I think about where we're putting capital and investing today, I put the wholesale business or the broker business is high on our list for opportunity.

But finally, Sharon, I think the other is kind of the fourth, which we talked about today, which is just the acquisition of MSR. We know there's competition out there for the MSR because there's other servicers in the space. But what we also know is no one recaptures the MSR as well as we do. And as we kind of highlighted in our prepared remarks, our conviction on acquiring inorganic MSRs is only going up as we acquire more improved to ourselves that our recapture is really good there. That's a whole another channel, if you think about it. We kind of, inside baseball here, but we kind of call it the leave-that-pays-wait because you're collecting that \$900 servicing strip and that has a pretty high margin on itself. But much more importantly, you capture that next transaction and that's where 20 servicing strips.

So I think if you look at it, it's the three main components plus the MSR, I don't think -- it's not an or, it's really an and.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Q

If I just go back and maybe dive a little bit deeper in the wholesale channel. We have aspirations there. We've talked about investing more heavily. We've hired a new leader. Clearly, the wholesale channel is also very important for the purchase market share goals. Varun, can you tell us a little bit about the aspirations and what we want to do?

Varun Krishna

Chief Executive Officer, Rocket Companies, Inc.

A

Sure. Yes. I'll just start by saying that when we think about Rocket, we think about multichannel very deliberately. And by that, what we mean is the spectrum of products and services that you offer your clients is intentionally designed to be a continuum. You meet them where they are. There are some clients that prefer to work with us actually in the retail channel. There are other clients that need the comfort and the assurance of a broker, and we want to be there to meet them where they are. This is a very important space for us, and we have doubled down. We've hired an amazing leader, Dan Sogorka he's actually at the back of the room here today, who's going to help us lead the charge.

But as you said, this is a big part of our strategy to actually strengthen our foothold and purchase. And that is, again, very intentional. Not only have we hired leadership, we're thinking about resourcing, we're thinking about aligning the teams. As Jonathan talked about, we're going to have a value proposition around the broker, and they're going to become an important constituent in our ecosystem and they're directly relevant to our strategy.

If you look like a layer deeper, you start to really understand client obsession, client depth is really important to this company. And so understanding the broker and understanding their key problems is something that we take very seriously because that's how you build good products and services. And

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when you think about the superpowers of brokers that we've learned through intensive study intensive research, there's a couple of key things that come out. They want to offer the power of choice to their clients, right? Choice is really important. And the best brokers offer the most important and holistic choice. And then they also want to deliver top-tier service, right, responsiveness, information, analytics. They just want to deliver that kind of flawless experience. And so if you kind of unpack that and you say, well what enables that?

It's a few things in my mind, leading technology, right, amazing products and services and competitive pricing. And when you think about what we're building in terms of our origination platform, it is the foundation of that. And so the strength of our ability to be more successful in TPO lies in extending the core capabilities that we are already building as part of our retail origination platform. And we want to extend the benefits of those products and services to allow our broker community to become super brokers.

So it's a very important part of our strategy. It's a natural extension of what we're building. We're doubling down on leadership. It's about strengthening our focus on purchase, obviously and we're very excited about it. I mean this is an important community that we believe we should be invested in. It's complementary to the work that we're already doing in terms of the continuum. And when you stack these things up together, it creates the next category of growth for us.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Q

Let's say, we do expand the wholesale channel. And then let's think about it from a P&L perspective. What does that mean for the volume mix shift and the gain on sale margin profile. Brian, maybe if you can take us through?

Brian Brown

Chief Financial Officer and Treasurer, Rocket Companies, Inc.

A

Yes. Sure. So I think -- and I'm guilty of this myself. We have a tendency to look at the top line revenue, right? The gain on sale margins and the first thing that stands out to you as well I love all my loans to come from the direct-to-consumer channel because it has a higher top line gain on sale margin than the wholesale channel, but I think that's worth unpacking a bit too because really the most important thing is what the profitability of those two channels is and if you think about the difference in the cost structure, the -- as we talked about on the direct-to-consumer channel in almost all cases, your #1 cost is the cost to acquire. And that's true for most financial services, fintech companies. So you got to get over that cost. And I think we're doing a nice job doing it.

But then if you take -- and I'll just -- I'll share and I'll talk about wholesale, but also even these bank and enterprise partnerships. I mean the beauty of these is the wholesale broker or the banking loan officer, they're bringing that client to us, they're also doing work. In the case of a broker, they're setting up that application or as we call it a folder, they're collecting documents and they're delivering that to us through



the tools and systems that we provide, but they're doing a lot of the work in the transaction. So of course, we're willing to share in that revenue to them, but that still creates on a direct revenue, less direct expenses, it still creates a highly profitable transaction in all three of those channels.

And just taking a step back, if you were in our shoes, and we've essentially built in our humble opinion, the best manufacturing plant of mortgages in the world where we can process, underwrite and close most efficiently, one, why wouldn't you want to offer that value proposition as Varun said, why don't you increase your distribution and offer that to all mortgage professionals, number one. Number two, if you can build on that scale and you can keep your fixed cost structure and check, you can be profitable. It's like I said before, these aren't ors, these are ands.

So yes, the top line revenue on a wholesale transaction and maybe even to some extent, a transaction might be lower because the other party is doing some of that work and they're going to get compensated for it. We're focused on the bottom line. We're focused on that revenue less the expenses. And by far, the biggest difference that stands out is that cost of acquisition.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Q

Thanks, Brian. We're going to move over to ecosystem. And sometime, frankly, IR gets the question, is Rocket is just a mortgage company or do you have other aspirations? You've had all of these other businesses, maybe Varun, can you take us through how the different pieces of our ecosystem fit together?

Varun Krishna

Chief Executive Officer, Rocket Companies, Inc.

A

Yeah. I'd start by just saying that I think this is one of the big reasons that I came to Rocket is the power of our ecosystem. And what you realize as you spend more time with the company is that these are not disparate assets, right? These are ingredients that are designed to work together, strengthen and reinforce one another and create a hole that's greater than some of the parts. Another way of saying that is if you take any two of our system assets and put them together, it's not a one plus one. It's a one plus one equals eleven. And you see that, which is why we declare a focus on the homeownership category and mortgage is obviously a significant part of that. When you look at our ecosystem, it is vast, right? We participate in home search, financing, title and closing, servicing, personal finance.

And these are not disparate assets. They're a continuous part of a client's journey. And when you participate in more than one part of the equation, you can create more valuable economics that allow you to create more value for clients and to create new products and services that others frankly can't. And I'll just give you maybe a couple of examples of how we're doing that today and how we might do that tomorrow. The most obvious one is our origination servicing flywheel, where we're able to retain clients and collect an annuity, collect data, and be able to deliver more personalized experience, our J.D. Power award-winning servicing experience. We've got our servicing leaders in the back there, which we're very



proud of, but we're also getting data and engagement that allow us to originate new purchase loans, cash out refis, home equity loans, and that's an example of two ecosystem ingredients working together.

And I'll use Rocket Money as another example. We actually offer Rocket Money premium to all of our Rocket Mortgage clients. And I believe we've had something like 391,000 Rocket Money clients and our Rocket Mortgage servicing clients activate those premium subscriptions. Now this is a valuable thing for our clients, right, because Rocket Money helps you with all the things that surround homeownership, building your credit, maintaining household savings, tracking your subscriptions, which are important when you want to get into a house, they're also important when you want to stay in-house, right? And so creating that financial liability is something that is possible by having the combination of Rocket Money plus, obviously our core Rocket Mortgage and homeownership assets. You heard Bill Banfield talk about BUY+. That's another example of the synergy between Rocket Homes and Rocket Mortgage working together where we can actually offer an incremental savings to clients to be able to save up to \$10,000 toward closing costs. And again, it's another example of the ecosystem working together, but it's also a relevant value proposition when you think about things like home affordability and how we can create better products and services for our clients. So the ecosystem is not sort of a marketecture thing.

It is a powerful example of the assets that we have as a company, working together to strengthen and reinforce one another where the whole is greater than the sum of the parts. And it is something that makes us unique, and it's something that we think we will continue to innovate on with new products and services and service of our growth strategy.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Thanks, Varun. Another favorite topic for Brian is costs.

Brian Brown

Chief Financial Officer and Treasurer, Rocket Companies, Inc.

Someone asked the cost question? Come on. Was it you, Rick Shane? No. I'm just kidding, Rick. I don't want to put you on the spot. Sharon's got one, I'm sure.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Q

It's also related to capacity because there are pretty big capacity numbers in our slides. And you also made some statements around current capacity, current fixed cost, measured increase. I mean there's a lot of numbers and a lot of words there. Can you elaborate a little bit more on what you mean by that?

Brian Brown

Chief Financial Officer and Treasurer, Rocket Companies, Inc.

A

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Yes. I mean I think that we tried to choose our words carefully. In the prepared remarks, I think the word I used was, "We're going to increase capacity with only measured increases to our fixed cost." And the reason I say that is because we're not immune to a lot of the things that everyone else that operates in the space is. I mean we have -- we go up against big technology contracts every year that have cost of living adjustments and things tied to CPI. And so you can't sit here and say, it's completely possible to keep your fix costs where they are today. But I'll tell you what, we can do our absolute darndest to try to offset those increases with just a lot of the things we talked about here on the stage. But I think what's important is not necessarily thinking about the exact fixed cost number, it's thinking about the increase in capacity compared to the fixed cost number. And that's really what we wake up every single morning and focus on is, are we adding capacity at a substantially higher rate than we're adding fixed costs. And hopefully, through this presentation, we're starting to prove that to you because true that we did do \$351 billion, but who's counting exactly loan originations during the pandemic. But it was a lot of efficiencies. It was a lot of hard work. It was dedication, sweat, tears, passion, all the above. And we're -- this time, we're going to get back to those numbers, but we're going to do it differently.

We're still going to -- and again, I should just say, it's not that we're not going to hire, we're still going to bring in top talent. We're going to find the best loan officers and underwriters and professionals in the mortgage space, but differently this time, we're going to empower them with tools and technology that's driven by AI, and we're going to make them more efficient. So the folks on our team, the mortgage professionals on our team, will be the most efficient and empowered mortgage professionals in the industry. And if we do that right, you'll see the capacity grow at a rate that's materially higher than the fixed cost.

And if you don't mind, maybe just to hit on -- what could be the next question, I don't know but also variable costs. We have to think about those as well because they're an important equation in scaling up. The mortgage transaction, as we know is -- it's a really rich transaction. So we say, "Oh, a lot drops to the bottom line." That feels really good, but focusing on those variable costs is very important. And the #1 way to impact the variable costs in this business is to impact the conversion because the biggest cost of being a mortgage company, kind of on a variable basis, is the loans that don't close. Because if you think about it, most loans that close the cost that we incur, we pass that along to the client. When we have to pull credit or if we -- when we need to do an appraisal, the client pays for that, and they're closing costs. But the clients that don't close, don't pay for anything.

So that cost, we call it fallout in the industry, that's a big cost. And you see that show up in the P&L through kind of various line items, but working that cost down by increasing your conversion, albeit a variable cost, I would argue, is just as important as looking at your fixed cost structure.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.



Thanks, Brian. Maybe one more question or maybe two more questions. Let's see. The next topic is AI, and obviously AI has been a theme throughout the day, is the linchpin to our strategy. And the question I'm getting is, how much of a differentiator is AI for Rocket? Because you can buy so much off the shelf



today, is there a threshold, a minimum threshold for data? Is there a minimum threshold for dollar spend? What gives Rocket the right to be an AI company?

Varun Krishna

Chief Executive Officer, Rocket Companies, Inc.

A

It's an excellent question. I think it's also -- it's one of those things that's worth continuing to ask. And I'd just start by saying that there is a lot of hype out there when it comes to this. I mean this has become a little bit of a *nom du jour* and a buzzword. And I find it a little humorous just because I think to be an AI company, you probably have -- you kind of have already been an AI company. It's not something that you can just decide to be. It's not like you just wake up one night and say, "You know what, I want a 10-petabyte data lake." Like that is something that takes years, if not decades, to build, deliberate investment, deliberate capital allocation, significant intentionality to capitalize on. So like to be an AI company, I mean yes, you can use a lot of the foundational infrastructure, but to do anything at scale, you're probably already too late if you're deciding to start. And we've started this journey years ago. And data is just one example.

On top of that data, 65 million call logs, 300,000 transcripts that are generated every week. The reason that data is so important is because you learn things from that data and you feed it back to itself, and then you learn more, you create models that feed, that are recursive. So as you get more data, it gets re-ingested. And this, to me, is a competitive advantage that is very hard to replicate because it's entirely based on a highly proprietary data set. Sure, you have foundational infrastructure, you have large language models, small language models, all kinds of other stuff, but the nature of, for example, our call log data or our document data is very unique to Rocket, especially at the scale at which we operate, the scale at which we're generating it, and the scale at which we're recursively using that to train our bankers, our own machine learning systems, et cetera.

The second thing I would say is just the -- we talked a lot about the elasticity of our platform. And just the fact that, hey, like -- we want to build something that essentially is infinitely elastic, but can scale with only very small increases in fixed cost. And that is not like an overnight thing. It's not like we just woke up and said, "We want to enable that. We want to power tens of thousands of team members." We've gone through a lot of pain, a lot of iteration. I know Heather is in the back over there, our COO, but we've gone through something like five iterations of the Rocket Logic -- we got Austin here in the crowd as well. We've got maybe five, six iterations of the user experience of our banking platform.

But these aren't things that we just woke up one day and acquired. There are things that we learned through blood, sweat and tears, through pain, through trial and iteration and we made lots and lots of adjustments. We learned, we made an iteration. We learned, we made an iteration. And so the fact that we now have a system that is scalable and available to be deployed across thousands of team members is the result of many, many, many years of deliberate intentional iteration. And I think that's an incredibly important competitive advantage just because you kind of have to go through that pain. You can't just absorb the finished product and say, "It's great." Because it's built around your culture. It's built around your workflow. It's built in close collaboration and it's, in my view, nearly impossible to replicate. And it's only going to get better because the inertia that we have created allow us to continue to build because it's



sort of woven into the fabric of the culture of the company and it's how the technology team, the product teams and our business teams are sort of working together.

And then the last thing I would just say, again, at the risk of repetition, repetition sometimes doesn't ruin the prayer, is our Super Stack is a very unique asset in and of itself. It's -- the fact that we have an ecosystem of assets, we've created a holistic layer of experience on top with technology that flows all the way through to it and we have an iconic brand. Each and every one of those things is deliberate and intentionally leveraging the other pieces. And I don't think it's possible for someone to come in and just say they want to have even one of those layers. But to have all four and to be able to improve them all together in tight cohesion is where we think our AI strategy will really come to life.

And so the reason that I don't spend a lot of time thinking about competition is just because one, is we're focused on growth. We're focused on the client. We're focused on what they need to drive success. But the foundation to be good at AI is something that it's sort of -- it can't just start overnight.

It's not something that you just wake up one day and say, "Yes. I'm going to become an AI company."

This is a deliberate intentional investment that started decades ago, it precedes me, and it's just one that I have the privilege to help accelerate and steward with the great story that we're telling today. So we feel really good about our AI strategy. Again, we have a lot of evidence and data points that are supporting that, and we're going to continue to produce more and more of those as we move into the future.

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Well with that, that concludes our Q&A session. We're out of time. I did actually get many more questions flowing, especially while we were doing this session. Please feel free to reach out to the IR team. IR team can also reach out to you to answer those questions directly. We did try to weave in as much as we could in this session, but thank you very much, Varun and Brian.

Varun Krishna

Chief Executive Officer, Rocket Companies, Inc.

Well it's now -- I believe it's now time for our special fireside chat session, which is beginning momentarily. You do not want to miss this. I hope you enjoy. Thank you.

[Video Presentation] (02:47:00-02:48:50)

FIRESIDE CHAT

William Emerson

President, Rocket Companies, Inc.

Hello, everybody. Hope everybody is doing well. Here we are. I'm Bill Emerson. I've been here, I don't know 32 years. And then, of course, we have the Chairman. How many years? 39.5 going on 40?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

It's going to be 40 next year.

William Emerson

President, Rocket Companies, Inc.

40 years, think about that. Unbelievable.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

I started when I was 12.

William Emerson

President, Rocket Companies, Inc.

Actually, it's a great story that we don't have time for. But like when you were 10 years old, you wrote a story called the Three Little Pigs and the Mortgage. And I've always wondered like how that actually came about because here we are in a large a** mortgage company. But anyway, so it's an Investor Day. Here we are.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Yes.

William Emerson

President, Rocket Companies, Inc.

How do you feel about it? How do you feel about being here?

Daniel Gilbert



Founder and Chairman, Rocket Companies, Inc.

I feel great. And I feel great that all of you came to Detroit. So thank you for coming. And all those that are watching, thanks for watching.

William Emerson

President, Rocket Companies, Inc.

I mean here we are in the beautiful Shinola Hotel. I actually think some of the folks that are out here stayed at the hotel. Hopefully, it's been a good stay for you. It's a great, great facility. But if you think about Investor Day, man, and you think about where we are and how much you wanted to achieve back 40 years ago when we founded this place, how do you feel like it's going? Have we achieved it yet? Or are we still working on it.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

I think another 40 years we'll be there, Bill. But I think that...

William Emerson

President, Rocket Companies, Inc.

Dude, I don't know if I'll still be here at that point.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Actually I think it's been a fun ride. I mean it's hard to believe it's 40 years, and I've been going in the same place for 40 years to work. And I've only missed a few days.

William Emerson

President, Rocket Companies, Inc.

How many people can say they've been going to the same place for 40 years? There's not many people man.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

But it's been a lot of fun and a lot of exciting activity, and watching all the people around us grow to leaders, recruiting leaders from the outside as you saw today. So it's -- you really look out certainly not 40 years and probably not even ten. I mean we try to look out just two or three -- if we can hit milestones in the next two or three years, we feel like we're doing good, and then we set some other new ones up. So you can't get too ahead of yourself at all.

William Emerson

President, Rocket Companies, Inc.

Yes. As you think about that in the last 40 years, I mean one of the big pieces of the puzzle has been the platform that we've been able to build over the years and get it to a place where Varun was just talking about the fact that here, the AI exists already. He can build on it. Share a little bit with us your thoughts on that platform.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Yes. So outside of the culture, our platform is definitely our biggest strategic advantage. And what I mean by platform is this. First of all, in mortgages, they're primarily local and it's primarily fragmented, and that's for a reason. It's because it's hard to do. So there's all these brokers or are a lot of these small banks who can muscle out maybe five, ten loans a month.

But if you want to build something that's capable of doing loans in 50 states, 3,000 counties, I mean that's a very difficult endeavor. And it's not only difficult, it's time-consuming. I mean you need capital for it, but -- it took us probably 15 or 20 years to really build that platform to the point where you can close all these loans across America. And I'm not aware of any other institutions, bank or others that can centrally close 50 states and 3,000 counties. And every County has a different way of closing loans and different attributes to it that you need to know. It's very, very difficult. It's rocket science, no pun intended. That just came out there.

William Emerson

President, Rocket Companies, Inc.

I mean when you think about how this thing is developed over time, and you're an entrepreneur at heart, right? I mean this is the largest piece of business that you've created, but you've created many over the years. I go back to 1998, when you penned an e-mail to the organization about the fact that everybody's good friend, Al Gore, had invented the Internet. And we were behind. We needed to get out there. We needed to be on the Internet. What's been the driver for you from that innovation perspective? What caused you to say we need to think differently about this business and disrupt it?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well I think it was even clear back in the mid- to late '90s that the Internet was going to take over the world. And for mortgages, it's not a physical item. So back then, people were talking, "How are you going to sell a couch on the Internet? You've got to sit in it. How are you going to sell a car? You got to drive in it." But a mortgage is just data. So to me, that was pretty obvious that, that was going to happen online, and we had to get out in front of it, which we did. And again, creating it, centralized and making it where you can do it everywhere, that was the part.



So making the decision is easy, but we had to do the hard part, and we just kept grinding and we're still grinding. Now we're adding the AI to it, as you heard, which is going to take us to another big level.

William Emerson

President, Rocket Companies, Inc.

Absolutely. By the way, I didn't get a chance to say this when we started, but first of all, thank you all for being here. I mean it's great that you're in the city of Detroit. Thanks for being here for those of you that are out there, too, and then we appreciate it. But for those of you that are in the room, thanks for -- really thanks for being here.

So let's go -- let's transition into culture. This organization is -- it's -- we call it the secret sauce, right? So tell us a little bit about your thought on it. You created the concept of ISMs. You've been involved in that process for a long, long time. It's been an evolving thing as we've gone through. We actually modified them here just recently. So give us your view on what it means to this organization? Is it stagnant? Or is it ever changing?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well I think everything is always evolving. The culture to me has always been the biggest thing. And a lot of people talk these days, culture, culture, culture, but do they really mean it? What we mean by culture is that it drives decision-making, it drives priorities, it drives action and behaviors, and that's not easy to do in a company that's got thousands of team members.

I mean you have to live it every day. You have to preach it. The senior leadership has to preach it, and you can't really give up. You can't say, "Okay. This week or this month or this year, we're not going to have culture." You've got to have it every single day, and you really have to have it be effective.

And I think especially when it comes to decision-making, are you looking through your culture to make decisions or are you just making decisions? Because really, a company when you think about what it is, it's really just, in our case, thousands of people making decisions every day. And you can't be there in front of them or sit with them to make sure they're making the right decision.

If they have a compass, if they have a culture, we call them ISMs. I think you guys have the books here. Normally, they're \$19.99, plus shipping and handling. Today they're free for you.

William Emerson

President, Rocket Companies, Inc.

So I mean I think about like the number -- you and I have been on stage, I don't know how many times in the last 32 years. And a vast majority of those have been at an ISMs Day, right? And so we could have written that book in single space like type. No one would have read it. We could have created that cool, little colored version, and some people would have read it or we could have created an ISMs day and found a way to communicate that.



Just tell us a little bit about why you think that's so important? Because how many people have come into our place and said, "You guys really spend eight hours of full day of your time sitting with new team members?" Yes. We do. Why do we do that?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well it's probably every six or eight weeks. So all the people who have been hired during that timeframe come to what we call our ISMs Day that Bill and myself pretty much run, along with some great people who support us, but it's -- they need to hear it from the senior leaders. Otherwise, it becomes one of those things. It's just called -- they don't really mean it, as I was saying earlier.

So that's why we do an eight-hour session.

William Emerson

President, Rocket Companies, Inc.

Well it's also -- I think it's also important because at the end of the day, it's -- we talk about who we are, not what we do, right? What we do are all the other businesses, but who we are. And when folks know who we are, to your point, it makes the decision-making process easier because, as you have said, the two eyeballs of the Chairman or the two eyeballs of the CEO can't be everywhere. And so if we want folks to be empowered and we want to unleash their ability to innovate and create, they've got to understand who we are. And I think that's what we've done with this.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

That's exactly right. In fact, during the middle of ISMs Day, sometimes I'd say, "You're probably wondering why I haven't used the word mortgage yet?" We literally don't even mention the word "mortgage" for the first four or five hours. We just talk about who we are, and through these ISMs, we created what it means to be part of our culture.

William Emerson

President, Rocket Companies, Inc.

It's a powerful thing. And I -- it's one of my favorite things to do. I can't tell you how many times I've done it. And as long as I'm here, I'm going to keep doing it. So it's just -- it's fun.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

That's great. That will be going into your contract.

William Emerson

Yes. Well we have to talk about that, but that's a whole separate issue. So listen, 18 months ago, you asked me to come back and run the company for a short period of time while we went and found the next CEO. And we hired somebody who is a first-time CEO in this organization, the first time in the history of our company. There have been four, right? You, me, Jay, me, so three, now Varun. Tell me about Varun? Tell me how you think he's doing? Is he the right guy for where we're going?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

That was new for us, as you just mentioned. So let's say he's been here -- in 39 years, we've done it organically, and we finally hired a great search firm, and we found Varun. And then Varun hired four really talented people. I think you met a few of them today. We refer to them as the Varun 5. Just for the record.

William Emerson

President, Rocket Companies, Inc.

I sort of got it, dude. I don't know where you come up with some of this stuff. The Varun 5. I can't wait. We got -- who's taking notes? We are definitely copyrighting that. It's going out to the company later today.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Yes.

William Emerson

President, Rocket Companies, Inc.

But I mean -- what have you seen?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

He's -- as you saw today, he's a guy who was very, very smart. He's very motivated. He's very technology-oriented. He's got a great background. He's got huge relationships and connections, especially the tech people in Silicon Valley, which is nice because it's nice to bring some of the folks to Detroit, where they -- I think we have a much better time anyway.

William Emerson

President, Rocket Companies, Inc.

Definitely a better place to be for sure. For those of you who haven't been to Detroit in a while, hopefully, you're seeing the power of what can be done when we focus on stuff. But when I think about him, what I love about Varun is he came in here and he took the senior leadership team, galvanized them, created a

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blueprint, and his whole point was, I'm here to write the next chapter. We're not writing a new book. There is a foundation here. There's bones and infrastructure in this place that have been doing awesome work for a long, long time. How does one and one become ten? And I think that's what we've seen him do in the timeframe that he's been here, which is literally a year. Think about how much has been done in a year?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

By the way, congratulations, Varun. I forgot to send you a text on your one year anniversary.

William Emerson

President, Rocket Companies, Inc.

He'll forgive you. He'll forgive you.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

But he's here at the right time. I mean I know companies get to a certain level. I used to have this -- I still have the saying that, "What got you here, will not get you there." And a lot of people think because this is working, right? You got from here to here, and it's working, let's keep doing it. But you really do have to look at your business and say, "When is it time to do something different?" And it was clear to us a year ago that was the time. After 39 years, it's time to go out and get somebody else.

William Emerson

President, Rocket Companies, Inc.

I was talking to somebody in the back who was a recent hire. Actually, he's been mentioned twice already today, so I don't know how we got so much time, but Dan Sogorka, about humans and their ability to change. And it's difficult for people, right? This is an organization that's been changing on a regular basis. That old Einstein quote, "Doing different things and expecting different results is one definition of insanity." And we've always tried to find new ways to change and shift. And -- so I mean -- but that comes from a culture, that comes from a mindset. And you've always been out there at the cutting edge of that. So how do you think about change?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well I think if you're not evolving and changing, you're not growing -- you either grow or die. A company is like a tree, either grows or dies. It's no way you're going to stay the same. I mean I think a lot of people -- not just me, but a lot of people in America who run businesses think this way, and I think that's the right way to think.

William Emerson

President, Rocket Companies, Inc.



It reminds me of a quote. I played football for an iconic football coach years ago, and he said, "Every single day when you wake up, you have a choice. You can get better or you can get worse. You can never stay the same. So what will you choose to do today?" And that really is what...

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

By the way, Bill is a little shy. He played for Penn State for Joe Paterno and he played there in the 1982 championship.

William Emerson

President, Rocket Companies, Inc.

Yes. Sir.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Over 40 years.

William Emerson

President, Rocket Companies, Inc.

All right. Let's talk about this one. I know this is something that the folks in this room are interested. So Rocket is a young public company. It's got a decently small float. You own 93% of the company. Talk to us a little bit about the long-term vision you have of the organization. And what we might be thinking about as it relates to float?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well not necessarily in the long term, probably even in the short or medium term, I certainly don't need to own 93% of this business. I want to own a chunk a bit, but I don't need to own that much. And the more float we can get out, the better, through either secondaries or through really interesting acquisitions. And there are a few out there that we believe are if we take action on them. So we definitely want to increase the float. We think that makes a lot of sense for a company our size and on New York Stock Exchange.

William Emerson

President, Rocket Companies, Inc.

So you heard it here first, right here from the mouth of the Chairman. Thank you, sir. All right. So mortgages, been doing it a long time. I mean what was it about mortgages that made you so passionate about this for all these years? Or is there more to the story?



Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Yes. I'm not going to bore you with the story of how I got into it, which is kind of just by happenstance, but it's not mortgages itself, it's just business. I mean I love business. I love building businesses that happen to be mortgage and real estate originally, but we'll keep building what we have here.

The good news is our market share, although it's a leading market share, there is so much more. I think, it's what, 94 out of 100 people that wake up morning to get a home loan. Don't come to us because there's what, 20,000 or 30,000 places you can get a mortgage. So increasing our market share is definitely something we're focused on. And we think with our platform, that becomes a lot easier than anybody else because they have to increase market share in a very regional local area. We can increase it nationwide. And having the data that we have that we get from mortgage -- nobody gets more data from their customer than when you're doing a mortgage, you get everything. So when you have that data, you can really start making sense of some of it increasing around the edges. And I think that's what Varun is focused on with AI as well.

William Emerson

President, Rocket Companies, Inc.

Yes. I agree. So I think it's an awesome segue. You guys -- some of you will be doing a little bit of touring later today in Detroit after lunch. I remember sitting in a room with you in 2007 and talking about moving the company downtown Detroit. And I remember some of the folks in that room going, "Really? Are we thinking about that?" And then in 2010, we brought 1,500 people down here. Why are you so passionate about the mission that we've been on for the last 15 years in Detroit?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well there's a personal part of that, and then there's a business part of that. The personal part of it is, I'm a fourth or fifth generation Detroiter and I witnessed the decline, and the decline was terrible, and it was long. And if we can make a big difference, I thought that we should go for it.

I mean we could because we have the capital and we also have the team member count. You need team members and you need people to grasp your community involvement in. And they do grasp, but I think there's every single person in the company has something they're doing in the community. And I think the business part of it is, especially at that time, we knew that the young people, the young talent coming out of the good schools, I mean they want to be in cities, urban cores. They really don't -- and even to this day, it seems you do every survey in the world, they still don't want to be in the suburbs and they don't want to be in the farmlands when they work every day.

So how are we going to do that? We're not -- we were in the suburbs. We're all over the suburbs Detroit. I mean it's hard to imagine people from California, Chicago and New York saying, "Where are you going?" Well I'm going to Southfield, Michigan.



William Emerson

President, Rocket Companies, Inc.

Definitely not.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

But we're going to get them to say "Detroit" because Detroit has really come so far. So building ourselves in an urban core and attracting talent was the business case for it.

William Emerson

President, Rocket Companies, Inc.

But it's amazing when you think about the last 15 years, I mean we just had the draft, the NFL draft here in Detroit, right? And years of planning went into that. I remember the first meeting that we had with some of the folks in Detroit talking about that, going to the NFL, pitching it. I never, in my wildest dreams, thought that we would set the record for attendance at the draft because Nashville was -- they had 600,000, That's a city built for it, right?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Yes.

William Emerson

President, Rocket Companies, Inc.

And we shattered that record, and there was absolutely 0 issues. I mean the development of what's happened in Detroit is absolutely astounding. And I know you won't say this, but you're the catalyst for all of that, and your vision of what could happen in coming down here to do that. And I don't know many entrepreneurs it would take something like that on. So not only are you -- you obviously have a history, but there's more to it than that. I mean you've always been the person who believes in doing well by doing good, right? And I think that's manifested itself in this city and what we were able to see in the last 15 years.

Do you remember the Wall Street article that came out? This last fall when the Lions which no one could believe, was that we're in the NFC championship game against San Francisco, and there was a Wall Street Journal article that came out comparing those two cities, where Detroit was and where it is, where San Francisco was and where it is. It was an unbelievable dichotomy.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Everything was great until the second half of that game.



William Emerson

President, Rocket Companies, Inc.

Yes. People were texting, "You're going to the Super Bowl?" I'm like, "Shut up." Anyway, but yes, I mean...

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

But the way I will say that, although I'm very happy about it, I still can't understand why 750,000 people come to us, they need freeze their but off for 12 hours outside to watch five seconds when they announced their team's player, when they can watch it on HD television at home. But the NFL does such a great job marketing that, that...

William Emerson

President, Rocket Companies, Inc.

But people want -- they flocked here. They wanted to be here. They wanted to see what's been happening in downtown, and listen, man, I think so much of that credit goes to you, and I'll say that again because you...

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Well thank you.

William Emerson

President, Rocket Companies, Inc.

Thanks for doing what you've done. So -- I mean that's it for questions. Is there anything that -- one last thought you want to leave everybody with as we transition out here?

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

I just will say that we are a public company. Now we have been a private company for a long period of time. We were a public company way back in the late 90s for a couple of years so we had a little bit of experience around it. But as you heard from Brian, he's a phenomenal CFO. We're going to keep adding talent that's going to help us really with being the public company and growing our share value and getting some of that float out there like we need to. I mean whatever it takes, we want to be a shareholder-first and team-member-first business.

William Emerson

President, Rocket Companies, Inc.

Well listen, man, it's always an honor and pleasure to be on the stage with you. Thank you for all you do.



Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Thank you, Bill, and I appreciate you.

William Emerson

President, Rocket Companies, Inc.

And I think we'll transition out here with a video, and I think Sharon's coming back out here.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Excellent.

William Emerson

President, Rocket Companies, Inc.

Thank you, all, very much for your time.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Thank you, all.

William Emerson

President, Rocket Companies, Inc.

Appreciate it.

Daniel Gilbert

Founder and Chairman, Rocket Companies, Inc.

Thank you.

[Video Presentation] (03:08:07-03:11:34)



CLOSING REMARKS

Sharon Ng

Vice President, Investor Relations, Rocket Companies, Inc.

Thank you, Bill. And thank you, Dan, for sharing your vision and your insights. For those of you with us virtually, this concludes our live webcast. Thank you for being with us.



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See endnotes for important information at the end.