CoStar Group™

Fourth Quarter and Full Year 2024 Investor Presentation



Legal Disclaimer

This presentation of CoStar Group, Inc. ("CoStar Group" or the "Company") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about CoStar Group's plans, objectives, expectations, beliefs and intentions and other statements including words such as "hope," "anticipate," "may," "likely," "might," "believe," "expect," "observe," "consider," "think," "intend," "envision," "will," "should," "would," "vould," "target," "estimate," "predict," "continue," "commit" and "potential". or the negative of these terms or other comparable terminology. Such statements are based upon the current beliefs and expectations of management of CoStar Group and are subject to many risks and uncertainties. Actual results may differ materially from the results anticipated in the forward-looking statements and the assumptions and estimates used as a basis for the forward-looking statements. The following factors, among others, could cause or contribute to such differences: our inability to attract and retain new clients; our inability to successfully develop and introduce new or upgraded information, analytics, and online marketplace services; our inability to compete successfully against existing or future competitors in attracting advertisers and in general; the effects of fluctuations and market cyclicality; the effects of global economic uncertainties and downturns or a downturn or consolidation in the real estate industry; our inability to hire gualified persons for, or retain and continue to develop our sales force, or unproductivity of our sales force; our inability to retain and attract highly capable management and operating personnel; the downward pressure that our internal and external investments may place on our operating margins; our inability to increase brand awareness; our inability to maintain or increase internet traffic to our marketplaces, and the risk that the methods, including Google Analytics, that we use to measure average monthly unique visitors to our portals may misstate the actual number of unique persons who visit our network of mobile applications and websites for a given month or may differ from the methods used by competitors; our inability to attract new advertisers; our inability to successfully identify, finance, integrate, and/or manage costs related to acquisitions; our inability to complete certain strategic transactions if a proposed transaction is subject to review or approval by regulatory authorities pursuant to applicable laws or regulations; our inability to complete the acquisition of Matterport, Inc. ("Matterport") or otherwise realize the benefits of the pending Matterport acquisition; the effects of cyberattacks and security vulnerabilities, and technical problems or disruptions; the significant costs associated with undertaking a large infrastructure project to build out our campus in Richmond, Virginia; our inability to generate increased revenues from our current or future geographic expansion plans; the risks related to acceptance of credit cards and debit cards and facilitation of other customer payments; the effects of climate related events and other events beyond our control; the effects related to attention to environmental, social and governance matters; our inability to obtain and maintain accurate, comprehensive, or reliable data; our inability to obtain and maintain stable data feeds, or disruption of our data feeds; our inability to enforce or defend our ownership and use of intellectual property; the effects of use of new and evolving technologies, including artificial intelligence, on our ability to protect our data and intellectual property from misappropriation by third parties; our inability to defend against potential legal liability for collecting, displaying, or distributing information; our inability to obtain or retain listings from real estate brokers, agents, property owners, and apartment property managers; our inability to maintain or establish relationships with third-party listing providers; our inability to comply with the rules and compliance requirements of Multiple Listing Services; the risks related to international operations; the effects of foreign currency exchange rate fluctuations; our indebtedness; the effects of a lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; the effects of any actual or perceived failure to comply with privacy laws and standards; the effects of changes in tax laws, regulations, or fiscal and tax policies; the effects of third-party claims, litigation, regulatory proceedings, or government investigations; and risks related to return on investment. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar Group's filings from time to time with the Securities and Exchange Commission (the "SEC"), including in CoStar Group's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar Group's other filings with the SEC (including Current Reports on Form 8-K) available at the SEC's website (www.sec.gov). All forwardlooking statements are based on information available to CoStar Group on the date hereof, and CoStar Group assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Organic Revenues and Acquired Revenues, which are used by our management and board of directors to measure operating performance and trends and to prepare our annual budget. You should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Reconciliation tables and other important information about the Company's financial results and operating metrics used herein are included in the Appendix to this presentation. This presentation also contains estimates and statistical data made by independent parties and by CoStar Group related to market size, the housing rental market, agent users, site traffic, growth and other data about CoStar Group's industry and performance. These data involve a number of assumptions and limitations, which may significantly impact their accuracy, and you are cautioned not to give undue weight to such estimates. Projections, assumptions and estimates of future performance are necessarily subject to a high degree of uncertainty and risk.



This presentation is not an offer or a solicitation of an offer to purchase any securities.

CoStar Group™

Fourth Quarter and Full Year 2024 Highlights



Fourth Quarter and Full Year 2024 Highlights

- Full year 2024 Revenue of **\$2.74 billion** increased **11%** year-over-year, exceeding the high end of our guidance
- Fourth quarter 2024 Revenue of **\$709 million** increased **11%** year-over-year for the **55th** consecutive ٠ quarter of double-digit revenue growth
- Full year 2024 Net Income of \$139 million, EBITDA of \$123 million and Adjusted EBITDA of \$241 ٠ million exceeded the high end of our guidance
- Fourth quarter 2024 Net Income increased **13%**, EBITDA increased **43%** & Adjusted EBITDA increased **47%** from third quarter 2024
- Traffic to CoStar Group sites reached **134 million** average monthly unique visitors in the fourth ٠ quarter, an increase of **17%** year-over-year*
- Homes.com Network solidified its position as the **#2** U.S. residential real estate marketplace, ٠ reaching **110 million** average monthly unique visitors in the fourth quarter, an increase of **11%** yearover-year*

*Prior to June 1, 2024, we measured average monthly unique visitors for all CoStar Group sites using Google's Universal Analytics. Beginning June 1, 2024, average monthly unique visitors are measured using Google 🚺 CoStar Group Analytics 4 (GA4), the replacement for Universal Analytics. Due to the change in methodologies, unique visitors reported prior to June 1, 2024 may not provide a meaningful comparison to unique visitors in subsequent periods.



Year-over-Year Traffic Growth of 17% in Q4 2024



1Q13 3Q13 1Q14 3Q14 1Q15 3Q15 1Q16 3Q16 1Q17 3Q17 1Q18 3Q18 1Q19 3Q19 1Q20 3Q20 1Q21 3Q21 1Q22 3Q22 1Q23 3Q23 1Q24 3Q24

*Prior to June 1, 2024, we measured average monthly unique visitors for all CoStar Group sites using Google's Universal Analytics. Beginning June 1, 2024, average monthly unique visitors are measured using Google Analytics 4 (GA4), the replacement for Universal Analytics. Due to the change in methodologies, unique visitors reported prior to June 1, 2024 may not provide a meaningful comparison to unique visitors in subsequent periods.



Fourth Quarter and Year to Date 2024 Results

	Fourth Quarter	Full Year
Revenue	\$709 million 11% year-over-year growth	\$2,736 million 11% year-over-year growth
Net Income	\$60 million \$0.15 per diluted share	\$139 million \$0.34 per diluted share
Adjusted EBITDA	\$112 million	\$241 million
Net New Bookings	\$53 million	\$250 million





2025 First Quarter and Full Year Outlook

	First Quarter	Full Year
Revenue	\$711 million to \$716 million ~9% year-over-year growth	\$2.985 billion to \$3.015 billion 10% year-over-year growth
Adjusted EBITDA	\$25 million to \$35 million 4% margin	\$375 million to \$405 million 13% margin



CoStar Group™

Company Overview

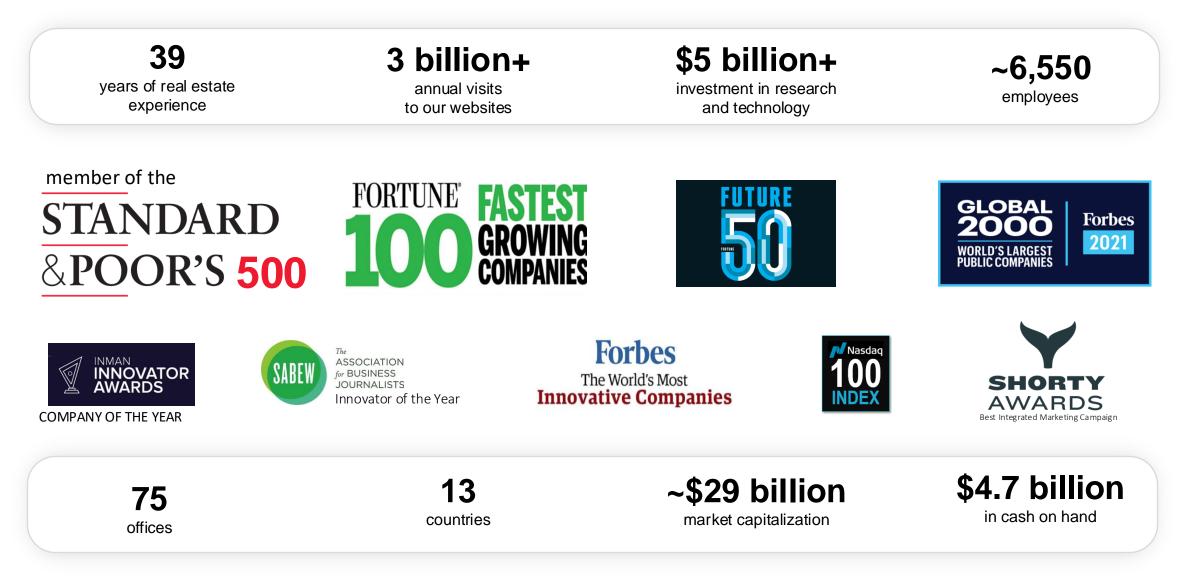


MISSION STATEMENT

We are digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

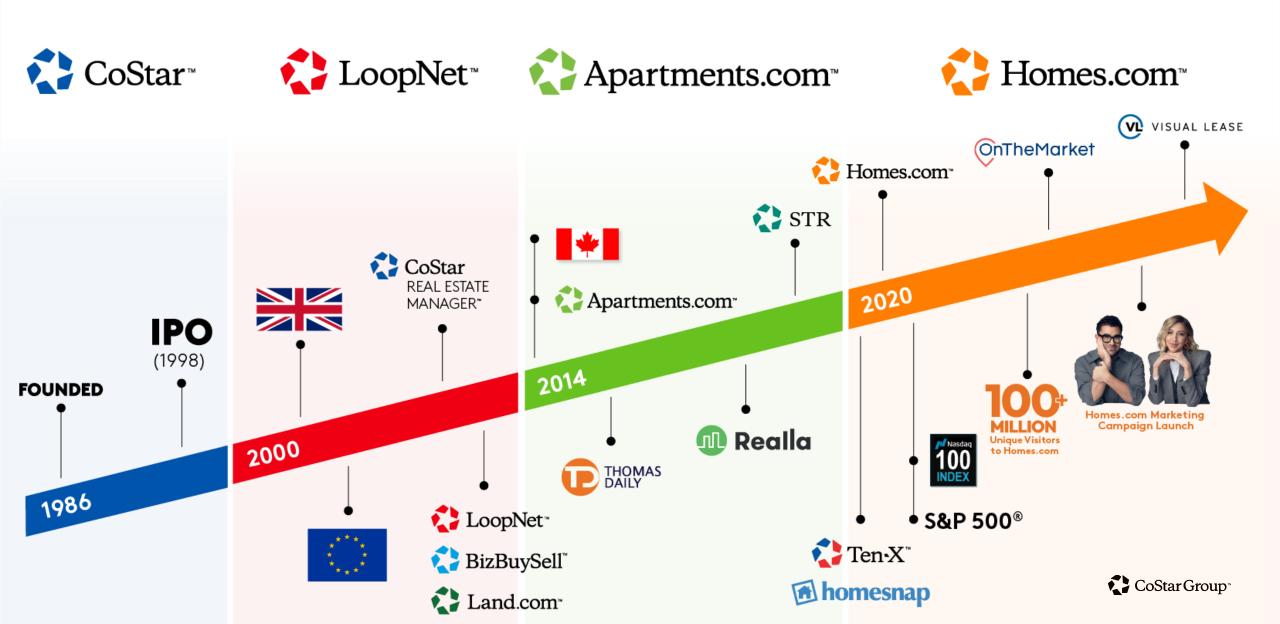


CoStar Group is the Global Leader in Digitizing Real Estate





39 Years of Growth and Innovation



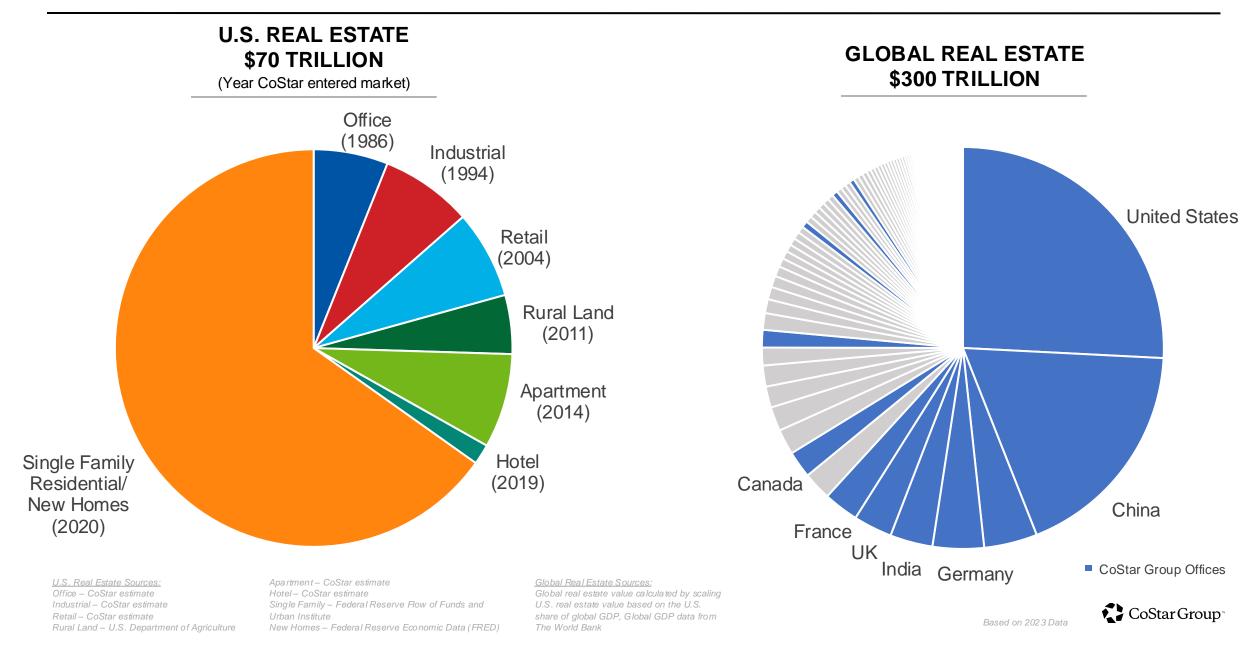
A Global Leader in the Digital Transformation of the \$300+ Trillion Real Estate Industry

- Long growth runway: Global addressable market for real estate information and marketplaces estimated at > \$100 billion.
- Strong competitive position: Massive proprietary dataset built over 39 years with > \$5 billion invested in research.
- Leading Property Marketplaces: Hundreds of millions shop our online real estate marketplaces.
- Successful growth track record: 55 consecutive quarters of doubledigit revenue growth, both organic and through acquisitions.
- Attractive financial model: 96% subscription revenue. 89% renewal rates. Strong margins, high free cash flow and a fortress balance sheet.

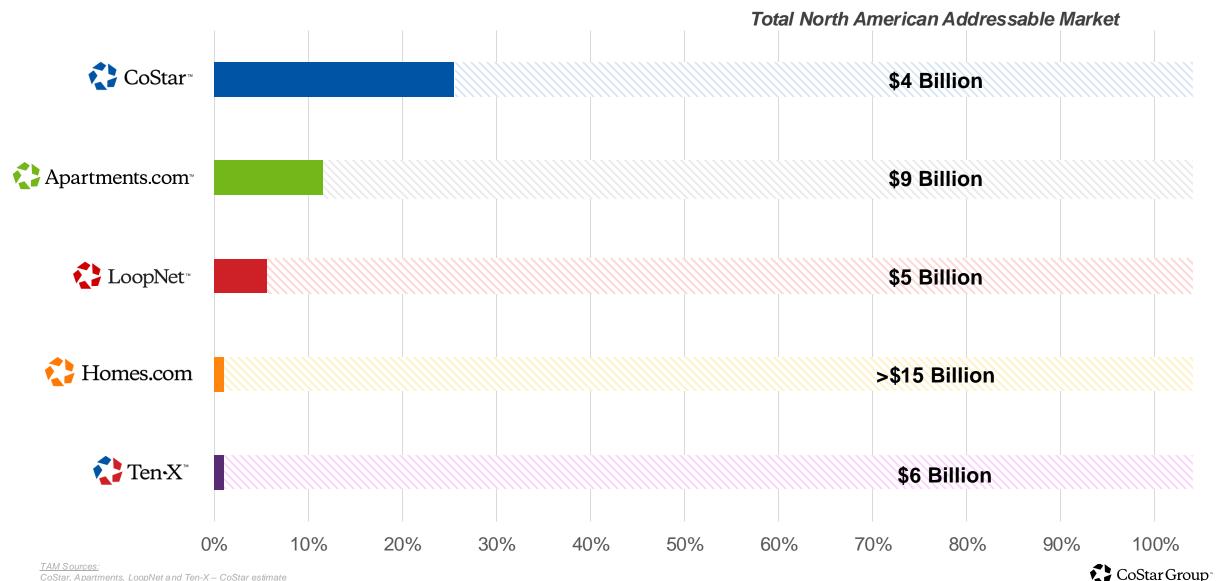
*All data as of December 31, 2024. Subscription revenue includes all contracts regardless of term for 2024. Renewal rate is for Q4 2024 for contracts with 12 month or longer terms.



Global Real Estate: A \$300 Trillion Asset Class

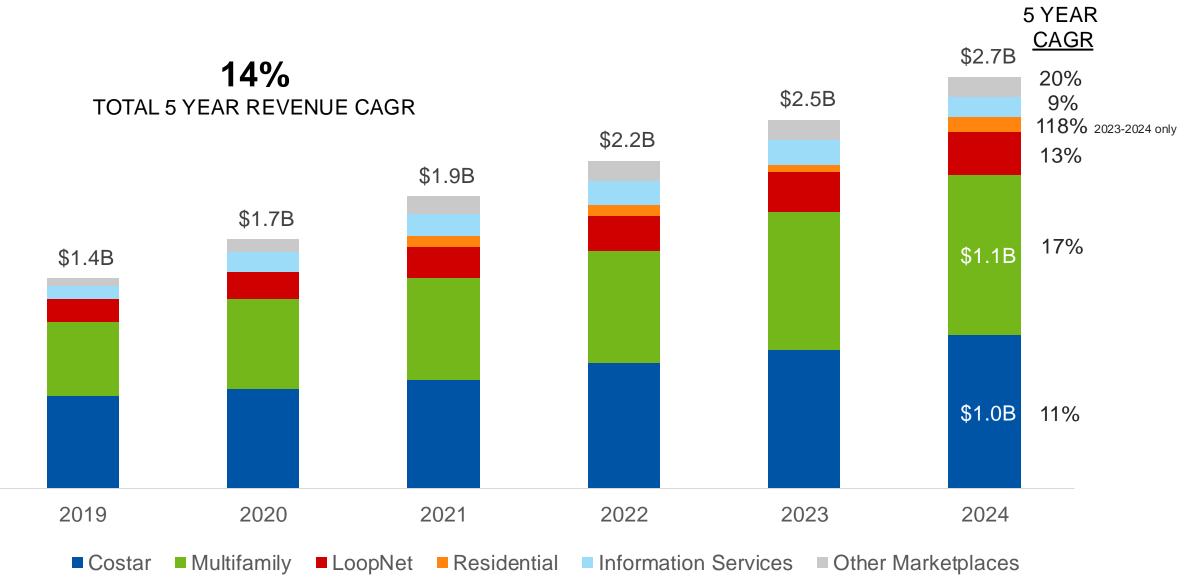


\$40B+ North American Addressable Market, Global Market > \$100B



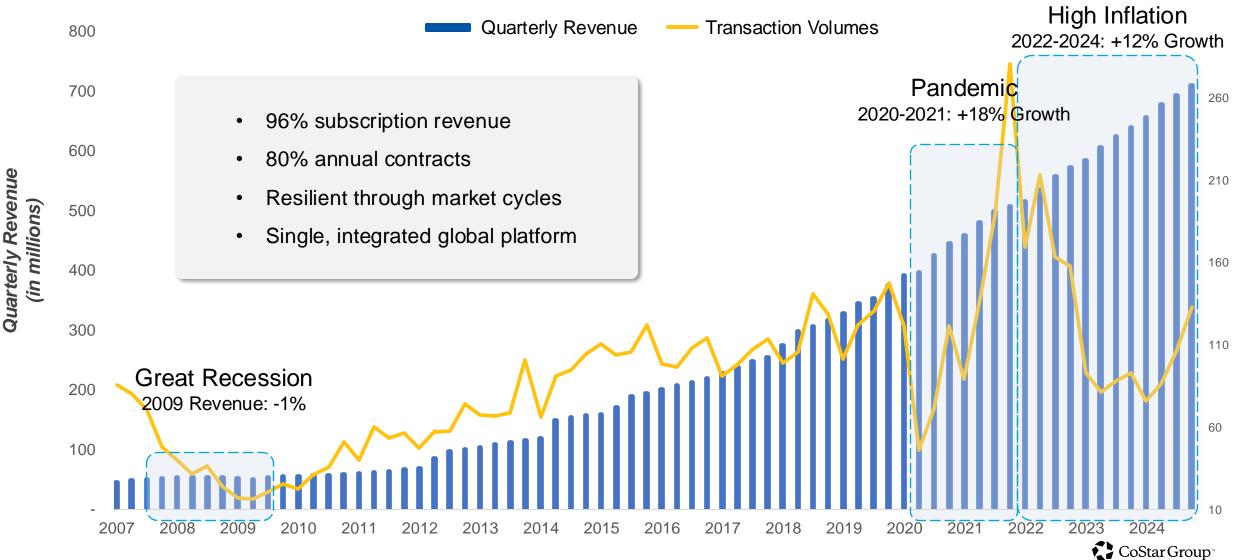
Homes.com - extrapolation of Borrell Associates "2019 Real Estate Advertisement Outlook" combined with CoStar estimate

Strong Double-Digit Growth with Two Brands Over \$1 Billion in Revenue

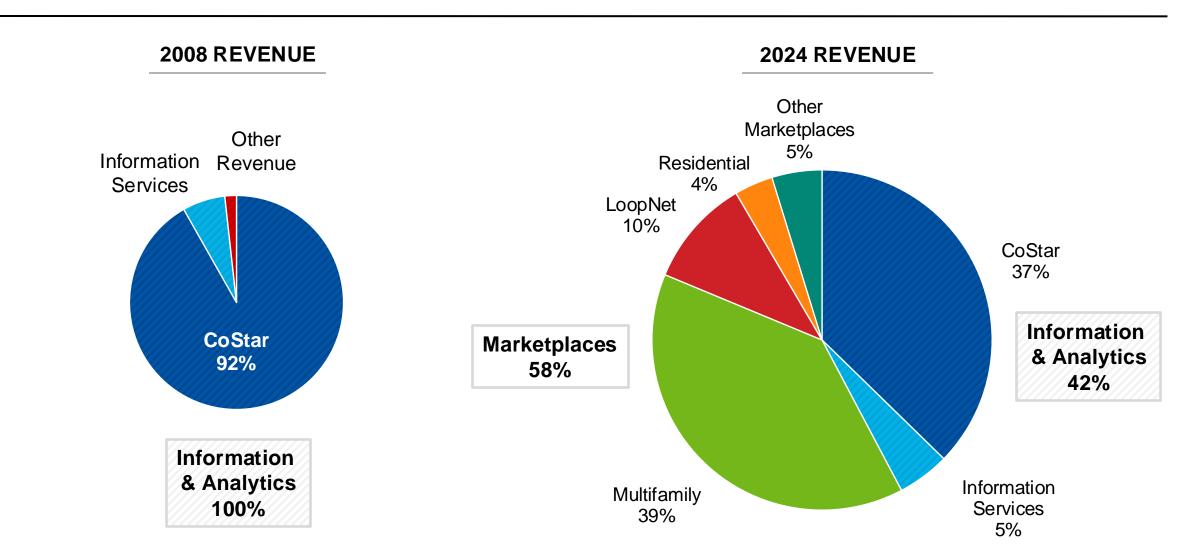


CoStar Group^{*}

55 Consecutive Quarters of Double-Digit Revenue Growth Regardless of Commercial Property Transaction Volumes

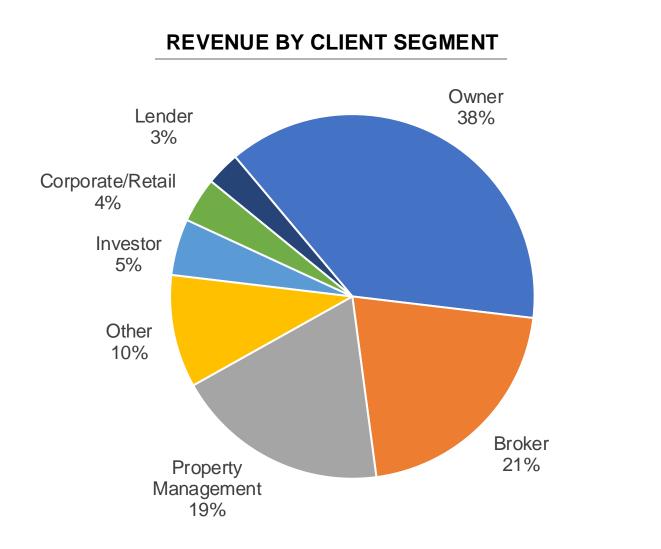


More Diversified with More Countercyclical Business Mix Since the Great Recession

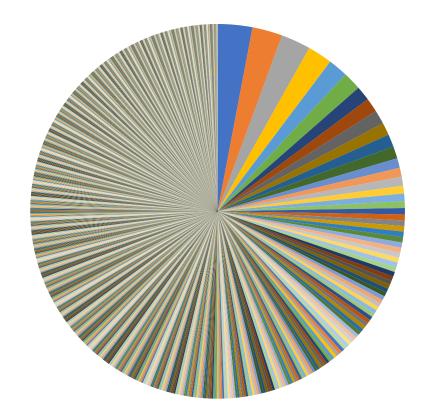


CoStar Group[®]

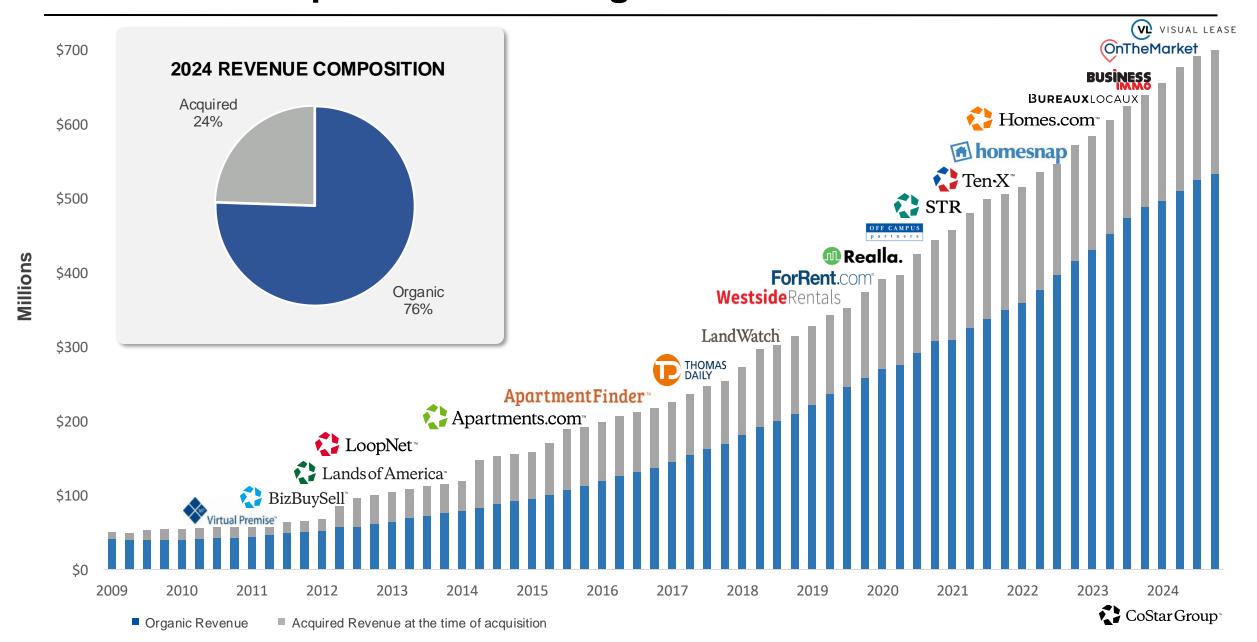
Diversified Client Base with Minimal Concentration



TOP 1,000 CLIENTS: NONE MORE THAN ~2%



Successful Acquisition and Integration Track Record



High-Growth, High-Margin Subscription Business Model

Double-Digit Revenue Growth	 23% Revenue CAGR since IPO 27 years ago Double-digit revenue growth for 55 straight quarters
Predictable Subscription Services Revenue	 96% subscription revenue with 80% annual contracts 94% renewal rate for clients > 5 years
Strong Operating Leverage	 80% gross margin Commercial information and marketplace brands 43% profit margins
Highly Cash Generative with Strong Balance Sheet	 Net cash provided by operating activities of \$393 million for 2024 \$4.7 billion cash versus \$1 billion of debt



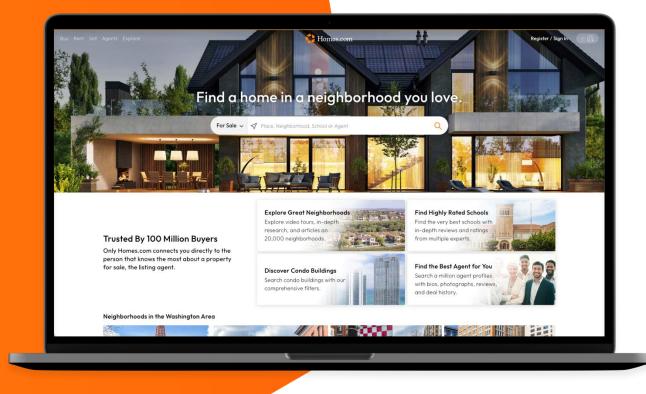
Homes.com[™]

The fastest growing U.S. residential marketplace



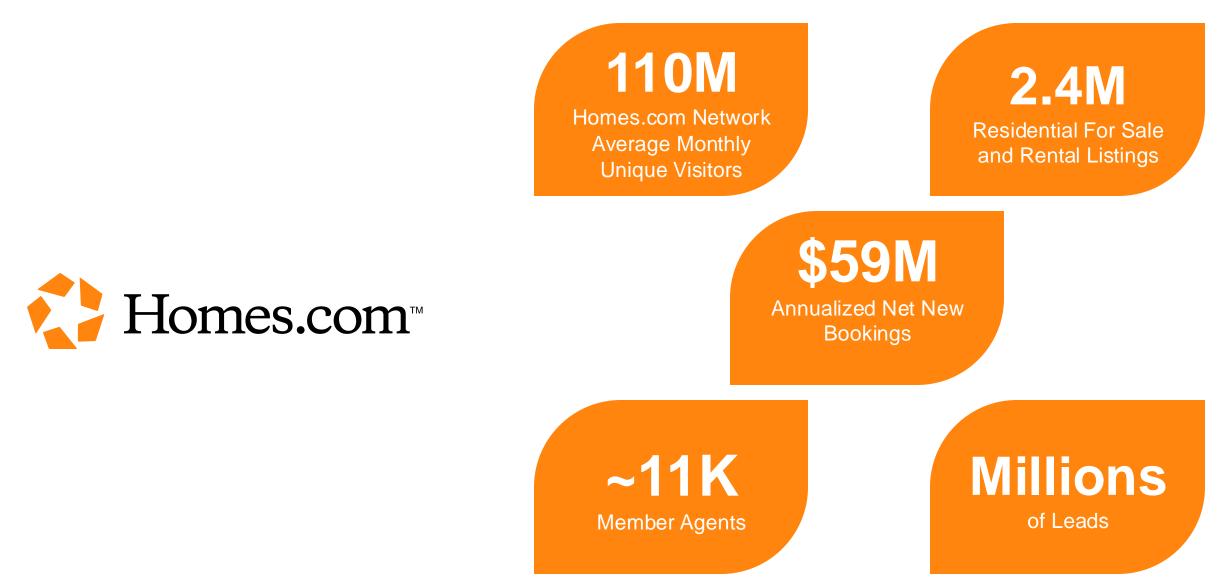
Our Vision

Establish Homes.com as the #1 residential real estate marketplace





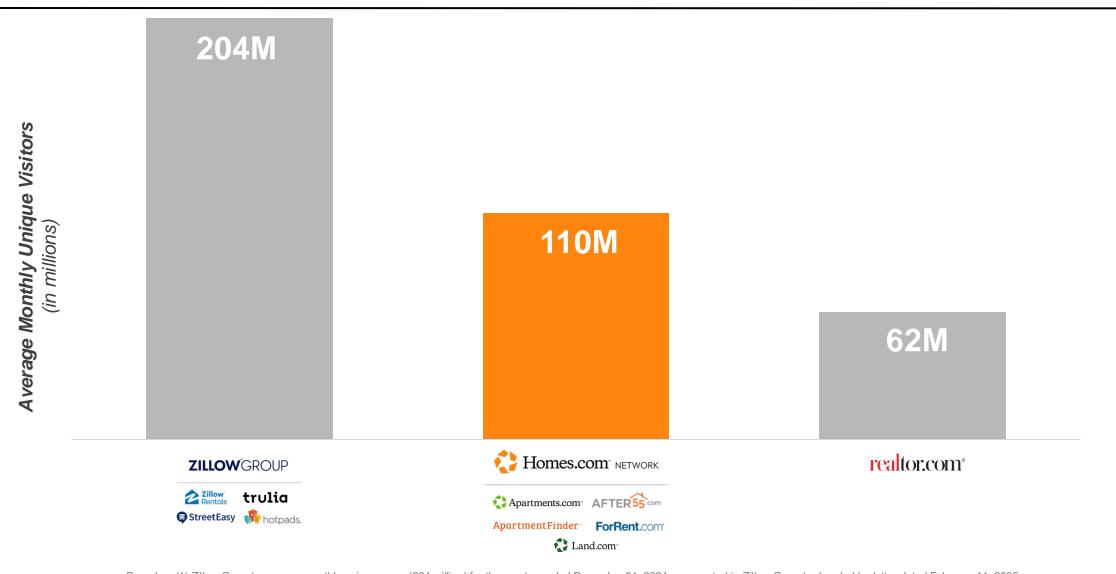
Homes.com by the Numbers



Sources: Traffic data from Google Analytics for the fourth quarter of 2024. All other based on Internal data as of December 2024.

CoStar Group^{*}

Homes.com Network is the #2 Residential Real Estate Marketplace



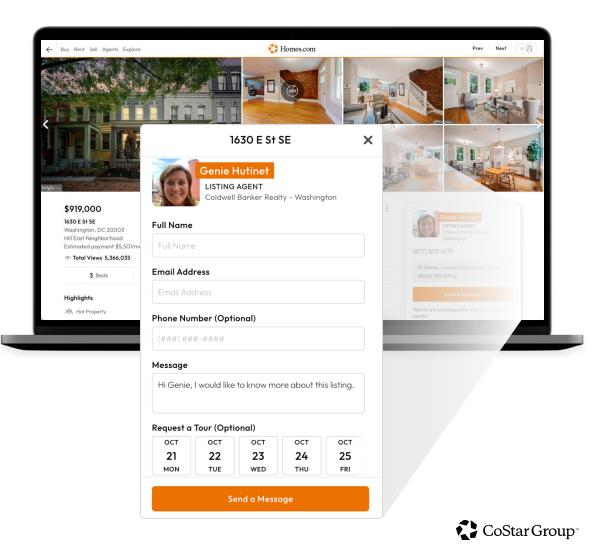
Homes.com

Based on (1) Zillow Group's average monthly unique users (204 million) for the quarter ended December 31, 2024, as reported in Zillow Group's shareholder letter dated February 11, 2025, (2) the Homes.com Network (which includes Homes.com, the Apartments Network, and the Land Network) average monthly unique visitors (110 million) for the quarter ended December 31, 2024, according to Google Analytics, and (3) Realtor.com's average monthly unique users (62 million) of Realtor.com's web and mobile sites according to internal data, for the quarter ended December 31, 2024, as reported in News Corp's press release on February 5, 2025.

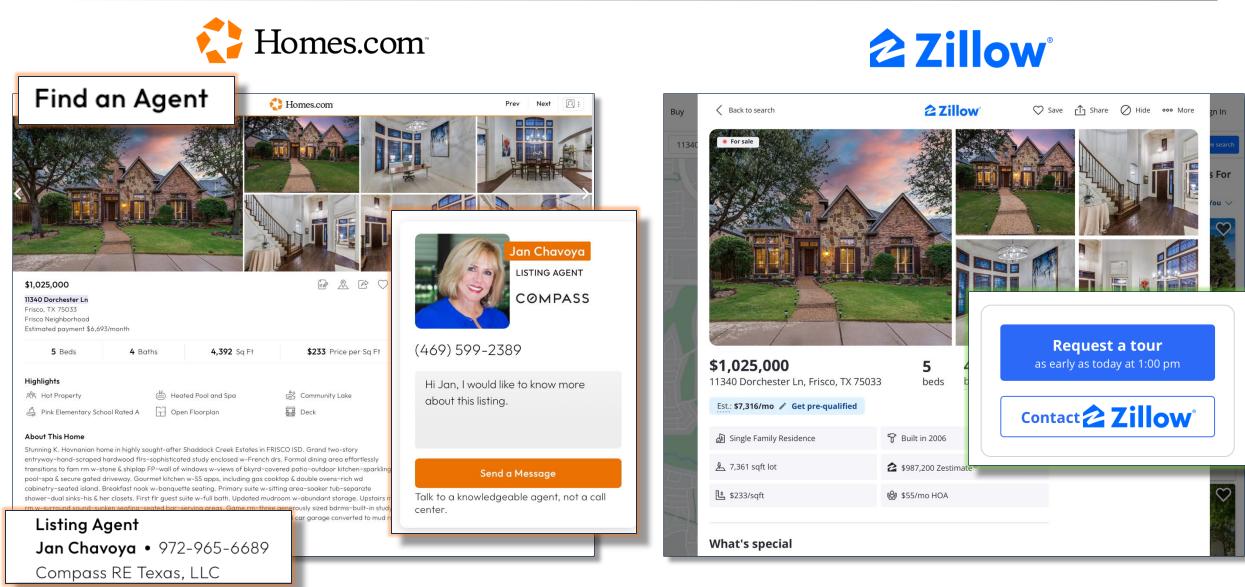
CoStar Group^{*}

A Better Business Model – "Your Listing, Your Lead"

- The most powerful real estate digital marketing solution to sell a home
- Agents are using Homes.com to sell homes faster, win more listings and grow their brands
- Only Homes.com prominently displays the listing agent on the listing and connects you directly to the listing agent who knows the home best*
- Competitor models divert leads from agents and their brands; taking buyer and seller leads from your listings



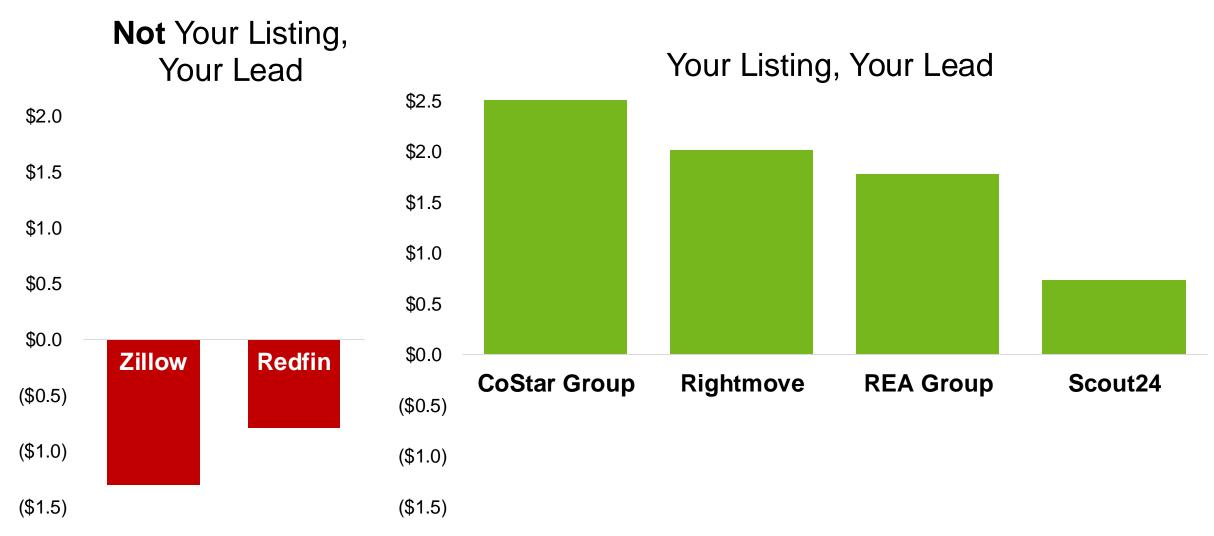
Homes.com Displays the Listing Agent, Firm & Buyer Agent Directory

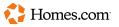


Homes.com



The Real Estate Marketplaces Adhering to the Your Listing, Your Lead Principal are the Most Successful



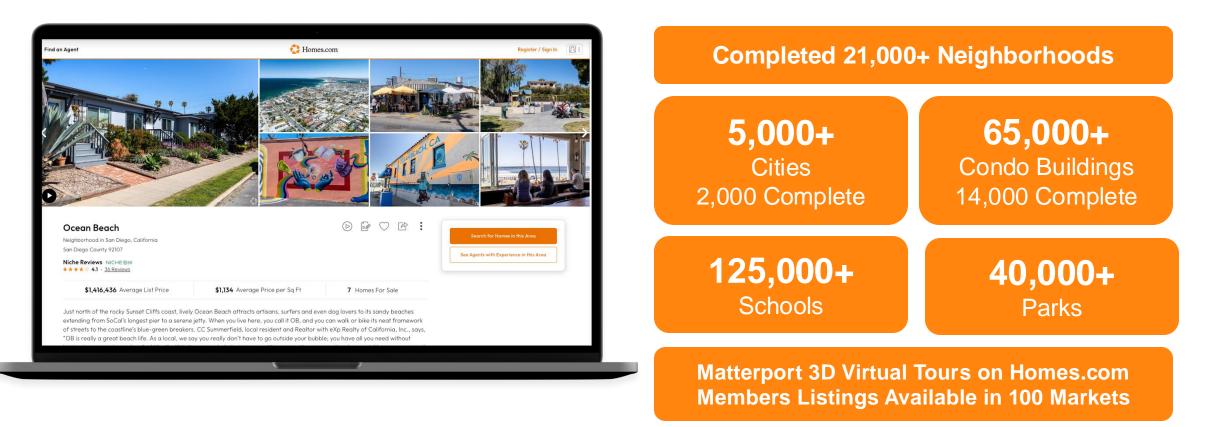


Billions in Net income (loss) for 10-year period from 2015-2024 from publicly filed financial statements. When full year 2024 was not available, most recently available data was used.



Our Proprietary Content Sets Us Apart. Consumers Aren't Just Looking for a Home, They're Looking for a Community

Homes.com is digitizing rich content for communities across the U.S.







"We've done your home work."

Homes.com

Supercharged Marketing Campaign

BIGGEST Real Estate Campaign Ever

Working on behalf of the industry to help agents sign more buyer and seller agreements, drive demand for their listings and close more transactions.

80

BILLION

impressions

Over a BILLION DOLLARS invested Reaching 90% of households

Homes.com

Homes.com is **EVERYWHERE**

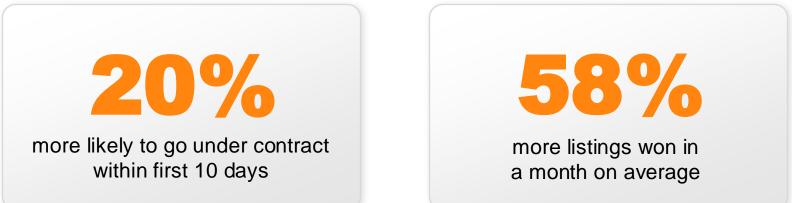
No other competitors come close to our investment to drive leads to <u>all agents</u>

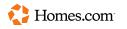




Member Agent Listings Sell Homes Faster and Win More Listings Than Non-Member Agents













Investing to Create the #1 Residential Portal in the UK



*Year over year growth as of December 31, 2024. Traffic per Google Analytics. All other data from internal CoStar database as of December 31, 2024.

Apartments.com[™]

Discover your new home. Helping 100 million renters find their perfect fit.



Apartments.com by the Numbers



*All data as of December 31, 2024. Revenue is based on FY 2024. Traffic data for Apartments.com Network from Google Analytics FY 2024. Unaided brand awareness based on RPA survey question: When searching for "apartments", what websites do you think of that list properties for rent?

More Apartment Communities Advertise on Apartments.com



Owners & Operators Rank Apartments.com #1 in Metrics that Matter



✓ Highest-quality leads

Highest lead-to-lease conversion rate

Generating the most applications

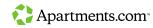


Source: Market Connections Brand Study, Q2 2024 Responses from 645 owners/operators of 18K communities, 1.5M+ units



Tremendous Opportunity Ahead in the Small to Medium Property Space

Unit Range	Universe (Properties)	Clients (Properties)	Annual Subscription Revenue Run Rate (\$M)	Revenue Penetration	TAM (\$M)	
1-49	22M	18K	\$72M	1%	\$6B	\$7B
50-99	72K	12K	\$121M	17%	\$1B	opportunity
100+	107K	45K	\$883M	42%	\$2B	
Grand Total	23M	75K	\$1.1B	12%	\$9B	



Data as of December 31, 2024 based on CoStar internal estimates. Annual revenue based on FY 2024. Excludes transactional revenue for Independent Owners.

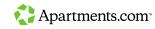


Ten Years of Success for Apartments.com

THE WALL STREET JOURNAL. CoStar to Acquire Apartments.com for \$585 Million

Growth Since Acquisition

	2014	2024	
Industry Rank	5 th place in highly fragmented online rental search industry	The leading online rental marketplace	#1
Revenue	\$75 million	\$1.1 billion annual revenue run rate	13X
Traffic	4 million average monthly unique visitors	~43 million average monthly unique visitors	11X
Customers	18,000 communities	~75,000 communities	4X

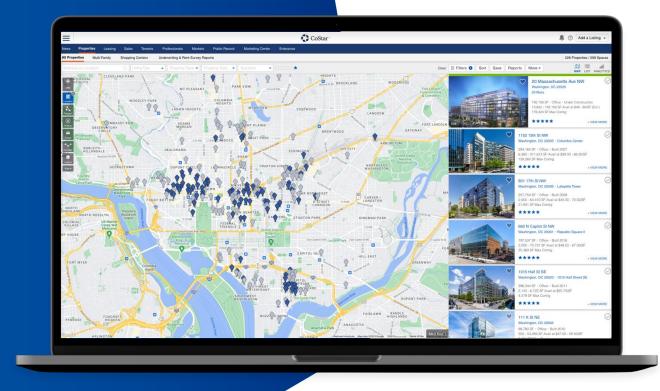


#1 based on revenue in 2023 and 2024 vs. competitors. Revenue Run Rate based on Q4 2024 annualized including transactional revenue. 2014 ComScore traffic data. 2024 Google Analytics* traffic data average monthly 2014 for the year. Customer data from internal database as of December 31, 2014 and December 31, 2024. *Prior to June 1, 2024, we measured average monthly unique visitors for all CoStar Group sites using Google's Universal Analytics. Beginning June 1, 2024, average monthly unique visitors are measured using Google Analytics 4 (GA4), the replacement for Universal Analytics. Due to the change in methodologies, unique visitors reported prior to June 1, 2024 may not provide a meaningful comparison to unique visitors in subsequent periods.





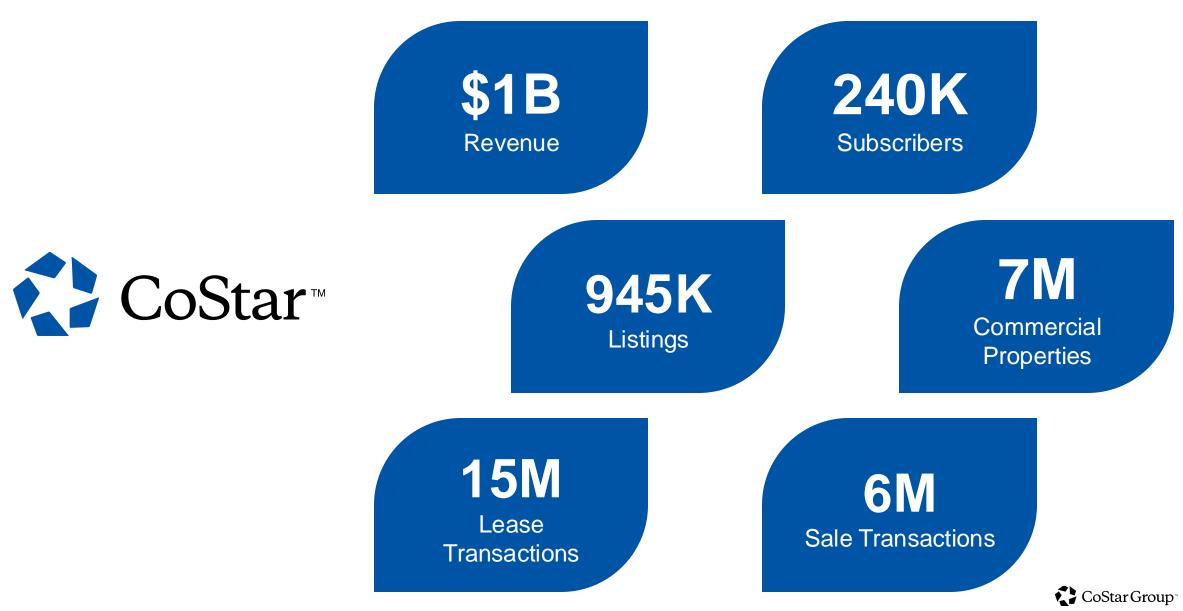
A global leader in commercial real estate information, analytics, and data-driven news



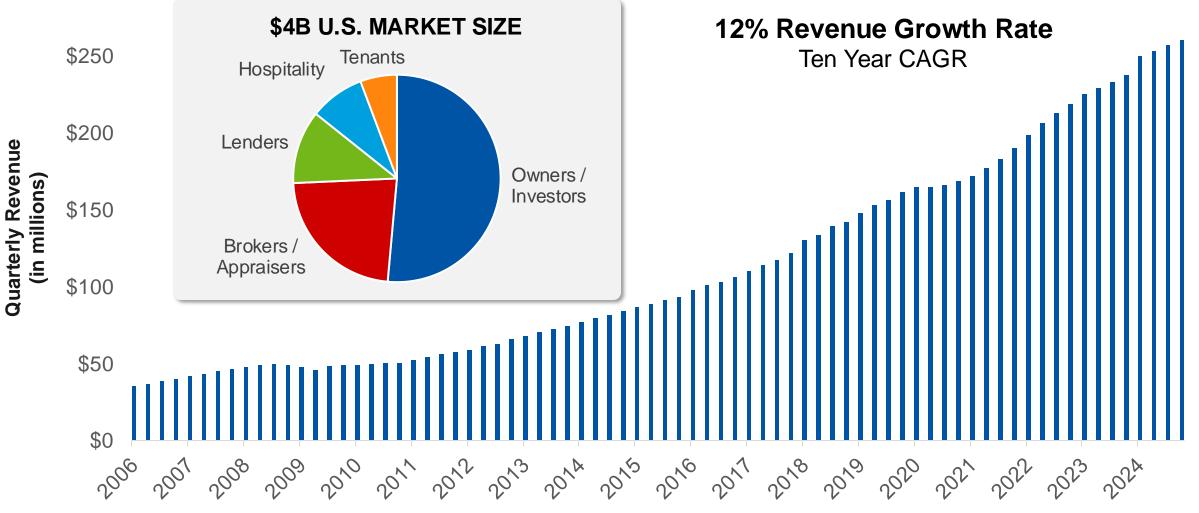
CoStar Group[®]



CoStar by the Numbers



CoStar Product Investments Expand the Market Size, Resulting in Long-Term Double-Digit Growth

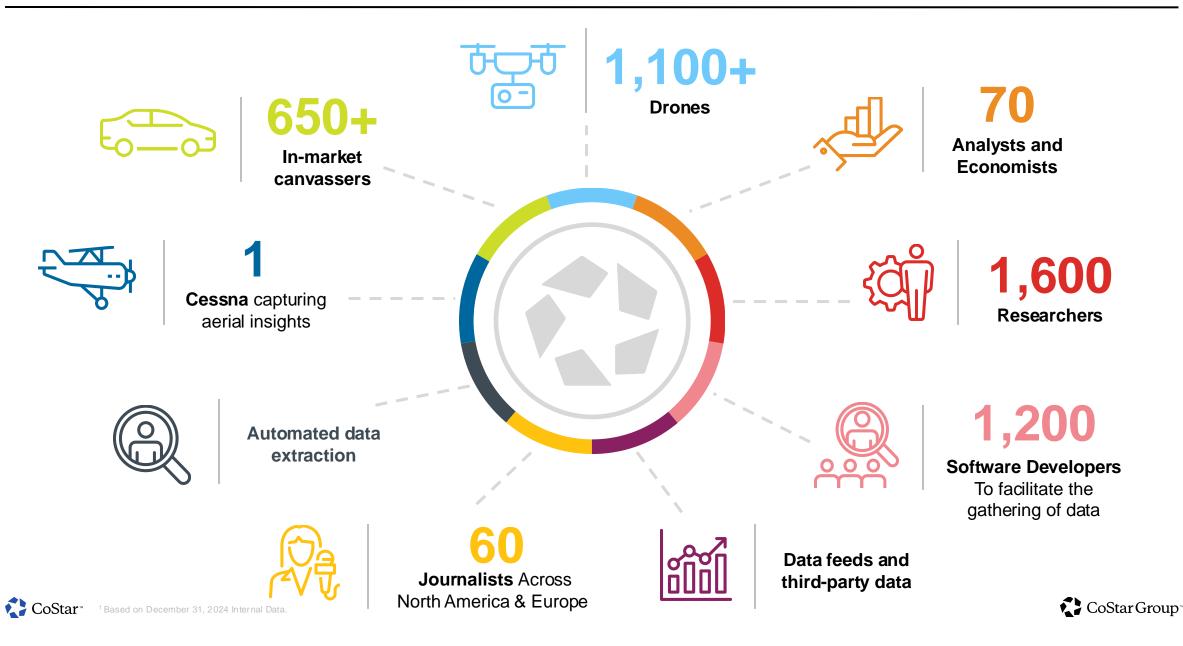


CoStar Group



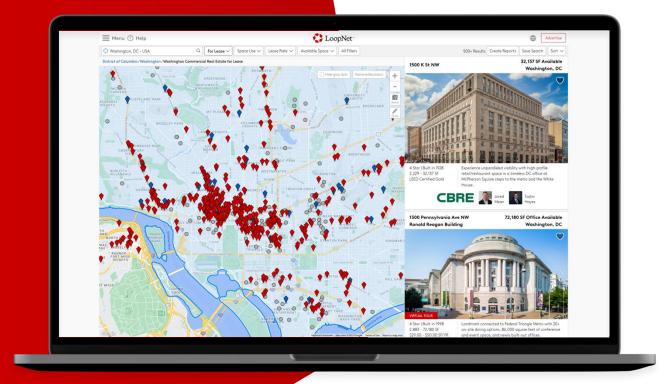
Total addressable market for CoStar – CoStar estimate. CAGR based on trailing twelve-month revenue as of 12/31/24.

Unparalleled Research Methodology



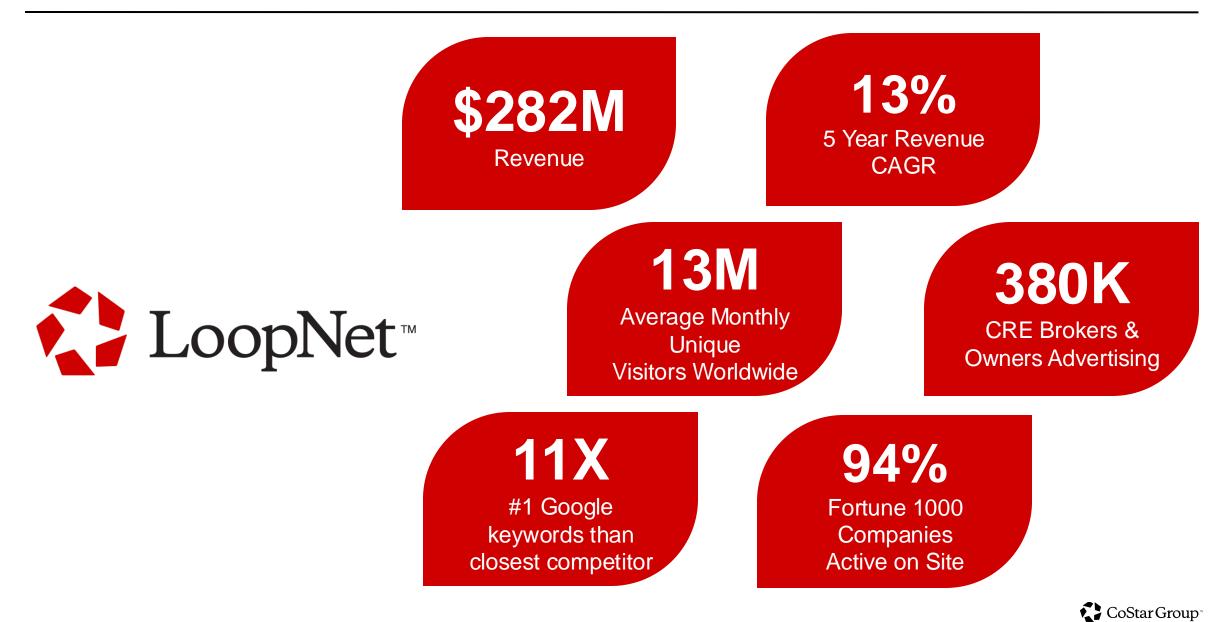
LoopNet[™]

The #1 global commercial real estate marketplace

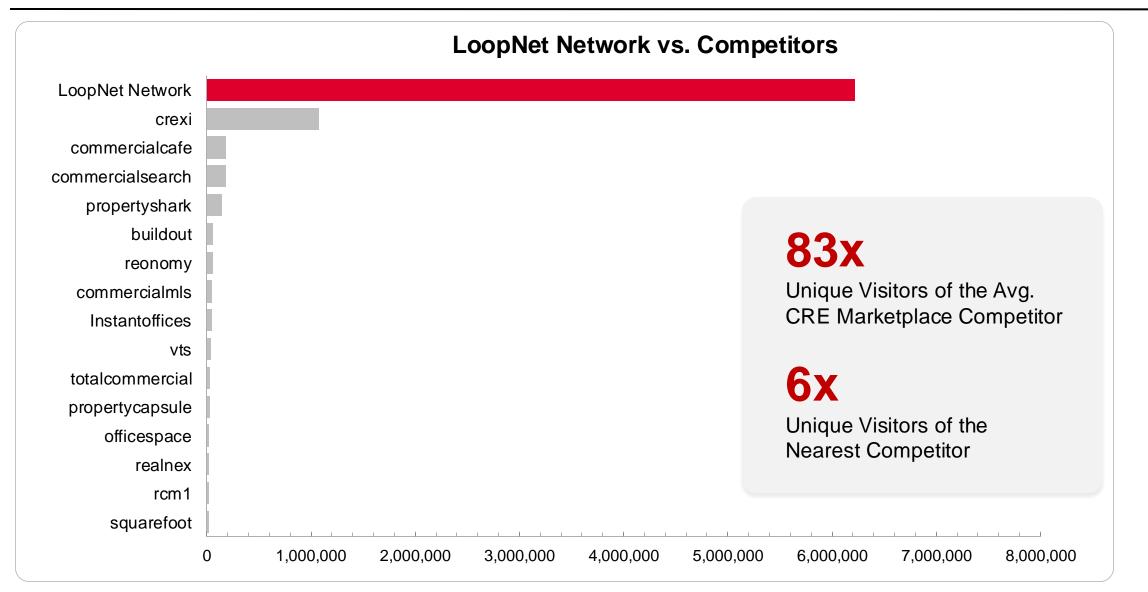




LoopNet by the Numbers



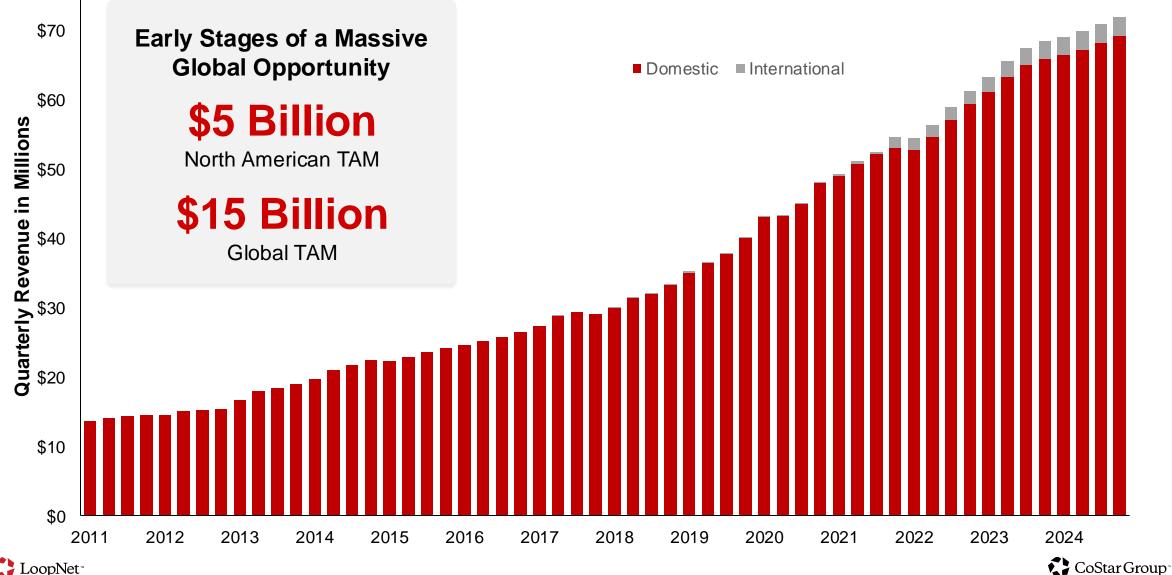
Commanding Share of Traffic vs. Marketplace Competitors





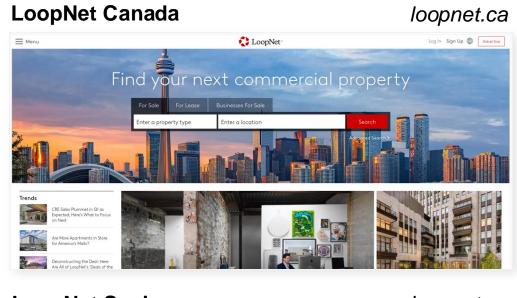


LoopNet Revenue Up 6x Since Acquisition



LoopNet[®]

LoopNet International Expansion Underway



LoopNet Spain

LoopNet[®]

loopnet.es



LoopNet UK

loopnet.co.uk



LoopNet France

loopnet.fr







Appendix

CoStar Group

CoStar Group

CoStar Group

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Non-GAAP Measures

For information regarding the purpose for which management uses the non-GAAP financial measures disclosed in this presentation and why management believes they provide useful information to investors regarding the Company's financial condition and results of operations, please refer to the Company's latest periodic report filed with the SEC at <u>www.sec.gov</u>.

EBITDA is a non-GAAP financial measure that represents GAAP net income attributable to CoStar Group before interest income or expense, net and other income or expense, net; loss on debt extinguishment; income taxes; depreciation and amortization expense.

Adjusted EBITDA is a non-GAAP financial measure that represents EBITDA before stock-based compensation expense, acquisition- and integration-related costs, restructuring costs, and settlements and impairments incurred outside the Company's ordinary course of business. Adjusted EBITDA margin represents adjusted EBITDA divided by revenues for the period.

Organic revenues and acquired revenues are non-GAAP measures for reporting financial performance of the business. Organic revenues represent total company revenues excluding net revenues from acquired companies for the first four full quarters since the entities' acquisition date. Acquired revenues represents revenues from acquired companies for the first four full quarters since the entities' acquisition date. Acquired revenues represents revenues of acquired is treated as organic for future periods. For products discontinued after an acquisition, the lesser of the reported revenues or the actual revenues reported is included in acquired revenues.



Reconciliation of Net Income to Adjusted EBITDA - Unaudited

The following table presents a reconciliation of CoStar Group's Adjusted EBITDA, including forward-looking guidance range Adjusted EBITDA, to the most directly comparable GAAP financial measure, net income.

	For the Year Ended	For the Year End	ing December 31,	For the Three Months Ended			
(in millions)	December 31, 2024	2025 - Low ⁽¹⁾	2025 - High ⁽¹⁾	September 30, 2024	December 31, 2024	March 31, 2025 - Low ⁽¹⁾	March 31, 2025 - High ⁽¹⁾
Net income	\$ 139	\$ 212	\$ 233	\$ 53	\$ 60	\$ (3)	\$ 7
Amortization of acquired intangible assets	74	74	74	17	20	19	19
Depreciation and other amortization	44	51	51	11	13	13	13
Interest income, net	(213) (168)	(168)	(56)	(47)	(43)	(43)
Other (income) expense, net	7	7	7	2	2	2	2
Income tax expense	71	77	86	25	25	3	3
EBITDA	123	253	283	51	73	(9)	1
Stock-based compensation expense	89	115	115	22	22	27	27
Acquisition and integration related costs	29	7	7	4	17	7	7
Restructuring and related costs	1	—	—	—	1	—	—
Settlements and impairments	(1			(1)			
Adjusted EBITDA	\$ 241	\$ 375	\$ 405	\$ 76	\$ 112	\$ 25	\$ 35

(1) Represents forward-looking guidance



Use of Operating Metrics and Other Definitions

CoStar Group reviews a number of operating metrics to evaluate its business, measure performance, identify trends, formulate business plans and make strategic decisions. This presentation includes Net New Bookings. Going forward, CoStar Group expects to use these operating metrics on a periodic basis to evaluate and provide investors with insight into the performance of the Company's subscription-based services.

Net New Bookings are calculated based on the annualized amount of change in the Company's sales bookings, resulting from new subscription-based contracts, changes to existing subscription-based contracts and cancellations of subscription-based contracts for the period reported. Information regarding net new bookings is not comparable to, nor should it be substituted for, an analysis of the Company's revenues over time.

Other Definitions

References to "commercial information and marketplace businesses" refer to our consolidated financial position and results excluding the impact of our Residential brands, which are Homes.com and OnTheMarket.

Our "Homes.com Network" consists of the following list of U.S. only brands: Apartments.com, ApartmentFinder, FinderSites, ApartmentHomeLiving, WestSideRentals, ForRent, After55, CorporateHousing, ForRentUniversity, Cozy.com, Off Campus Partners, Homes.com, Homesnap, CitySnap, Land.com, Landandfarm.com, and LandWatch.com.

Our "Apartments.com Network" consists of the following list of U.S. only brands: Apartments.com, ApartmentFinder, FinderSites, ApartmentHomeLiving, WestSideRentals, ForRent, After55, CorporateHousing, ForRentUniversity, Cozy.com, Off Campus Partners, rental-only listings on Homes.com.

Our "Land.com Network" consists of the following U.S. only brands: Land.com, Landandfarm.com, and LandWatch.com.

