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# Fourth Quarter and Full Year 2023 Investor Presentation



# Legal Disclaimer

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Certain information in this presentation includes “forward-looking statements” within the meaning of federal securities laws, including financial projections of CoStar Group, Inc. (“CoStar Group” or the “Company”), addressable markets, statements about management’s plans, growth strategy, goals and objectives for future operations and similar statements regarding expected future events. These statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially.

Factors that could cause or contribute to such differences include: general economic conditions; the risk that our projections about revenue, EBITDA, Adjusted EBITDA, net income per share, Non-GAAP net income, Non-GAAP net income per share, site traffic or the number of users on our sites are not as expected; product development and releases; planned sales and marketing activities and investments; the anticipated benefits of completed or proposed acquisitions; trends in customer behavior; effective tax rates; the anticipated benefits of cross-selling efforts; planned service enhancements; legal and regulatory issues; methods that we use to measure unique visitors to our portals, including Google Analytics, may misstate the actual number of unique persons who visit our network of mobile applications and websites for a given changes in accounting policies or practices and current economic conditions, including the potential impacts of the COVID-19 pandemic, on the commercial real estate industry and our customer base. Additionally, annualization of historical results from short periods of time or small sample sizes may differ materially from actual results realized in future periods and may not take into account other future market conditions that may negatively affect those results.

More information about potential risks that could cause actual results to differ from those contemplated by the forward-looking statements is included in our filings with the Securities Exchange Commission (the “SEC”), including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. All forward-looking statements are based on information available to us on the date of this presentation, and we assume no obligation to publicly update such statements whether as a result of new information, future events or otherwise.

This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Non-GAAP Net Income, Non-GAAP Net Income per Share, 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.



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# Fourth Quarter and Full Year 2023 Highlights



# Fourth Quarter and Full Year 2023 Highlights

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- Full year 2023 revenue increased **13%** year-over-year and **12%** in the fourth quarter 2023, exceeding the high end of our guidance range.
- Commercial information and marketplace businesses grew revenue **14%** in 2023, with profit margins improving to **40%** for the full year.
- Apartments.com delivered **23%** year-over-year revenue growth in 2023. Annual run rate revenue crossed **\$1 billion** in January 2024, making Apartments.com our first billion-dollar business.
- Costar Group's residential network traffic reached **95 million** average monthly unique visitors in the fourth quarter of 2023 to become the second most trafficked network of residential sites in the U.S.
- Homes.com is the **fastest** growing residential property site in the U.S., with average monthly unique visitors increasing 600% year-over-year.
- Homes.com launched the industry's biggest brand campaign during Super Bowl LVIII. Subscription membership sales began ahead of schedule in February with almost **\$4.5 million** in annualized net new bookings sold in the first week.

Commercial information and marketplace businesses are our consolidated financial position and results excluding the impact of our Residential brands which are Homes.com and OnTheMarket, plc. Apartments network traffic as measured by Google Analytics; Zillow's network as reported in its Earnings Press Releases and Shareholder letters posted to their website for the prior eight quarters. Rent. traffic per Comscore.

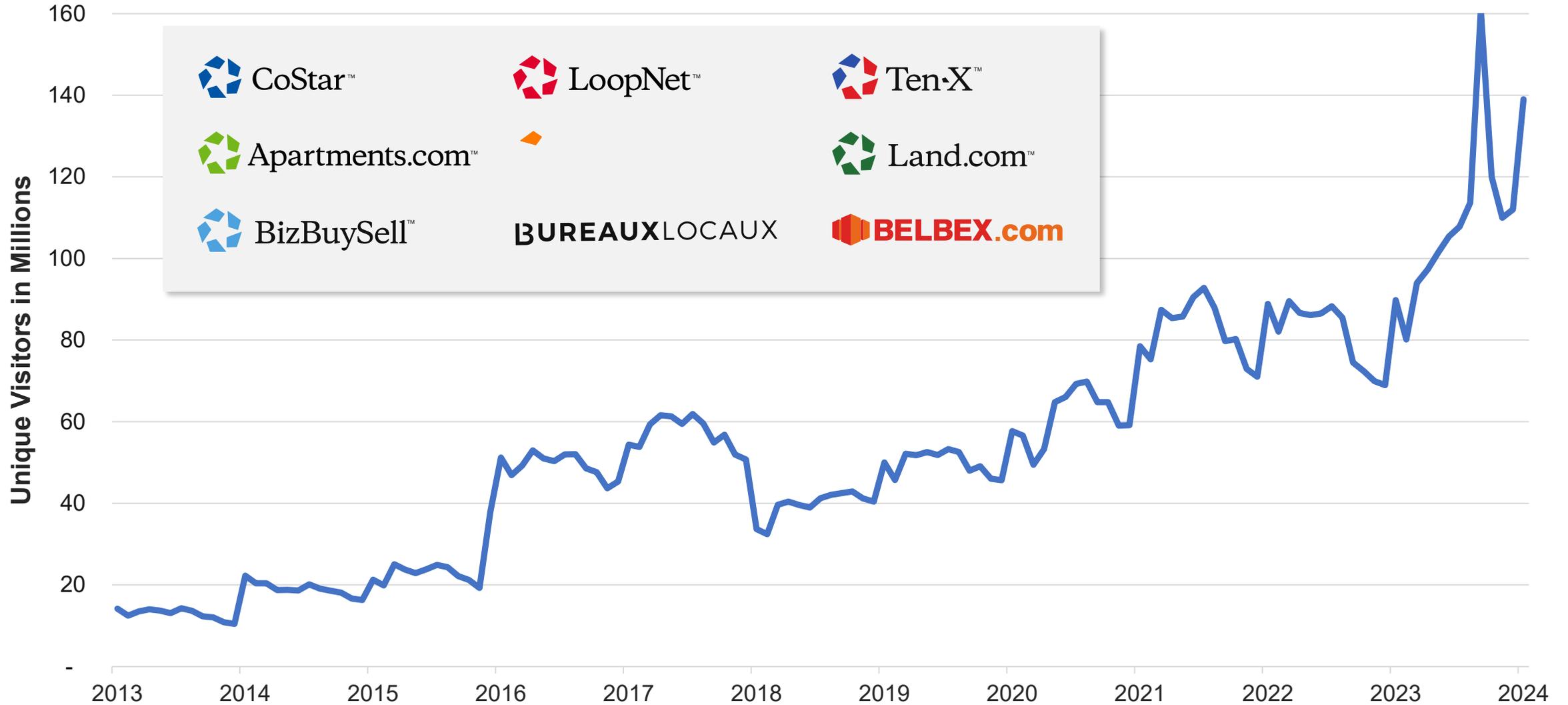
# Fourth Quarter and Full Year 2023 Results

	Fourth Quarter	Full Year
<b>Revenue</b>	\$640 million 12% year-over-year growth	\$2.46 billion 13% year-over-year growth
<b>Net income</b>	\$96 million \$0.24 per diluted share	\$375 million \$0.92 per diluted share
<b>Net new bookings</b>	\$58 million	\$286 million
<b>Adjusted EBITDA</b>	\$130 million 20% margin	\$492 million 20% margin
<b>Non-GAAP net income</b>	\$133 million \$0.33 per diluted share	\$498 million \$1.22 per diluted share

# 2024 Outlook

	First Quarter	Full Year
<b>Revenue</b>	\$645 million to \$650 million 10% to 11% year-over-year growth	\$2.75 billion to \$2.77 billion 12% to 13% year-over-year growth
<b>Net income</b>	(\$5) million to (\$2) million (\$0.01) to \$0.00 per diluted share	\$115 million to \$129 million \$0.28 to \$0.32 per diluted share
<b>Adjusted EBITDA</b>	(\$12) million to (\$8) million (1) % margin	\$170 million to \$190 million 7% margin
<b>Non-GAAP net income</b>	\$26 million to \$29 million \$.06 to \$.07 per diluted share	\$232 million to \$246 million \$0.57 to \$0.60 per diluted share

# Traffic Growth Accelerating to 62% Year over Year in Q4 2023



Source: Google Analytics Unique Visitors – All CoStar Sites. Growth rate based on 4Q23 vs 4Q22..



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# Company Overview



# MISSION STATEMENT

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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

**37**

years of real estate  
experience

**2 billion+**

annual visits  
to our websites

**\$5 billion+**

investment in research  
and technology

**~6,200**

employees

member of the  
**STANDARD  
& POOR'S 500**

FORTUNE® **FASTEST  
100 GROWING  
COMPANIES**



**74**

offices

**14**

countries

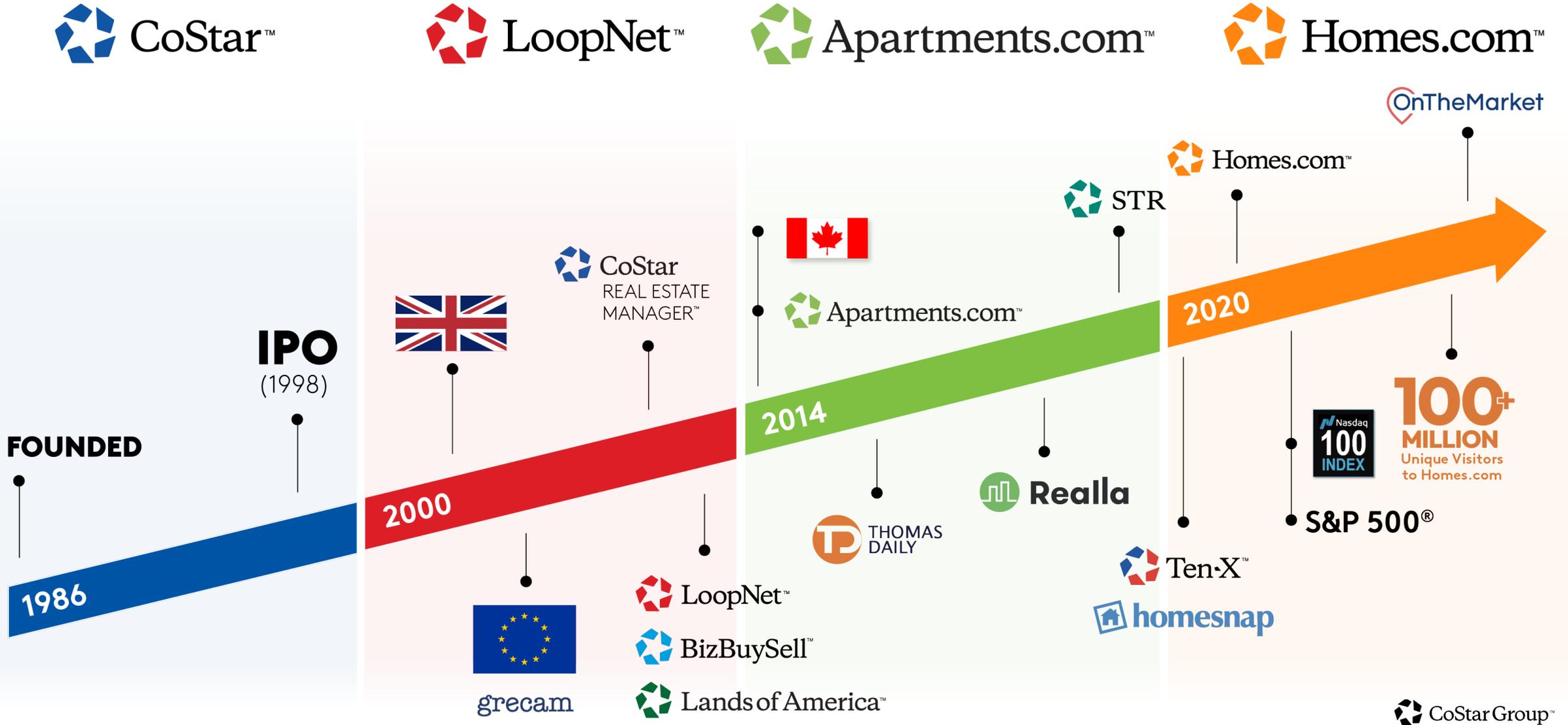
**~\$35 billion**

market capitalization

**\$5 billion+**

in cash on hand

# Over 35 Years of Growth and Innovation



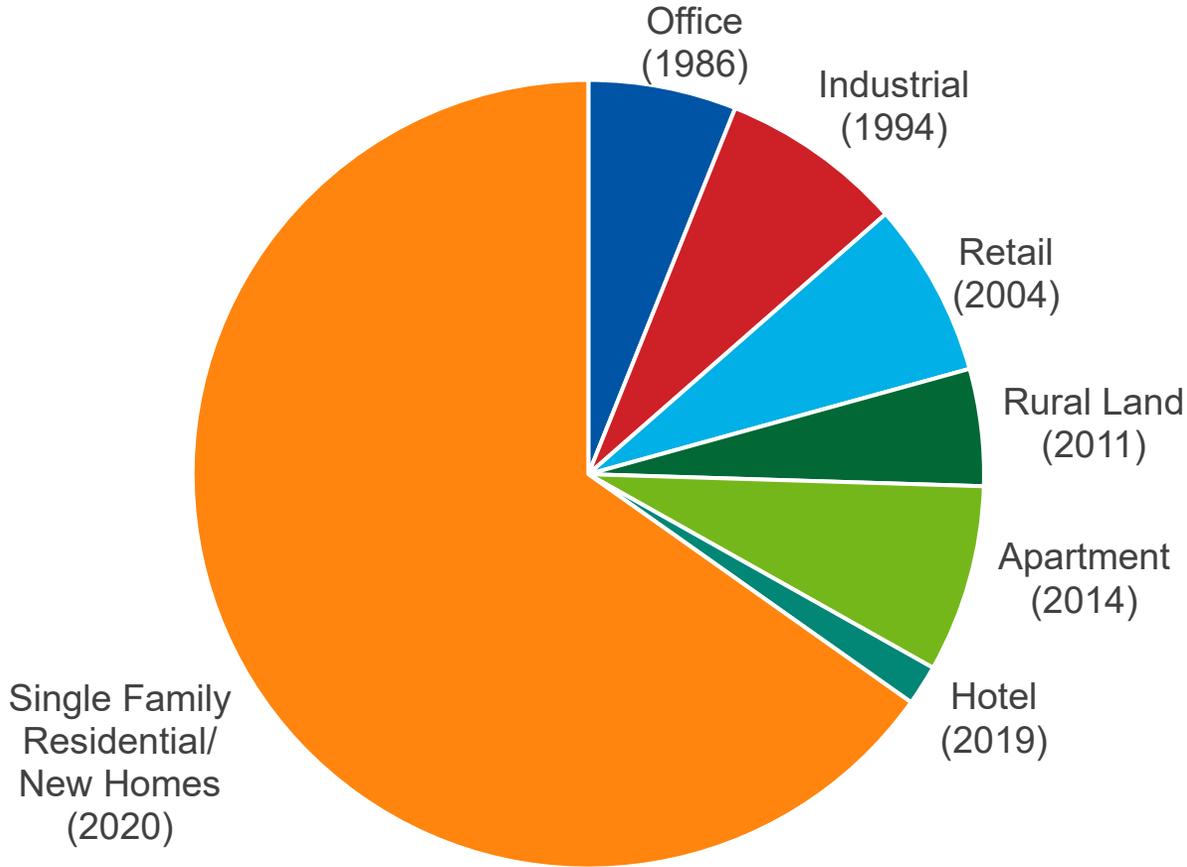
# A Global Leader in the Digital Transformation of the \$300+ Trillion Real Estate Industry

- **Long growth runway:** Global addressable market for real estate information and marketplaces estimated at > \$100 billion.
- **Strong competitive position:** Massive proprietary dataset built over 37 years with > \$5 billion invested in research.
- **Leading Property Marketplaces:** Hundreds of millions shop our online real estate marketplaces.
- **Successful growth track record:** 51 consecutive quarters of double-digit revenue growth, both organic and through acquisitions.
- **Attractive financial model:** 95% subscription revenue. 90% renewal rates\*. Strong margins, high free cash flow and a fortress balance sheet.

\*All data as of December 31, 2023. Subscription revenue includes all contracts regardless of term. Renewal rate refers to contracts with 12 month or longer terms.

# Global Real Estate: A \$300 Trillion Asset Class

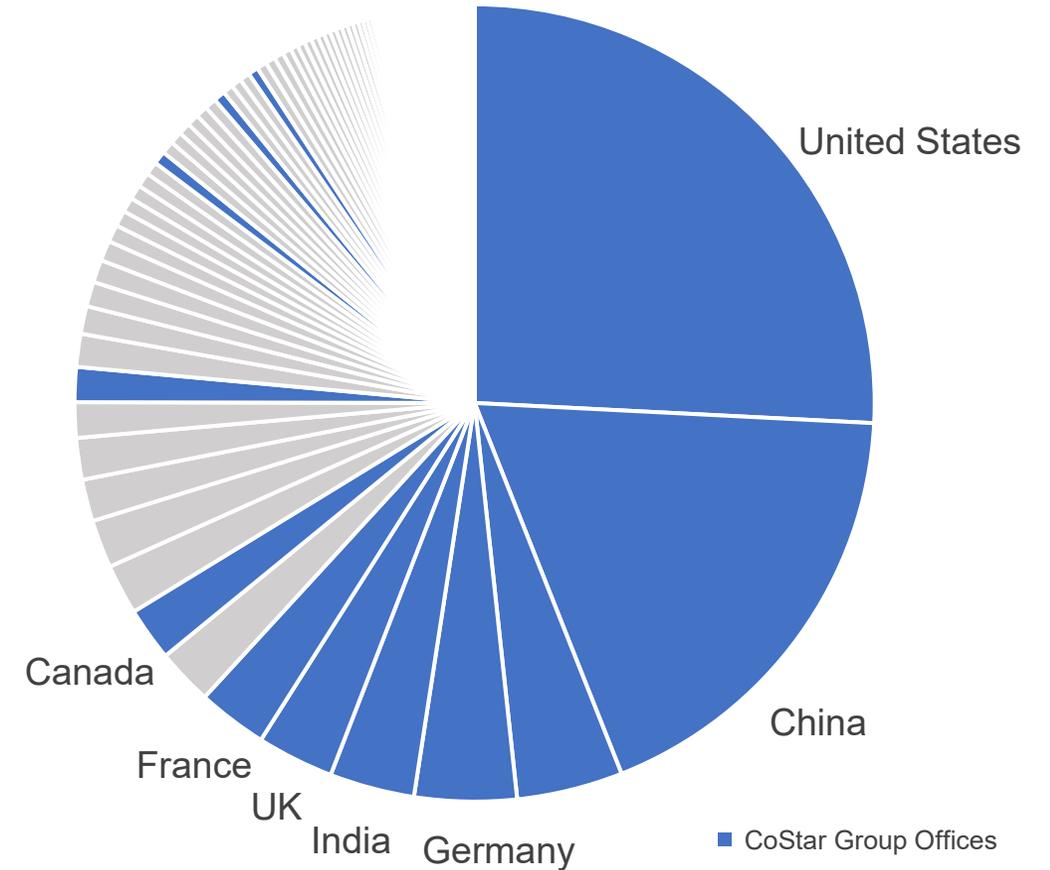
**U.S. REAL ESTATE  
\$70 TRILLION**  
(Year CoStar entered market)



*U.S. Real Estate Sources:*  
Office – CoStar estimate  
Industrial – CoStar estimate  
Retail – CoStar estimate  
Rural Land – U.S. Department of Agriculture

Apartment – CoStar estimate  
Hotel – CoStar estimate  
Single Family – Federal Reserve Flow of Funds and Urban Institute  
New Homes – Federal Reserve Economic Data (FRED)

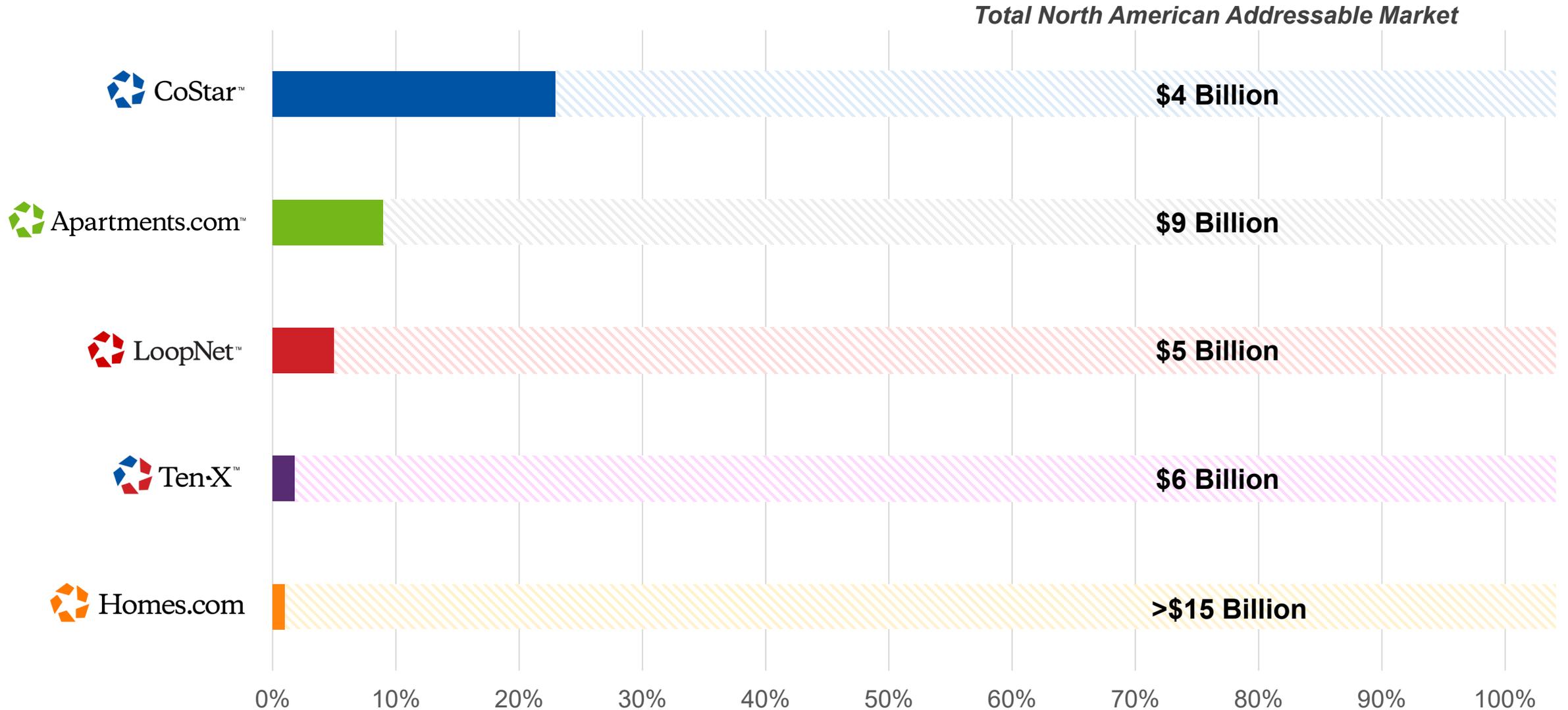
**GLOBAL REAL ESTATE  
\$300 TRILLION**



*Global Real Estate Sources:*  
Global real estate value calculated by scaling U.S. real estate value based on the U.S. share of global GDP, Global GDP data from The World Bank

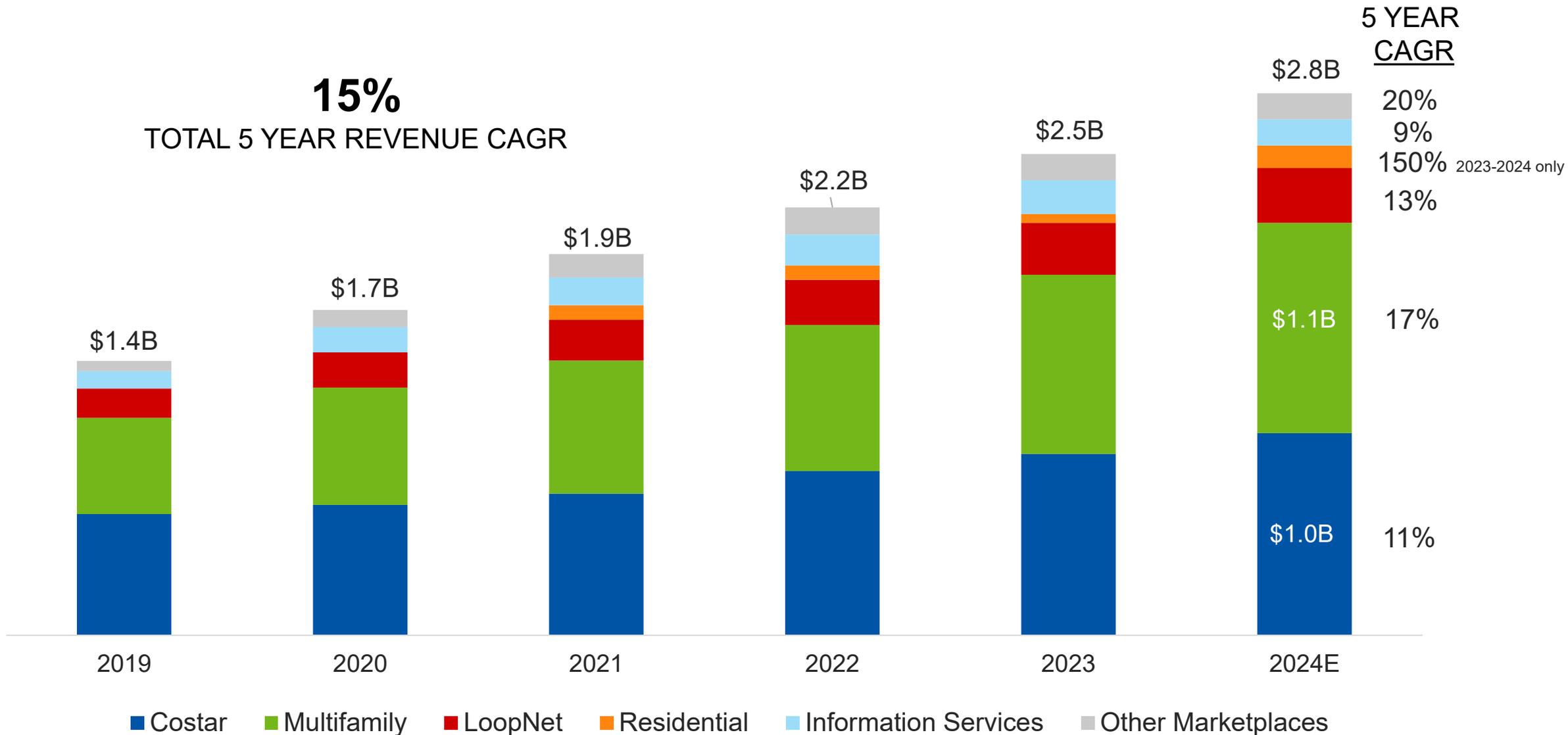
Based on 2023 Data

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

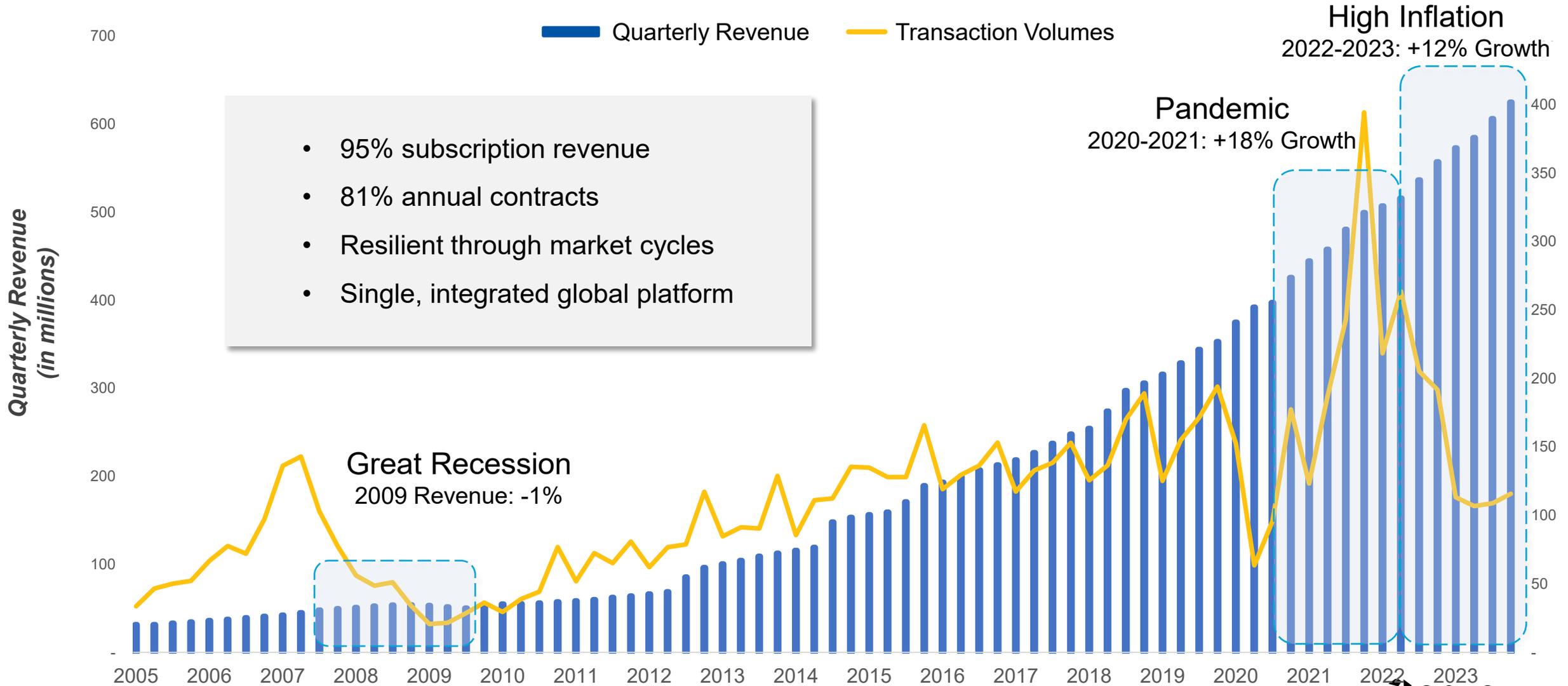


*TAM Sources:*  
CoStar, Apartments, LoopNet and Ten-X – CoStar estimate  
Homes.com – extrapolation of Borrell Associates "2019 Real Estate Advertisement Outlook" combined with CoStar estimate

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



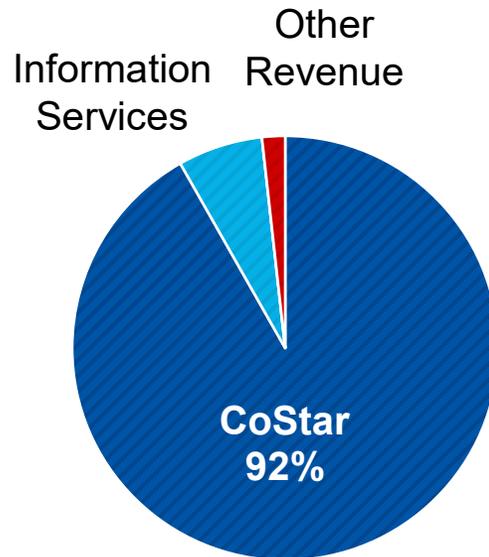
# 51 Consecutive Quarters of Double-Digit Revenue Growth Regardless of Commercial Property Transaction Volumes



All data as of December 31, 2023. Organic revenue excludes revenue from acquired companies at time of acquisition.

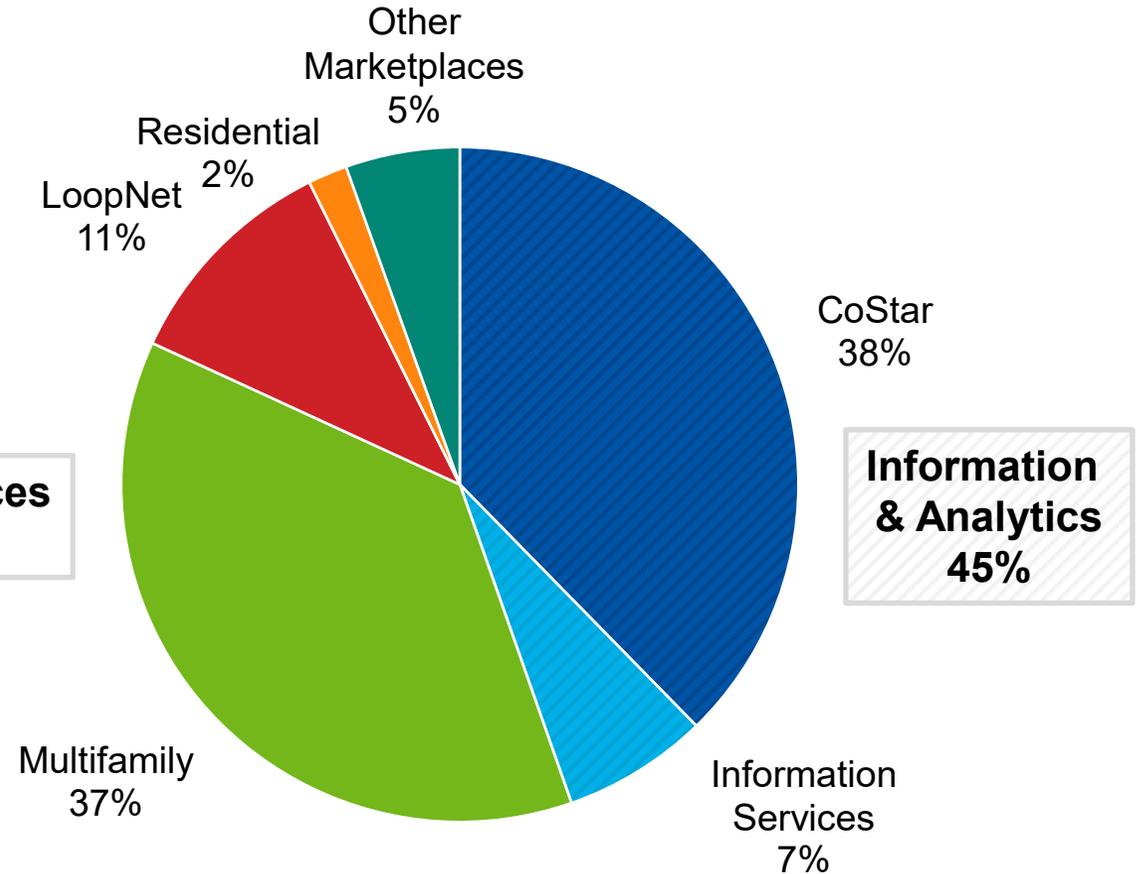
# More Diversified with More Countercyclical Business Mix Since the Great Recession

2008 REVENUE



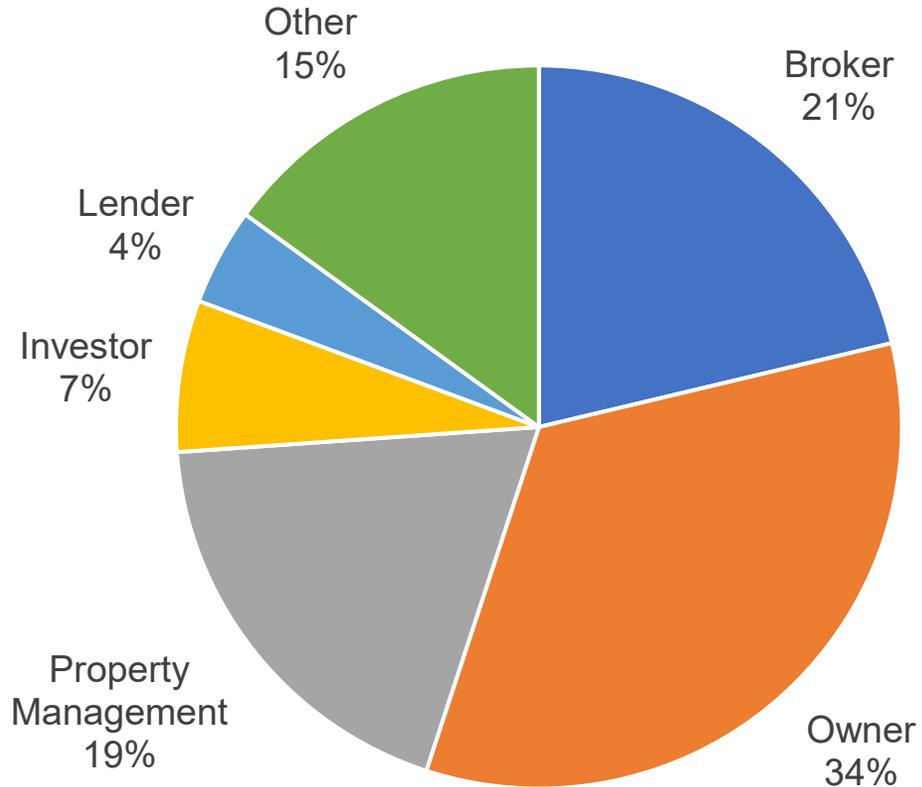
**Information & Analytics**  
100%

2023 REVENUE

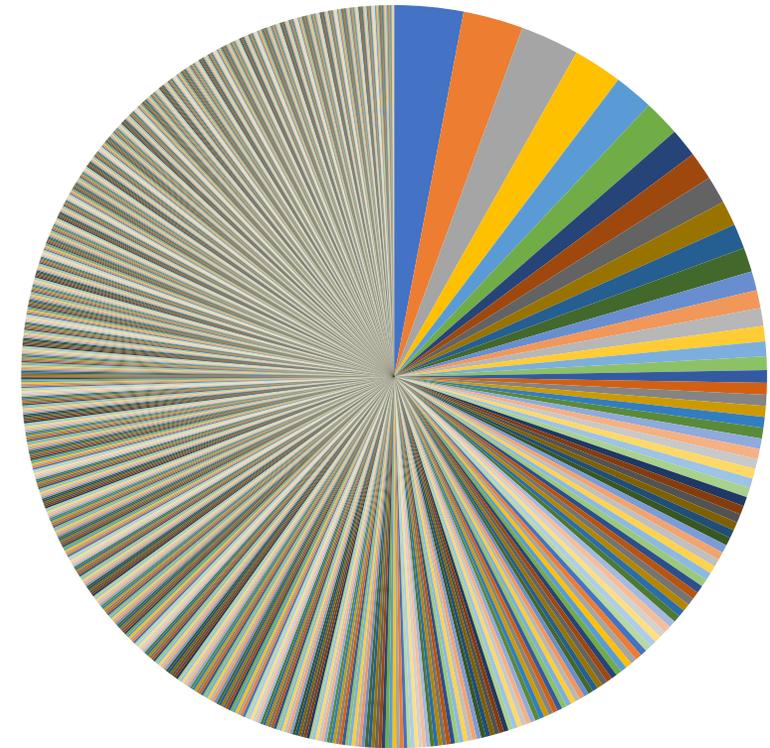


# Diversified Client Base with Minimal Concentration

REVENUE BY CLIENT SEGMENT



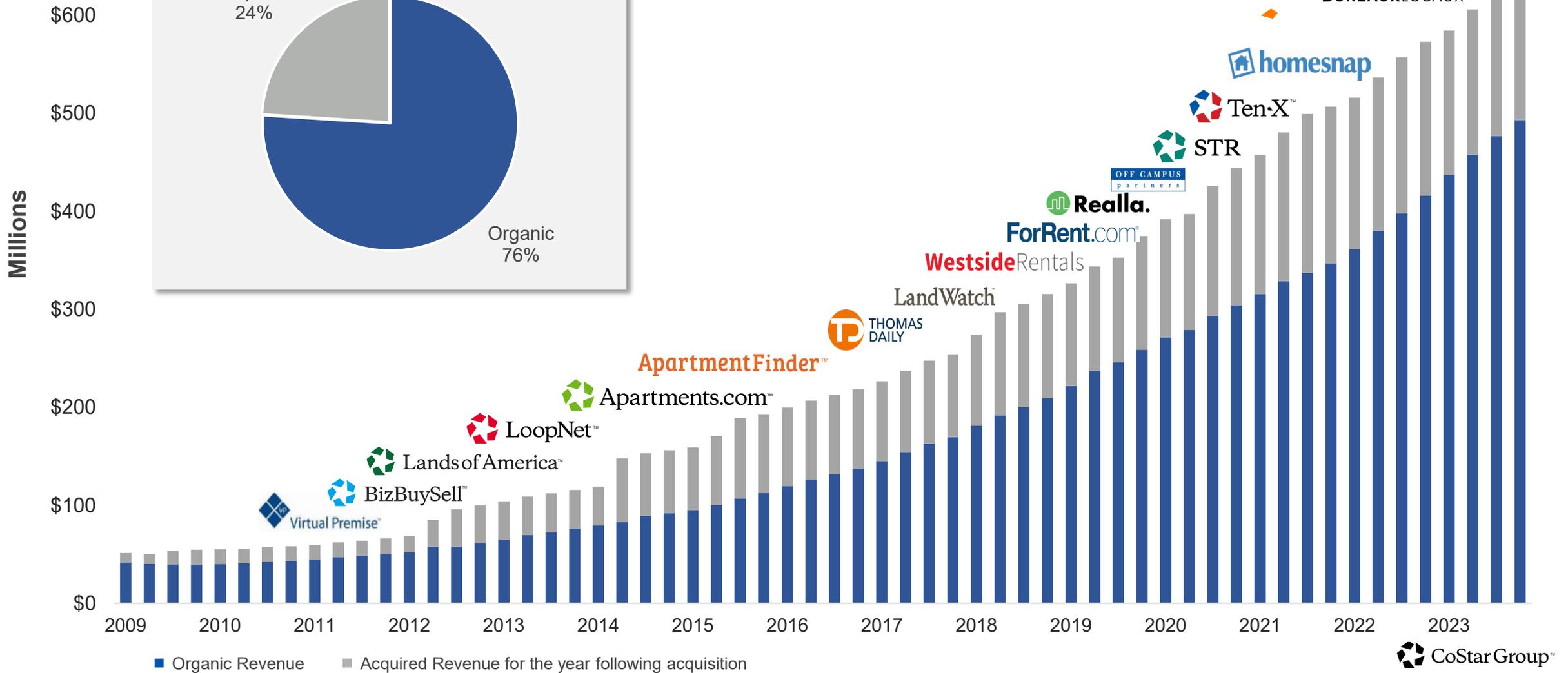
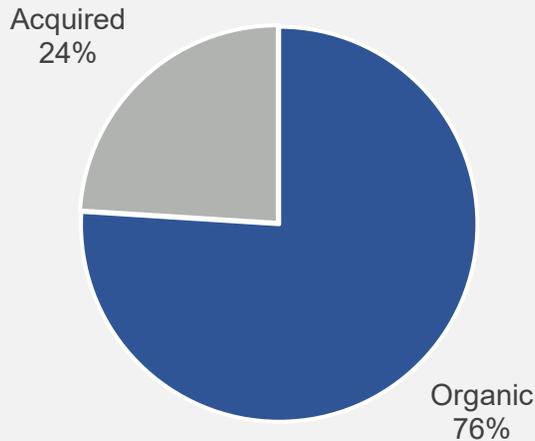
TOP 1,000 CLIENTS:  
NONE MORE THAN 2%



\*Revenue by client segment and by client extrapolated from December 2023 CoStar billing data.

# Successful Acquisition and Integration Track Record

2023 REVENUE COMPOSITION



# High Growth, High Margin Subscription Business Model

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## Double-Digit Revenue and Adjusted EBITDA Growth

- ✓ **23%** Revenue CAGR since IPO 24 years ago
- ✓ Net Income CAGR of **29%** over the last 10 years
- ✓ Adjusted EBITDA CAGR of **14%** over the last 10 years

## Predictable Subscription Services Revenue

- ✓ **95%** subscription revenue with 81%+ annual contracts
- ✓ **95%** renewal rate for clients > 5 years
- ✓ Double-digit revenue growth for 51 straight quarters

## Strong Operating Leverage

- ✓ **80%+** gross margin
- ✓ Commercial information and marketplace businesses **40%** margin

## Highly Cash Generative with Strong Balance Sheet

- ✓ Net cash provided by operating activities of **\$490M** for 2023
- ✓ **\$5.2B** cash versus \$1B of debt



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

# Apartments.com by the Numbers

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**\$1B**

Revenue Run Rate

**23%**

Year-over-Year  
Revenue Growth



**#1**

Rank in Brand  
Awareness

**1M+**

Rental  
Availabilities

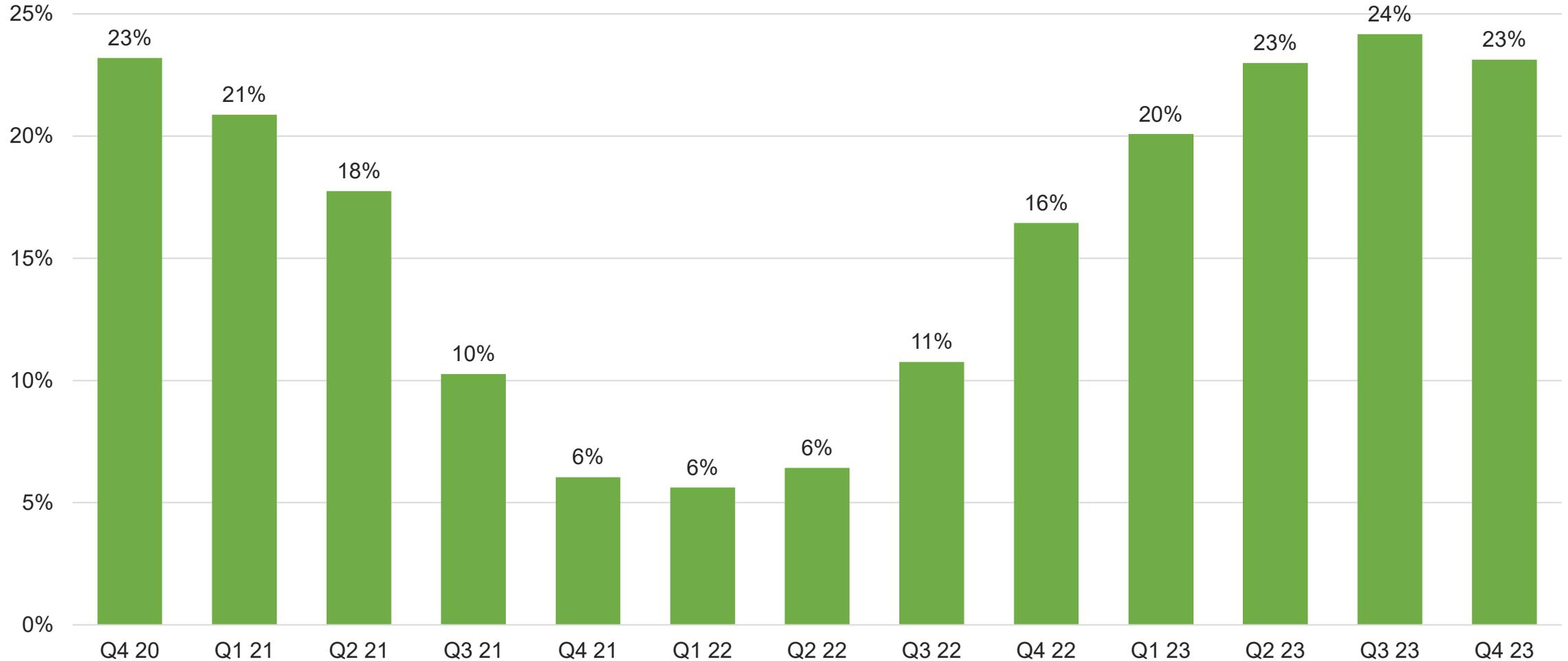
**1B**

Annual Visits

**44M**

Average Monthly  
Unique Visitors

# Multifamily Revenue Growth Fully Recovered in 2023 From the Post Pandemic Downturn



# Our Biggest Customer Count Ever!



~71,000

APARTMENT  
COMMUNITIES

now advertise on  
Apartments.com

# Apartments.com Beats Competition on the Metrics That Matter to Advertisers

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**2X**

more time  
per visit

**2X**

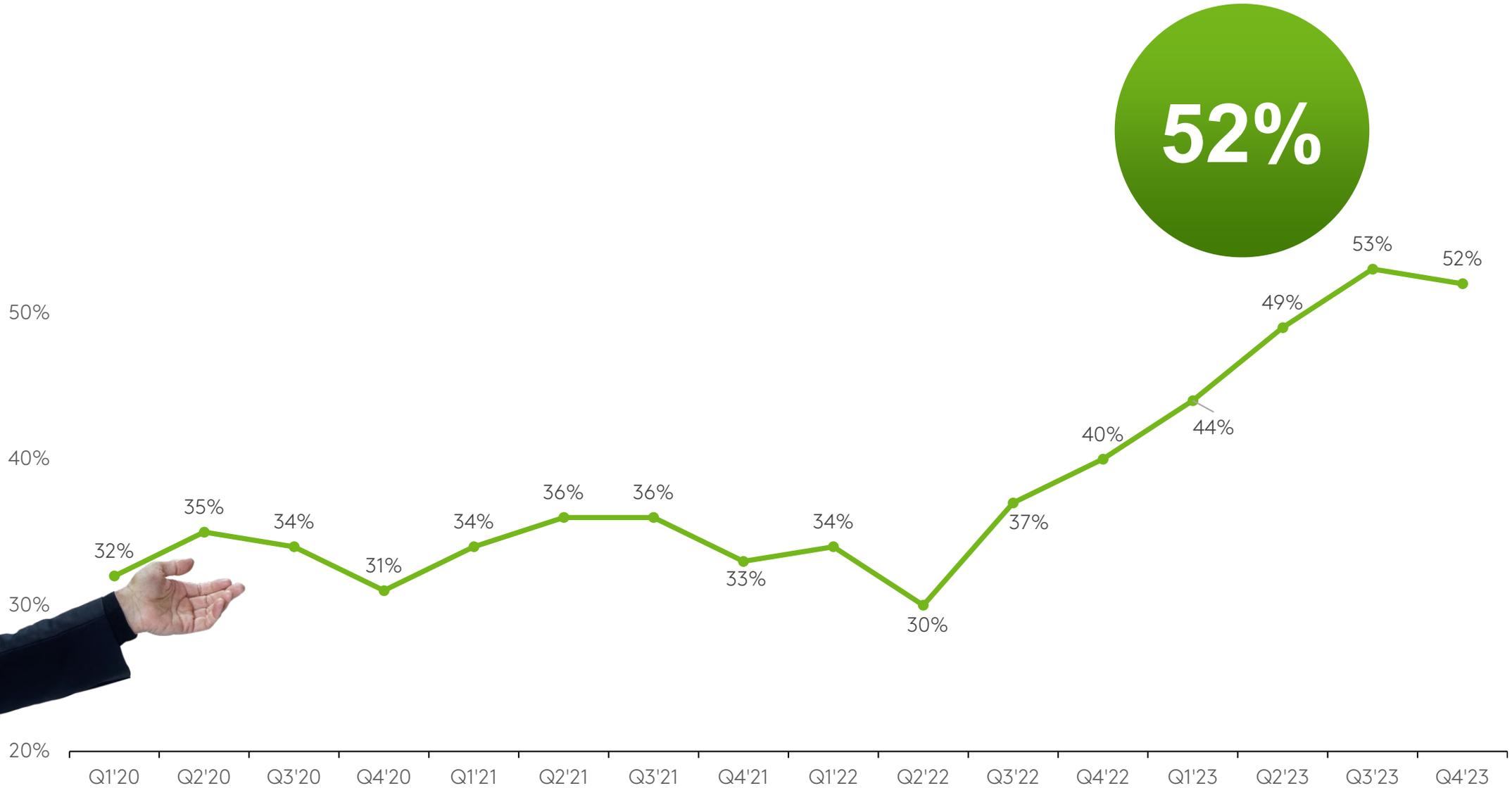
higher  
conversion

**3X**

more  
leases

Sources: Traffic from Comscore Media Matrix, January - December 2023; Lease data from Rent Dynamics, January - September 2023

# Unaided Brand Awareness at All Time Highs



Source: Dynata a leading market research sampling provider

# Tremendous Opportunity Ahead in the Small to Medium Property Space

Unit Range	Universe (Properties)	Clients (Properties)	Annual Revenue Run Rate (\$M)	Revenue Penetration	TAM (\$M)
1-49	23M	17K	\$61M	1%	\$6B
50-99	69K	11K	\$112M	11%	\$1B
100+	104K	43K	\$792M	40%	\$2B
<b>Grand Total</b>	<b>23M</b>	<b>71K</b>	<b>\$965M</b>	<b>11%</b>	<b>\$9B</b>

**\$7B**  
opportunity

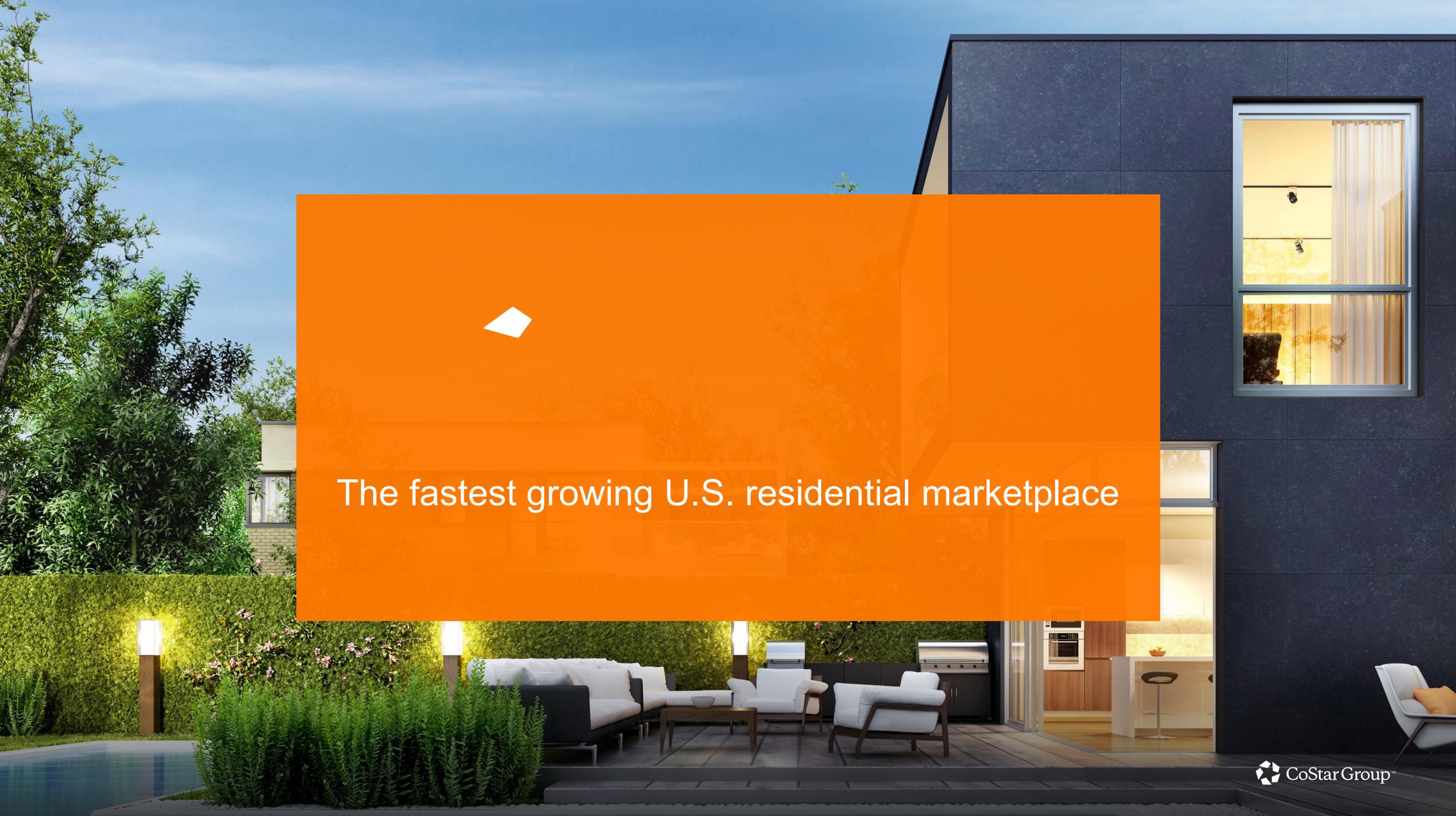
# Success of Apartments.com

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

## Growth Since Acquisition

	2014	2024
Industry Rank	5 <sup>th</sup> place in highly fragmented online rental search industry	The leading online rental marketplace
Revenue	\$75 million	\$1 billion revenue run rate
Traffic	4 million average monthly unique visitors	44 million monthly unique visitors
Customers	18,000 communities	71,000 communities

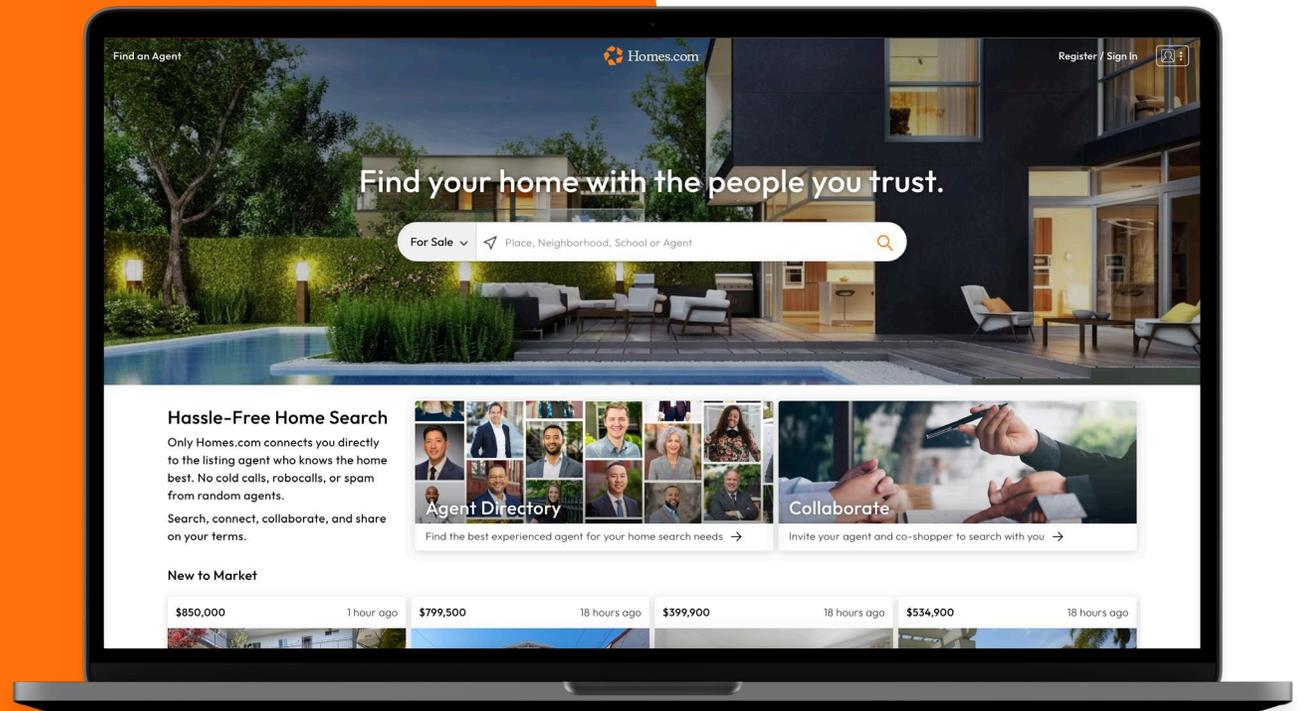




The fastest growing U.S. residential marketplace

# Our Vision

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



# Homes.com by the Numbers

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**100M+**

Monthly Unique  
Visitors

**Millions**

Leads  
per Quarter



**Homes.com**<sup>TM</sup>

**2M+**

Residential For Sale  
and Rental Listings

**20K+**

Neighborhood  
Content

**512K**

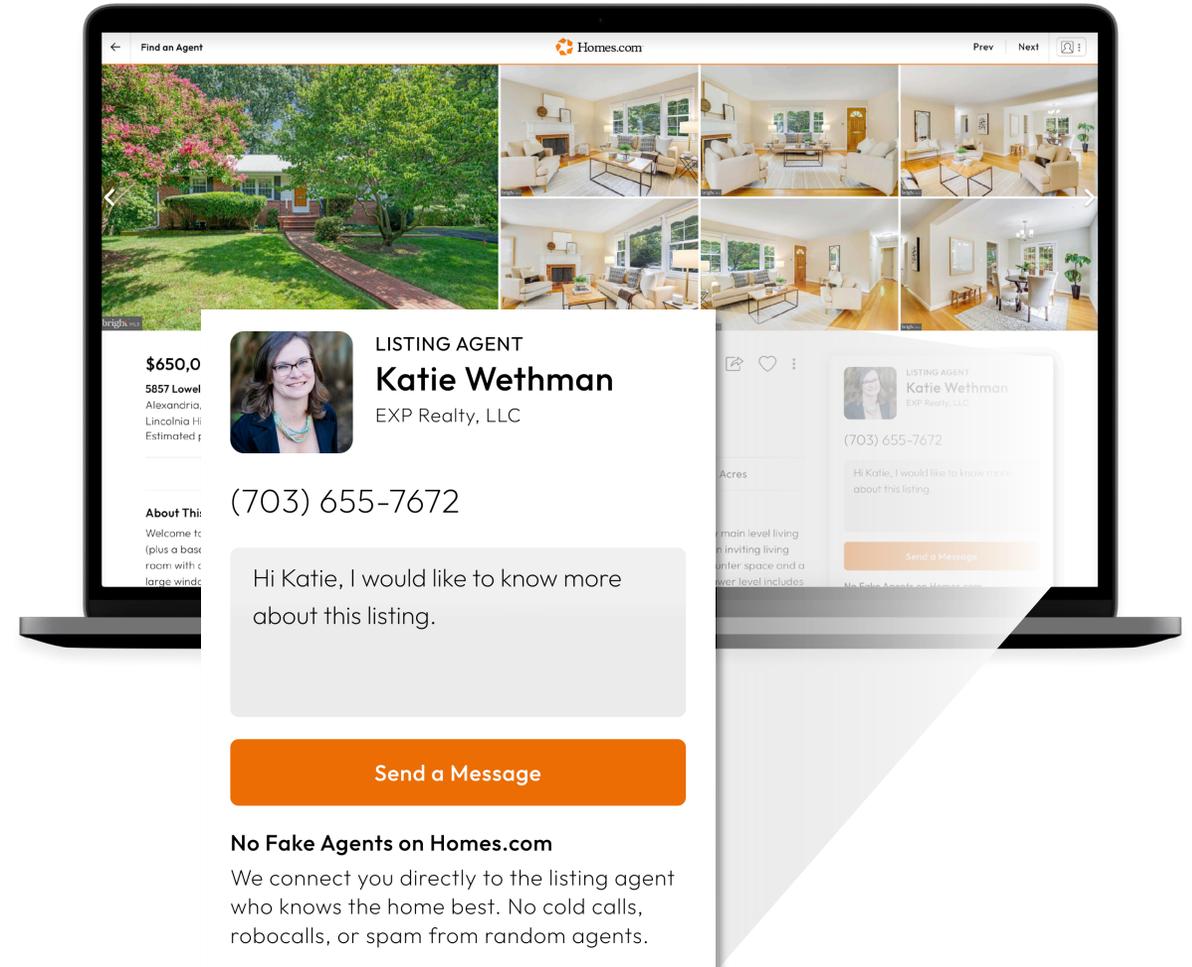
Agents with  
1+ Listing

**1M+**

Registered Agents

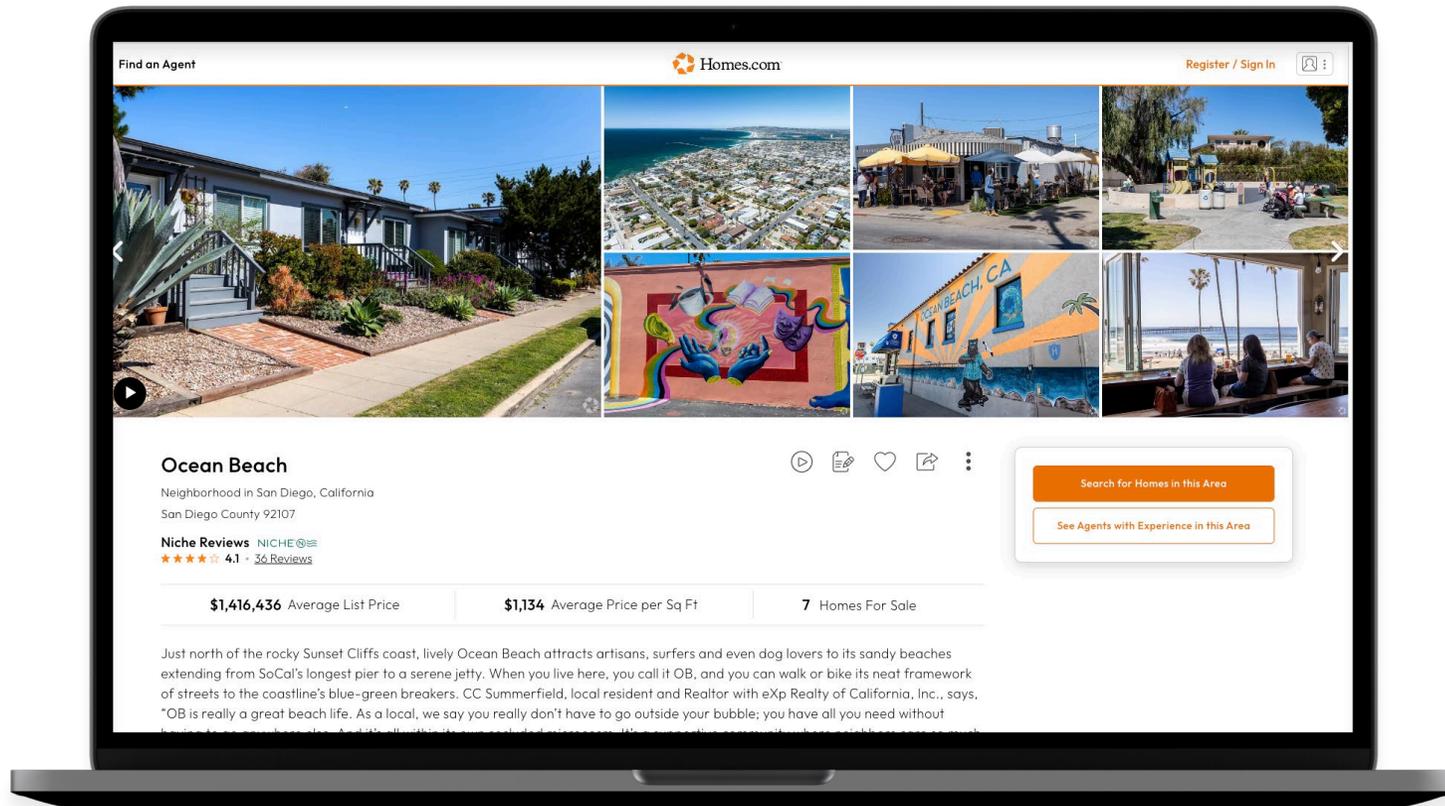
# A Better Business Model – “Your Listing, Your Lead”

- Only Homes.com connects you to the listing agent who knows the home best
- No cold calls, robocalls, or spam from random agents
- Competitor models monetize buyer agency, taking one third of agent’s commissions
- Homes.com is providing millions of free leads to listing agents to help sell the home



# 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.



20,000+  
Neighborhoods

40,000+  
Parks

125,000+  
Schools

65,000+  
Condo Buildings

# The Real Estate Portals Adhering to the Your Listing Your Lead Principal are the Most Successful



Billions in Net income (loss) for 10-year period from 2014-2023 from publicly filed financial statements. When full year 2023 was not available, trailing twelve months was used.

**“We’ve done your home work.”**



**Homes.com™**



**2024 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.

Over a  
**BILLION  
DOLLARS**  
invested

**80**  
**BILLION**  
impressions

Reaching  
**90%**  
of households



# We Kicked Off The Biggest Advertising Stage In America



## 4 QUARTERS, 4 Commercials



Invasion



Launch



Mascot



Salon

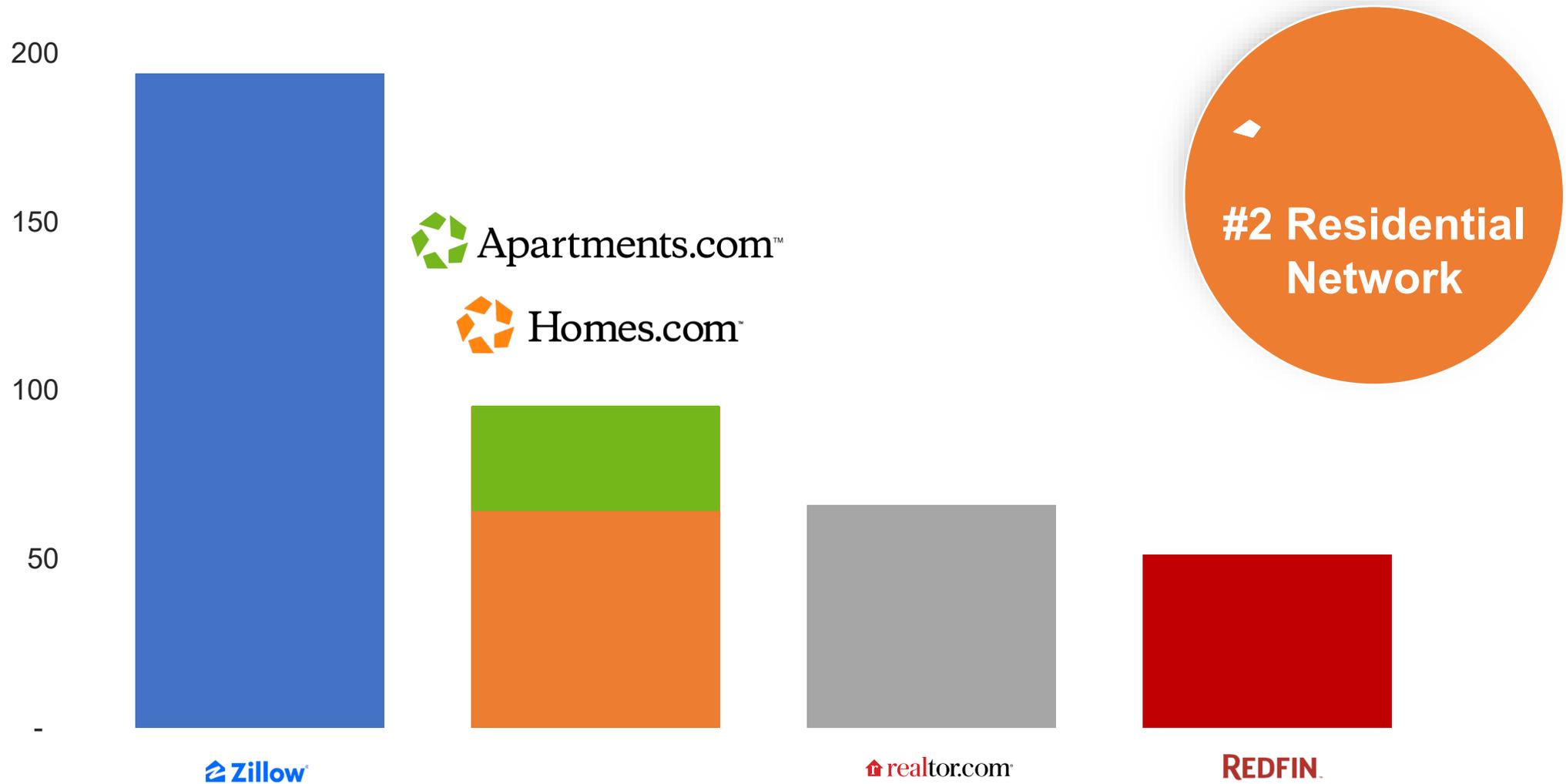


# Homes.com will be *EVERYWHERE.*

No other competitors come close to our investment to drive leads to *all agents*



# Our Residential Network Is Now the Second Most Visited Real Estate Portal...

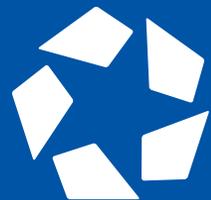


*"Average unique monthly users for the latest fiscal quarter ending December 31, 2023 for: (i) CoStar residential network as measured by Google Analytics; (ii) Zillow's network as reported in its Earnings Press Release filed 2/13/24 (iii) Redfin as reported in its third quarter Form 10-Q filed on November 2, 2023; and (iv) Realtor.com as reported in News Corp earnings call dated 2/7/24."*

## Investing to Create the #1 Residential Portal in the UK

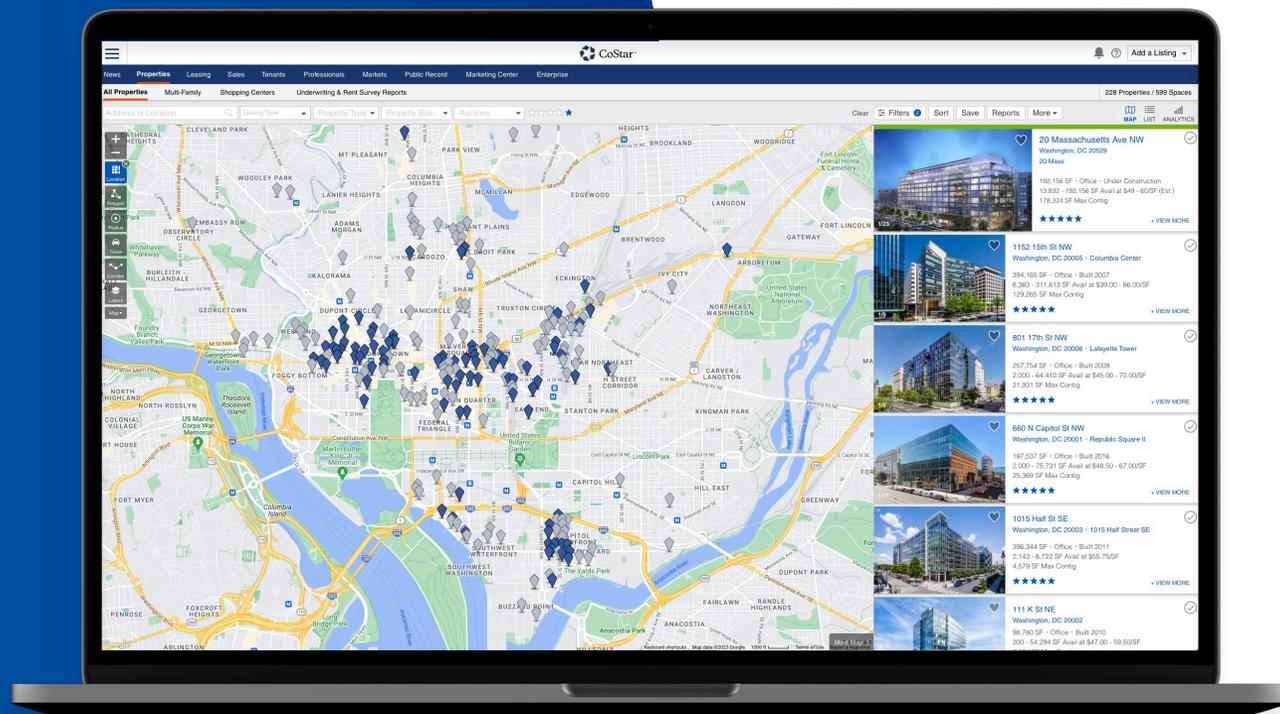
- ✓ Average monthly unique visitors since acquisition up 143%
- ✓ Listings up 57,000 since acquisition
- ✓ Agent advertisers up 1,000 since acquisition
- ✓ Leads have grown 81% since acquisition
- ✓ 2024 Revenue Forecast of \$40 million





# CoStar™

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



# CoStar by the Numbers

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**\$1B**

2024  
Forecast Revenue

**193K+**

Subscribers



**CoStar™**

**895K**

Listings

**7M**

Commercial  
Properties

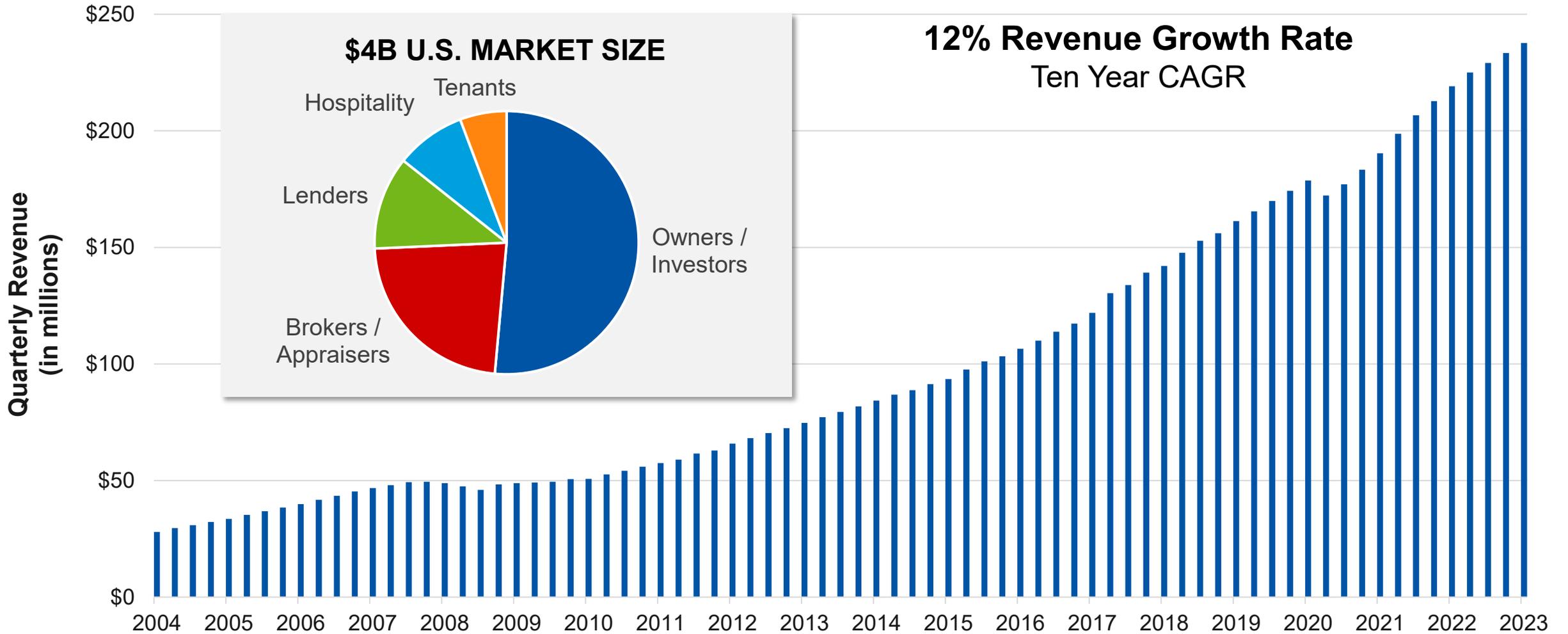
**15M**

Lease  
Transactions

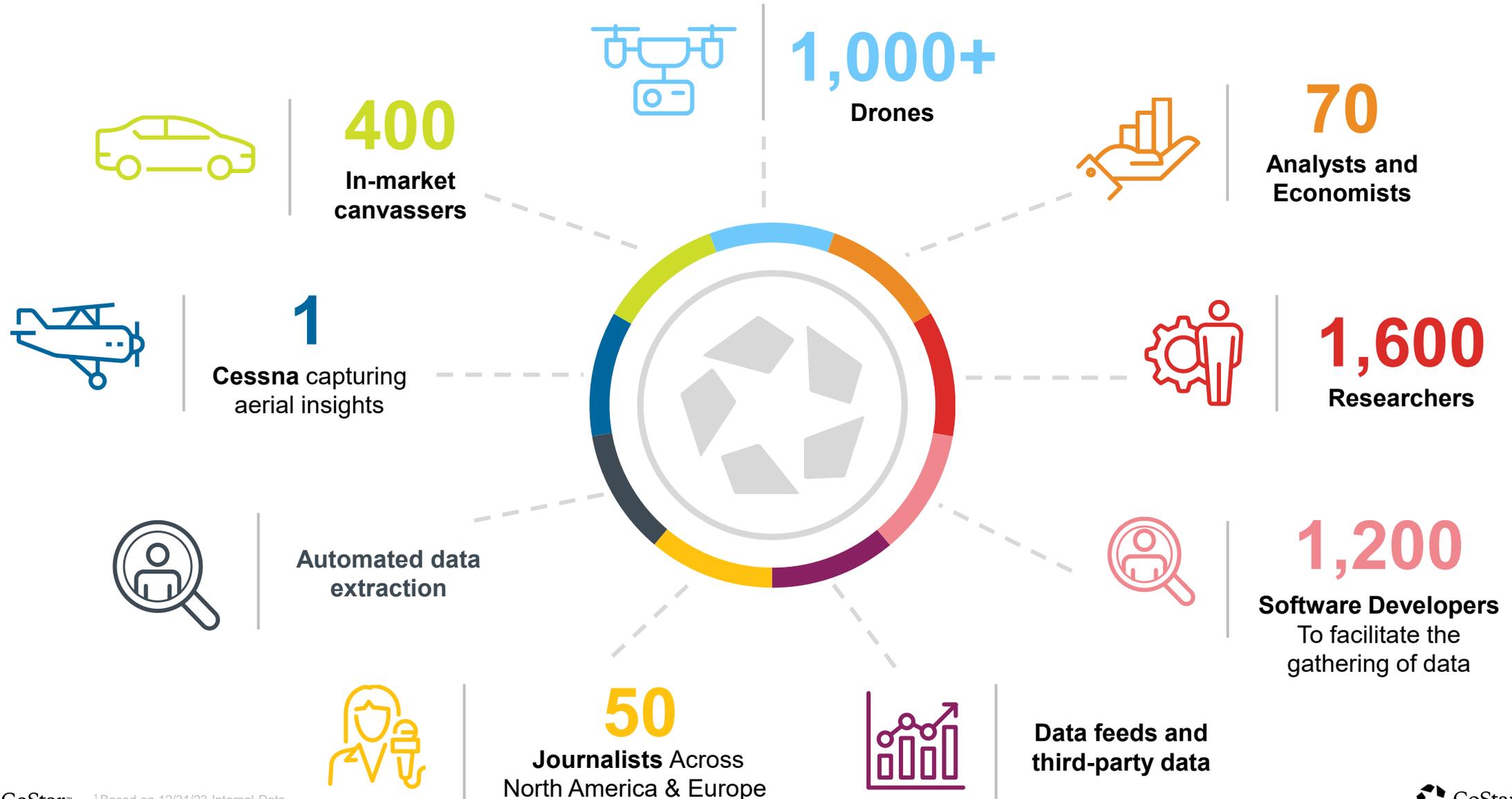
**5M**

Sale Transactions

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

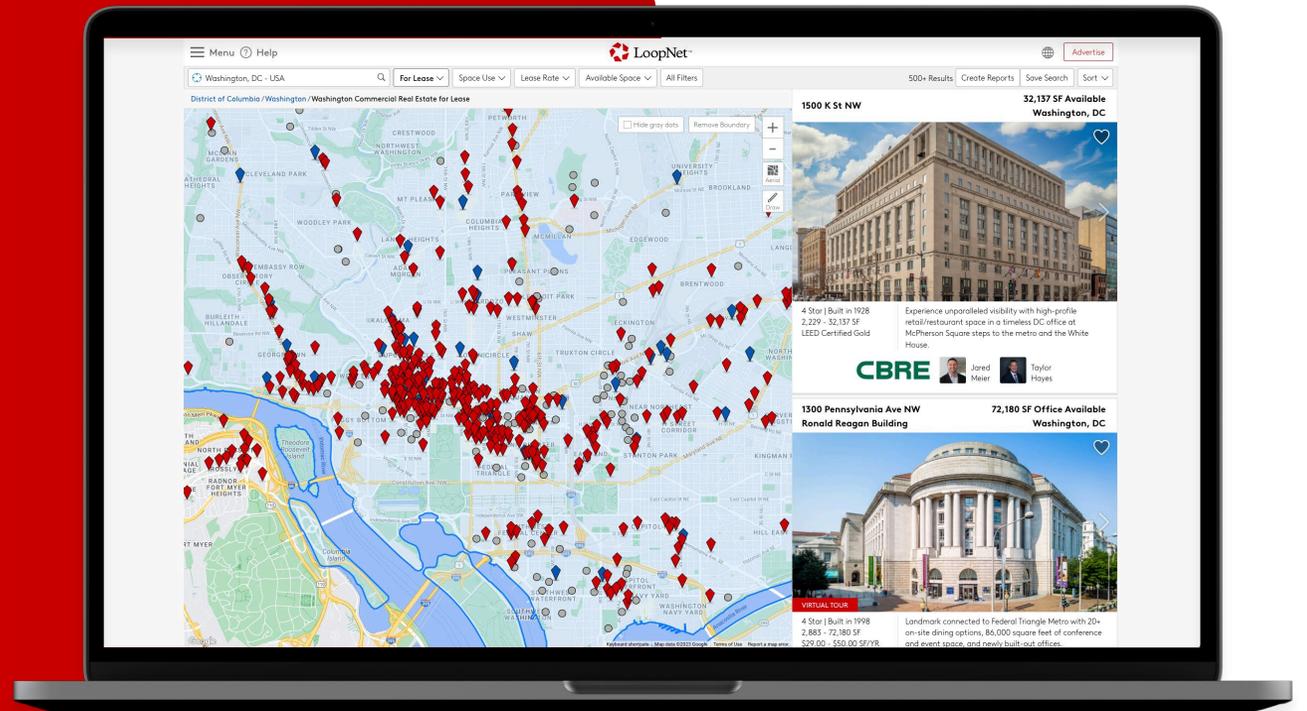


# Unparalleled Research Methodology



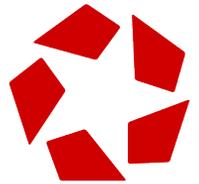


The #1 global commercial  
real estate marketplace



# LoopNet by the Numbers

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LoopNet™

**\$277M**

Revenue Run Rate

**16%**

5 Year Revenue  
CAGR

**14M**

Monthly Unique  
Visitors Worldwide

**~370K**

CRE Brokers &  
Owners Advertising

**18X**

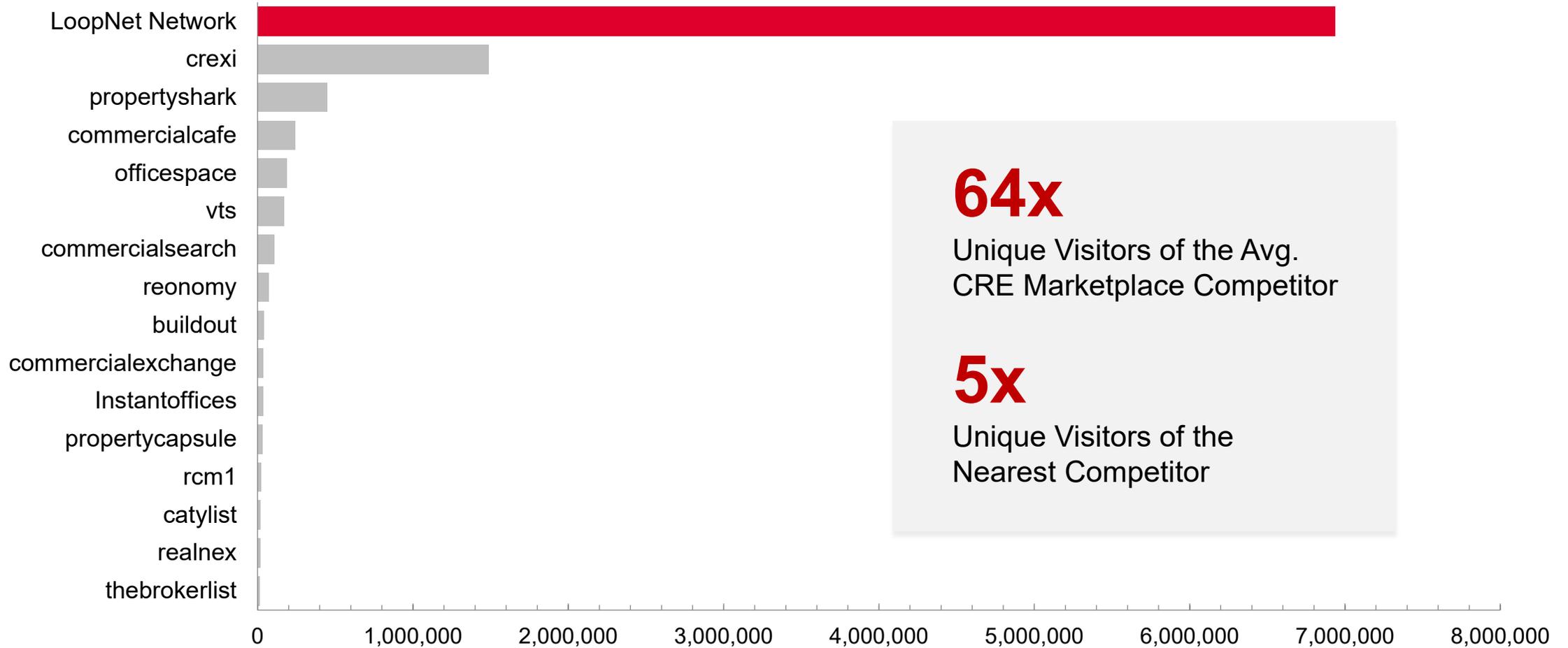
#1 Google  
keywords than  
closest competitor

**96%**

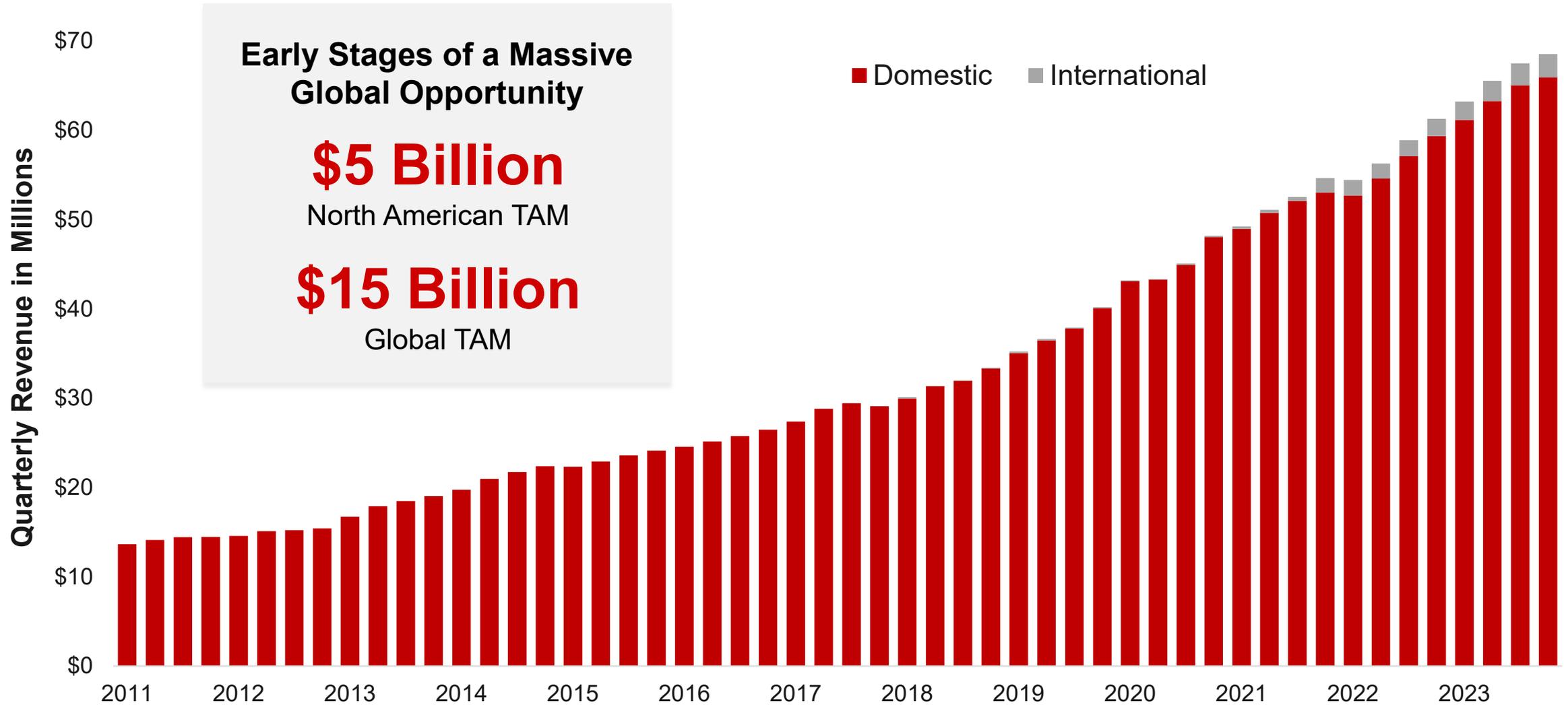
Fortune 1000  
Companies  
Active on Site

# Commanding Share of Traffic vs. Marketplace Competitors

## LoopNet Network vs. Competitors



# LoopNet Revenue Up 5x Since Acquisition



# LoopNet International Expansion Underway

## LoopNet Canada

loopnet.ca

Menu LoopNet Log In Sign Up Advertise

Find your next commercial property

For Sale For Lease Businesses For Sale

Enter a property type Enter a location Search

Advanced Search

Trends

- CRE Sales Plummet in Q1 as Expected: Here's What to Focus on Next
- Are More Apartments in Store for America's Malls?
- Deconstructing the Deal: Here Are All of LoopNet's Deals of the

## LoopNet UK

loopnet.co.uk

Menu LoopNet Log In Sign Up Advertise

Find your next commercial property

For Sale For Lease

Enter a property type Enter a location Search

Advanced Search

Trends

- Set Price: How Brentford FC's New Pitch is Changing West London
- Here's Where London Office Tenants Are Rapidly Letting Space
- Overcoming the Challenges (and Stigma) in an Office to

## LoopNet Spain

loopnet.es

Menú LoopNet Iniciar Sesión Inscribirse Anunciar

Encuentre su próxima propiedad comercial

Venta Aquilar

Buscar zona Buscar una ubicación Buscar

Búsqueda Avanzada

Tendencias

- Clínicas de fertilidad, spas para mascotas y otros conceptos minoristas emergentes

## LoopNet France

loopnet.fr

Menu LoopNet Connectez-vous S'inscrire Annoncer

Trouvez votre prochaine propriété commerciale

À vendre À louer

Entrer un type de propriété Paris Rechercher

Recherche Avancée

Les tendances

- Vous voulez un accord avec « Le profit » ? Marcus Lemonis A Vendre Une Propriété



The global leader in hospitality  
information, analytics and benchmarking

# STR by the Numbers

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**17%**

YoY Subscription  
Revenue Growth

**81K**

Hotels Worldwide

**10M**

Guest Rooms

**190**

Countries

**\$300M**

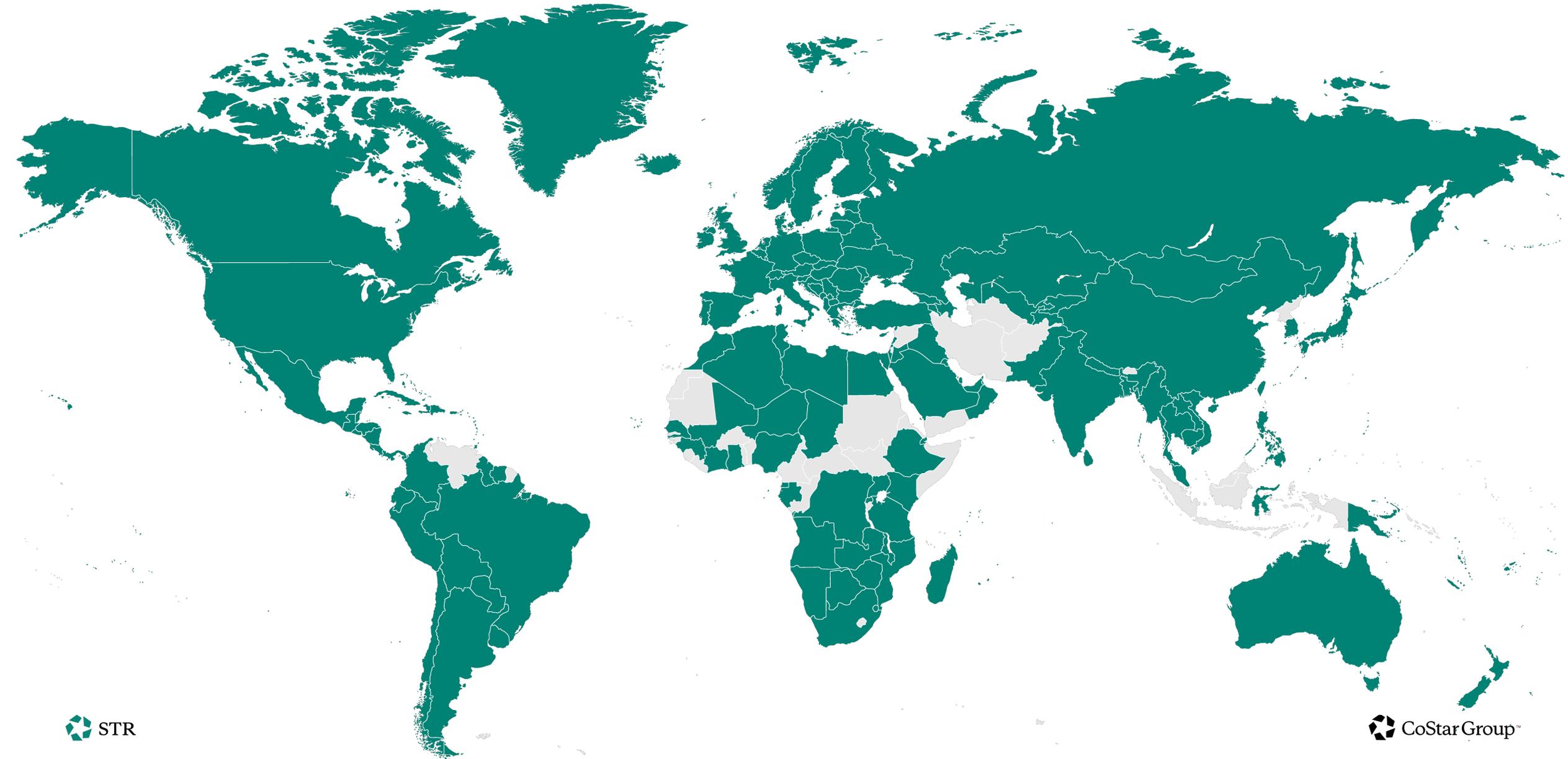
Total Addressable  
Market

**98%**

Renewal Rate

# STR Data Includes 81,000+ Hotels Across 190 Countries

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# CoStar REAL ESTATE MANAGER™

The leading platform for lease accounting  
and management

# Real Estate Manager by the Numbers

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**12%**  
5 Year Revenue  
CAGR

**97%**  
Customer  
Retention Rate



**CoStar**<sup>TM</sup>

REAL ESTATE MANAGER

**\$10B**  
Monthly Lease  
Payments Managed

**625K**  
Real Estate  
Leases

**33K**  
System Users

# Platform for Managing the Tenant's Entire Lease Lifecycle

## The Most Comprehensive Portfolio Management Platform with Integrated CoStar Real Estate Data

Drive Cost Savings  
Optimize Real Estate Portfolios  
Achieve Lease Accounting Compliance





The SMARTER, BETTER, FASTER way  
to transact commercial real estate

# Ten-X by the Numbers

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**\$31B**

Assets Sold

**92%**

Properties Sold in  
90 Days or Less



**58%**

Trade Rate  
Since 2020

**94%**

Close Rate

**85%**

Non-Distressed  
Assets

# Ten-X Platform Closes Deals 2-3x Faster than Offline Transactions

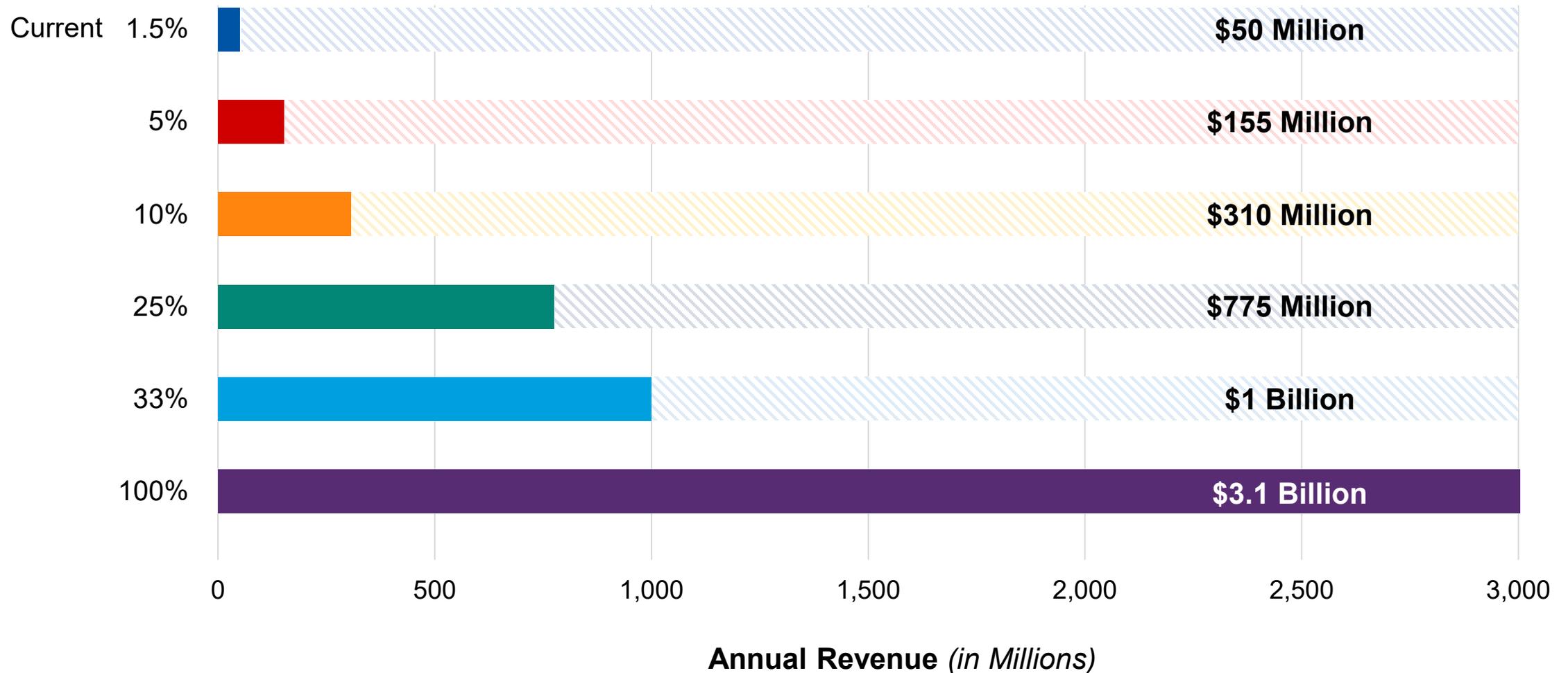


←----- List To Close In Under 100 Days ----->

# Ten-X Revenue Opportunity is >\$3 Billion at Current Transaction Levels

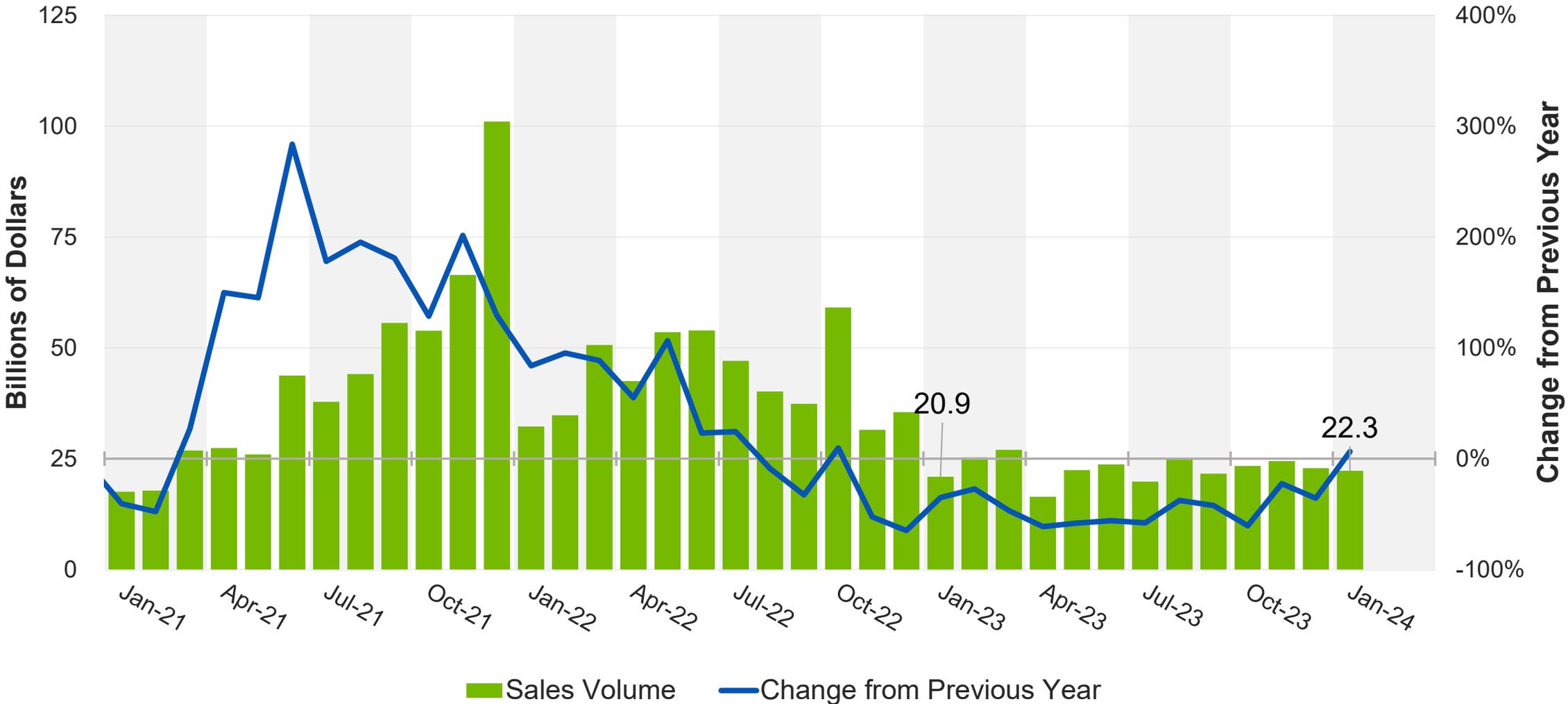
**Market Penetration %**  
(\$1M - \$10M Property Size)

**Revenue Opportunity**



# Commercial Property Sales Transaction Volumes Up 6.4% Year-Over-Year in January; First Year over Year Gain in 14 Months

Office, Retail, Industrial, Multifamily, and Hotel Sales Volume





The largest rural real estate marketplace in the country

# Land.com by the Numbers

**15%**

5 Year Revenue  
CAGR

**10M**

Average Monthly  
Visitors



**8K+**

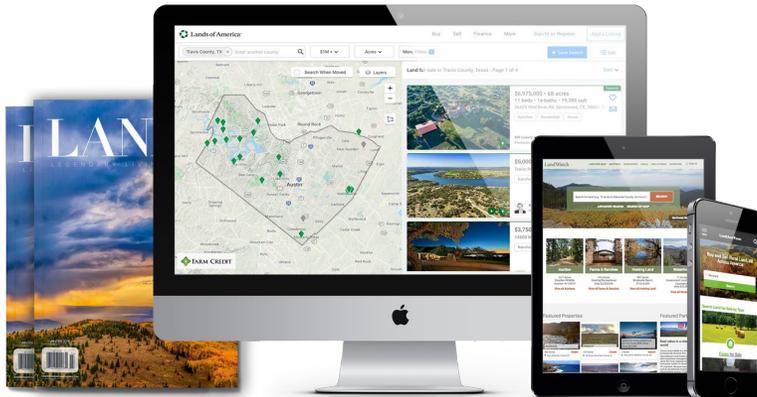
Paid Clients

**450K**

Land Sale Comps  
in Database

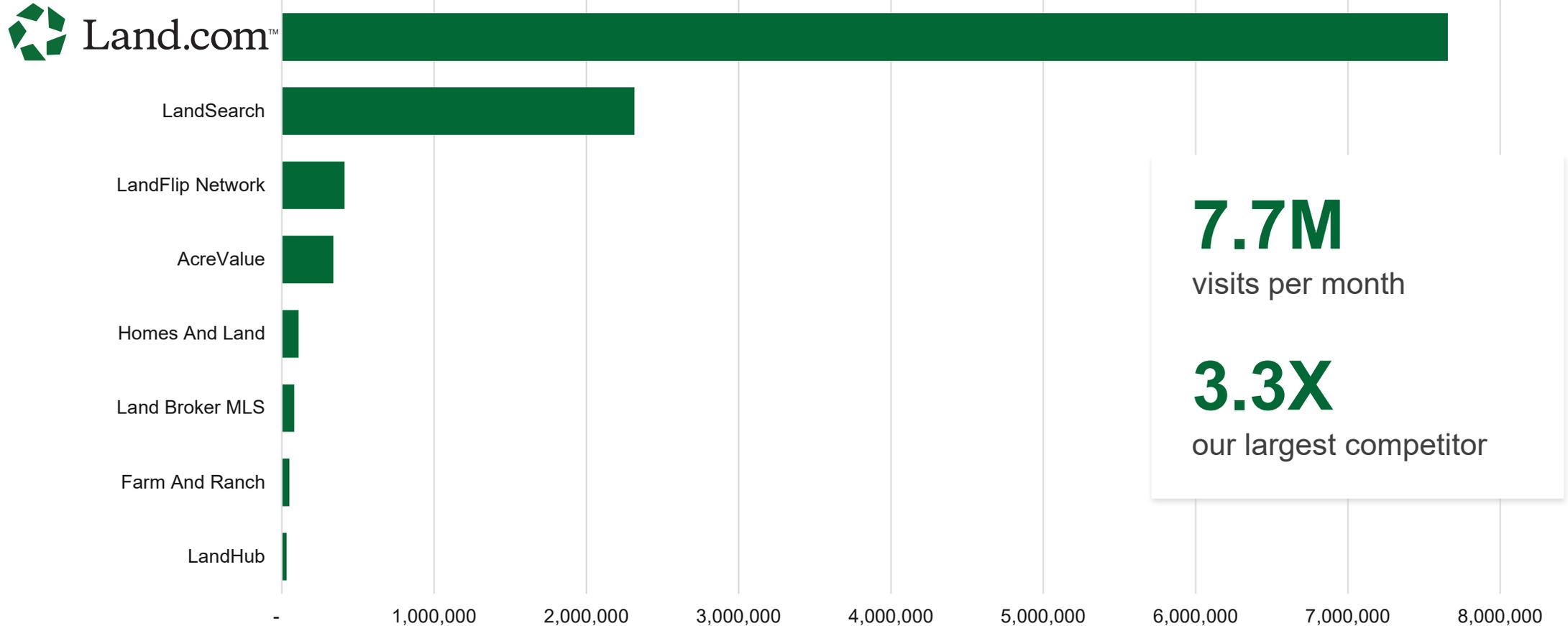
**50K**

Paid Listings



\*CAGR 2018-2023. Traffic data from Google Analytics for Q4 23. Paid listing and client data from internal database as of 12/31/23.

# Land.com Leads All Competitors in Traffic Share

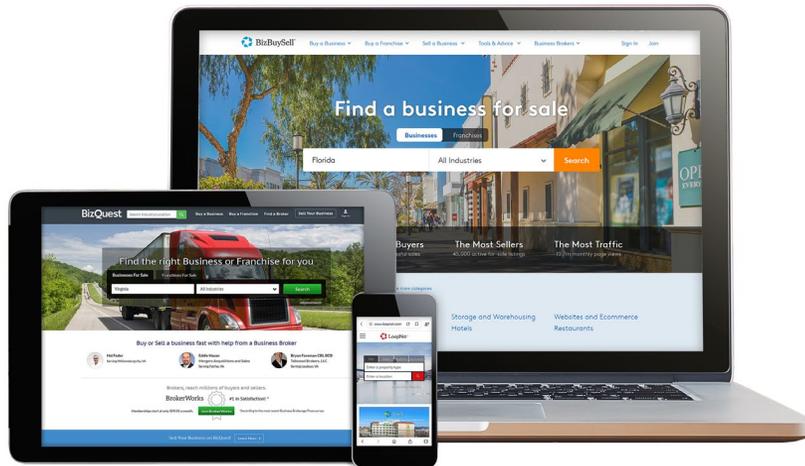


Source: SimilarWeb, Monthly Visits, December 2023



The largest business-for-sale marketplace in the U.S.

# BizBuySell by the Numbers



**10%**

5 Year Revenue  
CAGR

**38M**

Annual Visits

**2.8M**

Annual  
Leads Delivered

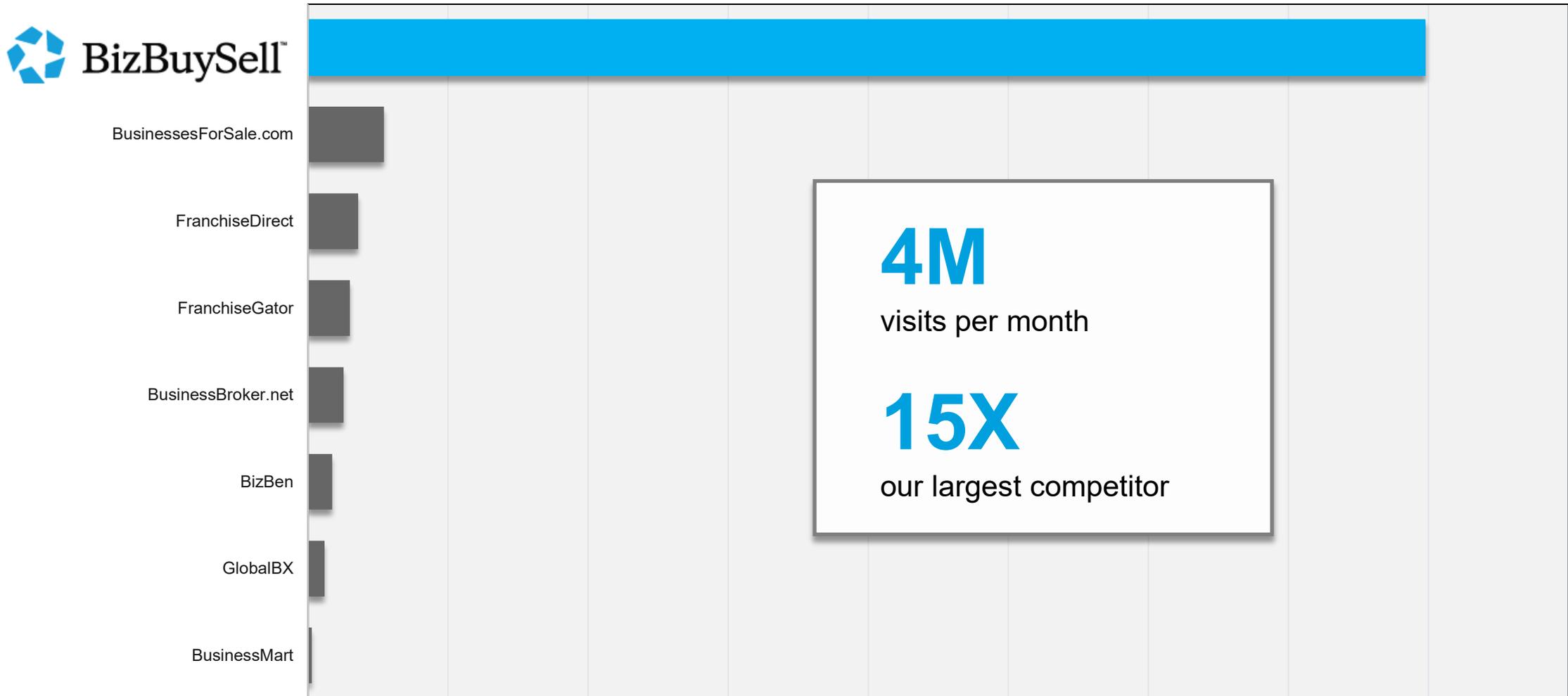
**120K**

Annual  
Paid Listings

**150K**

Sold Business  
Comps in Database

# Our Network Has More Traffic Than All Competitors Combined





# Appendix



# Non-GAAP Measures

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For information regarding the purpose for which management uses the non-GAAP financial measures disclosed in this release and why management believes they provide useful information to investors regarding the CoStar Group Inc.'s (the "Company" of "CoStar Group") financial condition and results of operations, please refer to the Company's latest periodic report filed with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

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.

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.

Non-GAAP net income is a non-GAAP financial measure determined by adjusting GAAP net income attributable to CoStar Group for stock-based compensation expense, acquisition- and integration-related costs, restructuring costs, settlement and impairment costs incurred outside the Company's ordinary course of business and loss on debt extinguishment, as well as amortization of acquired intangible assets and other related costs, and then subtracting an assumed provision for income taxes. In 2023, the Company is assuming a 26% tax rate in order to approximate its statutory corporate tax rate excluding the impact of discrete items.

Non-GAAP net income per diluted share is a non-GAAP financial measure that represents non-GAAP net income divided by the number of diluted shares outstanding for the period used in the calculation of GAAP net income per diluted share. For periods with GAAP net losses and non-GAAP net income, the weighted average outstanding shares used to calculate non-GAAP net income per share includes potentially dilutive securities that were excluded from the calculation of GAAP net income per share as the effect was anti-dilutive.

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. After the completion of four full fiscal quarters, changes in 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 Non-GAAP Net Income - Unaudited

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

(in millions) except per share amounts	For the Year Ended December 31,		For the Three Months Ended		For the Year Ended	
	Low 2024 <sup>(1)</sup>	High 2024 <sup>(1)</sup>	January 31, 2024 - Low <sup>(1)</sup>	January 31, 2024 - High <sup>(1)</sup>	December 31, 2023	December 31, 2023
Net income	\$ 115.0	\$ 129.0	\$ (5.0)	\$ (2.0)	\$ 96.4	\$ 374.7
Income tax (benefit) expense	40.0	46.0	(2.0)	(1.0)	36.3	126.6
Income before income taxes	155.0	175.0	(7.0)	(3.0)	132.7	501.3
Amortization of acquired intangible assets	59.0	59.0	18.0	18.0	19.3	73.7
Stock-based compensation expense	99.0	99.0	24.0	24.0	21.2	85.0
Acquisition and integration related costs	-	-	-	-	10.7	12.9
Restructuring and related costs	-	-	-	-	0.2	4.1
Settlements and impairments	-	-	-	-	-	(0.1)
Other income (expense), net	-	-	-	-	(3.8)	(3.8)
Non-GAAP income before income taxes	313.0	333.0	35.0	39.0	180.3	673.0
Assumed rate for income tax expense <sup>(2)</sup>	26%	26%	26%	26%	26%	26%
Assumed provision for income tax expense	(81.0)	(87.0)	(9.0)	(10.0)	(46.9)	(175.0)
Non-GAAP net income	\$ 232.0	\$ 246.0	\$ 26.0	\$ 29.0	\$ 133.4	\$ 498.0
Net income per share - diluted	\$ 0.28	\$ 0.32	\$ (0.01)	\$ -	\$ 0.24	\$ 0.92
Non-GAAP net income per share - diluted	\$ 0.57	\$ 0.60	\$ 0.06	\$ 0.07	\$ 0.33	\$ 1.22
Weighted average outstanding shares - diluted	409.4	409.4	409.0	409.0	407.5	406.9

<sup>(1)</sup> Represents forward-looking guidance.

# 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 for the full year ending December 31, 2023, to the most directly comparable GAAP financial measure, net income.

(in millions)	For the Year Ending December 31,				For the Three	For the Three	For the Three
	2013	2023	Low 2024 <sup>(1)</sup>	High 2024 <sup>(1)</sup>	Months Ended January 31, 2024 - Low <sup>(1)</sup>	Months Ended January 31, 2024 - High <sup>(1)</sup>	Months Ended December 31, 2023
Net income	\$ 29.7	\$ 374.7	\$ 115.0	\$ 129.0	\$ (5.0)	\$ (2.0)	\$ 96.4
Amortization of acquired intangible assets	27.1	73.7	59.0	59.0	18.0	18.0	19.3
Depreciation and other amortization	13.0	33.8	53.0	53.0	12.0	12.0	9.4
Interest income, net	6.6	(213.6)	(198.0)	(198.0)	(56.0)	(56.0)	(59.7)
Other (income) expense, net	-	(5.4)	2.0	2.0	(3.0)	(3.0)	(3.7)
Income tax (benefit) expense	17.8	126.6	40.0	45.0	(2.0)	(1.0)	36.3
EBITDA	94.2	389.8	71.0	90.0	(36.0)	(32.0)	98.0
Stock-based compensation expense	41.5	85.0	99.0	99.0	24.0	24.0	21.2
Acquisition and integration related costs	0.6	12.9	-	-	-	-	10.7
Restructuring and related costs	0.4	4.1	-	-	-	-	0.2
Settlements and impairments	-	(0.1)	-	-	-	-	-
Adjusted EBITDA	\$ 136.7	\$ 491.7	\$ 170.0	\$ 190.0	\$ (12.0)	\$ (8.0)	\$ 130.1

<sup>(1)</sup> Represents forward-looking guidance.

# Use of Operating Metrics and Other Definitions

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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, plc.

Our “Residential Network” consists of the following list of brands: Apartments.com, ApartmentFinder, FinderSites, ApartmentHomeLiving, WestSideRentals, ForRent, After55, CorporateHousing, ForRentUniversity, Cozy.com, Off Campus Partners, Homes.com, Homesnap, CitySnap, and OnTheMarket,plc (beginning in January 2024).