CoStar Group Highlights Proven Track Record and Reiterates Commitment to Enhancing Stockholder Value

February 5, 2026

Responds to D.E. Shaw's False Narrative about CoStar Group

ARLINGTON, Va.--(BUSINESS WIRE)--Feb. 5, 2026-- CoStar Group, Inc. (NASDAQ: CSGP), a leading provider of online real estate marketplaces, information, analytics, and 3D digital twin technology in the property markets, today issued the following statement in response to the letter issued by D. E. Shaw Group ("D.E. Shaw").

On top of Board change already obtained last year, D.E. Shaw is seeking majority change of CoStar Group's Board of Directors based on arguments that demonstrate a fundamental misunderstanding of our business and push a false narrative that we have not substantially engaged with D.E. Shaw or considered their feedback. The truth is, the Board and management team listened to and responded to D.E. Shaw's requests, including:

- Refreshing the Board with three new independent directors, two of which were recommended by D.E. Shaw and Third Point, and announcing a new independent Board Chair.
- Forming a Capital Allocation Committee to support the Board's and management's comprehensive review of the Company's capital structure, capital allocation priorities, and financial targets.
- Moderating net investment in Homes.com by $300 million in 2026 and $100+ million annually thereafter to achieve break even exiting 2029 while at the same time increasing investment in our commercial product offerings.
- Accelerating the completion of our $500 million share repurchase program initiated in 2025 and authorizing a new $1.5 billion repurchase program in January 2026.
- After engaging the top 50 stockholders representing 77% of shares outstanding, implementing a redesigned executive compensation program for 2026, with more rigorous and quantitative goals, enhanced transparency, and a simplified structure.

Just as with Third Point, D.E. Shaw has not heard the answer it wants with respect to Homes.com and so has latched on to a manufactured tale of governance shortcomings starring a CEO who would be unrecognizable to most of CoStar Group's long-term stakeholders.

The reality is that CoStar Group's management team and Board have tried to help D.E. Shaw understand the value creation potential for Homes.com and the fact that the Company is on a responsible plan to realize it. Despite fourteen meetings over the past nine months – including two meetings with independent directors without participation by CoStar Group's CEO – D.E. Shaw trotted out a tired and easily refutable narrative of Board insulation littered with petty mischaracterizations. Elsewhere, D.E. Shaw predicates its arguments on assertions that Homes.com will not reach goals the Company has laid out without offering any compelling evidence to support its assertions.

In the month since announcing our new strategic plan, our CEO has met in person with more than 300 stockholders, the vast majority of whom express enthusiasm for our clear focus on accelerating our EBITDA growth and the exceptional potential within Homes.com. There is strong stockholder alignment with the Board's unanimous support for a strategy that includes Homes.com as a core driver of creating durable long-term shareholder value.

CoStar Group has a long track record of developing and expanding industry-leading platforms that advance our comprehensive global digital real estate ecosystem. Our proven playbook allows us to drive significant profitable growth that has translated into compelling long-term stockholder returns.

With the heavy investment phase of Homes.com complete, we are now down the path to monetize the investment. The single-family residential market is the largest real estate market in both the U.S. and the world and is critical to our overall growth opportunity. Homes.com materially expands the addressable market over which we can deploy CoStar Group's data, analytics, and AI capabilities, allowing us to capture the benefits of that investment with greater scale and durability. Scaling Homes.com has already generated positive network effects for CoStar Group, including increased traffic and leads at Apartments.com and the ongoing integration of new technology across the Company, particularly in AI. Our 2026 and long-term guidance reflect our confidence in our ability to repeat our prior successes and to unlock the significant potential of our digital ecosystem for stockholders. Our guidance reflects the benefit of initiatives across our core platform that would not be possible without Homes.com.

Eliminating a business that is embedded across the CoStar Group, driving network benefits and additional products in our other businesses, with the majority of required investments complete, is wholly impractical and shortsighted. Homes.com is a natural evolution of the residential platform, which we have operated since 2014, and is a critical partner for Apartments.com. Abandoning Homes.com, as D.E. Shaw and Third Point suggest, would cause irreparable harm to our entire business and lead to certain and significant value destruction. D.E. Shaw and Third Point's attempt to prescribe a break-up, sale or amputation remedy misdiagnoses an imagined patient and smacks of activism malpractice.

We encourage stockholders to read our full response to Third Point's ill-informed criticisms here.

Goldman Sachs & Co. LLC is serving as financial advisor to CoStar Group, Inc. and Latham & Watkins LLP is serving as legal counsel. Joele Frank is serving as CoStar Group, Inc.'s strategic communications advisor.

About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible, STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 143 million average monthly unique visitors in the third quarter of 2025, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

Forward Looking Statements

This news release 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," "could", "would," "plan," "target," "outlook," "goal," "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: the risks related to the specific timing, price, and size of repurchases under the Stock Repurchase Program, including that the Stock Repurchase Program may be suspended or discontinued at any time at the Company's discretion; our ability to achieve expected financial results while simultaneously achieving expected reductions in our net investment in Homes.com; our inability to attract and retain new clients; our inability to successfully develop and introduce new or updated online marketplace services, information, and analytics; 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 qualified 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 realize the benefits of the acquisition of Matterport; 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 climate-related risks and opportunities; 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; the inability of third-party suppliers upon which Matterport relies to fulfill its needs; the risks associated with the ability to integrate Domain Holdings Australia Limited (the "Domain Transaction") and realize the benefits of the Domain Transaction; and the risks related to open source software. 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 forward-looking 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.

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