



2025
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," "could," "would," "plan," "target," "goal," "estimate," "predict," "continue," "commit" and "potential" or the negative of these terms or other comparable terminology. This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Non-GAAP net income, and Non-GAAP net income per diluted share, 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. 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 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, Inc. ("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 related to our equity investments; the risks associated with the ability to consummate the transaction to acquire 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. This presentation is not an offer or a solicitation of an offer to purchase any securities.



Second Quarter 2025 Highlights



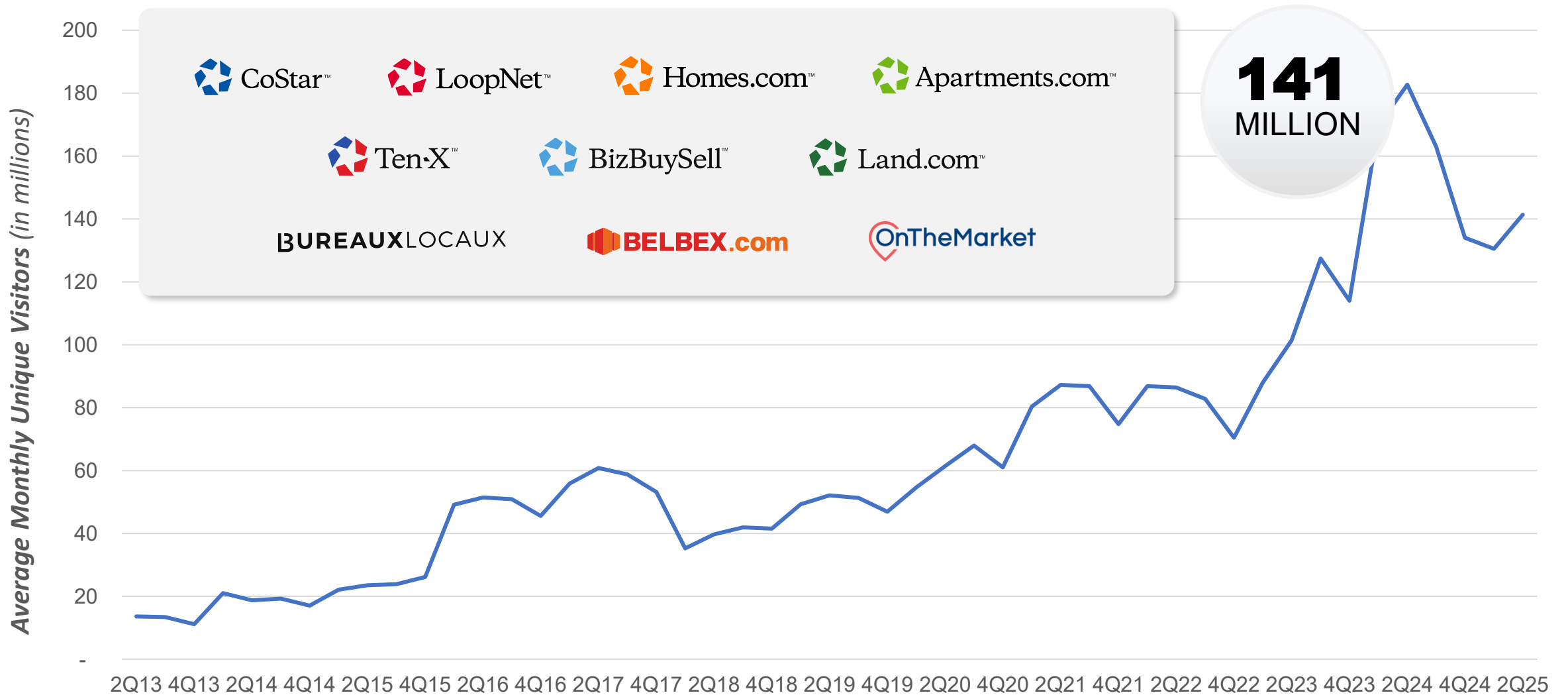
Second Quarter 2025 Highlights

- Revenue of **\$781 million** increased **15%** year-over-year, exceeding the high end of our guidance and marking the **57th** quarter of double-digit revenue growth
- Net New Bookings were **\$93 million** in the second quarter, up **65%** sequentially and **38%** from the second quarter of 2024
- Net Income of **\$6 million** and Adjusted EBITDA of **\$85 million**
- Profit margin of 43% for commercial information and marketplace brands¹
- CoStar Group sites reached **141 million** and the Homes.com Network reached **111 million** average monthly unique visitors²

¹ References to “commercial information and marketplace brands” refer to our consolidated financial position and results excluding the impact of Homes.com, OnTheMarket and Matterport.

² 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.

Global Traffic of 141 Million in Q2 2025



*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.

Second Quarter 2025 Results

	Second Quarter	YTD
Revenue	\$781 million 15% year-over-year growth	\$1.5B 13% year-over-year growth
Net Income (Loss)	\$6 million	(\$9) million
Adjusted EBITDA	\$85 million 11% margin	\$151 million 10% margin
Non-GAAP Net Income	\$74 million \$0.17 per diluted share	\$137 million \$0.32 per diluted share

2025 Third Quarter and Full Year Outlook

	Third Quarter	Full Year
Revenue	\$800 million to \$805 million 16% year-over-year growth	\$3.135 billion to \$3.155 billion 15% year-over-year growth
Net Income (Loss)	(\$5) million to \$1 million	\$37 million to \$46 million
Adjusted EBITDA	\$75 million to \$85 million	\$370 million to \$390 million
Non-GAAP Net Income	\$68 million to \$75 million	\$321 million to \$336 million

Estimated Internal Rates of Return

Since its IPO, CoStar has realized IRRs of between 17% - 39% on its major investments, well above its ~ 10% cost of capital

(\$ in millions)	Total Purchase Price	Negative Cash Flow	Combined Investment	IRR	Investment Return Multiple
CoStar	(\$918)	(\$96)	(\$1,014)	27%	14x
Apartments	(\$1,239)	(\$132)	(\$1,371)	33%	11x
LoopNet	(\$511)	(\$1)	(\$512)	20%	7x
Real Estate Manager	(\$17)	(\$2)	(\$19)	39%	53x
Land	(\$82)		(\$82)	24%	8x
BizBuySell	(\$77)		(\$77)	17%	5x

Source: To calculate IRR and investment return multiples, CoStar estimates the market value of each brand, as of June 30, 2025, using 10-year historic average commercial revenue and Adjusted EBITDA multiples. The IRR is calculated using the combined investment, estimated market value and the time elapsed since the combined investment was completed, and investment valuation multiples are calculated by dividing market value by the combined investment.



Appendix



Non-GAAP Financial 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 www.sec.gov.

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 Company's financial condition and results of operations, please refer to the Company's latest periodic report.

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, and 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 and related costs, including certain advisory fees; 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 (loss) attributable to CoStar Group for stock-based compensation expense; acquisition- and integration-related costs, including gains or losses on equity investments acquired in prospective targets and related to deal-contingent financial instruments; 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 2025, the Company is assuming a 26% tax rate to approximate its statutory corporate tax rate, excluding the impact of discrete items, to determine Non-GAAP net income for each quarterly period, year-to-date period, and the annual period.

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.

Reconciliation of Net Income (Loss) 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 (loss).

<i>(in millions)</i>	For the Three Months Ended	For the Six Months Ended	For the Three Months Ended		For the Year Ending December 31,	
	June 30, 2025	June 30, 2025	September 30, 2025 - Low⁽¹⁾	September 30, 2025 - High⁽¹⁾	2025 - Low⁽¹⁾	2025 - High⁽¹⁾
Net (loss) income	\$ 6	\$ (9)	\$ (5)	\$ 1	\$ 37	\$ 46
Amortization of acquired intangible assets	44	71	42	42	156	156
Depreciation and other amortization	12	27	13	13	54	54
Interest income, net	(33)	(71)	(32)	(32)	(133)	(133)
Other (income) expense, net	(16)	(14)	2	2	(10)	(10)
Income tax expense	15	24	2	6	43	54
EBITDA ⁽²⁾	<u>29</u>	<u>28</u>	<u>22</u>	<u>32</u>	<u>\$ 147</u>	<u>\$ 167</u>
Stock-based compensation expense	52	82	50	50	177	177
Acquisition and integration related costs	5	26	3	3	31	31
Restructuring and related costs	1	9	—	—	6	6
Settlements and impairments	(1)	6	—	—	9	9
Adjusted EBITDA ⁽²⁾	<u>\$ 85</u>	<u>\$ 151</u>	<u>\$ 75</u>	<u>\$ 85</u>	<u>\$ 370</u>	<u>\$ 390</u>

⁽¹⁾ Represents forward-looking guidance.

⁽²⁾ Totals may not foot due to rounding.

Reconciliation of Net Income (Loss) to Non-GAAP Net Income - Unaudited

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

<i>(in millions, except per share values)</i>	For the Three Months Ended	For the Six Months Ended	For the Three Months Ended		For the Year Ending December 31,	
	June 30, 2025	June 30, 2025	September 30, 2025 - Low ⁽¹⁾	September 30, 2025 - High ⁽¹⁾	2025 - Low ⁽¹⁾	2025 - High ⁽¹⁾
Net (loss) income	\$ 6	\$ (9)	\$ (5)	\$ 1	\$ 37	\$ 46
Income tax expense	15	24	2	6	43	54
Income before taxes	22	15	(3)	7	80	100
Amortization of acquired intangible assets	44	71	42	42	156	156
Stock-based compensation expense	52	82	50	50	177	177
Acquisition and integration related costs	5	26	3	3	31	31
Unrealized gains on investments and deal-contingent foreign currency forward contracts related to an expected acquisition	(22)	(25)	—	—	(25)	(25)
Restructuring and related costs	(1)	6	—	—	6	6
Settlements and impairments	1	9	—	—	9	9
Non-GAAP income before income taxes	100	184	92	102	434	454
Assumed rate for income tax expense ⁽²⁾	26 %	26 %	26 %	26 %	26 %	26 %
Assumed provision for income tax expense	(26)	(48)	(24)	(27)	(113)	(118)
Non-GAAP net income	74	136	68	75	321	336
Net income per share - diluted	\$ 0.01	\$ 0.05	\$ (0.01)	\$ —	\$ 0.09	\$ 0.11
Non-GAAP net income per share - diluted	\$ 0.17	\$ 0.15	\$ 0.16	\$ 0.18	\$ 0.76	\$ 0.80
Weighted average outstanding shares - diluted	424.3	415.1	424.6	424.6	421.1	421.1
Non-GAAP dilutive shares ⁽³⁾	—	4.8	—	—	—	—
Non-GAAP weighted average shares, diluted	424.3	419.9	424.6	424.6	421.1	421.1

⁽¹⁾ Represents forward-looking guidance.

⁽²⁾ The assumed tax rate approximates our statutory federal and state corporate tax rate for the applicable period.

⁽³⁾ Includes the effect of potential common shares, such as the Company's stock options, restricted stock units, and deferred stock units, to the extent the effect is dilutive. In periods with a net loss available to common stockholders, the anti-dilutive effect of these potential common shares is excluded and diluted net loss per share is equal to basic net loss per share. Non-GAAP weighted average shares have been adjusted for these periods

Use of Operating Metrics and Other Definitions

Operating Metrics

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 is 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

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.