

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 23, 2024

COSTAR GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

0-24531
(Commission
File Number)

52-2091509
(I.R.S. Employer
Identification No.)

1331 L Street, NW, Washington, DC
(Address of principal executive offices)

20005
(Zip Code)

Registrant's telephone number, including area code: (202) 346-6500

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock (\$0.01 par value)	CSGP	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 23, 2024, CoStar Group, Inc. announced its financial and operating results for the quarter ended June 30, 2024. The full text of the press release (the "Press Release") issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Item 2.02 and the Press Release shall be considered "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended, nor shall it be deemed incorporated by reference into any reports or filings with the Securities and Exchange Commission, whether made before or after the date hereof, except as expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure.

CoStar hereby furnishes the presentation (the "Investor Presentation") that the Company intends to use from time to time on or after July 23, 2024. CoStar may use the Investor Presentation with investors, analysts, lenders, insurers, vendors, clients, employees and others. The Investor Presentation is furnished herewith as Exhibit 99.2 and also will be made available on the Company's website at costargroup.com.

The information contained in the Investor Presentation is summary information that should be considered in the context of the Company's filings with the SEC and other public announcements that the Company may make, by press release or otherwise, from time to time. The Investor Presentation is current as of July 23, 2024. To the extent that estimates, targets or other forward-looking statements are included in the Investor Presentation, the Company specifically disclaims any duty or obligation to publicly update or revise such information.

The information contained in this Item 7.01 and the Investor Presentation shall be considered "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act, nor shall it be deemed incorporated by reference into any reports or filings with the SEC, whether made before or after the date hereof, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	CoStar Group, Inc. Press Release dated July 23, 2024.
99.2	CoStar Group, Inc. Investor Presentation dated July 23, 2024.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COSTAR GROUP, INC.

By:

/s/ Christian M. Lown

Name: Christian M. Lown

Title: Chief Financial Officer

Date: July 23, 2024



**CoStar Group Second Quarter 2024 Revenue Increased 12% Year-over-Year and Net New Bookings were \$67 Million.
CoStar Group Reaches a Record 183 Million Average Monthly Unique Visitors.**

WASHINGTON – July 23, 2024 - CoStar Group, Inc. (NASDAQ: CSGP), a leading provider of online real estate marketplaces, information and analytics in the property markets, announced today that revenue for the quarter ended June 30, 2024 was \$678 million, up 12% over revenue of \$606 million for the quarter ended June 30, 2023. Net income was \$19 million in the second quarter of 2024 and net income per diluted share was \$0.05.

“We achieved another strong quarter of results in terms of revenue, sales and traffic to our websites,” said Andy Florance, Founder and CEO of CoStar Group. “Overall revenue grew 12% year-over-year, and our two billion-dollar run rate businesses continue to deliver double-digit revenue growth with Apartments.com growing at 18% and CoStar at 10% over the second quarter of last year. Our commercial information and marketplace businesses continue to perform and delivered 41% profit margins in the second quarter of 2024,” continued Florance.

“Homes.com net new bookings through June reached over \$55 million, a significant milestone as it took Apartments.com two years to achieve those results. Our Homes.com Network had 148 million monthly average unique visitors in the second quarter, according to Google Analytics, maintaining our position as one of the top two most heavily trafficked residential property marketplaces in the U.S.” continued Florance. “Our unaided brand awareness continues to climb and reached 27% in June 2024 as a result of our aggressive brand marketing campaign.”

Year 2023-2024 Quarterly Results - Unaudited
(in millions, except per share data)

	2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2
Revenues	\$ 584	\$ 606	\$ 625	\$ 640	\$ 656	\$ 678
Net income	87	101	91	96	7	19
Net income per share - diluted	0.21	0.25	0.22	0.24	0.02	0.05
Weighted average outstanding shares - diluted	406	407	407	408	407	407
EBITDA	98	105	89	98	(13)	12
Adjusted EBITDA	123	127	112	130	12	41
Non-GAAP net income	118	127	120	133	42	61
Non-GAAP net income per share - diluted	0.29	0.31	0.30	0.33	0.10	0.15

2024 Outlook

“This quarter’s results demonstrate the strength of our core commercial business and the continued progress of our Homes.com strategy,” said Chris Lown, CFO of CoStar Group. The Company now expects revenue in the range of \$2.735 billion to \$2.745 billion for the full year of 2024, representing revenue growth of approximately 12% year-over-year at the midpoint of the range. The Company expects revenue for the third quarter of 2024 in the range of \$692 million to \$697 million, representing revenue growth of approximately 11% year-over-year at the midpoint of the range.

“We now expect adjusted EBITDA for the full year of 2024 in the range of \$195 million to \$205 million, an increase of \$5 million at the midpoint of the range from our previous guidance. For the third quarter of 2024, we expect adjusted EBITDA in the range of \$47 million to \$52 million.”

The Company expects full year 2024 non-GAAP net income per diluted share in a range of \$0.64 to \$0.66 based on 408 million shares. For the third quarter of 2024, the Company expects non-GAAP net income per diluted share in a range of \$0.15 to \$0.16 based on 408 million shares. These ranges include an estimated non-GAAP tax rate of 26% for the full year and the third quarter of 2024.

The preceding forward-looking statements reflect CoStar Group’s expectations as of July 23, 2024, including forward-looking non-GAAP financial measures on a consolidated basis, based on current estimates, expectations, observations, and trends. Given the risk factors, rapidly evolving economic environment, and uncertainties and assumptions discussed in this release and in our quarterly reports on Form 10-Q and annual reports on Form 10-K, actual results may differ materially. Other than in publicly available statements, the Company does not intend to update its forward-looking statements until its next quarterly results announcement.

Reconciliations of EBITDA, adjusted EBITDA, non-GAAP net income, and non-GAAP net income per diluted share to the most directly comparable GAAP measures are shown in detail below, along with definitions for those terms. A reconciliation of forward-looking non-GAAP guidance to the most directly comparable GAAP measure, net income, can be found within the tables included in this release.

Non-GAAP Financial Measures

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 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 2024, 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.

Operating Metrics

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.

Earnings Conference Call

Management will conduct a conference call to discuss the second quarter 2024 results and the Company's outlook at 5:00 PM ET on Tuesday, July 23, 2024. A live audio webcast of the conference will be available in listen-only mode through the Investors section of the CoStar Group website: <https://investors.costargroup.com>. A replay of the webcast audio will also be available in the Investors section of our website for a period of time following the call.

CoStar Group, Inc.
Condensed Consolidated Statements of Operations - Unaudited
(in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 677.8	\$ 605.9	\$1,334.2	\$1,190.3
Cost of revenues	135.8	112.4	277.0	231.6
Gross profit	<u>542.0</u>	<u>493.5</u>	<u>1,057.2</u>	<u>958.7</u>
Operating expenses:				
Selling and marketing (excluding customer base amortization)	358.4	250.0	724.5	476.2
Software development	79.6	63.4	162.0	130.0
General and administrative	109.9	90.6	208.4	180.1
Customer base amortization	10.2	10.4	21.2	21.0
	<u>558.1</u>	<u>414.4</u>	<u>1,116.1</u>	<u>807.3</u>
(Loss) income from operations	(16.1)	79.1	(58.9)	151.4
Interest income, net	53.5	51.9	109.7	95.4
Other (expense) income, net	(1.5)	0.6	(3.4)	1.2
Income before income taxes	35.9	131.6	47.4	248.0
Income tax expense	16.7	31.1	21.5	60.3
Net income	<u>\$ 19.2</u>	<u>\$ 100.5</u>	<u>\$ 25.9</u>	<u>\$ 187.7</u>
Net income per share - basic	<u>\$ 0.05</u>	<u>\$ 0.25</u>	<u>\$ 0.06</u>	<u>\$ 0.46</u>
Net income per share - diluted	<u>\$ 0.05</u>	<u>\$ 0.25</u>	<u>\$ 0.06</u>	<u>\$ 0.46</u>
Weighted-average outstanding shares - basic	<u>406.0</u>	<u>405.4</u>	<u>405.8</u>	<u>405.0</u>
Weighted-average outstanding shares - diluted	<u>407.4</u>	<u>406.7</u>	<u>407.3</u>	<u>406.5</u>

CoStar Group, Inc.
Reconciliation of Non-GAAP Financial Measures - Unaudited
(in millions, except per share data)

Reconciliation of Net Income to Non-GAAP Net Income

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
Net income	\$ 19.2	\$ 100.5	\$ 25.9	\$ 187.7
Income tax expense	16.7	31.1	21.5	60.3
Income before income taxes	35.9	131.6	47.4	248.0
Amortization of acquired intangible assets	18.1	18.0	37.9	35.7
Stock-based compensation expense	22.7	21.8	45.5	41.9
Acquisition and integration related costs	6.0	(0.2)	8.3	1.5
Restructuring and related costs	—	(0.1)	—	3.3
Settlements and impairments	—	—	—	(0.1)
Non-GAAP income before income taxes	82.7	171.1	139.1	330.3
Assumed rate for income tax expense ⁽¹⁾	26.0%	26.0%	26.0%	26.0%
Assumed provision for income tax expense	(21.5)	(44.5)	(36.2)	(85.9)
Non-GAAP net income	\$ 61.2	\$ 126.6	\$ 102.9	\$ 244.4
Net income per share - diluted	\$ 0.05	\$ 0.25	\$ 0.06	\$ 0.46
Non-GAAP net income per share - diluted	\$ 0.15	\$ 0.31	\$ 0.25	\$ 0.60
Weighted average outstanding shares - basic	406.0	405.4	405.8	405.0
Weighted average outstanding shares - diluted	407.4	406.7	407.3	406.5

⁽¹⁾ The assumed tax rate approximates our statutory federal and state corporate tax rate for the applicable period.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
Net income	\$ 19.2	\$ 100.5	\$ 25.9	\$ 187.7
Amortization of acquired intangible assets in cost of revenues	7.9	7.5	16.7	14.6
Amortization of acquired intangible assets in operating expenses	10.2	10.5	21.2	21.1
Depreciation and other amortization	10.1	8.1	20.4	16.0
Interest income, net	(53.5)	(51.9)	(109.7)	(95.4)
Other expense (income), net ¹	1.5	(0.6)	3.4	(1.2)
Income tax expense	16.7	31.1	21.5	60.3
EBITDA	\$ 12.1	\$ 105.2	\$ (0.6)	\$ 203.1
Stock-based compensation expense	22.7	21.8	45.5	41.9
Acquisition and integration related costs	6.0	(0.2)	8.3	1.5
Restructuring and related costs	—	(0.1)	—	3.3
Settlements and impairments	—	—	—	(0.1)
Adjusted EBITDA	\$ 40.8	\$ 126.7	\$ 53.2	\$ 249.7

¹ Includes \$5.3 million and \$8.9 million of amortization and depreciation expense associated with lessor income for the three and six months ended June 30, 2024, respectively.

CoStar Group, Inc.
Condensed Consolidated Balance Sheets - Unaudited
(in millions)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$4,919.5	\$ 5,215.9
Accounts receivable	226.2	213.2
Less: Allowance for credit losses	(22.4)	(23.2)
Accounts receivable, net	203.8	190.0
Prepaid expenses and other current assets	83.9	70.2
Total current assets	5,207.2	5,476.1
Deferred income taxes, net	4.3	4.3
Property and equipment, net	853.2	472.2
Lease right-of-use assets	69.3	79.8
Goodwill	2,383.6	2,386.2
Intangible assets, net	342.5	313.7
Deferred commission costs, net	178.9	167.7
Deposits and other assets	26.3	17.7
Income tax receivable	2.0	2.0
Total assets	\$9,067.3	\$ 8,919.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 101.0	\$ 23.1
Accrued wages and commissions	110.2	117.8
Accrued expenses and other current liabilities	186.3	163.0
Income taxes payable	0.1	7.7
Lease liabilities	41.2	40.0
Deferred revenue	122.9	104.2
Total current liabilities	561.7	455.8
Long-term debt, net	991.2	990.5
Deferred income taxes, net	30.3	36.7
Income taxes payable	18.8	18.2
Lease and other long-term liabilities	69.6	79.9
Total liabilities	\$1,671.6	\$ 1,581.1
Total stockholders' equity	7,395.7	7,338.6
Total liabilities and stockholders' equity	\$9,067.3	\$ 8,919.7

CoStar Group, Inc.
Condensed Consolidated Statements of Cash Flows - Unaudited
(in millions)

	Six Months Ended June 30,	
	2024	2023
Operating activities:		
Net income	\$ 25.9	\$ 187.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	72.1	51.7
Amortization of deferred commissions costs	56.3	45.3
Amortization of Senior Notes discount and issuance costs	1.7	1.2
Non-cash lease expense	12.9	14.1
Stock-based compensation expense	45.5	41.9
Deferred income taxes, net	(6.4)	(7.0)
Credit loss expense	17.0	13.9
Other operating activities, net	0.1	0.5
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(31.1)	(40.6)
Prepaid expenses and other current assets	(13.8)	(4.2)
Deferred commissions	(67.6)	(65.0)
Accounts payable and other liabilities	82.9	54.4
Lease liabilities	(14.8)	(16.6)
Income taxes payable, net	(7.0)	12.9
Deferred revenue	19.0	8.9
Other assets	(3.5)	(0.7)
Net cash provided by operating activities	189.2	298.4
Investing activities:		
Purchases of property, equipment and other assets for new campuses	(449.5)	(45.6)
Purchases of property and equipment and other assets	(23.0)	(8.8)
Net cash used in investing activities	(472.5)	(54.4)
Financing activities:		
Repurchase of restricted stock to satisfy tax withholding obligations	(26.9)	(22.5)
Proceeds from exercise of stock options and employee stock purchase plan	17.2	16.2
Principal repayments of finance lease obligations	(2.2)	—
Net cash used in financing activities	(11.9)	(6.3)
Effect of foreign currency exchange rates on cash and cash equivalents	(1.2)	(0.4)
Net (decrease) increase in cash and cash equivalents	(296.4)	237.3
Cash and cash equivalents at the beginning of period	5,215.9	4,968.0
Cash and cash equivalents at the end of period	<u>\$4,919.5</u>	<u>\$5,205.3</u>

CoStar Group, Inc.
Disaggregated Revenues - Unaudited
(in millions)

	Three Months Ended June 30,					
	2024			2023		
	North America	International	Total	North America	International	Total
CoStar	\$ 237.1	\$ 15.9	\$ 253.0	\$ 219.6	\$ 9.6	\$ 229.2
Information Services	27.9	5.5	33.4	32.2	9.7	41.9
Multifamily	264.2	—	264.2	224.3	—	224.3
LoopNet	67.2	2.6	69.8	63.2	2.3	65.5
Residential	16.2	10.0	26.2	12.7	—	12.7
Other Marketplaces	31.2	—	31.2	32.3	—	32.3
Total revenues	\$ 643.8	\$ 34.0	\$ 677.8	\$ 584.3	\$ 21.6	\$ 605.9

	Six Months Ended June 30,					
	2024			2023		
	North America	International	Total	North America	International	Total
CoStar	\$ 472.8	\$ 30.5	\$ 503.3	\$ 435.4	\$ 18.8	\$ 454.2
Information Services	55.3	11.1	66.4	64.3	19.2	83.5
Multifamily	519.0	—	519.0	435.0	—	435.0
LoopNet	133.6	5.3	138.9	124.4	4.4	128.8
Residential	24.6	20.2	44.8	25.9	—	25.9
Other Marketplaces	61.8	—	61.8	62.9	—	62.9
Total revenues	\$ 1,267.1	\$ 67.1	\$1,334.2	\$ 1,147.9	\$ 42.4	\$1,190.3

CoStar Group, Inc.
Results of Segments - Unaudited
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	EBITDA			
North America	\$ 30.8	\$ 104.6	\$ 34.0	\$201.3
International	(18.7)	0.6	(34.6)	1.8
Total EBITDA	\$ 12.1	\$ 105.2	\$ (0.6)	\$203.1

CoStar Group, Inc.
Reconciliation of Non-GAAP Financial Measures with Quarterly Results - Unaudited
(in millions, except per share data)

Reconciliation of Net Income to Non-GAAP Net Income

	2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2
Net income	\$ 87.1	\$100.5	\$ 90.6	\$ 96.4	\$ 6.7	\$ 19.2
Income tax expense	29.2	31.1	29.9	36.3	4.8	16.7
Income before income taxes	116.4	131.7	120.5	132.7	11.5	35.9
Amortization of acquired intangible assets	17.7	18.0	18.7	19.3	19.8	18.1
Stock-based compensation expense	20.0	21.8	21.9	21.2	22.8	22.7
Acquisition and integration related costs	1.7	(0.2)	0.8	10.7	2.3	6.0
Restructuring and related costs	3.4	(0.1)	0.5	0.2	—	—
Settlements and impairments	(0.1)	—	—	—	—	—
Other income, net	—	—	—	(3.8)	—	—
Non-GAAP income before income taxes ⁽¹⁾	159.1	171.2	162.4	180.3	56.4	82.7
Assumed rate for income tax expense ⁽²⁾	26%	26%	26%	26%	26%	26%
Assumed provision for income tax expense	(41.4)	(44.5)	(42.2)	(46.9)	(14.7)	(21.5)
Non-GAAP net income ⁽¹⁾	<u>\$117.7</u>	<u>\$126.7</u>	<u>\$120.2</u>	<u>\$133.4</u>	<u>\$ 41.7</u>	<u>\$ 61.2</u>
Non-GAAP net income per share - diluted	<u>\$ 0.29</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.10</u>	<u>\$ 0.15</u>
Weighted average outstanding shares - basic	404.5	405.4	405.6	405.8	405.6	406.0
Weighted average outstanding shares - diluted	406.2	406.8	407.2	407.5	407.3	407.4

(1) Totals may not foot due to rounding.

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

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2
Net income	\$ 87.1	\$100.5	\$ 90.6	\$ 96.4	\$ 6.7	\$ 19.2
Amortization of acquired intangible assets	17.7	18.0	18.7	19.3	19.8	18.1
Depreciation and other amortization	7.9	8.1	8.4	9.4	10.3	10.1
Interest income, net	(43.5)	(51.9)	(58.4)	(59.7)	(56.2)	(53.5)
Other (income) expense, net ⁽¹⁾	(0.6)	(0.6)	(0.5)	(3.7)	1.9	1.5
Income tax expense	29.2	31.1	29.9	36.3	4.8	16.7
EBITDA ⁽²⁾	<u>\$ 97.8</u>	<u>\$105.2</u>	<u>\$ 88.7</u>	<u>\$ 98.0</u>	<u>\$(12.7)</u>	<u>\$ 12.1</u>
Stock-based compensation expense	20.0	21.8	21.9	21.2	22.8	22.7
Acquisition and integration related costs	1.7	(0.2)	0.8	10.7	2.3	6.0
Restructuring and related costs	3.4	(0.1)	0.5	0.2	—	—
Settlements and impairments	(0.1)	—	—	—	—	—
Adjusted EBITDA ⁽²⁾	<u>\$122.9</u>	<u>\$126.8</u>	<u>\$111.9</u>	<u>\$130.1</u>	<u>\$ 12.4</u>	<u>\$ 40.8</u>

(1) Includes \$5.3 million and \$8.9 million of amortization and depreciation expense associated with lessor income for the three and six months ended June 30, 2024, respectively.

(2) Totals may not foot due to rounding.

CoStar Group, Inc.
Reconciliation of Forward-Looking Guidance - Unaudited
(in millions, except per share data)

Reconciliation of Forward-Looking Guidance, Net Income to Non-GAAP Net Income

	Guidance Range For the Three Months Ending September 30, 2024		Guidance Range For the Year Ending December 31, 2024	
	Low	High	Low	High
Net income	\$ 22	\$ 26	\$ 107	\$ 114
Income tax expense	13	14	57	60
Income before income taxes	35	40	164	174
Amortization of acquired intangible assets	17	17	72	72
Stock-based compensation expense	25	25	95	95
Acquisition and integration related costs	8	8	24	24
Non-GAAP income before income taxes	85	90	355	365
Assumed rate for income tax expense ⁽¹⁾	26%	26%	26%	26%
Assumed provision for income tax expense	(22)	(23)	(92)	(95)
Non-GAAP net income	63	67	263	270
Net income per share - diluted	\$ 0.05	\$ 0.06	\$ 0.26	\$ 0.28
Non-GAAP net income per share - diluted	\$ 0.15	\$ 0.16	\$ 0.64	\$ 0.66
Weighted average outstanding shares - diluted	408.0	408.0	407.8	407.8

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

Reconciliation of Forward-Looking Guidance, Net Income to Adjusted EBITDA

	Guidance Range For the Three Months Ending September 30, 2024		Guidance Range For the Year Ending December 31, 2024	
	Low	High	Low	High
Net income	\$ 22	\$ 26	\$ 107	\$ 114
Amortization of acquired intangible assets	17	17	72	72
Depreciation and other amortization	10	10	41	41
Interest income, net	(50)	(50)	(208)	(208)
Other (income) expense, net	2	2	7	7
Income tax expense	13	14	57	60
Stock-based compensation expense	25	25	95	95
Acquisition and integration related costs	8	8	24	24
Adjusted EBITDA	\$ 47	\$ 52	\$ 195	\$ 205

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About CoStar Group

CoStar Group (NASDAQ: CSGP) is a leading provider of online real estate marketplaces, information, and analytics in the property markets. Founded in 1987, CoStar Group conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of real estate information. CoStar is the global leader in commercial real estate information, analytics, and news, enabling clients to analyze, interpret and gain unmatched insight on property values, market conditions and availabilities. Apartments.com is the leading online marketplace for renters seeking great apartment homes, providing property managers and owners a proven platform for marketing their properties. LoopNet is the most heavily trafficked online commercial real estate marketplace with over twelve million monthly global unique visitors. STR provides premium data benchmarking, analytics, and marketplace insights for the global hospitality industry. Ten-X offers a leading platform for conducting commercial real estate online auctions and negotiated bids. Homes.com is the fastest growing online residential marketplace that connects agents, buyers, and sellers. OnTheMarket is a leading residential property portal in the United Kingdom. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. Business Immo is France's leading commercial real estate news service. Thomas Daily is Germany's largest online data pool in the real estate industry. Belbex is the premier source of commercial space available to let and for sale in Spain. CoStar Group's websites attracted over 183 million monthly average unique visitors in the second quarter of 2024. Headquartered in Washington, DC, CoStar Group maintains offices throughout the U.S., Europe, Canada, and Asia. From time to time, we plan to utilize our corporate website, CoStarGroup.com, as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

This news release and the Company's earnings conference call contain "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," "believe," "expect," "intend," "will," "should," "plan," "estimate," "predict," "continue" 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: risks associated with the ability to consummate the proposed transaction with Matterport, Inc. ("Matterport") and the timing of the closing of the proposed transaction; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the proposed mergers as rapidly or to the extent anticipated by financial analysts or investors; the potential impact of announcement of the proposed mergers or consummation of the proposed Matterport transaction on business relationships, including with employees, customers, suppliers and competitors; unfavorable outcomes of any legal proceedings that have been or may be instituted against CoStar or Matterport; the ability to retain key personnel; costs, fees, expenses and charges related to the proposed Matterport transaction; the risk that the trends stated or implied by this release or in the earnings conference call cannot or will not be sustained at the current pace or may increase or decrease, including trends and expectations related to revenue, revenue growth, net income, non-GAAP net income, EBITDA, adjusted EBITDA, adjusted EBITDA margin, sales, net new bookings, site traffic and visitors, leads, and renewal rates; the risk that the Company is unable to sustain current Company-wide or Homes.com net new bookings; the risk that revenues for the third quarter and full year 2024 will not be as stated in this press release; the risk that net income for the third quarter and full year 2024 will not be as stated in this press release; the risk that EBITDA for the third quarter and full year 2024 will not be as stated in this press release; the risk that adjusted EBITDA for the third quarter and full year 2024 will not be as stated in this press release; the risk that non-GAAP net income and non-GAAP net income per diluted share for the third quarter and full year 2024 will not be as stated in this press release; the risk that we may not successfully integrate acquired businesses or assets and may not achieve anticipated benefits of an acquisition, including expected synergies; the risk that the tax rate estimates stated in this press release may change and the risk that we may experience declines in our revenues, revenue growth rates and profitability due to the impact of economic conditions on the real estate industry and our core customer base. 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 Report on Form 10-K for the year ended December 31, 2023 and Quarterly Report for the quarterly period ended March 31, 2024, 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.



Second Quarter 2024
Investor Presentation



Legal Disclaimer

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.





Second Quarter 2024 Highlights

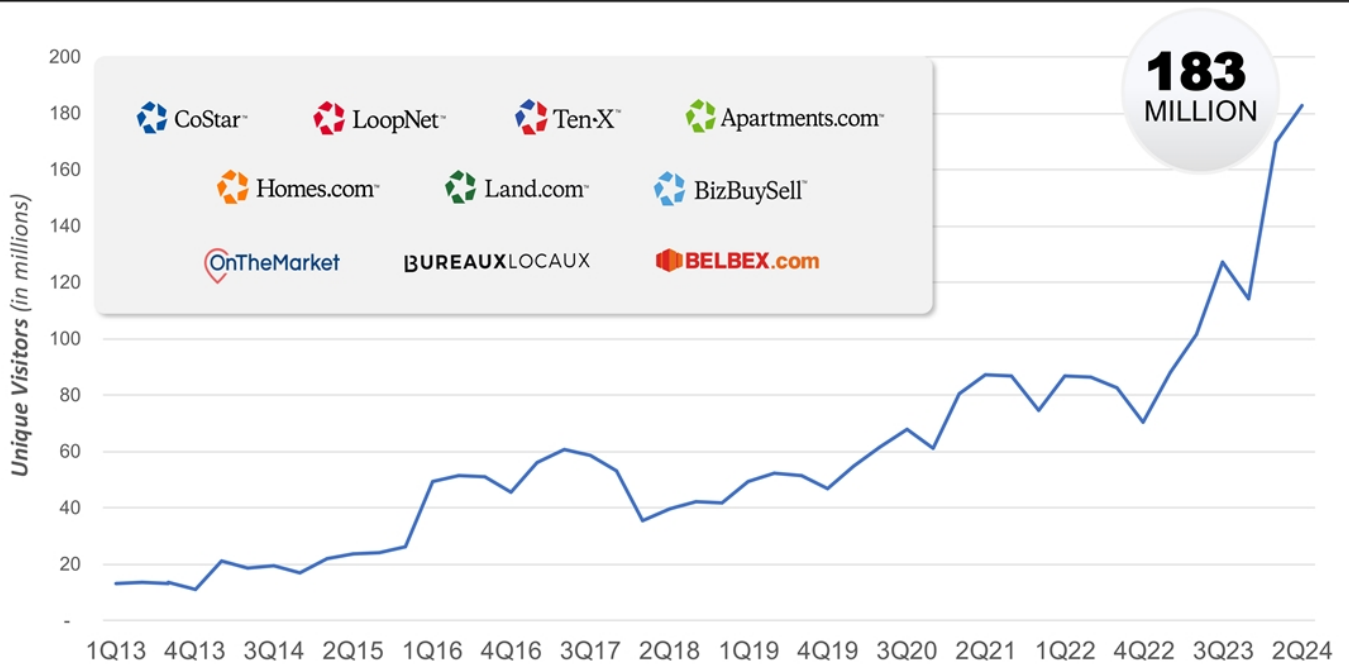


Second Quarter 2024 Highlights

- Second quarter 2024 revenue of **\$678 million** increased **12%** year-over-year and our two businesses with billion dollar run rates delivered **double-digit** revenue growth.
- Annualized net new bookings of **\$67 million**, with commercial business bookings representing **79%** and residential bookings contributing **21%**
- Homes.com net new bookings of **\$55 million** in first two quarters. Apartments.com took two years to achieve and is now our largest business.
- Traffic to CoStar Group sites reached a record **183 million** average monthly unique visitors in the second quarter, an increase of **81%** year-over-year.
- Homes.com Network traffic reached **148 million** average monthly unique visitors in the second quarter, an increase of **73%** year-over-year.

CoStar and Apartments.com are both billion dollar run rate businesses based on annualization of 1H24 revenue results. Traffic per Google Analytics.

Year-over-Year Traffic Growth of 81% in Q2 2024



Source: Google Analytics Unique Visitors – All CoStar Group Sites. Growth rate based on 2Q24 vs 2Q23.

Second Quarter and Year to Date 2024 Results

	Second Quarter	Year to Date
Revenue	\$678 million 12% year-over-year growth	\$1,334 million 12% year-over-year growth
Net income	\$19 million \$0.05 per diluted share	\$26 million \$0.06 per diluted share
Adjusted EBITDA	\$41 million	\$53 million
Net new bookings	\$67 million	\$153 million
Non-GAAP net income	\$61 million \$0.15 per diluted share	\$103 million \$0.25 per diluted share

2024 Third Quarter and Full Year Outlook

	Third Quarter	Full Year
Revenue	\$692 million to \$697 million 11% year-over-year growth	\$2.735 billion to \$2.745 billion 12% year-over-year growth
Net income	\$22 million to \$26 million \$0.05 to \$0.06 per diluted share	\$107 million to \$114 million \$0.26 to \$0.28 per diluted share
Adjusted EBITDA	\$47 million to \$52 million 7% margin	\$195 million to \$205 million 7% margin
Non-GAAP net income	\$63 million to \$67 million \$0.15 to \$0.16 per diluted share	\$263 million to \$270 million \$0.64 to \$0.66 per diluted share



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

38
years of real estate
experience

2 billion+
annual visits
to our websites

\$5 billion+
investment in research
and technology

~6,300
employees

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

FORTUNE
**100 FASTEST
GROWING
COMPANIES**

**FUTURE
50**

**GLOBAL
2000**
WORLD'S LARGEST
PUBLIC COMPANIES
**Forbes
2021**

**INMAN
INNOVATOR
AWARDS**
COMPANY OF THE YEAR

SABEW
The ASSOCIATION
for BUSINESS
JOURNALISTS
Innovator of the Year

Forbes
The World's Most
Innovative Companies

**Nasdaq
100
INDEX**

**SHORTY
AWARDS**
Best Integrated Marketing Campaign

74
offices

14
countries

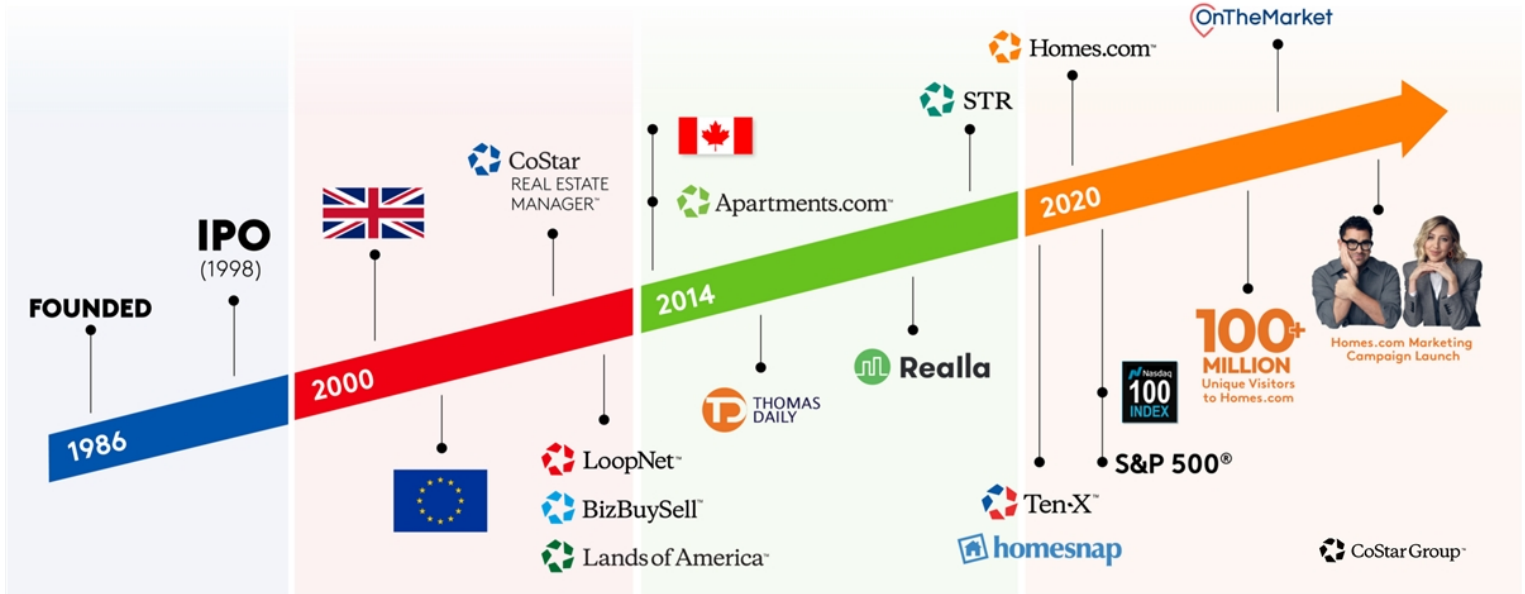
~\$31 billion
market capitalization

~\$5 billion
in cash on hand

*All numerical data as of June 30, 2024

 CoStar Group

38 Years of Growth and Innovation



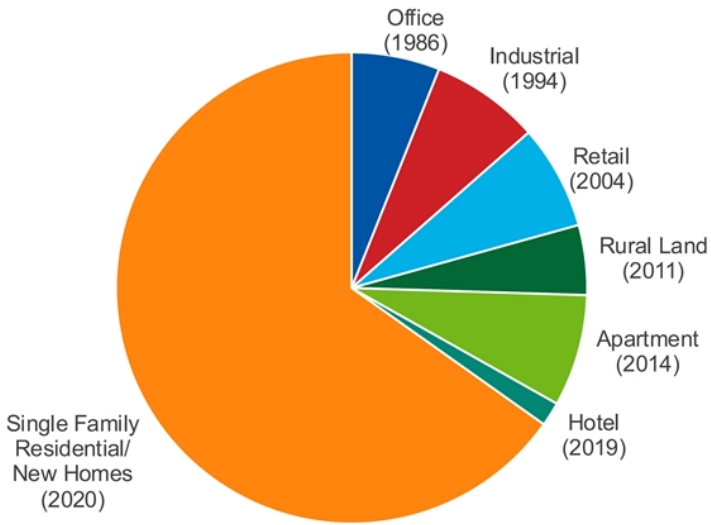
A Global Leader in the Digital Transformation of the \$300+ Trillion Real Estate Industry

- **Long growth runway:** Global addressable market for real estate information and marketplaces estimated at > \$100 billion.
- **Strong competitive position:** Massive proprietary dataset built over 38 years with > \$5 billion invested in research.
- **Leading Property Marketplaces:** Hundreds of millions shop our online real estate marketplaces.
- **Successful growth track record:** 53 consecutive quarters of double-digit revenue growth, both organic and through acquisitions.
- **Attractive financial model:** 96% subscription revenue. 90% renewal rates. Strong margins, high free cash flow and a fortress balance sheet.

*All data as of June 30, 2024. Subscription revenue includes all contracts regardless of term. Renewal rate is for the trailing 12 months as of June 30, 2024, for contracts with 12 month or longer terms.

Global Real Estate: A \$300 Trillion Asset Class

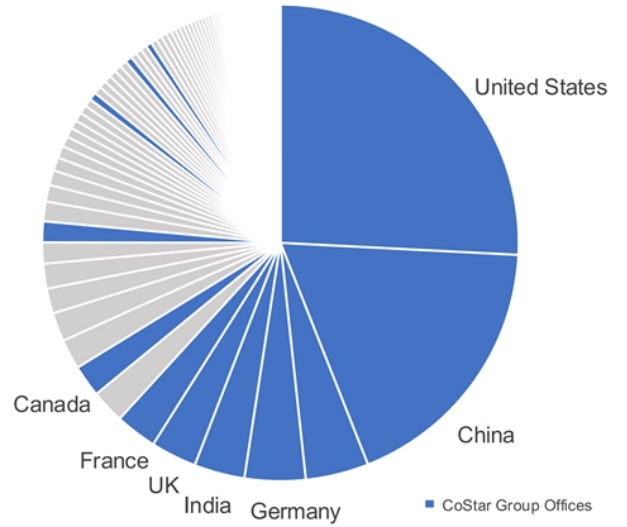
U.S. REAL ESTATE
\$70 TRILLION
 (Year CoStar entered market)



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

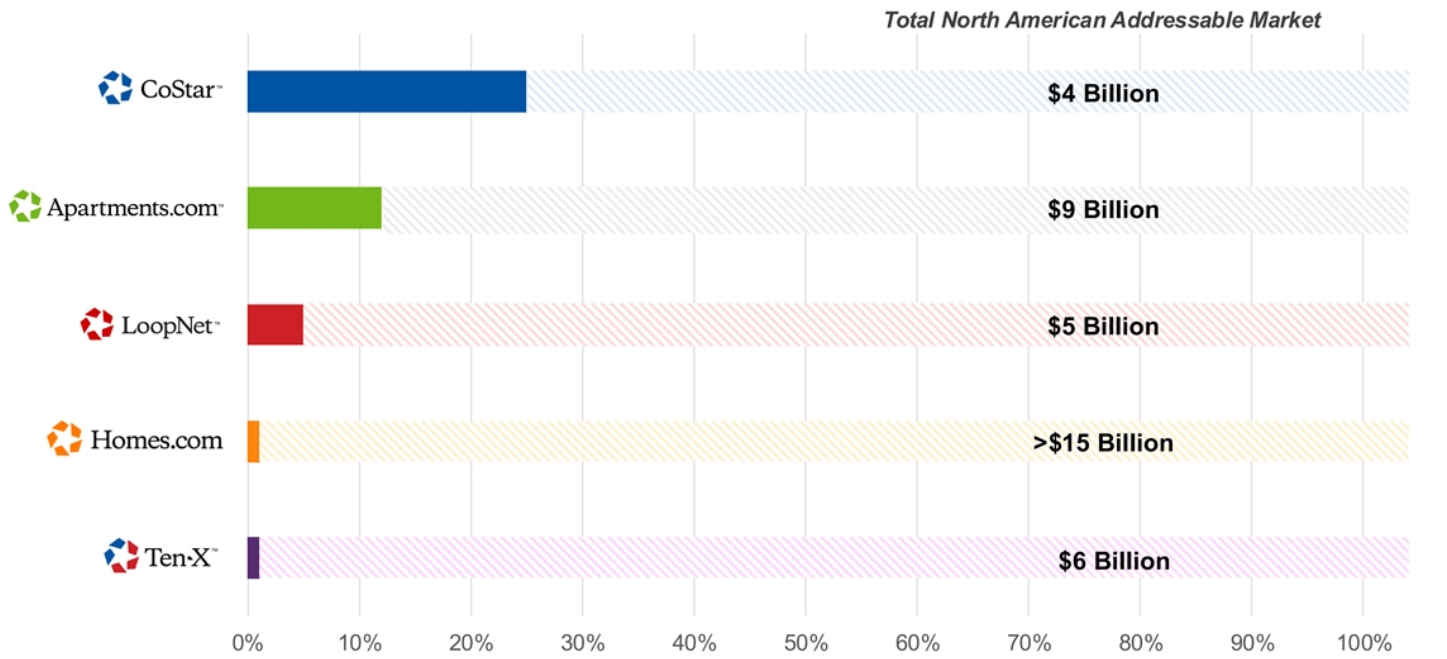


Global Real Estate Sources:
 Global real estate value calculated by scaling U.S. real estate value based on the U.S. share of global GDP, Global GDP data from The World Bank

Based on 2023 Data

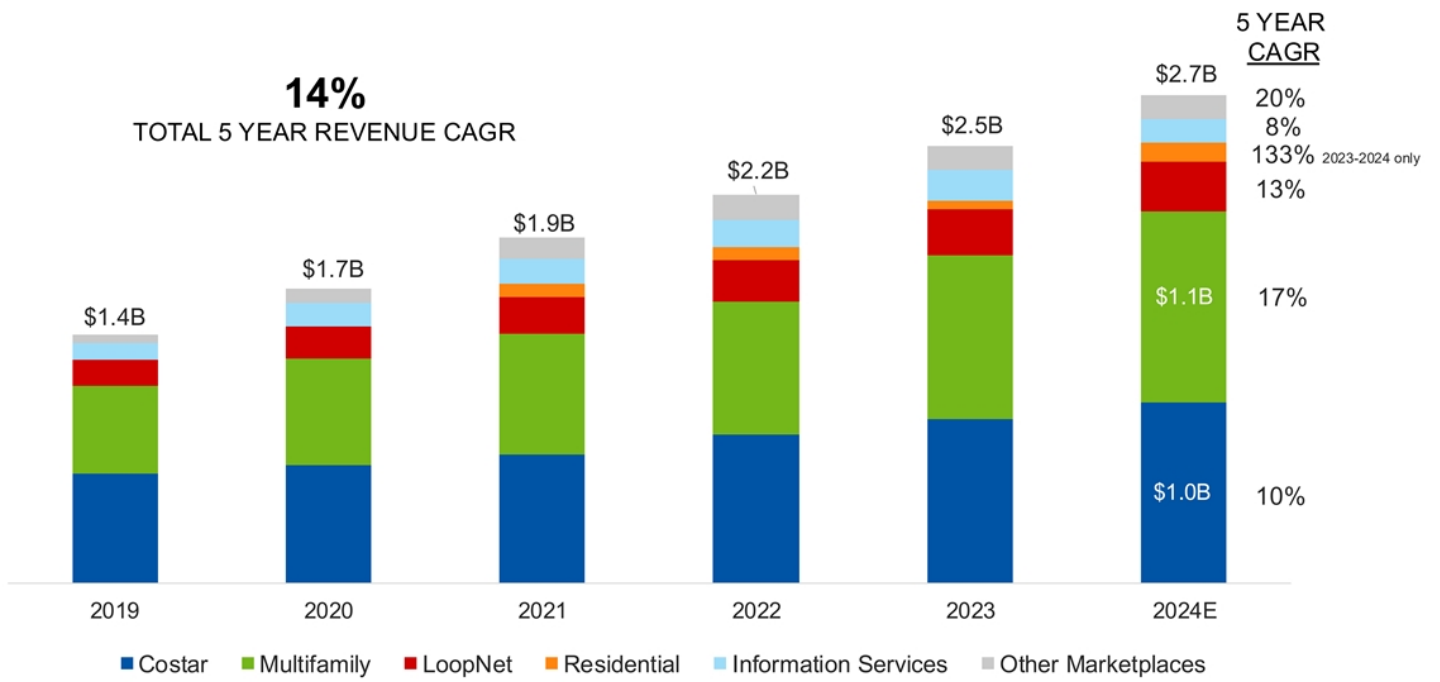


~\$40B North American Addressable Market, Global Market > \$100B

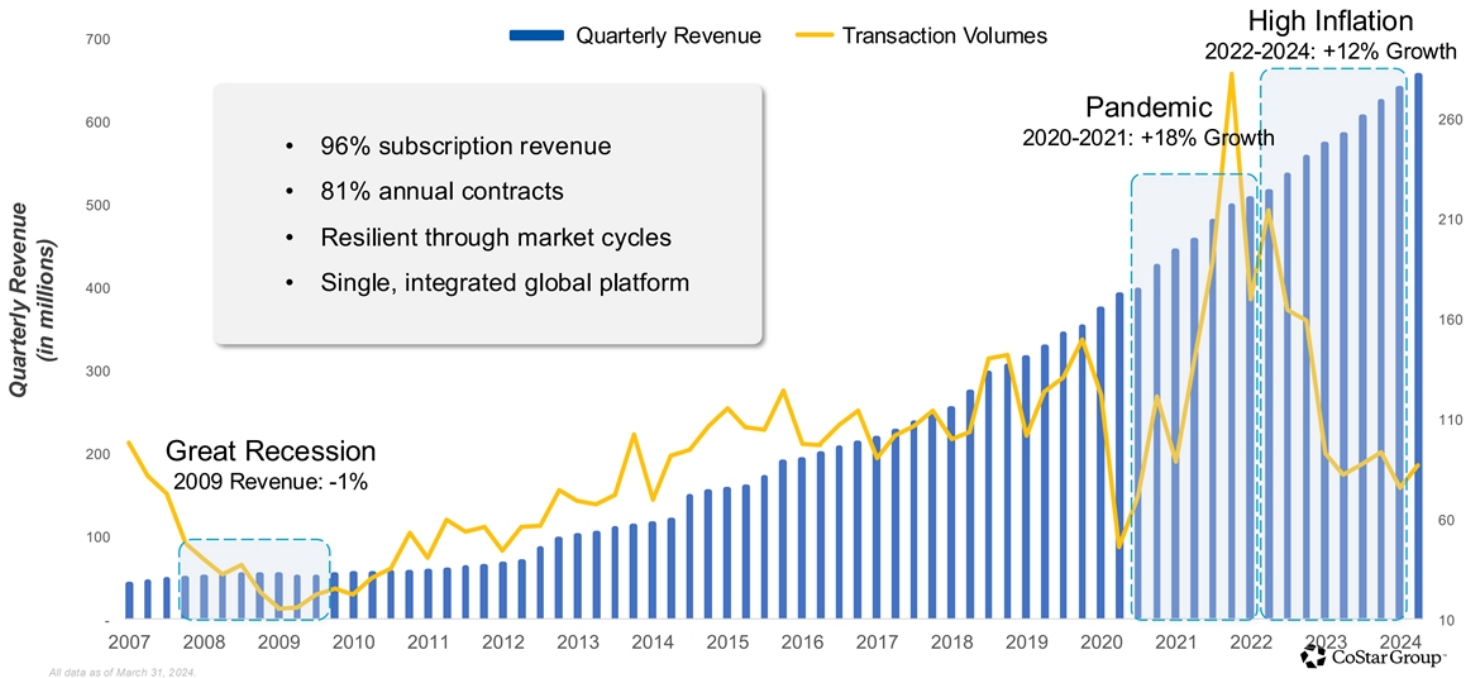


TAM Sources:
CoStar, Apartments, LoopNet and Ten-X – CoStar estimate
Homes.com – extrapolation of Borrell Associates "2019 Real Estate Advertisement Outlook" combined with CoStar estimate

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

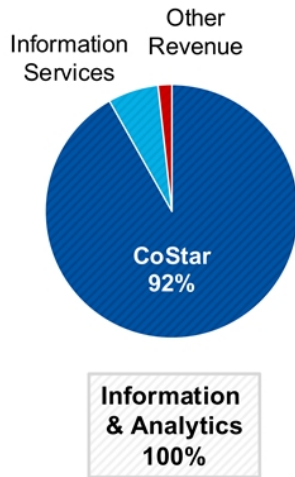


53 Consecutive Quarters of Double-Digit Revenue Growth Regardless of Commercial Property Transaction Volumes

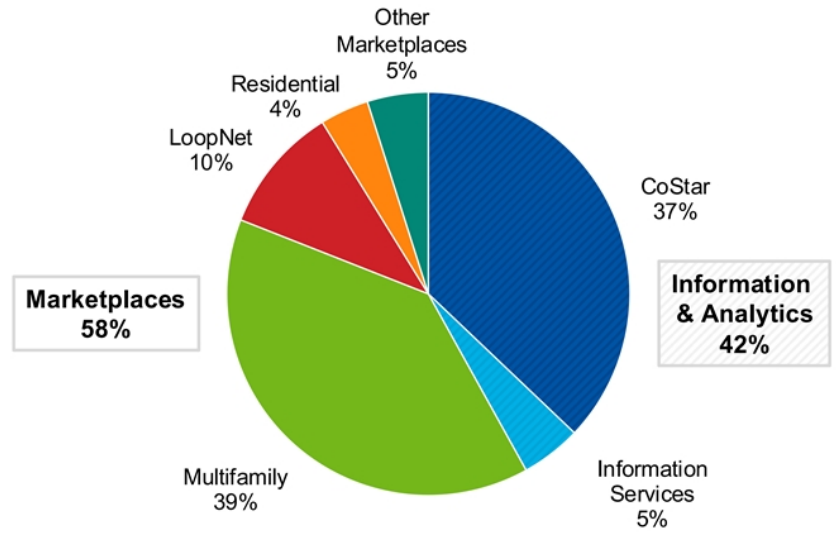


More Diversified with More Countercyclical Business Mix Since the Great Recession

2008 REVENUE



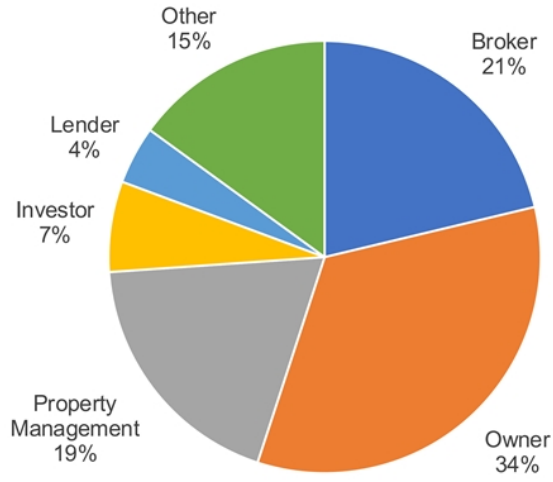
2024E REVENUE



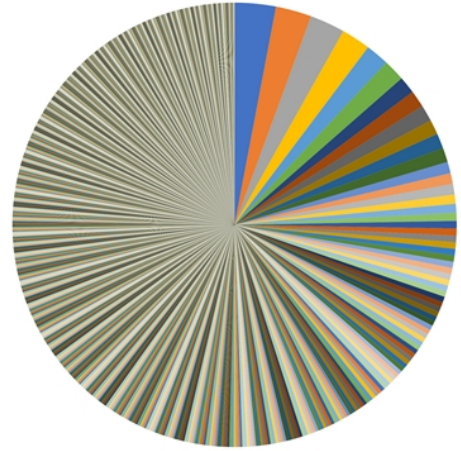
Based on internal CoStar data.

Diversified Client Base with Minimal Concentration

REVENUE BY CLIENT SEGMENT

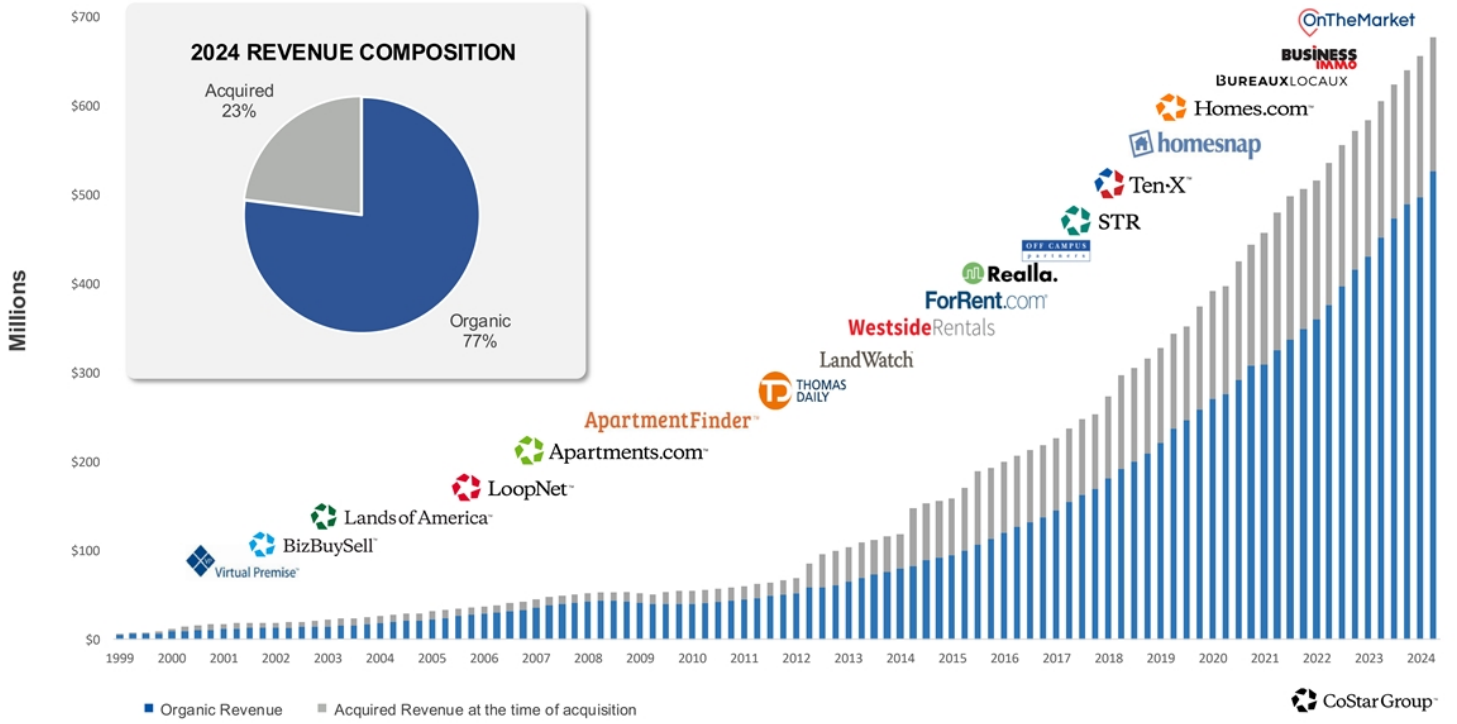


TOP 1,000 CLIENTS:
NONE MORE THAN 2%



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

Successful Acquisition and Integration Track Record



High-Growth, High-Margin Subscription Business Model

Double-Digit Revenue Growth

- ✓ **23%** Revenue CAGR since IPO 24 years ago
- ✓ CoStar and Apartments.com reached **\$1 billion** in annual run rate revenue

Predictable Subscription Services Revenue

- ✓ **96%** subscription revenue with **81%** annual contracts
- ✓ **95%** renewal rate for clients > 5 years
- ✓ Double-digit revenue growth for **53 straight quarters**

Strong Operating Leverage

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

Highly Cash Generative with Strong Balance Sheet

- ✓ Net cash provided by operating activities of **\$490 million** for 2023
- ✓ **~\$5 billion** cash versus **\$1 billion** of debt

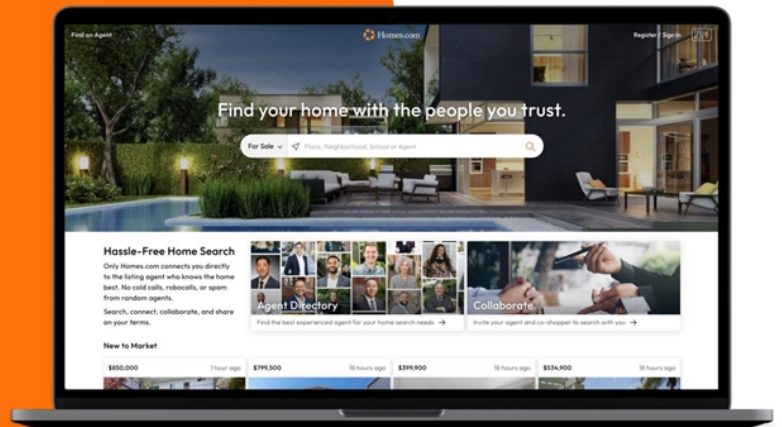
Note: All data as of 6/30/24 unless otherwise noted.



The fastest growing U.S. residential marketplace

Our Vision

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



Homes.com by the Numbers



99M

Homes.com
Average Monthly
Unique Visitors

148M

Homes.com Network
Average Monthly
Unique Visitors

2M+

Residential For Sale
and Rental Listings

\$55M

Net New Annualized
Bookings
to Date

10K+

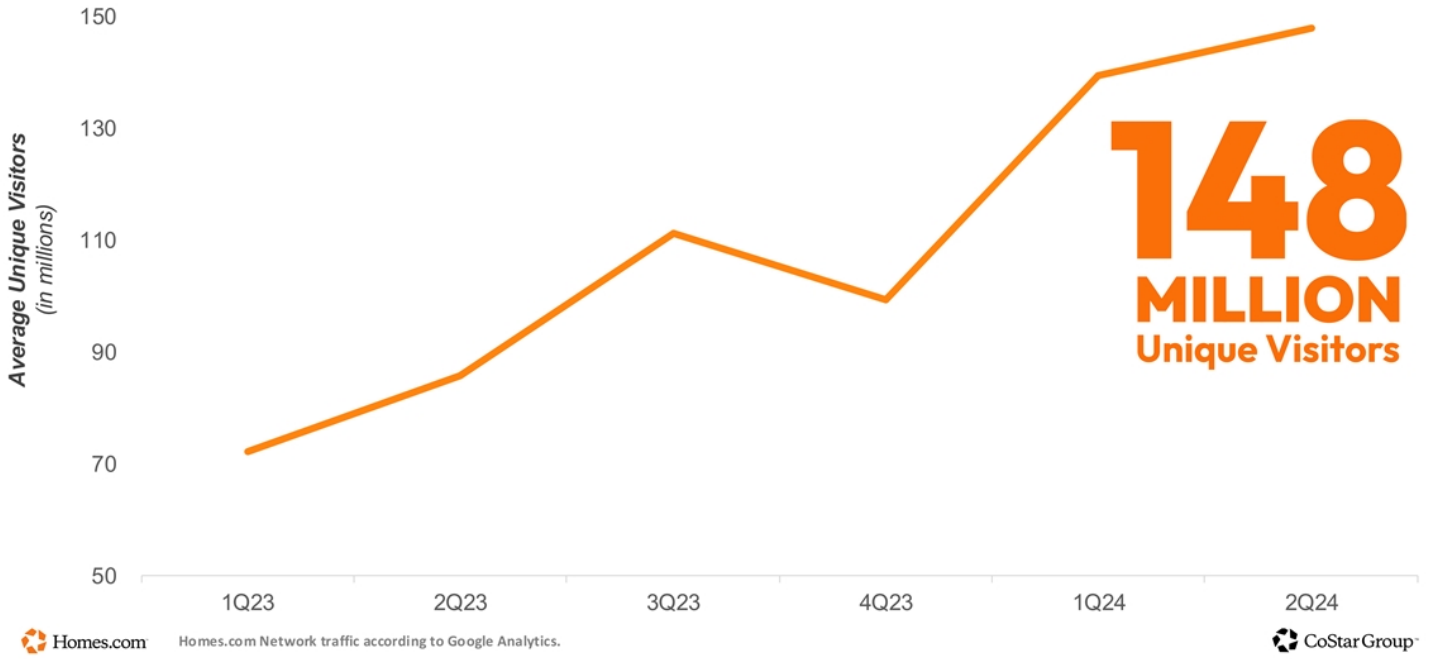
Member Agents

Millions

of Leads

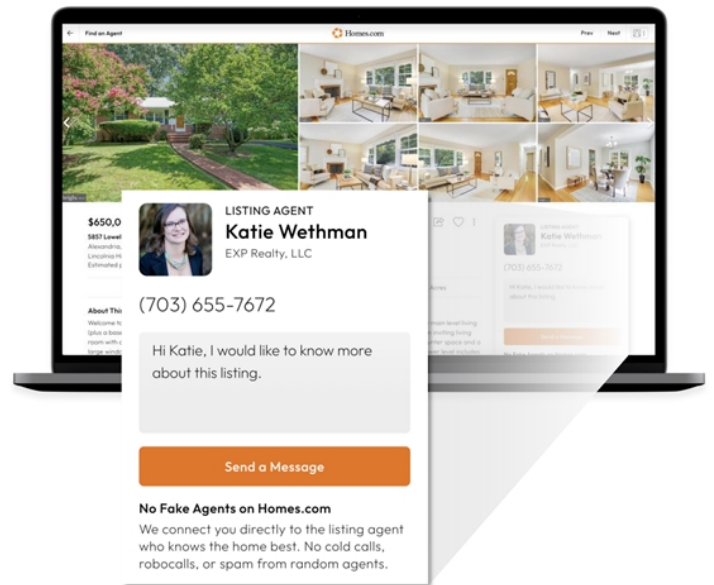
* Sources: The Homes.com site reached 99 million average monthly unique visitors and the Homes.com Network had 148 million, according to Google Analytics for the second quarter of 2024. All other based on Internal data as of June 2024.

Homes.com Network Traffic Reaches 148M Average Monthly Unique Visitors in Q2



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 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



Find an Agent

Listing Agent
Jan Chavoya • 972-965-6689
 Compass RE Texas, LLC

Request a tour
 as early as today at 1:00 pm

Contact Zillow

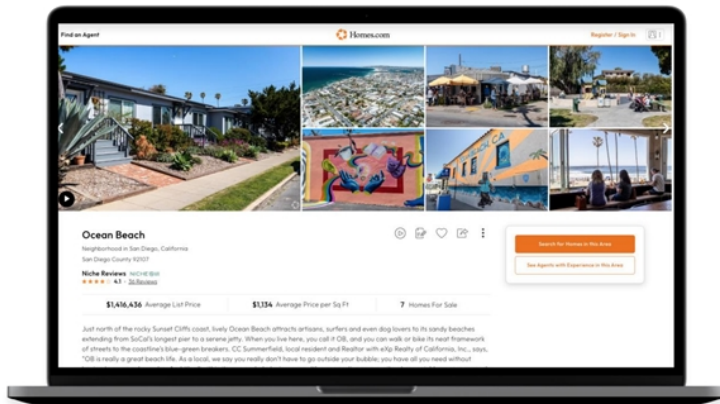
The Real Estate Portals Adhering to the Your Listing, Your Lead Principal are the Most Successful



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 12 months CoStarGroup 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.



20,000+
Neighborhoods

40,000+
Parks

125,000+
Schools

65,000+
Condo Buildings

**Launched Matterport 3D Virtual Tours on
Homes.com Members Listings in 100 cities**



“We’ve done your home work.”



**2024 Supercharged
Marketing Campaign**



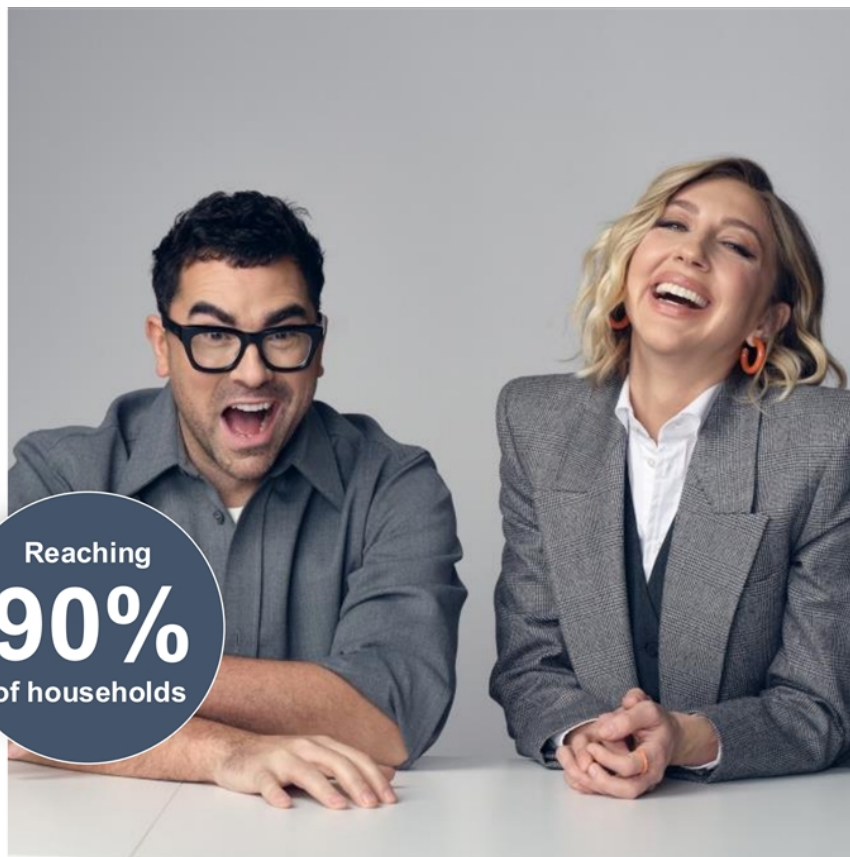
BIGGEST Real Estate Campaign Ever

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



Homes.com is *EVERYWHERE*

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



Homes.com

CoStar Group

Homes.com Unaided Brand Awareness up 7x in 9 Months to 27%



UP
7X

4%

Sept '23

27%

Jun '24

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

300%

more listing shares

87%

more favorites

20%

more likely to go under contract
within first 10 days

\$11K

average higher sales price

51%

more listings won in
a month on average



Based on internal CoStar data of listings on Homes.com.



Investing to Create the #1 Residential Portal in the UK

- ✓ Average monthly unique visitors up 174% year-over-year
- ✓ Property listings reached 710,000, up 41% year-over-year
- ✓ Agent advertisers now ~17,000
- ✓ Leads have grown 56% year-over-year





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

Apartments.com by the Numbers

\$1B

Revenue Run Rate

18%

Year-over-Year
Revenue Growth



48%

Unaided Brand
Awareness

1M+

Rental
Availabilities

1B

Annual Visits

49M

Average Monthly
Unique Visitors

*All data as of 6/30/24. Revenue Run Rate based on first half of 2024 annualized. Traffic data for Apartments.com Network from Google Analytics 2Q24.

CoStarGroup

Our Biggest Customer Count Ever!



~76,000
APARTMENT
COMMUNITIES
now advertise on
[Apartments.com](https://www.apartments.com)

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



2X
more time
per visit

2X
higher
conversion

3X
more
leases

Sources: Traffic from Comscore Media Matrix, October 2023 - March 2024; Lease data from Rent Dynamics, January - September 2023

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	23M	18K	\$64M	1%	\$6B
50-99	69K	11K	\$116M	11%	\$1B
100+	104K	44K	\$832M	40%	\$2B
Grand Total	23M	73K	\$1B	12%	\$9B

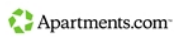
\$7B
opportunity

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 billion annual revenue run rate	13X
Traffic	4 million average monthly unique visitors	49 million monthly unique visitors	11X
Customers	18,000 communities	~76,000 communities	4X

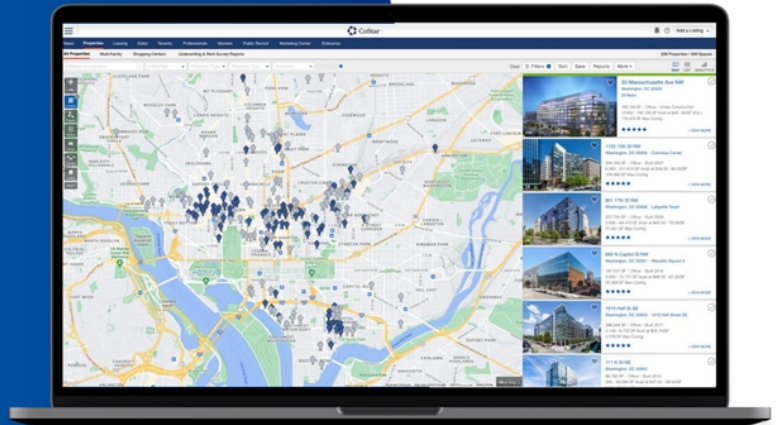


#1 in revenue in 2023 and 1Q24 vs. competitors. Revenue Run Rate based on first half 2024 annualized including transactional revenue. 2014 ComScore traffic data. 06/24 Google Analytics traffic data. Customer data from internal database.





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



CoStar by the Numbers



\$1B
Revenue Run Rate

230K+
Subscribers

930K
Listings

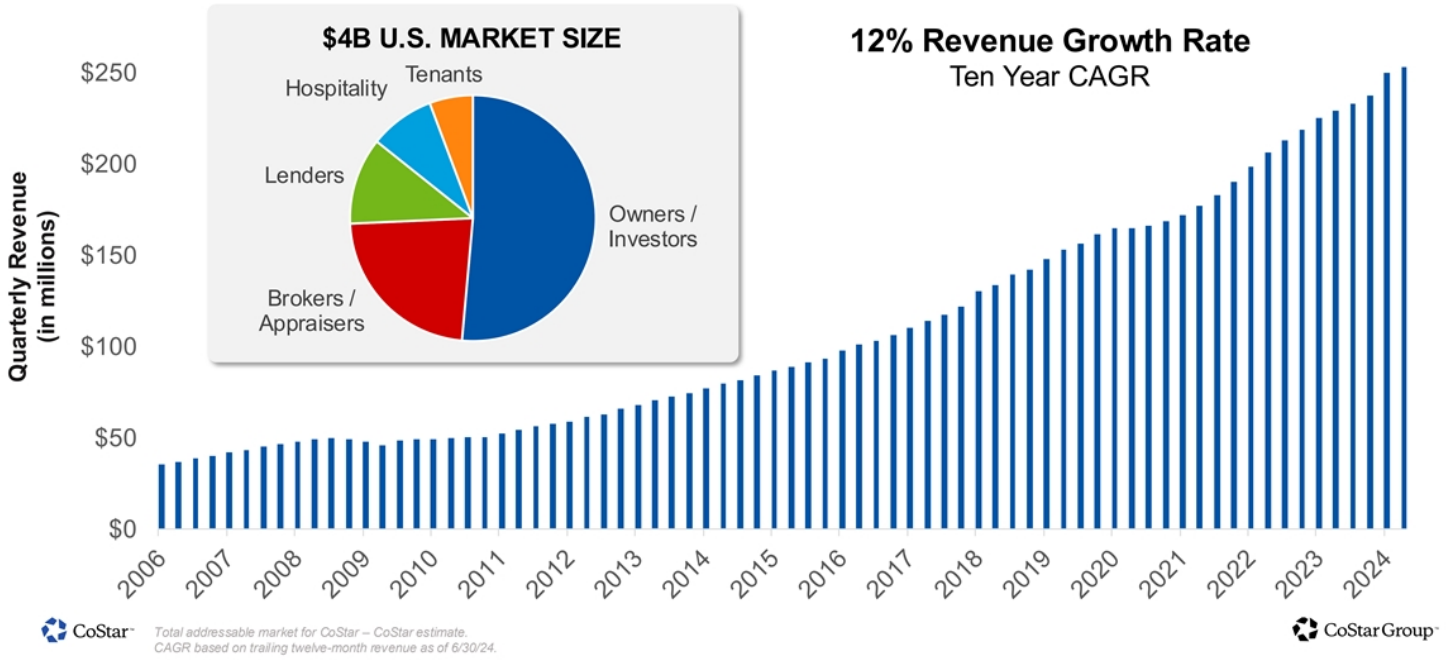
7M
Commercial Properties

15M
Lease Transactions

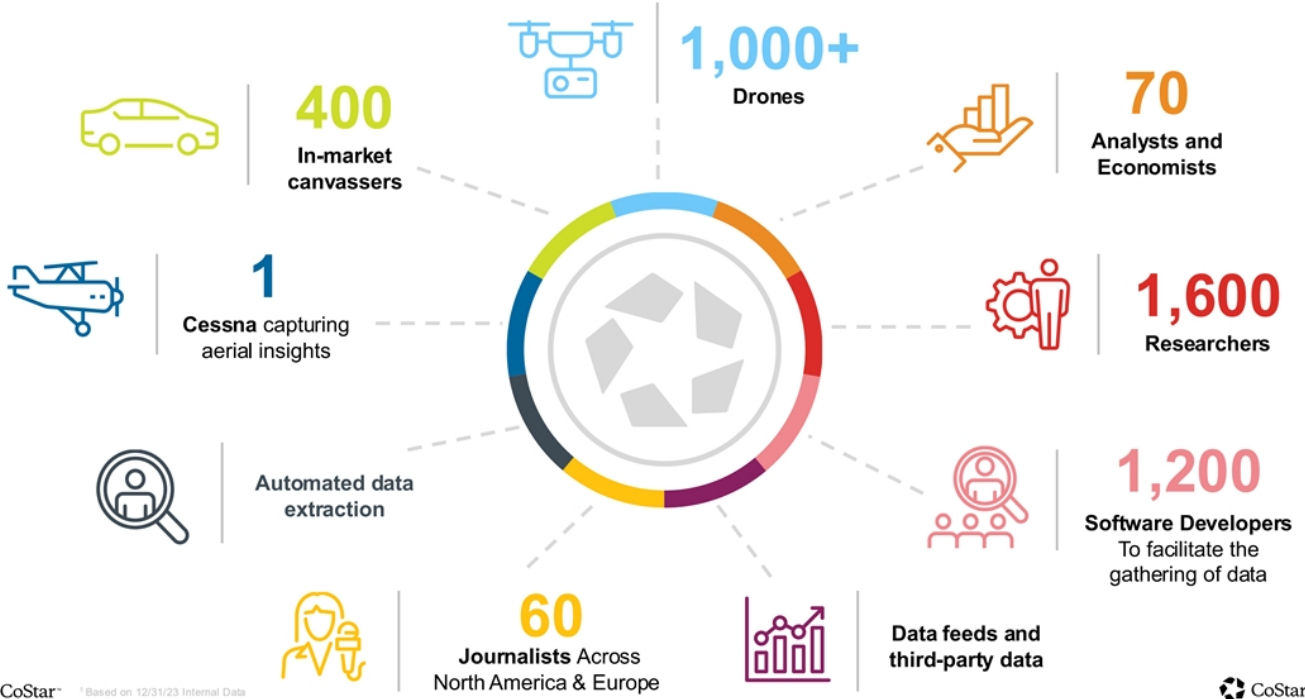
5M
Sale Transactions

* Revenue Run Rate based on first half of 24 annualized. All other data from CoStar internal database as of June 2024.

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

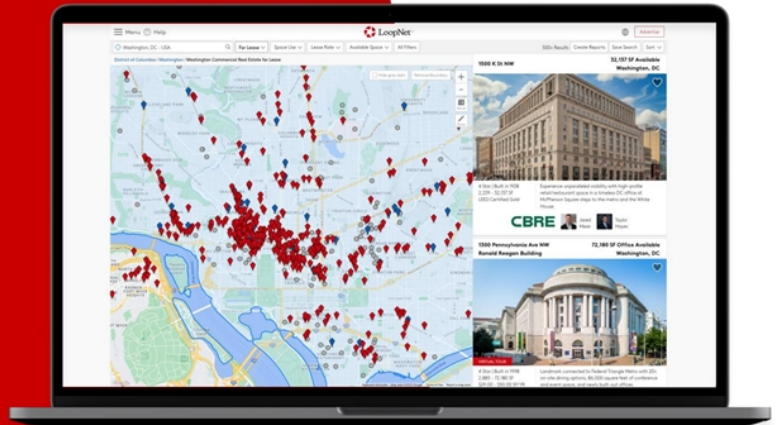


Unparalleled Research Methodology





The #1 global commercial
real estate marketplace



LoopNet by the Numbers



\$279M

Revenue Run Rate

14%

5 Year Revenue
CAGR

13M

Monthly Unique
Visitors Worldwide

370K

CRE Brokers &
Owners Advertising

12X

#1 Google
keywords than
closest competitor

96%

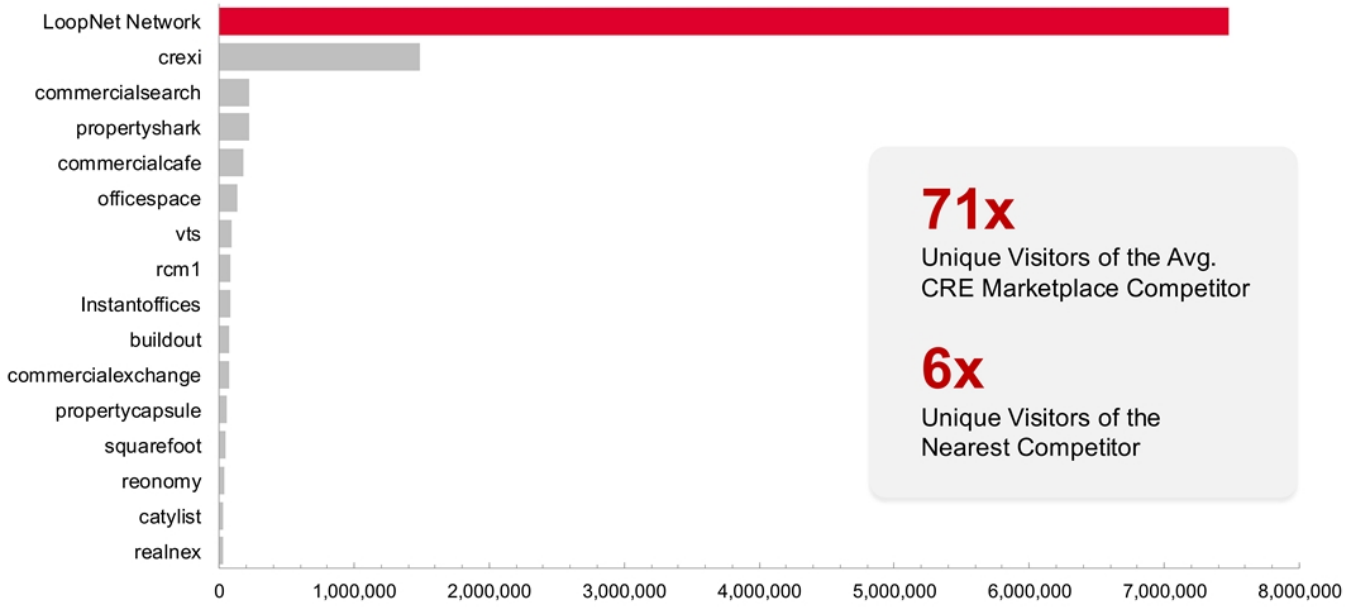
Fortune 1000
Companies
Active on Site

*All data as of June 2024. Run Rate based on 1H24 annualized. Traffic data from Google Analytics.

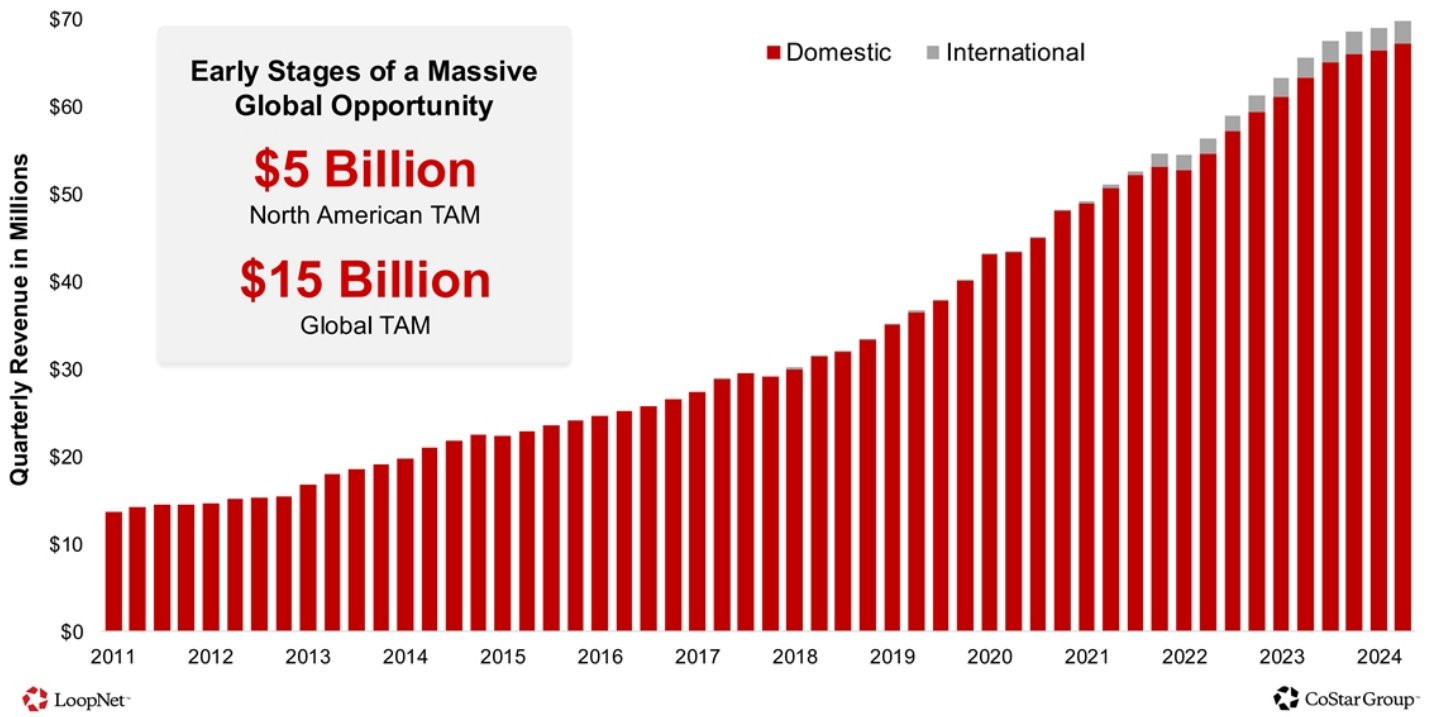
CoStarGroup

Commanding Share of Traffic vs. Marketplace Competitors

LoopNet Network vs. Competitors



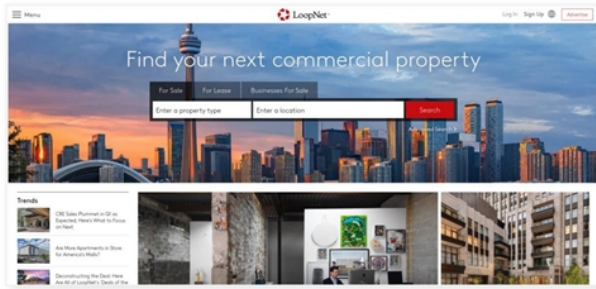
LoopNet Revenue Up 5x Since Acquisition



LoopNet International Expansion Underway

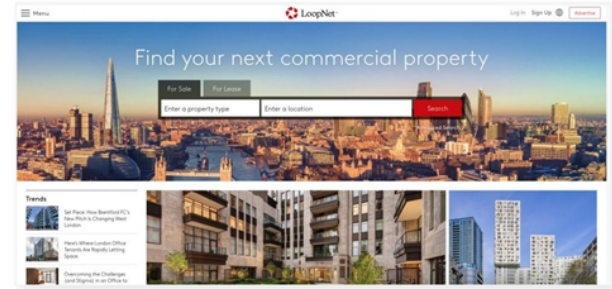
LoopNet Canada

loopnet.ca



LoopNet UK

loopnet.co.uk



LoopNet Spain

loopnet.es



LoopNet France

loopnet.fr





Appendix



Non-GAAP Measures

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.

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 2024, 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		
	2024 Low ⁽¹⁾	2024 High ⁽¹⁾	September 30, 2024 - Low ⁽¹⁾	September 30, 2024 - High ⁽¹⁾	June 30, 2024
Net income	\$ 107.0	\$ 114.0	\$ 22.0	\$ 26.0	\$ 19.2
Income tax (benefit) expense	57.0	60.0	13.0	14.0	16.7
Income before income taxes	164.0	174.0	35.0	40.0	35.9
Amortization of acquired intangible assets	72.0	72.0	17.0	17.0	18.1
Stock-based compensation expense	95.0	95.0	25.0	25.0	22.7
Acquisition and integration related costs	24.0	24.0	8.0	8.0	6.0
Non-GAAP income before income taxes	355.0	365.0	85.0	90.0	82.7
Assumed rate for income tax expense ⁽²⁾	26%	26%	26%	26%	26%
Assumed provision for income tax expense	(92.0)	(95.0)	(22.0)	(23.0)	(21.5)
Non-GAAP net income	\$ 263.0	\$ 270.0	\$ 63.0	\$ 67.0	\$ 61.2
Net income per share - diluted	\$ 0.26	\$ 0.28	\$ 0.05	\$ 0.06	\$ 0.05
Non-GAAP net income per share - diluted	\$ 0.64	\$ 0.66	\$ 0.15	\$ 0.16	\$ 0.15
Weighted average outstanding shares - diluted	407.8	407.8	408.0	408.0	407.4

⁽¹⁾ 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, to the most directly comparable GAAP financial measure, net income.

(in millions)	For the Year Ending December 31,		For the Three Months Ended		
	2024 - Low ⁽¹⁾	2024 - High ⁽¹⁾	September 30, 2024 - Low ⁽¹⁾	September 30, 2024 - High ⁽¹⁾	June 30, 2024
Net income	\$ 107.0	\$ 114.0	\$ 22.0	\$ 26.0	\$ 19.2
Amortization of acquired intangible assets	72.0	72.0	17.0	17.0	18.1
Depreciation and other amortization	41.0	41.0	10.0	10.0	10.1
Interest income, net	(208.0)	(208.0)	(50.0)	(50.0)	(53.5)
Other (income) expense, net	7.0	7.0	2.0	2.0	1.5
Income tax expense	57.0	60.0	13.0	14.0	16.7
EBITDA	76.0	86.0	14.0	19.0	12.1
Stock-based compensation expense	95.0	95.0	25.0	25.0	22.7
Acquisition and integration related costs	24.0	24.0	8.0	8.0	6.0
Adjusted EBITDA	\$ 195.0	\$ 205.0	\$ 47.0	\$ 52.0	\$ 40.8

⁽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.