

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): October 22, 2024

COSTAR GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
1331 L Street, NW Washington, DC
(Address of principal executive offices)

0-24531
(Commission File Number)

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

- 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
Common Stock (\$0.01 par value)

Trading Symbol
CSGP

Name of each exchange on which registered
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 October 22, 2024, CoStar Group, Inc. ("CoStar Group" or the "Company") announced its financial and operating results for the quarter ended September 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 (the "Exchange Act"), or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), nor shall it be deemed incorporated by reference into any reports or filings with the Securities and Exchange Commission (the "SEC"), 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 October 22, 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 October 22, 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 October 22, 2024.
99.2	CoStar Group, Inc. Investor Presentation dated October 22, 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: October 22, 2024



**CoStar Group Third Quarter Revenue Increased 11% Year-over-Year;
Net Income Increased 176% and EBITDA Increased 320% from the Second Quarter**

WASHINGTON – October 22, 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 September 30, 2024 was \$693 million, up 11% over revenue of \$625 million for the quarter ended September 30, 2023. Net income was \$53 million in the third quarter of 2024, an increase of 176% from the second quarter of 2024. Net income per diluted share was \$0.13. In the third quarter of 2024, EBITDA was \$51 million and Adjusted EBITDA was \$76 million, which represent increases from the second quarter of 2024 of 320% and 86% respectively. Adjusted EBITDA exceeded the mid-point of the Company's guidance range by 54% for the third quarter of 2024.

“We achieved another strong quarter of results with our 54th consecutive quarter of double-digit revenue growth,” said Andy Florance, Founder and CEO of CoStar Group. “CoStar Group revenue grew 11% year-over-year, as our two billion-dollar run rate businesses, Apartments.com and CoStar, continue to deliver double-digit revenue growth. Net income, EBITDA and Adjusted EBITDA increased significantly versus each of the first and second quarters of 2024. Our commercial information and marketplace businesses¹ continue to perform very well and delivered 43% profit margins in the third quarter of 2024.”

Florance continued, “Our marketing investment continues to deliver strong results as we lay the groundwork for sustained long-term growth as interest rates move down, transaction volume increases and our brands gain even more traction. CoStar Group had a 28% increase year-over-year in average monthly unique visitors to 163 million in the third quarter 2024. In the U.S., the Homes.com network had 130 million average monthly unique visitors as unaided awareness increased to 33% in September 2024, up from 4% before the marketing campaign launch in February 2024. For Homes.com, we delivered 15 billion impressions year-to-date and nearly 5 billion impressions in Q3. In the U.K., just 10 months after our acquisition of OnTheMarket, we have grown year-over-year traffic by 212%, unique visitors by 348%, listing agents by 27%, sales leads by 76% and total stock by 45%.”

¹ 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.

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

	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenues	\$584	\$606	\$625	\$640	\$656	\$678	\$693
Net income	87	101	91	96	7	19	53
Net income per share - diluted	0.21	0.25	0.22	0.24	0.02	0.05	0.13
Weighted average outstanding shares - diluted	406	407	407	408	407	407	408
EBITDA	98	105	89	98	(13)	12	51
Adjusted EBITDA	123	127	112	130	12	41	76
Non-GAAP net income	118	127	120	133	42	61	88
Non-GAAP net income per share - diluted	0.29	0.31	0.30	0.33	0.10	0.15	0.22

2024 Outlook

“This quarter, we delivered strong revenue growth and adjusted EBITDA growth well ahead of our guidance,” said Chris Lown, CFO of CoStar Group. The Company now expects revenue in the range of \$2.72 billion to \$2.73 billion for the full year of 2024, representing revenue growth of approximately 11% year-over-year at the midpoint of the range. The Company expects revenue for the fourth quarter of 2024 in the range of \$693 million to \$703 million, representing revenue growth of approximately 9% year-over-year at the midpoint of the range.

“We now expect adjusted EBITDA for the full year of 2024 in the range of \$205 million to \$215 million, an increase of 5% at the midpoint of the range from our previous guidance. For the fourth quarter of 2024, we expect adjusted EBITDA in the range of \$76 million to \$86 million.”

The Company expects full year 2024 non-GAAP net income per diluted share in a range of \$0.67 to \$0.69 based on 408 million shares. For the fourth quarter of 2024, the Company expects non-GAAP net income per diluted share in a range of \$0.21 to \$0.23 based on 408 million shares. These ranges include an estimated non-GAAP tax rate of 26% for the full year and the fourth quarter of 2024.

The preceding forward-looking statements reflect CoStar Group’s expectations as of October 22, 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 third quarter 2024 results and the Company's outlook at 5:00 PM ET on Tuesday, October 22, 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ 692.6	\$ 624.7	\$ 2,026.8	\$ 1,814.9
Cost of revenues	140.6	123.7	417.6	355.2
Gross profit	552.0	501.0	1,609.2	1,459.7
Operating expenses:				
Selling and marketing (excluding customer base amortization)	331.2	266.9	1,055.7	743.2
Software development	81.0	67.9	243.0	197.8
General and administrative	105.8	94.4	314.3	274.4
Customer base amortization	10.3	10.2	31.5	31.3
	528.3	439.4	1,644.5	1,246.7
(Loss) income from operations	23.7	61.6	(35.3)	213.0
Interest income, net	55.6	58.4	165.3	153.9
Other (expense) income, net	(1.6)	0.5	(4.9)	1.6
Income before income taxes	77.7	120.5	125.1	368.5
Income tax expense	24.7	29.9	46.2	90.3
Net income	\$ 53.0	\$ 90.6	\$ 78.9	\$ 278.2
Net income per share - basic	\$ 0.13	\$ 0.22	\$ 0.19	\$ 0.69
Net income per share - diluted	\$ 0.13	\$ 0.22	\$ 0.19	\$ 0.68
Weighted-average outstanding shares - basic	406.8	405.6	406.2	405.2
Weighted-average outstanding shares - diluted	408.0	407.2	407.6	406.7

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 53.0	\$ 90.6	\$ 78.9	\$ 278.2
Income tax expense	24.7	29.9	46.2	90.3
Income before income taxes	77.7	120.5	125.1	368.5
Amortization of acquired intangible assets	16.5	18.7	54.4	54.3
Stock-based compensation expense	21.8	21.9	67.3	63.8
Acquisition and integration related costs	4.4	0.8	12.7	2.3
Restructuring and related costs	0.2	0.5	0.2	3.9
Settlements and impairments	(1.3)	—	(1.3)	(0.1)
Non-GAAP income before income taxes	119.3	162.4	258.4	492.7
Assumed rate for income tax expense ⁽¹⁾	26.0 %	26.0 %	26.0 %	26.0 %
Assumed provision for income tax expense	(31.0)	(42.2)	(67.2)	(128.1)
Non-GAAP net income	\$ 88.3	\$ 120.2	\$ 191.2	\$ 364.6
Net income per share - diluted	\$ 0.13	\$ 0.22	\$ 0.19	\$ 0.68
Non-GAAP net income per share - diluted	\$ 0.22	\$ 0.30	\$ 0.47	\$ 0.90
Weighted average outstanding shares - basic	406.8	405.6	406.2	405.2
Weighted average outstanding shares - diluted	408.0	407.2	407.6	406.7

⁽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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 53.0	\$ 90.6	\$ 78.9	\$ 278.2
Amortization of acquired intangible assets in cost of revenues	6.2	8.4	22.9	23.0
Amortization of acquired intangible assets in operating expenses	10.3	10.3	31.5	31.3
Depreciation and other amortization	10.6	8.4	31.0	24.5
Interest income, net	(55.6)	(58.4)	(165.3)	(153.9)
Other expense (income), net ¹	1.6	(0.5)	4.9	(1.6)
Income tax expense	24.7	29.9	46.2	90.3
EBITDA	\$ 50.8	\$ 88.7	\$ 50.1	\$ 291.8
Stock-based compensation expense	21.8	21.9	67.3	63.8
Acquisition and integration related costs	4.4	0.8	12.7	2.3
Restructuring and related costs	0.2	0.5	0.2	3.9
Settlements and impairments	(1.3)	—	(1.3)	(0.1)
Adjusted EBITDA	\$ 75.9	\$ 111.9	\$ 129.0	\$ 361.7

¹ Includes \$5.4 million and \$14.3 million of amortization and depreciation expense associated with lessor income for the three and nine months ended September 30, 2024, respectively.

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

ASSETS	September 30, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 4,937.6	\$ 5,215.9
Accounts receivable	202.4	213.2
Less: Allowance for credit losses	(23.6)	(23.2)
Accounts receivable, net	178.8	190.0
Prepaid expenses and other current assets	78.7	70.2
Total current assets	5,195.1	5,476.1
Deferred income taxes, net	4.3	4.3
Property and equipment, net	937.8	472.2
Lease right-of-use assets	79.2	79.8
Goodwill	2,396.6	2,386.2
Intangible assets, net	324.7	313.7
Deferred commission costs, net	173.0	167.7
Deposits and other assets	26.0	17.7
Income tax receivable	2.0	2.0
Total assets	\$ 9,138.7	\$ 8,919.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 84.4	\$ 23.1
Accrued wages and commissions	105.5	117.8
Accrued expenses and other current liabilities	188.1	163.0
Income taxes payable	8.9	7.7
Lease liabilities	38.9	40.0
Deferred revenue	113.6	104.2
Total current liabilities	539.4	455.8
Long-term debt, net	991.5	990.5
Deferred income taxes, net	12.8	36.7
Income taxes payable	23.9	18.2
Lease and other long-term liabilities	80.0	79.9
Total liabilities	\$ 1,647.6	\$ 1,581.1
Total stockholders' equity	7,491.1	7,338.6
Total liabilities and stockholders' equity	\$ 9,138.7	\$ 8,919.7

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

	Nine Months Ended September 30,	
	2024	2023
Operating activities:		
Net income	\$ 78.9	\$ 278.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	107.6	78.8
Amortization of deferred commissions costs	86.1	69.8
Amortization of Senior Notes discount and issuance costs	2.3	1.8
Non-cash lease expense	25.1	22.1
Stock-based compensation expense	67.3	63.8
Deferred income taxes, net	(15.4)	(13.0)
Credit loss expense	25.8	25.7
Other operating activities, net	(0.6)	0.3
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(13.7)	(64.6)
Prepaid expenses and other current assets	(8.3)	(20.7)
Deferred commissions	(91.7)	(93.1)
Accounts payable and other liabilities	57.9	21.1
Lease liabilities	(29.9)	(26.8)
Income taxes payable, net	(1.7)	4.4
Deferred revenue	8.2	(6.1)
Other assets	0.1	(0.7)
Net cash provided by operating activities	298.0	341.0
Investing activities:		
Proceeds from sale of property and equipment and other assets	1.4	—
Purchases of property, equipment, and other assets for new campuses	(509.6)	(61.8)
Purchases of property, equipment, and other assets	(49.5)	(14.2)
Cash paid for acquisitions, net of cash acquired	(5.1)	—
Net cash used in investing activities	(562.8)	(76.0)
Financing activities:		
Repurchase of restricted stock to satisfy tax withholding obligations	(28.7)	(23.4)
Proceeds from exercise of stock options and employee stock purchase plan	21.7	20.4
Principal repayments of finance lease obligations	(3.4)	—
Net cash used in financing activities	(13.8)	(3.0)
Effect of foreign currency exchange rates on cash and cash equivalents	0.3	(0.1)
Net (decrease) increase in cash and cash equivalents	(278.3)	261.9
Cash and cash equivalents at the beginning of period	5,215.9	4,968.0
Cash and cash equivalents at the end of period	\$ 4,937.6	\$ 5,229.9

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

	Three Months Ended September 30,								
	2024			2023					
	North America	International	Total	North America	International	Total			
CoStar	\$ 240.8	\$ 16.1	\$ 256.9	\$ 223.4	\$ 10.0	\$ 233.4			
Information Services	28.2	4.8	33.0	35.2	9.4	44.6			
Multifamily	271.8	—	271.8	235.3	—	235.3			
LoopNet	68.1	2.8	70.9	65.0	2.5	67.5			
Residential	17.0	10.7	27.7	10.3	—	10.3			
Other Marketplaces	32.3	—	32.3	33.6	—	33.6			
Total revenues	\$ 658.2	\$ 34.4	\$ 692.6	\$ 602.8	\$ 21.9	\$ 624.7			

	Nine Months Ended September 30,								
	2024			2023					
	North America	International	Total	North America	International	Total			
CoStar	\$ 713.6	\$ 46.6	\$ 760.2	\$ 658.7	\$ 28.8	\$ 687.5			
Information Services	83.5	15.9	99.4	99.5	28.7	128.2			
Multifamily	790.8	—	790.8	670.3	—	670.3			
LoopNet	201.7	8.1	209.8	189.5	6.8	196.3			
Residential	41.6	30.9	72.5	36.2	—	36.2			
Other Marketplaces	94.1	—	94.1	96.4	—	96.4			
Total revenues	\$ 1,925.3	\$ 101.5	\$ 2,026.8	\$ 1,750.6	\$ 64.3	\$ 1,814.9			

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	North America	International	North America	International	North America	International	North America	International
EBITDA								
North America	\$ 63.5		\$ 88.9		\$ 97.4		\$ 290.2	
International		(12.7)		(0.2)		(47.3)		1.6
Total EBITDA	\$ 50.8		\$ 88.7		\$ 50.1		\$ 291.8	

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	Q3
Net income	\$87.1	\$100.5	\$90.6	\$96.4	\$6.7	\$19.2	\$53.0
Income tax expense	29.2	31.1	29.9	36.3	4.8	16.7	24.7
Income before income taxes	116.4	131.7	120.5	132.7	11.5	35.9	77.7
Amortization of acquired intangible assets	17.7	18.0	18.7	19.3	19.8	18.1	16.5
Stock-based compensation expense	20.0	21.8	21.9	21.2	22.8	22.7	21.8
Acquisition and integration related costs	1.7	(0.2)	0.8	10.7	2.3	6.0	4.4
Restructuring and related costs	3.4	(0.1)	0.5	0.2	—	—	0.2
Settlements and impairments	(0.1)	—	—	—	—	—	(1.3)
Other income, net	—	—	—	(3.8)	—	—	—
Non-GAAP income before income taxes ⁽¹⁾	159.1	171.2	162.4	180.3	56.4	82.7	119.3
Assumed rate for income tax expense ⁽²⁾	26%	26%	26%	26%	26%	26%	26%
Assumed provision for income tax expense	(41.4)	(44.5)	(42.2)	(46.9)	(14.7)	(21.5)	(31.0)
Non-GAAP net income ⁽¹⁾	\$117.7	\$126.7	\$120.2	\$133.4	\$41.7	\$61.2	\$88.3
Non-GAAP net income per share - diluted	\$0.29	\$0.31	\$0.30	\$0.33	\$0.10	\$0.15	\$0.22
Weighted average outstanding shares - basic	404.5	405.4	405.6	405.8	405.6	406.0	406.8
Weighted average outstanding shares - diluted	406.2	406.8	407.2	407.5	407.3	407.4	408.0

⁽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	Q3
Net income	\$87.1	\$100.5	\$90.6	\$96.4	\$6.7	\$19.2	\$53.0
Amortization of acquired intangible assets	17.7	18.0	18.7	19.3	19.8	18.1	16.5
Depreciation and other amortization	7.9	8.1	8.4	9.4	10.3	10.1	10.6
Interest income, net	(43.5)	(51.9)	(58.4)	(59.7)	(56.2)	(53.5)	(55.6)
Other (income) expense, net ⁽¹⁾	(0.6)	(0.6)	(0.5)	(3.7)	1.9	1.5	1.6
Income tax expense	29.2	31.1	29.9	36.3	4.8	16.7	24.7
EBITDA ⁽²⁾	\$97.8	\$105.2	\$88.7	\$98.0	\$(12.7)	\$12.1	\$50.8
Stock-based compensation expense	20.0	21.8	21.9	21.2	22.8	22.7	21.8
Acquisition and integration related costs	1.7	(0.2)	0.8	10.7	2.3	6.0	4.4
Restructuring and related costs	3.4	(0.1)	0.5	0.2	—	—	0.2
Settlements and impairments	(0.1)	—	—	—	—	—	(1.3)
Adjusted EBITDA ⁽²⁾	\$122.9	\$126.8	\$111.9	\$130.1	\$12.4	\$40.8	\$75.9

⁽¹⁾ Includes \$3.6 million, \$5.3 million, and \$5.4 million of amortization and depreciation expense associated with lessor income for the three months ended March 31, 2024, June 30, 2024, and September 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 December 31, 2024		Guidance Range For the Year Ending December 31, 2024	
	Low	High	Low	High
Net income	\$ 43	\$ 49	\$ 122	\$
Income tax expense	17	21	63	
Income before income taxes	60	70	185	
Amortization of acquired intangible assets	17	17	71	
Stock-based compensation expense	26	26	93	
Acquisition and integration related costs	11	11	24	
Settlements and impairments	—	—	(1)	
Non-GAAP income before income taxes	114	124	372	
Assumed rate for income tax expense ⁽¹⁾	26 %	26 %	26 %	
Assumed provision for income tax expense	(30)	(32)	(97)	
Non-GAAP net income	84	92	275	
Net income per share - diluted	\$ 0.11	\$ 0.12	\$ 0.30	\$
Non-GAAP net income per share - diluted	\$ 0.21	\$ 0.23	\$ 0.67	\$
Weighted average outstanding shares - diluted	408.3	408.3	407.8	4

⁽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 December 31, 2024		Guidance Range For the Year Ending December 31, 2024	
	Low	High	Low	High
Net income	\$ 43	\$ 49	\$ 122	\$
Amortization of acquired intangible assets	17	17	71	
Depreciation and other amortization	11	11	42	
Interest income, net	(51)	(51)	(216)	
Other (income) expense, net	2	2	7	
Income tax expense	17	21	63	
Stock-based compensation expense	26	26	93	
Settlements and impairments	—	—	(1)	
Acquisition and integration related costs	11	11	24	
Adjusted EBITDA	\$ 76	\$ 86	\$ 205	\$

Investor Relations:
Rich Simonelli
Head of Investor Relations
CoStar Group
(973) 896-8184
getrich@costar.com

News Media:
Matthew Blocher
Vice President Corporate Marketing & Communications
CoStar Group
(202) 346-6775
mblocher@costar.com

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 thirteen million average 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 163 million average monthly unique visitors in the third 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](https://www.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 fourth quarter and full year 2024 will not be as stated in this press release; the risk that net income for the fourth quarter and full year 2024 will not be as stated in this press release; the risk that EBITDA for the fourth quarter and full year 2024 will not be as stated in this press release; the risk that adjusted EBITDA for the fourth 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 fourth 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 periods ended March 31, 2024 and June 30, 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.

EX. 99.2



Third Quarter 2024
Investor Presentation



Legal Disclaimer

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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.





Third Quarter 2024
Highlights



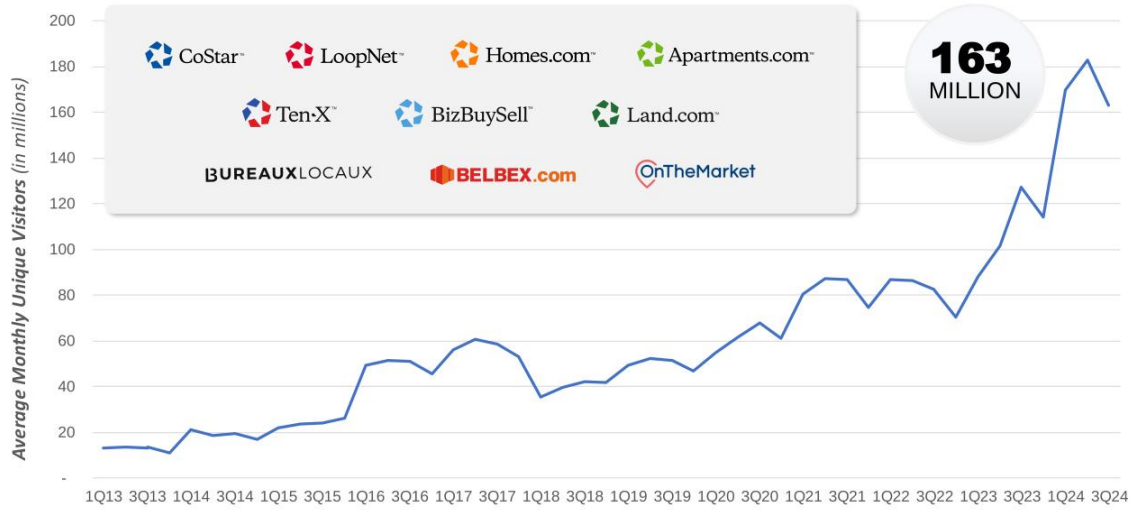
Third Quarter 2024 Highlights

- Third quarter 2024 revenue of \$693 million increased 11% year-over-year for the 54th consecutive quarter of double-digit revenue growth
- Our two businesses with billion-dollar run rates delivered double-digit revenue growth
- Net Income of \$53 million, EBITDA of \$51 million and Adjusted EBITDA of \$76 million reflects significant consecutive increases and exceeded guidance
- Traffic to CoStar Group sites reached 163 million average monthly unique visitors in the third quarter, an increase of 28% year-over-year*
- Homes.com Network traffic reached 130 million average monthly unique visitors in the third quarter, an increase of 17% year-over-year*

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



Year-over-Year Traffic Growth of 28% in Q3 2024



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

Third Quarter and Year to Date 2024 Results

	Third Quarter	Year to Date
Revenue	\$693 million 11% year-over-year growth	\$2,027 million 12% year-over-year growth
Net Income	\$53 million \$0.13 per diluted share	\$79 million \$0.19 per diluted share
Adjusted EBITDA	\$76 million	\$129 million
Net New Bookings	\$44 million	\$191 million
Non-GAAP Net Income	\$88 million \$0.22 per diluted share	\$192 million \$0.47 per diluted share

2024 Fourth Quarter and Full Year Outlook

	Fourth Quarter	Full Year
Revenue	\$693 million to \$703 million 9% year-over-year growth	\$2.72 billion to \$2.73 billion 11% year-over-year growth
Net Income	\$43 million to \$49 million \$0.11 to \$0.12 per diluted share	\$122 million to \$128 million \$0.30 to \$0.31 per diluted share
Adjusted EBITDA	\$76 million to \$86 million 12% margin	\$205 million to \$215 million 8% margin
Non-GAAP Net Income	\$84 million to \$92 million \$0.21 to \$0.23 per diluted share	\$275 million to \$283 million \$0.67 to \$0.69 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

3 billion+
annual visits
to our websites

\$5 billion+
investment in research
and technology

~6,450
employees

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

FORTUNE 100 **FASTEST
GROWING
COMPANIES**

**FUTURE
50**

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

**INMAN
INNOVATOR
AWARDS**
COMPANY OF THE YEAR

SABEW
The
ASSOCIATION
of BUSINESS
JOURNALISTS
Innovator of the Year

Forbes
The World's Most
Innovative Companies

Nasdaq
**100
INDEX**

**SHORTY
AWARDS**
Best Integrated Marketing Campaign

72
offices

14
countries

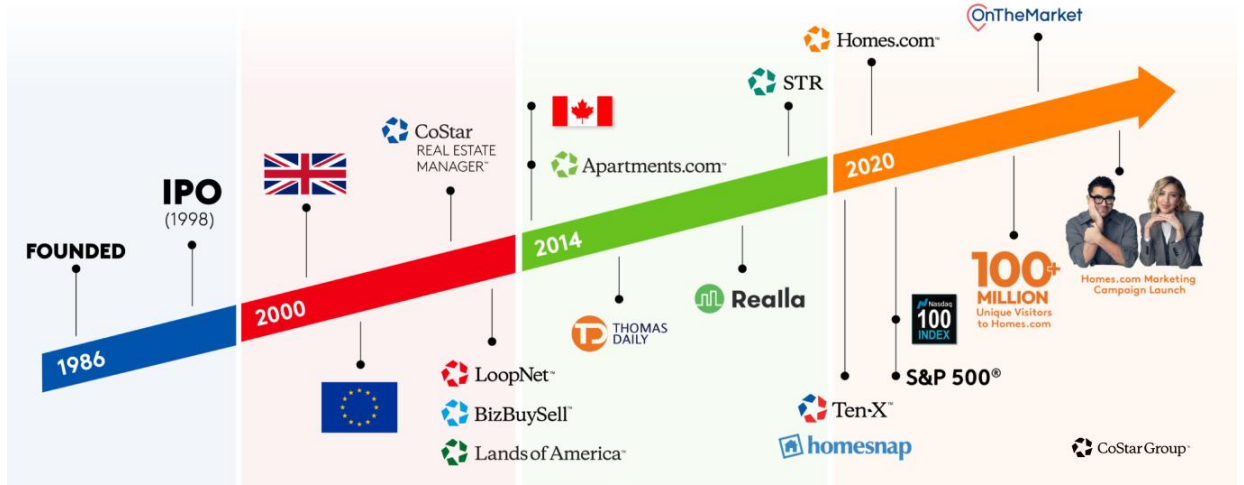
~\$31 billion
market capitalization


~\$5 billion
in cash on hand

*All numerical data as of September 30, 2024

 CoStar Group

38 Years of Growth and Innovation



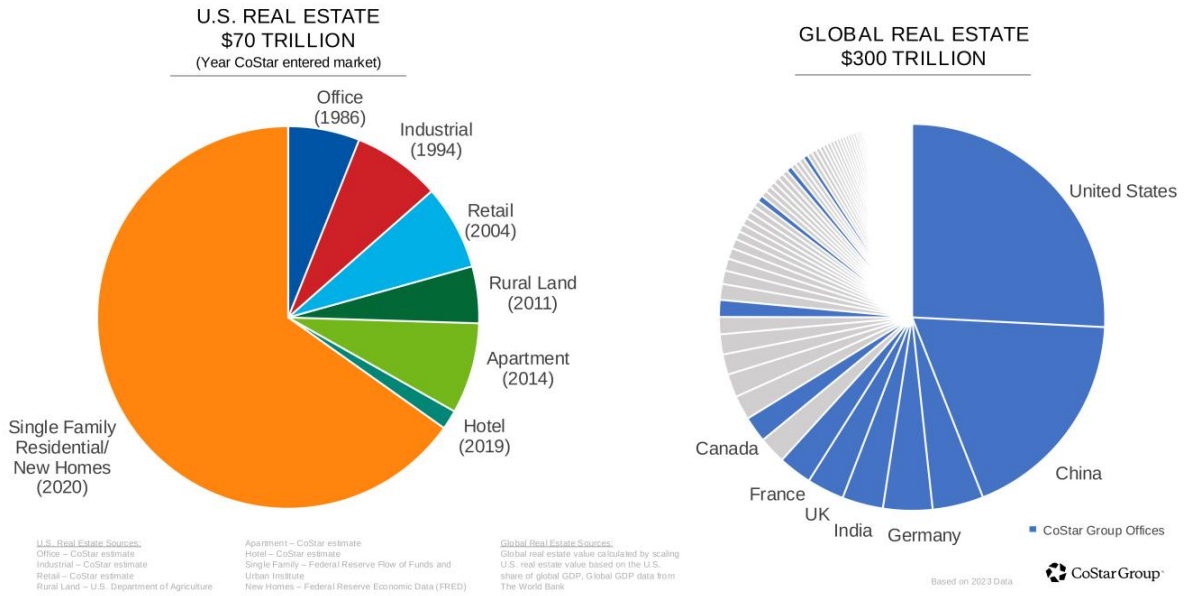


A Global Leader in the Digital Transformation of the \$300+ Trillion Real Estate Industry

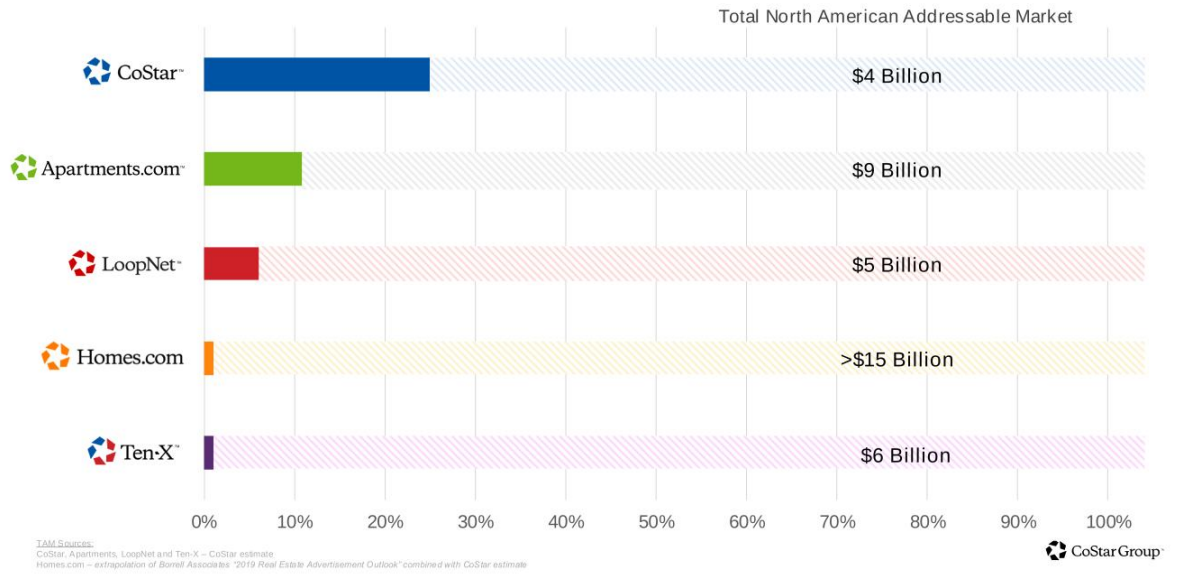
- Long growth runway: Global addressable market for real estate information and marketplaces estimated at > \$100 billion.
- Strong competitive position: Massive proprietary dataset built over 38 years with > \$5 billion invested in research.
- Leading Property Marketplaces: Hundreds of millions shop our online real estate marketplaces.
- Successful growth track record: 54 consecutive quarters of double-digit revenue growth, both organic and through acquisitions.
- Attractive financial model: 96% subscription revenue. 89% renewal rates. Strong margins, high free cash flow and a fortress balance sheet.

*All data as of September 30, 2024. Subscription revenue includes all contracts regardless of term for 3Q24. Renewal rate is for the trailing twelve months ending 9/30/24, for contracts with 12 month or longer terms.

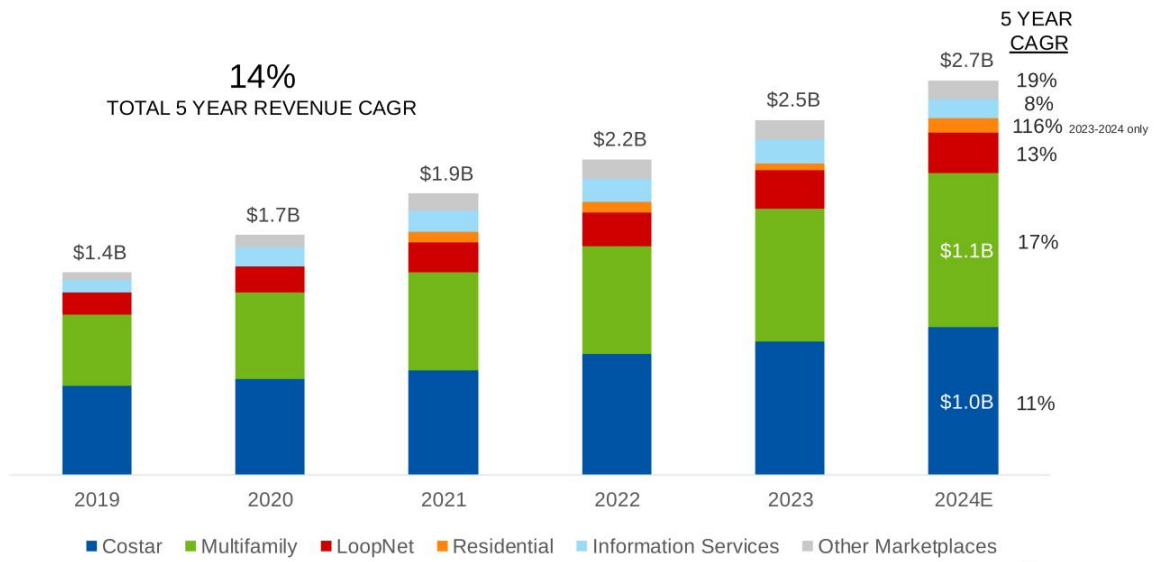
Global Real Estate: A \$300 Trillion Asset Class



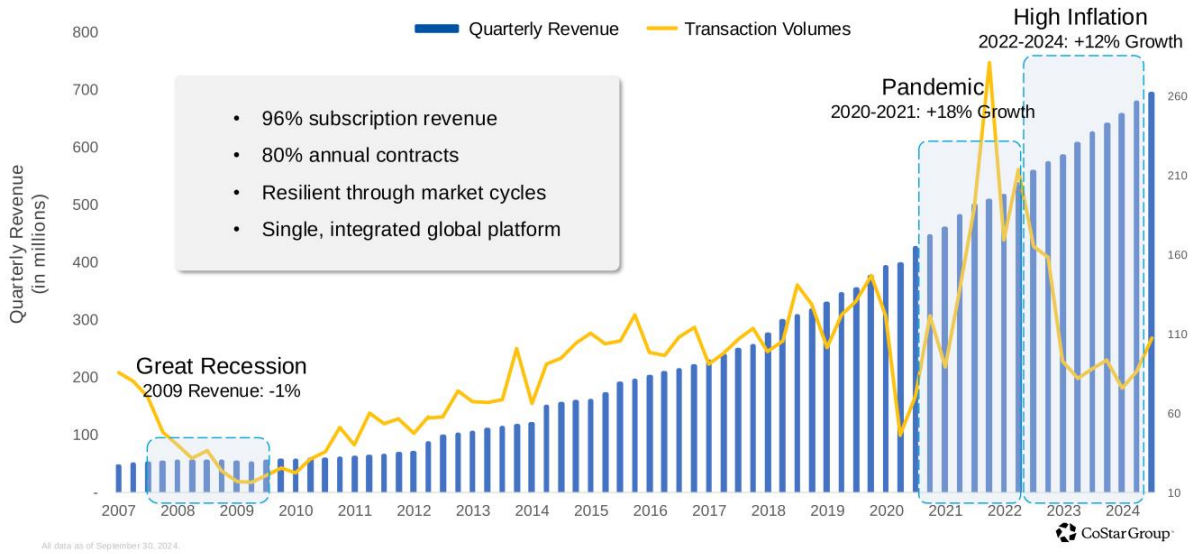
\$40B+ North American Addressable Market, Global Market > \$100B



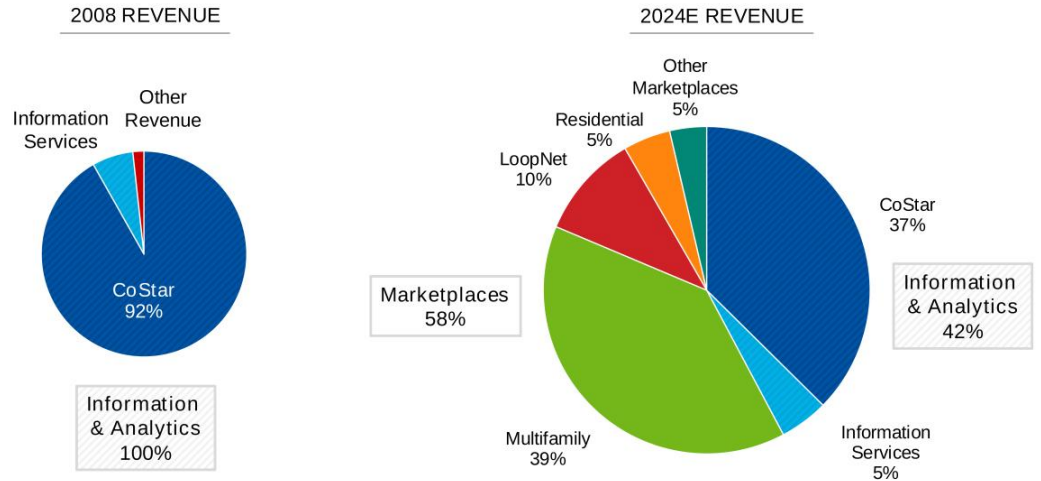
Strong Double-Digit Growth with Two Brands Over \$1 Billion in Revenue Run Rate



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

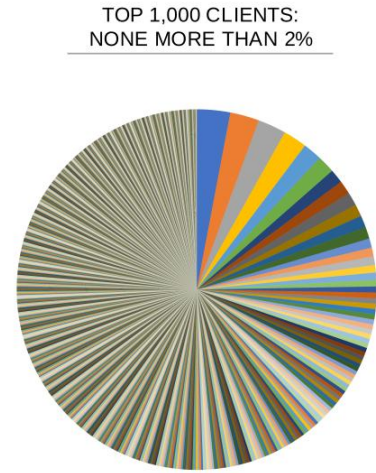
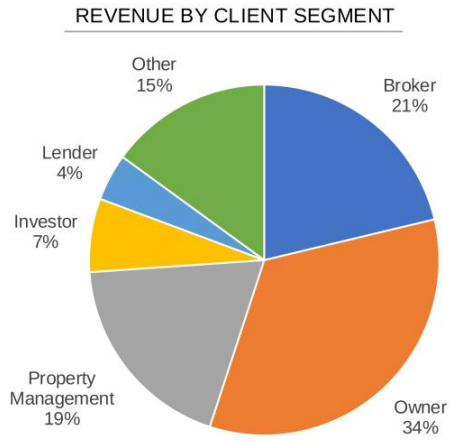


More Diversified with More Countercyclical Business Mix Since the Great Recession



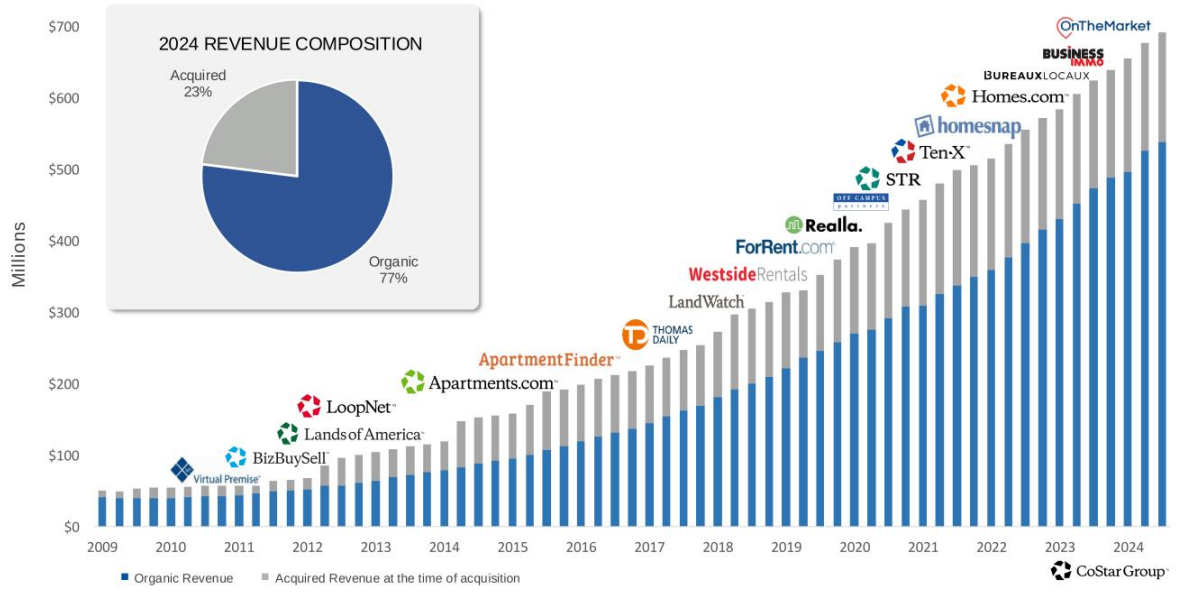
Based on internal CoStar data as of September 2024.

Diversified Client Base with Minimal Concentration



*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 26 years ago
- ✓ Double-digit revenue growth for 54 straight quarters

Predictable Subscription Services Revenue

- ✓ 96% subscription revenue with 80% annual contracts
- ✓ 95% renewal rate for clients > 5 years

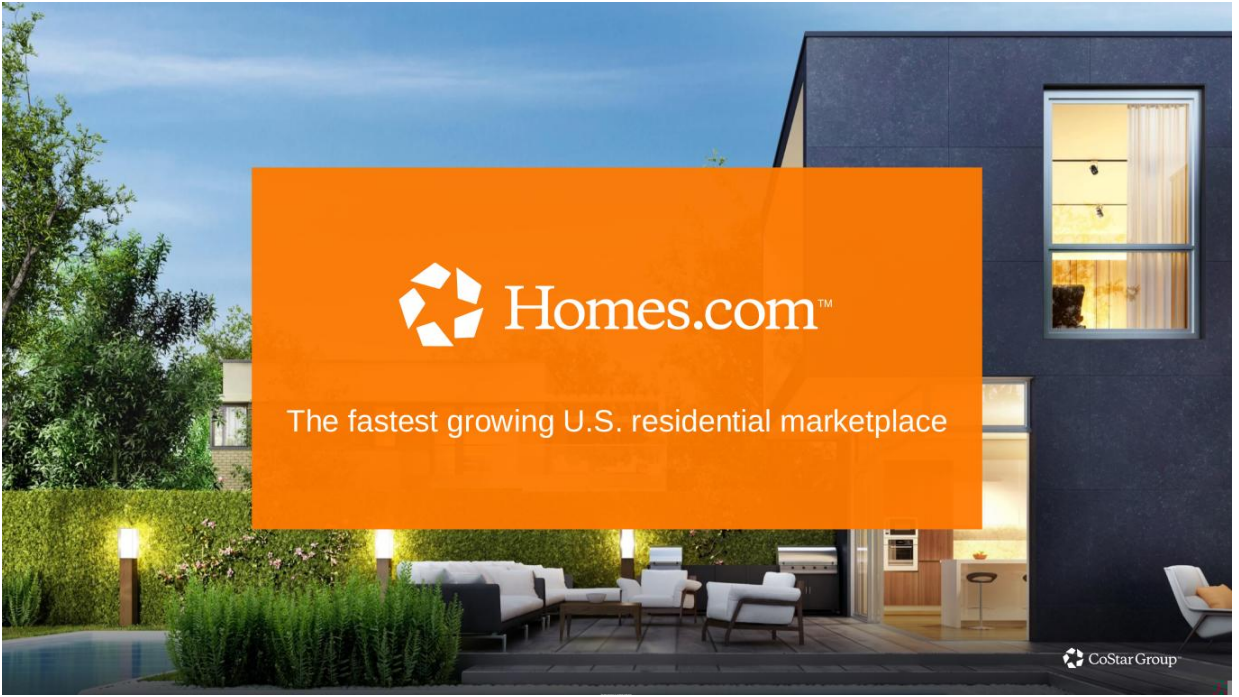
Strong Operating Leverage

- ✓ 80% gross margin
- ✓ Commercial information and marketplace businesses 40%+ profit 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 9/30/24 unless otherwise noted.

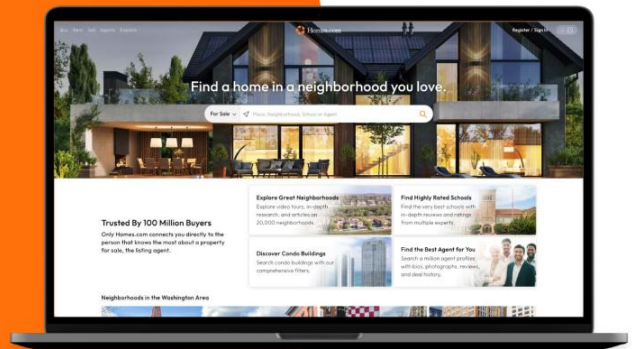


The fastest growing U.S. residential marketplace

 CoStar Group

Our Vision

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



Homes.com by the Numbers



85M

Homes.com
Average Monthly
Unique Visitors

130M

Homes.com Network
Average Monthly
Unique Visitors

2.4M

Residential For Sale
and Rental Listings

\$56M

Annualized Net New
Bookings

~11K

Member Agents

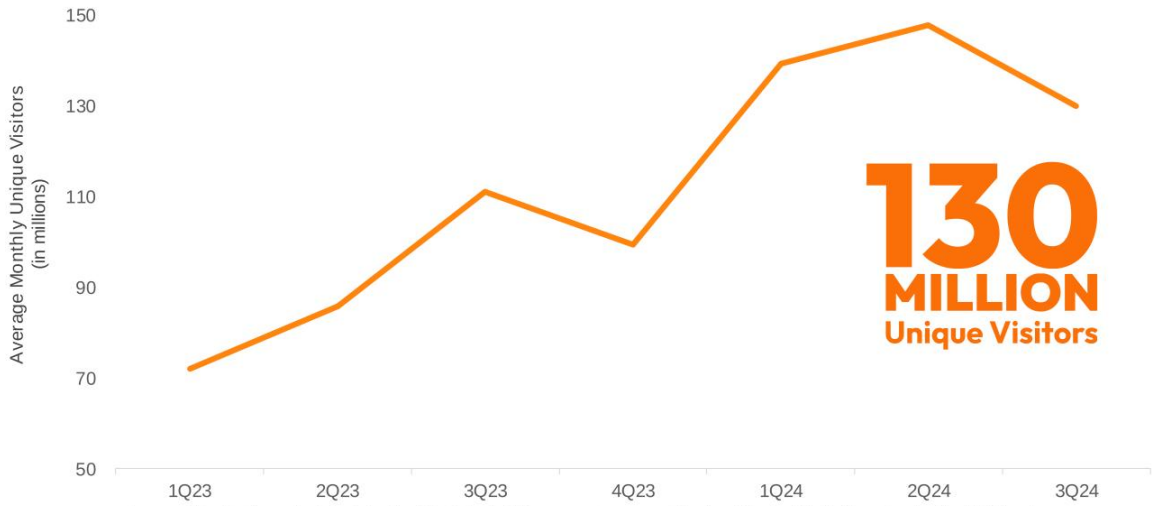
Millions

of Leads

*Sources: Traffic data from Google Analytics for the third quarter of 2024. All other based on Internal data as of September 2024.

CoStar Group

Homes.com Network Traffic Reaches 130M Average Monthly Unique Visitors in Q3

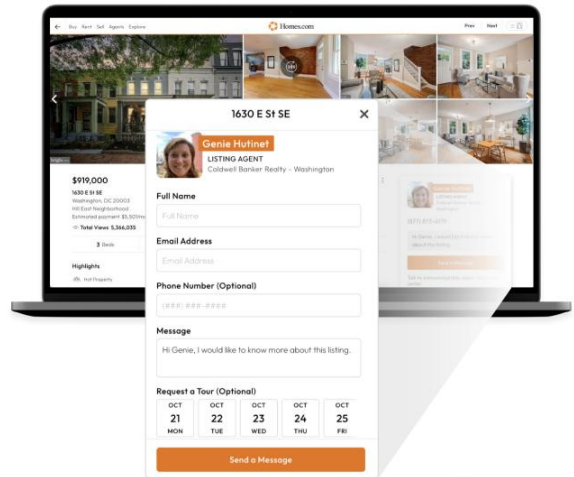


Homes.com Network traffic according to Google Analytics. *Prior to June 1, 2024, we measured average monthly unique visitors for all CoStar Group sites using Google's Universal Analytics. Beginning June 1, 2024, average monthly unique visitors are measured using Google Analytics 4 (GA4), the replacement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



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

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



*Comparison of Homes.com to other leading residential real estate portals.



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



Find an Agent

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

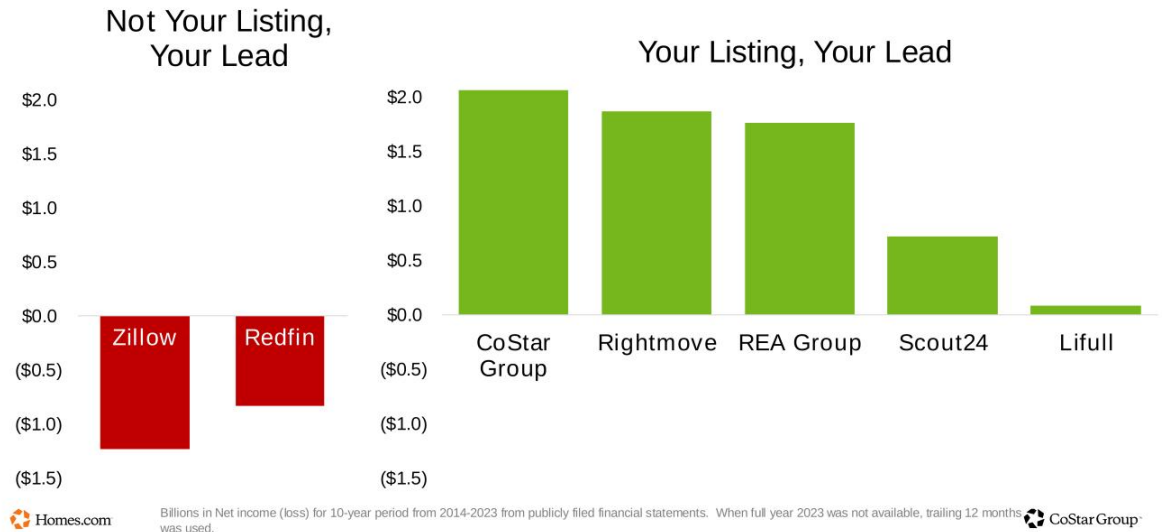


Request a tour
as early as today at 1:00 pm

Contact Zillow

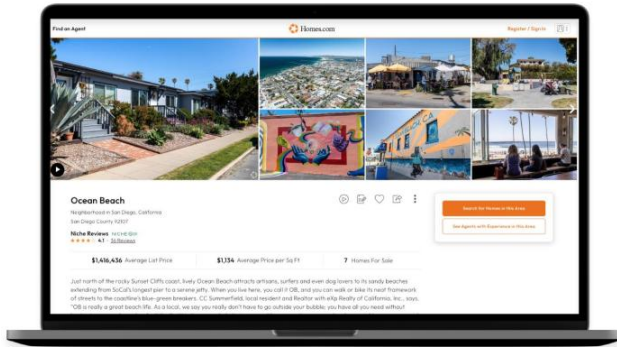


The Real Estate Portals Adhering to the Your Listing, Your Lead Principal are the Most Successful



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.



Completed 20,000+ Neighborhoods

5,000+
Cities

40,000+
Parks

125,000+
Schools

65,000+
Condo Buildings

Launched Matterport 3D Virtual Tours on
Homes.com Members Listings in 94 Markets



*Based on internal data as of September 2024.



“We’ve done your home work.”



2024 Supercharged
Marketing Campaign



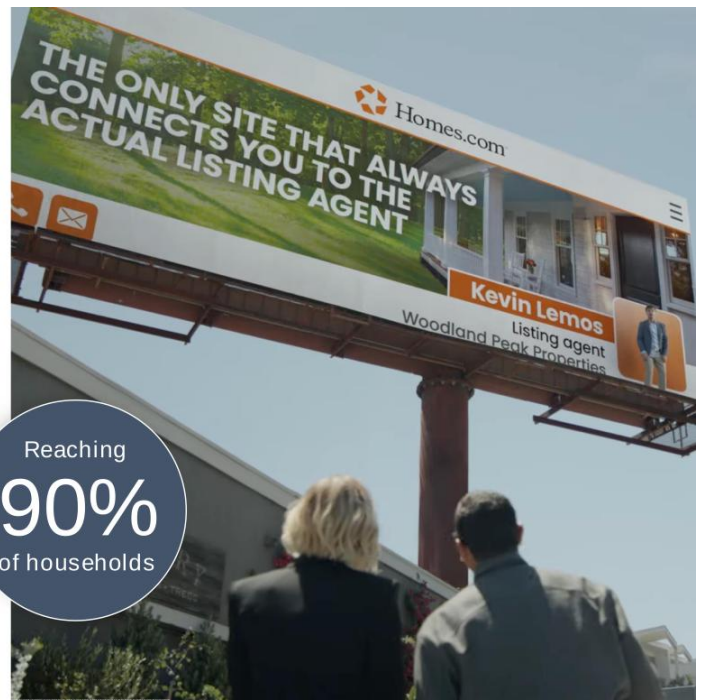
BIGGEST Real Estate Campaign Ever

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

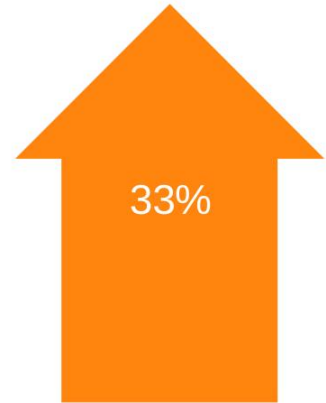
CoStar Group

Homes.com Unaided Brand Awareness Up 8x to 33%



4%

Sept '23



Sept '24

Source: RPA, an advertising and marketing agency.

 CoStar Group

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

34X

more listing shares

62X

more favorites

20%

more likely to go under contract
within first 10 days

\$11K

average higher sales price

50%

more listings won in
a month on average

Investing to Create the #1 Residential Portal in the UK




*Year over year growth as of 9/30/24. Traffic per Google Analytics. All other data from internal CoStar database as of 9/30/24.



 Apartments.com™

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

 CoStar Group

Apartments.com by the Numbers

\$1.1B

Revenue Run Rate

16%

Year-over-Year
Revenue Growth



Apartments.com™

67%

Unaided Brand
Awareness

1M+

Rental
Availabilities

1B

Annual Visits

43M

Average Monthly
Unique Visitors

*All data as of 9/30/24. Revenue Run Rate based on September 2024 annualized. Traffic data for Apartments.com Network from Google Analytics Q324. Unaided brand awareness based on RPA survey question: When searching for "apartments", what websites do you think of that list properties for rent?



More Apartment Communities Advertise on Apartments.com



~75,000
APARTMENT
COMMUNITIES
now advertise on
Apartments.com

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



- ✓ Best brand awareness
- ✓ Highest-quality leads
- ✓ Highest lead-to-lease conversion rate
- ✓ Generating the most applications

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



Tremendous Opportunity Ahead in the Small to Medium Property Space

Unit Range	Universe (Properties)	Clients (Properties)	Annual Subscription Revenue Run Rate (\$M)	Revenue Penetration	TAM (\$M)
1-49	22M	18K	\$66M	1%	\$6B
50-99	71K	12K	\$119M	17%	\$1B
100+	107K	45K	\$880M	42%	\$2B
Grand Total	23M	75K	\$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	43 million average monthly unique visitors	11X
Customers	18,000 communities	~75,000 communities	4X

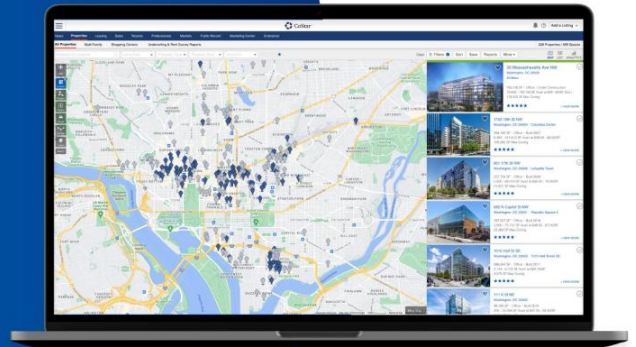


#1 based on revenue in 2023 and YTD2024 vs. competitors. Revenue Run Rate based on YTD2024 annualized including transactional revenue. 2014 ComScore traffic data. Q324 Google Analytics traffic data. Customer data from internal database.





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



CoStar by the Numbers

\$1B

Revenue Run Rate

240K

Subscribers



950K

Listings

7M

Commercial
Properties

15M

Lease
Transactions

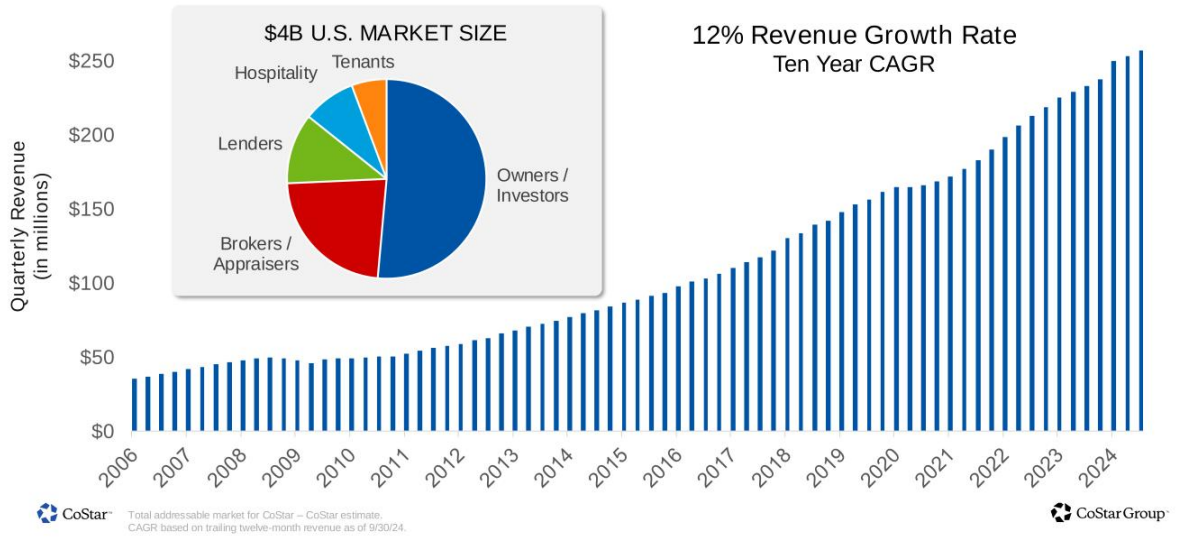
5M

Sale Transactions

* Revenue Run Rate based on Q3 24 annualized. All other data from CoStar internal database as of September 2024.

 CoStar Group

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

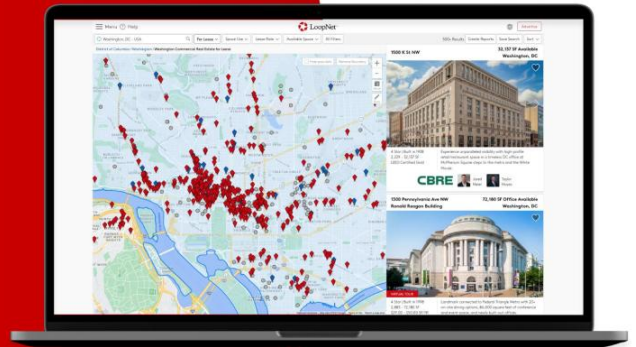


Unparalleled Research Methodology





The #1 global commercial
real estate marketplace



LoopNet by the Numbers



\$284M

Revenue Run Rate

14%

5 Year Revenue
CAGR

13M

Average Monthly
Unique
Visitors Worldwide

390K

CRE Brokers &
Owners Advertising

11X

#1 Google
keywords than
closest competitor

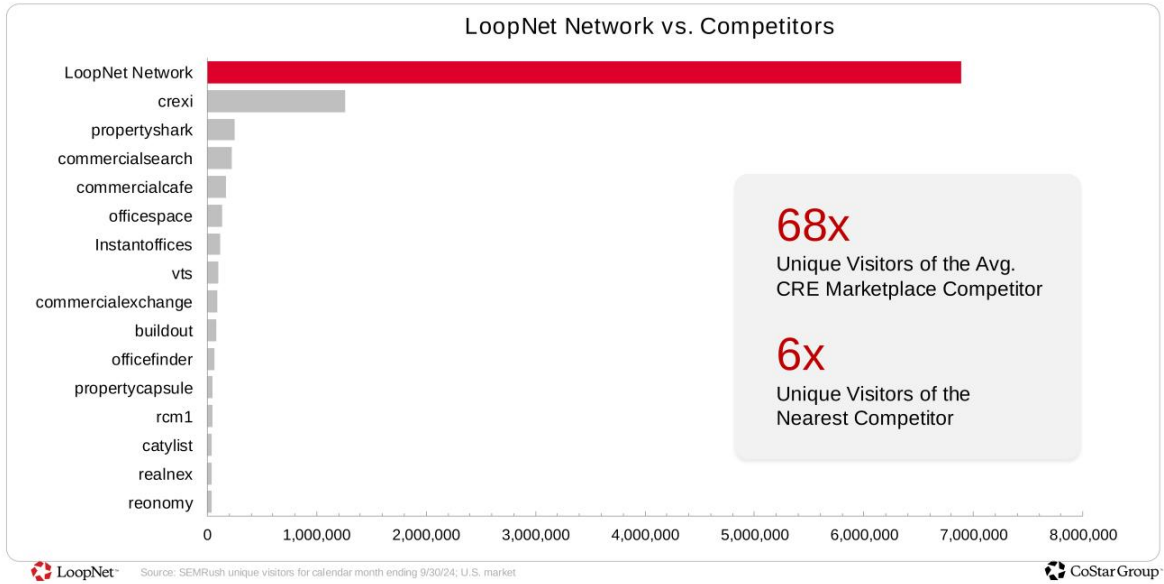
98%

Fortune 1000
Companies
Active on Site

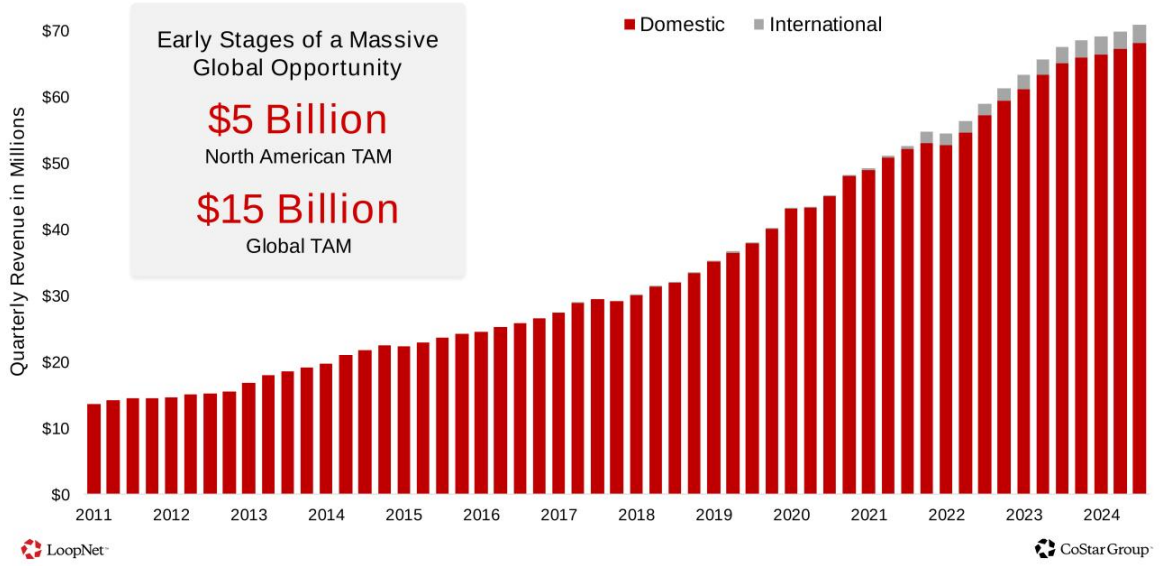
*All data as of September 2024. Run Rate based on Q324 annualized. Traffic data from Google Analytics.

CoStar Group

Commanding Share of Traffic vs. Marketplace Competitors



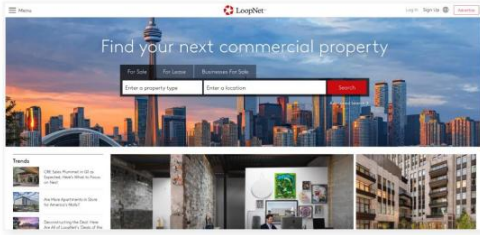
LoopNet Revenue Up 5x Since Acquisition



LoopNet International Expansion Underway

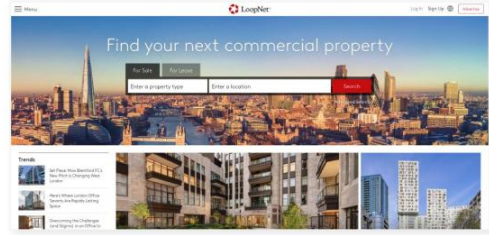
LoopNet Canada

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 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.

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.

<i>(In millions) except per share amounts</i>	For the Year Ending December 31,		For the Three Months Ended			For the Nine
	2024 - Low ⁽¹⁾	2024 - High ⁽¹⁾	December 31, 2024 - Low ⁽¹⁾	December 31, 2024 - High ⁽¹⁾	September 30, 2024	Months Ended September 30, 2024
Net income	\$ 122.0	\$ 128.0	\$ 43.0	\$ 49.0	\$ 53.0	\$ 78.9
Income tax (benefit) expense	63.0	67.0	17.0	21.0	24.7	46.2
Income before income taxes	185.0	195.0	60.0	70.0	77.7	125.1
Amortization of acquired intangible assets	71.0	71.0	17.0	17.0	16.5	54.4
Stock-based compensation expense	93.0	93.0	26.0	26.0	21.8	67.3
Acquisition and integration costs	24.0	24.0	11.0	11.0	4.4	12.7
Restructuring and related costs	—	—	—	—	0.2	0.2
Settlements and impairments	(1.0)	(1.0)	—	—	(1.3)	(1.3)
Non-GAAP income before taxes	372.0	382.0	114.0	124.0	119.3	258.4
Assumed rate for income tax expense	26 %	26 %	26 %	26 %	26 %	26 %
Assumed provision for income tax expense	(96.7)	(99.3)	(29.6)	(32.2)	(31.0)	(67.2)
Non-GAAP net income per share - diluted	\$ 275.0	\$ 283.0	\$ 84.0	\$ 92.0	\$ 88.3	\$ 191.2
Net income per share - diluted	\$ 0.30	\$ 0.31	\$ 0.11	\$ 0.12	\$ 0.13	\$ 0.19
Non-GAAP net income per share - diluted	\$ 0.67	\$ 0.69	\$ 0.21	\$ 0.23	\$ 0.22	\$ 0.47
Weighted average outstanding shares - diluted	407.8	407.8	408.3	408.3	408.0	407.6

⁽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			For the Nine Months Ended
	2024 - Low ⁽¹⁾	2024 - High ⁽¹⁾	December 31, 2024 - Low ⁽¹⁾	December 31, 2024 - High ⁽¹⁾	September 30, 2024	September 30, 2024
Net income	\$ 122.0	\$ 128.0	\$ 43.0	\$ 49.0	\$ 53.0	\$ 78.9
Amortization of acquired intangible assets	71.0	71.0	17.0	17.0	16.5	54.4
Depreciation and other amortization	42.0	42.0	11.0	11.0	10.6	31.0
Interest income, net	(216.0)	(216.0)	(51.0)	(51.0)	(55.6)	(165.3)
Other (income) expense, net	7.0	7.0	2.0	2.0	1.6	4.9
Income tax expense	63.0	67.0	17.0	21.0	24.7	46.2
EBITDA	89.0	99.0	39.0	49.0	50.8	50.1
Stock-based compensation expense	93.0	93.0	26.0	26.0	21.8	67.3
Acquisition and integration related costs	24.0	24.0	11.0	11.0	4.4	12.7
Restructuring and related costs	—	—	—	—	0.2	0.2
Settlements and impairments	(1.0)	(1.0)	—	—	(1.3)	(1.3)
Adjusted EBITDA	\$ 205.0	\$ 215.0	\$ 76.0	\$ 86.0	\$ 75.9	\$ 129.0

⁽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.

