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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 0-24531



CoStar Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**52-2091509**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1201 Wilson Blvd
Arlington VA 22209

(Address of principal executive offices) (Zip Code)

(202) 346-6500

(Registrant's telephone number, including area code)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 26, 2026, there were 402,337,328 shares of the registrant's common stock outstanding.

COSTAR GROUP, INC.
FORM 10-Q
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Glossary of Terms

The following abbreviations or acronyms used in this Quarterly Report on Form 10-Q (this "Report") are defined below:

Abbreviation or Acronym	Definition
2024 Credit Agreement	The credit agreement the Company entered into on May 24, 2024
2025 Form 10-K	CoStar Group's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 26, 2026
2025 Plan	The CoStar Group, Inc. 2025 Stock Incentive Plan, adopted by the Board of Directors on April 28, 2025 and approved by stockholders on June 26, 2025
2026 ASR Agreement	Accelerated Share Repurchase Program established in 2026
A$	Australian dollars
AI	Artificial intelligence
AI Technologies	AI and machine learning technologies
AOMs	Structured equity vehicles operating under Domain's agent ownership model, which function as strategic partnership tools providing residential and commercial real estate agencies an economic stake in Domain-affiliated entities and creating a mechanism to reward long-term engagement and performance through profit-sharing rather than traditional commissions or rebates
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BEAT	Base erosion and anti-abuse minimum tax
Board of Directors	The CoStar Group Board of Directors
Brown Defendants	Matterport, Gores Holdings VI, Inc. (now known as Matterport, LLC), Maker Merger Sub Inc., Maker Merger Sub II, LLC, and then-Matterport directors R.J. Pittman, David Gausebeck, Matt Bell, Peter Hebert, Jason Krikorian, Carlos Kokron, and Michael Gustafson
Brown Judgment	The Chancery Court awarded plaintiff William J. Brown, a former employee and a stockholder of Matterport, $79 million plus pre- and post-judgment interest as damages for losses caused by Matterport's initial refusal to issue freely transferable shares
Chancery Court	Court of Chancery of the State of Delaware
CODM	Chief Operating Decision Maker
CoStar Group (also the "Company," "we," "us," or "our")	The legal entity, CoStar Group, Inc., a Delaware corporation, one or more of its consolidated subsidiaries or operating segments, or the entirety of CoStar Group, Inc. and its consolidated subsidiaries
CoStar Group Share	A share of the common stock of the Company, par value $0.01 per share
CRI	The legal entity CoStar Realty Information, Inc., a Delaware corporation, a wholly-owned subsidiary of CoStar Group, and the Company's primary operating entity in the United States
Domain	Domain Holdings Australia Pty Limited (formerly Domain Holdings Australia Limited) and the products it sells
Domain Acquisition	CoStar Group's acquisition of Domain completed on August 27, 2025, pursuant to the Scheme Implementation Deed
Domain Proposal	The Company's non-binding indicative proposal to acquire 100% of the issued capital of Domain by way of scheme of arrangement for a cash consideration of A$4.43 per ordinary share of Domain
DSUs	Deferred Stock Units
EBITDA	Net income (loss) before interest income or expense, net; other income or expense, net; income taxes; depreciation; and amortization
EPS	Earnings per share
ESPP	Employee Stock Purchase Plan
EURIBOR	Euro Interbank Offered Rate
Exchange Act	The Securities Exchange Act of 1934, as amended

Abbreviation or Acronym	Definition
FASB	Financial Accounting Standards Board
FDII	Foreign Derived Intangible Income
GAAP	Generally accepted accounting principles in the U.S.
GILTI	Global intangible low-taxed income inclusion
Gores Transaction	The Gores merger transaction and the Agreement and Plan of Merger thereunder
Homes.com	One of the flagship brands of our residential products and a homes for-sale listings site, which provides marketing for residential real estate agents and brokers and allows homebuyers to view residential property listings, research communities, and connect with real estate agents and brokers
H.R.1	A bill to provide for reconciliation pursuant to Title II of H. Con. Res. 14, commonly referred to as the One Big Beautiful Bill Act, and signed into law on July 4, 2025
Matching RSUs	Awards of matching restricted stock units awarded under the Company's Management Stock Purchase Plan
Matterport	The legal entity Matterport, LLC, formerly known as Matterport Inc., a Delaware corporation and provider of a technology platform that uses spatial data to transform physical buildings and spaces into dimensionally accurate, digital images
Matterport Acquisition	CoStar Group's acquisition of Matterport completed on February 28, 2025, pursuant to the Matterport Merger Agreement
Matterport Common Stock	Matterport Class A common stock, par value $0.0001 per share
Matterport Merger Agreement	The Agreement and Plan of Merger and Reorganization between CoStar Group and Matterport, Matrix Merger Sub I LLC, and Matrix Merger Sub II LLC entered into on April 21, 2024
Matterport Merger Exchange Ratio	A ratio of 0.03552 which was determined by the Matterport Merger Agreement and was set on the collar floor as the volume-weighted average price at which the CoStar Group Shares traded on the Nasdaq Global Select Market for the 20 consecutive Trading Days was below the Floor Price of a symmetrical collar of $77.42
MLSs	Multiple listing services
MSPP	Management Stock Purchase Plan
NCI	Noncontrolling interest
OnTheMarket	The legal entity OnTheMarket Limited, the operator of onthemarket.com, a U.K. residential property portal
Prior Stock Repurchase Program	The stock repurchase program the Board of Directors approved in February 2025 that authorizes the repurchase of up to $500 million of CoStar Group Shares
PRSAs	Performance-based Restricted Stock Awards with market conditions
PRSUs	Performance-based Restricted Stock Units with market conditions
ROU	Right-of-use
RSAs	Restricted Stock Awards
RSUs	Restricted Stock Units
SaaS	Software as a Service
SEC	The U.S. Securities and Exchange Commission
Securities Act	The Securities Act of 1933, as amended
Senior Notes	2.800% notes issued by CoStar Group due July 15, 2030
SOFR	Secured Overnight Financing Rate
SONIA	Sterling Overnight Index Average
Stock Repurchase Program	The stock repurchase program the Board of Directors approved in December 2025 that authorizes the repurchase of up to $1.5 billion CoStar Group Shares
STR	The Company's brand for benchmarking hotel performance and providing market insights to the hospitality industry

Abbreviation or Acronym	Definition
Term SOFR	The forward-looking SOFR term rates administered by CME Group Benchmark Administration Limited
Transfer Restrictions	Certain transfer restrictions in connection with the Gores Transaction
TSR	Total shareholder return
U.K.	The United Kingdom of Great Britain and Northern Ireland
U.S.	The United States of America
Vexcel	Vexcel Group, Inc. and its subsidiaries, a leading provider of aerial imagery, geospatial data, and AI-powered digital property intelligence
Vexcel Acquisition	CoStar Group's proposed acquisition of Vexcel, pursuant to the Vexcel Merger Agreement
Vexcel Merger Agreement	The Agreement and Plan of Merger, dated as of October 26, 2026, among CRI, Velocity Merger Sub, Inc., and Vexcel Group, Inc., and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as the Stockholder Representative
VIE	Variable Interest Entity
Visual Lease	The legal entity Visual Lease, LLC, a Delaware limited liability company and operator of Visual Lease, a SaaS platform for integrated lease management and lease accounting
Visual Lease Acquisition	CoStar Group's acquisition of all of the outstanding equity interest in Visual Lease completed on November 1, 2024, pursuant to the Visual Lease Merger Agreement
Visual Lease Merger Agreement	The Agreement and Plan of Merger dated as of October 18, 2024, between CRI; Neptune Merger Sub; Visual Lease, LLC; and Shareholder Representative Services LLC as the Holder Representative, pursuant to which, among other things, and subject to its terms, Neptune Merger Sub merged with and into Visual Lease with Visual Lease surviving the merger as a wholly owned subsidiary of CRI
Zonda	Bora Inc. and its subsidiaries, a leading provider of data, analytics, software, and marketplace solutions for the residential construction industry
Zonda Acquisition	CoStar Group's acquisition of Zonda completed on August 21, 2026, pursuant to the Zonda Agreement in which CRI acquired all of the outstanding equity in Zonda
Zonda Agreement	The Stock Purchase Agreement entered into on May 28, 2026, between CRI and Bora, Inc. and Bora Holdings Group, L.P.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

COSTAR GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 952	$ 834	$ 2,774	$ 2,347
Cost of revenue	211	172	604	493
Gross profit	741	662	2,170	1,854
Operating expenses:				
Selling and marketing (excluding customer base amortization)	366	418	1,182	1,182
Software development	109	106	330	297
General and administrative	138	157	378	420
Customer base amortization	44	32	117	76
	657	713	2,007	1,975
Income (loss) from operations	84	(51)	163	(121)
Interest income (expense), net	(1)	26	7	97
Other income (expense), net	1	(21)	—	(7)
Income (loss) before income taxes	84	(46)	170	(31)
Income tax expense (benefit)	10	(15)	38	9
Net income (loss)	$ 74	$ (31)	$ 132	$ (40)
Earnings per share - basic	$ 0.18	$ (0.07)	$ 0.32	$ (0.09)
Earnings per share - diluted	$ 0.18	$ (0.07)	$ 0.32	$ (0.09)
Weighted-average outstanding shares - basic	401.6	419.9	406.2	416.7
Weighted-average outstanding shares - diluted	401.9	419.9	406.7	416.7

See accompanying notes.

COSTAR GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income (loss)	$ 74	$ (31)	$ 132	$ (40)
Other comprehensive income, net of tax				
Foreign currency translation adjustment	21	37	79	83
Other comprehensive income, net of tax	21	37	79	83
Comprehensive income	$ 95	$ 6	$ 211	$ 43

See accompanying notes.

COSTAR GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)
(unaudited)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 500	$ 1,633
Restricted cash	—	100
Accounts receivable	316	263
Less: Allowance for credit losses	(36)	(29)
Accounts receivable, net	280	234
Income taxes receivable	26	18
Prepaid expenses and other current assets	140	134
Total current assets	946	2,119
Deferred income taxes, net	8	47
Property and equipment, net	1,456	1,323
Lease right-of-use assets	126	123
Goodwill	5,428	4,944
Intangible assets, net	2,062	1,771
Deferred commission costs, net	188	184
Deposits and other assets	51	27
Total assets	$ 10,265	$ 10,538
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 56	$ 42
Accrued wages and commissions	148	145
Accrued expenses	199	203
Litigation accrual	—	99
Lease liabilities	32	28
Deferred revenue	250	205
Other current liabilities	31	24
Total current liabilities	716	746
Long-term debt, net	994	993
Deferred income taxes, net	335	238
Income taxes payable	30	27
Lease and other long-term liabilities	198	163
Total liabilities	2,273	2,167
Stockholders' equity attributable to CoStar Group	7,975	8,334
Equity attributable to noncontrolling interest	17	37
Total equity	7,992	8,371
Total liabilities and stockholders' equity	$ 10,265	$ 10,538

See accompanying notes.

COSTAR GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions)
(unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income	Retained Earnings	Stockholders' Equity Attributable to CoStar Group	Equity Attributable to NCI	Total Equity
	Shares	Amount							
Balance at December 31, 2025	417.9	$ 4	$ 6,410	$ (510)	$ 80	$ 2,350	$ 8,334	$ 37	$ 8,371
Net income	—	—	—	—	—	3	3	—	3
Other comprehensive income	—	—	—	—	51	—	51	—	51
Change in NCI	—	—	—	—	—	—	—	1	1
Exercise of stock options	0.9	—	8	—	—	—	8	—	8
Restricted stock grants vested	0.1	—	—	—	—	—	—	—	—
Restricted stock grants surrendered	(0.6)	—	(20)	—	—	—	(20)	—	(20)
ESPP and MSPP	0.2	—	5	—	—	—	5	—	5
Stock-based compensation expense	—	—	41	—	—	—	41	—	41
Stock repurchases under stock repurchase programs	(11.4)	—	(3)	(506)	—	—	(509)	—	(509)
Balance at March 31, 2026	407.1	$ 4	$ 6,441	$ (1,016)	$ 131	$ 2,353	$ 7,913	$ 38	$ 7,951
Net income	—	—	—	—	—	55	55	—	55
Other comprehensive income	—	—	—	—	7	—	7	—	7
Purchase of noncontrolling interest in AOMs	—	—	(1)	—	—	—	(1)	(25)	(26)
Restricted stock grants vested	0.1	—	—	—	—	—	—	—	—
Restricted stock grants surrendered	(0.1)	—	(1)	—	—	—	(1)	—	(1)
ESPP and MSPP	0.1	—	4	—	—	—	4	—	4
Stock-based compensation expense	—	—	38	—	—	—	38	—	38
Stock repurchases under stock repurchase programs	(2.4)	—	—	(83)	—	—	(83)	—	(83)
Balance at June 30, 2026	404.8	$ 4	$ 6,481	$ (1,099)	$ 138	$ 2,408	$ 7,932	$ 13	$ 7,945
Net income	—	—	—	—	—	74	74	—	74
Other comprehensive income	—	—	—	—	21	—	21	—	21
Change in NCI	—	—	—	—	—	—	—	4	4
Restricted stock grants surrendered	(0.2)	—	(3)	—	—	—	(3)	—	(3)
Stock-based compensation expense	—	—	32	—	—	—	32	—	32
Stock repurchases under stock repurchase programs	(2.7)	—	—	(81)	—	—	(81)	—	(81)
Balance at September 30, 2026	401.9	$ 4	$ 6,510	$ (1,180)	$ 159	$ 2,482	$ 7,975	$ 17	$ 7,992

See accompanying notes.

COSTAR GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions)
(unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss (Income)	Retained Earnings	Stockholders' Equity Attributable to CoStar Group	Equity Attributable to NCI	Total Equity
	Shares	Amount							
Balance at December 31, 2024	409.5	$ 4	$ 5,232	$ —	$ (26)	$ 2,343	$ 7,553	$ —	$ 7,553
Net loss	—	—	—	—	—	(15)	(15)	—	(15)
Other comprehensive income	—	—	—	—	9	—	9	—	9
Exercise of stock options	0.1	—	1	—	—	—	1	—	1
Restricted stock granted	2.3	—	—	—	—	—	—	—	—
Restricted stock grants surrendered	(0.3)	—	(34)	—	—	—	(34)	—	(34)
ESPP and MSPP	0.1	—	5	—	—	—	5	—	5
Stock-based compensation expense	—	—	30	—	—	—	30	—	30
Stock repurchases under stock repurchase programs	(0.2)	—	—	(18)	—	—	(18)	—	(18)
Common stock issued for Matterport Acquisition	11.7	—	1,025	—	—	—	1,025	—	1,025
Balance at March 31, 2025	423.2	$ 4	$ 6,259	$ (18)	$ (17)	$ 2,328	$ 8,556	$ —	$ 8,556
Net income	—	—	—	—	—	6	6	—	6
Other comprehensive income	—	—	—	—	37	—	37	—	37
Exercise of stock options	0.4	—	4	—	—	—	4	—	4
Restricted stock granted	0.3	—	—	—	—	—	—	—	—
Restricted stock grants surrendered	(0.1)	—	(12)	—	—	—	(12)	—	(12)
ESPP and MSPP	0.1	—	4	—	—	—	4	—	4
Stock-based compensation expense	—	—	52	—	—	—	52	—	52
Stock repurchases under stock repurchase programs	(0.6)	—	—	(46)	—	—	(46)	—	(46)
Balance at June 30, 2025	423.3	$ 4	$ 6,307	$ (64)	$ 20	$ 2,334	$ 8,601	$ —	$ 8,601
Net loss	—	—	—	—	—	(31)	(31)	—	(31)
Domain Acquisition	—	—	—	—	—	—	—	8	8
Other comprehensive income	—	—	—	—	37	—	37	—	37
Exercise of stock options	0.2	—	2	—	—	—	2	—	2
Restricted stock granted	0.6	—	—	—	—	—	—	—	—
Restricted stock grants surrendered	(0.1)	—	(17)	—	—	—	(17)	—	(17)
ESPP and MSPP	0.1	—	5	—	—	—	5	—	5
Stock-based compensation expense	—	—	70	—	—	—	70	—	70
Stock repurchases under stock repurchase programs	(0.6)	—	—	(51)	—	—	(51)	—	(51)
Balance at September 30, 2025	423.5	$ 4	$ 6,367	$ (115)	$ 57	$ 2,303	$ 8,616	$ 8	$ 8,624

See accompanying notes.

COSTAR GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
Operating activities:		
Net income (loss)	$ 132	$ (40)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	265	182
Amortization of deferred commissions costs	93	110
Non-cash lease expense	23	22
Stock-based compensation expense	112	153
Deferred income taxes, net	40	6
Credit loss expense	25	26
Other operating activities, net	12	(6)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(53)	(32)
Prepaid expenses, other current assets and other assets	(12)	(19)
Deferred commissions	(97)	(117)
Accounts payable and other liabilities	(6)	11
Litigation accrual	(99)	—
Lease liabilities	(4)	(24)
Income taxes payable, net	(6)	(21)
Deferred revenue	30	17
Net cash provided by operating activities	455	268
Investing activities:		
Cash paid for acquisitions, net of cash acquired	(789)	(2,347)
Purchases of property, equipment, and other assets for new campuses	(134)	(246)
Purchase of equity securities	—	(285)
Purchases of property, equipment, and other assets	(60)	(77)
Proceeds from sale and settlement of investments and other assets	2	205
Net cash used in investing activities	(981)	(2,750)
Financing activities:		
Repurchases of stock	(668)	(115)
Repurchase of restricted stock to satisfy tax withholding obligations	(24)	(64)
Proceeds from exercise of stock options and employee stock purchase plan	18	20
Purchase of noncontrolling interest	(26)	—
Other financing activities, net	(6)	(3)
Net cash used in financing activities	(706)	(162)
Effect of foreign currency exchange rates on cash, cash equivalents, and restricted cash	(1)	(2)
Net decrease in cash, cash equivalents, and restricted cash	(1,233)	(2,646)
Cash, cash equivalents, and restricted cash at the beginning of period	1,733	4,681
Cash, cash equivalents, and restricted cash at the end of period	$ 500	$ 2,035
Supplemental cash flow disclosures:		
Interest paid	$ 39	$ 30
Income taxes (refund) paid, net	$ (3)	$ 56
Supplemental non-cash investing and financing activities:		
Accrued capital expenditures and non-cash landlord incentives	$ 75	$ 81

See accompanying notes.

1. ORGANIZATION

CoStar Group (the "Company") is a leading global provider of online real estate marketplaces, information, analytics, and 3D digital twin technology in the property markets. The Company has created and compiled a standardized platform of real estate information, analytics, and online marketplaces where industry professionals, consumers of real estate, and the related business communities can continuously interact and facilitate transactions by efficiently accessing and exchanging accurate and standardized real estate-related information. The Company's service offerings span all property types, including office, residential, retail, industrial, multifamily, land, mixed-use, and hospitality. The Company's services are typically distributed to its customers under subscription-based agreements that generally renew automatically and have a minimum term of one year. The Company operates within two operating segments, which are Commercial Real Estate and Residential Real Estate.

The Company acquired Matterport, Domain, and Zonda in February 2025, August 2025, and August 2026, respectively. See Note 4 for further discussion of these acquisitions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed consolidated financial statements include the accounts of CoStar Group, Inc., its wholly-owned subsidiaries, and entities in which the Company maintains a controlling financial interest. All intercompany balances and transactions have been eliminated in consolidation. Accounting policies are consistent for each operating segment.

Principles of Consolidation

The Company consolidates those entities that the Company controls through either majority ownership or voting rights and VIEs where it is the primary beneficiary. The Company is deemed the primary beneficiary of a VIE when it has both (a) the power to direct the activities of the VIE that most significantly impact its economic performance and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

In determining whether the Company is the primary beneficiary, various factors are considered regarding the nature of its involvement with the VIE, including economic interests, voting rights, authority to appoint or remove directors, and ability to authorize key decisions. This analysis also requires assessment of the VIE’s design, including its capital structure, cash flows, and classes of shares.

As part of the Domain Acquisition, the Company obtained ownership interests in the AOMs, which are considered VIEs for which the Company is the primary beneficiary. Domain introduced the AOMs to incentivize real estate agents to increase their use of Domain's depth products by allowing agents to share in a portion of Domain's earnings in return for placing premium, higher-value advertisements on the Domain platform. Domain provides corporate services to the VIEs under services agreements. In addition, the Company has issued letters of support to the VIEs, committing to provide financial support in the event that the VIEs are unable to meet their liabilities independently.

In June 2026, the Company acquired all of the outstanding ownership interests in certain consolidated AOMs for approximately A$38 million ($26 million), which had a carrying value of A$37 million ($25 million). These transactions were accounted for as equity transactions, with no impact to the condensed consolidated statements of operations. The difference between the fair value of the consideration paid and the respective NCI balance was recognized as a reduction to additional paid-in capital.

See Note 4 for additional details regarding the Domain Acquisition.

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with GAAP for interim financial information. In the opinion of the Company’s management, the financial statements reflect all adjustments, consisting only of a normal recurring nature, necessary to present fairly the Company’s financial position at September 30, 2026 and December 31, 2025, the results of its operations for the three and nine months

ended September 30, 2026 and 2025, its comprehensive income for the three and nine months ended September 30, 2026 and 2025, its changes in stockholders' equity for the three and nine months ended September 30, 2026 and 2025, and its cash flows for the nine months ended September 30, 2026 and 2025.

Certain notes and other information have been condensed or omitted from the interim financial statements presented in this Report. Therefore, these financial statements should be read in conjunction with the Company’s 2025 Form 10-K.

Recast of Certain Prior Period Information

During the fourth quarter of 2025, the Company changed the composition of its segments from geography-based to product-portfolio-based. This change aligns with the internal reporting used by the CODM for assessing performance and allocating resources. Prior period segment disclosures have been recast to conform to the current presentation, except where it was impracticable to do so. These changes primarily impacted Notes 3 and 12.

The recast of prior period information did not affect the condensed consolidated balance sheets, condensed consolidated statements of operations, or other condensed consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company evaluates its estimates and assumptions, including those related to revenue recognition; determination of stand-alone selling prices of various performance obligations; allowance for credit losses; the useful lives and recoverability of long-lived and intangible assets; goodwill impairment assessment; income taxes; accounting for business combinations; stock-based compensation; the Company's incremental borrowing rate and the expected term for its leases; and contingencies, among others. The Company bases these estimates on historical and anticipated results, trends, and various other assumptions that it believes are reasonable, including assumptions as to future events. These estimates form the basis for making judgments about the carrying values of assets and liabilities and recorded revenue and expenses. Actual results could differ from these estimates.

Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company's revenue contracts can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of allowances for refunds and returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Nature of Products and Services

The Company derives revenue primarily by providing subscription-based (i) advertising services on its online marketplaces for professional property management companies, property owners, real estate agents and brokers, home builders, and landlords and (ii) access to its proprietary database of real estate information, including benchmarking and analytics for the hospitality industry, housing market data and analytics, and analytics for lenders. Other subscription-based services include (i) real estate and lease management solutions to commercial customers and real estate investors, (ii) software solutions that enable self-service home tours, and (iii) access to its AI-powered spatial data platform to create high-fidelity and high-accuracy digital twins of physical spaces.

Subscription contract rates are generally based on the number of sites, number of users, organization size, the customer’s business focus, geography, the number of properties reported on or analyzed, the number and types of services to which a customer subscribes, the number of properties or residential communities a customer advertises, the number of digital twins hosted, the number of transactions and average transaction size a broker or agent has closed, and the prominence and placement of a customer's advertised properties in the search results. The Company’s subscription-based licenses, advertising packages, and membership agreements generally renew automatically, and the majority have a term of at least one year. Revenue from subscription-based contracts was approximately 89% and 92% of total revenue for the three months ended September 30, 2026 and 2025, respectively, and approximately 89% and 94% of total revenue for the nine months ended September 30, 2026 and 2025, respectively.

The Company also derives revenue from transaction-based services, including: (i) providing premium listings for individual properties and residential communities on its marketplaces, (ii) providing data capture services to create digital twins, (iii) the sale of Matterport cameras and capture equipment, (iv) Ten-X's auctions, (v) one-time sales of housing market data, advisory services, digital advertising, home plans, and software and related services, and (vi) ancillary products and services that are sold on an ad hoc basis.

The Company analyzes contracts to determine the appropriate revenue recognition using the following steps: (i) identification of contracts with customers, (ii) identification of distinct performance obligations in the contract, (iii) determination of contract transaction price, (iv) allocation of contract transaction price to the performance obligations, and (v) determination of revenue recognition based on timing of satisfaction of the performance obligations.

The Company recognizes revenue upon the satisfaction of its performance obligations (upon transfer of control of promised services to its customers) in an amount that reflects the consideration which it expects to be entitled to in exchange for those services. Revenue from subscription-based services is recognized on a straight-line basis over the term of the agreement. Revenue from premium listings sold on a transactional basis is recognized over the estimated period the advertisements will be active. Revenue from advisory services and certain software and related services is generally recognized over time as services are performed using output methods that measure the value transferred to the customer. Revenue from digital advertising is recognized when delivered and revenue from home plans is recognized upon delivery. Revenue from all other transaction-based services is recognized when the promised products or services are delivered, which are detailed in the following table:

Service or Product	**Point in time of transfer**
Matterport capture services	when the digital twin is available to be accessed
Matterport cameras	as defined in the customer's contract and generally upon shipment
Ten-X Auctions	at the successful closing for the sale of the auctioned property
Ad hoc products or services	when delivered to or available to be used by the customer

Revenue for sales of Matterport cameras is recorded net of estimates of returns, as buyers are entitled to return the camera within 30 days from the date of purchase for a full refund. These rights are accounted for as variable consideration and recognized as a reduction to the revenue recognized.

In limited circumstances, the Company's contracts with customers include promises to transfer multiple goods and services, such as contracts for its subscription-based services and professional services or product sales, digital twin capture services, and subscription-based hosting service. For these contracts, the Company accounts for individual performance obligations separately if they are distinct, which involves the determination of the standalone selling price for each distinct performance obligation.

Contract Balances and Other Receivables

Deferred revenue results from amounts billed in advance to customers or cash received from customers in advance of the Company's fulfillment of its performance obligations and is recognized as those obligations are satisfied.

Contract assets represent a conditional right to consideration for satisfied performance obligations that become a receivable when the conditions are satisfied. Contract assets are generated when contractual billing schedules differ from revenue recognition timing.

Assets Recognized from Costs to Obtain a Contract with a Customer

Certain sales commissions are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions incurred for obtaining new contracts are deferred and then amortized as selling and marketing (excluding customer base amortization) expenses over the period of benefit that the Company has determined to be three years. The amortization period was determined based on several factors, including the nature of the technology and proprietary data underlying the services being purchased, customer contract renewal rates, and industry competition. Sales commissions that do not represent incremental costs of obtaining a contract, or that would otherwise be amortized over a period of one year or less, are not subject to capitalization and are recognized as incurred.

See Note 3 for further discussion of the Company's revenue recognition.

Cost of Revenue

Cost of revenue principally consists of salaries, benefits, bonuses, stock-based compensation expenses, and other indirect costs for the Company's researchers who collect and analyze the real estate data that is the basis for the Company's real estate information, analytics, and online marketplaces services and for employees who support these products. Additionally, cost of revenue includes amortization of acquired trade names, technology, and certain other intangible assets; product hosting costs; credit card and other transaction fees relating to processing customer transactions; cost of data from third-party data sources; costs of capture services; and costs of Matterport cameras sold.

Foreign Currency Translation

The Company’s reporting currency is the U.S. dollar. The functional currency for the majority of its operations is the local currency, with the exception of certain international locations for which the functional currency is the British Pound or U.S. dollar. Assets and liabilities denominated in a foreign currency are translated into U.S. dollars using the exchange rates in effect as of the balance sheet date. Gains and losses resulting from translation are included in accumulated other comprehensive income. Currency gains and losses on the translation of intercompany loans made to foreign subsidiaries that are of a long-term investment nature are also included in accumulated other comprehensive income. Gains and losses resulting from transactions denominated in a currency other than the functional currency of the entity are included in other income (expense), net in the condensed consolidated statements of operations using the average exchange rates in effect during the period. The Company recognized a net foreign currency gain of $1 million for the three months ended September 30, 2026 and did not recognize any foreign currency gain or loss for the three months ended September 30, 2025. The Company did not recognize any foreign currency gain or loss for the nine months ended September 30, 2026 and recognized a net foreign currency loss of $5 million for the nine months ended September 30, 2025.

Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income were as follows (in millions):

	September 30, 2026	December 31, 2025
Foreign currency translation income	$ 159	$ 80
Total accumulated other comprehensive income	$ 159	$ 80

For the nine months ended September 30, 2026 and 2025, there were no amounts reclassified out of accumulated other comprehensive income to the condensed consolidated statements of operations.

Income Taxes

Deferred income taxes result from temporary differences between the tax basis of assets and liabilities and the basis reported in the Company’s condensed consolidated financial statements. Deferred tax liabilities and assets are determined based on the difference between the financial statement and the tax basis of assets and liabilities using enacted rates in effect during the year in which the Company expects differences to reverse. Valuation allowances are provided against assets, including net operating losses, if the Company determines it is more likely than not that some portion or all of an asset may not be realized. Interest and penalties related to income tax matters are recognized in income tax expense (benefit).

The Company has elected to record the GILTI under the current-period cost method.

On July 4, 2025, new federal tax legislation, H.R.1, was enacted. The legislation amends U.S. tax law, including provisions related to domestic research and development expenses, the restoration of EBITDA-based interest deduction limitation, and bonus depreciation, among others, and international tax provisions, including eliminating the net deemed tangible income return, decreasing the tax rates and taxable income computations applicable to GILTI and FDII, and permanently increasing the BEAT rate. For the three and nine months ended September 30, 2026, the Company has assessed the impact of the legislation on its condensed consolidated financial statements and has included the impact of items affecting its forecasted tax rate as part of its income tax expense computed.

See Note 10 for further discussion of the Company's accounting for income taxes.

Earnings Per Share

Earnings per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period on a basic and diluted basis.

The following table sets forth the calculation of basic and diluted earnings per share (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net income (loss)	$ 74	$ (31)	$ 132	$ (40)
Denominator:				
Denominator for basic earnings per share — weighted-average outstanding shares	401.6	419.9	406.2	416.7
Effect of dilutive securities:				
Stock options, RSAs, and RSUs	0.3	—	0.5	—
Denominator for diluted earnings per share — weighted-average outstanding shares	401.9	419.9	406.7	416.7
Earnings per share - basic	$ 0.18	$ (0.07)	$ 0.32	$ (0.09)
Earnings per share - diluted	$ 0.18	$ (0.07)	$ 0.32	$ (0.09)

The Company's potentially dilutive securities include outstanding stock options and unvested stock-based awards, which include RSAs, RSUs, and Matching RSUs awarded under the MSPP. Shares underlying unvested RSAs and RSUs that vest based on a performance condition and a market condition that have not been achieved as of the end of the period are not included in the computation of basic or diluted earnings per share. Diluted earnings per share considers the impact of potentially dilutive securities except when the inclusion of the potentially dilutive securities would have an anti-dilutive effect.

The following table summarizes the shares underlying the unvested performance-based RSAs and RSUs and anti-dilutive securities excluded from the basic and diluted earnings per share calculations (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Performance-based RSAs and RSUs	1.7	1.4	1.7	1.4
Anti-dilutive securities	6.2	0.8	5.4	1.8

Treasury Stock

Shares repurchased under the Company's Prior Stock Repurchase Program and Stock Repurchase Program are recorded as treasury stock and presented as a reduction to stockholders' equity when the transaction is settled. Direct costs incurred to repurchase shares include estimated excise taxes, transaction fees, and other costs and are included in the total cost basis of treasury stock within stockholders' equity attributable to CoStar Group. Direct costs incurred to repurchase shares do not reduce the Company's remaining authorization under its share repurchase programs.

Stock-Based Compensation

Equity instruments issued in exchange for services performed by officers, employees, and directors of the Company are accounted for using a fair value-based method and the fair value of such equity instruments is recognized as expense in the condensed consolidated statements of operations.

For stock-based awards that vest over a specific service period, compensation expense is measured based on the fair value of the awards at the grant date and is recognized on a straight-line basis over the service period of the awards, net of an

estimated forfeiture rate. For equity instruments that vest based on achievement of both a performance and a market condition, stock-based compensation expense is recognized over the service period of the awards based on the expected achievement of the related performance conditions at the end of each reporting period. If the Company's initial estimates of the achievement of the performance conditions change, the related stock-based compensation expense may fluctuate from period to period based on those estimates. If the performance conditions are not met, no stock-based compensation expense will be recognized and any previously recognized stock-based compensation expense will be reversed. For awards with both a performance and a market condition, the Company estimates the fair value of each equity instrument granted on the date of grant using a Monte-Carlo simulation model. This pricing model uses multiple simulations to evaluate the probability of achieving the market condition to calculate the fair value of the awards which includes the recent market price and volatility of the Company's shares. When determining the grant date fair value of all stock-based awards, the Company considers whether it is in possession of any material, non-public information that upon its release would have a material effect on its share price, and if so, whether the observable share price or expected volatility assumptions used in determining the fair value of the awards should be adjusted.

Stock-based compensation expense for stock options, RSAs, and RSUs issued under equity incentive plans, stock purchases under the ESPP, and DSUs and Matching RSUs awarded under the MSPP included in the Company’s condensed consolidated statements of operations were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of revenue	$ 4	$ 6	$ 17	$ 16
Selling and marketing (excluding customer base amortization)	5	13	15	26
Software development	10	14	32	34
General and administrative	13	38	48	77
Total stock-based compensation expense	$ 32	$ 71	$ 112	$ 153

Loss Contingencies and Litigation Expense

The Company is subject to the possibility of losses from various contingencies, including certain legal proceedings. Significant judgment is necessary to estimate the probability and amount of a loss, if any, from such contingencies. An accrual is made when it is probable that a liability has been incurred or an asset has been impaired, and the amount of loss can be reasonably estimated. In accounting for the resolution of contingencies, significant judgment may be necessary to estimate amounts pertaining to periods prior to the resolution that are charged to operations in the period of resolution and amounts related to future periods. If only a range of estimated losses can be determined, the Company records an amount within the range that, in its judgment, reflects the most likely outcome; if none of the estimates within that range are a better estimate than any other amount, the Company records the low end of the range. Any such accrual would be charged to expense in the appropriate period.

Deal-Contingent Foreign Currency Forward Contracts

On May 9, 2025, the Company entered into deal-contingent foreign currency forward contracts to manage the risk of appreciation of the Australian dollar-denominated purchase price related to the Domain Acquisition. Deal-contingent foreign currency forward contracts had an aggregate notional amount of A$2.4 billion ($1.5 billion). These derivative instruments were entered into as economic hedges and do not qualify for hedge accounting. The contracts were settled on August 22, 2025. The Company recognized losses of $23 million and $10 million for the three and nine months ended September 30, 2025, respectively, related to these contracts. The losses were recorded in other income (expense), net in the condensed consolidated statements of operations.

See Note 4 for further discussion regarding the Company's acquisitions.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Restricted cash consisted of cash deposited as collateral related to a litigation bond in a third-party insured

account, which was liquidated in June 2026 with the resolution of the Brown Judgment. See Note 11 for further discussion regarding the Company's litigation.

Cash, cash equivalents, and restricted cash are included in the following line items in the condensed consolidated balance sheets and condensed consolidated statements of cash flows (in millions):

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 500	$ 1,633
Restricted cash	—	100
Total cash, cash equivalents, and restricted cash	$ 500	$ 1,733

Allowance for Credit Losses

The Company maintains an allowance for credit losses to cover its current expected credit losses on its trade receivables and contract assets arising from the failure of customers to make contractual payments. The Company estimates credit losses expected over the life of its trade receivables and contract assets based on historical information combined with current conditions that may affect a customer's ability to pay. While the Company uses various credit quality metrics, it primarily monitors collectability by reviewing the duration of collection pursuits on its delinquent trade receivables and historical write-off trends. Based on the Company's experience, the customer's delinquency status is the strongest indicator of the credit quality of the underlying trade receivables. The Company's policy is to write-off trade receivables when they are deemed uncollectible.

The following table details the activity related to the allowance for credit losses for trade receivables (in millions):

	Nine Months Ended September 30,	
	2026	2025
Beginning balance	$ 29	$ 23
Current-period provision for expected credit losses	25	26
Write-offs charged against the allowance	(18)	(19)
Ending balance	$ 36	$ 30

Inventories

Inventories consist primarily of finished goods, assemblies, and raw materials. Assemblies are generally purchased from contract manufacturers. Inventories are valued at the lower of cost or net realizable value. Costs are determined using standard cost, which approximates actual cost on a first-in, first-out basis. The Company assesses the valuation of inventory and periodically adjusts the value for estimated excess and obsolete inventory based upon estimates of future demand and market conditions, as well as damaged or otherwise impaired goods.

Inventories of Matterport cameras and accessories consisted of the following (in millions):

	September 30, 2026	December 31, 2025
Finished goods	$ 14	$ 4
Purchased parts and raw materials	6	2
Total inventories	$ 20	$ 6

Leases

The determination of whether an arrangement contains a lease and the classification of a lease, if applicable, is made at the commencement of the arrangement, at which time the Company also measures and recognizes a ROU asset, representing the Company's right to use the underlying asset, and a lease liability, representing the Company's obligation to make lease payments under the terms of the arrangement. For the purposes of recognizing ROU assets and lease liabilities associated with the Company's leases, the Company has elected the practical expedient to not recognize a ROU asset or lease liability for short-term leases, which are leases with a term of one year or less. The lease term is defined as the noncancelable portion of the lease term, plus any periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised.

In determining the amount of lease payments used in measuring ROU assets and lease liabilities, the Company has elected the practical expedient not to separate non-lease components from lease components for all classes of underlying assets. Consideration deemed part of the lease payments used to measure ROU assets and lease liabilities generally includes fixed payments and variable payments based on either an index or a rate, offset by lease incentives. Upon commencement, the initial ROU asset also includes any lease prepayments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The rates implicit within the Company's leases are generally not determinable. Therefore, the Company's incremental borrowing rate is used to determine the present value of lease payments. The determination of the Company's incremental borrowing rate requires judgment and is determined at lease commencement and is subsequently reassessed upon a modification to the lease arrangement.

Lease costs related to the Company's operating leases are generally recognized as a single ratable lease cost over the lease term.

See Note 6 for further discussion of the Company's accounting for leases.

Property and Equipment, Net

Property and equipment, net are stated at cost, net of accumulated depreciation and amortization. All repairs and maintenance costs are expensed as incurred. Construction in progress includes expenditures for construction and improvements to the Company's campuses and are stated at cost. Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets. The Company capitalizes interest costs during the construction phase. Capitalized interest is included in the cost of the underlying asset and amortized over the estimated useful life of the asset.

Construction of the Richmond, Virginia campus was substantially completed and the building was operational in June 2026 in advance of the grand opening in July 2026. As of September 30, 2026, estimated costs incurred by asset category were as follows (in millions), including $31 million of interest capitalized over the course of construction:

	Estimated Useful Life (in years)	Amount
Buildings	39	$ 649
Building improvements	15	159
Furniture and office equipment	5-10	33
Total		$ 841

Long-Lived Assets, Intangible Assets, and Goodwill

Long-lived assets, such as property and equipment, purchased intangibles, and lease ROU assets are subject to depreciation or amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

During the three months ended September 30, 2026, the Company recognized impairment charges of $8 million for lease right-of-use assets and $2 million for property and equipment, net for an office lease assumed in the Domain Acquisition and subsequently vacated. These impairment charges represent the amounts by which the carrying values of the asset groups exceeded their estimated fair values and were recorded as general and administrative expenses in the Company's condensed consolidated statements of operations.

Acquired technology and data, customer base assets, trade names, and other intangible assets are related to the Company's acquisitions. The Company removes fully amortized intangible assets from the cost and accumulated amortization amounts disclosed.

Goodwill is tested for impairment at least annually, on October 1, or more frequently if an event or other circumstance indicates that the fair value of a reporting unit may be below its carrying amount. The Company may first assess qualitative factors to evaluate whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount or elect to bypass the qualitative assessment. If it is determined that it is more likely than not that the fair value of a reporting unit

is less than its carrying value, or the Company elects to bypass the qualitative assessment, the Company then performs a quantitative assessment by determining the fair value of each reporting unit. The estimate of the fair value of each reporting unit is based on a projected discounted cash flow model that includes significant assumptions and estimates, including the discount rate, growth rate, and future financial performance. Assumptions about the discount rate are based on a weighted-average cost of capital for comparable companies. Assumptions about the growth rate and future financial performance of a reporting unit are based on the Company's forecasts, business plans, economic projections, and anticipated future cash flows. The fair value of each reporting unit is compared to the carrying amount of the reporting unit. If the carrying value of the reporting unit exceeds the fair value, then an impairment loss is recognized for the difference.

See Notes 4, 7, and 8 for further discussion of the Company's acquisitions, goodwill, and intangible assets, respectively.

Leasing Operations and Other Income (Expense), Net

In February 2024, the Company closed on the purchase of an office tower and the land on which it rests in Arlington, Virginia. In January 2025, the Company relocated its headquarters from Washington, D.C. to Arlington, VA, initially occupying approximately 30% of the building. The Company continues to build out further space in this building to support anticipated growth and expansion of its operations in the coming years. Maintenance, physical facilities, leasing, property management, and other key responsibilities related to property ownership are outsourced to professional real-estate managers. The office tower measures approximately 550,000 rentable square feet.

The Company records the third-party rental activity from this building's operations and leases, including building depreciation and operating expenses for space occupied by tenants, as other income (expense), net in the condensed consolidated statements of operations.

Deferred lease income as of September 30, 2026 and December 31, 2025 was as follows (in millions):

Balance	Balance Sheet Caption	September 30, 2026	December 31, 2025
Current portion	Other current liabilities	$ 6	$
Non-current portion	Lease and other long-term liabilities	31	
Total deferred lease income		$ 37	$

Lease income includes base rent each tenant pays in accordance with the terms of its respective lease and is reported on a straight-line basis over the noncancelable term of the lease, which includes the effects of periodic step-ups in rent and rent abatements under the lease. When a renewal option is included within the lease, the Company assesses whether the option is reasonably certain of being exercised against relevant economic factors to determine whether the option period should be included as part of the lease term. Further, lease income includes tenant reimbursement amounts for the recovery of the operating expenses and real estate taxes. Tenant reimbursements, which vary each period, are non-lease components that are not the predominant activity within the contract. The Company has elected the practical expedient that allows it to combine certain lease and non-lease components of operating leases. Non-lease components are recognized together with fixed base rent in "lease income" as variable lease income in the same period as the related expenses are incurred. For the three and nine months ended September 30, 2026 and 2025, variable lease income was not material. Components of other income (expense), net related to leasing operations for the three and nine months ended September 30, 2026 and 2025 were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Lease income[1]	$ 3	$ 4	$ 10	$ 13
Less:				
Property operating expenses	2	2	4	4
Depreciation and amortization expense	2	2	7	14
Other expense from leasing operations	$ (1)	$ —	$ (1)	$ (5)

[1] Includes $1 million of amortization expense of above-market leases for both the three months ended September 30, 2026 and 2025, and $4 million and $3 million for the nine months ended September 30, 2026 and 2025, respectively.

Building depreciation and operating expenses for space occupied by the Company are allocated among cost of revenue, selling and marketing (excluding customer base amortization), software development, and general and administrative expenses in the condensed consolidated statements of operations based on the headcount of the respective departments occupying the building. As of September 30, 2026, the Company occupied approximately 60% of the property with the remainder leased or available to be leased to third parties.

Debt Issuance Costs

Costs incurred in connection with the issuance of long-term debt are deferred and amortized as interest expense over the term of the related debt using the effective interest method for term debt and on a straight-line basis for revolving debt. The Company made a policy election to classify deferred issuance costs on the revolving credit facility as a long-term asset on its condensed consolidated balance sheets. Upon a refinancing or amendment, previously capitalized debt issuance costs are expensed and included in loss on extinguishment of debt if the Company determines that there has been a substantial modification of the related debt. If the Company determines that there has not been a substantial modification of the related debt, any previously capitalized debt issuance costs are amortized as interest expense over the term of the new debt instrument.

See Note 9 for further discussion of the Company's accounting for its outstanding debt, revolving credit facility, and related issuance costs.

Business Combinations

The Company includes the results of operations of the businesses that it acquires from the date of acquisition. The Company generally allocates the purchase consideration to the tangible assets acquired and liabilities assumed and intangible assets acquired based on their estimated fair values on the date of the acquisition. The purchase price is generally determined based on the fair value of the assets transferred, liabilities assumed, and equity interests issued, after considering any transactions that are separate from the business combination. The excess of the fair value of purchase consideration, the fair value of any NCI in the acquiree, and the fair value of any previous equity interest in the acquiree over the fair values of these identifiable assets and liabilities is recorded as goodwill. In a business combination achieved in stages, the Company remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in results of operations. The Company applies significant assumptions, estimates, and judgments in determining the fair value of assets acquired and liabilities assumed on the acquisition date, especially with respect to intangible assets and contingent liabilities. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired customer bases, acquired technology, acquired trade names, useful lives, royalty rates, and discount rates. Estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Any adjustments to provisional amounts that are identified during the measurement period, not to exceed one year from the date of acquisition, are recorded in the reporting period in which the adjustment amounts are determined. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

The Company has elected the practical expedient provided under ASC 805, *Business Combinations*, which allows for contract assets and liabilities acquired or assumed in an acquisition to be measured in accordance with the accounting framework for revenue from contracts with customers as if the Company had originated the acquired contract. This is an exception to the general requirement to measure assets acquired and liabilities assumed at their fair value on the acquisition date.

For a given acquisition, the Company may identify certain pre-acquisition contingencies as of the acquisition date and may extend its review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether the Company includes these contingencies as part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts.

If the Company cannot reasonably determine the fair value of a pre-acquisition contingency (non-income tax-related) by the end of the measurement period, which is generally the case given the nature of such matters, the Company will recognize an asset or a liability for such pre-acquisition contingency if: (i) it is probable that an asset existed or a liability had been assumed at the acquisition date and (ii) the amount of the asset or liability can be reasonably estimated. Subsequent to the measurement period, changes in the Company's estimates of such contingencies will affect earnings and could have a material effect on its results of operations and financial position.

In addition, uncertain tax positions and tax-related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. The Company reevaluates these items based upon facts and circumstances that existed as of the acquisition date with any adjustments to its preliminary estimates being recorded to goodwill, provided that the Company is within the measurement period. Subsequent to the measurement period, changes to these uncertain tax positions and tax-related valuation allowances will affect the Company's provision for income taxes in its condensed consolidated statements of operations and comprehensive income and could have a material impact on its results of operations and financial position.

Transaction costs associated with business combinations are expensed as incurred and are included in general and administrative expenses in the condensed consolidated statements of operations.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The Company adopted ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* effective January 1, 2026. This ASU provides a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. Under the expedient, entities may assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when developing reasonable and supportable forecasts as part of estimating expected credit losses. The Company adopted the ASU effective January 1, 2026 on a prospective basis and elected the practical expedient for the calculation of current expected credit losses. The adoption did not result in a material impact on the Company's condensed consolidated financial statements and related disclosures.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures* (Subtopic 220-40): *Disaggregation of Income Statement Expenses*. The ASU requires incremental disclosures about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization, and selling expenses. The amendments are effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and the amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*. The ASU revises current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a VIE that meets the definition of a business. The amendments differ from current GAAP because, for certain transactions, they replace the requirement that the primary beneficiary of a VIE is always the acquirer with an assessment that requires an entity to consider the factors to determine which entity is the accounting acquirer. Under the amendments, acquisition transactions in which the legal acquiree is a VIE will, in more instances, result in the same accounting outcomes as economically similar transactions in which the legal acquiree is a voting interest entity. The ASU does not change the accounting for a transaction determined to be a reverse acquisition or a transaction in which the legal acquirer is not a business and is determined to be the accounting acquiree. The new guidance will become effective for interim and annual reporting periods beginning on January 1, 2027, will require a prospective transition method for business combinations that occur after the initial adoption date, and early adoption is permitted. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The ASU eliminates all references to prescriptive and sequential software project stages throughout Subtopic 350-40. An entity is required to begin capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to-complete recognition threshold”). The ASU is effective for annual reporting periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. Entities may adopt the new guidance using a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, or a retrospective transition approach. Early adoption is permitted

as of the beginning of an annual reporting period. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU No. 2025-12, *Codification Improvements*. The ASU provides technical corrections and clarifications to various topics, including diluted earnings per share, the transfer of receivables from contracts with customers, among other improvements. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual periods. Early adoption is permitted in an interim or annual period in which financial statements have not yet been issued or made available for issuance. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements and related disclosures.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenue

Revenue by operating segment and type of service consists of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Commercial Real Estate				
CoStar	$ 344	$ 318	$ 1,012	$ 933
LoopNet	89	79	261	228
Other Commercial Real Estate	59	64	172	155
Total Commercial Real Estate	492	461	1,445	1,316
Residential Real Estate	460	373	1,329	1,031
Total revenue	$ 952	$ 834	$ 2,774	$ 2,347

The Company has recast certain prior period disclosures to align with the way it internally manages the business. See Note 2 for additional information.

The Company is domiciled in the U.S. Revenue earned outside the U.S. was $142 million and $91 million for the three months ended September 30, 2026 and 2025, respectively, and $429 million and $200 million for the nine months ended September 30, 2026 and 2025, respectively.

Deferred Revenue

Deferred revenue as of September 30, 2026 and December 31, 2025 was as follows (in millions):

Balance	Balance Sheet Caption	September 30, 2026	December 31, 2025
Current portion	Deferred revenue	$ 250	$ 205
Non-current portion	Lease and other long-term liabilities	1	1
Total deferred revenue		$ 251	$ 206

Changes in deferred revenue for the period were as follows (in millions):

Balance at December 31, 2025	$ 206
Revenue recognized in the current period from the amounts in the beginning balance	(181)
New deferrals, net of amounts recognized in the current period[1]	226
Balance at September 30, 2026	$ 251

[1] This balance includes $15 million of new deferrals from the Zonda Acquisition completed in 2026. See Note 4 for further discussion of acquisitions.

Contract Assets

Contract assets are generated when contractual billing schedules differ from revenue recognition timing and represent a conditional right to consideration for satisfied performance obligations that becomes a receivable when the conditions are satisfied. Contract assets as of September 30, 2026 and December 31, 2025 were as follows (in millions):

Balance	Balance Sheet Caption	September 30, 2026	December 31, 2025
Current portion	Prepaid expenses and other current assets	$ 4	$ 7
Non-current portion	Deposits and other assets	4	3
Total contract assets		$ 8	$ 10

Unsatisfied Performance Obligations

Remaining contract consideration for which revenue had not been recognized due to unsatisfied performance obligations was approximately $600 million at September 30, 2026, which the Company expects to recognize over the next five years. This amount does not include contract consideration for contracts with a duration of one year or less.

Commissions

Commissions expense is included in selling and marketing (excluding customer base amortization) expense in the Company's condensed consolidated statements of operations. Commissions expense activity for the three and nine months ended September 30, 2026 and 2025 was as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Commissions incurred	$ 49	$ 60	$ 152	$ 169
Commissions capitalized in the current period	(30)	(37)	(97)	(115)
Amortization of deferred commissions costs	33	43	93	110
Total commissions expense	$ 52	$ 66	$ 148	$ 164

For the nine months ended September 30, 2026 and 2025, the Company did not recognize any impairment losses on commissions.

4. ACQUISITIONS

Zonda

In August 2026, the Company completed the Zonda Acquisition. Zonda owns a proprietary, lot-level database covering new home communities, land development activity, construction status, home sales, and builder operations. This data and the software built around it are embedded in builder workflows and are used to support underwriting, land strategy, capital allocation, development planning, forecasting, and sales operations across the industry. Zonda also operates NewHomeSource and Livabl, leading online new home marketplaces in the U.S. and Canada, respectively. The Zonda Acquisition allows the Company to expand its presence across the residential real estate ecosystem, extending the Company's proprietary data, analytics, software, and marketplace capabilities into new home construction, one of the largest and most important sectors of the U.S. real estate economy.

Pursuant to the terms and conditions of the Zonda Agreement, the total purchase consideration for the Zonda Acquisition was $815 million, and consisted of the following (in millions):

	Amount
Cash	$ 558
Settlement of existing debt	172
Settlement of existing preferred equity	85
	$ 815

The following table summarizes the acquired assets and assumed liabilities recorded at their fair value as of the closing date of the Zonda Acquisition (in millions):

	Preliminary: August 21, 2026
Cash and cash equivalents	$ 26
Accounts receivable	17
Intangible assets	458
Accrued expenses	(14)
Deferred revenue	(15)
Deferred tax liability	(88)
Other assets and (liabilities), net	1
Fair value of identifiable net assets acquired	385
Fair value of NCI in Zonda's partially-owned subsidiaries	(4)
Goodwill	434
	$ 815

Generally, the net assets of Zonda were recorded at their estimated fair values. In valuing the acquired assets and assumed liabilities, fair value estimates were primarily based on future expected cash flows, market rate assumptions for contractual obligations, and appropriate discount rates. The key assumptions used in the valuation include discount rates, projected revenue growth rates, customer attrition rates, and profit margins.

The purchase price allocation is preliminary and subject to change during the measurement period as additional information is obtained about the facts and circumstances that existed at closing, primarily related to certain tax matters, contingencies, and noncontrolling interest. Any material adjustments to provisional amounts identified during the measurement period will be recognized and disclosed in the reporting period in which the adjustment amounts are determined.

The following table summarizes the fair values (in millions) of the identifiable intangible assets acquired in the Zonda Acquisition included in the Residential Real Estate segment, their related estimated useful lives (in years), and their respective amortization methods:

	Estimated Fair Value	Estimated Useful Life	Amortization Method
Customer relationships	$ 405	10-20	Accelerated
Trade names	31	15	Straight-line
Database	16	4	Straight-line
Software	6	3-4	Straight-line
Total intangible assets	$ 458		

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the Zonda Acquisition includes, but is not limited to: (i) the expected synergies and other benefits that the Company believes will result from combining Zonda's operations with the Company's operations and (ii) any intangible assets that do not qualify for separate recognition, such as the assembled workforce. The $434 million of goodwill recorded as part of the acquisition is associated with the Residential Real Estate segment, none of which is expected to be deductible for income tax purposes. Acquisition-related costs for the Zonda Acquisition were $10 million and $14 million for the three and nine months ended September 30, 2026, respectively, and consisted primarily of advisory, legal, accounting, and other professional service costs. These costs were included within general and administrative expenses on the condensed consolidated statements of operations.

Domain

In February 2025, in connection with the Domain Proposal, the Company acquired approximately 17% of the ordinary shares of Domain, one of Australia's leading property marketplaces, at A$4.20 per share for a total purchase price of A$452 million ($285 million). In May 2025, the Company entered into an agreement to acquire the remaining issued capital of Domain not previously held by CoStar Group by way of scheme of arrangement. In August 2025, the Company completed the Domain Acquisition pursuant to which (i) the Company spent A$2.5 billion ($1.6 billion) to acquire the remaining 83% of Domain's ordinary shares; and (ii) Domain shareholders received total cash consideration of A$4.43 per Domain ordinary share, less a one-time special dividend of A$0.088 per share declared and paid by Domain prior to closing. The Domain Acquisition positions the Company to leverage Domain's portfolio of property brands in Australia and CoStar's technology, scale, and innovation to improve customer experience, value, and access to CoStar's brands and product offerings.

As of the closing of the Domain Acquisition, the fair value of the Company's 17% investment was approximately A$465 million ($300 million), measured based on the fair value implied by the consideration transferred. The acquisition was completed as a step-acquisition.

The total purchase consideration for the Domain Acquisition was $1.6 billion, which consisted of the following (in millions):

		Amount
Cash	$	1,472
Settlement of existing debt		139
Fair value of cash settled equity awards related to pre-combination services		1
Total purchase consideration		1,612
Fair value of previously held equity interests		300
	$	1,912

The following table summarizes the amounts recorded for acquired assets and assumed liabilities recorded at their fair value as of the closing date of the Domain Acquisition (in millions):

	Final: August 27, 2025
Cash and cash equivalents	$ 15
Accounts receivable	35
Intangible assets	931
Accrued expenses	(27)
Deferred revenue	(14)
Deferred tax liability	(231)
Other assets and (liabilities), net	(2)
Fair value of identifiable net assets acquired	707
Fair value of NCI in Domain's partially-owned subsidiaries	(39)
Goodwill	1,244
	$ 1,912

Generally, the net assets of Domain were recorded at their estimated fair values upon initial consolidation. In valuing the acquired assets, assumed liabilities, and NCI, fair value estimates were based primarily on future expected cash flows, market rate assumptions for contractual obligations, and appropriate discount rates. The key assumptions used in the valuation include discount rates, royalty rates, projected revenue growth rates, customer attrition rates, and profit margins.

The following table summarizes the fair values (in millions) of the identifiable intangible assets acquired in the Domain Acquisition, their related estimated useful lives (in years), and their respective amortization methods:

	Estimated Fair Value	Estimated Useful Life	Amortization Method
Customer relationships	$ 625	20	Accelerated
Brand and trade names	190	5-15	Straight-line
Software	116	2-5	Straight-line
Total intangible assets	$ 931		

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the Domain Acquisition includes, but is not limited to: (i) the expected synergies and other benefits that the Company believes will result from combining Domain's operations with the Company's operations and (ii) any intangible assets that do not qualify for separate recognition, such as the assembled workforce. Of the $1.2 billion of goodwill recorded as part of the Domain Acquisition, $994 million was allocated to the Residential Real Estate segment and $250 million to the Commercial Real Estate segment, of which none is expected to be deductible for income tax purposes. Acquisition-related costs associated with the Domain Acquisition were $20 million for the nine months ended September 30, 2025 and consisted primarily of advisory, legal, accounting, and other professional service costs. These costs were included within general and administrative expenses on the condensed consolidated statements of operations.

Matterport

On February 28, 2025, the Company completed the Matterport Acquisition. Matterport is a leader in the digitization and datafication of the built world. Matterport's pioneering technology has set the standard for digitizing, accessing, and managing buildings, spaces, and places online. Matterport's platform, composed of innovative software, spatial data-driven data science, and 3D capture technology, has broken down the barriers that have kept the largest asset class in the world, buildings and

physical spaces, offline and underutilized for so long. The Company is integrating Matterport's 3D digital twin technology with its information service products and online marketplaces to allow buyers, sellers, and renters to explore properties with greater depth and insight.

Pursuant to the terms and conditions of the Matterport Merger Agreement, the Company acquired Matterport, with each share of Matterport Common Stock outstanding immediately prior to the closing of the Matterport Acquisition exchanged for (i) 0.03552 of a CoStar Group Share, the Matterport Merger Exchange Ratio, and (ii) $2.75 in cash, with fractional shares of CoStar Group Shares paid in cash.

As part of the Matterport Acquisition, the Company issued certain rollover equity awards to the employees of Matterport, which included approximately 2.3 million shares of restricted stock units and approximately 1.8 million stock option awards. The total fair value of the rollover equity awards was $273 million, of which the portion attributable to services performed prior to the acquisition date was allocated to purchase consideration. The remaining fair value was allocated to future services and will be expensed over the remaining service periods as stock-based compensation.

The total purchase consideration for the Matterport Acquisition was $1.9 billion, which consisted of the following (in millions):

		Amount
Cash	$	902
CoStar Group Shares (11.7 million shares)		881
Fair value of rollover awards		144
Total	$	1,927

The following table summarizes the amounts recorded for acquired assets and assumed liabilities recorded at their fair value as of the closing date of the Matterport Acquisition (in millions):

		Final: February 28, 2025
Cash and cash equivalents	$	55
Restricted cash		97
Accounts receivable		13
Available for sale investments		204
Deferred tax assets, net of valuation allowance		69
Intangible assets		527
Deferred revenue		(32)
Litigation accrual		(99)
Other assets and (liabilities), net		(12)
Fair value of identifiable net assets acquired	$	822
Goodwill		1,105
	$	1,927

Generally, the net assets of Matterport were recorded at their estimated fair values. In valuing the acquired assets and assumed liabilities, fair value estimates were based primarily on future expected cash flows, market rate assumptions for contractual obligations, and appropriate discount rates. The key assumptions used in the valuation include discount rates, royalty rates, projected revenue growth rates, customer attrition rates, and profit margins.

The following table summarizes the fair values (in millions) of the identifiable intangible assets acquired in the Matterport Acquisition, their related estimated useful lives (in years), and their respective amortization methods:

	Estimated Fair Value	Estimated Useful Life	Amortization Method
Developed technology	$ 295	9	Straight-line
Customer relationships	140	5	Accelerated
Trade names	92	15	Straight-line
Total intangible assets	$ 527		

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the Matterport Acquisition includes, but is not limited to: (i) the expected synergies and other benefits that the Company believes will result from combining Matterport's operations with the Company's operations and (ii) any intangible assets that do not qualify for separate recognition, such as the assembled workforce. The $1.1 billion of goodwill recorded as part of the Matterport Acquisition was associated with the Company's North America operating segment prior to the reallocation described in Note 2, of which none is expected to be deductible for income tax purposes. Acquisition-related costs associated with the Matterport Acquisition were $18 million during the nine months ended September 30, 2025, and consisted primarily of advisory, legal, accounting, and other professional service costs. These costs were included within general and administrative expenses on the condensed consolidated statements of operations.

Pro Forma Financial Information (unaudited)

The unaudited pro forma financial information presented below reflects the condensed consolidated results of operations of the Company assuming the Zonda Acquisition had taken place on January 1, 2025 and the Domain and Matterport Acquisitions had taken place on January 1, 2024. The unaudited pro forma financial information, as presented below, is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisitions had taken place on the dates listed above.

The unaudited pro forma financial information, in the aggregate, was as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 975	$ 919	$ 2,887	$ 2,679
Net income (loss)	$ 83	$ (11)	$ 129	$ (109)

The material pro forma adjustments primarily consist of incremental amortization expense based on the preliminary fair value of the intangible assets acquired, increased compensation expense relating to the issuance of certain equity plans in connection with the acquisitions, accounting policy alignment adjustments, and the income tax impact of the aforementioned pro forma adjustments.

The impact of the Matterport Acquisition on the Company's revenue was $44 million and $104 million for the three and nine months ended September 30, 2025, respectively. The impact of the Matterport Acquisition on the Company's net income (loss) in the condensed consolidated statements of operations was a loss of $47 million and $98 million for the three and nine months ended September 30, 2025, respectively.

The impact of the Domain Acquisition on the Company's revenue was $25 million for each of the three and nine months ended September 30, 2025. The impact of the Domain Acquisition on the Company's net income (loss) in the condensed consolidated statements of operations was a loss of $4 million for each of the three and nine months ended September 30, 2025.

The impact of the Zonda Acquisition on the Company's revenue was $19 million for each of the three and nine months ended September 30, 2025. The impact of the Zonda Acquisition on the Company's net income in the condensed consolidated statements of operations was a loss of $12 million for each of the three and nine months ended September 30, 2025.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Company categorizes assets and liabilities recorded or disclosed at fair value on the condensed consolidated balance sheets based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 - Unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company's financial assets comprised Level 1 cash equivalents with original maturities of three months or less in the amount of $322 million and $1.4 billion as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026 and December 31, 2025, the Company had no Level 2 or Level 3 financial assets measured at fair value.

Available-for-Sale Debt Securities

In connection with the Matterport Acquisition, the Company acquired $204 million of available-for-sale debt securities, inclusive of $2 million of accrued interest. These securities were sold for net proceeds of $203 million, resulting in a negligible realized loss in the first quarter of 2025.

Other Financial Instruments

The Company holds other financial instruments, including cash deposits, accounts receivable, accounts payable, accrued expenses, and Senior Notes. The carrying value for such financial instruments, other than the Senior Notes, each approximated their fair values as of both September 30, 2026 and December 31, 2025. The estimated fair value of the Company's outstanding Senior Notes using quoted prices from the over-the-counter markets, which are considered Level 2 inputs, was $900 million as of both September 30, 2026 and December 31, 2025.

6. LEASES

The Company has operating and finance leases for its office facilities, data centers, and certain vehicles. The Company's leases have remaining terms up to eight years. The leases contain various renewal and termination options. The period that is subject to an option to extend the lease is included in the lease term if it is reasonably certain that the option will be exercised. The period that is subject to an option to terminate the lease is included if it is reasonably certain that the option will not be exercised.

Lease costs related to the Company's operating and finance leases included in the condensed consolidated statements of operations were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating lease costs:				
Cost of revenue	$ 3	$ 3	$ 8	$ 8
Selling and marketing (excluding customer base amortization)	6	4	16	11
Software development	1	2	5	5
General and administrative	1	1	4	4
Total operating lease costs	11	10	33	28
Finance lease costs:				
Amortization of ROU assets	—	1	2	3
Interest on lease liabilities	—	—	—	1
Total finance lease costs	—	1	2	4
Total lease costs	$ 11	$ 11	$ 35	$ 32

Finance lease costs primarily relate to vehicles used by the Company's research teams, and the amortization of the ROU assets is recorded to cost of revenue in the condensed consolidated statements of operations. For the three and nine months ended September 30, 2026 and 2025, the impact of lease costs related to short-term leases was not material.

Supplemental balance sheet information related to operating leases was as follows (in millions):

Balance	Balance Sheet Location	September 30, 2026	December 31, 2025
Operating lease liabilities		$ 195	$ 161
Less: imputed interest		25	21
Present value of lease liabilities		170	140
Less: current portion of lease liabilities	Lease liabilities	26	23
Long-term lease liabilities	Lease and other long-term liabilities	$ 144	$ 117
Weighted-average remaining lease term in years		5	5
Weighted-average discount rate		4.7 %	4.7 %
ROU assets	Lease right-of-use assets	$ 126	$ 123
Finance lease liabilities		$ 8	$ 12
Less: imputed interest		—	1
Present value of lease liabilities		8	11
Less: current portion of lease liabilities	Lease liabilities	6	5
Long-term lease liabilities	Lease and other long-term liabilities	$ 2	$ 6
Weighted-average remaining lease term in years		2	2
Weighted-average discount rate		6.0 %	6.3 %
ROU assets	Property and equipment, net	$ 12	$ 13

Supplemental cash flow information related to leases was as follows (in millions):

	Nine Months Ended September 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 9	$ 27
Operating cash flows used in finance leases	$ —	$ 1
Financing cash flows used in finance leases	$ 4	$ 3
ROU assets obtained in exchange for new lease obligations:		
Operating leases	$ 34	$ 27
Finance leases	$ 1	$ 1

7. GOODWILL

The changes in the carrying amount of goodwill by operating segment consist of the following (in millions):

	Commercial Real Estate	Residential Real Estate	Total
Goodwill, December 31, 2025	$ 1,955	$ 2,989	$ 4,944
Acquisitions, including measurement period adjustments	—	434	434
Effect of foreign currency translation	7	43	50
Goodwill, September 30, 2026	$ 1,962	$ 3,466	$ 5,428

For the nine months ended September 30, 2026 and 2025, the Company did not recognize any impairment losses on goodwill.

8. INTANGIBLE ASSETS

Intangible assets consist of the following (in millions, except amortization period data):

	September 30, 2026	December 31, 2025	Weighted-Average Amortization Period (in years)
Acquired technology and data	$ 497	$ 471	8
Accumulated amortization	(107)	(55)	
Acquired technology and data, net	390	416	
Acquired customer base	1,712	1,330	16
Accumulated amortization	(471)	(403)	
Acquired customer base, net	1,241	927	
Acquired trade names and other intangible assets	558	524	14
Accumulated amortization	(171)	(146)	
Acquired trade names and other intangible assets, net	387	378	
Acquired above-market leases	41	42	9
Accumulated amortization	(16)	(14)	
Acquired above-market leases, net	25	28	
Acquired in-place leases	31	31	9
Accumulated amortization	(12)	(9)	
Acquired in-place leases, net	19	22	
Intangible assets, net	$ 2,062	$ 1,771	

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. For the nine months ended September 30, 2026 and 2025, the Company did not recognize any impairment losses on intangible assets.

9. LONG-TERM DEBT

The table below presents the components of outstanding debt (in millions):

	September 30, 2026	December 31, 2025
2.800% Senior Notes due July 15, 2030	$ 1,000	$ 1,000
Senior Notes unamortized discount and issuance costs	(6)	(7)
Long-term debt, net	$ 994	$ 993

Senior Notes

On July 1, 2020, the Company issued $1.0 billion aggregate principal amount of 2.800% Senior Notes due July 15, 2030. The Senior Notes were sold to a group of financial institutions as initial purchasers who subsequently resold the Senior Notes to non-U.S. persons pursuant to Regulation S under the Securities Act, and to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act at a purchase price equal to 99.921% of their principal

amount. Interest on the Senior Notes is payable semi-annually in arrears on January 15 and July 15. The Senior Notes may be redeemed in whole or in part by the Company (a) at any time prior to April 15, 2030 at a redemption price equal to 100% of the principal amount of the Senior Notes, plus the Applicable Premium (as calculated in accordance with the indenture governing the Senior Notes), and any accrued and unpaid interest, if any, on the principal amount of Senior Notes being redeemed to, but excluding, the redemption date, and (b) on or after April 15, 2030 at a redemption price equal to 100% of the principal amount of the Senior Notes, plus any accrued and unpaid interest, if any, on the principal amount of Senior Notes being redeemed to, but excluding, the redemption date. The Company's obligations under the Senior Notes are guaranteed on a senior, unsecured basis by the Company's domestic wholly-owned subsidiaries, and the indenture governing the Senior Notes contains covenants, events of default, and other customary provisions with which the Company was in compliance as of September 30, 2026.

Revolving Credit Facility

On May 24, 2024, the Company entered into the 2024 Credit Agreement, which provides for a $1.1 billion revolving credit facility with a term of five years (maturing May 24, 2029) and a letter of credit sublimit of $20 million from a syndicate of financial institutions and issuing banks.

Borrowings bear interest at a floating rate, which can be, at the Company's option, either (a) an alternate base rate plus an applicable rate ranging from 0.125% to 0.750% or (b) a Term SOFR, SONIA rate, or EURIBOR for the specified interest period plus an applicable rate ranging from 1.125% to 1.750%, in each case depending on the Company's Debt Rating (as defined in the 2024 Credit Agreement).

The 2024 Credit Agreement contains customary affirmative covenants for transactions of this type, including, among others, the provision of financial and other information to the administrative agent, notice to the administrative agent upon the occurrence of certain material events, preservation of existence, maintenance of properties, and compliance with laws, including environmental laws, subject to certain exceptions. The 2024 Credit Agreement contains customary negative covenants, including, among others, restrictions on the ability of the Company and its subsidiaries to merge and consolidate with other companies, restrictions on the ability of certain subsidiaries to incur indebtedness, and restrictions on the ability of the Company and certain subsidiaries to grant liens or security interests on assets, subject to certain exceptions. The 2024 Credit Agreement contains a financial maintenance covenant that requires the Company to maintain a Total Leverage Ratio (as defined in the 2024 Credit Agreement) of less than or equal to 4.50 to 1.00, tested at the end of each fiscal quarter. The 2024 Credit Agreement also provides for a number of customary events of default, including, among others: payment defaults to the lenders, voluntary and involuntary bankruptcy proceedings, covenant defaults, material inaccuracies of representations and warranties, cross-acceleration to other material indebtedness, certain change of control events, material money judgments, and other customary events of default. The occurrence of an event of default could result in the acceleration of obligations and the termination of lending commitments under the 2024 Credit Agreement. As of September 30, 2026, the Company was in compliance with the covenants in the 2024 Credit Agreement. As of September 30, 2026, the Company had no amounts drawn under this facility.

The Company had $2 million and $3 million of deferred debt issuance costs related to the revolving credit facility as of September 30, 2026 and December 31, 2025, respectively. These amounts are included in deposits and other assets on the Company's condensed consolidated balance sheets.

The Company recognized interest expense as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest on outstanding borrowings	$ 7	$ 7	$ 21	$ 21
Amortization of Senior Notes discount and issuance costs	1	—	2	2
Interest capitalized for construction in process	—	(4)	(10)	(10)
Commitment fees and other	1	1	12	2
Total interest expense	$ 9	$ 4	$ 25	$ 15

10. INCOME TAXES

The income tax provision reflects an effective tax rate of approximately 12% and 33% for the three months ended September 30, 2026 and 2025, respectively, and 22% and (29)% for the nine months ended September 30, 2026 and 2025, respectively. The change in the effective tax rate for the three and nine months ended September 30, 2026 was primarily due to income in the U.K. in 2026 compared to losses in 2025 that were subject to a full valuation allowance.

11. COMMITMENTS AND CONTINGENCIES

The following summarizes the Company's significant contractual obligations, including related payments due by period, as of September 30, 2026 (in millions):

Year Ending December 31,	Operating lease obligations	Finance lease obligations	Long-term debt principal payments	Long-term debt interest payments
Remainder of 2026	$ 5	$ 2	$ —	$ —
2027	45	5	—	28
2028	45	1	—	28
2029	37	—	—	28
2030	32	—	1,000	28
Thereafter	31	—	—	—
Total	$ 195	$ 8	$ 1,000	$ 112

The Company leases office facilities under various non-cancelable operating leases, as well as data centers and vehicles under finance lease arrangements. The leases contain various renewal options.

See Note 6 for further discussion of the Company's lease commitments.

Litigation

Currently, and from time to time, the Company is involved in litigation incidental to the conduct of its business. The Company monitors developments in these legal matters and records a provision for probable losses at management's best estimate of a loss, or when a best estimate cannot be made, a minimum loss contingency amount within a probable range is recorded. While it is reasonably possible that an unfavorable outcome may occur as a result of one or more of the Company’s current legal matters, at this time, management has concluded that the resolutions of these matters are not expected to have a material effect on the Company's condensed consolidated financial position, future results of operations, or liquidity. Legal defense costs are expensed as incurred.

Matterport-Related Matters

On July 23, 2021, plaintiff William J. Brown, a former employee and a stockholder of Matterport, sued the Brown Defendants in the Chancery Court. Brown claimed that the Brown Defendants imposed invalid Transfer Restrictions on his shares of Matterport stock, and that Matterport’s board of directors violated their fiduciary duties in connection with a purportedly misleading letter of transmittal. On January 11, 2022, the court issued a ruling that the Transfer Restrictions did not apply to Brown. On May 28, 2024, the court awarded Brown $79 million due to the invalid Transfer Restrictions plus pre- and post-judgment interest. On April 22, 2025, the Delaware Supreme Court substantially affirmed the Chancery Court’s damages award but reversed and remanded for additional proceedings on the manner in which post-judgment interest was calculated. On remand, the Chancery Court determined that post-judgment interest will accrue at a variable rate until the judgment is paid in full. In the second quarter of 2026, the Company paid a total of $109 million for the Brown Judgment. The Company recognized $9 million of additional interest expense related to the matter, which was recorded within interest income (expense), net in the condensed consolidated statements of operations, and $1 million of fees recorded within general and administrative expenses in the condensed consolidated statements of operations. In addition, the Company realized net recoveries related to this matter of $7 million for the three months ended September 30, 2026 and $24 million for the nine months ended September 30, 2026, which were recorded as a reduction to general and administrative expenses in the condensed consolidated statements of operations.

Since the Brown Judgment in May 2024, several lawsuits have been filed alleging similar claims: on July 19, 2024 by Damien Leostic and William Schmitt; on August 16, 2024 by Greg Coombe; on September 19, 2024 by Build Legacy LLC, Build the Future Trust under agreement dated November 16, 2023, Penchant Capital LLC, Penchant Trust, and iRobot Corporation. On September 16, 2024, Kimberly Burdi-Dumas, a former Matterport employee, filed a putative class action complaint on behalf of all persons or entities who were stockholders of Matterport as of July 21, 2021, and who, pursuant to the Gores Transaction, were thereafter issued and held Matterport shares that were improperly restricted from being sold until January 18, 2022. On November 26, 2024, Schmitt amended his complaint to bring a class action on behalf of former members of Matterport who did not receive their shares immediately following the closing of the Gores Transaction. On December 6, 2024, the Burdi-Dumas complaint was amended to include a second plaintiff, Janet Day, and additional claims. These cases have now been consolidated and coordinated into a single action, with discovery and briefing on the proposed class action.

As of September 30, 2026, there were no amounts accrued for these matters. Further, the range of reasonably possible losses cannot be reasonably estimated.

12. SEGMENT REPORTING

Segment Information

The Company manages its business by product portfolios in two operating segments and two reportable segments, with the primary areas of measurement and decision-making being Commercial Real Estate and Residential Real Estate. Segment reporting is aligned with the internal reporting used by the CODM, which is the Company's Chief Executive Officer. The CODM relies on a management reporting process that provides operating segment revenue, EBITDA, and Adjusted EBITDA for making decisions and assessing performance as the source of the Company's reportable segments. EBITDA and Adjusted EBITDA are used by management internally to measure operating and management performance and to evaluate the business. The CODM does not review any information regarding total assets by operating segment.

Operating results by segment include items that are directly attributable to each segment and shared expenses such as IT; corporate infrastructure, including facilities; finance; and legal expenses. Shared expenses are allocated based on revenue or headcount. There are no intersegment transactions. The impact of certain items that are not normal, recurring, and cash operating expenses necessary to run the operating segment are removed to determine Adjusted EBITDA and include stock-based compensation, acquisition and integration costs, restructuring and related costs, and settlements and impairments.

The Company has recast certain prior period disclosures to align with its reportable segments. See Note 2 for additional information.

Summarized EBITDA and Adjusted EBITDA information by operating segment consists of the following (in millions):

	Three Months Ended September 30,					
	2026			2025		
	Commercial Real Estate	Residential Real Estate	Total	Commercial Real Estate	Residential Real Estate	Total
Revenue[1]	$ 492	$ 460	$ 952	$ 461	$ 373	$ 834
Less:						
Personnel	216	166	382	240	191	431
Marketing	18	171	189	19	200	219
General and administrative[2]	95	107	202	88	83	171
EBITDA	$ 163	$ 16	$ 179	$ 114	$ (101)	$ 13
Stock-based compensation expense[3]	21	11	32	60	11	71
Acquisition and integration related costs	2	13	15	10	20	30
Restructuring and related costs	—	—	—	—	—	—
Settlements and impairments	(6)	9	3	(1)	1	—
Adjusted EBITDA	$ 180	$ 49	$ 229	$ 183	$ (69)	$ 114

[1] See Note 3 for details of revenue disaggregated by segment.

[2] Excludes personnel costs.

[3] Represents a significant non-cash item included in the personnel costs above.

	Nine Months Ended September 30,					
	2026			2025		
	Commercial Real Estate	Residential Real Estate	Total	Commercial Real Estate	Residential Real Estate	Total
Revenue[1]	$ 1,445	$ 1,329	$ 2,774	$ 1,316	$ 1,031	$ 2,347
Less:						
Personnel	666	511	1,177	650	505	1,155
Marketing	57	579	636	56	600	656
General and administrative[2]	270	274	544	275	220	495
EBITDA	$ 452	$ (35)	$ 417	$ 335	$ (294)	$ 41
Stock-based compensation expense[3]	76	36	112	123	30	153
Acquisition and integration related costs	6	21	27	32	24	56
Restructuring and related costs	2	2	4	4	2	6
Settlements and impairments	(23)	8	(15)	1	8	9
Adjusted EBITDA	$ 513	$ 32	$ 545	$ 495	$ (230)	$ 265

[1] See Note 3 for details of revenue disaggregated by segment.

[2] Excludes personnel costs.

[3] Represents a significant non-cash item included in the personnel costs above.

The reconciliation of Adjusted EBITDA and EBITDA to income (loss) before income taxes consists of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Adjusted EBITDA	$ 229	$ 114	$ 545	$ 265
Stock-based compensation expense	(32)	(71)	(112)	(153)
Acquisition and integration related costs	(15)	(30)	(27)	(56)
Restructuring and related costs	—	—	(4)	(6)
Settlements and impairments	(3)	—	15	(9)
EBITDA	$ 179	$ 13	$ 417	$ 41
Amortization of acquired intangible assets in cost of revenue	(29)	(19)	(83)	(47)
Amortization of acquired intangible assets in operating expenses	(44)	(32)	(117)	(76)
Depreciation and other amortization	(22)	(13)	(54)	(39)
Interest income (expense), net	(1)	26	7	97
Other income (expense), net[1]	1	(21)	—	(7)
Income (loss) before income taxes	$ 84	$ (46)	$ 170	$ (31)

[1] Includes $3 million and $4 million of depreciation and amortization expense including above-market lease amortization associated with lessor activities for the three months ended September 30, 2026 and 2025, respectively, and $11 million and $17 million for the nine months ended September 30, 2026 and 2025, respectively.

13. STOCKHOLDERS' EQUITY

Prior Stock Repurchase Program

In February 2025, the Board of Directors approved the Prior Stock Repurchase Program that authorized the repurchase of up to $500 million of CoStar Group Shares.

During the nine months ended September 30, 2025, the Company repurchased 1.4 million CoStar Group Shares with a market value of $115 million. Subsequently, the Company completed the Prior Stock Repurchase Program, including the use of an accelerated share repurchase agreement entered into in November 2025. In total, the Company repurchased 7.1 million shares with a market value of $500 million during 2025.

New Stock Repurchase Program

In December 2025, the Board of Directors approved a Stock Repurchase Program which authorizes, but does not obligate, the repurchase of up to $1.5 billion of CoStar Group Shares. Stock repurchases may be effected through open market repurchases in compliance with Rule 10b-18 under the Exchange Act or through a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act. Repurchases may be made from time to time at management's discretion, and the timing and amount of any such repurchases will be determined based on share price, market conditions, legal requirements, and other relevant factors. The program has no time limit and can be discontinued at any time at the Company’s discretion.

On February 27, 2026, the Company entered into the 2026 ASR Agreement with a financial institution counterparty to repurchase $500 million of its outstanding common stock. The Company repurchased 11.2 million CoStar Group Shares during the term of the 2026 ASR Agreement based on the volume-weighted average price, net of discount, of $44.27 per share over the duration of the program, which was completed in March 2026.

During the nine months ended September 30, 2026, the Company also repurchased $168 million of CoStar Group Shares pursuant to a 10b5-1 Plan, resulting in total repurchases of 16.5 million CoStar Group Shares with a market value of $668 million under the Stock Repurchase Program, including pursuant to the 2026 ASR Agreement. In connection with the

repurchases, the Company incurred direct costs included in treasury stock of $2 million during the nine months ended September 30, 2026.

As of September 30, 2026, $832 million remains available for repurchases under the Stock Repurchase Program.

Preferred Stock

The Company has 2.0 million shares of preferred stock, $0.01 par value, authorized for issuance. The Board of Directors may issue the preferred stock from time to time as shares of one or more classes or series.

Common Stock

The Company has 1.2 billion CoStar Group Shares authorized for issuance. Dividends may be declared and paid on the common stock, subject in all cases to the rights and preferences of the holders of preferred stock and authorization by the Board of Directors. In the event of liquidation or winding up of the Company and after the payment of all preferential amounts required to be paid to the holders of any series of preferred stock, any remaining funds shall be distributed among the holders of the issued and outstanding common stock.

14. EMPLOYEE BENEFIT PLANS

Stock Incentive Plans

All of the outstanding stock options, RSAs, and RSUs are covered under the 2025 Plan or legacy plans. Awards under the 2025 Plan may include one or more of the following types: (i) stock options, (ii) stock appreciation rights, (iii) RSAs, (iv) RSUs, and (v) performance RSAs and RSUs. For additional information regarding the share-based awards of the Company, see Note 16 in the Notes to the Consolidated Financial Statements in the 2025 Form 10-K. Approximately 7.4 million shares were available for future grant under the 2025 Plan as of September 30, 2026.

At September 30, 2026, there was approximately $234 million of unrecognized compensation cost related to stock incentive plans, net of estimated forfeitures, which the Company expects to recognize over a weighted-average period of two years. See Note 2 for further discussion of stock-based compensation expense.

Stock Options

Option activity was as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contract Life (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2025	3,203,725	$ 38.32	4	$ 102
Granted	—	$ —		
Exercised	(911,534)	$ 9.27		$ 50
Canceled or expired	(18,940)	$ 69.15		
Outstanding at September 30, 2026	2,273,251	$ 49.71	3	$ 6
Exercisable at September 30, 2026	2,096,883	$ 47.21	3	$ 6

The table below summarizes the resulting weighted average inputs used to calculate the estimated fair value of options awarded:

	Nine Months Ended September 30, 2025
Pricing Model	Black-Scholes
Dividend yield	0 %
Expected volatility	35.0 %
Risk-free interest rate	4.3 %
Expected life (in years)	5
Weighted-average grant date fair value	$ 30.05

RSAs and RSUs

The Company grants RSAs and RSUs to certain executive officers, directors, and employees of the Company which vest over a specific service period. Certain grants for executive officers include performance conditions based on the achievement of operating goals over a three-year performance period. The number of shares ultimately vested under these PRSAs and PRSUs grants is determined based on a market condition measured by the Company's relative TSR compared to the S&P 500 Index over the same three-year period. The number of shares earned may be adjusted based on a TSR payout percentage, which ranges between 80% and 120% for PRSAs and between 50% and 250% for PRSUs. The vesting of RSAs and RSUs is subject to continuing employment requirements.

As of September 30, 2026, the Company determined that it was probable that at least the minimum performance goals associated with PRSAs and PRSUs granted would be met. As of September 30, 2026, the Company expects to record aggregate stock-based compensation expense of approximately $10 million for performance-based RSAs over the remainder of 2026 and in 2027 and 2028. As of September 30, 2026, the Company expects to record aggregate stock-based compensation expense of approximately $15 million for performance-based RSUs over the remainder of 2026 and in 2027, 2028, and 2029.

The following table presents unvested RSAs activity for the nine months ended September 30, 2026:

	RSAs		PRSAs	
	Number of Shares	Weighted-Average Grant Date Fair Value per Share	Number of Shares	Weighted-Average Grant Date Fair Value per Share
Unvested restricted stock awards at December 31, 2025	3,643,210	$ 78.32	996,000	$ 84.93
Granted	68,364	$ 30.93	—	$ —
Vested	(1,179,945)	$ 76.16	(69,364)	$ 81.58
Canceled	(258,237)	$ 79.38	(221,276)	$ 82.43
Unvested restricted stock awards at September 30, 2026	2,273,392	$ 78.04	705,360	$ 86.05

The following table presents unvested RSUs activity for the nine months ended September 30, 2026:

	RSUs		PRSUs	
	Number of Units	Weighted-Average Grant Date Fair Value per Share	Number of Units	Weighted-Average Grant Date Fair Value per Share
Unvested restricted stock units at December 31, 2025	714,920	$ 76.09	—	$ —
Granted	2,435,055	$ 43.13	694,759	$ 40.10
Vested	(252,283)	$ 75.48	—	$ —
Canceled	(263,933)	$ 61.63	(86,365)	$ 41.02
Unvested restricted stock units at September 30, 2026	2,633,759	$ 47.13	608,394	$ 39.97

The assumptions used to estimate the fair value of PRSAs and PRSUs granted were as follows:

	Nine Months Ended September 30,	
	2026	2025
Pricing Model	Monte-Carlo simulation	Monte-Carlo simulation
Dividend yield	0 %	0 %
Expected volatility	33.0 %	31.0 %
Risk-free interest rate	3.4 %	4.2 %
Expected life (in years)	3	3
Weighted-average grant date fair value	$ 30.19	$ 85.29

15. SUBSEQUENT EVENTS

On October 26, 2026, the Company, through CRI, entered into the Vexcel Merger Agreement to acquire Vexcel for $730 million in cash, subject to customary working capital and other post-closing adjustments. The Vexcel Acquisition remains subject to expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and certain foreign regulatory laws and other closing conditions. Accordingly, there can be no assurance that the Vexcel Acquisition will be consummated on the anticipated terms or timing.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking statements," including statements about our beliefs and expectations. There are many risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. Potential factors that could cause actual results to differ materially from those discussed in any forward-looking statements include, but are not limited to, those stated under the heading "Cautionary Statement Concerning Forward-Looking Statements" at the end of this Item 2, "Risk Factors" in Item 1A of Part I of our 2025 Form 10-K, as well as those described from time to time in our filings with the SEC.

All forward-looking statements are based on information available to us on the date of this filing, and we assume no obligation to update such statements, whether as a result of new information, future events, or otherwise, except as required by applicable law. The following discussion should be read in conjunction with our 2025 Form 10-K, our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, other filings with the SEC, and the condensed consolidated financial statements and related notes included in this Report.

Overview

CoStar Group is a leading global provider of online real estate marketplaces, information, analytics, and 3D digital twin technology in the property markets, based on the numbers of unique visitors and site visits per month; providing more information, analytics, and marketing services than many of our competitors; offering the most comprehensive commercial real estate database available; and having the largest commercial real estate research department in the industry. We have created and compiled a standardized platform of real estate information, analytics, and online marketplaces where industry professionals, consumers of commercial and residential real estate, including apartments, and the related business communities, can continuously interact and facilitate transactions by efficiently accessing and exchanging accurate and standardized real estate-related information. Our service offerings span all property types, including office, retail, industrial, multifamily, residential, land, mixed-use, and hospitality.

Our services are primarily derived from a database of building-specific, marketplace, and residential development information and visual content and offer customers specialized tools for accessing, analyzing, and using our information and advertising on our marketplaces. Over time, we have expanded, and we expect to continue to expand, our existing real estate information, analytics, and online marketplaces. We have developed and we expect to continue to develop additional services leveraging our centralized database and 3D digital twin technology to meet the needs of our existing customers as well as potential new categories of customers. With the Zonda Acquisition, we have expanded our proprietary data, analytics, software, and marketplace capabilities into the new-home construction market, giving us a significant position in another major part of the residential real estate ecosystem.

Our services are typically distributed to our customers under subscription-based license agreements that generally renew automatically, the majority of which have a term of at least one year. Upon renewal, many of the subscription contract rates may change in accordance with contract provisions or as a result of contract renegotiations. To encourage customers to use our services regularly, we generally charge a fixed monthly amount for our subscription-based services rather than charging fees based on actual platform usage or number of paid clicks. Depending on the type of service, contract rates are generally based on the number of sites, number of users, organization size, the customer's business focus, the customer's geographic location, the number of properties reported on or analyzed, the number and types of services to which a customer subscribes, the number of digital twins hosted, the number of transactions and average transaction size a broker or agent has closed, the number of properties or residential communities a customer advertises, and the prominence and placement of a customer's advertised properties in the search results. Our subscription customers generally pay contract fees on a monthly basis, but in some cases may pay us on a quarterly or annual basis. Our transaction-based services primarily consist of (i) providing premium listings for individual properties and residential communities on our marketplaces, (ii) providing data capture services to create digital twins, (iii) the sale of Matterport cameras and capture equipment, (iv) Ten-X auction fees, (v) one-time sales of housing market data, advisory services, digital advertising, home plans, and software and related services, and (vi) ancillary products and services that are sold on an ad hoc basis.

Services

We operate, develop products, and deliver our services in two reportable segments, Commercial Real Estate and Residential Real Estate. Our Commercial Real Estate segment offers commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Our Residential Real Estate segment hosts marketplaces that aggregate consumer demand for homes and apartments and we sell marketing and leads to the agents, owners, landlords, and property management companies that need to reach those consumers with their offerings. Our principal services are described in the following paragraphs:

Commercial Real Estate

CoStar

CoStar is our subscription-based integrated platform for commercial real estate intelligence, which includes information about commercial real estate properties, properties for sale, comparable sales, tenants, space available for lease, industry professionals and their business relationships, industry news, and market status. CoStar also provides benchmarking for the hospitality industry under the STR brand, lease analytical capabilities, and risk management and other debt solutions for lenders. We also offer SaaS for lease management under the CoStar Real Estate Manager and Visual Lease brands.

LoopNet

Our LoopNet Network of commercial real estate websites offers online marketplaces across the U.S., Europe, and the U.K. that enable commercial property owners, landlords, and real estate agents to advertise properties for sale or for lease. Commercial real estate agents, buyers, and tenants use the LoopNet Network of online marketplaces to search for available property listings that meet their criteria. With the Domain Acquisition, we also offer commercial real estate listings in Australia.

Other Commercial Real Estate

Other Commercial Real Estate includes revenue from the Matterport Acquisition, BizBuySell Network, and Ten-X's online auctions for commercial real estate. Matterport primarily provides hosting services for its 3D digital twins on a subscription basis. Matterport also provides capture services of spatial data and other add-on services to existing subscription customers and sells 3D capture cameras and accessories. Our BizBuySell Network provides online marketplaces for businesses and franchises for sale.

We expect Commercial Real Estate's revenue growth rate for the year ending December 31, 2026 to moderate compared to the revenue growth rate for the year ended December 31, 2025 primarily due to the nonrecurring benefit realized in 2025 from the Matterport Acquisition.

Residential Real Estate

Our residential marketplaces enable renters and homebuyers to find their dream homes by combining our proprietary research and neighborhood content with listing information, while enabling property owners, managers, and real estate agents to advertise their properties. Our flagship brands in the U.S. are Apartments.com, Homes.com, and Land.com. Apartments.com and Land.com provide comprehensive advertising on a subscription basis. Homes.com offers real estate agents subscription memberships promoting the agent's listings and profile on our websites, as well as the ability for real estate agents and homeowners to promote a single listing. Domain and OnTheMarket are our primary brands in Australia and the U.K., respectively. Domain primarily provides agents premium listings for individual properties. OnTheMarket hosts agents' listings on a subscription basis. With the Zonda Acquisition, we provide data, analytics, and software solutions, primarily on a subscription basis, and offer marketplace advertising solutions for the residential construction industry, primarily on a transactional basis.

We expect Residential Real Estate's revenue growth rate for the year ending December 31, 2026 to accelerate compared to the revenue growth rate for the year ended December 31, 2025 due to a full year's benefit of the Domain Acquisition completed in August 2025, a partial year's benefit of the Zonda Acquisition completed in August 2026, and an increase in the number of Homes.com agent memberships.

Subscription-based Services

For the three months ended September 30, 2026 and 2025, our annualized net new bookings of subscription-based services on all contracts were $37 million and $84 million, respectively. The decrease in net new bookings was primarily attributable to economic headwinds and slower-than-expected sales force growth within a competitive environment. Net new bookings is

calculated based on the annualized amount of change in our sales bookings resulting from new subscription-based contracts, changes to existing subscription-based contracts, and cancellations of subscription-based contracts for the period reported. Net new bookings is calculated on all subscription-based contracts without regard to contract term. Net new bookings is considered an operating metric that is an indicator of future subscription revenue growth and is also used as a metric of sales force productivity by us and investors. However, information regarding net new bookings is not comparable to, nor should it be substituted for, an analysis of our revenue over time. Revenue from our subscription-based contracts was approximately 89% and 92% of total revenue for the three months ended September 30, 2026 and 2025, respectively. The decrease in our percentage of subscription-based revenue was primarily due to Domain, which sells premium listings for individual properties, as well as the transactional products and services sold by Matterport.

For the trailing 12 months ended September 30, 2026 and 2025, our contract renewal rate for existing company-wide CoStar Group subscription-based services for contracts with a term of at least one year was approximately 88% and 89%, respectively, and our cancellation rate for those services during the same periods was approximately 12% and 11%, respectively. Contract renewal rates are calculated on all subscription-based contracts with a term of at least one year. Our contract renewal rate is a quantitative measurement that is typically closely correlated with our revenue results. As a result, we believe that the rate may be a reliable indicator of short-term and long-term performance absent extraordinary circumstances. Our trailing 12-month contract renewal rate may decline as a result of negative economic conditions, consolidations among our customers, reductions in customer spending, or decreases in our customer base. Revenue from our subscription-based contracts with a term of at least one year was approximately 72% and 75% of total revenue for the trailing 12 months ended September 30, 2026 and 2025, respectively. The decrease in the percentage of revenue from our subscription-based contracts with a term of at least one year was primarily due to the Domain products, which are sold as premium listings for individual properties, as well as the transactional products and services sold by Matterport.

In response to inflation risk and other macroeconomic concerns, each of the U.S. Federal Reserve and The Reserve Bank of Australia have raised target interest rates in 2026 and borrowing costs for property owners remain elevated. These factors have contributed to a slowdown in real estate markets with lower transaction volumes and higher inventory in both the U.S. and Australia. This slowdown has resulted in increased economic headwinds for our residential and multifamily customers in the U.S. and reduced transaction volumes in our Domain business in Australia year-over-year.

During the fourth quarter of 2025, we changed the composition of our segments from geography-based to product portfolio-based. This change aligns with the internal reporting used by the CODM for assessing performance and allocating resources. See Notes 2, 3, and 12 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report for additional information on the segment change.

Development, Investments, and Expansion

We plan to continue to invest in our business and our services, evaluate strategic growth opportunities, and pursue our key priorities as described below. We are committed to supporting, improving, and enhancing our real estate information, analytics, and online marketplaces solutions, including expanding and improving our offerings for our client base and site users, including property owners, property managers, buyers, commercial tenants, and residential renters and buyers. We expect to continue our software development efforts to improve existing services, introduce new services, integrate and cross-sell services, integrate recently completed acquisitions, and expand and develop supporting technologies for our research, sales, and marketing organizations. We may reevaluate our priorities as economic conditions continue to evolve.

Our key priorities for the remainder of 2026 currently include:

- Enhancement of our residential products and platforms. Leveraging rentals marketing and lead generation across platforms, in particular, Apartments.com and Homes.com. Scaling Homes.com through new product releases including depth advertising. Continuing to develop new and improved tools for residential agents and brokers to help amplify their reach.
- International expansion of LoopNet and CoStar. We launched our LoopNet branded advertising products in Spain and France and continue to expand our footprint of commercial listings in these markets. In addition, we launched CoStar in France and are continuing our plan to launch CoStar in Australia early next year.
- Launching additional AI-enabled features across our products. We plan to extend the revolutionary capability of Homes Ai and Apartments Ai across the Company’s portfolio of leading platforms, including CoStar and LoopNet, ushering in a new era of intelligent, conversational real estate discovery. Our AI capabilities draw from property data, Matterport 3D digital twin technology, images, proprietary school data, neighborhood insights, and market intelligence.

- Continuing to expand our CoStar offerings with additional modules, including new data and enhanced analytics. We have launched CoStar Rent Benchmark, an AI-abstracted dataset built from 4 million actual leases and lease documents. This product allows users to make more confident decisions with real data rather than using less reliable asking rents or broker report information. We are launching CoStar Debt Solutions Benchmark. This feature will give lenders visibility to improve decisions across origination, portfolio risk, and compliance. We expect these enhancements will drive new subscribers and additional usage under one platform.

- Leveraging technology and AI capabilities in our internal processes. We are using advanced technology, including AI, to improve data collection, data generation, and data quality. AI is driving research efficiencies, improving data quality, and increasing the pace of product development. Proprietary data, an integrated delivery platform, and bespoke research processes underpin our product solutions.

We intend to continue to assess the need for additional investments in our business in order to develop and distribute new services and functionality within our current platform or expand the reach of, or otherwise improve, our current service offerings. Any future product development or expansion of services, combination and coordination of services, or elimination of services or corporate expansion, development, or restructuring efforts could reduce our profitability and increase our capital expenditures. Any new investments, changes to our service offerings, or other unforeseen events could cause us to experience reduced revenue or generate losses and negative cash flow from operations in the future. Any development efforts must comply with our credit facility, which contains restrictive covenants that restrict our operations and use of our cash flow and may prevent us from taking certain actions that we believe could increase our profitability or otherwise enhance our business.

Non-GAAP Financial Measures

We prepare and publicly release quarterly unaudited financial statements prepared in accordance with GAAP. We also disclose and discuss certain non-GAAP financial measures in our public releases, investor conference calls, and filings with the SEC. The non-GAAP financial measures that we may disclose include EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS.

EBITDA is our net income (loss) before interest income or expense, net; other expense or income, net; income taxes; depreciation; and amortization.

Adjusted EBITDA is different from EBITDA because we further adjust EBITDA for stock-based compensation expense; acquisition- and integration-related costs; restructuring and related costs, including certain advisory fees; and settlements and impairments incurred outside our ordinary course of business, including judgments and related recoveries thereon. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue for the period.

We typically disclose EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin on a consolidated and on an operating segment basis in our earnings releases, investor conference calls, and filings with the SEC.

Adjusted Net Income represents our net income (loss) adjusted for stock-based compensation expense; acquisition- and integration-related costs, including gains or losses on equity investments acquired in prospective targets and related to deal-contingent financial instruments; restructuring costs; settlement and impairment costs incurred outside our ordinary course of business, including judgments and related, non-recurring interest and recoveries thereon; and amortization of acquired intangible assets and other related costs, and then subtracting an assumed provision for income taxes.

Adjusted EPS represents Adjusted Net Income divided by the number of diluted shares outstanding for the period used in the calculation of GAAP earnings per diluted share. For periods with GAAP net losses and Adjusted Net Income, the weighted average outstanding shares used to calculate Adjusted EPS includes potentially dilutive securities that were excluded from the calculation of GAAP earnings per share as the effect was anti-dilutive.

We disclose Adjusted EPS and Adjusted Net Income on a consolidated basis in our earnings releases, investor conference calls, and filings with the SEC.

The non-GAAP financial measures that we use may not be comparable to similarly titled measures reported by other companies. Also, in the future, we may disclose different non-GAAP financial measures in order to help our investors meaningfully evaluate and compare our results of operations to our previously reported results of operations or to those of other companies in our industry.

We view EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS as operating performance measures. We believe that the most directly comparable GAAP financial measure to EBITDA, Adjusted EBITDA, and Adjusted Net Income is net income (loss). We believe the most directly comparable GAAP financial measure to Adjusted

EPS and Adjusted EBITDA margin are earnings per diluted share and net income (loss) divided by revenue, respectively. In calculating EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS, we exclude from net income (loss) the financial items that we believe should be separately identified to provide additional analysis of the financial components of the day-to-day operation of our business. We have outlined below the type and scope of these exclusions and the material limitations on the use of these non-GAAP financial measures as a result of these exclusions. EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS are not measurements of financial performance under GAAP and should not be considered as a measure of liquidity, as an alternative to net income (loss), or as an indicator of any other measure of performance derived in accordance with GAAP. Investors and potential investors in our securities should not rely on EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS as a substitute for any GAAP financial measure, including net income (loss) and earnings per diluted share. In addition, we urge investors and potential investors in our securities to carefully review the GAAP financial information included as part of our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that are filed with the SEC, as well as our quarterly earnings releases, and compare the GAAP financial information with our EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS.

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS may be used by management to internally measure our operating and management performance and may be used by investors as supplemental financial measures to evaluate the performance of our business. We believe that these non-GAAP measures, when viewed with our GAAP results and accompanying reconciliations, provide additional information to investors that is useful to understand the factors and trends affecting our business without the impact of certain acquisition-related items. We have spent more than 35 years building our database of commercial real estate information and expanding our markets and services partially through acquisitions of complementary businesses. Due to these acquisitions, our net income (loss) has included significant charges for amortization of acquired intangible assets; depreciation and other amortization; acquisition- and integration-related costs, including gains or losses on equity investments acquired in prospective targets and related to deal-contingent financial instruments; interest income (expense); and restructuring and related costs, including certain advisory fees. Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted EPS exclude these charges and provide meaningful information about the operating performance of our business, apart from charges for amortization of acquired intangible assets; depreciation and other amortization; acquisition- and integration-related costs; restructuring and related costs, including certain advisory fees; and settlement and impairment costs incurred outside our ordinary course of business, including judgments and related, non-recurring interest and recoveries thereon. We believe the disclosure of non-GAAP measures can help investors meaningfully evaluate and compare our performance from quarter to quarter and from year to year without the impact of these items. We also believe the non-GAAP measures we disclose are measures of our ongoing operating performance because the isolation of non-cash charges, such as amortization and depreciation, and other items, such as interest income or expense, net; other expense or income, net; income taxes; stock-based compensation expenses, acquisition- and integration-related costs; interest income (expense); restructuring and related costs, including certain advisory fees; and settlement and impairment costs incurred outside our ordinary course of business, including judgments and related, non-recurring interest, and recoveries thereon, provides additional information about our cost structure, and, over time, helps track our operating progress. In addition, investors, securities analysts, and others have regularly relied on EBITDA and may rely on Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, or Adjusted EPS to provide a financial measure by which to compare our operating performance against that of other companies in our industry.

Set forth below are descriptions of financial items that have been excluded from net income (loss) to calculate EBITDA and the material limitations associated with using this non-GAAP financial measure as compared to net income (loss):

- Amortization of acquired intangible assets in cost of revenue may be useful for investors to consider because it represents the diminishing value of any acquired trade names and other intangible assets and the use of our acquired technology, which is one of the sources of information for our database of commercial real estate information. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.

- Amortization of acquired intangible assets in operating expenses may be useful for investors to consider because it represents the estimated attrition of our acquired customer base. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.

- Depreciation and other amortization may be useful for investors to consider because they generally represent the wear and tear on our property and equipment used in our operations. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.

- The amount of interest income or expense, net and other expense or income, net we generate and incur may be useful for investors to consider and may result in current cash inflows and outflows. However, we do not consider the amount

of interest income or expense, net and other expense or income, net to be a representative component of the day-to-day operating performance of our business.

- Income tax expense (benefit) may be useful for investors to consider because it generally represents the taxes that may be payable, or the benefit, for the period and the change in deferred income taxes during the period and may reduce the amount of funds otherwise available for use in our business. However, we do not consider the amount of income tax expense (benefit) to be a representative component of the day-to-day operating performance of our business.

Set forth below are descriptions of additional financial items that have been excluded from EBITDA to calculate Adjusted EBITDA and the material limitations associated with using this non-GAAP financial measure as compared to net income (loss):

- Stock-based compensation expense may be useful for investors to consider because it represents a portion of the compensation of our employees and executives. Determining the fair value of the stock-based instruments involves a high degree of judgment and estimation and the expenses recorded may bear little resemblance to the actual value realized upon the future exercise or termination of the related stock-based awards. Therefore, we believe it is useful to exclude stock-based compensation in order to better understand the long-term performance of our core business.

- The amount of acquisition- and integration-related costs incurred may be useful for investors to consider because such costs generally represent professional service fees and direct expenses related to acquisitions. Because we do not acquire businesses on a predictable cycle, we do not consider the amount of acquisition- and integration-related costs to be a representative component of the day-to-day operating performance of our business.

- The amount of settlement and impairment costs incurred outside of our ordinary course of business, including judgments, may be useful for investors to consider because they generally represent gains or losses from the settlement of litigation matters, including judgments, charges related to terminations of contracts, or impairments of acquired intangible assets or other long-lived assets. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.

- The amount of restructuring and related costs, including certain advisory costs, incurred may be useful for investors to consider because they generally represent costs incurred in connection with changes to the structure of our operations, governance, offices and related properties, and suppliers or employees used to deliver services and include costs to terminate contracts, advisory fees and other professional services, and severance. Because we do not carry out restructuring activities on a predictable cycle, we do not consider the amount of restructuring-related costs to be a representative component of the day-to-day operating performance of our business.

The financial items that have been excluded from our net income (loss) to calculate Adjusted Net Income and Adjusted EPS are amortization of acquired intangible assets and other related costs; stock-based compensation; acquisition- and integration-related costs, including gains or losses on equity investments acquired in prospective targets and related to deal-contingent financial instruments; restructuring and related costs; and settlement and impairment costs incurred outside our ordinary course of business, including judgments. These items are the same as discussed above with respect to the calculation of Adjusted EBITDA together with the material limitations associated with using non-GAAP financial measures as compared to net income (loss). We further exclude non-recurring interest charges related to judgments and recoveries thereon from Adjusted Net Income and Adjusted EPS as this may be useful for investors to consider because these non-recurring interest charges generally represent costs associated with the settlement of litigation matters, including judgments. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure. In addition to these exclusions from net income (loss), we subtract an assumed provision for income taxes to calculate Adjusted Net Income. In both 2026 and 2025, we assume a 26.0% tax rate, which approximates our historical long-term statutory corporate tax rate, excluding the impact of discrete items.

Management compensates for the above-described limitations of using non-GAAP measures by using a non-GAAP measure only to supplement our GAAP results and to provide additional information that is useful to investors to understand the factors and trends affecting our business.

Consolidated Results of Operations

The Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

The following table compares our selected condensed consolidated results of operations for the three months ended September 30, 2026 and 2025 (in millions):

	Three Months Ended September 30,			
	2026	2025	Increase (Decrease) ($)	Increase (Decrease) (%)
Revenue				
CoStar	$ 344	$ 318	$ 26	8 %
LoopNet	89	79	10	13
Other Commercial Real Estate	59	64	(5)	(8)
Total Commercial Real Estate	492	461	31	7
Residential Real Estate	460	373	87	23
Total revenue	952	834	118	14
Cost of revenue	211	172	39	23
Gross profit	741	662	79	12
Operating expenses:				
Selling and marketing (excluding customer base amortization)	366	418	(52)	(12)
Software development	109	106	3	3
General and administrative	138	157	(19)	(12)
Customer base amortization	44	32	12	38
Total operating expenses	657	713	(56)	(8)
Income (loss) from operations	84	(51)	135	NM
Interest income (expense), net	(1)	26	(27)	NM
Other income (expense), net	1	(21)	22	NM
Income (loss) before income taxes	84	(46)	130	NM
Income tax expense (benefit)	10	(15)	25	NM
Net income (loss)	$ 74	$ (31)	$ 105	NM

NM - Not meaningful

Revenue. Revenue increased by $118 million, or 14%, to $952 million, driven by the following:

Commercial Real Estate revenue increased by $31 million, or 7%, to $492 million due to:

- an increase in CoStar revenue of $26 million, or 8%, due to inflation-based price increases, an increase in subscribers, and additional sales of STR Benchmarking,
- an increase in LoopNet revenue of $10 million, or 13%, due to an increase in the number of listings and the Domain Acquisition completed in August 2025, partially offset by,
- a decrease in Other Commercial Real Estate revenue of $5 million, or 8%, primarily due to fewer properties transacted on Ten-X.

Residential Real Estate revenue increased by $87 million, or 23%, to $460 million, primarily due to:

- $58 million of revenue from the Domain and Zonda Acquisitions and
- an increase in the number of memberships and properties advertised on our network.

Gross Profit and Cost of Revenue. Gross profit increased by $79 million, or 12%, to $741 million, and the gross profit margin decreased from 79% to 78%. The increase in gross profit was due to higher revenue, partially offset by, an increase in the cost of revenue. Cost of revenue increased by $39 million, or 23%, to $211 million and, as a percentage of revenue, increased from 21% to 22%. The increase in cost of revenue included:

- an increase in amortization expense related to acquired technology and trade names due to the Domain and Zonda Acquisitions,
- an increase in software and equipment costs of $7 million, primarily due to higher web hosting costs associated with our existing brands,
- an increase in personnel-related costs of $6 million, primarily due to incremental headcount added through the Domain and Zonda Acquisitions,
- an increase in depreciation expense of $4 million, primarily due to the Richmond, Virginia campus being placed in service during the second quarter of 2026,
- an increase in fulfillment costs of $3 million, primarily due to the digital twin capture equipment and services,
- an increase in credit card processing fees of $3 million, primarily due to higher transaction volumes resulting from increased revenue, and
- an increase in data and content costs of $2 million, primarily due to the Domain Acquisition.

Selling and Marketing (Excluding Customer Base Amortization) Expenses. Selling and marketing (excluding customer base amortization) expenses decreased by $52 million, or 12%, to $366 million and, as a percentage of revenue, decreased from 50% to 38%. The decrease included:

- a decrease in marketing expense, primarily due to reduced marketing expenditures across our brands,
- a decrease in commission expense of $14 million, primarily due to lower sales force headcount and lower sales within our existing brands,
- a decrease in other personnel-related costs of $9 million, primarily due to accelerated stock-based compensation recognized for certain Matterport employees in the prior-year period, and
- a decrease in professional services, recruiting, and relocation expenses of $3 million due to transaction-related costs associated with the Matterport Acquisition in the prior-year period, partially offset by,
- an increase in depreciation expense of $3 million, primarily due to the Richmond, Virginia campus being placed in service during the second quarter of 2026, and
- an increase in occupancy costs of $3 million, primarily due to facilities associated with the Domain Acquisition.

Software Development Expenses. Software development expenses increased by $3 million, or 3%, to $109 million and, as a percentage of revenue, decreased from 13% to 11%. The increase included:

- an increase in software and equipment costs, primarily due to increased spending on AI-related software, and
- an increase in depreciation expense of $3 million, primarily due to the Richmond, Virginia campus being placed in service during the second quarter of 2026, partially offset by,
- a decrease in personnel-related costs of $2 million, primarily due to accelerated stock-based compensation recognized for certain Matterport employees in the prior-year period.

General and Administrative Expenses. General and administrative expenses decreased by $19 million, or 12%, to $138 million and, as a percentage of revenue, decreased from 19% to 14%. The decrease included:

- a decrease in personnel-related costs, primarily due to accelerated stock-based compensation recognized for certain Matterport employees in the prior-year period,

- a decrease in acquisition-related costs of $7 million, due to the transaction costs of $10 million for the Zonda Acquisition in the current period compared to $17 million of costs for the Domain Acquisition in the prior-year period and
- a recovery of $7 million related to the Brown Judgment, partially offset by,
- an impairment charge of $10 million for an office lease assumed in the Domain Acquisition and subsequently vacated,
- an increase in professional services fees of $6 million, primarily due to higher legal expenses and operating costs associated with the Richmond, Virginia campus, and
- an increase in software and equipment costs of $4 million, primarily due to the Domain Acquisition and increased investments in enterprise technology supporting our existing brands.

Customer Base Amortization Expense. Customer base amortization expense increased by $12 million, or 38%, to $44 million, and, as a percentage of revenue, increased from 4% to 5%. The increase was primarily due to amortization of intangible assets recognized in connection with the Domain and Zonda Acquisitions.

Interest Income (Expense), Net. Interest income (expense), net changed by $27 million to a net expense of $1 million. The change was primarily due to a decrease in our cash and cash equivalents, as well as a $4 million increase in interest expense recognized during the current quarter due to no capitalized interest associated with the Richmond, Virginia campus construction project.

Other Income (Expense), Net. Other income (expense), net improved by $22 million, from a net expense of $21 million to a net income of $1 million. The improvement was due to:

- the non-recurrence of a realized loss in the prior-year period on the deal-contingent forward U.S. dollar to Australian dollar contracts entered into in conjunction with the Domain Acquisition, partially offset by,
- the non-recurrence of a net gain of $3 million in the prior-year period consisting of dividend income of $6 million, partially offset by $3 million fair value loss on previously held equity interests in Domain.

Income Tax Expense (Benefit). Income tax expense (benefit) changed by $25 million from a tax benefit of $15 million to an income tax expense of $10 million, and the effective tax rate was 12% of income before income taxes for the three months ended September 30, 2026, compared to 33% of loss before income taxes for the three months ended September 30, 2025. The change in income tax expense was primarily due to higher income before taxes.

The Three Months Ended September 30, 2025 Compared to the Three Months Ended September 30, 2024

The following table compares our selected condensed consolidated results of operations for the three months ended September 30, 2025 and 2024 (in millions):

	Three Months Ended September 30,			
	2025	2024[1]	Increase (Decrease) ($)	Increase (Decrease) (%)
Revenue				
CoStar	$ 318	$ 290	$ 28	10 %
LoopNet	79	71	8	11
Other Commercial Real Estate	64	19	45	237
Total Commercial Real Estate	461	380	81	21
Residential Real Estate	373	313	60	19
Total revenue	834	693	141	20
Cost of revenue	172	141	31	22
Gross profit	662	552	110	20
Operating expenses:				
Selling and marketing (excluding customer base amortization)	418	331	87	26
Software development	106	81	25	31
General and administrative	157	106	51	48
Customer base amortization	32	10	22	220
Total operating expenses	713	528	185	35
Income (loss) from operations	(51)	24	(75)	NM
Interest income, net	26	55	(29)	(53)
Other expense, net	(21)	(2)	(19)	NM
Income (loss) before income taxes	(46)	77	(123)	NM
Income tax expense (benefit)	(15)	24	(39)	NM
Net income (loss)	$ (31)	$ 53	$ (84)	NM

[1] We have recast certain prior period disclosures to align with the way we internally manage our business. See Note 2 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report for additional information.

NM - Not meaningful

Revenue. Revenue increased by $141 million, or 20%, to $834 million, driven by the following:

Commercial Real Estate revenue increased by $81 million, or 21%, to $461 million due to:

- an increase in CoStar revenue of $28 million, or 10%, due to increased sales driven by inflation-based price increases on renewals and an increase in subscribers, as well as the Visual Lease Acquisition,
- an increase in LoopNet revenue of $8 million, or 11%, due to an increase in the average price per listing, as well as the number of listings, and
- an increase in Other Commercial Real Estate revenue of $45 million, or 237%, primarily due to the Matterport Acquisition.

Residential Real Estate revenue increased by $60 million, or 19%, to $373 million, primarily due to:

- an increase in the number of memberships and properties advertised on our network and
- an increase of $23 million due to the Domain Acquisition.

Gross Profit and Cost of Revenue. Gross profit increased by $110 million, or 20%, to $662 million, and the gross profit margin decreased from 80% to 79%. The increase in gross profit was due to higher revenue, partially offset by, an increase in cost of revenue. Cost of revenue increased by $31 million, or 22%, to $172 million and, as a percentage of revenue, increased from 20% to 21%. The increase in cost of revenue primarily included:

- an increase in amortization expense related to the acquired technology and trade names due to the Matterport and Domain Acquisitions,
- an increase in costs related to sales of Matterport capture equipment and services of $7 million, primarily due to the Matterport Acquisition,
- an increase in personnel-related costs of $6 million, primarily due to additional headcount from the Matterport and Domain Acquisitions, and
- an increase in software and equipment costs of $4 million, primarily due to higher web hosting costs.

Selling and Marketing (Excluding Customer Base Amortization) Expenses. Selling and marketing (excluding customer base amortization) expenses increased by $87 million, or 26%, to $418 million and, as a percentage of revenue, increased from 48% to 50%. The increase primarily included:

- an increase in personnel-related cost, primarily due to sales hiring and additional sales force headcount from the Matterport and Domain Acquisitions,
- an increase in commissions costs of $20 million, primarily due to increased sales force headcount, and
- an increase in marketing expenses of $17 million, primarily due to advertising expenses for our brands.

Software Development Expenses. Software development expenses increased by $25 million, or 31%, to $106 million and, as a percentage of revenue, increased from 12% to 13%. The increase primarily included:

- an increase in personnel costs of $21 million, primarily due to additional headcount from the Matterport and Domain Acquisitions, as well as higher costs associated with our existing employees.

General and Administrative Expenses. General and administrative expenses increased by $51 million, or 48%, to $157 million and, as a percentage of revenue, increased from 15% to 19%. The increase primarily included:

- an increase in personnel-related costs, primarily due to additional headcount from the Matterport and Domain Acquisitions, as well as higher costs associated with our existing employees,
- an increase in professional service and third-party costs of $9 million, primarily due to acquisition-related activities, and
- an increase in software and equipment costs of $3 million, primarily due to the Matterport Acquisition.

Customer Base Amortization Expense. Customer base amortization expense increased by $22 million, or 220%, to $32 million, and, as a percentage of revenue, increased from 1% to 4%. The increase was primarily due to the Matterport, Visual Lease, and Domain Acquisitions.

Interest Income, Net. Interest income, net decreased by $29 million, or 53%, to $26 million. The decrease was primarily due to a decrease in our cash and cash equivalents.

Other Expense, Net. Other expense, net increased by $19 million to $21 million. The increase primarily included:

- a realized loss on the deal-contingent forward U.S. dollar to Australian dollar contracts entered into in conjunction with the Domain Acquisition, partially offset by,
- a gain of $3 million relating to the previously held equity interests in Domain, inclusive of dividend income of $6 million.

Income Tax Expense (Benefit). Income tax benefit was $15 million for the three months ended September 30, 2025, a change of $39 million from income tax expense of $24 million for the three months ended September 30, 2024. The effective tax rate was 33% of loss before income taxes for the three months ended September 30, 2025, compared to 31% of income

before income taxes for the three months ended September 30, 2024. The change was primarily due to lower income before taxes.

Business Segment Results for the Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

We manage our business by product portfolios in two operating segments, with the primary areas of measurement and decision-making being Commercial Real Estate and Residential Real Estate. Segment reporting is based on the management approach, whereby external segment reporting is aligned with the internal reporting used by the CODM, which is the Company's Chief Executive Officer. The CODM relies on an internal management reporting process that provides operating segment revenue, EBITDA, and Adjusted EBITDA for making decisions and assessing performance as the source of the Company's reportable segments. Adjusted EBITDA is used by management internally to measure operating and management performance and to evaluate the performance of the business. Operating results by segment include items that are directly attributable to each segment and also include shared expenses such as legal, including settlements and fines, corporate infrastructure and support costs, facilities, and IT expenses from our integrated platform. Shared expenses are primarily allocated based on revenue or headcount. There are no intersegment transactions. Refer to Note 2 and Note 12 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report for additional information. See "Non-GAAP Financial Measures" for further information regarding our segment operating results.

Segment Adjusted EBITDA. Commercial Real Estate Adjusted EBITDA decreased by $3 million to $180 million. The decrease was due to:

- an increase in personnel-related costs, primarily due to higher costs in our existing brands as we prepare to launch CoStar in Australia and additional features in CoStar, and to a lesser extent, the Domain Acquisition, and
- an increase in general and administrative expenses of $13 million, primarily due to higher product web hosting costs, occupancy costs and, higher hardware expenses related to Matterport, partially offset by,
- an increase in revenue discussed above.

Residential Real Estate Adjusted EBITDA improved by $118 million to $49 million. The improvement was due to:

- an increase in revenue discussed above,
- a decrease in marketing expenses, primarily due to lower marketing expenditures within existing brands, and
- a decrease in personnel-related costs of $20 million, primarily due to lower costs within existing brands, partially offset by, costs associated with the Domain and Zonda Acquisitions, partially offset by,
- an increase in general and administrative expenses of $18 million, primarily due to the costs associated with the Domain and Zonda Acquisitions.

Business Segment Results for the Three Months Ended September 30, 2025 Compared to the Three Months Ended September 30, 2024

Segment Adjusted EBITDA. Commercial Real Estate Adjusted EBITDA increased by $30 million to $183 million. The increase was due to:

- an increase in revenue discussed above, partially offset by,
- an increase in personnel-related costs, primarily due to the Matterport, Domain, and Visual Lease Acquisitions, and
- an increase in general and administrative expenses and marketing expenses of $14 million and $5 million, respectively, primarily due to incremental costs associated with the Matterport, Domain, and Visual Lease Acquisitions.

Residential Real Estate Adjusted EBITDA improved by $8 million to a loss of $69 million. The improvement was due to:

- an increase in revenue discussed above, partially offset by,
- an increase in personnel-related costs, primarily due to increased sales headcount within existing brands and the Domain Acquisition,

- an increase in marketing expenses of $11 million, consisting of $7 million increase from existing brands and $4 million increase related to Domain, and
- an increase in general and administrative expenses of $3 million, primarily due to the Domain Acquisition.

The Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

The following table provides a comparison of our selected condensed consolidated results of operations for the nine months ended September 30, 2026 and 2025 (in millions):

	Nine Months Ended September 30,			
	2026	2025	Increase (Decrease) ($)	Increase (Decrease) (%)
Revenue				
CoStar	$ 1,012	$ 933	$ 79	8 %
LoopNet	261	228	33	14
Other Commercial Real Estate	172	155	17	11
Total Commercial Real Estate	1,445	1,316	129	10
Residential Real Estate	1,329	1,031	298	29
Total revenue	2,774	2,347	427	18
Cost of revenue	604	493	111	23
Gross profit	2,170	1,854	316	17
Operating expenses:				
Selling and marketing (excluding customer base amortization)	1,182	1,182	—	—
Software development	330	297	33	11
General and administrative	378	420	(42)	(10)
Customer base amortization	117	76	41	54
Total operating expenses	2,007	1,975	32	2
Income (loss) from operations	163	(121)	284	NM
Interest income, net	7	97	(90)	(93)
Other expense, net	—	(7)	7	(100)
Income (loss) before income taxes	170	(31)	201	NM
Income tax expense	38	9	29	322
Net income (loss)	$ 132	$ (40)	$ 172	NM

NM - Not meaningful

Revenue. Revenue increased by $427 million, or 18%, to $2.8 billion, driven by the following:

Commercial Real Estate revenue increased by $129 million, or 10%, to $1.4 billion due to:

- an increase in CoStar revenue of $79 million, or 8%, due to an increase in subscribers, inflation-based price increases, and additional sales of STR Benchmarking,
- an increase in LoopNet revenue of $33 million, or 14%, due to an increase in the number of listings and the Domain Acquisition completed in August 2025, and
- an increase in Other Commercial Real Estate revenue of $17 million, or 11%, primarily due to the Matterport Acquisition completed in February 2025, partially offset by, lower transaction volume on Ten-X.

Residential Real Estate revenue increased by $298 million, or 29%, to $1.3 billion, primarily due to:

- an increase in revenue of $189 million from the Domain and Zonda Acquisitions and

- an increase in the number of memberships and properties advertised on our network, partially offset by, a reduction in average price.

Gross Profit and Cost of Revenue. Gross profit increased by $316 million, or 17%, to $2.2 billion, and the gross profit margin decreased from 79% to 78%. The increase in gross profit was due to higher revenue, partially offset by, an increase in cost of revenue. Cost of revenue increased by $111 million, or 23%, to $604 million and, as a percentage of revenue, increased from 21% to 22%. The increase in cost of revenue primarily included:

- an increase in amortization expense related to acquired technology and trade names, primarily due to the Domain, Matterport, and Zonda Acquisitions,
- an increase in $32 million in software hosting, data and content, and fulfillment costs of digital twin capture equipment and services attributable to the additional revenue,
- an increase in personnel-related costs of $18 million, primarily due to the additional headcount from the Domain, Matterport, and Zonda Acquisitions,
- an increase in data and content expense of $11 million, primarily due to the Domain Acquisition,
- an increase in credit card processing fees of $7 million, primarily due to higher transaction volumes resulting from increased revenue,
- an increase in office supplies expense of $6 million, primarily related to field research equipment used for CoStar and Domain, and
- an increase in depreciation expense of $4 million, primarily due to the Richmond, Virginia campus being placed into service during the second quarter of 2026.

Selling and Marketing (Excluding Customer Base Amortization) Expenses. Selling and marketing (excluding customer base amortization) expenses were consistent at $1.2 billion and, as a percentage of revenue, decreased from 50% to 43%. The change included:

- a decrease in marketing expenses, primarily due to lower advertising expenditures across our brands,
- a decrease in recruiting and relocation costs and professional services fees of $8 million, partially offset by,
- an increase in personnel-related costs of $11 million, primarily due to additional sales force headcount associated with the Domain Acquisition, offset by a decrease in commissions cost and stock-based compensation expense due to lower commission expense for existing brands and accelerated stock-based compensation costs recognized for certain Matterport employees in the prior-year period,
- an increase in depreciation expense of $7 million, primarily due to the Richmond, Virginia campus being placed into service during the second quarter of 2026,
- an increase in occupancy-related costs of $6 million, primarily due to the Domain Acquisition, and
- an increase of $4 million in events and sales force development costs.

Software Development Expenses. Software development expenses increased by $33 million, or 11%, to $330 million and, as a percentage of revenue, decreased from 13% to 12%. The increase primarily included:

- an increase in personnel-related costs, primarily due to additional headcount associated with the Domain Acquisition,
- an increase in software and equipment costs of $8 million, primarily due to increased spending on AI software,
- an increase in depreciation expense of $4 million, primarily due to the Richmond, Virginia campus being placed into service during the second quarter of 2026, and
- an increase in professional services fees of $2 million, primarily due to the Domain Acquisition.

General and Administrative Expenses. General and administrative expenses decreased by $42 million, or 10%, to $378 million and, as a percentage of revenue, decreased from 18% to 14%. The decrease primarily included:

- a decrease in personnel-related costs, primarily due to lower stock-based compensation expense resulting from accelerated compensation recognized for certain Matterport employees in the prior-year period, offset by additional headcount associated with the Domain and Zonda Acquisitions,
- a gain from recoveries related to the Brown Judgment of $24 million,
- a decrease in acquisition-related costs of $24 million, due to the transaction costs of $14 million for the Zonda Acquisition in the current period compared to $38 million of costs for the Matterport and Domain Acquisitions in the prior-year period,
- a decrease in legal settlement fees of $7 million related to a prior year settlement, partially offset by,
- an increase in software and equipment costs of $17 million, primarily due to the Domain Acquisition,
- an impairment charge of $10 million for an office lease assumed in the Domain Acquisition and subsequently vacated, and
- an increase in professional services fees of $6 million, primarily due to higher legal expenses and operating costs associated with the new campuses.

Customer Base Amortization Expense. Customer base amortization expense increased by $41 million, or 54%, to $117 million and, as a percentage of revenue, increased from 3% to 4%. The increase was primarily due to amortization associated with intangible assets acquired in the Domain and Zonda Acquisitions, partially offset by, lower amortization expense related to Matterport and legacy customer base.

Interest Income, Net. Interest income, net decreased by $90 million, or 93%, to $7 million. The decrease was primarily due to a decrease in our cash and cash equivalents, as well as $9 million of interest on the Brown Judgment.

Other Expense, Net. Other expense, net improved by $7 million due to:

- a realized loss on the deal-contingent forward U.S. dollar to Australian dollar contracts entered into in conjunction with the Domain Acquisition in the prior-year period,
- a decrease in foreign currency exchange loss of $5 million, partially offset by,
- a decrease in gain on investments of $12 million related to the previously held equity interests in Domain inclusive of dividend income of $6 million in the prior-year period, and

Income Tax Expense. Income tax expense increased by $29 million, or 322%, to $38 million and the effective tax rate was 22% of income before income taxes for the nine months ended September 30, 2026, compared to (29)% of loss before income taxes for the nine months ended September 30, 2025. The increase in income tax expense was primarily due to higher income before income taxes.

The Nine Months Ended September 30, 2025 Compared to the Nine Months Ended September 30, 2024

The following table provides a comparison of our selected condensed consolidated results of operations for the nine months ended September 30, 2025 and 2024 (in millions):

	Nine Months Ended September 30,			
	2025	2024[1]	Increase (Decrease) ($)	Increase (Decrease) (%)
Revenue				
CoStar	$ 933	$ 859	$ 74	9 %
LoopNet	228	210	18	9
Other Commercial Real Estate	155	54	101	187
Total Commercial Real Estate	1,316	1,123	193	17
Residential Real Estate	1,031	904	127	14
Total revenue	2,347	2,027	320	16
Cost of revenue	493	418	75	18
Gross profit	1,854	1,609	245	15
Operating expenses:				
Selling and marketing (excluding customer base amortization)	1,182	1,055	127	12
Software development	297	243	54	22
General and administrative	420	315	105	33
Customer base amortization	76	31	45	145
Total operating expenses	1,975	1,644	331	20
Loss from operations	(121)	(35)	(86)	246
Interest income, net	97	165	(68)	(41)
Other expense, net	(7)	(5)	(2)	40
Income (loss) before income taxes	(31)	125	(156)	NM
Income tax expense	9	46	(37)	(80)%
Net income (loss)	$ (40)	$ 79	$ (119)	NM

[1] We have recast certain prior period disclosures to align with the way we internally manage our business. See Note 2 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report for additional information.

NM - Not meaningful

Revenue. Revenue increased by $320 million, or 16%, to $2.3 billion, driven by the following:

Commercial Real Estate revenue increased by $193 million, or 17%, to $1.3 billion due to:

- an increase in CoStar revenue of $74 million, or 9%, due to an increase in subscribers and inflation-based price increases on renewals, and the Visual Lease Acquisition,
- an increase in LoopNet revenue of $18 million, or 9%, due to an increase in the number of listings, as well as an increase in the average price per listing, and
- an increase in Other Commercial Real Estate revenue of $101 million, or 187%, primarily due to the Matterport Acquisition.

Residential Real Estate revenue increased by $127 million, or 14%, to $1.0 billion, primarily due to:

- an increase in the number of memberships and properties advertised on our network, as well as customers selecting higher-priced ad packages and
- an increase of $23 million due to the Domain Acquisition, partially offset by,

- a decrease due to the discontinuation of certain products that were inconsistent with our long-term business strategy.

Gross Profit and Cost of Revenue. Gross profit increased by $245 million, or 15%, to $1.9 billion, and the gross profit margin was consistent at 79%. The increase in gross profit was due to higher revenue, partially offset by, an increase in cost of revenue. Cost of revenue increased by $75 million, or 18%, to $493 million and, as a percentage of revenue, was consistent at 21%. The increase in cost of revenue primarily included:

- an increase in personnel-related costs and depreciation expense, primarily due to additional headcount associated with the Matterport and Domain Acquisitions,
- an increase in amortization expense of $25 million due to acquired technology and trade names associated with the Matterport and Domain Acquisitions,
- an increase in costs related to sales of Matterport capture equipment and services of $19 million due to the Matterport Acquisition, and
- an increase in software and equipment costs of $11 million, primarily due to higher web hosting costs.

Selling and Marketing (Excluding Customer Base Amortization) Expenses. Selling and marketing (excluding customer base amortization) expenses increased by $127 million, or 12%, to $1.2 billion and, as a percentage of revenue, decreased from 52% to 50%. The increase primarily included:

- an increase in personnel-related costs, primarily due to sales hiring and additional sales force headcount associated with the Matterport and Domain Acquisitions,
- an increase in commission expense of $32 million due to increased sales force headcount,
- an increase in occupancy and equipment costs of $7 million due to growth in the sales force across the brands,
- an increase in depreciation expense of $6 million, primarily due to additional headcount associated with the Matterport and Domain Acquisitions,
- an increase in third-party photography fees of $4 million due to the Matterport Acquisition, and
- an increase for conferences and development of $3 million due to growth in our sales force, partially offset by,
- a decrease in marketing expenses of $20 million.

Software Development Expenses. Software development expenses increased by $54 million, or 22%, to $297 million and, as a percentage of revenue, increased from 12% to 13%. The increase primarily included:

- an increase in personnel-related costs, primarily due to additional headcount associated with the Matterport and Domain Acquisitions, as well as higher costs associated with our existing workforce, and
- an increase in depreciation expense of $5 million due to additional headcount.

General and Administrative Expenses. General and administrative expenses increased by $105 million, or 33%, to $420 million and, as a percentage of revenue, increased from 16% to 18%. The increase primarily included:

- an increase in personnel-related costs, primarily due to additional headcount associated with the Matterport and Domain Acquisitions, as well as higher costs associated with our existing workforce,
- an increase in professional service fees of $35 million, primarily related to acquisition-related activities and costs incurred to defend our intellectual property, and
- an increase in software and equipment costs of $9 million, primarily related to the Matterport Acquisition, partially offset by,
- a decrease in depreciation expense of $11 million, primarily due to headcount changes.

Customer Base Amortization Expense. Customer base amortization expense increased by $45 million, or 145%, to $76 million and, as a percentage of revenue, increased from 2% to 3%. The increase was primarily due to the Matterport, Visual Lease, and Domain Acquisitions.

Interest Income, Net. Interest income, net decreased by $68 million, or 41%, to $97 million. The decrease was primarily due to a decrease in our cash and cash equivalents.

Other Expense, Net. Other expense, net was $7 million for the nine months ended September 30, 2025, a change of $2 million over the nine months ended September 30, 2024. The change primarily included:

- a realized loss of $10 million on the deal-contingent forward U.S. dollar to Australian dollar contracts entered into in conjunction with the Domain Acquisition, partially offset by,
- a gain of $12 million related to the previously held equity interests in Domain, inclusive of dividend income of $6 million.

Income Tax Expense. Income tax expense decreased by $37 million, or 80%, to $9 million and the effective tax rate was (29)% of loss before income taxes for the nine months ended September 30, 2025 compared to 37% of income before income taxes for the nine months ended September 30, 2024. The decrease in income tax expense was primarily due to lower income before income taxes.

Business Segment Results for the Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

Segment Adjusted EBITDA. Commercial Real Estate Adjusted EBITDA increased by $18 million to $513 million. The increase was due to:

- an increase in revenue discussed above, partially offset by,
- an increase in personnel-related costs, primarily due to higher costs in our existing brands as we prepare to launch CoStar in Australia and additional features in CoStar, and to a lesser extent, the Domain Acquisition,
- an increase in general and administrative expenses of $39 million, primarily due to higher product web hosting costs, office expenses and supplies, professional service fees, credit card processing fees, and costs associated with sales of Matterport product equipment.

Residential Real Estate Adjusted EBITDA improved by $262 million to a profit of $32 million. The improvement was due to:

- an increase in revenue discussed above, and
- a decrease in marketing expense, primarily due to lower marketing expenditures within existing brands, net of additional marketing expense associated with the Domain Acquisition, partially offset by,
- an increase in general and administrative expenses of $57 million, primarily due to the Domain and Zonda Acquisitions, and
- personnel costs were consistent with the $86 million of costs associated with the Domain and Zonda Acquisitions being offset by lower costs for our existing brands.

Business Segment Results for the Nine Months Ended September 30, 2025 Compared to the Nine Months Ended September 30, 2024

Segment Adjusted EBITDA. Commercial Real Estate Adjusted EBITDA increased by $55 million to $495 million. The increase was due to:

- an increase in revenue discussed above, partially offset by,
- an increase in personnel-related costs, primarily due to the Matterport and Visual Lease Acquisitions completed in February 2025 and November 2024, respectively, as well as higher costs related to headcount growth within existing brands,
- an increase in general and administrative expenses of $37 million, primarily due to incremental expenses associated with Matterport's post-acquisition operations, including product web hosting costs, sales of Matterport equipment, capture services, and third-party commissions, and
- an increase in marketing expense of $8 million, primarily due to the Matterport Acquisition.

Residential Real Estate Adjusted EBITDA improved by $81 million to a loss of $230 million. The improvement was due to:

- an increase in revenue discussed above,
- a decrease in marketing expense of $30 million, partially offset by,
- an increase in personnel-related costs, primarily due to the Domain Acquisition and higher sales headcount within existing brand, and
- an increase in general and administrative costs of $9 million, primarily due to higher product hosting costs and merchant fees associated with revenue growth, as well as higher relocation, conference, occupancy, and related overhead costs resulting from increased sales headcount within existing brands.

Liquidity and Capital Resources

We believe the balance of cash and cash equivalents, which was $500 million as of September 30, 2026, along with cash generated by ongoing operations and continued access to capital markets, will be sufficient to satisfy our cash requirements over the next 12 months and beyond. Other than the matters discussed below, our cash requirements have not changed materially from what is described in the 2025 Form 10-K.

Construction Commitments. In June 2026, we substantially completed the expansion of our Richmond, Virginia campus in advance of the grand opening on July 6, 2026. As of September 30, 2026, we had accrued $65 million for estimated final invoices and retainage amounts, which we expect to pay during the remainder of 2026. We intend to fund these expenditures with cash on hand.

In conjunction with this expansion, we negotiated various tax incentives with the Commonwealth of Virginia and the City of Richmond, including the allowance to use market-based income apportionment for income taxes and partial reimbursements of property tax assessments related to the value of the campus expansion. These incentives are conditional upon achieving job creation and capital expenditure targets from 2022 to 2029. Failure to meet these targets could result in a reduction of the value of the tax incentives and repayment of previous tax reductions. The value of the allowance to use a market-based income apportionment for income taxes is dependent on our taxable income. We estimate the value of the allowance to use market-based income apportionment for income taxes for tax years 2023 to 2032 and partial reimbursements of property tax assessments related to the value of the campus expansion to be in the range of $275 million to $285 million.

We are currently renovating our corporate headquarters in Arlington, Virginia. The renovation is expected to result in a material cash commitment requirement in 2026 and 2027. We have engaged a project manager, architects, and a general contractor on terms that generally require payments as services are provided or construction is performed. As of September 30, 2026, we were obligated to spend an additional $26 million as construction service is performed and expect to amend these contracts as the project advances. We intend to fund these expenditures with cash on hand.

Acquisitions. On October 26, 2026, the Company, through CRI, entered into the Vexcel Merger Agreement to acquire Vexcel for $730 million in cash, subject to customary working capital and other post-closing adjustments. We expect to fund the acquisition with cash on hand, including accessing our revolving credit facility, and expect the transaction to close in the first half of 2027. The Vexcel Acquisition remains subject to expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and certain foreign regulatory laws and other closing conditions. Accordingly, there can be no assurance that the Vexcel Acquisition will be consummated on the anticipated terms or timing.

Stock Repurchase Program. In December 2025, the Board of Directors approved a Stock Repurchase Program which authorizes, but does not obligate, the repurchase of up to $1.5 billion of CoStar Group Shares. Stock repurchases may be effected through open market and privately negotiated purchases, from time to time as market conditions warrant, or such other method as advised by our advisors, including without limitation pursuant to an accelerated share repurchase program or issuer self-tender offer. Repurchases may be made from time to time at management's discretion, and the timing and amount of any such repurchases will be determined based on share price, market conditions, legal requirements, and other relevant factors. The program has no time limit and can be discontinued at any time at our discretion.

During the nine months ended September 30, 2026, we repurchased 16.5 million CoStar Group Shares with a market value of $668 million under the Stock Repurchase Program. In connection with the repurchases, the Company incurred $2 million of direct costs for estimated excise taxes, transaction fees, and other costs that are excluded from the market value used to measure the amount authorized under the Stock Repurchase Program. As of September 30, 2026, $832 million remains available for

repurchases under the Stock Repurchase Program. We anticipate repurchasing at least $32 million of additional CoStar Group Shares in the remainder of 2026.

Cash on Hand. Cash and cash equivalents decreased to $500 million as of September 30, 2026, compared to cash, cash equivalents, and restricted cash of $1.7 billion as of December 31, 2025. The decrease in cash, cash equivalents, and restricted cash for the nine months ended September 30, 2026 was due to $706 million of net cash used in financing activities and $981 million of net cash used in investing activities, partially offset by, $455 million of net cash provided by operating activities.

Net cash provided by operating activities for the nine months ended September 30, 2026 was $455 million compared to $268 million for the nine months ended September 30, 2025. The $187 million increase in net cash provided by operating activities was primarily due to an increase in non-cash expenses of $77 million and higher net income, partially offset by, a decrease in working capital of $62 million, primarily due to the $109 million settlement payment related to the Brown Judgment.

Net cash used in investing activities for the nine months ended September 30, 2026 was $981 million compared to $2.8 billion for the nine months ended September 30, 2025, primarily due to the $789 million net cash paid for the Zonda Acquisition in 2026 and the $2.6 billion net cash paid for the Matterport and Domain Acquisitions in 2025, including the initial purchase of equity securities in Domain, and a decrease in purchases of property, equipment, and other assets for new campuses in 2026, partially offset by, proceeds from the sale of investments in 2025.

Net cash used in financing activities for the nine months ended September 30, 2026 was $706 million compared to $162 million for the nine months ended September 30, 2025. The increase was primarily due to repurchases of our outstanding common stock under the Stock Repurchase Program and AOMs buyout, partially offset by, a reduction in the repurchases of restricted stock to satisfy tax withholding obligations.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, and related disclosures. While we have used our best estimates based on facts and circumstances available to us at the time, different acceptable assumptions would yield different results. Changes in the accounting estimates are reasonably likely to occur from period to period, which may have a material impact on the presentation of our financial condition and results of operations. We review these estimates and assumptions periodically and reflect the effects of revisions in the period that they are determined to be necessary. We consider the accounting for the following matters to contain critical accounting estimates:

- Intangible assets and goodwill,
- Income taxes, and
- Business combinations.

For an in-depth discussion of each of our significant accounting policies, including the related critical accounting estimates and further information regarding estimates and assumptions involved in their application, see the 2025 Form 10-K and Note 2 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report. During the nine months ended September 30, 2026, there were no material changes to our critical accounting estimates from those described in the 2025 Form 10-K.

Recent Accounting Pronouncements

See Note 2 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report.

Cautionary Statement Concerning Forward-Looking Statements

We have made forward-looking statements in this Report and make forward-looking statements in our other reports filed with the SEC, press releases, and conference calls that are subject to risks and uncertainties. Forward-looking statements include information that is not purely historic fact.

Our forward-looking statements are also identified by words such as “hope,” “anticipate,” “may,” “likely,” “might,” “believe,” “expect,” “observe,” “consider,” “think,” “intend,” “envision,” “will,” “should,” “could,” “would,” “plan,” “target,” “estimate,” “predict,” “continue,” “commit,” and “potential” or the negative of these terms or other comparable terminology. You should understand that these forward-looking statements are estimates reflecting our judgment, beliefs, and expectations, not guarantees of future performance. They are subject to a number of assumptions, risks, and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. The following important

factors, in addition to those discussed or referred to under the heading “Risk Factors” in Item 1A of Part I of our 2025 Form 10-K and “Risk Factors” in Item 1A of Part II of this Report and other unforeseen events or circumstances, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

- our inability to attract and retain new clients;
- our inability to successfully develop and introduce new or updated real estate information, analytics, and online marketplaces;
- the risks related to AI Technologies, such as Homes Ai and Apartments Ai;
- the planned CoStar Ai launch may be delayed or changed;
- our inability to compete successfully against existing or future competitors in attracting advertisers and in general;
- the effects of fluctuations and market cyclicality;
- the effects of global economic uncertainties and downturns or a downturn or consolidation in the real estate industry;
- our inability to hire qualified persons for, or retain and continue to develop, our sales force, or unproductivity of our sales force;
- our inability to retain and attract highly capable management and operating personnel;
- the downward pressure that our internal and external investments may place on our operating margins;
- our inability to increase brand awareness;
- our inability to maintain or increase internet traffic to our marketplaces, and the risk that the methods, including Google Analytics, that we use to measure average monthly unique visitors to our portals may misstate the actual number of unique persons who visit our network of mobile applications and websites for a given month or may differ from the methods used by competitors;
- our inability to attract new advertisers;
- our inability to successfully identify, finance, integrate, and/or manage costs related to acquisitions;
- our inability to complete certain strategic transactions if a proposed transaction is subject to review or approval by regulatory authorities pursuant to applicable laws or regulations;
- our inability to realize the benefits of the Matterport Acquisition, the Domain Acquisition, the Zonda Acquisition, or the Vexcel Acquisition, or to complete the Vexcel Acquisition in a timely manner, or at all, or realize the expected benefits of the Vexcel Acquistion;
- the inability of third-party suppliers upon which Matterport relies to fulfill its needs;
- the effects of cyberattacks and security vulnerabilities, and technical problems or disruptions;
- the significant costs associated with undertaking a large infrastructure project;
- our inability to generate increased revenue from our current or future geographic expansion plans;
- the risks related to acceptance of credit cards and debit cards and facilitation of other customer payments;
- the effects of climate-related events and other events beyond our control;
- the effects related to attention to climate-related risks and opportunities;
- our inability to obtain and maintain accurate, comprehensive, or reliable data;
- our inability to obtain and maintain stable data feeds, or disruption of our data feeds;
- our inability to enforce or defend our ownership and use of intellectual property;
- the effects of use of new and evolving technologies, including AI, on our ability to protect our data and intellectual property from misappropriation by third parties;
- our inability to defend against potential legal liability for collecting, displaying, or distributing information;
- our inability to obtain or retain listings from real estate brokers, agents, property owners, and apartment property managers;
- our inability to maintain or establish relationships with third-party listing providers;
- our inability to comply with the rules and compliance requirements of MLSs;
- the risks related to open source software;
- the risks related to international operations;
- the effects of foreign currency exchange rate fluctuations;
- our indebtedness;
- the effects of a lowering or withdrawal of the ratings assigned to our debt securities by rating agencies;
- the effects of any actual or perceived failure to comply with privacy or data protection laws, regulations, or standards;
- the effects of changes in tax laws, regulations, or fiscal and tax policies;
- the effects of third-party claims, litigation, regulatory proceedings, or government investigations;
- the risks related to return on investment; and
- the risks related to the specific timing, price, and size of repurchases under the Stock Repurchase Program, including that the Stock Repurchase Program may be suspended or discontinued at any time at the Company’s discretion.

Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of, and are based on information available to us on, the date of this Report. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to update any such statements or release publicly any revisions to these forward-looking statements to reflect new information or events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events, except as required by applicable law. Additionally, certain information disclosed herein or elsewhere (such as our website) is informed by various stakeholder expectations and third-party frameworks. Such information is not necessarily material for purposes of our SEC reporting, even if we use "material" or similar language. Particularly with respect to climate-related risks and opportunities, materiality is subject to various definitions that differ from, and are often more expansive than, the definition under U.S. federal securities laws.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We provide real estate information, analytics, and online marketplaces services to real estate and related business communities within the regions where we operate, which primarily include North America, Asia-Pacific, Europe, and Latin America. The functional currency for the majority of our operations is the local currency, with the exception of certain international locations for which the functional currency is the British Pound or U.S. Dollar.

Fluctuations in the British Pound, Canadian Dollar, Australian Dollar, and Euro may have an impact on our business, results of operations, and financial position. For the three and nine months ended September 30, 2026, approximately 15% and 14% of our revenue, respectively, was denominated in foreign currencies. For the three and nine months ended September 30, 2026, our revenue would have decreased by approximately $14 million and $40 million, respectively, if the U.S. dollar exchange rate used strengthened by 10%. For the three and nine months ended September 30, 2026, our revenue would have increased by approximately $14 million and $40 million, respectively, if the U.S. dollar exchange rate used weakened by 10%. In addition, we have assets and liabilities denominated in foreign currencies. As of September 30, 2026, accumulated other comprehensive income included a gain from foreign currency translation adjustments of approximately $159 million.

We do not believe we have material exposure to market risks associated with changes in interest rates related to cash equivalent securities held as of September 30, 2026. As of September 30, 2026, we had $500 million of cash and cash equivalents. If there is an increase or decrease in interest rates, there will be a corresponding increase or decrease in the amount of interest earned on our cash and cash equivalents. We currently diversify our cash and cash equivalents holdings amongst multiple financial institutions and AAA-rated Government and Treasury Money Market Funds.

We are subject to interest rate market risk in connection with our revolving credit facility. On May 24, 2024, we entered into the 2024 Credit Agreement, which provides for variable rate borrowings of up to $1.1 billion. On July 1, 2020, we issued $1.0 billion aggregate principal amount of Senior Notes. Changes in interest rates would not have a material impact to our current interest and debt financing expense, as all of our borrowings except for our credit facility are fixed rate, and no amounts were outstanding under our credit facility as of September 30, 2026. See Note 9 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report for additional information regarding our 2024 Credit Agreement.

We had approximately $7.5 billion of goodwill and intangible assets as of September 30, 2026. As of September 30, 2026, we believe our intangible assets will be recoverable; however, changes in the economy, the industry in which we operate, and our own relative performance could change the assumptions used to evaluate intangible asset recoverability. In the event that we determine that an asset has been impaired, we would recognize an impairment charge equal to the amount by which the carrying amount of the assets exceeds the fair value of the assets. We continue to monitor these assumptions and their effect on the estimated recoverability of our intangible assets.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These controls also are designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any systems of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Accordingly, management is required to apply judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 30, 2026, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026, and were operating at a reasonable assurance level.

We are continuing to integrate the internal controls over financial reporting of recent acquisitions. These activities may require modifications to certain processes, systems, and other components of internal controls over financial reporting. Consistent with our process changes, we evaluate the design and effectiveness of the internal controls as part of our overall assessment of disclosure controls and procedures.

Other than the integration activities associated with recent acquisitions, there were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Currently, and from time to time, we are involved in litigation incidental to the conduct of our business. We are not currently a party to any lawsuit or proceeding that, in the opinion of our management based on consultations with legal counsel, is likely to have a material adverse effect on our financial position or results of operations. See Note 11 of the Notes to the Condensed Consolidated Financial Statements included in Part I of this Report for further discussion.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should carefully consider the factors disclosed in Part I, Item 1A, “Risk Factors” in our 2025 Form 10-K, which could materially affect our business, financial condition, or future results. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may also have a material adverse effect on our business, financial condition, and/or results of operations. Other than the following items, there have not been any material changes to the risk factors as previously disclosed in Part I, Item 1A, "Risk Factors” in our 2025 Form 10-K.

Risks related to our business

We may be unable to realize the benefits of the Zonda Acquisition, which could have an adverse effect on us.

On May 28, 2026, we announced that we had entered into the Zonda Agreement, to acquire Zonda, and on August 21, 2026, we announced that we completed the acquisition of Zonda.

Following the acquisition, it is possible that there could be a loss of key employees, higher than expected costs, diversion of management attention, or the disruption of our ongoing businesses, which may adversely affect the combined company’s ability to maintain relationships with customers, suppliers, and employees or to achieve the anticipated benefits of the Zonda Acquisition.

We have incurred, and we will continue to incur, transaction fees, including legal, regulatory, and other costs associated with closing the Zonda Acquisition, as well as expenses related to formulating and implementing integration plans, including systems consolidation costs and employment-related costs. We may be unable to offset transaction and integration-related costs with the realization of other efficiencies related to the integration of the business.

The success of the Zonda Acquisition will depend in part on our ability to realize the anticipated business opportunities and growth prospects from combining our business with that of Zonda. We may never realize these business opportunities and growth prospects. Integrating operations and employees will require significant efforts and expenditures. If we are unable to successfully integrate Zonda’s business with ours, we may be unable to realize the growth, synergies, and other anticipated benefits resulting from the Zonda Acquisition and our business could be adversely affected.

We may be unable to complete the acquisition of Vexcel or otherwise realize the benefits of the pending Vexcel Acquisition, which could have an adverse effect on us.

On October 26, 2026, we announced that we had entered into the Merger Agreement, to acquire Vexcel. Pursuant to the Merger Agreement, and subject to the terms and conditions contained therein, at the closing of the Merger, among other things, we will acquire all of the issued and outstanding capital stock of Vexcel in a cash transaction. The closing of the Vexcel Acquisition is subject to certain customary closing conditions, including, among others: expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and certain other regulatory laws; the absence of any law, order, decree, ruling, or injunction of a governmental authority with jurisdiction prohibiting or making illegal the consummation of the Vexcel Acquisition; the accuracy of each party’s representations and warranties and the performance and compliance by each party with its respective covenants in each case subject to certain qualifiers; there not having occurred since the date of the Merger Agreement any event, development, change, or occurrence that has had or would reasonably be expected to have had, individually or in the aggregate, a material adverse effect; and the delivery of customary closing documents. Until the completion of the Vexcel Acquisition, we will operate independently of Vexcel. It is possible that the pendency of the Vexcel Acquisition could result in the loss of key employees, higher than expected costs, diversion of management attention, or the disruption of our ongoing businesses, which may adversely affect the combined company’s ability to maintain relationships with customers, vendors, and employees or to achieve the anticipated benefits of the Vexcel Acquisition. We have incurred, and we will continue to incur, transaction fees, including legal, regulatory, and other costs associated with closing the Vexcel Acquisition, as well as expenses related to formulating and implementing integration plans, including systems consolidation costs and employment-related costs. We may be unable to offset transaction and integration-

related costs with the realization of other efficiencies related to the integration of the business. The success of the Vexcel Acquisition, if completed, will depend in part on our ability to realize the anticipated business opportunities and growth prospects from combining our business with that of Vexcel. We may never realize these business opportunities and growth prospects. Integrating operations and employees will require significant efforts and expenditures. If we are unable to successfully or timely acquire and integrate Vexcel's business with ours, we may be unable to realize the growth, synergies, and other anticipated benefits resulting from the Vexcel Acquisition and our business could be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table is a summary of our repurchases of common stock during each of the three months ended September 30, 2026:

ISSUER PURCHASES OF EQUITY SECURITIES

2026	Total Number of Shares Purchased[1] (in millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2] (in millions)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[2] (in millions)
July 1 through 31	1.0	$ 29.02	0.9	$ 885
August 1 through 31	0.9	$ 31.38	0.9	$ 858
September 1 through 30	0.9	$ 29.85	0.9	$ 832
Total	2.8	$ 30.06	2.7	

[1] The number includes CoStar Group Shares tendered by employees to the Company to satisfy the employees' minimum tax withholding obligations arising as a result of vesting of restricted stock grants under the Company's 2025 Stock Incentive Plan, for which shares were purchased by the Company based on their fair market value on the trading day immediately preceding the vesting date.

[2] In December 2025, the Board of Directors approved the Stock Repurchase Program which authorizes the repurchase of up to $1.5 billion of outstanding CoStar Group Shares, with no expiration date. During the three months ended September 30, 2026, the Company repurchased 2.7 million CoStar Group Shares with a market value of $81 million. See Note 13 for further discussion regarding the Stock Repurchase Program and stock repurchase activity.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Description
3.1	Fourth Amended and Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 7, 2021).
3.2	Fourth Amended and Restated By-Laws (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 9, 2022).
*# 10.1	Employment Letter by and between CoStar Group, Inc. and Robin Rossmann dated July 12, 2026 (filed herewith).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Operations; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Changes in Stockholders’ Equity; (v) Condensed Consolidated Statements of Cash Flows; and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026, formatted in Inline XBRL (included as Exhibit 101).

* Management Contract or Compensatory Plan or Arrangement.

Certain personal information in this exhibit has been omitted in accordance with Item 601(a)(6) of Regulation S-K.

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 thereunto duly authorized.

COSTAR GROUP, INC.

Date: October 28, 2026

By: /s/ Robin Rossmann

Robin Rossmann
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

CoStar Group™

July 12, 2026

Robin Rossmann
CoStar UK Limited
[email address redacted]

Dear Robin:

CoStar Group ("CoStar" or the "Company"), is pleased to offer you the position of Chief Financial Officer. You will report to Andrew Florance, Chief Executive Officer. The position is full time beginning on or around July 31, 2026 ("Start Date"). The position will be based in the Arlington, VA office, but we expect that you will continue to be based in the London, UK office until you receive US work authorization. We anticipate that your relocation to Arlington will be complete on or before December 31, 2026 (the "US Start Date"). We are confident that your knowledge, skills, and experience will continue to be among our most valuable assets.

Your compensation package includes the following:

Annual Salary
Commencing on your Start Date, your compensation will be £440,000 (£36,666.67, payable monthly) and will transition to $590,000.00 ($22,692.31, payable bi-weekly) after your US Start Date.

Annual Leadership Bonus
You are eligible to earn an annual incentive bonus of 100% of your base salary consistent with the ***CoStar Leadership C Bonus Plan***, pursuant to objectives as determined by your manager. Please note that, subject to applicable law, you must be employed on the date of the bonus payout to receive the bonus. The annual payout date is expected to be no later than March 15th of the subsequent calendar year.

Equity
Subject to the approval of the Compensation Committee of the Board of Directors of the Company ("Compensation Committee"), in recognition of your promotion to Chief Financial Officer, you will receive a one-time equity grant ("Additional 2026 Equity Award") under CoStar Group, Inc.'s 2025 Stock Incentive Plan (the "Plan") valued at $2,500,000.00 as of July 31, 2026 ("Grant Date"). Consistent with the equity awards granted in 2026 to other executive officers of the Company, the Additional 2026 Equity Award will be (i) 40% in restricted stock units that vest in three equal, annual installments on or around the anniversary of the Grant Date, and (ii) 60% in the form of performance stock units that vest on the date that the Compensation Committee determines the extent to which the applicable performance metrics for the 2026 – 2028 performance period has been satisfied.

All determinations regarding the Additional 2026 Equity Award shall be made in accordance with the terms of the Plan, as may be amended or restated (or any successor plan thereto), and your award

agreements thereunder. The fair market value of CoStar Group, Inc.'s common stock on the Grant Date will be used for the purposes of calculating the number of Additional 2026 Equity Awards that may be awarded to you (with such number of Additional 2026 Equity Awards being rounded down to the nearest whole Additional 2026 Equity Award). Also, consistent with the other executive officers of the Company, you will be eligible to receive additional equity grants on an annual basis at the discretion of the Chief Executive Officer of the Company, subject to the approval of the Compensation Committee.

Relocation Expectations and Package

It is expected that you will relocate to the United States after you receive US work authorization and no later than December 31, 2026.

CoStar Group will provide relocation services as outlined in the Relocation Package Summary document to assist you with your relocation to Arlington, VA area. You can expect a member of the relocation team to be in touch within a week of signing your offer agreement. Additionally, CoStar Group will provide tax assistance on all applicable services utilized through the relocation provider. Upon offer acceptance, more detailed information on your relocation services will be provided.

In addition, you are eligible for a cash relocation subsidy equal to $500,000 (less applicable taxes and withholdings) (the "Relocation Subsidy"), subject to the terms described below.

In order to be eligible to earn the full Relocation Subsidy, you must relocate to the United States after your US Start Date but before December 31, 2026, your family must relocate to the United States on or before August 31, 2027 (the "Family Relocation Date"), and you must remain an employee in Good Standing[1] through your US Start Date and the Family Relocation Date (each, a "Relocation Subsidy Eligibility Date"). The Relocation Subsidy will be paid in two installments: (1) $250,000 will be paid on the next available pay date following the first Relocation Subsidy Eligibility Date and (2) $250,000 will be paid on the next available pay date following the second Relocation Subsidy Eligibility Date. The Relocation Subsidy is not earned until all payments have been disbursed.

You will no longer be eligible to earn any portion of the Relocation Subsidy if, (a) you do not have a US Start Date and relocate to the United States on or before December 31, 2026 and/or (b) prior to either Relocation Subsidy Eligibility Date:

1. You are no longer an employee in Good Standing,
2. You voluntarily terminate your employment with CoStar, or
3. You are terminated by CoStar for Cause (as defined in the CoStar Group, Inc. Amended Executive Severance Plan (the "Executive Severance Plan")).

[1] For the purposes of this offer letter, Good Standing shall mean that, from the date this letter is signed by you through the second Bonus Eligibility Date, you have not received any disciplinary action, are in compliance with your Terms and Conditions of Employment, and are meeting the performance expectations for your role.

Should any of the above apply, you agree that you will repay any disbursed but unearned portion of the Relocation Subsidy and the full amount of the relocation expenses advanced to you by the Company.

However, if, prior to a Relocation Subsidy Eligibility Date, you are (a) terminated by CoStar without Cause or (b) not able to complete the relocation due to illness, disability, death, family emergency, or immigration failure, you will not be required to repay any disbursed Relocation Subsidy payments or advanced expenses. The balance of the Relocation Subsidy will not be earned and no further payments will be advanced to you.

Family Travel
Between your Start Date and the Family Relocation Date, it is anticipated that you will spend at least two weeks per month in the UK. During this time period, CoStar will agree to reimburse you for up to four family trips to the United States. The reimbursable expenses shall include business-class airfare and hotel expenses (as applicable) for your spouse and dependents.

Severance
You will be eligible for the benefits provided to Executive Officers pursuant to the Executive Severance Plan.

Benefits
Your UK benefits will remain in place until your US Start Date. Between your US Start Date and your Family Relocation Date, CoStar will provide you and your dependents medical coverage without interruption from your UK medical insurance.

You will be eligible for CoStar's comprehensive medical, dental, prescription, and vision benefits following your US Start Date. This includes 20 days paid vacation per 12-month period, subject to accrual; 5 days sick leave per calendar year, pro-rated based on date of hire; 2 personal days per calendar year, granted on January 1 each year, pro-rated based on date of hire; and 10 company-paid holidays per year.

You may review CoStar's benefits microsite for further details regarding our benefits (https://www.costargroupbenefits.com/public/welcome).

This offer is contingent upon CoStar receiving proof of your eligibility to work in the United States and a US Start Date of no later than December 31, 2026. This offer is subject to withdrawal at any time and is conditioned on you executing CoStar's standard "Terms and Conditions of Employment." Further, you will receive, or be provided access to, CoStar's corporate policies on or shortly after your US Start Date and will be expected to execute a "Receipt of Policies." Your US employment with CoStar is at will.

CoStar Group™

The entire CoStar Group team is looking forward to working with you and we are confident you will continue to make a significant contribution to the success of our organization.

Best regards,

Andrew Florance
Chief Executive Officer

Agreed to and accepted by:

Employee Name: Robin Rossmann

Signature: /s/ Robin Rossmann

Date: July 13, 2026

EXHIBIT 31.1

CERTIFICATION

I, Andrew C. Florance, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CoStar Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2026 By: /s/ Andrew C. Florance

Andrew C. Florance
President and Chief Executive Officer
(Principal Executive Officer and Duly Authorized Officer)

EXHIBIT 31.2

CERTIFICATION

I, Robin Rossmann, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CoStar Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2026 By: /s/ Robin Rossmann

Robin Rossmann
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

EXHIBIT 32.1

CoStar Group, Inc.
1201 Wilson Blvd.
Arlington, VA 22209

October 28, 2026

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re**: Certification Of Principal Executive Officer Pursuant To 18 U.S.C. Sec. 1350**

Dear Ladies and Gentlemen:

In connection with the accompanying Quarterly Report on Form 10-Q of CoStar Group, Inc., for the quarter ended September 30, 2026, I, Andrew C. Florance, Chief Executive Officer of CoStar Group, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) such Quarterly Report on Form 10-Q of CoStar Group, Inc., for the quarter ended September 30, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) the information contained in such Quarterly Report on Form 10-Q of CoStar Group, Inc., for the quarter ended September 30, 2026, fairly presents, in all material respects, the financial condition and results of operations of CoStar Group, Inc.

By: /s/ Andrew C. Florance

Andrew C. Florance
President and Chief Executive Officer
(Principal Executive Officer and Duly Authorized Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to CoStar Group, Inc. and will be retained by CoStar Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

In accordance with Item 601 of Regulation S-K, this certification is being “furnished” as Exhibit 32.1 to CoStar Group, Inc.'s quarterly report and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

EXHIBIT 32.2

CoStar Group, Inc.
1201 Wilson Blvd.
Arlington, VA 22209

October 28, 2026

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re**: Certification Of Principal Financial Officer Pursuant To 18 U.S.C. Sec. 1350**

Dear Ladies and Gentlemen:

In connection with the accompanying Quarterly Report on Form 10-Q of CoStar Group, Inc., for the quarter ended September 30, 2026, I, Robin Rossmann, Chief Financial Officer of CoStar Group, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) such Quarterly Report on Form 10-Q of CoStar Group, Inc., for the quarter ended September 30, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) the information contained in such Quarterly Report on Form 10-Q of CoStar Group, Inc., for the quarter ended September 30, 2026, fairly presents, in all material respects, the financial condition and results of operations of CoStar Group, Inc.

By: /s/ Robin Rossmann

Robin Rossmann
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to CoStar Group, Inc. and will be retained by CoStar Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

In accordance with Item 601 of Regulation S-K, this certification is being “furnished” as Exhibit 32.2 to CoStar Group, Inc.'s quarterly report and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.