



Zillow Group, Inc.
Third Quarter 2017 Financial Results Highlights
November 7, 2017

Zillow GROUP Q3 2017 Highlights

- \$ Total revenue increased 25% year-over-year to \$282 million**
- Record 187 million unique users in July 2017**
- 175 million average monthly unique users**
- Quarterly visits increased 19% year-over-year to 1.7 billion**

#ZEarnings

Zillow GROUP

“Our position as category leader, along with our employees’ technical prowess and creativity, put us in a position to continue growing and strengthening our own business, and to help our valued industry partners do the same.”

Spencer Rascoff
CEO, Zillow Group

#ZEarnings

3Q17 Financial Highlights

- Total Revenue increased 25% yoy to a record \$281.8M and exceeded the high end of the guidance range.
- Premier Agent Revenue increased 24% yoy to \$197.1M.
 - The number of Premier Agent accounts spending more than \$5,000 per month grew by 98% yoy and increased 88% on a total dollar basis.
 - Total sales to Premier Agents, including brokerages and other teams, who have been customers for more than one year increased 45% yoy.
 - Sales to existing Premier Agents, including brokerages and other teams, accounted for 52% of total bookings.
- Other Real Estate Revenue¹ increased 55% yoy to \$44.8M.
- Mortgages Revenue increased 6% yoy to \$20.9M.
- Display Revenue increased 8% yoy to \$19.1M.
- GAAP net income was a record \$9.2M, or 3% of Revenue, compared to GAAP net income of \$6.8M, or 3% of Revenue, in 3Q16.
- Adjusted EBITDA² was a record \$71.0M, or 25% of Revenue, an increase from \$59.5M, or 26% of Revenue, in 3Q16.

3Q17 Operating and Business Highlights

- More than 175M average monthly unique users visited Zillow Group brands’ mobile apps and websites, an increase of 6% yoy, and an all-time high of more than 187M unique users visited in July 2017, an increase of more than 17M unique users from July 2016.

¹ Other Real Estate Revenue primarily includes revenue generated by Zillow Group Rentals, New Construction, as well as revenue from the sale of various other advertising and business software solutions and services for real estate professionals.

² A reconciliation of Adjusted EBITDA to net income is provided in the [press release](#) in the “[Quarterly Results](#)” section of Zillow Group’s Investor Relations website.

- Visits to Zillow Group brands' mobile apps and websites Zillow, Trulia, StreetEasy (included as of March 2017) and RealEstate.com (included as of June 2017) increased 19% yoy to nearly 1.7B. Premier Agent revenue per visit increased 5% yoy.
- More individual real estate agents receive leads from Zillow Group than ever before. Since 3Q16, the number of Premier Broker accounts has grown by 260% and the number of team accounts has grown by 87%.
- [Announced new exciting technologies designed to help Premier Agents and brokers deepen connections with clients and convert more leads into transactions.](#)
- [Unveiled a new, first-of-its-kind, mobile app that allows real estate professionals to create 3D tours of homes with an iPhone® and post to their listings on Zillow and Trulia for no cost.](#)
- Revenue for Zillow Group's Rentals marketplace grew 56% yoy. An average of 33M monthly unique rental users visited Zillow Group brands' mobile apps and websites.³
- In New York City, for-sale listings attracted almost 13M visits during the third quarter of 2017 across all Zillow Group brands.³ The NYC Rental Network attracted almost 14M rental visits.³
- Recently acquired [New Home Feed](#) as part of the New Construction marketplace, which makes it easier for partners to send their listings to Zillow Group and improves the quality and accuracy of new construction listings.

Business Outlook

- **The following table presents Zillow Group's business outlook for the periods presented:**

<u>Zillow Group Outlook as of November 7, 2017</u> (in millions)	<u>Three Months Ending</u> <u>December 31, 2017</u>	<u>Year Ending</u> <u>December 31, 2017</u>
Revenue	\$274 to \$279	\$1,068 to \$1,073
Premier Agent revenue	\$199 to \$201	\$761 to \$763
Other real estate revenue	\$42 to \$43	\$159 to \$160
Mortgages revenue	\$18 to \$19	\$80 to \$81
Display revenue	\$15 to \$16	\$68 to \$69
Operating expenses	\$261 to \$266	***
Net income (loss)	\$6.5 to \$11.5	\$(10) to \$(5)
Adjusted EBITDA (1)	\$68 to \$73	\$233 to \$238
Depreciation and amortization	\$27 to \$29	\$108 to \$110
Share-based compensation expense	\$27 to \$29	\$111 to \$113
Capital expenditures	***	\$50 to \$52
Weighted average shares outstanding — basic	189.0 to 191.0	185.0 to 187.0
Weighted average shares outstanding — diluted	197.5 to 199.5	194.0 to 196.0

*** Outlook not provided

- (1) A reconciliation of forecasted Adjusted EBITDA to forecasted net income (loss) is provided in the [press release](#) in the "[Quarterly Results](#)" section of Zillow Group's Investor Relations website.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties, including, without limitation, statements regarding our business outlook and future operational plans. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "will," "projections," "continue," "business

³ Zillow Group third quarter 2017 internal data. Includes Zillow, Trulia, StreetEasy and HotPads.

outlook,” “forecast,” “estimate,” “outlook,” “guidance,” or similar expressions constitute forward-looking statements. Actual results may differ materially. For information about potential factors that may affect Zillow Group’s business and financial results, please review the “Risk Factors” described in Zillow Group, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission, or SEC, and in Zillow Group’s other filings with the SEC. Except as may be required by law, Zillow Group does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.

Use of Non-GAAP Financial Measures

This communication includes discussion of Adjusted EBITDA, which is a non-GAAP financial measure not prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). This non-GAAP financial measure is not prepared under a comprehensive set of accounting rules and, therefore, should only be reviewed alongside results reported under GAAP.

We urge you to review our earnings press release as it contains important information about our financial results, including reconciliation tables and related information about this non-GAAP financial measure. The earning [press release](#) is available on the Investor Relations section of the Zillow Group website at <http://investors.zillowgroup.com/releases.cfm>. It is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the SEC on November 7, 2017, which is available on the Investor Relations section of the Zillow Group website at <http://investors.zillowgroup.com/sec.cfm> and the SEC’s website at www.sec.gov.

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