



Zillow Group, Inc.
Second Quarter 2018 Financial Results Highlights
August 6, 2018

Second Quarter and Year to Date 2018 Financial Highlights

The following table sets forth Zillow Group's financial highlights for the periods presented (in thousands, unaudited):

	Three Months Ended		2017 to 2018 % Change	Six Months Ended		2017 to 2018 % Change
	June 30, 2018	2017		June 30, 2018	2017	
Revenue:						
IMT segment:						
Premier Agent	\$ 230,885	\$ 189,725	22%	\$ 444,617	\$ 365,026	22%
Rentals	33,288	23,710	40%	62,351	45,255	38%
Mortgages	19,305	20,936	(8)%	38,328	41,206	(7)%
Other (1)	41,768	32,479	29%	79,829	61,138	31%
Total IMT segment revenue	325,246	266,850	22%	625,125	512,625	22%
Homes segment	-	-	N/A	-	-	N/A
Total revenue	<u>\$ 325,246</u>	<u>\$ 266,850</u>	22%	<u>\$ 625,125</u>	<u>\$ 512,625</u>	22%
Other Financial Data:						
Loss before income taxes						
IMT segment	\$ (1,539)	\$ (21,845)		\$ (10,488)	\$ (26,451)	
Homes segment	(12,154)	-		(19,196)	-	
Total loss before income taxes	<u>\$ (13,693)</u>	<u>\$ (21,845)</u>		<u>\$ (29,684)</u>	<u>\$ (26,451)</u>	
Net loss	\$ (3,093)	\$ (21,845)		\$ (21,684)	\$ (26,451)	
Adjusted EBITDA:						
IMT segment	\$ 64,724	\$ 39,700		\$ 115,724	\$ 94,499	
Homes segment	(8,724)	-		(13,414)	-	
Total Adjusted EBITDA (2)	<u>\$ 56,000</u>	<u>\$ 39,700</u>		<u>\$ 102,310</u>	<u>\$ 94,499</u>	
Percentage of Revenue:						
Loss before income taxes						
IMT segment	-	(8)%		(2)%	(5)%	
Homes segment	N/A	N/A		N/A	N/A	
Total loss before income taxes	(4)%	(8)%		(5)%	(5)%	
Net loss	(1)%	(8)%		(3)%	(5)%	
Adjusted EBITDA:						
IMT segment	20%	15%		19%	18%	
Homes segment	N/A	N/A		N/A	N/A	
Total Adjusted EBITDA	17%	15%		16%	18%	

(1) Other Revenue primarily includes revenue generated by new construction and display, as well as revenue from the sale of various other marketing and business products and services to real estate professionals.

(2) See below for more information regarding our presentation of Adjusted EBITDA, a non-GAAP financial measure.

Second Quarter 2018 Highlights

- More than 186M average monthly unique users accessed Zillow Group brands' mobile apps and websites, an increase of 4% yoy.
- Zillow Group brands' mobile apps and websites reached an all-time high of more than 188M unique users in April 2018, an increase of nearly 14M unique users from the same period last year.
- Visits to Zillow Group brands' mobile apps and websites Zillow, Trulia, StreetEasy and RealEstate.com increased 14% yoy to nearly 1.9B.
- Premier Agent revenue per visit increased 6% yoy.
- The number of Premier Agent accounts, including accounts of brokerages and other teams, spending more than \$5,000 per month grew by 47% yoy and increased 44% yoy on a total dollar basis.
- Revenue from Premier Agents, including brokerages and other teams, who have been customers for more than one year increased 33% yoy.
- New sales to existing Premier Agents, including brokerages and other teams, or those that were paying advertisers at the beginning of the quarter, accounted for 64% of total bookings.
- An average of 35M monthly unique rental users accessed Zillow Group brands' mobile apps and websites, an increase of 4% yoy.¹
- The number of average monthly monetized, deduplicated rental listings on our mobile apps and websites increased 93% yoy to 38,141.
- Zillow purchased 19 homes through Zillow Offers.

Recent Developments

- Entered into agreement to acquire Mortgage Lenders of America, L.L.C., a national mortgage lender headquartered in Overland Park, Kansas.
- Closed on a \$250M limit non-recourse credit facility with Credit Suisse. Zillow Group will use the credit facility to finance the increased velocity of homes purchases and to support the expansion of Zillow Offers into new markets.
- In July, Zillow Group raised nearly \$750M through the issuance of convertible senior notes and Class C capital stock. Proceeds from the offering are not intended for the purchase of homes.
- Received a letter from the Bureau of Consumer Financial Protection (formerly the Consumer Financial Protection Bureau, or CFPB) stating that it had completed its investigation of Zillow Group and that it did not intend to take enforcement action.

¹ Zillow Group internal data. Includes Zillow, Trulia, HotPads and StreetEasy.

Business Outlook



- Zillow Group provided third-quarter and full-year outlook in the earnings press release, which can be viewed on the Investor Relations website at: <http://investors.zillowgroup.com/financials.cfm#results>.

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 the proposed acquisition of Mortgage Lenders of America, L.L.C., our business outlook and future operational plans for 2018. Statements containing words such as “may,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “project,” “will,” “projections,” “continue,” “business 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 Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 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 Measure

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.

Zillow Group urges readers to review its earnings press release and supplemental financial tables as they contain important information about the company’s financial results, including reconciliation tables and related information about this non-GAAP financial measure. The earnings press release and supplemental financial tables are available on the Investor Relations section of the Zillow Group website at <http://investors.zillowgroup.com/financials.cfm#results>. They are also included as Exhibit 99.1 and 99.2, respectively, to the company’s Current Report on Form 8-K as furnished to the SEC on August 6, 2018, 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.