



Zillow Group, Inc.
Second Quarter 2017 Financial Results Highlights
August 8, 2017

Zillow GROUP Q2 2017 Highlights

- Total revenue increased 28% year-over-year to \$267 million
- Record 182 million unique users in May 2017
- 178 million average monthly unique users
- Quarterly visits increased 17% year-over-year to 1.7 billion

#ZEarnings

Zillow GROUP

“Home shoppers today want easier, less stressful and more integrated experiences.... We want to make it possible for agents, brokers and our MLS partners to leverage technology to provide those experiences to their clients in a way that ensures their growth and long-term success.”

Spencer Rascoff
CEO, Zillow Group

#ZEarnings

Second Quarter 2017 Financial Highlights

- Total Revenue increased 28% yoy to a record \$266.9M and exceeded the high end of the guidance range.
- Premier Agent Revenue increased 29% yoy to \$189.7M.
 - The number of Premier Agent accounts spending more than \$5,000 per month grew by 107% yoy and increased 92% on a total dollar basis.
 - Total sales to Premier Agents who have been customers for more than one year increased 49% yoy.
 - Sales to existing Premier Agents accounted for 52% of total bookings.
- Other Real Estate Revenue¹ increased 45% to \$37.9M.
- Mortgages Revenue increased 14% to \$20.9M.
- Display Revenue increased 9% to \$18.3M.
- GAAP net loss was \$21.8M, or (8)% of Revenue, compared to GAAP net loss of \$156.1M, or (75)% of Revenue, in 2Q16.
- Adjusted EBITDA² was \$39.7M, or 15% of Revenue, an increase from \$(101.3)M, or (49)% of Revenue, in 2Q16.

2Q17 Operating and Business Highlights

- More than 178M 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 182M unique users visited in May 2017, an increase of more than 10M unique users from May 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 loss 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 17% yoy to nearly 1.7B. Premier Agent revenue per visit increased 10% yoy.
- Launched [Zillow Instant Offers](#) in two test markets.
- Revenue for Zillow Group's fastest growing marketplace, Rentals, grew 64% yoy and an average of 34M monthly unique rental users visited Zillow Group brands' mobile apps and websites.
- The NYC Rental Network, including Zillow, Trulia, HotPads and StreetEasy, attracted more than 14.7M rental visits across all Zillow Group brands in 89 zip codes, and delivered 2.1M contacts to rental professionals.

Business Outlook

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

<u>Zillow Group Outlook as of August 8, 2017</u> (in millions)	<u>Three Months Ending</u> <u>September 30, 2017</u>	<u>Year Ending</u> <u>December 31, 2017</u>
Revenue	\$273 to \$278	\$1,055 to \$1,065
Premier Agent revenue	\$196 to \$198	\$760 to \$765
Other real estate revenue	\$40 to \$41	\$150 to \$152
Mortgages revenue	\$20 to \$21	\$80 to \$82
Display revenue	\$17 to \$18	\$65 to \$66
Operating expenses	\$261 to \$266	***
Net income (loss)	\$2.25 to \$7.25	\$(25) to \$(15)
Adjusted EBITDA (1)	\$64 to \$69	\$220 to \$230
Depreciation and amortization	\$26 to \$28	\$107 to \$112
Share-based compensation expense	\$28 to \$30	\$110 to \$115
Capital expenditures	***	\$55 to \$57
Weighted average shares outstanding — basic	187.0 to 189.0	185.5 to 187.5
Weighted average shares outstanding — diluted	196.5 to 198.5	195.0 to 197.0

*** 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 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 August 8, 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.