



Zillow Group Investor Presentation

February 2022

Legal Disclosure

This presentation 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 about the growth opportunities, addressable market, future financial performance, 2025 financial targets and results of Zillow Group, Inc. (the “Company” or “Zillow”) that involve risks and uncertainties. The Company’s actual results may differ materially from those anticipated in these forward-looking statements due to actions taken by Zillow as well as from risks and uncertainties beyond Zillow’s control. Differences in Zillow’s actual results from those described in these forward-looking statements may result from actions taken by Zillow as well as from risks and uncertainties beyond Zillow’s control. Factors that may contribute to such differences include, but are not limited to, disruptions in operations (including in our ability to complete the disposition of homes in inventory), and relationships with customers, suppliers, vendors, agents, broker partners, contractors, employees, lenders and customers given our decision to wind down iBuying operations; unanticipated developments that may prevent, delay or increase the costs associated with our wind down activities; our access to and the availability of financing on terms acceptable to us to finance the purchase of homes through Zillow Offers during the wind down of iBuying operations; the impact of the COVID-19 pandemic (including variants) and any associated economic downturn on Zillow’s future financial position, operations and financial performance; the magnitude, duration and severity of the COVID-19 pandemic (including variants); the current and future health and stability of the economy and residential housing market, including any extended slowdown in the real estate markets as a result of COVID-19; Zillow’s ability to execute on strategy; Zillow’s ability to maintain and effectively manage an adequate rate of growth; Zillow’s ability to innovate and provide products and services that are attractive to its users and advertisers; Zillow’s investment of resources to pursue strategies that may not prove effective; Zillow’s ability to compete successfully against existing or future competitors; the impact of pending legal proceedings described in Zillow’s filings with the Securities and Exchange Commission (“SEC”); Zillow’s ability to successfully integrate and realize the benefits of its past or future strategic acquisitions or investments; Zillow’s ability to maintain or establish relationships with listings and data providers; the reliable performance of Zillow’s network infrastructure and content delivery processes; Zillow’s ability to obtain or maintain licenses and permits to support our current and future businesses; actual or anticipated changes to our products and services; the impact of natural disasters and other catastrophic events; Zillow’s ability to protect the information and privacy of customers and other third parties; and Zillow’s ability to protect its intellectual property. The foregoing list of risks and uncertainties is illustrative but not exhaustive. For more information about potential factors that could affect Zillow’s business, financial results and Zillow’s ability to achieve the 2025 financial targets, please review the “Risk Factors” described in Zillow’s Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC and in Zillow’s other filings with the SEC. These documents are available in the Investor Relations section of the Company’s website at <https://investors.zillowgroup.com>. The forward-looking statements made in this presentation are based on information available and assumptions as of February 10, 2022. Except as may be required by law, the Company does not intend, and undertakes no duty, to update this information to reflect future events.

This presentation includes certain non-GAAP financial measures, including IMT segment Adjusted EBITDA and Adjusted EBITDA margin, which are key metrics used by our management and board of directors to measure operating performance and trends, and to prepare and approve our annual budget. You should not consider these metrics in isolation or as a substitute for analysis of our results as reported under GAAP. This presentation also contains estimates and other statistical data made by independent parties and by Zillow relating to market size, the housing market, connections, engagement, transactions, growth and other data about Zillow’s industry and performance. These data involve a number of assumptions and limitations, which may significantly impact their accuracy, and you are cautioned not to give undue weight to such estimates. Projections, assumptions and estimates of future performance are necessarily subject to a high degree of uncertainty and risk. Reconciliation tables and other important information about the Company’s financial results and operating metrics used herein are included in the Appendix of this presentation.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only.

Zillow Investment Overview

Our Mission: Give people the power to unlock life's next chapter

- **Big Customer Problem:** Difficult and expensive to move — people desire a simpler way
- **Our Solution:** The 'housing super app' — connects customers with partners and integrated digital solutions
- **Large and Growing Market:** Housing is a growth industry with ~\$300 billion¹ in transaction fees
- **Significant Growth Opportunity:** Integrating services to meet high-intent movers' needs so they choose to transact with us and our partners — driving customer transactions and revenue per customer transaction²
- **2025 Financial Targets:** \$5 billion revenue and 45% Adjusted EBITDA margin
- **Strong Financial Foundation:** Continued revenue growth, high margins, flexible balance sheet and positive cash flow
- **Seasoned Management Team:** Experienced team with long history of focus on shareholder value creation
- **Well-Positioned Brand with Industry-Leading Technology:** Leading online real estate audience³ and strong engagement with high-intent movers⁴ and partner networks

1. \$300 billion is inclusive of Zillow Group's estimate of ~\$100bn in referral fees derived from participating in real estate transactions with our partners per the 2021 National Association of REALTORS® U.S. Economic Outlook, Title and Escrow premiums of ~\$26bn per the American Land Title Association and Doma estimates, Mortgage Origination estimated revenue of \$155 bn per the Mortgage Bankers Association, and rentals estimated industry revenue of \$16bn per Fortune Business Insights and Zillow Group internal data.

2. Please see the appendix slides for important information about these operating metrics.

3. Comscore data as of January 2022.

4. Zillow Group internal data.

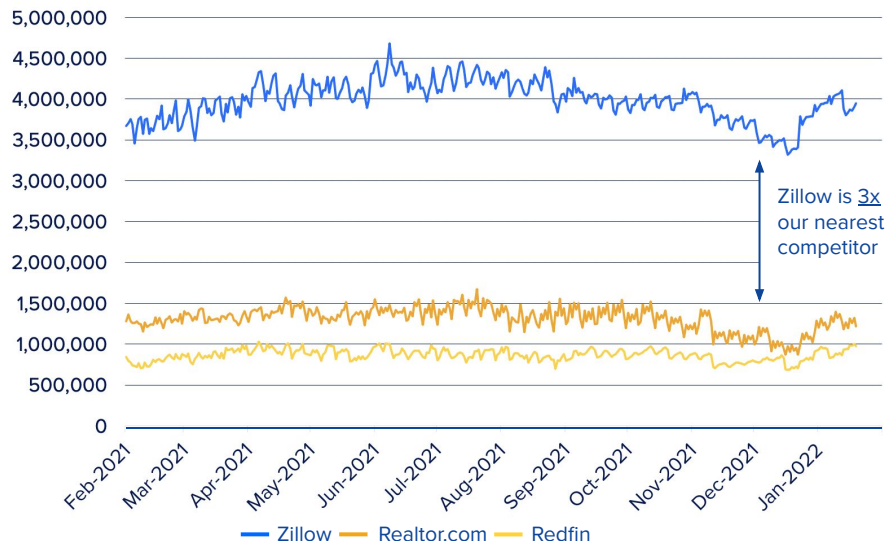
Zillow – The ‘Housing Super App’



Zillow connects customers with partners and integrated solutions

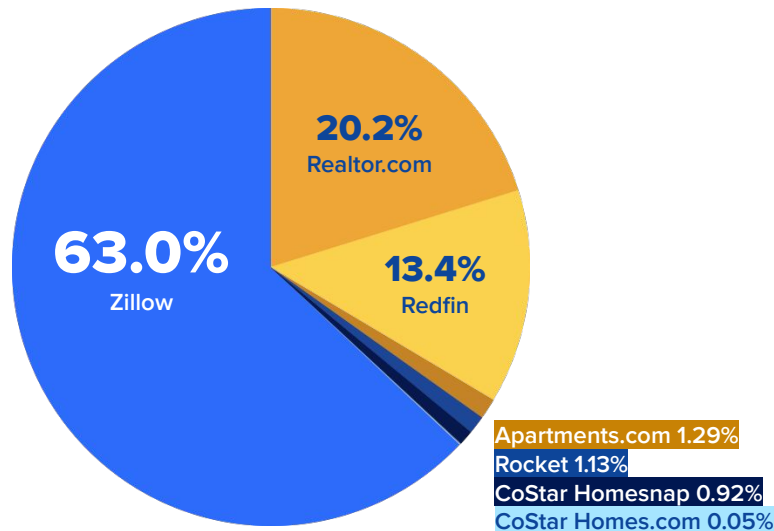
#1 U.S. Online Residential Real Estate App by Wide Margin

Daily Active App Users Among Real Estate Marketplaces



Source: App Annie data as of February 2022.

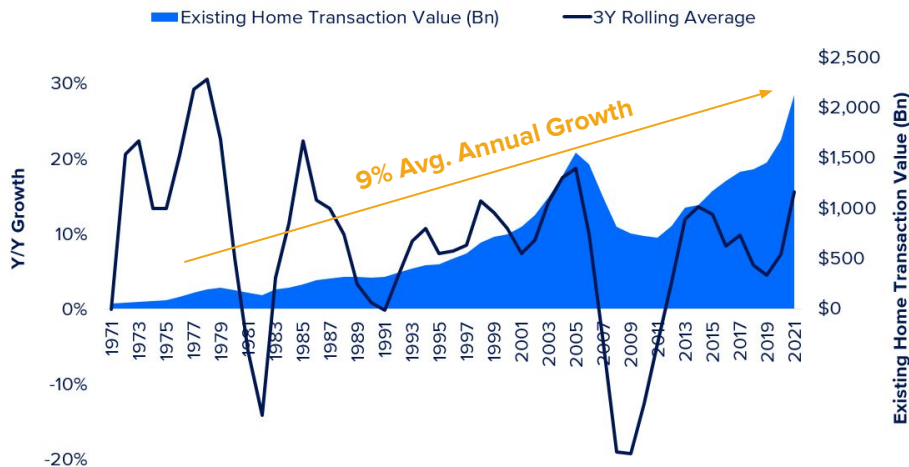
Daily Active App Users



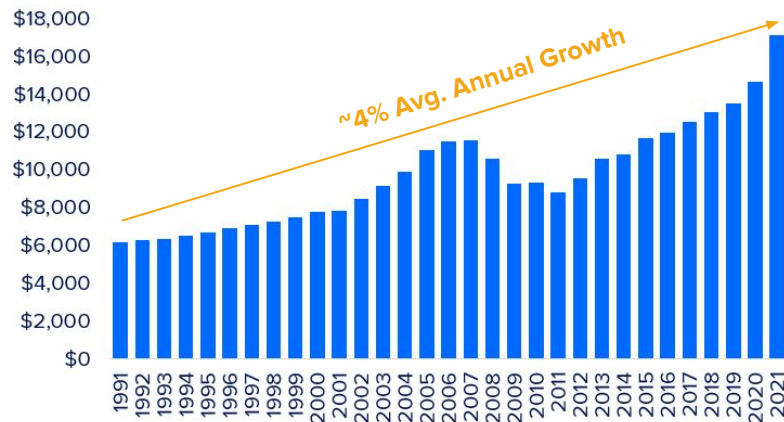
Our leading 'daily active user' position will help us evolve from #1 Online Residential Real Estate App to the 'Housing Super App'

Housing is a Growth Industry

Existing Home Transaction Value¹ Historical Growth



Average Industry Commission²

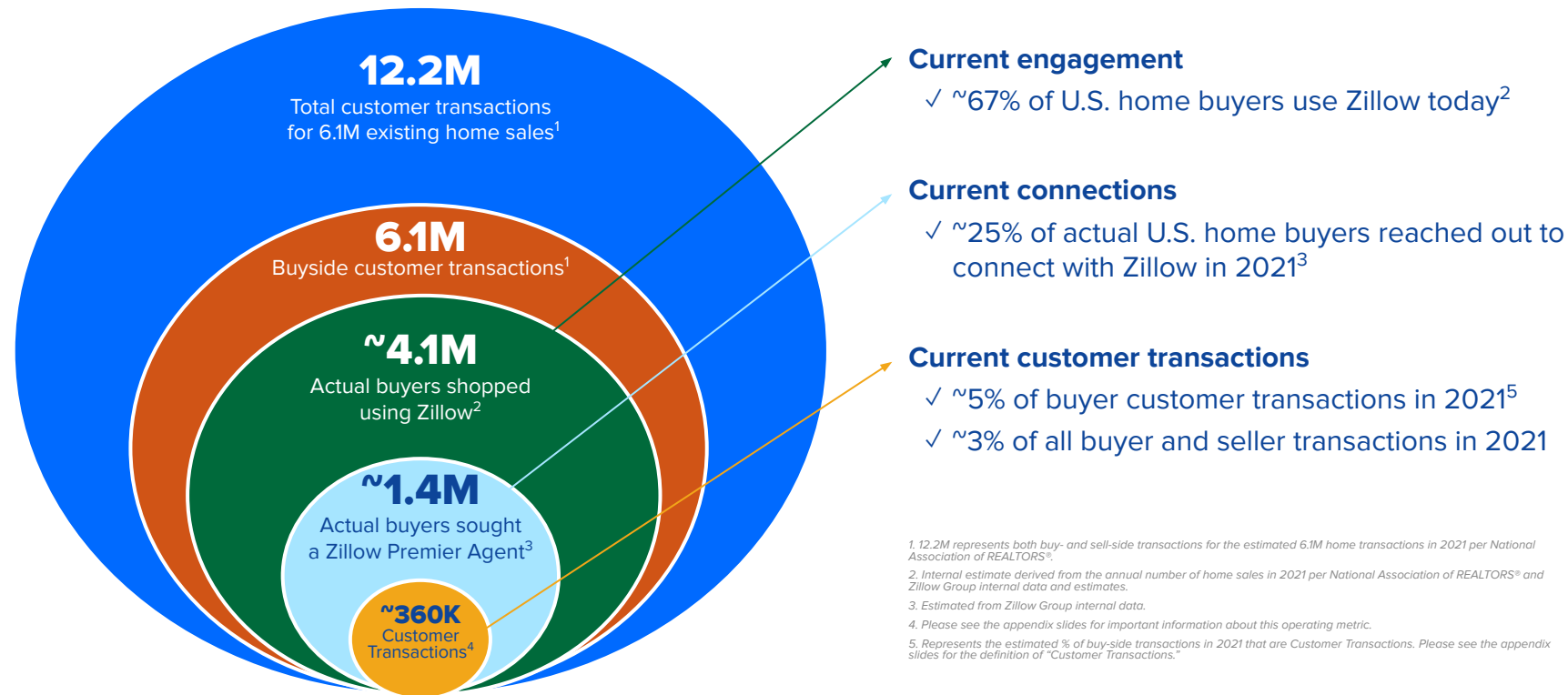


1. Existing Home Transaction Value: is calculated as median sales price of existing residential homes sold multiplied by number of existing homes sold annualized and seasonally adjusted as reported by the National Association of REALTORS®.

2. Average Industry Commission: is calculated as median sales price of existing residential homes sold reported by the National Association of REALTORS® multiplied by historical gross commission rates as reported by Real Trends.

Strong Engagement and Significant Transaction Opportunity

~25% of actual U.S. home buyers reached out to connect with Zillow in 2021



Growth Opportunity is Meaningful

Improvements to customer experience drive value throughout our funnel and result in more transactions and revenue per transaction

Keys to customer transaction and revenue per customer transaction growth moving forward:

- ✓ **Touring** — make it easier for high-intent movers to connect with homes and our partners
 - Fulfilling less than 1/3 of tours requested today¹
 - Tours convert over 3x our other leads¹
- ✓ **Financing** — prepare customers to be transaction-ready with financing in place early in home buying journey
 - Pre-qualifications
 - Pre-approvals
- ✓ **Expand seller solutions** — continue to innovate on novel seller solutions
 - Estimate ~50% of Zillow's buyer connections are also sellers¹
 - Many buyer customers already list homes for sale with Premier Agents today
- ✓ **Enhance partner network** — work with the best agents in real estate
 - High customer service ratings
 - Proven ability to close transactions
 - Desire to grow with Zillow and our expanded offerings
- ✓ **Integrate services** — bring services together to drive more transactions and more revenue per customer transaction
 - Zillow 360 solutions

1. Estimated from Zillow Group internal data.

Zillow 'Housing Super App' Expands Adjacent Services and Creates New Seller Services

Zillow captures only a small portion (~\$4,100¹) of transaction spend today, largely linked to buyer referrals



1. Please see the appendix slides for important information about this operating metric.

2. Calculated as median home price of existing residential homes sold of \$366,400 reported by the National Association of REALTORS® multiplied by Zillow Group's estimated referral fee.

3. Calculated as total mortgage origination revenue generated by Zillow Home Loans in 2021 divided by the number of loans originated by Zillow Home Loans in 2021 per internal Zillow Group data.

4. Calculated as total Zillow Closing Services revenue in 2021 divided by the total number of title transactions in 2021 per internal Zillow Group data.

Significant Long-Term Growth Opportunity

2025 financial targets of \$5 billion revenue and 45% Adjusted EBITDA margin

Model Math	Opportunity	2021 (excluding Zillow Offers)	Path To 2025 Targets*	Assumptions and Drivers
+	Industry Customer Transactions (Buyers & Sellers)	12.2 Million	12.2 Million	No Assumed Growth for Industry Customer Transactions
x	Customer Transaction Share	3% Share	6% Share	Growth Driven by Touring, Financing, Expanded Seller Services
=	# Customer Transactions	~360K ¹	730K	
x	Revenue per Customer Transaction	~\$4,100 ¹	~\$5,200	Zillow Home Loans, Zillow Closing Services, Zillow 360 Bundled Services
=	Total Customer Transaction Revenue	\$1.5 Billion ¹	\$3.8 Billion	Assumes 3% Home Price Appreciation per Year
+	Other Services Revenue	\$609 Million	\$1.2 Billion	Rentals, New Construction, StreetEasy, Mortgage Marketplace, Display, Real Estate Industry Services
=	Zillow Revenue	\$2.1 Billion²	\$5 Billion	Implies 24% Annualized Growth
	Zillow Adjusted EBITDA Margin	~39%³	45%⁴ \$2.25 Billion	Scale Margins and Invest in Opportunities to Drive Growth

*The slide is provided for illustrative purposes to demonstrate one path towards achieving Zillow Group's 2025 financial targets. For purposes of this model, we are assuming no growth in existing home sales, a 3% increase in customer transaction share, and a 3% increase in home price appreciation per year. Please see the Legal Disclosure slide for additional information about our forward-looking statements.

1. Please see the appendix slides for important information about these operating metrics.

2. Excludes Zillow Offers FY 2021 Revenue and Zillow Offers related revenue FY 2021 for Premier Agent, Zillow Home Loans, and Zillow Closing Services, see appendix slides for important information.

3. Calculated excluding Zillow Offers FY 2021 Revenue. See appendix slides for the reconciliation to the most directly comparable GAAP measure.

4. Zillow Group has not provided a quantitative reconciliation of this forecasted Zillow Adjusted EBITDA Margin to the most directly comparable GAAP measure within this presentation because the company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. For more information regarding the non-GAAP financial measures discussed in this presentation, please see the appendix slides.

Strong Financial Foundation - Growing Revenue

Our diversified set of services have delivered strong revenue growth

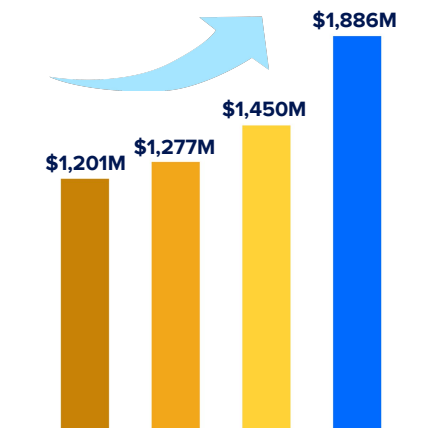
Name	Description	2019 Revenue	2020 Revenue	2021 Revenue	3 Year Revenue CAGR
Premier Agent	Introduce customers to network of agent <i>partners</i>	\$924M	\$1.0B	\$1.4B	16%
Rentals	Multi service platform for <i>renters</i>	\$164M	\$222M	\$264M	25%
Mortgages	Provides <i>financing</i> options for customers	\$101M	\$174M	\$246M	45%
Other IMT	Other <i>marketplaces</i> & <i>industry</i> services	\$189M	\$181M	\$226M	10%
Closing Services	Provides <i>closing</i> solutions	n.a.	\$5M	\$33M	n.a.
Total		\$1.4B	\$1.6B	\$2.2B	19%

Strong Financial Foundation - Growing Profits

Delivering growth and industry leading profits while investing in future opportunities¹

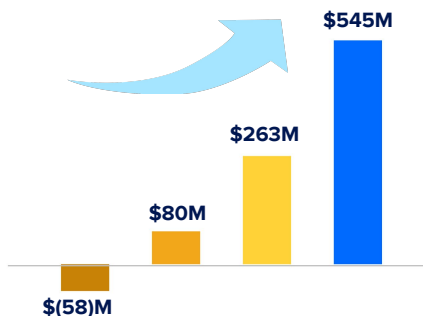
IMT Segment Revenue

57% Increase Since 2018



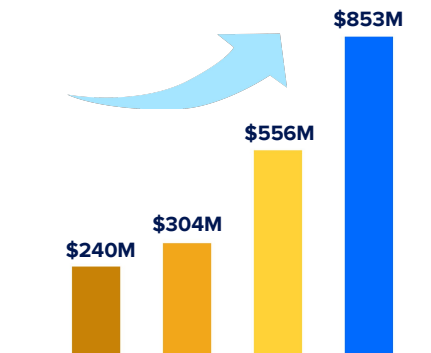
IMT Segment Income Before Taxes

\$602M Increase Since 2018



IMT Segment Adjusted EBITDA

255% Increase Since 2018



■ 2018 ■ 2019 ■ 2020 ■ 2021

¹ - Internet, Media and Technology (IMT) Segment includes Premier Agent, Rentals, and Other IMT.

See appendix slides for additional details about our presentation of IMT segment Adjusted EBITDA, including a reconciliation to the most directly comparable GAAP financial measure, which is IMT segment income (loss) before income taxes, for the relevant period.

Strong Financial Foundation - Flexible Balance Sheet

We will be in a positive net cash position pro forma for Zillow Offers wind down

	12/31/2021		
	Reported	Pro Forma Zillow Offers Wind Down	Key Information
Cash & Investments	\$3.1B	\$3.1B+	Expect wind down to be cash flow positive in aggregate
Inventory	\$3.9B	\$0	All Zillow Offers inventory will be sold in wind down
Asset Backed Debt	\$3.5B - \$3.4B ZO Debt - \$0.1B Mortgage Line	\$0.1B - \$0 ZO Debt - \$0.1B Mortgage Line	Zillow Offers debt repaid as inventory is sold
Convertibles	\$1.3B	\$1.3B	Nearest maturity is September 2024 for \$608M principal amount
Net Cash	\$(1.7)B	\$1.7B	Net Cash Pro Forma Balance Sheet

Our balance sheet provides the ability to invest in innovation, capitalize on the business cycle, and exercise prudent capital management

Seasoned Management Team

Leadership team has built successful consumer internet and real estate companies and managed across economic cycles

YEARS AT ZG
16



Rich Barton
Chief Executive Officer



YEARS AT ZG
16



Lloyd Frink
Executive Chairman



YEARS AT ZG
3



Allen Parker
Chief Financial Officer



YEARS AT ZG
12



Jeremy Wacksman
Chief Operating Officer



YEARS AT ZG
9



Susan Daimler
President



YEARS AT ZG
16



David Beitel
Chief Technology Officer



YEARS AT ZG
7



Errol Samuelson
Chief Industry Development Officer



YEARS AT ZG
5



Dan Spaulding
Chief People Officer



YEARS AT ZG
3



Aimee Johnson
Chief Marketing Officer



YEARS AT ZG
1



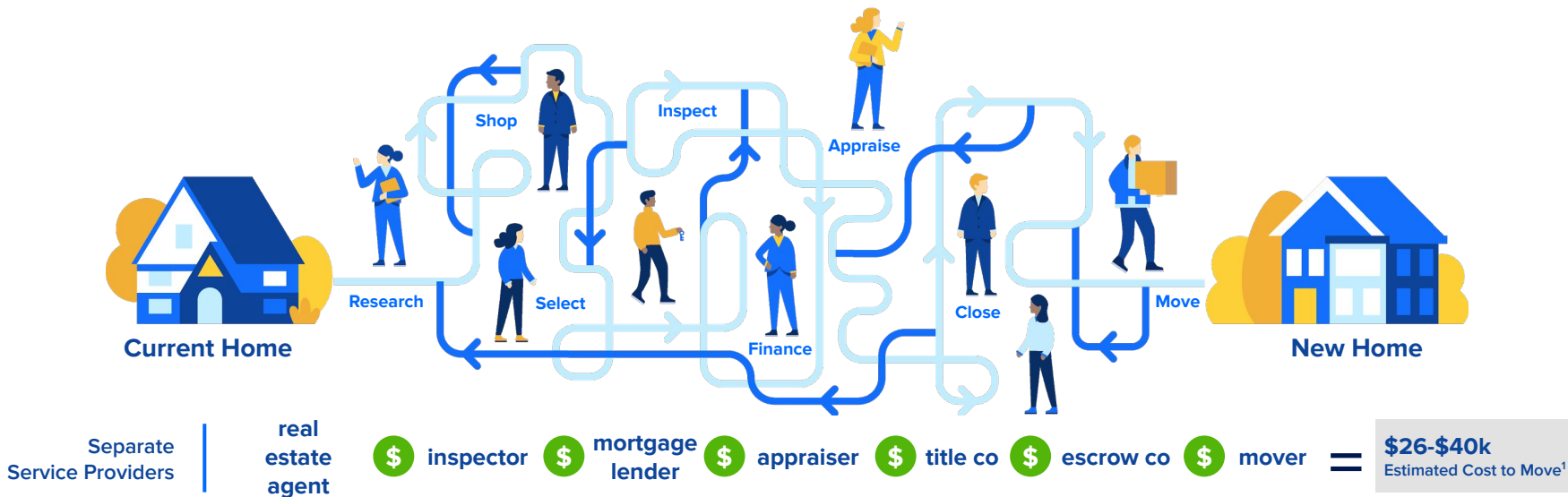
Jenny Arden
Chief Design Officer



Industry and Company Background

Moving is Offline, Complicated, Time-Consuming, Stressful & Expensive

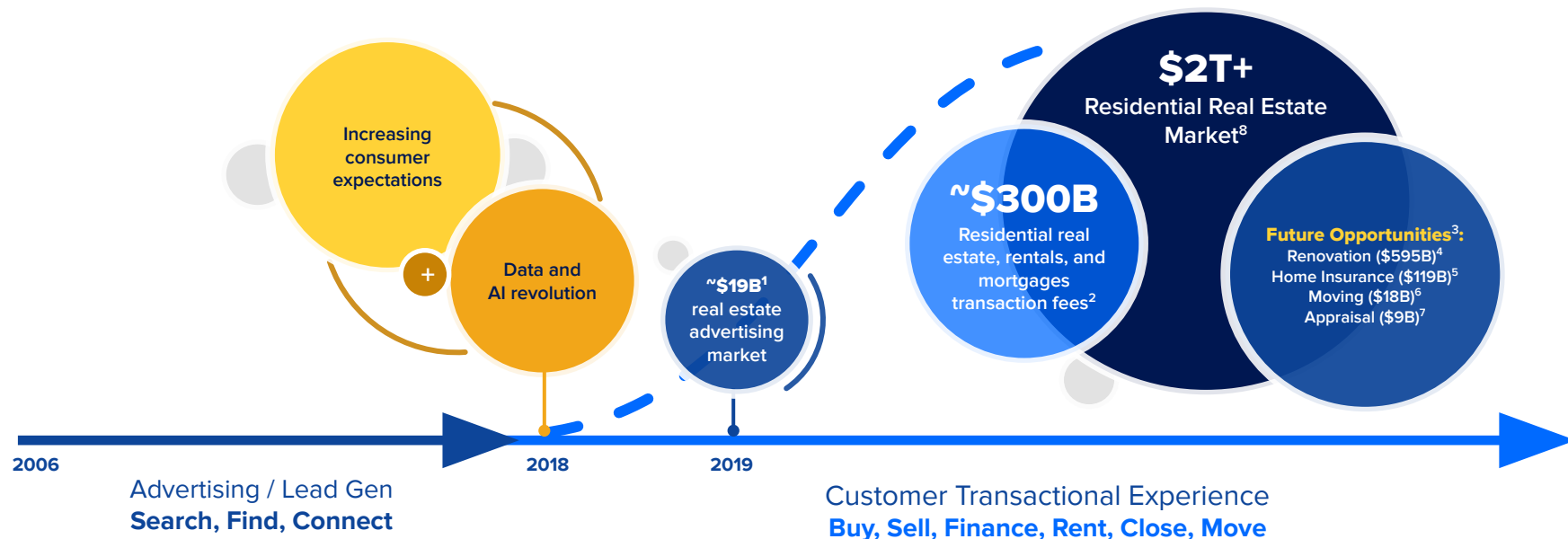
Consumers want a better tech-enabled experience



1. Estimated Cost to Move = \$26k-\$40k or 7-11% of the average home transaction value of \$366,400 per the National Association of REALTORS®. Based on market data, the estimated cost to move includes real estate commissions of 5-6%, mortgage origination fees of 0.5-1%, title insurance premiums of 0.5-1%, escrow fees of 1-2%, and moving costs of 0.2-0.6% for short-distance moves. It does not include other potential costs like closing concessions, inspection, appraisal, dual mortgage payments or renovations.

Customer journey is often non-linear,
requiring **multiple vendors** with no central integrator

Zillow Expanding to Customer Transactional Experience Creates Significant Addressable Market



1. Borrell Associates 2019; Total spent on online and offline residential real estate advertising.

2. Our total addressable market of \$300 billion is inclusive of Zillow Group's estimate of ~\$100bn in referral fees derived from participating in real estate transactions with our partners per the 2021 National Association of REALTORS® U.S. Economic Outlook, Title and Escrow premiums of ~\$26bn per the American Land Title Association and Doma estimates, Mortgage Origination estimated revenue of \$155 bn per the Mortgage Bankers Association, and rentals estimated industry revenue of \$16bn per Fortune Business Insights and Zillow Group internal data.

3. Future opportunities represent the estimated total size of each listed industry.

4. The Economy of Everything by Angli, 6/8/2021.

5. Homeowners' Insurance Industry in the US - Market Research Report, IBIS World, August, 25 2021.

6. Moving Services in the US - Industry Market Research Report, IBISWorld, September 1, 2021.

7. Real Estate Appraisal in the US - Industry Market Research Report, IBISWorld, May 7, 2021.

8. \$2T represents estimated aggregate transaction value of U.S. homes sold in 2021. National Association of REALTORS® 2021.

Zillow is the Leader in Online Residential Real Estate Today & Uniquely Positioned to Address Customer Needs

- ✓ #1 brand awareness, audience and trust^{1,2}
- ✓ Uniquely integrated for-sale residential housing and rental platform
- ✓ Industry leading touring platform
- ✓ Strong engagement with high-intent movers³
- ✓ High-performing partner networks

1. Comscore data as of January 2022.

2. Lifestory Research America's Most Trusted® Survey, published January 2022.

3. Zillow Group internal data.

4. Google Trends as of December 2021.

5. Average monthly unique users for the year ended December 31, 2021. See Zillow Group 2021 10K for information on how we calculate monthly unique users.

“Zillow”

is more searched
than “Real Estate”
on Google⁴

200M+

Average monthly
unique users⁵

63M

tours
facilitated³

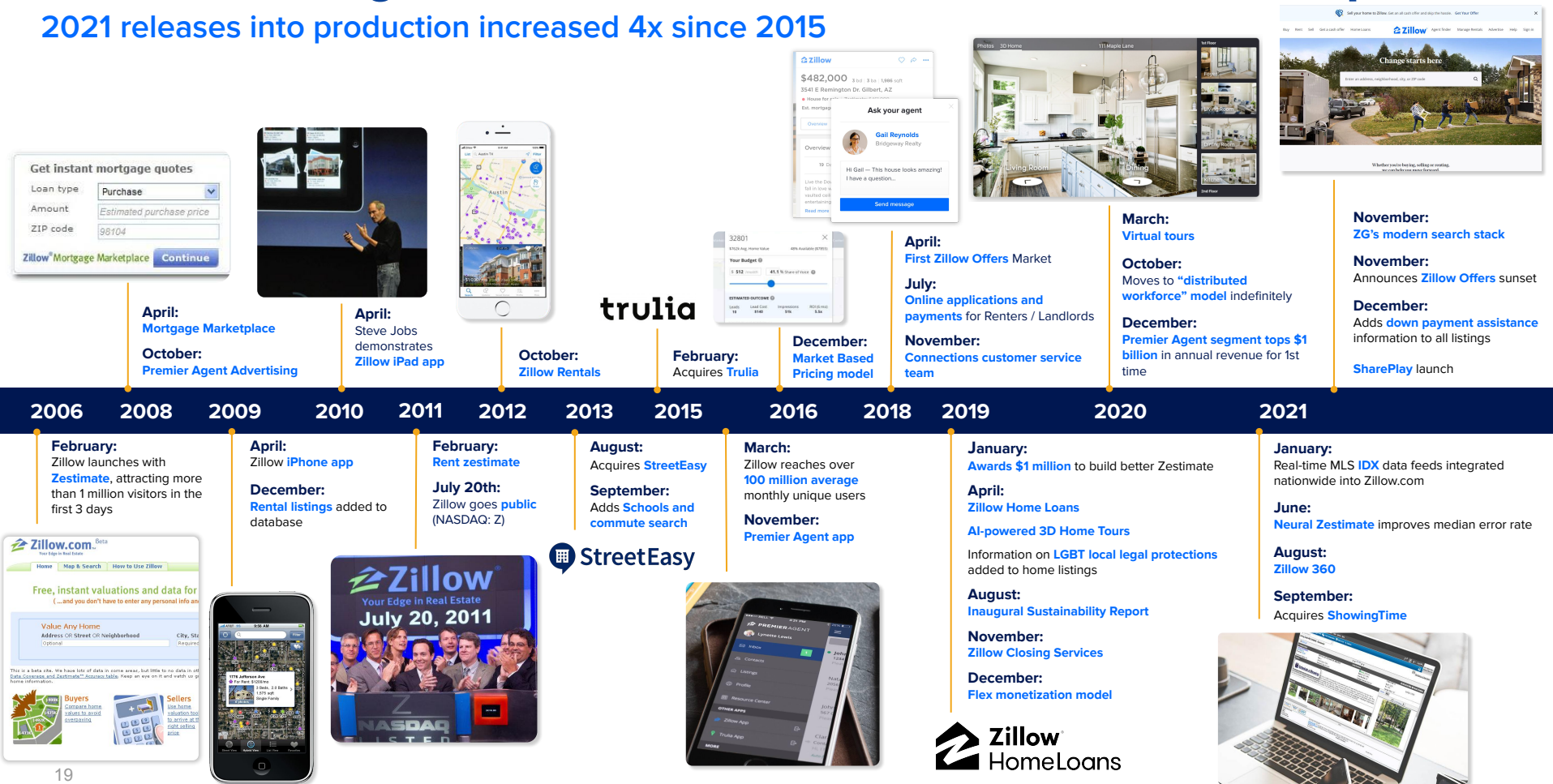
4M

buyers used
Zillow in 2021³



15+ Years Driving Innovation to Tech-Enable The Real Estate Experience

2021 releases into production increased 4x since 2015



Appendix

Non-GAAP Measures

Adjusted EBITDA

The following table presents a reconciliation of IMT segment Adjusted EBITDA to the most directly comparable GAAP financial measure, which is IMT segment income (loss) before income taxes, for each of the periods presented (in thousands, unaudited):

IMT Segment Adjusted EBITDA Reconciliation				
Reconciliation of Adjusted EBITDA to Income (Loss) Before Income Taxes	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021
Income (loss) before income taxes (1)	\$ (67,638)	\$ 80,060	\$ 262,984	\$ 544,590
Other income	-	-	(6,300)	-
Depreciation and amortization	91,232	73,369	89,862	99,026
Share-based compensation	131,404	160,434	134,691	200,963
Impairment and restructuring costs	76,000	-	73,900	-
Acquisition-related costs	27	-	-	8,616
Interest expense	-	-	-	-
Adjusted EBITDA	<u>\$ 240,025</u>	<u>\$ 303,863</u>	<u>\$ 556,137</u>	<u>\$ 853,226</u>
Revenue				
IMT Segment	\$ 1,201,143	\$ 1,276,896	\$ 1,450,232	\$ 1,885,782
Percentage of Revenue				
IMT Segment Adjusted EBITDA Margin	20%	24%	38%	45%

(1) We use income (loss) before income taxes as our profitability measure in making operating decisions and assessing the performance of our segments, therefore, net income (loss) and income tax benefit (expense) are calculated and presented only on a consolidated basis within our financial statements and not included in the above reconciliation.

Zillow Adjusted EBITDA Margin (excluding Zillow Offers impact) Reconciliation

	Year Ended December 31, 2021				
(in \$thousands, except %)	Homes	IMT	Mortgages	Corporate Items (2)	Consolidated
Reconciliation of Adjusted EBITDA to Income (Loss) Before Income Taxes:					
Net loss (1)	N/A	N/A	N/A	N/A	\$ (527,777)
Income taxes	N/A	N/A	N/A	N/A	1,263
Income (loss) before income taxes	\$ (881,464)	\$ 544,590	\$ (51,823)	\$ (137,817)	\$ (526,514)
Other income	(2,878)	-	(5,019)	(2,291)	(10,188)
Depreciation and amortization	22,393	99,026	8,361	-	129,780
Share-based compensation	76,879	200,963	33,844	-	311,686
Acquisition-related costs	-	8,615	-	-	8,615
Loss on extinguishment of debt	-	-	-	17,119	17,119
Impairment and restructuring costs	71,247	-	926	-	72,173
Interest expense	63,829	32	5,060	122,989	191,910
Adjusted EBITDA	<u>\$ (649,994)</u>	<u>\$ 853,226</u>	<u>\$ (8,651)</u>	<u>\$ -</u>	<u>\$ 194,581</u>
Consolidated Adjusted EBITDA					\$ 194,581
Adjustments to arrive at Zillow Adjusted EBITDA (excluding Zillow Offers impact)					
Homes Adjusted EBITDA					\$ 649,994
Customer Transaction revenue attributable to Zillow Offers (3)					(33,642)
Zillow Adjusted EBITDA (excluding Customer Transaction revenue attributable to Zillow Offers)					<u>\$ 810,933</u>
Zillow Customer Transaction revenue					\$ 1,491,663
Other IMT, Marketplace, and Mortech revenue					608,689
Adjusted Zillow revenue (excluding Zillow Offers impact)					<u>\$ 2,100,352</u>
Zillow Adjusted EBITDA Margin (excluding Zillow Offers impact)					<u>39%</u>

(1) We use income (loss) before income taxes as our profitability measure in making operating decisions and assessing the performance of our segments, therefore, net loss and income tax benefit (expense) are calculated and presented only on a consolidated basis within our financial statements.

(2) Certain corporate items are not directly attributable to any of our segments, including the gain (loss) on extinguishment of debt, interest income earned on our short-term investments included in other income and interest costs on our convertible senior notes included in interest expense.

(3) The calculation of Zillow Adjusted EBITDA (excluding Customer Transactions attributable to Zillow Offers) excludes costs savings that would be achieved from removing the Customer Transaction revenue attributable to Zillow Offers because the company is unable, without making unreasonable efforts, to calculate these cost savings with confidence. Please see the following "Use of Operating Metrics" slide for the definition of and more information about Customer Transactions.

Use of Operating Metrics

Zillow reviews a number of operating metrics to evaluate its business, measure performance, identify trends, formulate business plans, and make strategic decisions. This presentation includes Revenue Per Customer Transaction and Customer Transactions. Going forward, Zillow expects to use these operating metrics on a periodic basis to evaluate and provide investors with insight into the performance of Zillow's transaction-based lines of business, which currently include Premier Agent, Zillow Home Loans and Zillow Closing Services. Because Zillow is winding down Zillow Offers operations, Zillow excluded revenue and transaction contributions from Zillow Offers from the calculations of Customer Transactions and Revenue Per Customer Transaction, as further described below. We believe these adjustments enable management and investors to better understand and monitor the health and performance of Zillow's continuing transaction-based lines of business while controlling for impacts from Zillow Offers.

Customer Transactions: Zillow calculates "Customer Transactions" as each unique purchase or sale transaction in which the home buyer or seller uses Zillow Home Loans, Zillow Closing Services, and/or involves a Premier Agent that the buyer or seller connected with through Zillow, in each case excluding those transactions which occurred in connection with a Zillow Offers transaction. In particular:

- For Premier Agent, Zillow uses an internal approximation of the number of buy- and sell-side transactions that involve a Premier Agent that the buyer or seller connected with through Zillow. Because of the challenges associated with measuring the conversion of connections to transactions outside of our Flex program, including reliance on the availability and quality of public records and data, these estimates may be inaccurate.
- For Zillow Closing Services, Zillow counts each unique purchase or sale transaction in which the home buyer or seller uses Zillow Closing Services.
- For Zillow Home Loans, Zillow counts each unique purchase or sale transaction in which the home buyer or seller uses Zillow Home Loans.

Revenue Per Customer Transaction: Zillow calculates "Revenue Per Customer Transaction" as Premier Agent, Zillow Home Loans and Zillow Closing Services revenue (excluding revenue generated in connection with a Zillow Offers transaction) divided by the number of Customer Transactions during the relevant period.