

The Zillow Group logo, featuring a stylized 'Z' icon in blue and green followed by the text 'Zillow GROUP' in white. The background of the slide is a modern office interior with a dark blue semi-transparent banner across the top. The banner contains the logo and text. Below the banner, the office space is visible, featuring a brown leather sofa, a yellow armchair, and a coffee table. The ceiling has exposed pipes and lights. The floor is dark wood or carpet. The overall aesthetic is clean and professional.

Zillow GROUP

Investor Update Call

April 12, 2018

Select preliminary financial information and forward-looking statements

This presentation contains select preliminary Q1 2018 financial information. This information is subject to change pending completion of our financial closing and review procedures, and the preliminary financial information presented here and actual financial results as reported in our Quarterly Report on Form 10-Q may differ materially.

This presentation also 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 financial outlook, market opportunities, and 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. Differences in Zillow Group’s actual results from those described in these forward-looking statements may result from actions taken by Zillow Group, as well as from risks and uncertainties beyond Zillow Group’s control. Factors that may contribute to such differences include, but are not limited to, Zillow Group’s investment of resources to pursue strategies that may not prove effective; the impact of the real estate industry on Zillow Group’s business; Zillow Group’s ability to innovate and provide products and services that are attractive to its users and advertisers; Zillow Group’s ability to compete successfully against existing or future competitors; and the impact of pending litigation and other legal and regulatory matters. The foregoing list of risks and uncertainties is illustrative, but is not exhaustive. For more information about potential factors that could affect Zillow Group’s business and financial results, please review the “Risk Factors” described in Zillow Group’s Annual Report on Form 10-K for the year ended December 31, 2017 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.

Zillow Group (ZG) announced today:

- Expansion of the Instant Offers program to Phoenix, in addition to Las Vegas and Orlando
- ZG will participate in the Instant Offers marketplace as a buyer in Phoenix and Las Vegas
- ZG will partner with Premier Agents and Brokers to buy and sell homes
- A new financial reporting segment will be created
- Selected preliminary first quarter 2018 results
- Updated consolidated full year 2018 outlook

Two segments = Larger TAM



Internet, Media & Tech (IMT) segment
\$17B TAM¹

Premier Agent	Suite of marketing and business technology solutions to help real estate agents, teams and brokerages grow their businesses and brands.
Rentals	Advertising and suite of tools sold to property managers and other rentals professionals.
Mortgages	Advertising and mortgage software sold to mortgage lenders and other mortgage professionals.
Other	Revenue from new construction, dotloop, display, as well as from the sale of various other advertising and business software solutions.

Homes segment
TAM linked to \$1.8T²

Zillow Group participating in the Instant Offers marketplace by buying houses and selling them on the open market with commissioned Premier Agents.

1. Borrell Associates 2017; Total spent on online and offline residential real estate advertising.
2. \$1.8T represents estimated aggregate transaction value of existing and new homes sold in 2017. US Census Bureau and National Association of REALTORS® 2017; Zillow Group internal estimate.

Homes segment financial model

For illustrative purposes only

Revenue – Sales price of homes
Cost of revenue:
Purchase price of homes
Costs to purchase homes (commissions, escrow, title, etc.)
Home improvement costs (including direct labor)
Gross Margin
Other operating expenses:
Holding costs (insurance, taxes, HOA fees, etc.)
Costs to sell homes (closing costs, commissions, escrow, title, etc.)
Corporate overhead (indirect labor, marketing, etc.)
Adjusted EBITDA¹

Model assumes 90 day
or less holding period
when fully operational.

1. Adjusted EBITDA is a non-GAAP financial measure which excludes other income, depreciation and amortization expense, share-based compensation expense, acquisition-related costs, interest expense and income taxes. For additional information regarding our presentation of Adjusted EBITDA, please see the slide entitled “Appendix – Use of non-GAAP financial measure”.

Selected preliminary Q1 2018 results and updated full year 2018 consolidated outlook¹

Selected Preliminary Q1 2018 Results²

Total Preliminary Revenue	\$299 - \$301 million
Preliminary Net Loss	\$(20) – \$(18) million
Preliminary Adjusted EBITDA ³	\$45 - \$47 million

Updated FY 2018 Consolidated Outlook⁴

Total Forecasted Revenue	\$1.43 - \$1.58 billion
Forecasted Adjusted EBITDA ⁵	\$260 - \$285 million

FY 2018 Outlook Assumptions

Homes in Inventory at Year End	300 – 1,000
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1. Zillow Group selected preliminary Q1 2018 results and updated full year consolidated outlook as of April 12, 2018.
2. Zillow Group expects to release its financial results for the first quarter of 2018 in early May 2018.
3. See the slide entitled "Appendix – Reconciliation of Preliminary Q1 2018 Adjusted EBITDA" for a reconciliation of Preliminary Adjusted EBITDA to preliminary net loss, the most directly comparable financial measure calculated and presented in accordance with U.S. generally accepted accounting principles ("GAAP").
4. Zillow Group expects to provide the updated outlook for each segment in early May 2018.
5. Zillow Group has not provided a quantitative reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net income (loss) within this presentation because we are unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to; income taxes which are directly impacted by unpredictable fluctuations in the market price of our capital stock; depreciation and amortization expense from new acquisitions; impairments of assets; and acquisition-related costs. These items, which could materially affect the computation of forward-looking GAAP net income (loss), are inherently uncertain and depend on various factors, many of which are outside of Zillow Group's control. For more information regarding the non-GAAP financial measures discussed in this presentation, please see the slide entitled "Appendix - Use of non-GAAP financial measure".

Questions

Questions may be submitted via **Slido**. We encourage you to visit www.slido.com where you can submit questions by entering the event code **#ZHomes**. Participants may vote on which submitted questions are prioritized to be answered on the call.

Appendix – Use of non-GAAP financial measure

To provide investors with additional information regarding our financial results, this presentation includes references to Adjusted EBITDA (including forecasted Adjusted EBITDA), which is a non-GAAP financial measure. We have provided a reconciliation of preliminary Q1 2018 Adjusted EBITDA to preliminary Q1 2018 net loss, the most directly comparable GAAP financial measure, on the slide entitled “Appendix – Reconciliation of Preliminary Q1 2018 Adjusted EBITDA”.

Adjusted EBITDA is a key metric used by our management and board of directors to measure operating performance and trends, and to prepare and approve our annual budget. The exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not consider the potentially dilutive impact of share-based compensation;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect acquisition-related costs;
- Adjusted EBITDA does not reflect interest expense or other income;
- Adjusted EBITDA does not reflect income taxes; and
- Other companies, including companies in our own industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net loss and our other GAAP results.

Appendix – Reconciliation of Preliminary Q1 2018 Adjusted EBITDA

Reconciliation of preliminary Q1 2018 Adjusted EBITDA to preliminary net loss:

	Three Months Ended March 31, 2018
Preliminary Net loss	\$(19,000)
Preliminary Other income	(2,400)
Preliminary Depreciation and amortization expense	26,800
Preliminary Share-based compensation expense	30,600
Preliminary Interest expense	7,000
Preliminary Income tax expense	3,000
Preliminary Adjusted EBITDA	\$46,000

The table above presents a reconciliation of preliminary Adjusted EBITDA to preliminary net loss at the midpoint of the range for the period presented (in thousands, unaudited).