

REFINITIV

DELTA REPORT

10-Q

ZG - ZILLOW GROUP, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1327

| | |
|-------------|-----|
| ■ CHANGES | 191 |
| ■ DELETIONS | 424 |
| ■ ADDITIONS | 712 |

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0.0148810
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2024-03-31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHA

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

June 30, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-36853

ZILLOW GROUP, INC.

(Exact

(Exact name of registrant as specified in its charter)

Washington 47-1645716

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

Washington

47-1645716

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1301 Second Avenue, ,

Floor 36,

Seattle,

, Washington 98101

(Address

(Address of principal executive offices) (Zip Code)

(206) 470-7000

(

206

)

470-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: [REDACTED]

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|--------------------------|--|
| Class A Common Stock, par value \$0.0001 per share | ZG | The Nasdaq Global Select Market |
| Class C Capital Stock, par value \$0.0001 per share | Z | The Nasdaq Global Select Market |

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|--------------------------|--|
| Class A Common Stock, par value \$0.0001 per share | ZG | The Nasdaq Global Select Market |
| Class C Capital Stock, par value \$0.0001 per share | Z | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

| | |
|---|--|
| Large accelerated filer <input checked="" type="checkbox"/> | Accelerated filer <input type="checkbox"/> |
| Non-accelerated filer <input type="checkbox"/> | Smaller reporting company <input type="checkbox"/> |
| | Emerging growth company <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **April 24, 2024** **July 31, 2024**, **55,205,739** **54,274,808** shares of Class A common stock, 6,217,447 shares of Class B common stock a

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ZILLOW GROUP, INC.

Quarterly Report on Form 10-Q

For the Three Months Ended **March 31, 2024**

June 30, 2024

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PART I - FINANCIAL INFORMATION

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GLOSSARY OF TERMS

As used in this Quarterly Report on Form 10-Q, the terms identified below have the meanings specified below unless otherwise noted

| Abbreviation or Acronym | Definition |
|---|---|
| Zillow Group, "the Company," "we," "us" and "our" | Refers to Zillow Group, Inc., unless the context indicates otherwise as used in this Quarterly Report on Form 10-Q |
| 2020 Plan | Zillow Group, Inc. 2020 Incentive Plan |
| 2024 Notes | 0.75% Convertible Senior Notes due September 1, 2024 |
| 2025 Notes | 2.75% Convertible Senior Notes due May 15, 2025 |
| 2026 Notes | 1.375% Convertible Senior Notes due September 1, 2026 |
| Aryeo | Aryeo, Inc., a wholly owned subsidiary acquired on July 31, 2023 |
| Board | The Board of Directors of Zillow Group, Inc. |
| FASB | Financial Accounting Standards Board |
| Follow Up Boss | Enchant, LLC, d/b/a Follow Up Boss, a wholly owned subsidiary acquired on December 8, 2023 |
| GAAP | Generally accepted accounting principles |
| IRLC | Interest rate lock commitment |
| Lenders | UBS AG, JPMorgan Chase Bank, N.A., and prior to the master repurchase agreement expiration in March 2024, Atlas Securitized Products, L.P |
| MBS | Mortgage-backed security |
| Notes | 2024 Notes, 2025 Notes and 2026 Notes in aggregate |
| OECD | Organization for Economic Co-operation and Development |
| Pillar Two | Pillar Two Global Anti-Base Erosion |
| Repurchase Authorizations | A series of authorizations from the Board to repurchase Class A common stock, Class C capital stock, outstanding convertible |

| | |
|--------|---|
| SEC | senior notes, or a combination thereof |
| SOFR | Securities and Exchange Commission |
| Spruce | Secured Overnight Financing Rate |
| | Refers to substantially all assets and liabilities of Spruce Holdings, Inc. and certain affiliated entities, which assets and liabilities were acquired on September 11, 2023 |

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| Abbreviation or Acronym | Definition |
|---|---|
| Zillow Group, "the Company," "we," "us" and "our" | Refers to Zillow Group, Inc., unless the context indicates otherwise as used in this Zillow Group, Inc. 2020 Incentive Plan |
| 2020 Plan | Zillow Group, Inc. 2020 Incentive Plan |
| 2024 Notes | 0.75% Convertible Senior Notes due September 1, 2024 |
| 2025 Notes | 2.75% Convertible Senior Notes due May 15, 2025 |
| 2026 Notes | 1.375% Convertible Senior Notes due September 1, 2026 |
| Aryeo | Aryeo, Inc., a wholly owned subsidiary acquired on July 31, 2023 |
| Board | The Board of Directors of Zillow Group, Inc. |
| FASB | Financial Accounting Standards Board |
| Follow Up Boss | Enchant, LLC, d/b/a Follow Up Boss, a wholly owned subsidiary acquired on December 8 |
| GAAP | Generally accepted accounting principles in the United States |
| IRLC | Interest rate lock commitment |
| Lenders | UBS AG, JPMorgan Chase Bank, N.A., and prior to the master repurchase agreement expi |
| MBS | Mortgage-backed security |
| NAR | National Association of REALTORS® |
| Notes | 2024 Notes, 2025 Notes and 2026 Notes in aggregate |
| OECD | Organization for Economic Co-operation and Development |
| Pillar Two | Pillar Two Global Anti-Base Erosion |
| Repurchase Authorizations | A series of authorizations from the Board to repurchase Class A common stock, Class |
| SEC | United States Securities and Exchange Commission |
| SOFR | Secured Overnight Financing Rate |
| Spruce | Refers to substantially all assets and liabilities of Spruce Holdings, Inc. and cert |

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including Part I, Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and are subject to certain risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those risks, uncertainties and assumptions described below:

- the current and future health and stability of the economy and United States residential real estate industry, including changes in interest rates, employment rates, consumer confidence and spending, and the availability of credit;
- our ability to manage advertising and product inventory and pricing and maintain relationships with our real estate partners;
- our ability to establish or maintain relationships with listing and data providers, which affects traffic to our mobile application and website;
- our ability to comply with current and future rules and requirements promulgated by the National Association of REALTORS(R), NAR, and other regulatory bodies;
- our ability to navigate industry changes, including as a result of certain past, pending or future class action lawsuits, settlements, and other legal proceedings, such as the NAR settlement agreement entered into on March 15, 2024;

- our ability to continue to innovate and compete to attract customers and real estate partners;
- our ability to effectively invest resources to pursue new strategies, develop new products and services and expand existing products;
- our ability to operate and grow Zillow Home Loans, our mortgage origination business, including the ability to obtain or maintain the necessary regulatory approvals;
- the duration and impact of natural disasters, geopolitical events, and other catastrophic events (including public health crises and pandemics);
- our ability to maintain adequate security measures or technology systems, or those of third parties on which we rely, to protect our data and intellectual property;
- the impact of past, pending or future litigation and other disputes or enforcement actions, which may include lawsuits or investigations by regulators;
- our ability to attract, engage, and retain a highly skilled remote workforce;
- acquisitions, investments, strategic partnerships, capital-raising activities, or other corporate transactions or commitments by us or our subsidiaries;
- our ability to continue relying on third-party services to support critical functions of our business;
- our ability to protect and continue using our intellectual property and prevent others from copying, infringing upon, or developing products or services that compete with our products or services;
- our ability to comply with domestic and international laws, regulations, rules, contractual obligations, policies and other obligations;
- our ability to pay our debt, settle conversions of our Notes, or repurchase our Notes upon a fundamental change;
- our ability to raise additional capital or refinance our indebtedness on acceptable terms, or at all;
- actual or anticipated fluctuations in quarterly and annual results of operations and financial position;
- actual or perceived inaccuracies in the assumptions, estimates and internal or third-party data that we use to calculate business metrics;
- volatility of our Class A common stock and Class C capital stock prices.

Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible to predict all risks and uncertainties that may affect us.

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You should not rely on forward-looking statements as predictions of future events. Although we believe that the expectations reflected in these statements are reasonable, they are subject to significant uncertainties and contingencies, many of which are beyond our control. In addition, statements such as "we believe" and similar statements reflect our beliefs and opinions on the relevant subject matter as of the date of this Quarterly Report on Form 10-Q.

NOTE REGARDING INDUSTRY AND MARKET DATA

This Quarterly Report on Form 10-Q contains market and industry data that are based on our own internal estimates and research, as well as data provided by third parties.

WHERE YOU CAN FIND MORE INFORMATION

Our filings with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports filed with the SEC, are available on the SEC's website at www.sec.gov. Investors and others should note that Zillow Group announces material financial information to its investors using its press releases and earnings calls.

- Zillow Group Investor Relations Site (<https://investors.zillowgroup.com>)
- Zillow Group Blog (<https://www.zillowgroup.com/news/>)
- Zillow Group's Group X Account formerly known as Twitter (<https://twitter.com/zillowgroup>)

The information Zillow Group posts through these channels may be deemed material. Accordingly, investors should monitor these channels for information.

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PART I  FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

ZILLOW GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in

(in millions, except share data, unaudited)

| | March 31, 2024 | December 31, 2023 |
|---|-----------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,439 | \$ 1,492 |
| Short-term investments | 1,478 | 1,318 |
| Accounts receivable, net | 100 | 96 |
| Mortgage loans held for sale | 132 | 100 |
| Prepaid expenses and other current assets | 170 | 140 |
| Restricted cash | 3 | 3 |
| Total current assets | 3,322 | 3,149 |
| Contract cost assets | 23 | 23 |
| Property and equipment, net | 343 | 328 |
| Right of use assets | 66 | 73 |
| Goodwill | 2,817 | 2,817 |
| Intangible assets, net | 232 | 241 |
| Other assets | 20 | 21 |
| Total assets | \$ 6,823 | \$ 6,652 |
| Liabilities and shareholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 34 | \$ 28 |
| Accrued expenses and other current liabilities | 104 | 107 |
| Accrued compensation and benefits | 47 | 47 |
| Borrowings under credit facilities | 123 | 93 |
| Deferred revenue | 58 | 52 |
| Lease liabilities, current portion | 27 | 37 |
| Convertible senior notes, current portion | 608 | 607 |

| | | |
|---|------------------|------------------|
| Total current liabilities | 1,001 | 971 |
| Lease liabilities, net of current portion | 92 | 95 |
| Convertible senior notes, net of current portion | 1,001 | 1,000 |
| Other long-term liabilities | 64 | 60 |
| Total liabilities | 2,158 | 2,126 |
| Commitments and contingencies (Note 12) | | |
| Shareholders' equity: | | |
| Preferred stock, \$ 0.0001 par value; authorized - 30,000,000 shares; no shares issued and outstanding | - | - |
| Class A common stock, \$ 0.0001 par value; authorized - 1,245,000,000 shares; issued and outstanding - 55,205,739 and 55,282,702 shares as of March 31, 2024 and December 31, 2023, respectively | - | - |
| Class B common stock, \$ 0.0001 par value; authorized - 15,000,000 shares; issued and outstanding - 6,217,447 shares | - | - |
| Class C capital stock, \$ 0.0001 par value; authorized - 600,000,000 shares; issued and outstanding - 174,752,848 and 171,853,566 shares as of March 31, 2024 and December 31, 2023, respectively | - | - |
| Additional paid-in capital | 6,469 | 6,301 |
| Accumulated other comprehensive loss | (11) | (5) |
| Accumulated deficit | (1,793) | (1,770) |
| Total shareholders' equity | 4,665 | 4,526 |
| Total liabilities and shareholders' equity | \$ 6,823 | \$ 6,652 |

Assets

| |
|---|
| Current assets: |
| Cash and cash equivalents |
| Short-term investments |
| Accounts receivable, net |
| Mortgage loans held for sale |
| Prepaid expenses and other current assets |
| Restricted cash |
| Total current assets |
| Contract cost assets |
| Property and equipment, net |
| Right of use assets |
| Goodwill |
| Intangible assets, net |
| Other assets |
| Total assets |
| Liabilities and shareholders' equity |
| Current liabilities: |
| Accounts payable |
| Accrued expenses and other current liabilities |
| Accrued compensation and benefits |
| Borrowings under credit facilities |
| Deferred revenue |
| Lease liabilities, current portion |
| Convertible senior notes, current portion |
| Total current liabilities |
| Lease liabilities, net of current portion |
| Convertible senior notes, net of current portion |
| Other long-term liabilities |
| Total liabilities |
| Commitments and contingencies (Note 12) |
| Shareholders' equity: |
| Preferred stock, \$0.0001 par value; authorized – 30,000,000 shares; no shares issued and outstanding |
| Class A common stock, \$0.0001 par value; authorized – 1,245,000,000 shares; issued and outstanding – 54,274,808 and 55,282,702 shares |
| Class B common stock, \$0.0001 par value; authorized – 15,000,000 shares; issued and outstanding – 6,217,447 shares |
| Class C capital stock, \$0.0001 par value; authorized – 600,000,000 shares; issued and outstanding – 170,914,834 and 171,853,566 shares |
| Additional paid-in capital |
| Accumulated other comprehensive loss |
| Accumulated deficit |
| Total shareholders' equity |
| Total liabilities and shareholders' equity |

See accompanying notes to the condensed consolidated financial statements.

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ZILLOW GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in)

(in millions, except share data, which are presented in thousands, and per share data, unaudited)

| | Three Months Ended | |
|--|--------------------|-------------|
| | March 31, | |
| | 2024 | 2023 |
| Revenue | \$ 529 | \$ 469 |
| Cost of revenue | 123 | 92 |
| Gross profit | 406 | 377 |
| Operating expenses: | | |
| Sales and marketing | 166 | 156 |
| Technology and development | 147 | 137 |
| General and administrative | 132 | 123 |
| Impairment costs | 6 | 6 |
| Total operating expenses | 451 | 422 |
| Loss from operations | (45) | (45) |
| Other income, net | 33 | 32 |
| Interest expense | (9) | (9) |
| Loss before income taxes | (21) | (22) |
| Income tax expense | (2) | (-) |
| Net loss | \$ (23) | \$ (22) |
| Net loss per share - basic and diluted | \$ (0.10) | \$ (0.09) |
| Weighted-average shares outstanding - basic and diluted | 234,695 | 234,425 |

| | Three Months Ended | | Six Months Ended | |
|---------------------------------------|--------------------|--------|------------------|---------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 572 | \$ 506 | \$ 1,101 | \$ 975 |
| Cost of revenue | 130 | 104 | 253 | 196 |
| Gross profit | 442 | 402 | 848 | 779 |
| Operating expenses: | | | | |
| Sales and marketing | 205 | 173 | 371 | 329 |
| Technology and development | 144 | 140 | 291 | 277 |
| General and administrative | 131 | 153 | 263 | 276 |
| Impairment and restructuring costs | — | 2 | 6 | 8 |
| Acquisition-related costs | — | 1 | — | 1 |
| Total operating expenses | 480 | 469 | 931 | 891 |
| Loss from operations | (38) | (67) | (83) | (112) |
| Loss on extinguishment of debt | (1) | — | (1) | — |

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Other income, net | 34 | 42 | 67 | 74 |
| Interest expense | (10) | (9) | (19) | (18) |
| Loss before income taxes | (15) | (34) | (36) | (56) |
| Income tax expense | (2) | (1) | (4) | (1) |
| Net loss | \$ (17) | \$ (35) | \$ (40) | \$ (57) |
| Net loss per share - basic and diluted | \$ (0.07) | \$ (0.15) | \$ (0.17) | \$ (0.24) |
| Weighted-average shares outstanding - basic and diluted | 233,453 | 233,629 | 234,074 | 234,023 |

See accompanying notes to the condensed consolidated financial statements.

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ZILLOW GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in
(in millions, unaudited)

| | Three Months Ended | |
|--|--------------------|---------|
| | March 31, | |
| | 2024 | 2023 |
| Net loss | \$ (23) | \$ (22) |
| Other comprehensive income (loss): | | |
| Net unrealized gains (losses) on investments | (12) | |
| | 6 | |
| |) | |
| Total other comprehensive income (loss) | (12) | |
| | 6 | |
| |) | |
| Comprehensive loss | \$ (29) | \$ (10) |
| |) |) |

| | Three Months Ended | | Six Months Ended | |
|---------------------------------------|--------------------|---------|------------------|---------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Net loss | \$ (17) | \$ (35) | \$ (40) | \$ (57) |
| Other comprehensive loss: | | | | |
| Net unrealized losses on investments | — | (16) | (6) | (4) |
| Total other comprehensive loss | — | (16) | (6) | (4) |
| Comprehensive loss | \$ (17) | \$ (51) | \$ (46) | \$ (61) |

See accompanying notes to the condensed consolidated financial statements.

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ZILLOW GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in

(in millions, except share data, which are presented in thousands, unaudited)

| | Class A Common Stock, Class B Common Stock and Class C Capital Stock | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Shareholders' Equity |
|--|---|----------------------------------|------------------------|---|----------------------------------|
| | Shares | Amount | | | |
| Balance at | 233,354 | \$ - \$ 6,301 | \$ (1,770) | \$ (5) | \$ 4,526 |
| January 1, 2024 | | | | | |
| Issuance of Class C capital stock upon exercise of stock options | 1,309 | - 50 | - | - | 50 |
| Vesting of restricted stock units | 1,724 | - | - | - | - |
| Share-based compensation expense | - | 127 | - | - | 127 |
| Repurchases of Class A common stock and Class C capital stock | (211) | (9) | - | - | (9) |
| Net loss | - | - | (23) | (23) | - |
| Other comprehensive loss | - | - | - | (6) | (6) |
| Balance at | 236,176 | \$ - \$ 6,469 | \$ (1,793) | \$ (11) | \$ 4,665 |
| March 31, 2024 | | | | | |

| | Class A Common Stock, Class B Common Stock and Class C Capital Stock | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Shareholders' Equity |
|--|---|----------------------------------|------------------------|---|----------------------------------|
| | Shares | Amount | | | |
| Balance at | 234,268 | \$ - \$ 6,109 | \$ (1,612) | \$ (15) | \$ 4,482 |
| January 1, 2023 | | | | | |
| Issuance of Class C capital stock upon exercise of stock options | 373 | - 13 | - | - | 13 |
| Vesting of restricted stock units | 1,365 | - | - | - | - |
| Share-based compensation expense | - | 121 | - | - | 121 |
| Repurchases of Class A common stock and Class C capital stock | (2,012) | (86) | - | - | (86) |
| Net loss | - | - | (22) | (22) | - |
| Other comprehensive income | - | - | - | 12 | 12 |
| Balance at | 233,994 | \$ - \$ 6,157 | \$ (1,634) | \$ (3) | \$ 4,520 |
| March 31, 2023 | | | | | |

| | Class A Common Stock, Class B Common Stock and Class C Capital Stock | Additional Paid-In Capital | Accumulated Deficit | Other Comprehensive Loss | Total Shareholders' Equity |
|--|---|----------------------------------|------------------------|--------------------------------|----------------------------------|
| | Shares | Amount | Capital | Deficit | Loss |
| Balance at April 1, 2024 | 236,176 | \$ - | \$ 6,469 | \$ (1,793) | \$ (11) |
| Issuance of Class C capital stock upon exercise of stock options | 315 | - | 11 | - | - |
| Vesting of restricted stock units | 1,801 | - | - | - | - |

| | | | | | |
|---|----------------|--------------------|------------------------|--------------------------|-----------------------|
| Share-based compensation expense | — | — | 134 | — | — |
| Repurchases of Class A common stock and Class C capital stock | (6,885) | — | (292) | — | — |
| Net loss | — | — | — | (17) | — |
| Balance at June 30, 2024 | <u>231,407</u> | <u>\$</u> <u>—</u> | <u>\$</u> <u>6,322</u> | <u>\$</u> <u>(1,810)</u> | <u>\$</u> <u>(11)</u> |

| | Class A Common Stock, Class B Common Stock and Class C Capital Stock | Additional Paid-In Capital | Accumulated Deficit | Other Comprehensive Loss | Accumulated Share Loss |
|--|---|----------------------------------|------------------------|--------------------------------|------------------------------|
| | Shares | Amount | | | |
| Balance at April 1, 2023 | 233,994 | \$ — | \$ 6,157 | \$ (1,634) | \$ (3) |
| Issuance of Class C capital stock upon exercise of stock options | 450 | — | 17 | — | — |
| Vesting of restricted stock units | 1,556 | — | — | — | — |
| Share-based compensation expense | — | — | 150 | — | — |
| Repurchases of Class A common stock and Class C capital stock | (3,277) | — | (150) | — | — |
| Net loss | — | — | — | (35) | — |
| Other comprehensive loss | — | — | — | — | (16) |
| Balance at June 30, 2023 | <u>232,723</u> | <u>\$</u> <u>—</u> | <u>\$</u> <u>6,174</u> | <u>\$</u> <u>(1,669)</u> | <u>\$</u> <u>(19)</u> |

See accompanying notes to the condensed consolidated financial statements.

| | Class A Common Stock, Class B Common Stock and Class C Capital Stock | Additional Paid-In Capital | Accumulated Deficit | Other Comprehensive Loss | Accumulated Share Loss |
|--|---|----------------------------------|------------------------|--------------------------------|------------------------------|
| | Shares | Amount | | | |
| Balance at January 1, 2024 | 233,354 | \$ — | \$ 6,301 | \$ (1,770) | \$ (5) |
| Issuance of Class C capital stock upon exercise of stock options | 1,624 | — | 61 | — | — |
| Vesting of restricted stock units | 3,525 | — | — | — | — |
| Share-based compensation expense | — | — | 261 | — | — |
| Repurchases of Class A common stock and Class C capital stock | (7,096) | — | (301) | — | — |
| Net loss | — | — | — | (40) | — |
| Other comprehensive loss | — | — | — | — | (6) |
| Balance at June 30, 2024 | <u>231,407</u> | <u>\$</u> <u>—</u> | <u>\$</u> <u>6,322</u> | <u>\$</u> <u>(1,810)</u> | <u>\$</u> <u>(11)</u> |

| | Class A Common Stock, Class B Common Stock and Class C Capital Stock | Additional Paid-In Capital | Accumulated Deficit | Other Comprehensive Loss | Accumulated Share Loss |
|--|---|----------------------------------|------------------------|--------------------------------|------------------------------|
| | Shares | Amount | | | |
| Balance at January 1, 2023 | 234,268 | \$ — | \$ 6,109 | \$ (1,612) | \$ (15) |
| Issuance of Class C capital stock upon exercise of stock options | 823 | — | 30 | — | — |
| Vesting of restricted stock units | 2,921 | — | — | — | — |

| | | | | | |
|---|----------------|-----------|----------|-----------------|-------------------|
| Share-based compensation expense | — | — | 271 | — | — |
| Repurchases of Class A common stock and Class C capital stock | (5,289) | — | (236) | — | — |
| Net loss | — | — | — | (57) | — |
| Other comprehensive loss | — | — | — | — | (4) |
| Balance at June 30, 2023 | 232,723 | \$ | — | \$ 6,174 | \$ (1,669) |
| | | | | | |

ZILLOW GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in
(in millions, unaudited)

| | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2024 | 2023 |
| Operating activities | | |
| Net loss | \$ 23 | (\$ 22) |
| |) |) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 56 | 40 |
| Share-based compensation | 108 | 103 |
| Amortization of right of use assets | 3 | 6 |
| Amortization of contract cost assets | 5 | 6 |
| Amortization of debt issuance costs | 2 | 1 |
| Impairment costs | 6 | 6 |
| Accretion of bond discount | (8) | (10) |
| |) |) |
| Other adjustments to reconcile net loss to net cash provided by operating activities | 1 | 2 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (4) | (3) |
| |) |) |
| Mortgage loans held for sale | (32) | (7) |
| |) |) |
| Prepaid expenses and other assets | (30) | (27) |
| |) |) |
| Contract cost assets | (5) | (6) |
| |) |) |
| Lease liabilities | (13) | (8) |
| |) |) |
| Accounts payable | 6 | - |
| | - | - |
| Accrued expenses and other current liabilities | - | (10) |
| | - | (|
| Accrued compensation and benefits | - | (|

| | | |
|--|----------|----------|
| | | 3 |
| | |) |
| Deferred revenue | 6 | 5 |
| | |) |
| Other long-term liabilities | 2 | - |
| | |) |
| Net cash provided by operating activities | 80 | 93 |
| | |) |
| Investing activities | | |
| Proceeds from maturities of investments | 139 | 433 |
| Purchases of investments | (| (|
| 297 | 490 | |
|) |) | |
| Purchases of property and equipment | (| (|
| 39 | 31 | |
|) |) | |
| Purchases of intangible assets | (| (|
| 7 | 9 | |
|) |) | |
| Net cash used in investing activities | (| (|
| | | 204 |
| | | 97 |
| | |) |
| Financing activities | | |
| Net borrowings on warehouse line of credit and repurchase agreements | 30 | 5 |
| Repurchases of Class A common stock and Class C capital stock | (| (|
| 9 | 86 | |
|) |) | |
| Proceeds from exercise of stock options | 50 | 13 |
| Net cash provided by (used in) financing activities | 71 | (|
| | | 68 |
| | |) |
| Net decrease in cash, cash equivalents and restricted cash during period | (| (|
| 53 | 72 | |
|) |) | |
| Cash, cash equivalents and restricted cash at beginning of period | 1,495 | 1,468 |
| Cash, cash equivalents and restricted cash at end of period | \$ 1,442 | \$ 1,396 |
| | |) |
| Supplemental disclosures of cash flow information | | |
| Noncash transactions: | | |
| Capitalized share-based compensation | \$ 19 | \$ 18 |
| Write-off of fully depreciated property and equipment | 9 | 7 |

| | Six Months Ended June 30, | |
|---|------------------------------|---------|
| | 2024 | 2023 |
| Operating activities | | |
| Net loss | \$ (40) | \$ (57) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 115 | 85 |
| Share-based compensation | 221 | 233 |
| Amortization of right of use assets | 6 | 12 |
| Amortization of contract cost assets | 9 | 11 |

| | | |
|--|-----------------|-----------------|
| Amortization of debt issuance costs | 3 | 3 |
| Impairment costs | 6 | 6 |
| Accretion of bond discount | (17) | (20) |
| Other adjustments to reconcile net loss to net cash provided by operating activities | 8 | (5) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (19) | (19) |
| Mortgage loans held for sale | (95) | (32) |
| Prepaid expenses and other assets | (49) | (30) |
| Contract cost assets | (9) | (11) |
| Lease liabilities | (27) | (15) |
| Accounts payable | 11 | — |
| Accrued expenses and other current liabilities | 6 | 27 |
| Accrued compensation and benefits | (1) | 2 |
| Deferred revenue | 7 | 5 |
| Other long-term liabilities | — | (2) |
| Net cash provided by operating activities | 135 | 193 |
| Investing activities | | |
| Proceeds from maturities of investments | 474 | 806 |
| Purchases of investments | (591) | (638) |
| Purchases of property and equipment | (76) | (66) |
| Purchases of intangible assets | (14) | (18) |
| Net cash provided by (used in) investing activities | (207) | 84 |
| Financing activities | | |
| Net borrowings on warehouse line of credit and repurchase agreements | 89 | 29 |
| Repurchases of Class A common stock and Class C capital stock | (301) | (236) |
| Settlement of long-term debt | (89) | — |
| Proceeds from exercise of stock options | 61 | 30 |
| Net cash used in financing activities | (240) | (177) |
| Net increase (decrease) in cash, cash equivalents and restricted cash during period | (312) | 100 |
| Cash, cash equivalents and restricted cash at beginning of period | 1,495 | 1,468 |
| Cash, cash equivalents and restricted cash at end of period | \$ 1,183 | \$ 1,568 |
| Supplemental disclosures of cash flow information | | |
| Noncash transactions: | | |
| Capitalized share-based compensation | \$ 40 | \$ 38 |
| Write-off of fully depreciated property and equipment | 20 | 16 |

See accompanying notes to the condensed consolidated financial statements. [REDACTED]

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ZILLOW GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Index to Notes to Condensed Consolidated Financial Statements [REDACTED]

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Note 1.

Organization and Description of Business

Zillow Group is reimagining real estate to make home a reality for more and more people. As the most visited real estate website in the United States, our portfolio of affiliates, subsidiaries and brands includes Zillow Premier Agent, Zillow Home Loans, our mortgage originations business, and Zillow Rentals.

Certain Significant Risks and Uncertainties

We operate in a dynamic industry and, accordingly, can be affected by a variety of factors, which are uncertain and difficult to predict.

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Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements include Zillow Group, Inc. and its wholly owned subsidiaries. All information is presented in accordance with United States GAAP and applicable rules and regulations of the SEC regarding interim financial reporting. Certain information and note disclosures have been omitted in accordance with the rules and regulations of the SEC.

The unaudited condensed consolidated interim financial statements, in the opinion of management, reflect all adjustments, consisting of the results for the three and six months ended March 31, 2024 June 30, 2024 and 2023. The results for the three and six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results for the full year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements.

Recently Adopted Accounting Standards
In June 2022, the FASB issued guidance to improve existing measurement and disclosure requirements for equity securities that are subject to a contractual sale restriction. This guidance is effective for interim and annual periods beginning after December 15, 2023 on a prospective basis, with early adoption permitted.

early adoption permitted. We adopted this guidance on January 1, 2024, which did not have a material impact on our financial position, results of operations or cash flows.

Recently Issued Accounting Standards Not Yet Adopted

In November 2023, the FASB issued guidance to improve existing disclosure requirements for segment reporting, primarily through enhanced disclosure requirements for entities with operations in multiple segments. While we anticipate this guidance will result in new disclosure requirements for entities with operations in multiple segments.

In December 2023, the FASB issued guidance to enhance the income tax rate reconciliation disclosure requirements and to provide clarity on the retrospective approach and have not yet determined the impact the adoption of. While we anticipate this guidance will result in additional disclosure requirements for entities with operations in multiple segments.

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Note 3. Financial Instruments

We apply the following methods and assumptions in estimating our fair value measurements:

Cash equivalents

The fair value measurement of money market funds is based on quoted market prices in active markets (Level 1). The fair value measurement of short-term investments is based on observable market-based inputs or inputs that are derived primarily from quoted market prices in active markets (Level 1).

Short-term investments

The fair value measurement of our short-term investments is based on observable market-based inputs or inputs that are derived primarily from quoted market prices in active markets (Level 1).

Restricted cash

The carrying value of restricted cash approximates fair value due to the short period of time that amounts are held in escrow (Level 1).

Mortgage loans held for sale The fair value of mortgage loans held for sale is generally calculated by reference to quoted prices in active markets (Level 1).

Forward contracts The fair value of mandatory loan sales commitments and derivative instruments such as forward sales of mortgage loans held for sale is generally calculated by reference to quoted prices in active markets (Level 1).

Contingent consideration

In December 2023, Zillow Group acquired Follow Up Boss, a customer relationship management system for real estate professionals, for \$399 million in cash, net of cash acquired, and contingent consideration of up to \$100 million, payable over a three-year period upon achievement of certain performance metrics. The fair value of the contingent consideration is based on quoted prices in active markets (Level 1).

The discount rates used in our valuation of contingent consideration are based on our estimated cost of debt and are directly related to the fair value of the contingent consideration.

During the three months and six month periods ended March 31, 2024 and June 30, 2024, there were no material changes in the unobservable interest rate lock commitments.

IRLCs – The fair value of IRLCs is calculated by reference to quoted prices in secondary markets for commitments to sell mortgage loans held for sale.

The pull-through rate is based on estimated changes in market conditions, loan stage and historical borrower behavior. Pull-through rates are calculated by dividing the number of loans sold by the number of loans originated.

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consolidated statements of operations. The following table presents the range and weighted-average pull-through rates used in determining the fair value of IRLCs.

| | March 31, 2024 | December 31, 2023 |
|------------------|----------------|-------------------|
| Range | 61 | 45 |
| % - | % - | |
| 100 | 100 | |
| % | % | |
| Weighted-average | 87 | 85 |
| % | % | |

| | June 30, 2024 | December 31, 2023 |
|------------------|---------------|-------------------|
| Range | 46% - 100% | 45% - 100% |
| Weighted-average | 87% | 85% |

We manage our interest rate risk related to IRLCs and mortgage loans held for sale through the use of derivative instruments, generally swaps and forward contracts.

The following table presents the notional amounts of the economic hedging instruments related to our mortgage loans held for sale:

| March 31, 2024 | December 31, 2023 |
|-------------------|-------------------|
| IRLCs | \$ 247 |
| | \$ 167 |
| Forward contracts | \$ 309 |
| (1) | \$ 218 |
| (1) | |

Represents net notional amounts. We do not have the right to offset our forward contract derivative positions.

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| | June 30, 2024 | December 31, 2023 |
|---|---------------|-------------------|
| IRLCs | \$ 254 | \$ 167 |
| Forward contracts ⁽¹⁾ | \$ 363 | \$ 218 |
| ⁽¹⁾ Represents net notional amounts. We do not have the right to offset our forward contract derivative positions. | | |

The following table presents the amortized cost, as applicable, and estimated fair market value of assets and liabilities measured at fair value on a recurring basis:

| | March 31, 2024 | | December 31, 2023 | |
|---|-----------------|-----------------|-------------------|-----------------|
| | Amortized | Estimated | Amortized | Estimated |
| | Cost | Fair Market | Cost | Fair Market |
| Assets | | | | |
| Cash | \$ 52 | \$ 52 | \$ 50 | \$ 50 |
| Cash equivalents: | | | | |
| Money market funds | 1,261 | 1,261 | 1,440 | 1,440 |
| U.S. government treasury securities | 124 | 124 | 2 | 2 |
| Commercial paper | 2 | 2 | - | - |
| Short-term investments: | | | | |
| U.S. government treasury securities | 1,273 | 1,263 | 1,149 | 1,143 |
| (1) | | | | |
| Corporate bonds | 195 | 195 | 160 | 161 |
| U.S. government agency securities | 14 | 14 | 14 | 14 |
| Commercial paper | 6 | 6 | - | - |
| Mortgage origination-related: | | | | |
| Mortgage loans held for sale | - | 132 | - | 100 |
| IRLCs - other | - | 5 | - | 3 |
| current assets | | | | |
| Restricted cash | 3 | 3 | 3 | 3 |
| Total assets measured at fair value on a recurring basis | \$ 2,930 | \$ 3,057 | \$ 2,818 | \$ 2,916 |
| Liabilities | | | | |

| |
|--|
| Mortgage origination-related: |
| Forward contracts - accrued expenses \$ - \$ 1 \$ - \$ 1 |
| and other current liabilities |
| Contingent consideration: |
| Contingent consideration - accrued expenses and other current liabilities - 30 - 30 |
| Contingent consideration - other long-term liabilities - 54 - 51 |
| Total liabilities measured at fair value on a recurring basis \$ - \$ 85 \$ - \$ 82 |
| (1) The estimated fair market value includes \$ 10 million and \$ 6 million of gross unrealized losses as of March 31, 2024 and December 31, 2023, respectively. |

| | June 30, 2024 | | | Decem |
|---|----------------|-----------------------------|----------|----------------|
| | Amortized Cost | Estimated Fair Market Value | | Amortized Cost |
| | | \$ | 7 | \$ |
| Assets | | | | |
| Cash | | \$ | 7 | \$ |
| Cash equivalents: | | | | |
| Money market funds | 1,109 | | 1,109 | 1,4 |
| U.S. government treasury securities | 65 | | 65 | |
| Short-term investments: | | | | |
| U.S. government treasury securities ⁽¹⁾ | 1,232 | | 1,222 | 1,1 |
| Corporate bonds | 207 | | 206 | 10 |
| U.S. government agency securities | 14 | | 14 | |
| Commercial paper | 5 | | 5 | |
| Mortgage origination-related: | | | | |
| Mortgage loans held for sale | — | | 195 | |
| IRLCs - other current assets | — | | 4 | |
| Forward contracts - other current assets | — | | 1 | |
| Restricted cash | 2 | | 2 | |
| Total assets measured at fair value on a recurring basis | \$ 2,641 | | \$ 2,830 | \$ 2,8 |
| Liabilities | | | | |
| Mortgage origination-related: | | | | |
| Forward contracts - accrued expenses and other current liabilities | \$ — | | — \$ | |
| Contingent consideration: | | | | |
| Contingent consideration - accrued expenses and other current liabilities | — | | 31 | |
| Contingent consideration - other long-term liabilities | — | | 55 | |
| Total liabilities measured at fair value on a recurring basis | \$ — | | \$ 86 | |

(1) The estimated fair market value includes \$10 million and \$6 million of gross unrealized losses as of June 30, 2024 and December 31, 2023.

The following table presents available-for-sale investments by contractual maturity date as of March 31, 2024/June 30, 2024 (in mil

| Amortized Cost | Estimated Fair Market Value |
|--------------------------------|-----------------------------|
| Due in one year or less \$ 732 | \$ 730 |
| Due after one year 756 | 748 |
| Total \$ 1,488 | \$ 1,478 |

| | Amortized Cost | Estimated Fair Market Value |
|-------------------------|-----------------|-----------------------------|
| Due in one year or less | \$ 681 | \$ 673 |
| Due after one year | 777 | 774 |
| Total | \$ 1,458 | \$ 1,447 |

See Note 7 for the carrying amounts and estimated fair values of our convertible senior notes.

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Note 4. Property and Equipment, net

The following table presents the detail of property and equipment as of the dates presented (in millions):

| | March 31, 2024 | December 31, 2023 |
|---|----------------|-------------------|
| Website development costs | \$ 497 | \$ 452 |
| Leasehold improvements | 47 | 48 |
| Computer equipment | 19 | 19 |
| Office equipment, furniture and fixtures | 18 | 20 |
| Property and equipment | 581 | 539 |
| Less: accumulated amortization and depreciation | (238) | (211) |
| Property and equipment, net | \$ 343 | \$ 328 |

| | June 30, 2024 | December 31, 2023 |
|---|---------------|-------------------|
| Website development costs | \$ 539 | \$ 452 |
| Leasehold improvements | 47 | 48 |
| Computer equipment | 18 | 19 |
| Office equipment, furniture and fixtures | 18 | 20 |
| Property and equipment | 622 | 539 |
| Less: accumulated amortization and depreciation | (266) | (211) |
| Property and equipment, net | \$ 356 | \$ 328 |

We recorded depreciation expense related to property and equipment (other than website development costs) of \$

4 million \$4 million and \$

6 million \$6 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and \$8 million and \$12 million for the

We capitalized website development costs of \$

52 million \$54 million and \$

45 million \$50 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and \$106 million and \$95 million for

33 million \$36 million and \$

22 million \$27 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and \$69 million and \$49 million for

Note 5. Acquisitions

Acquisition of Follow Up Boss

On December 8, 2023, Zillow Group acquired Follow Up Boss, a customer relationship management system for real estate professionals. \$399 million in cash, net of cash acquired, and contingent consideration of up to \$100 million in cash, payable over a three-year period upon achievement of certain performance metrics. See Note 3 for additional information.

The total preliminary purchase price has been allocated to the assets acquired and liabilities assumed, including identifiable intangible assets and other assets.

Preliminary purchase price:

| | |
|---|---------------|
| Cash | \$ 403 |
| Contingent consideration | 81 |
| Total preliminary purchase price | \$ 484 |
| Identifiable assets acquired and liabilities assumed: | |
| Cash and cash equivalents | \$ 4 |
| Goodwill | 401 |
| Intangible assets | 86 |
| Other assets | 1 |
| Deferred revenue | (|
| | 7 |
| |) |
| Other liabilities | (|
| | 1 |
| |) |
| Total preliminary purchase price | \$ |

Preliminary purchase price:

| | | |
|---|-----------|------------|
| Cash | \$ | 403 |
| Contingent consideration | | 81 |
| Total preliminary purchase price | \$ | 484 |
| Identifiable assets acquired and liabilities assumed: | | |
| Cash and cash equivalents | \$ | 4 |
| Goodwill | | 402 |
| Intangible assets | | 86 |
| Deferred revenue | | (7) |
| Other liabilities | | (1) |
| Total preliminary purchase price | \$ | 484 |

The preliminary estimated fair value of the identifiable intangible assets acquired and associated useful lives consisted of the following:

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| Preliminary Estimated Fair Value | Estimated Weighted-Average Useful Life (in years) |
|----------------------------------|---|
| Developed technology | \$ 50 4 |
| Customer relationships | 34 7 |
| Trade names and trademarks | 2 7 |
| Total | \$ 86 |

| | Preliminary Estimated Fair Value | Estimated Weighted-Average Useful Life (in years) |
|----------------------------|----------------------------------|---|
| Developed technology | \$ 50 | 4 |
| Customer relationships | 34 | 7 |
| Trade names and trademarks | 2 | 7 |
| Total | \$ 86 | |

Estimated fair values of the identifiable intangible assets acquired were determined by management, based in part on a preliminary

The purchase price allocation for the Follow Up Boss acquisition is preliminary and subject to change during the measurement period. Acquisition-related costs incurred, which primarily included legal, accounting and other external costs directly related to the acquisition, are included within acquisition-related costs in our consolidated statements of operations and were expensed as incurred.

Unaudited pro forma revenue and earnings information has not been presented as the effects were not material to our condensed consolidated financial statements.

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Acquisitions of Aryeo and Spruce

On July 31, 2023, Zillow Group acquired Aryeo, a software company that serves real estate photographers, in exchange for approximately \$15 million in cash, net of cash acquired, and 380,259 shares of our Class C capital stock with a value of \$20 million, for total consideration of \$35 million, net of cash acquired. On September 11, 2023, Zillow Group acquired substantially all of the assets and liabilities of Spruce for \$19 million in cash, net of cash acquired.

The acquisitions of Aryeo and Spruce have been accounted for as business combinations, and assets acquired and liabilities assumed

The total purchase prices have been allocated to the assets acquired and liabilities assumed, including identifiable intangible assets:

| Aryeo | Spruce |
|---------------------------|-------------|
| Cash and cash equivalents | \$ 3 \$ 5 |
| Goodwill | 26 16 |
| Intangible assets | 11 2 |
| Other assets | - 2 |
| Liabilities | ((|
| | 2 1 |
| |)) |
| Total purchase price | \$ 38 \$ 24 |

| | Aryeo | Spruce |
|---------------------------|-------|--------|
| Cash and cash equivalents | \$ 3 | \$ 5 |
| Goodwill | 26 | 16 |
| Intangible assets | 11 | 2 |
| Other assets | - | 2 |
| Liabilities | (2) | (1) |
| Total purchase price | \$ 38 | \$ 24 |

The estimated fair value of the identifiable intangible assets acquired and associated useful lives consisted of the following (in

| Aryeo | | | Spruce | | |
|------------------------|----------------------------------|----------------------|----------------------------------|---|---|
| Estimated Fair Value | Estimated Useful Life (in years) | Estimated Fair Value | Estimated Useful Life (in years) | | |
| Customer relationships | \$ 5 | 5 | \$ - | - | - |
| Purchased content | 4 | 3 | - | - | - |
| Developed technology | 2 | 3 | 2 | 3 | |
| Total | \$ 11 | \$ 2 | | | |

| Aryeo | | | Spruce | | |
|------------------------|----------------------------------|---|----------------------|----------------------------------|---|
| Estimated Fair Value | Estimated Useful Life (in years) | | Estimated Fair Value | Estimated Useful Life (in years) | |
| Customer relationships | \$ 5 | 5 | \$ - | - | - |
| Purchased content | 4 | 3 | - | - | - |
| Developed technology | 2 | 3 | 2 | 3 | |
| Total | \$ 11 | | \$ 2 | | |

We used an income approach to measure the fair value of the customer relationships intangible asset acquired from Aryeo based on the [Acquisition-related costs incurred, which primarily included legal, accounting and other external costs directly related to the acquisition](#). Unaudited pro forma revenue and earnings information related to the acquisitions has not been presented as the aggregate effects of the acquisitions on the unaudited pro forma financial information are not material.

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Note 6. Intangible Assets, net

The following tables present the detail of intangible assets as of the dates presented (in millions):

| March 31, 2024 | | | |
|----------------------------|---------------|--------------------------|---------------|
| | Cost | Accumulated Amortization | Net |
| Customer relationships | \$ 98 | \$ (22) | \$ 76 |
| | |) | |
| Developed technology | 104 | (35) | 69 |
| | |) | |
| Software | 90 | (32) | 58 |
| | |) | |
| Trade names and trademarks | 47 | (21) | 26 |
| | |) | |
| Purchased content | 14 | (11) | 3 |
| | |) | |
| Total | \$ 353 | \$ (121) | \$ 232 |
| | |) | |

| December 31, 2023 | | | |
|------------------------|-------|--------------------------|-------|
| | Cost | Accumulated Amortization | Net |
| Customer relationships | \$ 98 | \$ (19) | \$ 79 |
| | |) | |
| Developed technology | 104 | (30) | 74 |
| | |) | |

| | | | |
|----------------------------|--------|------|--------|
| Software | 84 | (| 55 |
| | | 29 | |
| | |) | |
| Trade names and trademarks | 47 | (| 27 |
| | | 20 | |
| | |) | |
| Purchased content | 17 | (| 6 |
| | | 11 | |
| | |) | |
| Total | \$ 350 | \$ (| \$ 241 |
| | | 109 | |
| | |) | |

| | June 30, 2024 | | |
|----------------------------|---------------|--------------------------|--------|
| | Cost | Accumulated Amortization | Net |
| Customer relationships | \$ 98 | \$ (26) | \$ 72 |
| Developed technology | 104 | (44) | 60 |
| Software | 97 | (38) | 59 |
| Trade names and trademarks | 47 | (22) | 25 |
| Purchased content | 19 | (13) | 6 |
| Total | \$ 365 | \$ (143) | \$ 222 |

| | December 31, 2023 | | |
|----------------------------|-------------------|--------------------------|--------|
| | Cost | Accumulated Amortization | Net |
| Customer relationships | \$ 98 | \$ (19) | \$ 79 |
| Developed technology | 104 | (30) | 74 |
| Software | 84 | (29) | 55 |
| Trade names and trademarks | 47 | (20) | 27 |
| Purchased content | 17 | (11) | 6 |
| Total | \$ 350 | \$ (109) | \$ 241 |

Amortization expense recorded for intangible assets was \$ 19 million and \$ 12

\$12 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively and \$38 million and \$24 million for the three or six months ended March 31, 2024 June 30, 2024 or 202

Note 7. Debt

The following table presents the carrying values of Zillow Group's debt as of the dates presented (in millions):

| March 31, 2024 | December 31, 2023 | |
|---|-------------------|-----------------|
| Master repurchase agreements: | | |
| JPMorgan Chase Bank, N.A. | \$ 65 | \$ 40 |
| UBS AG | 58 | 45 |
| Atlas Securitized Products, L.P. | - | 8 |
| (1) | | |
| Total master repurchase agreements | 123 | 93 |
| Convertible senior notes | | |
| 1.375 | 496 | 496 |
| % convertible senior notes due 2026 | | |
| 2.75 | 505 | 504 |
| % convertible senior notes due 2025 | | |
| 0.75 | 608 | 607 |
| % convertible senior notes due 2024 | | |
| Total convertible senior notes | 1,609 | 1,607 |
| Total debt | \$ 1,732 | \$ 1,700 |

(1)

Agreement expired on March 11, 2024 and was not renewed.

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| | June 30, 2024 | December 31, 2023 |
|---|-----------------|-------------------|
| Master repurchase agreements: | | |
| JPMorgan Chase Bank, N.A. | \$ 111 | \$ 40 |
| UBS AG | 71 | 45 |
| Atlas Securitized Products, L.P. ⁽¹⁾ | — | 8 |
| Total master repurchase agreements | <u>182</u> | <u>93</u> |
| Convertible senior notes | | |
| 2026 Notes | 497 | 496 |
| 2025 Notes | 417 | 504 |
| 2024 Notes | 608 | 607 |
| Total convertible senior notes | <u>1,522</u> | <u>1,607</u> |
| Total debt | <u>\$ 1,704</u> | <u>\$ 1,700</u> |

⁽¹⁾Agreement expired on March 11, 2024 and was not renewed.

Credit Facilities

We utilize master repurchase agreements to provide capital for Zillow Home Loans. The following table summarizes certain details related to our master repurchase agreements.

| Lender | Maturity Date | Maximum Borrowing Capacity | Borrowings Outstanding | Available Borrowing Capacity | Weighted-Average Interest Rate |
|---------------------------|-----------------|----------------------------|------------------------|------------------------------|--------------------------------|
| JPMorgan Chase Bank, N.A. | May 1, 2025 | \$ 150 | \$ 111 | \$ 39 | |
| UBS AG | October 9, 2024 | 100 | 71 | 29 | |
| Total | | \$ 250 | \$ 182 | \$ 68 | |

| | | | | |
|---|--------------|--------|-------|----|
| On May 2, 2024, the Zillow Home Loans master repurchase agreement with JPMorgan Chase Bank, N.A. UBS AG | May 30, 2024 | \$ 100 | \$ 68 | 6% |
| Total | \$ 200 | \$ 123 | \$ 77 | |

was amended and renewed. The amended master repurchase agreement increased the total maximum borrowing capacity from \$100 million to \$

In accordance with the master repurchase agreements, the Lenders agreed to pay Zillow Home Loans a negotiated purchase price for each \$1 million of principal outstanding as of June 30, 2024 and December 31, 2023, \$ 128 million and \$ 99 million, respectively, in mortgage loans held for sale were pledged as collateral under the master repurchase agreements.

Borrowings on the master repurchase agreements bear interest at a floating rate based on SOFR plus an applicable margin, as defined below.

For additional details related to our repurchase agreements, see Note 11 in the Notes to the Consolidated Financial Statements included in this Annual Report.

Convertible Senior Notes

The following tables summarize certain details related to our outstanding Notes as of the dates presented or for the periods ended.

| March 31, 2024 | | | | December 31, 2023 | | | | |
|----------------|---------------------|----------------------|-------------------------|----------------------|------------------|------------|------------------|------------|
| Maturity Date | Aggregate Principal | Stated Interest Rate | Effective Interest Rate | Semi-Annual Interest | Unamortized Debt | Fair Value | Unamortized Debt | Fair Value |
| | | | | | | | | |
| September | \$ 499 | 1.375 % | 1.57 % | March 1; | \$ 3 | \$ 615 | \$ 3 | \$ 681 |

| | | | | | | | | | | |
|--------------|-------------|------|---|----------|------|-------------|----------|-----|---|-----|
| 1, 2026 | September | | | | | | | | | |
| | 1 | | | | | | | | | |
| May 15, 2025 | 507 | 2.75 | % | 3.20 | % | May 15; | 2 | 535 | 3 | 560 |
| | November 15 | | | | | | | | | |
| September | 608 | 0.75 | % | 1.02 | % | March 1; | - | 730 | 1 | 825 |
| 1, 2024 | | | | | | September 1 | | | | |
| Total | \$ 1,614 | \$ 5 | | \$ 1,880 | \$ 7 | | \$ 2,066 | | | |

| Maturity Date | Three Months Ended | | | | | | Three Months Ended | | |
|-------------------|--------------------------------|----------------------------------|------------------|--------------------------------|----------------------------------|------------------|--------------------|--|--|
| | March 31, 2024 | | | March 31, 2023 | | | | | |
| | Contractual Coupon Interest | Amortization of Debt Issuance | Interest Expense | Contractual Coupon Interest | Amortization of Debt Issuance | Interest Expense | | | |
| Costs | | | | | | | | | |
| September 1, 2026 | \$ 2 | \$ - | \$ 2 | \$ 2 | \$ - | \$ 2 | | | |
| May 15, 2025 | 3 | 1 | 4 | 4 | - | 4 | | | |
| September 1, 2024 | 1 | 1 | 2 | 1 | 1 | 2 | | | |
| Total | \$ 6 | \$ 2 | \$ 8 | \$ 7 | \$ 1 | \$ 8 | | | |

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| Maturity Date | Aggregate Principal Amount | Stated Interest Rate | Effective Interest Rate | Semi-Annual Interest Payment Dates | June 3 |
|-------------------|----------------------------|----------------------|-------------------------|------------------------------------|--------|
| September 1, 2026 | \$ 499 | 1.375 % | 1.57 % | March 1; September 1 | \$ |
| May 15, 2025 | 419 | 2.75 % | 3.20 % | May 15; November 15 | |
| September 1, 2024 | 608 | 0.75 % | 1.02 % | March 1; September 1 | |
| Total | \$ 1,526 | | | | \$ |

| | Three Months Ended | | | | | Three Months Ended | | |
|------------|--------------------------------|----------------------------------|-------|---------------------|------|--------------------------------|----------------------------------|--|
| | June 30, 2024 | | | | | June 30, 2023 | | |
| | Contractual Coupon Interest | Amortization of Debt Issuance | Costs | Interest Expense | | Contractual Coupon Interest | Amortization of Debt Issuance | |
| 2026 Notes | \$ 1 | \$ - | | \$ 2 | \$ - | \$ 2 | \$ - | |
| 2025 Notes | 3 | - | | 3 | - | 4 | - | |
| 2024 Notes | 2 | - | | 2 | - | 1 | - | |

| Total | \$ 6 | \$ 1 | \$ 7 | \$ 7 |
|-----------------------------|-------------------------------------|------------------|-----------------------------|-------------------------------------|
| Six Months Ended | | | | |
| June 30, 2024 | | | | |
| Contractual Coupon Interest | Amortization of Debt Issuance Costs | Interest Expense | Contractual Coupon Interest | Amortization of Debt Issuance Costs |
| 2026 Notes \$ 3 | \$ 1 | \$ 4 | \$ 4 | \$ 4 |
| 2025 Notes \$ 6 | \$ 1 | \$ 7 | \$ 8 | \$ 8 |
| 2024 Notes \$ 3 | \$ 1 | \$ 4 | \$ 2 | \$ 2 |
| Total \$ 12 | \$ 3 | \$ 15 | \$ 14 | \$ 14 |

The Notes are senior unsecured obligations. The 2026 Notes and 2025 Notes are classified as long-term debt and the 2025 Notes and The Notes are convertible into cash, shares of Class C capital stock or a combination thereof, at our election, and may be settled

| Maturity Date | Early Conversion Date | Conversion Rate | Conversion Price | Optional Redemption Date |
|-------------------|-----------------------|-----------------|------------------|--------------------------|
| September 1, 2026 | March 1, 2026 | 22.9830 | \$ 43.51 | September 5, 2023 |
| May 15, 2025 | November 15, 2024 | 14.8810 | 67.20 | May 22, 2023 |
| September 1, 2024 | March 1, 2024 | 22.9830 | 43.51 | September 5, 2022 |

| | Early Conversion Date | Conversion Rate | Conversion Price | Optional Redemption Date |
|------------|-----------------------|-----------------|------------------|--------------------------|
| 2026 Notes | March 1, 2026 | 22.9830 | \$ 43.51 | September 5, 2023 |
| 2025 Notes | November 15, 2024 | 14.8810 | 67.20 | May 22, 2023 |
| 2024 Notes | March 1, 2024 | 22.9830 | 43.51 | September 5, 2022 |

During the three months ended June 30, 2024 and in accordance with our Repurchase Authorizations, we repurchased \$88 million aggregate. The following table summarizes certain details related to the capped call confirmations with respect to the convertible senior notes.

| Maturity Date | Initial Cap Price | Cap Price Premium |
|-------------------|-------------------|-------------------|
| September 1, 2026 | \$ 80.5750 | 150 % |
| September 1, 2024 | 72.5175 | 125 % |

There were no conversions of the Notes during the three months ended March 31, 2024 or 2023.

| Maturity Date | Initial Cap Price | Cap Price Premium |
|-------------------|-------------------|-------------------|
| September 1, 2026 | \$ 80.5750 | 150 % |
| September 1, 2024 | 72.5175 | 125 % |

The last reported sale price of our Class C capital stock did not equal or exceed 130% of the conversion price of each any series of the Notes for more than at least 20 trading days during the 30 consecutive trading days ended June 30, 2024. For additional details related to our convertible senior notes, see Note 11 in the Notes to Consolidated Financial Statements included in this report.

Note 8. Income Taxes

We are subject to income taxes in the United States (federal and state) and certain foreign jurisdictions. As of March 31, 2024 June 30, 2024 \$1.4 billion as of December 31, 2023, which are available to reduce future taxable income. We have accumulated state tax losses of \$56 million (tax effected) as of December 31, 2023.

Our income tax expense or benefit for interim periods is determined using an estimate of our annual effective tax rate, adjusted for the difference between the actual effective tax rate and the estimated rate. Income tax expense (benefit) was not material for the three months or six month periods ended March 31, 2024 June 30, 2024 and 2023.

Note 9. Share Repurchase Authorizations

The Board has authorized the repurchase of up to \$2.5 billion of our Class A common stock, Class C capital stock, outstanding convertible senior notes or a combination thereof. For

Repurchases of stock under the Repurchase Authorizations may be made in open-market transactions or privately negotiated transactions. As of June 30, 2024, \$761 million remained available for future repurchases pursuant to the Repurchase Authorizations.

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The following table summarizes our Class A common stock and Class C capital stock repurchase activity under the Repurchase Authorizations.

| | Shares repurchased | Three Months Ended | | Three Months Ended | |
|----------------------------------|--------------------|----------------------|-----------------------|--------------------|----------------|
| | | Class A common stock | Class C capital stock | March 31, 2024 | March 31, 2023 |
| Weighted-average price per share | | \$ 45.02 | \$ 45.42 | \$ 42.44 | \$ 42.96 |
| Total purchase price | | \$ 5 | \$ 4 | \$ 13 | \$ 73 |

In April 2024, we repurchased

0.3

million shares of Class A common stock for \$

15

million at a weighted average price per share of \$

43.01

and

1.8

million shares of Class C capital stock for \$

76

million at a weighted average price per share of \$

43.34

. As of May 1, 2024, \$

670

million remained available for future repurchases pursuant to the Repurchase

Authorizations.

| | Shares repurchased | Three Months Ended | | Three Months Ended | |
|----------------------------------|--------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | Class A common stock | Class C capital stock | Class A common stock | Class C capital stock |
| Weighted-average price per share | | \$ 41.92 | \$ 42.41 | \$ 45.18 | \$ 45.86 |
| Total purchase price | | \$ 41 | \$ 41 | \$ 23 | \$ 127 |

| | Shares repurchased | Six Months Ended | | Six Months Ended | |
|----------------------------------|--------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | Class A common stock | Class C capital stock | Class A common stock | Class C capital stock |
| Weighted-average price per share | | \$ 42.26 | \$ 42.45 | \$ 44.12 | \$ 44.76 |
| Total purchase price | | \$ 46 | \$ 46 | \$ 36 | \$ 200 |

Note 10. Share-Based Awards

In addition to the option awards and restricted stock units typically granted under the 2020 Plan which vest quarterly over four years, during the first quarter of 2023, the Compensation Committee of the Board approved option and restricted stock unit awards granted under the 2023 Plan. The exercisability terms of these equity awards are otherwise consistent with the terms of the option awards and restricted stock units.

Option Awards

The following table summarizes option award activity for the ~~three~~six months ended **March 31, 2024** **June 30, 2024**:

| Number of Shares | Weighted- Average | Weighted- Average | Aggregate Intrinsic Value |
|--|--------------------------------|--|---------------------------------|
| Subject to Exercise Existing Options (in thousands) | Exercise Price Per Share | Remaining Contractual Life (Years) | (in millions) |
| Outstanding at January 1, 2024 | 32,524 | \$ 44.18 | 6.9 \$ 495 |
| Granted | 2,744 | 55.69 | |
| Exercised | (38.24 | | |
| | 1,309 | | |
| |) | | |
| Forfeited or canceled | (42.87 | | |
| | 197 | | |
| |) | | |
| Outstanding at March 31, 2024 | 33,762 | 45.35 | 6.8 210 |
| Vested and exercisable at March 31, 2024 | 20,961 | 44.49 | 5.7 148 |

| | Number of Shares | Weighted- Average | Weighted- Average | Aggregate |
|--|--------------------------------|---|----------------------|---------------|
| Subject to Existing Options (in thousands) | Exercise Price Per Share | Remaining Contractual Life (in years) | Intrinsic Value | (in millions) |
| Outstanding at January 1, 2024 | 32,524 | \$ 44.18 | 6.9 | \$ 495 |
| Granted | 2,853 | 55.11 | | |
| Exercised | (1,624) | 37.79 | | |
| Forfeited or canceled | (346) | 43.34 | | |
| Outstanding at June 30, 2024 | 33,407 | 45.43 | 6.6 | 158 |
| Vested and exercisable at June 30, 2024 | 22,047 | 44.72 | 5.6 | 120 |

The following assumptions were used to determine the fair value of option awards granted for the periods presented:

| | Three Months Ended | |
|--|--------------------|----------|
| | March 31, | |
| | 2024 | 2023 |
| Expected volatility | 57 | 55 |
| % - | % - | |
| | 61 | 61 |
| | % | % |
| Risk-free interest rate | 4.14 | 3.80 |
| % - | % - | |
| | 4.28 | 4.04 |
| | % | % |
| Weighted-average expected life | 5.5 | 5.3 |
| - | - | |
| | 6.8 | 6.5 |
| | years | years |
| Weighted-average fair value of options granted | \$ 32.28 | \$ 23.60 |

| | Three Months Ended | | Six Months Ended | |
|--------------------------------|--------------------|-----------|------------------|-----------------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Expected volatility | 59% | 61% | 57% - 61% | 55% - 61% |
| Risk-free interest rate | 4.50% | 3.75% | 4.14% - 4.50% | 3.75% - 4.04% |
| Weighted-average expected life | 5.5 years | 5.3 years | 5.5 - 6.8 years | 5.3 - 6.5 years |

| | | | | |
|--|---------|---------|---------|---------|
| Weighted-average fair value of options granted | \$29.69 | \$25.81 | \$31.93 | \$23.76 |
|--|---------|---------|---------|---------|

As of **March 31, 2024** **June 30, 2024**, there was a total of **\$367** million **\$314** million in unrecognized compensation cost related to unvested option awards.

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Restricted Stock Units

The following table summarizes activity for restricted stock units for the **three** **six** months ended **March 31, 2024** **June 30, 2024**:

| Restricted Stock Units (in thousands) | Weighted-Average Grant Date Fair Value |
|---|--|
| Unvested outstanding at January 1, 2024 | 12,038 \$ 45.42 |
| Granted | 5,748 55.71 |
| Vested | (45.48 |
| | 1,724) |
| Forfeited | (47.17 |
| | 388) |
| Unvested outstanding at March 31, 2024 | 15,674 49.14 |

| | Restricted Stock Units (in thousands) | Weighted-Average Grant Date Fair Value |
|---|---------------------------------------|--|
| Unvested outstanding at January 1, 2024 | 12,038 | \$ 45.42 |
| Granted | 6,275 | 54.88 |
| Vested | (3,525) | 46.49 |
| Forfeited | (604) | 47.67 |
| Unvested outstanding at June 30, 2024 | 14,184 | 49.24 |

As of **March 31, 2024** **June 30, 2024**, there was a total of **\$720** million **\$652** million in unrecognized compensation cost related to unvested restricted stock units.

Share-Based Compensation Expense

The following table presents the effects of share-based compensation expense in our condensed consolidated statements of operation:

| | Three Months Ended | |
|--------------------------------|--------------------|--------|
| | March 31, | |
| | 2024 | 2023 |
| Cost of revenue | \$ 4 | \$ 4 |
| Sales and marketing | 18 | 16 |
| Technology and development | 42 | 39 |
| General and administrative | 44 | 44 |
| Total share-based compensation | \$ 108 | \$ 103 |

| | Three Months Ended | Six Months Ended |
|--|--------------------|------------------|
| | June 30, | June 30, |

| | 2024 | 2023 | 2024 | 2023 |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Cost of revenue | \$ 4 | \$ 4 | \$ 8 | \$ 8 |
| Sales and marketing | 20 | 19 | 38 | 35 |
| Technology and development | 42 | 42 | 84 | 81 |
| General and administrative | 47 | 65 | 91 | 109 |
| Total share-based compensation | \$ 113 | \$ 130 | \$ 221 | \$ 233 |

Note 11. Net Loss Per Share

For the periods presented, the following Class C capital stock equivalents were excluded from the calculations of diluted net loss

| | Three Months Ended March 31, | |
|---|---------------------------------|---------------|
| | 2024 | 2023 |
| Weighted-average Class C capital stock option awards outstanding | 30,710 | 18,046 |
| Weighted-average Class C capital stock restricted stock units outstanding | 12,668 | 12,108 |
| Class C capital stock issuable upon conversion of the Notes | 32,998 | 33,855 |
| Total Class C capital stock equivalents | 76,376 | 64,009 |

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| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------------|------------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Weighted-average Class C capital stock option awards outstanding | 19,091 | 22,315 | 20,935 | 20,045 |
| Weighted-average Class C capital stock restricted stock units outstanding | 14,877 | 15,366 | 13,776 | 13,746 |
| Class C capital stock issuable upon conversion of the Notes | 32,410 | 33,855 | 32,697 | 33,855 |
| Total Class C capital stock equivalents | 66,378 | 71,536 | 67,408 | 67,646 |

Note 12. Commitments and Contingencies

Commitments

During the three and six months ended **March 31, 2024** **June 30, 2024**, there were no material changes to the commitments disclosed in

Legal Proceedings

We are involved in a number of legal proceedings concerning matters arising in connection with the conduct of our business activit:

On September 17, 2019, International Business Machines Corporation ("IBM" ("IBM")) filed a complaint against us in the U.S. District answer to our counterclaims. On September 18, 2020, we filed four Inter Partes Review ("IPR" ("IPR")) petitions before the U.S. Patent a

IBM Bus. Machs. Corp. ("("Rakuten IPR" IPR"), IPR2022-00646 concerning the final remaining patent in this action, which the court Court (

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On July 21, 2020, IBM filed a second action against us in the U.S. District Court, for the Western District of Washington, alleging, among other things, that the Company has infringed and continues to willfully

On November 16, 2021, November 19, 2021 and January 6, 2022, three purported class action lawsuits were filed against us and certain officers and directors of ours.

On March 10, 2022, May 5, 2022 and July 20, 2022, shareholder derivative suits were filed in the U.S. District Court for the Western District of Washington ("Federal Court") and on July 25, 2022, a shareholder derivative suit was filed in the Superior Court of the State of Washington, King County, Washington, issued orders consolidating the three federal derivative suits and staying the consolidated action.

In addition to the matters discussed above, from time to time, we are involved in litigation and claims that arise in the ordinary course of business.

Indemnifications

In the ordinary course of business, we enter into contractual arrangements under which we agree to provide indemnification of varying amounts.

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Note 13. Revenue and Contract Balances

We recognize revenue when or as we satisfy our performance obligations by transferring control of the promised products or services.

Disaggregation of Revenue

The following table presents our revenue disaggregated by category for the periods presented (in millions):

| Three Months Ended | |
|----------------------|---------------|
| March 31, | |
| 2024 | 2023 |
| Residential | \$ 393 |
| Rentals | 97 |
| Mortgages | 31 |
| Other | 8 |
| Total revenue | \$ 529 |
| | \$ 469 |

| | Three Months Ended | | Six Months Ended | |
|----------------------|--------------------|---------------|------------------|---------------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Residential | \$ 409 | \$ 380 | \$ 802 | \$ 741 |
| Rentals | 117 | 91 | 214 | 165 |
| Mortgages | 34 | 24 | 65 | 50 |
| Other | 12 | 11 | 20 | 19 |
| Total revenue | \$ 572 | \$ 506 | \$ 1,101 | \$ 975 |

Contract Balances

Contract assets totaled \$

\$ 117 million and \$ 90 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. As of March 31, 2024 June 30, 2024, the average remaining recognition period for our contract asset related to our Premier Agent Flex offering is five months.

For the three months ended March 31, 2024 June 30, 2024, the opening balance of deferred revenue was \$ 52 million, of which \$ 44 million was recognized as revenue during the period. For the three months ended March 31, 2023 June 30, 2023, the opening balance was \$ 44 million, of which \$ 41 million was recognized as revenue during the period.

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For the six months ended June 30, 2024, the opening balance of **Contents** deferred revenue was \$52 million, of which \$47 million was recognized as revenue during the period. For the six months ended June 30,

Item 2. **Management's Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion of our financial condition and results of operations should be read in conjunction with our condensed con:

Overview of our Business

Zillow Group is reimagining real estate to make home a reality for more and more people. As the most visited real estate website i Our portfolio of affiliates, subsidiaries and brands includes Zillow Premier Agent, Zillow Home Loans, our mortgage originations b As of **March 31, 2024** June 30, 2024, we had **6,429** 6,682 employees, compared to 6,263 employees as of December 31, 2023.

Health of Housing Market

Our financial performance is impacted by changes in the health of the housing market, which is impacted, in turn, by general econo

Revenue Overview

Our revenue is classified into four categories: Residential, Rentals, Mortgages and Other.

Residential. Residential revenue includes revenue generated by our Premier Agent and new construction marketplaces, as well as rev Premier Agent revenue is generated by the sale of advertising services, as well as marketing and technology products and services, New construction revenue primarily includes advertising services sold to home builders on a cost per residential community or cost Revenue generated through ShowingTime+ includes ShowingTime revenue, which is primarily generated by Appointment Center, a softwar

services to efficiently schedule real estate viewing appointments on behalf of their customers. Appointment Center services also
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Table of Contents include call center specialists who provide scheduling support to customers. ShowingTime+ revenue also includes our
Rentals. Rentals revenue includes advertising and a suite of tools sold to property managers on a cost per lead, lease, listing or
Mortgages. Mortgages revenue primarily includes revenue generated through mortgage originations and the related sale of mortgages
Other. Other revenue includes revenue generated primarily by display advertising.

For additional information on our revenue categories, see Note 2 in our Notes to Consolidated Financial Statements in Part II, Ite

Financial Overview

For the three months ended **March 31, 2024** June 30, 2024 and 2023, we generated total revenue of **\$529 million** \$572 million and **\$469** 1

- Residential revenue increased by **\$32 million** \$29 million, or **9%** 8%, to **\$393 million** \$409 million, due to increases in the number
visits.
- Rentals revenue increased by **\$23 million** \$26 million, or **31%** 29%, to **\$97 million** \$117 million, due to an increase in quarterly r
visits.
- Mortgages revenue increased by **\$5 million** \$10 million, or **19%** 42%, to **\$31 million** \$34 million, driven by an increase in mortgage
During the three months ended **March 31, 2024** June 30, 2024 and 2023, we generated gross profit of **\$406 million** \$442 million and **\$37** 1

Key Metrics

Management has identified visits, unique users and the volume of loans originated through Zillow Home Loans as relevant to **investor**

Visits

The number of visits is an important metric because it is an indicator of **consumers' consumers'** level of engagement with our mobile

Prior to January 1, 2024, we measured visits to Zillow and StreetEasy using the Universal Analytics version of Google Analytics' An

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Universal Analytics ~~will~~ no longer be offered by Google as of July 1, 2024 and ~~will be~~ has been replaced by Google Analytics 4. A ~~on~~ ~~from~~ January 1, 2024 ~~through~~ June 30, 2024, we ~~measure~~ measured visits to Zillow using an internal measurement tool, but ~~continue~~ ~~con~~ (i) after thirty minutes of user inactivity or at midnight; or (ii) through a campaign change.

The following table presents the number of visits to our mobile applications and websites for the periods presented (in millions, '000s).

| | Three Months Ended | | 2023 to 2024 |
|--------|--------------------|-------|--------------|
| | March 31, | | % Change |
| | 2024 | 2023 | |
| Visits | 2,316 | 2,238 | 3 % |

, recast for prior periods, as described above:

| | Three Months Ended | | | Six Months Ended | | |
|--------|--------------------|-------|--------------|------------------|-------|--------------|
| | June 30, | | 2023 to 2024 | June 30, | | 2023 to 2024 |
| | 2024 | 2023 | % Change | 2024 | 2023 | % Change |
| Visits | 2,495 | 2,391 | 4 % | 4,811 | 4,629 | 4 % |

Unique Users

Measuring unique users is important to us because much of our revenue depends in part on our ability to connect home buyers and sellers. We count a unique user the first time an individual accesses one of our mobile applications using a mobile device during a calendar month. Prior to January 1, 2024, we measured unique users for Zillow, StreetEasy and HotPads using Universal Analytics. As discussed above, due to technological limitations, user software settings, or user behavior, our internal measurement tool and Universal Analytics may not always count the same unique users. As a result, our historical unique user data for Zillow, StreetEasy and HotPads is not comparable to our current unique user data.

We believe the use of an internal measurement tool to measure unique users for Zillow, will allow StreetEasy and HotPads allows us period three and six month periods ended March 31, 2023 June 30, 2023.

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The following table presents our average monthly unique users for the periods presented (in millions, except percentages):

| | Three Months Ended | | 2023 to 2024 |
|------------------------------|--------------------|------|--------------|
| | March 31, | | % Change |
| | 2024 | 2023 | |
| Average monthly unique users | 217 | 217 | - % |

, recast for prior periods, as described above:

| | Three Months Ended | | 2023 to 2024 % Change | Six Months Ended | | 2023 to 2024 % Change |
|------------------------------|--------------------|------|--------------------------|------------------|------|--------------------------|
| | June 30, 2024 | 2023 | | June 30, 2024 | 2023 | |
| Average monthly unique users | 231 | 232 | – % | 224 | 225 | – % |

Loan Origination Volume

Loan origination volume is an important metric as it is a measure of how successful we are at the origination of mortgage loan pro

The following table presents loan origination volume by purpose and in total for Zillow Home Loans for the periods presented (in millions):

| Three Months Ended | | 2023 to 2024 | |
|-----------------------------------|--------|--------------|-------|
| March 31, | | % Change | |
| 2024 | 2023 | | |
| Purchase loan origination volume | \$ 601 | \$ 259 | 132 % |
| Refinance loan origination volume | 4 | 3 | 33 % |
| Total loan origination volume | \$ 605 | \$ 262 | 131 % |

| | Three Months Ended | | Six Months Ended | | 2023 to 2024 | |
|-----------------------------------|--------------------|--------|------------------|----------|--------------|-------|
| | June 30, | | June 30, | | | |
| | 2024 | 2023 | % Change | 2024 | 2023 | |
| Purchase loan origination volume | \$ 756 | \$ 336 | 125 % | \$ 1,357 | \$ 595 | 128 % |
| Refinance loan origination volume | 3 | 4 | (25)% | 8 | 7 | 14 % |
| Total loan origination volume | \$ 759 | \$ 340 | 123 % | \$ 1,365 | \$ 602 | 127 % |

During the three months and six month periods ended March 31, 2024 June 30, 2024, total loan origination volume increased 131% 123% and increase in total loan origination volume was These increases were primarily driven by the continued growth in Zillow Home Loans purcha

Results of Operations

Given continued uncertainty surrounding the health of the housing market, interest rate environment and inflationary conditions, f:

Revenue

| % of Total Revenue | | | | | | |
|--|--------|-----------|--------------|------|--------------------|-------|
| Three Months Ended | | | 2023 to 2024 | | Three Months Ended | |
| March 31, | | | | | March 31, | |
| 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |
| (in millions, except percentages, unaudited) | | | | | | |
| Residential | \$ 393 | \$ 361 | \$ 32 | 9 % | 74 % | 77 % |
| Rentals | 97 | 74 | 23 | 31 | 18 | 16 |
| Mortgages | 31 | 26 | 5 | 19 | 6 | 6 |
| Other | 8 | 8 | - | - | 2 | 2 |
| Total revenue | \$ 529 | \$ 469 | \$ 60 | 13 % | 100 % | 100 % |

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| % of Total Revenue | | | | | | |
|--|--------|-----------|--------------|------|--------------------|-------|
| Three Months Ended | | | 2023 to 2024 | | Three Months Ended | |
| June 30, | | | | | June 30, | |
| 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |
| (in millions, except percentages, unaudited) | | | | | | |
| Residential | \$ 409 | \$ 380 | \$ 29 | 8 % | 72 % | 75 % |
| Rentals | 117 | 91 | 26 | 29 | 20 | 18 |
| Mortgages | 34 | 24 | 10 | 42 | 6 | 5 |
| Other | 12 | 11 | 1 | 9 | 2 | 2 |
| Total revenue | \$ 572 | \$ 506 | \$ 66 | 13 % | 100 % | 100 % |

| % of Total Revenue | | | | | | |
|--------------------|------|-----------|--------------|------|------------------|--|
| Six Months Ended | | | 2023 to 2024 | | Six Months Ended | |
| June 30, | | | | | June 30, | |
| 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |

| | 2024 | 2023 | \$ Change | % Change | 2024 | 2023 |
|--|-----------------|---------------|---------------|-------------|--------------|--------------|
| (in millions, except percentages, unaudited) | | | | | | |
| Residential | \$ 802 | \$ 741 | \$ 61 | 8 % | 73 % | 76 % |
| Rentals | 214 | 165 | 49 | 30 | 19 | 17 |
| Mortgages | 65 | 50 | 15 | 30 | 6 | 5 |
| Other | 20 | 19 | 1 | 5 | 2 | 2 |
| Total revenue | \$ 1,101 | \$ 975 | \$ 126 | 13 % | 100 % | 100 % |

Three months ended **March 31, 2024** **June 30, 2024** compared to three months ended **March 31, 2023**
June 30, 2023

Total revenue increased **\$60 million** **\$66 million**, or 13%, to **\$529 million** **\$572 million**:

- Residential revenue increased \$29 million, or 8%. The increase in Residential revenue was partially driven by a 4% increase in 2024, and continued improvement in our ability to connect high-intent customers to agents. new construction revenue. We calculate Residential revenue per visit by dividing the revenue generated by in the number of visits for the three months ended March 31, 2024, compared to the three months ended March 31, 2023.
- Rentals revenue increased **\$23 million** **\$26 million**, or **31%** **29%**. The increase in Rentals revenue was primarily due to a **41%** **25%** in from multifamily property managers as well as growth in multifamily property listings, which drove a **46%** **44%** increase in multifamily Rentals revenue to increase in absolute dollars during the three months ending June 30, 2024, driven by macroeconomic factors, including housing availability and affordability, and decreased rental occupancy rates, as well as continued investment in growing our Rentals business.
- Mortgages revenue increased **\$5 million** **\$10 million**, or **19%** **42%**. This increase was primarily driven by a **\$13 million** **\$16 million** **31, 2023** **June 30, 2023** to **\$605 million** **\$759 million** for the three months ended **March 31, 2024** **June 30, 2024**, primarily driven by

Table

Six months ended **June 30, 2024** compared to six months ended **June 30, 2023**

Total revenue increased \$126 million, or 13%, to \$1.1 billion:

- Residential revenue increased \$61 million, or 8%. The increase in Residential revenue was partially driven by a 4% increase in visits for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023. Residential revenue was also up 13%.
- Rentals revenue increased \$49 million, or 30%. The increase in Rentals revenue was primarily due to a 34% increase in quarterly revenue.
- Mortgages revenue increased \$15 million, or 30%. This increase was driven by a \$29 million increase in mortgage originations resulting in a 30% increase in six months ended June 30, 2024.

Adjusted EBITDA

The following table summarizes net loss and Adjusted EBITDA (in millions, except percentages):

| % of Revenue | | | | | | |
|--------------------|---------|-----------|--------------|-------|--------------------|-------|
| Three Months Ended | | | 2023 to 2024 | | Three Months Ended | |
| March 31, | | | | | March 31, | |
| 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |
| Net loss | \$ (23) | \$ (22) | \$ (1) | (5) % | (4) % | (5) % |
| Adjusted EBITDA | \$ 125 | \$ 104 | \$ 21 | 20 % | 24 % | 22 % |

% of Revenue

| | Three Months Ended | | | | Three Months Ended | |
|------------------|--------------------|--------------|--------------|------------------|--------------------|------|
| | June 30, | | 2023 to 2024 | | June 30, | |
| | 2024 | 2023 | \$ Change | % Change | 2024 | 2023 |
| Net loss | \$ (17) | \$ (35) | \$ 18 | 51 % | (3)% | (7)% |
| Adjusted EBITDA | \$ 134 | \$ 111 | \$ 23 | 21 % | 23 % | 22 % |
| | | | | | % of Revenue | |
| Six Months Ended | | | | Six Months Ended | | |
| June 30, | | 2023 to 2024 | | June 30, | | |
| 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |
| Net loss | \$ (40) | \$ (57) | \$ 17 | 30 % | (4)% | (6)% |
| Adjusted EBITDA | \$ 259 | \$ 215 | \$ 44 | 20 % | 24 % | 22 % |

To provide investors with additional information regarding our financial results, we have disclosed Adjusted EBITDA, a non-GAAP financial measure. We have included Adjusted EBITDA in this Quarterly Report on Form 10-Q as it is a key metric used by our management and Board to make decisions. Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for net income.

- 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;
- Adjusted EBITDA does not reflect impairment and restructuring costs;
- Adjusted EBITDA does not reflect acquisition-related costs;
- Adjusted EBITDA does not reflect loss on extinguishment of debt;
- Adjusted EBITDA does not reflect interest expense or other income, net;
- Adjusted EBITDA does not reflect income taxes; and
- Other companies, including companies in our own industry, may calculate Adjusted EBITDA differently from the way we do, limiting its usefulness.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various GAAP measures.

The following table presents a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, which is net loss for each of the periods presented (in millions, unaudited):

| Three Months Ended | | |
|---|---------------|---------------|
| March 31, | | |
| | 2024 | 2023 |
| Reconciliation of Adjusted EBITDA to Net Loss: | | |
| Net loss | \$ (23) | \$ (22) |
| Income taxes | 2 | - |
| Other income, net | (33) | (32) |
| Depreciation and amortization | 56 | 40 |
| Share-based compensation | 108 | 103 |
| Impairment costs | 6 | 6 |
| Interest expense | 9 | 9 |
| Adjusted EBITDA | \$ 125 | \$ 104 |

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| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------------|------------------------------|---------------|
| | 2024 | | 2023 | |
| | 2024 | 2023 | 2024 | 2023 |
| Reconciliation of Adjusted EBITDA to Net Loss: | | | | |
| Net loss | \$ (17) | \$ (35) | \$ (40) | \$ (57) |
| Income taxes | 2 | 1 | 4 | 1 |
| Other income, net | (34) | (42) | (67) | (74) |
| Depreciation and amortization | 59 | 45 | 115 | 85 |
| Share-based compensation | 113 | 130 | 221 | 233 |
| Impairment and restructuring costs | — | 2 | 6 | 8 |
| Acquisition-related costs | — | 1 | — | 1 |
| Loss on extinguishment of debt | 1 | — | 1 | — |
| Interest expense | 10 | 9 | 19 | 18 |
| Adjusted EBITDA | \$ 134 | \$ 111 | \$ 259 | \$ 215 |

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Costs and Expenses, Gross Profit and Other Items

| | % of Total Revenue | | | | | | |
|--|--------------------|--------------|--------------|--------------|-----------|--------------------|----------|
| | Three Months Ended | | | 2023 to 2024 | | Three Months Ended | |
| | March 31, | | | | | March 31, | |
| | 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |
| (in millions, except percentages, unaudited) | | | | | | | |
| Cost of revenue | \$ 123 | \$ 92 | \$ 31 | 34 % | 23 | % 20 | % |
| Gross profit | 406 | 377 | 29 | 8 | 77 | 80 | |
| Operating expenses: | | | | | | | |
| Sales and marketing | 166 | 156 | 10 | 6 | 31 | 33 | |
| Technology and development | 147 | 137 | 10 | 7 | 28 | 29 | |
| General and administrative | 132 | 123 | 9 | 7 | 25 | 26 | |
| Impairment costs | 6 | 6 | — | — | 1 | 1 | |
| Total operating expenses | 451 | 422 | 29 | 7 | 85 | 90 | |
| Other income, net | 33 | 32 | 1 | 3 | 6 | 7 | |
| Interest expense | 9 | 9 | — | — | 2 | 2 | |
| Income tax expense | 2 | — | 2 | — | — | — | |

| | % of Total Revenue | | | | | | |
|--|--------------------|---------------|--------------|--------------|-------------|--------------------|-------------|
| | Three Months Ended | | | 2023 to 2024 | | Three Months Ended | |
| | June 30, | | | | | June 30, | |
| | 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | |
| (in millions, except percentages, unaudited) | | | | | | | |
| Cost of revenue | \$ 130 | \$ 104 | \$ 26 | 25 % | 23 % | 23 % | 21 % |
| Gross profit | 442 | 402 | 40 | 10 | 77 | 79 | |
| Operating expenses: | | | | | | | |
| Sales and marketing | 205 | 173 | 32 | 18 | 36 | 34 | |
| Technology and development | 144 | 140 | 4 | 3 | 25 | 28 | |
| General and administrative | 131 | 153 | (22) | (14) | 23 | 30 | |
| Impairment and restructuring costs | — | 2 | (2) | (100) | — | — | |
| Acquisition-related costs | — | 1 | (1) | (100) | — | — | |

| | | | | | | |
|--------------------------------|-----|-----|-----|------|----|----|
| Total operating expenses | 480 | 469 | 11 | 2 | 84 | 93 |
| Loss on extinguishment of debt | 1 | — | 1 | — | — | — |
| Other income, net | 34 | 42 | (8) | (19) | 6 | 8 |
| Interest expense | 10 | 9 | 1 | 11 | 2 | 2 |
| Income tax expense | 2 | 1 | 1 | 100 | — | — |

| | % of Total Revenue | | | | | |
|--|------------------------------|--------|-----------|--------------|------|------|
| | Six Months Ended June 30, | | | 2023 to 2024 | | |
| | 2024 | 2023 | \$ Change | % Change | 2024 | 2023 |
| (in millions, except percentages, unaudited) | | | | | | |
| Cost of revenue | \$ 253 | \$ 196 | \$ 57 | 29 % | 23 % | 20 % |
| Gross profit | 848 | 779 | 69 | 9 | 77 | 80 |
| Operating expenses: | | | | | | |
| Sales and marketing | 371 | 329 | 42 | 13 | 34 | 34 |
| Technology and development | 291 | 277 | 14 | 5 | 26 | 28 |
| General and administrative | 263 | 276 | (13) | (5) | 24 | 28 |
| Impairment and restructuring costs | 6 | 8 | (2) | (25) | 1 | 1 |
| Acquisition-related costs | — | 1 | (1) | (100) | — | — |
| Total operating expenses | 931 | 891 | 40 | 4 | 85 | 91 |
| Loss on extinguishment of debt | 1 | — | 1 | — | — | — |
| Other income, net | 67 | 74 | (7) | (9) | 6 | 8 |
| Interest expense | 19 | 18 | 1 | 6 | 2 | 2 |
| Income tax expense | 4 | 1 | 3 | 300 | — | — |

Cost of Revenue

Cost of revenue consists of expenses related to operating our mobile applications and websites, including associated headcount-related costs.

Three months ended **March 31, 2024** June 30, 2024 compared to three months ended **March 31, 2023** June 30, 2023

Cost of revenue increased **\$31 million** \$26 million, or **34%** 25%, driven by increases of **\$17 million** \$15 million in depreciation and amortization expense, \$3 million in connectivity costs, and \$3 million in lead acquisition costs.

Six months ended June 30, 2024 compared to six months ended June 30, 2023

Cost of revenue increased \$57 million, or 29%, driven by increases of \$32 million in depreciation and amortization expense primarily, \$3 million in connectivity costs, and \$3 million in lead acquisition costs.

Gross Profit

Gross profit is calculated as revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. Our

Three months ended **March 31, 2024** June 30, 2024 compared to three months ended **March 31, 2023** June 30, 2023

Gross profit increased by **\$29 million** \$40 million, or **8%** 10%, primarily due to an increase in revenue, discussed above. Total gross

Six months ended June 30, 2024 compared to six months ended June 30, 2023

Gross profit increased by \$69 million, or 9%, primarily due to an increase in revenue, discussed above. Total gross margin decreased

Sales and Marketing

Sales and marketing expenses consist of advertising costs and other sales expenses related to promotional and marketing activities.

Three months ended **March 31, 2024** June 30, 2024 compared to three months ended **March 31, 2023** June 30, 2023

Sales and marketing expenses increased **\$10 million** \$32 million, or **18%**, due to an increase of **\$12 million** \$17 million in headcount advertising costs driven by active cost management. rentals marketplace. We expect sales and marketing expenses to increase in absolute

Six months ended June 30, 2024 compared to six months ended June 30, 2023

Sales and marketing expenses increased \$42 million, or 13%, due to an increase of \$29 million in headcount-related expenses, including rentals marketplace.

Technology and Development

Technology and development expenses consist of headcount-related expenses, including salaries, benefits, bonuses and share-based compensation.

Three months ended **March 31, 2024** June 30, 2024 compared to three months ended **March 31, 2023** June 30, 2023

Technology and development expenses increased **\$10 million** \$4 million, or **73%**, due to increases of **\$12 million** \$4 million in headcount

Six months ended June 30, 2024 compared to six months ended June 30, 2023

Technology and development expenses increased \$14 million, or 5%, due to increases of \$16 million in headcount-related expenses, including rentals marketplace.

General and Administrative

General and administrative expenses consist of headcount-related expenses, including salaries, benefits, bonuses and share-based compensation.

Three months ended **March 31, 2024** June 30, 2024 compared to three months ended **March 31, 2023** June 30, 2023

General and administrative expenses increased \$9 million decreased \$22 million, or **14%**, primarily due to increases a decrease of \$20 million in headcount-related expenses, including share-based compensation expense. The decrease in headcount-related expenses consideration associated with our acquisition of Follow Up Boss. These increases were partially offset by a \$4 million decrease of \$3 million in rent expense primarily driven by cost savings associated with Impairment Costs. Impairment costs were

Six months ended June 30, 2024 compared to six months ended June 30, 2023

General and administrative expenses decreased \$13 million, or 5%, primarily due to a decrease of \$18 million in headcount-related expenses in 2024 and 2023 and were a decrease in rent expense primarily driven by cost savings associated with changes in the use of certain office space.

Impairment and Restructuring Costs

We did not record any impairment and restructuring costs for the three months ended June 30, 2024. Impairment and restructuring costs were

Impairment and restructuring costs were \$6 million and \$8 million for the six months ended June 30, 2024 and 2023, respectively, a

Other Income, net

Other income, net consists primarily of interest income earned on our cash, cash equivalents and investments and fair value adjustments.

Other income, net decreased \$8 million for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023.

Other income, net decreased \$7 million for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023, a

Income Taxes

We are subject to income taxes in the United States (federal and state) and certain foreign jurisdictions. As of **March 31, 2024** June 30, 2024

Income tax expense was not material for the three months and six month periods ended **March 31, 2024** June 30, 2024 and 2023.

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In 2021, the OECD, a global policy forum, released Pillar Two, designed to ensure that multinational groups with consolidated final

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash flows from operations, debt financing and equity offerings. Our cash

Sources of Liquidity

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, we had cash and cash equivalents, investments and restricted cash of **\$2.9**

We believe that cash from operations and cash and cash equivalents and investment balances will be sufficient to meet our ongoing

Summarized Cash Flow Information

The following table presents selected cash flow data for the periods presented (in millions, unaudited):

| | | Three Months Ended | |
|---|--|--------------------|--------|
| | | March 31, | |
| | | 2024 | 2023 |
| Cash Flow Data: | | | |
| Net cash provided by operating activities | | \$ 80 | \$ 93 |
| Net cash used in investing activities | | (204) | (97) |
| Net cash provided by (used in) financing activities | | 71 | (68) |
| | | | |
| | | | |
| | | | |
| Cash Flow Data: | | | |
| Net cash provided by operating activities | | \$ 135 | \$ 193 |
| Net cash provided by (used in) investing activities | | (207) | 84 |
| Net cash used in financing activities | | (240) | (177) |

Cash Flows Provided By Operating Activities

Our operating cash flows result primarily from cash received from real estate professionals, rental professionals, mortgage profes:

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For the **three** **six** months ended **March 31, 2024** **June 30, 2024**, net cash provided by operating activities was **\$80 million** **\$135 million**. **\$135 million**, **amortization of right of use assets of \$3 million** **\$6 million**, **and amortization of debt issuance costs of \$2 million**. **\$3 million** **\$95 million increase in mortgage loans held for sale due to an increase in purchase loan origination volume**, a **\$49 million incr**

For the six months ended June 30, 2023, net cash provided by operating activities was \$193 million. This was driven by a net loss **increase** **\$2 million decrease in accounts receivable primarily due to an increase in revenue from products and services billed in arrears**. **other long-term liabilities**. These changes were partially offset by a **\$6 million increase in a \$6 million increase in deferred revenue and a \$2 million increase in other long-term liabilities**.

For the three months ended March 31, 2023, net cash provided by operating activities was \$93 million. This was driven by a net loss of \$22 million, adjusted by share-based compensation of \$103 million, depreciation and amortization of \$40 million, accretion of bond discount of \$10 million, impairment costs of \$6 million, amortization of contract cost assets of \$6 million, amortization of right of use assets of \$6 million, and other adjustments to reconcile net loss to net cash provided by operating activities of \$2 million. Changes in operating assets and liabilities decreased cash provided by operating activities by \$39 million. The changes in operating assets and liabilities are primarily related to a \$27 million increase in prepaid expenses and other current assets due primarily to an increase in revenue from products and services billed in arrears, an \$8 million decrease in lease liabilities due to contractual lease payments, a \$7 million increase in mortgage loans held for sale due to an increase in loan origination volume, a \$6 million increase in contract cost assets, a \$3 million increase in accounts receivable and a \$3 million decrease in accrued compensation and

benefits. These changes were partially offset by a \$10 million increase in accrued expenses and other current liabilities primarily due to revenue and a \$2 million increase in accrued compensation and benefits.

Cash Flows Used In/Provided By (Used In) Investing Activities

Our primary investing activities include the purchase and sale or maturity of investments and the purchase of property and equipment.

For the **thre**six months ended **March 31, 2024** **June 30, 2024**, net cash used in investing activities was **\$204 million** **\$207 million**. This

For the **thre**six months ended **March 31, 2023** **June 30, 2023**, net cash **used in/provided by** investing activities was **\$97 million** **\$84 million**.

Cash Flows Provided By (Used In) Used In Financing Activities

Our primary financing activities include repurchases of Class A common stock and Class C capital stock, the exercise of employee options, repayments of borrowings on the warehouse line of credit and master repurchase agreements related to Zillow Home Loans.

Loans and settlement of long-term debt including repurchases of the 2025 Notes.

For the **thre**six months ended **March 31, 2024** **June 30, 2024**, net cash **provided by/used in** financing activities was **\$71 million** **\$240 million** from cash paid for share repurchases and \$89 million of cash paid for the exercise of partial repurchase of option awards and \$30 million from \$9 million and \$61 million of cash paid for share repurchases.

proceeds from the exercise of option awards.

For the **thre**six months ended **March 31, 2023** **June 30, 2023**, net cash used in financing activities was **\$68 million** **\$177 million**, which includes \$30 million of proceeds from the exercise of employee option awards and \$5 million **\$29 million** of net borrowings on our warehouse line of credit.

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Capital Resources

Notes

As of **March 31, 2024** **June 30, 2024**, we have a total of **\$1.6 billion** **\$1.5 billion** aggregate principal amount of Notes outstanding. The

| | March 31, 2024 | December 31, 2023 | | | |
|-------------------|-----------------|----------------------------|----------------------|----------------|----------------|
| | Maturity Date | Aggregate Principal Amount | Stated Interest Rate | Carrying Value | Carrying Value |
| September 1, 2026 | \$ 499 | 1.375 % | \$ 496 | \$ 496 | |
| May 15, 2025 | 507 | 2.75 % | 505 | 504 | |
| September 1, 2024 | 608 | 0.75 % | 608 | 607 | |
| Total | \$ 1,614 | \$ 1,609 | \$ 1,607 | | |

| Maturity Date | Aggregate Principal Amount | Stated Interest Rate | June 30, 2024 | | December 31, 2023 |
|-------------------|----------------------------|----------------------|-----------------|----------------|-------------------|
| | | | Carrying Value | Carrying Value | Carrying Value |
| September 1, 2026 | \$ 499 | 1.375 % | \$ 497 | \$ 496 | |
| May 15, 2025 | 419 | 2.75 % | 417 | 504 | |
| September 1, 2024 | 608 | 0.75 % | 608 | 607 | |
| Total | \$ 1,526 | | \$ 1,522 | | \$ 1,607 |

We may from time to time seek to redeem, retire or purchase outstanding debt through cash purchases and/or exchanges for cash, share

The 2025 Notes and 2026 Notes are not convertible at the option of the holders during the three months ending September 30, 2024.

During the three months ended June 30, 2024, we repurchased \$88 million aggregate principal amount of the 2025 Notes through open market purchases.

Share Repurchases

The Board has authorized the repurchase of up to **\$2.5 billion** **\$2.5 billion** of our Class A common stock, Class C capital stock, outstanding **1.1 million** shares of Class A common stock and **0.1 million** **6 million** shares of Class C capital stock at an average price of **\$45**.

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Credit Facilities

Zillow Home Loans operations impact our liquidity and capital resources as a cash intensive business that funds mortgage loans ori

| Lender | Maturity Date | Maximum Borrowing Capacity | Outstanding Borrowings at March 31, 2024 | Outstanding Borrowings at December 31, 2023 | Weighted Average Interest Rate at March 31, 2024 | |
|----------------------------------|-----------------|----------------------------|--|---|--|---|
| | | | | | % | % |
| JPMorgan Chase Bank, N.A. | May 30, 2024 | 100 | 65 | 40 | 7.03 | % |
| UBS AG | October 9, 2024 | 100 | 58 | 45 | 7.05 | % |
| Atlas Securitized Products, L.P. | March 11, 2024 | - | - | 8 | - | % |

| Lender | Maturity Date | Maximum Borrowing Capacity | Outstanding Borrowings at June 30, 2024 | Outstanding Borrowings at December 31 | |
|---|-----------------|----------------------------|---|---------------------------------------|-------------|
| | | | | June 30, 2024 | December 31 |
| JPMorgan Chase Bank, N.A. ⁽¹⁾ | May 1, 2025 | 150 | - | 111 | |
| UBS AG | October 9, 2024 | 100 | - | 71 | |
| Atlas Securitized Products, L.P. ⁽²⁾ | March 11, 2024 | - | - | - | |
| Total | | \$ 250 | \$ 182 | \$ | |

(1) Total \$ 200 \$ 123 \$ 93

(1)

Agreement was amended and renewed on May 2, 2024. The amended agreement increased the total maximum borrowing capacity from \$100 million to \$1.5 billion, \$1 billion of which is payable within 12 months. Future interest payments associated with the Notes

(2) Agreement expired on March 11, 2024 and was not renewed.

Refer to Note 7 of our Notes to Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q for additional information.

Contractual Obligations and Other Commitments

Convertible Senior Notes - Includes the aggregate principal amounts of the Notes due on their contractual maturity dates, as well as \$608 million \$1.5 billion, \$1 billion of which is payable within 12 months. Future interest payments associated with the Notes

Credit Facilities - Includes principal amounts due for amounts borrowed under the master repurchase agreements to finance mortgage loans.

Operating Lease Obligations - Our lease portfolio primarily comprises operating leases for our office space. During the three months ended March 31, 2024, we had 12 operating lease agreements.

Contingent Consideration - In connection with the acquisition of Follow Up Boss, we are obligated to pay contingent consideration payments if certain performance thresholds are met.

Purchase Obligations - We have non-cancelable purchase obligations for content related to our mobile applications and websites and other third-party services.

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Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily consist of fluctuations in interest rates, foreign exchange rates, and commodity prices.

Interest Rate Risk

Under our current investment policy, we invest our excess cash in money market funds, U.S. government treasury securities, U.S. government agency securities, and other high-quality debt securities. We do not invest in equities or other assets that are subject to significant price fluctuations. We do not have any derivatives or other financial instruments that are sensitive to interest rates.

Our short-term investments are exposed to market risk due to the fluctuation of prevailing interest rates that may reduce the yield. As of **March 31, 2024** **June 30, 2024**, we had approximately **\$1.6 billion** **\$1.5 billion** aggregate principal amount of Notes outstanding with a weighted-average remaining term of **1.6 years**.

We are also subject to market risk which may impact our mortgage loan origination volume and associated revenue and the net interest rate on our floating rate borrowings. As of **March 31, 2024** **June 30, 2024**, we had approximately **\$1.6 billion** **\$1.5 billion** aggregate principal amount of Notes outstanding with a weighted-average remaining term of **1.6 years**, respectively, of outstanding borrowings on our master repurchase agreements which bear interest at a floating rate.

For additional details related to our credit facilities and convertible senior notes, see Note 7 to our Notes to Condensed Consolidated Financial Statements.

Inflation Risk

The macroeconomic environment in the United States has experienced, and continues to experience, inflationary pressures. While it is difficult to predict the future course of inflation, we believe that inflationary pressures are likely to continue.

If inflationary pressures persist, our costs, in particular labor, marketing and hosting costs, may increase and we may not be able to increase our prices to offset these increases.

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Foreign Currency Exchange Risk

We do not believe that foreign currency exchange risk has had a material effect on our business, results of operations or financial condition.

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Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act) that are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) or 15d-15(d) of the Securities Exchange Act.

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PART II -- OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings in which we are involved, see Note 12 under the subsection titled "Legal Proceedings" in the Notes to Condensed Consolidated Financial Statements.

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Item 1A. Risk Factors

There have not been any material changes to the risk factors affecting our business, financial condition or future results from those identified in the Notes to Condensed Consolidated Financial Statements.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Unregistered Sales of Equity Securities**

There were no unregistered sales of equity securities during the three months ended **March 31, 2024** **June 30, 2024**.

Purchase of Equity Securities by the Issuer

The following table summarizes our stock repurchases during the three months ended **March 31, 2024** **June 30, 2024** (in millions, except for period columns).

| Period | Total Number of Shares Purchased | | Average Price Paid Per Share | | Total Number Purchased Publicly | Plans or Programs (1) |
|---|----------------------------------|-----------------------|------------------------------|-----------------------|---------------------------------|-----------------------|
| | Class A common stock | Class C capital stock | Class A common stock | Class C capital stock | | |
| January 1 - January 31, 2024 | - | - | \$ - | \$ - | - | \$ 770 |
| February 1 - February 29, 2024 | - | - | - | - | - | 770 |
| March 1 - March 31, 2024 | 119 | 92 | 45.02 | 45.42 | 211 | 761 |
| Total | 119 | 92 | 211 | | | |
| (1) On December 2, 2021, the Board authorized a stock repurchase program granting the authority to repurchase up to \$750 million of Class A common stock or a combination of both. On May 4, 2022, the Board authorized the repurchase of up to an additional \$1 billion of Class A common stock, November 1, 2022, the Board further expanded these authorizations to allow for the repurchase of a portion of our outstanding convertible senior notes. On July 31, 2023, the Board authorized the repurchase of up to an additional \$750 million of Class A common stock, Class C capital stock, outstanding convertible senior notes or a combination thereof. The Repurchase Authorizations do not have an expiration date. There were no repurchases of convertible senior notes during the three months ended March 31, 2024. | | | | | | |
| Programs (1) Plans or Programs (1) | | | | | | |

Class A common stock, Class C capital stock or a combination thereof. On July 31, 2023, the Board authorized the repurchase of up to an additional \$750 million of Class A common stock, Class C capital stock or a combination thereof. The Repurchase Authorizations do not have an expiration date. There were no repurchases of convertible senior notes during the three months ended March 31, 2024.

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| Period |
|---|
| April 1 - April 30, 2024 |
| May 1 - May 31, 2024 |
| June 1 - June 30, 2024 |
| Total |
| (1) On December 2, 2021, the Board authorized a stock repurchase program granting the authority to repurchase up to \$750 million of Class A common stock or a combination thereof. On May 4, 2022, the Board authorized the repurchase of up to an additional \$1 billion of Class A common stock, November 1, 2022, the Board further expanded these authorizations to allow for the repurchase of a portion of our outstanding convertible senior notes. On July 31, 2023, the Board authorized the repurchase of up to an additional \$750 million of Class A common stock, Class C capital stock, outstanding convertible senior notes or a combination thereof. The Repurchase Authorizations do not have an expiration date. There were no repurchases of convertible senior notes during the three months ended March 31, 2024. |

Item 5. Other Information

Trading Plans

On **March 12, 2024**

June 10, 2024, **Erik Blachford**

, **Claire Cormier Thielke**, member of the Board,

of Zillow Group, Inc., entered into a 10b5-1 sales plan intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchan

In addition, in the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2024, the Company inadvertently omitted d
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Item 6. Exhibits

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q.

| Exhibit Number | Description |
|----------------|---|
| 3.1 | Amended and Restated Articles of Incorporation of Zillow Group, Inc. (Filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 17, 2015, and incorporated herein by reference). |
| 3.2 | Amended and Restated Bylaws of Zillow Group, Inc. (Filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 5, 2020, and incorporated herein by reference). |
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 13-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 13-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1^ | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2^ | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document). |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (embedded within the inline XBRL document). |
| ^ | The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Company under |

the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.

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Exhibit

Number

3.1 [Amended and Restated Articles of Incorporation of Zillow Group, Inc. \(Filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on April 18, 2019\).](#)

3.2 [Amended and Restated Bylaws of Zillow Group, Inc. \(Filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on April 18, 2019\).](#)

31.1 [Certification of Chief Executive Officer pursuant to Rule 13-14\(a\) of the Securities Exchange Act of 1934 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

31.2 [Certification of Chief Financial Officer pursuant to Rule 13-14\(a\) of the Securities Exchange Act of 1934 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

32.1^A [Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

32.2^A [Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

101.INS [Inline XBRL Instance Document \(the instance document does not appear in the Interactive Data File because its XBRL tags are embedded in the document\).](#)

101.SCH [Inline XBRL Taxonomy Extension Schema Document.](#)

101.CAL [Inline XBRL Taxonomy Extension Calculation Linkbase Document.](#)

101.DEF [Inline XBRL Taxonomy Extension Definition Linkbase Document.](#)

101.LAB [Inline XBRL Taxonomy Extension Label Linkbase Document.](#)

101.PRE [Inline XBRL Taxonomy Extension Presentation Linkbase Document.](#)

104 [Cover Page Interactive Data File \(embedded within the inline XBRL document\).](#)

^A The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the following persons in the capacities and on the dates indicated:

Dated: May 1, 2024 **ZILLOW GROUP, INC.**
By: /s/ JENNIFER ROCK
Name: Jennifer Rock
Title: Chief Accounting Officer

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Dated: August 7, 2024

ZILLOW GROUP, INC.

By: /s/ JENNIFER ROCK
Name: Jennifer Rock
Title: Chief Accounting Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13-14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Barton, certify that:

1. I have reviewed this report on Form 10-Q of Zillow Group, Inc. for the fiscal quarter ended **March 31, 2024** **June 30, 2024**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to fairly present in all the financial statements and other financial information included in this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all the financial statements and other financial information included in this report;
4. The **registrant's** **registrant's** other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those controls and procedures as required; and
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the **registrant's** **registrant's** disclosure controls and procedures and presented in this report our conclusions about the effectiveness of such controls and procedures based on such evaluation; and
 - d) Disclosed in this report any change in the **registrant's** **registrant's** internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the period covered by this report), and the reasons for any such changes;
5. The **registrant's** **registrant's** other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which reasonably promote non- compliance with the Sarbanes-Oxley Act of 2002;
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting;

By: **/s/ R**
RICHARD
B
ARTON
Name: **Richard Barton**
Title: **Chief Executive Officer**
Date: **May 1, 2024**

By: **/s/ RICHARD BARTON**
Name: **Richard Barton**
Title: **Chief Executive Officer**
Date: **August 7, 2024**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13-14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeremy Hofmann, certify that:

1. I have reviewed this report on Form 10-Q of Zillow Group, Inc. for the fiscal quarter ended **March 31, 2024** **June 30, 2024**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to fairly present in all the financial statements and other financial information included in this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all the financial statements and other financial information included in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under (
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be de
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this repo
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurs
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal con
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial report:
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registr

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|--------|-------------------------|
| By: | /s/ JEREMY HOFMANN |
| Name: | Jeremy Hofmann |
| Title: | Chief Financial Officer |
| Date: | May 1, 2024 |

| | |
|--------|-------------------------|
| By: | /s/ JEREMY HOFMANN |
| Name: | Jeremy Hofmann |
| Title: | Chief Financial Officer |
| Date: | August 7, 2024 |

EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Zillow Group, Inc. (the "Company" "Company") for the fiscal quarter ended [REDACTED]

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operatio

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|--------|-------------------------|
| By: | /s/ R |
| | ICHARD |
| | B |
| | ARTON |
| Name: | Richard Barton |
| Title: | Chief Executive Officer |
| Date: | May 1, 2024 |

By: /s/ RICHARD BARTON
Name: Richard Barton
Title: Chief Executive Officer
Date: August 7, 2024

EXHIBIT 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Zillow Group, Inc. (the "Company" "Company") for the fiscal quarter ended **May 1, 2024**,

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

By: /s/ JEREMY HOFMANN
Name: Jeremy Hofmann
Title: Chief Financial Officer
Date: May 1, 2024

{graphic omitted}
{graphic omitted}

By: /s/ JEREMY HOFMANN
Name: Jeremy Hofmann
Title: Chief Financial Officer
Date: August 7, 2024

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