

2024

Marcus & Millichap

Earnings Conference
Call August 7, 2024

**Second
Quarter 2024**



FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements, including our expectations regarding the long-term outlook of the commercial real estate transaction market and our positioning within it, our belief relating to the Company's long-term growth, our assessment of the key factors influencing the Company's business outlook for 2024 and the execution of our capital return program, including a semi-annual dividend and the stock repurchase program. Statements about our beliefs and expectations and statements containing the words "may," "could," "would," "should," "will," "continue," "predict," "potential," "believe," "expect," "anticipate," "plan," "estimate," "target," "project," "intend," "goal," "well-positioned," and similar expressions constitute forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results and performance in future periods to be materially different from any future results or performance expressed in or suggested by forward-looking statements in this earnings press release. Investors are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements speak only as of the date of this earnings press release and, except to the extent required by applicable securities laws, the Company expressly disclaims any obligation to update or revise any of them to reflect actual results, any changes in expectations or any change in events. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

Important factors that could cause such differences include, but are not limited to: (1) general uncertainty in the capital markets, a worsening of economic conditions, and the rate and pace of economic recovery following an economic downturn; (2) changes in our business operations; (3) market trends in the commercial real estate market or the general economy, including the impact of inflation and increased interest rates; (4) our ability to attract and retain qualified senior executives, managers and investment sales and financing professionals; (5) the impact of forgivable loans and related expense resulting from the recruitment and retention of agents; (6) the effects of increased competition on our business; (7) our ability to successfully enter new markets or increase our market share; (8) our ability to successfully expand our services and businesses and to manage any such expansions; (9) our ability to retain existing clients and develop new clients; (10) our ability to keep pace with changes in technology; (11) any business interruption or technology failure, including cybersecurity risks and ransomware attacks, and any related impact on our reputation; (12) changes in interest rates, availability of capital, tax laws, employment laws or other government regulation affecting our business, in each case as may be impacted by the 2024 presidential election; (13) our ability to successfully identify, negotiate, execute and integrate accretive acquisitions; and (14) other risk factors included under "Risk Factors" in our most recent Annual Report on Form 10-K.

CONFERENCE CALL PARTICIPANTS



Hessam Nadji
President, Chief Executive Officer
and Director



Steve DeGennaro
Chief Financial Officer

MMI Financial Highlights

2024 SECOND QUARTER HIGHLIGHTS

Financial Highlights		YoY
Revenue	\$158.4 million	(2.8)%
Net Loss	\$(5.5) million	(36.6)%
Adjusted EBITDA ⁽¹⁾	\$1.4 million	236.5 %

Operational Highlights		YoY
Sales Volume	\$9.5 billion	(2.7)%
Transaction Closings	1,800	(7.5)%
Number of Investment Sales and Financing Professionals as of June 30, 2024	1,726	(7.5)%

(1) Please refer to the reconciliation of GAAP measures to non-GAAP measures in the Appendix of this presentation for more information.

2024 YEAR TO DATE HIGHLIGHTS

Financial Highlights		YoY
Revenue	\$287.5 million	(9.5)%
Net Loss	\$(15.5) million	6.6 %
Adjusted EBITDA ⁽¹⁾	\$(8.6) million	(1.9)%

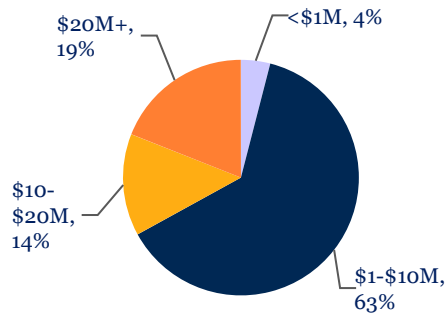
Operational Highlights		YoY
Sales Volume	\$19.2 billion	(4.9)%
Transaction Closings	3,364	(10.4)%
Number of Investment Sales and Financing Professionals as of June 30, 2024	1,726	(7.5)%

(1) Please refer to the reconciliation of GAAP measures to non-GAAP measures in the Appendix of this presentation for more information.

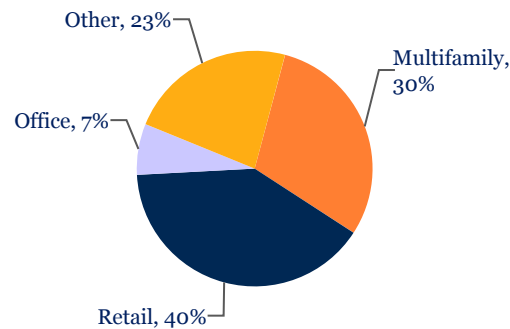
2024 SECOND QUARTER BROKERAGE HIGHLIGHTS

		YoY
Sales Volume	\$7.2 billion	(4.9)%
Transaction Closings	1,272	(10.5)%
Number of Investment Sales Professionals as of June 30, 2024	1,625	(8.1)%
Real Estate Brokerage Commissions Revenue	\$135.4 million	(3.5)%

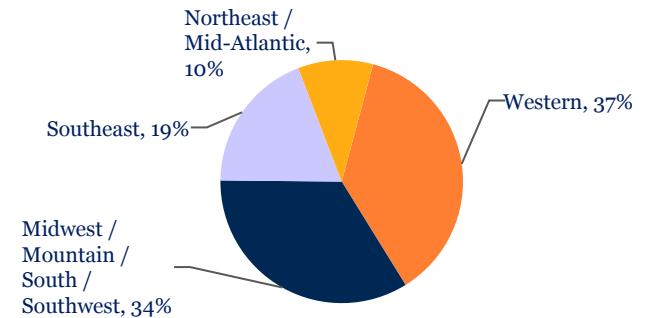
Revenue by Transaction Size



Transactions by Property Type



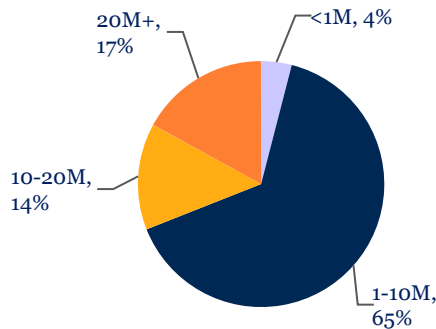
Transactions by Region



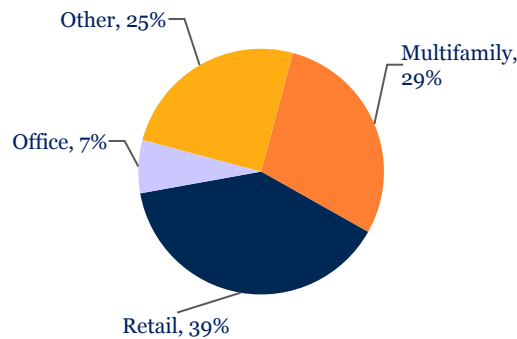
2024 YEAR TO DATE BROKERAGE HIGHLIGHTS

		YoY
Sales Volume	\$12.8 billion	(12.6)%
Transaction Closings	2,374	(12.1)%
Number of Investment Sales Professionals as of June 30, 2024	1,625	(8.1)%
Real Estate Brokerage Commissions Revenue	\$244.9 million	(11.1)%

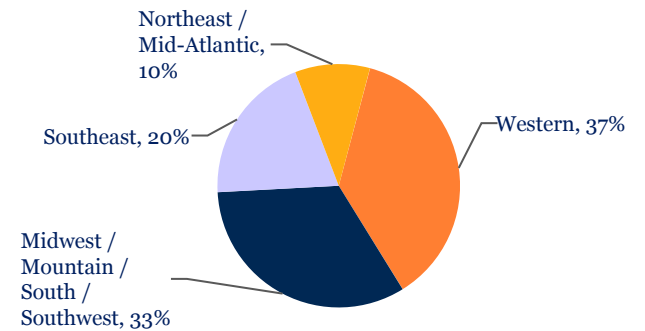
Revenue by Transaction Size



Transactions by Property Type



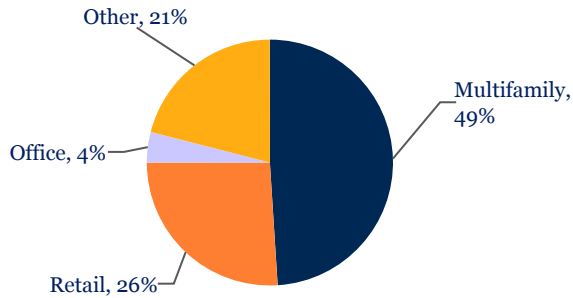
Transactions by Region



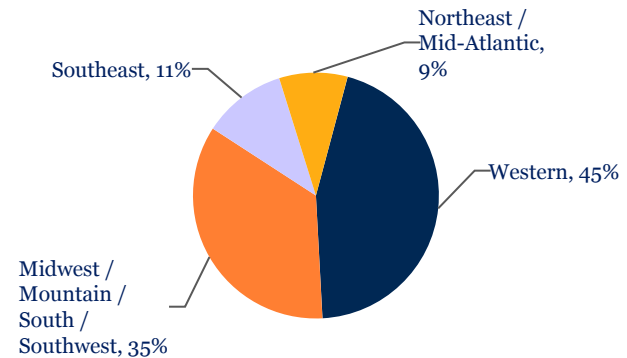
2024 SECOND QUARTER FINANCING HIGHLIGHTS

		YoY
Sales Volume	\$1.8 billion	11.0%
Transaction Closings	272	(4.2)%
Number of Financing Professionals as of June 30, 2024	101	4.1%
Financing Fees Revenue	\$18.3 million	2.2%

Transactions by Property Type



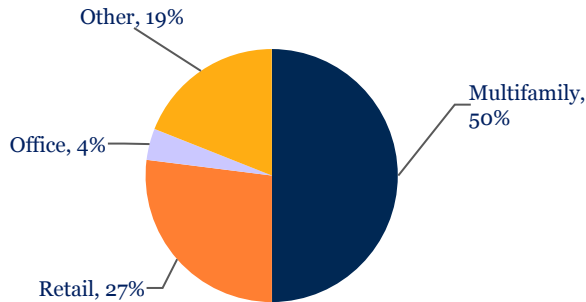
Transactions by Region



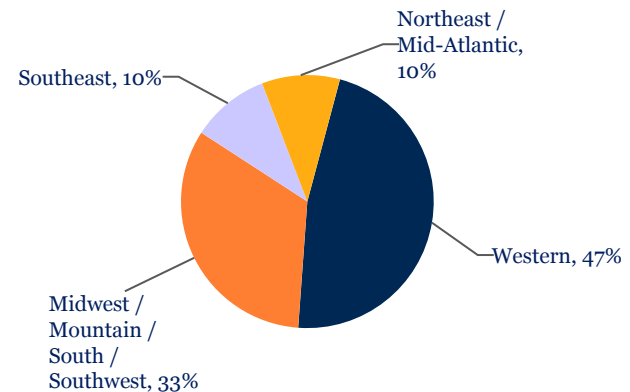
2024 YEAR TO DATE FINANCING HIGHLIGHTS

		YoY
Sales Volume	\$3.5 billion	3.4%
Transaction Closings	506	(10.1)%
Number of Financing Professionals as of June 30, 2024	101	4.1%
Financing Fees Revenue	\$32.7 million	(3.1)%

Transactions by Property Type

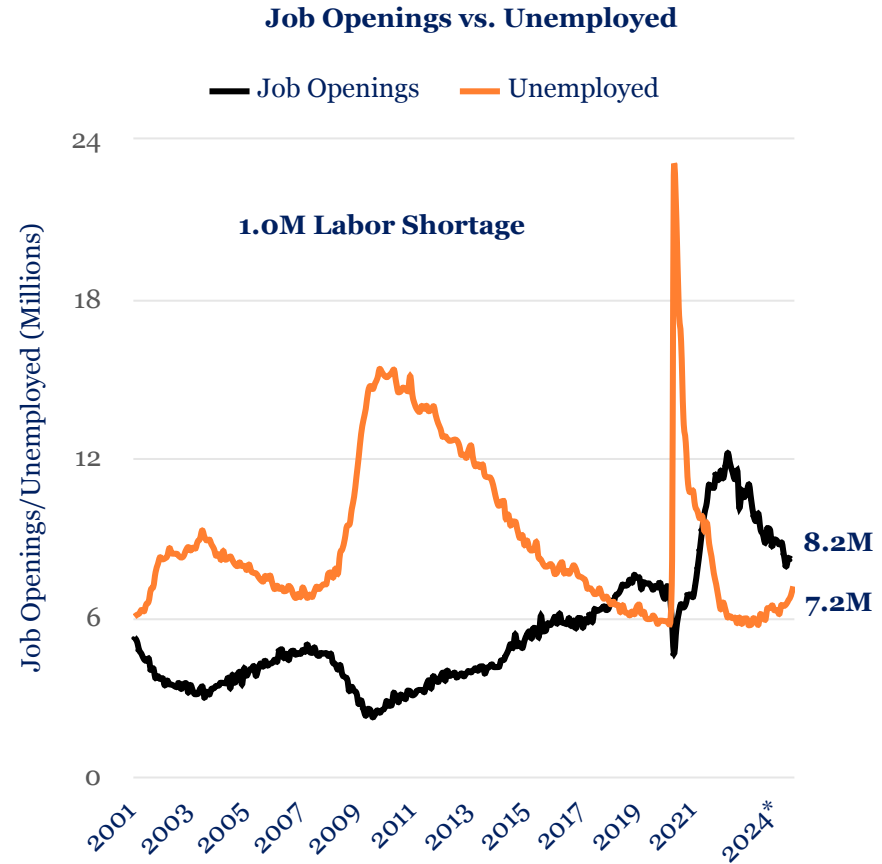
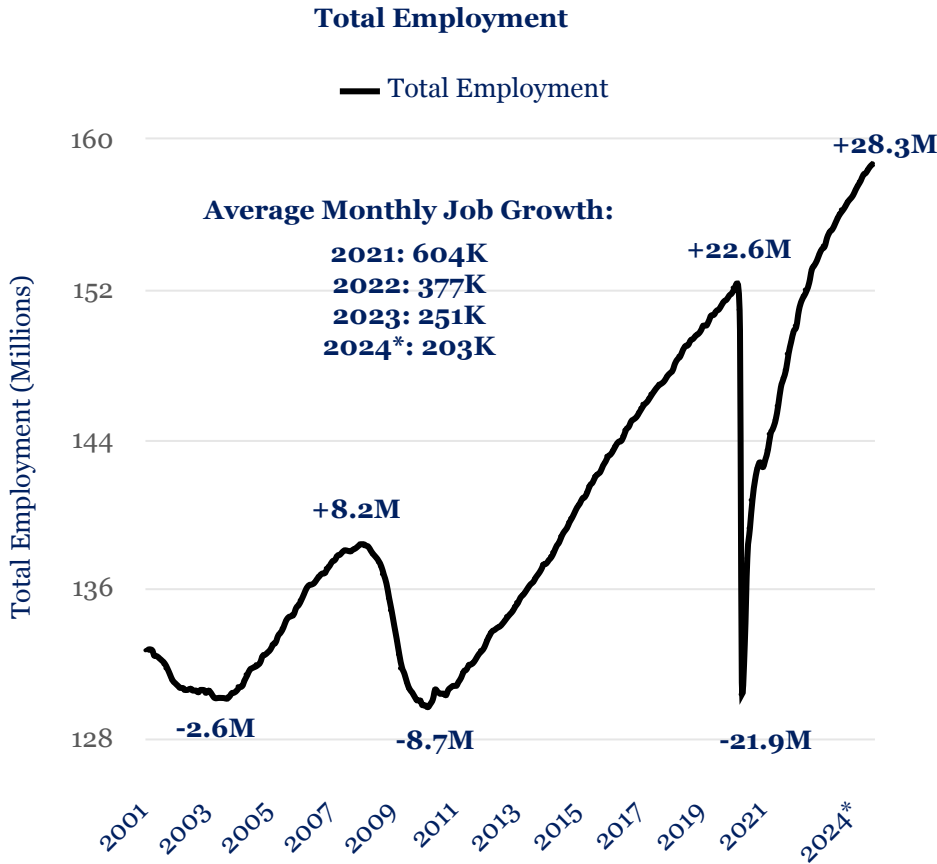


Transactions by Region



Market Highlights

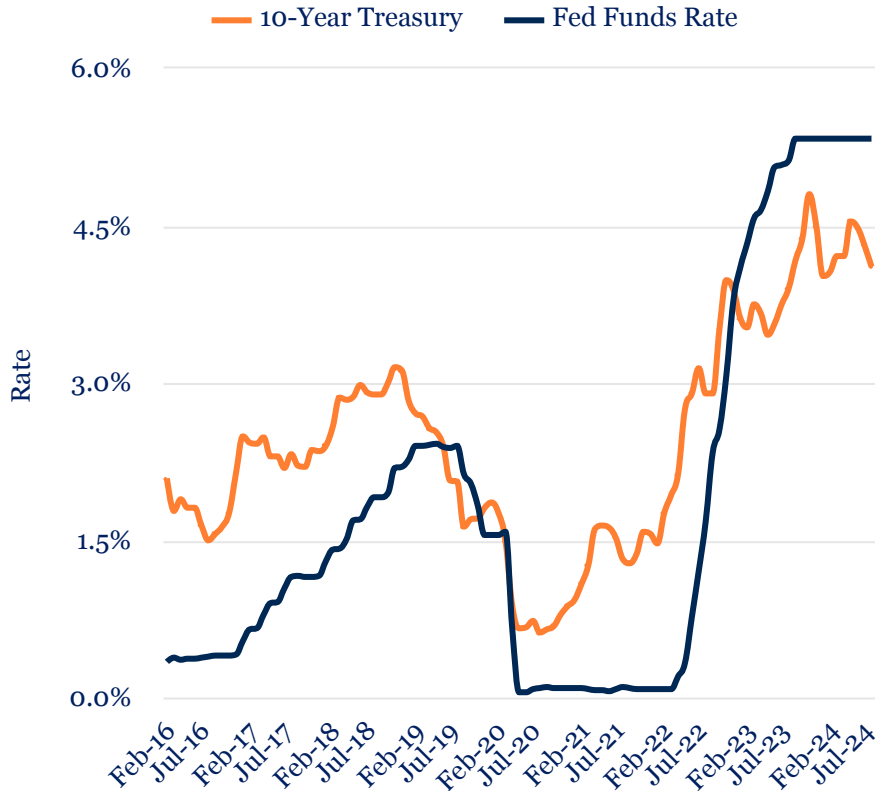
TOTAL EMPLOYMENT WELL ABOVE PRE-PANDEMIC LEVEL, SIGNS OF A MORE PRONOUNCED SLOWING EMERGING



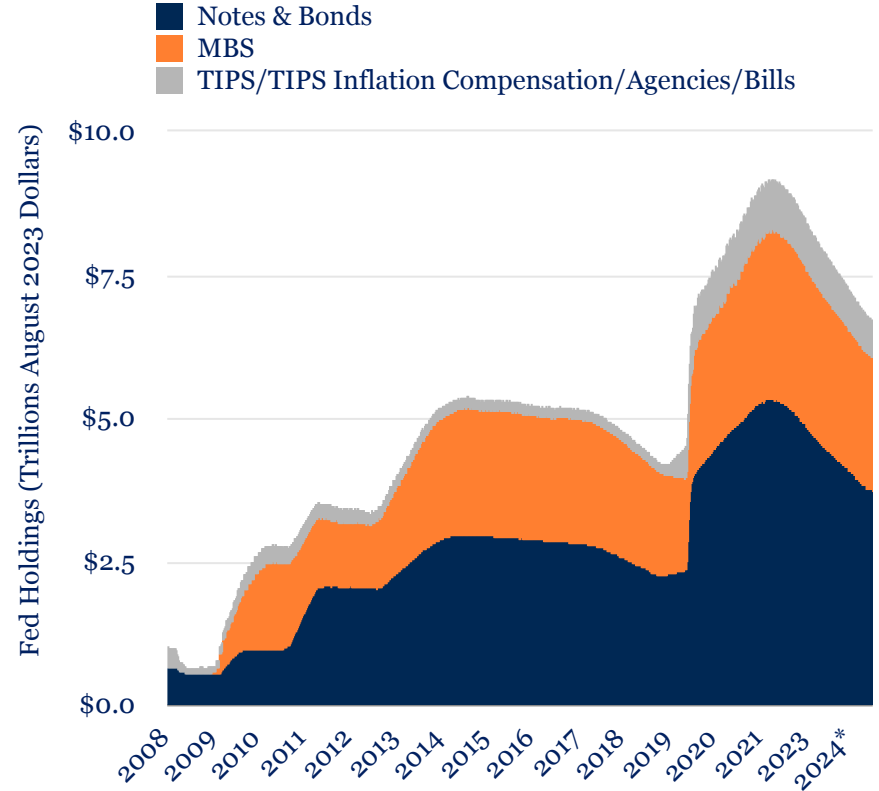
* Through July; job openings through June
Sources: BLS

MOST AGGRESSIVE FED TIGHTENING SINCE 1980 DISRUPTED CRE; FED'S RECENT DOVISH MESSAGING, ECONOMIC CONCERNS, LOWERING YIELDS

10-Year Treasury vs. Fed Funds Rate



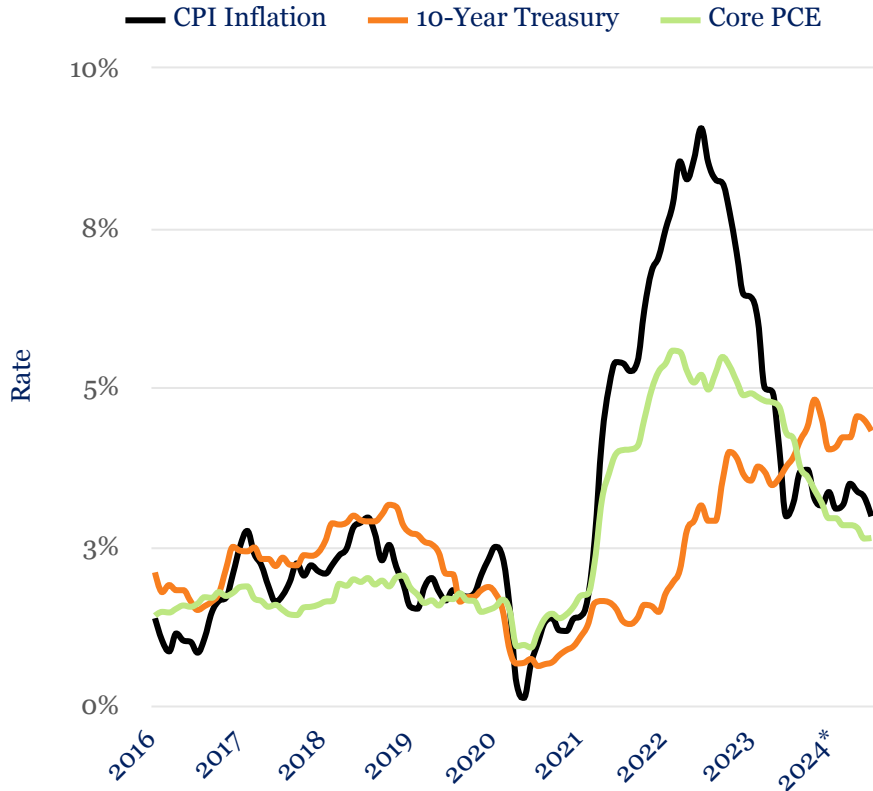
Inflation Adjusted Fed Balance Sheet



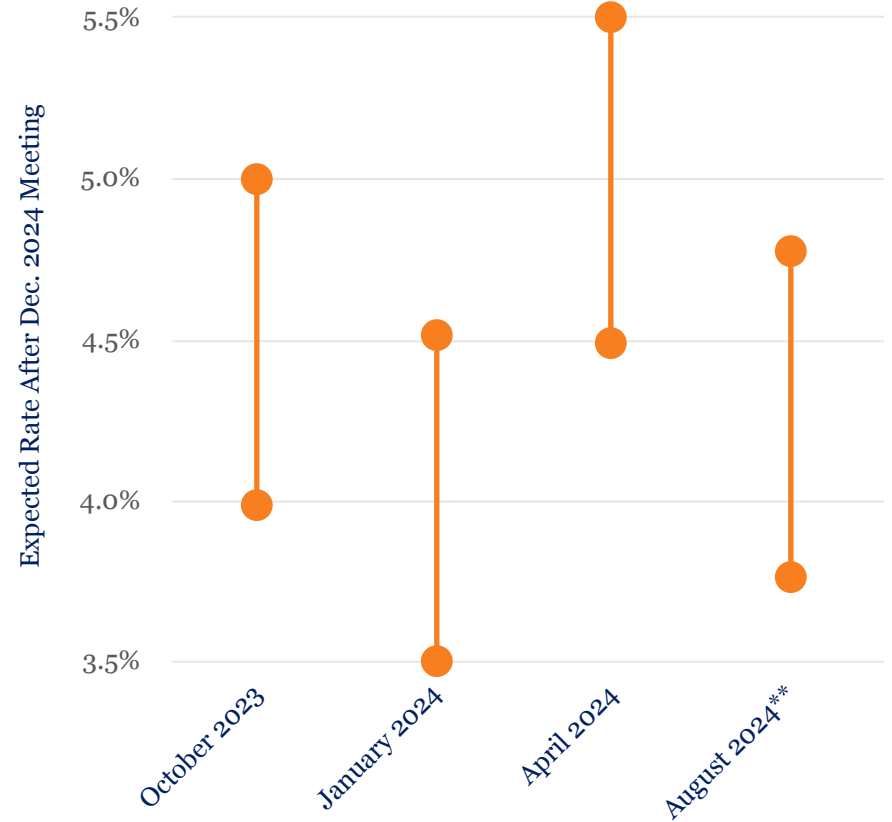
* Through July 31
 10-Year treasury and Fed Funds rate through July 31
 Adjusted for inflation using Core PCE
 Sources: Real Capital Analytics, Federal Reserve

INFLATION HAS TRENDED LOWER, PAVING THE WAY FOR FED EASING

Inflation vs. 10-Year Treasury



Expected Year-End 2024 Fed Funds Rate Range

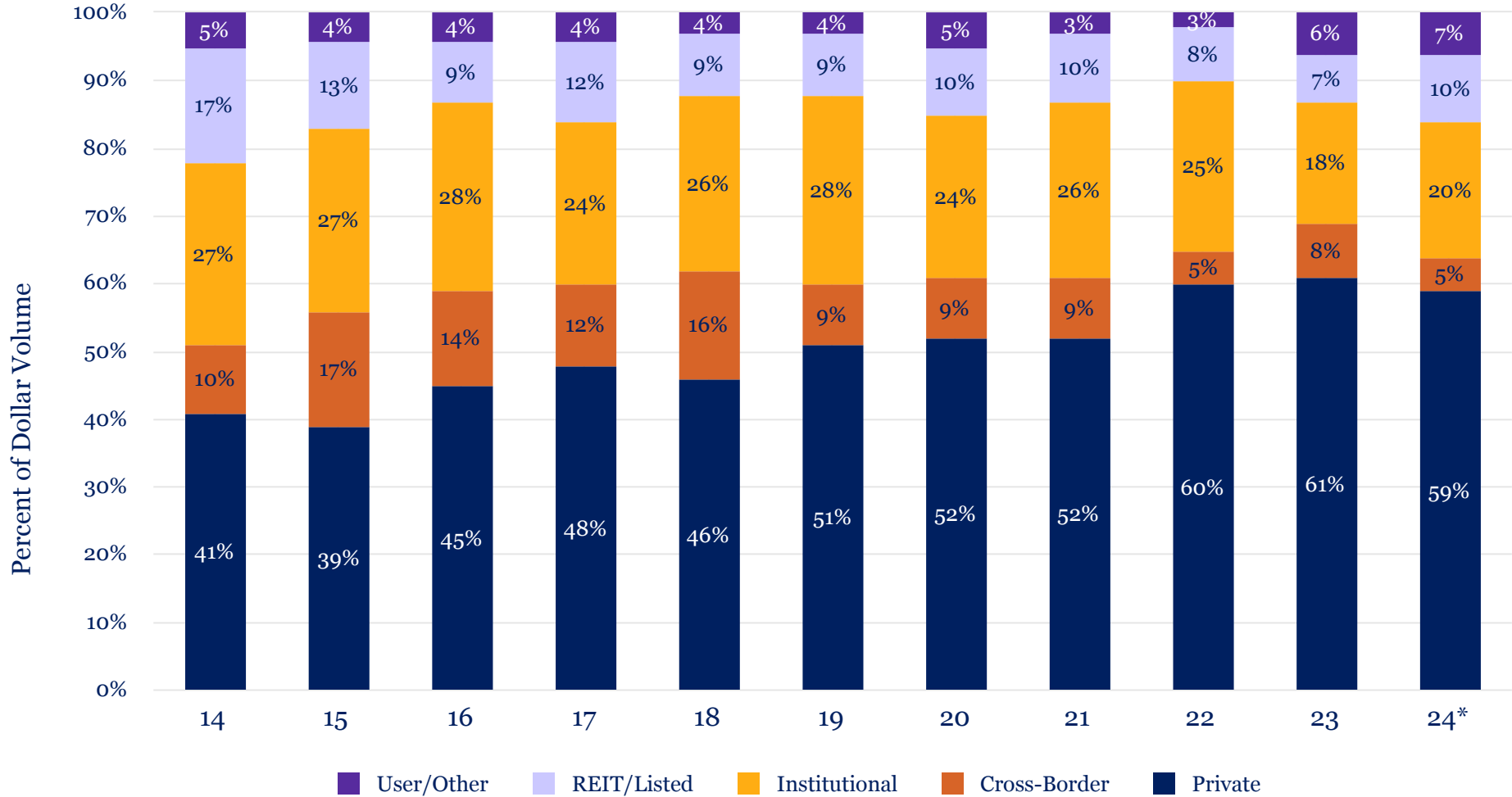


* Through June ** As of August 2

Probability of specific fed rate must exceed 5% to be included in the expected range

Sources: BLS, Federal Reserve, BEA, CME Group

PRIVATE INVESTORS DOMINATE U.S. COMMERCIAL REAL ESTATE; INSTITUTIONAL INVESTORS GRADUALLY RE-ENTERING THE MARKET

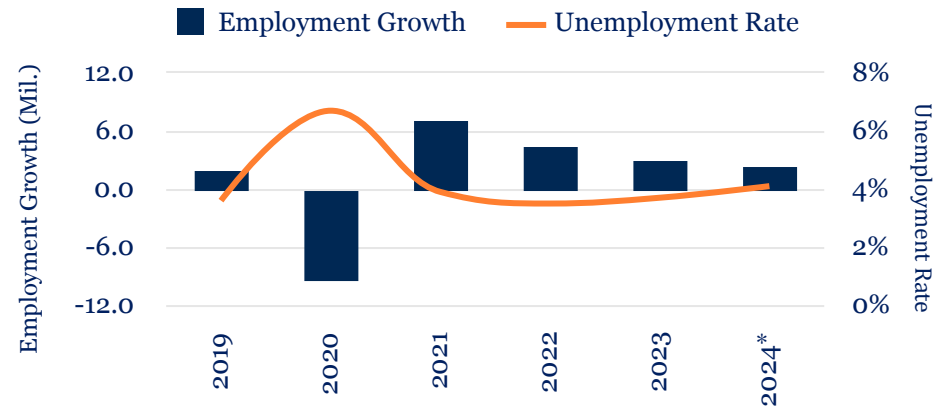


* Trailing 12-months through 2Q
 Includes sales \$2.5 million and greater for multifamily, retail, office, industrial, hotel, seniors housing, and land
 Source: Real Capital Analytics

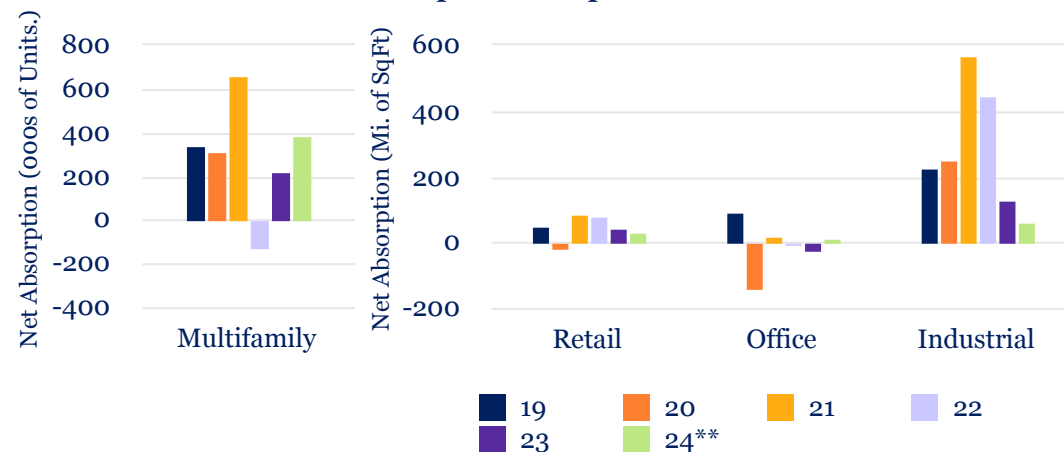
EMPLOYMENT REMAINS POSITIVE; SPACE DEMAND VARIES BY PROPERTY TYPE

- Labor shortage still restraining employment growth; 4.5 million jobs added in 2022, 3.0 million in 2023, and 1.3 million in 1H 2024.
- Wage gains and robust savings have sustained retail sales; despite expectations of a slowdown, consumer strength remains positive.
- Uncertainty surrounding inflation, interest rates, and economic slowing weighs on space demand for most property types.
- Office leasing impaired as companies adapt to hybrid models. Market variation widening by property class and urban vs. suburban location.
- Apartment rental demand recovering, after period of softening.
- Retail absorption inhibited by limited available space. Industrial demand moderating, but still positive.

Employment Growth vs. Unemployment Rate



Space Absorption Trends



* Through 2Q; trailing 12-months through 2Q 2024 for employment growth

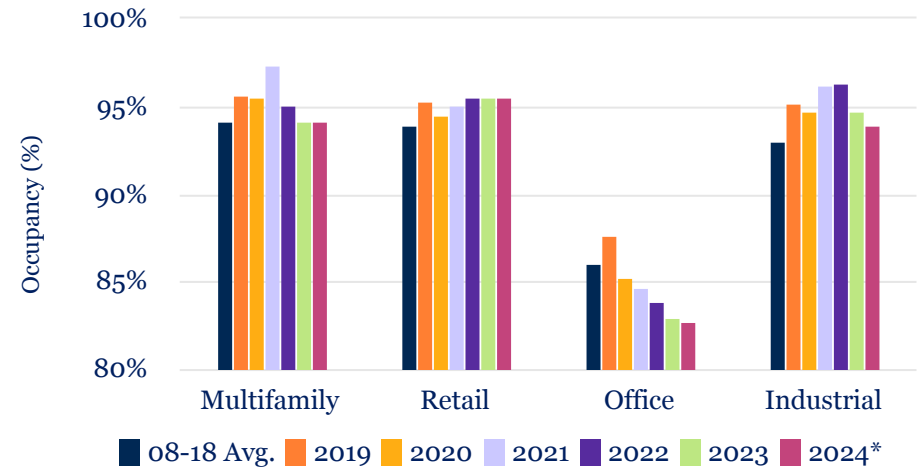
** Preliminary estimate for trailing 12-months through 2Q 2024

Sources: BLS, CoStar Group, Inc., RealPage, Inc.

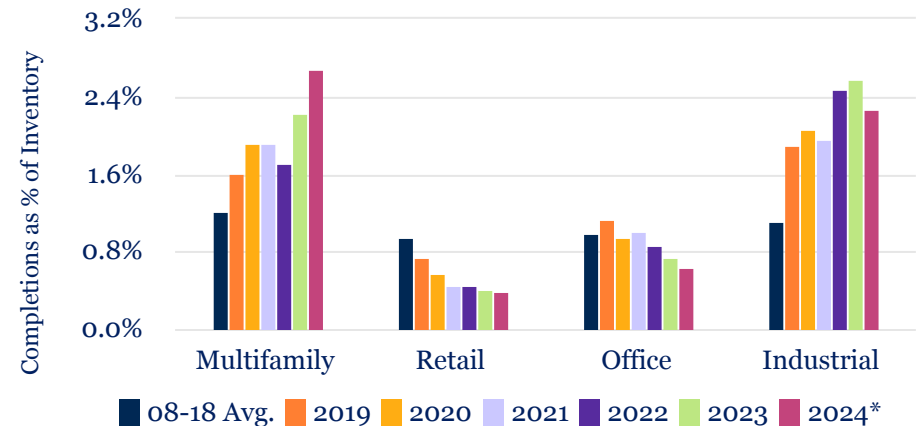
PROPERTY FUNDAMENTALS GENERALLY SOUND BY HISTORICAL STANDARDS; HOWEVER, VARIATIONS WIDENING

- Multifamily and industrial aggressively delivering record new completions as the economy slows. Risk of over-supply limited to select local markets with heavy construction.
- Companies have reduced their inventories to mitigate recession risk, but industrial space demand remains positive.
- Hospitality sector approaching full recovery led by limited-service segments.
- Necessity-based retail and single-tenant retail among top performing property types.
- Office occupancy tapering as plans to return to the office remain in question and economic uncertainty restrains commitments.
- Retail and office new supply pipeline remain low by historical standards.

Occupancy Trends



Construction Trends



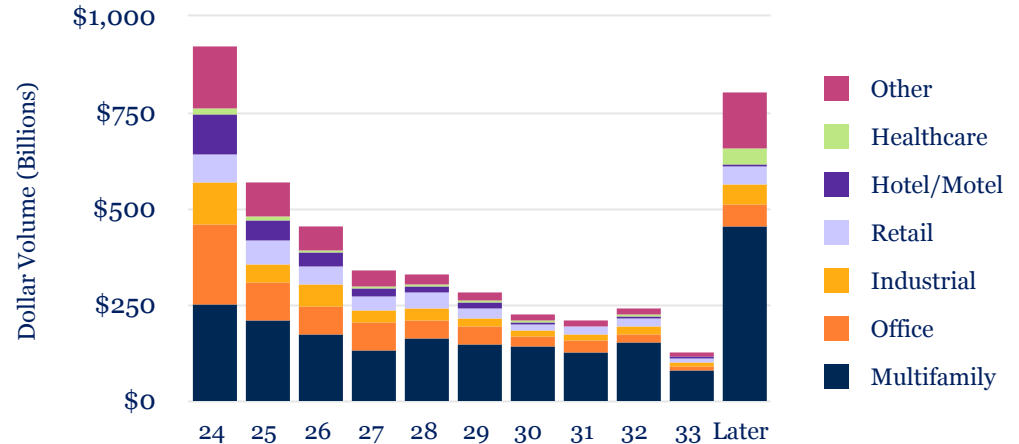
* Preliminary estimate through 2Q; trailing 12-months through 2Q for construction

Sources: CoStar Group, Inc., RealPage, Inc.

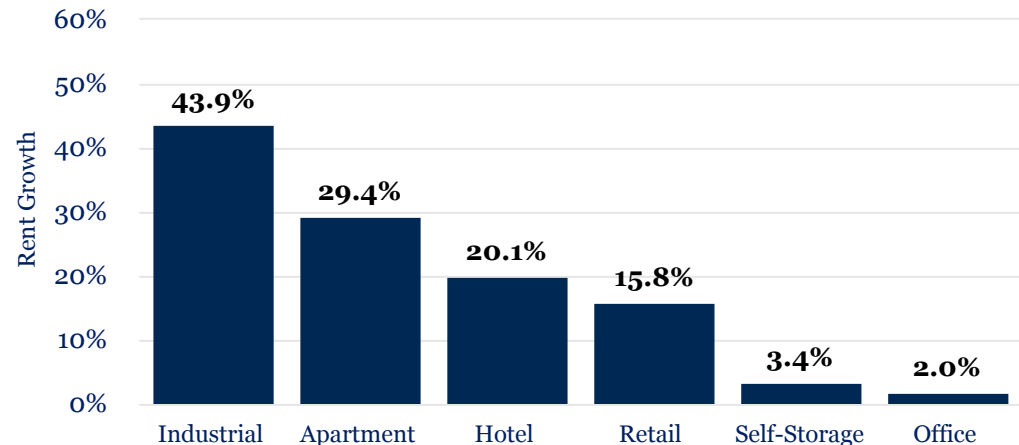
MATURING CRE LOAN VOLUMES CONCERNING; MOST LENDERS EXTENDING TERMS/WORK-OUTS

- With the exception of office properties, rent growth and appreciation has been healthy in most segments over the past 5-7 years.
- These factors should mitigate systemic risk to banks and other lenders.
- Office experiencing the greatest uncertainty as the segment faces the most maturities this year, while rent growth lags.
- FDIC/Federal Reserve guidance urges lenders to favor workouts and extensions of loans in good standing, as opposed to off-loading assets at large discounts.
- Nonetheless loan performance limit banks' ability to provide normal levels of CRE capital. Short-term loans issued in the past three years with aggressive underwriting face the greatest challenge.

Commercial Real Estate Loan Maturities*



Five-Year Rent Growth: 2Q 2019 to 2Q 2024**



* For loans outstanding as of 2023

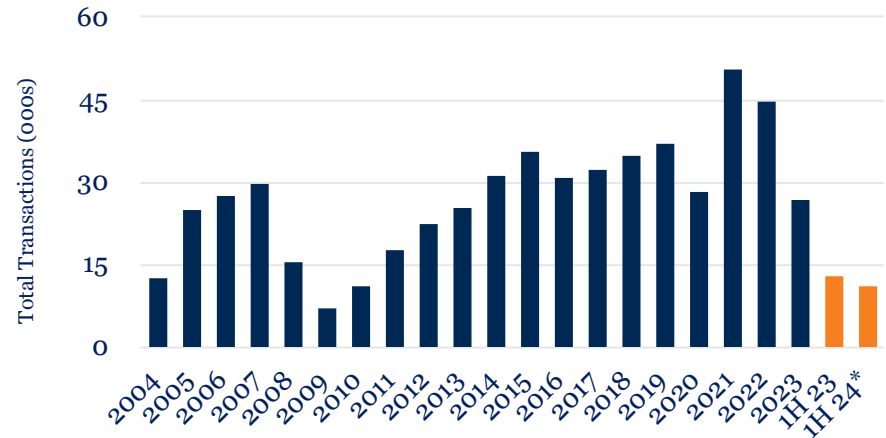
** Trailing 12-month ADR for Hotel from June 2019 through June 2024

Sources: CoStar Group, Inc., RealPage, Inc., Yardi Matrix, Mortgage Bankers Association

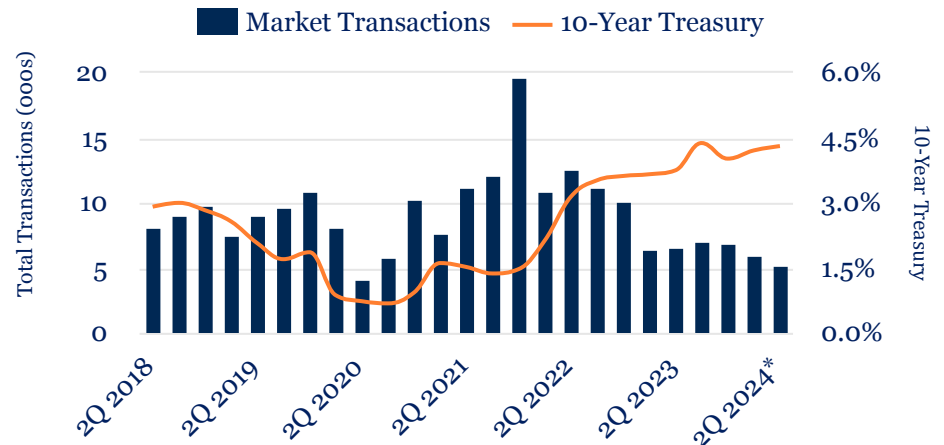
LENDER CAUTION AND TIGHTENED UNDERWRITING, WIDENED BID/ASK SPREAD HAMPERING TRANSACTIONS

- Transaction counts in 2Q declined by an estimated 22% year-over year. In 1H estimates point to a 15% drop year-over-year, while dollar volume decreased 8%.
- Tighter credit markets making price discovery more challenging, particularly for office properties.
- Financing generally available for most property types, but underwriting has continued to tighten. Loan-to-values and debt service coverage ratios have adjusted, weighing on trading activity.
- The ‘higher for longer’ outcome of Federal Reserve’s policy has brought down values.
- As the Federal Reserve completes tightening cycle as inflation declines, capital flows into commercial real estate are expected to improve.
- Well-priced assets are garnering healthy buyer demand as values adjust.

Annual U.S. Commercial Real Estate Sales Trends⁽¹⁾



Quarterly U.S. Commercial Real Estate Sales and Interest Rates⁽¹⁾



Sources: Real Capital Analytics, Federal Reserve

* Preliminary estimate for market sales

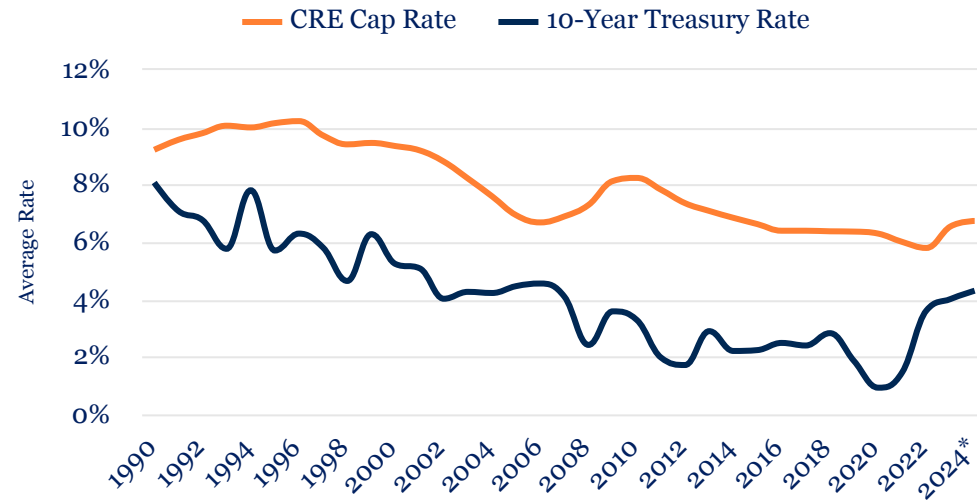
Excludes STORE Capital acquisition in 1Q 2023; Realty Income merger with Spirit Realty Capital in 1Q 2024

(1) Includes sales \$2.5 million and greater for multifamily, retail, office, industrial, hotel, seniors housing, and land

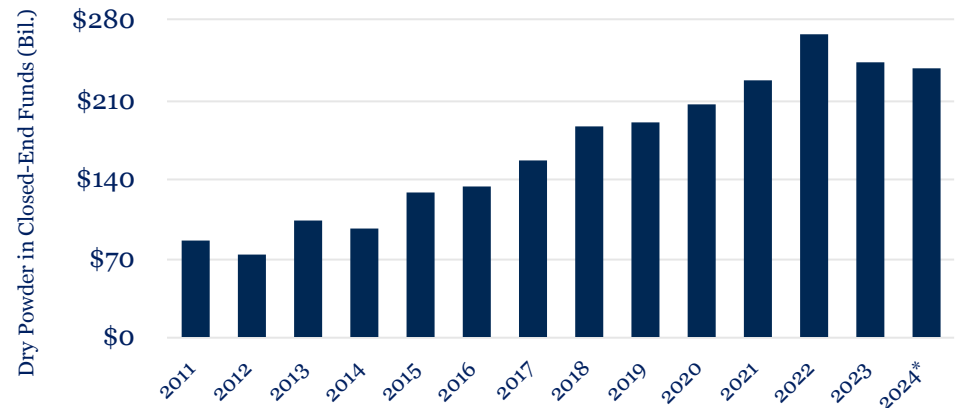
COMMERCIAL REAL ESTATE YIELD SPREADS CHALLENGED; PRICING RECALIBRATING TO HIGHER INTEREST RATES

- Rapid rise of interest rates, tightened lender underwriting, and slowing economic growth ahead has fueled uncertainty in valuations and widened the bid/ask spread. This continues to hinder the short-to-mid term transactional outlook.
- Market calibrating to higher-rate environment, active price discovery underway in many areas and property types.
- Appropriately priced assets are seeing ample buyer demand, and offer activity, reflecting record capital on the sideline.
- Price discovery and tighter lending climate weigh on transactional velocity.
- A growing conviction of a soft landing for the economy and healthy real estate fundamentals bode well for capital flows in the long-run. Record capital on the sideline waiting for further value adjustment, Federal Reserve's easing is encouraging.

Cap Rate/10-Year Treasury Spreads



Pent-up Capital Demand Near All-time High



* Through 2Q; pent-up capital as of July 25

Cap rates for sales \$1 million and greater

Sources: CoStar Group, Inc., Real Capital Analytics, Federal Reserve, Preqin

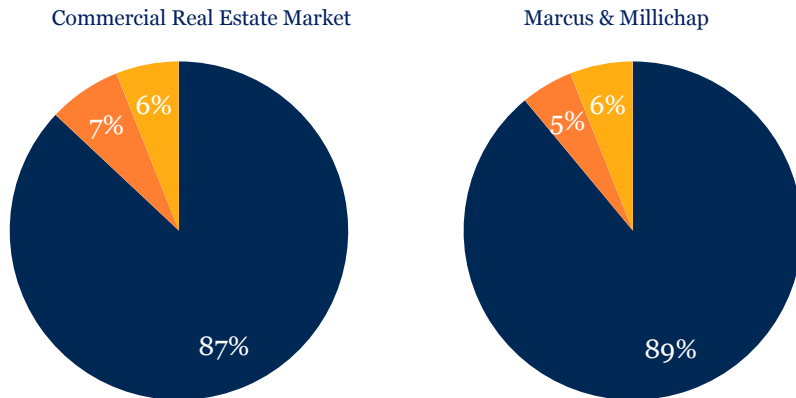
MMI Market Position

PRIVATE CLIENT MARKET

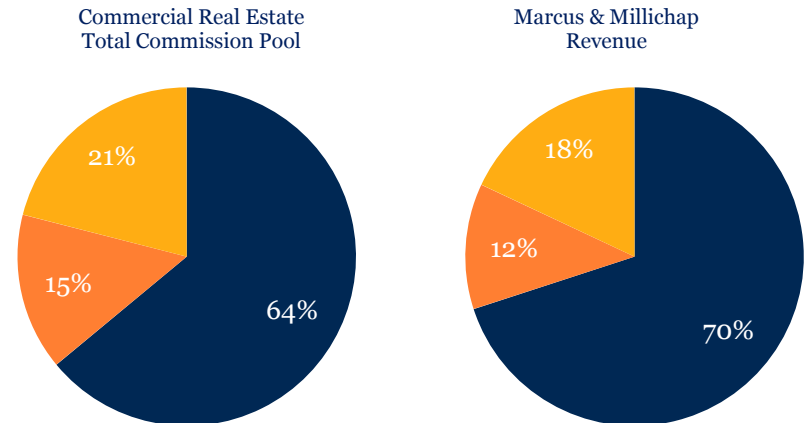
Largest Transaction and Commission Pool Opportunity

- Private client market consists of sales \$1 million to <\$10 million.
- Largest and most active market, accounting for 80%+ of transactions.
- Primarily driven by high-net worth individuals, partnerships and smaller private fund managers.
- Influenced by personal drivers that result in buying/selling/refinancing properties, as well as market conditions. Should be a major factor in increased sales activity once current market constraints begin to ease.
- Market features the highest commission rates.

Transactions by Investor Segment ⁽¹⁾



Commission Pool by Investor Segment ^{(1) (2)}



■ Private Client Market (\$1M - <\$10M)
■ Middle Market (\$10M - <\$20M)
■ Larger Transaction Market (≥\$20M)

Sources: CoStar Group, Inc., Real Capital Analytics

(1) Includes apartment, retail, office, and industrial sales \$1 million and greater for the trailing 12-months through 2Q 2024; 2Q preliminary estimate for market total.

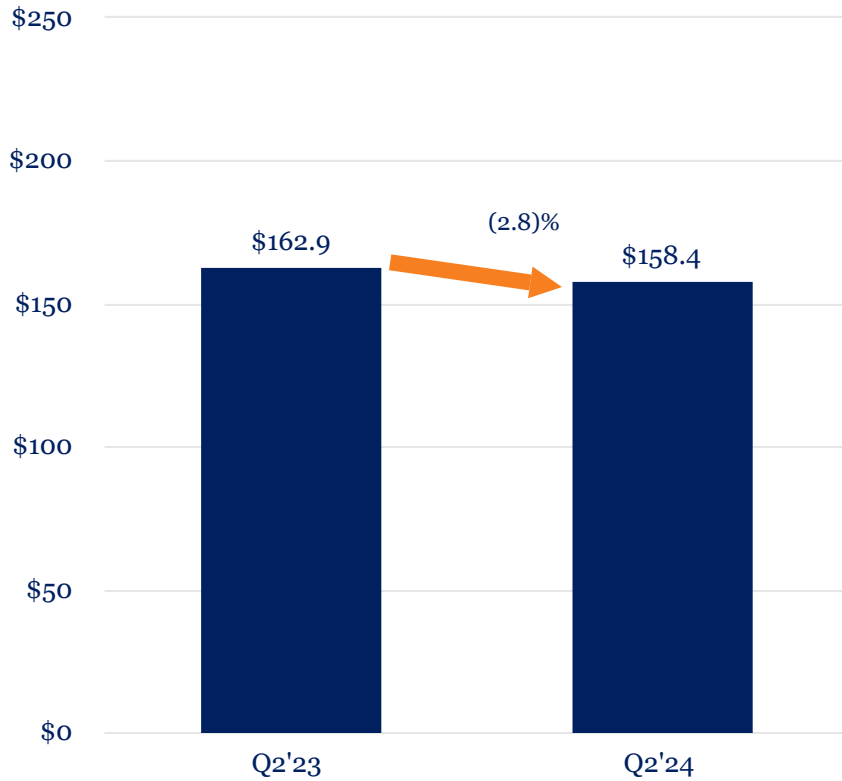
(2) Estimate based on industry averages: 2.7% commission rate for Private Client Market, 1.7% rate for Middle Market and 0.7% for Larger Transaction Market.

MMI Financial Details

TOTAL REVENUE

(\$ IN MILLIONS)

Q2'23 vs Q2'24



Year-to-Date '23 vs '24

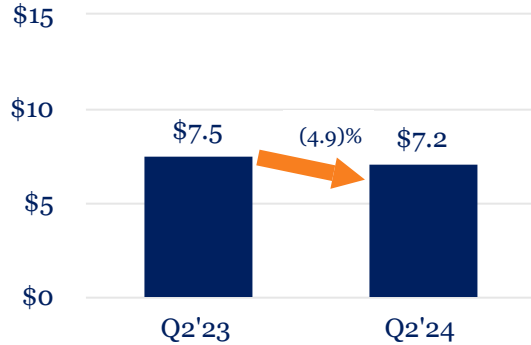


BROKERAGE OPERATING METRICS

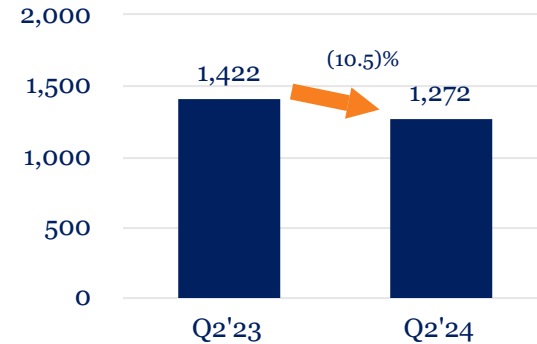
Q2 2023 vs Q2 2024

Total Sales Volume

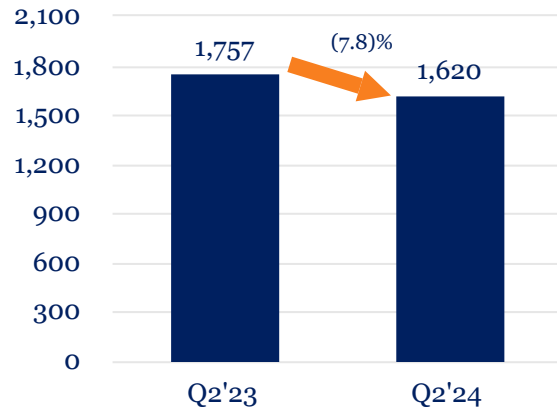
(\$ in billions)



Total Number of Transactions

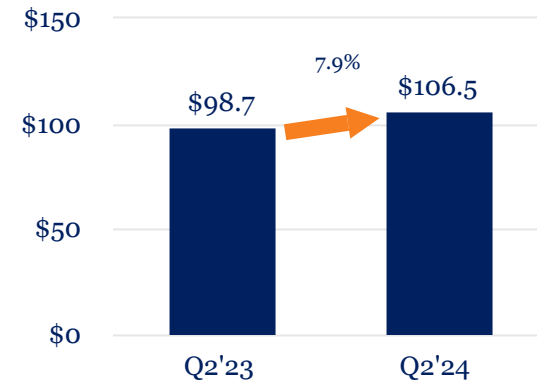


Average Number of Investment Sales Professionals



Average Commission Per Transaction

(\$ in thousands)

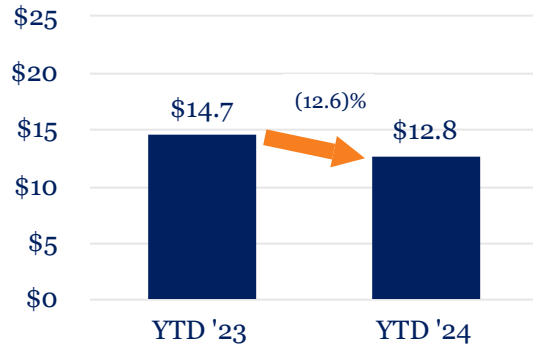


BROKERAGE OPERATING METRICS

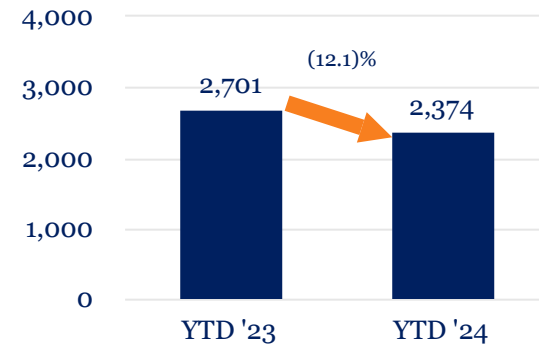
YEAR-TO-DATE 2023 vs 2024

Total Sales Volume

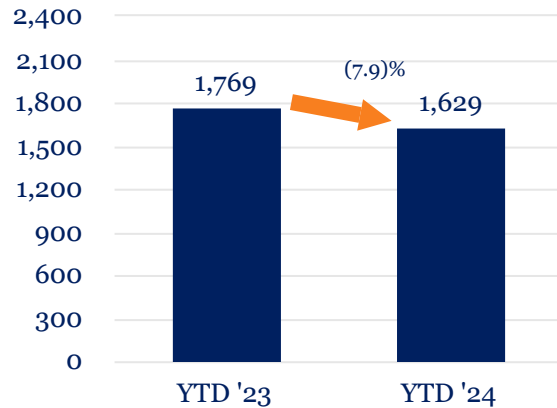
(\$ in billions)



Total Number of Transactions

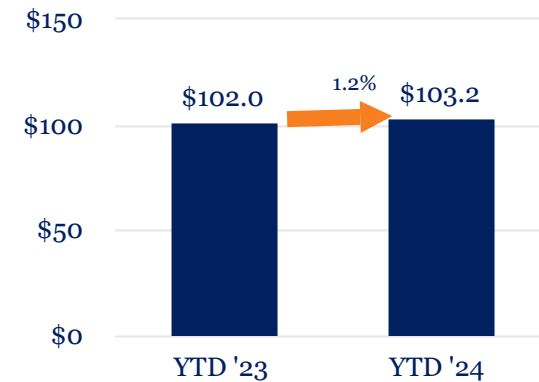


Average Number of Investment Sales Professionals



Average Commission Per Transaction

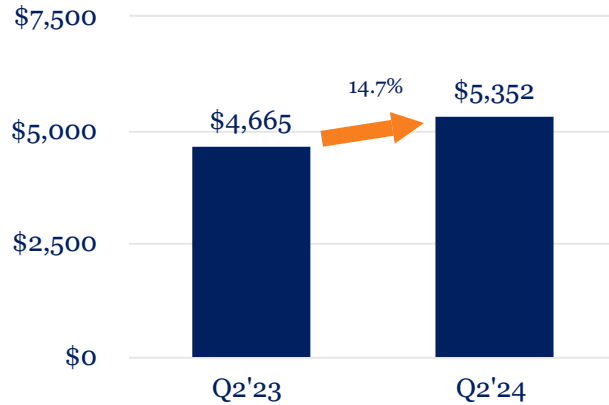
(\$ in thousands)



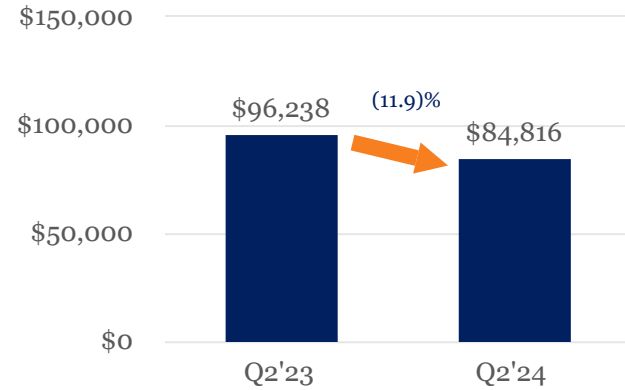
BROKERAGE REVENUE BY MARKET SEGMENT

Q2 2023 vs Q2 2024

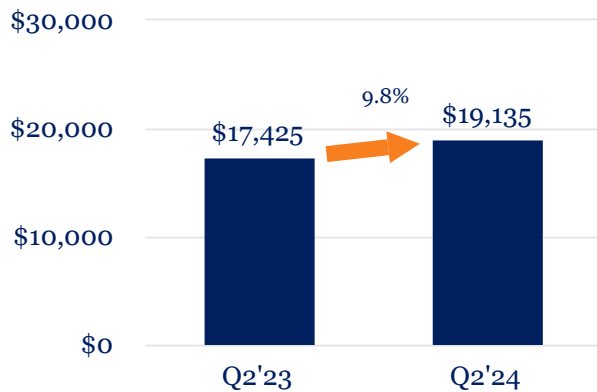
<\$1 million
(\$ in thousands)



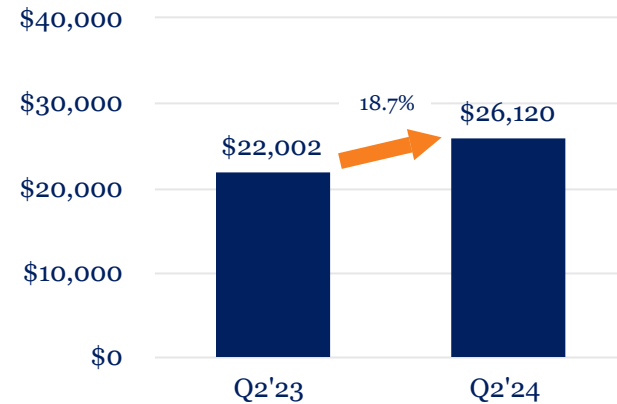
Private Client Market (\$1 - <\$10 million)
(\$ in thousands)



Middle Market (\$10 - <\$20 million)
(\$ in thousands)



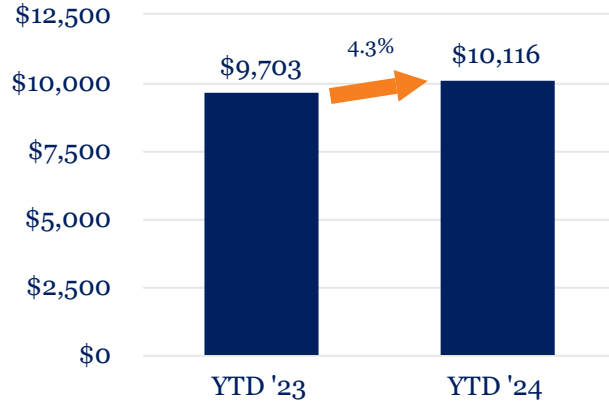
Larger Transaction Market (≥ \$20 million)
(\$ in thousands)



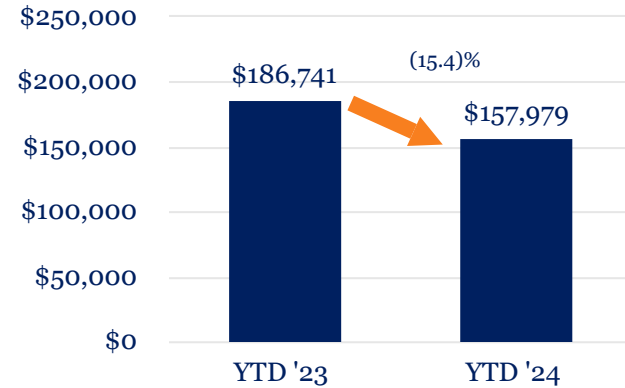
BROKERAGE REVENUE BY MARKET SEGMENT

YEAR-TO-DATE 2023 vs 2024

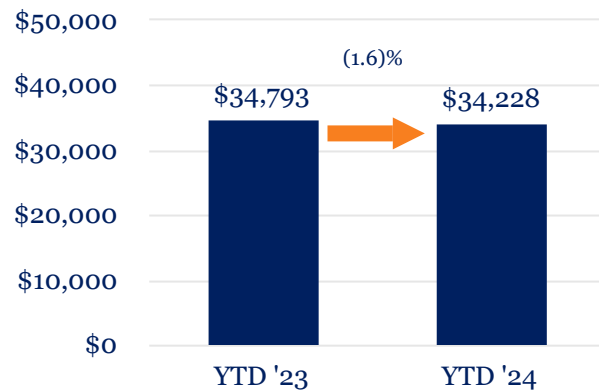
<\$1 million
(\$ in thousands)



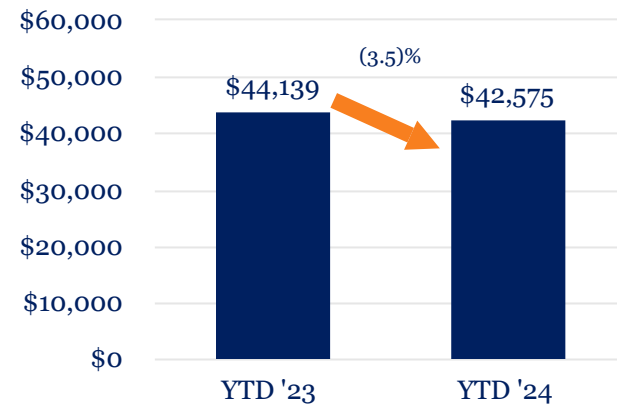
Private Client Market (\$1 - <\$10 million)
(\$ in thousands)



Middle Market (\$10 - <\$20 million)
(\$ in thousands)



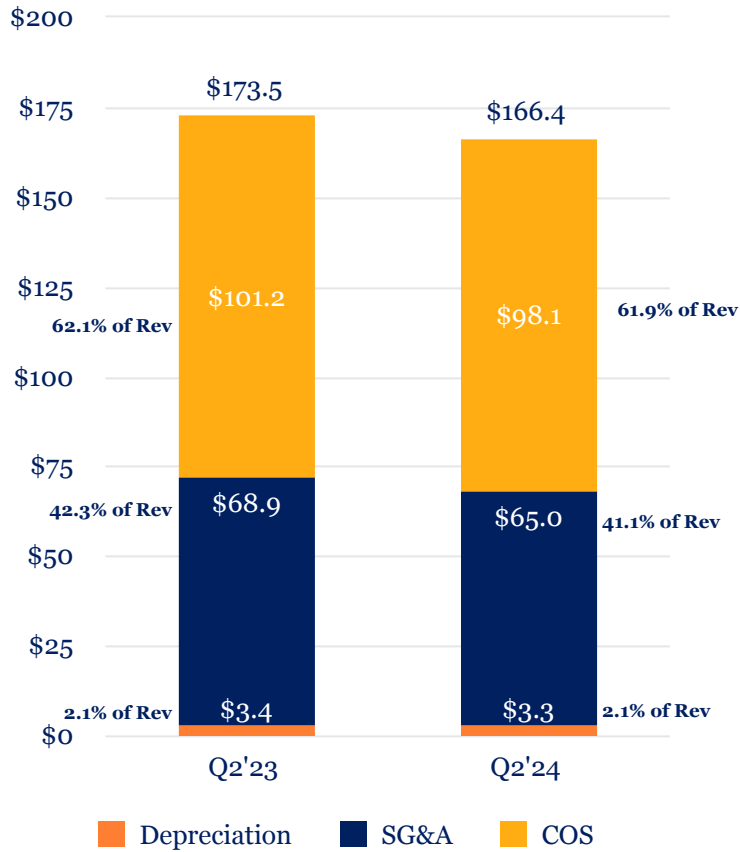
Larger Transaction Market (≥ \$20 million)
(\$ in thousands)



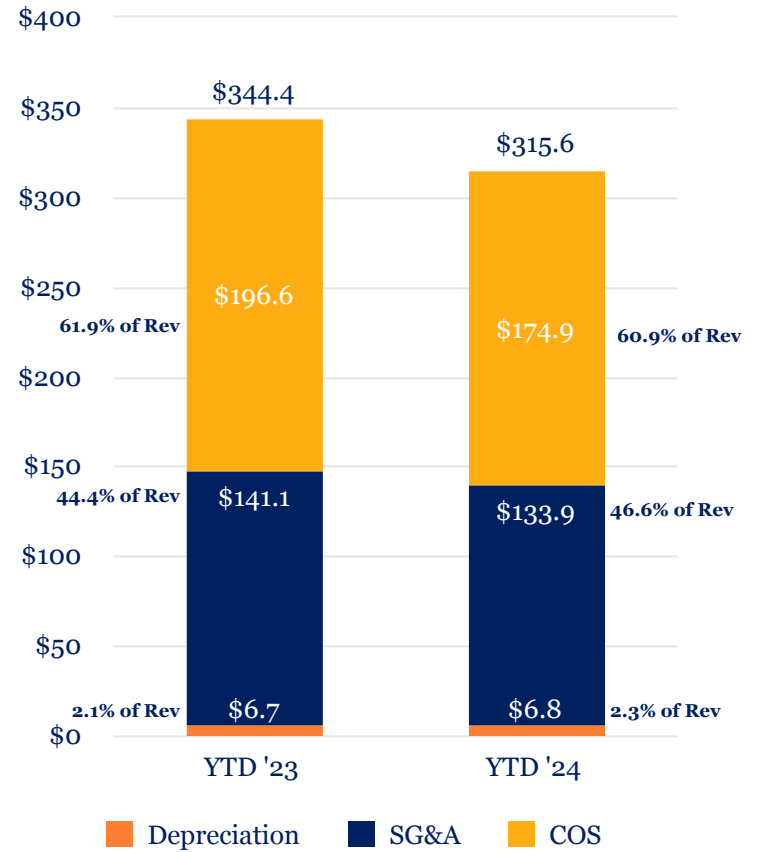
OPERATING EXPENSE

(\$ IN MILLIONS)

Q2'23 vs Q2'24



Year-to-Date '23 vs '24



NET LOSS AND ADJUSTED EBITDA PERFORMANCE

Q2 2023 vs Q2 2024

Net Loss
(\$ in millions)

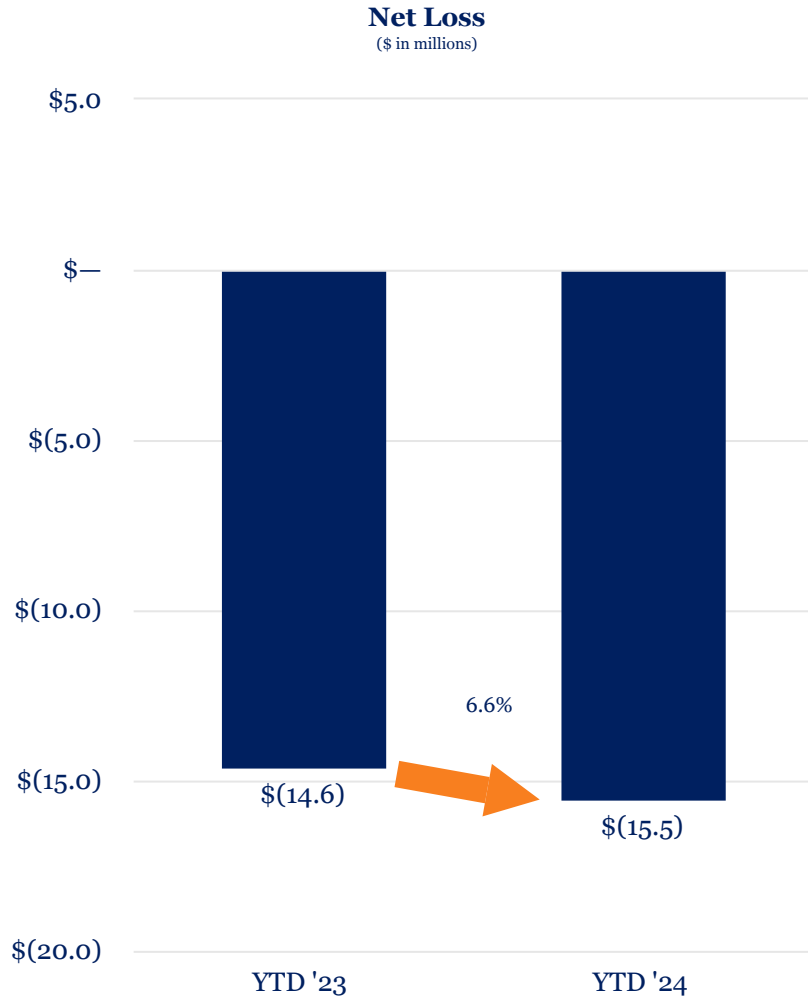


Adjusted EBITDA
(\$ in millions)



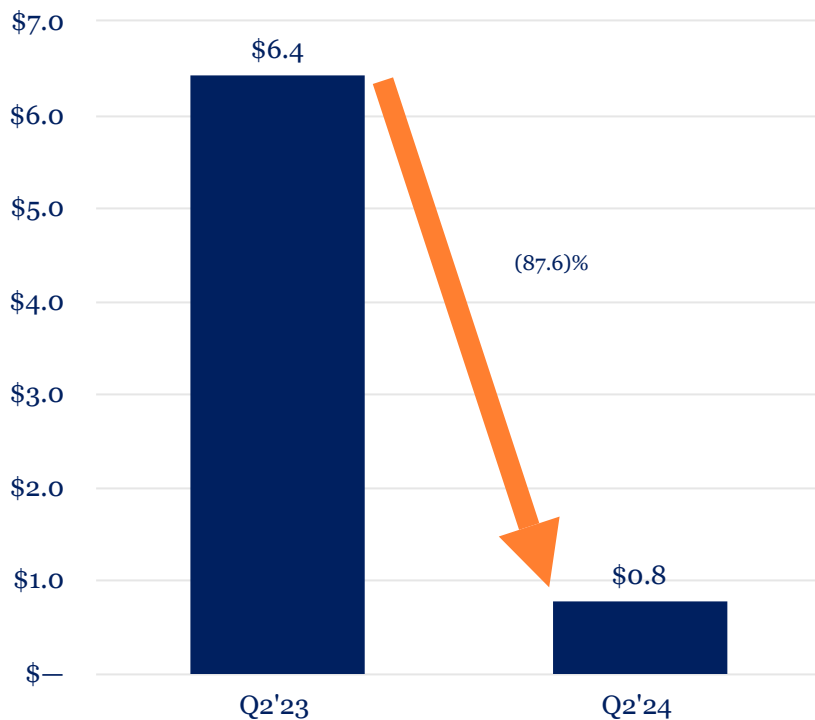
NET LOSS AND ADJUSTED EBITDA PERFORMANCE

YEAR-TO-DATE 2023 vs 2024

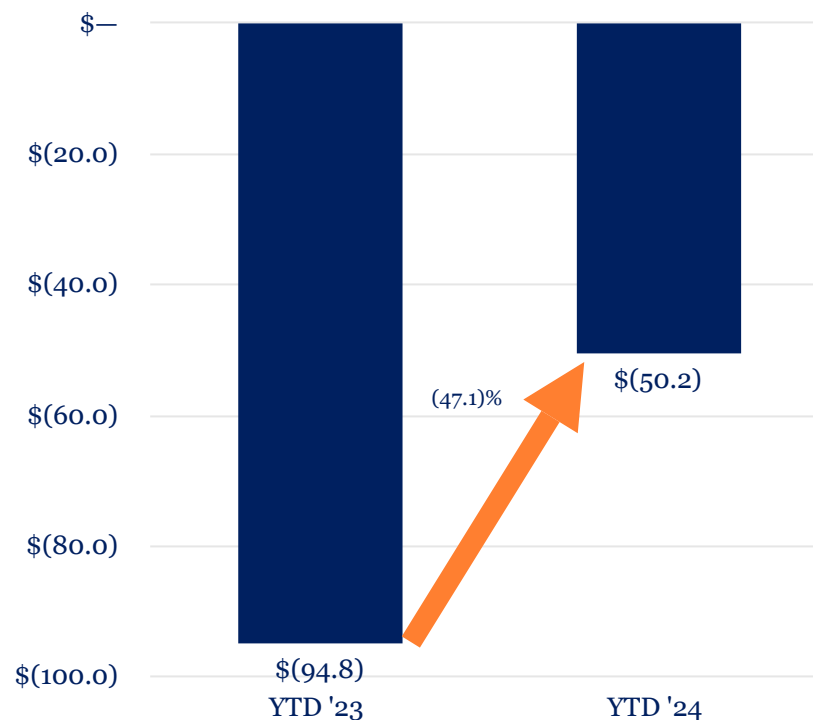


CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES

QTD Cash Flows Provided By Operating Activities
(\$ in millions)



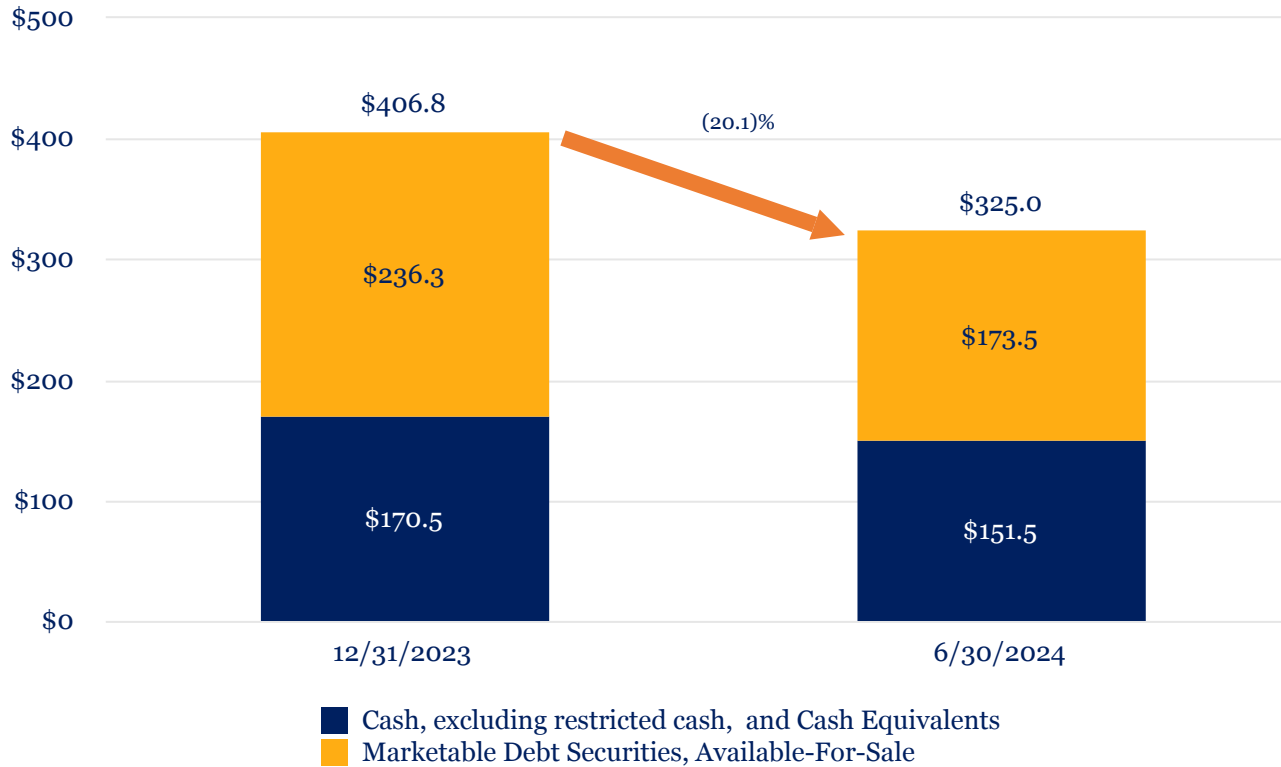
YTD Cash Flows Used In Operating Activities ⁽¹⁾
(\$ in millions)



(1) Cash flows used in operating activities were \$50.2 million for the six months ending June 30, 2024 compared to \$94.8 million for the same period in 2023. The \$44.6 million decrease in cash flows used in operating activities for the six months ended June 30, 2024 compared to the same period in 2023 was primarily due to decreased payments for bonuses, deferred commission and compensation and advances and loans payments in the current year compared to the same period in prior year, partially offset by decreased operating income as discussed above. The larger bonus and commission payments made in the 2023 period primarily related to amounts accrued in 2022. The cash flows from operating activities are also affected by the timing of certain cash receipts and payments.

LIQUIDITY POSITION

**Cash, excluding Restricted Cash⁽¹⁾, Cash Equivalents
and Marketable Debt Securities, Available-For-Sale**
(\$ in millions)



(1) Restricted cash was \$0.3 million and \$10.5 million as of December 31, 2023 and June 30, 2024, respectively.

Appendix

ADJUSTED EBITDA RECONCILIATION

Adjusted EBITDA, which the Company defines as net loss before (i) interest income and other, including net realized gains (losses) on marketable debt securities, available-for-sale and cash, cash equivalents, and restricted cash; (ii) interest expense; (iii) provision (benefit) for income taxes; (iv) depreciation and amortization; and (v) stock-based compensation. The Company uses Adjusted EBITDA in its business operations to evaluate the performance of its business, develop budgets, and measure its performance against those budgets, among other things. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate its overall operating performance. However, Adjusted EBITDA has material limitations as a supplemental metric and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under U.S. generally accepted accounting principles ("U.S. GAAP"). The Company finds Adjusted EBITDA to be a useful management metric to assist in evaluating performance, because Adjusted EBITDA eliminates items related to capital structure, taxes and non-cash items. In light of the foregoing limitations, the Company does not rely solely on Adjusted EBITDA as a performance measure and also considers its U.S. GAAP results. Adjusted EBITDA is not a measurement of the Company's financial performance under U.S. GAAP and should not be considered as an alternative to net loss, operating income or any other measures calculated in accordance with U.S. GAAP. Because Adjusted EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$(5,538)	\$(8,729)	\$(15,525)	\$(14,562)
Adjustments:				
Interest income and other (1)	(4,543)	(4,090)	(9,308)	(8,480)
Interest expense	204	216	403	431
Provision (benefit) for income taxes	2,100	2,728	(2,646)	(2,905)
Depreciation and amortization	3,329	3,468	6,751	6,675
Stock-based compensation	5,889	5,351	11,684	10,362
Adjusted EBITDA	\$1,441	\$(1,056)	\$(8,641)	\$(8,479)

(1) Other includes net realized losses on marketable debt securities, available-for-sale.



COMPANY OVERVIEW

NATIONAL PLATFORM FOCUSED ON REAL ESTATE INVESTMENT BROKERAGE

- Over 50 years of experience dedicated to perfecting real estate investment brokerage
- Designed to maximize real estate value, facilitate investment options by geography and property type, and create liquidity for investors

MARKET LEADER IN THE PRIVATE CLIENT MARKET SEGMENT

- Only national brokerage firm predominantly focused on servicing the Private Client Market segment which consistently accounts for 80%+ of CRE transactions in the U.S.
- Private client business has been supplemented with penetration in larger transactions and institutional clients for over a decade

PLATFORM BUILT FOR MAXIMIZING INVESTOR VALUE

- Marcus & Millichap Capital Corporation (“MMCC”), Research & Advisory support client dialogue, financing, strategy, and sales execution
- Culture and policy of information sharing is key to maximizing investor value

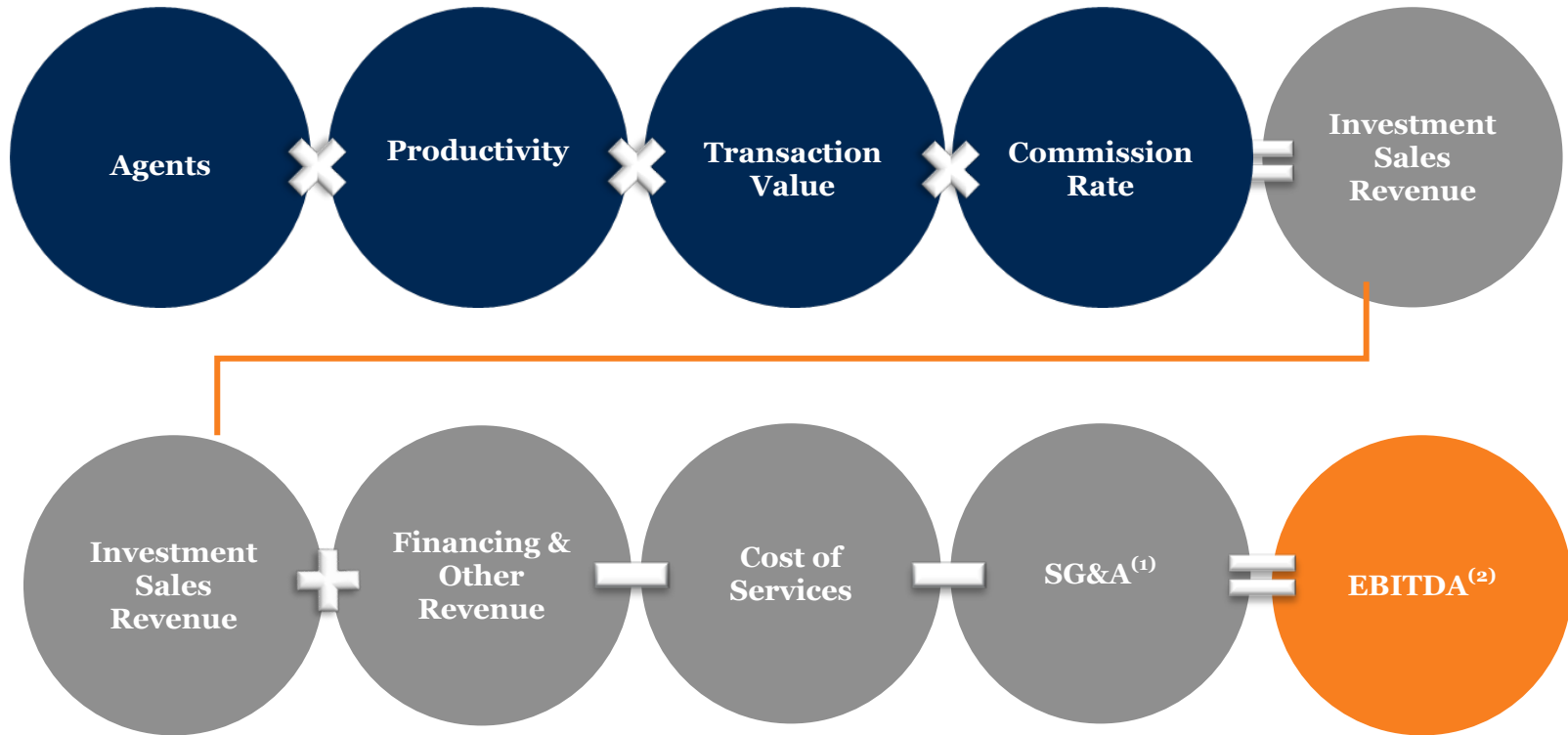
MANAGEMENT WITH SIGNIFICANT INVESTMENT BROKERAGE EXPERIENCE

- Non-competitive management with extensive investment brokerage experience, committed to training, coaching, and supporting investment sales professionals
- Culture creates a competitive advantage through agent retention and better client results

WELL-POSITIONED TO EXECUTE ON STRATEGIC GROWTH PLAN

- Positioned to increase Private Client Market segment share, expand presence in specialty niches/larger transaction business, and grow the MMCC division
- Strong balance sheet with no debt provides financial flexibility to pursue strategic acquisitions

ILLUSTRATIVE MMI EARNINGS MODEL



1. Includes stock-based compensation

2. EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income or any other measure derived in accordance with U.S. GAAP

Marcus & Millichap

Second Quarter 2024