



FOURTH QUARTER 2022

EARNINGS CONFERENCE CALL - February 17, 2023

FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements, including the Company's business outlook for 2023, the anticipation of further interest rate increases and inflation, the execution of our capital return program, including the initiation of a semi-annual dividend plan, the stock repurchase program, and expectations for market share growth. 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 rising inflation and higher interest rates; (4) our ability to attract and retain qualified senior executives, managers and investment sales and financing professionals; (5) the effects of increased competition on our business; (6) our ability to successfully enter new markets or increase our market share; (7) our ability to successfully expand our services and businesses and to manage any such expansions; (8) our ability to retain existing clients and develop new clients; (9) our ability to keep pace with changes in technology; (10) any business interruption or technology failure, including cyber and ransomware attacks, and any related impact on our reputation; (11) changes in interest rates, availability of capital, tax laws, employment laws or other government regulation affecting our business; (12) our ability to successfully identify, negotiate, execute and integrate accretive acquisitions; and (13) other risk factors included under "Risk Factors" in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

CONFERENCE CALL PARTICIPANTS



HESSAM NADJI

President, Chief Executive Officer and Director



STEVE DEGENNARO

Chief Financial Officer



MMI FINANCIAL HIGHLIGHTS

2022 FOURTH QUARTER HIGHLIGHTS

Financial Highlights		YoY
Revenue	\$262.4 million	(47.0)%
Net Income	\$7.9 million	(87.2)%
Adjusted EBITDA	\$14.1 million	(84.0)%

Operational Highlights		YoY
Sales Volume	\$16.4 billion	(52.1)%
Transaction Closings	2,698	(37.4)%
Number of Investment Sales and Financing Professionals as of December 31, 2022	1,904	(4.5)%

FULL-YEAR 2022 HIGHLIGHTS

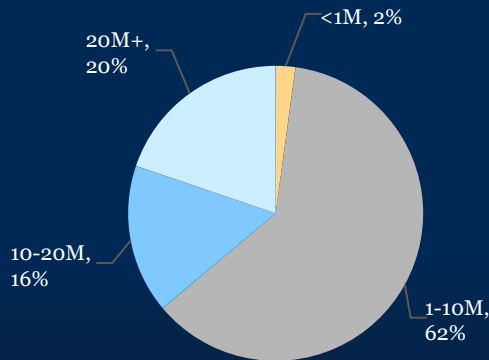
Financial Highlights		YoY
Revenue	\$1,301.7 million	0.4%
Net Income	\$104.2 million	(26.8)%
Adjusted EBITDA	\$165.5 million	(22.3)%

Operational Highlights		YoY
Sales Volume	\$86.3 billion	2.3%
Transaction Closings	12,272	(7.4)%
Number of Investment Sales and Financing Professionals as of December 31, 2022	1,904	(4.5)%

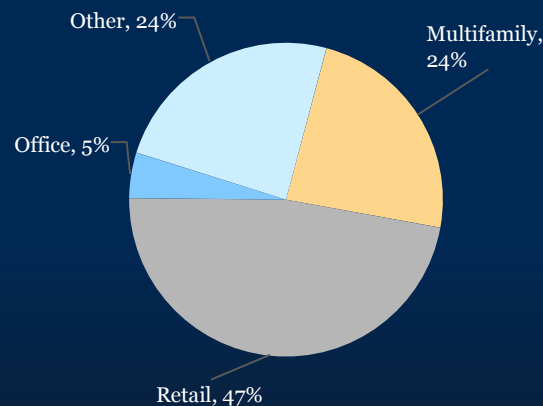
2022 FOURTH QUARTER BROKERAGE HIGHLIGHTS

		YoY
Sales Volume	\$13.1 billion	(54.2)%
Transaction Closings	2,043	(37.7)%
Number of Investment Sales Professionals as of December 31, 2022	1,818	(5.0)%
Real Estate Brokerage Commissions Revenue	\$235.8 million	(48.2)%

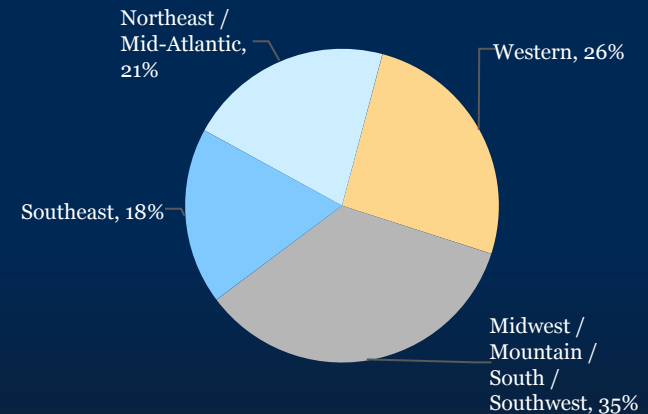
Revenue by Transaction Size



Transactions by Property Type



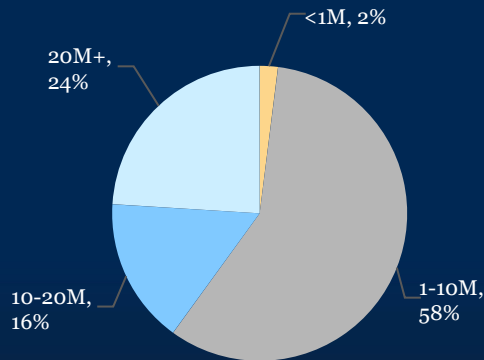
Transactions by Region



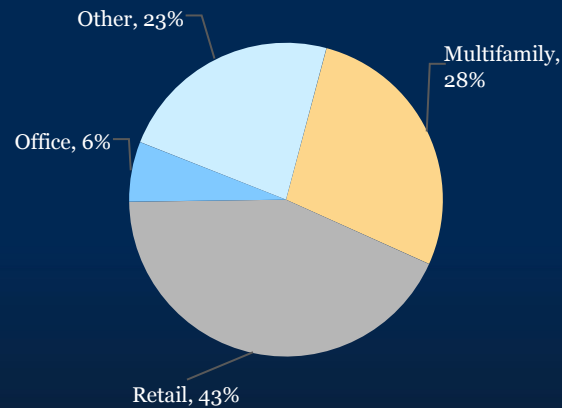
FULL-YEAR 2022 BROKERAGE HIGHLIGHTS

		YoY
Sales Volume	\$68.1 billion	0.9%
Transaction Closings	9,111	(5.6)%
Number of Investment Sales Professionals as of December 31, 2022	1,818	(5.0)%
Real Estate Brokerage Commissions Revenue	\$1,170.3 million	(0.1)%

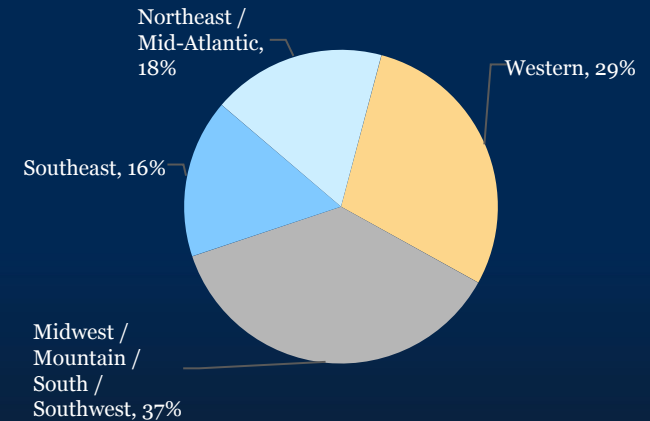
Revenue by Transaction Size



Transactions by Property Type



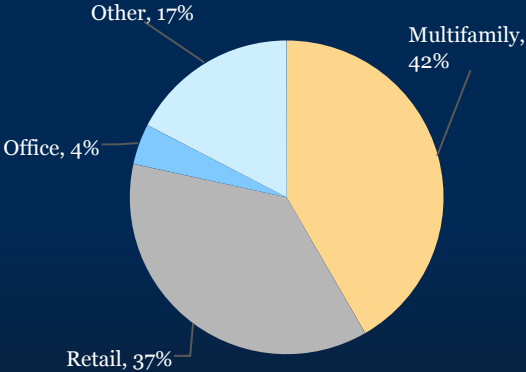
Transactions by Region



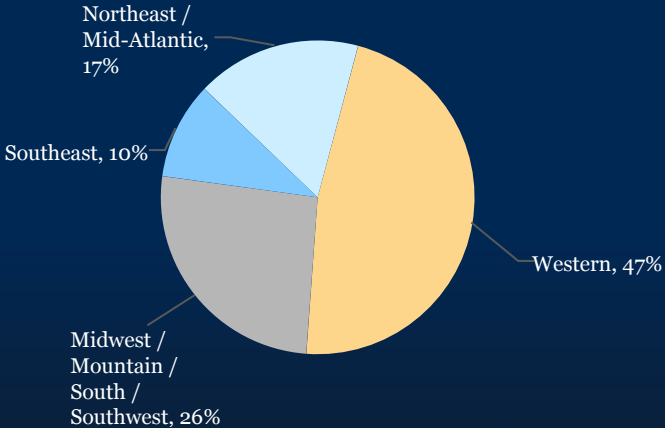
2022 FOURTH QUARTER FINANCING HIGHLIGHTS

		YoY
Sales Volume	\$2.4 billion	(37.5)%
Transaction Closings	408	(41.4)%
Number of Financing Professionals as of December 31, 2022	86	7.5%
Financing Fees Revenue	\$21.6 million	(36.9)%

Transactions by Property Type



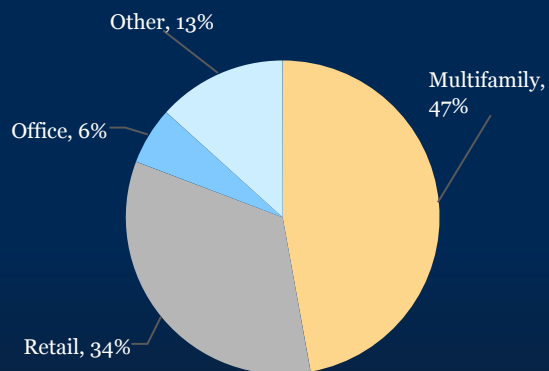
Transactions by Region



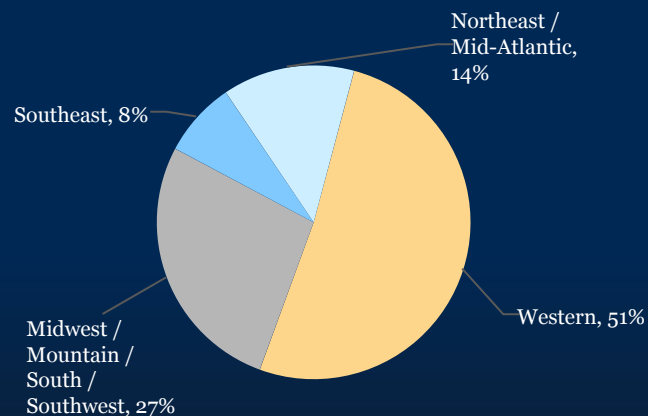
FULL-YEAR 2022 FINANCING HIGHLIGHTS

		YoY
Sales Volume	\$12.8 billion	10.5%
Transaction Closings	2,143	(13.4)%
Number of Financing Professionals as of December 31, 2022	86	7.5%
Financing Fees Revenue	\$113.0 million	3.0%

Transactions by Property Type



Transactions by Region

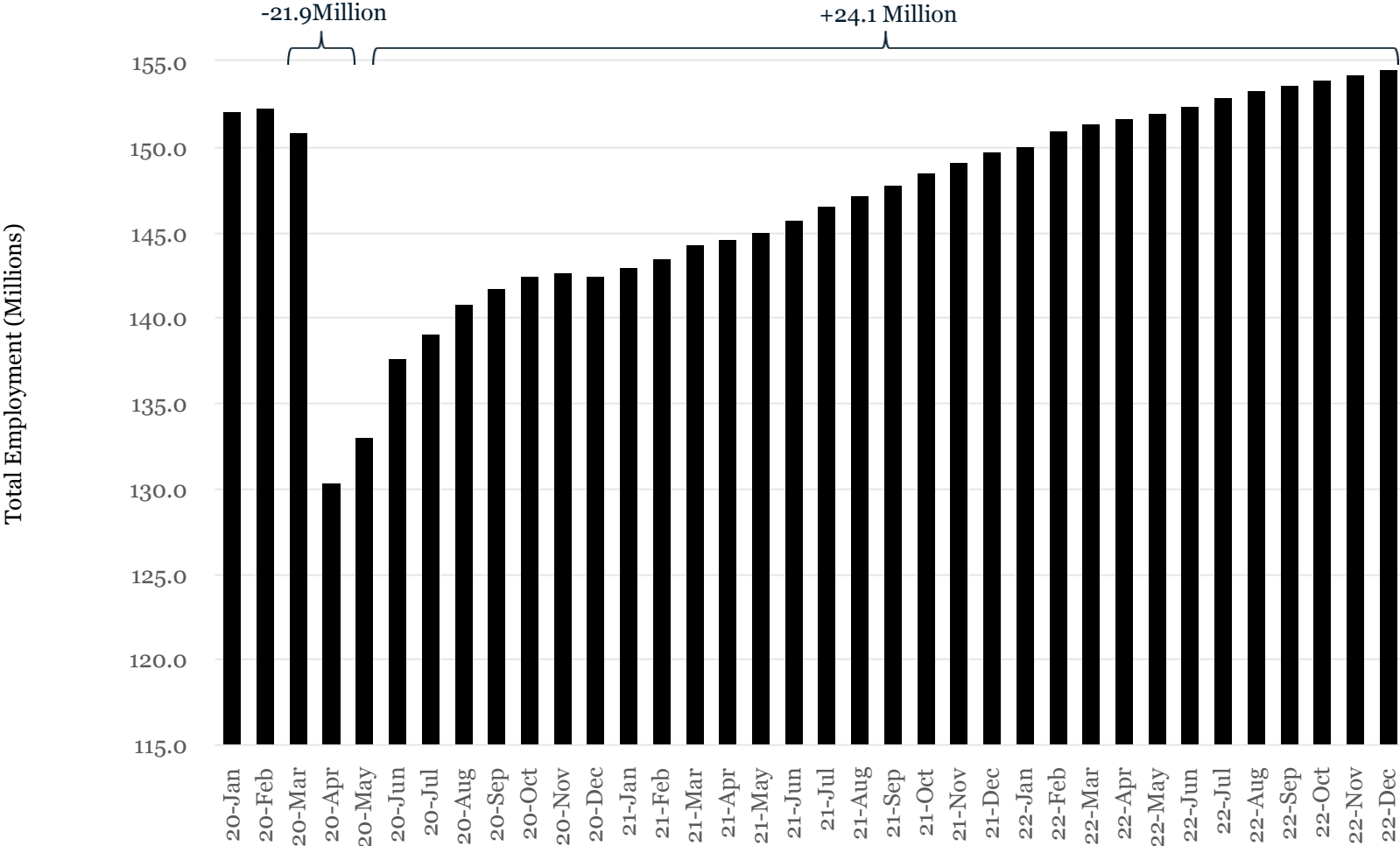




MARKET HIGHLIGHTS

JOB GROWTH CONTINUES WITH EMPLOYMENT SURPASSING PRE-PANDEMIC LEVELS

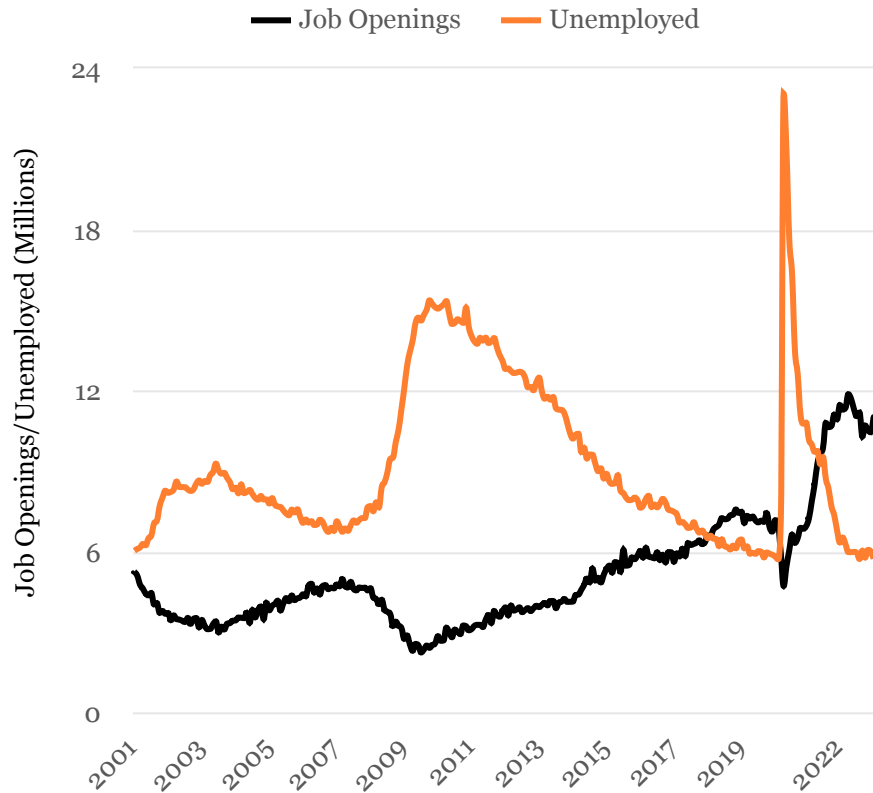
2023 forecast to add 1.3 million jobs*



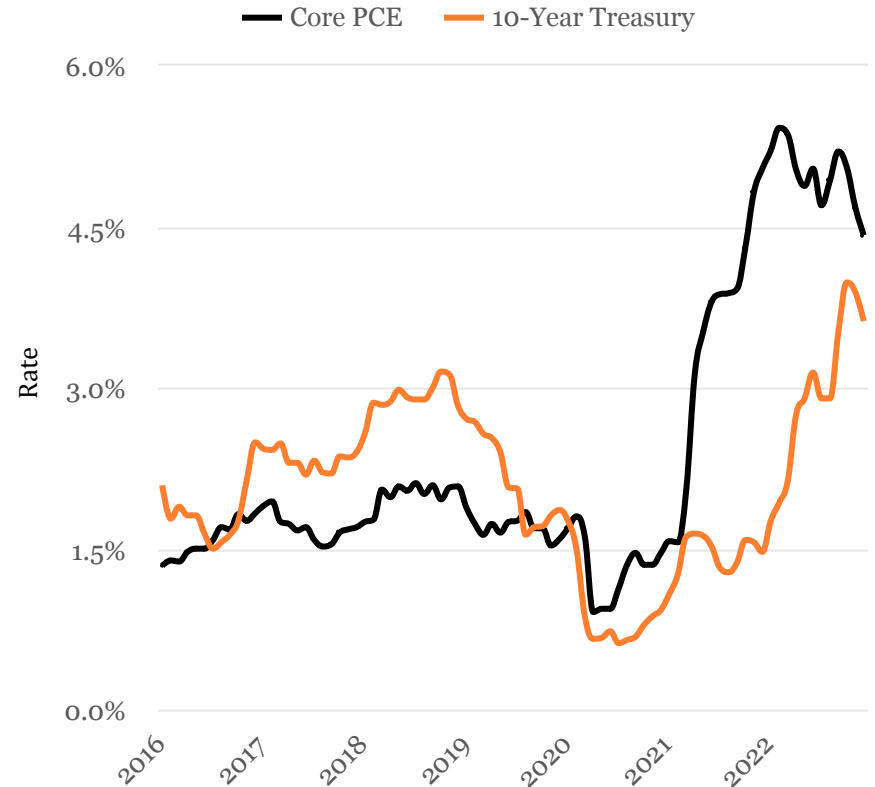
* Forecast per Economy.com
Sources: BLS, Moody's Analytics

LABOR SHORTAGE WEIGHS ON HIRING; INFLATION PRESSURE BEGINNING TO ABATE BUT STILL ELEVATED

Job Openings vs. Unemployed



Inflation vs. Treasury Rates

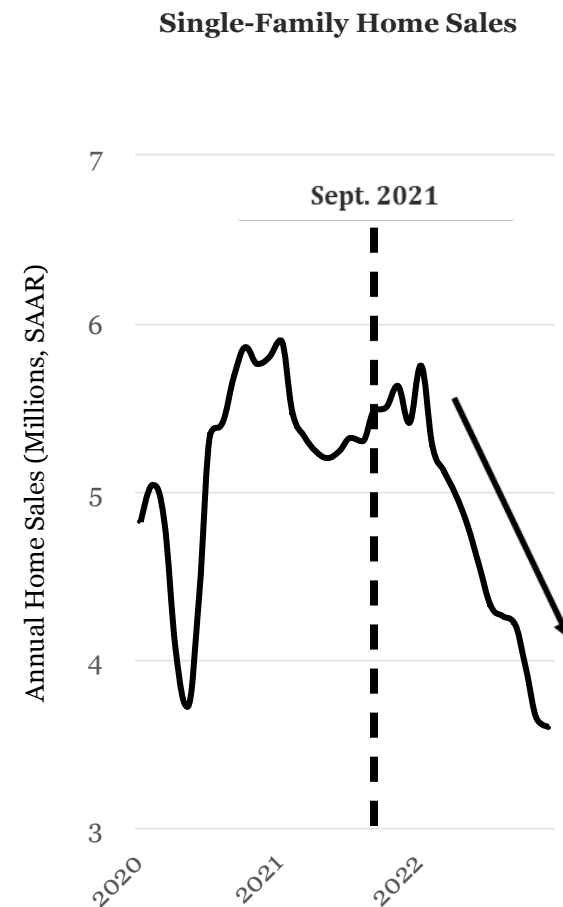
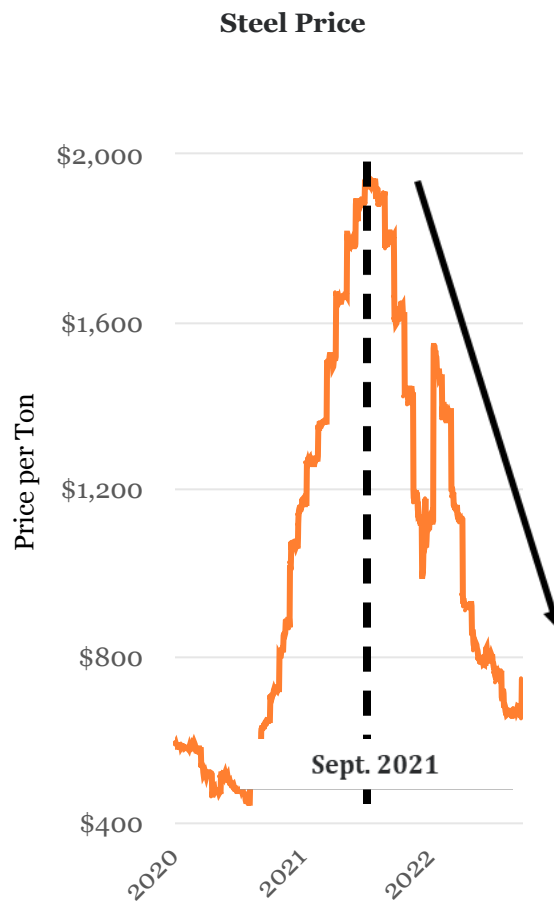
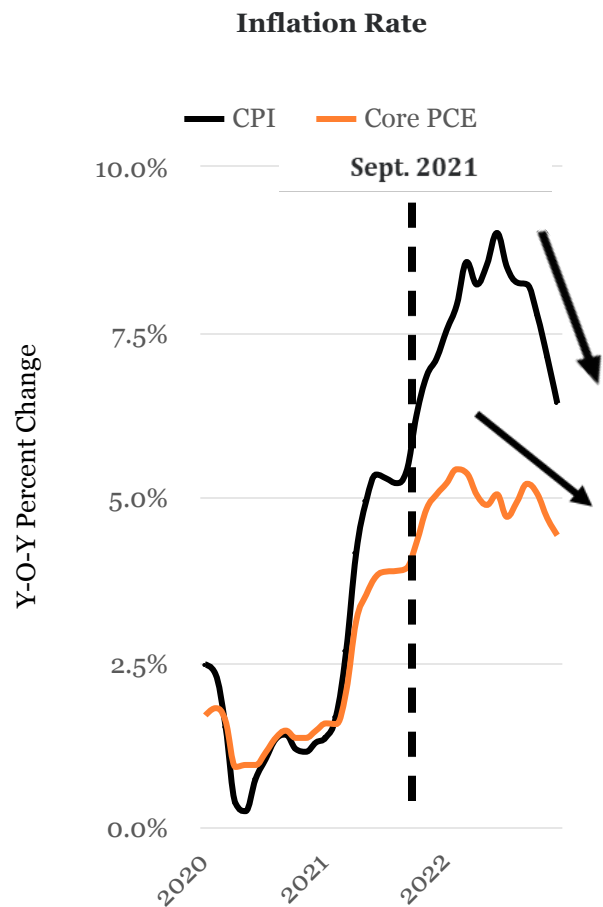


Sources: BLS, Federal Reserve, BEA

Marcus & Millichap

SEPT. 2021: FED TOOK NO ACTION CALLING INFLATION “TRANSITORY”

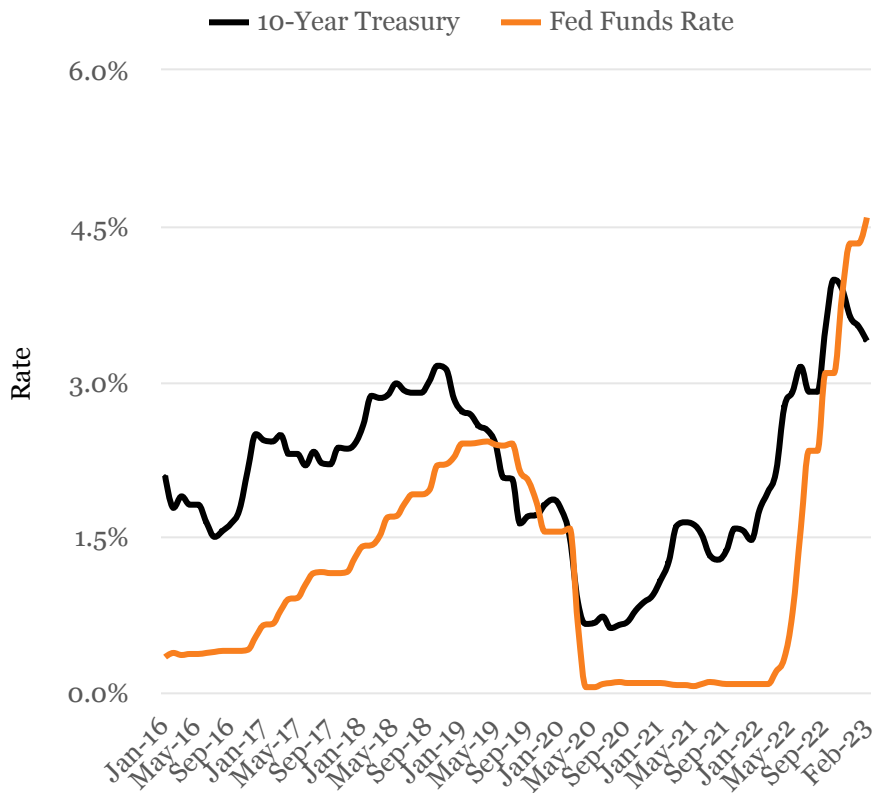
SEPT. 2022: AGGRESSIVE ACTION DESPITE LEADING INDICATORS TURNING



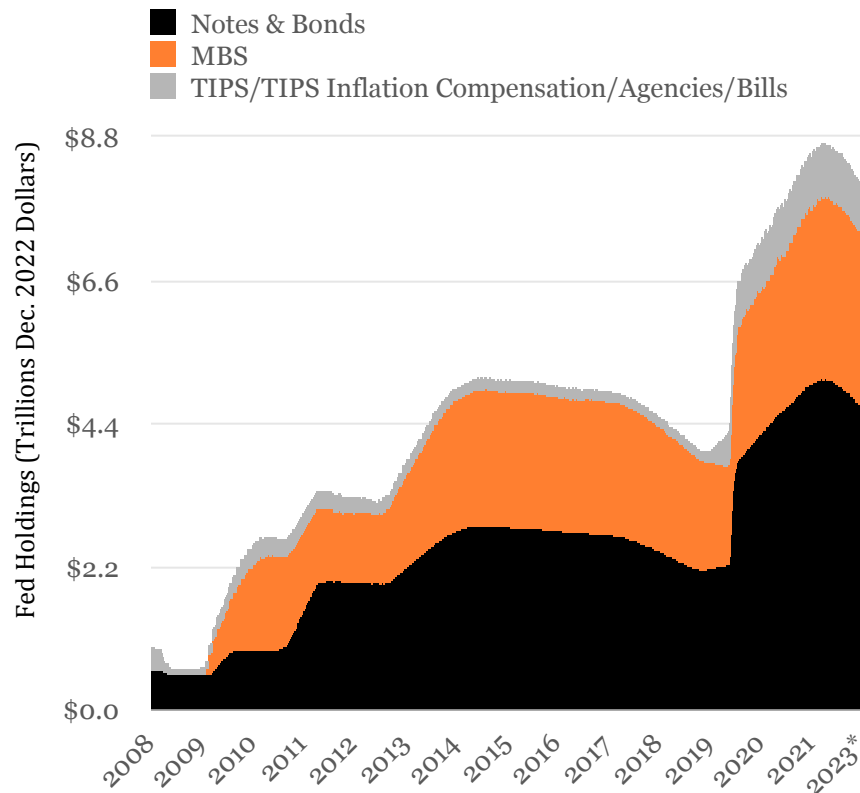
Steel prices for hot rolled coil
Sources: BEA, BLS, Chicago Mercantile Exchange, National Association of Realtors

MOST AGGRESSIVE FED TIGHTENING SINCE 1980 DISRUPTED CRE MARKETS

10-Year Treasury vs. Fed Funds Rate



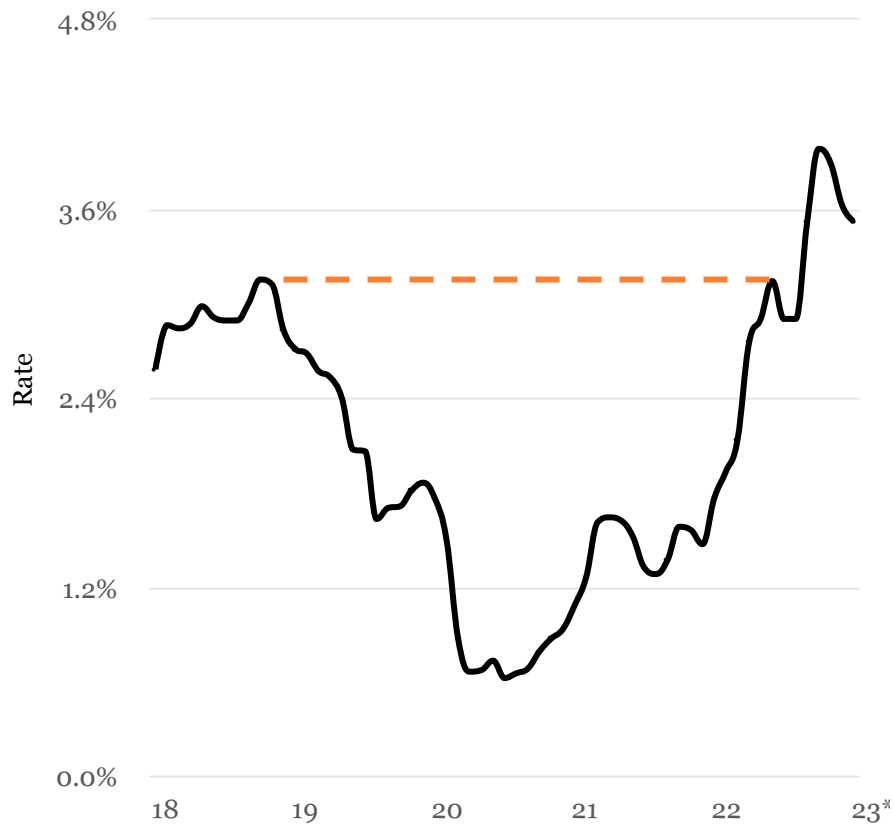
Inflation Adjusted Fed Balance Sheet



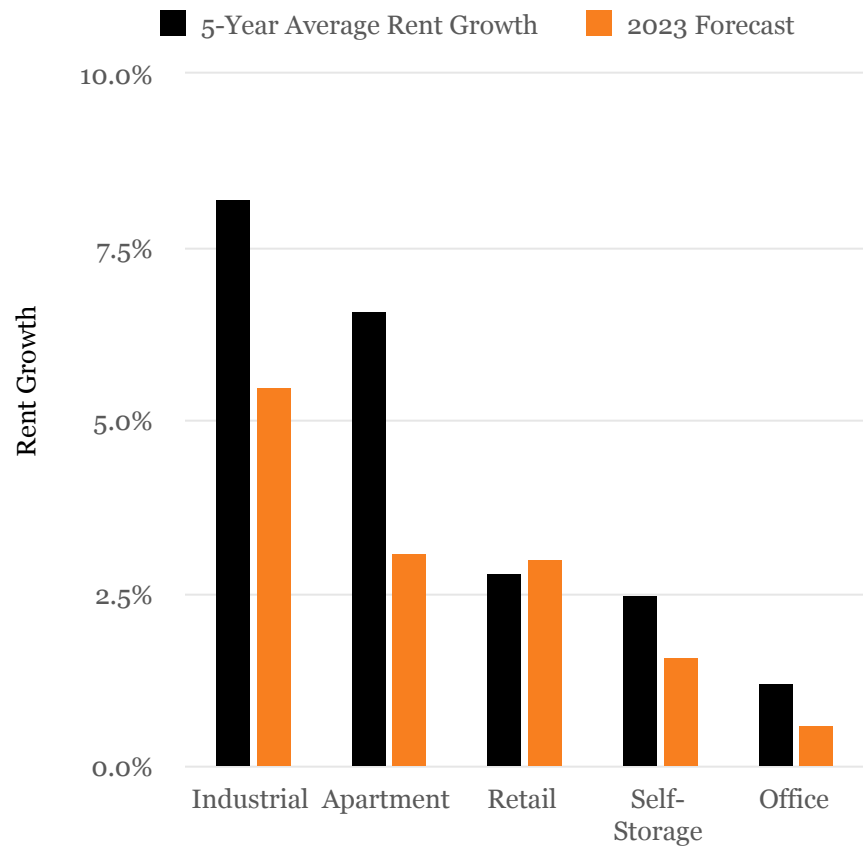
* Through January 25
 10-Year treasury and Fed Funds rate through February 1
 Adjusted for inflation using Core PCE
 Sources: Real Capital Analytics, Federal Reserve

ELEVATED INTEREST RATES, RECESSION FEARS CHALLENGING RENT GROWTH

10-Year Treasury

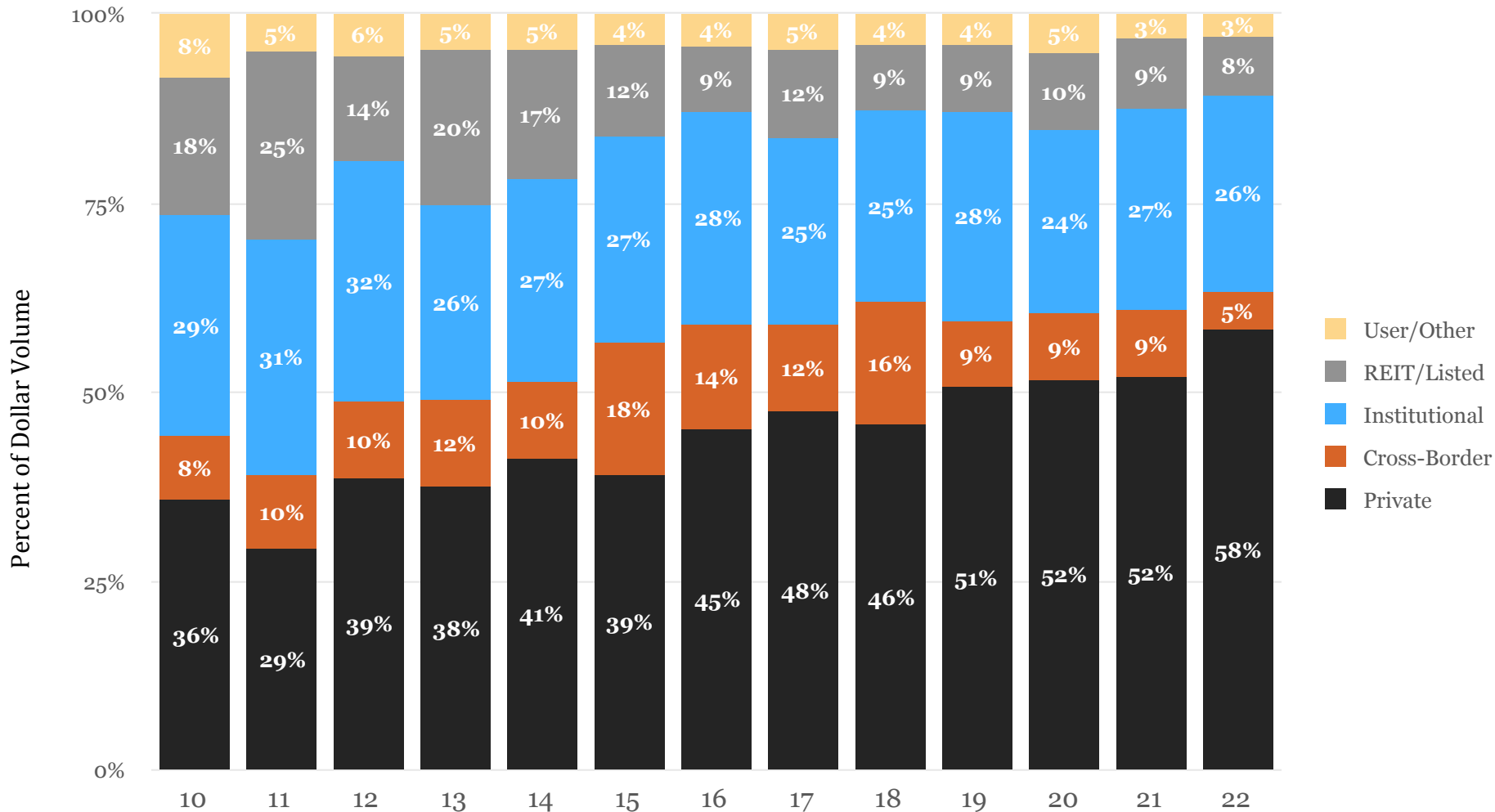


5-Year Average Rent Growth vs. 2023 Forecast



* Through January 27, 2023
 Preliminary estimate for 2022 rents
 Sources: Federal Reserve, CoStar Group, Inc., RealPage, Inc., Yardi Matrix

PRIVATE INVESTORS DOMINATE U.S. COMMERCIAL REAL ESTATE; INSTITUTIONAL INVESTORS MORE HESITANT IN CURRENT WINDOW

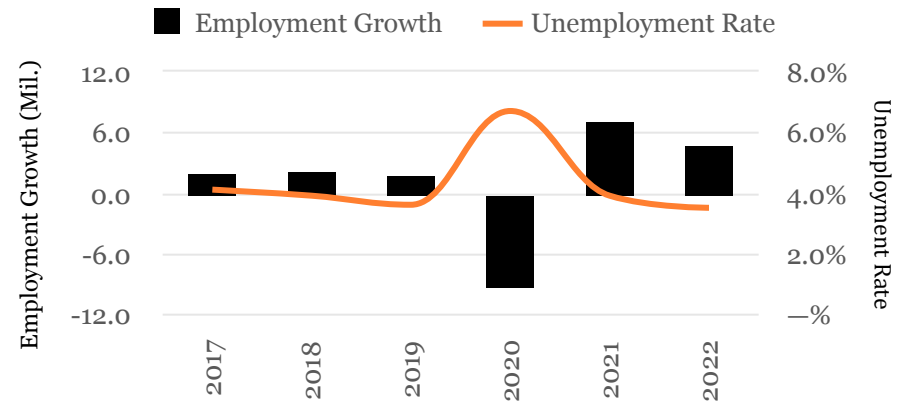


Includes sales \$2.5 million and greater for multifamily, retail, office, industrial, hotel, seniors housing, and land
 Source: Real Capital Analytics

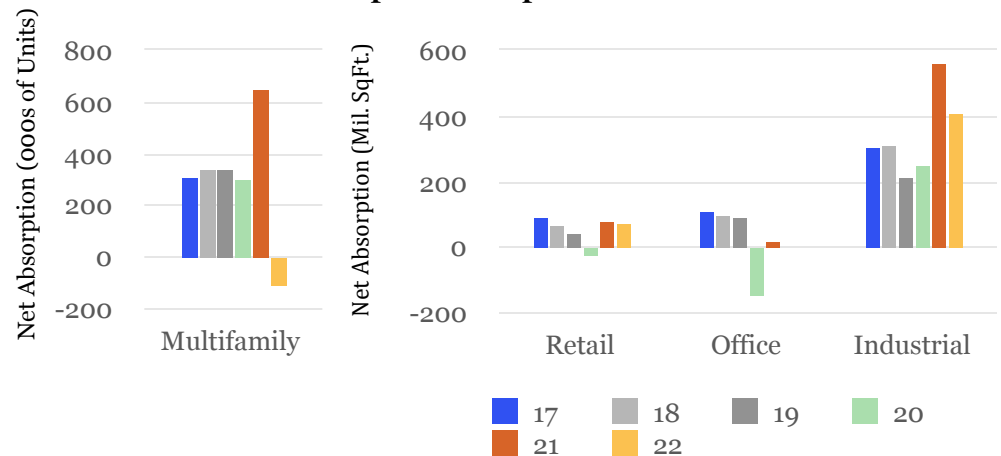
EMPLOYMENT REMAINS SOUND; SPACE DEMAND REMAINS STABLE AS PROSPECT OF ECONOMIC 'SOFT LANDING' IMPROVES

- Labor shortage still restraining job creation but record 7.3 million jobs added in 2021 and 4.8 million in 2022.
- Continued hiring, wage gains, and robust savings have sustained retail sales and consumption; remain a positive factor for the economy and most property types.
- Uncertainty surrounding inflation, Federal Reserve rate increases, and recession risk continues to weigh on space demand of most property types.
- Office leasing positive but companies remain cautious about long-term commitments. Market variation widening by class and urban vs. suburban office space.
- Apartment rental demand has softened considerably after record run.

Employment Growth vs. Unemployment Rate



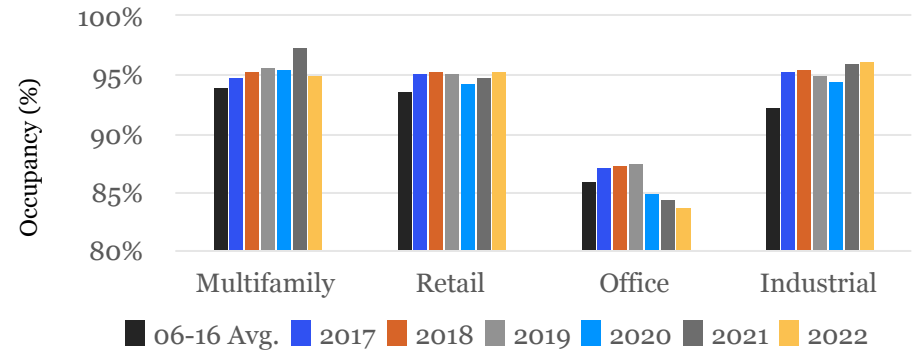
Space Absorption Trends



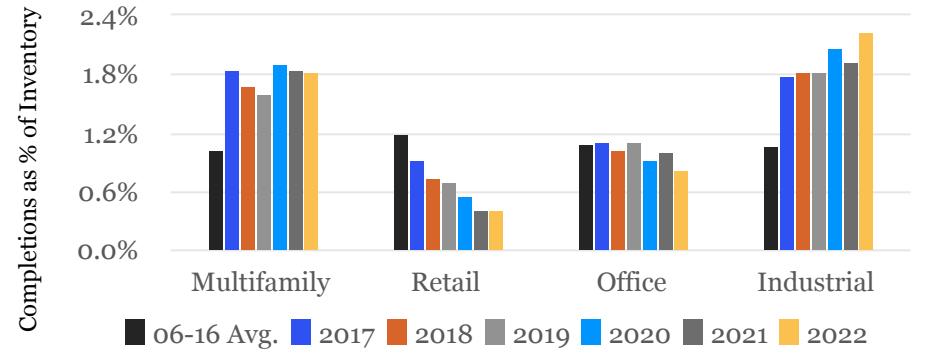
PROPERTY FUNDAMENTALS SOUND BY HISTORICAL STANDARDS; HOWEVER, VARIATIONS WIDENING

- Multifamily and industrial aggressively delivering record new completions as the economy slows.
- Supply chain disruptions still posing some challenges; companies have bolstered inventories to mitigate shortages, sustaining industrial space demand.
- Hospitality sector approaching full recovery led by limited-service segments.
- Necessity-based retail, single-tenant retail, and self-storage among top performing property types.
- Office occupancy tapered further last year as company's plans to return to the office remain in question and economic uncertainty restrained commitments.
- Retail and office new supply pipeline low by historical standards.

Occupancy Trends



Construction Trends



CRE MARKET RESPONDING TO INTEREST RATE SHOCK; GOING FORWARD, FED WILL REMAIN A KEY FACTOR

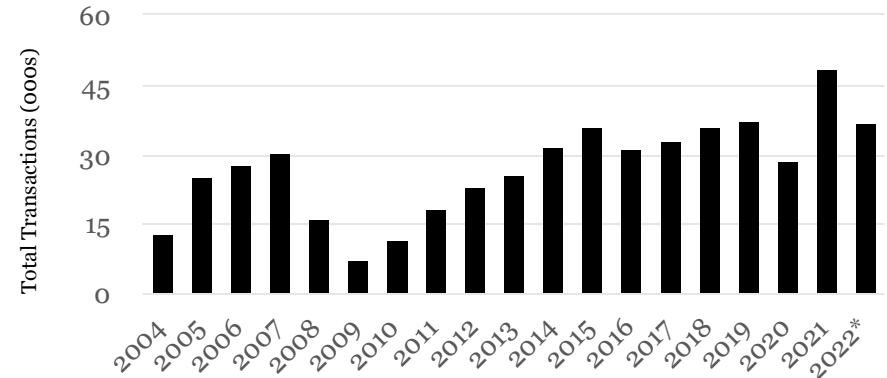
- Transaction counts in 2022 estimated to have dipped, falling 25% year-over-year. In 4Q, estimates point to a 57% decline year-over-year.
- Rapidly rising interest rates causing pricing recalibration in most property segments and markets; buyers are well-capitalized, but buyer/seller expectation gap remains wide.
- Price discovery for more challenged property types such as office and seniors housing particularly difficult.
- Financing generally available for most property types, but underwriting remains tight. Loan-to-values and Debt Service Coverage ratios are adjusting and weighing on trading activity.
- Properties with maturing loans in the near-term facing challenges. Low cap rate preferred segments also pressured by rapid rise in rates.
- Stock market volatility and elevated inflation support capital flows into commercial real estate as a “hard asset” over the long term.
- Bid/ask spread is the key to trading volume recovery.

Sources: Real Capital Analytics, Federal Reserve

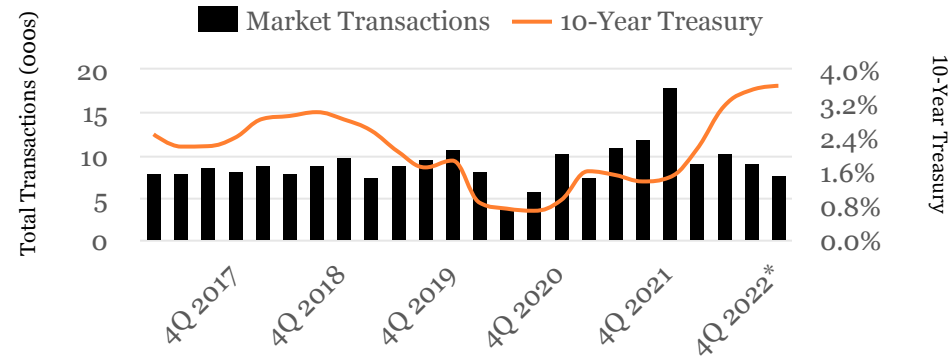
* Preliminary estimate for market sales

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

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



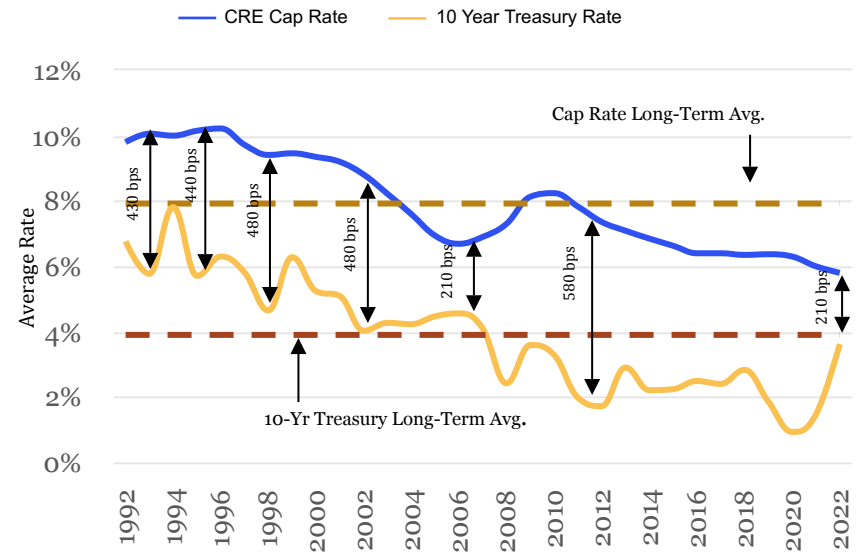
Quarterly U.S. Commercial Real Estate Sales and Interest Rates⁽¹⁾



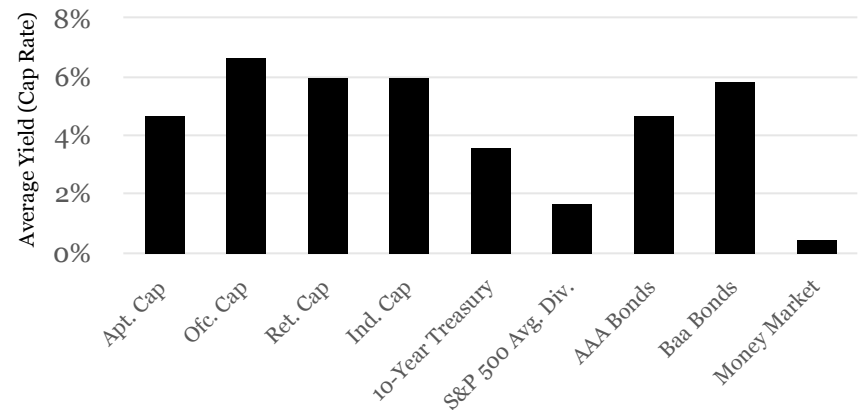
COMMERCIAL REAL ESTATE YIELD SPREADS CHALLENGED; HOWEVER, INFLATION HEDGE PROFILE COMPELLING

- Rapid rise of interest rates, tightened lender underwriting, heightened odds of recession still adversely impacting short-to-mid-term transactional outlook.
- Market calibrating to impact of higher interest rates and potential weakening of demand; valuations in discovery process in many areas and property types.
- Buyers of “safer” segments (apartments, single-tenant, industrial, and self-storage) remain active, but pricing discovery and tighter lending climate weighing on transactional velocity in the near term.
- Healthy real estate fundamentals, inflation-hedging advantages bode well for capital flows in the long-run.
- Commercial real estate continues to offer compelling yields compared to other investment options.

Cap Rate/10-Year Treasury Spreads



Average Cap Rate/Yield*



* As of 4Q 2022

Cap rates for sales \$1 million and greater

Sources: CoStar Group, Inc., Real Capital Analytics, Federal Reserve, Standard & Poor's



MMI MARKET POSITION

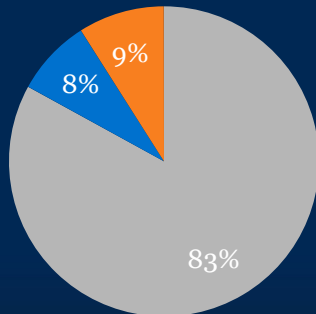
PRIVATE CLIENT MARKET SEGMENT

Largest Transaction and Commission Pool Opportunity

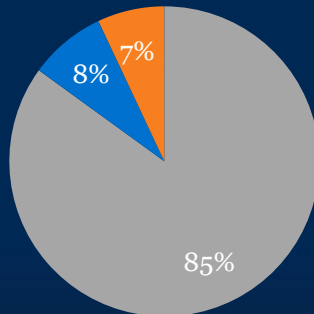
- Market segment consists of sales \$1 million to <\$10 million.
- Largest and most active market segment, accounting for 80%+ of transactions.
- Primarily driven by high-net worth individuals, partnerships and smaller private fund managers.
- Influenced by personal drivers that result in buying/selling/refinancing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

Transactions by Investor Segment ⁽¹⁾

Commercial Real Estate Market

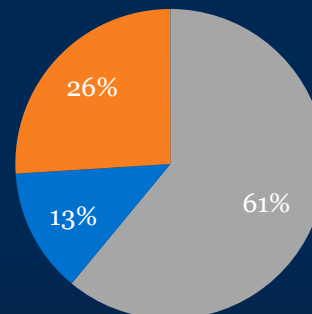


Marcus & Millichap

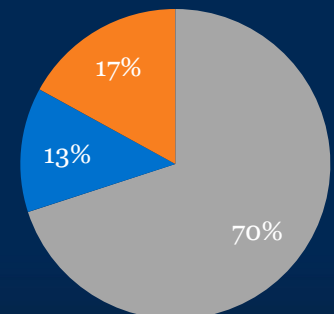


Commission Pool by Investor Segment ^{(1) (2)}

Commercial Real Estate Total Commission Pool



Marcus & Millichap Revenue



- Private Client Market Segment (\$1M - <\$10M)
- Middle Market Segment (\$10M - <\$20M)
- Larger Transaction Market Segment (>=\$20M)

Sources: CoStar Group, Inc., Real Capital Analytics

(1) Includes apartment, retail, office, and industrial sales \$1 million and greater for 2022; 4Q preliminary estimate for market total.

(2) Estimate based on industry averages: 3.7% commission rate for Private Client Market segment, 2.0% rate for Middle Market Segment and 0.8% for Larger Transaction Market segment.

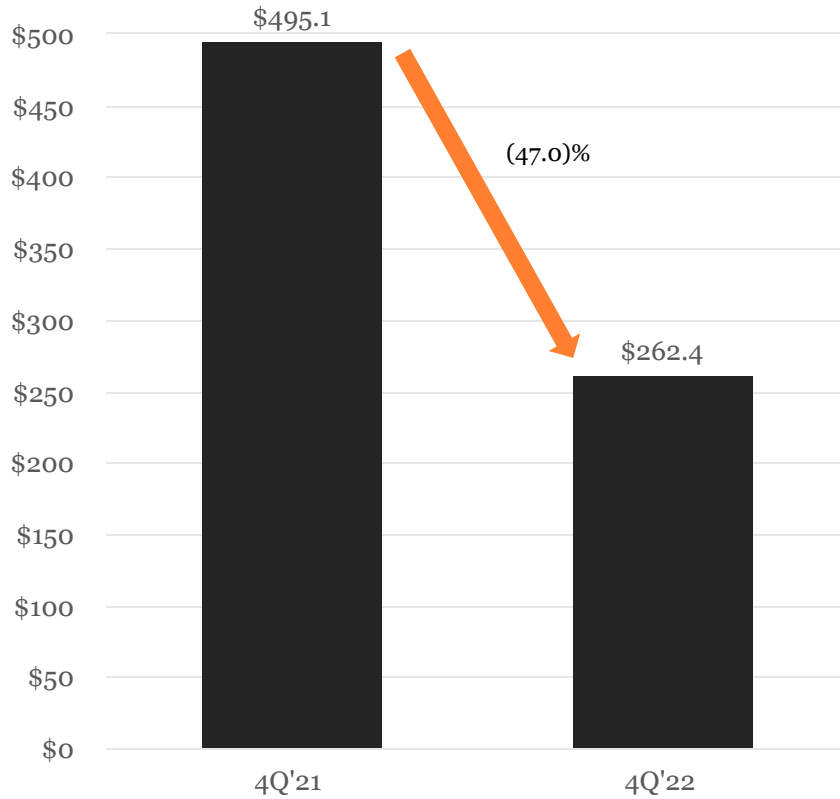


MMI FINANCIAL DETAILS

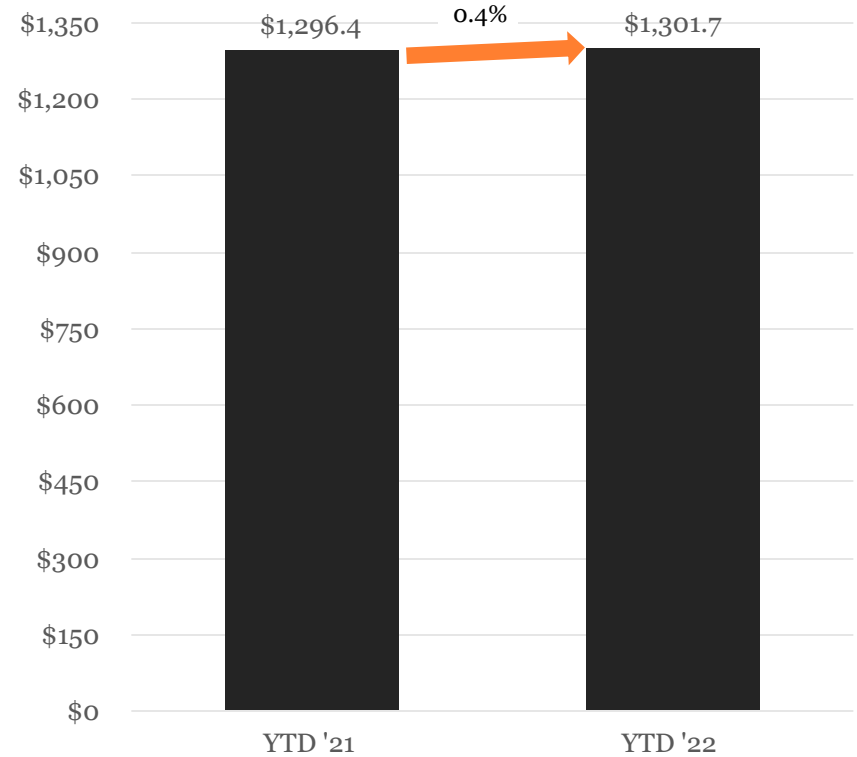
TOTAL REVENUE

(\$ IN MILLIONS)

Q4 '21 vs Q4 '22



Full-Year '21 vs '22

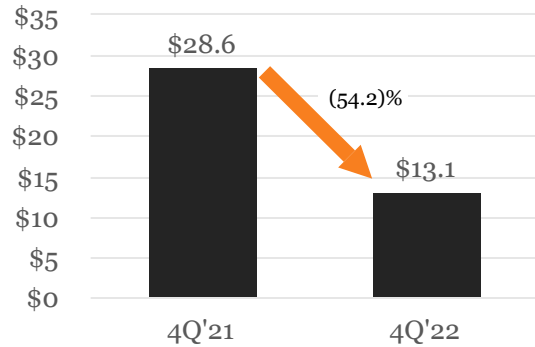


BROKERAGE OPERATING METRICS

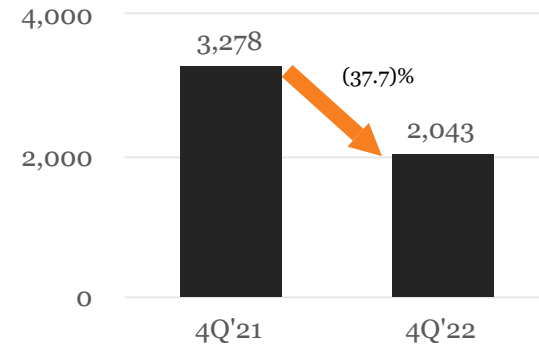
Q4 2021 vs Q4 2022

Total Sales Volume

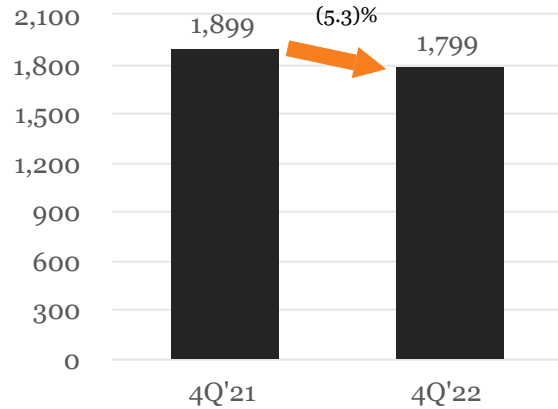
(\$ in billions)



Total Number of Transactions

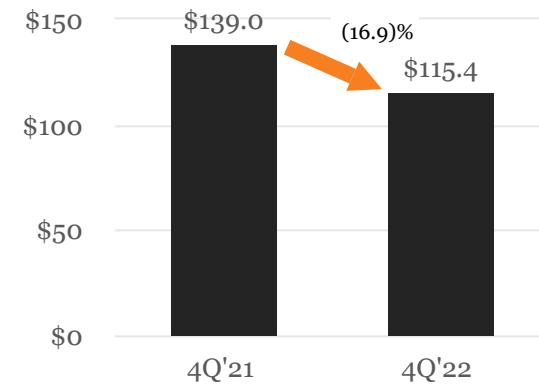


Average Number of Investment Sales Professionals



Average Commission Per Transaction

(\$ in thousands)

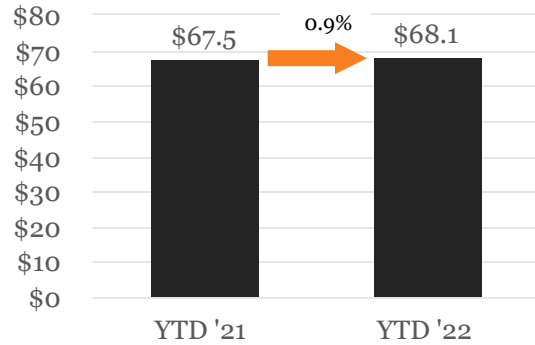


BROKERAGE OPERATING METRICS

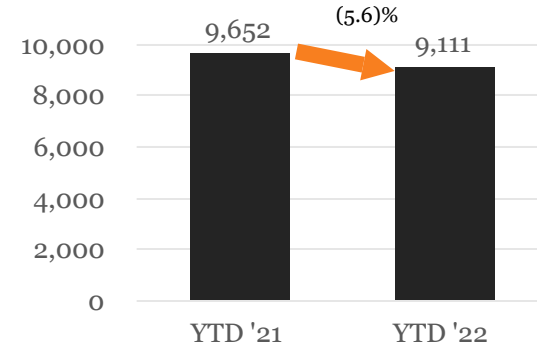
FULL-YEAR 2021 vs 2022

Total Sales Volume

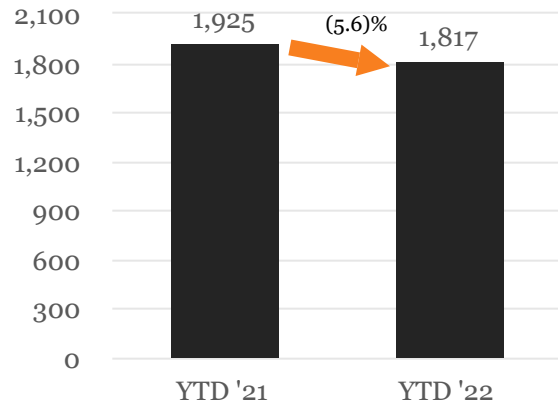
(\$ in billions)



Total Number of Transactions

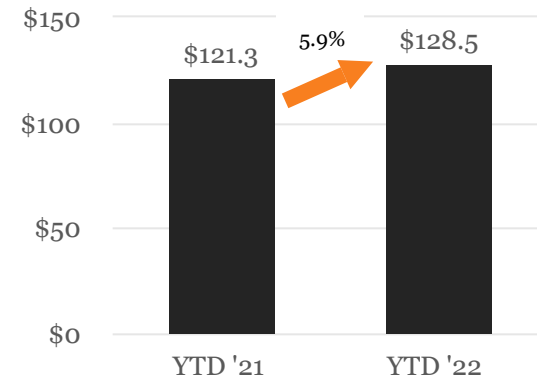


Average Number of Investment Sales Professionals



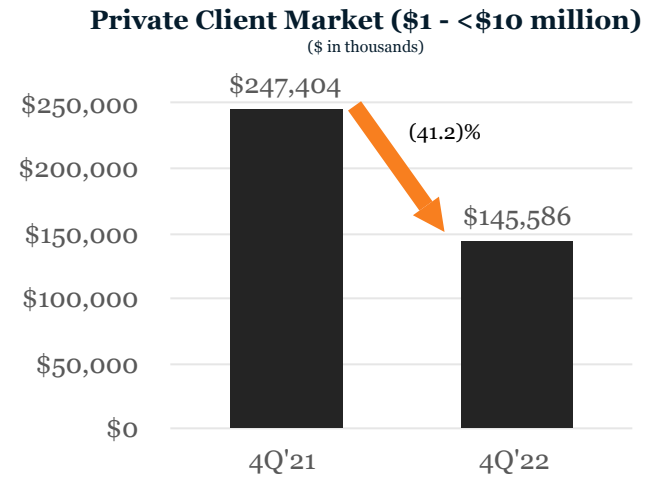
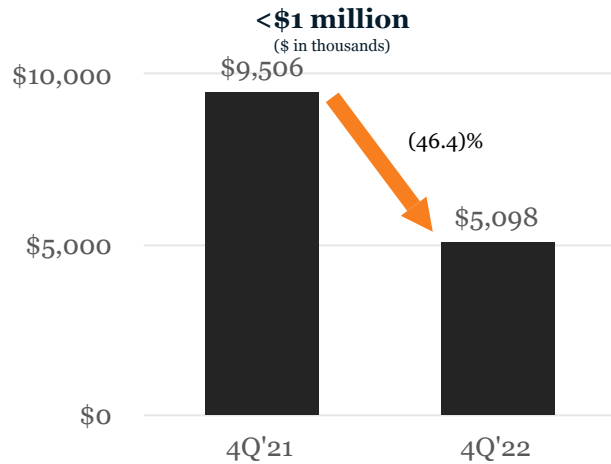
Average Commission Per Transaction

(\$ in thousands)



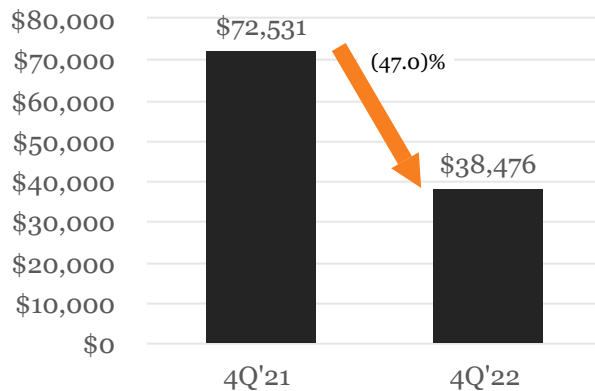
BROKERAGE REVENUE BY MARKET SEGMENT

Q4 2021 vs Q4 2022



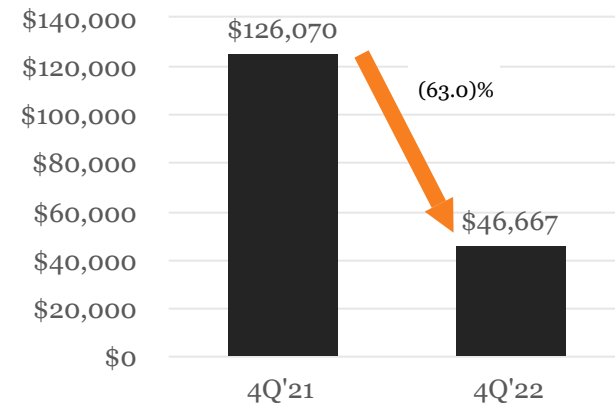
Middle Market (\$10 - <\$20 million)

(\$ in thousands)



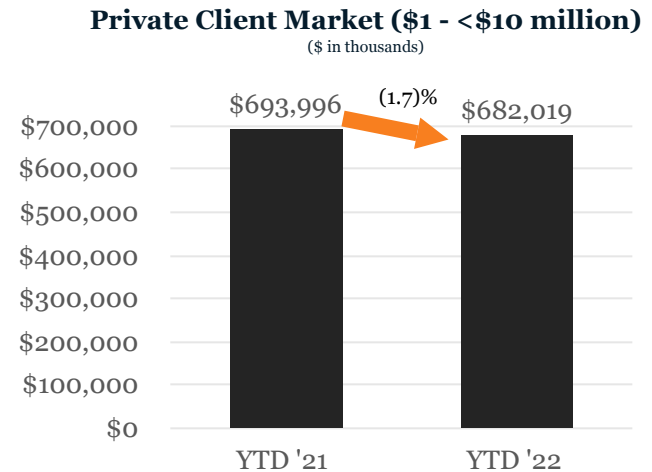
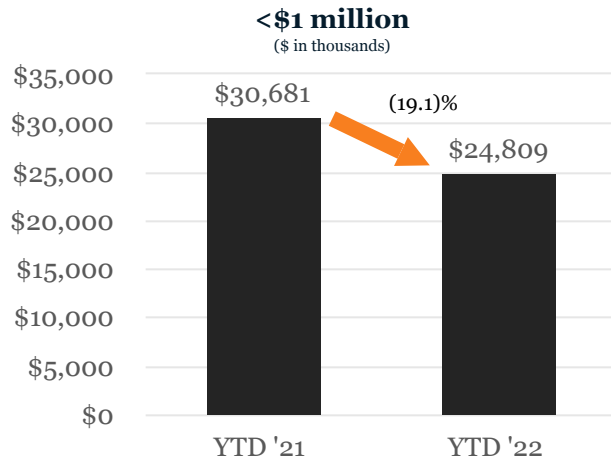
Larger Transaction Market (≥ \$20 million)

(\$ in thousands)



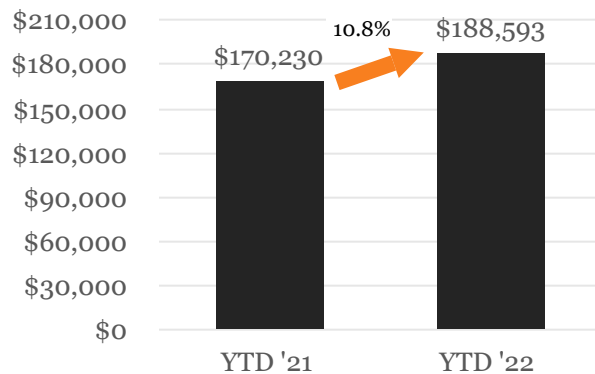
BROKERAGE REVENUE BY MARKET SEGMENT

FULL-YEAR 2021 vs 2022



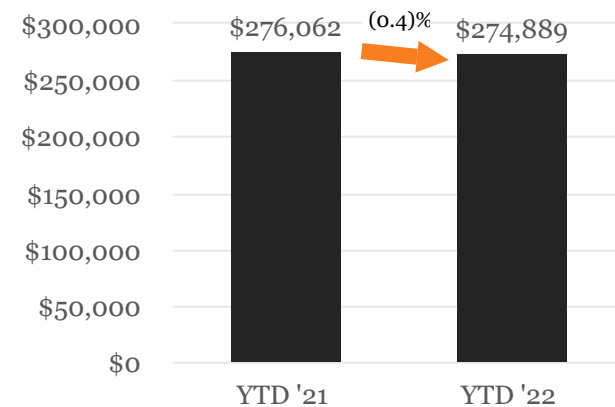
Middle Market (\$10 - <\$20 million)

(\$ in thousands)



Larger Transaction Market (≥ \$20 million)

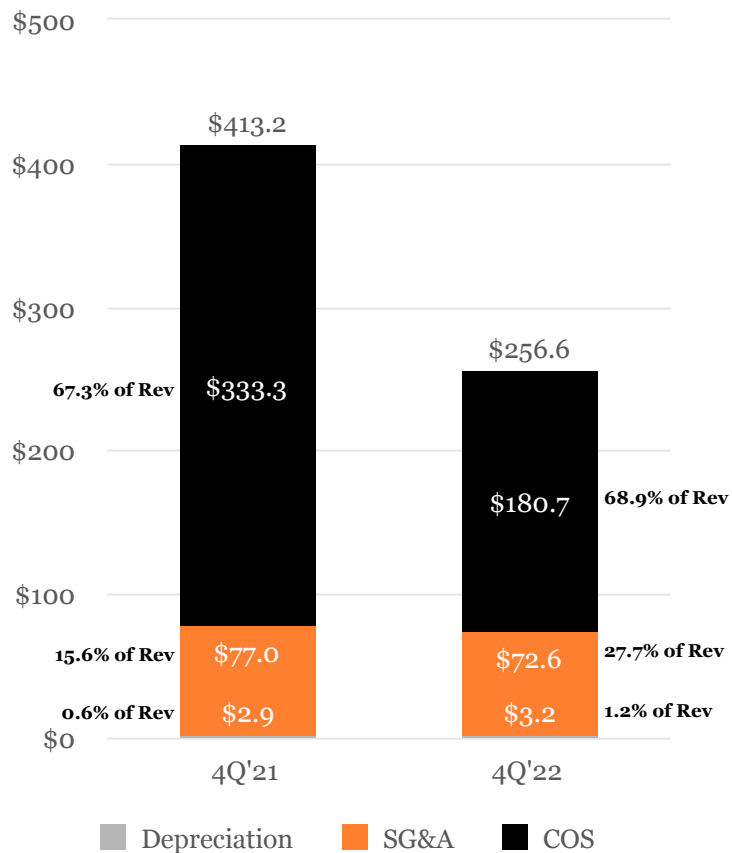
(\$ in thousands)



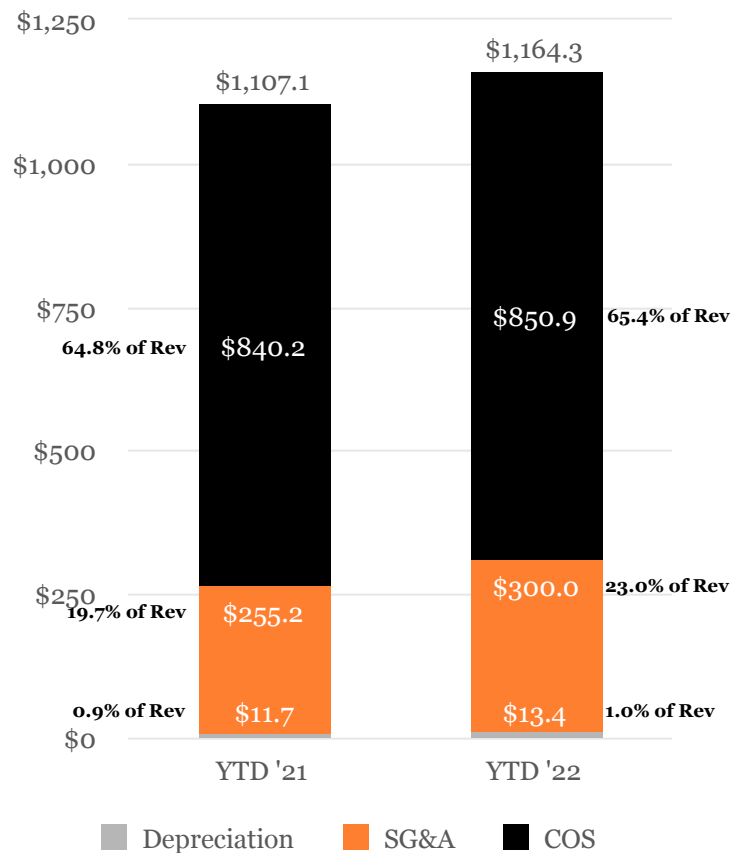
OPERATING EXPENSE

(\$ IN MILLIONS)

Q4 2021 vs Q4 2022



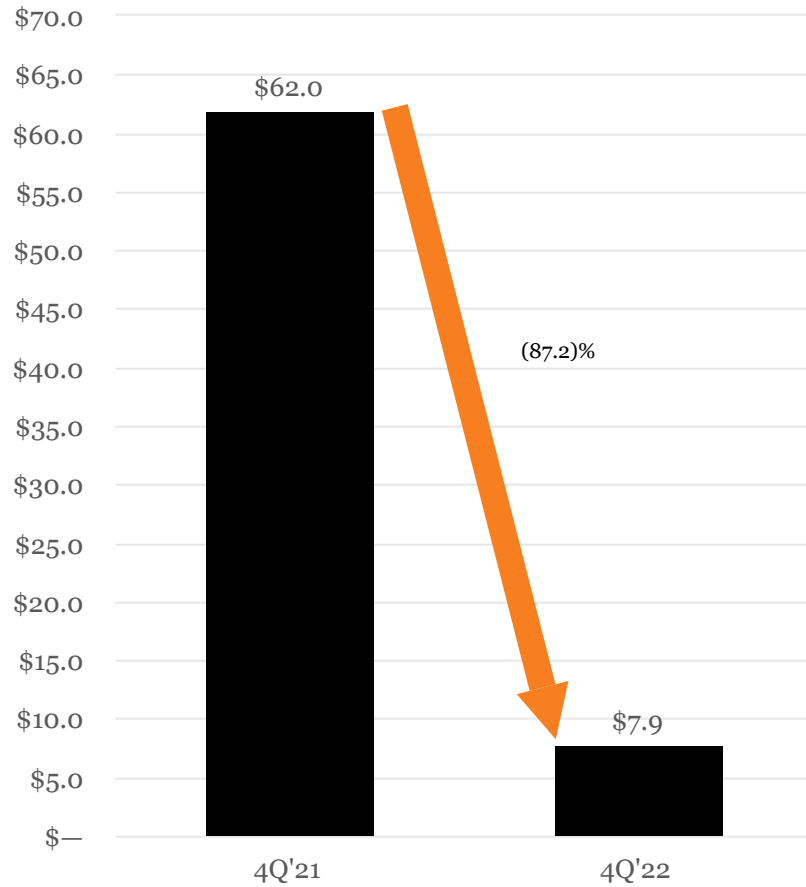
Full-Year 2021 vs 2022



NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Q4 2021 vs Q4 2022

Net Income
(\$ in millions)



Adjusted EBITDA
(\$ in millions)



NET INCOME AND ADJUSTED EBITDA PERFORMANCE

FULL-YEAR 2021 vs 2022

Net Income
(\$ in millions)

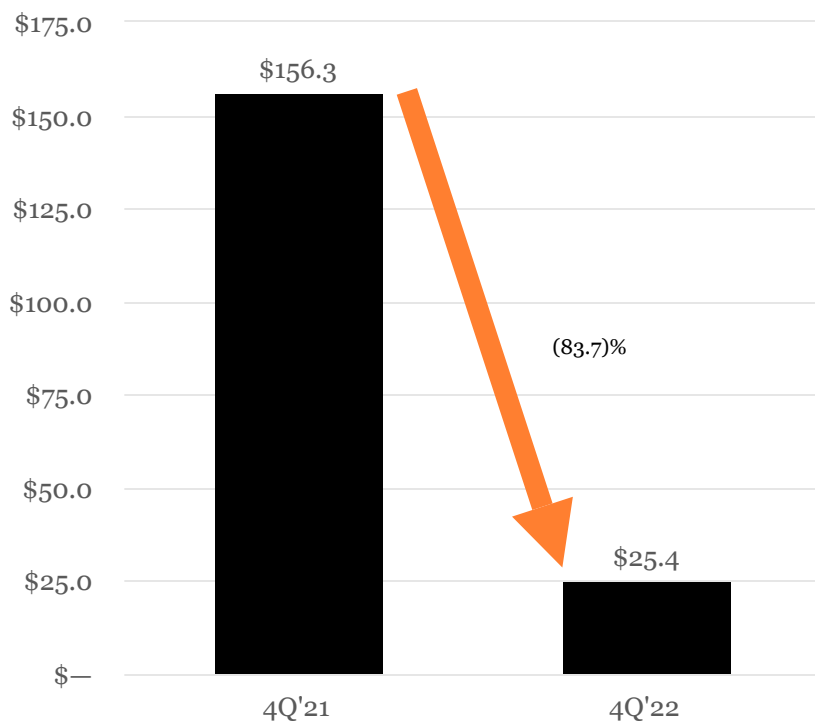


Adjusted EBITDA
(\$ in millions)

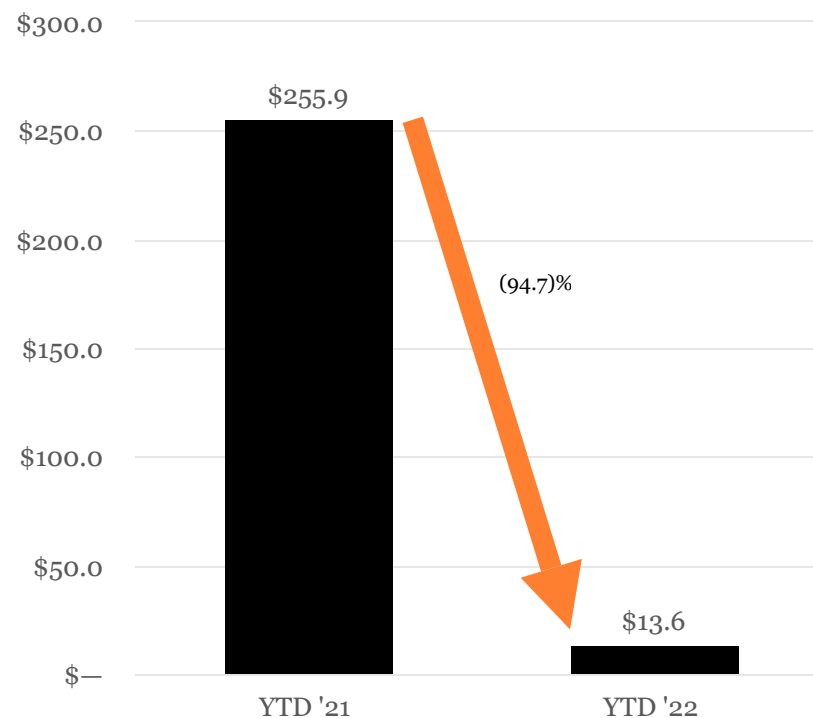


CASH FLOW PROVIDED BY OPERATING ACTIVITIES

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



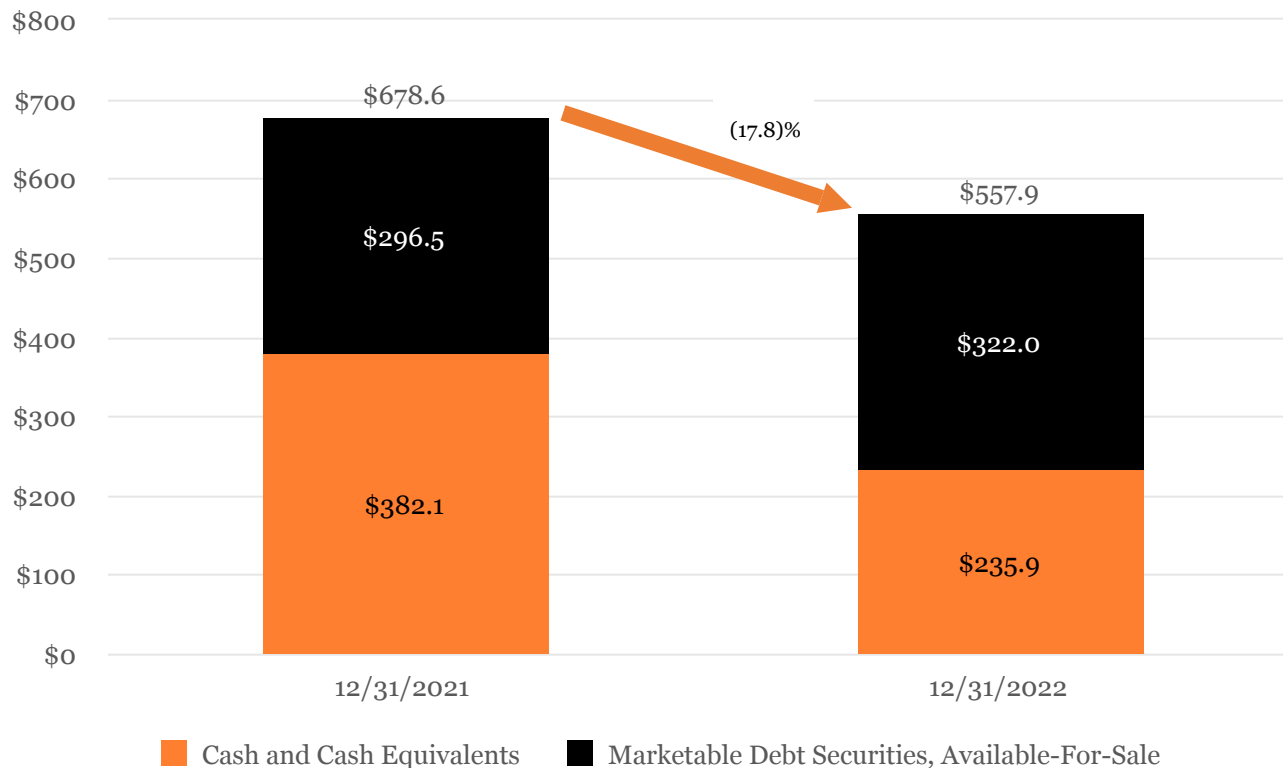
YTD Cash Flow Provided By Operating Activities ⁽¹⁾
(\$ in millions)



- (1) Cash flows used in operating activities were \$13.6 million for the year ending December 31, 2022 compared to cash flows provided by operating activities of \$255.9 million for the same period in 2021. Net cash used in operating activities is driven by our net income, adjusted for non-cash items and changes in operating assets and liabilities. The \$242.3 million decrease in operating cash flows from operating activities for the year ended December 31, 2022 compared to the same period in 2021 was primarily due to increased operating expenses as discussed in prior slides, an increase in advances and loans to our investment sales and financing professionals, a higher amount of bonuses and deferred compensation and commissions paid in 2022 related to outperformance in 2021, and an increase in estimated income tax payments.

LIQUIDITY POSITION

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



Liquidity position as of December 31, 2022 was \$557.9 million, after a return of capital paid to shareholders of \$89.4 million for the year ⁽¹⁾.

(1) Including the payment of \$60.4 million of dividends and \$29.0 million in stock repurchases.



APPENDIX

ADJUSTED EBITDA RECONCILIATION

Adjusted EBITDA, which the Company defines as net income before (i) interest income and other, including net realized gains (losses) on marketable debt securities, available-for-sale and cash and cash equivalents; (ii) interest expense; (iii) provision for income taxes; (iv) depreciation and amortization; (v) stock-based compensation; and (vi) non-cash mortgage servicing rights (“MSRs”) activity. 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 income, 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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net income	\$7,911	\$62,002	\$104,225	\$142,470
Adjustments:				
Interest income and other (1)	(3,992)	(1,026)	(7,951)	(2,496)
Interest expense	161	144	708	580
Provision for income taxes	2,153	21,529	37,804	50,833
Depreciation and amortization	3,239	2,915	13,406	11,721
Stock-based compensation	4,637	2,708	17,312	10,361
Non-cash MSR activity (2)	—	(60)	—	(467)
Adjusted EBITDA	\$14,109	\$88,212	\$165,504	\$213,002

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

(2) Non-cash MSR activity includes the assumption of servicing obligations.

COMPANY OVERVIEW

NATIONAL PLATFORM FOCUSED ON REAL ESTATE INVESTMENT BROKERAGE

- 52-year old platform 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 over the past 10 years

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

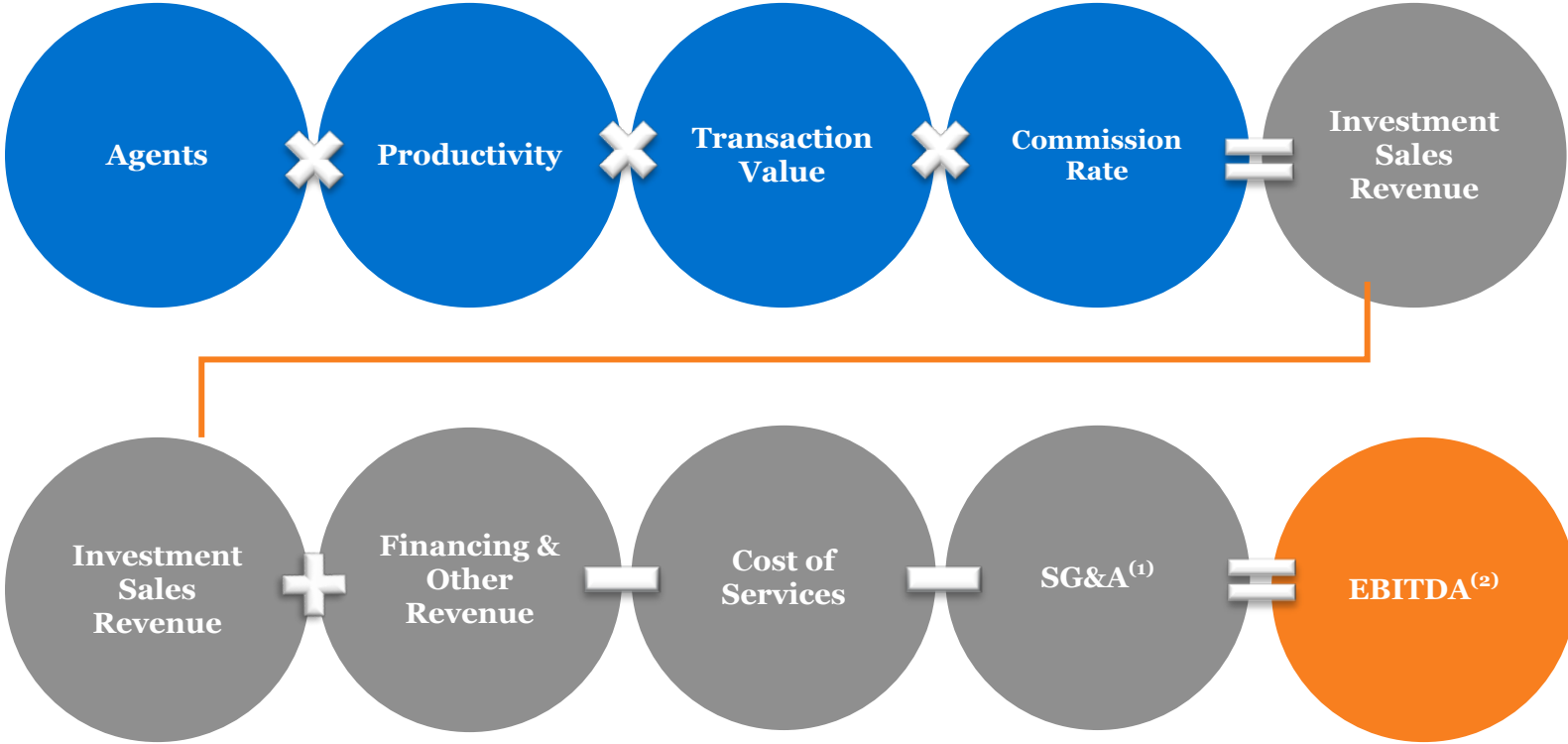
MANAGEMENT WITH SIGNIFICANT INVESTMENT BROKERAGE EXPERIENCE

- 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 financing 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 38