

2024

Marcus & Millichap

Earnings Conference
Call February 14, 2025

**Fourth
Quarter 2024**



FORWARD-LOOKING STATEMENTS

This presentation 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, including the expectation for future interest rates and likely impact of potential rate cuts on commercial real estate demand, and the execution of our capital return program, including a semi-annual dividend and stock repurchase program. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results may be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. 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.

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 changes to 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 new U.S. administration; (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 FOURTH QUARTER HIGHLIGHTS

Financial Highlights		YoY
Revenue	\$240.1 million	44.4 %
Net Income	\$8.5 million	183.5 %
Adjusted EBITDA	\$18.0 million	500.4 %
Operational Highlights		YoY
Sales Volume	\$18.4 billion	53.6 %
Transaction Closings	2,485	27.6 %
Number of Investment Sales and Financing Professionals as of December 31, 2024	1,712	(4.0)%

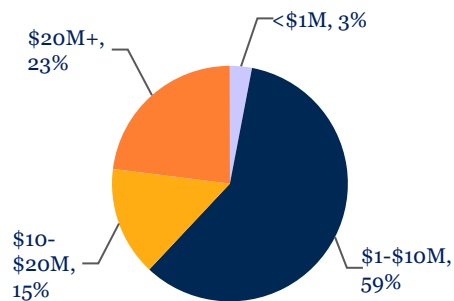
FULL-YEAR 2024 HIGHLIGHTS

Financial Highlights		YoY
Revenue	\$696.1 million	7.8 %
Net Loss	\$(12.4) million	63.7 %
Adjusted EBITDA	\$9.4 million	147.7 %
Operational Highlights		YoY
Sales Volume	\$49.6 billion	13.7 %
Transaction Closings	7,836	3.8 %
Number of Investment Sales and Financing Professionals as of December 31, 2024	1,712	(4.0)%

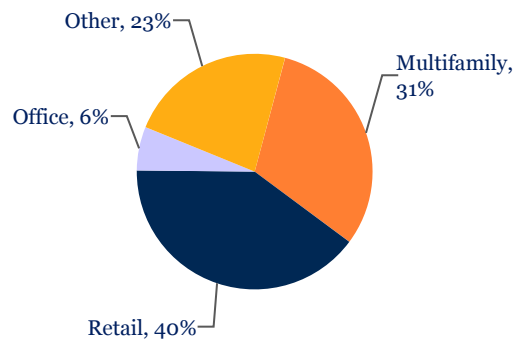
2024 FOURTH QUARTER BROKERAGE HIGHLIGHTS

		YoY
Sales Volume	\$12.3 billion	40.8%
Transaction Closings	1,742	23.3%
Number of Investment Sales Professionals as of December 31, 2024	1,610	(4.4)%
Real Estate Brokerage Commissions Revenue	\$202.8 million	40.3%

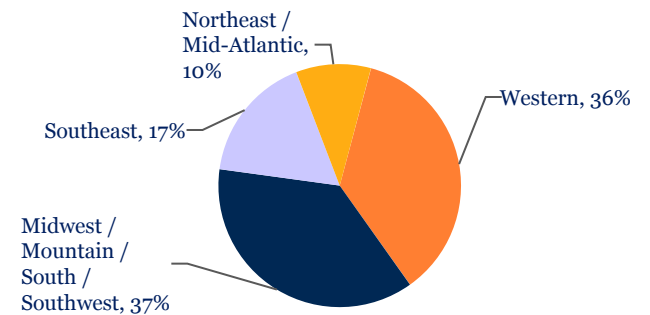
Revenue by Transaction Size



Transactions by Property Type



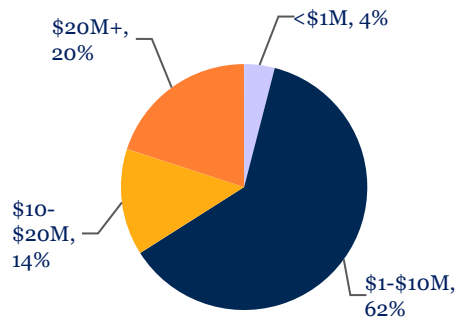
Transactions by Region



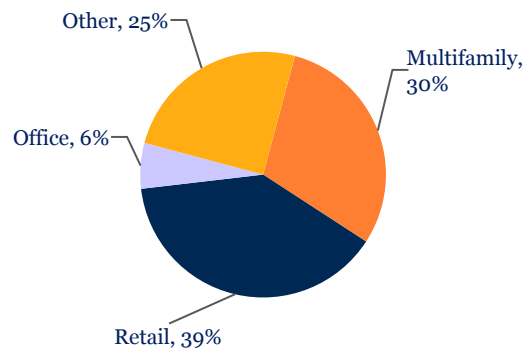
FULL-YEAR 2024 BROKERAGE HIGHLIGHTS

		YoY
Sales Volume	\$33.6 billion	9.1%
Transaction Closings	5,447	(0.5)%
Number of Investment Sales Professionals as of December 31, 2024	1,610	(4.4)%
Real Estate Brokerage Commissions Revenue	\$589.7 million	5.3%

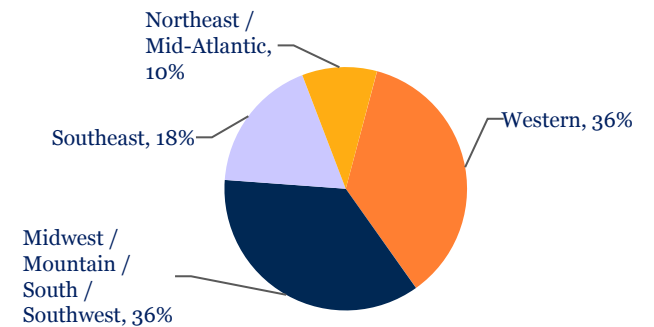
Revenue by Transaction Size



Transactions by Property Type



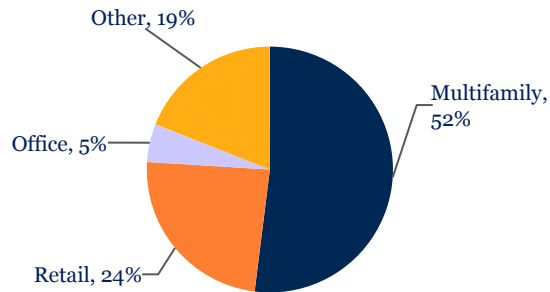
Transactions by Region



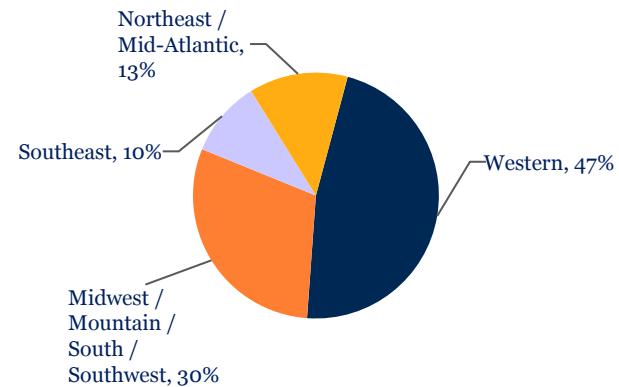
2024 FOURTH QUARTER FINANCING HIGHLIGHTS

		YoY
Sales Volume	\$3.5 billion	139.4%
Transaction Closings	425	79.3%
Number of Financing Professionals as of December 31, 2024	102	3.0%
Financing Fees Revenue	\$31.2 million	96.6%

Transactions by Property Type



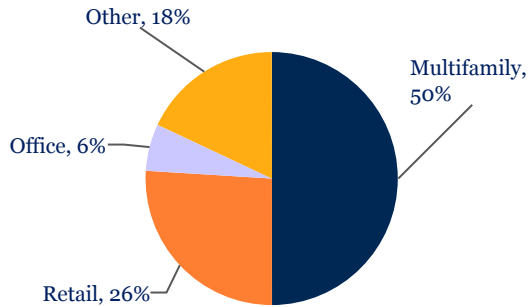
Transactions by Region



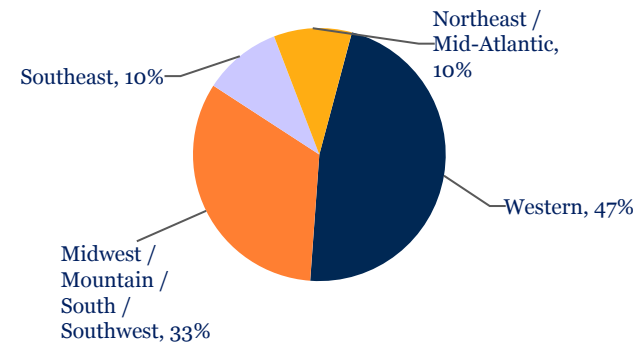
FULL-YEAR 2024 FINANCING HIGHLIGHTS

		YoY
Sales Volume	\$9.1 billion	35.2%
Transaction Closings	1,249	16.1%
Number of Financing Professionals as of December 31, 2024	102	3.0%
Financing Fees Revenue	\$84.5 million	26.3%

Transactions by Property Type

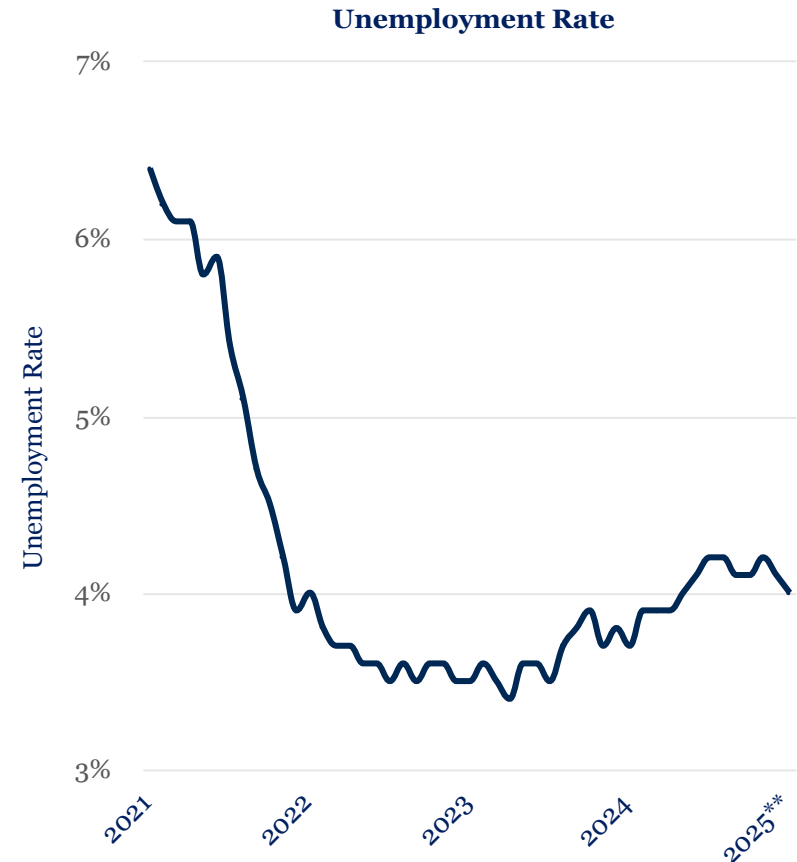
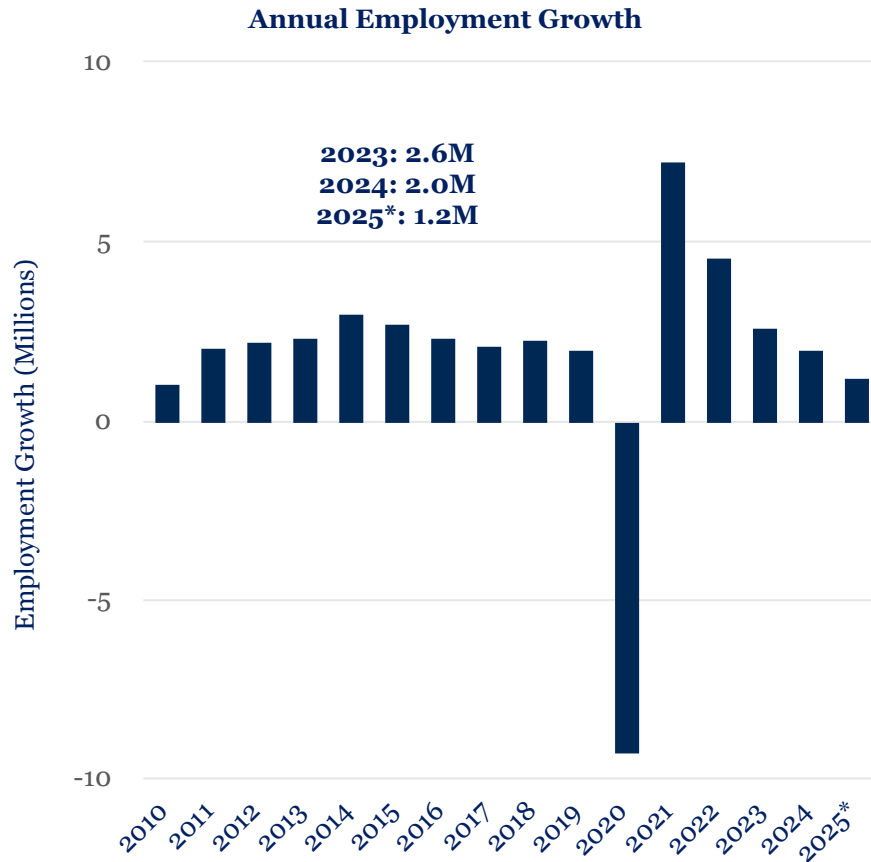


Transactions by Region



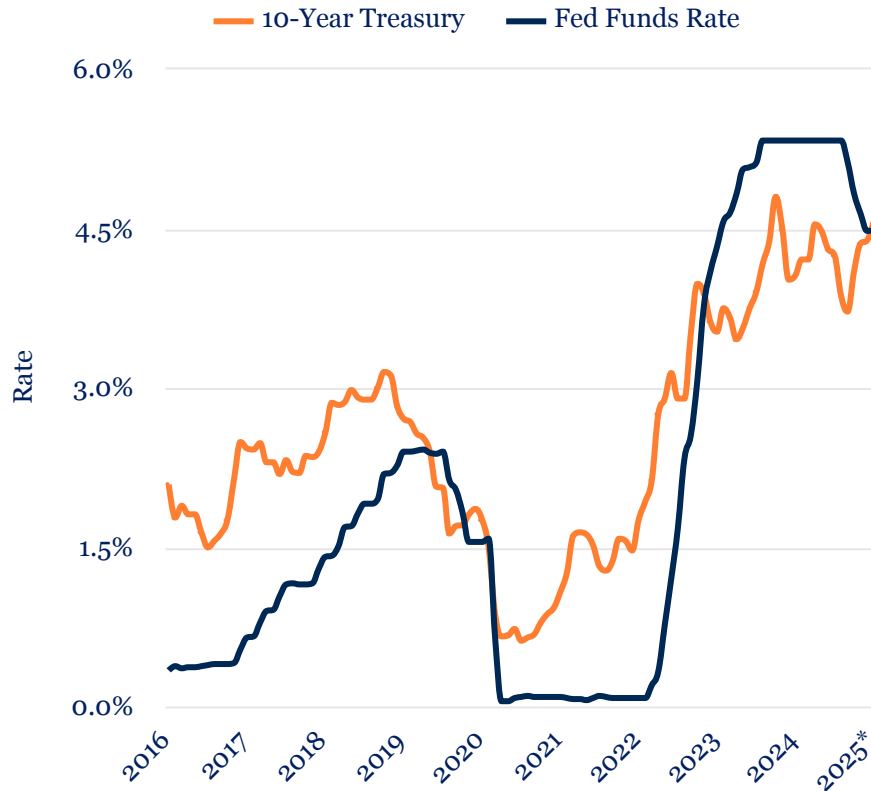
Market Highlights

JOB GAINS SLOWING IN ALIGNMENT WITH FED'S STRATEGY; UNEMPLOYMENT RATE REMAINS STABLE

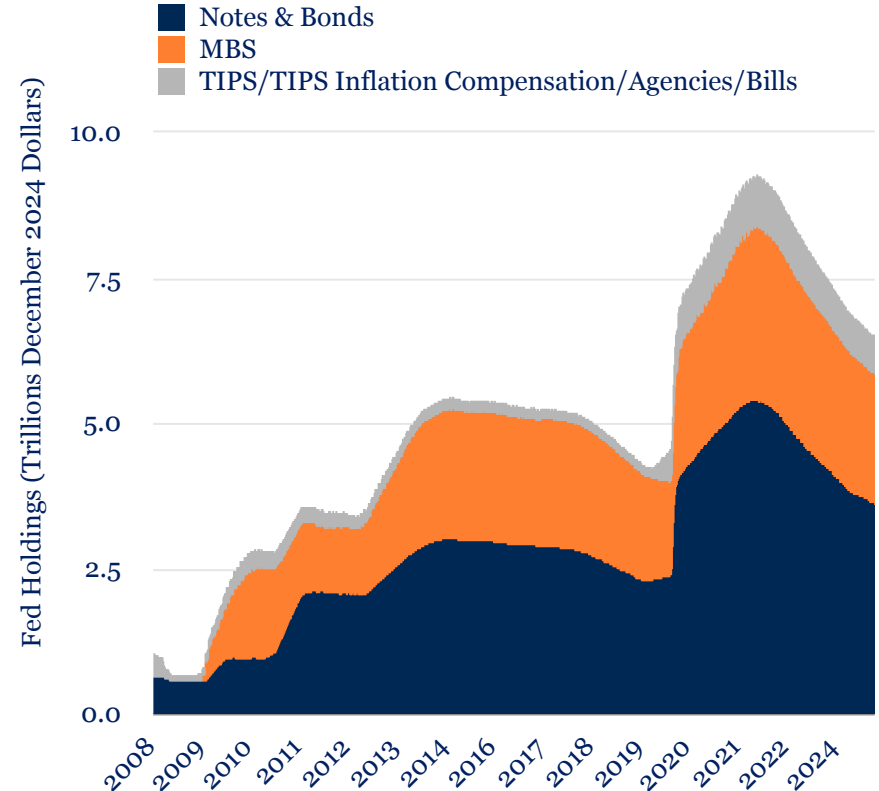


FED TAKING CAUTIOUS APPROACH IN 2025 AS THEY AWAIT POLICY CLARITY; 10-YEAR TREASURY REMAINS ELEVATED

10-Year Treasury vs. Fed Funds Rate

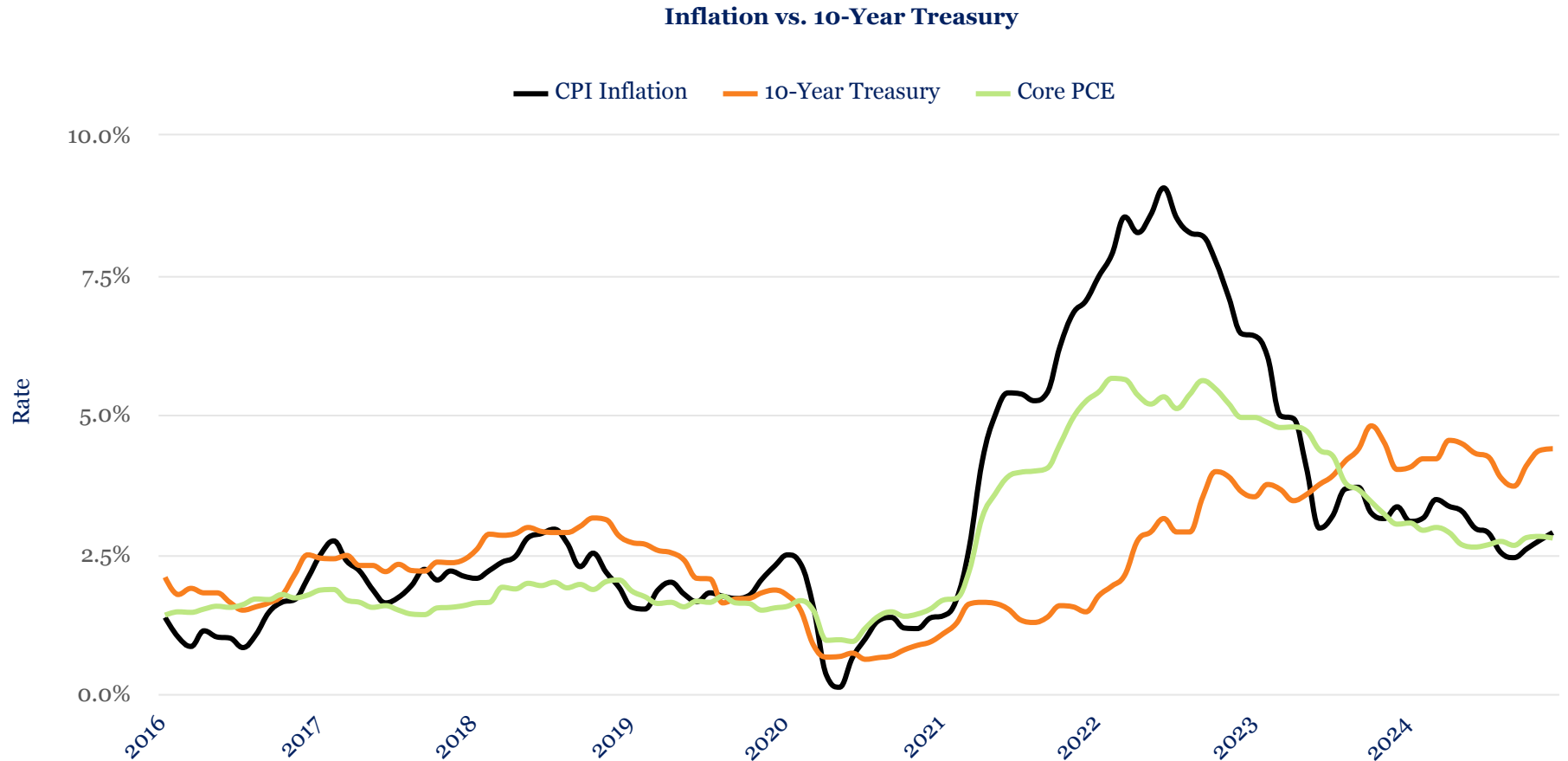


Inflation Adjusted Fed Balance Sheet

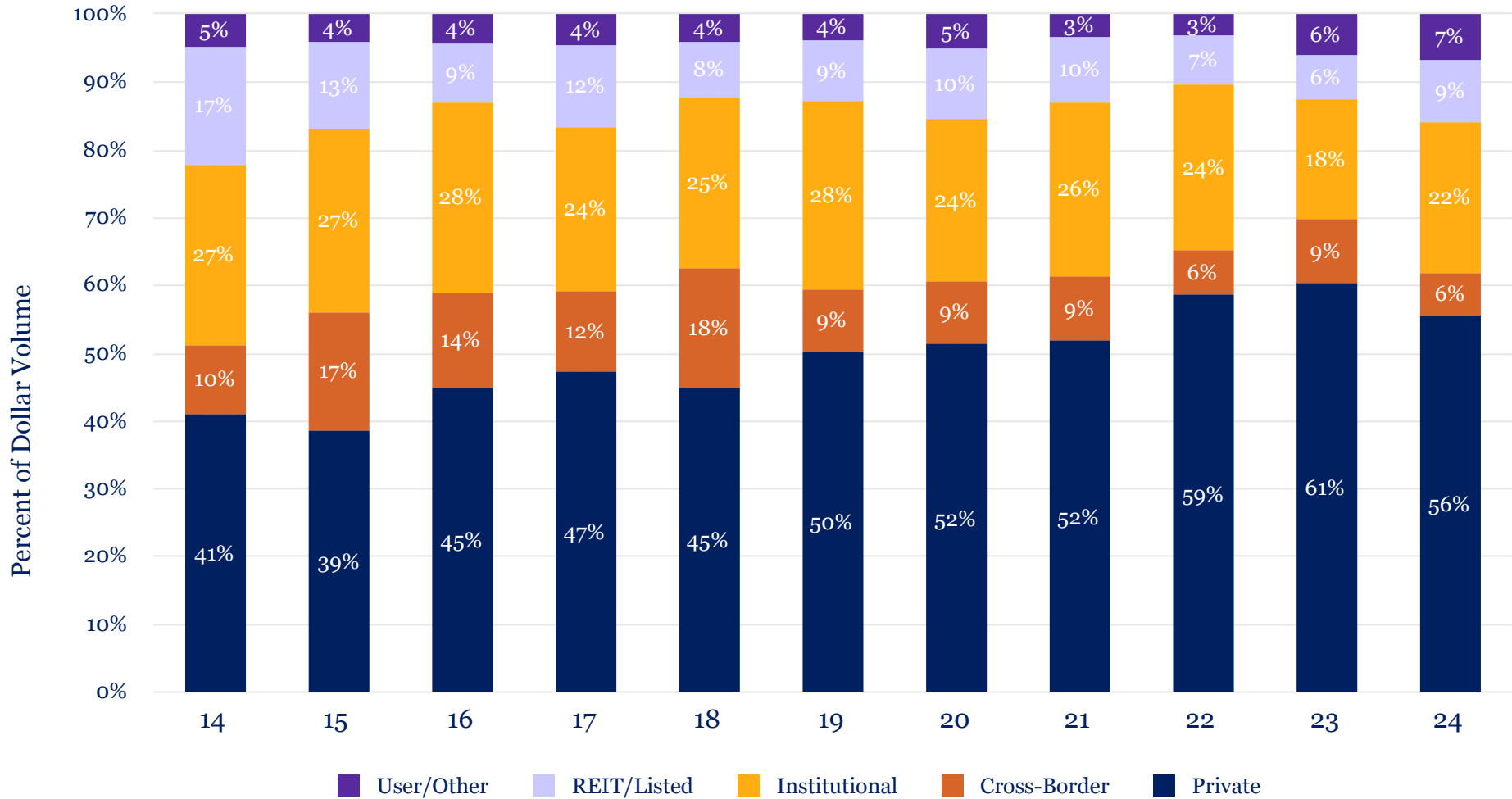


* Through January 31st
Adjusted for inflation using Core PCE
Sources: Real Capital Analytics, Federal Reserve

INFLATION HAS TRENDED LOWER, PAVING THE WAY FOR GRADUAL FED EASING; SOME FEDERAL POLICIES POSE INFLATION RISK



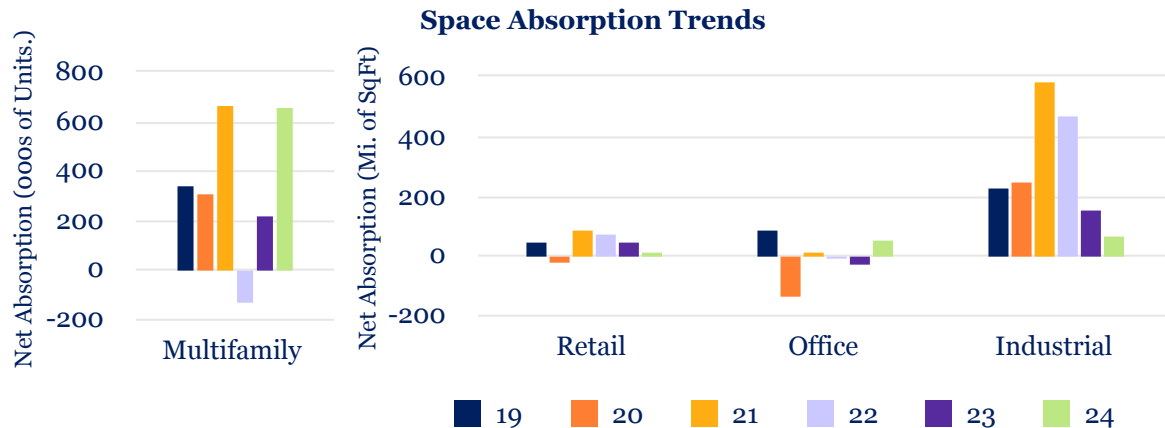
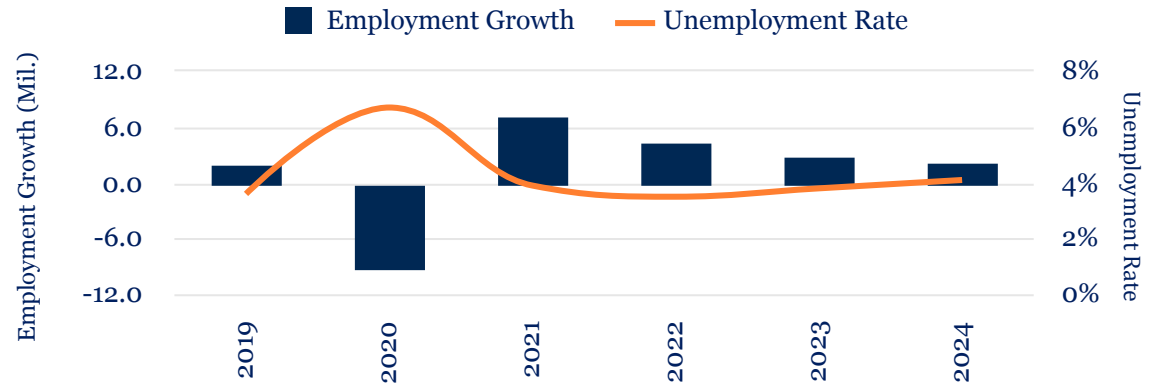
PRIVATE INVESTORS DOMINATE U.S. COMMERCIAL REAL ESTATE; INSTITUTIONAL INVESTORS RE-ENTERING THE MARKET



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 2.2 million in 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 by hybrid models. Market variation widening by property class and urban vs. suburban location.
- Apartment rental demand accelerated in second half of 2024. Record new construction pulling back in 2025, affordability gap driving renter demand.
- Retail absorption inhibited by limited available space, keeping retail a favored investment choice. Industrial demand moderating, but still positive.

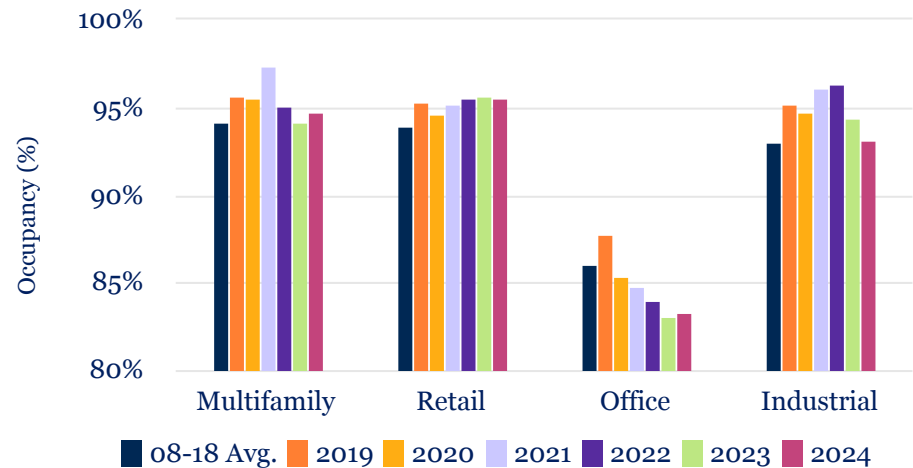
Employment Growth vs. Unemployment Rate



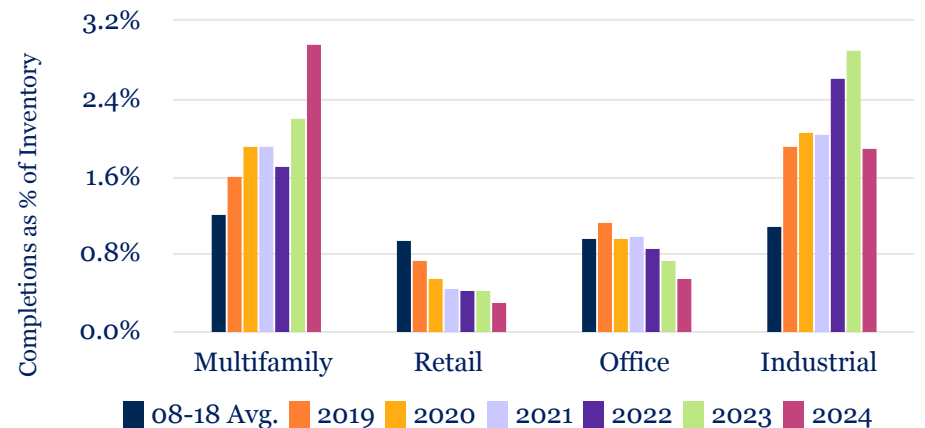
PROPERTY FUNDAMENTALS GENERALLY SOUND BY HISTORICAL STANDARDS; HOWEVER, VARIATIONS WIDENING

- Multifamily and industrial aggressively delivering record new completions as the economy slows. Risk of over-supply limited to select local markets with heavy construction.
- Pullback in multifamily construction in 2025 a positive force, especially in growth markets such as Texas, Florida, and Georgia. Operations challenged by insurance and labor costs.
- Companies have reduced their inventories to mitigate recession risk, but industrial space demand remains positive. Some overbuilding evident in key metros.
- Hospitality sector approaching full recovery led by limited-service segments.
- Shopping centers remain a top choice thanks to limited new supply, years of recalibration; single-tenant values still under pressure from high interest rates.
- Office occupancy may have stabilized; 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



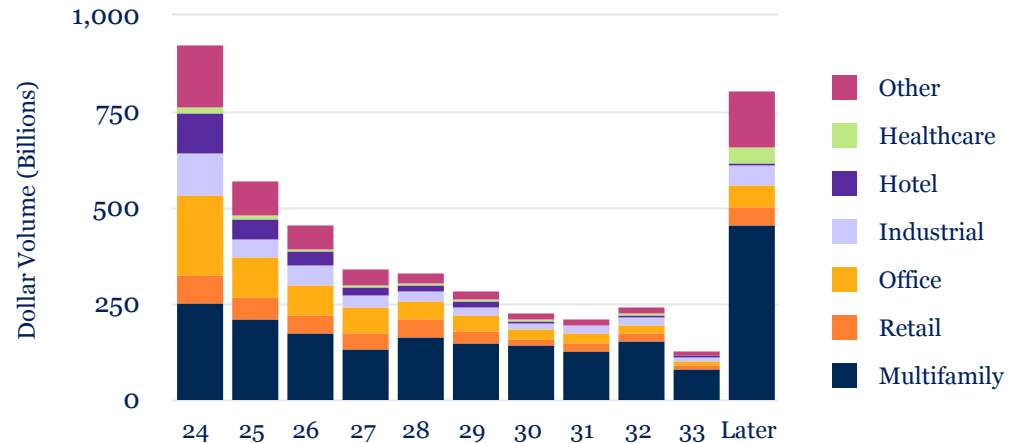
Construction Trends



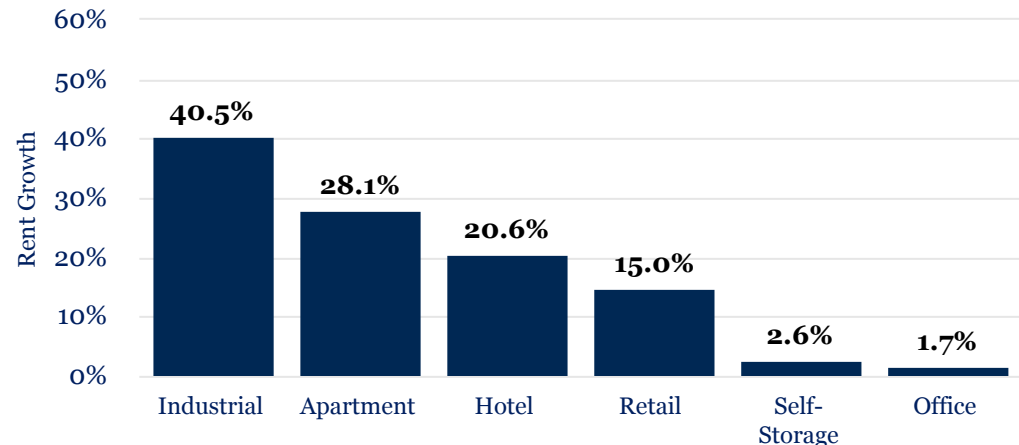
MATURING CRE LOAN VOLUMES CONCERNING BUT UNLIKELY TO BECOME DISRUPTIVE AS LENDERS CONTINUE WORKOUTS; RISKS VARY WIDELY BY PROPERTY TYPE

- 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 still faces significant maturities this year, while rent growth lags.
- FDIC/Federal Reserve guidance still urges lenders to favor workouts and extensions of loans in good standing, but lenders becoming more assertive with borrowers.
- 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: 2019 to 2024**



* For loans outstanding as of 2023

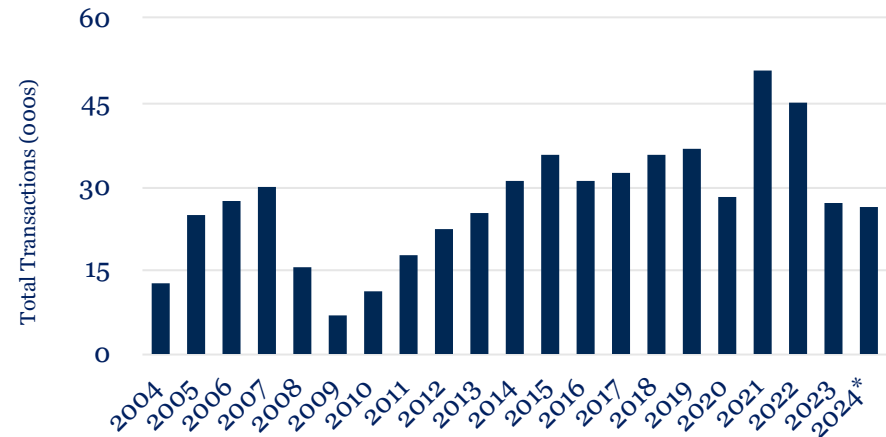
** Trailing 12-month ADR for Hotel from Dec. 2019 through Dec. 2024

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

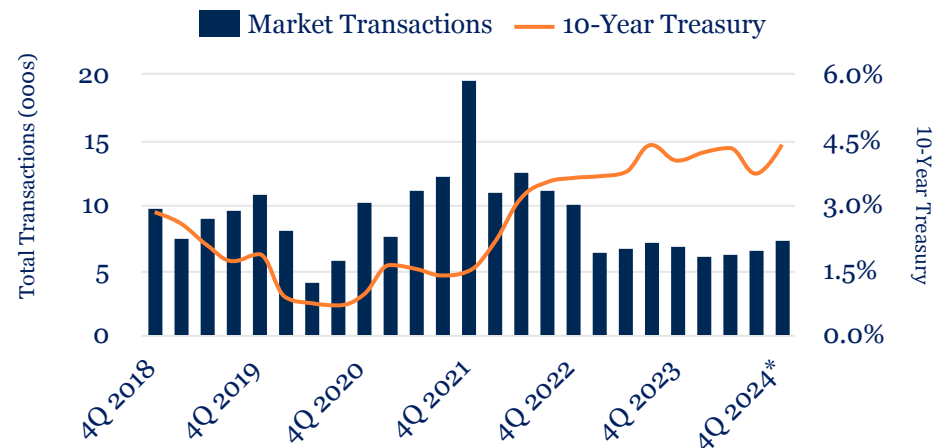
LENDER CAUTION AND TIGHTENED UNDERWRITING, WIDENED BID/ASK SPREAD STILL WEIGH ON CRE SALES/ FINANCING

- Transaction count in 2024 estimated to have dipped 3% year-over-year; dollar volume increased by 9% year-over-year.
- The 'higher for longer' outcome of the Federal Reserve's policy has brought down values, with more realistic seller expectations emerging.
- Tighter credit markets making price discovery more challenging, particularly for office properties.
- Financing generally available for most property types, but underwriting remains tight. Loan-to-values and debt service coverage ratios have adjusted, weighing on trading activity.
- 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

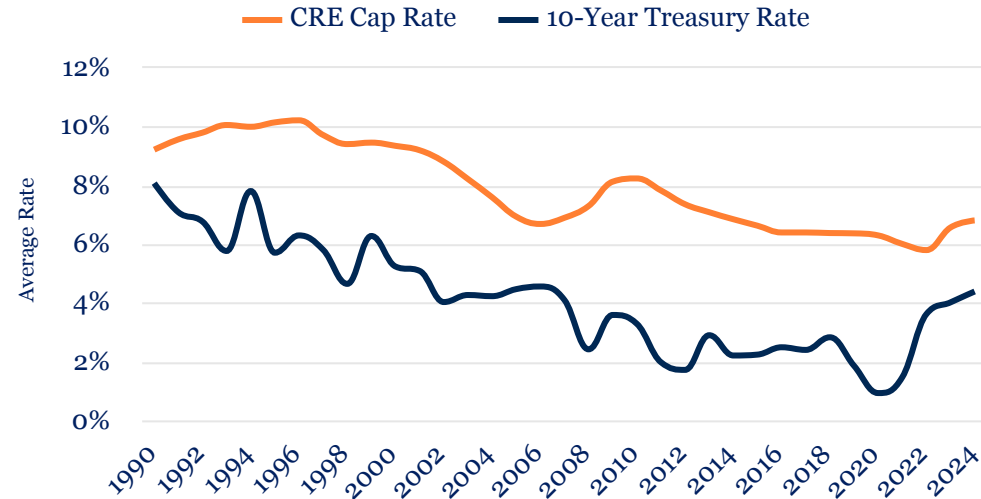
Excludes STORE Capital acquisition in 1Q 2023; Realty Income merger with Spirit Realty Capital in 1Q 2024

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

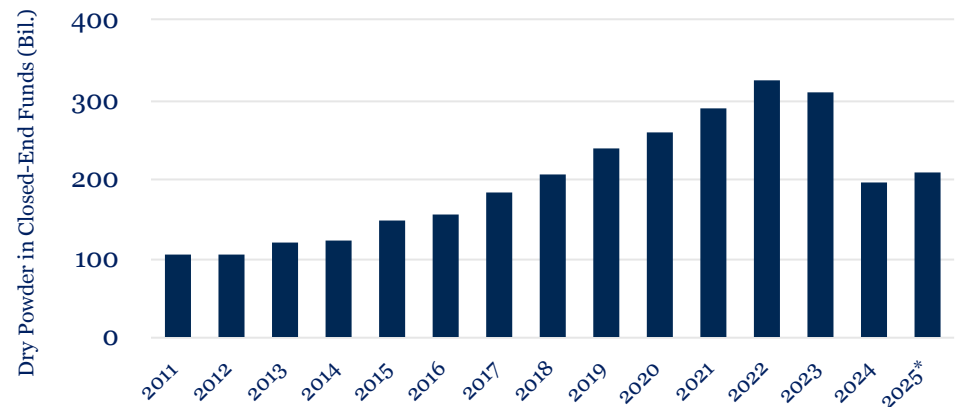
COMMERCIAL REAL ESTATE YIELD SPREADS CHALLENGED; PRICING RECALIBRATING TO HIGHER INTEREST RATES

- Rapid rise of interest rates, tightened lender underwriting, and slowing economic growth ahead fueled uncertainty in valuations and widened the bid/ask spreads. This continues to hinder the short-to-mid term transactional outlook, although buyers and sellers are moving closer into alignment.
- Market calibrating to higher-rate environment, active price discovery underway in many areas and property types. Current values compelling against replacement cost in most segments/markets.
- Appropriately priced assets are seeing ample buyer demand, and offer activity, reflecting healthy capital availability.
- A growing conviction of a soft landing for the economy and healthy real estate fundamentals bode well for capital flows in the long-run. Significant capital on the sideline waiting for federal policy clarity and further value adjustment, Federal Reserve's easing is encouraging.

Cap Rate/10-Year Treasury Spreads



Pent-up Capital Demand Remains Significant



* Through January

Cap rates for sales \$1 million and greater

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

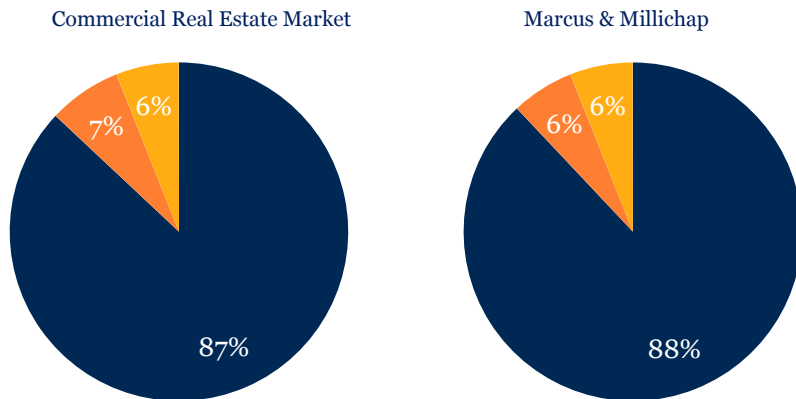
MMI Market Position

MMI WELL-ALIGNED WITH THE CRE MARKET

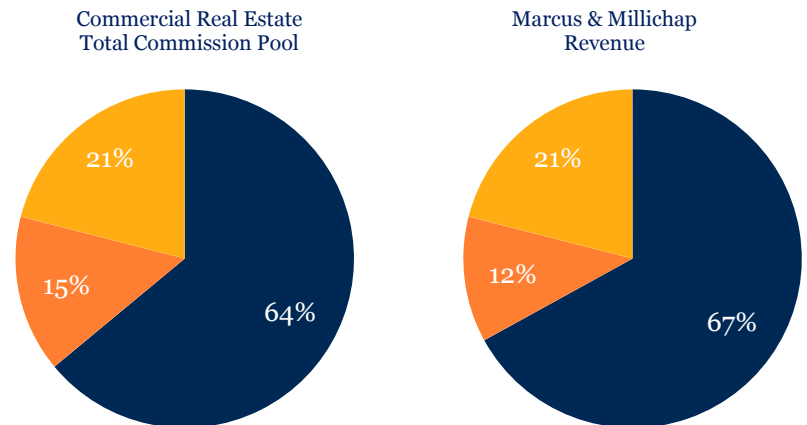
Private Client Segment Boasts Largest Transaction and Commission Pool Opportunity

- Private client market typically 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 2024; 4Q 2024 preliminary estimate for market total.

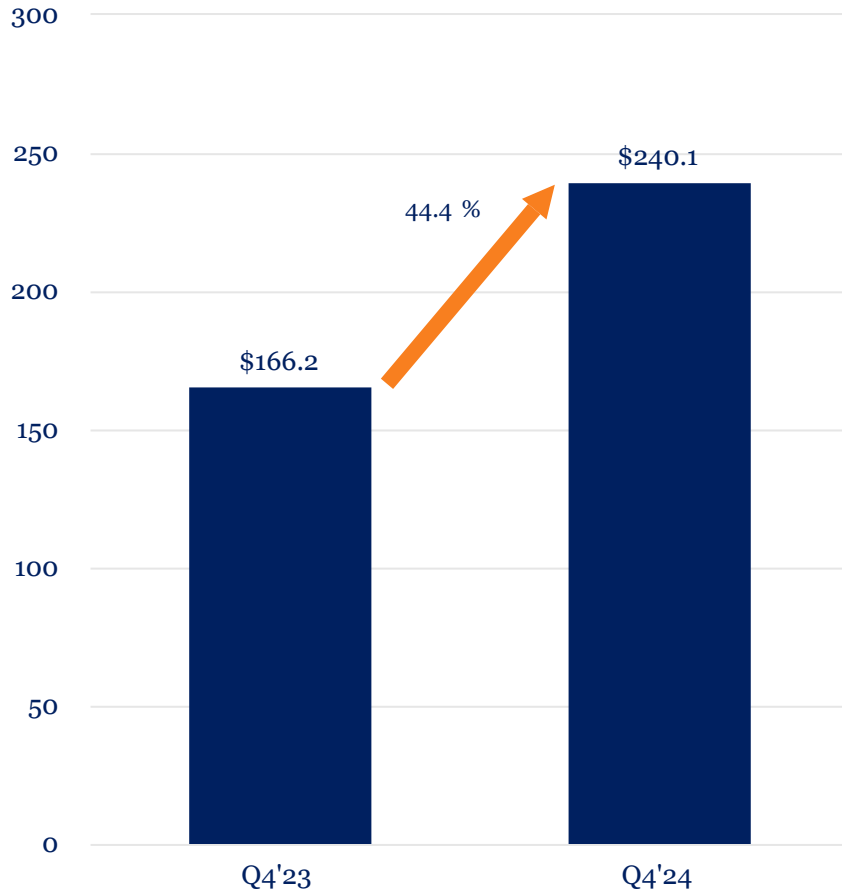
(2) Estimate based on industry averages: 2.7% commission rate for Private Client Market, 1.7% rate for Middle Market and 0.7% for Larger Transaction Market.

MMI Financial Details

TOTAL REVENUE

(\$ IN MILLIONS)

Q4'23 vs Q4'24



Full-Year '23 vs '24

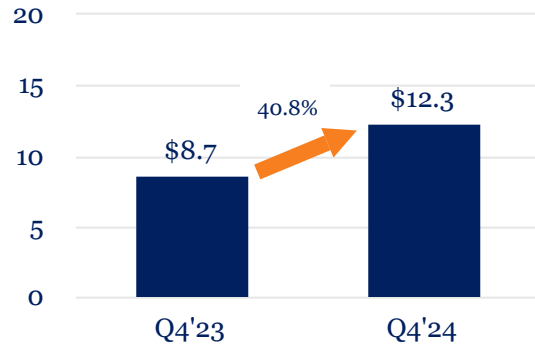


BROKERAGE OPERATING METRICS

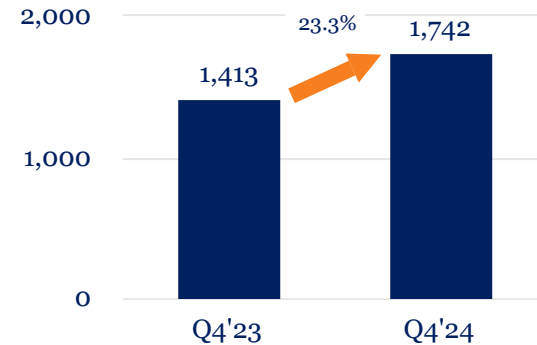
Q4 2023 vs Q4 2024

Total Sales Volume

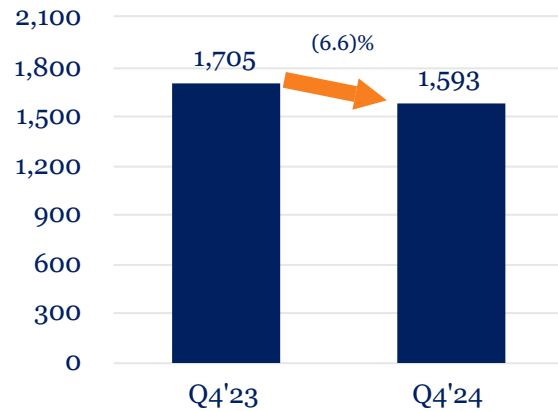
(\$ in billions)



Total Number of Transactions

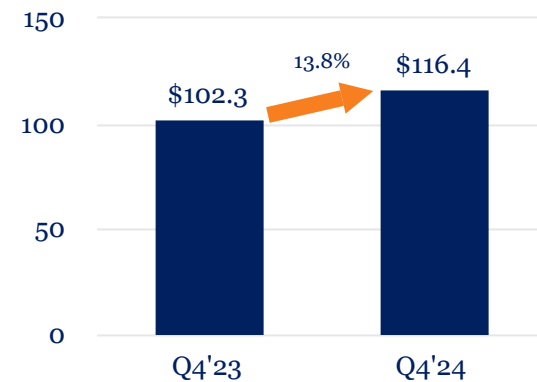


Average Number of Investment Sales Professionals



Average Commission Per Transaction

(\$ in thousands)

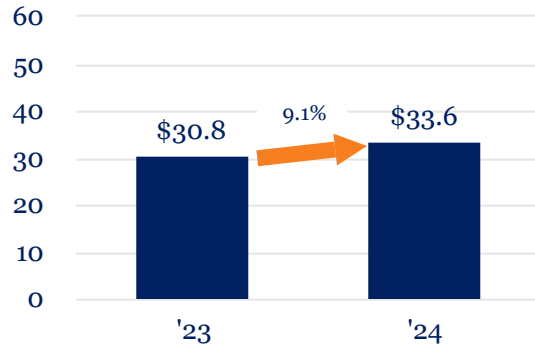


BROKERAGE OPERATING METRICS

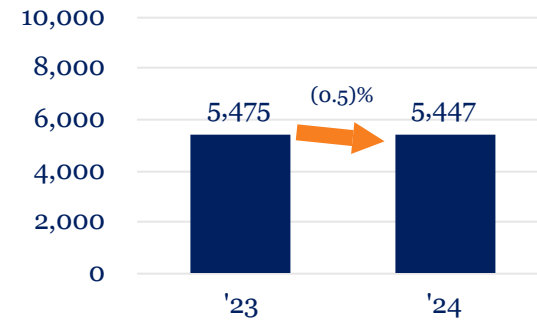
FULL-YEAR 2023 vs 2024

Total Sales Volume

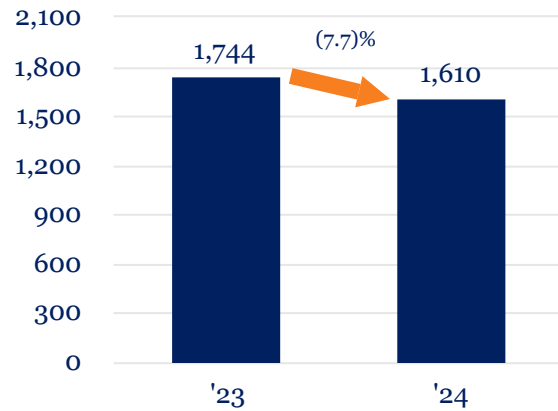
(\$ in billions)



Total Number of Transactions

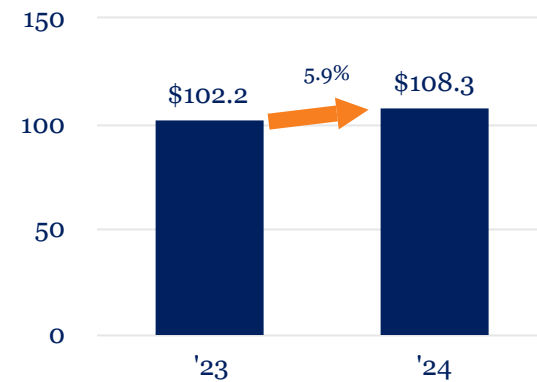


Average Number of Investment Sales Professionals



Average Commission Per Transaction

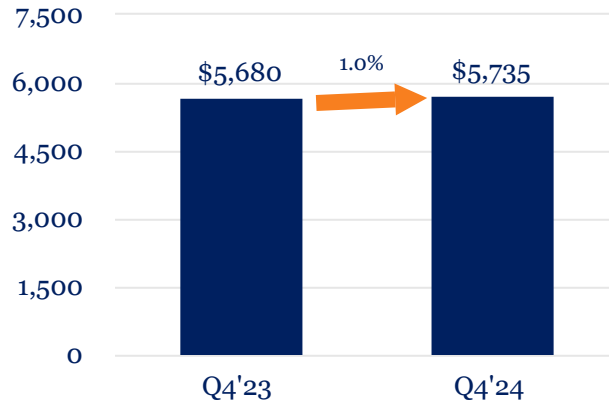
(\$ in thousands)



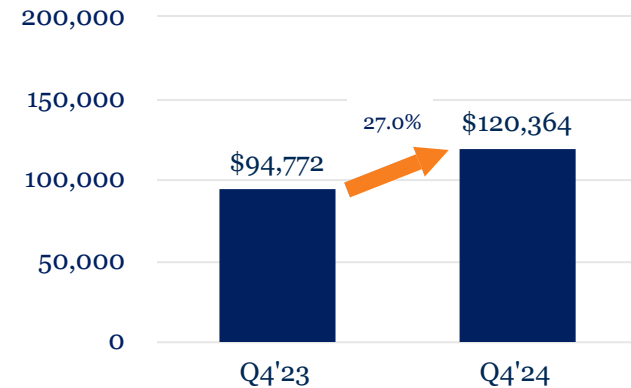
BROKERAGE REVENUE BY MARKET SEGMENT

Q4 2023 vs Q4 2024

<\$1 million
(\$ in thousands)



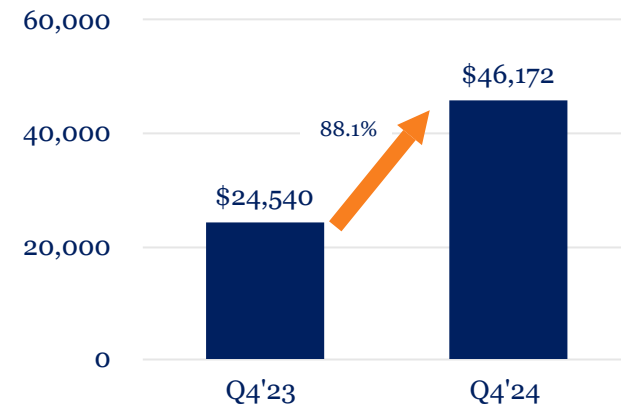
Private Client Market (\$1 - <\$10 million)
(\$ in thousands)



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



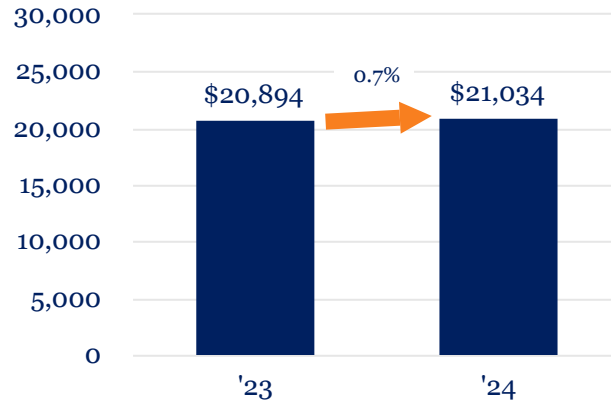
Larger Transaction Market (≥ \$20 million)
(\$ in thousands)



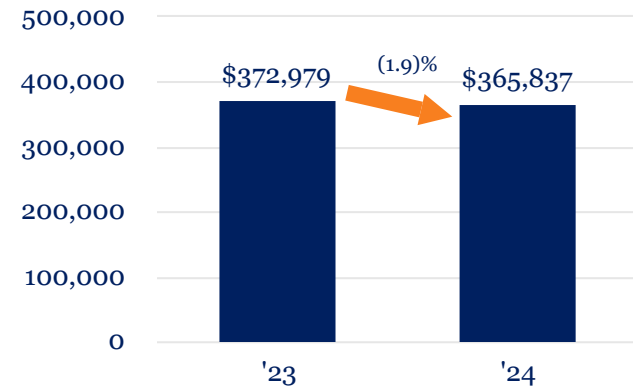
BROKERAGE REVENUE BY MARKET SEGMENT

FULL-YEAR 2023 vs 2024

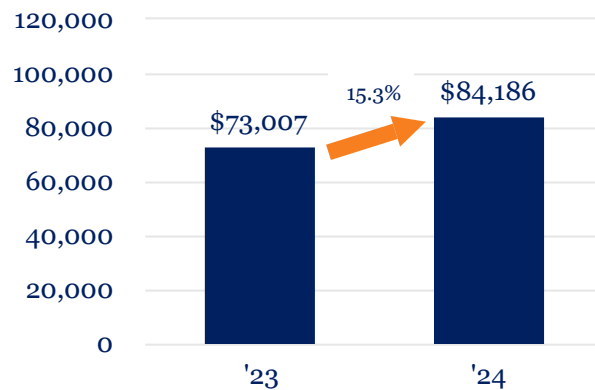
<\$1 million
(\$ in thousands)



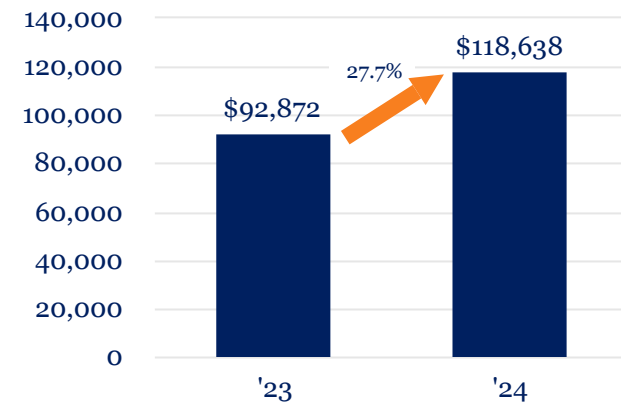
Private Client Market (\$1 - <\$10 million)
(\$ in thousands)



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



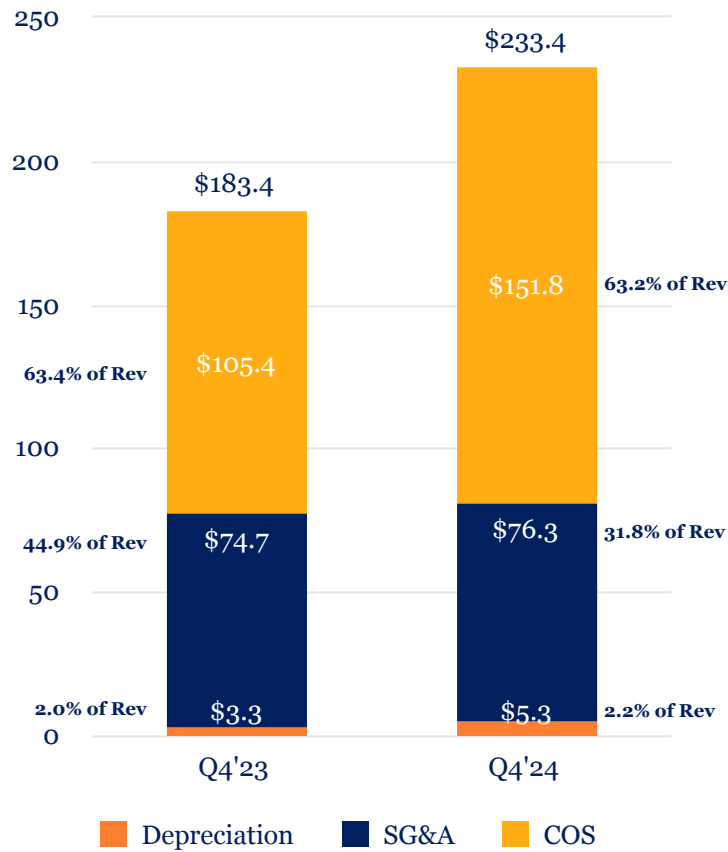
Larger Transaction Market (≥ \$20 million)
(\$ in thousands)



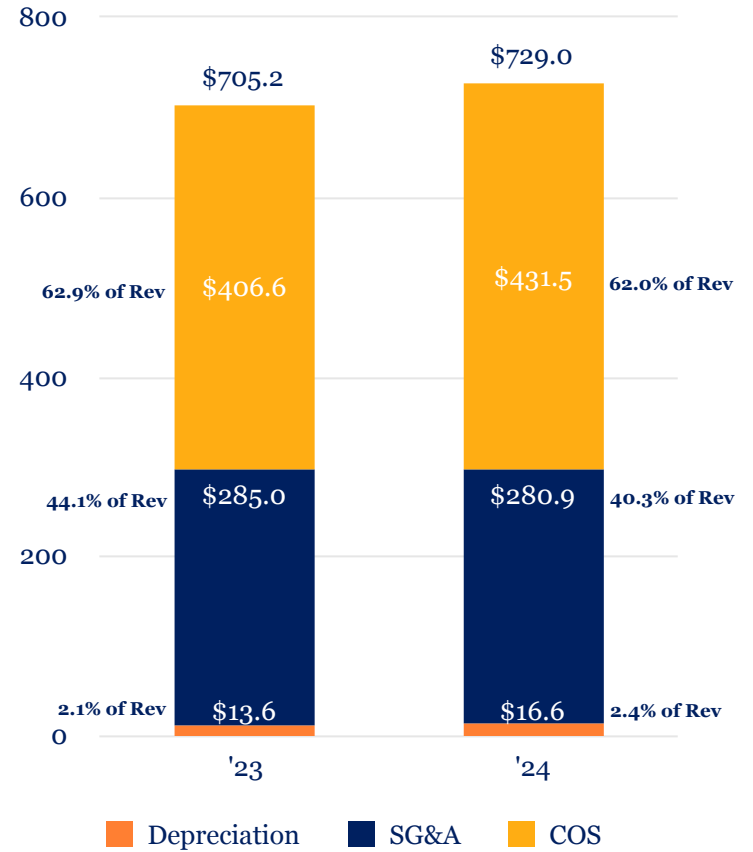
OPERATING EXPENSE

(\$ IN MILLIONS)

Q4'23 vs Q4'24



FY '23 vs FY '24



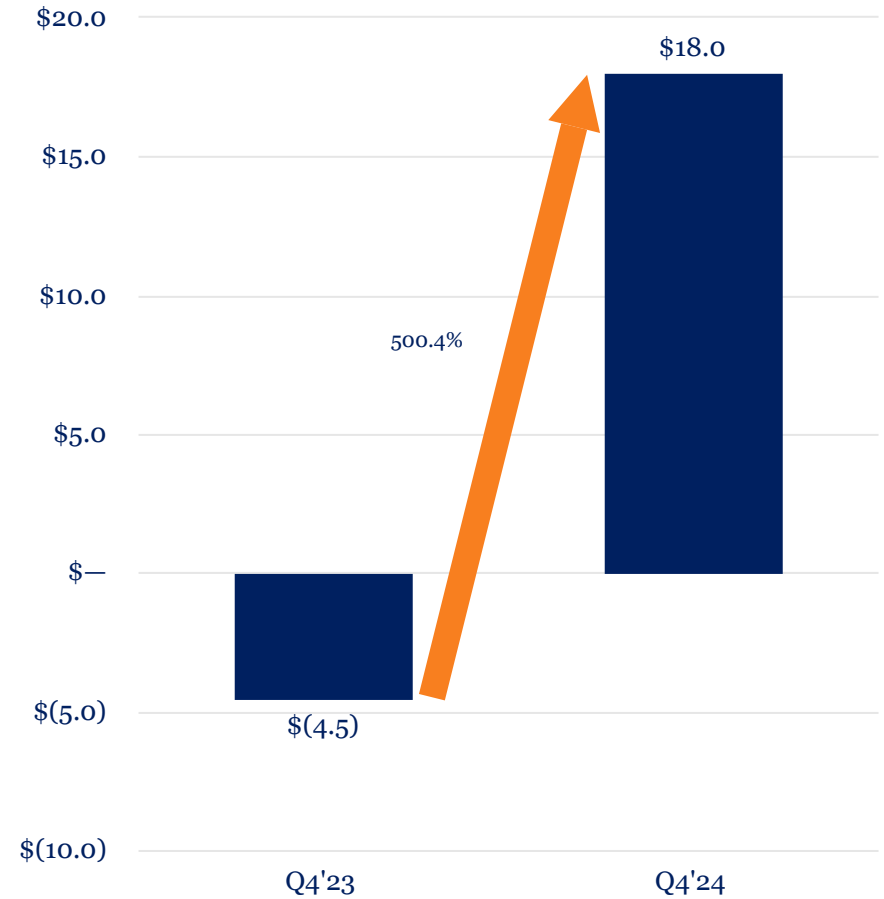
NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Q4 2023 vs Q4 2024

Net Income
(\$ in millions)

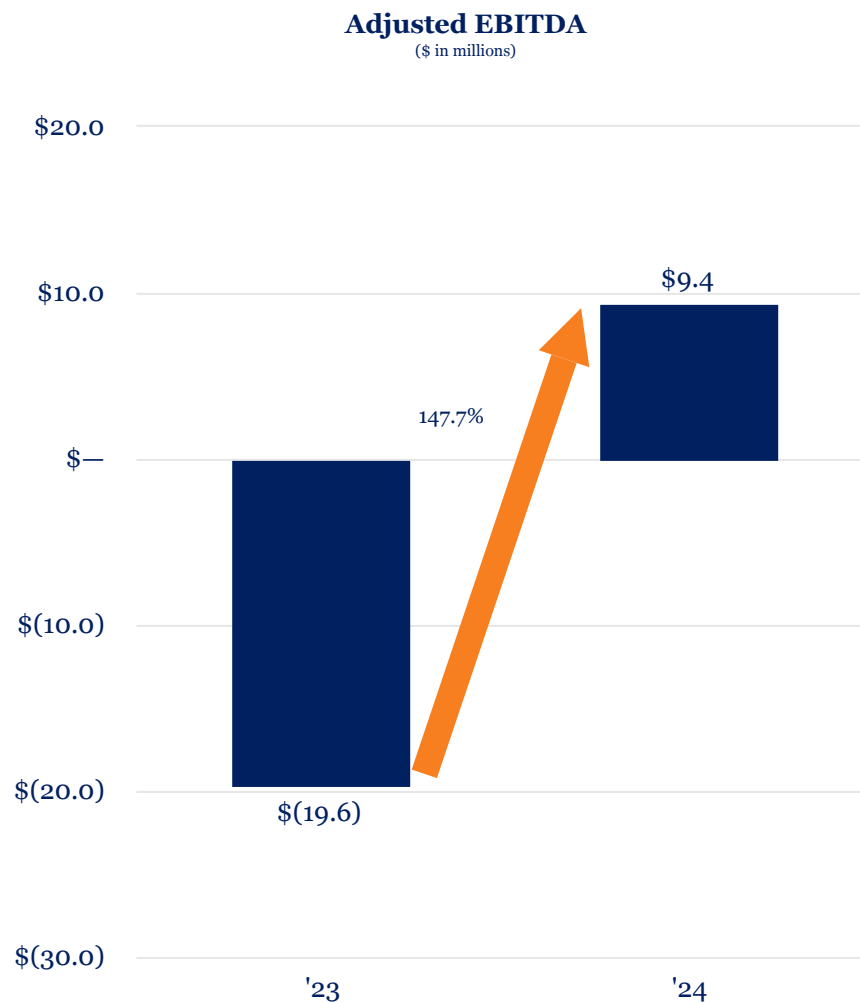


Adjusted EBITDA
(\$ in millions)



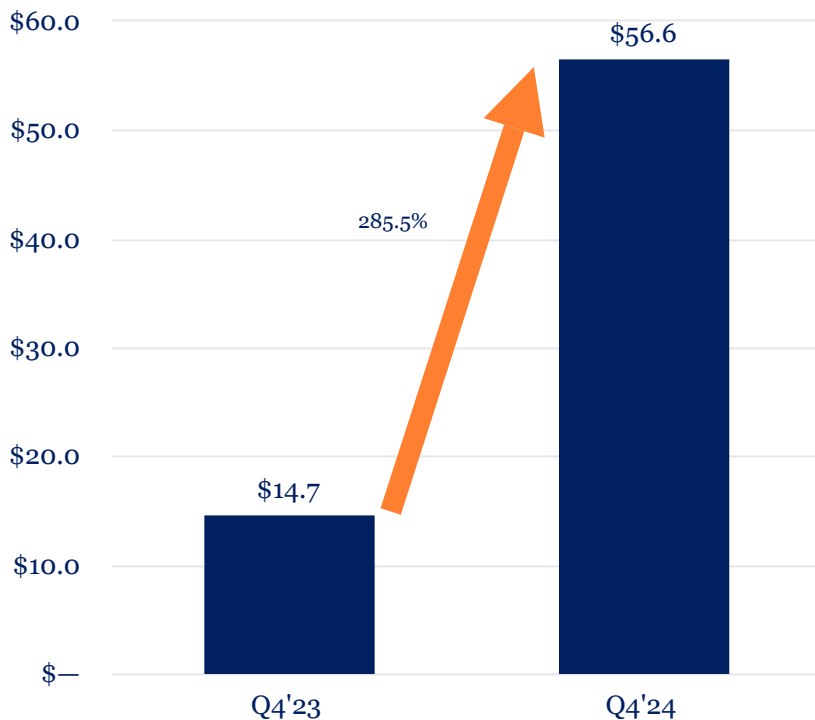
NET INCOME AND ADJUSTED EBITDA PERFORMANCE

FULL-YEAR 2023 vs 2024

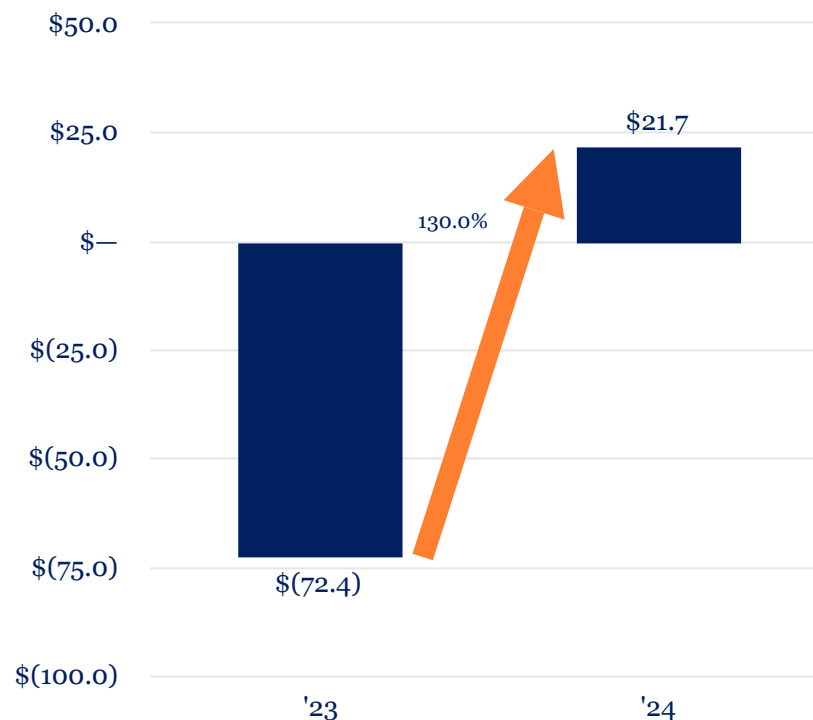


CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES

**Q4 Cash Flows Provided By
Operating Activities**
(\$ in millions)

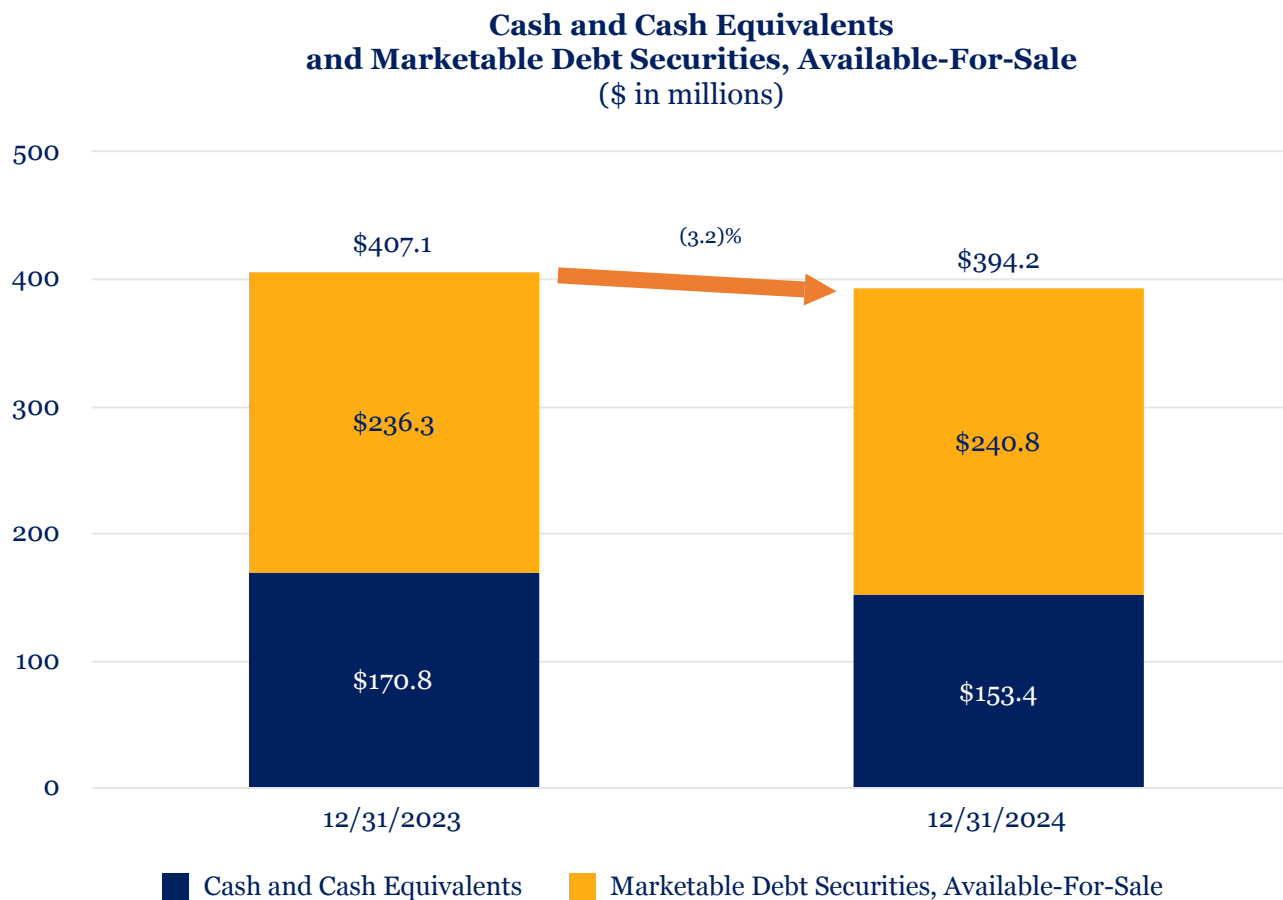


**Annual Cash Flows Provided By (Used In)
Operating Activities ⁽¹⁾**
(\$ in millions)



- (1) Cash flows provided by operating activities were \$21.7 million in 2024 compared to cash flow used in operating activities of \$72.4 million in 2023. The \$94.1 million increase in cash flows from operating activities in 2024 compared to 2023 was primarily due to (a) a reduction in net losses as a result of increases in real estate brokerage commissions and financing fees, (b) a reduction in bonus payments as the 2023 payment for bonuses related to amounts accrued in 2022 based in part on 2022 profits and (c) a reduction in payments in deferred compensation and commissions. The cash flows from operating activities are also affected by timing of certain cash receipts and payments.

LIQUIDITY POSITION



Liquidity position as of December 31, 2024 was \$394.2 million, which includes \$10.7 million in restricted cash and after return of capital to shareholders of \$21.0 million for the year ⁽¹⁾.

(1) Including the payment of \$20.2 million of dividends and \$0.8 million in stock repurchases.

Appendix

ADJUSTED EBITDA RECONCILIATION

Adjusted EBITDA as net income (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. We use Adjusted EBITDA in our business operations to evaluate the performance of our business, develop budgets and measure our performance against those budgets, among other things. We also believe that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate our 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 our results as reported under U.S. GAAP. We find 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, we do not rely solely on Adjusted EBITDA as a performance measure and also consider our U.S. GAAP results. Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income (loss), operating income (loss) 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,	
	2024	2023	2024	2023
Net income (loss)	\$8,548	\$(10,233)	\$(12,362)	\$(34,035)
Adjustments:				
Interest income and other (1)	(4,987)	(4,689)	(18,793)	(17,890)
Interest expense	201	216	812	888
Provision (benefit) for income taxes	2,947	(1,451)	(666)	(6,366)
Depreciation and amortization	5,288	3,315	16,589	13,627
Stock-based compensation	6,037	8,338	23,792	24,146
Adjusted EBITDA	\$18,034	\$(4,504)	\$9,372	\$(19,630)

(1) Other includes net realized gains (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

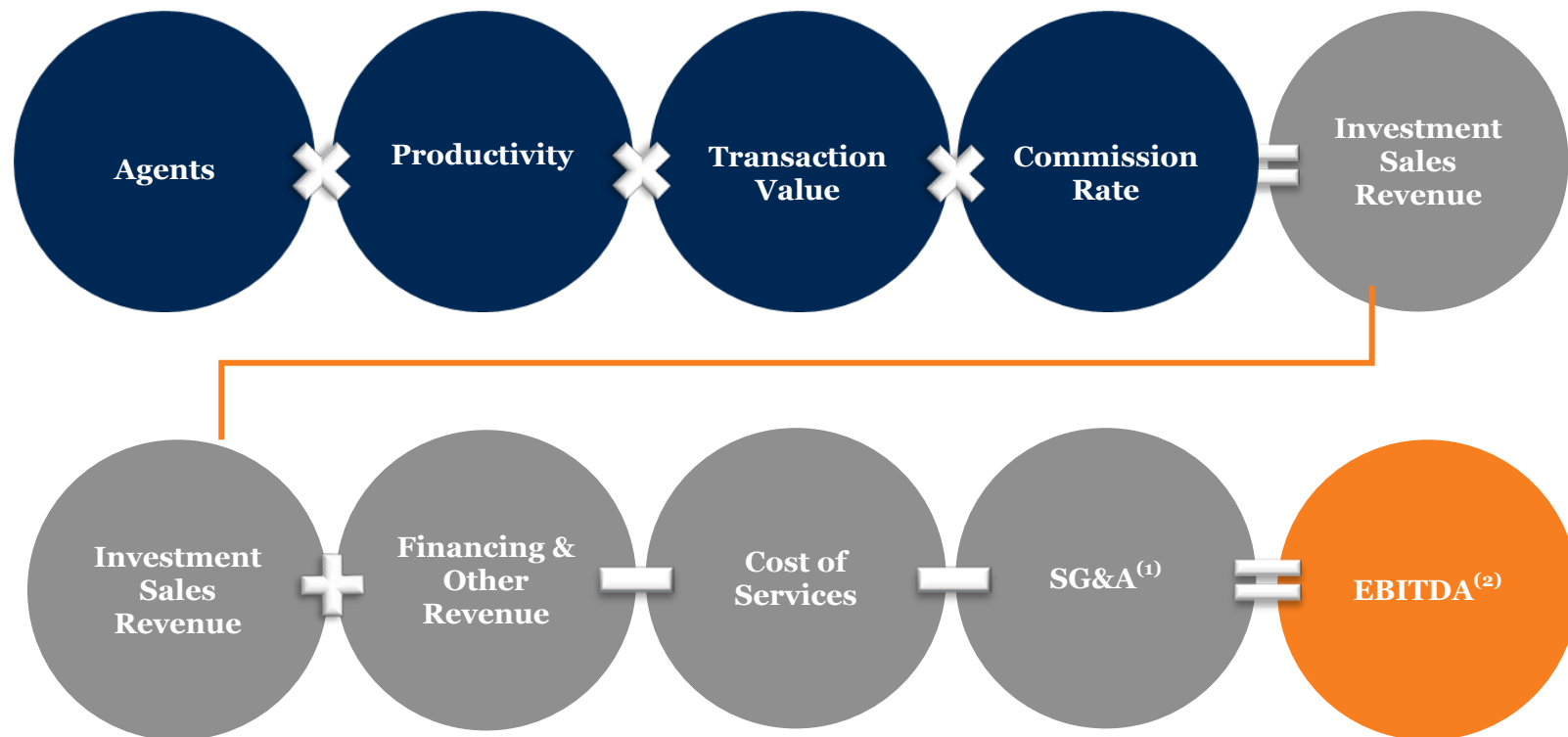
MANAGEMENT WITH SIGNIFICANT INVESTMENT BROKERAGE EXPERIENCE

- 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

Fourth Quarter 2024