

FOURTH QUARTER 2018
EARNINGS CONFERENCE CALL

February 20, 2019

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation are “forward-looking statements” within the meaning of the federal securities laws, including our business outlook for 2019 and beyond and expectations for market share growth. Statements about our beliefs and expectations and statements containing the words “may,” “could,” “would,” “should,” “believe,” “expect,” “anticipate,” “plan,” “estimate,” “target,” “project,” “intend,” “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 suggested in 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.

Factors that could cause results to differ materially include, but are not limited to: (1) general economic conditions and commercial real estate market conditions, including the conditions in the global markets and, in particular, the U.S. debt markets; (2) the Company’s ability to attract and retain transaction professionals; (3) the Company’s ability to retain its business philosophy and partnership culture; (4) competitive pressures; (5) the Company’s ability to integrate new agents and sustain its growth; and (6) other factors discussed in the Company’s public filings, including the risk factors included in the Company’s Annual Report on Form 10-K to be filed with the Securities and Exchange Commission on March 1, 2019.

CONFERENCE CALL PARTICIPANTS



HESSAM NADJI

President, Chief Executive Officer and Director



MARTY LOUIE

Chief Financial Officer

MMI FINANCIAL HIGHLIGHTS

2018 FOURTH QUARTER HIGHLIGHTS

| Financial Highlights | | YOY |
|----------------------------------------------------------|-----------------|--------|
| Revenue | \$230.3 million | 13.6% |
| Net Income | \$26.2 million | 209.3% |
| Tax Adjusted Net Income Growth Rate⁽¹⁾ | \$26.2 million | 16.8% |
| Adjusted EBITDA | \$36.1 million | 12.5% |

| Operational Highlights | | YOY |
|-----------------------------------------------------------------------------|----------------|------|
| Sales Volume | \$13.2 billion | 7.9% |
| Transaction Closings | 2,603 | 6.5% |
| Investment Sales and Financing Professionals as of December 31, 2018 | 1,977 | 8.7% |

(1) Due to the enactment of the Tax Cuts and Jobs Act (the "Act"), the U.S. federal statutory corporate tax rate was reduced from 35% to 21% starting in 2018. Provision for income taxes for the three months ended December 31, 2017 was calculated using the effective income tax rate of 21.520% consistent with the three months ended December 31, 2018. The adjustment was made to illustrate what the growth rate would have been had the effective income tax rate been the same in both periods.

FULL YEAR 2018 HIGHLIGHTS

| Financial Highlights | | YOY |
|----------------------------------------------------------|-----------------|-------|
| Revenue | \$814.8 million | 13.2% |
| Net Income | \$87.3 million | 69.4% |
| Tax Adjusted Net Income Growth Rate⁽¹⁾ | \$87.3 million | 18.1% |
| Adjusted EBITDA | \$129.5 million | 15.9% |

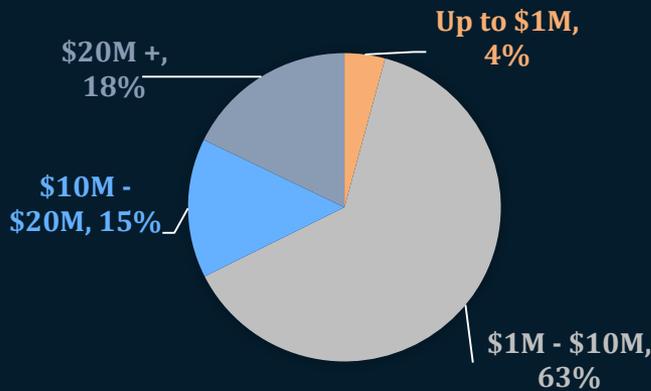
| Operational Highlights | | YOY |
|---------------------------------------------------------------------------------|----------------|------|
| Sales Volume | \$46.4 billion | 9.9% |
| Transaction Closings | 9,472 | 5.5% |
| Investment Sales and Financing Professionals as of December 31, 2018 | 1,977 | 8.7% |

(1) Due to the enactment of the Act, the U.S. federal statutory corporate tax rate was reduced from 35% to 21% starting in 2018. Provision for income taxes for the twelve months ended December 31, 2017 was calculated using the effective income tax rate of 25.561%, consistent with the twelve months ended December 31, 2018. The adjustment was made to illustrate what the growth rate would have been had the effective income tax rate been the same in both periods.

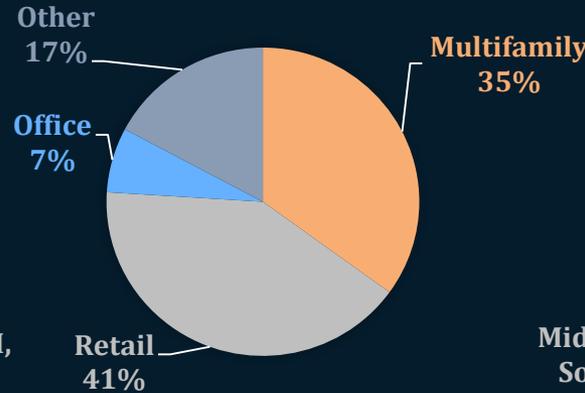
2018 FOURTH QUARTER BROKERAGE HIGHLIGHTS

| | | YOY |
|---------------------------------------------------------------|-----------------|-------|
| Sales Volume | \$9.9 billion | 13.7% |
| Transaction Closings | 1,933 | 10.3% |
| Investment Sales Professionals as of December 31, 2018 | 1,866 | 8.3% |
| Real Estate Brokerage Commissions Revenue | \$211.2 million | 19.1% |

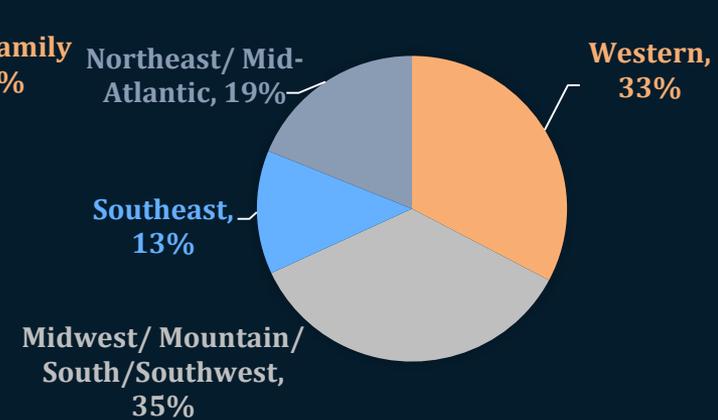
Revenue by Transaction Size



Transactions by Property Type

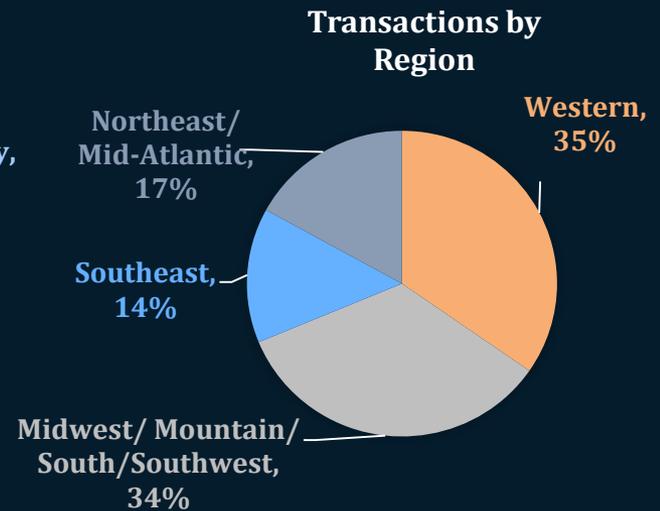
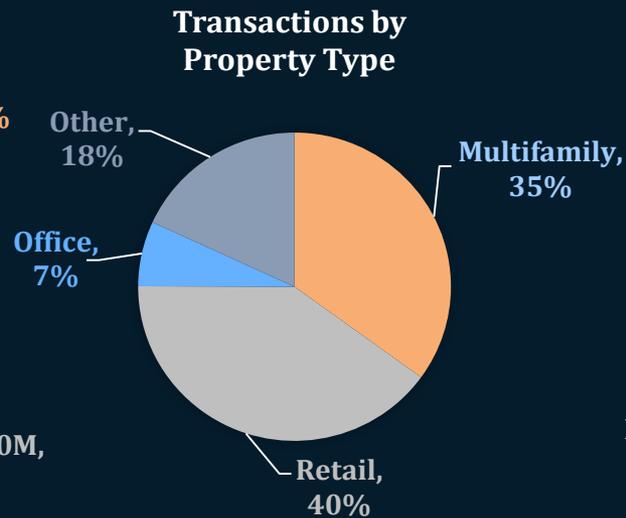
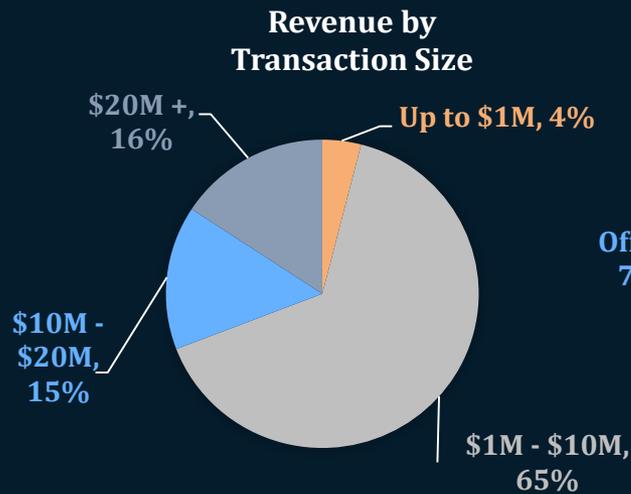


Transactions by Region



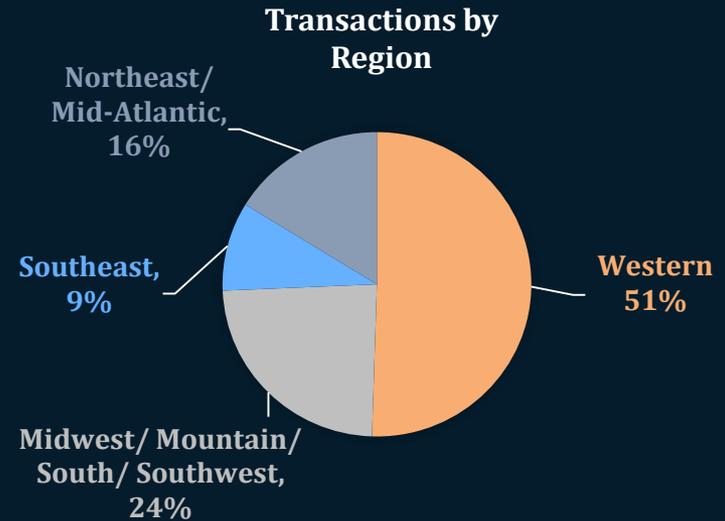
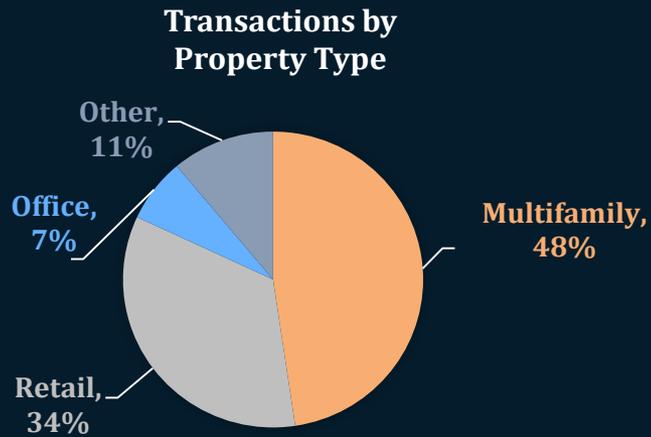
FULL YEAR 2018 BROKERAGE HIGHLIGHTS

| | | YOY |
|---------------------------------------------------------------|-----------------|-------|
| Sales Volume | \$36.1 billion | 18.4% |
| Transaction Closings | 7,079 | 7.9% |
| Investment Sales Professionals as of December 31, 2018 | 1,866 | 8.3% |
| Real Estate Brokerage Commissions Revenue | \$747.4 million | 15.1% |



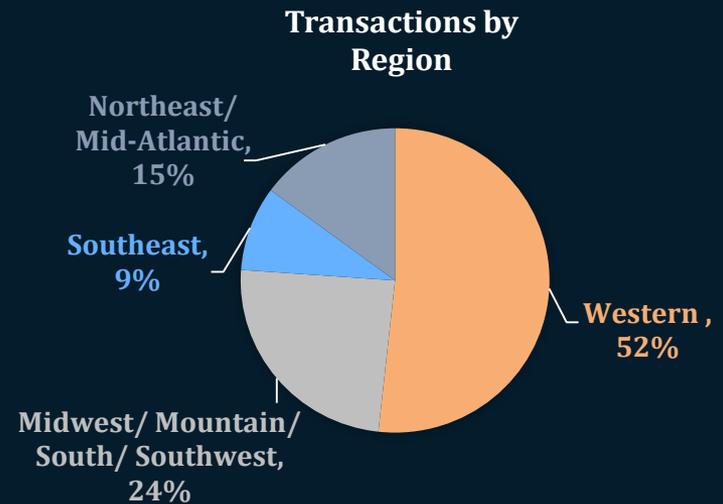
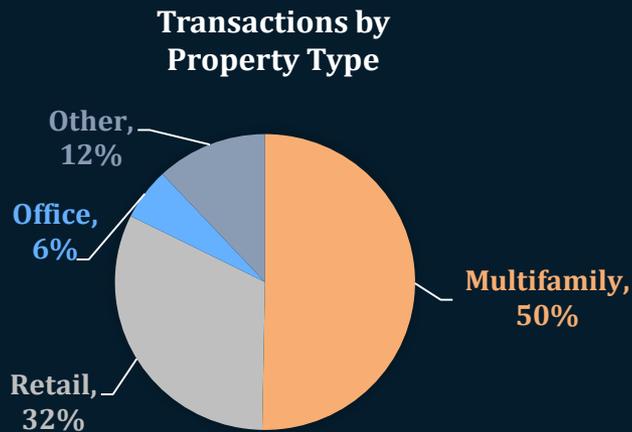
2018 FOURTH QUARTER FINANCING HIGHLIGHTS

| | | YOY |
|--------------------------------------------------------|----------------|--------|
| Sales Volume | \$1.8 billion | 4.1% |
| Transaction Closings | 487 | (2.4%) |
| Financing Professionals as of December 31, 2018 | 111 | 15.6% |
| Financing Fees Revenue | \$16.6 million | 6.8% |



FULL YEAR 2018 FINANCING HIGHLIGHTS

| | | YOY |
|--------------------------------------------------------|----------------|--------|
| Sales Volume | \$6.2 billion | 10.7% |
| Transaction Closings | 1,678 | (1.7%) |
| Financing Professionals as of December 31, 2018 | 111 | 15.6% |
| Financing Fees Revenue | \$57.8 million | 16.4% |

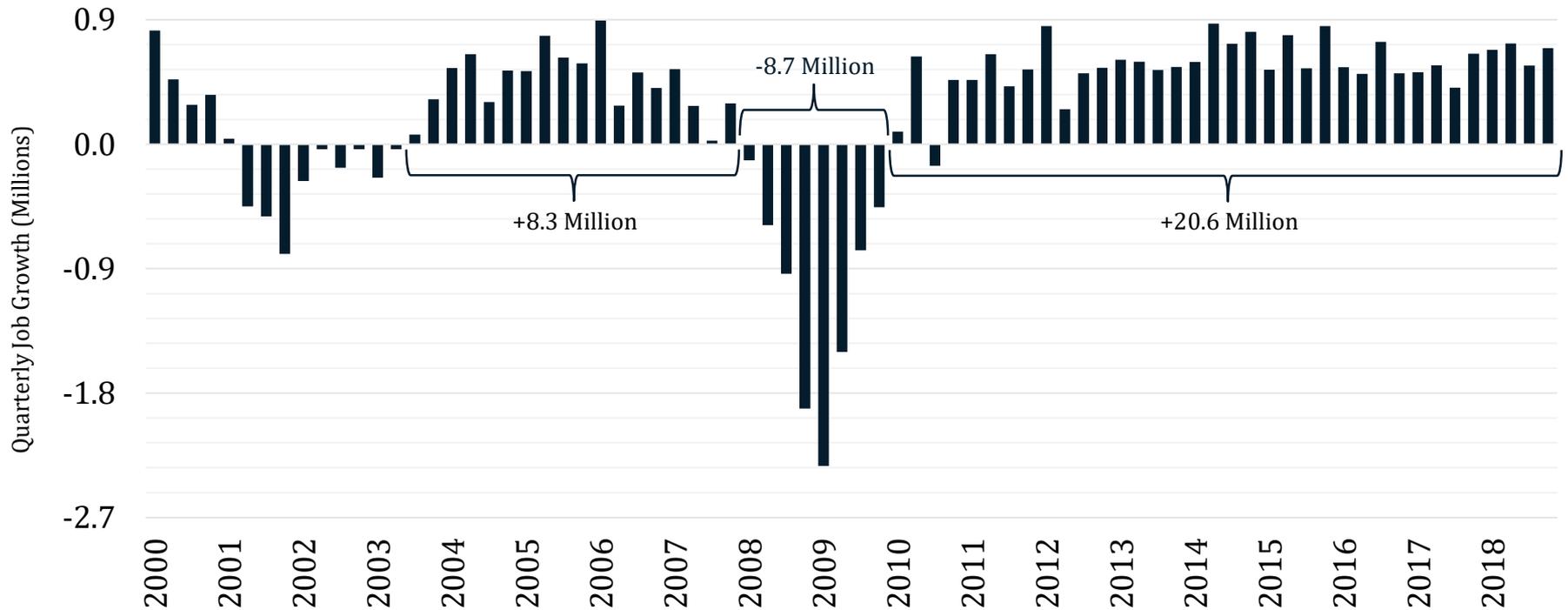


MARKET HIGHLIGHTS

U.S. EMPLOYMENT GAINS DRIVING REAL ESTATE DEMAND

U.S. Employment Growth Accelerated in 2018

*2019 forecast to add 2.2 million jobs**

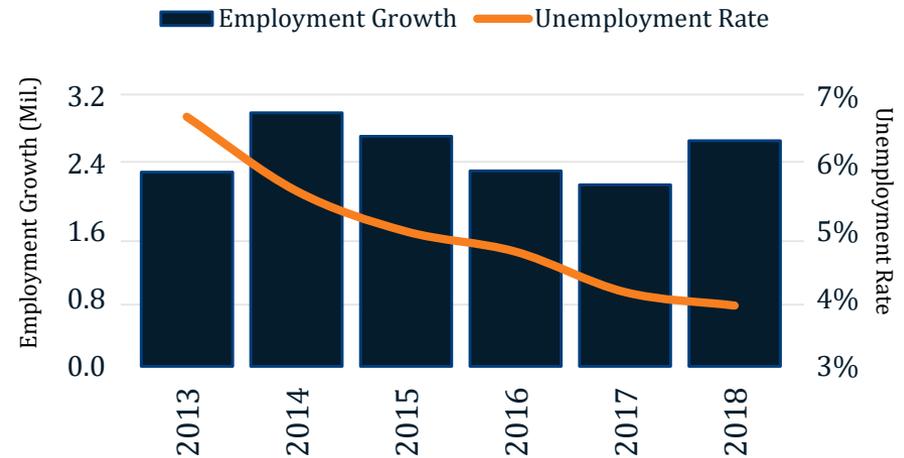


* Forecast per Economy.com
Sources: BLS, Moody's Analytics

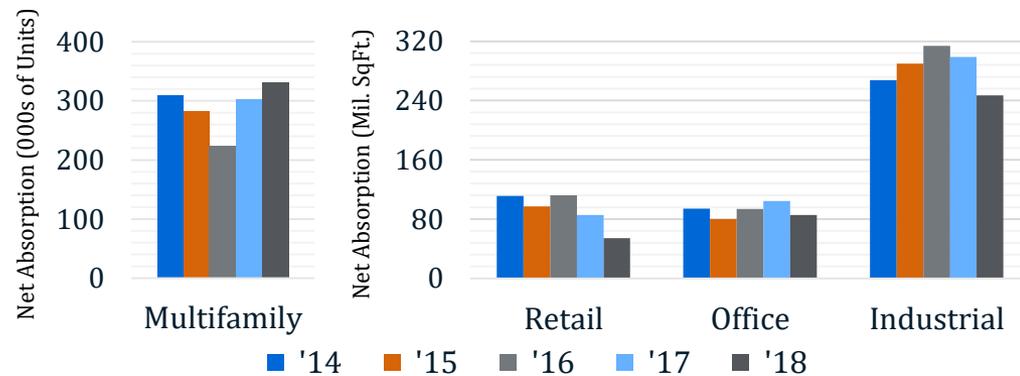
EMPLOYMENT AND SPACE DEMAND REMAIN STRONG

- Employment growth totaled more than 2.6 million jobs in 2018
- Total employment stands 11.8 million above the pre-recession peak
- Unemployment rate is down 280 basis points since 2013
- Space absorption for multifamily, office, and industrial remain solid
- Retail absorption encountering variation by location, type, and age of property

Employment Growth vs. Unemployment Rate



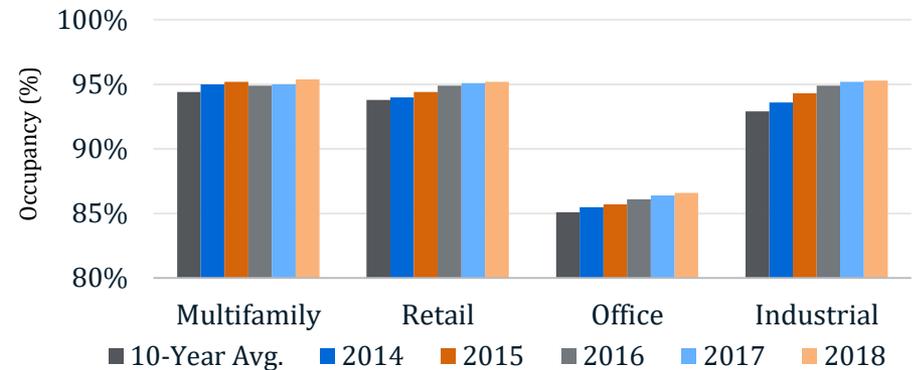
Space Absorption Trends



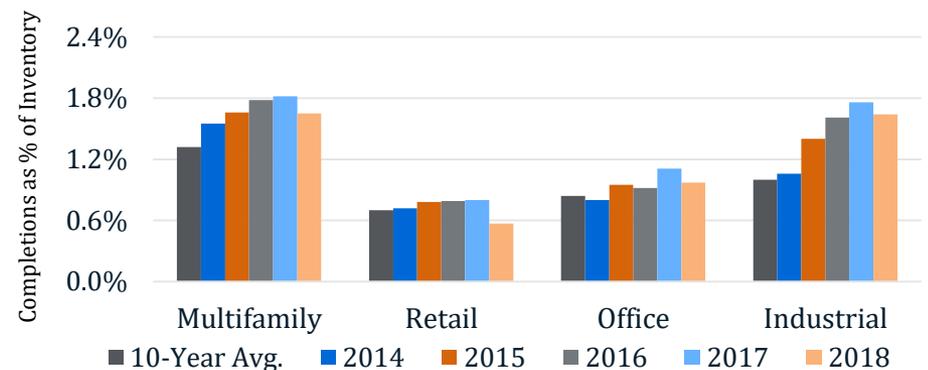
PROPERTY FUNDAMENTALS REMAIN HEALTHY; CONSTRUCTION TRENDS VARY BY PROPERTY TYPE

- Property fundamentals demonstrate healthy performance across all property types
- Multifamily and industrial properties led the recovery – new supply in both sectors increased, but are beginning to abate
- Select markets facing some high-end apartment oversupply risk; class B/C workforce apartments remain very stable
- New supply for office and retail remain within long-term averages

Occupancy Trends



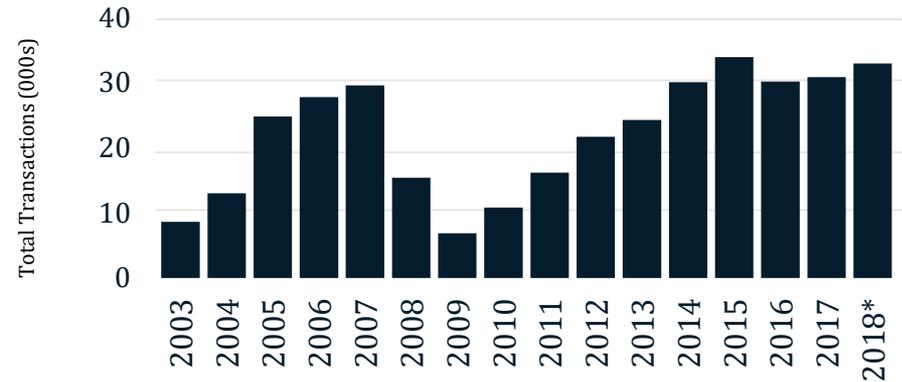
Construction Trends



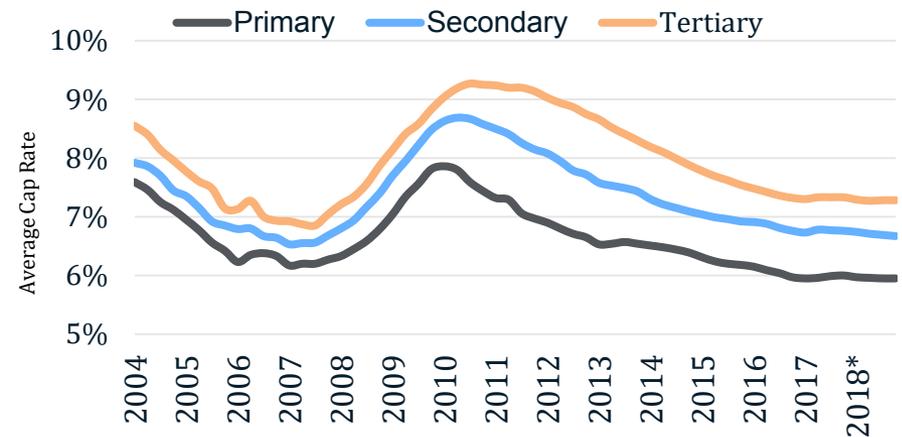
INVESTMENT SALES REMAIN STABLE AT HEALTHY LEVELS

- Investment sales at healthy levels and rising moderately; still below 2015 peak
- 2018 sales modestly outpaced 2017 based on preliminary estimates⁽¹⁾
- Steady economic outlook, healthy fundamentals and positive aspects of new tax law on commercial real estate expected to sustain investor confidence
- Price and cap rates stable, but widened bid-ask spread remains persistent

U.S. Commercial Real Estate: Total Transaction Activity⁽¹⁾



Cap Rates by Market Type⁽²⁾



Sources: CoStar Group, Inc., Real Capital Analytics

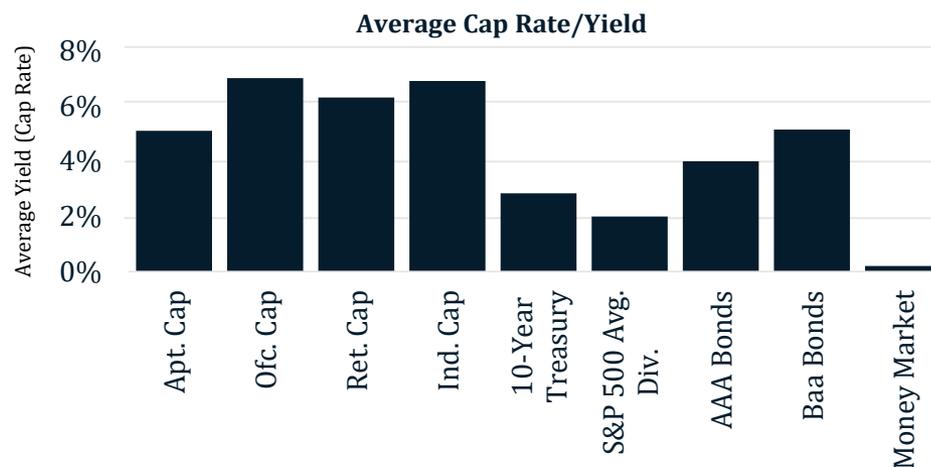
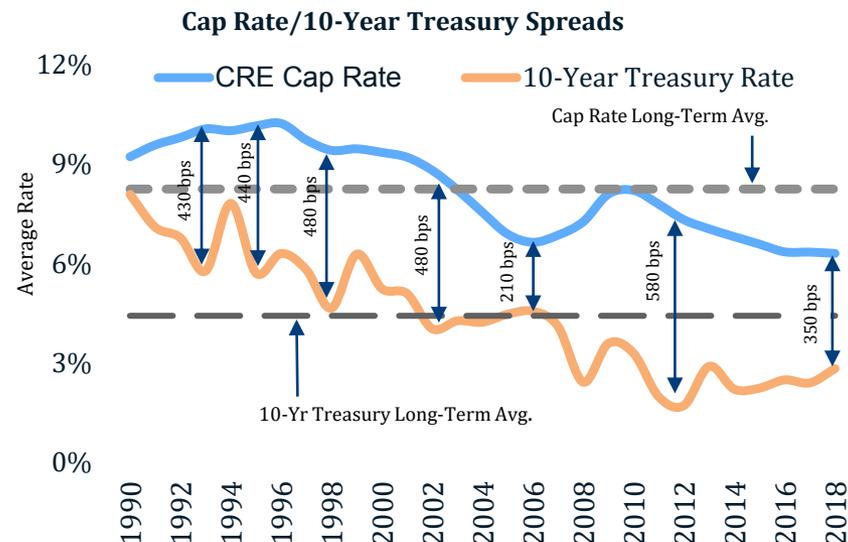
* Preliminary estimate

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

(2) Includes sales \$1 million and greater for multifamily, retail, office, and industrial.

COMMERCIAL REAL ESTATE YIELDS COMPELLING

- Overall, cap rates have maintained stability despite interest rate fluctuations
- The spread between cap rates and the ten-year treasury is still wider than the 2007 market peak
- Commercial real estate offers compelling yields when compared to other investment options



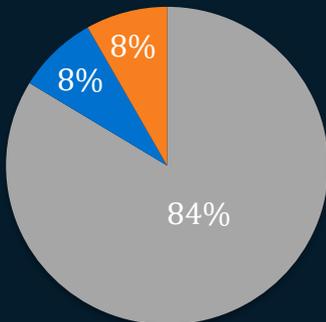
PRIVATE CLIENT MARKET SEGMENT

Largest Sales and Commission Pool Opportunity

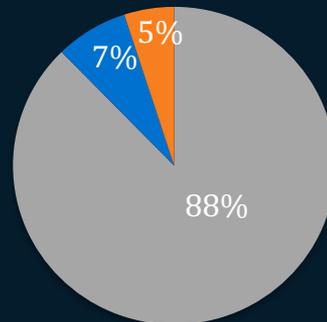
- Market segment consists of sales \$1 million - \$10 million; is the largest and most active, accounting for 80%+ of transactions
- Primarily driven by high-net worth individuals, partnerships and smaller private fund managers
- Influenced by personal drivers that result in buying/selling/refinancing properties, as well as market conditions
- Market segment features the highest commission rates
- MMI well-aligned with this dominant market segment

Transactions by Investor Segment ⁽¹⁾

Commercial Real Estate Market

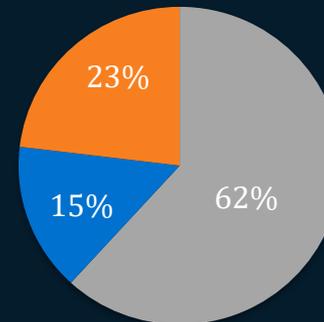


Marcus & Millichap

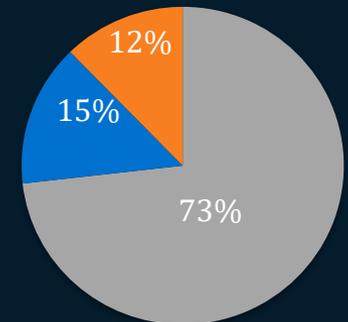


Commission Pool by Investor Segment ^{(1) (2)}

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 2018; 4Q preliminary estimate for market total.

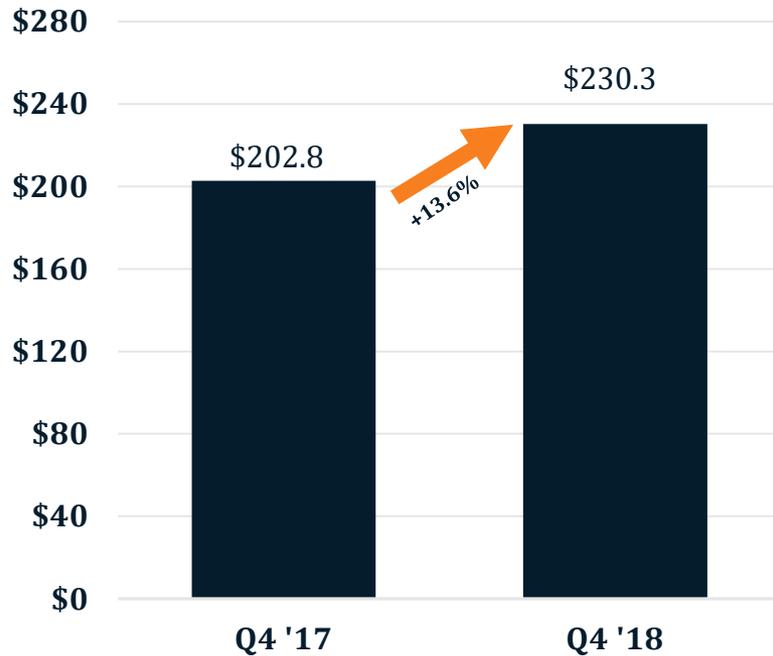
(2) Estimate based on industry averages: 3.7% commission rate for Private Client Market segment, 2.0% rate for Middle Market Segment and 0.8% for Larger Transaction Market segment.

MMI FINANCIAL DETAILS

TOTAL REVENUES

(\$ in millions)

Q4 2017 vs. Q4 2018



Full Year 2017 vs. 2018



BROKERAGE OPERATING METRICS

Q4 2018



Average Number of Investment Sales Professionals

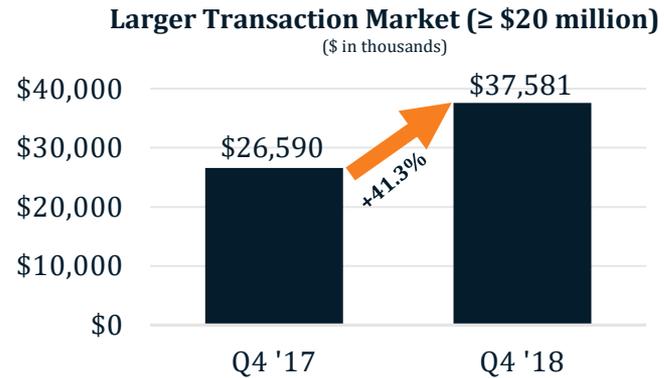
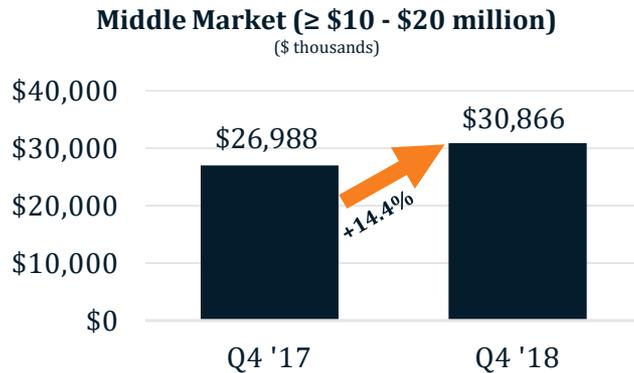
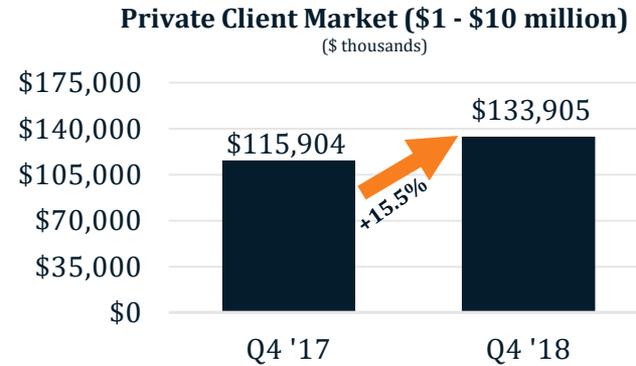


Average Commission Per Transaction



BROKERAGE REVENUE BY MARKET SEGMENT

Q4 2018



BROKERAGE OPERATING METRICS

Full Year 2018

Total Sales Volume
(\$ in billions)



Total Number of Sales Transactions



Average Number of Investment Sales Professionals

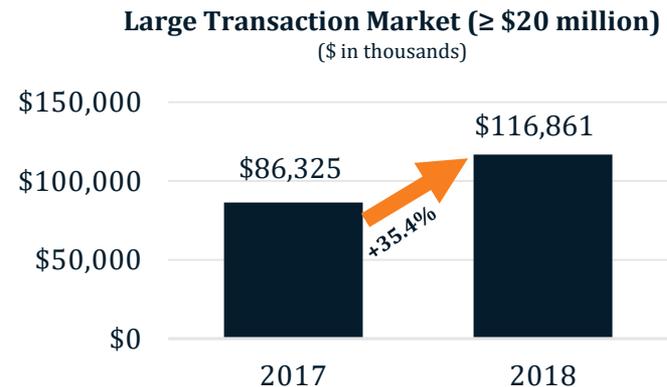
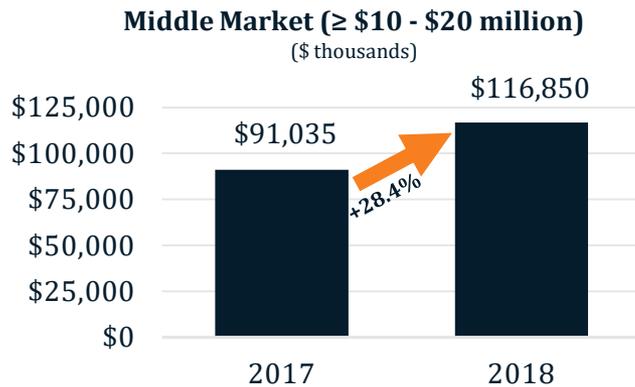
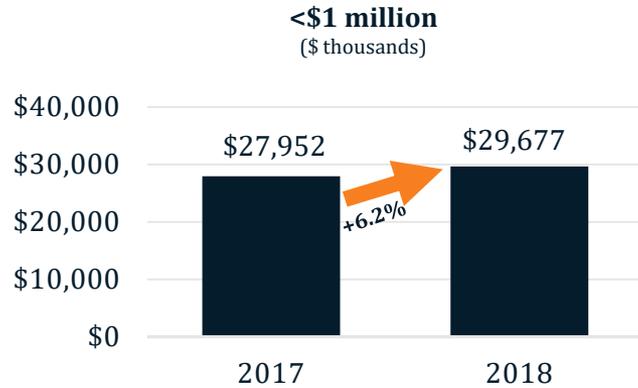


Average Commission Per Transaction
(\$ in thousands)



BROKERAGE REVENUE BY MARKET SEGMENT

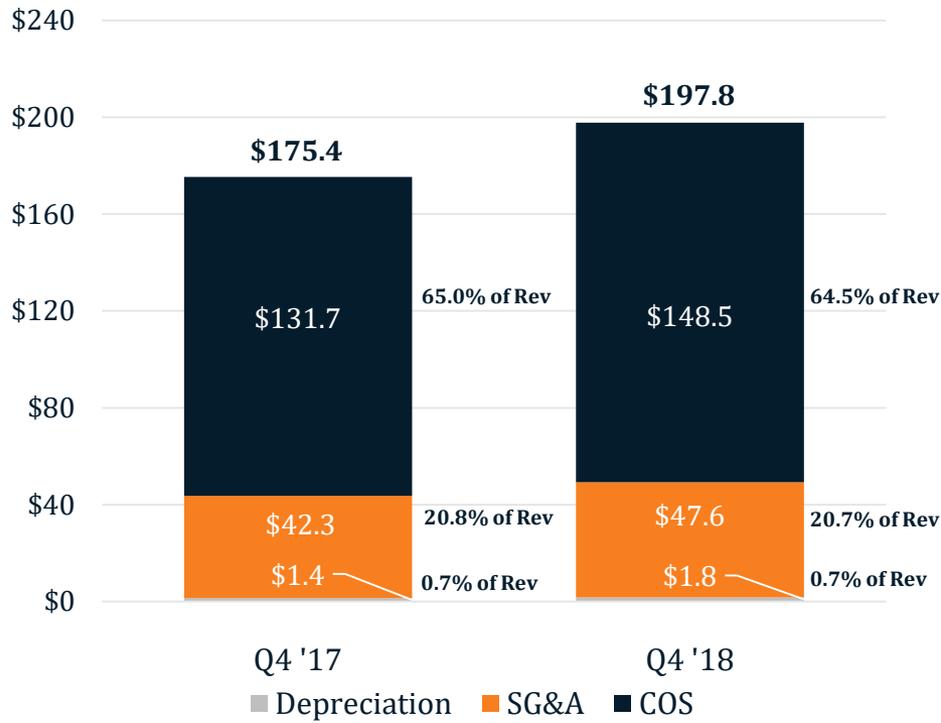
Full Year 2018



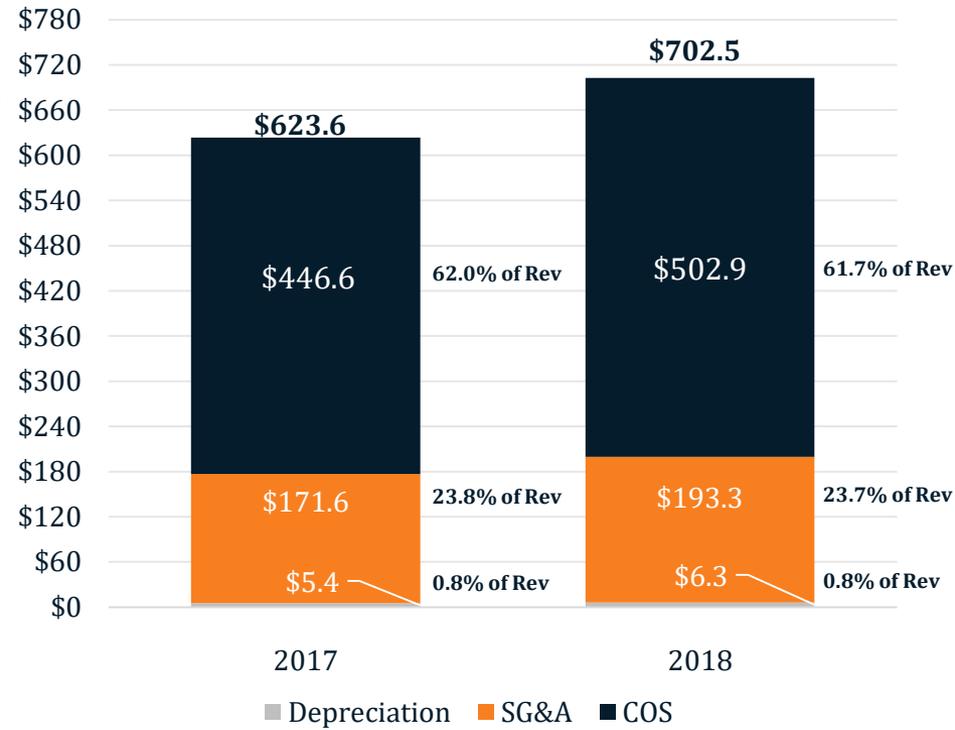
OPERATING EXPENSES

(\$ in millions)

Q4 2017 vs. Q4 2018

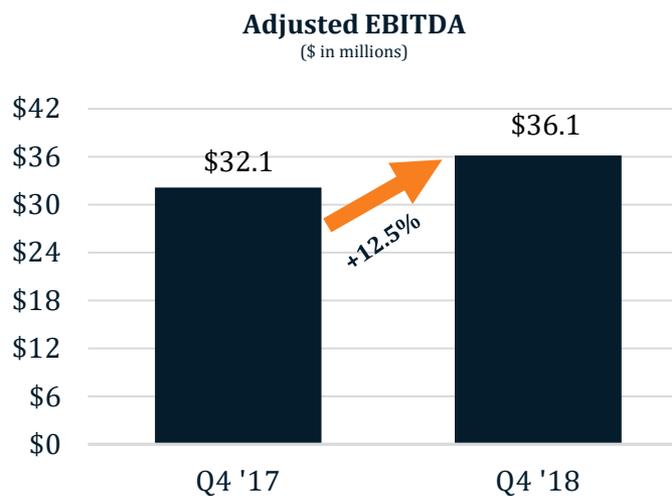
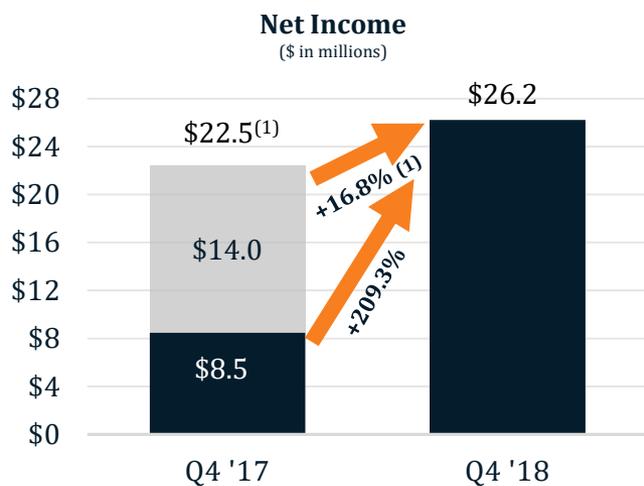


Full Year 2017 vs. 2018



NET INCOME AND ADJUSTED EBITDA PERFORMANCE

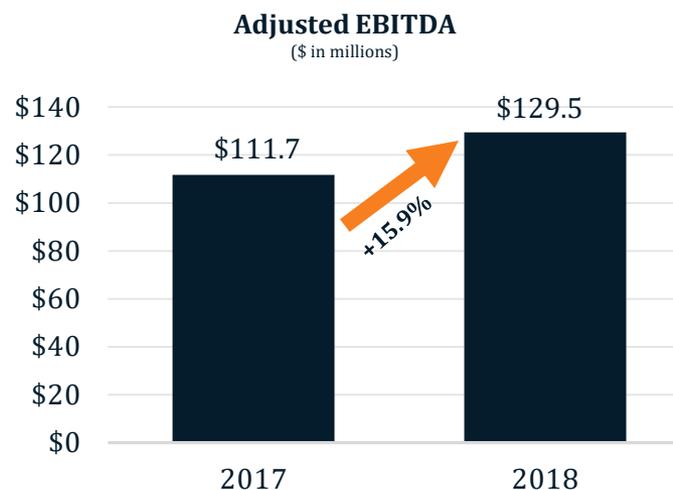
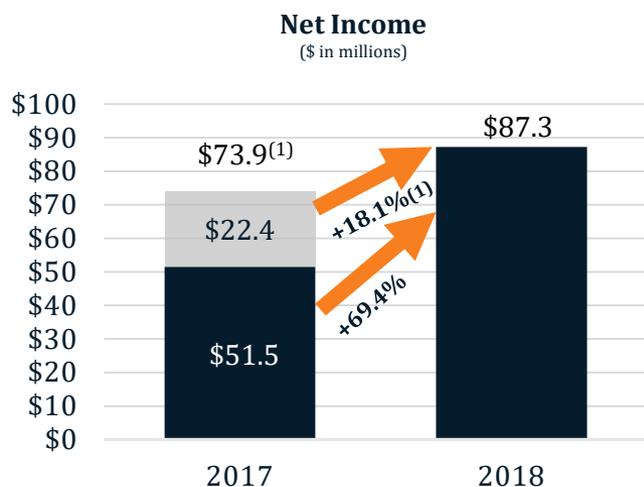
Q4 2018



(1) Due to the enactment of the Act, the U.S. federal statutory corporate tax rate was reduced from 35% to 21% starting in 2018. Provision for income taxes for the three months ended December 31, 2017 was calculated using the effective income tax rate of 21.520% consistent with the three months ended December 31, 2018. The adjustment was made to illustrate what the growth rate would have been had the effective income tax rate been the same in both periods.

NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Full Year 2018



(1) Due to the enactment of the Act, the U.S. federal statutory corporate tax rate was reduced from 35% to 21% starting in 2018. Provision for income taxes for the twelve months ended December 31, 2017 was calculated using the effective income tax rate of 25.561%, consistent with the twelve months ended December 31, 2018. The adjustment was made to illustrate what the growth rate would have been had the effective income tax rate been the same in both periods.

CASH FLOW PROVIDED BY OPERATING ACTIVITIES

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

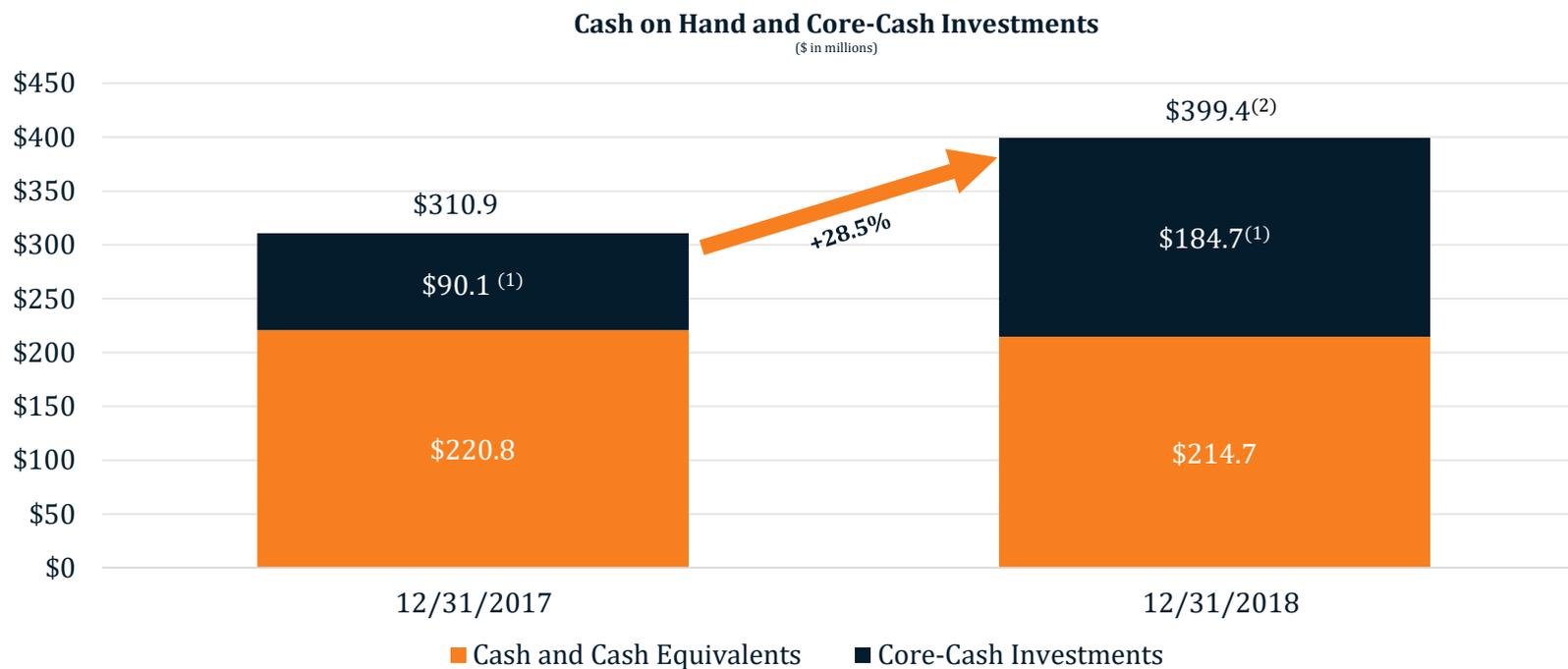


YTD Cash Flow Provided by Operating Activities
(\$ in millions)



(1) Net cash provided by operating activities is driven by our net income adjusted for non-cash items and changes in operating assets and liabilities. The \$50.8 million improvement in operating cash flows for the twelve months ended December 31, 2018 compared to the same period in 2017 was primarily due to increases in our volume of real estate brokerage and financing activities, the reduction in our effective income tax rate, differences in timing of payments and receipts, a decrease in advances to our investment sales and financing professionals, a change in bonus accruals and an increase in stock-based compensation. These improvements in operating cash flows were partially offset by a decrease in the deferral of certain discretionary and other commissions.

STRONG LIQUID CAPITAL POSITION



(1) Relates to investments designated by the company as core-cash investments in fixed and variable debt securities, in accordance with our investment policy approved by the Board of Directors with weighted average maturity of 0.81 years and 0.53 years for the periods ended 12/31/18 and 12/31/17, respectively.

(2) Cash on hand & core-cash investments increased from the period ended 12/31/2017 primarily due to the deployment of excess current cash to investments with maturities great than 90 days.

APPENDIX

ADJUSTED EBITDA RECONCILIATION

Adjusted EBITDA, which the Company defines as net income before (i) interest income and other, including net realized (losses) gains on marketable 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) other non-cash MSR 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 an analytical tool 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 as a useful tool to assist in evaluating performance because Adjusted EBITDA eliminates items related to capital structure and 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 derived 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, | | Year Ended December 31, | |
|--------------------------------------------------|------------------------------------|-----------------|----------------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Income | \$26,225 | \$8,480 | \$87,257 | \$51,524 |
| Adjustments: | | | | |
| Interest income and other⁽¹⁾ | (2,426) | (1,221) | (7,052) | (3,514) |
| Interest expense | 346 | 370 | 1,400 | 1,496 |
| Provision for income taxes⁽²⁾ | 7,191 | 20,138 | 29,963 | 47,702 |
| Depreciation and amortization | 1,768 | 1,388 | 6,297 | 5,363 |
| Stock-based compensation | 3,064 | 2,972 | 11,983 | 9,145 |
| Other non-cash MSR activity⁽³⁾ | (20) | - | (391) | - |
| Adjusted EBITDA⁽⁴⁾ | \$36,148 | \$32,127 | \$129,457 | \$111,716 |

(1) Other for the three and twelve months ended December 31, 2018 and 2017 includes net realized gains (losses) on marketable securities available-for-sale.

(2) The three and twelve months ended December 31, 2017 includes a one-time charge in the amount of \$11.6 million in connection with the remeasurement of deferred tax assets, net due to enactment of the Act, which reduced the U.S. federal statutory corporate tax rate from 35% to 21% starting in 2018.

(3) Non-cash MSRs activity includes the assumption of servicing obligations following the completion of our business acquisition in 2018.

(4) The increase in Adjusted EBITDA in 2018 compared to 2017 is primarily due to higher total revenues.

TAX ADJUSTED NET INCOME RECONCILIATION

Due to the enactment of the Act, the U.S. federal statutory corporate tax rate was reduced from 35% to 21% starting in 2018. For the three and twelve months ended December 31, 2017, the Company calculated tax adjusted net income using the effective income tax rate for the three and twelve months ended December 31, 2018 of 21.520% and 25.561%, respectively. The adjustment was made to illustrate what the growth rate would have been had the effective income tax rate been the same in both periods. A reconciliation of the most directly comparable U.S. GAAP financial measure, net income, to tax adjusted net income for the three and twelve months ended December 31, 2017 is as follows (dollar and share amounts in thousands, except per share amounts):

| | Three Months Ended December 31, | | | Year Ended December 31, | | |
|----------------------------------------------------|---------------------------------|-----------------|--------------|-------------------------|---------------|--------------|
| | 2018 | 2017 | % Change | 2018 | 2017 | % Change |
| Income before provision for income taxes | \$33,416 | \$28,618 | 16.8% | \$117,220 | \$99,226 | 18.1% |
| Provision for income taxes | (7,191) | (20,138) | (64.3)% | (29,963) | (47,702) | (37.2)% |
| Net Income | 26,225 | 8,480 | 209.3% | 87,257 | 51,524 | 69.4% |
| Income before provision for income taxes | 33,416 | 28,618 | 16.8% | 117,220 | 99,226 | 18.1% |
| Provision for income taxes⁽¹⁾ | (7,191) | (6,159) | 16.8% | (29,963) | (25,363) | 18.1% |
| Tax adjusted net income⁽¹⁾ | \$26,225 | \$22,459 | 16.8% | 87,257 | 73,863 | 18.1% |
| Weighted average common shares outstanding: | | | | | | |
| Basic | 39,157 | 38,966 | | 39,149 | 38,988 | |
| Diluted | 39,469 | 39,230 | | 39,383 | 39,100 | |
| Earnings per share: | | | | | | |
| Basic | \$0.67 | \$0.22 | | \$2.23 | \$1.32 | |
| Diluted | \$0.66 | \$0.22 | | \$2.22 | \$1.32 | |
| Tax adjusted earnings per share: | | | | | | |
| Basic | \$0.67 | \$0.58 | | \$2.23 | \$1.89 | |
| Diluted | \$0.66 | \$0.57 | | \$2.22 | \$1.89 | |

(1) Provision for income taxes for the three and twelve months ended December 31, 2017 was calculated using the effective income tax rate of 21.520% and 25.561%, respectively, consistent with the three and twelve months ended December 31, 2018.

COMPANY OVERVIEW

NATIONAL PLATFORM FOCUSED ON INVESTMENT BROKERAGE

- 48-year old platform dedicated to perfecting real estate investment brokerage
- Designed to facilitate the movement of capital providing liquidity to clients

MARKET LEADER IN THE PRIVATE CLIENT MARKET SEGMENT

- Only national brokerage firm focused on the Private Client Market segment
- Private Client Market segment consistently comprises 80%+ of U.S. commercial property sales transactions annually

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

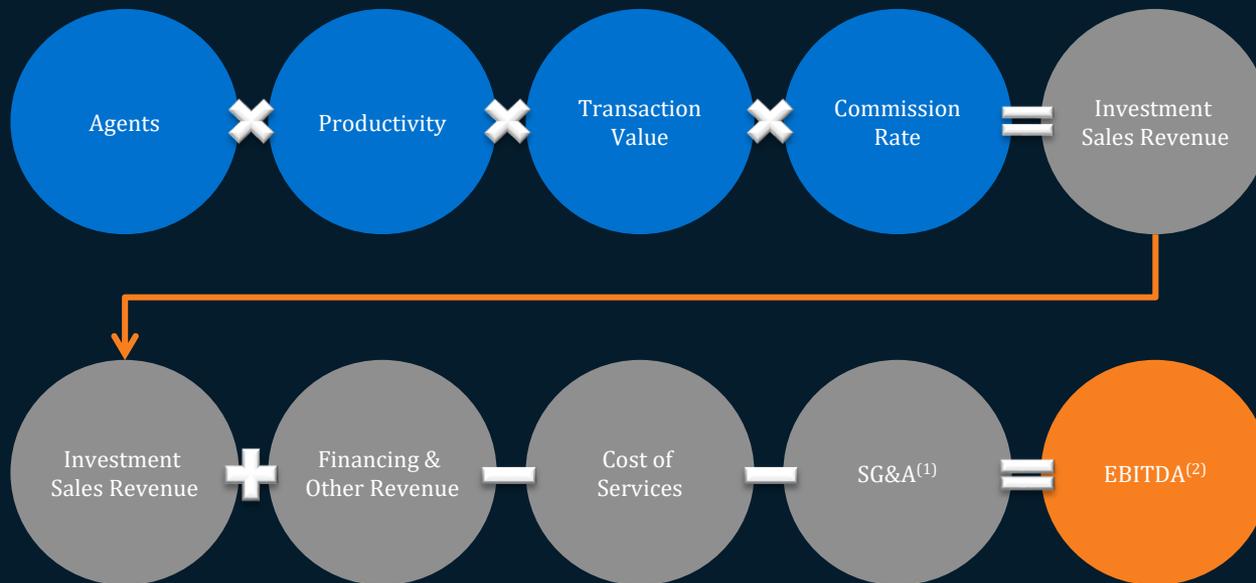
MANAGEMENT WITH SIGNIFICANT INVESTMENT BROKERAGE EXPERIENCE

- Non-competitive management with extensive investment brokerage experience, committed to training, coaching and supporting investment sales professionals
- 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 financing division, MMCC

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