

SECOND QUARTER 2019
EARNINGS CONFERENCE CALL

August 6, 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 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

2019 SECOND QUARTER HIGHLIGHTS

Financial Highlights		YOY
Revenue	\$209.6 million	5.1%
Net Income	\$21.3 million	(4.0)%
Adjusted EBITDA	\$32.0 million	(5.1)%

Operational Highlights		YOY
Sales Volume	\$13.0 billion	14.1%
Transaction Closings	2,535	7.6%
Investment Sales and Financing Professionals as of June 30, 2019	1,965	6.7%

YEAR-TO-DATE 2019 HIGHLIGHTS

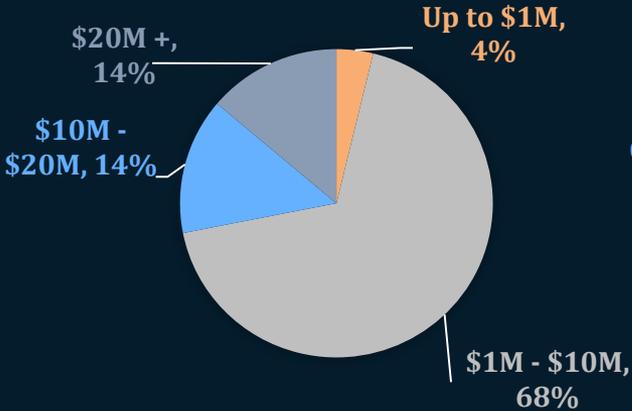
Financial Highlights		YOY
Revenue	\$370.3 million	(1.0)%
Net Income	\$36.9 million	(8.1)%
Adjusted EBITDA	\$55.2 million	(9.8)%

Operational Highlights		YOY
Sales Volume	\$22.8 billion	7.9%
Transaction Closings	4,485	1.0%
Investment Sales and Financing Professionals as of June 30, 2019	1,965	6.7%

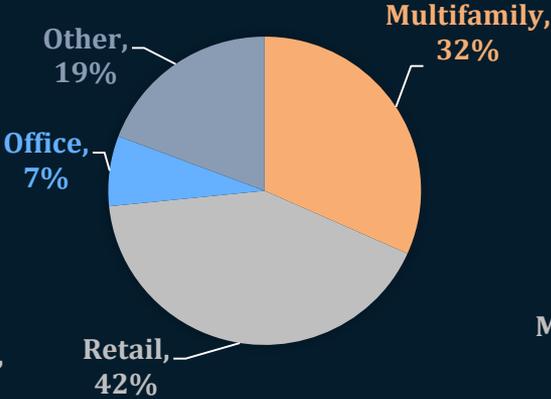
2019 SECOND QUARTER BROKERAGE HIGHLIGHTS

		YOY
Sales Volume	\$9.2 billion	3.2%
Transaction Closings	1,834	4.7%
Investment Sales Professionals as of June 30, 2019	1,862	7.1%
Real Estate Brokerage Commissions Revenue	\$188.7 million	3.9%

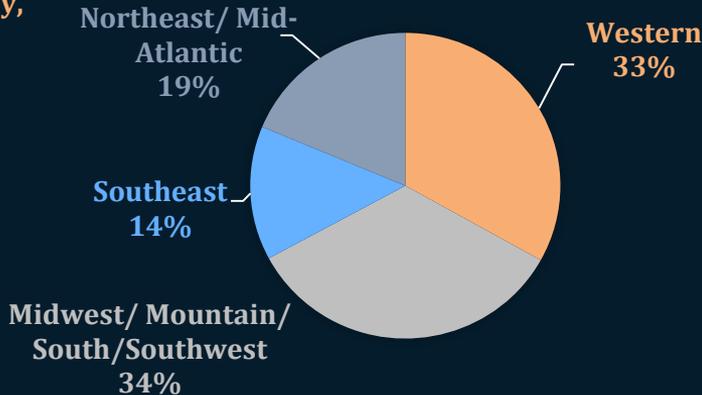
Revenue by Transaction Size



Transactions by Property Type

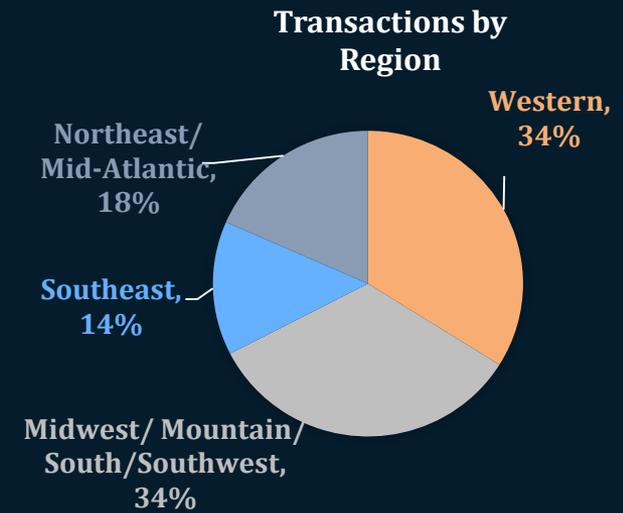
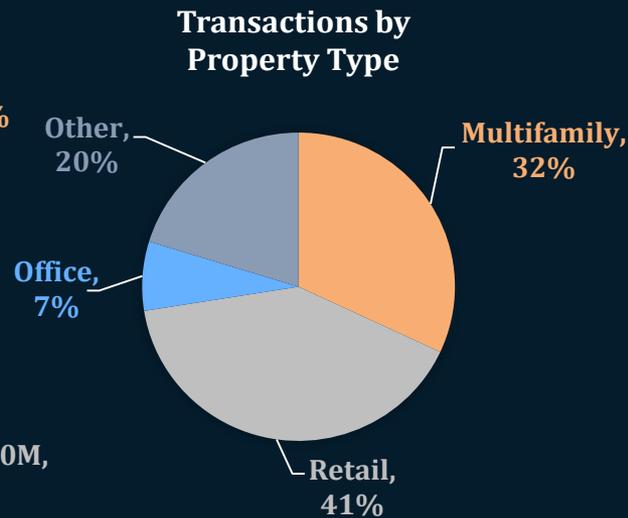
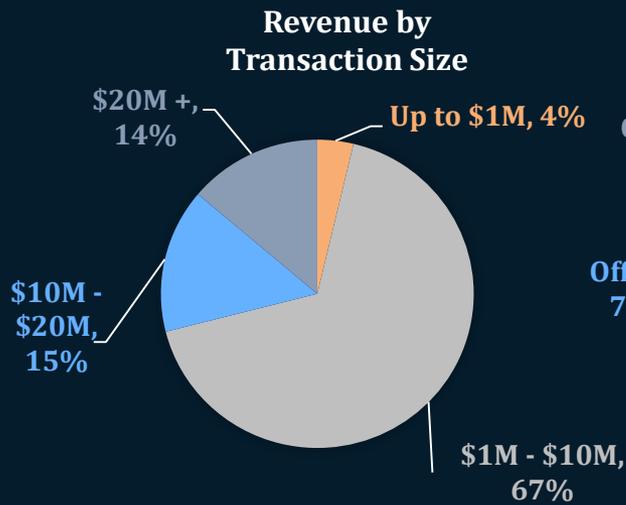


Transactions by Region



YEAR-TO-DATE 2019 BROKERAGE HIGHLIGHTS

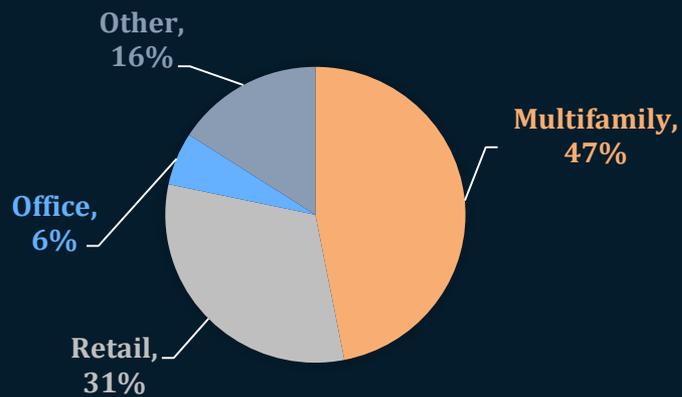
		YOY
Sales Volume	\$16.3 billion	(3.1)%
Transaction Closings	3,239	(2.9)%
Investment Sales Professionals as of June 30, 2019	1,862	7.1%
Real Estate Brokerage Commissions Revenue	\$333.6 million	(3.1)%



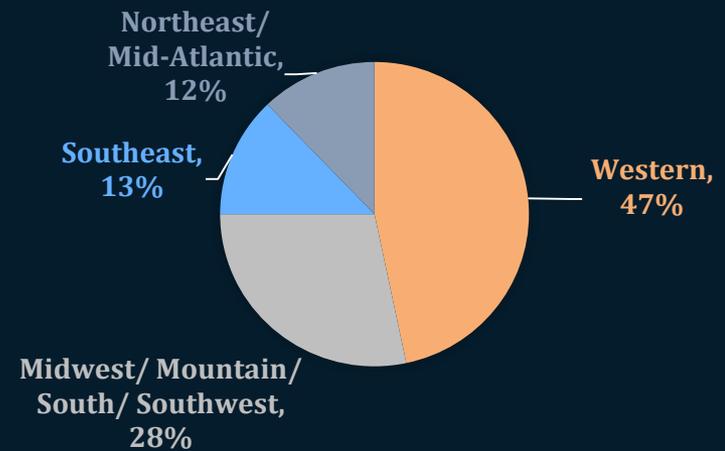
2019 SECOND QUARTER FINANCING HIGHLIGHTS

		YOY
Sales Volume	\$1.9 billion	14.1%
Transaction Closings	484	11.8%
Financing Professionals as of June 30, 2019	103	1.0%
Financing Fees Revenue	\$17.7 million	14.0%

Transactions by Property Type

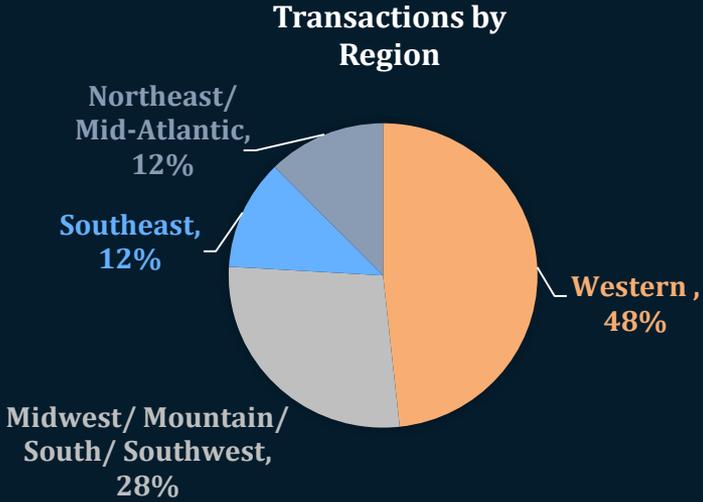
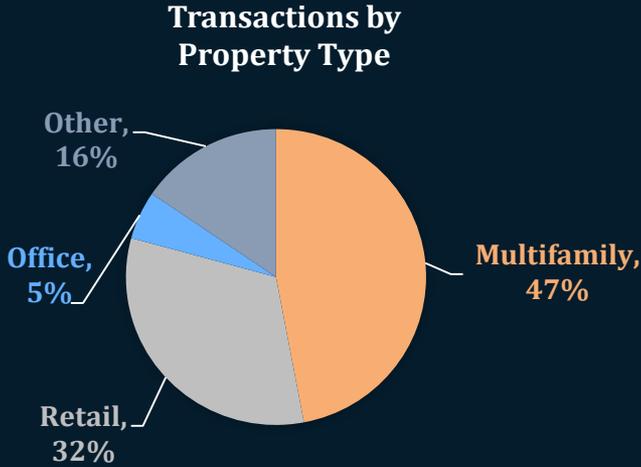


Transactions by Region



YEAR-TO-DATE 2019 FINANCING HIGHLIGHTS

		YOY
Sales Volume	\$3.3 billion	25.8%
Transaction Closings	872	15.2%
Financing Professionals as of June 30, 2019	103	1.0%
Financing Fees Revenue	\$31.5 million	24.5%

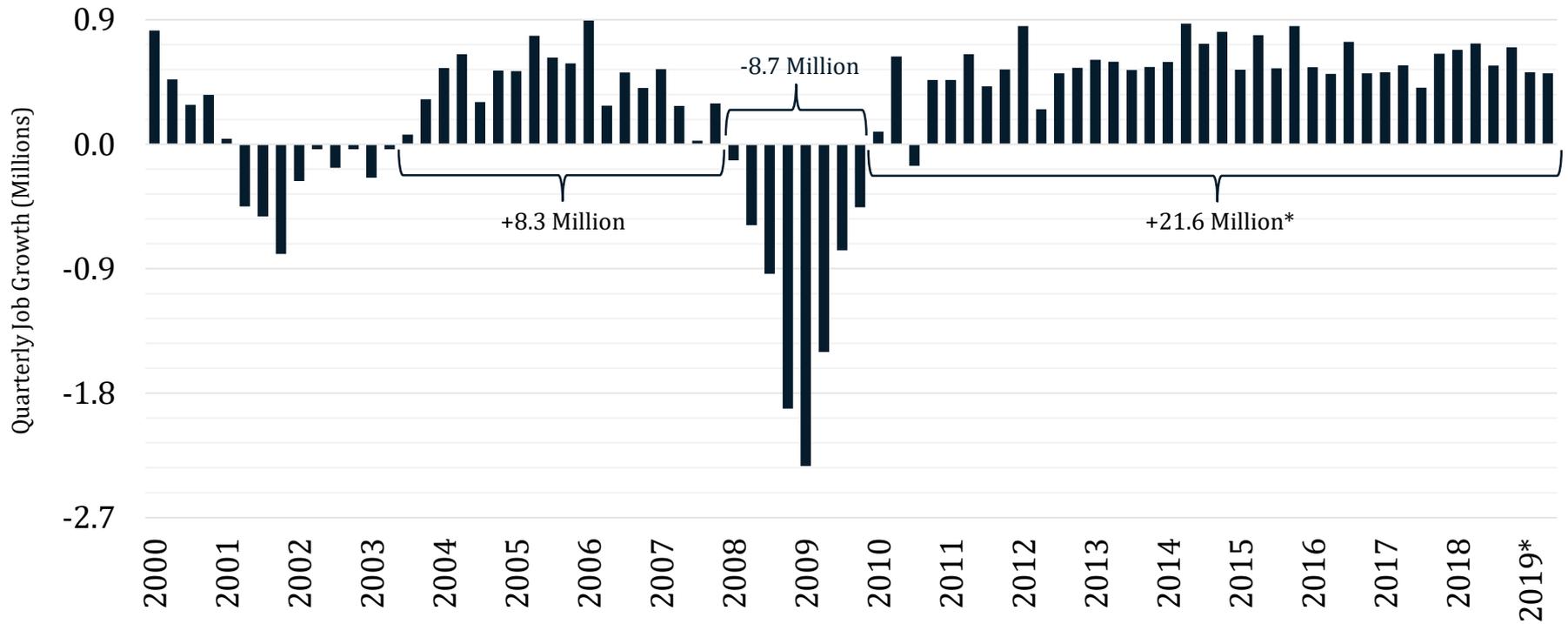


MARKET HIGHLIGHTS

U.S. EMPLOYMENT GAINS DRIVING REAL ESTATE DEMAND

Tight Labor Market Tapers U.S. Employment Growth in 2019

2019 forecast to add 2.0 million jobs**

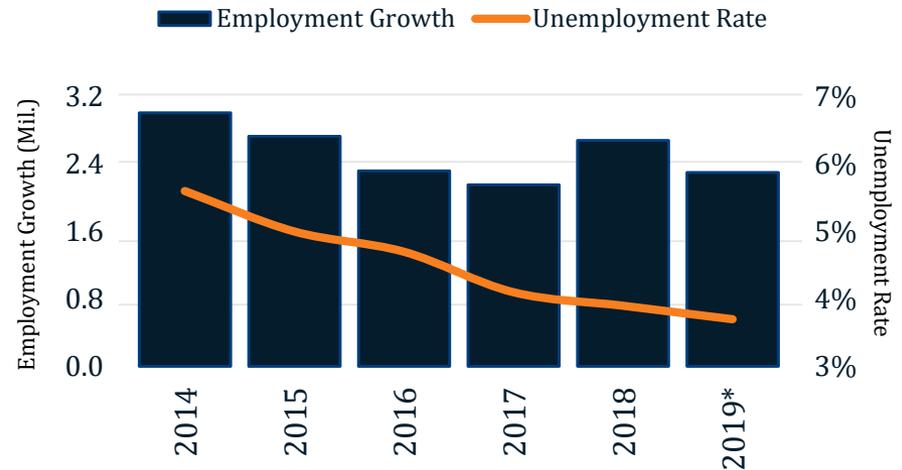


* Through 2Q 2019
 ** Forecast per Economy.com
 Sources: BLS, Moody's Analytics

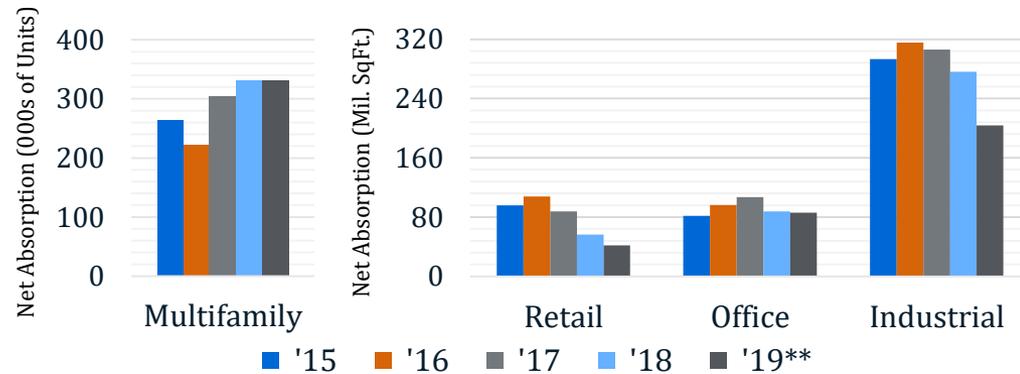
EMPLOYMENT AND SPACE DEMAND REMAIN STRONG

- Employment growth totaled more than 2.3 million jobs in the past 12 months
- Total employment stands 12.9 million above the pre-recession peak
- Unemployment rate is down 190 basis points since 2014
- Space absorption for multifamily and office remain solid
- Retail absorption encountering variation by location, type, and age of property
- Industrial occupancy remains near record high; users having difficulty finding quality space, slowing absorption

Employment Growth vs. Unemployment Rate



Space Absorption Trends



* Through 2Q; trailing 12-months through 2Q 2019 for employment growth

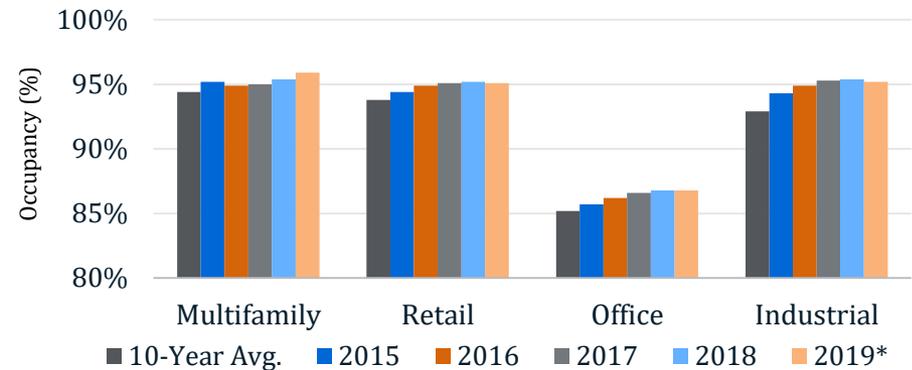
** Preliminary estimate for trailing 12-months through 2Q 2019

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

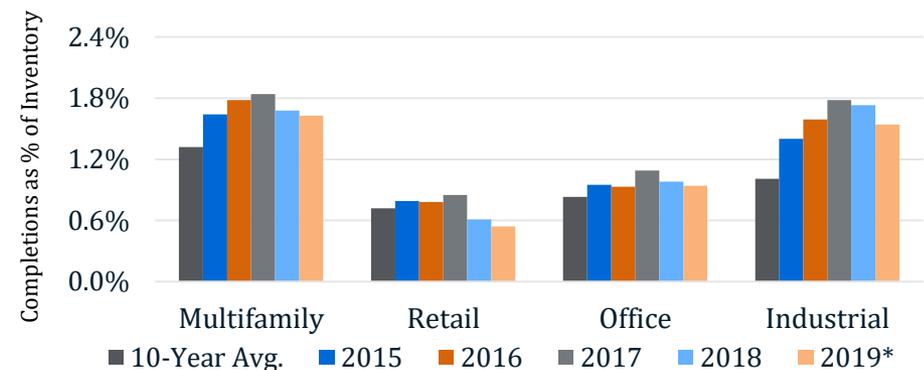
PROPERTY FUNDAMENTALS REMAIN HEALTHY; CONSTRUCTION LEVELS BEGINNING TO EASE

- Property fundamentals demonstrate healthy performance across all property types
- Multifamily and industrial properties led the recovery – new supply in both sectors peaked in 2017 and 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



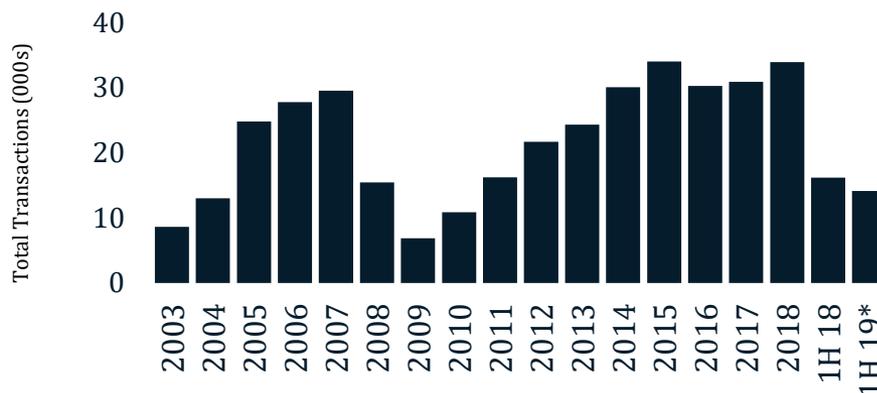
Construction Trends



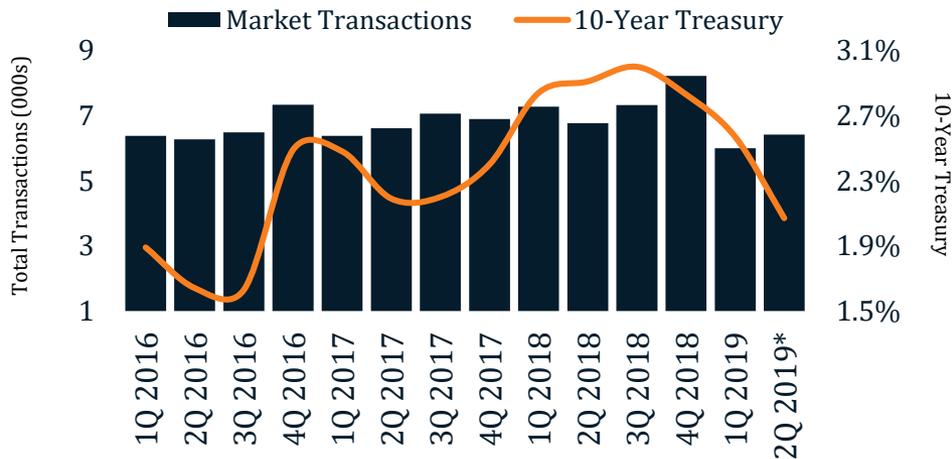
INVESTMENT SALES SLIP, BUT REMAIN AT HEALTHY LEVELS

- Rising interest rates and hawkish Fed messaging in 2018 motivated investors resulting in more transaction activity last year.
- The reversal in Fed messaging in early 2019 and shift towards dovish stance, including first rate decrease since '08, lowered interest rates. This caused some investors to take more time to secure favorable financing rates.
- As a result 1H total transactions declined by 13% year-over-year based on preliminary estimates.⁽¹⁾
- Steady economic outlook, abating construction pipeline, and lower interest rates are expected to support a healthy market environment.
- Price and cap rates stable, but widened bid-ask spread remains persistent.

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



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



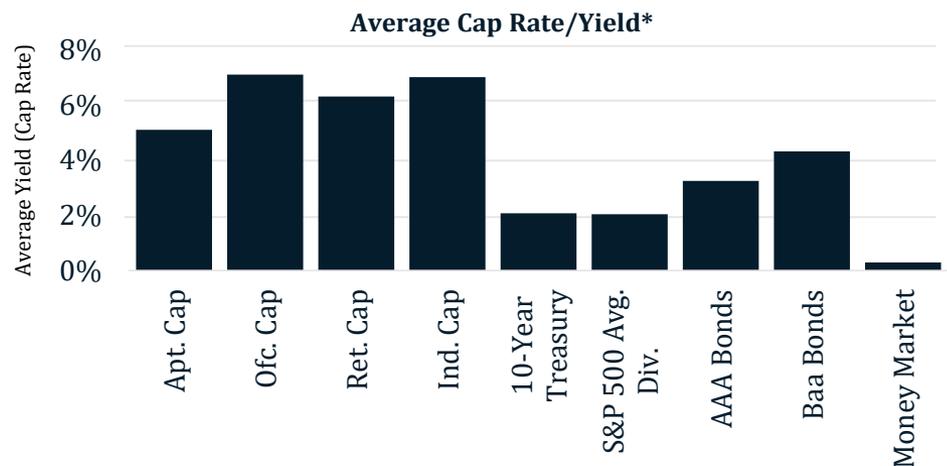
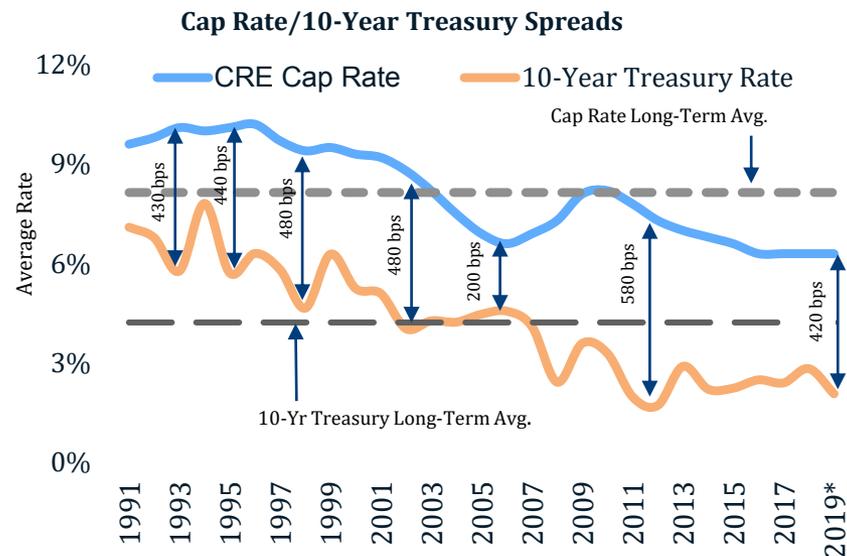
Sources: Real Capital Analytics, Federal Reserve

* Preliminary estimate for 2Q market sales

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

COMMERCIAL REAL ESTATE YIELDS COMPELLING

- Overall, cap rates have maintained stability despite interest rate fluctuations
- The spread between cap rates and the 10-year treasury is still wider than the 2007 market peak
- Falling treasury rate widening yield spread, enhancing positive leverage
- Commercial real estate offers compelling yields when compared to other investment options



* As of 2Q 2019
Cap rates for sales \$1 million and greater
Sources: CoStar Group, Inc., Real Capital Analytics, Federal Reserve, Standard & Poor's

MMI MARKET POSITION

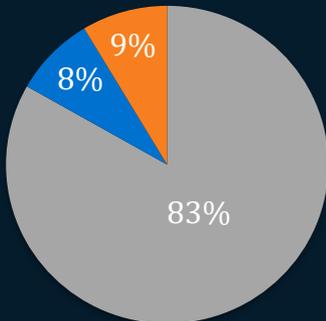
PRIVATE CLIENT MARKET SEGMENT

Largest Sales and Commission Pool Opportunity

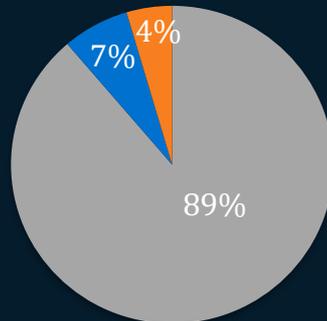
- Market segment consists of sales \$1 million - \$10 million
- Largest and most active market segment, accounting for 80%+ of transactions
- Primarily driven by high-net worth individuals, partnerships and smaller private fund managers
- Influenced by personal drivers that result in buying/selling/refinancing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

Transactions by Investor Segment ⁽¹⁾

Commercial Real Estate Market

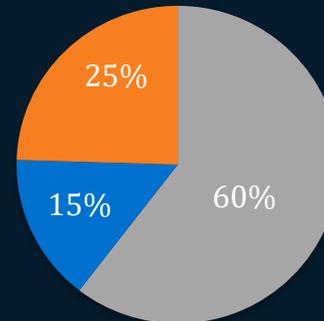


Marcus & Millichap

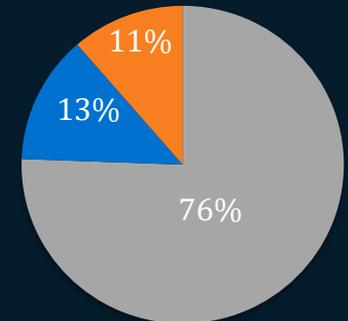


Commission Pool by Investor Segment ^{(1) (2)}

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 the trailing 12-months through 2Q 2019; 2Q 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

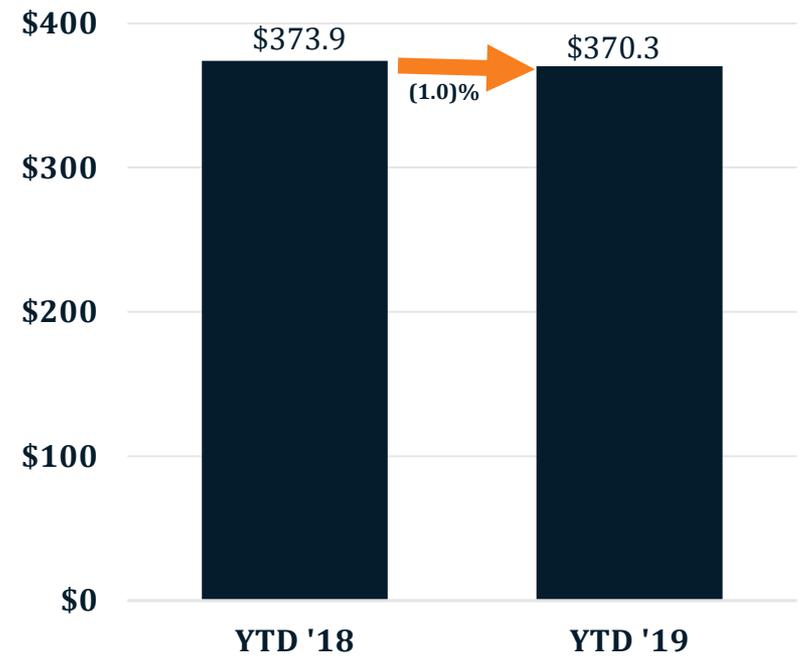
TOTAL REVENUES

(\$ in millions)

Q2 2018 vs. Q2 2019

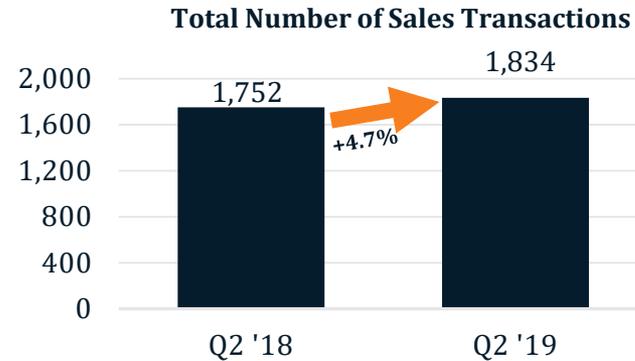
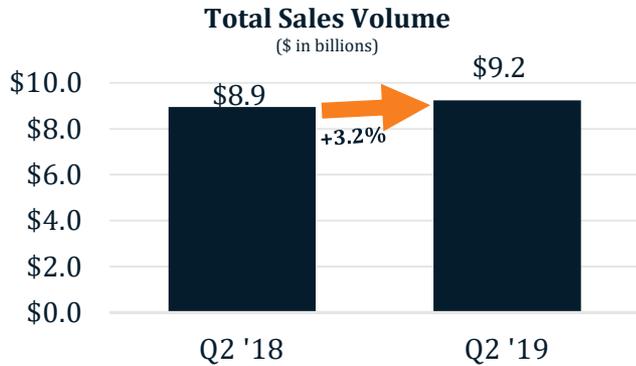


Year-to-Date 2018 vs. 2019

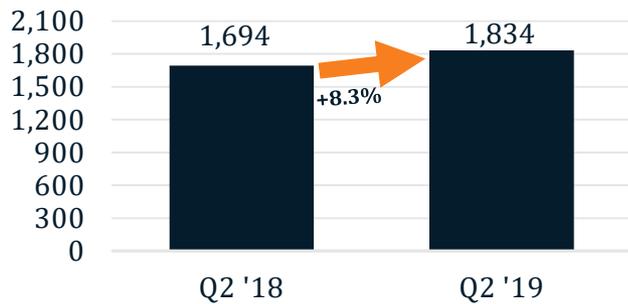


BROKERAGE OPERATING METRICS

Q2 2019



Average Number of Investment Sales Professionals

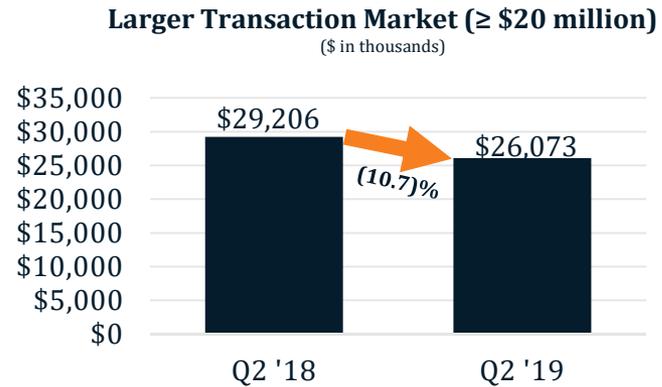
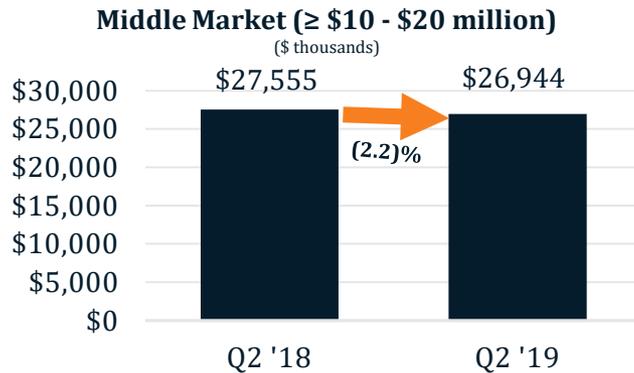
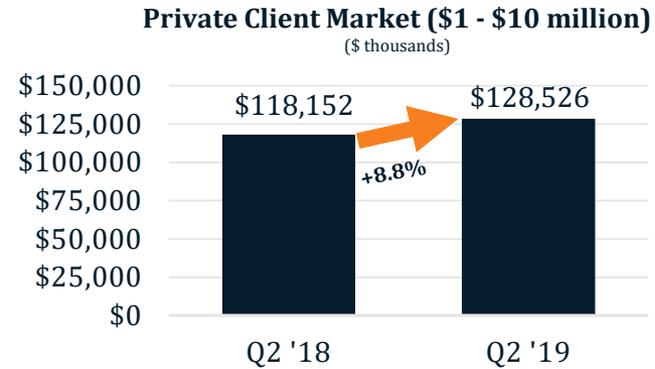
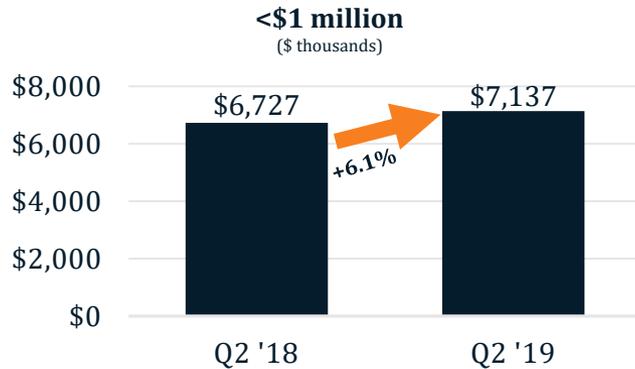


Average Commission Per Transaction



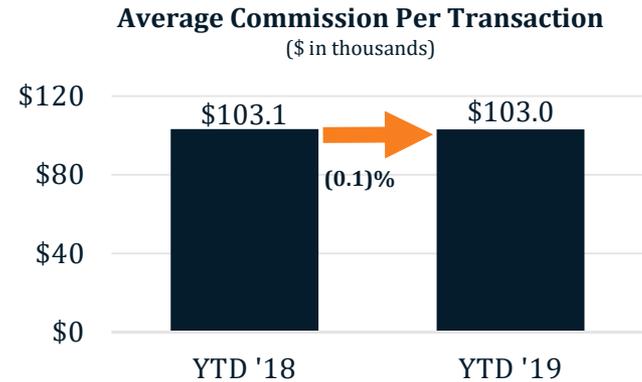
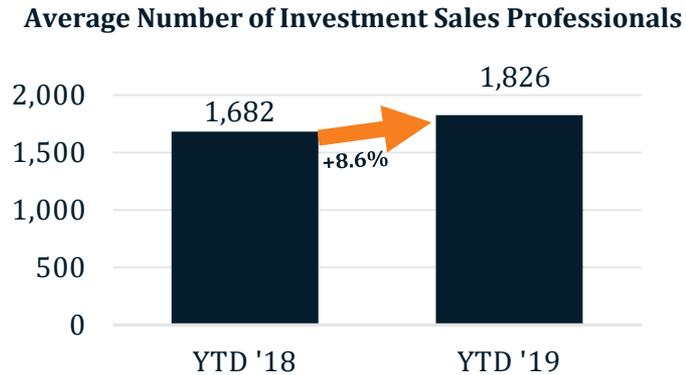
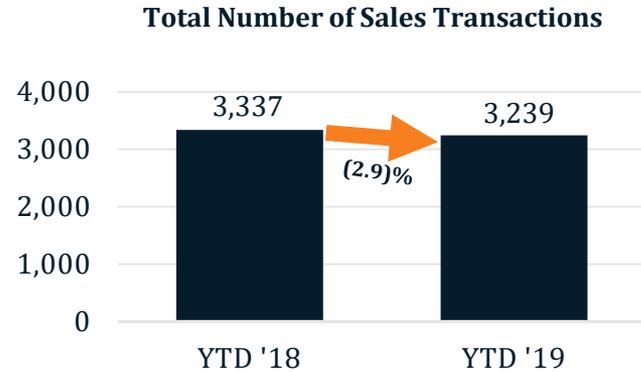
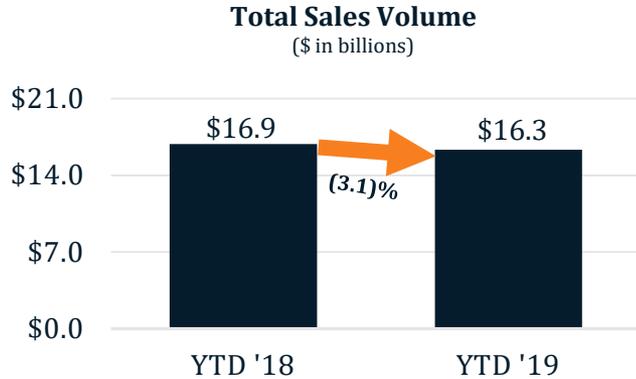
BROKERAGE REVENUE BY MARKET SEGMENT

Q2 2019



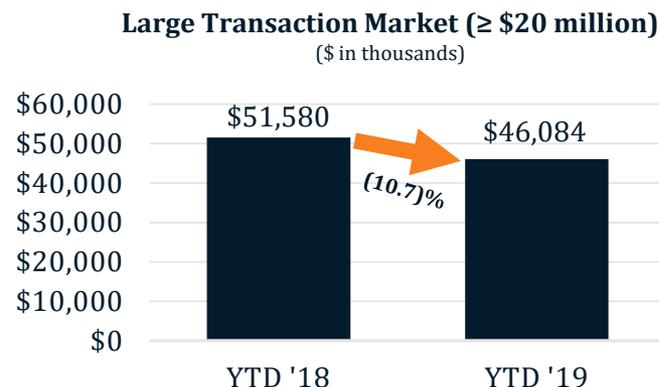
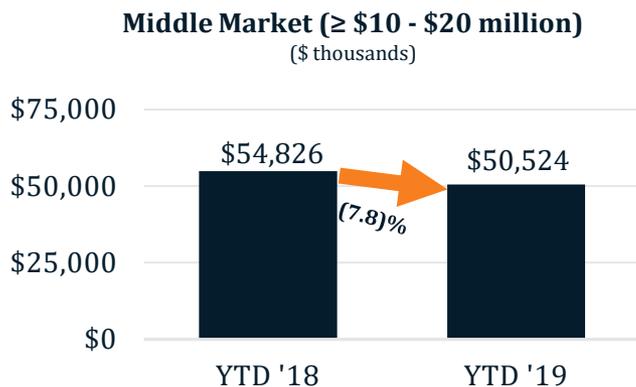
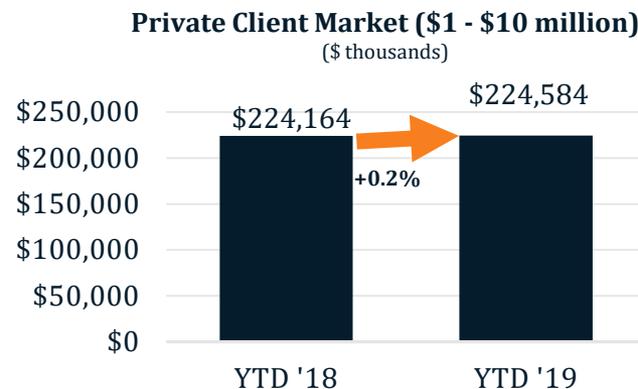
BROKERAGE OPERATING METRICS

Year-to-Date 2019



BROKERAGE REVENUE BY MARKET SEGMENT

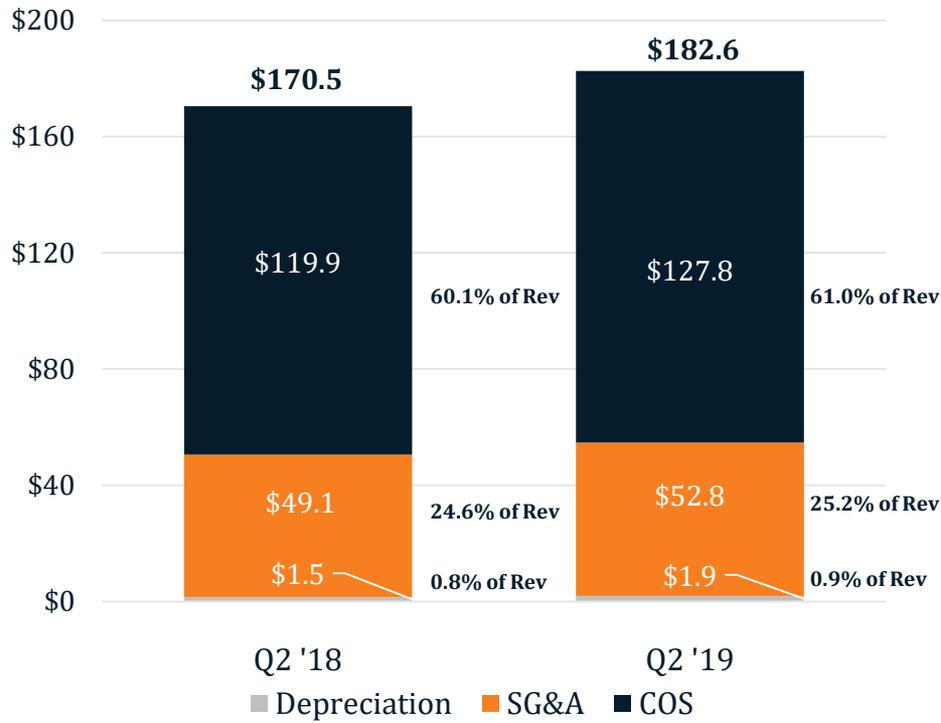
Year-to-Date 2019



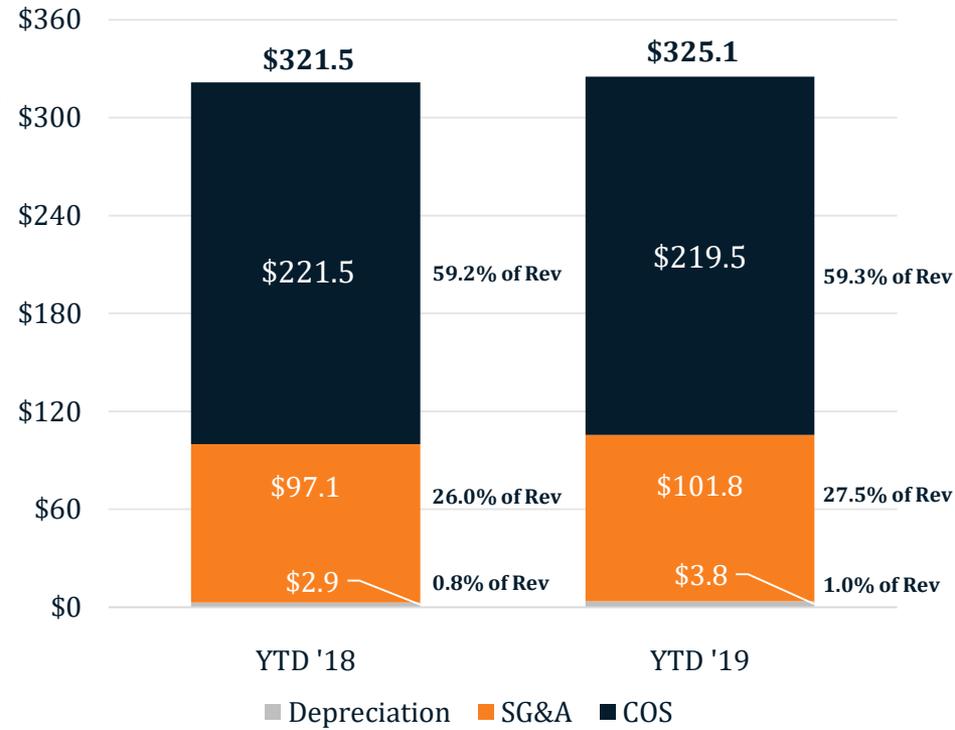
OPERATING EXPENSES

(\$ in millions)

Q2 2018 vs. Q2 2019

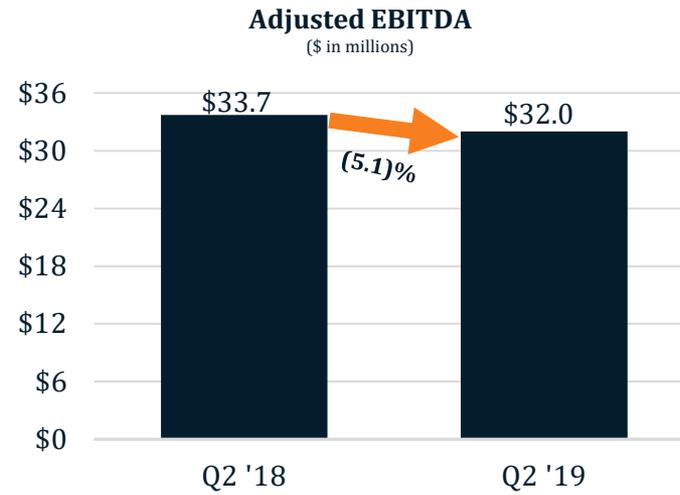
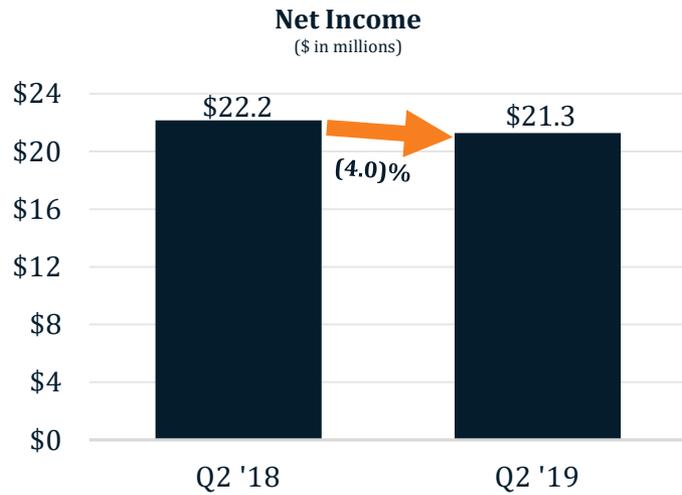


Year-To-Date 2018 vs. 2019



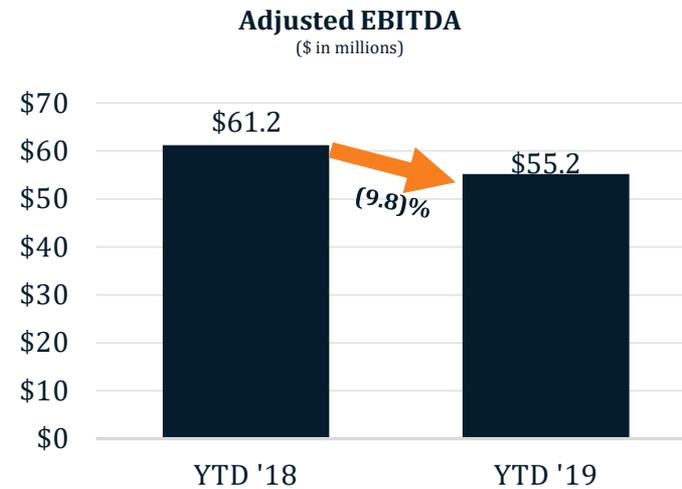
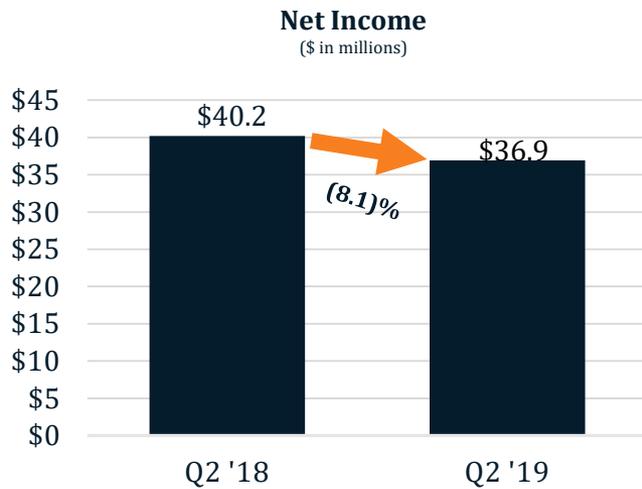
NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Q2 2019

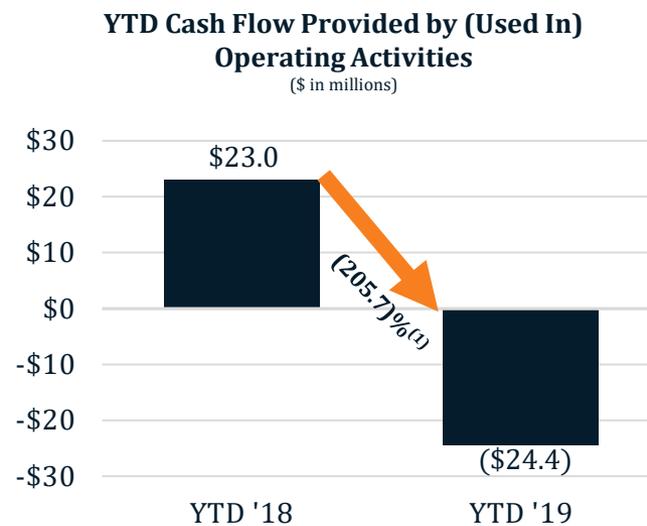
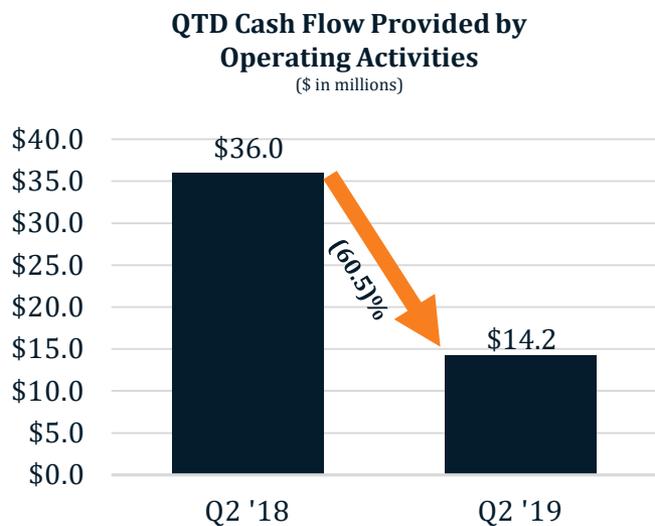


NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Year-to-Date 2019

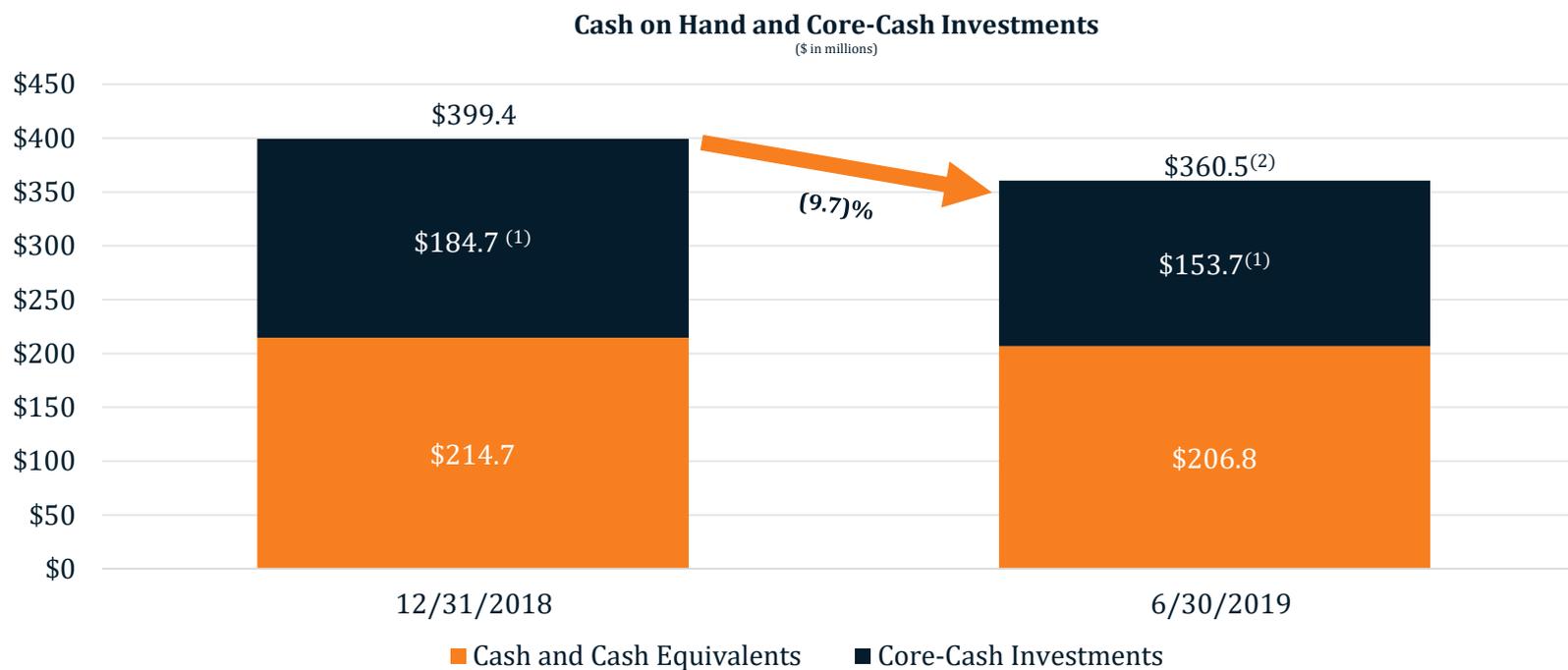


CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES



(1) Net cash provided by (used in) operating activities is driven by our net income adjusted for non-cash items and changes in operating assets and liabilities. The \$47.4 million increased usage in operating cash flows for the six months ended June 30, 2019 compared to the same period in 2018 was primarily due a decrease in our real estate brokerage revenue and a higher proportion of operating expenses compared to total revenues, differences in timing of certain payments and receipts, an increase in advances to our investment sales and financing professionals, a reduction in bonus accruals and a reduction in the deferral of certain discretionary 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 0.65 years and 0.81 years for the periods ended 6/30/19 and 12/31/18, respectively.

(2) Cash on hand and core-cash investments decreased for the period ended 6/30/19 primarily due to a decrease in cash flows from operating activities and investing maturing investments in investments with maturities less 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 gains (losses) 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) 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 stock-based compensation charges. 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 June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Net Income	\$21,279	\$22,167	\$36,917	\$40,178
Adjustments:				
Interest income and other⁽¹⁾	(2,562)	(1,574)	(5,103)	(2,802)
Interest expense	340	352	689	712
Provision for income taxes	8,478	8,155	14,135	14,457
Depreciation and amortization	1,932	1,503	3,764	2,878
Stock-based compensation	2,585	3,159	4,926	5,772
Other non-cash MSR activity⁽²⁾	(36)	(41)	(153)	(41)
Adjusted EBITDA⁽³⁾	\$32,016	\$33,721	\$55,175	\$61,154

- (1) Other for the three and six months ended June 30, 2019 and 2018 includes net realized gains (losses) on marketable securities, available-for-sale.
- (2) Non-cash MSR activity includes the assumption of servicing obligations.
- (3) The decrease in Adjusted EBITDA for the three months ended June 30, 2019 compared to the same period in 2018 is primarily due to higher proportion of operating expenses compared to revenues. The decrease in Adjusted EBITDA for the six months ended June 30, 2019 compared to the same period in 2018 is primarily due to lower total revenues and a higher proportion of operating expenses compared to revenues.

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

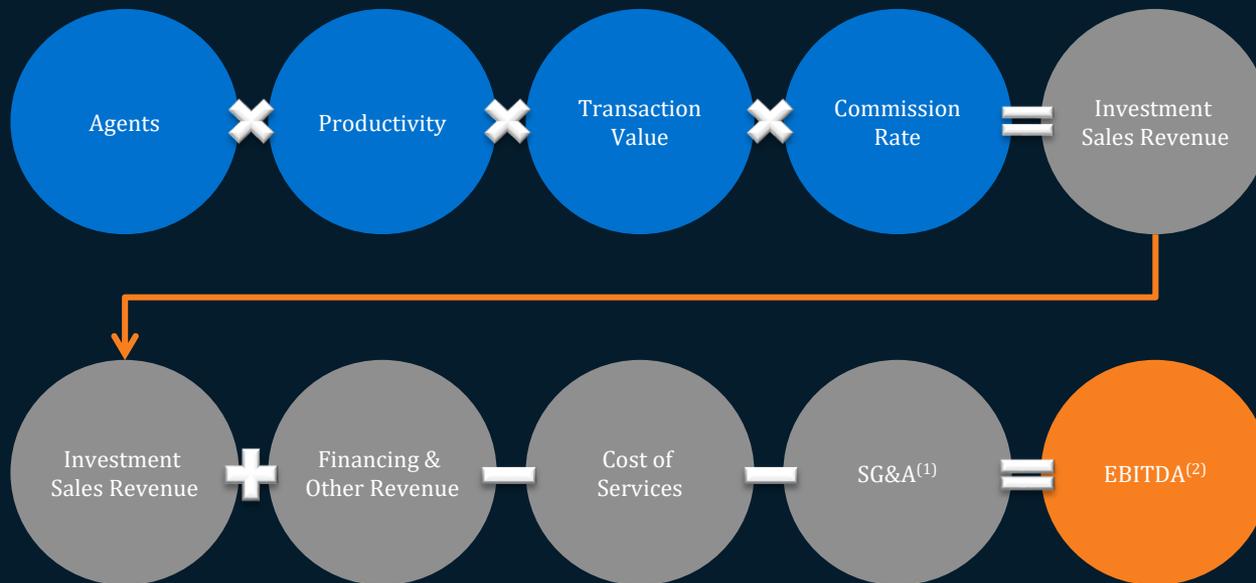
MANAGEMENT WITH SIGNIFICANT INVESTMENT BROKERAGE EXPERIENCE

- 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