

FOURTH QUARTER 2020
EARNINGS CONFERENCE CALL

FEBRUARY 18, 2021

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 2021 and beyond, the potential continuing impact of the COVID-19 pandemic, and expectations for changes (or fluctuations) in 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.

Important factors that could cause such differences include, but are not limited to: (1) uncertainties relating to the continuing impact of the COVID-19 pandemic, including the length and severity of such pandemic and the federal government’s proposed stimulus response package, and the pace of recovery following such pandemic; (2) general uncertainty in the capital markets and a worsening of economic conditions and the rate and pace of economic recovery following an economic downturn; (3) changes in our business operations, including restrictions on business activities, resulting from the COVID-19 pandemic; (4) market trends in the commercial real estate market or the general economy; (5) our ability to attract and retain qualified senior executives, managers and investment sales and financing professionals; (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 and any related impact on our reputation; (12) changes in interest rates, tax laws, employment laws or other government regulation affecting our business; (13) our ability to successfully identify, negotiate, execute and integrate accretive acquisitions; and (14) 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 or about March 1, 2021.

CONFERENCE CALL PARTICIPANTS



HESSAM NADJI

President, Chief Executive Officer and Director



STEVE DEGENNARO

Chief Financial Officer

MMI FINANCIAL HIGHLIGHTS

2020 FOURTH QUARTER HIGHLIGHTS

SEQUENTIAL QUARTER IMPROVEMENT

Financial Highlights		YOY	QOQ
Revenue	\$250.2 million	5.2%	57.8%
Net Income	\$23.6 million	14.0%	291.1%
Adjusted EBITDA	\$36.9 million	13.6%	202.1%

Operational Highlights		YOY	QOQ
Sales Volume	\$15.6 billion	5.3%	72.5%
Transaction Closings	2,978	6.1%	39.2%
Number of Investment Sales and Financing Professionals as of December 31, 2020	2,097	3.8%	4.9%

FULL YEAR 2020 HIGHLIGHTS

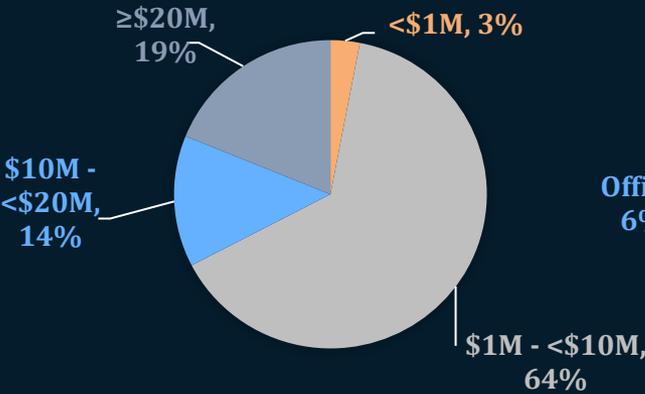
Financial Highlights		YOY
Revenue	\$716.9 million	(11.1)%
Net Income	\$42.8 million	(44.3)%
Adjusted EBITDA	\$75.7 million	(34.5)%

Operational Highlights		YOY
Sales Volume	\$43.4 billion	(12.7)%
Transaction Closings	8,954	(7.9)%
Number of Investment Sales and Financing Professionals as of December 31, 2020	2,097	3.8%

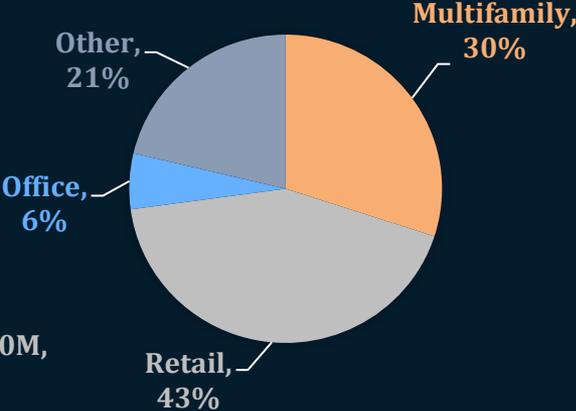
2020 FOURTH QUARTER/ SEQUENTIAL BROKERAGE HIGHLIGHTS

		YOY	QOQ
Sales Volume	\$11.2 billion	2.2%	60.0%
Transaction Closings	2,071	1.0%	35.6%
Number of Investment Sales Professionals as of December 31, 2020	2,006	4.2%	4.5%
Real Estate Brokerage Commissions Revenue	\$217.1 million	0.7%	54.2%

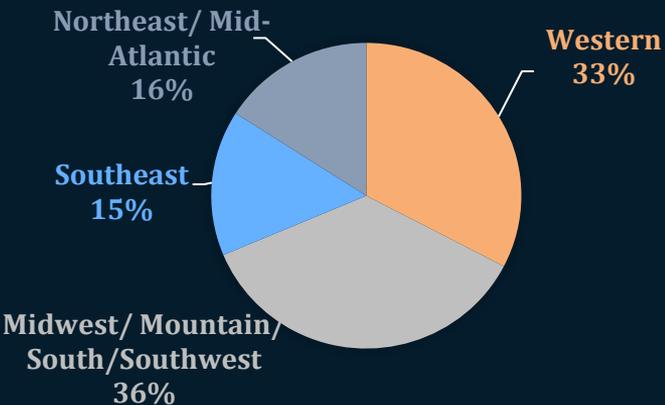
Revenue by Transaction Size



Transactions by Property Type

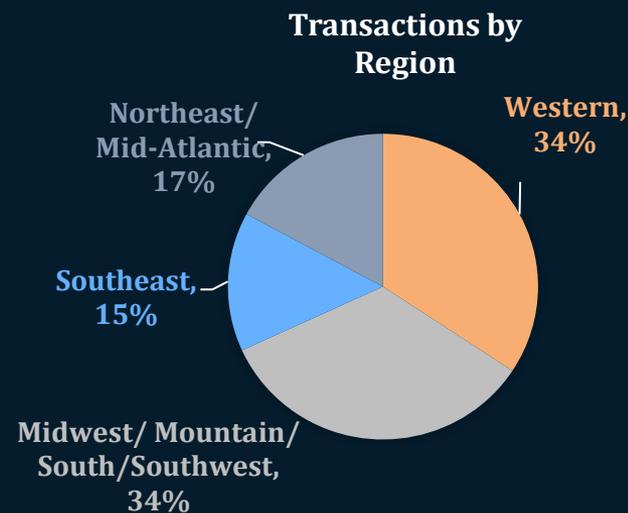
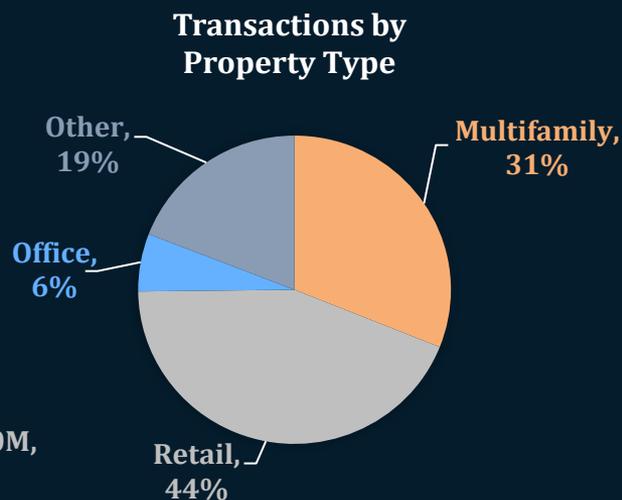
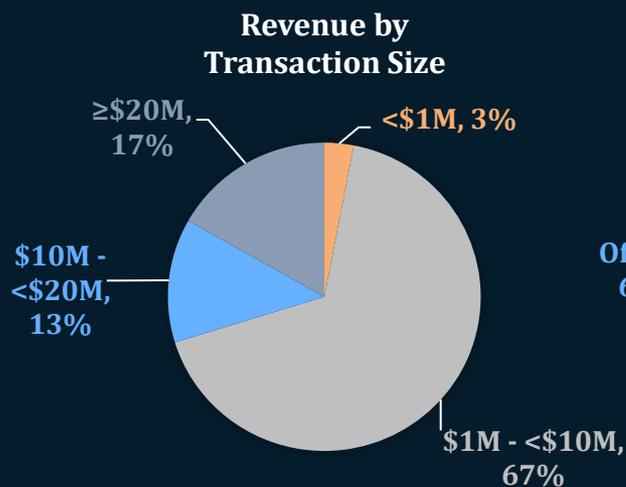


Transactions by Region



FULL YEAR 2020 BROKERAGE HIGHLIGHTS

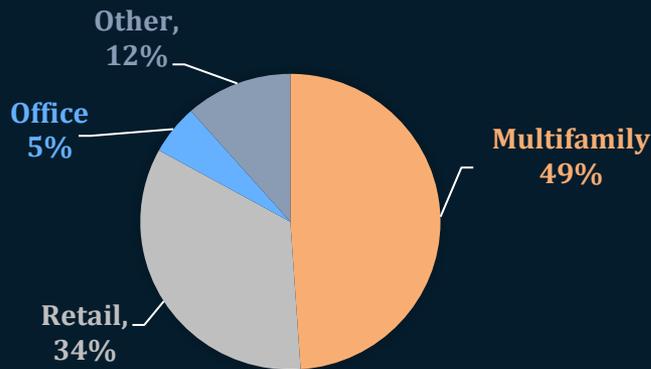
		YOY
Sales Volume	\$32.1 billion	(13.0)%
Transaction Closings	6,288	(10.7)%
Number of Investment Sales Professionals as of December 31, 2020	2,006	4.2%
Real Estate Brokerage Commissions Revenue	\$633.2 million	(13.2)%



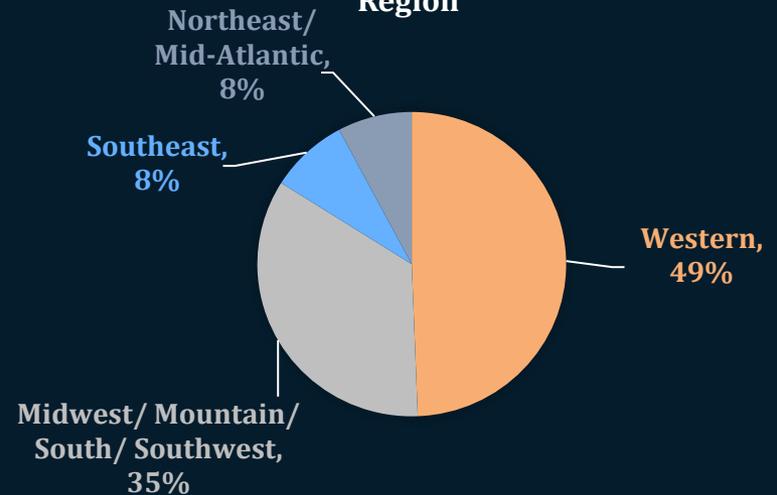
2020 FOURTH QUARTER/ SEQUENTIAL FINANCING HIGHLIGHTS

		YOY	QOQ
Sales Volume	\$3.1 billion	41.7%	81.7%
Transaction Closings	642	10.3%	45.2%
Number of Financing Professionals as of December 31, 2020	91	(5.2)%	15.2%
Financing Fees Revenue	\$26.9 million	42.8%	72.0%

**Transactions by
Property Type**

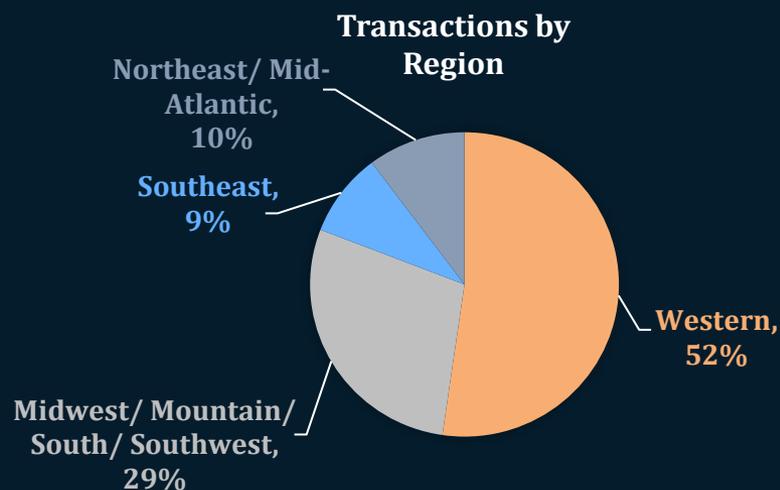
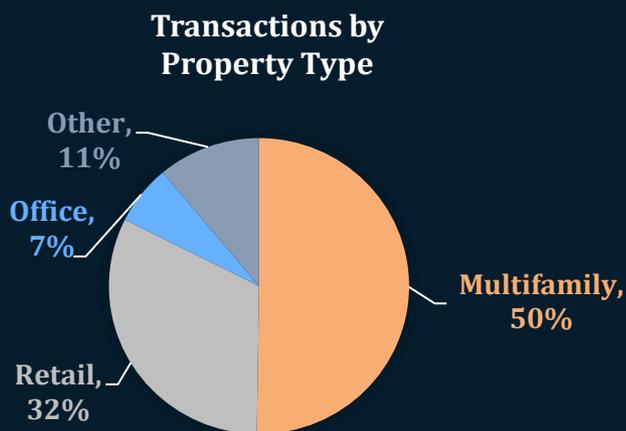


**Transactions by
Region**



FULL YEAR 2020 FINANCING HIGHLIGHTS

		YOY
Sales Volume	\$7.7 billion	6.8%
Transaction Closings	1,943	(0.1)%
Number of Financing Professionals as of December 31, 2020	91	(5.2)%
Financing Fees Revenue	\$70.5 million	6.4%



COVID-19 Update

PROACTIVE PANDEMIC RESPONSE

Priorities

- Immediately focused on retention and productivity of team
- Activated extended financing network to facilitate transactions amid initial market disruption in March/April
- Reduced expenses and took measures to preserve capital while continuing to invest in strategic initiatives
- Positioned the firm to maximize growth during the recovery

Business Continuity

- Work from home transition seamless, effective March 15th
- Pivoted workflow and diligence activities to tech platform, initiated virtual meetings, property tours and inspections, etc.
- Facilitated continuous operations, leveraging technology
- Successfully re-opened offices safely while maintaining virtual business execution (hybrid operating model)
- Continue to recruit experienced professionals and acquisition targets. Market disruption is illustrating the strength of MMI.

Business Development / Platform Enhancement

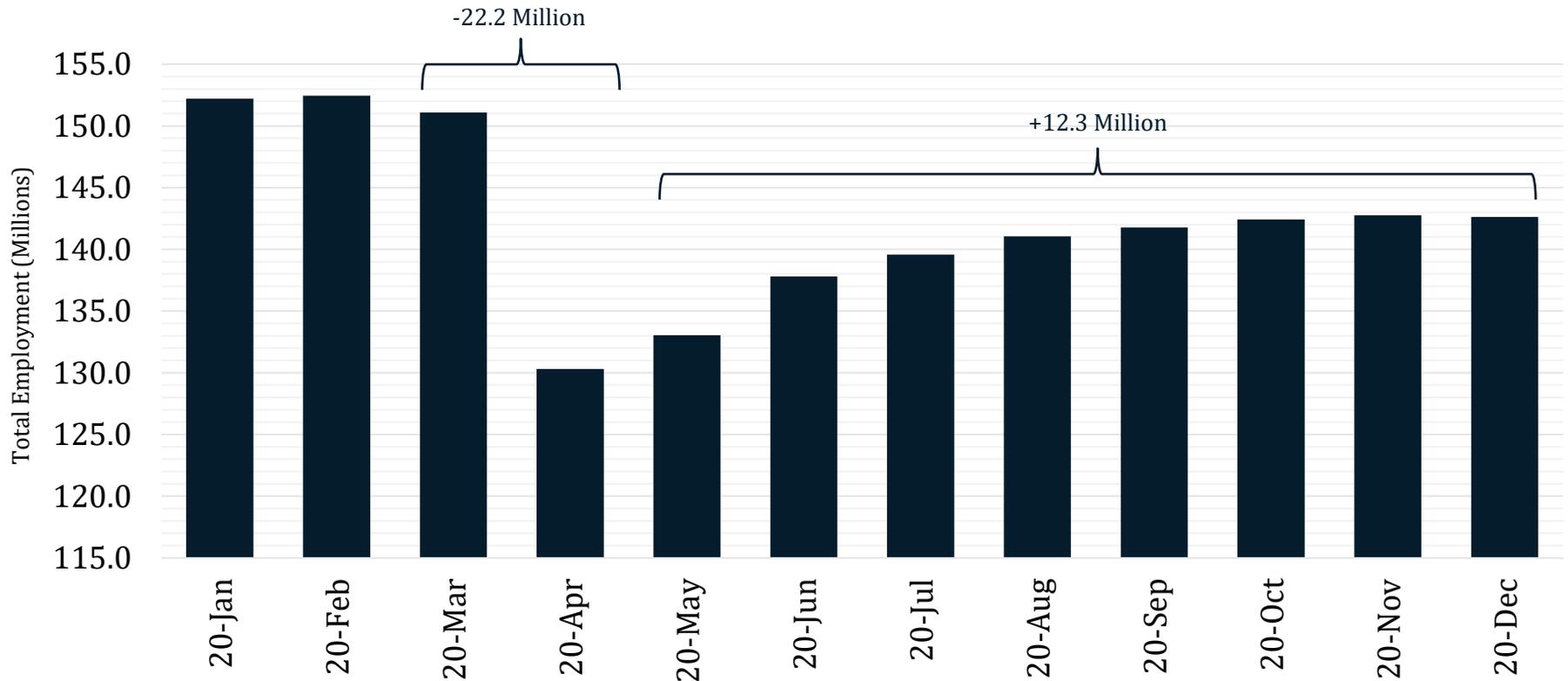
- Leveraged research, real-time transactional data to expand client outreach, virtual market overviews to assist investors (44 Special Reports/Videos delivered in Q4)
- Cultivated incremental financing alternatives for clients
- Significantly elevated visibility and prospecting to increase business and build post-COVID-19 pipeline
- Developed offensive initiatives for a stronger company to emerge from the recovery

MARKET HIGHLIGHTS

EMPLOYMENT RECOVERY SLOW BUT STEADY

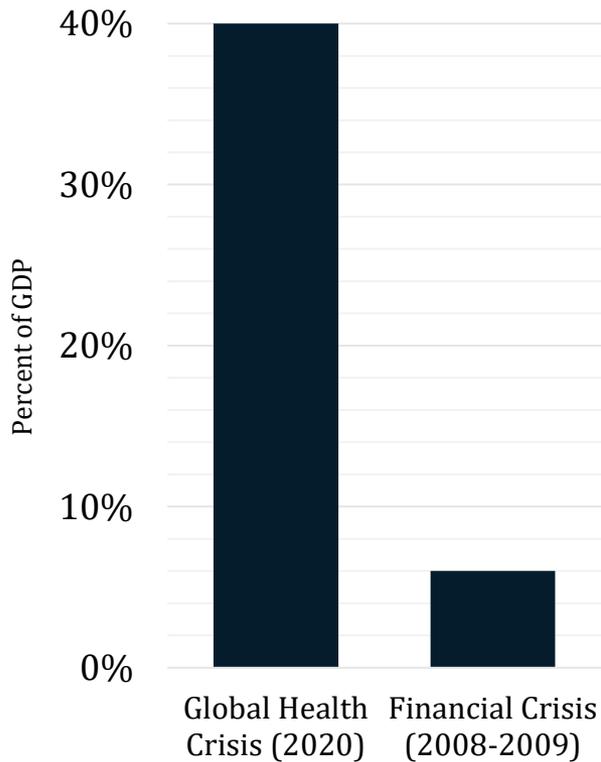
Economic Foundation Leading Up to the Pandemic Was Historically Strong; Economic Shutdown in Response to Health Crisis Dealt Unprecedented Blow to the Labor Market. Jobs recovery making slow gains.

*2021 forecast to add 3.9 million jobs**

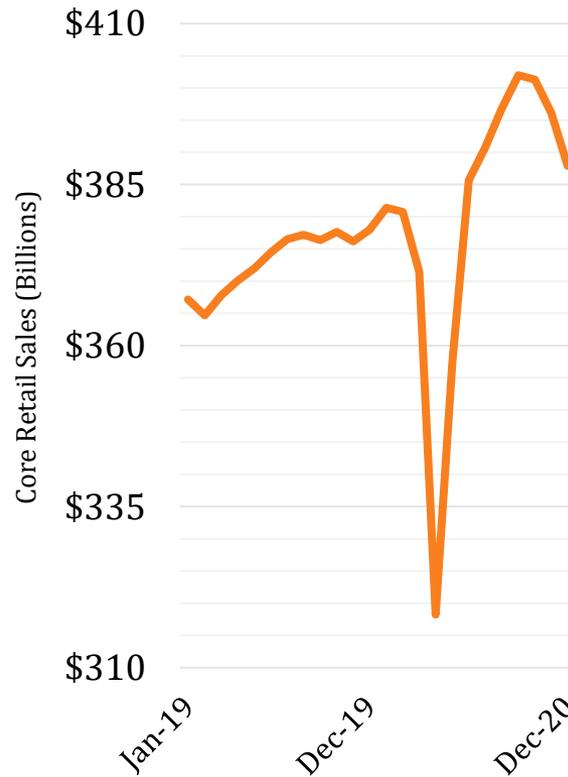


UNPRECEDENTED GOVERNMENT SUPPORT, CONSUMPTION AND SAVINGS BODE WELL FOR FUTURE ECONOMIC GROWTH

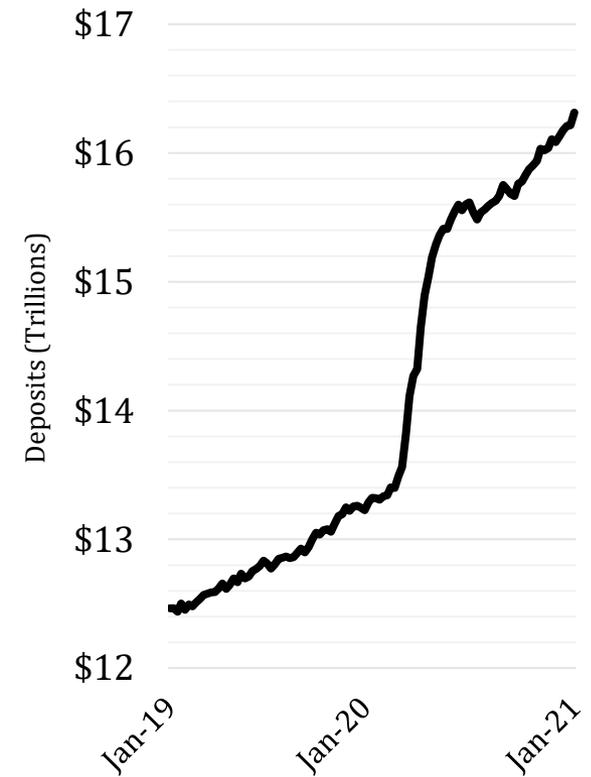
Government Stimulus Share of GDP



Core Retail Sales



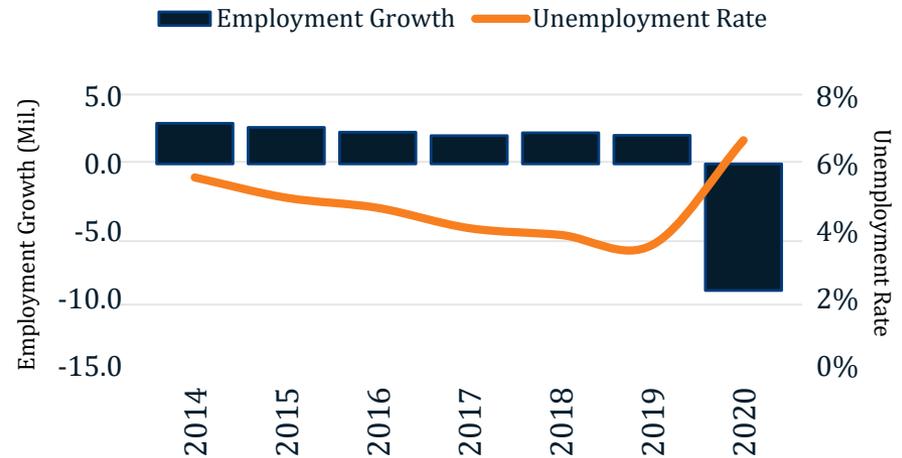
Savings Deposits



EMPLOYMENT AND SPACE DEMAND STILL FACE HEADWINDS

- Job creation lost momentum towards the end of 2020 as the latest stimulus package was delayed.
- Recently passed round of government aid will help lift demand for space; another package is in the works which could lend further support.
- Effective vaccination distribution could release significant pent-up demand, accelerating growth in second half of 2021.
- Companies cautious about space consumption and leasing. Their ability to pay rent varies by metro, sector and asset class. Concerns should be offset by a stronger economy in the latter half of the year and into 2022 as confidence is expected to improve, resulting in more robust job growth.

Employment Growth vs. Unemployment Rate



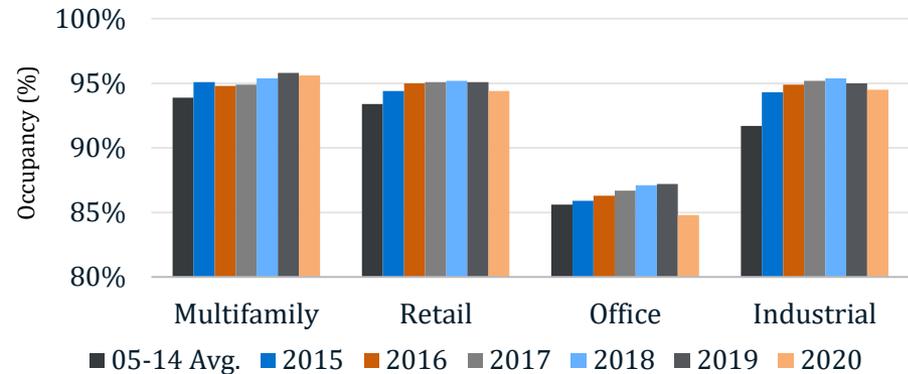
Space Absorption Trends



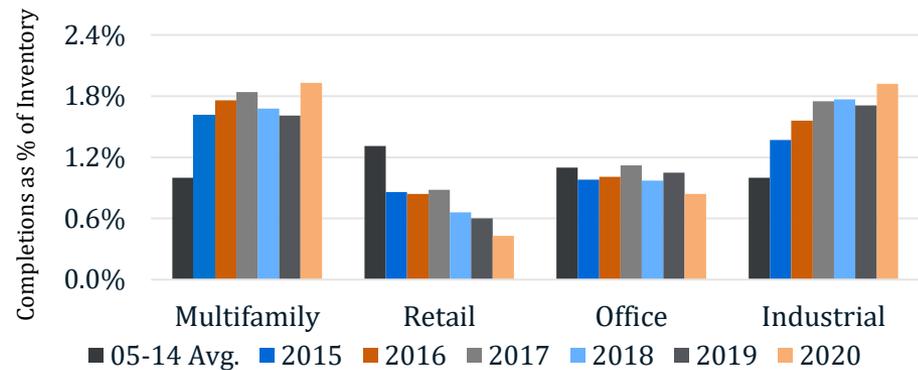
SIGNIFICANT GEOGRAPHIC AND PROPERTY TYPE DIVIDE HAS CREATED OPPORTUNITIES AS WELL AS CHALLENGES

- Property fundamentals entered economic shutdown in very strong position. Crisis impact varies by property type.
- Necessity-based retail, single-tenant retail, industrial, apartments and self-storage properties have fared better through the market disruption.
- Hospitality, shopping centers, and seniors housing sectors making modest recovery but still face severe headwinds.
- Rent relief and PPP a factor in aiding property performance. New round of stimulus should help, but it does not fully offset the impact of market disruption.
- Retail and office new supply pipeline tapering. Apartment and industrial completions elevated, weighing on occupancy in some markets.

Occupancy Trends



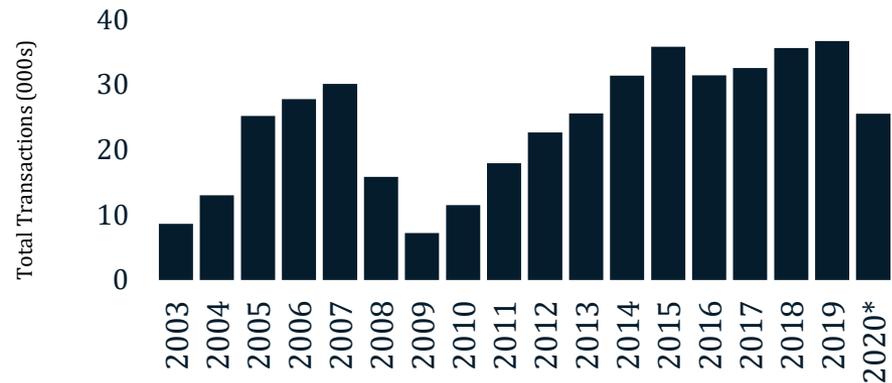
Construction Trends



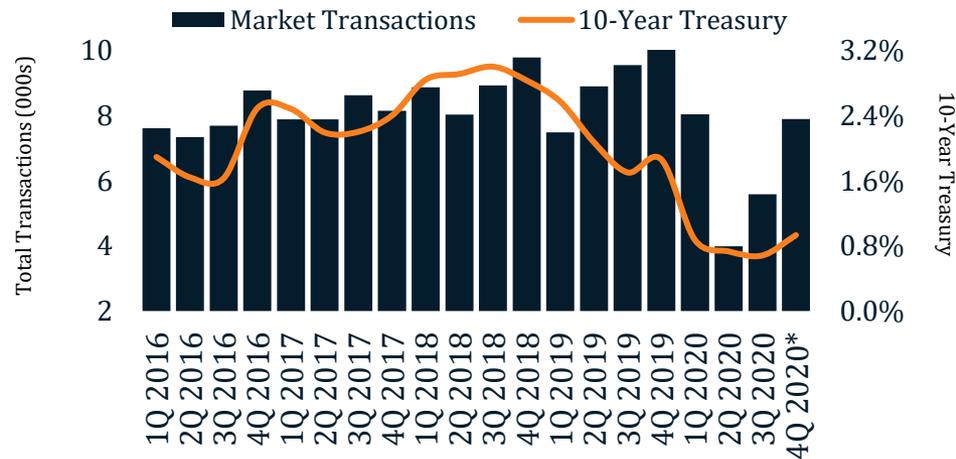
AFTER INITIAL SHOCK, INVESTMENT SALES MAKING STEADY RECOVERY; ECONOMIC UNCERTAINTY, PRICING GAP STILL HAMPER TRANSACTIONS

- Following the severe drop in sales activity in 2Q last year, investors have reengaged to take advantage of opportunities and solve problems where possible. This resulted in a quarterly increase in sales in 3Q and further improvement in 4Q.
- Transaction activity in 4Q declined by an estimated 27%* year-over-year. This is an improvement from a 42% decline in 3Q.
- Ongoing impact of health crisis still impeding transactions in 1Q 2021, which is also showing the impact of stimulus package delays. Pre-COVID 1Q 2020 sales market was robust making a difficult comparison.
- Financing available for most property types at historically low interest rates.

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



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



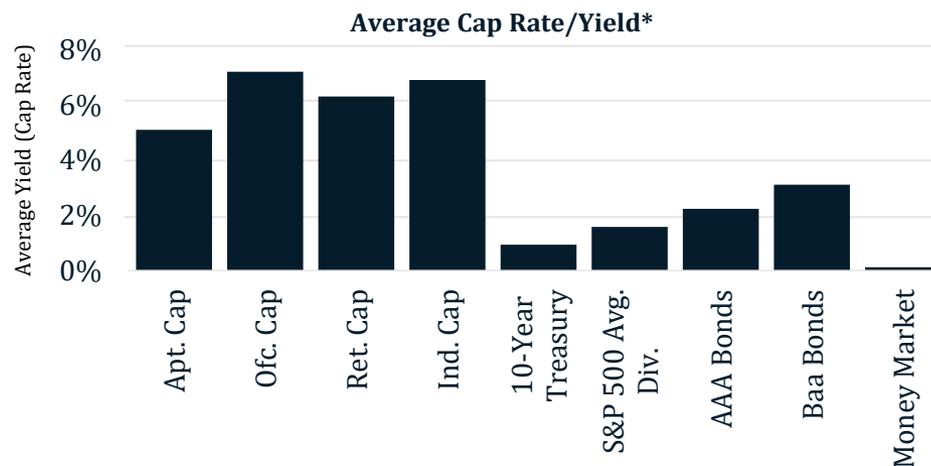
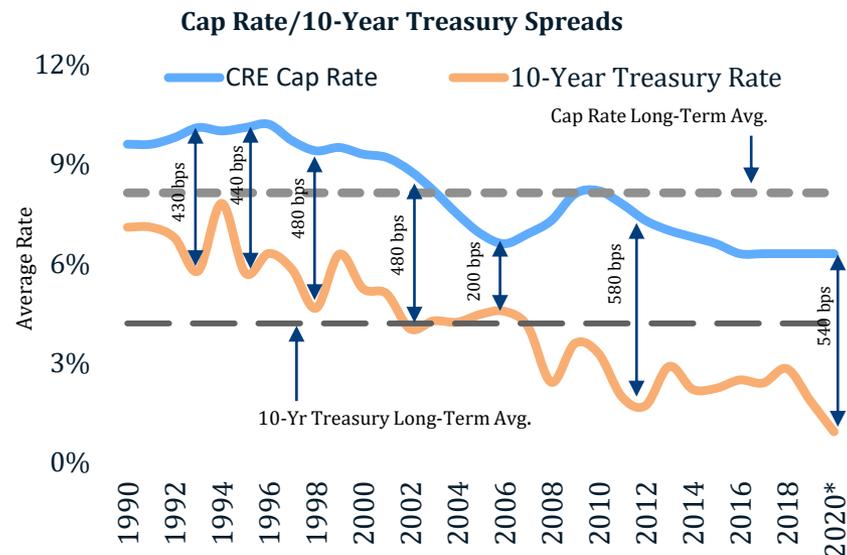
Sources: Real Capital Analytics, Federal Reserve

* Preliminary estimate for market sales

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

COMMERCIAL REAL ESTATE YIELDS COMPELLING

- Some assets are trading at pre-COVID prices or higher. Wide gap in bid-ask spread exists for some property types, while others are still in price discovery or distress.
- Market benefits from government induced stimulus, low interest rates, and ample liquidity.
- The release of pent-up demand along with wide distribution of vaccine and broader economic recovery should bode well for healthy transaction velocity in second half.
- Commercial real estate continues to offer compelling yields when compared to other investment options.



* As of 4Q 2020
Cap rates for sales \$1 million and greater
Sources: CoStar Group, Inc., Real Capital Analytics, Federal Reserve, Standard & Poor's

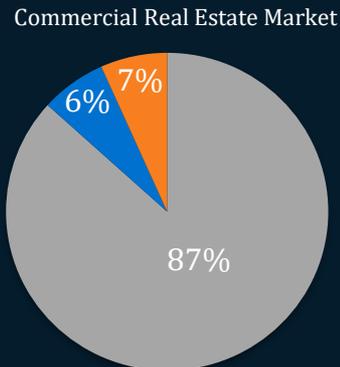
MMI MARKET POSITION

PRIVATE CLIENT MARKET SEGMENT

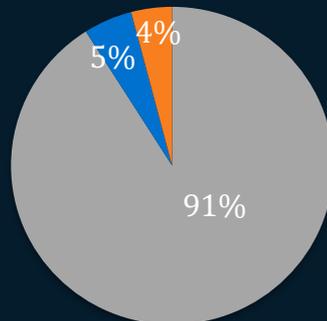
Largest Sales and Commission Pool Opportunity

- 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. This 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⁾

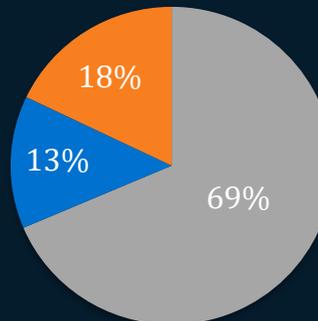


Marcus & Millichap

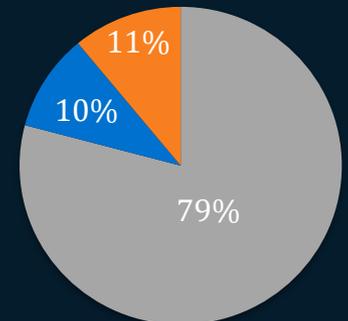


Commission Pool by Investor Segment ^{(1) (2)}

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; year-to-date through 3Q 2020.

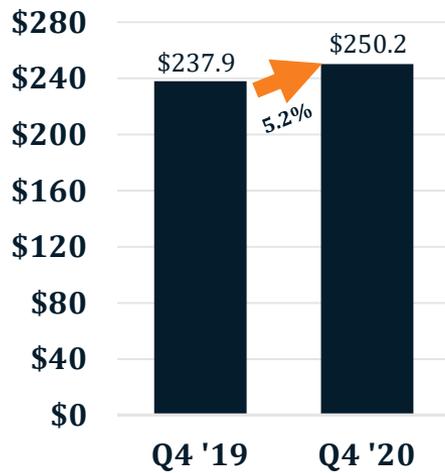
(2) Estimate based on industry averages: 3.7% commission rate for Private Client Market segment, 2.0% rate for Middle Market Segment and 0.8% for Larger Transaction Market segment.

MMI FINANCIAL DETAILS

TOTAL REVENUES

(\$ in millions)

Q4 2019 vs. Q4 2020



Q3 2020 vs. Q4 2020

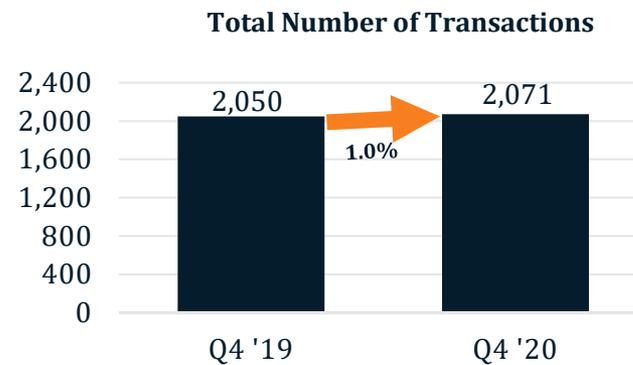


2019 vs. 2020

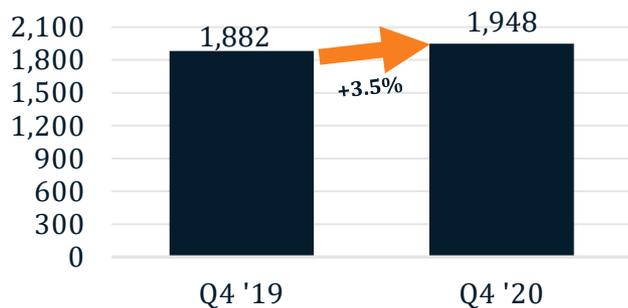


BROKERAGE OPERATING METRICS

Q4 2019 vs. Q4 2020



Average Number of Investment Sales Professionals

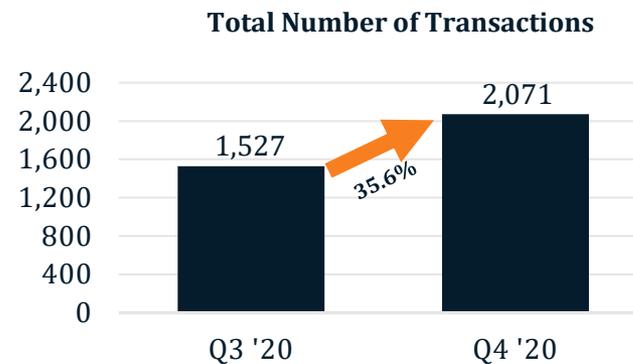


Average Commission Per Transaction

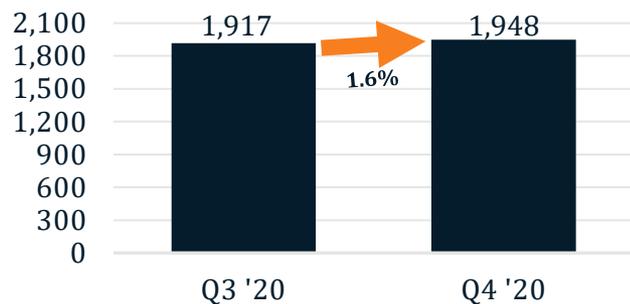


SEQUENTIAL BROKERAGE OPERATING METRICS

Q3 2020 vs. Q4 2020



Average Number of Investment Sales Professionals



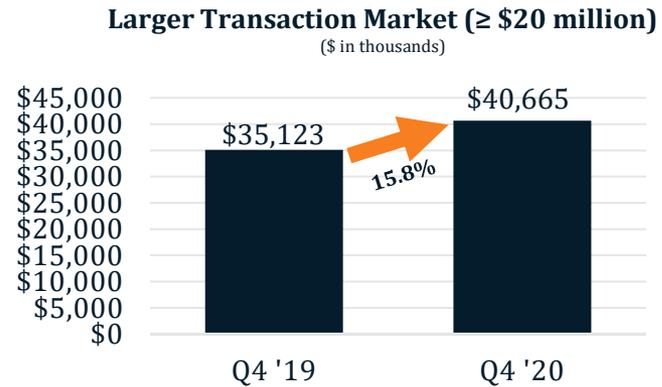
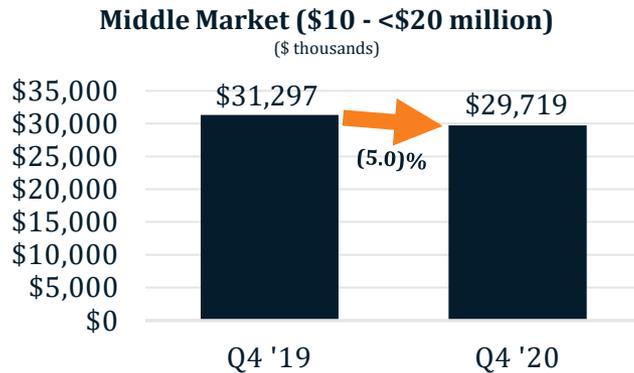
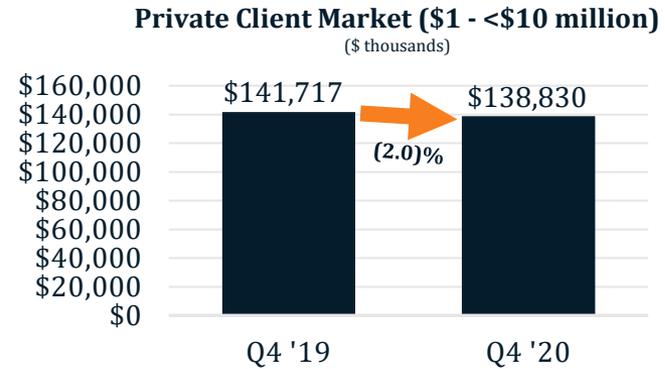
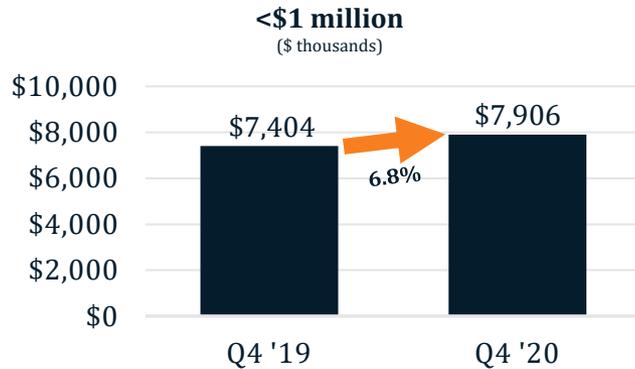
Average Commission Per Transaction

(\$ in thousands)



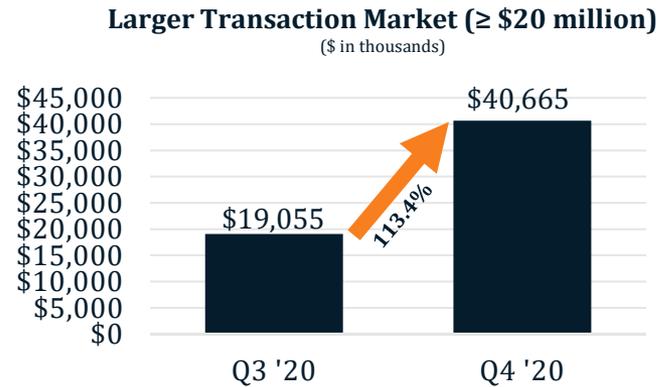
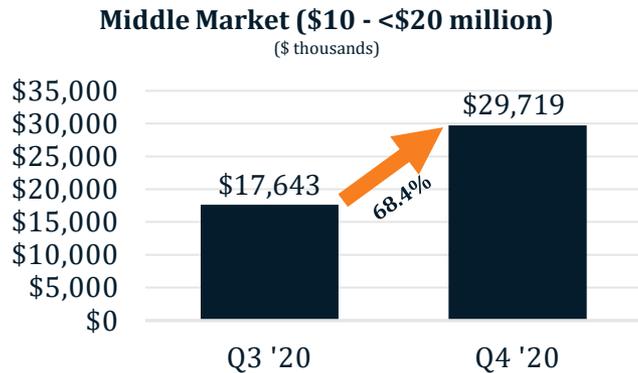
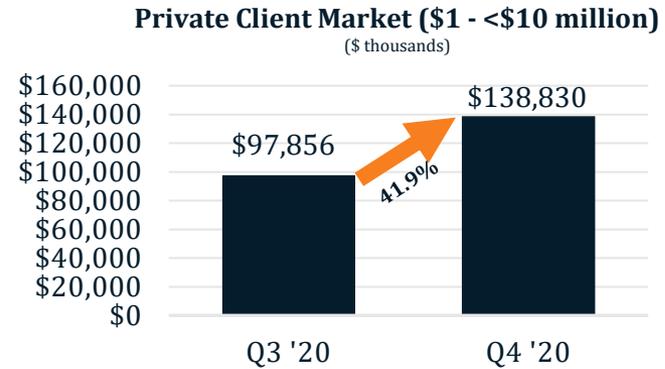
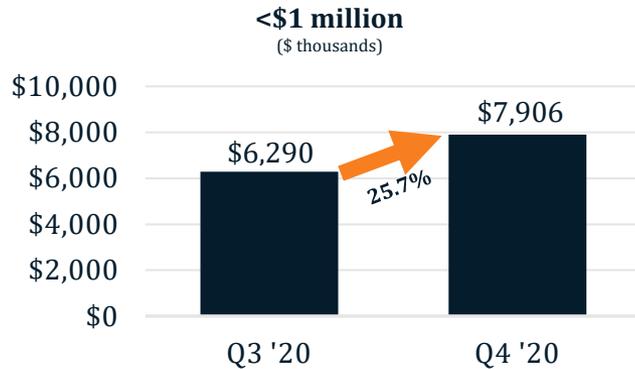
BROKERAGE REVENUE BY MARKET SEGMENT

Q4 2019 vs. Q4 2020



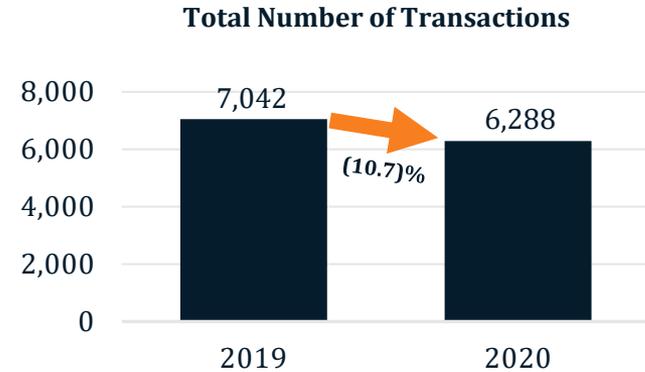
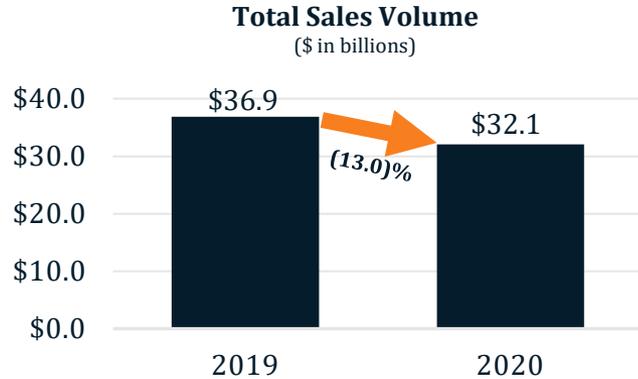
SEQUENTIAL BROKERAGE REVENUE BY MARKET SEGMENT

Q3 2020 vs. Q4 2020

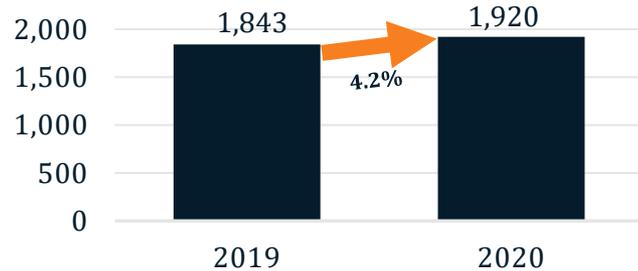


BROKERAGE OPERATING METRICS

Full Year 2020

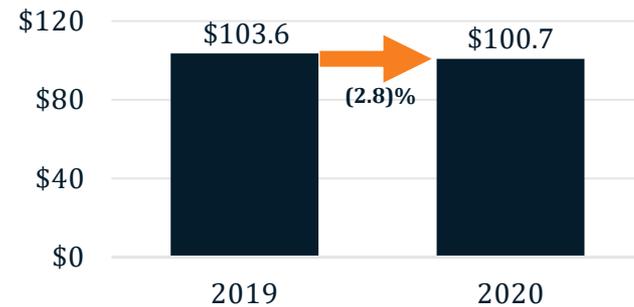


Average Number of Investment Sales Professionals



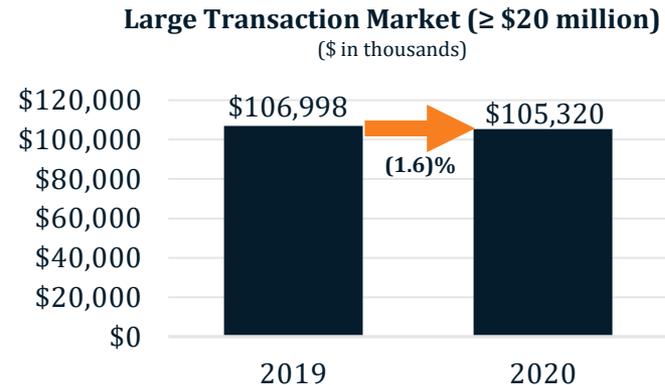
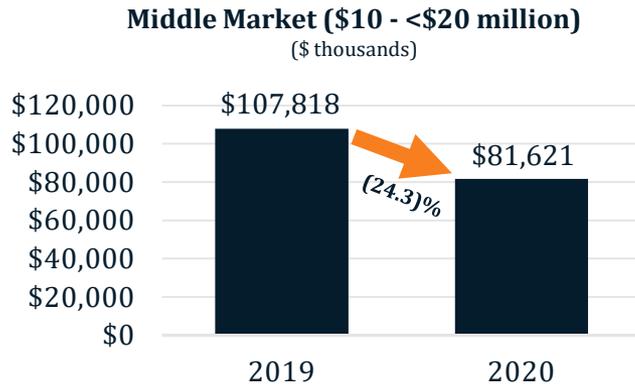
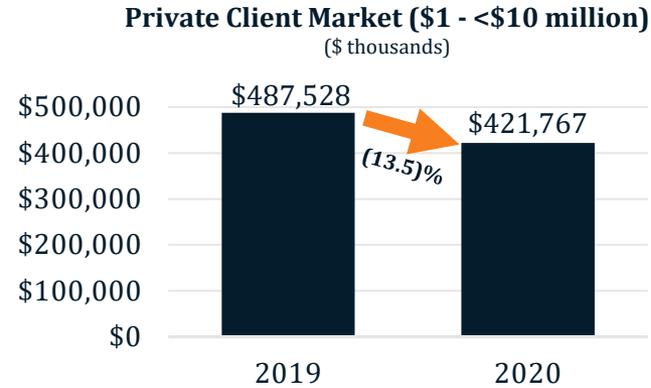
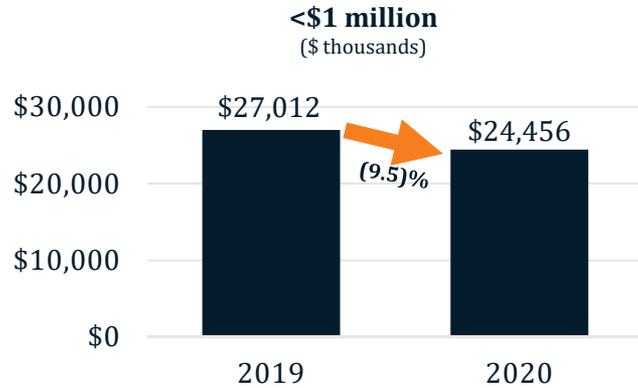
Average Commission Per Transaction

(\$ in thousands)



BROKERAGE REVENUE BY MARKET SEGMENT

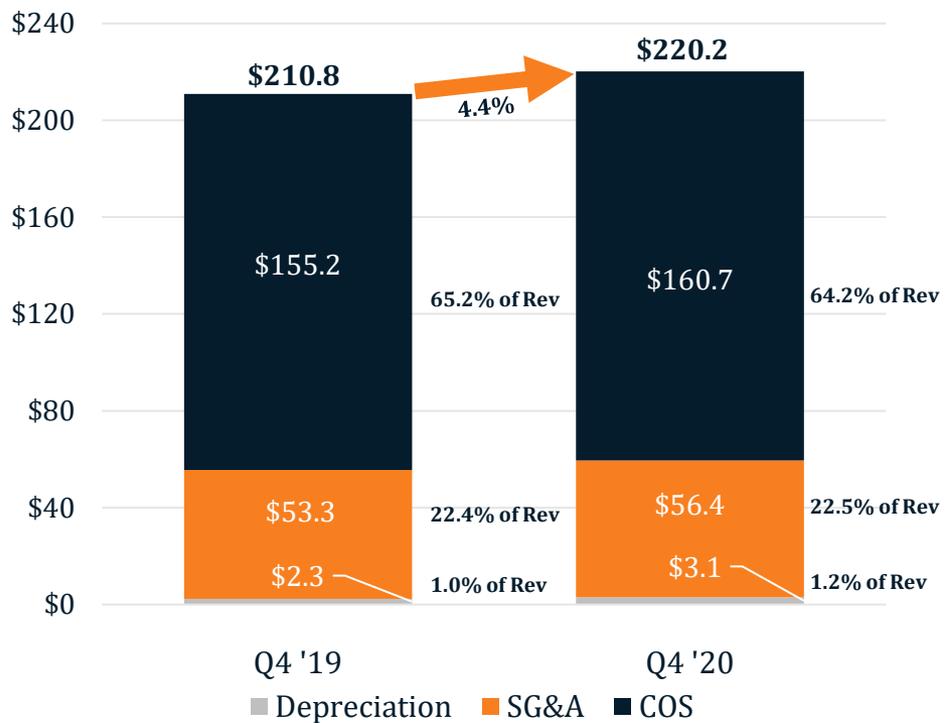
Full Year 2020



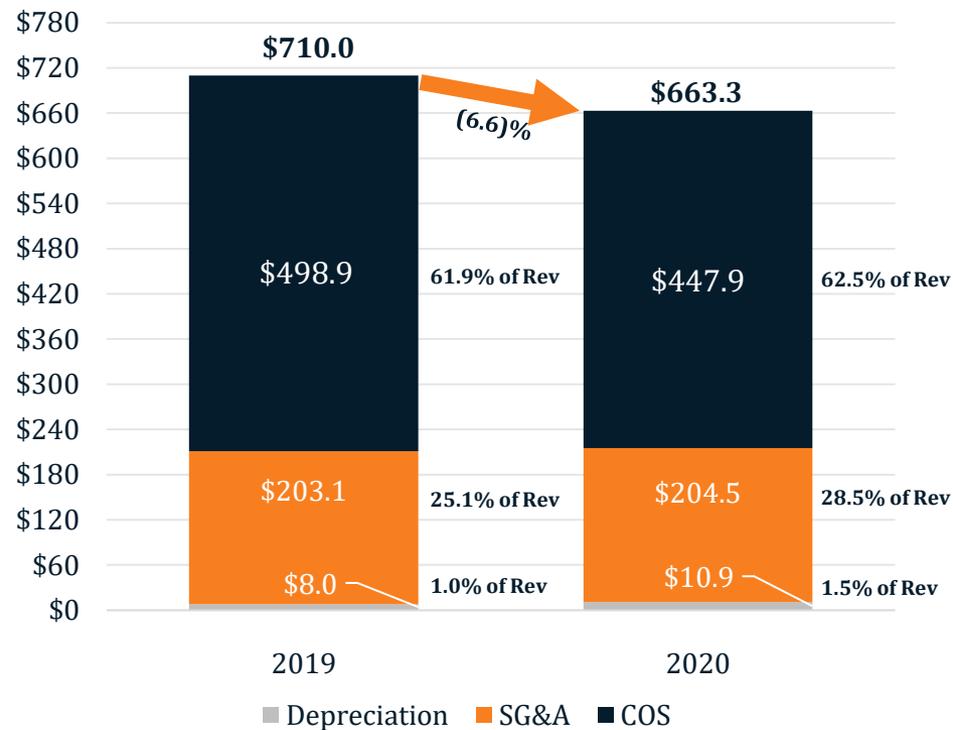
OPERATING EXPENSES

(\$ in millions)

Q4 2019 vs. Q4 2020



2019 vs. 2020



NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Q4 2020

Net Income
(\$ in millions)



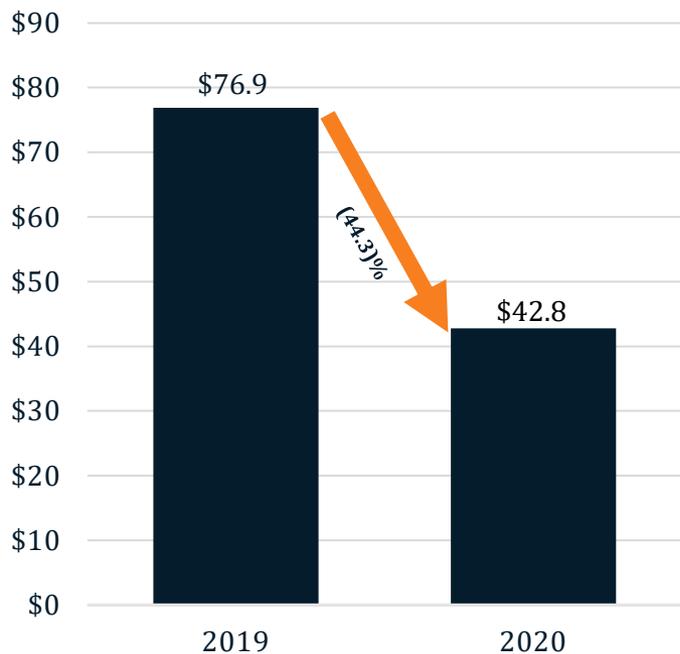
Adjusted EBITDA
(\$ in millions)



NET INCOME AND ADJUSTED EBITDA PERFORMANCE

Full Year 2020

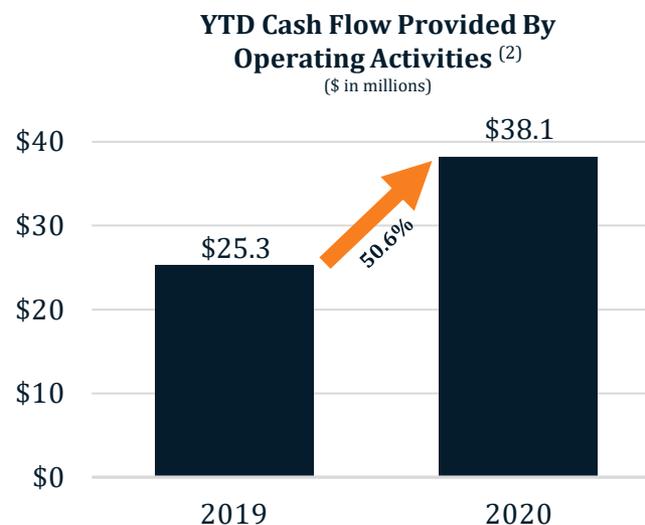
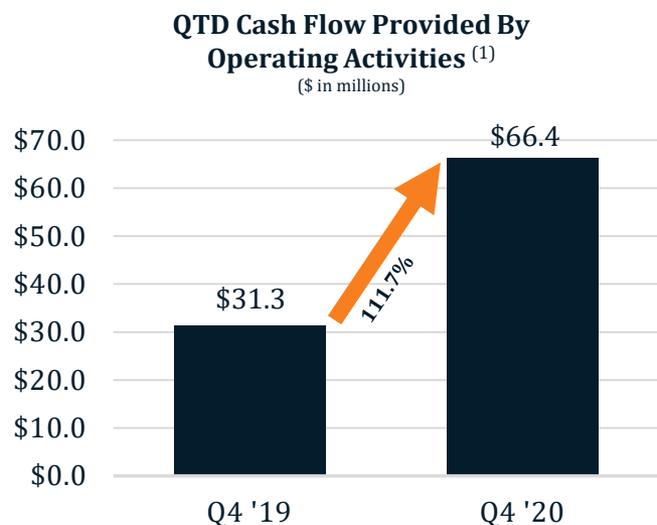
Net Income
(\$ in millions)



Adjusted EBITDA
(\$ in millions)



CASH FLOW PROVIDED BY OPERATING ACTIVITIES



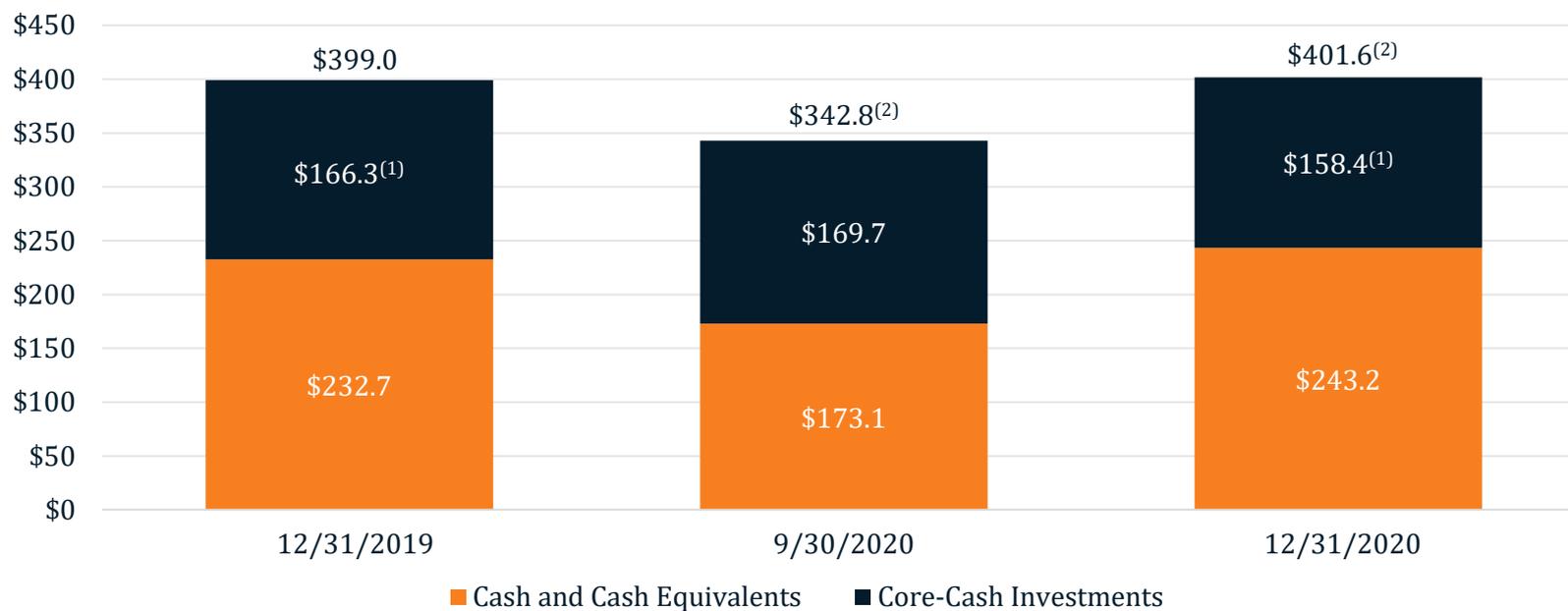
(1) Net cash provided by operating activities is driven by our net income adjusted for non-cash items and changes in operating assets and liabilities. The improvement in operating cash flows for the three months ended December 31, 2020 compared to the same period in 2019 was primarily due to higher total revenues, an increase in the deferral of certain discretionary commissions and differences in timing of certain payments and receipts.

(2) 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 improvement in operating cash flows for 2020 compared to 2019 was primarily due to differences in timing of certain payments and receipts, an increase in deferral of certain discretionary commissions and commission payable and a decrease in bonus payments in 2020 related to bonuses earned based on 2019 performance. These improvements in operating cash flows were partially offset by lower total revenues, a higher proportion of operating expenses compared to total revenues and an increase in advances related to the acquisitions of teams and long-term retention of our investment sales and financing professionals.

STRONG LIQUID CAPITAL POSITION

Cash on Hand and Core-Cash Investments

(\$ in millions)



(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 0.30 years and 0.52 years for the periods ended 12/31/20 and 12/31/19, respectively.

(2) Cash on hand & core-cash investments increased for the three months period ended 12/31/20 primarily due to higher total revenues and differences in timing of certain payments.

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 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 to be a useful tool 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			Full Year	
	Dec. 31, 2020	Sept. 30, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Net Income	\$ 23,622	\$ 6,040	\$ 20,721	\$ 42,838	\$ 76,930
Adjustments:					
Interest income and other⁽¹⁾	(958)	(889)	(2,494)	(5,048)	(10,322)
Interest expense	205	199	370	900	1,388
Provision for income taxes	8,651	1,916	9,423	16,526	30,582
Depreciation and amortization	3,077	2,606	2,343	10,899	8,017
Stock-based compensation	2,354	2,383	2,238	9,905	9,278
Non-cash MSR activity⁽²⁾	(9)	(26)	(90)	(321)	(322)
Adjusted EBITDA⁽³⁾	\$36,942	\$12,229	\$32,511	\$75,699	\$115,551

(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.

(3) The increase in Adjusted EBITDA for the three months ended December 31, 2020 compared to the same period in 2019 is primarily due to an increase in total revenues and a lower proportion of operating expenses compared to total revenues, while the decrease for the year ended December 31, 2020 compared to the same period in 2019 is primarily due to lower total revenues and a higher proportion of operating expenses compared to total revenues.

COMPANY OVERVIEW

NATIONAL PLATFORM FOCUSED ON REAL ESTATE INVESTMENT BROKERAGE

- 50-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 COMBINES BROKERAGE EXPERTISE AND VALUE-ADDED SERVICES

- 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

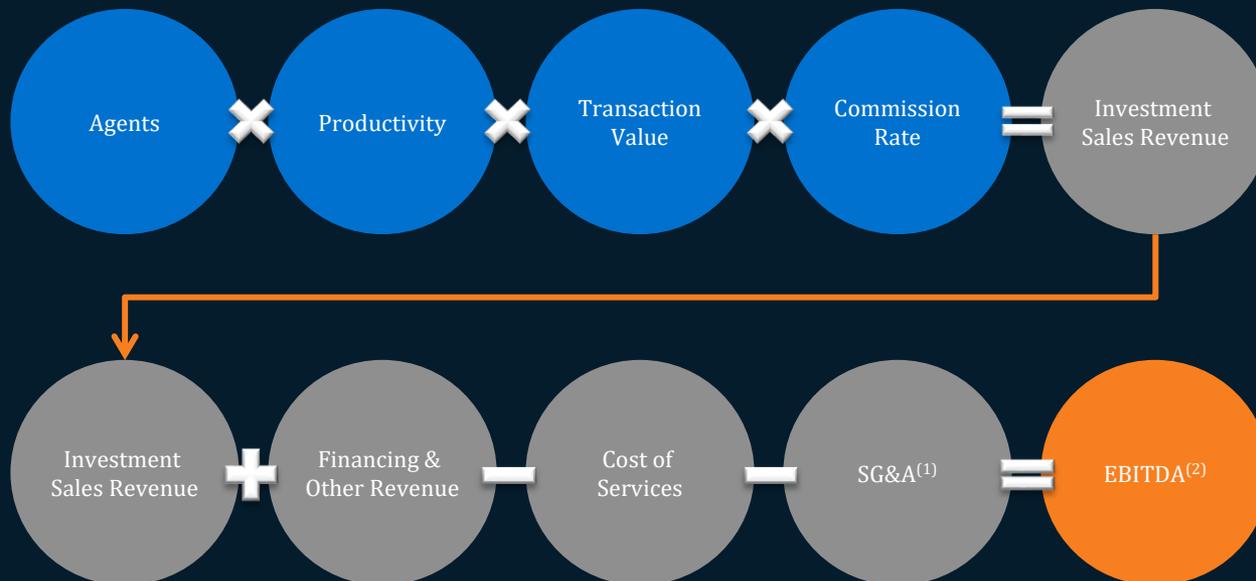
MANAGEMENT WITH SIGNIFICANT INVESTMENT BROKERAGE EXPERIENCE

- 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 financing division, MMCC
- 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.