
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 14, 2025

MARCUS & MILLICHAP, INC.
(Exact name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36155
(Commission
File Number)

35-2478370
(I.R.S. Employer
Identification Number)

**23975 Park Sorrento, Suite 400
Calabasas, California 91302**
(Address of Principal Executive Offices including Zip Code)

(818) 212-2250
(Registrant's Telephone Number, including Area Code)

Not Applicable
(Former Name or Former Address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|----------------------|--|
| Common Stock, par value \$0.0001 per share | MMI | New York Stock Exchange (NYSE) |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 14, 2025, Marcus & Millichap, Inc. (the “**Company**”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 31, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information furnished on this Form 8-K, including the attached exhibit, will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) or otherwise subject to the liabilities of that section, nor will it be deemed incorporated by reference in any other filing under the Securities Act of 1933, as amended (the “**Securities Act**”) or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit Number | Exhibit Title or Description |
|-----------------------|--|
| 99.1 | Press Release issued by the Company entitled “Marcus & Millichap, Inc. Reports Results for Fourth Quarter and Full Year 2024” dated February 14, 2025. |
| 104 | Cover Page Interactive Data File—the cover page iXBRL tags are embedded within the Inline XBRL document |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARCUS & MILLICHAP, INC.

Date: February 14, 2025

By: /s/ Steven F. DeGennaro

Steven F. DeGennaro
Chief Financial Officer



**MARCUS & MILLICHAP, INC. REPORTS RESULTS FOR
FOURTH QUARTER AND FULL YEAR 2024**

*Revenue growth of 44.4% in the Fourth Quarter 2024 compared to Fourth Quarter 2023.
Revenue growth of 7.8% Year Over Year*

CALABASAS, Calif., February 14, 2025 -- (BUSINESS WIRE) -- Marcus & Millichap, Inc. (the “Company”, “Marcus & Millichap”, or “MMI”) (NYSE: MMI), a leading national real estate services firm specializing in commercial real estate investment sales, financing, research and advisory services, reported its fourth quarter and full year 2024 financial results today.

Fourth Quarter 2024 Highlights Compared to Fourth Quarter 2023

- Total revenue of \$240.1 million, compared to \$166.2 million
 - Brokerage commissions of \$202.8 million, compared to \$144.6 million
 - Private Client Market brokerage revenue of \$120.4 million, compared to \$94.8 million
 - Middle Market and Larger Transaction Market brokerage revenue of \$76.7 million, compared to \$44.1 million
 - Financing fees of \$31.2 million, compared to \$15.9 million
- Net income of \$8.5 million, or \$0.22 per common share, diluted, compared to net loss of \$10.2 million, or \$0.27 loss per common share, diluted
- Adjusted EBITDA¹ of \$18.0 million, compared to \$(4.5) million

Full Year 2024 Highlights Compared to Full Year 2023

- Total revenue of \$696.1 million, compared to \$645.9 million
 - Brokerage commissions of \$589.7 million, compared to \$559.8 million
 - Private Client Market brokerage revenue of \$365.8 million, compared to \$373.0 million
 - Middle Market and Larger Transaction Market brokerage revenue of \$202.8 million, compared to \$165.9 million
 - Financing fees of \$84.5 million, compared to \$66.9 million
- Net loss of \$12.4 million, or \$0.32 loss per common share, diluted, compared to net loss of \$34.0 million, or \$0.88 loss per common share, diluted
- Adjusted EBITDA¹ of \$9.4 million, compared to \$(19.6) million

“We are pleased to report an exceptionally strong fourth quarter, achieving our highest quarterly revenue in two years. Our performance was driven by our efforts to increase exclusive inventory and elevate client outreach throughout the year and a favorable interest rate environment in the Fall of 2024 that spurred transactions. It also underscores the positive benefits of our strategic initiatives and the resilience of our business model,” stated Hessam Nadji, Marcus & Millichap’s president and chief executive officer.

Mr. Nadji continued, “Looking forward, while we believe that price adjustments and higher motivations to transact will continue to result in increased transaction activity year over year, we continue to face the headwind of higher and still-volatile interest rates. Our focus remains on increasing client outreach, investing in experienced talent and raising the production levels of our existing salesforce. Strategic acquisitions and an ongoing focus on technology and further adoption of A.I. are also key priorities in our quest to maximize long-term shareholder value.”

¹ Please refer to the reconciliation of GAAP measures to non-GAAP measures at the end of this release for more information.

Fourth Quarter 2024 Results Compared to Fourth Quarter 2023

Total revenue for the fourth quarter 2024 was \$240.1 million, an increase of 44.4% compared to \$166.2 million for the fourth quarter 2023.

For real estate brokerage commissions, revenue was \$202.8 million, an increase of 40.3% compared to the same period in the prior year. The increase was primarily attributed to a 40.8% increase in total sales volume compared to the fourth quarter 2023. Private Client Market revenue increased by 27.0%, and the combined Middle Market and Larger Transaction Market revenue increased by 74.0%.

For financing fees, revenue was \$31.2 million, an increase of 96.6% compared to the same period in the prior year. The increase was primarily attributed to a 139.4% increase in total financing volume, partially offset by a 17 basis point decrease in the average fee rate earned, compared to the fourth quarter 2023.

Total operating expenses for the fourth quarter 2024 were \$233.4 million compared to \$183.4 million for the same period in the prior year. The change was primarily due to an increase of \$46.3 million in cost of services. Cost of services as a percentage of total revenue decreased by 20 basis points to 63.2% compared to the same period during the prior year primarily due to our senior investment sales and financing professionals earning a lower amount of additional commissions.

Selling, general and administrative expenses for the fourth quarter 2024 were \$76.3 million compared to \$74.7 million for the same period in 2023. The increase was primarily due to an increase in personnel costs, partially offset by a reduction in marketing support provided to our investment sales and financing professionals.

Net income for the fourth quarter 2024 was \$8.5 million, or \$0.22 per common share, diluted, compared to a net loss of \$10.2 million, or \$0.27 loss per common share, diluted, for the same period in 2023. Adjusted EBITDA for the fourth quarter 2024 was \$18.0 million, compared to \$(4.5) million for the same period in the prior year, primarily as a result of the increase in operating income.

Full Year 2024 Results Compared to Full Year 2023

Total revenue for 2024 was \$696.1 million compared to \$645.9 million for 2023, an increase of \$50.1 million, or 7.8%. Total operating expenses for 2024 increased by 3.4% to \$729.0 million compared to \$705.3 million for 2023. Cost of services as a percent of total revenues decreased to 62.0%, down 100 basis points compared to 2023. The Company's net loss for 2024 was \$12.4 million, or \$0.32 loss per common share, diluted, compared to a net loss of \$34.0 million, or \$0.88 loss per common share, diluted, for 2023. Adjusted EBITDA for 2024 increased to \$9.4 million from \$(19.6) million for 2023. As of December 31, 2024, the Company had 1,712 investment sales and financing professionals, compared to 1,783 at the end of 2023.

Capital Allocation

During the twelve months ended December 31, 2024, the Company declared two semi-annual regular dividends aggregating \$20.3 million and repurchased 16,900 shares of common stock for an aggregate purchase price of \$0.6 million.

After accounting for shares repurchased through February 11, 2025, the Company has approximately \$70.5 million authorized to repurchase shares under its share repurchase program. No time limit has been established for the completion of the program, and the repurchases are expected to be executed from time-to-time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans.

Business Outlook

Notwithstanding the ongoing price discovery and wider than normal bid/ask spreads, the commercial real estate transaction market is poised over the long term to overcome the near-term challenges which are currently expected to extend for the first half of 2025. Accordingly, the Company believes it remains well-positioned to achieve long-term growth.

The Company benefits from its experienced management team, infrastructure investments, industry-leading market research and proprietary technology. The size and fragmentation of the Private Client Market continues to offer long-term growth

opportunities through consolidation. This highly fragmented market segment consistently accounts for over 80% of all commercial property sales transactions and over 60% of the commission pool. The top 10 brokerage firms led by MMI have an estimated 20% share of this segment by transaction count.

Key factors that may influence the Company's business during 2025 include:

- Volatility in transactional activity and investor sentiment driven by:
 - The elevated cost of debt capital
 - Interest rate uncertainty, the potential for rising inflation and the heightened bid-ask spread between buyers and sellers
 - Risks of a potential recession and its unfavorable impact to CRE space demand
 - Possible impact to market sentiment related to the new administration's potential tariff, immigration and other policy changes which may influence transaction velocity and/or future fluctuations in interest rates, sales and financing activity
 - Increase in operating expenses driven by labor costs, insurance, taxes and construction materials
- Volatility in each of the Company's markets
- Increase in costs related to in-person events, client meetings, and conferences
- Global geopolitical uncertainty, which may cause investors to refrain from transacting
- The potential for acquisition activity and subsequent integration

Webcast and Call Information

Marcus & Millichap will host a live webcast today to discuss the financial results at 7:30 a.m. Pacific Time/10:30 a.m. Eastern Time. The webcast will be accessible through the Investor Relations section of Marcus & Millichap's website at ir.marcusmillichap.com and will be archived upon completion of the call. The Company encourages the use of the webcast due to potential extended wait times to access the conference call via dial-in.

For those unable to access the webcast, callers from the United States and Canada should dial 1-877-407-9208 ten minutes prior to the scheduled call time. International callers should dial 1-201-493-6784.

Replay Information

For those unable to participate during the live broadcast, a telephonic replay of the call will also be available from 1:30 p.m. Eastern Time on Friday, February 14, 2025 through 11:59 p.m. Eastern Time on Friday, February 28, 2025 by dialing 1-844-512-2921 in the United States and Canada or 1-412-317-6671 internationally and entering passcode 13750435.

About Marcus & Millichap, Inc.

Marcus & Millichap, Inc. is a leading national real estate services firm specializing in commercial real estate investment sales, financing services, research and advisory services. As of December 31, 2024, the Company had 1,712 investment sales and financing professionals in more than 80 offices who provide investment brokerage and financing services to sellers and buyers of commercial real estate. The Company also offers market research, consulting and advisory, and leasing services to our clients. Marcus & Millichap closed 7,836 transactions in 2024, with a sales volume of \$49.6 billion. For additional information, please visit www.MarcusMillichap.com.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This release 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. Important factors that could cause such differences include, but are not limited to:

- general uncertainty in the capital markets, a worsening of economic conditions, and the rate and pace of economic recovery following an economic downturn;
- changes in our business operations;
- market trends in the commercial real estate market or the general economy, including the impact of inflation and changes to interest rates;
- our ability to attract and retain qualified senior executives, managers, and investment sales and financing professionals;
- the impact of forgivable loans and related expense resulting from the recruitment and retention of agents;
- the effects of increased competition on our business;
- our ability to successfully enter new markets or increase our market share;
- our ability to successfully expand our services and businesses and to manage any such expansions;
- our ability to retain existing clients and develop new clients;
- our ability to keep pace with changes in technology;
- any business interruption or technology failure, including cybersecurity risks and ransomware attacks, and any related impact on our reputation;
- 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;
- our ability to successfully identify, negotiate, execute, and integrate accretive acquisitions; and
- other risk factors included under "Risk Factors" in our most recent Annual Report on Form 10-K.

In addition, in this release, the words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "goal," "expect," "predict," "potential," "should" and similar expressions, as they relate to our Company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Forward-looking statements speak only as of the date of this release. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. We have not filed our Form 10-K for the year ended December 31, 2024. As a result, all financial results described in this earnings release should be considered preliminary, and are subject to change to reflect any necessary adjustments or changes in accounting estimates, that are identified prior to the time we file our Form 10-K.

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|------------------------------------|--------------------|-----------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>Revenue:</i> | | | | |
| Real estate brokerage commissions | \$ 202,827 | \$ 144,559 | \$ 589,695 | \$ 559,752 |
| Financing fees | 31,209 | 15,877 | 84,512 | 66,898 |
| Other revenue | 6,042 | 5,807 | 21,853 | 19,277 |
| Total revenue | 240,078 | 166,243 | 696,060 | 645,927 |
| <i>Operating expenses:</i> | | | | |
| Cost of services | 151,768 | 105,427 | 431,471 | 406,645 |
| Selling, general and administrative | 76,318 | 74,702 | 280,909 | 285,023 |
| Depreciation and amortization | 5,288 | 3,315 | 16,589 | 13,627 |
| Total operating expenses | 233,374 | 183,444 | 728,969 | 705,295 |
| Operating income (loss) | 6,704 | (17,201) | (32,909) | (59,368) |
| Other income, net | 4,992 | 5,733 | 20,693 | 19,855 |
| Interest expense | (201) | (216) | (812) | (888) |
| Income (loss) before provision (benefit) for income taxes | 11,495 | (11,684) | (13,028) | (40,401) |
| Provision (benefit) for income taxes | 2,947 | (1,451) | (666) | (6,366) |
| Net income (loss) | \$ 8,548 | \$ (10,233) | \$ (12,362) | \$ (34,035) |
| <i>Earnings (loss) per share:</i> | | | | |
| Basic | \$ 0.22 | \$ (0.27) | \$ (0.32) | \$ (0.88) |
| Diluted | \$ 0.22 | \$ (0.27) | \$ (0.32) | \$ (0.88) |
| <i>Weighted average common shares outstanding:</i> | | | | |
| Basic | 38,826 | 38,415 | 38,678 | 38,659 |
| Diluted | 39,293 | 38,415 | 38,678 | 38,659 |

MARCUS & MILLICHAP, INC.
KEY OPERATING METRICS SUMMARY
(Unaudited)

Total sales volume was approximately \$18.4 billion for the three months ended December 31, 2024, encompassing 2,485 transactions consisting of \$12.3 billion for real estate brokerage (1,742 transactions), \$3.5 billion for financing (425 transactions) and \$2.6 billion in other transactions, including consulting and advisory services (318 transactions). Total sales volume was \$49.6 billion for the year ended December 31, 2024, encompassing 7,836 transactions consisting of \$33.6 billion for real estate brokerage (5,447 transactions), \$9.1 billion for financing (1,249 transactions) and \$6.9 billion in other transactions, including consulting and advisory services (1,140 transactions). As of December 31, 2024, the Company had 1,610 investment sales professionals and 102 financing professionals. Key metrics for real estate brokerage and financing activities (excluding other transactions) are as follows:

| | Three Months Ended December 31, | | Years Ended December 31, | |
|--|------------------------------------|------------|-----------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>Real Estate Brokerage</i> | | | | |
| Average Number of Investment Sales Professionals | 1,593 | 1,705 | 1,610 | 1,744 |
| Average Number of Transactions per Investment Sales Professional | 1.09 | 0.83 | 3.38 | 3.14 |
| Average Commission per Transaction | \$ 116,433 | \$ 102,306 | \$ 108,261 | \$ 102,238 |
| Average Commission Rate | 1.65 % | 1.66 % | 1.75 % | 1.82 % |
| Average Transaction Size (in thousands) | \$ 7,045 | \$ 6,168 | \$ 6,174 | \$ 5,630 |
| Total Number of Transactions | 1,742 | 1,413 | 5,447 | 5,475 |
| Total Sales Volume (in millions) | \$ 12,273 | \$ 8,716 | \$ 33,630 | \$ 30,823 |

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|------------------------------------|-----------|-----------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>Financing⁽¹⁾</i> | | | | |
| Average Number of Financing Professionals | 103 | 98 | 101 | 96 |
| Average Number of Transactions per Financing Professional | 4.13 | 2.42 | 12.37 | 11.21 |
| Average Fee per Transaction | \$ 59,219 | \$ 54,468 | \$ 52,955 | \$ 50,677 |
| Average Fee Rate | 0.72 % | 0.89 % | 0.73 % | 0.81 % |
| Average Transaction Size (in thousands) | \$ 8,184 | \$ 6,133 | \$ 7,283 | \$ 6,254 |
| Total Number of Transactions | 425 | 237 | 1,249 | 1,076 |
| Total Financing Volume (in millions) | \$ 3,478 | \$ 1,453 | \$ 9,096 | \$ 6,729 |

⁽¹⁾ Operating metrics exclude certain financing fees not directly associated to transactions.

The following table sets forth the number of transactions, sales volume and revenue by commercial real estate market for real estate brokerage:

| <i>Real Estate Brokerage</i> | Three Months Ended December 31, | | | | | | | | |
|--|---------------------------------|-------------------------|---------------------------|--------------|-------------------------|---------------------------|------------|-------------------------|---------------------------|
| | 2024 | | | 2023 | | | Change | | |
| | Number | Volume (in millions) | Revenue (in thousands) | Number | Volume (in millions) | Revenue (in thousands) | Number | Volume (in millions) | Revenue (in thousands) |
| <\$1 million | 223 | \$ 118 | \$ 5,735 | 209 | \$ 125 | \$ 5,680 | 14 | \$ (7) | \$ 55 |
| Private Client Market (\$1 – <\$10 million) | 1,280 | 4,276 | 120,364 | 1,043 | 3,447 | 94,772 | 237 | 829 | 25,592 |
| Middle Market (\$10 – <\$20 million) | 118 | 1,651 | 30,556 | 85 | 1,194 | 19,567 | 33 | 457 | 10,989 |
| Larger Transaction Market (≥\$20 million) | 121 | 6,228 | 46,172 | 76 | 3,950 | 24,540 | 45 | 2,278 | 21,632 |
| | <u>1,742</u> | <u>\$ 12,273</u> | <u>\$ 202,827</u> | <u>1,413</u> | <u>\$ 8,716</u> | <u>\$ 144,559</u> | <u>329</u> | <u>\$ 3,557</u> | <u>\$ 58,268</u> |

| <i>Real Estate Brokerage</i> | Years Ended December 31, | | | | | | | | |
|--|--------------------------|-------------------------|---------------------------|--------------|-------------------------|---------------------------|-------------|-------------------------|---------------------------|
| | 2024 | | | 2023 | | | Change | | |
| | Number | Volume (in millions) | Revenue (in thousands) | Number | Volume (in millions) | Revenue (in thousands) | Number | Volume (in millions) | Revenue (in thousands) |
| <\$1 million | 819 | \$ 446 | \$ 21,034 | 809 | \$ 483 | \$ 20,894 | 10 | \$ (37) | \$ 140 |
| Private Client Market (\$1 – <\$10 million) | 3,967 | 12,802 | 365,837 | 4,097 | 13,616 | 372,979 | (130) | (814) | (7,142) |
| Middle Market (\$10 – <\$20 million) | 344 | 4,764 | 84,186 | 303 | 4,117 | 73,007 | 41 | 647 | 11,179 |
| Larger Transaction Market (≥\$20 million) | 317 | 15,618 | 118,638 | 266 | 12,607 | 92,872 | 51 | 3,011 | 25,766 |
| | <u>5,447</u> | <u>\$ 33,630</u> | <u>\$ 589,695</u> | <u>5,475</u> | <u>\$ 30,823</u> | <u>\$ 559,752</u> | <u>(28)</u> | <u>\$ 2,807</u> | <u>\$ 29,943</u> |

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except for shares and par value)
(Unaudited)

| | December 31, | |
|--|-------------------|-------------------|
| | 2024 | 2023 |
| Assets | | |
| Current assets: | | |
| Cash, cash equivalents, and restricted cash | \$ 153,445 | \$ 170,753 |
| Commissions receivable | 18,804 | 16,171 |
| Prepaid expenses | 9,311 | 8,813 |
| Income tax receivable | 6,030 | 9,299 |
| Marketable debt securities, available-for-sale (amortized cost of \$189,667 and \$169,018 at December 31, 2024 and December 31, 2023, respectively, and \$0 allowance for credit losses) | 189,667 | 168,881 |
| Advances and loans, net | 17,519 | 3,574 |
| Other assets, current | 15,543 | 16,203 |
| Total current assets | 410,319 | 393,694 |
| Property and equipment, net | 26,139 | 27,450 |
| Operating lease right-of-use assets, net | 81,120 | 90,058 |
| Marketable debt securities, available-for-sale (amortized cost of \$52,366 and \$69,538 at December 31, 2024 and December 31, 2023, respectively, and \$0 allowance for credit losses) | 51,147 | 67,459 |
| Assets held in rabbi trust | 12,191 | 10,838 |
| Deferred tax assets, net | 48,080 | 46,930 |
| Goodwill and other intangible assets, net | 43,521 | 51,183 |
| Advances and loans, net | 173,657 | 175,827 |
| Other assets, non-current | 23,626 | 14,972 |
| Total assets | \$ 869,800 | \$ 878,411 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 13,737 | \$ 8,126 |
| Deferred compensation and commissions | 67,197 | 55,769 |
| Operating lease liabilities | 18,522 | 18,336 |
| Accrued bonuses and other employee related expenses | 25,485 | 19,119 |
| Other liabilities, current | 8,076 | 3,919 |
| Total current liabilities | 133,017 | 105,269 |
| Deferred compensation and commissions | 33,257 | 47,771 |
| Operating lease liabilities | 65,701 | 69,407 |
| Other liabilities, non-current | 7,007 | 10,690 |
| Total liabilities | 238,982 | 233,137 |
| Commitments and contingencies | — | — |
| Stockholders' equity: | | |
| Preferred stock, \$0.0001 par value: | | |
| Authorized shares – 25,000,000; issued and outstanding shares – none at December 31, 2024 and 2023, respectively | — | — |
| Common stock, \$0.0001 par value: | | |
| Authorized shares – 150,000,000; issued and outstanding shares – 38,856,790 and 38,412,484 at December 31, 2024 and 2023, respectively | 4 | 4 |
| Additional paid-in capital | 173,340 | 153,740 |
| Retained earnings | 458,907 | 492,298 |
| Accumulated other comprehensive loss | (1,433) | (768) |
| Total stockholders' equity | 630,818 | 645,274 |
| Total liabilities and stockholders' equity | \$ 869,800 | \$ 878,411 |

MARCUS & MILLICHAP, INC.
OTHER INFORMATION
(Unaudited)

Adjusted EBITDA Reconciliation

Adjusted EBITDA, which the Company defines 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. The Company uses Adjusted EBITDA in its business operations to evaluate the performance of its business, develop budgets and measure its performance against those budgets, among other things. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate its overall operating performance. However, Adjusted EBITDA has material limitations as a supplemental metric and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under U.S. generally accepted accounting principles ("U.S. GAAP"). The Company finds Adjusted EBITDA to be a useful management metric to assist in evaluating performance, because Adjusted EBITDA eliminates items related to capital structure, taxes and non-cash items. Considering 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 (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.

A reconciliation of the most directly comparable U.S. GAAP financial measure, net income, to Adjusted EBITDA is as follows (in thousands):

| | Three Months Ended December 31, | | Years 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 | <u>\$ 18,034</u> | <u>\$ (4,504)</u> | <u>\$ 9,372</u> | <u>\$ (19,630)</u> |

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

Glossary of Terms

- Private Client Market segment: transactions with values from \$1 million to up to but less than \$10 million
- Middle Market segment: transactions with values from \$10 million to up to but less than \$20 million
- Larger Transaction Market segment: transactions with values of \$20 million and above

Certain Adjusted Metrics

Real Estate Brokerage

Following are actual and as adjusted metrics excluding any large transactions in our real estate brokerage business in excess of \$300 million:

| | Three Months Ended December 31, 2024 | | Year Ended December 31, 2024 | |
|-----------------------------------|---|---------------|---------------------------------|---------------|
| | (actual) | (as adjusted) | (actual) | (as adjusted) |
| Total Sales Volume Increase | 40.8% | 40.8% | 9.1% | 9.1% |
| Average Commission Rate Decrease | (0.6)% | (0.6)% | (3.8)% | (3.8)% |
| Average Transaction Size Increase | 14.2% | 14.2% | 9.7% | 9.7% |

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