

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
TABLE OF CONTENTS
QUARTER 1, 2021

Consolidated Statements of Income - As Reported	A-1
Non-GAAP Financial Measures	A-2
Total Lodging Products	A-3
Key Lodging Statistics	A-6
Adjusted EBITDA	A-9
Explanation of Non-GAAP Financial and Performance Measures	A-10

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED
FIRST QUARTER 2021 AND 2020

(in millions except per share amounts, unaudited)

	As Reported Three Months Ended March 31, 2021	As Reported Three Months Ended March 31, 2020	Percent Better/(Worse) Reported 2021 vs. 2020
REVENUES			
Base management fees	\$ 106	\$ 214	(50)
Franchise fees ¹	306	415	(26)
Incentive management fees	33	-	*
Gross Fee Revenues	445	629	(29)
Contract investment amortization ²	(17)	(25)	32
Net Fee Revenues	428	604	(29)
Owned, leased, and other revenue ³	108	280	(61)
Cost reimbursement revenue ⁴	1,780	3,797	(53)
Total Revenues	2,316	4,681	(51)
OPERATING COSTS AND EXPENSES			
Owned, leased, and other - direct ⁵	135	272	50
Depreciation, amortization, and other ⁶	52	150	65
General, administrative, and other ⁷	211	270	22
Restructuring and merger-related charges (recoveries)	1	(2)	(150)
Reimbursed expenses ⁴	1,833	3,877	53
Total Expenses	2,232	4,567	51
OPERATING INCOME	84	114	(26)
Gains (losses) and other income, net ⁸	1	(4)	125
Interest expense	(107)	(93)	(15)
Interest income	7	6	17
Equity in losses ⁹	(12)	(4)	(200)
(LOSS) INCOME BEFORE INCOME TAXES	(27)	19	(242)
Benefit for income taxes	16	12	33
NET (LOSS) INCOME	\$ (11)	\$ 31	(135)
(LOSS) EARNINGS PER SHARE			
(Loss) Earnings per share - basic	\$ (0.03)	\$ 0.10	(130)
(Loss) Earnings per share - diluted	\$ (0.03)	\$ 0.09	(133)
Basic Shares	326.7	325.4	
Diluted Shares ¹⁰	326.7	327.4	

* Calculated percentage is not meaningful.

¹ *Franchise fees* include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees.

² *Contract investment amortization* includes amortization of capitalized costs to obtain contracts with our owner and franchisee customers, and any related impairments, accelerations, or write-offs.

³ *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, and other revenue.

⁴ *Cost reimbursement revenue* includes reimbursements from properties for property-level and centralized programs and services that we operate for the benefit of our hotel owners. *Reimbursed expenses* include costs incurred by Marriott for certain property-level operating expenses and centralized programs and services.

⁵ *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

⁶ *Depreciation, amortization, and other* expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

⁷ *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

⁸ *Gains (losses) and other income, net* includes gains and losses on the sale of real estate, the sale of joint venture interests and other investments, and adjustments from other equity investments.

⁹ *Equity in losses* include our equity in losses of unconsolidated equity method investments.

¹⁰ Basic and fully diluted weighted average shares outstanding used to calculate (loss) earnings per share for the period in which we had a loss are the same because inclusion of additional equivalents would be anti-dilutive.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES

(\$ in millions except per share amounts)

The following table presents our reconciliations of Adjusted operating income, Adjusted operating income margin, Adjusted net income, and Adjusted diluted earnings per share, to the most directly comparable GAAP measure. Adjusted total revenues is used in the determination of Adjusted operating income margin.

	Three Months Ended		Percent Better/ (Worse)
	March 31, 2021	March 31, 2020	
Total revenues, as reported	\$ 2,316	\$ 4,681	
Less: Cost reimbursement revenue	(1,780)	(3,797)	
Add: Impairments ¹	-	7	
Adjusted total revenues **	536	891	
Operating income, as reported	84	114	
Less: Cost reimbursement revenue	(1,780)	(3,797)	
Add: Reimbursed expenses	1,833	3,877	
Add (Less): Restructuring and merger-related charges (recoveries)	1	(2)	
Add: Impairments ²	-	101	
Adjusted operating income **	138	293	-53%
Operating income margin	4%	2%	
Adjusted operating income margin **	26%	33%	
Net (loss) income, as reported	(11)	31	
Less: Cost reimbursement revenue	(1,780)	(3,797)	
Add: Reimbursed expenses	1,833	3,877	
Add (Less): Restructuring and merger-related charges (recoveries)	1	(2)	
Add: Impairments ³	4	101	
Income tax effect of above adjustments	(13)	(50)	
Adjusted net income **	\$ 34	\$ 160	-79%
Diluted (loss) earnings per share, as reported	\$ (0.03)	\$ 0.09	
Adjusted diluted earnings per share**	\$ 0.10	\$ 0.49	-80%

** Denotes non-GAAP financial measures. Please see pages A-10 and A-11 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Includes impairment charges reported in Contract investment amortization of \$7 million in the 2020 first quarter.

² Includes impairment charges reported in Contract investment amortization of \$7 million; and Depreciation, amortization, and other of \$94 million in the 2020 first quarter.

³ Includes impairment charges reported in Equity in losses of \$4 million in the 2021 first quarter. Includes impairment charges reported in Contract investment amortization of \$7 million; and Depreciation, amortization, and other of \$94 million in the 2020 first quarter.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
As of March 31, 2021

	US & Canada		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Managed	642	221,256	1,270	327,459	1,912	548,715
Marriott Hotels	114	61,576	181	52,740	295	114,316
Marriott Hotels Serviced Apartments	-	-	1	154	1	154
Sheraton	28	23,609	188	63,250	216	86,859
Courtyard	169	27,264	103	22,356	272	49,620
Westin	41	22,347	72	21,924	113	44,271
JW Marriott	21	12,711	63	23,356	84	36,067
Renaissance	24	10,607	59	18,402	83	29,009
The Ritz-Carlton	38	11,406	63	16,175	101	27,581
The Ritz-Carlton Serviced Apartments	-	-	5	715	5	715
Le Méridien	1	100	70	20,031	71	20,131
Four Points	1	134	78	21,455	79	21,589
Residence Inn	76	12,198	8	982	84	13,180
W Hotels	22	6,403	33	8,985	55	15,388
W Hotels Serviced Apartments	-	-	1	160	1	160
The Luxury Collection	6	2,296	49	8,879	55	11,175
Gaylord Hotels	6	9,918	-	-	6	9,918
St. Regis	10	1,968	35	8,253	45	10,221
Aloft	1	330	39	8,957	40	9,287
St. Regis Serviced Apartments	-	-	1	70	1	70
AC Hotels by Marriott	5	901	68	8,263	73	9,164
Delta Hotels	25	6,770	1	360	26	7,130
Fairfield by Marriott	7	1,539	45	6,287	52	7,826
SpringHill Suites	28	4,632	-	-	28	4,632
Marriott Executive Apartments	-	-	33	4,812	33	4,812
Autograph Collection	8	2,335	14	2,200	22	4,535
Protea Hotels	-	-	30	3,737	30	3,737
EDITION	4	1,207	7	1,488	11	2,695
TownePlace Suites	6	825	-	-	6	825
Element	1	180	8	1,690	9	1,870
Moxy	-	-	5	887	5	887
Tribute Portfolio	-	-	5	453	5	453
Bulgari	-	-	5	438	5	438
Franchised	4,788	686,986	705	145,131	5,493	832,117
Courtyard	830	110,872	94	17,348	924	128,220
Fairfield by Marriott	1,066	99,548	32	5,557	1,098	105,105
Residence Inn	748	89,055	16	2,246	764	91,301
Marriott Hotels	225	71,333	61	18,428	286	89,761
Sheraton	154	46,458	67	18,679	221	65,137
SpringHill Suites	469	54,027	-	-	469	54,027
TownePlace Suites	443	44,800	-	-	443	44,800
Autograph Collection	115	23,188	77	16,131	192	39,319
Westin	87	29,076	23	7,163	110	36,239
Four Points	158	23,795	58	9,520	216	33,315
Renaissance	61	17,607	27	7,514	88	25,121
Aloft	138	19,937	21	3,409	159	23,346
AC Hotels by Marriott	74	12,455	37	6,614	111	19,069
Moxy	26	4,913	50	9,913	76	14,826
Delta Hotels	55	12,284	7	1,706	62	13,990
The Luxury Collection	10	2,644	49	9,068	59	11,712
Le Méridien	20	4,588	16	4,222	36	8,810
Element	60	8,014	2	293	62	8,307
JW Marriott	13	5,947	6	1,624	19	7,571
Tribute Portfolio	30	5,163	17	1,797	47	6,960
Protea Hotels	-	-	36	2,949	36	2,949
Design Hotels	5	853	7	799	12	1,652
The Ritz-Carlton	1	429	-	-	1	429
Bulgari	-	-	1	85	1	85
Marriott Executive Apartments	-	-	1	66	1	66

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
As of March 31, 2021

	US & Canada		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Owned/Leased	26	6,483	40	9,417	66	15,900
Courtyard	19	2,814	4	894	23	3,708
Marriott Hotels	2	1,308	6	2,064	8	3,372
Sheraton	-	-	4	1,830	4	1,830
W Hotels	2	779	2	665	4	1,444
Westin	1	1,073	-	-	1	1,073
Protea Hotels	-	-	6	991	6	991
Renaissance	1	317	2	505	3	822
Autograph Collection ¹	-	-	7	705	7	705
The Ritz-Carlton	-	-	2	550	2	550
JW Marriott	-	-	1	496	1	496
The Luxury Collection ²	-	-	4	417	4	417
Residence Inn	1	192	1	140	2	332
St. Regis	-	-	1	160	1	160
Residences	63	6,773	36	2,924	99	9,697
The Ritz-Carlton Residences	37	4,177	12	965	49	5,142
St. Regis Residences	10	1,105	7	598	17	1,703
W Residences	10	1,089	4	359	14	1,448
Bulgari Residences	-	-	5	514	5	514
Westin Residences	3	266	-	-	3	266
Marriott Hotels Residences	-	-	2	246	2	246
The Luxury Collection Residences	1	91	3	115	4	206
Autograph Collection Residences	-	-	1	62	1	62
Sheraton Residences	-	-	1	50	1	50
EDITION Residences	2	45	-	-	2	45
Le Méridien Residences	-	-	1	15	1	15
Timeshare*	72	18,880	20	3,862	92	22,742
Grand Total	5,591	940,378	2,071	488,793	7,662	1,429,171

*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

¹ Includes five properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under the Autograph Collection brand following the completion of planned renovations.

² Includes two properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under The Luxury Collection brand following the completion of planned renovations.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
As of March 31, 2021

Total Systemwide	US & Canada		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Luxury	187	52,297	359	84,135	546	136,432
JW Marriott	34	18,658	70	25,476	104	44,134
The Ritz-Carlton	39	11,835	65	16,725	104	28,560
The Ritz-Carlton Residences	37	4,177	12	965	49	5,142
The Ritz-Carlton Serviced Apartments	-	-	5	715	5	715
The Luxury Collection ¹	16	4,940	102	18,364	118	23,304
The Luxury Collection Residences	1	91	3	115	4	206
W Hotels	24	7,182	35	9,650	59	16,832
W Residences	10	1,089	4	359	14	1,448
W Hotels Serviced Apartments	-	-	1	160	1	160
St. Regis	10	1,968	36	8,413	46	10,381
St. Regis Residences	10	1,105	7	598	17	1,703
St. Regis Serviced Apartments	-	-	1	70	1	70
EDITION	4	1,207	7	1,488	11	2,695
EDITION Residences	2	45	-	-	2	45
Bulgari	-	-	6	523	6	523
Bulgari Residences	-	-	5	514	5	514
Full-Service	1,006	350,776	951	266,308	1,957	617,084
Marriott Hotels	341	134,217	248	73,232	589	207,449
Marriott Hotels Residences	-	-	2	246	2	246
Marriott Hotels Serviced Apartments	-	-	1	154	1	154
Sheraton	182	70,067	259	83,759	441	153,826
Sheraton Residences	-	-	1	50	1	50
Westin	129	52,496	95	29,087	224	81,583
Westin Residences	3	266	-	-	3	266
Renaissance	86	28,531	88	26,421	174	54,952
Autograph Collection ²	123	25,523	98	19,036	221	44,559
Autograph Collection Residences	-	-	1	62	1	62
Le Méridien	21	4,688	86	24,253	107	28,941
Le Méridien Residences	-	-	1	15	1	15
Delta Hotels	80	19,054	8	2,066	88	21,120
Gaylord Hotels	6	9,918	-	-	6	9,918
Tribute Portfolio	30	5,163	22	2,250	52	7,413
Marriott Executive Apartments	-	-	34	4,878	34	4,878
Design Hotels	5	853	7	799	12	1,652
Limited-Service	4,326	518,425	741	134,488	5,067	652,913
Courtyard	1,018	140,950	201	40,598	1,219	181,548
Fairfield by Marriott	1,073	101,087	77	11,844	1,150	112,931
Residence Inn	825	101,445	25	3,368	850	104,813
SpringHill Suites	497	58,659	-	-	497	58,659
Four Points	159	23,929	136	30,975	295	54,904
TownePlace Suites	449	45,625	-	-	449	45,625
Aloft	139	20,267	60	12,366	199	32,633
AC Hotels by Marriott	79	13,356	105	14,877	184	28,233
Moxy	26	4,913	55	10,800	81	15,713
Element	61	8,194	10	1,983	71	10,177
Protea Hotels	-	-	72	7,677	72	7,677
Timeshare*	72	18,880	20	3,862	92	22,742
Grand Total	5,591	940,378	2,071	488,793	7,662	1,429,171

*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

¹ Includes two properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under The Luxury Collection brand following the completion of planned renovations.

² Includes five properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under the Autograph Collection brand following the completion of planned renovations.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
In Constant \$

Comparable Company-Operated US & Canada Properties

Brand	Three Months Ended March 31, 2021 and March 31, 2020						
	REVPAR		Occupancy			Average Daily Rate	
	2021	vs. 2020	2021	vs. 2020		2021	vs. 2020
JW Marriott	\$89.82	-45.1%	32.3%	-26.0%	pts.	\$278.10	-1.0%
The Ritz-Carlton	\$183.46	-26.6%	35.4%	-21.1%	pts.	\$518.62	17.2%
W Hotels	\$91.01	-49.6%	28.0%	-29.5%	pts.	\$325.20	3.5%
Composite US & Canada Luxury¹	\$133.07	-38.7%	31.9%	-26.2%	pts.	\$416.55	11.6%
Marriott Hotels	\$34.93	-70.2%	24.1%	-32.6%	pts.	\$145.03	-29.8%
Sheraton	\$25.88	-76.6%	17.4%	-37.3%	pts.	\$148.59	-26.4%
Westin	\$39.97	-66.0%	23.6%	-31.5%	pts.	\$169.16	-20.8%
Composite US & Canada Premium²	\$33.71	-70.5%	22.2%	-33.9%	pts.	\$151.96	-25.3%
US & Canada Full-Service³	\$53.80	-60.1%	24.2%	-32.3%	pts.	\$222.70	-6.7%
Courtyard	\$37.27	-50.5%	40.7%	-12.2%	pts.	\$91.47	-35.7%
Residence Inn	\$76.55	-32.1%	61.0%	-5.2%	pts.	\$125.39	-26.4%
Composite US & Canada Limited-Service⁴	\$47.20	-45.3%	45.4%	-11.7%	pts.	\$103.94	-31.2%
US & Canada - All⁵	\$52.31	-57.8%	29.0%	-27.7%	pts.	\$180.57	-17.5%

Comparable Systemwide US & Canada Properties

Brand	Three Months Ended March 31, 2021 and March 31, 2020						
	REVPAR		Occupancy			Average Daily Rate	
	2021	vs. 2020	2021	vs. 2020		2021	vs. 2020
JW Marriott	\$85.33	-47.6%	34.2%	-23.8%	pts.	\$249.16	-11.1%
The Ritz-Carlton	\$176.39	-27.7%	34.2%	-21.6%	pts.	\$516.07	17.9%
W Hotels	\$91.01	-49.6%	28.0%	-29.5%	pts.	\$325.20	3.5%
Composite US & Canada Luxury¹	\$120.22	-41.2%	32.4%	-25.7%	pts.	\$371.32	5.4%
Marriott Hotels	\$36.60	-63.4%	27.4%	-27.3%	pts.	\$133.80	-26.8%
Sheraton	\$29.76	-65.3%	26.0%	-27.3%	pts.	\$114.33	-28.8%
Westin	\$40.89	-63.9%	26.7%	-30.0%	pts.	\$153.08	-23.4%
Composite US & Canada Premium²	\$38.01	-62.4%	27.3%	-27.7%	pts.	\$139.39	-24.3%
US & Canada Full-Service³	\$47.50	-58.0%	27.9%	-27.4%	pts.	\$170.52	-16.6%
Courtyard	\$42.87	-41.8%	43.4%	-11.0%	pts.	\$98.76	-27.1%
Residence Inn	\$70.61	-23.5%	62.1%	-2.3%	pts.	\$113.76	-20.6%
Fairfield by Marriott	\$41.41	-28.6%	46.9%	-6.3%	pts.	\$88.33	-18.9%
Composite US & Canada Limited-Service⁴	\$49.52	-32.8%	49.7%	-7.3%	pts.	\$99.65	-22.9%
US & Canada - All⁵	\$48.65	-46.3%	40.3%	-16.0%	pts.	\$120.79	-25.0%

¹ Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, and EDITION.

² Includes Marriott Hotels, Sheraton, Westin, Renaissance, Autograph Collection, Delta Hotels, and Gaylord Hotels. Systemwide also includes Le Méridien and Tribute Portfolio.

³ Includes Composite US & Canada Luxury and Composite US & Canada Premium.

⁴ Includes Courtyard, Residence Inn, Fairfield by Marriott, SpringHill Suites, TownePlace Suites, Four Points, Aloft, Element, and AC Hotels by Marriott. Systemwide also includes Moxy.

⁵ Includes US & Canada Full-Service and Composite US & Canada Limited-Service.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
In Constant \$

Comparable Company-Operated International Properties

Region	Three Months Ended March 31, 2021 and March 31, 2020						
	REVPAR		Occupancy			Average Daily Rate	
	2021	vs. 2020	2021	vs. 2020		2021	vs. 2020
Greater China	\$55.37	80.4%	47.9%	23.6%	pts.	\$115.50	-8.2%
Asia Pacific excluding China	\$37.34	-56.4%	33.6%	-19.6%	pts.	\$111.02	-31.1%
Caribbean & Latin America	\$56.16	-49.5%	31.2%	-24.0%	pts.	\$179.84	-10.7%
Europe	\$17.24	-80.4%	13.3%	-34.1%	pts.	\$129.87	-30.2%
Middle East & Africa	\$64.08	-30.6%	41.6%	-17.1%	pts.	\$154.22	-2.0%
International - All¹	\$44.46	-39.3%	34.8%	-9.9%	pts.	\$127.65	-22.0%
Worldwide²	\$48.14	-50.3%	32.1%	-18.2%	pts.	\$150.08	-22.1%

Comparable Systemwide International Properties

Region	Three Months Ended March 31, 2021 and March 31, 2020						
	REVPAR		Occupancy			Average Daily Rate	
	2021	vs. 2020	2021	vs. 2020		2021	vs. 2020
Greater China	\$53.59	76.8%	47.5%	23.2%	pts.	\$112.78	-9.5%
Asia Pacific excluding China	\$38.54	-54.1%	34.6%	-17.9%	pts.	\$111.25	-30.3%
Caribbean & Latin America	\$40.19	-56.3%	28.5%	-23.6%	pts.	\$140.89	-20.2%
Europe	\$15.18	-80.4%	13.1%	-33.5%	pts.	\$116.34	-30.0%
Middle East & Africa	\$58.52	-31.3%	40.4%	-17.4%	pts.	\$144.93	-1.8%
International - All¹	\$38.51	-46.1%	31.6%	-13.8%	pts.	\$121.75	-22.6%
Worldwide²	\$45.68	-46.3%	37.7%	-15.3%	pts.	\$121.02	-24.5%

¹ Includes Greater China, Asia Pacific excluding China, Caribbean & Latin America, Europe, and Middle East & Africa.

² Includes US & Canada - All and International - All.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS - 2021 vs 2019
In Constant \$

Comparable Systemwide Properties¹

Region	Three Months Ended March 31, 2021 and March 31, 2019						
	REVPAR		Occupancy			Average Daily Rate	
	2021	vs. 2019	2021	vs. 2019		2021	vs. 2019
Greater China	\$53.59	-37.9%	47.5%	-15.2%	pts.	\$112.78	-18.1%
Asia Pacific excluding China	\$38.54	-68.3%	34.6%	-37.2%	pts.	\$111.25	-34.3%
Caribbean & Latin America	\$40.19	-65.9%	28.5%	-35.9%	pts.	\$140.89	-23.1%
Europe	\$15.18	-85.8%	13.1%	-49.4%	pts.	\$116.34	-31.9%
Middle East & Africa	\$58.52	-44.9%	40.4%	-28.8%	pts.	\$144.93	-5.6%
International - All²	\$38.51	-64.1%	31.6%	-34.4%	pts.	\$121.75	-25.0%
US & Canada - All	\$48.65	-57.1%	40.3%	-28.7%	pts.	\$120.79	-26.6%
Worldwide³	\$45.68	-59.1%	37.7%	-30.4%	pts.	\$121.02	-26.2%

¹ The comparisons between 2021 and 2019 reflect properties that are defined as comparable as of March 31, 2021, even if in 2019 they were not open and operating for the full year or did not meet all the other criteria for comparable in 2019.

² Includes Greater China, Asia Pacific excluding China, Caribbean & Latin America, Europe, and Middle East & Africa.

³ Includes US & Canada - All and International - All.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES

ADJUSTED EBITDA

(\$ in millions)

Fiscal Year 2021

**First
Quarter**

Net (loss), as reported	\$ (11)
Cost reimbursement revenue	(1,780)
Reimbursed expenses	1,833
Interest expense	107
Interest expense from unconsolidated joint ventures	2
(Benefit) for income taxes	(16)
Depreciation and amortization	52
Contract investment amortization	17
Depreciation and amortization classified in reimbursed expenses	28
Depreciation, amortization and impairments from unconsolidated joint ventures	10
Stock-based compensation	53
Restructuring and merger-related charges	1
Adjusted EBITDA **	\$ 296

Change from 2020 Adjusted EBITDA ** -33%

Fiscal Year 2020

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income (loss), as reported	\$ 31	\$ (234)	\$ 100	\$ (164)	\$ (267)
Cost reimbursement revenue	(3,797)	(1,202)	(1,789)	(1,664)	(8,452)
Reimbursed expenses	3,877	1,241	1,683	1,634	8,435
Interest expense	93	127	113	112	445
Interest expense from unconsolidated joint ventures	3	1	12	8	24
(Benefit) provision for income taxes	(12)	(64)	27	(150)	(199)
Depreciation and amortization	150	72	53	71	346
Contract investment amortization	25	21	48	38	132
Depreciation classified in reimbursed expenses	26	27	27	29	109
Depreciation, amortization and impairments from unconsolidated joint ventures	7	16	3	78	104
Stock-based compensation	41	50	49	57	197
Restructuring and merger-related (recoveries) charges	(2)	6	1	262	267
Loss on asset dispositions	-	-	-	6	6
Adjusted EBITDA **	\$ 442	\$ 61	\$ 327	\$ 317	\$ 1,147

** Denotes non-GAAP financial measures. Please see pages A-10 and A-11 for information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
EXPLANATION OF NON-GAAP FINANCIAL AND PERFORMANCE MEASURES

In our press release and schedules, and on the related conference call, we report certain financial measures that are not required by, or presented in accordance with, United States generally accepted accounting principles (“GAAP”). We discuss the manner in which the non-GAAP measures reported in this press release and schedules are determined and management’s reasons for reporting these non-GAAP measures below, and the press release schedules reconcile the most directly comparable GAAP measure to each non-GAAP measure that we refer to. Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for revenue, operating income, net loss/income, loss/earnings per share or any other comparable operating measure prescribed by GAAP. In addition, we may calculate and/or present these non-GAAP financial measures differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

Adjusted Operating Income and Adjusted Operating Income Margin. Adjusted operating income and Adjusted operating income margin exclude cost reimbursement revenue, reimbursed expenses, restructuring and merger-related charges (recoveries), and non-cash impairment charges. Adjusted operating income margin reflects Adjusted operating income divided by Adjusted total revenues. We believe that these are meaningful metrics because they allow for period-over-period comparisons of our ongoing operations before these items and for the reasons further described below.

Adjusted Net Income and Adjusted Diluted Earnings Per Share. Adjusted net income and Adjusted diluted EPS reflect our net loss/income and diluted loss/earnings per share excluding the impact of cost reimbursement revenue, reimbursed expenses, restructuring and merger-related charges (recoveries), non-cash impairment charges, losses and gains on asset dispositions (when applicable), and the income tax effect of these adjustments. We calculate the income tax effect of the adjustments using an estimated tax rate applicable to each adjustment. We believe that these measures are meaningful indicators of our performance because they allow for period-over-period comparisons of our ongoing operations before these items and for the reasons further described below.

Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“Adjusted EBITDA”). Adjusted EBITDA reflects net loss/income excluding the impact of the following items: cost reimbursement revenue and reimbursed expenses, interest expense, depreciation and amortization (including depreciation and amortization classified in “Reimbursed expenses,” as discussed below), non-cash impairment charges, benefit (provision) for income taxes, restructuring and merger-related charges (recoveries), and stock-based compensation expense for all periods presented. When applicable, Adjusted EBITDA also excludes gains and losses on asset dispositions made by us or by our joint venture investees.

In our presentations of Adjusted operating income and Adjusted operating income margin, Adjusted net income, Adjusted diluted EPS and Adjusted EBITDA, we exclude charges incurred under our restructuring plans that we initiated beginning in the 2020 second quarter to achieve cost savings in response to the decline in lodging demand caused by COVID-19 and transition costs associated with the Starwood merger, which we record in the “Restructuring and merger-related charges (recoveries)” caption of our Condensed Consolidated Statements of (Loss) Income (our “Income Statements”), to allow for period-over period comparisons of our ongoing operations before the impact of these items. We also exclude non-cash impairment charges related to our management and franchise contracts, leases, and equity investments, which we record in the “Contract investment amortization,” “Depreciation, amortization, and other,” and “Equity in losses” captions of our Income Statements to allow for period-over period comparisons of our ongoing operations before the impact of these items. We exclude cost reimbursement revenue and reimbursed expenses, which relate to property-level and centralized programs and services that we operate for the benefit of our hotel owners. We do not operate these programs and services to generate a profit over the long term, and accordingly, when we recover the costs that we incur for these programs and services from our hotel owners, we do not seek a mark-up. For property-level services, our owners typically reimburse us at the same time that we incur expenses. However, for centralized programs and services, our owners may reimburse us before or after we incur expenses, causing timing differences between the costs we incur and the related reimbursement from hotel owners in our operating and net income. Over the long term, these programs and services are not designed to impact our economics, either positively or negatively. Because we do not retain any such profits or losses over time, we exclude the net impact when evaluating period-over-period changes in our operating results.

We believe that Adjusted EBITDA is a meaningful indicator of our operating performance because it permits period-over-period comparisons of our ongoing operations before these items and facilitates our comparison of results before these items with results from other lodging companies. We use Adjusted EBITDA to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels, and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provisions for income taxes can vary considerably among companies. Our Adjusted EBITDA also excludes depreciation and amortization expense which we report under “Depreciation, amortization, and other” as well as depreciation and amortization classified in “Reimbursed expenses” and “Contract investment amortization” of our Income Statements, because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. Depreciation and amortization classified in “Reimbursed expenses” reflects depreciation and amortization of Marriott-owned assets and software, for which we receive cash from owners to reimburse the company for its investments made for the benefit of the system. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We exclude stock-based compensation expense in all periods presented to address the considerable variability among companies in recording compensation expense because companies use stock-based payment awards differently, both in the type and quantity of awards granted.

MARRIOTT INTERNATIONAL, INC.
EXPLANATION OF NON-GAAP FINANCIAL AND PERFORMANCE MEASURES

RevPAR. In addition to the foregoing non-GAAP financial measures, we present Revenue per Available Room (“RevPAR”) as a performance measure. We believe RevPAR is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR relates to property level revenue and may not be comparable to similarly titled measures, such as revenues, and should not be viewed as necessarily correlating with our fee revenue. We calculate RevPAR by dividing room sales (recorded in local currency) for comparable properties by room nights available for the period. We do not consider interruptions related to COVID-19 when determining which properties to classify as comparable. The comparisons between 2021 and 2019 reflect properties that are defined as comparable as of March 31, 2021, even if in 2019 they were not open and operating for the full year or did not meet all the other criteria for comparable in 2019. We present growth in comparative RevPAR on a constant dollar basis, which we calculate by applying exchange rates for the current period to each period presented. We believe constant dollar analysis provides valuable information regarding our properties’ performance as it removes currency fluctuations from the presentation of such results.