



**Marriott International, Inc.
Fourth Quarter 2025
Earnings Conference Call Transcript¹
February 10, 2026**

Operator: Good day, everyone, and welcome to Marriott International's Fourth Quarter 2025 Earnings Conference Call. Today's call will be recorded. It is now my pleasure to turn the call over to Senior Vice President, Investor Relations, Jackie McConagha.

Jackie McConagha: Good morning, everyone, and welcome to Marriott's fourth quarter 2025 earnings call. On the call with me today are Tony Capuano, our President and Chief Executive Officer, Leeny Oberg, our Chief Financial Officer and Executive Vice President, Development, and Pilar Fernandez, Senior Director of Investor Relations.

Before we begin, I would like to remind everyone that many of our comments today are not historical facts and are considered forward-looking statements under federal securities laws. These statements are subject to numerous risks and uncertainties, as described in our SEC filings, which could cause future results to differ materially from those expressed in or implied by our comments. Unless otherwise stated, our RevPAR, occupancy, ADR and property-level revenues comments reflect systemwide, constant currency results for comparable hotels and all changes refer to year-over-year changes for the comparable period. Statements in our comments and the press release we issued earlier today are effective only today and will not be updated as actual events unfold. You can find our earnings release and reconciliations of all non-GAAP financial measures referred to in our remarks today on our investor relations website.

As you all know, this is Leeny's last earnings call. There is no doubt that everyone listening has benefited greatly from her leadership, wisdom and insight. Leeny -- thank you for everything -- you will be greatly missed by us all.

And now I will turn the call over to Tony.

Tony Capuano: Thank you, Jackie, and good morning, everyone. I'll have some comments about Leeny and her incredible career with Marriott at the end of the call. But for now, let's move on to our prepared remarks.

Our team produced excellent results in 2025, as Marriott continued to experience solid momentum in our business around the world. With rooms growth as one of the top company priorities, I am proud that Marriott's industry leading global portfolio stood at

¹ Not a verbatim transcript; extraneous material omitted and edited for clarity and misstatements.

nearly 1.78 million rooms across more than 9,800 properties in 145 countries and territories at the end of December.

Conversions remained a key driver of growth, contributing around a third of our signings and openings during the year. With an incredibly strong fourth quarter for signings, our team inked nearly 1,200 deals representing 163,000 rooms, excluding M&A, during the year.

At the end of December, our pipeline had grown to a record 610,000 rooms, up 2 percent from the prior quarter and up 6 percent from the prior year. Nearly 265,000 of the pipeline rooms were under construction including rooms that are pending conversion, up 15 percent year-over-year. In 2025, 75 percent of our conversion rooms joined the system and began contributing to fee growth within 12 months of signing. For full year 2026, net rooms growth is expected to accelerate up to 4.5 to 5 percent.

Our intent to recommend scores rose in every region around the world, and we continued to gain market share, with RevPAR index increasing globally year-over-year. Full year global RevPAR rose 2 percent, with RevPAR in the U.S. and Canada rising 0.7 percent and international RevPAR increasing over 5 percent. Leisure and luxury led the way, with leisure RevPAR up 3 percent, while group RevPAR rose 2 percent and business transient RevPAR was flat for the full year.

Full year luxury RevPAR increased over 6 percent, while select service RevPAR declined 30 basis points. Our portfolio is well positioned to benefit from continued expected strength at the upper end, as higher-end consumers remain resilient and continue to prioritize spending on experiences and travel over goods. Ten percent of our open rooms globally and 10 percent of pipeline rooms are in the luxury segment.

Turning to the fourth quarter – we were pleased that worldwide RevPAR ended up at the high end of our guidance range. RevPAR increased 1.9 percent, thanks to a strong end of the year, with December RevPAR coming in well ahead of our prior expectations. December global RevPAR rose 2.8 percent, showing the strongest monthly year-over-year growth since February, led by strong leisure demand, particularly for our luxury and resort hotels.

By region, fourth quarter RevPAR was again strongest in APEC, which continues to benefit from double-digit rooms growth as well as solid macro-economic growth in many countries. Fourth quarter RevPAR in APEC increased nearly 9 percent, with growth broad-based across the region, and double-digit RevPAR gains in key markets including India, Japan and Australia.

Fourth quarter RevPAR in EMEA rose 7 percent, with strong growth across most of the region, led by 17 percent growth in the UAE.

RevPAR in CALA rose over 2 percent, as resilient leisure demand, especially during the festive season, was partially offset by the impact of comparisons to some city-wide events in 2024. City Express hotels across the region are benefiting from being integrated into our ecosystem and are performing very well, contributing to strong signings for this brand in CALA during the year.

While the operating environment in Greater China remains challenged by weak macro conditions and soft consumer sentiment, robust leisure trends and continued inbound travel recovery helped RevPAR return to growth in the fourth quarter. RevPAR rose over 3 percent, driven by ADR. ADR growth was driven by stronger rates in Hong Kong, Taiwan, Hainan and Tier 1 markets offsetting continued softness in tertiary markets within the Chinese mainland.

In the U.S. and Canada, fourth quarter RevPAR was around flat. Luxury again saw solid growth, which was offset by declines in the select service tier. Leisure transient RevPAR rose 2 percent in the quarter, while group RevPAR increased 1 percent. These gains were offset by a 3 percent decline in business transient RevPAR, largely due to a meaningful decline in government RevPAR in the quarter. Government RevPAR was down over 30 percent during the 43-day U.S. government shutdown, though it has since moderated to down around 15 percent.

During the year, we meaningfully expanded the breadth and depth of our portfolio across customer tiers, from luxury to midscale, and across traditional as well as alternative lodging product offerings. We extended our lead in luxury, with the opening of several notable hotels, including the St. Regis Aruba, the Lake Como Edition and Nekajui, a Ritz Carlton Reserve in Costa Rica. We also signed a record 114 luxury deals during the year.

We continue to have growing owner interest in all of our midscale brands, given their compelling brand design, the power of our revenue engines, and their simple, bundled affiliation costs, which we believe are the lowest in the industry. Since entering the segment less than 3 years ago, we have experienced incredible growth. At the end of the year, we had over 450 open and pipeline Four Points Flex, StudioRes and City Express by Marriott properties in 26 countries and territories around the world. We also had 100 open and pipeline Series by Marriott properties.

During 2025 we were pleased to add several new brands to our portfolio - lifestyle brand citizenM, which was fully integrated onto our platforms in November, Series by Marriott, our new global collection brand for the midscale and upscale segments, and the Outdoor Collection by Marriott Bonvoy.

Our focus on being in more places with the best brands and experiences helps fuel the growth of our powerful Marriott Bonvoy loyalty program. Last year alone, 43 million new members joined Bonvoy, propelling the membership base to 271 million members worldwide at year-end.

We continue to augment the Bonvoy platform with popular collaborations like Uber and Starbucks and with new bespoke Bonvoy moments and immersive experiences. We recently won the Points Guy Award for the Best Hotel Loyalty Program for the third year in a row. And we are thrilled that Marriott Bonvoy is the official hotel supporter of the 2026 FIFA World Cup... with our extensive portfolio of hotels across the 16 host cities and curated fan activations poised to provide incredible, memorable experiences throughout the 104-match tournament.

We are actively investing in technology, data, and AI, both internally and with partners, to transform the guest and the associate experience. The multi-year transformation of Marriott's 3 major tech systems – property management, reservations, and loyalty – is well underway, and we are rolling out the new systems to a meaningful number of our hotels around the world in 2026.

We see AI as an opportunity to potentially redefine the customer acquisition paradigm that has governed our industry for the past several decades. We believe our industry leading scale, the breadth and depth of our global portfolio, our large and engaged customer base, and our strong relationships with partners across the ecosystem position us well to capitalize on the significant opportunities GenAI represents.

While AI search and commerce models are still emerging, we are excited about AI's ability to further personalize and simplify the travel search and the booking process... and we're optimistic about the potential for AI to bring more consumers into the Marriott Bonvoy ecosystem and help strengthen our direct booking channels in a very efficient manner. In the first half of this year, we plan to start deploying natural language search on Marriott.com and on the Bonvoy mobile app. We are also optimizing our content for generative AI technologies, so our properties are well positioned wherever and however consumers are searching. Furthermore, we are actively collaborating with numerous tech companies across the space. For example, we are one of the initial companies working with Google on their forthcoming Google AI Mode travel product and with Open AI on their Ad Pilot program.

Before I end my prepared remarks, I want to thank our team around the world for their hard work and care that they bring to Marriott every day. And Leeny, for the last time, I will turn the call over to you to discuss our financial results in more detail.

Leeny Oberg - Thank you, Tony.

I will start by reviewing our strong financial performance. Fourth quarter total gross fee revenues grew 7 percent to \$1.4 billion, ahead of expectations. Growth was primarily due to higher RevPAR, room additions, and an 8 percent increase in credit card fees, partially offset by a 20 percent decline in residential branding fees. Growth in credit card fees

reflected higher spending on our co-branded credit cards, with particularly strong increases in international markets including Japan and the UAE.

Incentive management fees, or IMFs, rose 16 percent, to \$239 million, primarily due to strong results in the U.S. and Canada, where IMFs rose over 30 percent, led by New York City and resorts in Florida.

Fourth quarter Adjusted EBITDA rose 9 percent to \$1.4 billion. Our adjusted results for the fourth quarter and the full year exclude the one-time charges related to Sonder exiting our system in November.

For full year 2025, gross fee revenues rose 5 percent, to \$5.4 billion, with IMFs up 3 percent. Co-branded credit card fees rose over 8 percent, to \$716 million, and residential branding fees declined 10 percent to \$72 million.

As noted in our press release, during the fourth quarter, we moved the “other costs” that had been in our “G&A and other” line to “Owned/Leased & Other Expense”. This should help enhance understanding of our G&A costs, as our G&A line now captures only true general and administrative expenses - the above property costs to support and operate Marriott’s business.

The “other” expenses that were reclassified from “General, administrative, and other” are certain costs associated with our property-related fee revenues, such as guarantee expense, bad debt expense, and certain brand-related or property-related expenses, as well as costs associated with certain third-party agreements. Unlike G&A expenses like wages, benefits and rent, these other expenses tend to vary more with RevPAR and system-size.

In the new presentation format, full year owned, leased and other revenue, net, of owned, leased and other expense totaled \$218 million including \$23 million of Sonder related charges. Owned, leased and other revenues, net, results prior to the reclassification were \$378 million, which was ahead of our prior expectations. The year-over-year increase in the amounts prior to the reclassification reflects the inclusion of the Sheraton Grand Chicago and strong property results more than offsetting the impact of renovating hotels and lower termination fees.

In 2025, the company benefited from over \$90 million of above-property cost savings related to our enterprise-wide initiative to enhance productivity across the company that is also yielding cost savings to our owners. Full year G&A declined 8 percent to \$870 million. G&A and other, before the reclassification, totaled \$1.03 billion, and excluding the \$23 million of Sonder related charges, totaled just over \$1 billion, a decline of 6 percent year-over-year. G&A expenses were a bit above prior expectations, primarily due to compensation expenses.

Full year Adjusted EBITDA rose 8 percent to \$5.38 billion, and adjusted EPS rose 7 percent to \$10.02.

We were pleased that with the power of our strong cash-generating, asset-light business model and our disciplined investment approach, we returned over \$4 billion to shareholders through dividends and buybacks during 2025.

I will now talk about our 2026 expectations. With our growing pipeline and strong momentum in conversions, we expect net rooms growth between 4.5 and 5 percent, including our typical assumption of between 1 and 1.5 percent room deletions.

For full year 2026, we expect similar global RevPAR growth to 2025, between 1.5 and 2.5 percent. This assumes a relatively steady, macroeconomic environment. With the exception of Greater China, RevPAR growth in international regions is expected to remain higher than it was in the U.S. and Canada... although we do expect RevPAR growth in the U.S and Canada to be a bit stronger than in 2025. We currently anticipate RevPAR in Greater China to again be roughly flat year-over-year. The World Cup is expected to contribute around 30 to 35 basis points of global RevPAR growth for the full year.

The sensitivity of a one percent change in full year 2026 RevPAR versus 2025 could be around \$55 to \$65 million of RevPAR related fees.

For the full year, gross fee revenues could rise 8 to 10 percent, to \$5.9 to \$5.96 billion. IMFs are expected to be flat to up slightly year-over-year.

As we have discussed, we are currently in discussions with Visa, Chase and American Express and expect to have new deals in the U.S. in place later this year. At this point, our guidance does **not** include any impact from these new deals. As a reminder, our program is already the largest by far in the industry and has been for some time. If you remember we combined the Starwood American Express and Marriott Chase Visa program when we acquired Starwood, and these two programs have been the strong power leaders in this industry since then. However, our guidance does include a meaningful expected year-over-year increase of around 35 percent in co-branded credit card fees going into our franchise fees line.

This increase is primarily the result of two factors. The first is continued strong growth in spending across our global card portfolio. The second is an increase in the royalty rate, or the share of payments from the card companies, that Marriott recognizes in our franchise fees line. We receive money from the credit card companies to pay for points, to permit funding the benefits in our loyalty program, and Marriott receives a royalty for our licensed intellectual property that we recognize in the franchise fee line.

Since the launch of Marriott Bonvoy in early 2019, we have dramatically grown our global portfolio of hotels and the number of loyalty program members, and Bonvoy penetration

has increased from 58 percent to 68 percent. We have added 6 countries to our co-branded credit card program since 2019 and now have 34 cards in 11 countries, and we expect to continue to add cards in new countries around the world.

With COVID now in the rear-view mirror and a very strong Marriott Bonvoy program, we have increased Marriott's royalty rate. We were able to do this because we recently amended a long-standing contractual limitation affecting the royalty rate. The increase in the royalty rate is supported by GAAP required valuation analyses that were performed by third parties when the credit card deals were signed. We remain keenly focused on enhancing the value Bonvoy brings to each of its constituencies – our customers, our hotel owners and the company.

Moving on to full year residential branding fees... these fees could increase around 40 percent in 2026. As a reminder, this powerful fee stream that reflects our industry leading position in residential branded properties, is very lumpy depending on the timing of unit sales. Timeshare fees, as usual, are expected to be relatively in-line with the prior year, at \$110 to 115 million.

Owned, leased and other revenue, net of owned, leased and other expense, is expected to total \$230 to \$240 million. Results are expected to be impacted by renovations at certain large hotels in the portfolio, including W Barcelona and The Ritz-Carlton Tokyo.

2026 G&A expense is anticipated to be up just 1 to 3 percent compared to 2025 levels. Full year adjusted EBITDA could increase between 8 to 10 percent, to roughly \$5.8 to \$5.9 billion.

Our adjusted effective tax rate for 2026 is expected to remain between 26 and 26.5 percent. Our underlying core cash tax rate is anticipated to remain in the low 20 percent range.

Strong adjusted EBITDA growth, combined with a meaningful reduction in share count, leads to expected full year adjusted diluted EPS growth between 13 and 15 percent.

For the first quarter, global RevPAR could increase 1 to 2 percent, reflecting the positive impact of the Olympics in EMEA being offset by the negative impact of the timing of Easter and Chinese New Year, as well as the U.S. and Canada having tough comparisons versus the U.S. inauguration last year.

First quarter gross fee revenues could increase 7 to 8 percent. The increase is expected to be driven by meaningful growth in co-branded credit card fees, partially offset by an approximately 10 to 15 percent decline in residential branding fees due to timing. IMFs are expected to be around flat compared to the first quarter of last year.

Owned, leased and other revenue, net of owned, leased and other expense is expected to ramp over the year. In the first quarter it could total around \$15 million compared to \$29 million in the first quarter of 2025, largely due to renovations at several large hotels and a couple other small items. Of course, this is with our new reclassification.

Our first quarter adjusted effective tax rate is expected to be around 24.5 percent, 2 percentage points higher than last year's first quarter tax rate, which was lower due to last year's release of a reserve.

We expect \$1 to \$1.1 billion of investment spending in 2026, similar to 2025's spending, excluding citizenM. Let me talk about the 3 broad buckets of investment.

First, around 25 percent is related to renovations to owned and leased hotels. Second, roughly 35 to 40 percent is expected to come from continued spending on our digital tech transformation, the overwhelming portion of which is expected to be reimbursed over time, as well as other corporate systems.

The remaining 35 to 40 percent is expected investment in our contracts, for both existing units, typically used in connection with valuable contract renewals, extensions or renovations that result in incremental fee revenue over time.... and for new units as we continue to expand our global portfolio. Our approach to using key money has not changed, and deals that use key money historically have yielded significantly more value than deals without key money.

Our capital allocation philosophy has not changed. We are committed to our investment grade rating and investing in growth that is accretive to shareholder value. Excess capital is returned to shareholders through a combination of share repurchases and a modest cash dividend, which has risen meaningfully over time. In 2026, we expect another year of strong capital returns of over \$4.3 billion.

Full guidance details for the first quarter and the full year are in the press release. Tony and I are now happy to take your questions. Operator?

Question And Answer Session:

Shaun Kelley, Bank of America: Leeny, it's hard to believe it's been a decade of working together. So congratulations on an outstanding career. And thanks for all you've done. It's been a real privilege. So I appreciate it.

Leeny Oberg: Thank you, Shaun.

Shaun Kelley, Bank of America: So whoever who wants to take it, Tony, I think as is often the case of these calls, a lot of attention on net rooms growth, and this is our first look for 2026. So an acceleration is obviously great to see and especially at your size and scale. So

can you just talk a little bit about what you think is kind of most important in driving the pipeline forward and obviously, what you're seeing in terms of openings this year? What brands you're going to lean on the most within that pipeline to drive the numbers that you're seeing on the 4.5 percent to 5 percent?

Tony Capuano: Sure. I'll give you a broad answer, and then I'll let my Head of Global Development chime in with some color commentary.

I think again, you heard in the prepared remarks that both in terms of signings and openings about 1/3 are coming from conversions. We've talked about that phenomenon in some of the prior quarters. We -- it's a combination of factors, Shaun, that gives me a lot of confidence about the momentum we have in conversions.

Number one, we have a more attractive stack of conversion-friendly brands than at any time in my career. I think we've got dedicated resources in the continents that are specifically focused on both individual asset conversions and portfolio conversions. And I think the organization has rallied around a level of creativity in terms of how we both identify, close transactions for conversions and get them open. You heard in the opening comments, it is a remarkable statistic that about 75 percent of our conversion openings opened within 12 months of signing.

So to be sure, conversions and some of the conversion-friendly brands like our soft brand collections: Luxury Collection, Autograph and Tribute, certainly Series. Some of those sorts of brands will be among the biggest drivers. And then when you look internationally, there is an almost insatiable demand for luxury. We're seeing that across many of our markets, and we're seeing a parallel momentum in luxury demand.

Finally, mid-scale, it's hard to believe we haven't even been in the mid-scale tier for 3 years, but we shared some of the statistics by brand and across our mid-scale portfolio. I expect that to continue to accelerate.

Leeny Oberg: Yes. The only thing I would add, Shaun, is a reminder of the work that we've been doing over the last 18 months, which obviously, a chunk of it was about making sure that we were as streamlined as possible from an expense perspective as we really saw the back end of COVID. But more importantly, was to be able to be quicker, to be faster. And that was really through every single part of the company, whether it was through Bonvoy, whether it was through development, in everything that we do to try to really accelerate the pace at which we grow.

And from that perspective, I think you see in the pipeline, when you look at the year-over-year pipeline and even the pipeline growth from the end of the year, you can see those numbers show forth. And frankly, I'm really proud to say, I expect the company to do a lot more of that after I retire. And that I'm excited about their opportunities to do that going forward and that we're very comfortable with this 4.5 percent to 5 percent.

Daniel Politzer, JP Morgan Chase & Co.: And Leeny, certainly echo that sentiment. Congratulations. It's been a pleasure working with you, and we wish you the best of luck.

I wanted to touch on the credit card fees and that 35 percent step-up. Can you maybe talk about why now, why were you able to kind of increase the royalty rate? What drove that? Any order of magnitude on that rate? And is this something you've done in the past? And as you think about going forward and the credit card deal that you're in the process of negotiating, is this -- is this effectively a mark-to-market that could lead to some element of a pull forward from that?

Tony Capuano: Yes. So maybe we'll try the same approach. I'll make some overarching comments and then Leeny can get a little more granular. As you heard in Leeny's remarks, there was an existing contractual agreement that had to be modified, and we did that. But I think the other two important factors in response to your question of why now, we wanted to ensure that we preserve the financial strength and stability of the Bonvoy program. And simultaneously, we want to ensure that we preserve the value proposition for our 271 million members. And so the confluence of those three factors really were the catalyst to making this adjustment.

Leeny Oberg: Yes. And I'll point to my prior answer, which is a reminder that we have spent a lot of time and energy in making sure that we found efficiencies. That certainly is a helpful component to making sure that we're balancing the needs of all our constituents. It's really critical, the value of our Bonvoy program to our customers and to our owners, and also to the company itself. And so, it's been a very careful evaluation of the appropriate level, and we're confident and comfortable with this new level of royalty fee percentage.

Stephen Grambling, Morgan Stanley: Leeny, thanks as well for all of the insight and look forward to keeping the dialogue going in the future.

Tony, I think you mentioned that the Google and OpenAI partnerships were something that's in the nascent stages, but I was hoping to get a bit more detail on what these partnerships entail. Are these more about testing distribution channels? And are you providing access to inventory and data? Or is it more about comparing these as an advertising channel? And if so, how do those costs compare to traditional search channels?

Tony Capuano: I'll try and answer that, although I would give you the caveat. Often in our industry, people talk about various facets of the business through the lens of what inning are we in. I would suggest to you that we're pulling into the players' parking lot. We're not even in uniform or on the field. So it is quite early.

But with that said, we are -- end of last year, November of 2025, we began working with Google, and that was really to design a property search experience that will help facilitate bookings through Google's AI-mode. As part of that experience, users will get to describe exactly what they're looking for in plain language. And then, they'll get to compare different hotels and browse information, room photos, amenities, reviews, prices and the like. And then, they'll be able to follow up and refine those options, and then the booking will be processed through AI mode.

With OpenAI, this is really just the early days of their AdPilot program. So what I would say to you is, philosophically, we are working very closely and very collaboratively with the subject matter experts, the biggest, most innovative and creative companies in the space, both to learn from them, but also to shape or have some word in shaping this evolving distribution landscape.

Michael Bellisario, Robert W. Baird & Co.: First, congrats, Leeny on a great run.

My questions for Tony. You recently talked about in an interview just sort of the economic model for franchisees becoming less favorable. But maybe that was more about new construction. But could you just expand on that a little bit? I guess what are you doing to make the math better pencil for both existing and prospective franchisees?

Tony Capuano: Thanks for the question. I appreciate it. The reality is, while you've seen tremendous performance from the big global brand companies, we recognize and focus every day on the fact that the owner and franchise community is at a different stage in their recovery from the damage done by the pandemic. And our recognition of that really drives our focus around looking at and attacking every variable in the equation that drives owner returns. To state the obvious, we are an asset-light business model with a focus on high growth. So we have got to do everything in our power to ensure that those returns recover and recover quickly.

So what does that mean precisely? Of course, the work we do every day to drive top line revenue, the work we do every day to enhance margins, looking at every facet of affiliation costs with a Marriott brand and seeing if there are opportunities. You'll recall from a few quarters ago, we shared with you that we had lowered the charge-out rate for Bonvoy program. We'll continue to look at every aspect of the affiliation costs and see what we can do to try and drive margins.

We're also -- maybe the last piece -- we are, in some ways, looking with a blank sheet of paper at the entirety of the hotel operating model. The services we provide, the staffing models that we use, how we schedule, how we purchase, all of the things that influence the profitability at the property level are being evaluated by our teams around the world.

Lizzie Dove, Goldman Sachs.: And echo everyone's sentiment, Leeny, you'll definitely be missed. I'm wondering if you could maybe expand a little on what you're seeing in a bit of a

pulse check on the consumer here, I suppose, particularly in the U.S. You mentioned U.S. and Canada RevPAR be a little bit better, this year, some World Cup in that. But any more details you can share on just what you're seeing, whether in booking windows, leisure, business transient groups, kind of, across the board, any more color?

Leeny Oberg: Sure. Thanks, Lizzie, very much. So, I'd say steady as she goes. Clearly, leisure continues to be the meaningful out-performer. Q4 globally, leisure was up 4 percent, group up 2 percent, while BT was down. Some of that was related to the government shutdown. But clearly, when you look overall, you continue to see both nights and rate very strong globally in the leisure sector, and that extends down into our premium resorts and certain large cities where you've got great leisure demand.

And when I think about, kind of, group, it also continues to be steady. Attrition has actually been positive. And as we look at the group pace going into next year, it's up 6 percent. And while that's down 1 percentage point compared to a quarter ago, that's quite normal as you enter a year. And we actually expect to see across all three segments in 2026 that they will be up low single digits when you look about leisure, BT and group.

In terms of the booking window, again, fairly similar 22 days in the fourth quarter. Business transient, always about a week shorter and leisure a little bit longer. And we continue to see the same trend in Greater China, which is that they have a meaningfully shorter booking window. So, I think, we've clearly got some extraordinary events in the U.S. and Canada that will help us to the tune of probably 40-ish basis points from our expectations from World Cup. But I think you'll also -- you can recognize that we really start to see extraordinary events and experiences happening almost every year that we start explaining the benefit from it, because the reality is people love to travel to have experiences.

So that trend of those expenditures by consumers growing faster than goods continues, and we expect that to go forward. At the same time, that view of the K-distribution where our lower end consumer and guests have had a tougher time. I think that we expect to also stay the same. Government business ended up the year about 15 percent down, and that clearly impacts our lower-end hotels. So this disparity between the top end and the bottom end, we expect to continue, although perhaps not to be quite as wide as it was in 2025.

Richard Clarke, Bernstein Institutional Services: Yes, just echoing, been a pleasure working with you the last 6 or 7 years, Leeny.

Just a couple of sort of follow-ups, I guess, on the credit card points you've made. Would you have expected credit card spending to have accelerated? Or is the acceleration up to sort of 35 percent growth all to do with the royalty changes?

And secondly, has there been any sort of change in anything, maybe on negotiations with Chase or American Express, since those concerns around interest rate caps or the CCCA

reform negotiations, has that changed those negotiations? Are those fully on track as they were before?

Leeny Oberg: So thanks very much, Richard, and likewise. So good reminder. No, we do expect the basic credit card business to show the same high single-digit growth rate that we've been seeing continue on into 2026. And that, again, is separate and apart from a new credit card deal, and then it is the other component that leads us to the approximately 35 percent increase in the credit card guidance for 2026.

On the second question...

Tony Capuano: Yes. On the second question, Richard, obviously, we are in close contact with both Chase and American Express. But broadly, we've not seen some of the discussions on Capitol Hill have any measurable impact on the pace or the progress we've made on our credit card deal negotiations.

David Katz, Jefferies LLC: Leeny, at the risk of dating both of us, for a new person picking up the space, the patience and grace of the IR team sets the tone for everything. All the best.

Leeny Oberg: Thank you very much.

David Katz, Jefferies LLC: I wanted to ask about NUG and the investment spending there. At the risk of parsing your words, Leeny, I think you said your policy on key money and investment hasn't changed. Is the amount year-over-year that's included in this guide versus last year's 1:1 changing in some way? And hypothetically, if you wanted to accelerate your NUG, right, we always look at the growth rates versus everyone else's. Could you theoretically spend more to drive it higher? Just curious what's all in there.

Leeny Oberg: Yes. Sure. Absolutely. Great question. I'll try to cover what I can and leave the rest for Tony. There were several questions in there. So first, to your point, over time, we have seen a bit more key money required across all the tiers. And I emphasize the "a bit". When you think about the way that financing interest rates, cost of construction and you think about the cap stack for a hotel, that makes sense, and you can be sure it is industry-wide, that that is the case. We also have a distinctly strong pipeline in luxury and full service, which at the margin tend to have a bit more key money, but generate meaningfully higher fees and NPV, from that perspective.

The other thing is that when I talk about that roughly 40 percent, remember that there is -- it is in the borderline of kind of close to 50 percent that you will see spend on extending, renovating, getting new and better agreements for existing hotels that then also improve our fee stream as well as for new developments.

So when I look at the overall new development, the numbers relative to last year for new development are not meaningfully different. And I remind you of our business model. We don't have an issue with having to constrain key money. When we have great deals come to us, we have, as you know, the free cash flow to absolutely go and spend it. However, we're very disciplined. And we do find that where we use our key money, those deals are more valuable per key than deals that don't require key money. So, I think that financial discipline to make sure that we're getting great ROICC, is very important overall. And I'll turn it to Tony.

Tony Capuano: Yes. And David, the only thing I would add, the -- I might just double-click on Leeny's comment about the discipline we use. I suppose there is a path out there to just buy deals in a non-economic way. That has not ever been our model nor will it be going forward. We deploy the company's capital when we think we can drive outsized economics for the shareholders, as you heard from Leeny. And I'll just give you one statistic maybe that underscores that a little bit.

While the aggregate amount of key money may have increased when you're driving the sort of record deal volumes we have with 1,200 deals signed just last year, the amount of key money per deal signed last year was actually lower than what it was back in 2019 at about flat to where it was in 2024. So I think that's a good illustration of the continued discipline we apply to the deployment of MI capital.

Brandt Montour, Barclays: Congratulations, Leeny. Thank you for everything. You will be missed. So I'm just going to ask the credit card question in a slightly different and perhaps a little bit more direct way. But does this adjustment change the way that we should think about upside from the ongoing negotiations?

Leeny Oberg: So again, I'll reiterate what I said, Brandt, in my comments during the script is that, first of all, the two are totally separate. This is a function of an agreement that has been changed as well as the strength and the power and size and scale of Bonvoy and the efficiency with which we run it. So that is really regarding the royalty rate.

Relative to the credit cards, I just point you to the fact that we already have by far, the largest credit card program in the industry, combining the former Amex SPG program as well as Chase Bonvoy. We were, by far, the largest then. So again, that's not anything to do with what's going on with the royalty rate.

But just a reminder that you've really got already a huge program with over \$700 million in fees. And then also just to know that the way these credit card deals roll out is they involve introduction of new cards and refresh, and that all has to be put through the systems for the consumers. And we do expect that, that will take some time for that to roll out and stabilize. So again, the two items are separate but it's also a good reminder of the size and scale and the amount that we are already producing from our credit card programs.

Ari Klein, BMO Capital Markets: I'll echo the congrats, Leeny. Tony, I think you talked a little bit about some of the investments you're making on the tech side. I was hoping you can unpack a little bit. Where do you think we are in that investment process? And could the spend potentially accelerate as you invest in AI? And then just separately, a quick one on the World Cup. Curious what you're seeing as far as international demand. I know it's early, but I imagine booking windows there might be a little bit longer.

Tony Capuano: Sure. So as we've talked about in multiple discussions, we are -- the bulk of the investment is the re-platforming of our three most important technology platforms: central renovations, property management system and the loyalty platform. We all have moved from development into deployment. We have started portfolio of test hotels. Those rollouts are going great. A lot fewer bugs than we expected and a lot more rapid resolution of those bugs than maybe we had hoped. So you should start to see that ramp up in a really meaningful way throughout the balance of 2026.

By design, we've started to deploy these platforms in select service hotels, which have a few less layers of complexity as we start to roll out into the full service tier and even into the luxury tier, we'll move as judiciously as we have to date to ensure we identify and resolve any bugs, but we're feeling really, really good about the pace of spending, and I don't know that it will be materially different than what we've described over the last few quarters.

And then, I think on the second question about World Cup. Again, it's early. I happen to be with the FIFA leadership over the weekend. I asked them specifically whether they were seeing any hesitancy from inbound international visitors for the World Cup. And the -- these are their words, they were stunned by the volume of ticket requests they've seen from around the world, as soon as the website launched. So it's early, but we're feeling really good about the early returns.

Leeny Oberg: And just as a reminder, we did see in 2025, a decline in guests to the U.S., although for our entire system, cross-border was actually up 1 percent because of international travel. And we do so far see some increase in international guests booking in our hotels. It's still quite early days, as you know, on many of the match dates, you don't know exactly yet which countries are going to be playing. But we are very pleased at what we're seeing so far. We went through an exhaustive set of work to really evaluate the number of matches, 104, the attendance expected comparing to other events like this to come up with our estimates, and obviously, it is early days.

I would expect that as you get closer and closer to the finals that you see these booking windows really get smaller and smaller. But for now, we are very pleased with what we're seeing from broad demand. But I would say it's too soon to say any more than that.

Conor Cunningham, Melius Research: Congrats again, Leeny. Just maybe two points of clarification. Just on the change in royalty rate, sorry to talk about this more. But just, is it a

change in revenue recognition? Or is there an increased cash conversion rate as well? And then if you could just give a little bit more color on owned and leased. I think you talked a little bit about that in your prepared remarks, but just any more color there would be helpful.

Leeny Oberg: Yes. So just real quick on the owned, lease. That is really, I'd say, all things fairly similar with the exception that we've clearly got a couple large owned, leased renovations. We do also later in the year, have the Barbados hotels coming back into the system more fully, which does offset some of that.

The other thing in the owned, leased and net is where the payment that we make to a third party, they do share a very modest immaterial amount. And as our royalty rate goes up, they will also share in that increase. But again, a very modest immaterial amount. And it is not related to revenue recognition. This is a function that as we have the payments that are negotiated with our credit card companies of what they pay to be associated with Bonvoy, we then divide that into the buckets that I talked about before, to make sure that the program has the resources it needs to provide great value to our guests and our members as well as paying for the actual cost of the points to support the program and then also to compensate Marriott for its licensed IP.

And given both the size and scale and work we've done on efficiencies and the relief from a contractual requirement, we are now able to increase that royalty rate to a level that we're comfortable with.

Smedes Rose, Citigroup Inc.: Leeny, best of everything to you going forward. It's been a pleasure.

I wanted to ask, you guys have covered a lot of ground, but I just wanted to ask a little bit, you mentioned the strength in leisure. That's obviously been sort of a highlight in hotel world, especially for you guys over the course of this year. And I just wanted to ask you, are you seeing -- if anything you can just comment sort of underlying trends within leisure? Are you seeing an uptick in interest in all-inclusive platforms? Are you seeing incremental redemptions for loyalty points to support, yes, the leisure stays? Or anything that you could just point to, I'm just wondering, kind of, just the, sort of, overall changes, if anything, within the leisure category.

Leeny Oberg: Sure. I'll start, and Tony can fill in. On your question about redemptions, it continues to be roughly about 5 percent of nights. That is, frankly, where it's been for a while with some slight variations. So that part remains fairly stable. We obviously are much more dynamic in our pricing now and we are able to help for hotels that are seeing a low occupancy period, can then make it more attractive to customers to redeem and then similarly make sure that the highest end are getting rates that reflect the demand that they have there.

And then, I would also say that within the leisure space overall that obviously, the fundamental strength of the economy matters a lot. And so continued strong economic performance in the markets where our hotels are is a big driver. And then when you look at the leisure demand overall resorts and luxury continue to be the leaders.

Tony Capuano: And Smedes, maybe the only thing I would tack on. We were talking about this yesterday. At some point, there are so many tentpole special events around the world that we shouldn't call them special anymore. They become sort of the norm. But this phenomenon of event travel is becoming more and more consistent. You heard some of the comments at the open about the impact we expect to hear and see from the World Cup. We've got the Winter Olympics now going on in Italy, we expect a Q1 impact of about 100 basis points on EMEA RevPAR as a byproduct of travel to both Milan and Cortina. And so I think, the reality is, we'll continue to see in sports and music, these major events. That will just be a further bolster to the trend -- the base trends we're already seeing in leisure.

Leeny Oberg: The several percentage points, Smedes, that leisure gained in share of nights since COVID has absolutely stuck. So you're seeing leisure at 45 percent of our nights globally. Group continues to be in the ballpark of a quarter, and BT is the one that's still several percentage points lower than it was in 2019.

Robin Farley, UBS Investment Bank: Great. And Leeny, definitely best wishes. I want to add that to everyone else's comments.

Two clarifications. One is on the unit growth, increased 4.5 percent to 5 percent. Can you just clarify, is that all organic? Would acquisitions be on top of that? Or could that 4.5 percent to 5 percent be a mix of organic and acquisitions to be determined?

And then my other question, I think you've pretty much answered it. I know there's been a number of questions on the step up in the credit card, co-brand fees. So the royalty rate this sort of 20 percent or so of the step-up in credit card fees, is that sort of a onetime adjustment, but you're not giving guidance for 2027 yet. But in other words, the idea is you really probably -- that high single-digit increase from usage and things is what the ongoing increase would be after this sort of step-up that's more of a onetime step-up in 2026?

Leeny Oberg: Thanks, Robin, very much. And yes, our 4.5 percent to 5 percent is organic. That is organic growth from the work that the team has been diligently going after and also all the work that goes into openings. So yes, that's all organic.

And then yes, on the royalty rates, we have -- as we have described earlier in this call, we've worked very hard to make sure that we are doing what's in the best interest of our constituencies, and we're very comfortable with the change that we've made and where we are.

Trey Bowers, Wells Fargo Securities: Leeny, sorry to see you go, especially as I transition to this side of the aisle, but it's been great working with you all these years.

I'm just going to build on an earlier question around business transient travel. Do you guys expect that, that does get back to kind of pre-pandemic levels? Or has just the world changed a little bit? In that case, has it changed at all, just your thoughts around where you're looking to drive NUG, even the design of the hotels? Or is your expectation eventually that fully recovers?

Leeny Oberg: Well, so first of all, 2019 is getting to be a longer and longer time away and you think about just how the market has evolved and how much we've grown. I mean, we've grown probably 25 percent since then and a lot of that is international and across all chain scales. So it does get harder to truly compare apples-to-apples.

But I do think when you look at a classic business travel related to the level of economic activity that, that part will continue to have the same trends that had before, which is that people need to meet person-to-person to do business. There are also other elements, for example, not as many companies having 5 days a week in the office all the time that I think make your traveling consultant at 25 years old, not necessarily quite on the road quite as many days.

But we do expect that certainly, overall, I think you'll see the level of demand get back to 2019 levels. The counter to that is, I think leisure is going to continue to be stronger. And so from that perspective, this percentage of leisure being greater than it was before and business being less, I actually think will continue to be as it is, although, again, perhaps not quite the way it is right now.

Tony Capuano: And I might just reiterate something I said a year or two ago. And that is, while I think it is a fantastic phenomenon for our business, our ability to tell you with perfect precision, the trip purpose of every guest in our hotel has become a little murkier, because you see these combined trip purposes with folks tacking on leisure to business travel. So while we might not be able to give you the exact same precise answer we might have given you in the past on market mix, I think we feel really good about the overall recovery of travel volumes.

Well, thank you all for calling today. For those of you that attended or may have read about the ALIS Conference, Leeny received the Financial Adviser of the Year Award. She should have received the Financial Adviser of the Quarter Century. She has been an extraordinary leader, an extraordinary partner. She has an unwavering belief in the power and potential of travel and of Marriott and has steered us through some of the most difficult complex challenges that the company has faced over all these years. She will be deeply missed, as you might expect, for those of you that know her well, she's not spent the last year taking a victory lap. Instead, she spent the year getting everything buttoned up, preparing Jen so that we'll have a seamless transition. But Leeny, thank you. We'll miss you.

Leeny Oberg: Thank you so much. I consider myself incredibly fortunate to have spent my career at Marriott. The travel and hospitality industry is extraordinarily dynamic and, frankly, with tons of growth opportunity and innovation ahead of us. And I know that you and Jen and Shawn² and the team are going to absolutely take the company to new and greater heights after I retire. Best of all, frankly, the reality that the way you win in our business is by taking care of people and treating people well. It doesn't get any better than that.

So with that, I thank you, and I thank everybody on the phone very much for all your time and energy that you put into helping understand Marriott and our strategies.

Tony Capuano: Thank you all.

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Note on forward-looking statements: All statements in this document are made as of February 10, 2026. We undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise. This document contains "forward-looking statements" within the meaning of federal securities laws, including statements related to our RevPAR, rooms growth and other financial metric estimates, outlook and assumptions; cash generation, shareholder returns, and shareholder value; our growth prospects and growth strategy; our development pipeline; owner preference and property performance; our co-branded credit card program; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including the risk factors that we describe in our U.S. Securities and Exchange Commission filings, including our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this document.

²Shawn Hill, EVP and Chief Development Officer Global