



**Marriott International, Inc.
J.P. Morgan Gaming, Lodging, Restaurant & Leisure
Management Access Forum Transcript¹
September 14, 2021**

Joseph Greff – J.P. Morgan: Great. Good morning, everybody. Very happy to have with us, in person, the team from Marriott International. Up here on the stage with me is Leeny Oberg, Chief Financial Officer. And then we have in the front rows here, we have Jackie Burka, and Betsy Dahm, you guys know very well. Welcome, everybody. It's great to have you.

Leeny Oberg - Marriott International, Inc.: Thanks. Great to be here in person.

Joseph Greff: A little bit back to normal, right?

Leeny Oberg: Yes. It's fantastic. Thank you for having us in person.

Joseph Greff: Great. Maybe you could just talk big picture and having lived with how the world has changed and what's gone on in the last 18 months. How do you think travel consumption is maybe permanently changed, maybe not permanently changed? And then -- so that's on sort of the end consumer demand side. And then maybe how do you think -- coming and having come out of this and coming out of this further, how do you think hotel development changes versus the past?

Leeny Oberg: Yes. So, I think the first thing I'd say on the demand side is I think travel is permanently appreciated. I think when you really look at the rebound in markets where COVID is contained, the demand has come back really fast. And I think rate is one of the best examples of that. While we did have kind of an event-driven decline in demand after 9/11, rate behaved better than it did after The Great Recession. But when you look at what's happened with rate this time, it really has been, I think, an extraordinary display of, frankly, how much people really do like to travel and how much they like hotel products and services.

So, I think in that regard, I feel great about the future of travel. We all saw the demographics of travel being really strong globally before the pandemic, and I think that's what we're seeing now only reinforces that. I think on the development side, it really gets down to the basic factors of where you are in the world, how they're doing with the progress of COVID. And then number two, how much debt financing is involved because in markets where you've seen RevPAR come back quickly, like Mainland China, and where there is relatively less dependence on banks for financing of hotels, you actually see the development of new hotels coming back very quickly.

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

Others, I think the banks have tended to be a bit more on the sidelines, but we are seeing improvement. There's no doubt that when you compare it to fourth quarter of 2020 versus now that there's much more interest and enthusiasm. Our development agendas for new builds are a lot fuller than they were last year. And then obviously, the conversion market continues to be really strong for us.

Joseph Greff: Got it. And what about North American urban development? How has that changed? And is it -- I guess, we've had the shift for the industry. And obviously, that's been a big part of sort of select service brands in urban markets. Is that sort of taking the baton from higher price point brands in urban markets in terms of new development?

Leeny Oberg: So, if you're -- Joe, I know you know this all too well, prior to the pandemic, we had seen these trends where full-service hotels in urban markets, the supply growth there was much lower, while what you were seeing was the kind of the upscale and the top end of mid-scale growing much faster, literally 3x the kind of growth rates in supply that you were seeing of the full-service in the urban market. So, I think those trends have continued. Obviously, the limited-service hotels in general as a segment of hotels have performed better than the premium brands. And then I think, again, you get back to lender comfort.

I think where you're seeing transactions occur and where you're seeing refinancings and where you're seeing new build very much favors the markets that are showing the best performance and the kind of the most comfort that they've kind of gotten through COVID and they're seeing great return. So -- the other thing, I think, it's worth noting though that where we had deals that were getting underway in urban markets, they're still underway. They're still happening.

I mean we've got a Ritz-Carlton on 29th and Broadway in New York City. It's one of the most beautiful hotels that we've ever had in our system. And that's going to open over the next few months and going to be an absolutely spectacular hotel that we're very excited about. So, it's not like projects are dropping out. And I think the other thing is conversions, that activity continues to be really strong.

Joseph Greff: Great. Can you talk about what you're seeing in North America in terms of -- I mean obviously, please talk about sort of near-term group trends, but more so for 2022 and 2023. Obviously, through the end of the year, I would imagine attrition will be high, some things get pushed out because of a delay in people returning to the office. But how do things look for 2022 and 2023 in terms of the visibility -- with the extent of the visibility that you have for group activity in 2022 and 2023?

Leeny Oberg: So, do you want me to focus overwhelmingly on group or on all segments in this particular...

Joseph Greff: As broad as you like.

Leeny Oberg: Well, let's first start with leisure. And that is that we continue to see really strong demand in leisure. Now that's no surprise. Everybody saw kind of what was going on in June, July and August. But I think it's also worth noting that as we look out and look at the festive periods in Caribbean and Latin America or you're looking at kind of Christmas bookings down in Florida, et cetera, that...

Joseph Greff: Good luck finding a deal.

Leeny Oberg: Yes, I was going to say if you -- there's a very short-term booking window for a lot of hotels, but not for those. You need to go ahead and get on it if you're wanting to do a holiday period. So, I think the leisure trends continue to be strong. And as we've talked about there, the rate -- the rate that we're getting for that business is just a fantastic confirmation of people's view of the value of what we provide. So just terrific performance there.

Then when we look at business transient, as you know, that is the one that is the most short-term and has been slower to come back. The one thing I will say, though, is that business transient is progressing. The number of nights that we had in special corporate in the month of August was 7 percent higher than the number of special corporate nights in the month of July. And while, of course, we would like to see it move much closer to the -- relative to where it was in 2019, it has moved from being more than 60 percent down back in March to being in the 40s percent down as we moved into the summer. So, I think it is making progress.

I think one of the other interesting statistics is that it's not that business and leisure are quite like hot and cold water spigot. From the standpoint, it's not like in September there's only business, and in August, there's only leisure. The reality is that in Q3 and Q4 in 2019, the balance between business and leisure were essentially the same, 57 percent and 43 percent. Now of course, you've got relatively more business transient in September and October, but you've got a lot of leisure in November and December. So, I just think it's important to recognize it's not all quite so broken up.

Group, I think, Joe, we continue to think that it could be one of the first times that it actually does respond faster than business transient. We see the bookings that we had, for example, in the summer for group were higher than they were in 2019 for those months. It's -- I think the reality for people who are booking group business is that they want to just know that they can have the meeting and, that once they feel more comfortable, they're booking. So, you're right, near-term cancellations, we have seen more for things that are coming up in September and October. We have seen some of that, but we have also seen that there are still weddings being booked and they're actually happening and that near-term group bookings are in great demand.

And when I look out at 2022, as we talked about in the second quarter, rate is actually up for group. While nights booked are still down, but we've had some of the strongest in-the-year-for-the-year group bookings that we've ever had. So, I think group, once people feel comfortable, I think it's going to fill in pretty fast. I think with each passing month, there's more pent-up demand for group, which is terrific. And I think that also the reality is that people's trip purposes, there's

no doubt that they've blended. We've been in meetings. We were here this morning talking about one where somebody is doing five days of which businesses is two. So, I think that's going to be an absolute reality for us going forward.

Joseph Greff: And do you think there's less price elasticity for the business transient segment in that the decision really is to travel or not travel, not travel based on price? And when you do travel, you want to travel and stay where you want to stay?

Leeny Oberg: Yes, I do think there's some -- I mean quite frankly, special corporate is a negotiated rate. And so, if you actually go back to The Great Recession when everybody talked about the great decline and the great drop off, actually, special corporate rate only declined 6 percent. So not quite so awful. And now, of course, you've seen that in most cases, special corporate rate has held that our largest clients are -- basically holding on to the existing rate. So then it gets very much into the specific demand in markets as to what's happening.

And yes, I do think on business travel, it is -- it tends to be quite a bit around just the fact of how comfortable people feel traveling. The only other thing I will mention, though, I think probably for all of you, there's a great full room in front of me today and I think about where many of you probably were in March and probably not traveling. So again, there's no doubt that special corporate is moving in the right direction. It's just still coming along slower than leisure.

Joseph Greff: Great. Can you talk about your loyalty program, which obviously is the biggest, the best? Can you talk about how that has evolved?

Leeny Oberg: I like that. Did you hear that, everybody? I want to make sure everybody heard that.

Joseph Greff: I said not as an analyst, but I say that as a consumer.

Leeny Oberg: Thank you. Biggest and best, I like that very much.

Joseph Greff: But can you talk about the engagement through this period with your Bonvoy members?

Leeny Oberg: I think this has probably been one of our greatest strengths through this pandemic is having the halo brand Bonvoy as a way, through our digital platform, to be able to communicate with our customers to really take advantage of the shift of business. So, for example, a lot of Bonvoy Escapes, where we would be able to know where you live and point out places that had availability and good rates that were within a 4-hour drive of your home. So, kind of really pitching offers that would make sense and make you feel good as somebody thinking about you and your travel decisions.

The other thing I think has been extraordinary is really to see the dimensions of Bonvoy. And by that, I mean when you look at the co-brand credit cards and where we've added in a couple of

other countries, we've added co-brand cards and the Uber travel relationship, et cetera, where you can get points by taking Uber. The co-brand credit card spend is now above 2019 levels. And those are all folks who are building their points base to then use to go stay at our hotels, which is fabulous for our hotels and our hotel owners.

So, mean -- even if over the past 1.5 years you haven't stayed at many of our hotels, you're racking up Bonvoy points when you go buy gas and your groceries, et cetera. And to see that spend and the card acquisitions performing well, I think, is a great testament to the ecosystem that Bonvoy has. And oh, by the way, it brings tremendous amount of cash to the company as well as fees, branding fees. So, I do think that holistic view of Bonvoy has played out really well during the pandemic.

Joseph Greff: One of the questions we prepared is talking about the consumer spend on the co-branded credit cards. Is there a way for you guys to assess that strength? And how much of it is new? How much of it is sort of same card spend? How much of it is driven by people being at home and maybe shopping online? Or just consolidating to sort of -- to generate points to later burn them to use them?

Leeny Oberg: Right. So, every dollar of spend generates the points, which is terrific. I would say two things. First of all, typically, when you do acquisitions, when you get new cardholders, they ramp up their spend, right? So, it's like a new hotel. They're not providing that much in fees to us in the first, call it, year or so. They're critically important because we want them here for life, and we're establishing a great relationship, and it is a really important element of the future growth.

However, the fundamental strength is the existing cardholders, and their spend levels is the biggest driver of what has driven these fees to us and the overall level of spend. The new cardholders, again, they take a little while to get going. But the performance of the overall cardholder base, both in terms of acquisitions and spend, I think, for it to be above 2019 levels just really demonstrates, frankly, number one, that the consumer is healthy; and number two, they really like Bonvoy.

Joseph Greff: Great. Maybe we can switch over to development. I know we kind of touched on this to some extent earlier. But maybe if you can kind of maybe go by geography in terms of where there's the most opportunity. Obviously, China is front and center. Thank god you're not a casino operator because that would be a whole different conversation after today's news in that market.

Leeny Oberg: Macao hotel operator, however.

Joseph Greff: Right, that's fine. Getting a core of the top line hotel is good, a licensed gaming operator right now is not the best thing.

Leeny Oberg: Yes. I think our Sheraton there is 5,000 rooms.

Joseph Greff: But maybe you can just talk about sort of developer sentiment, your opportunities. And then we can kind of talk about gross, deletions, net and maybe the next -- how you think about the next couple of years. If you want to go quantitatively or more qualitatively, that's fine.

Leeny Oberg: Yes. No. I -- again, we're really excited about what we see out there from a net rooms growth opportunity perspective. Clearly, this year, we've talked about 6 percent gross rooms growth. And that clearly reflects what we've seen over the last several years, which is when you've got a 17 percent share of the U.S. market and a 3 percent share of the international market, there's no doubt that our international base of rooms is growing meaningfully faster than our U.S. base, because we've got a very large chunk here in the U.S. to grow on.

So, in that -- I think that trend will continue. You will continue to see particularly high levels of growth in Asia Pacific. CALA is seeing really strong growth rates. Europe also seeing really strong growth rates, and I think that will continue. In terms of developer appetite, it goes back to some of the things we were talking about a few moments ago, which is it really depends very much on the market.

Mainland China, you've seen their RevPAR get back to 2019 levels and seeing all business segments actually get back to 2019 levels. And sure enough, no surprise, without a lot of dependence on financial institutions, the developers are going to it. Then you look at a market that is like Europe, which has clearly -- is more dependent on international travel for its business. You've definitely got lenders who are dealing with a lot of existing hotels that they need to work through their situations.

And so, from that standpoint, the lending environment and the new build environment is not -- has not been as strong. It is showing nice signs now, but it's still starting from further back and is still behind. But it is better than it was a year ago. So, when I think about the rooms growth this year, we've talked about expecting to be towards the top end of the 3 percent to 3.5 percent range for net rooms growth.

That's really got a onetime tail -- a headwind of the 1 percent rooms related to the SVC portfolio, that -- not to bore you with the details, but that's really tied back to a long-ago historic perspective that we owned those hotels. And when we sold them, we sold them with a structure that looks more like a lease where we're guaranteeing operating profit. We really don't have other portfolios like that. So, I think that's really a onetime gig. Other than that, our terminations have been quite typical levels for us. This year, that number would put us more around the 1.5 percent deletions expectation to get to the 3.5 percent net rooms growth.

So there, I feel pretty good about the 1 percent to 1.5 percent terminations growth rate as we're moving forward. I think the harder part about putting a peg on 2022 and 2023 is around some of these issues related to supply chain issues, kind of construction starts where some owners have said, yes, I'm coming along, but I'm going to take my time and then kind of just making sure they get all the way through labor shortages, et cetera. However, the deals are not falling out. So, they're going to happen. I feel really good about getting back to mid-single digits net rooms

growth for the company. I just -- whether that is 2022, 2023, 2024, I think, is too soon to peg for us.

Joseph Greff: Great. So, we always have this conversation with investors is that Marriott's growing net rooms growth at a slower pace than Hilton, right, which Hilton loves to talk about, and we'll be talking about that shortly. But for you guys, your composition of the pipeline is more full-service than they're largely or proportionately higher limited-service, implying that you guys have a fee per room growth rate that's probably higher than them. You kind of almost end up sort of around the same spot in terms of fee growth.

When you look at your pipeline as a percentage of full service or select service in higher ADR urban markets or things like that, is the fee per room in the development pipeline above, or is it consistent with the portfolio? So, does the development pipeline have this positive mix shift for you guys going forward?

Leeny Oberg: I think I'm not going to try to speak for Hilton. I don't think Kevin would like that very much. But I do think that your analysis makes sense. When I think about ours, we do from an international lens, we have a lot of full-service -- phenomenal full-service resorts and luxury hotels coming online. They tend to have very high ADRs, which does lend towards, obviously, when you get paid as a percentage of your top line of a hotel does really help you on the fee line.

We do in the U.S. It's worth noting that in the U.S., roughly 80 percent of our pipeline is limited-service, which is a bit higher than our existing portfolio. So, I would think when you look fees per key, if we put aside COVID, you'll allow me to put aside COVID relative to stabilized RevPAR, you would see that over time, our fees per room are flat to slightly down because of this heavy proportion of limited-service rooms in the U.S., and I would say that potentially could be different for our competitors. But again, I think that overwhelmingly, it has been the case for some time that our average fees per room are meaningfully higher than our competition.

And I think that lends itself to exactly what you're describing in terms of just a fantastic portfolio of luxury and full-service resorts and full-service hotels that have higher RevPAR and deliver more fees. The only other thing I'll say is that it's worth remembering that outside the U.S., we are disproportionately a manager of hotels versus franchise. And there, in many cases, the IMF has no owner's priority return.

So, the IMF actually behaves much more like a base fee. And when you look in Asia Pacific, it really does show up that way. And you can see that now with the recovery in RevPAR is that while it's a smaller percentage of your cash flow profits than it is in the U.S., it's on day one. It happens right away. And so that part is also a real strength as you get into higher and higher RevPAR markets.

Joseph Greff: Has conversion activity peaked?

Leeny Oberg: I don't think it's peaked yet. Time will tell, but I think we've still got -- if you look at where conversion activity peaked after The Great Recession, it was actually several years after the downturn. It was in 2013 as compared to the, obviously, the recession in 2009 and 2010. And I think here, we've got some really terrific opportunities, both globally as well as with the soft brands that we've got.

We didn't have in The Great -- after The Great Recession, we didn't have the full layout of soft brands that we've got now with Autograph, Tribute and Luxury Collection, which really covers a really nice span of hotel types. And also, frankly, you look at Delta as well. So, I think there are great conversations going on about conversions and I think some tremendous opportunities.

Joseph Greff: Are you think about changing the Delta brand? Just joking. Virtually every company...

Leeny Oberg: It's going to be called Mu, the next variant.

Joseph Greff: Virtually every company at conference the last day and a half has talked about in one way or another labor as an issue, both in terms of the availability of finding labor as well as the cost of labor. Can you talk about it both from the perspective of maybe you guys in corporate, but also at sort of the property level? And maybe where the challenges are or maybe where the challenges are relatively manageable?

Leeny Oberg: Yes. So, I would say, let's talk about on property level first. And that is that definitely the combination of COVID and what COVID has meant for people's personal lives has had a real impact on labor for us, particularly where we've got hotels that have super high occupancy levels. So, in the Southeast as an example and some parts of the Southwest, we've had tremendous labor shortages.

But I will say that we are seeing an uptick in the job applicant pool. It does tend to be relatively more at the hourly level, and we're hopeful that with children going back to school full time, in-person as well as with unemployment, special benefits stopping that we will continue to see improvement on this front.

And in many cases, as you know, Joe, we've been able to manage it on the cost side through onetime bonuses and kind of managing it on the scheduling -- labor scheduling side to be able to manage it on the cost increase. There are certain really hot markets where we have needed to increase wages, but it's not universal by any stretch of the imagination.

At the corporate level, it's a little bit of a different situation. There, it is not tied as much to occupancy of the hotels and trying to make sure we're taking care of our guests the way they want to be taken care of. It is more about really having the best cost structure that we can to grow the company well, but also to do our jobs in maintaining the company's financials and all of the other parts about being a public company. And there, we did Rebuild Marriott exercise that

resulted in lower corporate expenses in the high teens relative to 2019. And I think you should expect to see that continue.

I don't think that we'll be able to hold corporate G&A to solely inflation, given that we're still doing some recovery of kind of classic compensation structure as well as just the growth of the business, but it will not be back to the 2019 levels for as long as the eye can see. So, I think the operating leverage that we're going to get there is real.

And then on the property levels, the margins that we've seen at the property level are truly historic, nothing like anybody has ever seen before, incredibly helpful for the owners. And I think some of it is sustainable. There is some of it that is not sustainable because we want to take care of our guests. But I think there has been labor productivity and technological enhancements on the labor side as well as with kind of managing on the contactless experience for our guests that will be permanent.

Joseph Greff: Great. We now have about seven minutes left in this session. I want to open it up to questions from you all in the audience as well as those dialing in remotely if you want to shoot me...

Leeny Oberg: We have a couple here.

Question. Just as you finished on the labor shortages, I guess, if we were to bucket 3 largest reasons why there's probably (inaudible) You mentioned lifestyle choices, changes that occurred (inaudible) thought process during the COVID. The second bucket is probably people's ability to go back to work with kids who are in school. And then the third probably is employment benefits. Can you dig a little deeper and just -- lifestyle choices, a, are they temporary or are they permanent? And then are you seeing any recovery, increase in hiring activity or application activity with the benefits rolling off?

Leeny Oberg: We have seen a slight uptick in states where there has been a roll off of those benefits. But I would say, I think -- I wouldn't say that there are huge assumptions to be made there. I think, again, a slight uptick is the way to think about it. And again, some of that is all a function of how we emerge out of COVID, right? Because I think there is the reality that the benefits go away, but there's been also the reality that people start to feel safe again. So -- and those can be two different things and two different times.

So, I -- it is great to start to see the application pool pick up a bit. And I do think some of it has to do with the unemployment benefits and kind of family situations getting more stable. I think one of the other things is I do think people's eyes were open to different career alternatives. But I think that's one of the things that the lodging industry is really spending a lot of time focusing on. We have amazing career progression opportunities for folks who start in hourly levels. I would argue really some of the best out there for folks who start in hourly levels.

We have thousands of GMs at hotels who started in hourly levels. We have top leaders at the company who started in hourly wage rates. Those are tremendous opportunities for people looking for work. And I think especially with COVID, hopefully, more and more in the rearview mirror, people feel safe and they start to appreciate, wow, I could look at this, I can do this and work my way up the ladder, frankly, work in most any city in the world and have a great career that offers tremendous compensation benefits in addition to job satisfaction. So, I think there's a lot there that is kind of both structural getting out of COVID. And I think the government benefits is a piece of it.

Joseph Greff: Great. Was there a second question?

Leeny Oberg: Yes.

Question: Capital projects (inaudible) in some form over the last 2 years or so. And I really appreciate the (inaudible) But are there any examples that you can point to where you took advantage of the lower occupancy rates (inaudible) more efficiently, whether that's from a cost perspective...

Leeny Oberg: Right. Yes. I think if you talk to a number of hotel owners, they absolutely did exactly what you described, where they kind of sped up some things if you're in an urban market, in Boston or New York, you might as well go ahead and get this stuff done. So, I think there was quite a bit of that, especially when things were planned and already funded. I think where it's a little bit tougher is where things weren't yet funded. And there, I think, it can be a little bit longer window. But no, I think there's been great opportunity.

And I know for the hotels that we own, while in 2020, we kind of made sure that our cash situation was okay, but we're now really looking forward with the W Union Square in New York City with our Elegant hotels in Barbados. We can't wait to make these things shining examples of what these -- what we think they should be for their brands and put the capital in.

Joseph Greff: Any additional questions from the live audience?

Leeny Oberg: Can I make one more point that I just didn't cover before that I think you guys would all appreciate. And that is we've all talked a lot about kind of the progression of RevPAR as we move through the summer and you guys have heard that we've talked about kind of being 38 percent down globally in June and going to 27 percent in August. I think one of the most interesting things is to think about rate. Rate, when you go back to June, was 11 percent down, 11 percent to 12 percent down globally compared to 2019. And by the time you got to August, it was 2 percent to 3 percent down. This is similar, both globally as well as in the U.S.

So, while there has been some murkiness around the impact of the Delta variant, I just think it's again, it's a shining example of the kind of the power of demand for lodging to see that rate just continues to strengthen relative to 2019 as a great sign of the recovery of the industry.

Joseph Greff: Great. We have a question here that was submitted virtually or electronically. Can you talk about the M&A environment? And is acquisition or acquisitions on your radar screen? And maybe you can sort of answer the question in the context of your targeted leverage levels, how you actually assess that? Is that sort of a run rate? Or do you need to be on a clear path to achieve it? And then maybe also touch on sort of a return of capital as well.

Leeny Oberg: Sure. Try to wrap that all in a...

Joseph Greff: In a 1 minute and 12 seconds.

Leeny Oberg: In a 1 minute and 12 seconds. Let's see how I can do this. All right. Let's first real quickly talk about leverage, since that's kind of the overarching environment that we got to work with that playing field to then go to the next ones. And the reality is that, yes, we do want to get back to our 3 to 3.5x. We really like that space for us because it gives us flexibility. When an interesting M&A opportunity does come up, we think it provides us with lots of choices. And the good news is we're moving there and getting there faster than we frankly could have anticipated a year ago, both in terms of EBITDA as well as cash flow and debt pay down.

So, I think all of that is really going really well and perhaps a bit better than anticipated. So, as you start to imagine that pretty quickly, we're going to get back to where we want to be. Certainly, thinking about return of capital to shareholders is part of the thought process. We first always want to make sure that we're investing in the growth of our business to the extent we see great opportunities out there, that are value-add for our shareholders, for our system overall. And that will always be the first lens. And we've loved doing bolt-on acquisitions in certain parts of the world, in certain segments that we think we can improve the performance of that brand as well as grow it in markets outside that.

So really continue to be excited about possible opportunities that may show up and that we would -- might find as we move forward in addition to the normal organic growth. But then in terms of capital return to shareholders, we typically, as you know, have a model that delivers excess cash flow on top of what we need to invest in the business. And I fully expect that we will be beginning to do that as soon as we feel like that the leverage targets are in sight.

Joseph Greff: So, second half of next year is what you're telling us?

Leeny Oberg: Again, it all depends on the pace of the recovery. But assuming the pace continues as we all hope it does, the second half is not unreasonable.

Joseph Greff: Great. Well, thank you so much, Leeny.

Leeny Oberg: Yes, Great to see you, guys. Thanks for coming.

Joseph Greff: Thank you.

--END--

Note on forward-looking statements: All statements in this document are made as of September 14, 2021. 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 the possible effects on our business of the COVID-19 pandemic and efforts to contain it (COVID-19); recovery in lodging demand; travel and lodging demand and trends; future performance of the company's hotels; our development pipeline, signings, rooms growth and conversions; the expected timing and completion of certain transactions; our investment spending expectations; 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 those we identify below and other risk factors that we identify in our Securities and Exchange Commission filings, including our most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K. Risks that could affect forward-looking statements in this document include the duration and scope of COVID-19, including the availability and distribution of effective vaccines or treatments; the pandemic's short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence; actions governments, businesses and individuals have taken or may take in response to the pandemic, including limiting, banning, or cautioning against travel and/or in-person gatherings or imposing occupancy or other restrictions on lodging or other facilities; the impact of the pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity, including the duration and magnitude of the pandemic's impact on unemployment rates and consumer discretionary spending; the ability of our owners and franchisees to successfully navigate the impacts of COVID-19; the pace of recovery when the pandemic subsides and any dislocations in recovery as a result of resurgences of the pandemic; general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; the effects of steps we and our property owners and franchisees have taken and may continue to take to reduce operating costs and/or enhance certain health and cleanliness protocols at our hotels; the impacts of our employee furloughs and reduced work week schedules, our voluntary transition program and our other restructuring activities; competitive conditions in the lodging industry and in the labor market; relationships with customers and property owners; the availability of capital to finance hotel growth and refurbishment; the extent to which we experience adverse effects from data security incidents; and changes in tax laws in countries in which we earn significant income. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this document.