

March 18, 2019

## MARRIOTT INTERNATIONAL 2019 SECURITY ANALYST MEETING



### FORWARD-LOOKING STATEMENTS

#### FORWARD-LOOKING STATEMENTS, NON-GAAP FINANCIAL MEASURES AND MODEL ASSUMPTIONS

This material contains "forward-looking statements" within the meaning of federal securities laws, including RevPAR, profit margin and earnings trends; the number of lodging properties we may add or remove in future years; our potential investment spending, share repurchases and dividends; the continued realization of synergies from our acquisition of Starwood; the size and strength of our loyalty program; and similar statements concerning possible future events or expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including changes in market conditions; changes in global and regional economies; supply and demand changes for lodging products; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance growth and refurbishment; the extent to which we can continue to successfully integrate Starwood and realize the anticipated benefits of combining Starwood and Marriott; the extent to which we experience adverse effects from the data security incident; changes in tax laws in countries in which we earn significant income; changes to our estimates of the impact of new accounting standards; and other risk factors that we identify in our most recent annual report on Form 10-K. Any of these factors could cause actual results to differ materially from the expectations we express or imply here. We make these statements as of March 18, 2019 and we assume no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Throughout this presentation we report certain financial measures that are not required by, or presented in accordance with, United States generally accepted accounting principles ("GAAP"). These non-GAAP financial measures are labeled as "adjusted" (or "adj"), "combined", or identified with the symbol "+". In addition, all scenarios and models presented that include future periods (including fiscal years 2019, 2020 and 2021) assume the following items to be zero, and therefore do not include their impact, which we cannot accurately forecast and which may be significant: cost reimbursement revenue, reimbursed expenses, merger-related costs and charges, data security incident costs and gains and losses on asset dispositions made by us or by our joint venture investees. Measures that are labeled as "adjusted" (or "adj") also exclude these items and may exclude additional items as indicated in the reconciliations accompanying this presentation. We discuss our reasons for reporting these non-GAAP measures and, to the extent available without unreasonable efforts, reconcile each to the most directly comparable GAAP measures at the end of this material.





## BRIAN KING

Global Officer,  
Digital, Distribution, Revenue Management + Global Sales

# SALES STRATEGY

MOST PROFITABLE BUSINESS

## MARRIOTT DIRECT CHANNELS



MARRIOTT.COM



MOBILE



VOICE



SALES

## THIRD-PARTY INTERMEDIARIES

WHOLESALE

GROUP INTERMEDIARIES

TRADITIONAL AGENCIES,  
CONSORTIA, GDS,  
TRAVEL MGMT COMPANIES

CONSUMER CHANNELS:  
ONLINE TRAVEL AGENCIES  
(OTAs)

## REVENUE MANAGEMENT NET REVENUE APPROACH


Drive the highest revenue at the lowest possible cost

Direct digital channels are 6% to 9% more profitable than OTAs


**\$18 to \$26**  
COST SAVINGS  
PER BOOKING

Marriott International


D - 3




MARRIOTT.COM



MOBILE



VOICE



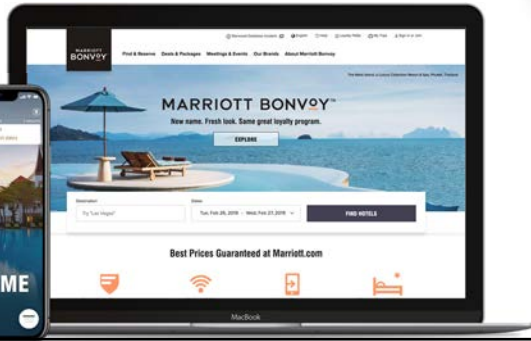
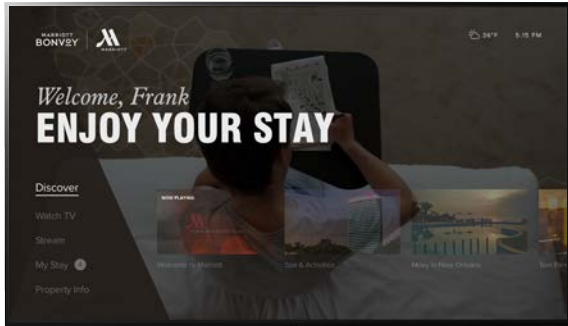
SALES

## DIRECT CHANNELS

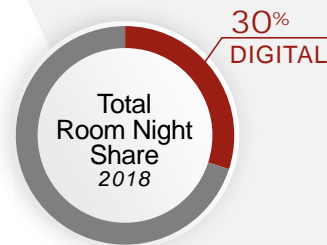
Enable us to build close relationships with transient customers, meeting planners and corporate travel managers

Marriott International

JW Marriott Hotel Medan D - 4

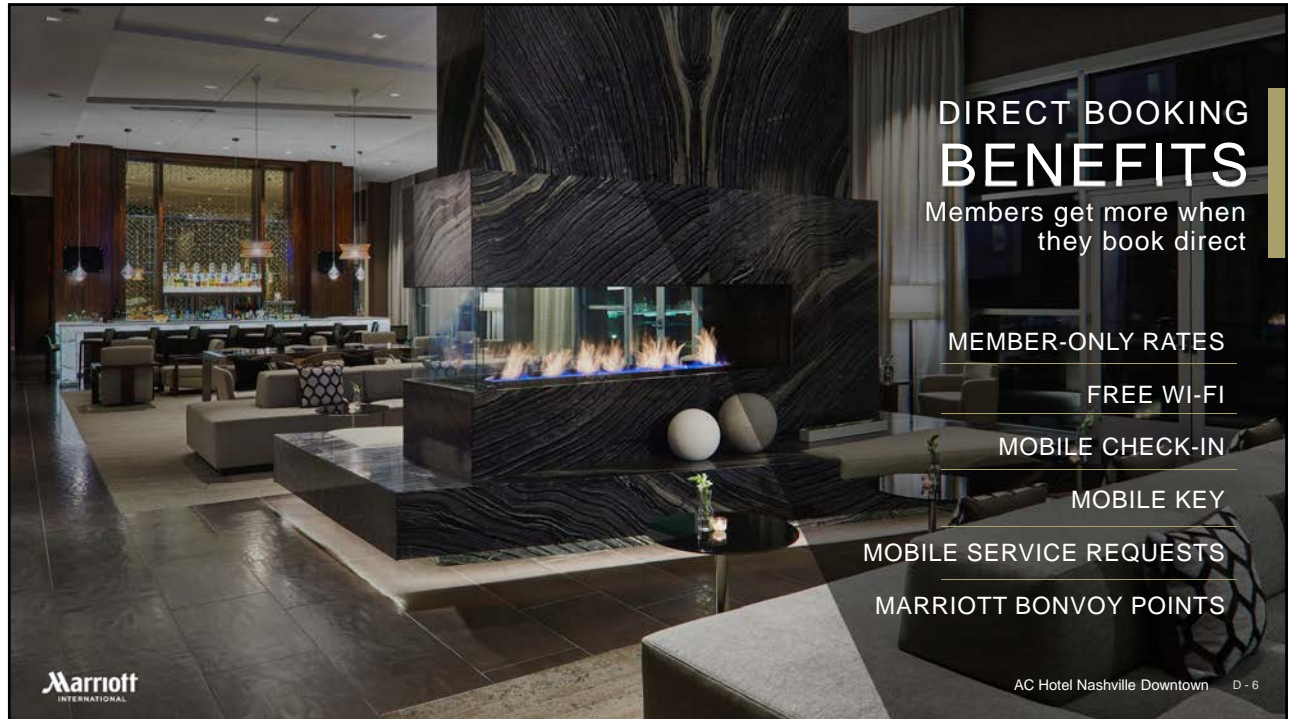


# DIGITAL CHANNELS



↑ MOBILE ROOM NIGHTS  
58%  
in 2018

D - 5



## DIRECT BOOKING BENEFITS

Members get more when they book direct

MEMBER-ONLY RATES

FREE WI-FI

MOBILE CHECK-IN

MOBILE KEY

MOBILE SERVICE REQUESTS

MARRIOTT BONVOY POINTS



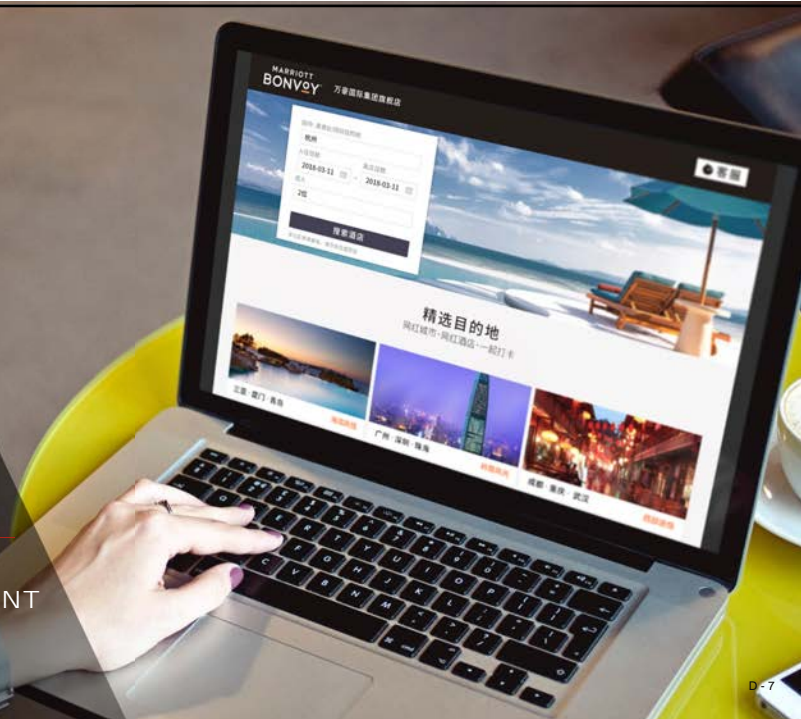
AC Hotel Nashville Downtown D - 6

# MARRIOTT + ALIBABA JOINT VENTURE

Acquiring new, valuable customers through our digital joint venture

**2.7 million**  
NEW MEMBERS ENROLLED  
via the joint venture in 2018

CHINESE OUTBOUND TOURISM IS  
THE BIGGEST TOURIST SEGMENT  
IN THE WORLD



D-7

## CUSTOMER ENGAGEMENT CENTERS

Taking care of our guests through calls, email, and the rapidly evolving chat channels

8,000 ASSOCIATES | 22 CENTERS

13 COUNTRIES | 27 LANGUAGES

**67 million**  
CUSTOMER CONTACTS



D-8

# MARRIOTT SALES DEPLOYMENT

GLOBAL SALES	MARKET SALES	PROPERTY SALES
<ul style="list-style-type: none"> <li>▪ Largest and high-value B2B customers</li> <li>▪ Group and transient customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mid-market accounts</li> <li>▪ Above property offices</li> <li>▪ Group and transient customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Small local accounts</li> <li>▪ Social events</li> <li>▪ Group emphasis</li> <li>▪ Large group hotels</li> </ul>

**SALES TRANSFORMATION:**  
COVER MORE ACCOUNTS AT LOWER COST  
WITH A PRIMARY POINT-OF-CONTACT FOR CUSTOMERS

**Marriott**  
INTERNATIONAL

Sheraton Los Angeles San Gabriel D - 9

# GROUP BUSINESS

- 110 CONVENTION AND RESORT NETWORK HOTELS IN THE AMERICAS
- 10 million SQUARE FEET OF MEETING AND FUNCTION SPACE
- 105,000 ROOMS
- 44 CONVENTION HOTELS HAVE 1,000+ ROOMS

**Marriott**  
INTERNATIONAL

Gaylord Rockies Resort & Convention Center D - 10

**GROUP BUSINESS**

**Group Business**

- 36% ASSOCIATION
- 36% CORPORATE
- 28% GOVERNMENT + SOCIAL CUSTOMERS

10% to 7%  
REDUCTION IN GROUP INTERMEDIARY COMMISSION

20% OF GROUP BOOKINGS ARE MADE 3+ YEARS OUT  
*(2019 projections)*

**Marriott INTERNATIONAL**

New York Marriott Marquis D - 11

**CUSTOMER RELATIONSHIP MANAGEMENT**

A unified, 360-degree view of customers globally

**DIGITAL**

**SALES**

**PROPERTY**

**CUSTOMER ENGAGEMENT CENTERS**

PERSONALIZE CUSTOMER EXPERIENCE

REDUCE COSTS

UPSELL AT MULTIPLE TOUCHPOINTS

**Marriott INTERNATIONAL**

Sheraton Grand Los Angeles D - 12



## KING ENDNOTES

**Slide D-8** – Customer Engagement Centers  
As of December 31, 2018  
Customer contacts in 2018

**Slide D-10** – Group Business  
As of December 31, 2018

**Slide D-11** – Group Business  
Group business by type for full year 2018