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.
SALES STRATEGY
MOST PROFITABLE BUSINESS

MARRIOTT DIRECT CHANNELS
MARRIOTT.COM
MOBILE
VOICE
SALES

THIRD-PARTY INTERMEDIARIES
WHOLESAVERS
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

DIRECT CHANNELS

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

MARRIOTT.COM | MOBILE | VOICE | SALES

JW Marriott Hotel Medan
DIGITAL CHANNELS

Total Room Night Share 2018

30% DIGITAL

MOBILE ROOM NIGHTS 58% in 2018

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
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

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

GLOBAL SALES
- Largest and high-value B2B customers
- Group and transient customers

MARKET SALES
- Mid-market accounts
- Above property offices
- Group and transient customers

PROPERTY SALES
- Small local accounts
- Social events
- Group emphasis
- Large group hotels

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
**Group Business**

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

**20% of Group Bookings Are Made 3+ Years Out** (2019 projections)

**10% to 7% Reduction in Group Intermediary Commission**

**Customer Relationship Management**

- Personalize Customer Experience
- Reduce Costs
- Upsell at Multiple Touchpoints

A unified, 360-degree view of customers globally
HIGHEST VALUE GUEST
AT THE LOWEST POSSIBLE COST TO OUR HOTELS

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