Marriott International, Inc.
Third Quarter 2026
Earnings Conference Call Transcript[1]
November 2, 2026

Operator: Good day, everyone, and welcome to Marriott International's Third Quarter 2026 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 third quarter 2026 earnings call. On the call with me today are Tony Capuano, our President and Chief Executive Officer, Jen Mason, our Executive Vice President and Chief Financial Officer 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. And now I will turn the call over to Tony.

Tony Capuano: Thanks, Jackie. Good morning and good afternoon, everyone. We are joining you today from the beautiful JW Marriott Grosvenor House in London.... and are excited to share our third quarter results with you.

We reported an excellent quarter this morning, with RevPAR and financial results above our prior expectations. Development activity remained strong, and we grew net rooms by 4.6 percent over the twelve months ending September 30th.

Third quarter global RevPAR rose 6.5 percent. RevPAR in the U.S. and Canada region rose 7.4 percent, improving on a strong first half of the year, and reflecting strength in both World Cup **and** non-World Cup markets. Excluding the World Cup, third quarter RevPAR in the U.S. and Canada rose 6.2 percent. Growth continued to be broad based across customer segments and chain scales. Luxury and resort hotels again led the region in the

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

quarter, with luxury RevPAR increasing 12 percent, while select service RevPAR had its third quarter of solid year-over-year growth, rising over 6 percent compared to the prior year quarter.

Third quarter international RevPAR rose over 4 percent, led by the APEC region, where RevPAR increased more than 9 percent. Performance in APEC reflected broad-based, sustained demand across the region, supported by robust intra-regional and long-haul international travel.

RevPAR in Greater China was around flat in the quarter, reflecting an uneven consumer spending environment and the impact of major typhoons across the region. Continued strength in luxury and in the Hong Kong, Taiwan and Hainan markets was offset by slower domestic leisure demand across much of the rest of the Chinese mainland.

RevPAR in the Caribbean and Latin American region rose over 3 percent in the third quarter, driven by strong luxury and leisure demand across the Caribbean, which offset continued softness in Mexico.

RevPAR in EMEA rose over 4 percent, with Europe and the Middle East both outperforming prior expectations. RevPAR in Europe rose over 6 percent in the third quarter, with strength broad-based across key markets, chain scales and customer segments. Middle East RevPAR declined 12 percent in the quarter, a meaningful improvement from the second quarter when RevPAR declined over 40 percent, helped by healthy local and regional demand.

As Jen will discuss further, with strong broad-based demand across chain scales generally expected to continue, we are again raising our full year 2026 guidance. We now expect 4.5 to 5 percent global RevPAR growth. This is well above the 1.5 to 2.5 percent growth range we initially forecast on our year-end 2025 earnings call, as travel demand has been remarkably robust this year, despite geopolitical uncertainty.

Turning to results by customer segments, in the third quarter, leisure RevPAR rose 7 percent globally and 9 percent in the U.S. and Canada, as people around the world continue to prioritize in-person experiences like travel. Group RevPAR rose 6 percent globally and 7 percent in the U.S. and Canada. Third quarter business transient RevPAR rose 4 percent globally and 5 percent in the U.S. and Canada.

On the development front, signings activity remained strong, particularly in international markets, and we achieved record global organic signings in the first nine months of the year.

We continue to have the largest pipeline in the industry. Our global pipeline grew over 6 percent year-over-year to a new record of over 634,000 rooms at the end of September,

with an industry leading 278,000 rooms under construction, including pending conversions.

We are still seeing terrific momentum in conversions, including multi-unit deals, given the many top and bottom-line benefits of joining the Marriott portfolio. In the first nine months of the year, conversions accounted for over a third of our signings and over 40 percent of our openings.

For the full year 2026, we still expect net rooms growth towards the low end of our prior 4.5 to 5 percent range, including our typical assumption of between 1 and 1.5 percent room deletions.

With our growing pipeline and conversion momentum, we still expect net rooms growth to grow in the mid-single digit range over the next several years.

Our relationships with our hotel owners are of paramount importance to us. We remain deeply committed to working alongside them to continue to leverage our industry leading scale to enhance property-level economics and deliver sustainable long-term value. As we have discussed before, we have taken a number of steps to drive hotel-level economics. These steps include lowering loyalty charge-out rates, enhancing reimbursement for Bonvoy redemption stays on high-demand nights, rolling out flexible renovation scopes and streamlined brand standards, and introducing an intent to recommend incentive in the U.S. and Canada.

Our owners, associates and guests are also expected to benefit from our significant multi-year technology transformation, which is well underway. We are excited about the benefits this transformation will deliver across our stakeholder groups. One recent innovation, developed in-house on our proprietary technology platform, is an in-app Complimentary Upgrade List that is currently in beta. The feature will give eligible Elite members greater visibility into potential upgrades before arrival by showing their position on the upgrade list and an estimate of available upgrades that match their reservation, while still preserving premium-room upsell opportunities for our owners.

Additionally, we are expanding our use of AI across the enterprise to enhance hotel performance, drive measurable business value and enhance the associate and guest experience. As AI reshapes how people discover, plan and book travel, we are focused on optimizing Marriott's presence in the AI-generated arena, introducing conversational AI in our own channels through features such as Ask Bonvoy, and testing new search and commerce experiences through integrations with leading platforms like Google and OpenAI.

Our powerful, award-winning Marriott Bonvoy loyalty program now has approximately 309 million members around the world. Members continue to engage with us across our unmatched portfolio of brands and experiences, as well as through our numerous

collaborations, including our co-branded credit cards. Marriott Bonvoy deepens our relationships with guests, drives valuable direct bookings for our owners and is a key reason owners and developers choose to join the Marriott system.

Before I conclude, I want to thank our Marriott teams around the world, whose hard work and dedication helped make these strong results possible.

And now I will turn the call over to Jen for more details on our financial results. Jen?

Jen Mason: Thank you, Tony.

I will start by reviewing our strong third quarter results. Total gross fee revenues rose 14 percent year-over-year to $1.52 billion, driven by higher RevPAR, rooms growth and higher co-branded credit card fees. We delivered this growth even as residential branding fees declined 35 percent due to timing of unit sales.

Incentive management fees, or IMFs, rose 22 percent to $181 million in the third quarter, led by a meaningful increase in the U.S. and Canada that reflected strong RevPAR growth and a solid improvement in hotel margins. Third quarter IMFs also grew year-over-year in all international regions, including EMEA, where strong results in Europe more than offset a decline in the Middle East.

Owned, leased and other revenue, net of owned, leased and other expenses totaled $41 million, compared to $70 million in the third quarter of last year. The decline reflected lower owned and leased hotel results, including the impact of renovations, the second-quarter sale of a hotel in the U.S., and higher costs associated with a third-party agreement, partially offset by a $12 million expected insurance recovery associated with the accrual taken in the second quarter for a property-related litigation matter.

Our disciplined focus on controlling costs combined with lower litigation expenses led to third quarter G&A rising just 2 percent year-over-year. Third quarter Adjusted EBITDA increased 12 percent to $1.51 billion, and Adjusted diluted EPS rose 22 percent to $3.02.

Now let's talk about our outlook.

As Tony mentioned, we are raising our full year 2026 global RevPAR guidance to 4.5 to 5 percent, reflecting our third quarter global outperformance as well as a stronger outlook in the fourth quarter. Recall that the strong World Cup performance in June and July provided a slightly larger boost to full year global RevPAR than expected, at around 45 basis points.

Global RevPAR in the fourth quarter is anticipated to increase 4.5 to 5 percent. In the U.S. and Canada, we expect the strong demand trends that we saw in the third quarter across chain scales and customer segments to continue. Although there could be a small negative impact from the November midterm elections.

Internationally, fourth quarter RevPAR growth is expected to decelerate compared to third quarter growth, primarily due to an anticipated year-over-year RevPAR decline in EMEA. In EMEA, continued strength in Europe is anticipated to be more than offset by declines in the Middle East.

As we have discussed, the Middle East faces difficult comparisons from the fourth quarter of 2025, when several large events drove meaningful ADR increases. Saudi Arabia has also recently seen the cancellation of some large events following the heightened tensions there. As a result, we expect a more meaningful year-over-year RevPAR decline in the Middle East in the fourth quarter than in the third. And because the Middle East enters its peak tourism season in October, the Middle East region's performance will have a greater impact on EMEA's fourth quarter results than it did in the third quarter.

As we look ahead to next year, while we are still working on our budget, we currently expect continued strong demand trends. Our preliminary view is that the 2027 year-over-year global RevPAR growth could be 3.5 to 4.5 percent. Note that while we are comping the World Cup, this is expected to be offset by easier comparisons in EMEA.

Turning to this year's financials - in the fourth quarter, gross fees could rise 13 percent, reflecting robust RevPAR and rooms growth as well as strong growth in residential branding fees and credit cards. IMFs are expected to be around flat year-over-year, with increases in the U.S. and Canada, APEC and Europe offset by declines in the Middle East and Greater China. Fourth quarter Adjusted EBITDA is expected to increase 12 to 14 percent.

For the full year, we are raising our gross fee guidance to an increase of around 13 percent, with IMFs now expected to rise in the high single-digit range. 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.

Full year co-branded credit card fees are still expected to rise in the high 30 percent range. Residential branding fees are now expected to rise over 90 percent. Timeshare fees are still 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 expenses is now anticipated to total $170 to $175 million in 2026. Note that the full year outlook reflects the sale of 2 U.S. hotels. One was sold in the second quarter, and one is expected to be sold later this quarter. The first hotel is now under a new, long-term management agreement, and we expect the second hotel will be as well upon closing. We are pleased with the sale of these two properties and remain focused on recycling owned and leased assets when the timing and pricing are right.

2026 G&A expense is anticipated to rise just 1 to 2 percent compared to 2025 levels. Full year adjusted EBITDA is expected to rise around 13 percent.

Strong adjusted EBITDA growth, combined with a meaningful reduction in share count, leads to expected full year adjusted diluted EPS growth of 20 to 21 percent.

Our outlook for full year 2026 key money and total investment spending has not changed. Investment spending is still expected to be $1.25 to $1.35 billion, with key money anticipated to be 40 to 45 percent of the total amount; spending on technology is expected to be another 25 to 30 percent; and the remaining portion is spending related to renovations at owned and leased hotels as well as other investing activities.

Our capital allocation philosophy also remains the same. 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.

Considering our strong year-to-date cash flow performance and our higher Adjusted EBITDA outlook, our full year 2026 capital returns to shareholders are now expected to be at least $4.8 billion.

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

Question and Answer Session:

Shaun Kelly, Bank of America: Hi, good morning, everyone, and thanks for taking my question. Tony, Jen, congrats on the strong results. It's great to see the travel environment where it sits. Tony, I want to take it in a slightly different direction, though. I'd love to just get your updated thoughts on the owner relation topic. You gave a lot of color on this last quarter.

Mostly what I wanted to get your sense was from, as we sit a quarter later, some of the feedback you received from owners, specifically around the ITR incentive, things you're looking to adjust or improve, and just kind of where we sit from this time right here today. Thanks.

Tony Capuano: Of course. Thank you for the question, Shaun. I do have some more to add. We've continued to be engaged with a broad cross-section of the owner community. To state the obvious, our owners are foundational to our business.

The health of the owner and franchisee community is of paramount importance. We are, across the leadership team, appreciative of the consistent, and in many cases, decades-

long engagement we've had with those owners. We also appreciate the mutual recognition of how intertwined our success is, and we're equally appreciative of the recognition that structurally, our business models are different.

I think it's that longstanding recognition that leads to the sort of regular constructive discussions we have on a wide range of issues, normally quite proactively, in the case of a subset of the owners, in a reactive way. But I think that communication is reflective of how we approach the business more broadly. We are laser-focused on hotel-level economics, both on driving top line and looking at every expense line in the P&L.

You heard in my prepared remarks a number of the steps we've already taken and continue to take to try and drive hotel-level economics. We'll continue to talk to this subset of owners, but we'll continue to talk to all of our owners regularly.

I think we'll continue to make progress with this specific group. The tenor of these discussions that I've been involved with, I would describe as transparent, I would describe as collaborative, and I would describe as constructive.

The other thing I would share with you, since we spoke about this a quarter ago, many of Marriott's senior leaders were down in Miami for a U.S. and Canada full-service and luxury owner conference we had the middle of last month.

Again, lots of candid, productive conversations, lots of mutual acknowledgment of how inexorably linked our success is, and lots of focus on Marriott's ability to leverage its industry-leading scales in a way that directly impacts their economic performance.

The last thing I would say to you, sometimes I get the sense there is an expectation of a big reveal. We will continue to focus on each of the constituents we serve every day. We work every day to create opportunities for our associates. We work every day to enhance the travel experiences of our guests and Bonvoy members. And we have and will continue to work every day to drive economic performance for our owners.

Richard Clarke - Sanford C Bernstein & Co.: Hi. Good morning. Thanks for taking my questions. I guess you are using in your prepared remarks language, broad-based demand across the different chain scales. If I look at the gap between your luxury performance in the U.S. and the select service, I think it is actually widened a bit to 5.5 percent RevPAR growth.

If you look ahead to Q4 and maybe into your remarks you gave on 2027, are you expecting that to continue, or are you expecting the gap between the different chain scales maybe to actually contract from here?

Jen Mason: Yeah. We are certainly pleased with the performance across all chain scales. You are correct that luxury continued to outperform, but select service being up 6 percent,

and that is an improvement quarter-over-quarter. We continue in bookings through October to feel good about the performance of our select brand hotels.

Tony Capuano: Yeah, I think that's right, Richard. Maybe not a surprise that luxury continues to be so strong, but a really encouraging sign to see three consecutive quarters of such strong RevPAR performance at the other end of the chain scales.

Stephen Grambling - Morgan Stanley: Hey, thank you. Your comments on the owner relationship is probably a good segue into agentic AI, actually. I recognize this is still an evolving topic but would love to hear any color on the initial impact to distribution as we think about mix or commissions, and then more broadly, just how you think about both the near-term and maybe longer-term impact to both owners and your business. Thanks.

Tony Capuano: Yeah. Thank you. There's a lot in there, Stephen. I'll give it a shot. Jen may jump in and help me a little bit. I continue to be a firm believer that AI is going to profoundly impact virtually every industry, certainly the travel vertical.

As we've discussed in the past, the real challenge and opportunity for us is to take advantage of these emerging technologies without losing the human-centric approach that's guided us for nearly a century. In some ways, we're in the early innings of AI's entry into travel.

Right now, our view is that AI is largely reshaping travel discovery. That doesn't mean at some point it won't have a similar impact on bookings, but that piece seems to be moving more slowly.

We are very engaged with a number of the AI platforms to ensure that as discovery, as search is out there, that we are populating these platforms with as accurate and rich a set of content as possible, so those users really have terrific insights into all that our portfolio has to offer.

In terms of distribution costs, again, I think it is early. A number of the platforms, if they are looking to monetize, they are leaning more towards more traditional advertising monetization as opposed to booking.

They are starting to dip their toes, some of them, into what that might look like. Intuition would suggest it would be compelling from an economic perspective for our owners, but I think that is a story that largely remains to be told.

Patrick Scholes - Truist Securities: Thank you. Good morning, everyone. Tony, when we think about that initial 3.5 percent to 4.5 percent RevPAR guidance for next year, within that, what is your expectation for the composition of room rate growth versus occupancy?

Certainly, in the most recent quarter, with the upside for incentive management fees and high ADR growth, increasingly important to think about the composition. Just your thoughts around that. Thank you.

Tony Capuano: Sure. It's probably a little early for me to give you too much insight. We are up to our eyeballs in the budget process right now. What I can tell you, and I might ask Jen to give you a little more texture to this, but when we look at the performance through the first couple quarters of this year, one of the things that's been encouraging is in many of the markets, we've seen a nice blend of both room night and ADR growth, and we'll obviously be investigating that closely as we put the finishing touches on the 2027 budget.

Jen Mason: Well said, Tony. On your question on IMFs for Q4, while certainly we see upside in U.S., Canada, and APEC and other places. The Middle East, as we've talked about on our call, we expect to be impacted, continue to be impacted in Q4, so that offsets the upside from the other continents.

Trey Bowers - Wells Fargo Securities: Hey, guys. Thanks for the question. I think we talk about this most of these calls, but maybe you guys could just dig in a little bit on capital intensity thoughts as we move forward, especially around key money, kind of in that now $500 million to $600 million range. Is that the new normal from here? Is that expected to grow from here? Any color around that would be great. Thank you.

Tony Capuano: Sure. Thank you for the question. I will let Jen give you a little perspective on a go-forward basis, but to state the obvious, it is a competitive environment out there, particularly given the increasing importance of conversions. Whether we like it or not, key money seems to be the weapon of choice against that competitive landscape.

The two things I would want to leave you with, one, the rigor that we have always applied to the use of MI Capital, irrespective of what type of capital, remains. We put all deals where we consider investment through that rigorous evaluation. And anticipating we might have some conversation about that, we did a little work. One of the things that is quite interesting, I think, deals that use key money historically have yielded significantly more value than deals without key money, and I will just give you two statistics to frame that.

If you look at all the deals we did in calendar 2025, the deals where Marriott participated with key money had an average value premium per room of about 65 percent. Year to date through the first three quarters this year, those deals where we deployed key money had an average premium per room of about 75 percent.

Jen Mason: Yeah. On your question on broadly investment spending, as we talked about in the prepared remarks, we still expect investment spending this year to total $1.25 billion to $1.35 billion. As a reminder, 40 percent to 45 percent of that is for contract acquisition costs, which includes both new and existing units, 25 percent to 30 percent of that is for

the digital technology transformation, and the rest is spending at renovations on owned leased hotels.

For next year, it is really still too early, right? We are working through our budgets, but you could expect similar color and market dynamics on that. Key money and contract acquisition costs are likely to continue to rise given the system growth.

While DTT and technology spend is expected to come down a bit, we will continue to invest heavily in technology. For owned, leased and other investments, some of our properties undergoing renovations in 2026 will be done, but we will also have others that will go under renovation next year.

Michael Bellisario - Robert W. Baird & Co Inc.: Thanks. Good afternoon, everyone. Tony, on development, can you just update us on the trajectory of construction starts and how that part of the pipeline is trending in both the U.S. and ex-U.S. markets? Also any early kind of directional comments on your view of rooms growth into next year versus this year's 4.5 percent? Thank you.

Tony Capuano: Yeah, of course, Michael. Thank you for the question. The new build construction starts in the U.S. and Canada, last year were up about 7 percent versus the prior year. Through the first three quarters this year, new build construction starts are up 20 percent year-over-year. Again, we're not quite back to where we were in 2019, but the trend line is certainly encouraging.

Globally, which I think was the second part of your question, year to date through the first three quarters of the year, new build construction starts were down about 24 percent. But I would maybe put an asterisk on that data. The quality of the data we get is maybe not as precise as what we get in the U.S.

But I think the fact that construction starts while building are not back to where we were pre-pandemic probably illustrates the importance of the success we're having on the conversion side, where, as I mentioned, about a third of our signings, about 40 percent of our openings are being derived through the very deliberate approach our development teams are taking to capturing a disproportionate share of the conversion opportunities that are out there.

David Katz - Jefferies LLC: Hi, good morning. Thanks for all the detail and information. I wanted to just focus on the Middle East. If we were to use an assumption of kind of an ongoing low-intensity circumstance over there, I assume you're looking through various permutations of what could be for the market.

Given it's so important for NUG and RevPAR, how can we think about that market? Can we be comfortable that the units that have been in the pipeline can still get done? Can that

market get back to at least flat RevPAR, or enough where it's not an offset to otherwise pretty strong results everywhere else in the world? Thanks.

Tony Capuano: Thank you, David. Maybe before I try to answer your couple questions, let me just for the group remind you or ground you. While a critically important market through a lot of different, or set of markets through a variety of lenses, the Middle East represents just 3 percent of our open rooms globally, about 6 percent of our pipeline, and last year represented about 3 percent of our global gross fees.

Your intuition is right as we start to take an early peek into what 2027 might look like. On one hand, we'll benefit once we get through the first quarter from relatively easier comps. We're currently assuming ongoing travel disruption with some gradual improvement during the course of 2027.

I wish I had a better crystal ball. It's obviously a highly volatile situation. What I will tell you is we are not seeing fallout from the pipeline, whether it be in the Middle East or on a global basis, that is anywhere close to outside what we have experienced around the world in normal circumstances.

I will tell you, I was in Dubai for a few days last week. I had dinner with 65 of our UAE general managers who expressed an enormous amount of confidence in the steepness of the recovery curve when they get a sense in the region that there is some stability or resolution to the conflict.

The other thing I would tell you asked about pipeline and NUG. Just last week, I was with our local partners and the ruler of Ras Al Khaimah signing three new deals in that emirate. The teams continue to move projects forward. Our owner community continues to invest based on their long-term confidence in the region.

Dan Politzer - JPMorgan Chase & Co.: Hey, good morning, everyone, and thanks for the question. I just wanted to follow up again on the 2027 kind of early puts and takes as you think about that 3.5 percent to 4.5 percent RevPAR growth. Could you maybe unpack that across business, leisure, and then kind of where group is pacing? Thanks.

Tony Capuano: Yeah, I would love to, Dan. We're just not there yet. We are early in the budget process, as I mentioned. We are giving you a sneak peek into what we're hearing, having just gone through our quarterly business reviews around the world.

But we're probably a month or two premature to be able to give it to you with the sort of specificity that you're looking for.

Lizzie Dove - Goldman Sachs: Hey, thanks for taking the question. Going back to net rooms growth, you mentioned that conversions are about 40 percent of openings and that

you are capturing a disproportionate share of those opportunities. How do you think about that environment?

We have heard mixed things this earnings season about the impact of higher rates there and other dynamics. As we look into next year and beyond, should we think about conversions as being a bigger or smaller part of net rooms growth? Thanks.

Tony Capuano: Yeah, Lizzie, thank you. I love the question. I spent a big portion of my career leading the company's development organization, and for a long time, you used to see the relative volume of new builds and conversions ebb and flow based on the macroeconomic environment.

In strong economic environments, you would see a big uptick in new build, and you would see conversion activity start to recede a bit, and then that would invert in weaker economic times. As I have talked about on the last few calls, we have been quite deliberate in terms of how we think about conversions.

What I mean by that, we have built what we think is an extraordinary stack of conversion-friendly brands. We are aligned between our development organization and our operating organization to show, not at the expense of quality, but a level of creativity and flexibility in deal-making.

We have development teams who are specifically focused on driving conversion volume, both in the categories of individual asset conversions and portfolio conversions, which has been a tremendous success story for us.

My expectation is, while the percentages may move around a little bit, even when we get to an environment where we see a meaningful uptick in new build, I do not anticipate that it will be at the expense of conversion volume.

We have built this supertanker that is really built to take advantage of the wide range of conversion opportunities that are out there, and we intend to continue to stand on that accelerator.

The last thing I would say to you is, as we have discussed, we are in our relative infancy of entering the mid-scale tier. It is going great. Between open and pipeline, we are already approaching 600 hotels in the system, but it is early. And what that earliness demonstrates to me is we've got lots and lots of conversion opportunities to be discovered in that quality tier as well.

Brandt Montour – Barclays: Great. Thanks for the question. Tony, I was hoping you could give us a little bit of a state of the union on the China business.

You called out slowing domestic leisure demand over there, but remind us the split between business and leisure, if you have a view on maybe the near to medium-term operating outlook, and then if that's affected capital formation at all and how that affects, the net rooms growth outlook there. Thank you.

Tony Capuano: Sure. Let me talk broadly, and I might ask Jen to jump in with some statistics. We went from negative in RevPAR to essentially flat. We continue to see pretty good strength in the lower chain scales, both in terms of development activity and relative performance.

We continue to see pretty broad strength across what we call the tier 1 markets, and you heard me talk about Hainan and Taiwan and some of the other tier 1 markets that are driving particularly strong performance. But Jen, do you want to talk a little bit about mix between segments in China?

Jen Mason: Yeah. Broadly speaking, in Greater China, our leisure segment is the largest segment, followed by business and then group.

In terms of performance, I'd say group, at least for the quarter, was a bit less of the mix than leisure and business transient. But overall, to Tony's point, it's a kind of a softening of consumer sentiment and spending, and the environment is certainly difficult in terms of growth.

Duane Pfennigwerth - Evercore ISI: Thank you. Good morning. Similar question, different region. I wonder if you could weigh in on what is driving what seems to be acceleration in European RevPAR. Is this primarily a seasonal leisure dynamic with U.S. point of sale demand, or is there something else at work?

Tony Capuano: Well, without question, leisure is sort of the bright shining star, particularly when you look at Western and Southern Europe. Beyond that, you almost have to go sub-market by sub-market to look at the relative contribution from each segment.

But if your question is for a broad generalization, I would say leisure is among the most impactful drivers of our RevPAR performance.

Robin Farley – UBS: Thank you for taking the question and thank you for the early 2027 commentary. Just kind of circling back to.

Tony Capuano: That was for you, Robin. I knew you'd want it, so I pushed Jen to make sure we gave you a little peek.

Robin Farley – UBS: Okay, excellent. Drilling in on that. Just looking at rooms under construction today in the release, they are a little bit lower than they were in July.

Just the comments about conversion next year, it sounded like you were saying conversion is going to be as good as new construction, or maybe the suggestion was like the same percent of room openings next year.

Should we think about conversions maybe being higher? I know they are elevated a little bit this year, but would they be higher next year, just given the rooms under construction, kind of just like slight downtick sequentially? I do not know if that is just something seasonal or one-time in nature. Thanks.

Tony Capuano: You see, Robin, I give you an inch, and you try to take a mile. I am not quite ready to really give you much more of a peek into 2027 but let me try at least qualitatively to address your question.

The point I was trying to make, while I cannot tell you with certainty what the percentage mix will be, because a lot of that will be driven by whether we continue to see this continuation in an uptick in construction starts, the point I was attempting to make was our focus, the focus of our teams on trying to continue to drive brand accretive conversion volume, we will not let up.

We would expect strong conversion volume, again, both single asset and portfolio, to continue to be a top growth priority and a big driver of NUG into 2027 and beyond.

Conor Cunningham - Melius Research: Hi, everyone. Thank you. Just on BT, I was a little surprised by the growth in the quarter. I thought it would be a little bit stronger, just given what we've heard from some of the other travel companies. You can feel free to push back on that.

Just curious on how you're viewing the corporate travel market, large, managed versus small and medium. I would suspect that the performance throughout the quarter was a little bit more diverse. So if you could just talk about how you started to how you ended, I think that would be helpful. Thank you.

Jen Mason: Yeah. So I'll take that. We continue to see strength across all segments, right? Both group, BT, and leisure. BT revenue was up about 4 percent in the quarter, predominantly driven by rate growth. We expect those trends will continue.

Obviously, leisure was our strongest performer and continues to be so, and our group has also been strong this year as well. So we feel good across the segments and kind of across small, medium, large business.

Ari Klein - BMO Capital Markets: Thank you. Good morning. Tony, you touched a little bit on tech investments you've been making. Curious about the PMS rollout, where that stands, and what kind of impact you've seen so far. Thank you.

Tony Capuano: Yeah. Of course. It is a terrific story, and I think our global tech team will appreciate you asking the question so that Jen and I can thank them in a public forum. As of yesterday, we had successfully moved more than 3,000 of our hotels to the new technology ecosystem.

We have successfully achieved scale for our deployment wave size. Full waves will continue throughout 2027. We have largely finished deployment in a lot of our U.S. select service hotels. We have started to cut over some of the full service hotels, so lots of good learnings there.

We were quite deliberate in starting with some of the, I say this in quotes, simpler hotels, so that we could learn along the way. Now, as we move into full service and luxury, there will be some additional layers of complexity, but our teams are well-prepared to do that.

I think we are quite pleased both with the pace at which we are moving, the speed with which the integration is improving with every wave. Again, it is anecdotal as opposed to particularly statistically valid, but really encouraging about the on-property impact that we are seeing from the cutover.

Alex Brignall - Rothschild & Co.: Thank you very much. Just one question, please. If we look at your fee growth, and we strip out the year-on-year increase in co-branded credit card fees, then obviously you have changed your residential fees, which is quite a meaningful change year on year.

Your underlying fee growth is lagging that unit growth and RevPAR growth. Put differently, there is a slight compression in your effective royalty rate if we look to gross system sales. Could you just talk about that?

In the context of FY27, if you could give us anything on the trajectory of co-branded credit card fees and residential fees, so we can have a think about what that royalty rate might do next year. Thank you so much.

Jen Mason: Yeah. In terms of fee growth overall from your question on royalties, franchise royalty, and base fee royalty, there is no compression there. We are pleased with the year-over-year growth in our franchise fees. In terms of 2027, as Tony Capuano referenced, we are still early days in terms of giving any guidance yet on fee growth.

Chad Beynon - Macquarie Group: Good morning. Thanks for taking my question. On the leisure side, I wanted to ask about the booking window. Obviously, we have seen some really nice consistent strength. You kind of gave us a preview into 2027.

I do not think this has expanded, but can you just kind of drill into that a little bit and what we have seen from some of the elevated airline prices, if you think that will remain compressed? Thanks.

Tony Capuano: Sure. On the booking window, in Q3, the global average booking window was about 21 days. BT was at 17 days, and leisure was about 24 days, which was relatively flat year-over-year. So, not a dramatic change on any of those fronts.

Smedes Rose – Citibank: Hi. Thanks. I just wanted to ask if you could share a little more on the incentive management fees. What percent of the North American portfolio is generating fees for you?

If you are able to do, say, the midpoint of that RevPAR range for next year, would those properties continue to sort of, quote-unquote, be in the money, or will the expenses that will also be going up next year maybe mute that fee stream a little bit? Just kind of wondering how that might work.

Jen Mason: Yeah. So, maybe I will start with your second question first. Again, it is too early to give you a read on what incentive management fees would be next year, as we need to work through our budgets, certainly around the world.

In terms of percentage of hotels earning incentive fees, that varies around the world, as I know we have talked about in the past. But kind of weighted average around the world, it is about over 60 some percent.

Tony Capuano: Well, I want to thank you all again for your interest and your terrific coverage in Marriott. I wish you safe travels, and I look forward to seeing many of you at our analyst reception in New York in December. Thank you.

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Note on forward-looking statements: All statements in this document are made as of November 2, 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; shareholder returns; our growth prospects; our development pipeline; our Marriott Bonvoy loyalty program; property performance; our expectations about the current macroeconomic environment; our planned hotel sale; 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.