

**MARRIOTT INTERNATIONAL REPORTS SECOND QUARTER 2020 RESULTS**

- *Second quarter 2020 comparable systemwide constant dollar RevPAR declined 84.4 percent worldwide, 83.6 percent in North America and 86.7 percent outside North America;*
- *Second quarter reported diluted loss per share totaled \$0.72, compared to reported diluted EPS of \$0.69 in the year-ago quarter. Second quarter adjusted diluted loss per share totaled \$0.64, compared to second quarter 2019 adjusted diluted EPS of \$1.56. Second quarter 2020 impairment charges and bad debt expense related to COVID-19 impacted reported and adjusted diluted loss per share by \$0.19 and \$0.17, respectively;*
- *Second quarter reported net loss totaled \$234 million, compared to reported net income of \$232 million in the year-ago quarter. Second quarter adjusted net loss totaled \$210 million, compared to second quarter 2019 adjusted net income of \$525 million. Second quarter 2020 impairment charges and bad debt expense related to COVID-19 impacted reported and adjusted net loss by \$61 million after-tax and \$54 million after-tax, respectively;*
- *Adjusted EBITDA totaled \$61 million in the 2020 second quarter, compared to second quarter 2019 adjusted EBITDA of \$952 million. Second quarter 2020 adjusted EBITDA included \$36 million of bad debt expense related to COVID-19;*
- *The company added more than 11,400 rooms globally during the second quarter, including roughly 2,000 rooms converted from competitor brands and approximately 4,700 rooms in international markets. Net rooms grew 4.1 percent from a year ago;*
- *At quarter-end, Marriott's worldwide development pipeline totaled nearly 3,000 hotels and approximately 510,000 rooms, including roughly 28,000 rooms approved, but not yet subject to signed contracts. Over 230,000 rooms in the pipeline were under construction as of the end of the second quarter;*
- *As of the end of the second quarter, the company's net liquidity totaled approximately \$4.4 billion, representing roughly \$2.3 billion in cash and cash equivalents, and \$2.9 billion of unused borrowing capacity under its revolving credit facility, less \$0.8 billion of commercial paper outstanding.*

BETHESDA, MD – August 10, 2020 - Marriott International, Inc. (NASDAQ: MAR) today reported second quarter 2020 results, which were dramatically impacted by the COVID-19 global pandemic and efforts to contain it (COVID-19).

Arne M. Sorenson, president and chief executive officer of Marriott International, said, “While our business continues to be profoundly impacted by COVID-19, we are seeing steady signs of demand returning. Worldwide RevPAR<sup>1</sup> has climbed steadily since its low point of down 90 percent for the month of April, to a decline of 70 percent for the month of July. Worldwide occupancy rates, which bottomed at 11 percent for the week ended April 11, have improved each week, reaching nearly 34 percent for the week ended August 1. Currently, 91 percent of our worldwide hotels are now open compared to 74 percent in April, and 96 percent are open today in North America.

“Greater China continues to lead the recovery. As of early May, all our hotels in the region are open, and occupancy levels are now reaching 60 percent, compared to 70 percent the same time last year, and a marked improvement from single-digit levels in February. While Greater China’s recovery was originally led by demand from leisure travelers, particularly in resorts and drive-to destinations, we are now seeing more widespread business demand, including some group activity.

“The improvement we have seen in Greater China exemplifies the resilience of travel demand once there is a view that the virus is under control and travel restrictions have eased. Our other regions around the world have also experienced steady improvements in demand and RevPAR over the last couple of months, though the pace varies and tends to be slower in regions that depend more on international travelers.

“Over the last few months, we have moved quickly and decisively to mitigate the impact of COVID-19 on our business. We have implemented measures to help our owners manage

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<sup>1</sup> All occupancy and RevPAR statistics are comparable systemwide constant dollar and include hotels that have been temporarily closed due to COVID-19. Unless otherwise stated, all changes refer to year-over-year changes for the comparable period.

through the crisis and strengthened our financial position by increasing our liquidity, extending our average debt maturity, and reducing our cash outlays significantly.

“Our pipeline remains strong with approximately 510,000 rooms, 45 percent of which are under construction. We are gratified to see owners continuing to choose our brands. In the first half of the year, we signed 30 percent more deals in the Asia Pacific region than we did in the same period last year. By the end of the second quarter, our rooms distribution around the world had grown by 4.1 percent, net, compared to one year prior. With the restrictions related to the pandemic slowing construction timelines, there is uncertainty surrounding future rooms growth. Given current trends, we estimate rooms could grow by 2 to 3 percent, net, for the full year.

“While the full recovery from COVID-19 will clearly take time, the current trends we are seeing reinforce our view that when people feel safe traveling, demand returns quickly. My thoughts continue to be with all who have been impacted by the pandemic.”

### **Second Quarter 2020 Results**

Marriott’s reported operating loss totaled \$154 million in the 2020 second quarter, compared to 2019 second quarter reported operating income of \$409 million. Reported net loss totaled \$234 million in the 2020 second quarter, compared to 2019 second quarter reported net income of \$232 million. Reported diluted loss per share totaled \$0.72 in the quarter, compared to reported diluted earnings per share (EPS) of \$0.69 in the year-ago quarter. Reported results in the 2020 second quarter included impairment charges and bad debt expense of \$77 million pretax (\$61 million after-tax and \$0.19 per share), related to COVID-19.

Adjusted operating loss in the 2020 second quarter totaled \$109 million, compared to 2019 second quarter adjusted operating income of \$786 million. Adjusted operating loss in the 2020 second quarter included impairment charges and bad debt expense of \$60 million, related to COVID-19.

Second quarter 2020 adjusted net loss totaled \$210 million, compared to 2019 second quarter adjusted net income of \$525 million. Adjusted diluted loss per share in the second quarter totaled \$0.64, compared to adjusted diluted EPS of \$1.56 in the year-ago quarter. These 2020 second quarter adjusted results included impairment charges and bad debt expense of \$54 million after-tax (\$0.17 per share), related to COVID-19. Adjusted results exclude restructuring and merger-related charges, cost reimbursement revenue, and reimbursed expenses. See page A-3 for the calculation of adjusted results.

Base management and franchise fees totaled \$222 million in the 2020 second quarter, compared to base management and franchise fees of \$834 million in the year-ago quarter. The year-over-year decline in these fees is primarily attributable to RevPAR declines related to COVID-19 and a decrease in other non-RevPAR related franchise fees. Other non-RevPAR related franchises fees in the 2020 second quarter of \$107 million declined \$39 million compared to the year-ago quarter, largely due to lower credit card branding fees.

Incentive management fees totaled \$12 million in the 2020 second quarter, compared to incentive management fees of \$165 million in the year-ago quarter. The year-over-year decline in these fees is primarily attributable to lower net house profits at many hotels related to COVID-19. Most of the incentive management fees recognized in the quarter were earned at hotels in the Asia Pacific region.

Contract investment amortization for the 2020 second quarter totaled \$21 million, compared to \$15 million in the year-ago quarter. The year-over-year change largely reflects impairments of investments in management and franchise contracts.

Owned, leased, and other revenue, net of direct expenses, totaled a \$72 million loss in the 2020 second quarter, compared to \$87 million of profit in the year-ago quarter as a result of RevPAR declines related to COVID-19.

Depreciation, amortization, and other expenses for the 2020 second quarter totaled \$72 million, compared to \$56 million in the year-ago quarter. The year-over-year change largely

reflects a \$15 million impairment charge related to COVID-19 associated with several limited-service leased hotels in North America and impairments of investments in management and franchise contracts.

General, administrative, and other expenses for the 2020 second quarter totaled \$178 million, compared to \$229 million in the year-ago quarter. Expenses in the 2020 second quarter reflect the company's cost reduction efforts and include \$34 million of bad debt expense due to higher projected losses related to COVID-19.

Restructuring and merger-related charges totaled \$6 million in the second quarter compared to \$173 million in the second quarter of 2019. Charges in the second quarter of 2019 reflected a \$126 million non-tax deductible accrual for the fine proposed by the U.K. Information Commissioner's Office in July 2019 in relation to the data security incident and a \$34 million asset impairment for a legacy-Starwood office building.

Interest expense, net, totaled \$119 million in the second quarter compared to \$96 million in the year-ago quarter. The increase is largely due to higher debt balances.

Equity in losses for the second quarter totaled \$30 million, largely reflecting the decline in results at joint venture properties due to COVID-19 and an \$8 million asset impairment.

Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled \$61 million in the 2020 second quarter, compared to second quarter 2019 adjusted EBITDA of \$952 million. Second quarter 2020 adjusted EBITDA included \$36 million of bad debt expense related to COVID-19. See page A-11 for the adjusted EBITDA calculation.

### **Selected Performance Information**

The company added 75 new properties (11,407 rooms) to its worldwide lodging portfolio during the 2020 second quarter, including roughly 2,000 rooms converted from competitor brands and approximately 4,700 rooms in international markets. Eleven properties (2,669 rooms) exited

the system during the quarter. At quarter-end, Marriott's global lodging system totaled roughly 7,500 properties and timeshare resorts, with nearly 1,401,000 rooms.

At quarter-end, the company's worldwide development pipeline totaled 2,997 properties with approximately 510,000 rooms, including 1,240 properties with over 230,000 rooms under construction and 164 properties with roughly 28,000 rooms approved for development, but not yet subject to signed contracts.

In the 2020 second quarter, worldwide RevPAR declined 84.4 percent (an 84.6 percent decline using actual dollars). North American RevPAR declined 83.6 percent (an 83.6 percent decline using actual dollars), and international RevPAR declined 86.7 percent (an 87.1 percent decline using actual dollars).

### **Balance Sheet and Liquidity**

At quarter-end, Marriott's total debt was \$11.8 billion and cash balances totaled \$2.3 billion, compared to \$10.9 billion in debt and \$225 million of cash at year-end 2019.

In the second quarter, the company issued \$1.6 billion of Series EE Senior Notes due in 2025 with a 5.75 percent interest rate coupon and \$1.0 billion of Series FF Senior Notes due in 2030 with a 4.625 percent interest rate coupon. In early May, Marriott raised \$920 million in additional liquidity through amendments to its co-brand credit card agreements with JPMorgan Chase & Co. and American Express.

In June 2020, Marriott completed a cash tender offer and retired \$853 million aggregate principal amount of Senior Notes maturing in 2022. The company used proceeds from the Series FF Senior Notes offering to complete the repurchase of such notes, including the payment of accrued interest and other costs incurred.

The company's net liquidity was approximately \$4.4 billion as of the end of the second quarter, representing roughly \$2.3 billion in cash and cash equivalents, and \$2.9 billion of unused

borrowing capacity under its revolving credit facility, less \$0.8 billion of commercial paper outstanding.

The company halted share repurchases in February of this year and suspended its quarterly dividend beginning in the second quarter.

### **COVID-19**

Due to the numerous uncertainties associated with COVID-19, Marriott cannot presently estimate the financial impact of this unprecedented situation, which is highly dependent on the severity and duration of the pandemic and its impacts, but expects that COVID-19 will continue to be material to the company's results.

The company expects to provide additional information about the current impact of COVID-19 on its business on its call later this morning.

Marriott International, Inc. (NASDAQ: MAR) will conduct its quarterly earnings review for the investment community and news media on Monday, August 10, 2020 at 8:30 a.m. Eastern Time (ET). The conference call will be webcast simultaneously via Marriott's investor relations website at <http://www.marriott.com/investor>, click on "Events & Presentations" and click on the quarterly conference call link. A replay will be available at that same website until August 10, 2021.

The telephone dial-in number for the conference call is 706-679-3455 and the conference ID is 5581216. A telephone replay of the conference call will be available from 11:00 a.m. ET, Monday, August 10, 2020 until 8:00 p.m. ET, Monday, August 17, 2020. To access the replay, call 404-537-3406. The conference ID for the recording is 5581216.

### **Note on forward-looking statements: !**

All statements in this press release and the accompanying schedules are made as of August 10, 2020. We undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise. This press release and the accompanying schedules contain "forward-looking statements" within the meaning of federal securities laws, including statements related to the expected effects on our business of the COVID-19 pandemic and efforts to contain it (COVID-19); future performance of the company's hotels; RevPAR,

occupancy and demand estimates and trends; our development pipeline and room openings; our liquidity 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. Risks that could affect forward-looking statements in this press release include the duration and scope of COVID-19, including whether, where and to what extent resurgences of the virus occur; its 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 or banning 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 COVID-19'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 or effective treatments or vaccines become available; 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 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 other restructuring activities; competitive conditions in the lodging industry; relationships with clients 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 operate. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release.

**Marriott International, Inc.** (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of more than 7,400 properties under 30 leading brands spanning 135 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. The company offers Marriott Bonvoy™, its highly-awarded travel program. For more information, please visit our website at [www.marriott.com](http://www.marriott.com), and for the latest company news, visit [www.marriottnewscenter.com](http://www.marriottnewscenter.com). In addition, connect with us on [Facebook](#) and [@MarriottIntl](#) on [Twitter](#) and [Instagram](#).

Marriott may post updates about COVID-19 and other matters on its investor relations website at [www.marriott.com/investor](http://www.marriott.com/investor) or Marriott's news center website at [www.marriottnewscenter.com](http://www.marriottnewscenter.com). Marriott encourages investors, the media, and others interested in the company to review and subscribe to the information Marriott posts on these websites, which may be material. The contents of these websites are not incorporated by reference into this press release or any report or document Marriott files with the SEC, and any references to the websites are intended to be inactive textual references only.



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**MARRIOTT INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED**  
**SECOND QUARTER 2020 AND 2019**

(in millions except per share amounts, unaudited)

|  | As Reported<br>Three Months Ended<br>June 30, 2020 | As Reported<br>Three Months Ended<br>June 30, 2019 | Percent<br>Better/(Worse)<br>Reported 2020 vs. 2019 |
|--|--|--|---|
| <b>REVENUES</b>                                    |  |  |   |
| Base management fees                               | \$ 40  | \$ 309   | (87)  |
| Franchise fees <sup>1</sup>                        | 182  | 525  | (65)  |
| Incentive management fees                          | 12   | 165  | (93)  |
| <b>Gross Fee Revenues</b>                          | <b>234</b>   | <b>999</b>   | <b>(77)</b>   |
| Contract investment amortization <sup>2</sup>      | (21)   | (15)   | (40)  |
| <b>Net Fee Revenues</b>                            | <b>213</b>   | <b>984</b>   | <b>(78)</b>   |
| Owned, leased, and other revenue <sup>3</sup>      | 49   | 418  | (88)  |
| Cost reimbursement revenue <sup>4</sup>            | 1,202  | 3,903  | (69)  |
| <b>Total Revenues</b>                              | <b>1,464</b>                                       | <b>5,305</b>                                       | <b>(72)</b>   |
| <b>OPERATING COSTS AND EXPENSES</b>                |  |  |   |
| Owned, leased, and other - direct <sup>5</sup>     | 121  | 331  | 63  |
| Depreciation, amortization, and other <sup>6</sup> | 72   | 56   | (29)  |
| General, administrative, and other <sup>7</sup>    | 178  | 229  | 22  |
| Restructuring and merger-related charges           | 6  | 173  | 97  |
| Reimbursed expenses <sup>4</sup>                   | 1,241  | 4,107  | 70  |
| <b>Total Expenses</b>                              | <b>1,618</b>                                       | <b>4,896</b>                                       | <b>67</b>   |
| <b>OPERATING (LOSS) INCOME</b>                     | <b>(154)</b>                                       | <b>409</b>   | <b>(138)</b>  |
| Gains and other income, net <sup>8</sup>           | 5  | 1  | 400   |
| Interest expense                                   | (127)  | (102)  | (25)  |
| Interest income                                    | 8  | 6  | 33  |
| Equity in (losses) earnings <sup>9</sup>           | (30)   | -  | *   |
| <b>(LOSS) INCOME BEFORE INCOME TAXES</b>           | <b>(298)</b>                                       | <b>314</b>   | <b>(195)</b>  |
| Benefit (provision) for income taxes               | 64   | (82)   | 178   |
| <b>NET (LOSS) INCOME</b>                           | <b>\$ (234)</b>                                    | <b>\$ 232</b>                                      | <b>(201)</b>  |
| <b>(LOSS) EARNINGS PER SHARE</b>                   |  |  |   |
| (Loss) earnings per share - basic                  | \$ (0.72)  | \$ 0.70  | (203)   |
| (Loss) earnings per share - diluted                | \$ (0.72)  | \$ 0.69  | (204)   |
| Basic Shares                                       | 325.6  | 333.8  |   |
| Diluted Shares <sup>10</sup>                       | 325.6  | 336.4  |   |

\* Calculated percentage is not meaningful.

<sup>1</sup> *Franchise fees* include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees.

<sup>2</sup> *Contract investment amortization* includes amortization of capitalized costs to obtain contracts with our owner and franchisee customers, and any related impairments, accelerations, or write-offs.

<sup>3</sup> *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, and other revenue.

<sup>4</sup> *Cost reimbursement revenue* includes reimbursements from properties for property-level and centralized programs and services that we operate for the benefit of our hotel owners. *Reimbursed expenses* include costs incurred by Marriott for certain property-level operating expenses and centralized programs and services.

<sup>5</sup> *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

<sup>6</sup> *Depreciation, amortization, and other* expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

<sup>7</sup> *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

<sup>8</sup> *Gains and other income, net* includes gains and losses on the sale of real estate, the sale of joint venture interests and other investments, and adjustments from other equity investments.

<sup>9</sup> *Equity in (loss) earnings* include our equity in earnings or losses of unconsolidated equity method investments.

<sup>10</sup> Basic and fully diluted weighted average shares outstanding used to calculate (loss) earnings per share for the period in which we had a loss are the same because inclusion of additional equivalents would be anti-dilutive.

**MARRIOTT INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED**  
**SECOND QUARTER 2020 AND 2019**

(in millions except per share amounts, unaudited)

|  | As Reported<br>Six Months Ended<br>June 30, 2020 | As Reported<br>Six Months Ended<br>June 30, 2019 | Percent<br>Better/(Worse)<br>Reported 2020 vs. 2019 |
|--|--|--|---|
| <b>REVENUES</b>                                    |  |  |   |
| Base management fees                               | \$ 254   | \$ 591   | (57)  |
| Franchise fees <sup>1</sup>                        | 597  | 975  | (39)  |
| Incentive management fees                          | 12   | 328  | (96)  |
| <b>Gross Fee Revenues</b>                          | <b>863</b>                                       | <b>1,894</b>                                     | <b>(54)</b>   |
| Contract investment amortization <sup>2</sup>      | (46)   | (29)   | (59)  |
| <b>Net Fee Revenues</b>                            | <b>817</b>                                       | <b>1,865</b>                                     | <b>(56)</b>   |
| Owned, leased, and other revenue <sup>3</sup>      | 329  | 793  | (59)  |
| Cost reimbursement revenue <sup>4</sup>            | 4,999  | 7,659  | (35)  |
| <b>Total Revenues</b>                              | <b>6,145</b>                                     | <b>10,317</b>                                    | <b>(40)</b>   |
| <b>OPERATING COSTS AND EXPENSES</b>                |  |  |   |
| Owned, leased, and other - direct <sup>5</sup>     | 393  | 656  | 40  |
| Depreciation, amortization, and other <sup>6</sup> | 222  | 110  | (102)   |
| General, administrative, and other <sup>7</sup>    | 448  | 451  | 1   |
| Restructuring and merger-related charges           | 4  | 182  | 98  |
| Reimbursed expenses <sup>4</sup>                   | 5,118  | 7,999  | 36  |
| <b>Total Expenses</b>                              | <b>6,185</b>                                     | <b>9,398</b>                                     | <b>34</b>   |
| <b>OPERATING (LOSS) INCOME</b>                     | <b>(40)</b>                                      | <b>919</b>                                       | <b>(104)</b>  |
| Gains and other income, net <sup>8</sup>           | 1  | 6  | (83)  |
| Interest expense                                   | (220)  | (199)  | (11)  |
| Interest income                                    | 14   | 12   | 17  |
| Equity in (losses) earnings <sup>9</sup>           | (34)   | 8  | (525)   |
| <b>(LOSS) INCOME BEFORE INCOME TAXES</b>           | <b>(279)</b>                                     | <b>746</b>                                       | <b>(137)</b>  |
| Benefit (provision) for income taxes               | 76   | (139)  | 155   |
| <b>NET (LOSS) INCOME</b>                           | <b>\$ (203)</b>                                  | <b>\$ 607</b>                                    | <b>(133)</b>  |
| <b>(LOSS) EARNINGS PER SHARE</b>                   |  |  |   |
| (Loss) earnings per share - basic                  | \$ (0.63)  | \$ 1.80  | (135)   |
| (Loss) earnings per share - diluted                | \$ (0.63)  | \$ 1.79  | (135)   |
| Basic Shares                                       | 325.5  | 336.7  |   |
| Diluted Shares <sup>10</sup>                       | 325.5  | 339.6  |   |

<sup>1</sup> *Franchise fees* include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees.

<sup>2</sup> *Contract investment amortization* includes amortization of capitalized costs to obtain contracts with our owner and franchisee customers, and any related impairments, accelerations, or write-offs.

<sup>3</sup> *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, and other revenue.

<sup>4</sup> *Cost reimbursement revenue* includes reimbursements from properties for property-level and centralized programs and services that we operate for the benefit of our hotel owners. *Reimbursed expenses* include costs incurred by Marriott for certain property-level operating expenses and centralized programs and services.

<sup>5</sup> *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

<sup>6</sup> *Depreciation, amortization, and other* expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

<sup>7</sup> *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

<sup>8</sup> *Gains and other income, net* includes gains and losses on the sale of real estate, the sale of joint venture interests and other investments, and adjustments from other equity investments.

<sup>9</sup> *Equity in (loss) earnings* include our equity in earnings or losses of unconsolidated equity method investments.

<sup>10</sup> Basic and fully diluted weighted average shares outstanding used to calculate (loss) earnings per share for the period in which we had a loss are the same because inclusion of additional equivalents would be anti-dilutive.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**

(\$ in millions except per share amounts)

The following table presents our reconciliations of Adjusted operating (loss) income, Adjusted operating (loss) income margin, Adjusted net (loss) income, and Adjusted diluted (loss) earnings per share, to the most directly comparable GAAP measure. Adjusted total revenues is used in the determination of Adjusted operating (loss) income margin.

|   | Three Months Ended |                  |                               | Six Months Ended |                  |                               |
|---|--------------------|------------------|-------------------------------|------------------|------------------|-------------------------------|
|   | June 30,<br>2020   | June 30,<br>2019 | Percent<br>Better/<br>(Worse) | June 30,<br>2020 | June 30,<br>2019 | Percent<br>Better/<br>(Worse) |
| Total revenues, as reported                           | \$ 1,464           | \$ 5,305         |                               | \$ 6,145         | \$ 10,317        |                               |
| Less: Cost reimbursement revenue                      | (1,202)            | (3,903)          |                               | (4,999)          | (7,659)          |                               |
| Adjusted total revenues**                             | 262                | 1,402            |                               | 1,146            | 2,658            |                               |
| Operating (loss) income, as reported                  | (154)              | 409              |                               | (40)             | 919              |                               |
| Less: Cost reimbursement revenue                      | (1,202)            | (3,903)          |                               | (4,999)          | (7,659)          |                               |
| Add: Reimbursed expenses                              | 1,241              | 4,107            |                               | 5,118            | 7,999            |                               |
| Add: Restructuring and merger-related charges         | 6                  | 173              |                               | 4                | 182              |                               |
| <b>Adjusted operating (loss) income **</b>            | <b>(109)</b>       | <b>786</b>       | <b>-114%</b>                  | <b>83</b>        | <b>1,441</b>     | <b>-94%</b>                   |
| <b>Operating (loss) income margin</b>                 | <b>-11%</b>        | <b>8%</b>        |                               | <b>-1%</b>       | <b>9%</b>        |                               |
| <b>Adjusted operating (loss) income margin **</b>     | <b>-42%</b>        | <b>56%</b>       |                               | <b>7%</b>        | <b>54%</b>       |                               |
| Net (loss) income, as reported                        | (234)              | 232              |                               | (203)            | 607              |                               |
| Less: Cost reimbursement revenue                      | (1,202)            | (3,903)          |                               | (4,999)          | (7,659)          |                               |
| Add: Reimbursed expenses                              | 1,241              | 4,107            |                               | 5,118            | 7,999            |                               |
| Add: Restructuring and merger-related charges         | 6                  | 173              |                               | 4                | 182              |                               |
| Income tax effect of above adjustments                | (21)               | (84)             |                               | (45)             | (122)            |                               |
| <b>Adjusted net (loss) income **</b>                  | <b>\$ (210)</b>    | <b>\$ 525</b>    | <b>-140%</b>                  | <b>\$ (125)</b>  | <b>\$ 1,007</b>  | <b>-112%</b>                  |
| <b>Diluted (loss) earnings per share, as reported</b> | <b>\$ (0.72)</b>   | <b>\$ 0.69</b>   |                               | <b>\$ (0.63)</b> | <b>\$ 1.79</b>   |                               |
| <b>Adjusted diluted (loss) earnings per share**</b>   | <b>\$ (0.64)</b>   | <b>\$ 1.56</b>   | <b>-141%</b>                  | <b>\$ (0.38)</b> | <b>\$ 2.97</b>   | <b>-113%</b>                  |

\*\* Denotes non-GAAP financial measures. Please see pages A-12 and A-13 for information about our reasons for providing these alternative financial measures and the limitations on their use.

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**  
As of June 30, 2020

|                                      | North America |                | Total International |                | Total Worldwide |                |
|--------------------------------------|---------------|----------------|---------------------|----------------|-----------------|----------------|
|                                      | Units         | Rooms          | Units               | Rooms          | Units           | Rooms          |
| <b>Managed</b>                       | <b>761</b>    | <b>240,275</b> | <b>1,257</b>        | <b>323,978</b> | <b>2,018</b>    | <b>564,253</b> |
| Marriott Hotels                      | 119           | 64,049         | 177                 | 51,890         | 296             | 115,939        |
| Marriott Hotels Serviced Apartments  | -             | -              | 1                   | 154            | 1               | 154            |
| Sheraton                             | 28            | 23,609         | 190                 | 64,098         | 218             | 87,707         |
| Sheraton Serviced Apartments         | -             | -              | 1                   | 212            | 1               | 212            |
| Courtyard                            | 233           | 37,020         | 104                 | 22,705         | 337             | 59,725         |
| Westin                               | 42            | 22,861         | 71                  | 21,786         | 113             | 44,647         |
| JW Marriott                          | 18            | 11,210         | 59                  | 22,108         | 77              | 33,318         |
| Renaissance                          | 28            | 12,019         | 59                  | 18,312         | 87              | 30,331         |
| The Ritz-Carlton                     | 39            | 11,538         | 61                  | 15,928         | 100             | 27,466         |
| The Ritz-Carlton Serviced Apartments | -             | -              | 5                   | 713            | 5               | 713            |
| Le Méridien                          | 3             | 570            | 75                  | 20,844         | 78              | 21,414         |
| Four Points                          | 1             | 134            | 79                  | 20,498         | 80              | 20,632         |
| Residence Inn                        | 108           | 16,498         | 6                   | 701            | 114             | 17,199         |
| W Hotels                             | 24            | 6,902          | 31                  | 8,148          | 55              | 15,050         |
| The Luxury Collection                | 5             | 2,236          | 51                  | 9,241          | 56              | 11,477         |
| Gaylord Hotels                       | 6             | 9,918          | -                   | -              | 6               | 9,918          |
| St. Regis                            | 10            | 1,968          | 34                  | 7,819          | 44              | 9,787          |
| St. Regis Serviced Apartments        | -             | -              | 1                   | 70             | 1               | 70             |
| Aloft                                | 1             | 330            | 40                  | 9,193          | 41              | 9,523          |
| AC Hotels by Marriott                | 5             | 901            | 68                  | 8,323          | 73              | 9,224          |
| Delta Hotels                         | 25            | 6,770          | 1                   | 360            | 26              | 7,130          |
| Fairfield by Marriott                | 7             | 1,539          | 33                  | 5,335          | 40              | 6,874          |
| SpringHill Suites                    | 30            | 4,896          | -                   | -              | 30              | 4,896          |
| Marriott Executive Apartments        | -             | -              | 33                  | 4,756          | 33              | 4,756          |
| Autograph Collection                 | 7             | 1,970          | 15                  | 2,321          | 22              | 4,291          |
| Protea Hotels                        | -             | -              | 35                  | 4,270          | 35              | 4,270          |
| EDITION                              | 4             | 1,209          | 6                   | 1,282          | 10              | 2,491          |
| TownePlace Suites                    | 17            | 1,948          | -                   | -              | 17              | 1,948          |
| Element                              | 1             | 180            | 7                   | 1,421          | 8               | 1,601          |
| Moxy                                 | -             | -              | 4                   | 599            | 4               | 599            |
| Tribute Portfolio                    | -             | -              | 5                   | 453            | 5               | 453            |
| Bulgari                              | -             | -              | 5                   | 438            | 5               | 438            |
| <b>Franchised</b>                    | <b>4,570</b>  | <b>657,347</b> | <b>644</b>          | <b>131,261</b> | <b>5,214</b>    | <b>788,608</b> |
| Courtyard                            | 807           | 107,588        | 87                  | 16,074         | 894             | 123,662        |
| Fairfield by Marriott                | 1,022         | 95,184         | 25                  | 4,187          | 1,047           | 99,371         |
| Residence Inn                        | 727           | 86,781         | 12                  | 1,473          | 739             | 88,254         |
| Marriott Hotels                      | 220           | 69,314         | 58                  | 16,707         | 278             | 86,021         |
| Sheraton                             | 158           | 47,465         | 65                  | 18,403         | 223             | 65,868         |
| SpringHill Suites                    | 440           | 50,699         | -                   | -              | 440             | 50,699         |
| TownePlace Suites                    | 416           | 42,005         | -                   | -              | 416             | 42,005         |
| Westin                               | 88            | 29,452         | 24                  | 7,436          | 112             | 36,888         |
| Autograph Collection                 | 105           | 21,127         | 65                  | 12,612         | 170             | 33,739         |
| Four Points                          | 158           | 23,948         | 53                  | 8,474          | 211             | 32,422         |
| Renaissance                          | 58            | 16,657         | 28                  | 7,691          | 86              | 24,348         |
| Aloft                                | 124           | 18,160         | 18                  | 2,977          | 142             | 21,137         |
| AC Hotels by Marriott                | 63            | 10,614         | 34                  | 5,973          | 97              | 16,587         |
| Moxy                                 | 21            | 4,149          | 38                  | 7,685          | 59              | 11,834         |
| Delta Hotels                         | 47            | 10,447         | 6                   | 1,067          | 53              | 11,514         |
| The Luxury Collection                | 11            | 2,565          | 46                  | 8,601          | 57              | 11,166         |
| Le Méridien                          | 18            | 3,910          | 17                  | 4,240          | 35              | 8,150          |
| JW Marriott                          | 12            | 5,643          | 6                   | 1,624          | 18              | 7,267          |
| Element                              | 48            | 6,527          | 2                   | 293            | 50              | 6,820          |
| Tribute Portfolio                    | 22            | 3,942          | 15                  | 1,840          | 37              | 5,782          |
| Protea Hotels                        | -             | -              | 38                  | 3,059          | 38              | 3,059          |
| Design Hotels                        | 4             | 741            | 5                   | 694            | 9               | 1,435          |
| The Ritz-Carlton                     | 1             | 429            | -                   | -              | 1               | 429            |
| Bulgari                              | -             | -              | 1                   | 85             | 1               | 85             |
| Marriott Executive Apartments        | -             | -              | 1                   | 66             | 1               | 66             |

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**  
As of June 30, 2020

|                                    | North America |                | Total International |                | Total Worldwide |                  |
|------------------------------------|---------------|----------------|---------------------|----------------|-----------------|------------------|
|                                    | Units         | Rooms          | Units               | Rooms          | Units           | Rooms            |
| <b>Owned/Leased</b>                | <b>26</b>     | <b>6,483</b>   | <b>40</b>           | <b>9,161</b>   | <b>66</b>       | <b>15,644</b>    |
| Courtyard                          | 19            | 2,814          | 4                   | 894            | 23              | 3,708            |
| Marriott Hotels                    | 2             | 1,308          | 5                   | 1,631          | 7               | 2,939            |
| Sheraton                           | -             | -              | 4                   | 1,830          | 4               | 1,830            |
| W Hotels                           | 2             | 779            | 2                   | 665            | 4               | 1,444            |
| Protea Hotels                      | -             | -              | 7                   | 1,168          | 7               | 1,168            |
| Westin                             | 1             | 1,073          | -                   | -              | 1               | 1,073            |
| Renaissance                        | 1             | 317            | 2                   | 505            | 3               | 822              |
| Autograph Collection <sup>1</sup>  | -             | -              | 7                   | 705            | 7               | 705              |
| The Ritz-Carlton                   | -             | -              | 2                   | 550            | 2               | 550              |
| JW Marriott                        | -             | -              | 1                   | 496            | 1               | 496              |
| The Luxury Collection <sup>2</sup> | -             | -              | 4                   | 417            | 4               | 417              |
| Residence Inn                      | 1             | 192            | 1                   | 140            | 2               | 332              |
| St. Regis                          | -             | -              | 1                   | 160            | 1               | 160              |
| <b>Residences</b>                  | <b>61</b>     | <b>6,334</b>   | <b>34</b>           | <b>3,099</b>   | <b>95</b>       | <b>9,433</b>     |
| The Ritz-Carlton Residences        | 36            | 4,080          | 11                  | 938            | 47              | 5,018            |
| W Residences                       | 10            | 1,089          | 5                   | 519            | 15              | 1,608            |
| St. Regis Residences               | 8             | 703            | 7                   | 598            | 15              | 1,301            |
| Westin Residences                  | 3             | 266            | 1                   | 264            | 4               | 530              |
| Bulgari Residences                 | -             | -              | 4                   | 448            | 4               | 448              |
| The Luxury Collection Residences   | 2             | 151            | 3                   | 112            | 5               | 263              |
| Marriott Hotels Residences         | -             | -              | 1                   | 108            | 1               | 108              |
| Autograph Collection Residences    | -             | -              | 1                   | 62             | 1               | 62               |
| Sheraton Residences                | -             | -              | 1                   | 50             | 1               | 50               |
| EDITION Residences                 | 2             | 45             | -                   | -              | 2               | 45               |
| <b>Timeshare*</b>                  | <b>72</b>     | <b>18,905</b>  | <b>19</b>           | <b>3,850</b>   | <b>91</b>       | <b>22,755</b>    |
| <b>Grand Total</b>                 | <b>5,490</b>  | <b>929,344</b> | <b>1,994</b>        | <b>471,349</b> | <b>7,484</b>    | <b>1,400,693</b> |

\*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

<sup>1</sup> Includes five properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under the Autograph Collection brand following the completion of planned renovations.

<sup>2</sup> Includes two properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under The Luxury Collection brand following the completion of planned renovations.

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**  
As of June 30, 2020

| <i><b>Total Systemwide</b></i>       | <b>North America</b> |                | <b>Total International</b> |                | <b>Total Worldwide</b> |                  |
|--------------------------------------|----------------------|----------------|----------------------------|----------------|------------------------|------------------|
|                                      | <i>Units</i>         | <i>Rooms</i>   | <i>Units</i>               | <i>Rooms</i>   | <i>Units</i>           | <i>Rooms</i>     |
| <b>Luxury</b>                        | <b>184</b>           | <b>50,547</b>  | <b>346</b>                 | <b>80,960</b>  | <b>530</b>             | <b>131,507</b>   |
| JW Marriott                          | 30                   | 16,853         | 66                         | 24,228         | 96                     | 41,081           |
| The Ritz-Carlton                     | 40                   | 11,967         | 63                         | 16,478         | 103                    | 28,445           |
| The Ritz-Carlton Residences          | 36                   | 4,080          | 11                         | 938            | 47                     | 5,018            |
| The Ritz-Carlton Serviced Apartments | -                    | -              | 5                          | 713            | 5                      | 713              |
| The Luxury Collection <sup>1</sup>   | 16                   | 4,801          | 101                        | 18,259         | 117                    | 23,060           |
| The Luxury Collection Residences     | 2                    | 151            | 3                          | 112            | 5                      | 263              |
| W Hotels                             | 26                   | 7,681          | 33                         | 8,813          | 59                     | 16,494           |
| W Residences                         | 10                   | 1,089          | 5                          | 519            | 15                     | 1,608            |
| St. Regis                            | 10                   | 1,968          | 35                         | 7,979          | 45                     | 9,947            |
| St. Regis Residences                 | 8                    | 703            | 7                          | 598            | 15                     | 1,301            |
| St. Regis Serviced Apartments        | -                    | -              | 1                          | 70             | 1                      | 70               |
| EDITION                              | 4                    | 1,209          | 6                          | 1,282          | 10                     | 2,491            |
| EDITION Residences                   | 2                    | 45             | -                          | -              | 2                      | 45               |
| Bulgari                              | -                    | -              | 6                          | 523            | 6                      | 523              |
| Bulgari Residences                   | -                    | -              | 4                          | 448            | 4                      | 448              |
| <b>Full-Service</b>                  | <b>985</b>           | <b>347,785</b> | <b>934</b>                 | <b>261,097</b> | <b>1,919</b>           | <b>608,882</b>   |
| Marriott Hotels                      | 341                  | 134,671        | 240                        | 70,228         | 581                    | 204,899          |
| Marriott Hotels Residences           | -                    | -              | 1                          | 108            | 1                      | 108              |
| Marriott Hotels Serviced Apartments  | -                    | -              | 1                          | 154            | 1                      | 154              |
| Sheraton                             | 186                  | 71,074         | 259                        | 84,331         | 445                    | 155,405          |
| Sheraton Residences                  | -                    | -              | 1                          | 50             | 1                      | 50               |
| Sheraton Serviced Apartments         | -                    | -              | 1                          | 212            | 1                      | 212              |
| Westin                               | 131                  | 53,386         | 95                         | 29,222         | 226                    | 82,608           |
| Westin Residences                    | 3                    | 266            | 1                          | 264            | 4                      | 530              |
| Renaissance                          | 87                   | 28,993         | 89                         | 26,508         | 176                    | 55,501           |
| Autograph Collection <sup>2</sup>    | 112                  | 23,097         | 87                         | 15,638         | 199                    | 38,735           |
| Autograph Collection Residences      | -                    | -              | 1                          | 62             | 1                      | 62               |
| Le Méridien                          | 21                   | 4,480          | 92                         | 25,084         | 113                    | 29,564           |
| Delta Hotels                         | 72                   | 17,217         | 7                          | 1,427          | 79                     | 18,644           |
| Gaylord Hotels                       | 6                    | 9,918          | -                          | -              | 6                      | 9,918            |
| Tribute Portfolio                    | 22                   | 3,942          | 20                         | 2,293          | 42                     | 6,235            |
| Marriott Executive Apartments        | -                    | -              | 34                         | 4,822          | 34                     | 4,822            |
| Design Hotels                        | 4                    | 741            | 5                          | 694            | 9                      | 1,435            |
| <b>Limited-Service</b>               | <b>4,249</b>         | <b>512,107</b> | <b>695</b>                 | <b>125,442</b> | <b>4,944</b>           | <b>637,549</b>   |
| Courtyard                            | 1,059                | 147,422        | 195                        | 39,673         | 1,254                  | 187,095          |
| Residence Inn                        | 836                  | 103,471        | 19                         | 2,314          | 855                    | 105,785          |
| Fairfield by Marriott                | 1,029                | 96,723         | 58                         | 9,522          | 1,087                  | 106,245          |
| SpringHill Suites                    | 470                  | 55,595         | -                          | -              | 470                    | 55,595           |
| Four Points                          | 159                  | 24,082         | 132                        | 28,972         | 291                    | 53,054           |
| TownePlace Suites                    | 433                  | 43,953         | -                          | -              | 433                    | 43,953           |
| Aloft                                | 125                  | 18,490         | 58                         | 12,170         | 183                    | 30,660           |
| AC Hotels by Marriott                | 68                   | 11,515         | 102                        | 14,296         | 170                    | 25,811           |
| Moxy                                 | 21                   | 4,149          | 42                         | 8,284          | 63                     | 12,433           |
| Protea Hotels                        | -                    | -              | 80                         | 8,497          | 80                     | 8,497            |
| Element                              | 49                   | 6,707          | 9                          | 1,714          | 58                     | 8,421            |
| <b>Timeshare*</b>                    | <b>72</b>            | <b>18,905</b>  | <b>19</b>                  | <b>3,850</b>   | <b>91</b>              | <b>22,755</b>    |
| <b>Grand Total</b>                   | <b>5,490</b>         | <b>929,344</b> | <b>1,994</b>               | <b>471,349</b> | <b>7,484</b>           | <b>1,400,693</b> |

\*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

<sup>1</sup> Includes two properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under The Luxury Collection brand following the completion of planned renovations.

<sup>2</sup> Includes five properties acquired when we purchased Elegant Hotels Group in December 2019 which we currently intend to re-brand under the Autograph Collection brand following the completion of planned renovations.



**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
In Constant \$

**Comparable Company-Operated North American Properties**

| Brand   | Three Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|---|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|   | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|   | 2020   | vs. 2019      | 2020         | vs. 2019      | pts.        | 2020               | vs. 2019      |
| JW Marriott   | \$14.76  | -93.8%        | 6.1%         | -76.8%        | pts.        | \$242.38           | -15.1%        |
| The Ritz-Carlton  | \$30.82  | -89.9%        | 8.3%         | -67.3%        | pts.        | \$373.50           | -7.1%         |
| W Hotels  | \$11.23  | -95.1%        | 5.8%         | -73.8%        | pts.        | \$194.62           | -31.8%        |
| <b>Composite North American Luxury<sup>1</sup></b>          | <b>\$19.17</b>                                     | <b>-93.0%</b> | <b>6.5%</b>  | <b>-72.4%</b> | <b>pts.</b> | <b>\$297.04</b>    | <b>-14.0%</b> |
| Marriott Hotels   | \$10.07  | -94.0%        | 6.5%         | -74.2%        | pts.        | \$155.57           | -24.8%        |
| Sheraton  | \$10.47  | -94.0%        | 7.9%         | -74.2%        | pts.        | \$132.44           | -37.4%        |
| Westin  | \$11.48  | -93.7%        | 7.0%         | -73.9%        | pts.        | \$163.19           | -27.3%        |
| <b>Composite North American Premium<sup>2</sup></b>         | <b>\$9.19</b>                                      | <b>-94.5%</b> | <b>6.0%</b>  | <b>-74.4%</b> | <b>pts.</b> | <b>\$151.99</b>    | <b>-26.8%</b> |
| <b>North American Full-Service<sup>3</sup></b>              | <b>\$11.17</b>                                     | <b>-94.0%</b> | <b>6.1%</b>  | <b>-74.0%</b> | <b>pts.</b> | <b>\$182.42</b>    | <b>-22.2%</b> |
| Courtyard   | \$12.36  | -89.1%        | 12.3%        | -64.4%        | pts.        | \$100.10           | -32.1%        |
| Residence Inn   | \$38.45  | -72.1%        | 30.5%        | -52.5%        | pts.        | \$126.20           | -24.0%        |
| <b>Composite North American Limited-Service<sup>4</sup></b> | <b>\$19.38</b>                                     | <b>-83.8%</b> | <b>17.4%</b> | <b>-61.5%</b> | <b>pts.</b> | <b>\$111.38</b>    | <b>-26.5%</b> |
| <b>North American - All<sup>5</sup></b>                     | <b>\$13.84</b>                                     | <b>-91.7%</b> | <b>9.8%</b>  | <b>-69.9%</b> | <b>pts.</b> | <b>\$141.44</b>    | <b>-32.0%</b> |

**Comparable Systemwide North American Properties**

| Brand   | Three Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|---|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|   | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|   | 2020   | vs. 2019      | 2020         | vs. 2019      | pts.        | 2020               | vs. 2019      |
| JW Marriott   | \$12.68  | -94.2%        | 4.7%         | -76.0%        | pts.        | \$268.00           | -1.3%         |
| The Ritz-Carlton  | \$29.49  | -90.3%        | 7.9%         | -68.3%        | pts.        | \$373.53           | -6.5%         |
| W Hotels  | \$11.23  | -95.1%        | 5.8%         | -73.8%        | pts.        | \$194.62           | -31.8%        |
| <b>Composite North American Luxury<sup>1</sup></b>          | <b>\$17.36</b>                                     | <b>-93.3%</b> | <b>5.9%</b>  | <b>-72.8%</b> | <b>pts.</b> | <b>\$293.47</b>    | <b>-10.7%</b> |
| Marriott Hotels   | \$12.68  | -91.1%        | 9.4%         | -68.0%        | pts.        | \$134.56           | -26.7%        |
| Sheraton  | \$12.87  | -89.8%        | 12.6%        | -64.5%        | pts.        | \$102.08           | -37.7%        |
| Westin  | \$12.80  | -92.2%        | 9.2%         | -70.4%        | pts.        | \$138.86           | -32.7%        |
| <b>Composite North American Premium<sup>2</sup></b>         | <b>\$12.75</b>                                     | <b>-91.2%</b> | <b>9.9%</b>  | <b>-67.7%</b> | <b>pts.</b> | <b>\$129.19</b>    | <b>-31.0%</b> |
| <b>North American Full-Service<sup>3</sup></b>              | <b>\$13.27</b>                                     | <b>-91.6%</b> | <b>9.4%</b>  | <b>-68.3%</b> | <b>pts.</b> | <b>\$140.76</b>    | <b>-30.7%</b> |
| Courtyard   | \$17.88  | -83.9%        | 18.2%        | -58.5%        | pts.        | \$98.27            | -32.4%        |
| Residence Inn   | \$45.18  | -64.0%        | 40.2%        | -41.9%        | pts.        | \$112.25           | -26.6%        |
| Fairfield by Marriott                                       | \$22.27  | -75.3%        | 25.3%        | -50.6%        | pts.        | \$87.95            | -26.0%        |
| <b>Composite North American Limited-Service<sup>4</sup></b> | <b>\$26.46</b>                                     | <b>-75.6%</b> | <b>26.6%</b> | <b>-51.5%</b> | <b>pts.</b> | <b>\$99.63</b>     | <b>-28.2%</b> |
| <b>North American - All<sup>5</sup></b>                     | <b>\$21.08</b>                                     | <b>-83.6%</b> | <b>19.6%</b> | <b>-58.4%</b> | <b>pts.</b> | <b>\$107.70</b>    | <b>-34.7%</b> |

<sup>1</sup> Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, and EDITION.

<sup>2</sup> Includes Marriott Hotels, Sheraton, Westin, Renaissance, Autograph Collection, Delta Hotels, Gaylord Hotels, and Le Méridien. Systemwide also includes Tribute Portfolio.

<sup>3</sup> Includes Composite North American Luxury and Composite North American Premium.

<sup>4</sup> Includes Courtyard, Residence Inn, Fairfield by Marriott, SpringHill Suites, TownePlace Suites, Four Points, Aloft, Element, and AC Hotels by Marriott. Systemwide also includes Moxy.

<sup>5</sup> Includes North American Full-Service and Composite North American Limited-Service.

**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
In Constant \$

**Comparable Company-Operated International Properties**

| Region                                 | Three Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|--|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|  | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|  | 2020   | vs. 2019      | 2020         | vs. 2019      |             | 2020               | vs. 2019      |
| Greater China                          | \$33.97  | -59.2%        | 36.5%        | -31.7%        | pts.        | \$93.13            | -23.7%        |
| Rest of Asia Pacific                   | \$11.72  | -89.0%        | 13.1%        | -57.6%        | pts.        | \$89.77            | -40.6%        |
| <b>Asia Pacific</b>                    | <b>\$23.54</b>                                     | <b>-75.0%</b> | <b>25.5%</b> | <b>-43.8%</b> | <b>pts.</b> | <b>\$92.33</b>     | <b>-32.1%</b> |
| Caribbean & Latin America              | \$5.47   | -95.1%        | 5.7%         | -56.9%        | pts.        | \$95.39            | -46.9%        |
| Europe                                 | \$3.23   | -98.0%        | 2.8%         | -75.3%        | pts.        | \$114.41           | -44.4%        |
| Middle East & Africa                   | \$20.85  | -77.3%        | 17.8%        | -45.2%        | pts.        | \$117.11           | -19.6%        |
| <b>International - All<sup>1</sup></b> | <b>\$17.10</b>                                     | <b>-84.5%</b> | <b>17.5%</b> | <b>-52.1%</b> | <b>pts.</b> | <b>\$97.62</b>     | <b>-38.2%</b> |
| <b>Worldwide<sup>2</sup></b>           | <b>\$15.56</b>                                     | <b>-88.6%</b> | <b>13.9%</b> | <b>-60.5%</b> | <b>pts.</b> | <b>\$112.26</b>    | <b>-38.8%</b> |

**Comparable Systemwide International Properties**

| Region                                 | Three Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|--|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|  | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|  | 2020   | vs. 2019      | 2020         | vs. 2019      |             | 2020               | vs. 2019      |
| Greater China                          | \$32.83  | -60.3%        | 35.5%        | -32.2%        | pts.        | \$92.39            | -24.3%        |
| Rest of Asia Pacific                   | \$12.93  | -88.1%        | 13.7%        | -57.5%        | pts.        | \$94.72            | -38.1%        |
| <b>Asia Pacific</b>                    | <b>\$22.59</b>                                     | <b>-76.5%</b> | <b>24.3%</b> | <b>-45.3%</b> | <b>pts.</b> | <b>\$93.06</b>     | <b>-32.7%</b> |
| Caribbean & Latin America              | \$4.65   | -95.3%        | 5.8%         | -55.9%        | pts.        | \$80.40            | -50.3%        |
| Europe                                 | \$3.90   | -97.2%        | 3.8%         | -73.0%        | pts.        | \$103.21           | -42.6%        |
| Middle East & Africa                   | \$19.22  | -78.0%        | 17.2%        | -45.8%        | pts.        | \$111.88           | -19.3%        |
| <b>International - All<sup>1</sup></b> | <b>\$14.32</b>                                     | <b>-86.7%</b> | <b>14.9%</b> | <b>-54.9%</b> | <b>pts.</b> | <b>\$96.27</b>     | <b>-37.7%</b> |
| <b>Worldwide<sup>2</sup></b>           | <b>\$19.11</b>                                     | <b>-84.4%</b> | <b>18.2%</b> | <b>-57.4%</b> | <b>pts.</b> | <b>\$104.97</b>    | <b>-35.3%</b> |

<sup>1</sup> Includes Asia Pacific, Caribbean & Latin America, Europe, and Middle East & Africa.

<sup>2</sup> Includes North American - All and International - All.

**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
In Constant \$

**Comparable Company-Operated North American Properties**

| Brand   | Six Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |              |
|---|--|---------------|--------------|---------------|-------------|--------------------|--------------|
|   | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |              |
|   | 2020   | vs. 2019      | 2020         | vs. 2019      |             | 2020               | vs. 2019     |
| JW Marriott   | \$93.86  | -59.5%        | 32.7%        | -46.8%        | pts.        | \$287.47           | -1.4%        |
| The Ritz-Carlton  | \$149.54   | -54.0%        | 33.8%        | -42.6%        | pts.        | \$442.73           | 4.0%         |
| W Hotels  | \$77.96  | -61.7%        | 31.0%        | -43.4%        | pts.        | \$251.51           | -8.2%        |
| <b>Composite North American Luxury<sup>1</sup></b>          | <b>\$121.91</b>                                  | <b>-56.4%</b> | <b>32.9%</b> | <b>-44.2%</b> | <b>pts.</b> | <b>\$370.55</b>    | <b>2.2%</b>  |
| Marriott Hotels   | \$61.98  | -60.6%        | 31.9%        | -44.8%        | pts.        | \$194.09           | -5.2%        |
| Sheraton  | \$58.16  | -62.4%        | 31.3%        | -45.1%        | pts.        | \$185.95           | -8.1%        |
| Westin  | \$64.11  | -61.5%        | 31.9%        | -44.8%        | pts.        | \$201.19           | -7.3%        |
| <b>Composite North American Premium<sup>2</sup></b>         | <b>\$60.46</b>                                   | <b>-61.1%</b> | <b>31.4%</b> | <b>-44.9%</b> | <b>pts.</b> | <b>\$192.44</b>    | <b>-5.4%</b> |
| <b>North American Full-Service<sup>3</sup></b>              | <b>\$72.68</b>                                   | <b>-59.6%</b> | <b>31.7%</b> | <b>-44.8%</b> | <b>pts.</b> | <b>\$229.17</b>    | <b>-2.6%</b> |
| Courtyard   | \$43.00  | -58.9%        | 32.3%        | -39.4%        | pts.        | \$132.98           | -8.8%        |
| Residence Inn   | \$70.41  | -45.7%        | 46.9%        | -32.4%        | pts.        | \$150.22           | -8.2%        |
| <b>Composite North American Limited-Service<sup>4</sup></b> | <b>\$50.66</b>                                   | <b>-54.6%</b> | <b>36.6%</b> | <b>-37.8%</b> | <b>pts.</b> | <b>\$138.39</b>    | <b>-7.7%</b> |
| <b>North American - All<sup>5</sup></b>                     | <b>\$65.54</b>                                   | <b>-58.5%</b> | <b>33.3%</b> | <b>-42.5%</b> | <b>pts.</b> | <b>\$196.84</b>    | <b>-5.4%</b> |

**Comparable Systemwide North American Properties**

| Brand   | Six Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|---|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|   | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|   | 2020   | vs. 2019      | 2020         | vs. 2019      |             | 2020               | vs. 2019      |
| JW Marriott   | \$90.30  | -58.1%        | 31.6%        | -45.9%        | pts.        | \$285.33           | 2.7%          |
| The Ritz-Carlton  | \$145.20   | -54.7%        | 33.1%        | -43.1%        | pts.        | \$438.08           | 4.1%          |
| W Hotels  | \$77.96  | -61.7%        | 31.0%        | -43.4%        | pts.        | \$251.51           | -8.2%         |
| <b>Composite North American Luxury<sup>1</sup></b>          | <b>\$113.04</b>                                  | <b>-56.7%</b> | <b>32.3%</b> | <b>-44.1%</b> | <b>pts.</b> | <b>\$349.49</b>    | <b>2.4%</b>   |
| Marriott Hotels   | \$55.63  | -58.4%        | 32.4%        | -41.2%        | pts.        | \$171.80           | -5.6%         |
| Sheraton  | \$47.00  | -58.8%        | 33.0%        | -38.7%        | pts.        | \$142.61           | -10.4%        |
| Westin  | \$63.39  | -58.7%        | 33.3%        | -42.1%        | pts.        | \$190.45           | -6.5%         |
| <b>Composite North American Premium<sup>2</sup></b>         | <b>\$56.63</b>                                   | <b>-58.3%</b> | <b>32.7%</b> | <b>-40.8%</b> | <b>pts.</b> | <b>\$173.21</b>    | <b>-6.2%</b>  |
| <b>North American Full-Service<sup>3</sup></b>              | <b>\$62.96</b>                                   | <b>-57.9%</b> | <b>32.7%</b> | <b>-41.1%</b> | <b>pts.</b> | <b>\$192.79</b>    | <b>-5.0%</b>  |
| Courtyard   | \$45.60  | -55.4%        | 36.3%        | -35.7%        | pts.        | \$125.77           | -11.5%        |
| Residence Inn   | \$68.67  | -41.4%        | 52.3%        | -25.9%        | pts.        | \$131.21           | -12.4%        |
| Fairfield by Marriott                                       | \$40.34  | -50.4%        | 39.5%        | -30.8%        | pts.        | \$102.08           | -11.7%        |
| <b>Composite North American Limited-Service<sup>4</sup></b> | <b>\$50.16</b>                                   | <b>-49.6%</b> | <b>41.9%</b> | <b>-31.5%</b> | <b>pts.</b> | <b>\$119.69</b>    | <b>-11.8%</b> |
| <b>North American - All<sup>5</sup></b>                     | <b>\$55.38</b>                                   | <b>-53.9%</b> | <b>38.1%</b> | <b>-35.4%</b> | <b>pts.</b> | <b>\$145.21</b>    | <b>-11.0%</b> |

<sup>1</sup> Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, and EDITION.

<sup>2</sup> Includes Marriott Hotels, Sheraton, Westin, Renaissance, Autograph Collection, Delta Hotels, Gaylord Hotels, and Le Méridien. Systemwide also includes Tribute Portfolio.

<sup>3</sup> Includes Composite North American Luxury and Composite North American Premium.

<sup>4</sup> Includes Courtyard, Residence Inn, Fairfield by Marriott, SpringHill Suites, TownePlace Suites, Four Points, Aloft, Element, and AC Hotels by Marriott. Systemwide also includes Moxy.

<sup>5</sup> Includes North American Full-Service and Composite North American Limited-Service.

**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
In Constant \$

**Comparable Company-Operated International Properties**

| Region                                 | Six Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|--|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|  | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|  | 2020   | vs. 2019      | 2020         | vs. 2019      |             | 2020               | vs. 2019      |
| Greater China                          | \$31.53  | -61.4%        | 30.6%        | -34.9%        | pts.        | \$103.11           | -17.4%        |
| Rest of Asia Pacific                   | \$49.68  | -56.6%        | 33.4%        | -38.0%        | pts.        | \$148.53           | -7.4%         |
| <b>Asia Pacific</b>                    | <b>\$40.04</b>                                   | <b>-58.8%</b> | <b>31.9%</b> | <b>-36.3%</b> | <b>pts.</b> | <b>\$125.42</b>    | <b>-11.9%</b> |
| Caribbean & Latin America              | \$67.52  | -50.5%        | 29.9%        | -34.3%        | pts.        | \$226.12           | 6.4%          |
| Europe                                 | \$43.39  | -68.3%        | 25.5%        | -45.9%        | pts.        | \$170.20           | -11.2%        |
| Middle East & Africa                   | \$55.09  | -45.7%        | 38.3%        | -27.8%        | pts.        | \$143.89           | -6.2%         |
| <b>International - All<sup>1</sup></b> | <b>\$45.67</b>                                   | <b>-58.4%</b> | <b>31.5%</b> | <b>-36.8%</b> | <b>pts.</b> | <b>\$145.16</b>    | <b>-9.8%</b>  |
| <b>Worldwide<sup>2</sup></b>           | <b>\$55.09</b>                                   | <b>-58.4%</b> | <b>32.3%</b> | <b>-39.5%</b> | <b>pts.</b> | <b>\$170.39</b>    | <b>-7.7%</b>  |

**Comparable Systemwide International Properties**

| Region                                 | Six Months Ended June 30, 2020 and June 30, 2019 |               |              |               |             |                    |               |
|--|--|---------------|--------------|---------------|-------------|--------------------|---------------|
|  | REVPAR   |               | Occupancy    |               |             | Average Daily Rate |               |
|  | 2020   | vs. 2019      | 2020         | vs. 2019      |             | 2020               | vs. 2019      |
| Greater China                          | \$31.03  | -61.8%        | 30.1%        | -34.9%        | pts.        | \$102.92           | -17.5%        |
| Rest of Asia Pacific                   | \$49.85  | -56.6%        | 33.6%        | -38.1%        | pts.        | \$148.35           | -7.5%         |
| <b>Asia Pacific</b>                    | <b>\$40.72</b>                                   | <b>-58.7%</b> | <b>31.9%</b> | <b>-36.5%</b> | <b>pts.</b> | <b>\$127.54</b>    | <b>-11.4%</b> |
| Caribbean & Latin America              | \$54.33  | -53.2%        | 28.9%        | -34.2%        | pts.        | \$188.21           | 2.3%          |
| Europe                                 | \$38.47  | -67.5%        | 25.5%        | -44.4%        | pts.        | \$151.11           | -10.6%        |
| Middle East & Africa                   | \$52.22  | -45.9%        | 37.8%        | -28.0%        | pts.        | \$138.11           | -5.8%         |
| <b>International - All<sup>1</sup></b> | <b>\$43.36</b>                                   | <b>-59.2%</b> | <b>30.5%</b> | <b>-37.4%</b> | <b>pts.</b> | <b>\$142.34</b>    | <b>-9.1%</b>  |
| <b>Worldwide<sup>2</sup></b>           | <b>\$51.88</b>                                   | <b>-55.3%</b> | <b>35.9%</b> | <b>-36.0%</b> | <b>pts.</b> | <b>\$144.50</b>    | <b>-10.5%</b> |

<sup>1</sup> Includes Asia Pacific, Caribbean & Latin America, Europe, and Middle East & Africa.

<sup>2</sup> Includes North American - All and International - All.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**

**ADJUSTED EBITDA**

(\$ in millions)

|  | Fiscal Year 2020 |                   |               |
|--|------------------|-------------------|---------------|
|  | First<br>Quarter | Second<br>Quarter | Total         |
| Net (loss) income, as reported                                   | \$ 31            | \$ (234)          | \$ (203)      |
| Cost reimbursement revenue                                       | (3,797)          | (1,202)           | (4,999)       |
| Reimbursed expenses  | 3,877            | 1,241             | 5,118         |
| Interest expense   | 93               | 127               | 220           |
| Interest expense from unconsolidated joint ventures              | 3                | 1                 | 4             |
| (Benefit) provision for income taxes                             | (12)             | (64)              | (76)          |
| Depreciation and amortization                                    | 150              | 72                | 222           |
| Contract investment amortization                                 | 25               | 21                | 46            |
| Depreciation classified in reimbursed expenses                   | 26               | 27                | 53            |
| Depreciation and amortization from unconsolidated joint ventures | 7                | 16                | 23            |
| Share-based compensation   | 41               | 50                | 91            |
| Restructuring and merger-related charges                         | (2)              | 6                 | 4             |
| <b>Adjusted EBITDA **</b>  | <b>\$ 442</b>    | <b>\$ 61</b>      | <b>\$ 503</b> |
| <br>   |                  |                   |               |
| <b>Change from 2019 Adjusted EBITDA **</b>                       | <b>-46%</b>      | <b>-94%</b>       | <b>-72%</b>   |

|  | Fiscal Year 2019 |                   |                  |                   |                 |
|--|------------------|-------------------|------------------|-------------------|-----------------|
|  | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | Total           |
| Net income, as reported  | \$ 375           | \$ 232            | \$ 387           | \$ 279            | \$ 1,273        |
| Cost reimbursement revenue                                       | (3,756)          | (3,903)           | (3,952)          | (3,988)           | (15,599)        |
| Reimbursed expenses  | 3,892            | 4,107             | 4,070            | 4,370             | 16,439          |
| Interest expense   | 97               | 102               | 100              | 95                | 394             |
| Interest expense from unconsolidated joint ventures              | 2                | 1                 | 3                | 2                 | 8               |
| Provision for income taxes                                       | 57               | 82                | 140              | 47                | 326             |
| Depreciation and amortization                                    | 54               | 56                | 52               | 179               | 341             |
| Contract investment amortization                                 | 14               | 15                | 16               | 17                | 62              |
| Depreciation classified in reimbursed expenses                   | 30               | 29                | 33               | 29                | 121             |
| Depreciation and amortization from unconsolidated joint ventures | 7                | 8                 | 5                | 9                 | 29              |
| Share-based compensation   | 40               | 50                | 47               | 49                | 186             |
| Gain on asset dispositions                                       | -                | -                 | (9)              | (134)             | (143)           |
| Restructuring and merger-related charges                         | 9                | 173               | 9                | (53)              | 138             |
| <b>Adjusted EBITDA **</b>  | <b>\$ 821</b>    | <b>\$ 952</b>     | <b>\$ 901</b>    | <b>\$ 901</b>     | <b>\$ 3,575</b> |

\*\* Denotes non-GAAP financial measures. Please see pages A-12 and A-13 for information about our reasons for providing these alternative financial measures and the limitations on their use.

**MARRIOTT INTERNATIONAL, INC.**  
**EXPLANATION OF NON-GAAP FINANCIAL AND PERFORMANCE MEASURES**

In our press release and schedules, and on the related conference call, we report certain financial measures that are not required by, or presented in accordance with, United States generally accepted accounting principles (“GAAP”). We discuss management’s reasons for reporting these non-GAAP measures below, and the press release schedules reconcile the most directly comparable GAAP measure to each non-GAAP measure that we refer to. Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for revenue, operating income/loss, net income/loss, earnings/loss per share or any other comparable operating measure prescribed by GAAP. In addition, we may calculate and/or present these non-GAAP financial measures differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

**Adjusted Operating Income/Loss and Adjusted Operating Income/Loss Margin.** Adjusted operating income/loss and Adjusted operating income/loss margin exclude cost reimbursement revenue, reimbursed expenses, and restructuring and merger-related charges. Adjusted operating income/loss margin reflects Adjusted operating income/loss divided by Adjusted total revenues. We believe that these are meaningful metrics because they allow for period-over-period comparisons of our ongoing operations before these items and for the reasons further described below.

**Adjusted Net Income/Loss and Adjusted Diluted Earnings/Loss Per Share.** Adjusted net income/loss and Adjusted diluted EPS reflect our net income/loss and diluted earnings/loss per share excluding the impact of cost reimbursement revenue, reimbursed expenses, restructuring and merger-related charges, and the income tax effect of these adjustments. We calculate the income tax effect of the adjustments using an estimated tax rate applicable to each adjustment. We believe that these measures are meaningful indicators of our performance because they allow for period-over-period comparisons of our ongoing operations before these items and for the reasons further described below.

**Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“Adjusted EBITDA”).** Adjusted EBITDA reflects net income/loss excluding the impact of the following items: cost reimbursement revenue and reimbursed expenses, interest expense, depreciation (including depreciation classified in “Reimbursed expenses,” as discussed below), amortization, and benefit (provision) for income taxes, restructuring and merger-related charges, and share-based compensation expense for all periods presented. When applicable, Adjusted EBITDA also excludes gains and losses on asset dispositions made by us or by our joint venture investees.

In our presentations of Adjusted operating income/loss and Adjusted operating income/loss margin, Adjusted net income/loss, Adjusted diluted EPS and Adjusted EBITDA, we exclude restructuring charges incurred as a result of COVID-19 and transition costs associated with the Starwood merger, which we record in the “Restructuring and merger-related charges” caption of our Income Statements, to allow for period-over period comparisons of our ongoing operations before the impact of these items. We exclude cost reimbursement revenue and reimbursed expenses, which relate to property-level and centralized programs and services that we operate for the benefit of our hotel owners. We do not operate these programs and services to generate a profit over the contract term, and accordingly, when we recover the costs that we incur for these programs and services from our hotel owners, we do not seek a mark-up. For property-level services, our owners typically reimburse us at the same time that we incur expenses. However, for centralized programs and services, our owners may reimburse us before or after we incur expenses, causing timing differences between the costs we incur and the related reimbursement from hotel owners in our operating and net income. Over the long term, these programs and services are not designed to impact our economics, either positively or negatively. Because we do not retain any such profits or losses over time, we exclude the net impact when evaluating period-over-period changes in our operating results.

We believe that Adjusted EBITDA is a meaningful indicator of our operating performance because it permits period-over-period comparisons of our ongoing operations before these items and facilitates our comparison of results before these items with results from other lodging companies. We use Adjusted EBITDA to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels, and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provisions for income taxes can vary considerably among companies. Our Adjusted EBITDA also excludes depreciation and amortization expense which we report under “Depreciation, amortization, and other” as well as depreciation classified in “Reimbursed expenses” and “Contract investment amortization” in our Consolidated Statements of Income (our “Income Statements”), because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. Depreciation classified in “Reimbursed expenses” reflects depreciation of Marriott-owned assets, for which we receive cash from owners to reimburse the company for its investments made for the benefit of the system. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We exclude share-based compensation expense in all periods presented to address the considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted.

**MARRIOTT INTERNATIONAL, INC.**  
**EXPLANATION OF NON-GAAP FINANCIAL AND PERFORMANCE MEASURES**

**RevPAR.** In addition to the foregoing non-GAAP financial measures, we present Revenue per Available Room (“RevPAR”) as a performance measure. We believe RevPAR is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR relates to property level revenue and may not be comparable to similarly titled measures, such as revenues, and should not be viewed as necessarily correlating with our fee revenue. We calculate RevPAR by dividing room sales (recorded in local currency) for comparable properties by room nights available for the period. We do not consider interruptions related to COVID-19 when determining which properties to classify as comparable. We present growth in comparative RevPAR on a constant dollar basis, which we calculate by applying exchange rates for the current period to each period presented. We believe constant dollar analysis provides valuable information regarding our properties’ performance as it removes currency fluctuations from the presentation of such results.