



# MARRIOTT INTERNATIONAL 2017 SECURITY ANALYST MEETING

March 21, 2017

**Marriott**  
INTERNATIONAL



# FORWARD-LOOKING STATEMENTS, NON-GAAP FINANCIAL MEASURES, AND INFORMATION FOR 2016 AND 2015

This material contains “forward-looking statements” within the meaning of federal securities laws, including RevPAR, profit margin and earnings trends; the number of lodging properties we may add or remove in future years; our potential investment spending and share repurchases; the amount of and timing for realizing anticipated synergies from our acquisition of Starwood, and similar statements concerning possible future events or expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including changes in market conditions; changes in global and regional economies; supply and demand changes for hotel rooms; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance hotel growth and refurbishment; and other risk factors that we identify in our most recent annual report on Form 10-K; any of which could cause actual results to differ materially from the expectations we express or imply here. We make these statements as of March 21, 2017 and we assume no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Throughout this presentation we report certain financial measures, each identified with the symbol “†,” that are not required by, or presented in accordance with United States generally accepted accounting principles (“GAAP”). We discuss our reasons for reporting these non-GAAP measures and reconcile each to the most directly comparable GAAP measures at the end of this material.

Except where otherwise indicated, financial information and lodging statistics in this material for the years 2016 and 2015 give effect to Marriott’s acquisition of Starwood, and Starwood’s sale of its timeshare business, as if these two transactions had occurred on January 1, 2015 and exclude merger related costs and charges, and reflect other adjustments described in the Form 8-K relating to certain combined information and lodging statistics that we filed on February 15, 2017 with the U.S. Securities and Exchange Commission.



# TONY CAPUANO

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EXECUTIVE VICE PRESIDENT  
AND GLOBAL CHIEF  
DEVELOPMENT OFFICER



# AGENDA

## WINNING GLOBAL GROWTH

SCALE

QUALITY

## DRIVERS OF FUTURE ROOMS GROWTH

## 2017 TO 2019 OUTLOOK



*St. Regis New York*

# COMPETITIVE LANDSCAPE





SCALE



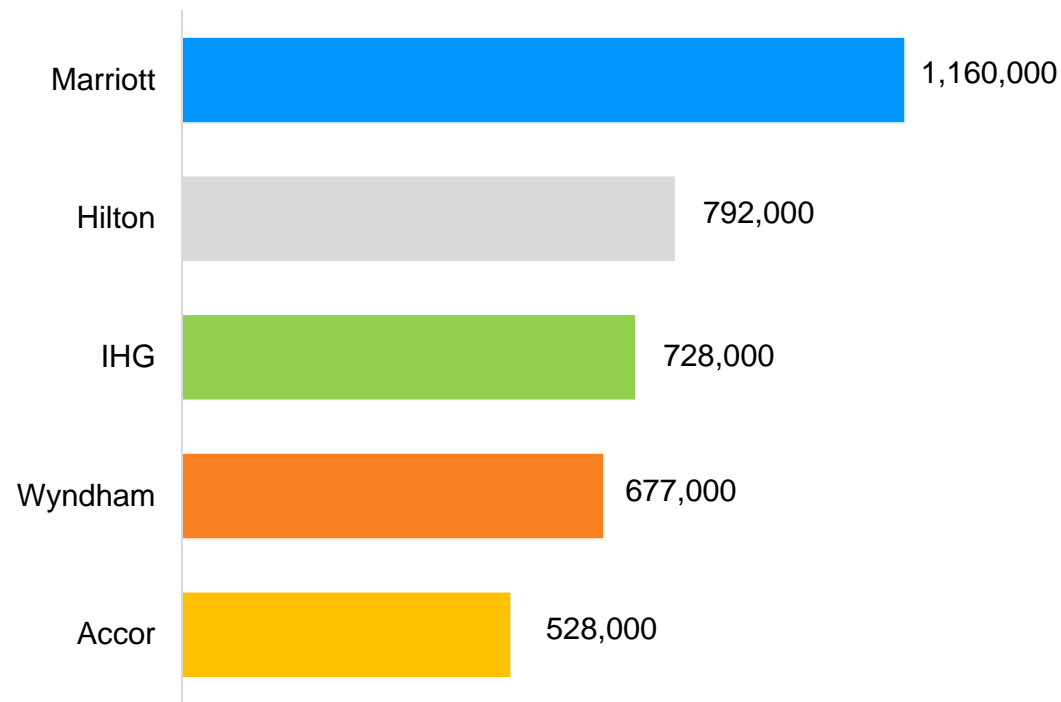
*The St. Regis Maldives Vommuli Resort*

# SCALE: COMPETITIVE LANDSCAPE



# SCALE: TOP GLOBAL COMPETITOR SYSTEMS

## CURRENT SYSTEM SIZE (ROOMS)



Current System Size does not include timeshare or residences.

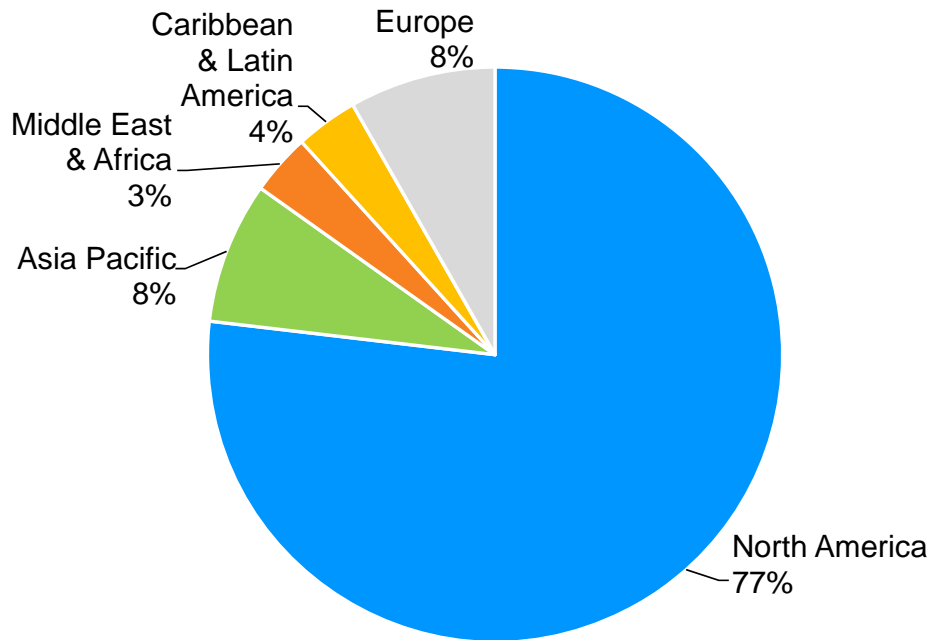




# SCALE: EXPANDING OUR GLOBAL FOOTPRINT

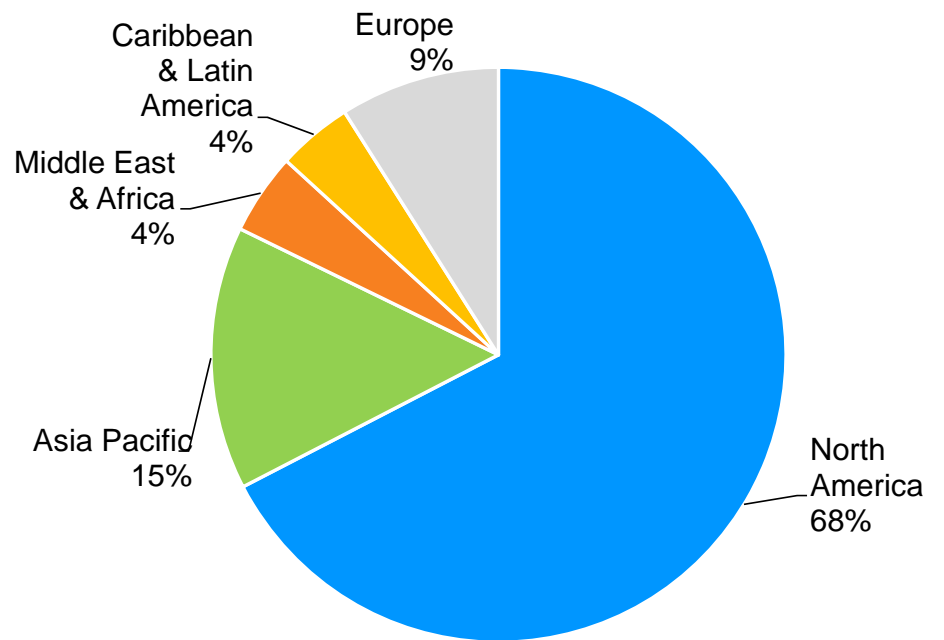
## GEOGRAPHIC DISTRIBUTION (ROOMS)

**2015**



759,000 Rooms  
87 Countries & Territories  
**Pre-Acquisition**

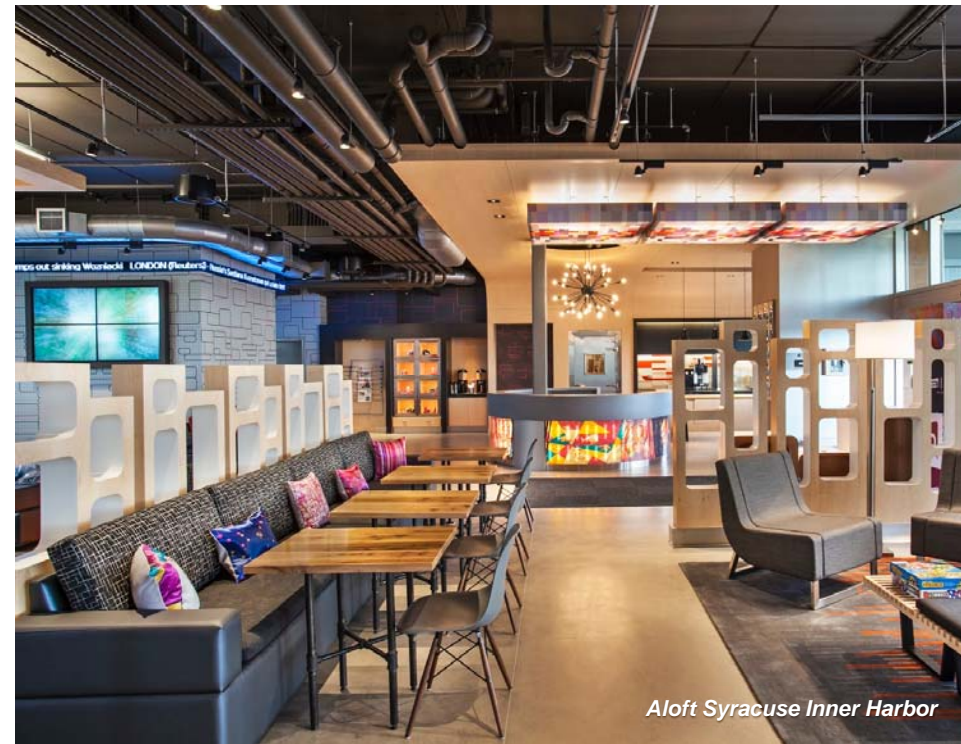
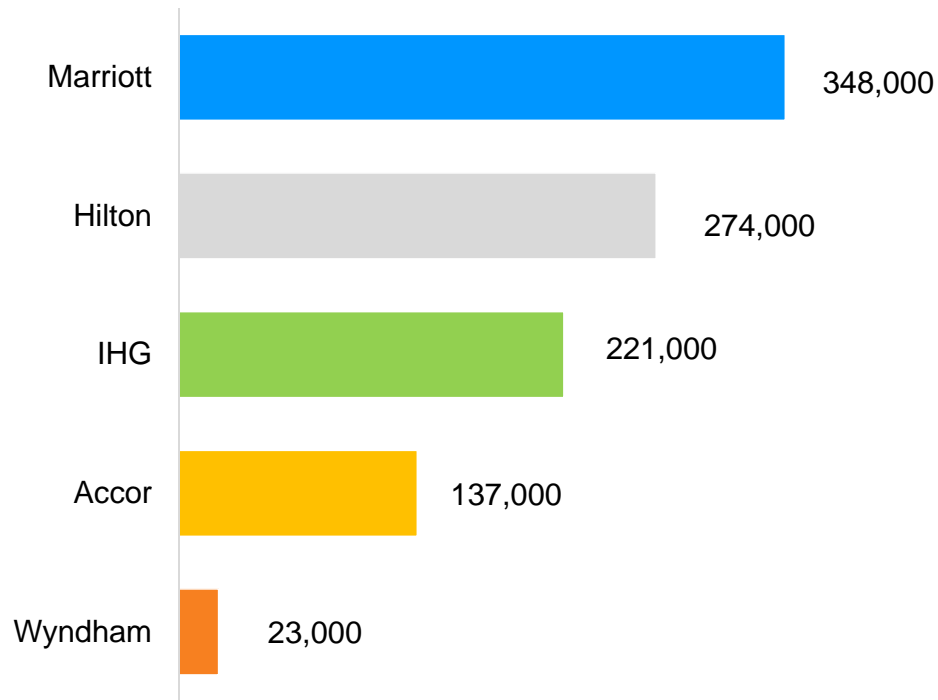
**2016**



1,191,000 Rooms  
122 Countries & Territories  
**Post-Acquisition**

# SCALE: TOP GLOBAL COMPETITOR PIPELINES

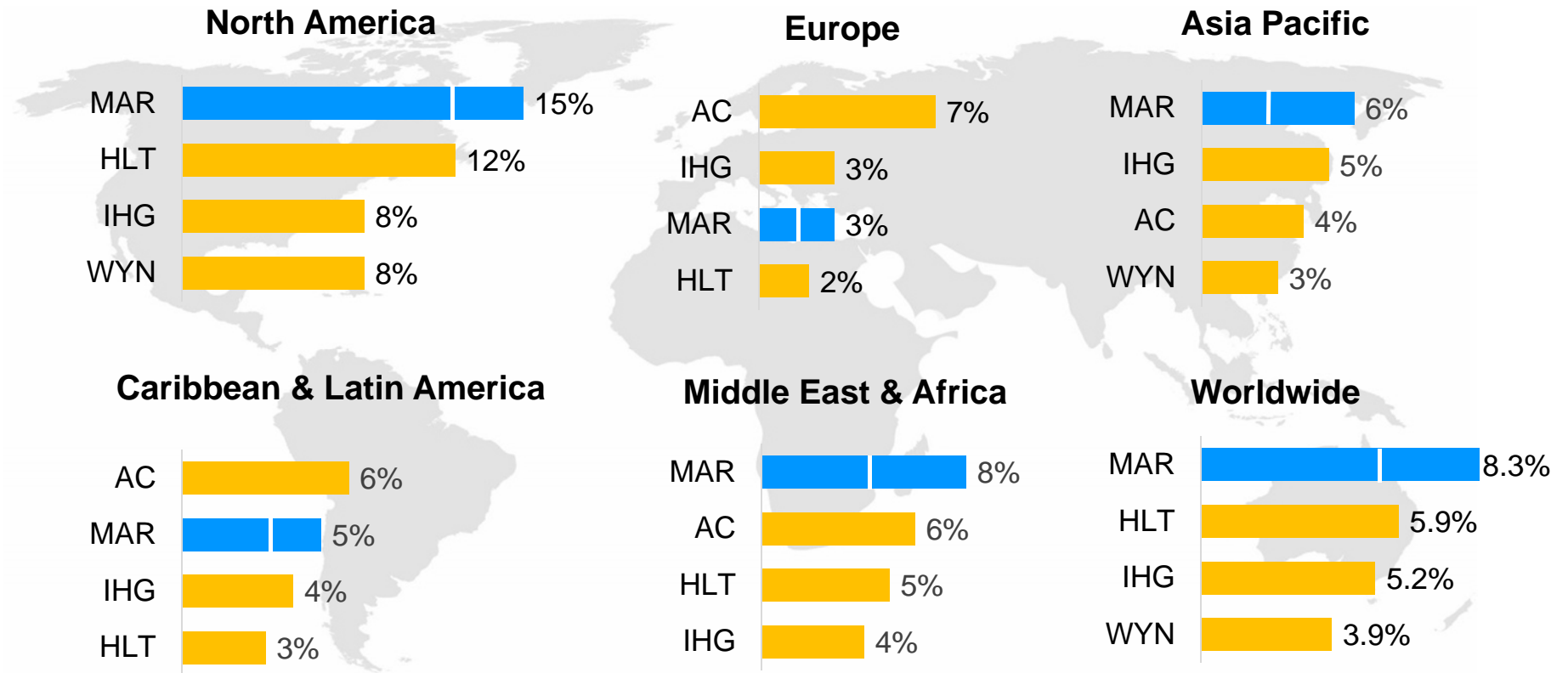
## SIGNED STR PIPELINE (ROOMS)



Signed STR Pipeline does not include timeshare, residences, signed conversions or approved, but not yet signed deals.

# SCALE: TOP GLOBAL COMPETITORS BY MARKET SHARE

MARKET SHARE OF CURRENT SYSTEM SIZE AND SIGNED STR PIPELINE (ROOMS)



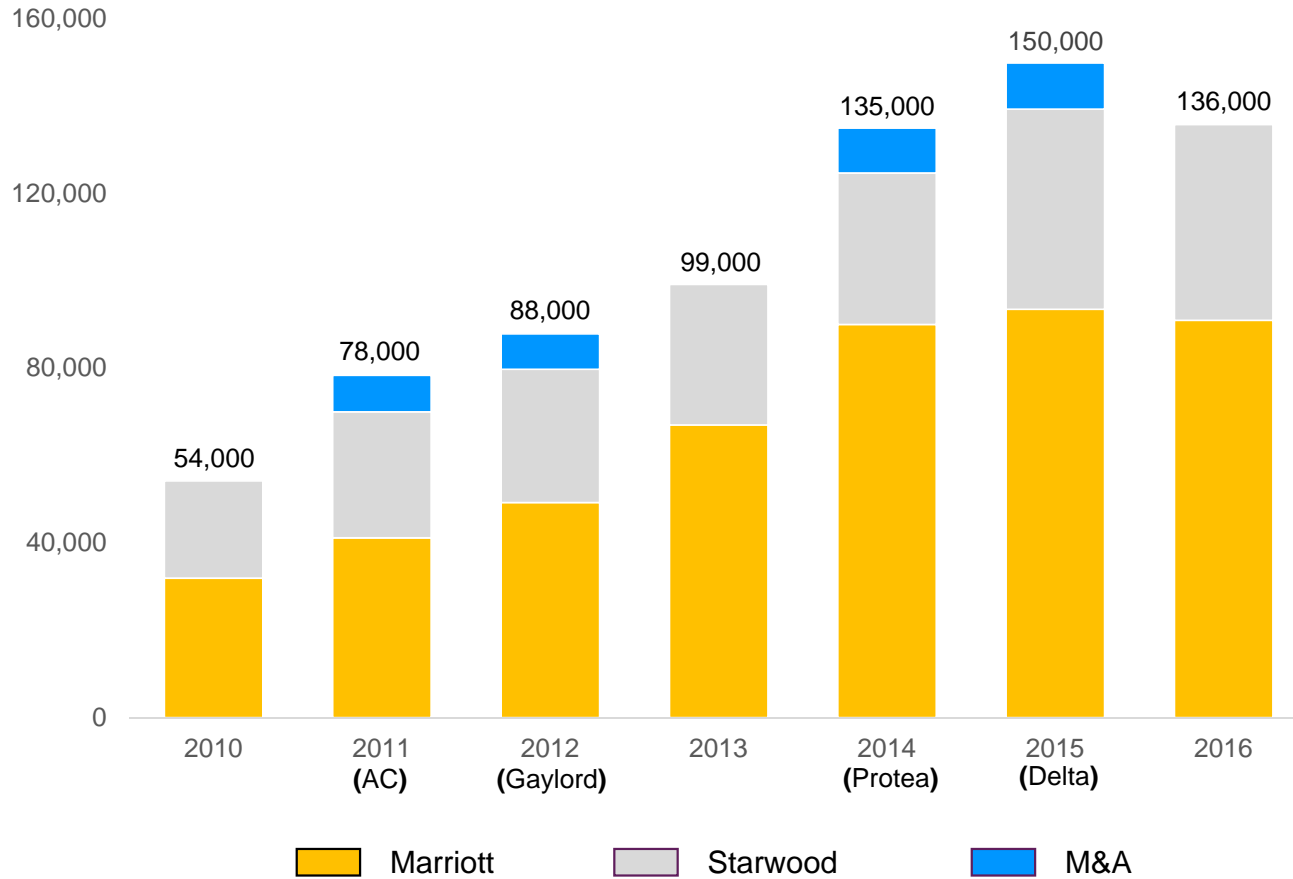
Current System Size does not include timeshare or residences  
 Signed STR Pipeline does not include timeshare, residences, signed conversions or approved, but not yet signed deals.



# SCALE: SIGNINGS TRENDLINE

## 2010 TO 2016 SIGNINGS

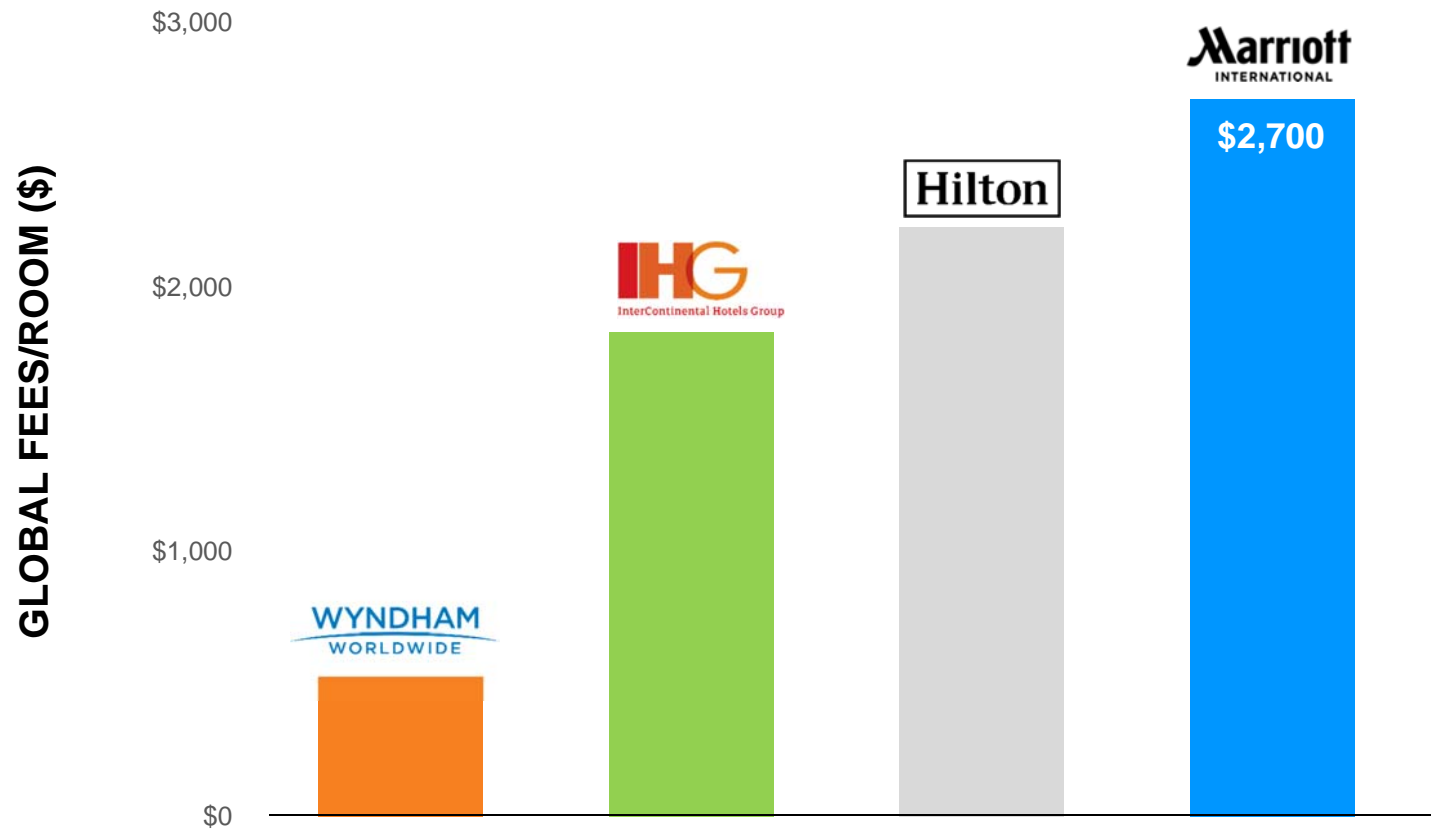
(ROOMS)



QUALITY

*The Sanya EDITION*

# QUALITY: GLOBAL FEES PER ROOM





# QUALITY: PORTFOLIO CONCENTRATION IN TOP TIERS

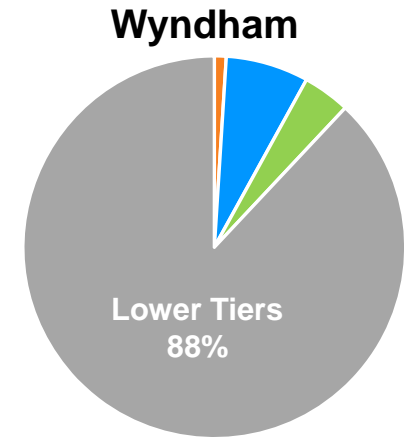
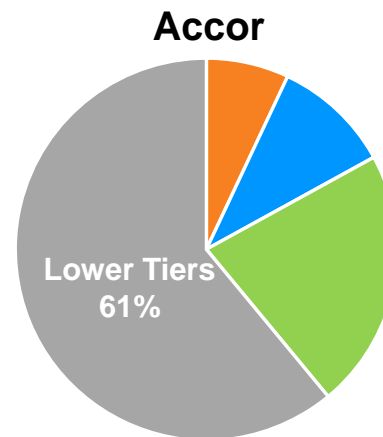
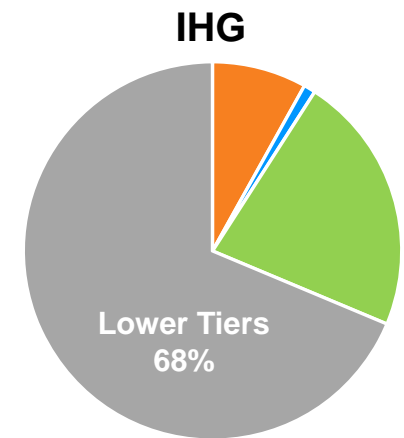
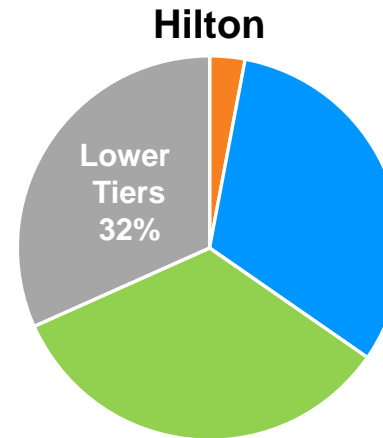
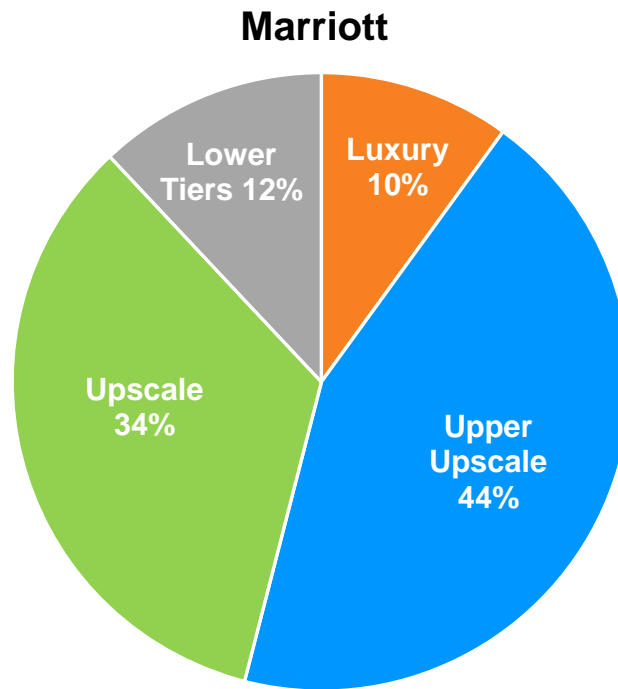


# QUALITY: CONCENTRATION BY TIER

## DISTRIBUTION BY CURRENT SYSTEM SIZE AND SIGNED STR PIPELINE (ROOMS)

**Global Industry  
Average RevPAR**

- Luxury  
\$180.54
- Upper Upscale  
\$113.83
- Upscale  
\$86.12
- Lower Tiers  
\$52.89



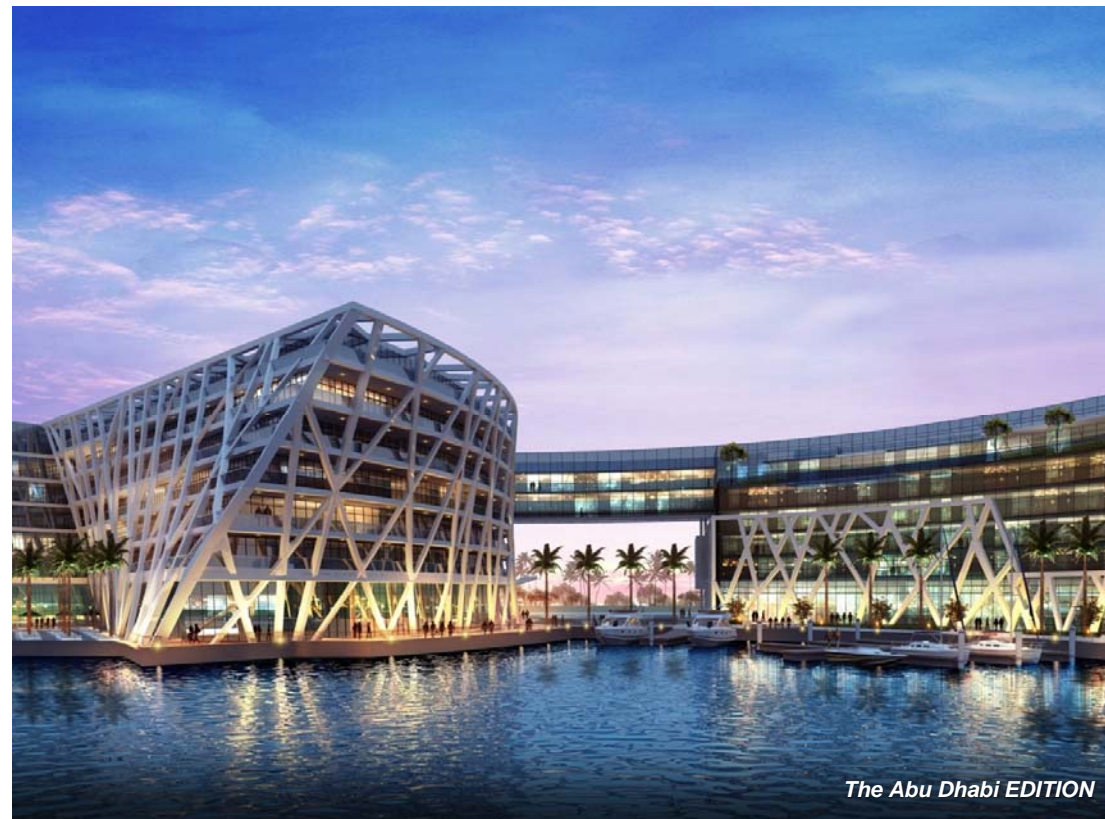
Current System Size does not include timeshare or residences  
Signed STR Pipeline does not include timeshare, residences, signed conversions or approved, but not yet signed deals.

# QUALITY: CONCENTRATION IN TOP MARKETS

## CURRENT SYSTEM SIZE AND SIGNED STR PIPELINE (ROOMS)

### MARKET SHARE IN TOP 100 REVPAR MARKET TRACTS

	Global
<b>Marriott</b>	11.0%
<b>Hilton</b>	5.5%
<b>IHG</b>	4.0%
<b>Accor</b>	2.3%
<b>Wyndham</b>	1.2%



Current System Size does not include timeshare or residences  
Signed STR Pipeline does not include timeshare, residences, signed conversions or approved, but not yet signed deals.



# QUALITY: DRIVING SUPERIOR CONTRACT VALUE



# DRIVERS OF FUTURE ROOMS GROWTH



*W Punta de Mita, Mexico*

# DRIVERS OF MARRIOTT FUTURE ROOMS GROWTH



ACCELERATING  
STARWOOD



ESTABLISHED  
BRAND GROWTH



INTERNATIONAL  
SELECT SERVICE  
EXPANSION



CONVERSIONS



MERGERS &  
ACQUISITIONS

# ACCELERATING STARWOOD





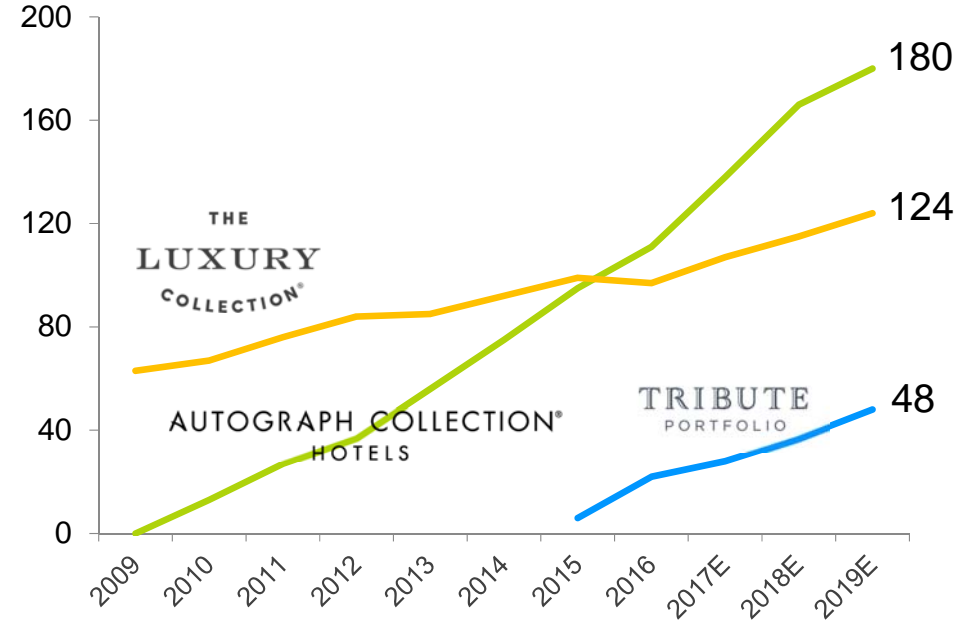
# ACCELERATING STARWOOD: COLLECTION BRANDS

THE  
LUXURY  
COLLECTION®

TRIBUTE  
PORTFOLIO

- 3-tier collection brand portfolio provides full range of options based on market and product
- Hotels can leverage Marriott's powerful distribution and marketing channels to drive revenue and reduce operating costs
- Fewer and more flexible brand standards allow hotels to express their individual personality and interior design

GROWTH TRAJECTORY  
(OPEN HOTELS)



# ACCELERATING STARWOOD: ST. REGIS



- Underrepresented in many top global markets
- Parallel luxury global growth vehicle
- Benefits from established relationships with luxury owners and solid demand for branded luxury product
- Residential opportunity

	ST REGIS HOTELS & RESORTS		THE RITZ-CARLTON	
	OPEN	SIGNED PIPELINE	OPEN	SIGNED PIPELINE
The Americas	12	2	47	6
Europe, Asia Pacific, Middle East & Africa	26	20	46	35
Worldwide	38	22	93	41

# ACCELERATING STARWOOD: ALOFT



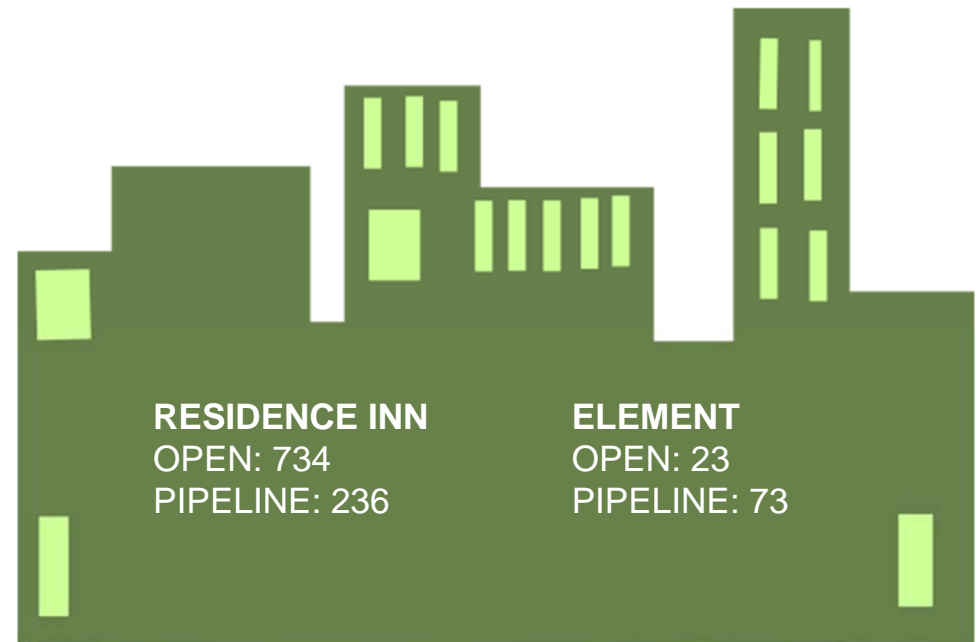
- 116 hotels open and 150 in the pipeline
- Global opportunity positioned in the upscale tier where Courtyard enjoys a distribution of nearly 1,100 hotels
- Largely franchised in North America and mixed franchised/managed internationally
- Adapt product to be more scalable and reduce cost to build



# ACCELERATING STARWOOD: ELEMENT



- Element offers complementary product to Residence Inn with potential to be a powerful lifestyle-oriented extended stay platform
- Focus on room product and F&B enhancements, better public space activation and reduced cost-to-build
- More efficient operating model and focused extended stay sales strategy





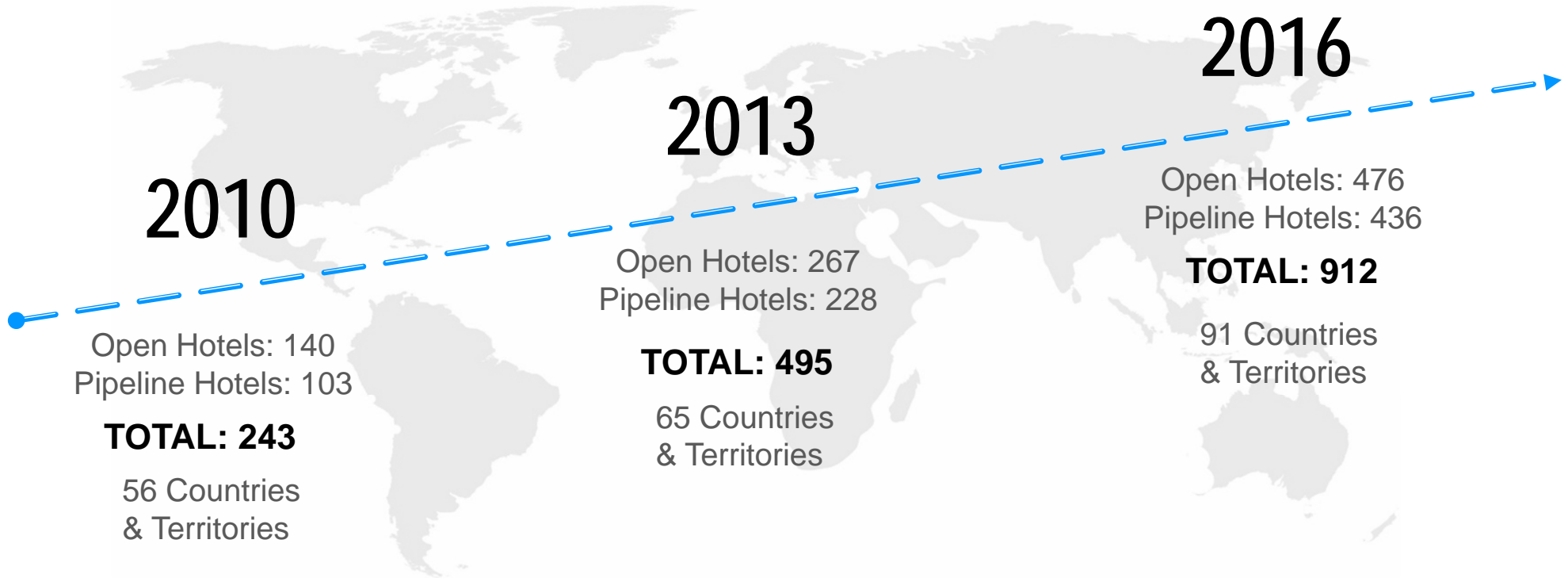
# ESTABLISHED BRAND GROWTH



- Continued strength driven by brand recognition and premium performance
- At year-end 2016, these 9 established brands represented more than 70% of Marriott’s global distribution and more than 55% of our global pipeline
- Growth of these established brands over the last three years accelerated

<b>SIGNINGS</b>	<b>2011 to 2013</b>	<b>2014 to 2016</b>
Hotels	692	1,220
Rooms	128,902	193,449

# ACCELERATION OF INTERNATIONAL SELECT SERVICE



COURTYARD  
Marriott

FOUR  
POINTS  
BY SHERATON

SPRINGHILL SUITES  
MARRIOTT

Residence  
Inn  
Marriott

FAIRFIELD  
INN & SUITES  
Marriott

TOWNEPLACE  
SUITES  
MARRIOTT

AC  
HOTELS  
MARRIOTT

aloft  
HOTELS

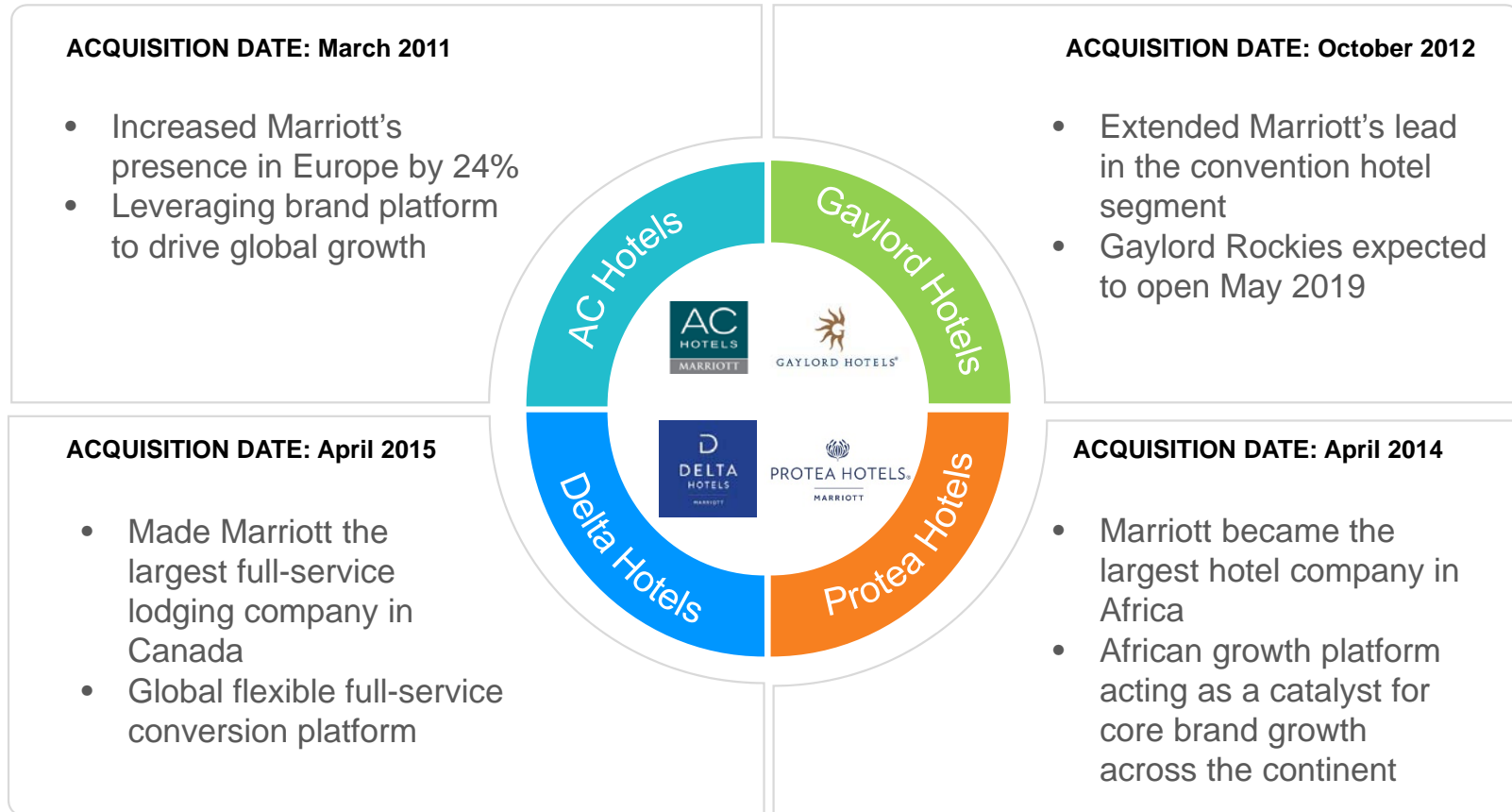
element  
BY WYLLIN

moxy  
HOTELS

# CONVERSION PLATFORMS



# BOLT-ON M&A DEALS DRIVE STRATEGIC ADVANTAGES





# 2017 TO 2019 OUTLOOK



The Ritz-Carlton, Haikou

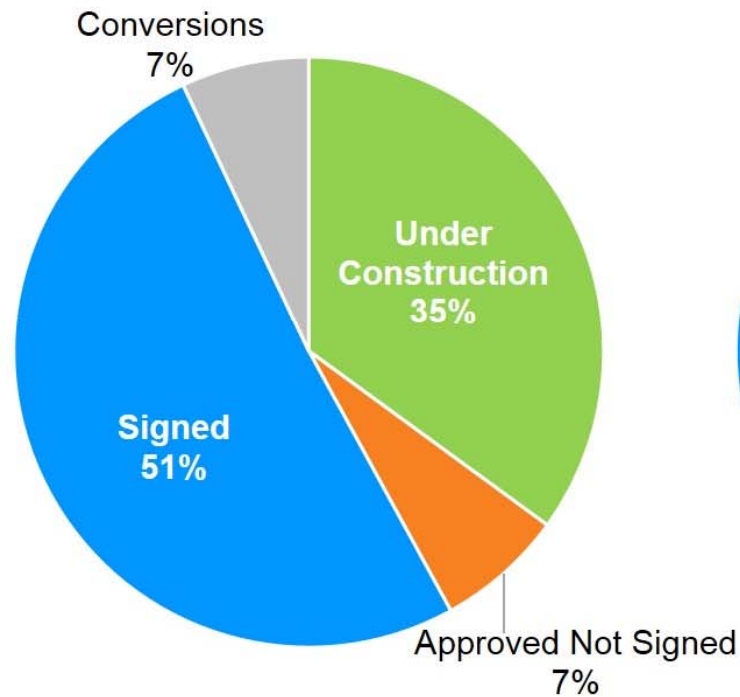
# GLOBAL DEVELOPMENT PIPELINE

420,000 ROOMS

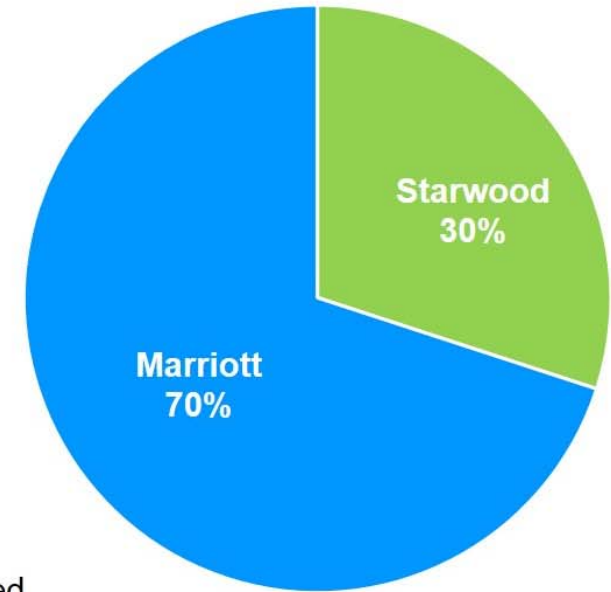
### FRANCHISED/MANAGED



### STATUS



### LEGACY PARENT



# MEETING OUR PROJECTIONS

SECURITY ANALYST MEETING	PROJECTED GROSS ROOM ADDITIONS	REALIZED GROSS ROOM ADDITIONS
<b>PARIS: 2006</b> (Projection: 2007 – 2009)	85,000 – 100,000	98,492
<b>NEW YORK: 2010</b> (Projection: 2011 – 2013)	80,000 – 90,000	83,025
<b>BEIJING: 2012</b> (Projection: 2012 – 2014)	90,000 – 105,000	98,009
<b>WASHINGTON: 2014</b> (Projection: 2014 – 2017)	200,000 – 235,000	151,412 Realized through 2016

# OPENINGS TRENDLINE AND OUTLOOK

( ROOMS )

120,000

100,000

80,000

60,000

40,000

20,000

0

2010

2011  
(AC)

2012  
(Gaylord)

2013

2014  
(Protea)

2015  
(Delta)

2016

2017E

2018E

2019E

44,000

53,000

45,000

42,000

61,000

74,000

68,000

**2017E – 2019E  
285,000 to 300,000  
Gross Rooms Additions**

 Marriott

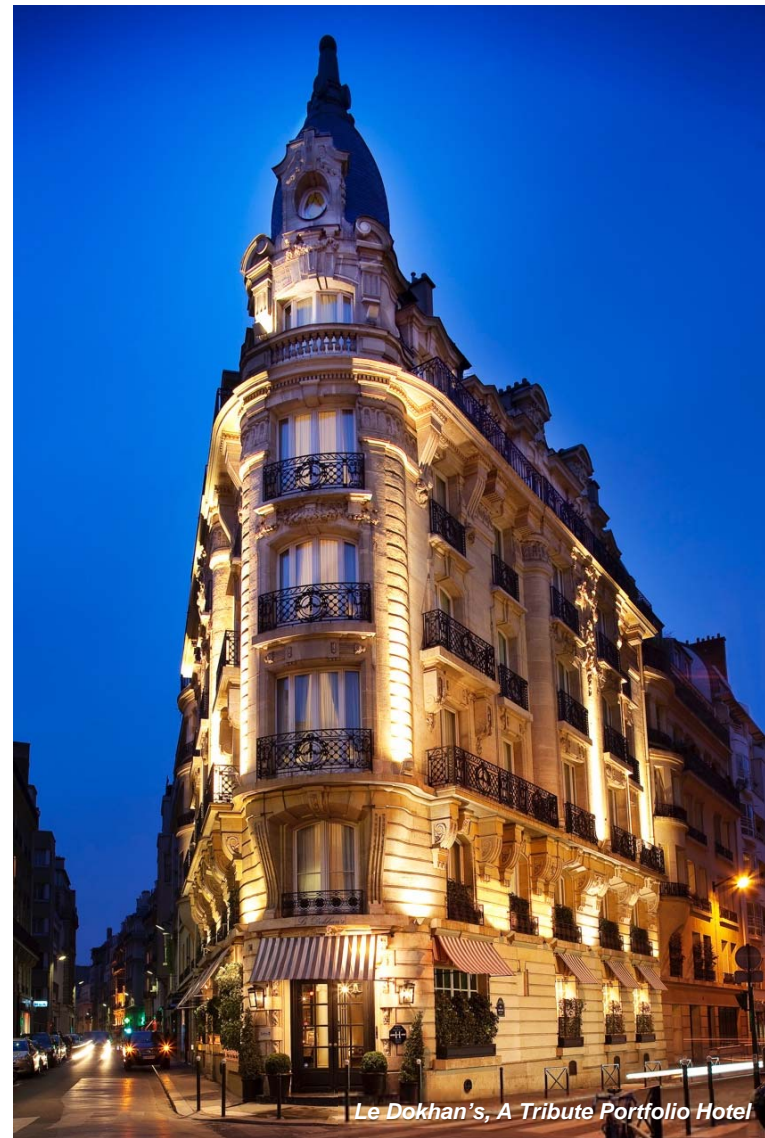
 Starwood

 M&A



## GROWTH HEADLINES

- Strong deal production has driven total pipeline to more than 420,000 rooms, with 42% already under construction or pending conversion.
- 285,000 to 300,000 rooms expected to be added between 2017 and 2019, yielding a net rooms CAGR of 6.5%.
- Estimated pre-tax fees from new rooms total roughly \$400 million in 2019, growing to an estimated \$675 million annually when stabilized.
- Marriott's scale, powerful revenue engines, leading loyalty program, and broad brand portfolio will continue to drive rapid high-quality new unit growth.



*Le Dokhan's, A Tribute Portfolio Hotel*

# CAPUANO ENDNOTES

**Slide 64** – Competitive Landscape  
STR Global Census, December 2016  
Includes Marriott and Starwood brands for all years.

**Slide 66** – Scale: Competitive Landscape  
STR Global Census, December 2016

**Slide 67** – Scale: Top Global Competitor Systems  
STR Global Census, December 2016

**Slide 68** – Expanding Our Global Footprint  
As of year-end 2015 and year-end 2016

**Slide 69** – Scale: Top Global Competitor Pipeline  
Signed New Construction Rooms from STR Global Pipeline, December 2016

**Slide 70** – Scale: Top Global Competitor by Market Share  
STR Global Census, December 2016 and Signed New Construction Rooms from STR Global Pipeline, December 2016

**Slide 73** – Quality: Global Fees Per Room  
Source: 2016 company public filings. Marriott's Form 8-K filed on February 15, 2017. Hilton global fees per room reflect elimination of fees charged to consolidated owned and leased properties. Wyndham global fees per room exclude system marketing and reservation fees.

**Slide 74** – Quality: Portfolio Concentration in Top Tiers  
STR Global Census, December 2016

**Slide 75** – Quality: Concentration by Tier  
STR Census, December 2016 and Signed New Construction Rooms from STR Global Pipeline, December 2016  
12 MMA Worldwide RevPAR USD by tier per Smith Travel Research, December 2016

**Slide 76** – Quality: Concentration in Top Markets  
STR Census, December 2016 and Signed New Construction Rooms from STR Global Pipeline, December 2016  
STR Global Market Tracts ranked by RevPAR performance for 12 months ending December 2016, Smith Travel Research

**Slides 82-85** – Accelerating Starwood  
As of December 31, 2016

**Slide 86** – Acceleration of International Select Service  
Includes Marriott and Starwood brands for all years

**Slide 88** – Bolt-On M&A Deals Drive Strategic Advantages  
AC Hotels by Marriott increased Marriott's presence in Europe by 24% from year-end 2010.

**Slide 91** – Global Pipeline  
As of December 31, 2016

**Slide 93** – Growth Headlines  
Pipeline as of December 31, 2016