

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
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QUARTER 2, 2018

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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED
SECOND QUARTER 2018 AND 2017
(in millions except per share amounts, unaudited)

| | As Reported Three Months Ended June 30, 2018 | As Reported ¹⁰ Three Months Ended June 30, 2017 | Percent Better/(Worse) Reported 2018 vs. 2017 |
|--|--|--|---|
| REVENUES | | | |
| Base management fees | \$ 300 | \$ 285 | 5 |
| Franchise fees ¹ | 475 | 408 | 16 |
| Incentive management fees | 176 | 155 | 14 |
| Gross Fee Revenues | 951 | 848 | 12 |
| Contract investment amortization ² | (13) | (12) | (8) |
| Net Fee Revenues | 938 | 836 | 12 |
| Owned, leased, and other revenue ³ | 423 | 448 | (6) |
| Cost reimbursement revenue ⁴ | 3,985 | 3,927 | 1 |
| Total Revenues | 5,346 | 5,211 | 3 |
| OPERATING COSTS AND EXPENSES | | | |
| Owned, leased, and other - direct ⁵ | 334 | 350 | 5 |
| Depreciation, amortization, and other ⁶ | 58 | 71 | 18 |
| Merger-related costs and charges | 18 | 21 | 14 |
| General, administrative, and other ⁷ | 217 | 234 | 7 |
| Reimbursed expenses ⁴ | 3,979 | 3,791 | (5) |
| Total Expenses | 4,606 | 4,467 | (3) |
| OPERATING INCOME | 740 | 744 | (1) |
| Gains and other income, net ⁸ | 114 | 25 | 356 |
| Interest expense | (85) | (73) | (16) |
| Interest income | 6 | 8 | (25) |
| Equity in earnings ⁹ | 21 | 12 | 75 |
| INCOME BEFORE INCOME TAXES | 796 | 716 | 11 |
| Provision for income taxes | (186) | (227) | 18 |
| NET INCOME | \$ 610 | \$ 489 | 25 |
| EARNINGS PER SHARE | | | |
| Earnings per share - basic | \$ 1.73 | \$ 1.29 | 34 |
| Earnings per share - diluted | \$ 1.71 | \$ 1.28 | 34 |
| Basic Shares | 353.4 | 378.5 | |
| Diluted Shares | 357.3 | 383.0 | |

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

² 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.

³ Owned, leased, and other revenue includes revenue from the properties we own or lease, termination fees, and other revenue.

⁴ 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.

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

⁶ 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.

⁷ General, administrative, and other expenses include our corporate and business segments overhead costs and general expenses.

⁸ Gains and other income, net includes gains and losses on the sale of real estate, the sale or impairment of joint ventures and investments, and results from other equity investments.

⁹ Equity in earnings include our equity in earnings or losses of unconsolidated equity method investments.

¹⁰ On January 1, 2018, we adopted ASU 2014-09. This column reflects our recast 2017 results under the new accounting standard.

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED
SECOND QUARTER YEAR-TO-DATE 2018 AND 2017
(in millions except per share amounts, unaudited)

| | As Reported Six Months Ended June 30, 2018 | As Reported ¹⁰ Six Months Ended June 30, 2017 | Percent Better/(Worse) Reported 2018 vs. 2017 |
|--|--|--|---|
| REVENUES | | | |
| Base management fees | \$ 573 | \$ 549 | 4 |
| Franchise fees ¹ | 892 | 763 | 17 |
| Incentive management fees | 331 | 295 | 12 |
| Gross Fee Revenues | 1,796 | 1,607 | 12 |
| Contract investment amortization ² | (31) | (23) | (35) |
| Net Fee Revenues | 1,765 | 1,584 | 11 |
| Owned, leased, and other revenue ³ | 829 | 876 | (5) |
| Cost reimbursement revenue ⁴ | 7,758 | 7,663 | 1 |
| Total Revenues | 10,352 | 10,123 | 2 |
| OPERATING COSTS AND EXPENSES | | | |
| Owned, leased, and other - direct ⁵ | 670 | 706 | 5 |
| Depreciation, amortization, and other ⁶ | 112 | 122 | 8 |
| Merger-related costs and charges | 52 | 72 | 28 |
| General, administrative, and other ⁷ | 464 | 446 | (4) |
| Reimbursed expenses ⁴ | 7,814 | 7,487 | (4) |
| Total Expenses | 9,112 | 8,833 | (3) |
| OPERATING INCOME | 1,240 | 1,290 | (4) |
| Gains and other income, net ⁸ | 173 | 25 | 592 |
| Interest expense | (160) | (143) | (12) |
| Interest income | 11 | 15 | (27) |
| Equity in earnings ⁹ | 34 | 23 | 48 |
| INCOME BEFORE INCOME TAXES | 1,298 | 1,210 | 7 |
| Provision for income taxes | (290) | (350) | 17 |
| NET INCOME | \$ 1,008 | \$ 860 | 17 |
| EARNINGS PER SHARE | | | |
| Earnings per share - basic | \$ 2.83 | \$ 2.25 | 26 |
| Earnings per share - diluted | \$ 2.80 | \$ 2.23 | 26 |
| Basic Shares | 355.9 | 381.7 | |
| Diluted Shares | 360.3 | 386.5 | |

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

² *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.

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

⁴ *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.

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

⁶ *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.

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

⁸ *Gains and other income, net* includes gains and losses on the sale of real estate, the sale or impairment of joint ventures and investments, and results from other equity investments.

⁹ *Equity in earnings* include our equity in earnings or losses of unconsolidated equity method investments.

¹⁰ On January 1, 2018, we adopted ASU 2014-09. This column reflects our recast 2017 results under the new accounting standard.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES

(\$ in millions except per share amounts)

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

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-------------------------------|-------------------------------|------------------|-------------------------------|-------------------------------|
| | June 30, 2018 | June 30, 2017 ¹ | Percent Better/ (Worse) | June 30, 2018 | June 30, 2017 ¹ | Percent Better/ (Worse) |
| Total revenues, as reported | \$ 5,346 | \$ 5,211 | | \$ 10,352 | \$ 10,123 | |
| Less: Cost reimbursement revenue | (3,985) | (3,927) | | (7,758) | (7,663) | |
| Adjusted total revenues** | 1,361 | 1,284 | | 2,594 | 2,460 | |
| Operating income, as reported | 740 | 744 | | 1,240 | 1,290 | |
| Less: Cost reimbursement revenue | (3,985) | (3,927) | | (7,758) | (7,663) | |
| Add: Reimbursed expenses | 3,979 | 3,791 | | 7,814 | 7,487 | |
| Add: Merger-related costs, charges, and other ² | 18 | 26 | | 52 | 74 | |
| Adjusted operating income ** | 752 | 634 | 19% | 1,348 | 1,188 | 13% |
| Operating income margin | 14% | 14% | | 12% | 13% | |
| Adjusted operating income margin ** | 55% | 49% | | 52% | 48% | |
| Net income, as reported | 610 | 489 | | 1,008 | 860 | |
| Less: Cost reimbursement revenue | (3,985) | (3,927) | | (7,758) | (7,663) | |
| Add: Reimbursed expenses | 3,979 | 3,791 | | 7,814 | 7,487 | |
| Add: Merger-related costs, charges, and other ² | 18 | 26 | | 52 | 74 | |
| Less: Gain on sale of Avendra | (1) | - | | (6) | - | |
| Income tax effect of above adjustments | (2) | 46 | | (26) | 42 | |
| Add: U.S. Tax Cuts and Jobs Act of 2017 | - | - | | 22 | - | |
| Adjusted net income ** | \$ 619 | \$ 425 | 46% | \$ 1,106 | \$ 800 | 38% |
| Diluted EPS, as reported | \$ 1.71 | \$ 1.28 | | \$ 2.80 | \$ 2.23 | |
| Adjusted Diluted EPS** | \$ 1.73 | \$ 1.11 | 56% | \$ 3.07 | \$ 2.07 | 48% |

** Denotes non-GAAP financial measures. Please see pages A-15 and A-16 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ On January 1, 2018, we adopted ASU 2014-09. This column reflects our recast 2017 results under the new accounting standard.

² *Merger-related costs, charges, and other* includes Starwood merger costs presented in the "Merger-related costs and charges" caption of our Income Statement and purchase accounting revisions.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
As of June 30, 2018

| | North America | | Total International | | Total Worldwide | |
|--------------------------------------|---------------|----------------|---------------------|----------------|-----------------|----------------|
| | Units | Rooms | Units | Rooms | Units | Rooms |
| Managed | 822 | 248,999 | 1,107 | 293,233 | 1,929 | 542,232 |
| Marriott Hotels | 127 | 68,092 | 168 | 48,801 | 295 | 116,893 |
| Sheraton | 28 | 23,595 | 184 | 63,096 | 212 | 86,691 |
| Sheraton Residences | - | - | 2 | 262 | 2 | 262 |
| Courtyard | 240 | 38,355 | 91 | 19,585 | 331 | 57,940 |
| Westin | 45 | 24,808 | 68 | 21,749 | 113 | 46,557 |
| Westin Residences | 1 | 65 | 1 | 264 | 2 | 329 |
| The Ritz-Carlton | 38 | 10,958 | 55 | 14,986 | 93 | 25,944 |
| The Ritz-Carlton Residences | 35 | 4,554 | 11 | 950 | 46 | 5,504 |
| The Ritz-Carlton Serviced Apartments | - | - | 5 | 697 | 5 | 697 |
| JW Marriott | 16 | 10,038 | 48 | 19,125 | 64 | 29,163 |
| Renaissance | 27 | 11,773 | 54 | 17,192 | 81 | 28,965 |
| Le Méridien | 4 | 720 | 73 | 20,068 | 77 | 20,788 |
| Residence Inn | 110 | 16,863 | 6 | 643 | 116 | 17,506 |
| Four Points | 1 | 134 | 67 | 16,287 | 68 | 16,421 |
| W Hotels | 25 | 7,254 | 25 | 6,007 | 50 | 13,261 |
| W Residences | 9 | 1,078 | 4 | 471 | 13 | 1,549 |
| The Luxury Collection | 6 | 2,294 | 50 | 8,785 | 56 | 11,079 |
| St. Regis | 10 | 1,990 | 31 | 7,044 | 41 | 9,034 |
| St. Regis Residences | 7 | 585 | 7 | 593 | 14 | 1,178 |
| Aloft | 1 | 330 | 35 | 8,397 | 36 | 8,727 |
| Gaylord Hotels | 5 | 8,411 | - | - | 5 | 8,411 |
| Delta Hotels | 25 | 6,764 | - | - | 25 | 6,764 |
| Fairfield Inn & Suites | 6 | 1,432 | 26 | 4,175 | 32 | 5,607 |
| SpringHill Suites | 31 | 4,988 | - | - | 31 | 4,988 |
| Marriott Executive Apartments | - | - | 30 | 4,471 | 30 | 4,471 |
| Protea Hotels | - | - | 35 | 4,090 | 35 | 4,090 |
| Autograph Collection | 5 | 1,307 | 8 | 1,722 | 13 | 3,029 |
| TownePlace Suites | 16 | 1,839 | - | - | 16 | 1,839 |
| Element | 1 | 180 | 6 | 1,253 | 7 | 1,433 |
| EDITION | 2 | 567 | 3 | 801 | 5 | 1,368 |
| EDITION Residences | 1 | 25 | - | - | 1 | 25 |
| Moxy | - | - | 4 | 599 | 4 | 599 |
| Bulgari | - | - | 5 | 438 | 5 | 438 |
| Bulgari Residences | - | - | 2 | 123 | 2 | 123 |
| Tribute Portfolio | - | - | 3 | 559 | 3 | 559 |

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
As of June 30, 2018

| | North America | | Total International | | Total Worldwide | |
|--------------------------------------|---------------|----------------|---------------------|----------------|-----------------|------------------|
| | Units | Rooms | Units | Rooms | Units | Rooms |
| Franchised | 4,017 | 582,480 | 479 | 103,435 | 4,496 | 685,915 |
| Courtyard | 753 | 100,354 | 65 | 12,161 | 818 | 112,515 |
| Fairfield Inn & Suites | 927 | 84,974 | 6 | 1,157 | 933 | 86,131 |
| Marriott Hotels | 214 | 66,639 | 51 | 14,390 | 265 | 81,029 |
| Residence Inn | 658 | 78,044 | 5 | 666 | 663 | 78,710 |
| Sheraton | 162 | 48,202 | 62 | 17,830 | 224 | 66,032 |
| SpringHill Suites | 370 | 42,434 | - | - | 370 | 42,434 |
| Westin | 82 | 26,863 | 23 | 7,237 | 105 | 34,100 |
| Westin Residences | 2 | 201 | - | - | 2 | 201 |
| TownePlace Suites | 338 | 34,035 | - | - | 338 | 34,035 |
| Four Points | 143 | 21,877 | 47 | 7,328 | 190 | 29,205 |
| Autograph Collection | 82 | 17,649 | 49 | 11,492 | 131 | 29,141 |
| Renaissance | 59 | 16,816 | 26 | 7,188 | 85 | 24,004 |
| Aloft | 102 | 14,942 | 13 | 2,094 | 115 | 17,036 |
| The Luxury Collection | 12 | 2,850 | 39 | 7,339 | 51 | 10,189 |
| The Luxury Collection Residences | 1 | 91 | 1 | 64 | 2 | 155 |
| Delta Hotels | 32 | 7,387 | 2 | 562 | 34 | 7,949 |
| Le Méridien | 16 | 3,417 | 15 | 4,012 | 31 | 7,429 |
| Tribute Portfolio | 17 | 5,350 | 9 | 972 | 26 | 6,322 |
| JW Marriott | 10 | 4,425 | 6 | 1,624 | 16 | 6,049 |
| Moxy | 7 | 1,503 | 18 | 4,048 | 25 | 5,551 |
| Element | 28 | 3,943 | 2 | 293 | 30 | 4,236 |
| Protea Hotels | - | - | 39 | 2,893 | 39 | 2,893 |
| The Ritz-Carlton | 1 | 429 | - | - | 1 | 429 |
| The Ritz-Carlton Residences | 1 | 55 | - | - | 1 | 55 |
| Bulgari | - | - | 1 | 85 | 1 | 85 |
| Owned/Leased | 29 | 8,281 | 33 | 8,565 | 62 | 16,846 |
| Sheraton | 2 | 1,474 | 4 | 1,830 | 6 | 3,304 |
| Courtyard | 19 | 2,814 | 3 | 645 | 22 | 3,459 |
| Marriott Hotels | 3 | 1,664 | 5 | 1,625 | 8 | 3,289 |
| Westin | 1 | 1,073 | - | - | 1 | 1,073 |
| W Hotels | 1 | 509 | 2 | 665 | 3 | 1,174 |
| Protea Hotels | - | - | 7 | 1,168 | 7 | 1,168 |
| Renaissance | 1 | 317 | 3 | 749 | 4 | 1,066 |
| The Ritz-Carlton | - | - | 2 | 553 | 2 | 553 |
| JW Marriott | - | - | 1 | 496 | 1 | 496 |
| St. Regis | 1 | 238 | 1 | 160 | 2 | 398 |
| Residence Inn | 1 | 192 | 1 | 140 | 2 | 332 |
| The Luxury Collection | - | - | 2 | 287 | 2 | 287 |
| Autograph Collection | - | - | 2 | 247 | 2 | 247 |
| Unconsolidated Joint Ventures | 42 | 7,189 | 98 | 12,004 | 140 | 19,193 |
| AC Hotels by Marriott | 42 | 7,189 | 91 | 11,545 | 133 | 18,734 |
| Autograph Collection | - | - | 7 | 459 | 7 | 459 |
| Timeshare* | 70 | 18,297 | 20 | 4,242 | 90 | 22,539 |
| Marriott Vacations Worldwide | 51 | 11,249 | 15 | 2,406 | 66 | 13,655 |
| Vistana | 19 | 7,048 | 5 | 1,836 | 24 | 8,884 |
| Grand Total | 4,980 | 865,246 | 1,737 | 421,479 | 6,717 | 1,286,725 |

*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.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
As of June 30, 2018

| <i>Total Systemwide</i> | North America | | Total International | | Total Worldwide | |
|--------------------------------------|----------------------|----------------|----------------------------|----------------|------------------------|------------------|
| | <i>Units</i> | <i>Rooms</i> | <i>Units</i> | <i>Rooms</i> | <i>Units</i> | <i>Rooms</i> |
| Luxury | 176 | 47,940 | 301 | 71,293 | 477 | 119,233 |
| JW Marriott | 26 | 14,463 | 55 | 21,245 | 81 | 35,708 |
| The Ritz-Carlton | 39 | 11,387 | 57 | 15,539 | 96 | 26,926 |
| The Ritz-Carlton Residences | 36 | 4,609 | 11 | 950 | 47 | 5,559 |
| The Ritz-Carlton Serviced Apartments | - | - | 5 | 697 | 5 | 697 |
| The Luxury Collection | 18 | 5,144 | 91 | 16,411 | 109 | 21,555 |
| The Luxury Collection Residences | 1 | 91 | 1 | 64 | 2 | 155 |
| W Hotels | 26 | 7,763 | 27 | 6,672 | 53 | 14,435 |
| W Residences | 9 | 1,078 | 4 | 471 | 13 | 1,549 |
| St. Regis | 11 | 2,228 | 32 | 7,204 | 43 | 9,432 |
| St. Regis Residences | 7 | 585 | 7 | 593 | 14 | 1,178 |
| EDITION | 2 | 567 | 3 | 801 | 5 | 1,368 |
| EDITION Residences | 1 | 25 | - | - | 1 | 25 |
| Bulgari | - | - | 6 | 523 | 6 | 523 |
| Bulgari Residences | - | - | 2 | 123 | 2 | 123 |
| Full-Service | 940 | 342,587 | 849 | 246,777 | 1,789 | 589,364 |
| Marriott Hotels | 344 | 136,395 | 224 | 64,816 | 568 | 201,211 |
| Sheraton | 192 | 73,271 | 250 | 82,756 | 442 | 156,027 |
| Sheraton Residences | - | - | 2 | 262 | 2 | 262 |
| Westin | 128 | 52,744 | 91 | 28,986 | 219 | 81,730 |
| Westin Residences | 3 | 266 | 1 | 264 | 4 | 530 |
| Renaissance | 87 | 28,906 | 83 | 25,129 | 170 | 54,035 |
| Autograph Collection | 87 | 18,956 | 66 | 13,920 | 153 | 32,876 |
| Le Méridien | 20 | 4,137 | 88 | 24,080 | 108 | 28,217 |
| Delta Hotels | 57 | 14,151 | 2 | 562 | 59 | 14,713 |
| Gaylord Hotels | 5 | 8,411 | - | - | 5 | 8,411 |
| Tribute Portfolio | 17 | 5,350 | 12 | 1,531 | 29 | 6,881 |
| Marriott Executive Apartments | - | - | 30 | 4,471 | 30 | 4,471 |
| Limited-Service | 3,794 | 456,422 | 567 | 99,167 | 4,361 | 555,589 |
| Courtyard | 1,012 | 141,523 | 159 | 32,391 | 1,171 | 173,914 |
| Residence Inn | 769 | 95,099 | 12 | 1,449 | 781 | 96,548 |
| Fairfield Inn & Suites | 933 | 86,406 | 32 | 5,332 | 965 | 91,738 |
| SpringHill Suites | 401 | 47,422 | - | - | 401 | 47,422 |
| Four Points | 144 | 22,011 | 114 | 23,615 | 258 | 45,626 |
| TownePlace Suites | 354 | 35,874 | - | - | 354 | 35,874 |
| Aloft | 103 | 15,272 | 48 | 10,491 | 151 | 25,763 |
| AC Hotels by Marriott | 42 | 7,189 | 91 | 11,545 | 133 | 18,734 |
| Protea Hotels | - | - | 81 | 8,151 | 81 | 8,151 |
| Moxy | 7 | 1,503 | 22 | 4,647 | 29 | 6,150 |
| Element | 29 | 4,123 | 8 | 1,546 | 37 | 5,669 |
| Timeshare* | 70 | 18,297 | 20 | 4,242 | 90 | 22,539 |
| Marriott Vacations Worldwide | 51 | 11,249 | 15 | 2,406 | 66 | 13,655 |
| Vistana | 19 | 7,048 | 5 | 1,836 | 24 | 8,884 |
| Grand Total | 4,980 | 865,246 | 1,737 | 421,479 | 6,717 | 1,286,725 |

*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.

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

Comparable Company-Operated North American Properties

| Brand | Three Months Ended June 30, 2018 and June 30, 2017 | | | | | | |
|---|--|-------------|--------------|------------------|--|--------------------|-------------|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | | 2018 | vs. 2017 |
| JW Marriott | \$198.18 | 1.1% | 81.4% | 0.1% pts. | | \$243.45 | 1.0% |
| The Ritz-Carlton | \$281.05 | 4.9% | 76.4% | 0.7% pts. | | \$367.77 | 3.9% |
| W Hotels | \$261.02 | 0.9% | 83.2% | -1.5% pts. | | \$313.73 | 2.7% |
| Composite North American Luxury¹ | \$263.58 | 3.4% | 79.5% | 0.3% pts. | | \$331.50 | 3.0% |
| Marriott Hotels | \$169.82 | 4.4% | 81.4% | 0.7% pts. | | \$208.49 | 3.6% |
| Sheraton | \$156.33 | 4.5% | 80.6% | 2.3% pts. | | \$193.92 | 1.5% |
| Westin | \$182.79 | 1.5% | 80.6% | 0.6% pts. | | \$226.73 | 0.7% |
| Composite North American Upper Upscale² | \$166.22 | 4.1% | 80.6% | 1.0% pts. | | \$206.23 | 2.8% |
| North American Full-Service³ | \$182.40 | 3.9% | 80.4% | 0.9% pts. | | \$226.81 | 2.7% |
| Courtyard | \$114.92 | 2.0% | 78.2% | 0.5% pts. | | \$146.99 | 1.3% |
| Residence Inn | \$135.45 | 0.5% | 82.4% | -0.7% pts. | | \$164.36 | 1.4% |
| Composite North American Limited-Service⁴ | \$120.35 | 1.4% | 79.8% | 0.2% pts. | | \$150.83 | 1.2% |
| North American - All⁵ | \$162.86 | 3.3% | 80.2% | 0.7% pts. | | \$203.01 | 2.5% |

Comparable Systemwide North American Properties

| Brand | Three Months Ended June 30, 2018 and June 30, 2017 | | | | | | |
|---|--|-------------|--------------|------------------|--|--------------------|-------------|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | | 2018 | vs. 2017 |
| JW Marriott | \$195.37 | 2.7% | 81.6% | 0.6% pts. | | \$239.37 | 1.9% |
| The Ritz-Carlton | \$281.05 | 4.9% | 76.4% | 0.7% pts. | | \$367.77 | 3.9% |
| W Hotels | \$261.02 | 0.9% | 83.2% | -1.5% pts. | | \$313.73 | 2.7% |
| Composite North American Luxury¹ | \$251.71 | 3.9% | 79.9% | 0.7% pts. | | \$315.16 | 3.0% |
| Marriott Hotels | \$142.53 | 3.7% | 77.6% | 0.8% pts. | | \$183.70 | 2.7% |
| Sheraton | \$124.85 | 3.1% | 77.3% | 1.0% pts. | | \$161.48 | 1.8% |
| Westin | \$167.33 | 2.5% | 80.2% | 0.6% pts. | | \$208.67 | 1.8% |
| Composite North American Upper Upscale² | \$144.26 | 3.6% | 78.1% | 0.8% pts. | | \$184.83 | 2.5% |
| North American Full-Service³ | \$154.74 | 3.7% | 78.2% | 0.8% pts. | | \$197.80 | 2.6% |
| Courtyard | \$112.47 | 2.2% | 78.0% | 0.9% pts. | | \$144.10 | 1.0% |
| Residence Inn | \$125.45 | 1.7% | 82.8% | 0.7% pts. | | \$151.47 | 0.8% |
| Fairfield Inn & Suites | \$90.48 | 2.9% | 76.9% | 1.5% pts. | | \$117.71 | 0.9% |
| Composite North American Limited-Service⁴ | \$108.11 | 2.5% | 79.1% | 1.0% pts. | | \$136.64 | 1.2% |
| North American - All⁵ | \$128.38 | 3.1% | 78.7% | 0.9% pts. | | \$163.05 | 1.9% |

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

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

³ Includes Composite North American Luxury and Composite North American Upper Upscale.

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

⁵ 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, 2018 and June 30, 2017 | | | | | | |
|--|--|-------------|--------------|------------------|-----------------|--------------------|--|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | 2018 | vs. 2017 | |
| Greater China | \$95.94 | 10.0% | 72.7% | 3.9% pts. | \$131.97 | 4.1% | |
| Rest of Asia Pacific | \$118.98 | 6.5% | 72.2% | 1.6% pts. | \$164.70 | 4.2% | |
| Asia Pacific | \$104.51 | 8.5% | 72.5% | 3.0% pts. | \$144.11 | 4.0% | |
| Caribbean & Latin America | \$127.25 | 8.8% | 64.2% | 0.5% pts. | \$198.35 | 7.9% | |
| Europe | \$168.59 | 4.2% | 78.1% | 0.8% pts. | \$215.95 | 3.2% | |
| Middle East & Africa | \$90.93 | -4.2% | 61.1% | 1.0% pts. | \$148.75 | -5.7% | |
| International - All¹ | \$118.79 | 5.2% | 71.0% | 1.9% pts. | \$167.20 | 2.4% | |
| Worldwide² | \$140.65 | 4.1% | 75.6% | 1.3% pts. | \$186.05 | 2.3% | |

Comparable Systemwide International Properties

| Region | Three Months Ended June 30, 2018 and June 30, 2017 | | | | | | |
|--|--|-------------|--------------|------------------|-----------------|--------------------|--|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | 2018 | vs. 2017 | |
| Greater China | \$95.72 | 9.8% | 72.2% | 3.9% pts. | \$132.54 | 3.9% | |
| Rest of Asia Pacific | \$121.47 | 7.7% | 72.9% | 2.2% pts. | \$166.55 | 4.4% | |
| Asia Pacific | \$107.16 | 8.7% | 72.5% | 3.2% pts. | \$147.73 | 4.0% | |
| Caribbean & Latin America | \$104.65 | 7.6% | 63.8% | 0.8% pts. | \$163.90 | 6.3% | |
| Europe | \$144.23 | 4.9% | 75.9% | 1.5% pts. | \$189.91 | 2.9% | |
| Middle East & Africa | \$88.77 | -3.6% | 61.4% | 0.9% pts. | \$144.48 | -5.1% | |
| International - All¹ | \$115.31 | 5.7% | 70.9% | 2.1% pts. | \$162.63 | 2.6% | |
| Worldwide² | \$124.53 | 3.8% | 76.4% | 1.3% pts. | \$162.94 | 2.1% | |

¹ Includes Asia Pacific, Caribbean & Latin America, Europe, and Middle East & Africa.

² 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, 2018 and June 30, 2017 | | | | | | |
|---|--|-------------|--------------|-------------|-------------|--------------------|-------------|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | pts. | 2018 | vs. 2017 |
| JW Marriott | \$195.04 | 0.7% | 79.6% | 0.4% | pts. | \$245.13 | 0.2% |
| The Ritz-Carlton | \$292.65 | 4.8% | 76.0% | 1.0% | pts. | \$384.87 | 3.4% |
| W Hotels | \$251.39 | 3.0% | 81.8% | -0.2% | pts. | \$307.42 | 3.2% |
| Composite North American Luxury¹ | \$270.87 | 3.9% | 78.9% | 0.6% | pts. | \$343.16 | 3.1% |
| Marriott Hotels | \$158.33 | 2.8% | 77.6% | 0.5% | pts. | \$204.15 | 2.2% |
| Sheraton | \$142.73 | 2.6% | 76.6% | 0.3% | pts. | \$186.23 | 2.2% |
| Westin | \$165.56 | 1.3% | 76.1% | 0.3% | pts. | \$217.47 | 0.9% |
| Composite North American Upper Upscale² | \$153.69 | 2.5% | 76.7% | 0.4% | pts. | \$200.40 | 2.0% |
| North American Full-Service³ | \$173.17 | 2.8% | 77.1% | 0.4% | pts. | \$224.71 | 2.3% |
| Courtyard | \$106.16 | 1.0% | 73.6% | 0.2% | pts. | \$144.15 | 0.7% |
| Residence Inn | \$128.27 | 0.1% | 79.4% | -0.6% | pts. | \$161.53 | 0.8% |
| Composite North American Limited-Service⁴ | \$112.06 | 1.0% | 75.7% | 0.2% | pts. | \$148.05 | 0.7% |
| North American - All⁵ | \$153.91 | 2.4% | 76.6% | 0.4% | pts. | \$200.85 | 1.9% |

Comparable Systemwide North American Properties

| Brand | Six Months Ended June 30, 2018 and June 30, 2017 | | | | | | |
|---|--|-------------|--------------|-------------|-------------|--------------------|-------------|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | pts. | 2018 | vs. 2017 |
| JW Marriott | \$192.70 | 1.6% | 79.5% | 0.3% | pts. | \$242.39 | 1.2% |
| The Ritz-Carlton | \$292.65 | 4.8% | 76.0% | 1.0% | pts. | \$384.87 | 3.4% |
| W Hotels | \$251.39 | 3.0% | 81.8% | -0.2% | pts. | \$307.42 | 3.2% |
| Composite North American Luxury¹ | \$255.36 | 4.1% | 78.8% | 0.8% | pts. | \$324.02 | 3.0% |
| Marriott Hotels | \$133.89 | 2.4% | 73.7% | 0.4% | pts. | \$181.64 | 1.8% |
| Sheraton | \$113.69 | 2.4% | 72.6% | 0.4% | pts. | \$156.65 | 1.8% |
| Westin | \$156.61 | 1.7% | 76.1% | 0.1% | pts. | \$205.67 | 1.6% |
| Composite North American Upper Upscale² | \$134.80 | 2.5% | 74.1% | 0.4% | pts. | \$181.99 | 2.0% |
| North American Full-Service³ | \$146.56 | 2.8% | 74.5% | 0.4% | pts. | \$196.63 | 2.2% |
| Courtyard | \$103.36 | 1.7% | 73.5% | 0.8% | pts. | \$140.61 | 0.5% |
| Residence Inn | \$117.77 | 1.9% | 79.4% | 0.9% | pts. | \$148.27 | 0.7% |
| Fairfield Inn & Suites | \$82.17 | 3.5% | 71.8% | 1.9% | pts. | \$114.40 | 0.9% |
| Composite North American Limited-Service⁴ | \$99.93 | 2.5% | 74.8% | 1.2% | pts. | \$133.53 | 0.9% |
| North American - All⁵ | \$120.19 | 2.7% | 74.7% | 0.8% | pts. | \$160.89 | 1.5% |

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

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

³ Includes Composite North American Luxury and Composite North American Upper Upscale.

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

⁵ 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, 2018 and June 30, 2017 | | | | | | |
|--|--|-------------|--------------|------------------|-----------------|--------------------|--|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | 2018 | vs. 2017 | |
| Greater China | \$94.35 | 11.0% | 70.8% | 4.6% pts. | \$133.34 | 3.8% | |
| Rest of Asia Pacific | \$127.98 | 7.2% | 74.3% | 1.7% pts. | \$172.15 | 4.8% | |
| Asia Pacific | \$106.89 | 9.3% | 72.1% | 3.5% pts. | \$148.26 | 4.0% | |
| Caribbean & Latin America | \$142.93 | 9.7% | 66.1% | 1.6% pts. | \$216.22 | 7.0% | |
| Europe | \$145.20 | 4.2% | 72.1% | 1.0% pts. | \$201.46 | 2.8% | |
| Middle East & Africa | \$104.87 | -0.1% | 65.5% | 2.5% pts. | \$160.22 | -3.9% | |
| International - All¹ | \$118.37 | 6.3% | 70.4% | 2.6% pts. | \$168.19 | 2.4% | |
| Worldwide² | \$136.02 | 4.1% | 73.5% | 1.5% pts. | \$185.10 | 2.0% | |

Comparable Systemwide International Properties

| Region | Six Months Ended June 30, 2018 and June 30, 2017 | | | | | | |
|--|--|-------------|--------------|------------------|-----------------|--------------------|--|
| | REVPAR | | Occupancy | | | Average Daily Rate | |
| | 2018 | vs. 2017 | 2018 | vs. 2017 | 2018 | vs. 2017 | |
| Greater China | \$94.00 | 10.7% | 70.2% | 4.6% pts. | \$133.92 | 3.5% | |
| Rest of Asia Pacific | \$127.24 | 8.2% | 74.3% | 2.0% pts. | \$171.33 | 5.4% | |
| Asia Pacific | \$108.77 | 9.4% | 72.0% | 3.4% pts. | \$151.07 | 4.2% | |
| Caribbean & Latin America | \$113.93 | 8.2% | 64.7% | 1.6% pts. | \$176.02 | 5.6% | |
| Europe | \$124.57 | 5.4% | 69.6% | 2.0% pts. | \$179.04 | 2.3% | |
| Middle East & Africa | \$101.10 | 0.0% | 65.2% | 2.1% pts. | \$155.17 | -3.2% | |
| International - All¹ | \$112.98 | 6.6% | 69.4% | 2.6% pts. | \$162.78 | 2.6% | |
| Worldwide² | \$118.07 | 3.7% | 73.1% | 1.3% pts. | \$161.42 | 1.8% | |

¹ Includes Asia Pacific, Caribbean & Latin America, Europe, and Middle East & Africa.

² Includes North American - All and International - All.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA
(\$ in millions)

| | Fiscal Year 2018 | | |
|--|------------------|-------------------|------------------------|
| | First Quarter | Second Quarter | Total |
| Net income, as reported | \$ 398 | \$ 610 | \$ 1,008 |
| Cost reimbursement revenue | (3,773) | (3,985) | (7,758) |
| Reimbursed expenses | 3,835 | 3,979 | 7,814 |
| Interest expense | 75 | 85 | 160 |
| Interest expense from unconsolidated joint ventures | 2 | 3 | 5 |
| Tax provision | 104 | 186 | 290 |
| Depreciation and amortization | 54 | 58 | 112 |
| Contract investment amortization | 18 | 13 | 31 |
| Depreciation classified in reimbursed expenses | 33 | 34 | 67 |
| Depreciation and amortization from unconsolidated joint ventures | 10 | 10 | 20 |
| Share-based compensation | 38 | 47 | 85 |
| Gain on asset dispositions | (58) | (109) | (167) |
| Gain on investee's property sale | - | (10) | (10) |
| Merger-related costs and charges | 34 | 18 | 52 |
| Adjusted EBITDA ** | \$ 770 | \$ 939 | \$ 1,709 |
| Increase over 2017 Adjusted EBITDA ** | 8% | 15% | 11%¹ |

| | Fiscal Year 2017 ² | | | | |
|--|-------------------------------|-------------------|------------------|-------------------|-----------------|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
| Net income, as reported | \$ 371 | \$ 489 | \$ 485 | \$ 114 | \$ 1,459 |
| Cost reimbursement revenue | (3,736) | (3,927) | (3,830) | (3,962) | (15,455) |
| Reimbursed expenses | 3,696 | 3,791 | 3,650 | 4,091 | 15,228 |
| Interest expense | 70 | 73 | 73 | 72 | 288 |
| Interest expense from unconsolidated joint ventures | 1 | 3 | 2 | 4 | 10 |
| Tax provision | 123 | 227 | 253 | 920 | 1,523 |
| Depreciation and amortization | 51 | 71 | 54 | 53 | 229 |
| Contract investment amortization | 11 | 12 | 11 | 16 | 50 |
| Depreciation classified in reimbursed expenses | 32 | 33 | 28 | 33 | 126 |
| Depreciation and amortization from unconsolidated joint ventures | 11 | 10 | 10 | 11 | 42 |
| Share-based compensation | 35 | 41 | 42 | 37 | 155 |
| Gain on asset dispositions | - | (24) | - | (659) | (683) |
| Merger-related costs and charges | 51 | 21 | 28 | 59 | 159 |
| Adjusted EBITDA ** | \$ 716 | \$ 820 | \$ 806 | \$ 789 | \$ 3,131 |

** Denotes non-GAAP financial measures. Please see pages A-15 and A-16 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Represents the percentage increase of Adjusted EBITDA of \$1,709 million for the first two quarters of 2018 over Adjusted EBITDA of \$1,536 million for the first two quarters of 2017.

² On January 1, 2018, we adopted ASU 2014-09. The table above reflects our recast 2017 results under the new accounting standard.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA FORECAST
THIRD QUARTER 2018

(\$ in millions)

| | <u>Range</u> | | <u>Third Quarter 2017 ^{2**}</u> |
|--|---------------------------|----------------------|--|
| | <u>Estimated</u> | | |
| | <u>Third Quarter 2018</u> | | |
| Net income excluding certain items ¹ | \$ 445 | \$ 464 | |
| Interest expense | 90 | 90 | |
| Interest expense from unconsolidated joint ventures | - | - | |
| Tax provision | 145 | 151 | |
| Depreciation and amortization | 60 | 60 | |
| Contract investment amortization | 15 | 15 | |
| Depreciation classified in reimbursed expenses | 35 | 35 | |
| Depreciation and amortization from unconsolidated joint ventures | 10 | 10 | |
| Share-based compensation | 45 | 45 | |
| Adjusted EBITDA ^{**} | <u>\$ 845</u> | <u>\$ 870</u> | <u>\$ 806</u> |
| Increase over 2017 Adjusted EBITDA ^{**} | 5% | 8% | |

^{**} Denotes non-GAAP financial measures. See pages A-15 and A-16 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Guidance excludes cost reimbursement revenue, reimbursed expenses, and merger-related costs and charges, which the company cannot accurately forecast and which may be significant, except for depreciation classified in reimbursed expenses, which is included in the caption "Depreciation classified in reimbursed expenses" above.

² On January 1, 2018, we adopted ASU 2014-09. The table above reflects our recast 2017 results under the new accounting standard. For 2017 full year recast information, see the Form 8-K that we furnished on July 25, 2018.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA FORECAST
FOURTH QUARTER 2018

(\$ in millions)

| | <u>Range</u> | | <u>Fourth Quarter 2017 ^{2**}</u> |
|--|----------------------------|----------------------|---|
| | <u>Estimated</u> | | |
| | <u>Fourth Quarter 2018</u> | | |
| Net income excluding certain items ¹ | \$ 514 | \$ 529 | |
| Interest expense | 85 | 85 | |
| Interest expense from unconsolidated joint ventures | 5 | 5 | |
| Tax provision | 132 | 137 | |
| Depreciation and amortization | 53 | 53 | |
| Contract investment amortization | 14 | 14 | |
| Depreciation classified in reimbursed expenses | 38 | 38 | |
| Depreciation and amortization from unconsolidated joint ventures | 10 | 10 | |
| Share-based compensation | 45 | 45 | |
| Adjusted EBITDA ^{**} | <u>\$ 896</u> | <u>\$ 916</u> | <u>\$ 789</u> |
| Increase over 2017 Adjusted EBITDA ^{**} | 14% | 16% | |

** Denotes non-GAAP financial measures. See pages A-15 and A-16 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Guidance excludes cost reimbursement revenue, reimbursed expenses, and merger-related costs and charges, which the company cannot accurately forecast and which may be significant, except for depreciation classified in reimbursed expenses, which is included in the caption "Depreciation classified in reimbursed expenses" above.

² On January 1, 2018, we adopted ASU 2014-09. The table above reflects our recast 2017 results under the new accounting standard. For 2017 full year recast information, see the Form 8-K that we furnished on July 25, 2018.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA FORECAST
FULL YEAR 2018

(\$ in millions)

| | Range | | Full Year 2017 ^{2 **} |
|--|-----------------|-----------------|--------------------------------|
| | Estimated | | |
| | Full Year 2018 | | |
| Net income excluding certain items ¹ | \$ 2,047 | \$ 2,081 | |
| Interest expense | 335 | 335 | |
| Interest expense from unconsolidated joint ventures | 10 | 10 | |
| Tax provision | 595 | 606 | |
| Depreciation and amortization | 225 | 225 | |
| Contract investment amortization | 60 | 60 | |
| Depreciation classified in reimbursed expenses | 140 | 140 | |
| Depreciation and amortization from unconsolidated joint ventures | 40 | 40 | |
| Share-based compensation | 175 | 175 | |
| Gain on asset dispositions | (167) | (167) | |
| Gain on investee's property sale | (10) | (10) | |
| Adjusted EBITDA ** | \$ 3,450 | \$ 3,495 | \$ 3,131 |
| Increase over 2017 Adjusted EBITDA ** | 10% | 12% | |

** Denotes non-GAAP financial measures. See pages A-15 and A-16 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Guidance excludes cost reimbursement revenue, reimbursed expenses, and merger-related costs and charges, which the company cannot accurately forecast and which may be significant, except for depreciation classified in reimbursed expenses, which is included in the caption "Depreciation classified in reimbursed expenses" above.

² On January 1, 2018, we adopted ASU 2014-09. The table above reflects our recast 2017 results under the new accounting standard. For 2017 full year recast information, see the Form 8-K that we furnished on July 25, 2018.

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, income from continuing operations, net income, earnings 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 and Adjusted Operating Income Margin. Adjusted operating income and Adjusted operating income margin exclude cost reimbursement revenue, reimbursed expenses, Starwood merger costs presented in the “Merger-related costs and charges” caption of our Income Statements, and net purchase accounting revisions. Adjusted operating income margin reflects Adjusted operating income 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 and Adjusted Diluted EPS. Adjusted net income and Adjusted diluted EPS reflect our net income and diluted earnings per share excluding the impact of cost reimbursement revenue, reimbursed expenses, merger-related costs, charges, and other merger-related adjustments due to purchase accounting, the gain on the sale of our ownership interest in Avendra, and the income tax effect of these adjustments, and our provisional estimate of the impact of the U.S. Tax Cuts and Jobs Act of 2017. 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 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 provision for income taxes, pre-tax transaction and transition costs associated with the Starwood merger, 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 and Adjusted operating income margin, Adjusted net income, and Adjusted diluted EPS, we exclude transaction and transition costs associated with the Starwood merger, which we record in the “Merger-related costs and charges” caption of our Income Statements, and other merger-related adjustments due to purchase accounting, 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 temporary 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.

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

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.

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 may not be comparable to similarly titled measures, such as revenues. We calculate RevPAR by dividing room sales (recorded in local currency) for comparable properties by room nights available for the period. We present growth in comparative pro forma combined company 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.