

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
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QUARTER 3, 2018

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

	As Reported Three Months Ended September 30, 2018	As Reported ¹⁰ Three Months Ended September 30, 2017	Percent Better/(Worse) Reported 2018 vs. 2017
REVENUES			
Base management fees	\$ 279	\$ 269	4
Franchise fees ¹	502	419	20
Incentive management fees	151	138	9
Gross Fee Revenues	932	826	13
Contract investment amortization ²	(13)	(11)	(18)
Net Fee Revenues	919	815	13
Owned, leased, and other revenue ³	397	433	(8)
Cost reimbursement revenue ⁴	3,733	3,830	(3)
Total Revenues	5,049	5,078	(1)
OPERATING COSTS AND EXPENSES			
Owned, leased, and other - direct ⁵	315	351	10
Depreciation, amortization, and other ⁶	52	54	4
General, administrative, and other ⁷	221	205	(8)
Merger-related costs and charges	12	28	57
Reimbursed expenses ⁴	3,879	3,650	(6)
Total Expenses	4,479	4,288	(4)
OPERATING INCOME	570	790	(28)
Gains and other income, net ⁸	18	6	200
Interest expense	(86)	(73)	(18)
Interest income	5	9	(44)
Equity in earnings ⁹	61	6	917
INCOME BEFORE INCOME TAXES	568	738	(23)
Provision for income taxes	(85)	(253)	66
NET INCOME	\$ 483	\$ 485	-
EARNINGS PER SHARE			
Earnings per share - basic	\$ 1.39	\$ 1.30	7
Earnings per share - diluted	\$ 1.38	\$ 1.29	7
Basic Shares	346.7	372.3	
Diluted Shares	350.6	376.6	

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
THIRD QUARTER YEAR-TO-DATE 2018 AND 2017
(in millions except per share amounts, unaudited)

	As Reported Nine Months Ended September 30, 2018	As Reported ¹⁰ Nine Months Ended September 30, 2017	Percent Better/(Worse) Reported 2018 vs. 2017
REVENUES			
Base management fees	\$ 852	\$ 818	4
Franchise fees ¹	1,394	1,182	18
Incentive management fees	482	433	11
Gross Fee Revenues	2,728	2,433	12
Contract investment amortization ²	(44)	(34)	(29)
Net Fee Revenues	2,684	2,399	12
Owned, leased, and other revenue ³	1,226	1,309	(6)
Cost reimbursement revenue ⁴	11,491	11,493	-
Total Revenues	15,401	15,201	1
OPERATING COSTS AND EXPENSES			
Owned, leased, and other - direct ⁵	985	1,057	7
Depreciation, amortization, and other ⁶	164	176	7
General, administrative, and other ⁷	685	651	(5)
Merger-related costs and charges	64	100	36
Reimbursed expenses ⁴	11,693	11,137	(5)
Total Expenses	13,591	13,121	(4)
OPERATING INCOME	1,810	2,080	(13)
Gains and other income, net ⁸	191	31	516
Interest expense	(246)	(216)	(14)
Interest income	16	24	(33)
Equity in earnings ⁹	95	29	228
INCOME BEFORE INCOME TAXES	1,866	1,948	(4)
Provision for income taxes	(375)	(603)	38
NET INCOME	\$ 1,491	\$ 1,345	11
EARNINGS PER SHARE			
Earnings per share - basic	\$ 4.23	\$ 3.55	19
Earnings per share - diluted	\$ 4.18	\$ 3.51	19
Basic Shares	352.8	378.5	
Diluted Shares	357.1	383.2	

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			Nine Months Ended		
	September 30, 2018	September 30, 2017 ¹	Percent Better/ (Worse)	September 30, 2018	September 30, 2017 ¹	Percent Better/ (Worse)
Total revenues, as reported	\$ 5,049	\$ 5,078		\$ 15,401	\$ 15,201	
Less: Cost reimbursement revenue	(3,733)	(3,830)		(11,491)	(11,493)	
Less: Other merger-related adjustments ²	-	(3)		-	(3)	
Adjusted total revenues**	<u>1,316</u>	<u>1,245</u>		<u>3,910</u>	<u>3,705</u>	
Operating income, as reported	570	790		1,810	2,080	
Less: Cost reimbursement revenue	(3,733)	(3,830)		(11,491)	(11,493)	
Add: Reimbursed expenses	3,879	3,650		11,693	11,137	
Add: Merger-related costs, charges, and other ³	12	22		64	96	
Adjusted operating income **	<u>728</u>	<u>632</u>	15%	<u>2,076</u>	<u>1,820</u>	14%
Operating income margin	11%	16%		12%	14%	
Adjusted operating income margin **	55%	51%		53%	49%	
Net income, as reported	483	485		1,491	1,345	
Less: Cost reimbursement revenue	(3,733)	(3,830)		(11,491)	(11,493)	
Add: Reimbursed expenses	3,879	3,650		11,693	11,137	
Add: Merger-related costs, charges, and other ³	12	22		64	96	
Less: Gain on sale of Avendra	-	-		(6)	-	
Income tax effect of above adjustments	(43)	70		(69)	112	
Add: U.S. Tax Cuts and Jobs Act of 2017	-	-		22	-	
Adjusted net income **	<u>\$ 598</u>	<u>\$ 397</u>	51%	<u>\$ 1,704</u>	<u>\$ 1,197</u>	42%
Diluted EPS, as reported	\$ 1.38	\$ 1.29		\$ 4.18	\$ 3.51	
Adjusted Diluted EPS**	\$ 1.70	\$ 1.05	62%	\$ 4.77	\$ 3.12	53%

** Denotes non-GAAP financial measures. Please see pages A-14 and A-15 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 Other merger-related adjustments include Starwood purchase accounting revisions.

³ Merger-related costs, charges, and other includes Starwood merger costs presented in the "Merger-related costs and charges" caption of our Income Statement and net purchase accounting revisions.

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

	North America		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Managed	820	248,479	1,123	298,231	1,943	546,710
Marriott Hotels	126	67,809	168	49,924	294	117,733
Sheraton	28	23,611	184	63,247	212	86,858
Sheraton Residences	-	-	2	262	2	262
Courtyard	240	38,356	95	20,436	335	58,792
Westin	45	24,808	67	21,049	112	45,857
Westin Residences	1	65	1	264	2	329
The Ritz-Carlton	38	10,958	55	14,992	93	25,950
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	49	19,382	65	29,420
Renaissance	27	11,774	57	17,839	84	29,613
Le Méridien	4	720	72	19,828	76	20,548
Residence Inn	110	16,897	6	643	116	17,540
Four Points	1	134	72	18,603	73	18,737
W Hotels	24	6,965	26	6,254	50	13,219
W Residences	9	1,078	4	478	13	1,556
The Luxury Collection	6	2,294	51	8,959	57	11,253
The Luxury Collection Residences	-	-	1	21	1	21
St. Regis	10	1,990	29	6,651	39	8,641
St. Regis Residences	7	585	7	593	14	1,178
Aloft	1	330	35	8,444	36	8,774
Gaylord Hotels	5	8,411	-	-	5	8,411
Delta Hotels	25	6,764	-	-	25	6,764
Fairfield Inn & Suites	6	1,432	27	4,187	33	5,619
SpringHill Suites	31	4,988	-	-	31	4,988
Marriott Executive Apartments	-	-	31	4,613	31	4,613
Protea Hotels	-	-	35	4,175	35	4,175
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	5	1,046	7	1,613
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 September 30, 2018

	North America		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Franchised	4,053	587,020	489	105,618	4,542	692,638
Courtyard	760	101,183	67	12,567	827	113,750
Fairfield Inn & Suites	918	84,808	7	1,323	925	86,131
Marriott Hotels	213	66,234	52	14,910	265	81,144
Residence Inn	665	78,755	5	666	670	79,421
Sheraton	162	48,120	62	17,758	224	65,878
SpringHill Suites	374	42,908	-	-	374	42,908
Westin	83	27,071	24	7,606	107	34,677
Westin Residences	2	201	-	-	2	201
TownePlace Suites	350	35,119	-	-	350	35,119
Four Points	146	22,320	46	7,186	192	29,506
Autograph Collection	88	18,895	52	11,795	140	30,690
Renaissance	59	16,816	27	7,423	86	24,239
Aloft	106	15,602	13	2,094	119	17,696
The Luxury Collection	12	2,850	41	7,527	53	10,377
The Luxury Collection Residences	1	91	1	64	2	155
Delta Hotels	34	7,719	2	562	36	8,281
Le Méridien	16	3,417	16	4,246	32	7,663
Tribute Portfolio	16	4,023	9	971	25	4,994
JW Marriott	11	4,958	6	1,624	17	6,582
Moxy	7	1,503	19	4,148	26	5,651
Element	28	3,943	2	293	30	4,236
Protea Hotels	-	-	37	2,770	37	2,770
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	46	7,830	100	12,389	146	20,219
AC Hotels by Marriott	46	7,830	94	11,970	140	19,800
Autograph Collection	-	-	6	419	6	419
Timeshare*	70	18,297	19	3,873	89	22,170
Marriott Vacations Worldwide	51	11,249	15	2,406	66	13,655
Vistana	19	7,048	4	1,467	23	8,515
Grand Total	5,018	869,907	1,764	428,676	6,782	1,298,583

*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 September 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	48,184	307	72,045	483	120,229
JW Marriott	27	14,996	56	21,502	83	36,498
The Ritz-Carlton	39	11,387	57	15,545	96	26,932
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	94	16,773	112	21,917
The Luxury Collection Residences	1	91	2	85	3	176
W Hotels	25	7,474	28	6,919	53	14,393
W Residences	9	1,078	4	478	13	1,556
St. Regis	11	2,228	30	6,811	41	9,039
St. Regis Residences	7	585	7	593	14	1,178
EDITION	2	567	5	1,046	7	1,613
EDITION Residences	1	25	-	-	1	25
Bulgari	-	-	6	523	6	523
Bulgari Residences	-	-	2	123	2	123
Full-Service	946	342,293	857	249,448	1,803	591,741
Marriott Hotels	342	135,707	225	66,459	567	202,166
Sheraton	192	73,205	250	82,835	442	156,040
Sheraton Residences	-	-	2	262	2	262
Westin	129	52,952	91	28,655	220	81,607
Westin Residences	3	266	1	264	4	530
Renaissance	87	28,907	87	26,011	174	54,918
Autograph Collection	93	20,202	68	14,183	161	34,385
Le Méridien	20	4,137	88	24,074	108	28,211
Delta Hotels	59	14,483	2	562	61	15,045
Gaylord Hotels	5	8,411	-	-	5	8,411
Tribute Portfolio	16	4,023	12	1,530	28	5,553
Marriott Executive Apartments	-	-	31	4,613	31	4,613
Limited-Service	3,826	461,133	581	103,310	4,407	564,443
Courtyard	1,019	142,353	165	33,648	1,184	176,001
Residence Inn	776	95,844	12	1,449	788	97,293
Fairfield Inn & Suites	924	86,240	34	5,510	958	91,750
SpringHill Suites	405	47,896	-	-	405	47,896
Four Points	147	22,454	118	25,789	265	48,243
TownePlace Suites	366	36,958	-	-	366	36,958
Aloft	107	15,932	48	10,538	155	26,470
AC Hotels by Marriott	46	7,830	94	11,970	140	19,800
Protea Hotels	-	-	79	8,113	79	8,113
Moxy	7	1,503	23	4,747	30	6,250
Element	29	4,123	8	1,546	37	5,669
Timeshare*	70	18,297	19	3,873	89	22,170
Marriott Vacations Worldwide	51	11,249	15	2,406	66	13,655
Vistana	19	7,048	4	1,467	23	8,515
Grand Total	5,018	869,907	1,764	428,676	6,782	1,298,583

*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 September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
JW Marriott	\$160.46	0.3%	76.7%	-0.9% pts.		\$209.19	1.5%
The Ritz-Carlton	\$251.88	4.6%	72.1%	-0.5% pts.		\$349.31	5.3%
W Hotels	\$240.85	0.2%	82.7%	-1.2% pts.		\$291.38	1.6%
Composite North American Luxury¹	\$239.99	3.1%	76.7%	-0.9% pts.		\$312.95	4.3%
Marriott Hotels	\$151.93	2.0%	78.3%	0.2% pts.		\$193.95	1.8%
Sheraton	\$148.12	3.7%	79.8%	1.2% pts.		\$185.57	2.1%
Westin	\$170.83	1.6%	78.8%	-0.4% pts.		\$216.75	2.1%
Composite North American Upper Upscale²	\$150.72	1.7%	78.1%	-0.1% pts.		\$192.98	1.8%
North American Full-Service³	\$165.66	2.0%	77.9%	-0.2% pts.		\$212.75	2.3%
Courtyard	\$106.53	-0.6%	74.8%	-1.2% pts.		\$142.48	1.0%
Residence Inn	\$131.99	-0.2%	82.3%	-1.5% pts.		\$160.30	1.6%
Composite North American Limited-Service⁴	\$113.25	-0.4%	77.4%	-1.1% pts.		\$146.39	1.0%
North American - All⁵	\$148.99	1.5%	77.7%	-0.5% pts.		\$191.75	2.1%

Comparable Systemwide North American Properties

Brand	Three Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
JW Marriott	\$166.92	1.4%	78.1%	-0.2% pts.		\$213.75	1.7%
The Ritz-Carlton	\$251.88	4.6%	72.1%	-0.5% pts.		\$349.31	5.3%
W Hotels	\$240.85	0.2%	82.7%	-1.2% pts.		\$291.38	1.6%
Composite North American Luxury¹	\$231.02	3.1%	77.3%	-0.8% pts.		\$298.81	4.2%
Marriott Hotels	\$131.23	1.2%	75.2%	0.2% pts.		\$174.47	0.9%
Sheraton	\$121.44	2.1%	76.3%	-0.6% pts.		\$159.19	2.9%
Westin	\$156.70	1.2%	78.4%	-0.8% pts.		\$199.81	2.2%
Composite North American Upper Upscale²	\$134.66	1.3%	76.2%	-0.3% pts.		\$176.70	1.7%
North American Full-Service³	\$144.05	1.6%	76.3%	-0.3% pts.		\$188.75	2.0%
Courtyard	\$108.07	-0.6%	76.1%	-0.9% pts.		\$142.09	0.6%
Residence Inn	\$125.72	0.1%	83.1%	-0.4% pts.		\$151.29	0.5%
Fairfield Inn & Suites	\$89.70	-1.3%	76.0%	-1.3% pts.		\$118.05	0.4%
Composite North American Limited-Service⁴	\$105.81	-0.5%	77.9%	-1.0% pts.		\$135.79	0.7%
North American - All⁵	\$122.40	0.6%	77.2%	-0.7% pts.		\$158.49	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	Three Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	2018	vs. 2017	
Greater China	\$93.17	5.4%	74.4%	0.9% pts.	\$125.29	4.1%	
Rest of Asia Pacific	\$123.55	5.8%	76.4%	0.8% pts.	\$161.73	4.7%	
Asia Pacific	\$104.41	5.6%	75.1%	0.9% pts.	\$139.00	4.4%	
Caribbean & Latin America	\$106.04	6.4%	61.6%	-1.0% pts.	\$172.20	8.1%	
Europe	\$179.84	4.3%	79.7%	-0.1% pts.	\$225.65	4.4%	
Middle East & Africa	\$82.66	0.0%	64.2%	2.9% pts.	\$128.85	-4.5%	
International - All¹	\$118.26	4.5%	73.1%	0.9% pts.	\$161.71	3.2%	
Worldwide²	\$133.50	2.8%	75.4%	0.2% pts.	\$177.06	2.5%	

Comparable Systemwide International Properties

Region	Three Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	2018	vs. 2017	
Greater China	\$92.44	5.3%	73.6%	1.0% pts.	\$125.52	3.9%	
Rest of Asia Pacific	\$126.91	5.9%	75.9%	0.8% pts.	\$167.19	4.8%	
Asia Pacific	\$107.73	5.6%	74.7%	0.9% pts.	\$144.30	4.3%	
Caribbean & Latin America	\$88.42	6.3%	60.9%	-0.8% pts.	\$145.24	7.7%	
Europe	\$159.36	6.2%	79.4%	0.8% pts.	\$200.72	5.1%	
Middle East & Africa	\$79.90	0.3%	64.2%	2.7% pts.	\$124.53	-3.9%	
International - All¹	\$117.10	5.4%	73.0%	0.9% pts.	\$160.50	4.0%	
Worldwide²	\$120.85	1.9%	76.0%	-0.2% pts.	\$159.06	2.2%	

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	Nine Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	pts.	2018	vs. 2017
JW Marriott	\$183.38	0.6%	78.6%	0.0%	pts.	\$233.31	0.6%
The Ritz-Carlton	\$278.92	4.8%	74.7%	0.5%	pts.	\$373.31	4.1%
W Hotels	\$247.84	2.1%	82.1%	-0.5%	pts.	\$301.98	2.7%
Composite North American Luxury¹	\$260.42	3.7%	78.2%	0.1%	pts.	\$333.05	3.5%
Marriott Hotels	\$156.25	2.8%	77.9%	0.5%	pts.	\$200.51	2.1%
Sheraton	\$146.74	3.0%	78.2%	0.6%	pts.	\$187.61	2.2%
Westin	\$167.05	1.3%	77.0%	0.1%	pts.	\$216.87	1.3%
Composite North American Upper Upscale²	\$153.18	2.4%	77.3%	0.3%	pts.	\$198.20	1.9%
North American Full-Service³	\$171.15	2.7%	77.4%	0.3%	pts.	\$221.01	2.3%
Courtyard	\$106.28	0.5%	74.0%	-0.2%	pts.	\$143.58	0.8%
Residence Inn	\$129.53	0.0%	80.4%	-0.9%	pts.	\$161.11	1.1%
Composite North American Limited-Service⁴	\$112.46	0.5%	76.3%	-0.2%	pts.	\$147.48	0.8%
North American - All⁵	\$152.48	2.2%	77.1%	0.1%	pts.	\$197.86	2.0%

Comparable Systemwide North American Properties

Brand	Nine Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	pts.	2018	vs. 2017
JW Marriott	\$184.01	1.6%	79.0%	0.1%	pts.	\$232.85	1.4%
The Ritz-Carlton	\$278.92	4.8%	74.7%	0.5%	pts.	\$373.31	4.1%
W Hotels	\$247.84	2.1%	82.1%	-0.5%	pts.	\$301.98	2.7%
Composite North American Luxury¹	\$247.07	3.8%	78.3%	0.3%	pts.	\$315.47	3.4%
Marriott Hotels	\$133.04	2.2%	74.3%	0.4%	pts.	\$178.98	1.6%
Sheraton	\$117.52	2.1%	74.2%	-0.1%	pts.	\$158.37	2.2%
Westin	\$156.54	1.5%	76.9%	-0.2%	pts.	\$203.54	1.8%
Composite North American Upper Upscale²	\$135.06	2.1%	74.9%	0.2%	pts.	\$180.27	1.9%
North American Full-Service³	\$145.98	2.4%	75.3%	0.2%	pts.	\$193.99	2.2%
Courtyard	\$104.95	0.9%	74.4%	0.2%	pts.	\$141.12	0.5%
Residence Inn	\$120.45	1.2%	80.7%	0.5%	pts.	\$149.32	0.6%
Fairfield Inn & Suites	\$84.79	1.8%	73.3%	0.8%	pts.	\$115.74	0.7%
Composite North American Limited-Service⁴	\$101.93	1.4%	75.9%	0.4%	pts.	\$134.35	0.8%
North American - All⁵	\$121.04	2.0%	75.6%	0.3%	pts.	\$160.09	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	Nine Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	2018	vs. 2017	
Greater China	\$94.47	9.0%	72.1%	3.3% pts.	\$131.05	3.9%	
Rest of Asia Pacific	\$127.06	6.8%	74.9%	1.4% pts.	\$169.59	4.8%	
Asia Pacific	\$106.53	8.0%	73.1%	2.6% pts.	\$145.67	4.1%	
Caribbean & Latin America	\$131.42	8.9%	64.7%	0.7% pts.	\$203.28	7.6%	
Europe	\$156.95	4.2%	74.6%	0.7% pts.	\$210.36	3.2%	
Middle East & Africa	\$98.51	0.0%	65.2%	2.7% pts.	\$151.17	-4.2%	
International - All¹	\$118.84	5.7%	71.4%	2.0% pts.	\$166.53	2.7%	
Worldwide²	\$135.53	3.7%	74.2%	1.1% pts.	\$182.68	2.2%	

Comparable Systemwide International Properties

Region	Nine Months Ended September 30, 2018 and September 30, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	2018	vs. 2017	
Greater China	\$93.80	8.7%	71.5%	3.3% pts.	\$131.27	3.7%	
Rest of Asia Pacific	\$127.53	7.5%	74.7%	1.6% pts.	\$170.63	5.2%	
Asia Pacific	\$108.76	8.1%	72.9%	2.6% pts.	\$149.17	4.3%	
Caribbean & Latin America	\$105.51	7.7%	63.5%	0.8% pts.	\$166.28	6.4%	
Europe	\$136.24	5.7%	72.9%	1.6% pts.	\$186.94	3.3%	
Middle East & Africa	\$94.99	0.1%	65.0%	2.4% pts.	\$146.23	-3.5%	
International - All¹	\$114.68	6.2%	70.6%	2.0% pts.	\$162.34	3.1%	
Worldwide²	\$119.18	3.1%	74.2%	0.8% pts.	\$160.72	2.0%	

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	Third Quarter	Total
Net income, as reported	\$ 398	\$ 610	\$ 483	\$ 1,491
Cost reimbursement revenue	(3,773)	(3,985)	(3,733)	(11,491)
Reimbursed expenses	3,835	3,979	3,879	11,693
Interest expense	75	85	86	246
Interest expense from unconsolidated joint ventures	2	3	2	7
Tax provision	104	186	85	375
Depreciation and amortization	54	58	52	164
Contract investment amortization	18	13	13	44
Depreciation classified in reimbursed expenses	33	34	39	106
Depreciation and amortization from unconsolidated joint ventures	10	10	10	30
Share-based compensation	38	47	43	128
Gain on asset dispositions	(58)	(109)	(16)	(183)
Gain on investees' property sales	-	(10)	(55)	(65)
Merger-related costs and charges	34	18	12	64
Adjusted EBITDA **	\$ 770	\$ 939	\$ 900	\$ 2,609
Increase over 2017 Adjusted EBITDA **	8%	15%	12%	11% ¹

	Fiscal Year 2017²				
	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-14 and A-15 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 \$2,609 million for the first three quarters of 2018 over Adjusted EBITDA of \$2,342 million for the first three 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
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	\$ 475	\$ 487	
Interest expense	95	95	
Interest expense from unconsolidated joint ventures	3	3	
Tax provision	113	116	
Depreciation and amortization	60	60	
Contract investment amortization	15	15	
Depreciation classified in reimbursed expenses	34	34	
Depreciation and amortization from unconsolidated joint ventures	10	10	
Share-based compensation	42	42	
Adjusted EBITDA ^{**}	<u>\$ 847</u>	<u>\$ 862</u>	<u>\$ 789</u>
Increase over 2017 Adjusted EBITDA ^{**}	7%	9%	

^{**} Denotes non-GAAP financial measures. See pages A-14 and A-15 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	\$ 2,160	\$ 2,172	
Interest expense	341	341	
Interest expense from unconsolidated joint ventures	10	10	
Tax provision	560	563	
Depreciation and amortization	224	224	
Contract investment amortization	59	59	
Depreciation classified in reimbursed expenses	140	140	
Depreciation and amortization from unconsolidated joint ventures	40	40	
Share-based compensation	170	170	
Gain on asset dispositions	(183)	(183)	
Gain on investees' property sales	(65)	(65)	
Adjusted EBITDA **	\$ 3,456	\$ 3,471	\$ 3,131
Increase over 2017 Adjusted EBITDA **	10%	11%	

** Denotes non-GAAP financial measures. See pages A-14 and A-15 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.