FORWARD-LOOKING STATEMENTS

FORWARD-LOOKING STATEMENTS, NON-GAAP FINANCIAL MEASURES AND MODEL ASSUMPTIONS

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, share repurchases and dividends; the continued realization of synergies from our acquisition of Starwood; the size and strength of our loyalty program; 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 lodging products; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance growth and refurbishment; the extent to which we can continue to successfully integrate Starwood and realize the anticipated benefits of combining Starwood and Marriott; the extent to which we experience adverse effects from the data security incident; changes in tax laws in countries in which we earn significant income; changes to our estimates of the impact of new accounting standards; and other risk factors that we identify in our most recent annual report on Form 10-K. Any of these factors could cause actual results to differ materially from the expectations we express or imply here. We make these statements as of March 18, 2019 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 that are not required by, or presented in accordance with, United States generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are labeled as “adjusted” (or “adj”), “combined”, or identified with the symbol “†”. In addition, all scenarios and models presented that include future periods (including fiscal years 2019, 2020 and 2021) assume the following items to be zero, and therefore do not include their impact, which we cannot accurately forecast and which may be significant: cost reimbursement revenue, reimbursed expenses, merger-related costs and charges, data security incident costs and gains and losses on asset dispositions made by us or by our joint venture investees. Measures that are labeled as “adjusted” (or “adj”) also exclude these items and may exclude additional items as indicated in the reconciliations accompanying this presentation. We discuss our reasons for reporting these non GAAP measures and, to the extent available without unreasonable efforts, reconcile each to the most directly comparable GAAP measures at the end of this material.
## 2021E SUMMARY INCOME STATEMENT

*(Appendix: $ in Millions, Except Diluted EPS)*

<table>
<thead>
<tr>
<th>Category</th>
<th>1%</th>
<th>3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Management Fees</td>
<td>$1,315</td>
<td>$1,400</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>2,375</td>
<td>2,465</td>
</tr>
<tr>
<td>Incentive Management Fees</td>
<td>780</td>
<td>870</td>
</tr>
<tr>
<td>Contract Investment Amortization</td>
<td>(70)</td>
<td>(70)</td>
</tr>
<tr>
<td>Owned, Leased, and Other, Net of Direct Expenses</td>
<td>245</td>
<td>275</td>
</tr>
<tr>
<td>Depreciation, Amortization, and Other</td>
<td>(225)</td>
<td>(225)</td>
</tr>
<tr>
<td>General, Administrative, and Other</td>
<td>(990)</td>
<td>(990)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>3,430</td>
<td>3,725</td>
</tr>
<tr>
<td>Gains and Other Income, Net</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Net Interest Expense</td>
<td>(490)</td>
<td>(525)</td>
</tr>
<tr>
<td>Equity in Earnings</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Income before Taxes</td>
<td>2,980</td>
<td>3,240</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>(880)</td>
<td>(740)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$2,300</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

**Fully Diluted Earnings Per Share**

- $7.65
- $8.50

**Diluted Weighted Average Shares (Millions)**

- 301
- 294

*Net Interest Expense is net of Interest Income*
LEVERAGE CALCULATION

Appendix
($ in Millions)

2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt, Net of Cash</td>
<td>$9,031</td>
</tr>
<tr>
<td>Adjustment for Leases</td>
<td>1,307</td>
</tr>
<tr>
<td>Tax Act Liability on Foreign Earnings</td>
<td>371</td>
</tr>
<tr>
<td>Adjustment for Outstanding Guarantees and Other</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total Adjusted Debt</strong></td>
<td><strong>$10,786</strong></td>
</tr>
</tbody>
</table>

Operating Income                                                               2,366
Less: Cost Reimbursement Revenue                                               (15,543)
Add: Reimbursed Expenses                                                      15,778
Operating Income Excluding Cost Reimbursement, Net                            2,601
Depreciation and Amortization                                                  431
Share-Based Compensation Expense                                              184
Imputed Interest & Depreciation on Operating Leases                           179

**Adjusted EBITDAR**                                                          **$3,395**

Adjusted Debt/Adjusted EBITDAR Coverage                                        3.2x

TARGET
3.0x to 3.5x
Assumed 3.3x
2019E to 2021E

RETURN ON INVESTED CAPITAL†

Appendix

2018 adj†  16%  3% to 4% point increase  2021E  19%  20%  2021E  3%
INCENTIVE MANAGEMENT FEE CONCENTRATION

2018
$649M

- North America 37%
- Asia Pacific 35%
- Middle East & Africa 9%
- Europe 12%
- New York 2%
- Washington DC 4%
- CALA 7%
- Rest of China 13%
- Dubai 3%
- Shanghai 3%
- Hong Kong 3%
- Rest of North America 4%
- Rest of Asia Pacific 7%
- Rest of Europe 4%
- Rest of Middle East & Africa 2%
- Rest of Rest of World 1%

GLOBAL GROSS ROOMS GROWTH

2019E - 2021E | 275,000 to 295,000 Gross Rooms

By Region
- North America 47%
- Europe 15%
- Asia Pacific 26%
- MEA 6%
- CALA 6%
- Rest of World 8%

By Tier
- Luxury 9%
- Upper Upscale 33%
- Upscale and Upper Midscale 58%

By Contract Type
- Franchised 65%
- Managed 35%