

March 18, 2019

MARRIOTT INTERNATIONAL 2019 SECURITY ANALYST MEETING



■ 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.



Appendix

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2021E SUMMARY INCOME STATEMENT

Appendix

(\$ in Millions, Except Diluted EPS)

	1%	3%
Base Management Fees	\$1,315	\$1,400
Franchise Fees	2,375	2,465
Incentive Management Fees	780	870
Contract Investment Amortization	(70)	(70)
Owned, Leased, and Other, Net of Direct Expenses	245	275
Depreciation, Amortization, and Other	(225)	(225)
General, Administrative, and Other	(990)	(990)
Operating Income	3,430	3,725
Gains and Other Income, Net	10	10
Net Interest Expense	(490)	(525)
Equity in Earnings	30	30
Income before Taxes	2,980	3,240
Provision for Income Taxes	(680)	(740)
Net Income	\$2,300	\$2,500
Fully Diluted Earnings Per Share	\$7.65	\$8.50
Diluted Weighted Average Shares (Millions)	301	294

Net Interest Expense is net of Interest Income

Marriott
INTERNATIONAL

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LEVERAGE CALCULATION

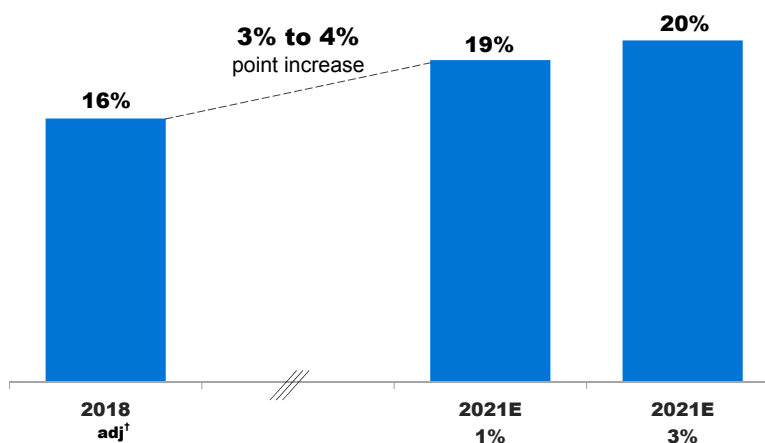
Appendix
(\$ in Millions)

	2018
Debt, Net of Cash	\$9,031
Adjustment for Leases	1,307
Tax Act Liability on Foreign Earnings	371
Adjustment for Outstanding Guarantees and Other	77
Total Adjusted Debt[†]	\$10,786
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

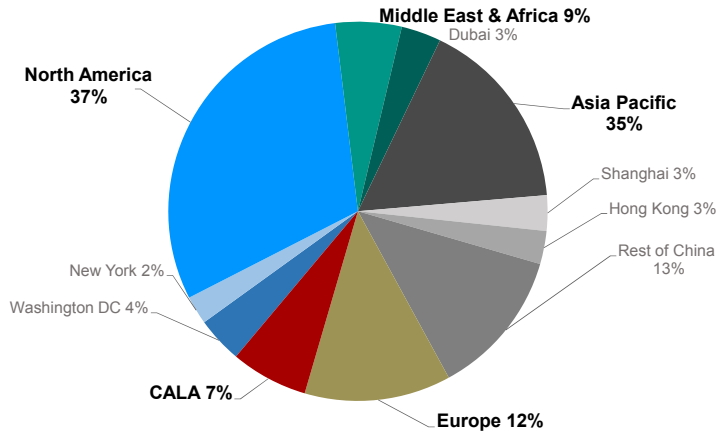


INCENTIVE MANAGEMENT FEE CONCENTRATION

Appendix

2018

\$649M



GLOBAL GROSS ROOMS GROWTH

Appendix

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

