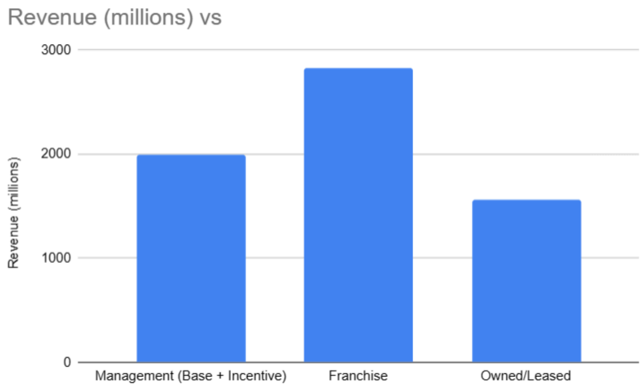
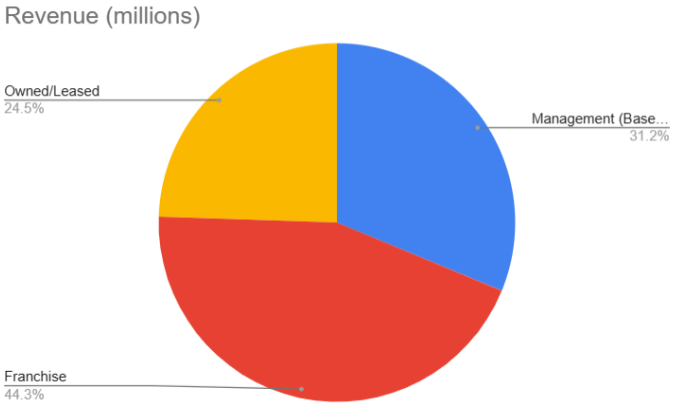
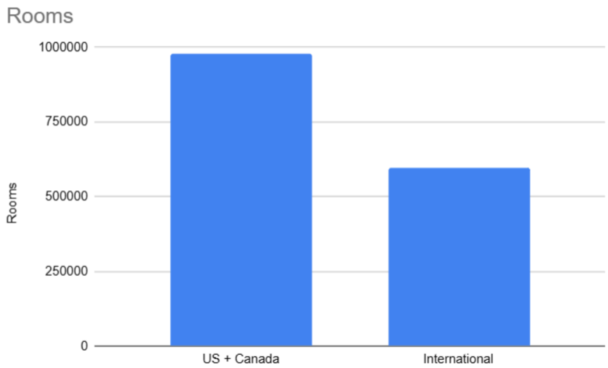
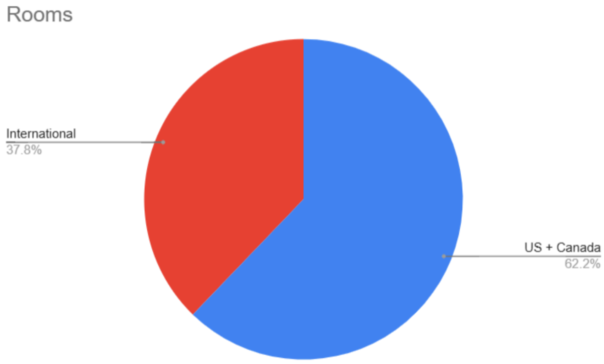
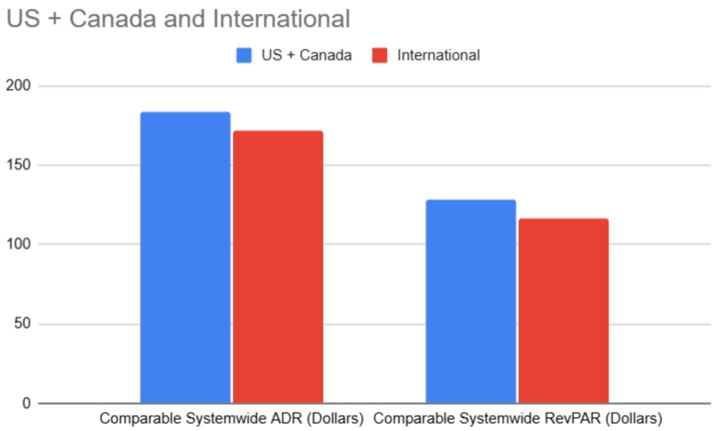
[1]

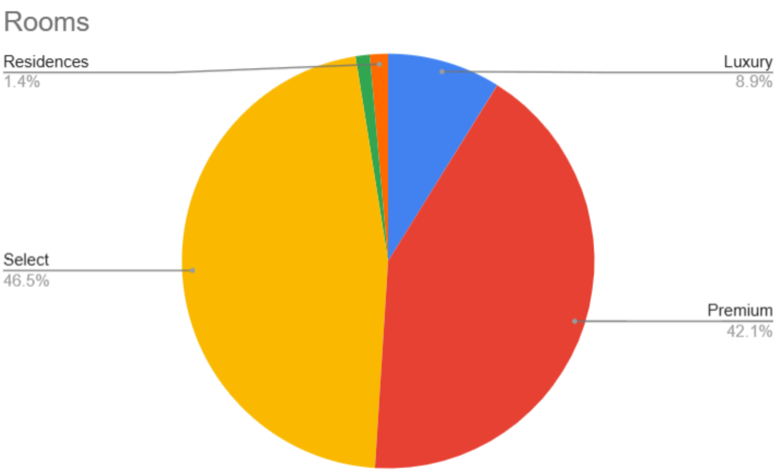

Revenue (millions) vs
3000
2000
1000
0
Revenue (millions)
Management (Base + Incentive)
Franchise
Owned/Leased


Revenue (millions)
Owned/Leased
24.5%
Management (Base…
31.2%
Franchise
44.3%

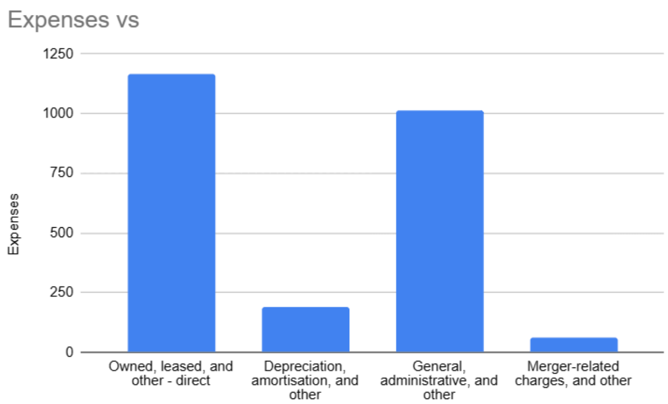

Rooms
1000000
750000
500000
250000
0
Rooms
US + Canada
International


Rooms
International
37.8%
US + Canada
62.2%

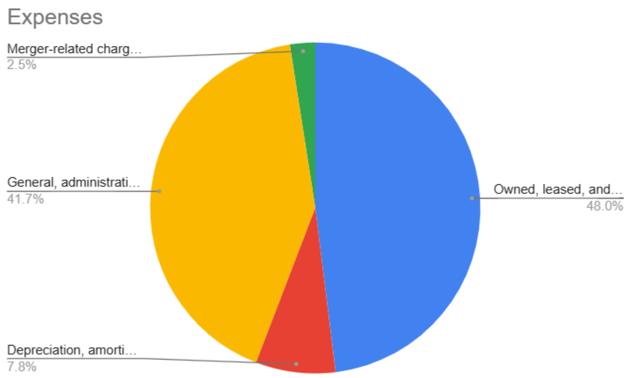

US + Canada and International
US + Canada
International
200
150
100
50
0
Comparable Systemwide ADR (Dollars)
Comparable Systemwide RevPAR (Dollars)


Rooms
Residences
1.4%
Luxury
8.9%
Select
46.5%
Premium
42.1%

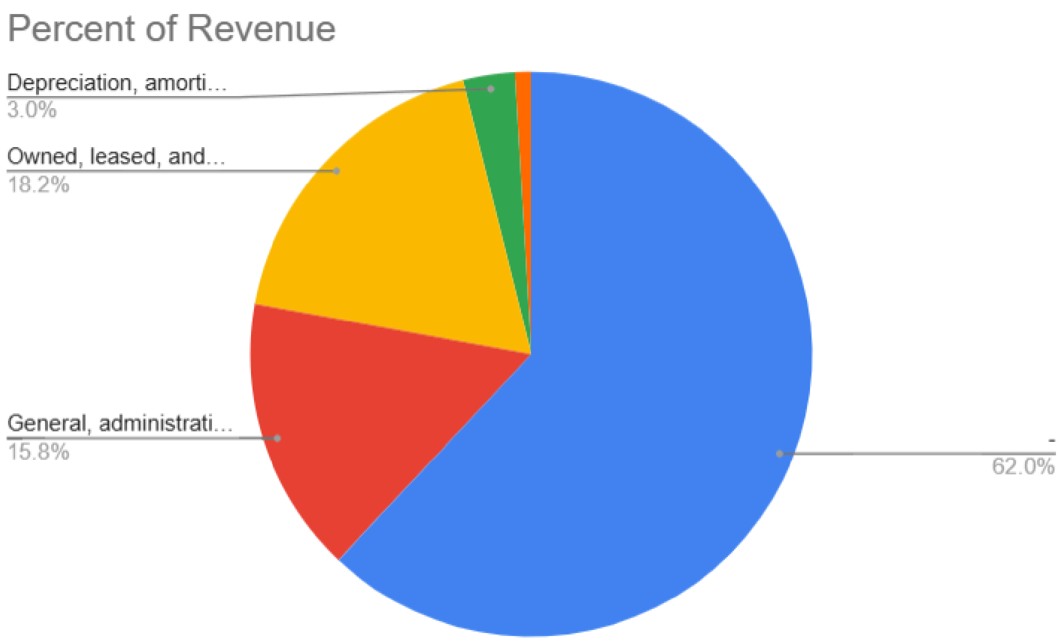
[2]



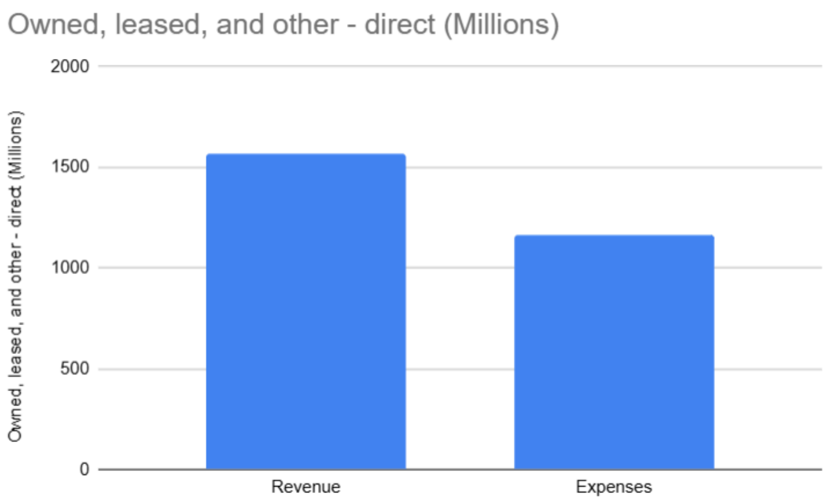
Expenses vs
1250
1000
750
500
250
0
Expenses
Owned, leased, and other - direct
Depreciation, amortisation, and other
General, administrative, and other
Merger-related charges, and other



Expenses
Merger-related charg…
2.5%
General, administrati…
41.7%
Depreciation, amorti…
7.8%
Owned, leased, and…
48.0%

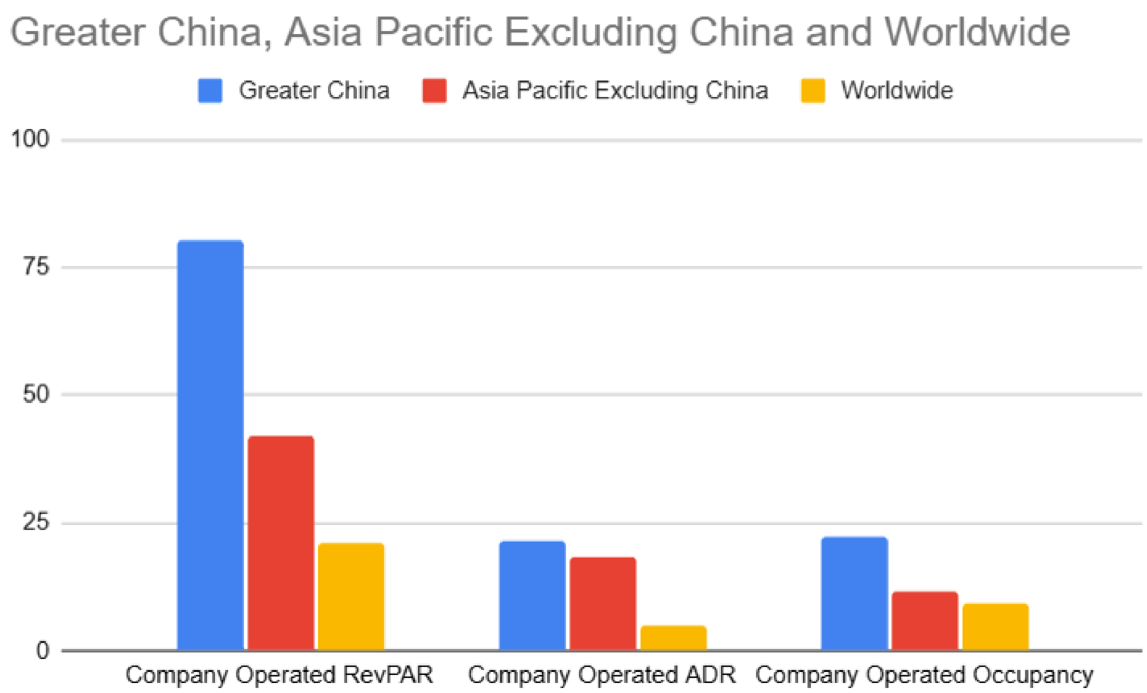


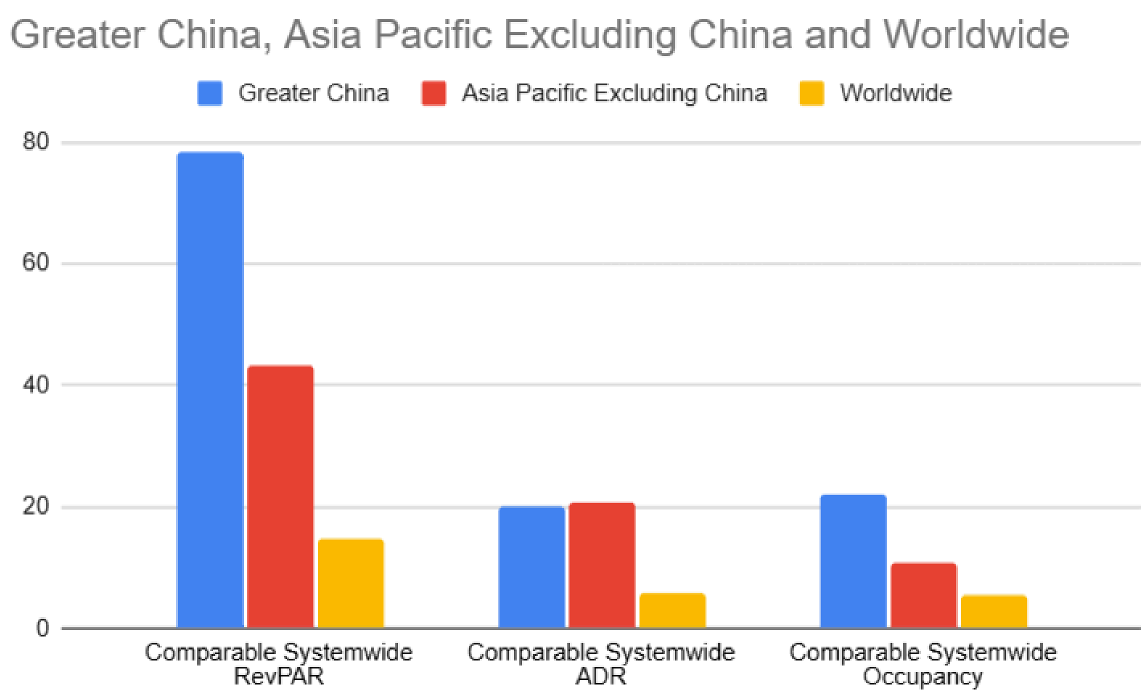
Percent of Revenue
Depreciation, amorti…
3.0%
Owned, leased, and…
18.2%
General, administrati…
15.8%
-
62.0%



Owned, leased, and other - direct (Millions)
2000
1500
1000
500
0
Owned, leased, and other - direct (Millions)
Revenue
Expenses

[3]


Greater China, Asia Pacific Excluding China and Worldwide
Greater China
Asia Pacific Excluding China
Worldwide
100
75
50
25
0
Company Operated RevPAR
Company Operated ADR
Company Operated Occupancy


Greater China, Asia Pacific Excluding China and Worldwide
Greater China
Asia Pacific Excluding China
Worldwide
80
60
40
20
0
Comparable Systemwide RevPAR
Comparable Systemwide ADR
Comparable Systemwide Occupancy

[1] Marriott Revenue Drivers

Marriott's main revenue drivers in order of revenue from largest to least are franchised properties, managed properties, then owned/leased properties, which take up 44.3%, 31.2% and 24.5% of the revenue respectively.

There are no direct statements however proportional revenue for each geographical area and type of room and be inferred from the data. 62.2% of Marriott's rooms are located in the US + Canada and 37.8% for international rooms, with the occupancy rate being quite similar - 69.8% and 69.2% respectively. These factors combined with the US + Canada's higher average daily rate (ADR) heavily implies that rooms located in US + Canada are Marriott's main revenue driver.

This could also be applied to the types of rooms (i.e. luxury, select, premium) however there is even less data to base this off - such as no ADR, RevPAR, and occupancy rate - so no conclusive data can be obtained.

[2] Marriott Cost Drivers

Marriott's biggest cost drivers are owned and leased expenses (48.0%) and general and administrative (41.7%) with the rest of the costs covering just over 10% of the total costs.

Owned and leased expenses are directly tied to the owned and leased properties of Marriott, and take up 18.2% of Marriott's total sales, where owned and leased revenue takes up 24.5% of Marriott's total sales. Marriott's revenue from owned and leased properties outperforms its expenses netting Marriott a good return compared to expenses (revenue in this area is 34.6% higher than expenses) however compared to expenses from franchised and managed properties, the return on investment is not too great. Marriott would do well not to invest too much into owning other properties and keeping in line with their "asset light" business model as the returns on franchised and managed properties are not only greater, but more efficient than their owned/leased section.

[3] Marriott Growth

A potentially large revenue driver for Marriott could be in Greater China and the Asia Pacific area.

As shown in the graphs, in comparable system wide properties Greater China's revenue per available room (RevPAR) has grown nearly 78.6% compared to its last year (fiscal year end 31/12/2022), its ADR has grown 20.2% compared to last year, and its occupancy has grown just over 22.2% compared to its last year. With comparable system wide properties in Asia Pacific excluding China the RevPAR, ADR, and occupancy have grown 43.2%, just above 20.7%, and 10.9% compared to Marriott's last fiscal year. Compared to international growth in these areas, and given that occupancy in these regions is similar to occupancy worldwide, franchised and managed properties in Asia Pacific including China could be a large revenue driver for Marriott.