**Analysis: Revenue and Cost Drivers for Marriott Inc. and J&J**

**1. Marriott Inc.**

Primary Revenue Sources:

* Marriott Inc. reported fantastic results in 2023 as demand for travel and industry-leading portfolio grew. Full year global revenue per available room (RevPAR)1 rose nearly 15 percent and net rooms grew 4.7 percent, the company’s highest net rooms growth since 2019.
* ***Base Management Fees***: Generated from managing properties and increasing year-over-year by 18%. ***Franchise Fees:*** Significant contributor, driven by brand expansion and demand for franchised properties. ***Incentive Management Fees***: These fees increased by ~20% over pre-pandemic levels, driven by higher room rates and occupancy levels.
* Price: Growth in Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) contributed significantly to revenue growth. Volume: Record 573,000 rooms in the pipeline and a 15% net growth in development underline volume growth.

Cost Drivers:

* Largely driven by Reimbursed expenses linked to property operations (correlated directly with revenue growth) and General/Administrative and operational costs related to managing owned and franchised properties.

**2. Johnson & Johnson**

* **Primary Revenue Sources**: Sales of the Company's largest product, STELARA accounted for 12.8% of the Company's total revenues for fiscal 2023 to 10.86 out of 54.8bn innovative medicine segment. Accordingly, the patents related to this product are believed to be material to the Company. Sales of the Company's second largest product, collectively DARZALEX and DARZALEX FASPRO accounted for 11.4% of the total revenues for fiscal 2023.
* **Cost Drivers:** Cost of products sold increased to 26.6bn from 24.6 driven by: •Commodity inflation, unfavorable product mix, restructuring related excess inventory costs and Abiomed amortization in the MedTech business partially offset by • Favorable patient mix and lower one-time COVID-19 vaccine manufacturing related exit costs in 2023 in the Innovative Medicine business The intangible asset amortization expense included in cost of products sold was $4.5 billion and $3.9 billion for the fiscal years 2023 and 2022, respectively. ***Fixed Costs***: Research & Development (R&D) investments (~$15.1 billion in 2023) for innovation. Administrative and operational costs across global facilities. ***Variable Costs***: Manufacturing and supply chain costs, influenced by raw material pricing and production volumes. Marketing and promotional expenses, adjusted based on product launches.

**Peers and Comparison**

Marriott Inc. Peers: Hilton Worldwide, Hyatt Hotels, Intercontinental Hotels Group (IHG).

***Comparison*:** Marriott outperformed its peers in revenue growth and room additions, driven by its loyalty program and diversified brand portfolio.

Johnson & Johnson Peers: Pfizer, Roche, Abbott Laboratories.

***Comparison***: J&J's balanced portfolio and robust R&D investments ensure steady growth, whereas competitors like Pfizer have higher dependency on single segments (e.g., COVID-19 products).