***MARRIOTT INTERNATIONAL***

Marriot operates a fee-driven, asset-light business model. The main drivers are:

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| ***Revenue Drivers:***   * Base Management Fees * Franchise Fees * Incentive Management Fees * Owned, Leased and Other * Cost Reimbursements | ***Cost Drivers:***   * Owned, Leased and other * Depreciation, Amortization and other * General, Administrative and other * Restructuring, merger-related charges * Reimbursed expenses |

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| *A picture containing text, software, computer icon, multimedia software  Description automatically generated How the revenue drivers have changed in the three most recent financial years (figures shown are in million dollars)*  *A picture containing text, screenshot, software, operating system  Description automatically generated*  *3-year average weight of each driver on the total revenue*  A picture containing text, software, number, diagram  Description automatically generated  *Marriott has performed better than its peers in the most recent triennium returning much higher profits.* | Revenue has grown in the last triennium. Despite the percentage per year of each driver is very close to the average, a trend is emerging for which *cost reimbursement* is slightly decreasing while all other drivers are slowly becoming more predominant; this is due to an increase in managed, franchised and leased properties.  Cost drivers growth/decrease is directly related to the company total revenue with *restructuring, merger-related charges* being the only exception. These were very predominant in 2020 for cost-saving measures.  An opposite trend is emerging for which the weight of *reimbursed expenses* is accounting for a larger portion in relation to the total expenses.  Marriott managed to turn much better profits than its rivals and doubled its profits in 2022.  Although the company has underperformed the *S&P 500*, it’s quickly recovering and reaffirms its sector leadership widely outperforming the *S&P 500 exclusive to Hotels, Resorts & Cruise Lines*.  Overall, the company had a very positive performance in 2022, but is necessary to extend the research scope and include the 2017-2019 triennium since the lodging industry was one of the most affected ones by the pandemic. |

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|  | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Total Revenue | 20,452 | 20,758 | 20,972 | 10,571 | 13,857 | 20,773 |
| Total Operating Expense | 17,948 | 18,392 | 19,172 | 10,487 | 12,271 | 17,311 |
| Gross Profit | 3,813 | 3,674 | 3,217 | 1,769 | 2,801 | 4,558 |
| Net Income | 1,459 | 1,907 | 1,273 | (267) | 1,099 | 2,358 |
| (All figures are in million dollars) | | | | | | |

The company managed to bounce back to its usual total revenue while also recording a sensibly reduced amount of total expenses. Net income for 2022 has grown almost 24% compared to 2018 despite a growth in revenue of just 0.07%. The company also recorded RevPAR and ADR comparable to the previous years, expanding their portfolio and adding more rooms on a yearly basis, is expanding into travel offerings to attract new clients while keeping its current customers loyal with an attractive loyalty program, and grew in other areas with a co-branded credit card. Market leaders with an encouraging outlook for short- and long-term future.

***JOHNSON & JOHNSON***

J&J is organised into three segments and generates half of its revenue in the US. Its main drivers are:

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| ***Revenue:***   * MedTech * Pharmaceutical * Consumer Health | ***Cost:***   * Manufacturing costs * Selling, Marketing and Administrative * Research and Development |

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| *A picture containing text, screenshot, software  Description automatically generated*  *JNJ experienced revenue growth in MedTech and Pharmaceutical, and a minor decrease in Consumer Health in 2022.*  *A picture containing text, screenshot, diagram, software  Description automatically generated*  *JNJ costs went down mainly in Sales, Marketing and Administrative and secondarily in Research and Development, while Manufacturing Costs arose.*  *A picture containing text, screenshot, diagram, number  Description automatically generated*  *Solid profits for the company, way ahead of several competitors but runner-up to Pfizer for the second year in a row.* | Slow but steady growth characterised the recent triennium. Higher revenue was recorded by the *MedTech* and *Pharmaceutical* segments (respectively accounting for 34% and 65% of the total revenue), while *Consumer Health* has been trivially lower; this might be attributed both to reduced advertising expenses but also to the transformation the company is undergoing for which this segment is becoming independent (operating as *Kenvue*).  Costs have a direct correlation to the company performances. In the most recent year *R&D* decreased driven by lower milestone payments in the pharmaceutical business, while *cost of products* increased mostly for currency impacts and commodity inflation.  J&J turned another very profitable year, and despite recording a lower profit than 2021, the company bested almost all of its competitors, being runner-up only to Pfizer for the second year in a row. As for TSR, the company has regained its crown in 2022, outperforming not only its competitors in the *Pharmaceutical* and *Healthcare Equipment Indexes* (many of which had outrageous growth in 2021 to then bounce back to pre-pandemic levels last year) but also the wider *S&P 500*. Remarkably, the company also outperformed this index when considering the 10-years TSR but fell short relatively to the industry index. |

A clearly established industry leader, J&J turned a very healthy profit of almost ***$18B***in 2022 although investing nearly ***$15B*** in Research & Development and another ***$18B*** in acquisition and mergers while increased the shareholders dividend at the same time (redistributing roughly ***$12B***to investors!).

Not only this remarkable results came in a moment where the company and its peers have been affected by high inflation and unrelenting disruptions to the supply chain, but at the same time J&J is progressing toward a separation from its *Consumer Health* segment to streamline operations and further strengthen its position as a leading pharmaceutical company.