**Marriot Inc.**

**Revenue**

In 2022, Marriott showcased strong revenue growth. In the U.S. & Canada region, occupancy rates increased to 66.10%, accompanied by a rise in Average Daily Rate to $253.42, contributing to 69.33% growth in Revenue per available room. The international segment, covering various regions, also exhibited recovery with an occupancy rate of 57.88%, an ADR of $175.02, and a RevPar growth of 49.78%. Globally, Marriott's total revenue for 2022 reached more than $204,425 million, marking a substantial 66.33% increase compared to the previous year. This growth underscores Marriott's effective strategies in optimizing occupancy, adjusting pricing strategies, and capitalizing on recovery opportunities across the hospitality industry. Base management fees showed significant improvement from 2021 to 2022. This growth is indicative of Marriott's ability to expand its managed hotel portfolio and attract new management contracts, reflecting the recovering hotel industry and the company's successful relationship with property owners. Franchise fees also rose from 2021 to 2022. This indicates an expansion of Marriott's franchised hotel portfolio and the increasing popularity of its brands among potential franchisees. Owned, leased, and other revenue also grew, this includes income from accommodations and ancillary services to hotel guests. This signifies an increase in hotel occupancy and demand for ancillary services as travel activities rebound. Cost reimbursement revenue demonstrates a significant surge. This considerable increase again reinstates the notion that the hotel industry is recovering and reflects property owners' increased confidence in the industry's revival.

**Cost**

Marriott Inc.'s cost drivers for 2021 and 2022 has one prominent factor being the reimbursed expenses. Reimbursed expense which is linked with reimbursed revenue, took a significant role in the cost structure, marking an upward trend. These expenses reflect costs Marriott incurred on behalf of managed, franchised, and licensed properties. As the hotel industry experienced recovery, reimbursed expenses surged, indicating growing confidence among property owners. Additionally, owned, leased, and other direct costs showed an increase in line with the industry's rebound, reflecting higher operational expenses amid improved hotel occupancy. Depreciation, amortization, and other costs, however, decreased, possibly due to asset adjustments or disposals. General, administrative, and other costs-maintained stability, hinting at improved cost management. The decline in restructuring and merger-related charges from 2021 to 2022 indicates a lack of major such activities.

**Peer comparison**

In comparison to Marriott, InterContinental showed a steady growth in its revenue figures from 2021 to 2022. In 2022, InterContinental's total revenue showed a significant increase from 2021. Similar to Marriot, this growth can be attributed to a rise in various revenue streams, including fee business, owned, leased, and managed lease hotels, and system fund revenues. Moreover, InterContinental's reimbursement of costs has also seen substantial growth, indicating increased confidence from property owners and franchisees in the industry's recovery. The company's cost of sales, system fund expenses, and administrative expenses have increased over the years, which is expected as the company's operations and portfolio expand.

**Johnson & Johnson**

**Revenue**

Consumer Health segment saw overall growth from 2021 to 2022. The OTC category, contributing significantly to the segment's revenue, indicating a rising demand for over-the-counter medicines. While some subcategories experienced minor declines, the Consumer Health segment-maintained stability, showcasing Johnson & Johnson's ability to offer a diverse range of consumer products. The Pharmaceutical segment remained a major revenue driver for Johnson & Johnson, witnessing a notable increase in sales from 2021 to 2022. Therapeutic areas like Immunology and Oncology were the primary contributors to this growth, reflecting the success of key drugs in these categories. MedTech segment also demonstrated positive growth from 2021 to 2022. The Vision and Interventional Solutions categories experienced growth, indicating Johnson & Johnson's commitment to developing advanced medical technologies and solutions.

**Cost**

COGS increased from 2021 to 2022. The rise in COGS suggests higher costs associated with manufacturing and distributing products. This increase in COGS may be influenced by factors such as raw material costs, supply chain disruptions, or adjustments in production volumes. Nonetheless, Johnson & Johnson managed to maintain a controlled rise in COGS, given the scale of its operations. SM&A expenses remained relatively consistent, increasing slightly from 2021 to 2022. This stability indicates Johnson & Johnson's prudent cost management and efficient allocation of resources to support its sales, marketing, and administrative activities across various segments. Within the cost structure, there were minor fluctuations in the costs associated with each business segment. Consumer Health and MedTech costs increased while pharmaceutical costs decreased. These variations in segment costs may be influenced by factors such as research and development expenses, regulatory compliance costs, or changes in sales and distribution strategies.

**Peer comparison**

Both Pfizer and Johnson & Johnson experienced revenue growth in 2022, driven by their respective pharmaceutical businesses. While Pfizer's Biopharma segment played a significant role in its revenue increase, Johnson & Johnson's diverse revenue streams contributed to its overall revenue growth. Regarding cost, both companies demonstrated good control of their cost structures. Johnson & Johnson's more diversified portfolio across Consumer Health, Pharmaceutical, and MedTech segments offers it resilience against market fluctuations, while Pfizer's strong performance in Biopharma highlights its focus on innovative drug development. Overall, both companies have shown solid performance, capitalizing on their strengths in the pharmaceutical industry, and effective cost management.

Each of the three segments, Consumer, Pharmaceuticals and Medical Devices have sub segments with product lines like Remicade, Darzalex , Stelara and Tremfya  or Surgery, Orthopaedics and Intervention solutions. All of these lines have US & International sales. US revenue can be driven by annual growth rates, international revenue growth has two components, organic growth and currency impact.

Cost Drivers – as % of revenue (trend analysis)

* Selling, Marketing and Administrative Expenses
* Research and Development Expenses
* In-process research and development
* Cost of products sold

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