CFRA

Marriott International, Inc.

Recommendation HOLD ★★★★★

Price USD 244.07 (as of market close Mar 15, 2024)

12-Mo. Target Price USD 249.00

Report Currency USD

Investment Style Large-Cap Blend

Equity Analyst Siye Desta

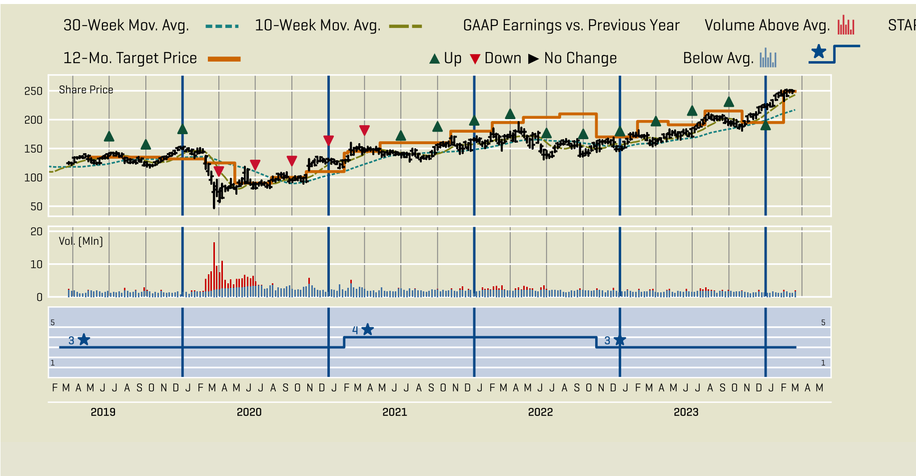
GICS Sector Consumer Discretionary
Sub-Industry Hotels, Resorts and Cruise Lines

Summary Marriott's lodging brands include over 8,500 properties, most of which are under Marriott's management or operated by external parties through franchise agreements.

Key Stock Statistics (Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports)

52-Wk Range	**USD 253.12 - 153.56**	Oper.EPS2024**E**	**USD 9.34**	Market Capitalization[B]	**USD 70.65**	Beta	**1.63**
Trailing 12-Month EPS	**USD 10.03**	Oper.EPS2025**E**	**USD 10.73**	Yield [%]	**0.85**	3-yr Proj. EPS CAGR[%]	**NM**
Trailing 12-Month P/E	**24.33**	P/E on Oper.EPS2024**E**	**26.13**	Dividend Rate/Share	**USD 2.08**	SPGMI's Quality Ranking	**B+**
USD 10K Invested 5 Yrs Ago	**21,104.0**	Common Shares Outstg.[M]	**290.00**	Trailing 12-Month Dividend	**USD 2.48**	Institutional Ownership [%]	**67.0**

Price Performance



Source: CFRA, S&P Global Market Intelligence
Past performance is not an indication of future performance and should not be relied upon as such.
Analysis prepared by **Siye Desta** on Nov 21, 2023 04:24 PM ET, when the stock traded at **USD 207.19**.

Highlights

- The Highlights section of this Stock Report will be updated accordingly.
- The Investment Rationale/Risk section of this Stock Report will be updated shortly. For the latest News story on MAR from MarketScope, see aside.

Latest Analyst Research Notes

February 15, 2024

02:43 PM ET... CFRA Keeps Hold Opinion on Shares of Marriott International, Inc. (MAR 239.74***):

We lift our 12-month target to $249 from $195 on an EV/EBITDA of 16.6x, below MAR's five-year forward EV/EBITDA of 18.6x, reflecting weaker growth prospects. We cut our '24 EPS to $9.34 from $9.57 and set '25's at $10.73. MAR posted Q4 adj-EPS of $3.57, $1.45 above consensus. Revenue of $6,095M (+2.9% Y/Y) was $108M below consensus. Adj-EBITDA was +19.5% Y/Y to $1,197M vs. the $1,145M consensus, with margin at 19.6%. Comparable RevPAR was +7.2%, the average daily rate was +3.0%, and Occupancy was +2.6%. MAR's results were mixed, with positive yet decelerating demand trends both Q/Q and Y/Y. Nonrecurring tax items (+$1.59 impact on EPS) likely also contributed to MAR's '24 guidance missing consensus expectations. Yet, MAR still expects RevPAR growth to slow meaningfully to 4%, despite higher net rooms growth guidance of 5.8% Y/Y at the midpoint. While the reaction to MAR's results may be overblown, we think the risk/reward tradeoff remains unfavorable given MAR's growth outlook and tougher comparisons in '24. / Siye Desta, CFA

Update: please see the analyst's latest research note in the research notes section

Analyst's Risk Assessment

LOW | **MEDIUM** | HIGH

Our risk assessment partly reflects uncertainties surrounding the potential impact of reduced travel demand in 2024 on the company's operations in both U.S. and international markets. We also see heightened competition from emerging players in the "sharing economy," such as Airbnb and similar platforms, in the realm of alternative accommodations. However, this is partially counterbalanced by ongoing expansion in less saturated global markets. MAR also boasts an extensive portfolio of lodging brands and embraces a capital-efficient business model, exemplified by its multi-year asset-recycling strategy.

Revenue/Earnings Data

Revenue (Million USD)

	1Q	2Q	3Q	4Q	Year
2025	**E** 6,378	**E** 6,944	**E** 6,779	**E** 6,919	**E** 27,021
2024	**E** 5,933	**E** 6,475	**E** 6,322	**E** 6,466	**E** 25,195
2023	1,468	1,618	1,537	1,677	6,300
2022	4,199	5,338	5,313	5,923	20,773
2021	2,756	3,640	3,667	3,882	17,731
2020	884	262	465	508	2,119

Earnings Per Share (USD)

	1Q	2Q	3Q	4Q	Year
2025	**E** 2.42	**E** 2.87	**E** 2.66	**E** 2.78	**E** 10.73
2024	**E** 2.28	**E** 2.62	**E** 2.35	**E** 2.31	**E** 9.34
2023	2.09	2.26	2.11	3.57	9.99
2022	1.25	1.80	1.69	1.96	6.69
2021	0.10	0.79	0.99	1.30	3.19
2020	0.26	-0.64	0.06	0.12	0.18

Fiscal Year ended Dec 31. EPS Estimates based on CFRA's Operating Earnings; historical earnings are adjusted. In periods where a different currency has been reported, this has been adjusted to match the current quoted currency.

Dividend Data

Amount (USD)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.5200	Feb 08	Feb 21	Feb 22	Mar 29 '24
0.5200	Nov 09	Nov 21	Nov 22	Dec 29 '23
0.5200	Aug 03	Aug 16	Aug 17	Sep 29 '23
0.5200	May 12	May 25	May 26	Jun 30 '23

Dividends have been paid since 1998. Source: Company reports
Past performance is not an indication of future performance and should not be relied as such.
Forecasts are not a reliable indicator of future performance.
Dividends paid in currencies other than the Trading currency have

Marriott International, Inc.

Business Summary November 21, 2023

CORPORATE OVERVIEW. Marriott International, Inc. (MAR) is one of the largest operators, franchisors, and licensors of hotels, residential, and timeshare properties globally. In 2022, the company managed, owned, or leased 8,288 hotels, resorts, timeshare properties, and yachts, with a total of 1,525,407 rooms in 138 countries and territories under 30 brand names.

MAR's company-operated properties (38% of total room count in 2022) include properties under both long-term management or lease agreements with property owners and properties that MAR owns. Terms of MAR's management agreements are not standardized. However, MAR typically earns a management fee, which is composed of a base fee from a percentage of revenue and an incentive fee based on profits. The management agreements are also typically long-term in nature, with an initial period of 15-30 years, with options for MAR to extend the agreements for 10 years or more. MAR's lease agreements aren't standardized as well, but many include fixed annual rent plus additional rent based on a percentage of revenue that exceeds a fixed amount. Many of MAR's management or lease agreements are subordinate to liens that secure a property owner's debt, who can also terminate their agreement with MAR based on certain negative performance and financial metrics.

For the properties MAR operates, the company typically hires, trains, and supervises the employees who conduct the day-to-day operations of the properties, which is generally reimbursed by the property owners. MAR's franchised and licensed properties (937,683 rooms and 61%) are arrangements with hotel owners and operators, which allow them to use many of MAR's brand names and systems. Under the company's hotel franchising arrangements, MAR typically receives an initial application and continuing royalty fees, which usually range from 4%-7% of room revenue for all brands. For some of its full-service brands, MAR typically receives an additional 2%-3% of food and beverage revenues. MAR also receives royalty fees for its licensing agreement with The Ritz-Carlton Yacht Collection and Marriot Vacations Worldwide Corporation (MVW), along with MVW's affiliates for certain MAR brands and existing properties. Lastly, MAR also uses or licenses its brands for the sale of residential real estate (11,481 rooms and 1%) and receives branding fees for the sales of this real estate.

MAR's brands span three quality tiers: Luxury, Premium, and Select, with each tier having both Classical and Distinctive hotel brands. MAR's Luxury tier (136,125 rooms and 9% of total room count in 2022) is comprised of the company's brands that offer its highest quality amenities and services. MAR's Luxury tier is composed of Classical Luxury brands, which include JW Marriot, The Ritz-Carlton, and St. Regis, and its Distinctive Luxury brands which include W Hotels, Luxury Collection, EDITION, and Bvlgari. MAR's Premium tier (644,470 and 42%) is comprised of the company's brands that offer amenities and services at a more attractive price point than its Luxury tier. MAR's Classic Premium brands include Marriott Hotels, Sheraton, Delta Hotels, Marriott Executive Apartments, and its Distinctive Premium brands include Westin, Renaissance Hotels, Le Méridien, Autograph Collection Hotels, Gaylord Hotels, Tribute Portfolio, and Design Hotels. MAR's Select tier (710,437 and 47%) is comprised of the company's brands that offer amenities and services aimed to be easy and smart, with its longer stay brands aimed at replicating the comforts of home. MAR's Classic Select brands include Courtyard, Residence Inn, Fairfield, SpringHill Suites, Four Points, TownePlace Suites, and Protea Hotels, and its Distinctive Select brands include Aloft Hotels, AC Hotels by Marriott, Element Hotels, and Moxy Hotels.

MAR's customer loyalty program, Marriott Bonvoy, also offers members access to MAR's brand portfolio, benefits, and travel experiences. In 2022, Marriott Bonvoy had over 177 million members and about 50% of MAR's global room nights were booked by its loyalty program members.

MARKET PROFILE. The hotel industry is very competitive and fragmented. MAR competes with providers of hotels, resorts, motels, inns, accommodation rental services, and online travel services.

MAJOR DEVELOPMENT. In Q4 2022, MAR announced it had reached an agreement with Hotels City Express to acquire the City Express brand for $100 million. The portfolio included 152 mid-scale properties (17,356 rooms) located in Mexico, Costa Rica, Colombia, and Chile.

CORPORATE STRATEGY. MAR's strategy is focused on increasing the engagement of its guests, attracting third-party owners, and enhancing its digital offerings. The company plans to execute this strategy through a number of initiatives, such as sales and revenue management, driving higher bookings through its direct channels, and increasing the number of languages offered on its digital channels, among others. In 2023, MAR expects net room growth of 4.0%-4.5%, which includes an approximate 1.1% contribution from its City Express brand acquisition.

FINANCIAL TRENDS. MAR's revenue rose to $20.8 billion in 2022 compared to $13.9 billion in 2021, but remained below the 2019 level of $21.0 billion. Comparable RevPAR (ex-FX) improved to $110.64 in 2022 compared to $74.7 in 2021 but remained below the 2019 level of $117.3. Adj-EBITDA grew to $3.9 billion in 2022 from $2.3 billion in 2021, above the 2019 level of $3.6 billion, largely due to higher average daily rates (+7.9% vs. 2019) as occupancy rates continued to lag (-7.9% vs. 2019).

MAR's net debt to EBITDA fell to 2.7x in 2022 vs. 4.5x in 2021 and the 2019 level of 4.2x. MAR's current ratio and quick ratio were 0.5x and 0.4x, respectively, in 2022, compared to 0.6x and 0.5x in 2021 and 0.5x and 0.4x in 2019.

In Q3, adj-EPS rose 25% Y/Y to $2.11, while adj-EBITDA grew 17.49% Y/Y to $1,142 million, with margin expanding 30 bps Y/Y to 19.3%. Comparable RevPAR grew 8.8% Y/Y, driven by ADR (+4.1% Y/Y) and occupancy (+3.2% Y/Y). MAR also saw continued resilience in leisure and group travel, while business travel continued to recover. As a result, MAR raised its 2023 RevPAR guidance (midpoint at 14.5% from 12.0%) and unit growth guidance (to 4.5% from 4.2%).

Corporate information

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Officers

Executive VP & General Counsel
R. H. Reiss

Chief Global Officer of Global Operations
E. L. Alexander

CFO & Executive VP of Development
K. K. Oberg

Executive VP and Chief Revenue & Technology Officer
D. L. Pinto

Controller & Chief Accounting Officer
F. O. Lee

President, CEO & Director
A. G. Capuano

Chairman of the Board
D. S. Marriott

Board Members

A. B. Lewis	G. F. Reid
A. G. Capuano	H. D. Rozanski
A. G. Gillis	I. D. Goren
D. L. Lee	J. W. Marriott
D. M. Harrison	L. R. Hobart
D. S. Marriott	M. M. McCarthy
E. C. Hippeau	S. C. Schwab
F. A. Henderson	W. J. Shaw

Domicile
Delaware

Auditor
Ernst & Young LLP

Founded
1927

Employees
411,000

Stockholders
N/A

Marriott International, Inc.

Quantitative Evaluations

Fair Value Rank

1	2	3	4	5

LOWEST HIGHEST

Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation **USD 331.46** Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that MAR is undervalued by USD 87.39 or 35.81%

Volatility LOW | AVERAGE | HIGH

Technical Evaluation **NEUTRAL** Since September, 2023, the technical indicators for MAR have been NEUTRAL"

Insider Activity UNFAVORABLE | NEUTRAL | FAVORABLE

Expanded Ratio Analysis

	2023	2022	2021	2020
Price/Sales	10.84	9.06	15.93	20.28
Price/EBITDA	15.99	12.82	26.40	51.85
Price/Pretax Income	20.22	15.58	46.11	NM
P/E Ratio	22.57	22.26	51.80	NM
Avg. Diluted Shares Outstg. (M)	302.90	325.80	329.30	325.80

Figures based on fiscal year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	**1 Year**	**3 Years**	**5 Years**
Net Income	30.75	126.02	10.08
Sales	17.62	43.79	3.85
Ratio Analysis (Annual Avg.)			
Net Margin (%)	48.94	41.71	27.25
% LT Debt to Capitalization	91.91	80.77	79.35
Return on Equity (%)	-5408.77	-1683.88	-1002.36

Company Financials Fiscal year ending Dec 31

Per Share Data (USD)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tangible Book Value	-64.57	-54.90	-50.83	-54.67	-52.43	-44.81	-39.46	-29.81	-23.35	-15.88
Free Cash Flow	9.01	6.26	3.04	4.62	3.10	5.14	5.30	4.88	4.07	2.58
Earnings	10.18	7.24	3.34	-0.82	3.80	5.38	3.84	2.73	3.15	2.54
Earnings (Normalized)	9.99	6.69	3.19	0.18	6.00	6.21	4.36	3.66	3.11	2.60
Dividends	1.96	1.00	N/A	0.48	1.85	1.56	1.29	1.15	0.95	0.77
Payout Ratio (%)	19.04	13.61	NM	NM	48.08	28.47	33.04	46.29	29.45	29.61
Prices: High	226.63	195.90	171.68	152.60	153.39	149.21	137.60	86.15	85.00	79.25
Prices: Low	147.10	131.01	115.50	46.56	101.57	100.62	81.04	56.43	63.95	47.21
P/E Ratio: High	22.70	29.30	53.80	NM	25.60	24.00	31.60	23.50	27.30	30.50
P/E Ratio: Low	14.70	19.60	36.20	NM	16.90	16.20	18.60	15.40	20.50	18.20
Income Statement Analysis (Million USD)										
Revenue	6,300	5,356	3,415	2,119	5,373	5,215	4,997	3,473	2,856	2,741
Operating Income	3,924	3,474	1,758	467.00	2,037	2,521	2,663	1,810	1,350	1,184
Depreciation + Amortization	348.00	311.00	303.00	362.00	451.00	367.00	347.00	188.00	197.00	174.00
Interest Expense	565.00	403.00	420.00	445.00	394.00	340.00	288.00	234.00	167.00	115.00
Pretax Income	3,378	3,114	1,180	-466.00	1,599	2,345	2,982	1,239	1,255	1,088
Effective Tax Rate	8.70	24.30	6.90	42.70	20.40	18.70	51.10	34.80	31.60	30.80
Net Income	3,083	2,358	1,099	NM	1,273	1,907	1,459	808.00	859.00	753.00
Net Income (Normalized)	2,149	1,954	845.00	NM	1,148	1,441	1,534	1,016	768.80	695.60
Balance Sheet and Other Financial Data (Million USD)										
Cash	338.00	507.00	1,393	877.00	225.00	316.00	383.00	858.00	96.00	104.00
Current Assets	3,311	3,313	3,626	2,825	3,127	2,706	2,740	3,371	1,384	1,610
Total Assets	25,674	24,815	25,553	24,701	25,051	23,696	23,846	24,140	6,082	6,833
Current Liabilities	7,762	7,339	6,407	5,752	6,677	6,437	5,807	5,147	3,233	3,038
Long Term Debt	11,197	9,249	9,194	9,057	9,812	8,351	7,669	8,197	3,807	3,447
Total Capital	12,183	11,772	12,800	11,776	12,655	11,572	11,820	13,863	517.00	1,571
Capital Expenditures	452.00	332.00	183.00	135.00	653.00	556.00	240.00	199.00	305.00	411.00
Cash from Operations	3,170	2,363	1,177	1,639	1,685	2,357	2,227	1,619	1,515	1,224
Current Ratio	0.43	0.45	0.57	0.49	0.47	0.42	0.47	0.65	0.43	0.53
% Long Term Debt of Capitalization	91.90	78.60	71.80	76.90	77.50	72.20	64.90	59.10	736.40	219.40
% Net Income of Revenue	48.90	44.00	32.20	-12.60	23.70	36.60	29.20	23.30	30.10	27.50
% Return on Assets	9.71	8.62	4.37	1.17	5.22	6.63	6.94	7.49	13.07	10.86
% Return on Equity	NM	237.90	119.20	-47.10	87.00	65.70	32.60	91.50	-29.70	-41.70

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

CFRA

Marriott International, Inc.

Sub-Industry Outlook

We are neutral on the hotels, resorts, and cruise lines sub-industry index, as most regions, excluding the Asia Pacific, and travel segments, except for business travel, have already returned to 2019 levels. In 2024, we expect positive but moderating top- and bottom-line growth for most travel companies due to various macro- and industry-specific factors, including demand normalization, high fuel prices, airline capacity constraints, conflicts in the Middle East and Ukraine, along with consumer discretionary spending pressured by a higher cost of living. Nonetheless, we still expect the sub-industry to be bolstered by interest rate cuts in the latter half of 2024, real income growth, and low unemployment in many advanced economies, along with a sustained shift in consumer spending towards experiential purchases such as travel. In addition, we expect the Asia Pacific region, led by a continued recovery in China's cross-border travel, to serve as a potential tailwind for the industry.

Despite our expectation of more muted revenue and earnings growth for the sub-industry, with valuations relatively high to start 2024, recent global developments warrant a more discerning outlook when evaluating companies. In particular, signs of travel disruptions due to geopolitical tensions have emerged in the Middle East, which will likely hurt many companies with operations in the region. In turn, this will likely also shift travel demand to other regions due to safety concerns. Additionally, with the Asia Pacific region now largely open for international travel, we think regions like Europe may see some travel demand softness in 2024. Moreover, we also expect a further recovery in China's cross-border travel, along with the broader Asia Pacific region, which should support the sub-industry's overall top-line growth. However, heightened economic and geopolitical turbulence could still have a negative impact on travel demand in the region. Lastly, with remote work still popular, we think a recovery in business travel may prove to be sluggish in 2024.

In terms of profit margins, we think pricing power will continue to dominate, as most companies in the sub-industry will benefit less from pent-up demand while inflation remains subdued and consumers face cost-of-living pressures. Given all these moving factors, we think the impact on specific travel industries will be mixed. In our view, cruise line operators stand to benefit from their discount relative to land-based vacations. However, high debt levels and fuel costs, coupled with exposure to the Middle East and Eastern Europe, may pose issues. For hotel operators in 1H 2024, we expect supply growth difficulties will continue posing challenges due to high capital costs and construction issues, leading to increased M&A activity. Additionally, recent softness in airline prices may indicate softening demand following the prior years of pent-up demand. Competition with alternative accommodation options like Airbnb and Vrbo may also intensify, especially if consumer preferences shift towards longer stays.

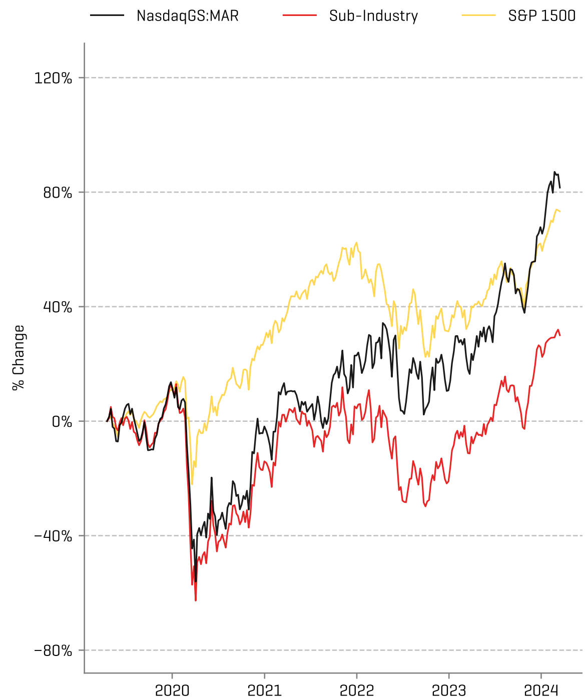
Year to date through February 9, 2024, the S&P 1500 Hotels, Resorts & Cruise Lines Index grew 2.6% vs. the 2.1% increase for the S&P 1500 Consumer Discretionary Index and the 4.9% increase for the S&P 1500 Composite Index. In 2023, the S&P 1500 Hotels, Resorts & Cruise Lines Index was +59.4% vs. +39.2% for the broader S&P 1500 Consumer Discretionary Index and +23.4% for the S&P 1500 Composite Index.

/ Siye Desta

Industry Performance

GICS Sector: Consumer Discretionary
Sub-Industry: Hotels, Resorts and Cruise Lines

Based on S&P 1500 Indexes
Five-Year market price performance through Mar 16, 2024



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.

Source: CFRA, S&P Global Market Intelligence

Sub-Industry: Hotels, Resorts and Cruise Lines Peer Group*: Hotels, Resorts and Cruise Lines

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. (M)	30-Day Price Chg. (%)	1-Year Price Chg. (%)	P/E Ratio	Fair Value Calc.	Yield (%)	Return on Equity (%)	LTD to Cap (%)
Marriott International, Inc.	**MAR**	**NasdaqGS**	**USD**	**244.07**	**70,655.0**	**3.7**	**51.5**	**24.0**	**331.46**	**0.9**	**-5408.8**	**91.9**
Airbnb, Inc.	ABNB	NasdaqGS	USD	160.64	102,467.0	8.4	33.9	22.0	173.83	N/A	69.8	19.0
Booking Holdings Inc.	BKNG	NasdaqGS	USD	3,413.98	116,659.0	-8.7	39.9	22.0	3,642.63	1.0	22573.7	99.7
Carnival Corporation & plc	CCL	NYSE	USD	16.26	20,295.0	6.5	80.1	NM	N/A	N/A	-1.1	73.5
Expedia Group, Inc.	EXPE	NasdaqGS	USD	133.47	18,190.0	-1.0	40.3	14.0	142.80	N/A	21.1	66.4
H World Group Limited	HTHT	NasdaqGS	USD	39.09	12,461.0	16.8	-20.3	28.0	N/A	1.5	28.1	1.8
Hilton Worldwide Holdings Inc.	HLT	NYSE	USD	204.66	51,607.0	6.2	48.0	33.0	157.14	0.3	-66.8	116.5
Hyatt Hotels Corporation	H	NYSE	USD	153.60	15,806.0	19.0	42.7	60.0	111.77	0.4	6.1	33.2
Norwegian Cruise Line Holdings Ltd.	NCLH	NYSE	USD	19.40	8,258.0	17.2	48.0	33.0	N/A	N/A	90.0	81.9
Royal Caribbean Cruises Ltd.	RCL	NYSE	USD	128.92	33,091.0	10.5	98.7	19.0	103.94	N/A	43.9	71.7
Trip.com Group Limited	TCOM	NasdaqGS	USD	43.42	27,900.0	6.9	16.1	16.0	N/A	N/A	8.5	11.3

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.
NA-Not Available; NM-Not Meaningful.
Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

Marriott International, Inc.

Previous Analyst Research Notes and Company News

November 03, 2023
12:26 PM ET... CFRA Keeps Hold Opinion on Shares of Marriott International, Inc. (MAR 190.45***):
We trim our 12-month target to $195 from $215, on an EV/EBITDA of 13.9x, below MAR's five-year discount forward EV/EBITDA of 18.4x on the risk of slower top-line growth. We cut our 2023 EPS to $8.57 from $8.60 and lift 2024's to $9.57 from $9.24. MAR posted Q3 adj-EPS of $2.11 (+25% Y/Y), in line with consensus. Revenue of 5,928M (+11.6% Y/Y) was $60 above consensus. Adj-EBITDA grew 17.49% Y/Y to $1,142M, with margin expanding 30 bps Y/Y to 19.3% vs. the 19.4% consensus. Comparable RevPAR grew 8.8% Y/Y, driven by ADR (+4.1% Y/Y) and occupancy (+3.2% Y/Y). MAR saw continued strength in leisure travel demand (45% of room nights), while business travel demand continued to recover (32% of room nights). As a result, MAR raised 2023 RevPAR guidance (midpoint at 14.5% from 12.0%). We also note an uptick in MAR's unit growth guidance for 2023 to 4.5% from 4.2%. Yet, we still think there's room for improvement in MAR's unit growth strategy relative to peers, with the launch of its MGM deal now expected in early 2024. / Siye Desta, CFA

August 02, 2023
06:44 AM ET... CFRA Keeps Hold Opinion on Shares of Marriott International, Inc. (MAR 204.74***):
We lift our 12-month target to $215 from $191, on 2024 EV/EBITDA of 15.3x, a discount to MAR's five-year forward EV/EBITDA of 22.3x, justified by the risk of weaker rooms growth and travel demand. We raise our 2023 EPS to $8.60 from $8.07 and 2024's to $9.24 from $8.58. MAR posts Q2 adj-EPS of $2.26 (+15.7% Y/Y), $0.09 above consensus. Revenue of $6,075M (+13.8% Y/Y) was $104M above consensus. Adj-EBITDA grew 19.7% Y/Y to $1,219M, with margin at 20.1% vs 19.5% consensus. Systemwide comparable RevPAR grew 13.5% Y/Y, driven by ADR (+6.0% Y/Y) and occupancy (+4.7 pts Y/Y to 65.3%). MAR raised its 2023 guidance for key metrics, with expectations of travel demand resilience in North America and robust growth internationally, particularly in China (Comp RevPAR +125% Y/Y). However, net new rooms growth guidance (ex-MGM & City Express deals) was trimmed. We see MAR's valuation as full; while plans for extended stay offerings are encouraging, lack of visibility on deal signings and China's travel recovery are concerns. / Siye Desta, CFA

May 02, 2023
02:26 PM ET... CFRA Keeps Hold Opinion on Shares of Marriott International, Inc. (MAR 177.59***):
We trim our 12-month target price by $6 to $191, on a 2024 EV/EBITDA of 15.1x, a discount to MAR's five-year forward EV/EBITDA of 22.3x, justified by uncertainty around the outlook for travel in 2H 2023. We raise our 2023 EPS estimate to $8.07 from $7.54 and 2024's to $8.58 from $8.46. MAR posts Q1 adj-EPS of $2.09, $0.25 above consensus. Revenue $5,615M (+33.7% Y/Y) was $171M above consensus. Adj-EBITDA grew 44.7% Y/Y to $1,098M vs. 1,000M consensus, with margin expanding 310 bps Y/Y. Systemwide comparable RevPAR grew 34.3% Y/Y to $116.45, driven by ADR (+11.3% Y/Y to $178.31) and occupancy (+11.2 points to 65.3%), while gross fee revenue grew 36.6% Y/Y. MAR raised its 2023 guidance due to robust booking trends, but cautioned about less visibility in 2H 2023. However, given the challenging financing environment, we think MAR's net unit growth guidance (4.0%-4.5%) may face pressure. We note about 60% of MAR's pipeline is not under construction, with developers of managed properties requesting more guarantees. / Siye Desta, CFA

February 14, 2023
05:44 PM ET... CFRA Keeps Hold Opinion on Shares of Marriott International, Inc. (MAR 181.27***):
We raise our 12-month target to $197 from $170, on a 2023 EV/EBITDA of 17.6x, in line with MAR's 10-year average forward EV/EBITDA. We raise our 2023 EPS to $7.54 from $7.39 and initiate 2024 EPS at $8.46. MAR posts Q4 adj-EPS of $1.96, $0.14 above consensus. Revenue of $5,293M (+33.2% Y/Y), was $538M above consensus. Adj-EBITDA grew 47.1% Y/Y to $1,090M vs. $1,027M consensus, with margin expanding 174 bps. Systemwide comparable RevPAR grew 28.8% Y/Y to $113.83, driven by ADR (+15.4% Y/Y to $176.46) and occupancy (+6.7 points to 64.5), while gross fee revenue grew 36.1% Y/Y. For 2023, MAR expects net new unit growth of 4.0%-4.5% and global RevPAR growth of 6%-11%, with the low end of the range reflecting a softening global economy. We are encouraged by the recovery in China, the launch of Apartments by Marriot Bonvoy, and the acquisition of City Express. However, we think this upside is already reflected in shares, while MAR's development pipeline and a pullback in travel demand in 2H 2023 remain concerns. / Siye Desta, CFA

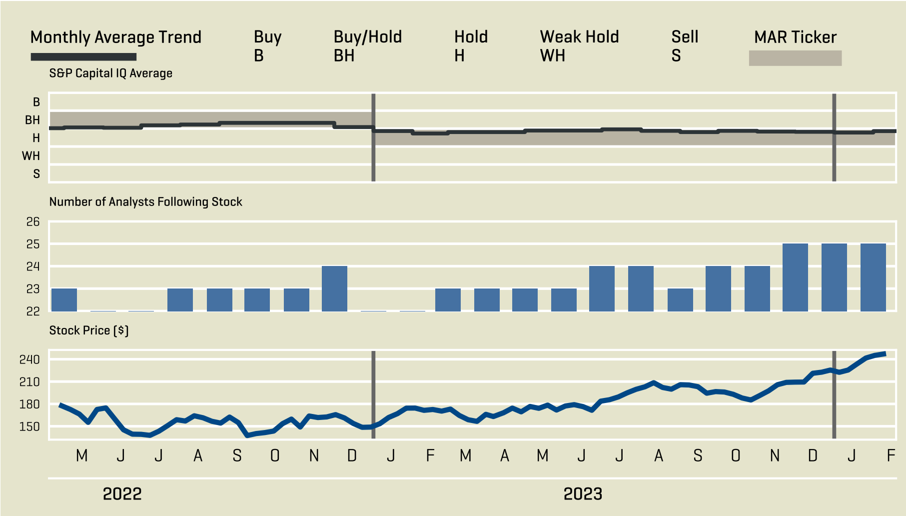
November 03, 2022
02:14 PM ET... CFRA Lowers Opinion on Shares of Marriott International, Inc. to Hold from Buy (MAR 148.07***):
We lower our price target by $40 to $170 on 2023 EV/EBITDA of 15.5x, a discount to its 10-year forward EV/EBITDA of 15.8x, justified by macro headwinds and weaker new unit growth. We raise our 2022 EPS by $0.29 to $6.52 and raise 2023's by $0.05 to $7.39. MAR posts Q3 adj-EPS of $1.69, in line with consensus. Revenue of $5,313M (+34.6% Y/Y) was $17M below consensus. Adj-EBITDA grew 44.2% Y/Y to $985M vs. $971M consensus, with margin expanding 123 bps. Systemwide comparable RevPAR grew 33.5% Y/Y to $120.60, due to occupancy (+11 points to 69.2%) and ADR (+12.2% Y/Y to $174.19), while gross fee revenue grew 36.5% Y/Y. However, occupancy remained below pre-pandemic levels (-5.8% vs 2019) due to business travel (-11% vs 2019), despite SMB fully recovering and strong leisure travel. MAR lowered guidance for unit growth from 5.0% to 4.5%, mainly due to China lockdowns. We have concerns over dollar strength, China, and travel demand in the near term, but view the expected $2.7B in capital returns favorably. / Siye Desta,CFA

August 03, 2022
02:25 PM ET... CFRA Keeps Buy Opinion on Shares of Marriott International, Inc. (MAR 159.36****):
We raise our target by $6 to $210 on 2022 EV/EBITDA of 16x vs. the 17.6x long-term historical average, justified by the risk of weaker consumer spending on travel and leisure. Our 2023 EPS is $7.34, up from $6.99, with 2022 raised to $6.23 from $5.67. Revenue of $5,338M (+70% Y/Y) was $376M above consensus, while Q2 EPS of $1.80 beat by $0.23, driven by higher system-wide RevPAR (ex-FX) (+71% Y/Y) and adjusted EBITDA margin (60%) due to favorable comps as well as room and fee growth. We are encouraged by the continued recovery of MAR to pre-pandemic levels of occupancy (about 75%), driven by improving business travel and strong leisure demand (+17% Y/Y to 68%), particularly in Europe as U.S. consumers take advantage of favorable FX rates. However, there are concerns about weaker travel demand in 2H 2022 as consumers feel the pinch of inflation. This may pressure RevPAR and EBITDA margin, as a decline in occupancy rates will be harder to offset through pricing. Yet, we still view the risk/reward as favorable. / Siye Desta

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

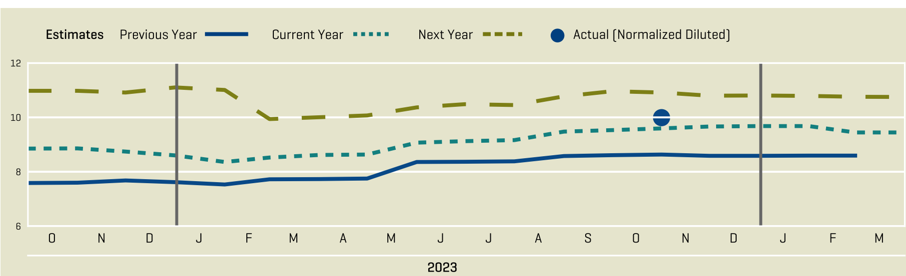
Marriott International, Inc.

Analysts Recommendations



	No. of Recommendations	% of Total	1 Mo.Prior	3 Mos.Prior
Buy	5	20	5	5
Buy/Hold	1	4	1	1
Hold	18	72	18	17
Weak hold	0	0	0	1
Sell	1	4	1	1
No Opinion	0	0	0	0
Total	25	100	25	25

Wall Street Consensus Estimates



Fiscal Year	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2025	10.75	11.66	9.88	21	22.71
2024	9.44	9.72	9.17	22	25.85
2025 vs. 2024	**▲ 14%**	**▲ 20%**	**▲ 8%**	**▼ -5%**	**▼ -12%**
Q1'25	2.42	2.63	2.26	9	100.93
Q1'24	2.17	2.23	2.10	20	112.57
Q1'25 vs. Q1'24	**▲ 12%**	**▲ 18%**	**▲ 8%**	**▼ -55%**	**▼ -10%**

Forecasts are not reliable indicator of future performance.
Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.
Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

Wall Street Consensus Opinion

Hold

Wall Street Consensus vs. Performance

For fiscal year 2024, analysts estimate that MAR will earn USD 9.44. For fiscal year 2025, analysts estimate that MAR's earnings per share will grow by 13.83% to USD 10.75.

Marriott International, Inc.

Glossary

STARS

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (Stock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (MSCI AC Asia Pacific Index, MSCI AC Europe Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to help investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and S&P Capital IQ Earnings & Dividend Rankings stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A	Above	C	Lowest
B+	Average	D	In Reorganization
NC	Not Ranked		

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ **5-STARS (Strong Buy):**
Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):**
Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months.

★★★☆☆ **3-STARS (Hold):**
Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months.

★★☆☆☆ **2-STARS (Sell):**
Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months.

★☆☆☆☆ **1-STAR (Strong Sell):**
Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:
In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the MSCI AC Europe Index and the MSCI AC Asia Pacific Index, respectively.

Disclosures

Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:
Qualitative STARS rankings are determined and assigned by equity analysts. For reports containing STARS rankings refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:
Quantitative rankings are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative rankings refer to the Glossary section seof the report for detailed methodology and the definition of Quantitative rankings.

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STARS Stock Reports:

Global STARS Distribution as of December 31, 2023

Ranking	North America	Europe	Asia	Global
Buy	39.1%	34.9%	41.7%	38.8%
Hold	52.9%	50.5%	52.0%	52.2%
Sell	8.0%	14.6%	6.3%	8.9%
Total	100.0%	100.0%	100.0%	100.0%

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