

LETTER TO STOCKHOLDERS



J.W. "Bill" Marriott, Jr.
Executive Chairman and Chairman of the Board

Anthony Capuano
Chief Executive Officer

Dear Stockholder,

2020 was an extremely difficult year. We started off with tremendous strength and momentum globally. But by early March, it became clear that COVID-19 was going to spread around the world. We've seen challenges before; this company was founded just before the Great Depression and in our 93 years of operation, we have weathered significant business slowdowns — after the 1990 recession, 9/11 and so many other world events. But 2020 was something else again. The impact of COVID-19 — as we all know now — turned out to be unprecedented.

Arne Sorenson, our President and Chief Executive Officer, steered us through the year. Then, on February 15, 2021, Arne unexpectedly passed away from pancreatic cancer.

A week later, our Board of Directors appointed Anthony Capuano Chief Executive Officer of the company and Stephanie Linnartz President.

Arne Sorenson

For more than 25 years, we had the privilege of working closely with Arne and watching as he successfully grew the business and tackled seemingly insurmountable challenges from 9/11 to COVID-19. Arne was a mighty tower who embraced life with zest. He loved Marriott International and all of its wonderful associates. He adored the travel industry and he treasured his role as CEO, understanding that what came with the big title was great responsibility and an expectation to be a global voice for change and all that is good.

In Arne's honor, The J. Willard and Alice S. Marriott Foundation together with Howard University established the Marriott-Sorenson Center for Hospitality Leadership. The Foundation will provide a \$20 million endowment to launch the Center at Howard University, one of the nation's leading historically Black colleges and universities. In addition, Marriott International announced the creation of the Arne M. Sorenson Hospitality Fund which will support the

critical programmatic and career development elements of the Center. This Fund is dedicated to helping the industry build leadership talent in hospitality. Marriott has pledged the first donation of \$1 million. We can think of no better tribute to the amazing legacy of Arne Sorenson than to focus on educating and advancing future leaders of the hospitality industry.

Marriott International: A Look Back at 2020

Throughout the year, many of our associates and their families battled COVID-19 and we were incredibly saddened that some of them lost the fight to this virus that has claimed far too many lives. Our hearts and thoughts go out to them and to everyone affected by the pandemic, and we offer a sincere thank you to our associates, owners and franchisees, frontline workers and all others who have sacrificed so much in the global fight to contain the disease.

The company reacted swiftly to address and mitigate the impact of the pandemic on our business. We shored up our balance sheet, reduced costs both above property and at the hotel level and adjusted many of our operating protocols, with a focus on elevating our cleanliness standards.

We are pleased with the progress we have made in weathering the storm to date. While the pandemic is far from over, more and more people are getting vaccinated every day, giving us hope that we are getting closer to normalcy. The timing of a full recovery cannot be predicted and recovery timelines are going to vary greatly by region, but we are optimistic about the global recovery and the return of travel.

2020 Summary

As COVID-19 significantly impacted world travel last year, our worldwide revenue per available room (RevPAR) was down 60 percent from 2019, with global occupancy at 35.5 percent for the year. Net rooms growth in 2020 was 3.1 percent.

In the second half of the year, however, global trends improved significantly from the historic lows seen in April, led by leisure demand in drive-to destinations. As of February 15, 2021, about 6 percent of our more

than 7,600 properties worldwide were closed compared to more than 25 percent closed on April 26, 2020. Worldwide occupancy in December was at 32 percent compared to 12 percent in April. Worldwide RevPAR was down 62 percent year-over-year in December, compared to a drop of 90 percent in April 2020 from April 2019.

To be sure, we have seen different paths of recovery throughout the world. For example, what is happening in Mainland China is very different from what is happening in Europe. The encouraging news is that we have seen a resiliency of demand when there is a sense that the virus is under control and restrictions can be safely lifted. Mainland China is the best example of this, where we have seen very strong improvement in bookings and occupancy levels, led by leisure demand but followed by business transient and group travelers as well. December RevPAR in Mainland China was down less than 10 percent from the same period in 2019, compared to an 87 percent year-over-year decline in February.

During the year, we made tremendous progress in mitigating the impact of low levels of demand, strengthening our financial position and shoring up our balance sheet. We enhanced our liquidity, extended our average debt maturities, reduced operating costs and pared back investment spending. We also halted share repurchases in February and suspended our quarterly dividend beginning in the 2020 second quarter.

Pillars of our Recovery

In the midst of these challenging times, we remain focused on three key pillars of our business — our associates, our customers, and our owners and franchisees. Collectively, they are the foundation upon which our recovery will be built.

Associates

Throughout the pandemic, we have focused on supporting our associates. We are one global Marriott family with a people-first culture. So often, we repeat the words of our late founder J. Willard Marriott, who said, “Take care of the associates and the associates will take care of the guests and the guests will come back again and again.”

That advice is particularly sage during a global pandemic, and it has informed how we have moved through this crisis. It was heartbreaking to undergo such dramatic reductions in our associate population all due to a situation beyond anyone's control. We developed job recruitment sites for both our on-property and corporate associates globally, facilitating full and part-time work opportunities with dozens of major companies globally. We offered online resources focused on mental and physical health and well-being, as well as comprehensive training and personal development tools. Our associates, in turn, have supported Marriott by continuing to do what they do best — taking care of each other, serving our guests and supporting the local communities where we operate. It is their embodiment of our core values that has kept our “TakeCare” culture strong during this most challenging period.

Guests

At the start of this crisis, it was clear that cleanliness and safety would be paramount to our guests and associates. We introduced new standards and enhanced cleaning technologies, including electrostatic sprayers with hospital-grade disinfectant to sanitize public spaces throughout our hotels. We implemented new, more flexible cancellation policies. We also leveraged our mobile technology, reducing contact during the stay, to better meet the needs of our guests while amplifying operational efficiencies.

For our more than 147 million Marriott Bonvoy members, we have focused on staying flexible and relevant, whether they are ready to travel to a hotel or not. We extended elite status and launched accelerator programs for our co-branded credit card holders to earn up to 10x points on groceries and dining. We also offered alternative experiences such as Eat Around Town, a program that allows Marriott Bonvoy members to earn points at local restaurants. Our whole home rental platform Homes & Villas by Marriott International saw a significant increase in interest as many travelers sought drive-to destinations, longer duration stays and large spaces to allow for work, school and fun.

Owners and Franchisees

The impact of COVID-19 on our industry has placed our owners and franchisees under significant pressure. We

have worked closely with them since the start of the crisis and have implemented a number of temporary and permanent cost reduction measures designed to lessen their financial burdens. We have produced an unprecedented volume of communications — through webinars, emails and the creation of a new advisory group in the U.S. — all designed to provide our owners and franchisees with important updates on the steps we are taking to help support them during this crisis. We have solicited their input throughout, on items ranging from our hotel cleanliness procedures to the on-property operating model.

Our marketing teams have also been focused on generating demand, enticing guests with many creative offerings such as “staycation” packages and encouraging guests to take their remote work to our hotels using Day Pass, Stay Pass and Play Pass packages, which offer perks such as early check-in, late check-out, supervised children's activities and more.

Doing Good in Every Direction

We want to acknowledge how proud we are of the various ways our associates responded to the events of 2020. From the earliest days of the pandemic, our associates adjusted our social impact and sustainability efforts to address the urgent needs of the times.

Around the globe, our hotels donated food, cleaning supplies and essential items like gloves and toiletries to frontline and medical workers as well as local families and community groups. Some of our hotels opened their doors to non-profit organizations that needed large event spaces in order to adhere to social distancing protocols and still meet an increase in demand for their services. As an example, a number of our properties partnered with the American Red Cross to host nearly 300 blood drives, which collected more than 8,000 units of blood. The Gaylord National Resort and Convention Center, just outside of Washington, D.C., donated 40,000 square feet of space to the Capital Area Food Bank to support food storage and packaging operations. Together with American Express and JPMorgan Chase, we provided \$10 million worth of free hotel stays to frontline healthcare workers.

In the midst of this global crisis, a long and overdue conversation on racism surfaced in the United States and reverberated around the world. We want to make it clear that Marriott believes Black lives matter and that racism, in all its forms, must be eradicated. Our company's diversity, equity and inclusion program has been in place for more than 30 years, and two decades ago, Marriott was one of the first companies to establish a Board of Directors committee focused on advancing inclusive opportunity. We were delighted that Marriott was recognized as the #1 company for diversity and inclusion across industries on the 2020 DiversityInc Top 50 Companies for Diversity list.

We know, of course, that our efforts must certainly not end there. We must continue to take action to address inequality and hold ourselves accountable. In that spirit, we have begun engaging our associates in regular "TakeCare Community Talks," where associates share their stories and we map our action plan in the fight against racism, the advancement of equality and justice in society, and the role of Marriott in those efforts. Part of our work also revolves around recruiting and engaging owners and franchisees who are people of color as well as increasing the diversity of our supply chain. Our Diversity Ownership Initiative, for example, introduces the hotel business to successful business owners who are women or people of color. Exchanges, our diversity supplier program, partners with business owners who are traditionally under-represented in this area — people of color, women, veterans, individuals with disabilities and people who identify as LGBTQ.



J.W. "Bill" Marriott, Jr.
Executive Chairman and Chairman of the Board

We have come a long way since our humble beginning as a root beer stand in 1927. One thing that hasn't changed is our commitment to taking care — of people and our world. As we weather our current challenges, we'll draw on our long history of being a force for good in our communities as we chart our journey forward.

Recovery in 2021 and Beyond

We are grateful that 2020 is behind us. As we look ahead, we know that our guests are eager to get on the road and get together in person. So many life events have been postponed — weddings, reunions, anniversaries. There is simply no virtual replacement for that. We believe we are well positioned to meet the needs of all of our guests as soon as they are ready to travel again.

Without a doubt, we have a lot of work ahead as we navigate through the pandemic. We continue to have great confidence in the strength of Marriott International. As containment measures continue and more vaccines are distributed, we look forward to the global recovery with optimism.

We will continue to focus on leveraging our unrivaled global portfolio of more than 7,600 properties, the strength of our 30 brands, the power of Marriott Bonvoy and the determination and excellence of our global team of associates to recover with strength and to drive future growth.

We offer our best wishes that everyone stays safe and healthy and we look forward to seeing you soon at one of our hotels. We thank you for your support of Marriott International.



Anthony Capuano
Chief Executive Officer