

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2025
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission File No. 1-13881



MARRIOTT INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2055918 (IRS Employer Identification No.)
7750 Wisconsin Avenue Bethesda Maryland (Address of principal executive offices)	20814 (Zip Code)
(Registrant's telephone number, including area code) (301) 380-3000	

Securities registered pursuant to Section 12(b) of the Act:		
Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock, \$0.01 par value	MAR	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 271,457,839 shares of Class A Common Stock, par value \$0.01 per share, outstanding at July 28, 2025.

MARRIOTT INTERNATIONAL, INC.
FORM 10-Q TABLE OF CONTENTS

		<u>Page No.</u>
Part I.	Financial Information (Unaudited)	
Item 1.	Financial Statements	
	Condensed Consolidated Statements of Income	3
	Condensed Consolidated Statements of Comprehensive Income	4
	Condensed Consolidated Balance Sheets	5
	Condensed Consolidated Statements of Cash Flows	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15
	Cautionary Statement	15
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	22
Item 4.	Controls and Procedures	22
Part II.	Other Information	
Item 1.	Legal Proceedings	23
Item 1A.	Risk Factors	23
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	23
Item 5.	Other Information	23
Item 6.	Exhibits	24
	Signature	25

PART I – FINANCIAL INFORMATION

Item 1. *Financial Statements*

MARRIOTT INTERNATIONAL, INC. CONDENSED CONSOLIDATED STATEMENTS OF INCOME (in millions, except per share amounts) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
REVENUES				
Base management fees	\$ 340	\$ 330	\$ 665	\$ 643
Franchise fees	860	818	1,606	1,506
Incentive management fees	200	195	404	404
Gross fee revenues	1,400	1,343	2,675	2,553
Contract investment amortization	(29)	(27)	(57)	(50)
Net fee revenues	1,371	1,316	2,618	2,503
Owned, leased, and other revenue	441	395	802	752
Cost reimbursement revenue	4,932	4,728	9,587	9,161
	6,744	6,439	13,007	12,416
OPERATING COSTS AND EXPENSES				
Owned, leased, and other - direct	328	296	624	582
Depreciation, amortization, and other	53	47	104	92
General, administrative, and other	245	248	490	509
Restructuring and merger-related charges	8	8	9	16
Reimbursed expenses	4,874	4,645	9,596	9,146
	5,508	5,244	10,823	10,345
OPERATING INCOME	1,236	1,195	2,184	2,071
Gains and other income, net	5	4	3	8
Interest expense	(203)	(173)	(395)	(336)
Interest income	12	9	21	19
Equity in earnings	4	5	5	5
INCOME BEFORE INCOME TAXES	1,054	1,040	1,818	1,767
Provision for income taxes	(291)	(268)	(390)	(431)
NET INCOME	\$ 763	\$ 772	\$ 1,428	\$ 1,336
EARNINGS PER SHARE				
Earnings per share – basic	\$ 2.78	\$ 2.70	\$ 5.18	\$ 4.64
Earnings per share – diluted	\$ 2.78	\$ 2.69	\$ 5.17	\$ 4.62

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income	\$ 763	\$ 772	\$ 1,428	\$ 1,336
Other comprehensive income (loss)				
Foreign currency translation adjustments	308	(114)	420	(271)
Other adjustments, net of tax	(20)	3	(31)	13
Total other comprehensive income (loss), net of tax	288	(111)	389	(258)
Comprehensive income	\$ 1,051	\$ 661	\$ 1,817	\$ 1,078

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	(Unaudited) June 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and equivalents	\$ 671	\$ 396
Accounts and notes receivable, net	2,983	2,795
Prepaid expenses and other	380	294
	4,034	3,485
Property and equipment, net	1,890	1,833
Intangible assets		
Brands	5,907	5,770
Contract acquisition costs and other	3,889	3,718
Goodwill	8,896	8,731
	18,692	18,219
Equity method investments	298	298
Notes receivable, net	136	136
Deferred tax assets	611	650
Operating lease assets	934	845
Other noncurrent assets	747	716
	\$ 27,342	\$ 26,182
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Current portion of long-term debt	\$ 1,109	\$ 1,309
Accounts payable	778	763
Accrued payroll and benefits	1,184	1,449
Liability for guest loyalty program	3,579	3,487
Accrued expenses and other	1,549	1,641
	8,199	8,649
Long-term debt	14,546	13,138
Liability for guest loyalty program	4,196	4,032
Deferred tax liabilities	59	81
Deferred revenue	1,162	1,103
Operating lease liabilities	881	794
Other noncurrent liabilities	1,263	1,377
Stockholders' deficit		
Class A Common Stock	5	5
Additional paid-in-capital	6,193	6,179
Retained earnings	17,602	16,531
Treasury stock, at cost	(26,090)	(24,644)
Accumulated other comprehensive loss	(674)	(1,063)
	(2,964)	(2,992)
	\$ 27,342	\$ 26,182

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Six Months Ended	
	June 30, 2025	June 30, 2024
OPERATING ACTIVITIES		
Net income	\$ 1,428	\$ 1,336
Adjustments to reconcile to cash provided by operating activities:		
Depreciation, amortization, and other (including depreciation and amortization classified in reimbursed expenses) ⁽²⁾	279	240
Stock-based compensation	110	110
Income taxes	(145)	(2)
Liability for guest loyalty program	256	319
Contract acquisition costs	(213)	(121)
Restructuring and merger-related charges	(18)	15
Working capital changes	(469)	(274)
Other	62	(72)
Net cash provided by operating activities	1,290	1,551
INVESTING ACTIVITIES		
Capital and technology expenditures	(290)	(234)
Dispositions	—	1
Loan advances	(12)	(8)
Loan collections	15	8
Other	1	8
Net cash used in investing activities	(286)	(225)
FINANCING ACTIVITIES		
Commercial paper/Credit Facility, net	179	342
Issuance of long-term debt	1,960	1,468
Repayment of long-term debt	(954)	(554)
Issuance of Class A Common Stock	45	33
Dividends paid	(357)	(330)
Purchase of treasury stock	(1,500)	(2,156)
Stock-based compensation withholding taxes	(110)	(125)
Net cash used in financing activities	(737)	(1,322)
INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	267	4
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period ⁽¹⁾	425	366
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period ⁽¹⁾	\$ 692	\$ 370

⁽¹⁾ The 2025 amounts include beginning restricted cash of \$29 million at December 31, 2024, and ending restricted cash of \$21 million at June 30, 2025, which we present in the "Prepaid expenses and other" and "Other noncurrent assets" captions of our Balance Sheets.

⁽²⁾ The 2024 first half reflects the reclassification of \$98 million of depreciation and amortization classified in reimbursed expenses from the "Other" caption within operating activities to the "Depreciation, amortization, and other" caption of our Statements of Cash Flows to conform to our current presentation.

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The condensed consolidated financial statements present the results of operations, financial position, and cash flows of Marriott International, Inc. and its consolidated subsidiaries (referred to in this report as “we,” “us,” “Marriott,” or the “Company”). In order to make this report easier to read, we also refer throughout to (1) our Condensed Consolidated Financial Statements as our “Financial Statements,” (2) our Condensed Consolidated Statements of Income as our “Income Statements,” (3) our Condensed Consolidated Balance Sheets as our “Balance Sheets,” (4) our Condensed Consolidated Statements of Cash Flows as our “Statements of Cash Flows,” (5) our properties, brands, or markets in the United States and Canada as “U.S. & Canada,” and (6) our properties, brands, or markets in our Europe, Middle East & Africa, Greater China, Asia Pacific excluding China, and Caribbean & Latin America regions, as “International.” References throughout to numbered “Notes” refer to these Notes to Condensed Consolidated Financial Statements, unless otherwise stated. In addition, we use the term “hotel owners” throughout this report to refer, collectively, to owners of hotels and other lodging offerings operating in our system pursuant to management agreements, franchise agreements, license agreements or similar arrangements, and we use the term “hotels in our system” to refer to hotels and other lodging offerings operating in our system pursuant to such arrangements, as well as hotels that we own or lease. The terms “hotel owners” and “hotels in our system” exclude Homes & Villas by Marriott Bonvoy® (which we also exclude from our property and room count), timeshare, residential, and The Ritz-Carlton Yacht Collection®.

These Financial Statements have not been audited. We have condensed or omitted certain information and disclosures normally included in financial statements presented in accordance with U.S. generally accepted accounting principles (“GAAP”). The Financial Statements in this report should be read in conjunction with the consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (“2024 Form 10-K”). Certain terms not otherwise defined in this Form 10-Q have the meanings specified in our 2024 Form 10-K.

Preparation of financial statements that conform with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities. Accordingly, ultimate results could differ from those estimates.

The accompanying Financial Statements reflect all normal and recurring adjustments necessary to present fairly our financial position as of June 30, 2025 and December 31, 2024, the results of our operations for the three and six months ended June 30, 2025 and June 30, 2024, and cash flows for the six months ended June 30, 2025 and June 30, 2024. Interim results may not be indicative of fiscal year performance because of seasonal and short-term variations. We have eliminated all material intercompany transactions and balances between entities consolidated in these Financial Statements.

NOTE 2. ACQUISITION

In the 2025 second quarter, we announced that we reached an agreement with citizenM Holding BV and certain of its affiliates (the “seller”) to acquire the citizenM brand and related intellectual property for \$355 million, and we completed the acquisition in the 2025 third quarter. In addition, we may pay earn-out payments to the seller up to \$110 million, based on the future growth of the brand over a specified, multi-year timeframe. Earn-out payments would not begin until the fourth year following closing of the transaction. As of July 23, 2025, the citizenM portfolio included 37 open select-service hotels (8,789 rooms).

NOTE 3. EARNINGS PER SHARE

The table below illustrates the reconciliation of the earnings and number of shares used in our calculations of basic and diluted earnings per share, the latter of which uses the treasury stock method to calculate the dilutive effect of the Company's potential common stock:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(in millions, except per share amounts)</i>				
<i>Computation of Basic Earnings Per Share</i>				
Net income	\$ 763	\$ 772	\$ 1,428	\$ 1,336
Shares for basic earnings per share	274.2	285.8	275.5	288.1
Basic earnings per share	\$ 2.78	\$ 2.70	\$ 5.18	\$ 4.64
<i>Computation of Diluted Earnings Per Share</i>				
Net income	\$ 763	\$ 772	\$ 1,428	\$ 1,336
Shares for basic earnings per share	274.2	285.8	275.5	288.1
Effect of dilutive securities				
Stock-based compensation	0.5	0.9	0.7	1.0
Shares for diluted earnings per share	274.7	286.7	276.2	289.1
Diluted earnings per share	\$ 2.78	\$ 2.69	\$ 5.17	\$ 4.62

NOTE 4. STOCK-BASED COMPENSATION

We granted 0.7 million restricted stock units ("RSUs") during the 2025 first half to certain officers and employees, and those units vest generally over four years in equal annual installments commencing one year after the grant date. We also granted 0.1 million performance-based RSUs ("PSUs") in the 2025 first half to certain executives, which are earned subject to continued employment and the satisfaction of certain performance and market conditions based on the degree of achievement of pre-established targets for 2027 adjusted EBITDA performance and relative total stockholder return over the 2025 to 2027 performance period. RSUs, including PSUs, granted in the 2025 first half had a weighted average grant-date fair value of \$273 per unit.

We recorded stock-based compensation expense for RSUs and PSUs of \$49 million in the 2025 second quarter, \$49 million in the 2024 second quarter, \$92 million in the 2025 first half, and \$94 million in the 2024 first half. Deferred compensation costs for unvested awards for RSUs and PSUs totaled \$269 million at June 30, 2025 and \$173 million at December 31, 2024.

NOTE 5. INCOME TAXES

Our effective tax rate increased to 27.6 percent for the 2025 second quarter compared to 25.8 percent for the 2024 second quarter, primarily due to a shift in earnings to jurisdictions with higher tax rates.

Our effective tax rate decreased to 21.4 percent for the 2025 first half compared to 24.4 percent for the 2024 first half, primarily due to the current year release of tax reserves, partially offset by a shift in earnings to jurisdictions with higher tax rates.

Our unrecognized tax benefit balance decreased by \$69 million to \$114 million at June 30, 2025 from \$183 million at December 31, 2024, primarily due to the lapse of the statute of limitations on certain tax positions. Our unrecognized tax benefit balance included \$104 million at June 30, 2025 and \$171 million at December 31, 2024 of tax positions that, if recognized, would impact our effective tax rate. It is reasonably possible that within the next 12 months we will reach resolution of income tax examinations in one or more jurisdictions. The actual amount of any change to our unrecognized tax benefits could vary depending on the timing and nature of the settlement. Therefore, an estimate of the change cannot be provided.

We paid cash for income taxes, net of refunds, of \$534 million in the 2025 first half and \$433 million in the 2024 first half.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Guarantees

We present the maximum potential amount of our future guarantee fundings and the carrying amount of our liability for our debt service, operating profit, and other guarantees for which we are the primary obligor at June 30, 2025 in the following table:

<i>(in millions)</i> Guarantee Type	Maximum Potential Amount of Future Fundings	Recorded Liability for Guarantees
Debt service	\$ 62	\$ 6
Operating profit	130	74
Other	21	4
	<u>\$ 213</u>	<u>\$ 84</u>

Our maximum potential guarantees listed in the preceding table include \$62 million of operating profit guarantees that will not be in effect until the underlying properties open and we begin to operate the properties or certain other events occur.

Starwood Data Security Incident

Description of Event

On November 30, 2018, we announced a data security incident involving unauthorized access to the Starwood Hotels & Resorts Worldwide, LLC, formerly known as Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”), reservations database (the “Data Security Incident”). Working with leading security experts, we determined that there was unauthorized access to the Starwood network since 2014 and that an unauthorized party had copied information from the Starwood reservations database and taken steps towards removing it. We discontinued use of the Starwood reservations database for business operations at the end of 2018.

Litigation, Claims, and Government Investigations

Following our announcement of the Data Security Incident, approximately 100 lawsuits were filed by consumers and others against us in U.S. federal, U.S. state and Canadian courts related to the incident. The plaintiffs in the cases that remain pending, who generally purport to represent various classes of consumers, generally claim to have been harmed by alleged actions and/or omissions by the Company in connection with the Data Security Incident and assert a variety of common law and statutory claims seeking monetary damages, injunctive relief, costs and attorneys’ fees, and other related relief. The active U.S. cases are consolidated in the U.S. District Court for the District of Maryland (the “District Court”), pursuant to orders of the U.S. Judicial Panel on Multidistrict Litigation (the “MDL”). On June 3, 2025, the U.S. Court of Appeals for the Fourth Circuit reversed the District Court’s certification of a class of plaintiffs, holding that a class-action waiver signed by putative class members was enforceable. In the case brought by the City of Chicago (which is consolidated in the MDL proceeding), we are progressing in our settlement negotiations with the City, and we do not expect a settlement to be material to our Financial Statements. The Canadian cases have effectively been consolidated into a single case in the province of Ontario. We dispute the allegations in these lawsuits and are vigorously defending against such claims.

In addition, most inquiries and investigations by U.S. federal, U.S. state and foreign governmental authorities have been resolved or no longer appear to be active.

While we believe it is reasonably possible that we may incur losses in excess of the amounts recorded associated with the above-described MDL proceedings or further regulatory investigations related to the Data Security Incident, it is not possible to reasonably estimate the amount of such losses or range of loss in excess of the amounts recorded that might result from adverse judgments, settlements, fines, penalties or other resolution of these proceedings and investigations based on: (1) in the case of the above-described MDL proceedings, the current stage of these proceedings, the absence of specificity as to alleged damages, the uncertainty as to the certification of a

class or classes and the size of any certified class, and the lack of resolution of significant factual and legal issues, and (2) uncertainty regarding further regulatory inquiries or investigations.

Other Legal Proceedings

As of the end of the 2025 second quarter, we had resolved all claims brought against the Company regarding the use of copyrighted music. The settlement amounts are not material to our Financial Statements.

We have been and are currently party to other legal proceedings involving claims that we infringe the intellectual property rights of others. At this time, we do not expect these proceedings to have a material impact on the Company's business, financial condition, results of operations, or cash flows.

NOTE 7. LONG-TERM DEBT

We provide detail on our long-term debt balances, net of discounts, premiums, and debt issuance costs, in the following table as of June 30, 2025 and year-end 2024:

(\$ in millions)	Interest Rate	Effective Interest Rate	Face Amount	Balance as of June 30, 2025	Balance as of December 31, 2024
Senior Notes:					
Series P Notes, maturing October 1, 2025	3.8 %	4.0 %	\$ 350	\$ 350	\$ 349
Series R Notes, maturing June 15, 2026	3.1 %	3.3 %	750	749	749
Series V Notes, matured March 15, 2025	3.8 %	2.8 %	318	—	319
Series W Notes, maturing October 1, 2034	4.5 %	4.1 %	278	287	287
Series X Notes, maturing April 15, 2028	4.0 %	4.2 %	450	448	447
Series AA Notes, maturing December 1, 2028	4.7 %	4.8 %	300	299	298
Series EE Notes, matured May 1, 2025	5.8 %	6.0 %	600	—	599
Series FF Notes, maturing June 15, 2030	4.6 %	4.8 %	1,000	992	991
Series GG Notes, maturing October 15, 2032	3.5 %	3.7 %	1,000	990	989
Series HH Notes, maturing April 15, 2031	2.9 %	3.0 %	1,100	1,093	1,093
Series II Notes, maturing October 15, 2033	2.8 %	2.8 %	700	695	695
Series JJ Notes, maturing October 15, 2027	5.0 %	5.4 %	1,000	992	990
Series KK Notes, maturing April 15, 2029	4.9 %	5.3 %	800	789	788
Series LL Notes, maturing September 15, 2026	5.5 %	5.9 %	450	447	447
Series MM Notes, maturing October 15, 2028	5.6 %	5.9 %	700	693	693
Series NN Notes, maturing May 15, 2029	4.9 %	5.3 %	500	492	491
Series OO Notes, maturing May 15, 2034	5.3 %	5.6 %	1,000	981	980
Series PP Notes, maturing March 15, 2030	4.8 %	5.0 %	500	495	495
Series QQ Notes, maturing March 15, 2035	5.4 %	5.5 %	1,000	986	986
Series RR Notes, maturing April 15, 2032	5.1 %	5.4 %	500	493	—
Series SS Notes, maturing April 15, 2037	5.5 %	5.7 %	1,500	1,480	—
Commercial paper				1,762	1,582
Credit Facility				—	—
Finance lease obligations				119	124
Other				23	55
				<u>\$ 15,655</u>	<u>\$ 14,447</u>
Less current portion				(1,109)	(1,309)
				<u>\$ 14,546</u>	<u>\$ 13,138</u>

We paid cash for interest, net of amounts capitalized, of \$328 million in the 2025 first half and \$303 million in the 2024 first half.

We are party to a \$4.5 billion multicurrency revolving credit agreement (as amended, the "Credit Facility"). Available borrowings under the Credit Facility support our commercial paper program and general corporate needs. U.S. dollar borrowings under the Credit Facility bear interest at SOFR (the Secured Overnight Financing Rate) plus a spread based on our public debt rating. We also pay quarterly fees on the Credit Facility at a rate based on our public debt rating. We classify outstanding borrowings under the Credit Facility and outstanding commercial paper

borrowings (which generally have short-term maturities of 45 days or less) as long-term based on our ability and intent to refinance the outstanding borrowings on a long-term basis. The Credit Facility expires on December 14, 2027.

In February 2025, we issued \$500 million aggregate principal amount of 5.100 percent Series RR Notes due April 15, 2032 (the “Series RR Notes”) and \$1.5 billion aggregate principal amount of 5.500 percent Series SS Notes due April 15, 2037 (the “Series SS Notes”). We will pay interest on the Series RR Notes and Series SS Notes in April and October of each year, commencing in October 2025. In connection with the offering, we entered into interest rate swap agreements, which have the economic effect of converting \$700 million of the Series SS Notes into floating rate debt with a variable interest rate of SOFR plus approximately 1.49 percent. Net proceeds from the offering of the Series RR Notes and Series SS Notes were approximately \$1.960 billion, after deducting the underwriting discount and expenses, and were made available for general corporate purposes, including working capital, capital expenditures, acquisitions, stock repurchases, or repayment of outstanding indebtedness.

NOTE 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

We believe that the fair values of our current assets and current liabilities approximate their reported carrying amounts. We present the carrying amounts and the fair values of noncurrent financial assets and liabilities that qualify as financial instruments in the following table:

(in millions)	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Notes receivable	\$ 136	\$ 136	\$ 136	\$ 133
Total noncurrent financial assets	\$ 136	\$ 136	\$ 136	\$ 133
Senior Notes	\$ (12,652)	\$ (12,602)	\$ (11,419)	\$ (11,083)
Commercial paper	(1,762)	(1,762)	(1,582)	(1,582)
Total noncurrent financial liabilities	\$ (14,414)	\$ (14,364)	\$ (13,001)	\$ (12,665)

See Note 12. Fair Value of Financial Instruments and the “Fair Value Measurements” caption of Note 2. Summary of Significant Accounting Policies of our 2024 Form 10-K for more information on the input levels we use in determining fair value.

NOTE 9. ACCUMULATED OTHER COMPREHENSIVE LOSS AND STOCKHOLDERS’ DEFICIT

The following tables detail the accumulated other comprehensive loss activity for the 2025 first half and 2024 first half:

(in millions)	Foreign Currency Translation Adjustments	Other Adjustments	Accumulated Other Comprehensive Loss
Balance at year-end 2024	\$ (1,091)	\$ 28	\$ (1,063)
Other comprehensive income (loss) ⁽¹⁾	420	(31)	389
Balance at June 30, 2025	<u>\$ (671)</u>	<u>\$ (3)</u>	<u>\$ (674)</u>

(in millions)	Foreign Currency Translation Adjustments	Other Adjustments	Accumulated Other Comprehensive Loss
Balance at year-end 2023	\$ (654)	\$ 7	\$ (647)
Other comprehensive (loss) income ⁽¹⁾	(271)	13	(258)
Balance at June 30, 2024	<u>\$ (925)</u>	<u>\$ 20</u>	<u>\$ (905)</u>

⁽¹⁾ Other comprehensive income (loss) includes intra-entity foreign currency transactions that are of a long-term investment nature, which resulted in losses of \$68 million for the 2025 first half and gains of \$21 million for the 2024 first half.

The following tables detail the changes in common shares outstanding and stockholders' deficit for the 2025 first half and 2024 first half:

(in millions, except per share amounts)

Common Shares Outstanding		Total	Class A Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss
276.7	Balance at year-end 2024	\$ (2,992)	\$ 5	\$ 6,179	\$ 16,531	\$ (24,644)	\$ (1,063)
—	Net income	665	—	—	665	—	—
—	Other comprehensive income	101	—	—	—	—	101
—	Dividends (\$0.63 per share)	(174)	—	—	(174)	—	—
1.1	Stock-based compensation plans	(13)	—	(44)	—	31	—
(2.8)	Purchase of treasury stock	(755)	—	—	—	(755)	—
275.0	Balance at March 31, 2025	\$ (3,168)	\$ 5	\$ 6,135	\$ 17,022	\$ (25,368)	\$ (962)
—	Net income	763	—	—	763	—	—
—	Other comprehensive income	288	—	—	—	—	288
—	Dividends (\$0.67 per share)	(183)	—	—	(183)	—	—
(0.1)	Stock-based compensation plans	58	—	58	—	—	—
(2.8)	Purchase of treasury stock	(722)	—	—	—	(722)	—
272.1	Balance at June 30, 2025	\$ (2,964)	\$ 5	\$ 6,193	\$ 17,602	\$ (26,090)	\$ (674)

Common Shares Outstanding		Total	Class A Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss
290.5	Balance at year-end 2023	\$ (682)	\$ 5	\$ 6,051	\$ 14,838	\$ (20,929)	\$ (647)
—	Net income	564	—	—	564	—	—
—	Other comprehensive loss	(147)	—	—	—	—	(147)
—	Dividends (\$0.52 per share)	(151)	—	—	(151)	—	—
1.3	Stock-based compensation plans	(36)	—	(73)	—	37	—
(4.8)	Purchase of treasury stock	(1,164)	—	—	—	(1,164)	—
287.0	Balance at March 31, 2024	\$ (1,616)	\$ 5	\$ 5,978	\$ 15,251	\$ (22,056)	\$ (794)
—	Net income	772	—	—	772	—	—
—	Other comprehensive loss	(111)	—	—	—	—	(111)
—	Dividends (\$0.63 per share)	(179)	—	—	(179)	—	—
—	Stock-based compensation plans	53	—	52	—	1	—
(4.1)	Purchase of treasury stock	(1,010)	—	—	—	(1,010)	—
282.9	Balance at June 30, 2024	\$ (2,091)	\$ 5	\$ 6,030	\$ 15,844	\$ (23,065)	\$ (905)

NOTE 10. CONTRACTS WITH CUSTOMERS

Our current and noncurrent liability for guest loyalty program increased by \$256 million, to \$7,775 million at June 30, 2025, from \$7,519 million at December 31, 2024, primarily reflecting points earned by members. The increase was partially offset by \$1,782 million of revenue recognized in the 2025 first half, that was deferred as of December 31, 2024.

Our allowance for credit losses was \$209 million at June 30, 2025 and \$199 million at December 31, 2024.

NOTE 11. BUSINESS SEGMENTS

We discuss our operations in the following four reportable business segments: (1) U.S. & Canada, (2) Europe, Middle East & Africa ("EMEA"), (3) Greater China, and (4) Asia Pacific excluding China ("APEC"). Our Caribbean & Latin America ("CALA") operating segment does not meet the applicable accounting criteria for separate disclosure as a reportable business segment, and as such, we include its results in "Unallocated corporate and other."

Our President and Chief Executive Officer, who is our "chief operating decision maker" ("CODM"), evaluates the performance of our operating segments using "segment profits," which is based largely on the results of the

segment without allocating corporate expenses, income taxes, indirect general, administrative, and other expenses, or restructuring and merger-related charges. We assign gains and losses, equity in earnings or losses, and direct general, administrative, and other expenses to each of our segments. “Unallocated corporate and other” includes a portion of our revenues (such as fees we receive from our credit card programs and timeshare licensing agreements), revenues and expenses for our Loyalty Program, general, administrative, and other expenses, restructuring and merger-related charges, equity in earnings or losses, and other gains or losses that we do not allocate to our segments, as well as results of our CALA operating segment.

Our CODM uses segment profits to allocate resources (including employees and investment spending) to each segment, primarily as part of the annual budget process. Our CODM reviews budget-to-actual variances on a quarterly basis to assess segment performance. Additionally, our CODM uses segment profits to compare the results of each segment with one another and in the determination of compensation for segment leadership.

Our CODM monitors assets for the consolidated Company but does not use assets by operating segment when assessing performance or making operating segment resource allocations.

Segment Revenues, Expenses, and Profits

The following tables present our revenues (disaggregated by segment and major revenue stream), segment expenses, and segment profits for the 2025 second quarter, 2024 second quarter, 2025 first half, and 2024 first half:

(in millions)	Three Months Ended June 30, 2025			
	U.S. & Canada	EMEA	Greater China	APEC
Gross fee revenues	\$ 800	\$ 168	\$ 64	\$ 83
Contract investment amortization	(21)	(4)	—	(2)
Net fee revenues	779	164	64	81
Owned, leased, and other revenue	140	164	10	43
Cost reimbursement revenue	4,043	327	78	132
Total reportable segment revenue	4,962	655	152	256
Less:				
Owned, leased, and other - direct	100	133	3	32
Depreciation, amortization, and other	27	9	3	2
General, administrative, and other	36	35	16	17
Reimbursed expenses	4,015	323	77	130
Other segment items (primarily non-operating income and expenses)	(2)	(2)	—	(1)
Total reportable segment profit	\$ 786	\$ 157	\$ 53	\$ 76

	Three Months Ended June 30, 2024			
(in millions)	U.S. & Canada	EMEA	Greater China	APEC
Gross fee revenues	\$ 798	\$ 154	\$ 59	\$ 74
Contract investment amortization	(21)	(4)	—	(1)
Net fee revenues	777	150	59	73
Owned, leased, and other revenue	111	157	6	36
Cost reimbursement revenue	3,877	322	75	123
Total reportable segment revenue	4,765	629	140	232
Less:				
Owned, leased, and other - direct	78	126	3	28
Depreciation, amortization, and other	22	9	3	2
General, administrative, and other	42	28	14	17
Reimbursed expenses	3,837	318	73	122
Other segment items (primarily non-operating income and expenses)	(1)	(5)	—	1
Total reportable segment profit	\$ 787	\$ 153	\$ 47	\$ 62

	Six Months Ended June 30, 2025			
(in millions)	U.S. & Canada	EMEA	Greater China	APEC
Gross fee revenues	\$ 1,509	\$ 286	\$ 124	\$ 181
Contract investment amortization	(41)	(8)	—	(3)
Net fee revenues	1,468	278	124	178
Owned, leased, and other revenue	260	278	17	78
Cost reimbursement revenue	7,932	613	147	263
Total reportable segment revenue	9,660	1,169	288	519
Less:				
Owned, leased, and other - direct	196	241	8	61
Depreciation, amortization, and other	54	19	5	4
General, administrative, and other	80	67	31	34
Reimbursed expenses	7,903	611	147	263
Other segment items (primarily non-operating income and expenses)	(3)	—	(1)	1
Total reportable segment profit	\$ 1,430	\$ 231	\$ 98	\$ 156

	Six Months Ended June 30, 2024			
(in millions)	U.S. & Canada	EMEA	Greater China	APEC
Gross fee revenues	\$ 1,480	\$ 272	\$ 124	\$ 161
Contract investment amortization	(38)	(7)	—	(2)
Net fee revenues	1,442	265	124	159
Owned, leased, and other revenue	219	275	13	68
Cost reimbursement revenue	7,594	600	151	239
Total reportable segment revenue	9,255	1,140	288	466
Less:				
Owned, leased, and other - direct	158	237	7	57
Depreciation, amortization, and other	42	19	5	4
General, administrative, and other	86	55	27	32
Reimbursed expenses	7,559	598	152	241
Other segment items (primarily non-operating income and expenses)	(2)	(3)	(1)	(2)
Total reportable segment profit	\$ 1,412	\$ 234	\$ 98	\$ 134

The following table presents reconciliations of our total reportable segment revenue and profit to consolidated revenue and income before income taxes for the 2025 second quarter, 2024 second quarter, 2025 first half, and 2024 first half:

(in millions)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>Reconciliation of revenue</i>				
Total reportable segment revenue	\$ 6,025	\$ 5,766	\$ 11,636	\$ 11,149
Unallocated corporate and other	719	673	1,371	1,267
Consolidated revenue	\$ 6,744	\$ 6,439	\$ 13,007	\$ 12,416
<i>Reconciliation of income before income taxes</i>				
Total reportable segment profit	\$ 1,072	\$ 1,049	\$ 1,915	\$ 1,878
Unallocated corporate and other	173	155	277	206
Interest expense, net of interest income	(191)	(164)	(374)	(317)
Consolidated income before income taxes	\$ 1,054	\$ 1,040	\$ 1,818	\$ 1,767

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement

All statements in this report are made as of the date this Form 10-Q is filed with the U.S. Securities and Exchange Commission (the "SEC"). We undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise. We make forward-looking statements in Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report based on the beliefs and assumptions of our management and on information available to us through the date this Form 10-Q is filed with the SEC. Forward-looking statements include information related to our development pipeline; our expectations regarding rooms growth; our expectations regarding our ability to meet our liquidity requirements; our capital expenditures and other investment spending and reimbursement expectations; our expectations regarding future dividends and share repurchases; our expectations regarding certain claims, legal proceedings, settlements or resolutions; our expectations regarding additional payments to citizenM Holding BV and certain of its affiliates; and other statements that are preceded by, followed by, or include the words "believes," "expects," "anticipates," "intends," "plans," "estimates," "foresees," or similar expressions; and similar statements concerning anticipated future events and expectations that are not historical facts.

We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including uncertainty resulting from economic, political or other global, national, and regional conditions and events, including related to tariffs, trade, travel and other policies; the risks and uncertainties we describe in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("2024 Form 10-K"); Part II, Item 1A of this report; and other factors we describe from time to time in our periodic filings with the SEC.

BUSINESS AND OVERVIEW

Overview

We are a worldwide operator, franchisor, and licensor of hotel, residential, timeshare, and other lodging properties under more than 30 brand names. We discuss our operations in the following reportable business segments: (1) U.S. & Canada, (2) Europe, Middle East & Africa ("EMEA"), (3) Greater China, and (4) Asia Pacific excluding China ("APEC"). Our Caribbean & Latin America ("CALA") operating segment does not meet the applicable accounting criteria for separate disclosure as a reportable business segment, and as such, we include its results in "Unallocated corporate and other."

Under our asset-light business model, we typically manage or franchise hotels and other lodging offerings, rather than own them. Terms of our management agreements vary, but we earn a management fee that is typically composed of a base management fee, which is a percentage of the revenues of the hotel, and an incentive

management fee, which is based on the profits of the hotel. In many cases (particularly in our U.S. & Canada, Europe, and CALA regions), incentive management fees are subject to a specified owner return. Under our hotel franchising arrangements, we generally receive an initial application fee and continuing royalty fees, which are typically based on a percentage of room revenues, plus for certain brands, a percentage of food and beverage revenues. We also have license and other agreements with third parties for certain offerings, such as for our timeshare properties, MGM Collection with Marriott Bonvoy, Design Hotels, and The Ritz-Carlton Yacht Collection, under which we receive royalty fees and certain other fees. Additionally, we earn fees for other uses of our intellectual property, including primarily co-branded credit card fees, as well as residential branding fees and certain other licensing fees.

Performance Measures

We believe Revenue per Available Room (“RevPAR”), which we calculate by dividing property level room revenue by total rooms available for the period, is a meaningful indicator of our performance because it measures the period-over-period change in room revenues. RevPAR may not be comparable to similarly titled measures, such as revenues, and should not be viewed as necessarily correlating with our fee revenue. We also believe occupancy and average daily rate (“ADR”), which are components of calculating RevPAR, are meaningful indicators of our performance. Occupancy, which we calculate by dividing total rooms sold by total rooms available for the period, measures the utilization of a property’s available capacity. ADR, which we calculate by dividing property level room revenue by total rooms sold, measures average room price and is useful in assessing pricing levels. Unless otherwise stated, RevPAR, occupancy, and ADR statistics are on a systemwide basis for comparable properties, and all changes refer to year-over-year changes for the comparable period. Comparisons to prior periods are on a constant U.S. dollar basis, which we calculate by applying exchange rates for the current period to the prior comparable period. We believe constant dollar analysis provides valuable information regarding the performance of hotels in our system as it removes currency fluctuations from the presentation of such results.

We define our comparable properties as hotels in our system that were open and operating under one of our brands since the beginning of the last full calendar year (since January 1, 2024 for the current period) and have not, in either the current or previous year: (1) undergone significant room or public space renovations or expansions, (2) been converted between company-operated and franchised, or (3) sustained substantial property damage or business interruption. Our comparable properties also exclude MGM Collection with Marriott Bonvoy, Design Hotels, The Ritz-Carlton Yacht Collection, residences, and timeshare properties.

Business Trends

In the 2025 second quarter, worldwide RevPAR increased 1.5 percent, driven by ADR growth of 1.9 percent. In the 2025 first half, worldwide RevPAR increased 2.8 percent, driven by ADR growth of 2.4 percent.

In the U.S. & Canada, RevPAR was unchanged in the 2025 second quarter and increased 1.6 percent in the 2025 first half, compared to the same periods in the prior year, reflecting strong demand at our luxury hotels, offset by weaker demand at our select service hotels largely driven by softness in government travel and weaker business transient demand.

In our International regions, RevPAR grew 5.3 percent in the 2025 second quarter and 5.7 percent in the 2025 first half, compared to the same periods in the prior year, reflecting higher demand in APEC, EMEA, and CALA. In Greater China, RevPAR decreased 0.5 percent in the 2025 second quarter and 1.0 percent in the 2025 first half, reflecting soft macro-economic conditions and lower ADR.

Starwood Data Security Incident

On November 30, 2018, we announced a data security incident involving unauthorized access to the Starwood reservations database (the “Data Security Incident”). We are currently unable to reasonably estimate the range of total possible financial impact to the Company from the Data Security Incident in excess of the expenses already recorded; however, we do not believe this incident will impact our long-term financial health. See Note 6 for additional information related to legal proceedings and investigations related to the Data Security Incident.

System Growth and Pipeline

At the end of the 2025 second quarter, our system had 9,601 properties (1,735,819 rooms), compared to 9,361 properties (1,706,331 rooms) at year-end 2024 and 8,969 properties (1,658,659 rooms) at the end of the 2024 second quarter. In the 2025 first half, we added roughly 29,500 net rooms.

At the end of the 2025 second quarter, we had approximately 3,900 properties and over 590,000 rooms in our development pipeline, which included over 37,000 rooms approved for development but not yet under signed contracts. Our development pipeline included over 238,000 rooms, or 40 percent, that were under construction or in the process of converting to our system at the end of the 2025 second quarter. Over half of the rooms in our quarter-end development pipeline are located outside U.S. & Canada.

We currently expect full year 2025 net rooms growth to approach 5 percent, including the rooms associated with the citizenM brand acquisition discussed in Note 2, which are not reflected in the development pipeline discussed above.

Properties and Rooms

The following table shows our properties and rooms by ownership type.

	Properties				Rooms			
	June 30, 2025	June 30, 2024	vs. June 30, 2024		June 30, 2025	June 30, 2024	vs. June 30, 2024	
Managed	1,972	1,980	(8)	—%	566,838	568,501	(1,663)	—%
Franchised/Licensed/Other ⁽¹⁾	7,439	6,809	630	9%	1,138,838	1,062,749	76,089	7%
Owned/Leased	50	50	—	—%	14,206	13,110	1,096	8%
Residential	140	130	10	8%	15,937	14,299	1,638	11%
Total	9,601	8,969	632	7%	1,735,819	1,658,659	77,160	5%

⁽¹⁾ In addition to franchised, includes our timeshare properties, MGM Collection with Marriott Bonvoy, Design Hotels, and The Ritz-Carlton Yacht Collection.

Lodging Statistics

The following tables present RevPAR, occupancy, and ADR statistics for comparable properties. Systemwide statistics include data from our franchised properties, in addition to our company-operated properties.

	Three Months Ended June 30, 2025 and Change vs. Three Months Ended June 30, 2024					
	RevPAR		Occupancy		Average Daily Rate	
	2025	vs. 2024	2025	vs. 2024	2025	vs. 2024
<i>Comparable Company-Operated Properties</i>						
U.S. & Canada	\$ 195.25	1.6%	73.1%	(0.4)%pts.	\$ 267.04	2.2%
Europe	\$ 266.53	3.3%	77.1%	2.5)%pts.	\$ 345.92	(0.1)%
Middle East & Africa	\$ 135.25	13.4%	68.8%	4.2)%pts.	\$ 196.52	6.4%
Greater China	\$ 80.06	(0.5)%	68.6%	0.5)%pts.	\$ 116.78	(1.2)%
Asia Pacific excluding China	\$ 122.60	7.5%	69.4%	0.9)%pts.	\$ 176.58	6.1%
Caribbean & Latin America	\$ 186.34	6.9%	65.0%	(2.1)%pts.	\$ 286.47	10.4%
International - All ⁽¹⁾	\$ 126.06	5.5%	69.5%	1.3)%pts.	\$ 181.50	3.5%
Worldwide ⁽²⁾	\$ 154.88	3.4%	71.0%	0.6)%pts.	\$ 218.20	2.6%
<i>Comparable Systemwide Properties</i>						
U.S. & Canada	\$ 142.78	—%	73.9%	(0.9)%pts.	\$ 193.29	1.2%
Europe	\$ 178.96	3.8%	75.3%	1.6)%pts.	\$ 237.71	1.5%
Middle East & Africa	\$ 125.23	14.0%	68.2%	3.8)%pts.	\$ 183.59	7.6%
Greater China	\$ 73.75	(0.5)%	66.9%	0.3)%pts.	\$ 110.29	(0.9)%
Asia Pacific excluding China	\$ 127.23	8.8%	70.5%	1.1)%pts.	\$ 180.35	7.0%
Caribbean & Latin America	\$ 121.22	3.0%	62.0%	(1.7)%pts.	\$ 195.51	5.8%
International - All ⁽¹⁾	\$ 122.49	5.3%	69.0%	0.9)%pts.	\$ 177.52	3.9%
Worldwide ⁽²⁾	\$ 136.00	1.5%	72.2%	(0.3)%pts.	\$ 188.25	1.9%

Six Months Ended June 30, 2025 and Change vs. Six Months Ended June 30, 2024						
	RevPAR		Occupancy		Average Daily Rate	
	2025	vs. 2024	2025	vs. 2024	2025	vs. 2024
<i>Comparable Company-Operated Properties</i>						
U.S. & Canada	\$ 189.76	3.3 %	70.2 %	0.4 %pts.	\$ 270.29	2.7 %
Europe	\$ 208.40	4.2 %	69.7 %	2.6 %pts.	\$ 299.19	0.2 %
Middle East & Africa	\$ 141.06	8.6 %	69.5 %	2.3 %pts.	\$ 203.09	5.0 %
Greater China	\$ 79.55	(1.2)%	66.6 %	0.6 %pts.	\$ 119.50	(2.1)%
Asia Pacific excluding China	\$ 127.75	9.1 %	70.4 %	1.3 %pts.	\$ 181.54	7.1 %
Caribbean & Latin America	\$ 215.47	9.3 %	67.8 %	0.2 %pts.	\$ 317.70	9.0 %
International - All ⁽¹⁾	\$ 124.32	5.5 %	68.5 %	1.2 %pts.	\$ 181.48	3.5 %
Worldwide ⁽²⁾	\$ 151.61	4.3 %	69.2 %	0.9 %pts.	\$ 219.04	3.0 %
<i>Comparable Systemwide Properties</i>						
U.S. & Canada	\$ 133.45	1.6 %	69.9 %	(0.2)%pts.	\$ 190.83	1.9 %
Europe	\$ 141.66	5.0 %	68.1 %	2.4 %pts.	\$ 208.14	1.3 %
Middle East & Africa	\$ 129.96	9.3 %	68.6 %	2.2 %pts.	\$ 189.40	5.8 %
Greater China	\$ 73.19	(1.0)%	65.1 %	0.5 %pts.	\$ 112.36	(1.7)%
Asia Pacific excluding China	\$ 129.68	9.8 %	71.0 %	1.6 %pts.	\$ 182.57	7.3 %
Caribbean & Latin America	\$ 136.36	5.4 %	63.6 %	(0.8)%pts.	\$ 214.38	6.8 %
International - All ⁽¹⁾	\$ 117.35	5.7 %	67.3 %	1.2 %pts.	\$ 174.37	3.8 %
Worldwide ⁽²⁾	\$ 128.08	2.8 %	69.1 %	0.3 %pts.	\$ 185.47	2.4 %

⁽¹⁾ Includes Europe, Middle East & Africa, Greater China, Asia Pacific excluding China, and Caribbean & Latin America.

⁽²⁾ Includes U.S. & Canada and International - All.

CONSOLIDATED RESULTS

The discussion below presents an analysis of our consolidated results of operations for the 2025 second quarter compared to the 2024 second quarter and for the 2025 first half compared to the 2024 first half. Also see the “Business Trends” section above for further discussion.

Fee Revenues

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
Base management fees	\$ 340	\$ 330	\$ 10	3 %	\$ 665	\$ 643	\$ 22	3 %
Franchise fees	860	818	42	5 %	1,606	1,506	100	7 %
Incentive management fees	200	195	5	3 %	404	404	—	—%
Gross fee revenues	1,400	1,343	57	4 %	2,675	2,553	122	5 %
Contract investment amortization	(29)	(27)	(2)	(7)%	(57)	(50)	(7)	(14)%
Net fee revenues	\$ 1,371	\$ 1,316	\$ 55	4 %	\$ 2,618	\$ 2,503	\$ 115	5 %

The increase in base management fees in the 2025 second quarter and 2025 first half primarily reflected higher RevPAR and rooms growth (\$7 million and \$12 million for the second quarter and first half, respectively).

The increase in franchise fees in the 2025 second quarter and 2025 first half primarily reflected rooms growth (\$25 million and \$43 million, respectively). Additionally, the increase in franchise fees in the 2025 first half reflected higher RevPAR and co-branded credit card fees (\$20 million).

Owned, Leased, and Other

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
Owned, leased, and other revenue	\$ 441	\$ 395	\$ 46	12 %	\$ 802	\$ 752	\$ 50	7 %
Owned, leased, and other - direct expenses	328	296	32	11 %	624	582	42	7 %
Owned, leased, and other, net	\$ 113	\$ 99	\$ 14	14 %	\$ 178	\$ 170	\$ 8	5 %

Cost Reimbursements

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
Cost reimbursement revenue	\$ 4,932	\$ 4,728	\$ 204	4 %	\$ 9,587	\$ 9,161	\$ 426	5 %
Reimbursed expenses	4,874	4,645	229	5 %	9,596	9,146	450	5 %
Cost reimbursements, net	\$ 58	\$ 83	\$ (25)	(30)%	\$ (9)	\$ 15	\$ (24)	(160)%

Cost reimbursements, net (cost reimbursement revenue, net of reimbursed expenses) varies due to timing differences between the costs we incur for centralized programs and services and the related reimbursements we receive from hotel owners and certain other counterparties. Over the long term, our centralized programs and services are not designed to impact our economics, either positively or negatively.

The decrease in cost reimbursements, net in the 2025 second quarter and 2025 first half primarily reflected higher expenses, net of revenues for many of our centralized programs and services and higher expenses related to our insurance program, partially offset by higher Loyalty Program revenues.

Other Operating Expenses

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
Depreciation, amortization, and other	\$ 53	\$ 47	\$ 6	13 %	\$ 104	\$ 92	\$ 12	13 %
General, administrative, and other	245	248	(3)	(1)%	490	509	(19)	(4)%
Restructuring and merger-related charges	8	8	—	—%	9	16	(7)	(44)%

General, administrative, and other expenses decreased in the 2025 second quarter and 2025 first half primarily due to lower compensation costs.

Non-Operating Income (Expense)

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
Gains and other income, net	\$ 5	\$ 4	\$ 1	25 %	\$ 3	\$ 8	\$ (5)	(63)%
Interest expense	(203)	(173)	(30)	(17)%	(395)	(336)	(59)	(18)%
Interest income	12	9	3	33 %	21	19	2	11 %
Equity in earnings	4	5	(1)	(20)%	5	5	—	—%

Interest expense increased in the 2025 second quarter and 2025 first half primarily due to higher debt balances driven by Senior Notes issuances, net of maturities (\$36 million and \$67 million, respectively).

Income Taxes

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
Provision for income taxes	\$ (291)	\$ (268)	\$ (23)	(9)%	\$ (390)	\$ (431)	\$ 41	10 %

Provision for income taxes increased in the 2025 second quarter primarily due to a shift in earnings to jurisdictions with higher tax rates (\$21 million).

Provision for income taxes decreased in the 2025 first half primarily due to the current year release of tax reserves (\$91 million), partially offset by a shift in earnings to jurisdictions with higher tax rates (\$36 million).

BUSINESS SEGMENTS

The following discussion presents an analysis of the operating results of our reportable business segments for the 2025 second quarter compared to the 2024 second quarter and for the 2025 first half compared to the 2024 first half. Also see the “Business Trends” section above for further discussion.

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2025	June 30, 2024	Change 2025 vs. 2024		June 30, 2025	June 30, 2024	Change 2025 vs. 2024	
U.S. & Canada								
Segment net fee revenues	\$ 779	\$ 777	\$ 2	—%	\$ 1,468	\$ 1,442	\$ 26	2 %
Segment profit	786	787	(1)	—%	1,430	1,412	18	1 %
EMEA								
Segment net fee revenues	164	150	14	9 %	278	265	13	5 %
Segment profit	157	153	4	3 %	231	234	(3)	(1)%
Greater China								
Segment net fee revenues	64	59	5	8 %	124	124	—	—%
Segment profit	53	47	6	13 %	98	98	—	—%
APEC								
Segment net fee revenues	81	73	8	11 %	178	159	19	12 %
Segment profit	76	62	14	23 %	156	134	22	16 %

	Properties				Rooms			
	June 30, 2025	June 30, 2024	vs. June 30, 2024		June 30, 2025	June 30, 2024	vs. June 30, 2024	
U.S. & Canada	6,350	6,054	296	5 %	1,056,775	1,025,351	31,424	3 %
EMEA	1,353	1,176	177	15 %	240,342	223,249	17,093	8 %
Greater China	622	550	72	13 %	177,777	164,400	13,377	8 %
APEC	649	590	59	10 %	145,904	134,636	11,268	8 %

In the 2025 first half, segment net fee revenues grew in U.S. & Canada, EMEA, and APEC, compared to the same period in 2024, primarily driven by higher RevPAR and rooms growth (see the Lodging Statistics and Properties and Rooms tables above for more information).

LIQUIDITY AND CAPITAL RESOURCES

Our long-term financial objectives include maintaining diversified financing sources, optimizing the mix and maturity of our long-term debt, and reducing our working capital. At the end of the 2025 second quarter, including the effect of interest rate swaps, our long-term debt had a weighted average interest rate of 4.5 percent, a weighted average maturity of approximately 5.6 years, and a ratio of fixed-rate to total long-term debt of 0.8 to 1.0.

Sources of Liquidity

Our Credit Facility

We are party to a \$4.5 billion multicurrency revolving credit agreement (as amended, the “Credit Facility”). Available borrowings under the Credit Facility support our commercial paper program and general corporate needs. U.S. dollar borrowings under the Credit Facility bear interest at SOFR (the Secured Overnight Financing Rate) plus a spread based on our public debt rating. We also pay quarterly fees on the Credit Facility at a rate based on our public debt rating. We classify outstanding borrowings under the Credit Facility and outstanding commercial paper borrowings (which generally have short-term maturities of 45 days or less) as long-term based on our ability and intent to refinance the outstanding borrowings on a long-term basis. The Credit Facility expires on December 14, 2027.

The Credit Facility contains certain covenants, including a single financial covenant that limits our maximum leverage (consisting of the ratio of Adjusted Total Debt to EBITDA, each as defined in the Credit Facility) to not more than 4.5 to 1.0. Our outstanding public debt does not contain a corresponding financial covenant or a requirement that we maintain certain financial ratios. We currently satisfy the covenants in our Credit Facility and

public debt instruments, including the leverage covenant under the Credit Facility, and do not expect the covenants will restrict our ability to meet our anticipated borrowing and liquidity needs.

We monitor the status of the capital markets and regularly evaluate the effect that changes in capital market conditions may have on our ability to fund our liquidity needs. We believe the Credit Facility, and our access to capital markets, together with cash we expect to generate from operations, remain adequate to meet our liquidity requirements over the next 12 months and thereafter for the foreseeable future.

Commercial Paper

We issue commercial paper in the U.S. Because we do not have purchase commitments from buyers for our commercial paper, our ability to issue commercial paper is subject to market demand. We do not expect that fluctuations in the demand for commercial paper will affect our liquidity, given our borrowing capacity under the Credit Facility and access to capital markets.

Sources and Uses of Cash

Cash, cash equivalents, and restricted cash totaled \$692 million at June 30, 2025, an increase of \$267 million from year-end 2024, primarily due to net cash provided by operating activities (\$1,290 million), long-term debt issuances, net of repayments (\$1,006 million), and net commercial paper issuances (\$179 million), partially offset by share repurchases (\$1,500 million), dividends paid (\$357 million), capital and technology expenditures (\$290 million), and financing outflows for employee stock-based compensation withholding taxes (\$110 million).

Our ratio of current assets to current liabilities was 0.5 to 1.0 at the end of the 2025 second quarter. We have significant borrowing capacity under our Credit Facility should we need additional working capital.

Capital Expenditures and Other Investments

We made capital and technology expenditures of \$290 million in the 2025 first half and \$234 million in the 2024 first half. We expect capital expenditures and other investments will total approximately \$1,355 million to \$1,455 million for the 2025 full year, including capital and technology expenditures, loan advances, contract acquisition costs, and other investing activities. This estimate includes \$355 million of investment spending related to the citizenM brand acquisition discussed in Note 2, but excludes any additional potential property or brand acquisitions, which we cannot forecast with sufficient accuracy and which may be significant. Our anticipated capital and technology expenditures include higher than typical spending on our worldwide technology systems transformation, the overwhelming portion of which we expect to be reimbursed over time, and renovations of hotels in our owned and leased portfolio.

Share Repurchases and Dividends

We repurchased 2.8 million shares of our common stock for \$0.7 billion in the 2025 second quarter. Year-to-date through July 30, 2025, we repurchased 6.4 million shares for \$1.7 billion. For additional information, see “Issuer Purchases of Equity Securities” in Part II, Item 2.

Our Board of Directors declared the following quarterly cash dividends in 2025 to date: (1) \$0.63 per share declared on February 13, 2025 and paid on March 31, 2025 to stockholders of record on February 27, 2025; and (2) \$0.67 per share declared on May 9, 2025 and paid on June 30, 2025 to stockholders of record on May 23, 2025.

We expect to continue to return cash to stockholders through a combination of share repurchases and cash dividends.

Material Cash Requirements

As of the end of the 2025 second quarter, other than with respect to our purchase of the citizenM brand discussed in Note 2, there have been no material changes to our cash requirements as disclosed in our 2024 Form 10-K. See Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of

Operations,” of our 2024 Form 10-K for more information about our cash requirements. Also, see Note 7 for information on our long-term debt.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. We have discussed those policies and estimates that we believe are critical and require the use of complex judgment in their application in our 2024 Form 10-K. We have made no material changes to our critical accounting policies or the methodologies or assumptions that we apply under them.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk has not materially changed since December 31, 2024. See Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in our 2024 Form 10-K for more information on our exposure to market risk.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) as of the end of the period covered by this quarterly report under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Management necessarily applied its judgment in assessing the costs and benefits of those controls and procedures, which by their nature, can provide only reasonable assurance about management’s control objectives. You should note that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that we record, process, summarize, and report the information we are required to disclose in the reports that we file or submit under the Exchange Act within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that we accumulate and communicate such information to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

Changes in Internal Control Over Financial Reporting

We made no changes in internal control over financial reporting during the 2025 second quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See the information under the “Litigation, Claims, and Government Investigations” caption in Note 6, which we incorporate here by reference. Within this section, we use a threshold of \$1 million in disclosing material environmental proceedings involving a governmental authority, if any.

In the 2025 second quarter, we received a letter from the U.S. Environmental Protection Agency (the “EPA”) offering to engage in settlement discussions in relation to violations of the Clean Air Act that the EPA alleges occurred at a hotel we manage. We do not believe this matter will have a material adverse effect on our business, financial condition, results of operations, or cash flows.

From time to time, we are also subject to other legal proceedings and claims in the ordinary course of business, including adjustments proposed during governmental examinations of the various tax returns we file. While management presently believes that the ultimate outcome of these other proceedings, individually and in aggregate, will not materially harm our business, financial condition, cash flows, or overall trends in results of operations, legal proceedings are inherently uncertain, and unfavorable rulings could, individually or in aggregate, have a material adverse effect on our business, financial condition, operating results, or cash flows.

Item 1A. Risk Factors

We are subject to various risks that make an investment in our securities risky. You should carefully consider the risk factors disclosed in Part I, Item 1A, “Risk Factors,” of our 2024 Form 10-K. There are no material changes to the risk factors discussed in our 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sales of Equity Securities

None.

(b) Use of Proceeds

None.

(c) Issuer Purchases of Equity Securities

(in millions, except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
April 1, 2025 - April 30, 2025	1.1	\$ 223.08	1.1	9.8
May 1, 2025 - May 31, 2025	0.8	\$ 266.95	0.8	9.0
June 1, 2025 - June 30, 2025	0.9	\$ 262.69	0.9	8.1
Total	2.8	\$ 248.54	2.8	

⁽¹⁾ On November 9, 2023, we announced that our Board of Directors increased our common stock repurchase authorization by 25 million shares. The share repurchase authorization has no expiration date. As of June 30, 2025, 8.1 million shares remained available for repurchase under Board approved authorizations. We may repurchase shares in the open market or in privately negotiated transactions, and we account for these shares as treasury stock.

Item 5. Other Information

During the 2025 second quarter, no director or Section 16 officer adopted or terminated any Rule 10b5-1 plans or non-Rule 10b5-1 trading arrangements.

Item 6. Exhibits

We have not filed as exhibits certain instruments defining the rights of holders of the long-term debt of Marriott pursuant to Item 601(b)(4)(iii) of Regulation S-K promulgated under the Exchange Act, because the amount of debt authorized and outstanding under each such instrument does not exceed 10 percent of the total assets of the Company and its consolidated subsidiaries. The Company agrees to furnish a copy of any such instrument to the SEC upon request.

Exhibit No.	Description	Incorporation by Reference (where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
3.1	Restated Certificate of Incorporation.	Exhibit No. 3.(i) to our Form 8-K filed August 22, 2006 (File No. 001-13881).
3.2	Amended and Restated Bylaws.	Exhibit No. 3.1 to our Form 8-K filed August 4, 2023 (File No. 001-13881).
*10.1	Form of Non-Employee Director Deferred Share Award Agreement for the 2023 Marriott International, Inc. Stock and Cash Incentive Plan (May 2025).	Filed with this report.
*10.2	Form of Non-Employee Director Deferred Fee Award Agreement for the 2023 Marriott International, Inc. Stock and Cash Incentive Plan (May 2025).	Filed with this report.
*10.3	Form of Non-Employee Director Stock Appreciation Right Agreement for the 2023 Marriott International, Inc. Stock and Cash Incentive Plan (May 2025).	Filed with this report.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).	Filed with this report.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).	Filed with this report.
32	Section 1350 Certifications.	Furnished with this report.
101	The following financial statements from Marriott International, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL: (i) the Condensed Consolidated Statements of Income; (ii) the Condensed Consolidated Statements of Comprehensive Income; (iii) the Condensed Consolidated Balance Sheets; and (iv) the Condensed Consolidated Statements of Cash Flows.	<i>Submitted electronically with this report.</i>
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.	<i>Submitted electronically with this report.</i>
101.SCH	XBRL Taxonomy Extension Schema Document.	<i>Submitted electronically with this report.</i>
101.CAL	XBRL Taxonomy Calculation Linkbase Document.	<i>Submitted electronically with this report.</i>
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	<i>Submitted electronically with this report.</i>
101.LAB	XBRL Taxonomy Label Linkbase Document.	<i>Submitted electronically with this report.</i>
101.PRE	XBRL Taxonomy Presentation Linkbase Document.	<i>Submitted electronically with this report.</i>
104	The cover page from Marriott International, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL (included as Exhibit 101).	<i>Submitted electronically with this report.</i>

* Denotes management contract or compensatory plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MARRIOTT INTERNATIONAL, INC.
August 5, 2025

/s/ Felitia O. Lee

Felitia O. Lee
Controller and Chief Accounting Officer
(Duly Authorized Officer)