Marriott INTERNATIONAL

NASDAQ: MAR
Marriott International Inc

Fundamental Analysis

The Globetrotting Investor
Ben, MBA | Value Investing

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Introduction

GICS Sector: Consumer Cyclical

Sub-Industry: Lodging

CEO: Anthony Capuano

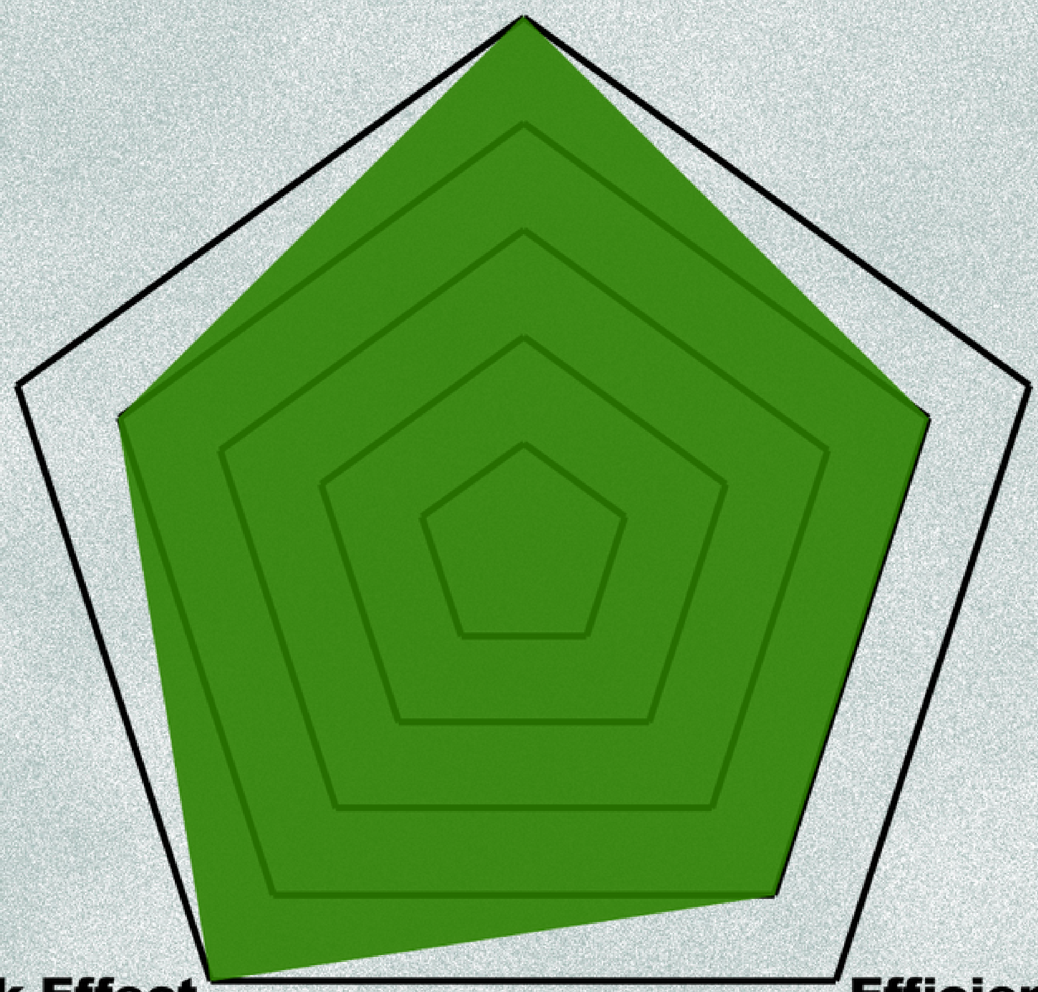
Tenure: 2.3 years

Marriott International Inc's management team has an average tenure of **2.6 years**. It is considered experienced.

Source of revenue:

- Marriott International, Inc. operates, franchises, and licenses hotel, residential, timeshare, and other lodging properties worldwide at different prices and service points under 30 brand names in 138 countries and territories.
- Consistent with the company's focus on management, franchising, and licensing, Marriott International Inc owns or leases very few of its lodging properties (less than 1%).
- Marriott International's brands are categorized by style of offering - Classic and Distinctive. Its Distinctive brands further offer three quality tiers: Luxury, Premium, and Select.
- The company operates through two segments: 1) U.S. and Canada, and 2) International.
- Visit my website to learn more.

Economic Moat



Economic moat: **Wide**

There are many ways to identify a company's economic moat, but I focus on the above 5 types. The rating is purely subjective, and it is based on my in-depth understanding and analysis of the company.

Performance

	Yes	Inconsistent	No
Revenue growing YoY for the past 5 years consistently?	☐	☑	☐
Net income growing YoY for the past 5 years consistently?	☐	☐	☑
Cash flow from operating activities growing YoY for the past 5 years consistently?	☐	☑	☐
Free cash flow is positive for the past 5 years?	☑	☐	☐
Gross margin % is consistent/ growing for the past 5 years?	☑	☐	☐
EPS growing for the past 5 years?	☐	☑	☐

Management Effectiveness

	Yes	Inconsistent	No
ROE is consistently at 12%-15% YoY for the past 5 years?	☐	☑	☐

Whilst Marriott International Inc's ROE at >300% is outstanding, it is probably skewed due to their high level of debt.

	Yes	Inconsistent	No
ROIC is consistently at 12%-15% YoY for the past 5 years?	☐	☐	☑

ROIC	WACC
12.05%	11.71%

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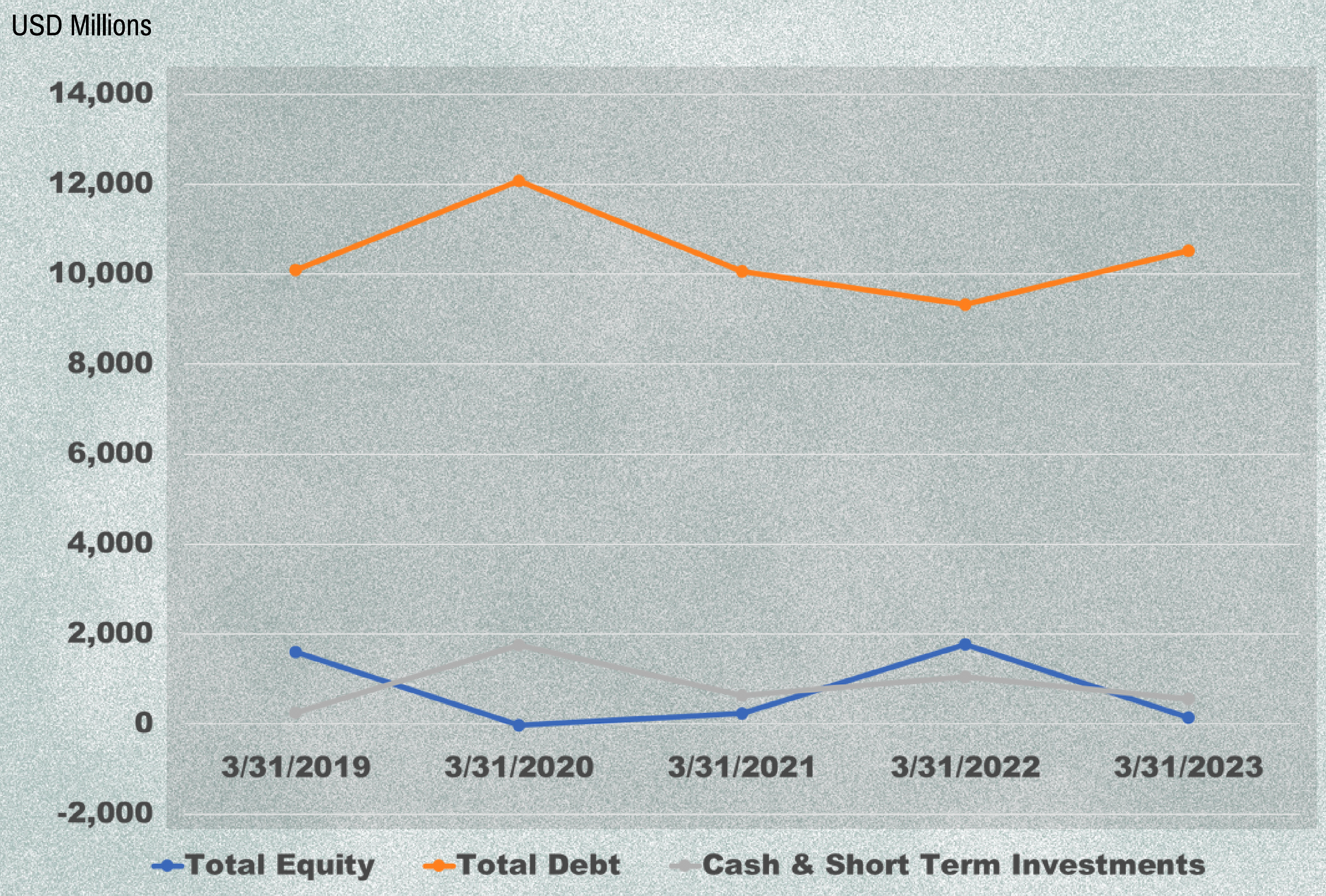
Financial Health



- Current Ratio: 0.47
- Debt-to-EBITDA: 2.79
- Interest Coverage: 8.85
- Debt Servicing Ratio: 17.05%

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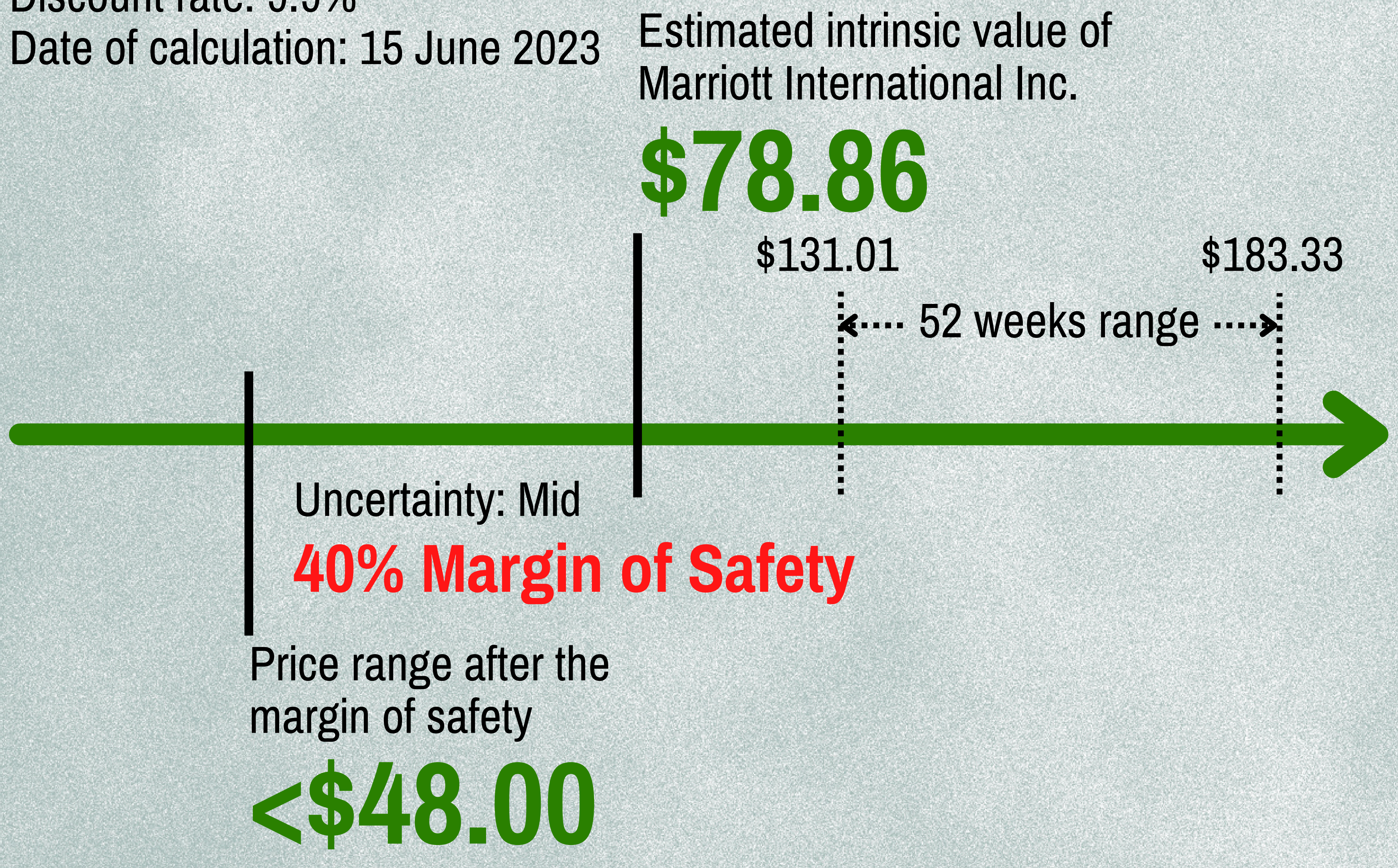
Relative Valuation

Intrinsic Valuation

Estimated intrinsic value: $78.86

Value is calculated using discounted cash flow method (taking into account their cash and debt) and scenario planning.
Average free cash flow used: USD$1,600M
Projected growth rate: 9% - 15%
Beta: 1.58
Discount rate: 9.9%
Date of calculation: 15 June 2023



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