Marriott Intl. (MAR)

Updated September 16th, 2025 by Felix Martinez

Key Metrics

Current Price:	$268	**5 Year Annual Expected Total Return:**	2.7%	**Market Cap:**	$71.9 B
Fair Value Price:	$180	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	11/21/25
% Fair Value:	149%	**5 Year Valuation Multiple Estimate:**	-7.6%	**Dividend Payment Date:**	12/31/25
Dividend Yield:	1.0%	**5 Year Price Target**	$290	**Years Of Dividend Growth:**	3
Dividend Risk Score:	C	**Sector:** Consumer Discretionary		**Rating:**	Hold

Overview & Current Events

From its somewhat inauspicious beginnings as a Washington, D.C. root-beer stand in 1927, Marriott has become an international hospitality juggernaut with over 7,000 properties operating under 30 brands in more than 130 countries and territories. It's the largest hotel chain in the world. As we know today, Marriott Intl was created in 1993 when the former Marriott Corp was split into two publicly traded companies, Marriott Intl. and Host Marriott Corp. (HST) (now known as Host Hotels & Resorts). Marriott Intl. manages and franchises a portfolio of hospital brands that range from the classic splendor of The Ritz-Carlton to the Fairfield Inns you find along the highway. Internationally, Marriott's Starwood subsidiary gives the Company a significant foothold in Europe and elsewhere. Marriott currently boasts a market cap north of $71.9 billion.

On August 5th, 2025, the company reported its second quarter for Fiscal Year (FY)2025 earning results. The company reported second-quarter 2025 results that topped expectations, with revenue rising 4.7% year-over-year to $6.74 billion, beating estimates by $81 million. Adjusted EPS came in at $2.65, up from $2.50 last year and $0.03 ahead of consensus. Reported net income was $763 million, while adjusted net income reached $728 million. RevPAR (revenue per available room) increased 1.5% worldwide, led by strong international growth of 5.3%, while U.S. & Canada RevPAR was flat year-over-year. Adjusted EBITDA grew 7% to $1.42 billion, reflecting higher room growth, increased co-branded credit card fees, and strong international hotel results.

Development momentum remained robust. Marriott added approximately 17,300 net rooms during the quarter, including 8,500 internationally, representing 4.7% net room growth year-over-year. The company signed nearly 32,000 new rooms in Q2, more than 70% of which were outside North America, with conversions making up about 30% of signings. Marriott's development pipeline hit a record 3,900 properties with over 590,000 rooms, over half of which are international. Growth was further supported by the launch of Series by Marriott™, a new midscale brand, and the acquisition of lifestyle hotel chain citizenM, both expected to add meaningful global expansion opportunities.

Marriott returned significant capital to shareholders, repurchasing 2.8 million shares for $700 million during the quarter, and $2.1 billion year-to-date through July 30. At quarter-end, debt stood at $15.7 billion with $0.7 billion in cash. Membership in Marriott Bonvoy reached nearly 248 million, with management highlighting deeper engagement through exclusive offerings and partnerships. Looking ahead, Marriott expects full-year 2025 RevPAR growth of 1.5% to 2.5% and net room growth approaching 5%. The company reaffirmed its plan to return about $4 billion to shareholders this year, underscoring the resilience of its asset-light model and strong global brand portfolio.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$3.15	$3.66	$4.36	$6.21	$6.00	$0.18	$3.19	$6.69	$9.99	$9.33	***$10.02***	***$16.14***
DPS	$0.95	$1.15	$1.29	$1.56	$1.85	$0.48	$0.00	$1.00	$1.96	$2.41	***$2.68***	***$3.42***
Shares[1]	256.3	383.6	359.1	339.1	324.0	326.0	325.7	325.7	294.0	285.2	***283.0***	***280.0***

Despite Marriott Intl.'s large size, the company continues to grow at a relatively brisk pace. The company expects continued growth in the number of new projects using Marriott's 30 brands. Across the hospitality industry, luxury lodging continues to be a strong trend. The company also expects to grow in the trendy and growing all-inclusive space.

[1] Share count is in millions.

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Marriott is expanding its all-inclusive portfolio in North and South America and the Caribbean, and Europe and Southeast Asia. However, there's no denying that, despite growth prospects, there's plenty of challenge in the industry. The company recently announced a dividend increase of 6.3% from $0.63 per share to $0.67 per share on May 9, 2025.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	24	26.3	19.6	24	24	27	52.7	22.3	22.6	29.9	***26.7***	***18.00***
Avg. Yld.	1.3%	1.7%	1.3%	1.2%	1.2%	0.4%	0.0%	0.7%	0.9%	0.9%	***1.0%***	***1.2%***

Looking at Marriott's performance during the last ten years, we notice the P/E has tended to remain solidly in the 21-25 range. However, we'll assign an expected P/E of 18, given the hospitality industry's continuing challenges. When it comes to dividend payouts, Marriott has a history of playing it slow but steady. However, the company did have to cut its dividend during the COVID-19 pandemic. It has since reinstated the dividend, and it is now higher than what it was before COVID-19.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	30%	31%	30%	25%	31%	267%	0%	15%	20%	26%	***27%***	***21%***

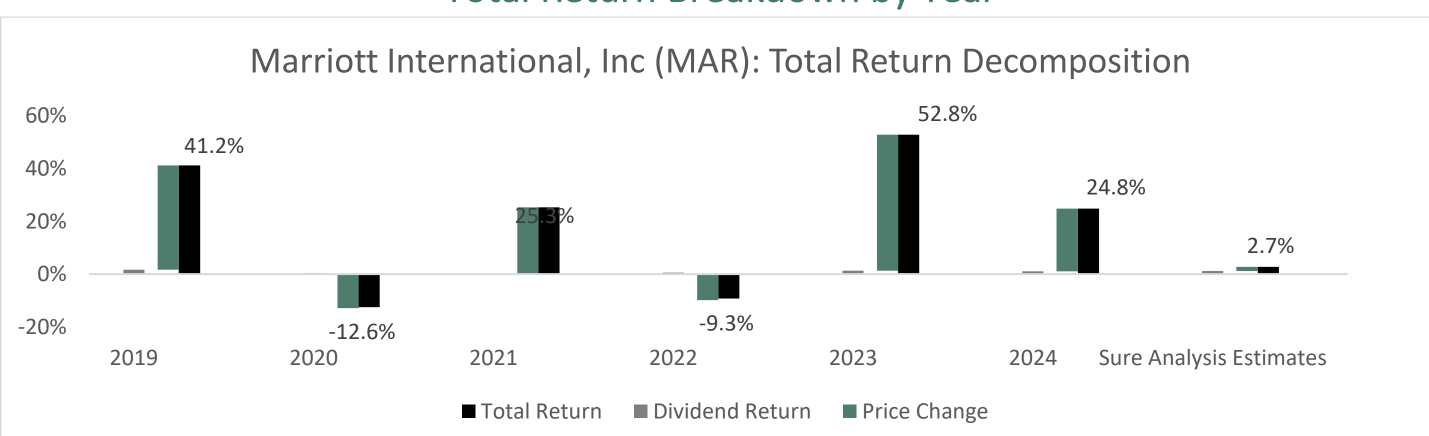
Although Marriott Intl. trades in excitement – luxury getaways, exotic destinations, and even room amenities that might trick you out of believing you're on business travel – the Company's stock performance has been anything but thrilling. The company's best advantage is its sheer size. At this point, if you're staying at a chain hotel anywhere in the world, there's a decent chance Marriott owns the brand.

During the first decade of the 21st century – which saw one of the most significant historical slumps in travel – Marriott remained profitable. The company used that time to develop new luxury brands and programs and found ways to trim the fat. The lowest EPS that the company clocked was in 2009, at $0.94. The company is able to cover its interest with a coverage of 5.3x.

Final Thoughts & Recommendation

Marriott Intl. is facing challenges, including the continued growth of alternative stay platforms such as Airbnb. With modest expected annualized total returns of 2.7% for the next five years, we rate Marriott Intl. as a Hold.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	14486	15407	20452	20758	20972	10571	13857	27650	23710	25100
Gross Profit	2123	2672	3813	3674	3217	1459	2801	1899	5124	5101
Gross Margin	14.7%	17.3%	18.6%	17.7%	15.3%	13.8%	20.2%	6.9%	21.6%	20.3%
SG&A Exp.	634	743	921	927	938	762	823	91	1011	1074
D&A Exp.	139	159	279	284	403	478	295	456	277	492
Operating Profit	1350	1810	2663	2521	1938	351	1758	500	3924	3844
Operating Margin	9.3%	11.7%	13.0%	12.1%	9.2%	3.3%	12.7%	18.1%	16.5%	15.3%
Net Profit	859	808	1459	1907	1273	-267	1099	-212	3083	2375
Net Margin	5.9%	5.2%	7.1%	9.2%	6.1%	-2.5%	7.9%	-7.7%	13.0%	9.5%
Free Cash Flow	1210	1420	1987	1801	1032	1504	994	-470	2718	1999
Income Tax	396	431	1523	438	326	-199	81	-62	295	776

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	6082	24140	23846	23696	25051	24701	25553	17628	25670	26180
Cash & Equivalents	96	858	383	316	225	877	1393	58	338	396
Accounts Receivable	1103	1695	1973	2133	2395	1768	1982	404	2712	2795
Inventories										
Goodwill & Int. Ass.	2394	16868	17751	17419	17689	18164	17999	1417	18080	18220
Total Liabilities	9672	18783	20264	21471	24348	24271	24139	10472	26360	29170
Accounts Payable	593	687	783	767	720	527	726	186	738	763
Long-Term Debt	4107	8506	8238	9347	10940	10376	10138	7512	11870	14450
Shareholder's Equity	-3590	5357	3582	2225	703	430	1414	5035	-682	-2992
D/E Ratio	-1.14	1.59	2.30	4.20	15.56	24.13	7.17	1.44	-17.41	-4.83

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	13.3%	5.3%	6.1%	8.0%	5.2%	-1.1%	4.4%	-1.2%	12.2%	9.2%
Return on Equity		91.5%	32.6%	65.7%	87.0%	-47.1%	119.2%	-4.0%		
ROIC	82.3%	11.2%	11.4%	16.3%	11.0%	-2.4%	9.8%	-1.5%	28.3%	21.0%
Shares Out.	256.3	383.6	359.1	339.1	324.0	326.0	329.3	677.9	302.9	285.2
Revenue/Share	53.10	52.96	53.84	58.61	62.51	32.45	42.08	4.08	78.29	88.01
FCF/Share	4.44	4.88	5.23	5.08	3.08	4.62	3.02	-0.69	8.97	7.01

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.