


Final Project - Marriott International, Inc.

Class: Corporate Finance SP 2020

Prof. Aswath Damodaran

Due: May 22nd 2020

# Table of Contents


| Header | Pages |
|---|---|
| Executive Summary | 2 |
| Corporate Governance | 3-5 |
| Discount Rate | 5-6 |
| Return on Invested Capital and Return on Equity | 6 |
| Capital Structure | 6-7 |
| Optimal Capital Structure | 7-8 |
| Dividend Policy | 8 |
| Valuation | 9 |
| Bibliography | 10 |
| Appendix | 11-15 |

## Executive Summary

Marriott International, Inc. is a publicly traded American multinational diversified hospitality company and one of the leading brands in the global industry. Its portfolio consists of more than 1,380,000 available rooms within more than 7,350 properties distributed around every region of the world. These properties are distributed in 30 different brands within the company's portfolio, which at the same time are classified as the "*Classic*" and "*Distinctive*" style offerings of the company's three quality tiers: Luxury, Premium and Select (Exhibit A). All this to achieve what has been the same goal and core value for 90+ years: "*To take care of our guests and associates*".

The hospitality mogul has been characterized through its history for its solid performance, M&A-fueled growth and innovative capacity to reinvent themselves and adapt. What once started as a hotel owner, later mutated into a hotel manager in 1993, by splitting the company in two after acquiring Hosts Hotels & Resorts in 1982, divesting its non-hotel business, and reorganizing it as a REIT. With time, Marriott has further mutated by having 28.25% of its hotels being managed and 0.92% being owned/leased, transforming its top-line in a fee-driven number through the 70.83% of franchised/licensed properties. The latter was enabled by Marriott's latest focus on innovating in the innovation of a centralized platform, recently being levered through their new loyalty program (Marriott Bonvoy™) and its accompanying website and mobile application. The company's strive for pioneering innovation is deeply embedded in its history, being the first hotel company to ever offer guests other option to book reservations online. The new focus on technological advancement may prove to be the key to further evolution into their asset-light model, as a driver of value for its brand name and platform, which at the same time are instrumental to the company's future performance and M&A fueled growth.

After a seeing a 2019 with steady growth and strong profitability, mostly thanks to a 73.7% occupancy rate and 182.60 average daily rate on its extensive worldwide portfolio, the near future presents an "Iliad" of challenges for Marriott and the hospitality industry. Having COVID-19's sanitation and economic crisis pose a special threat both in economic impact and foreseeable recovery period to the sector, good corporate finance may be key to surviving and disruptive innovation essential to the seizing of post-crisis opportunities. Marriot's unexceptional corporate governance and non-activist institutional marginal investor makes insider-fueled adaptation crucial. It must enforce such changes on its affiliates, while making sure they survive the crisis, attracting more affiliates and retaining customer mass. Having the scale, it is all about RevPAR and good corporate finance.




*Exhibit A - Marriott Brands and Customer Loyalty Program*

## Corporate Governance

The company's governance is not bad, yet not among its top strong-suits. Some indicators of this may start to be seen in the Board's composition. While Marriott discloses to have nine out of 12 board members being independent (Exhibit B), three of these have been part of the board for 15+ years. On the other hand, while the bylaws state that members should be replaced as soon as they turn 72 years of age, they explicitly make an exception for Bill Marriott, who stays as Chairman at 88 years of age.

| Legend | | | |
|---|---|---|---|
| AC | Audit Committee | C | Chair |
| CPC | Compensation Policy Committee | M | Member |
| NCGC | Nominating and Corporate Governance Committee | F | Financial Expert and Member |
| CFE | Committee of Excellence | | |
| EC | Executive Committee | | |

| Name<br>*Occupation* | Age* | Director Since | Independent | Committee Memberships** | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | AC | CPC | NCGC | CFE | EC |
| J.W. Marriott, Jr.<br>*Executive Chairman and Chairman of the Board, Marriott International, Inc.* | 88 | 1964 | No | | | | | C |
| Bruce W. Duncan<br>*Chairman of the Board, First Industrial Realty Trust, Inc.* | 68 | 2016 | Yes | F | | | | |
| Deborah Marriott Harrison<br>*Global Cultural Ambassador Emeritus, Marriott International, Inc.* | 63 | 2014 | No | | | | M | |
| Frederick A. Henderson<br>*Former Chairman and Chief Executive Officer, SunCoke Energy, Inc.* | 61 | 2013 | Yes | C<br>F | | M | | |
| Eric Hippeau<br>*Managing Partner, Lerer Hippeau* | 68 | 2016 | Yes | | M | | | |
| Lawrence W. Kellner (*Lead Director*)<br>*President, Emerald Creek Group, LLC* | 61 | 2002 | Yes | | | C | | M |
| Debra L. Lee<br>*Former Chairman and Chief Executive Officer, BET Networks* | 65 | 2004 | Yes | | | M | C | |
| Aylwin B. Lewis<br>*Former Chairman, Chief Executive Officer and President, Potbelly Corporation* | 65 | 2016 | Yes | F | M | | | |
| Margaret M. McCarthy<br>*Former Executive Vice President, CVS Health Corporation* | 66 | 2019 | Yes | M | | | | |
| George Muñoz<br>*Principal, Muñoz Investment Banking Group, LLC* | 68 | 2002 | Yes | F | | | M | |
| Susan C. Schwab<br>*Professor, University of Maryland School of Public Policy* | 65 | 2015 | Yes | | M | | | |
| Arne M. Sorenson<br>*President and Chief Executive Officer, Marriott International, Inc.* | 61 | 2011 | No | | | | M | M |

* Ages as of May 8, 2020.

** Mary K. Bush currently serves on our Audit Committee as a financial expert and member and is a member of the Compensation Policy Committee. Steven S Reinemund currently serves as the Chair of the Compensation Policy Committee and as a member of the Nominating and Corporate Governance Committee and the Executive Committee. Ms. Bush and Mr. Reinemund have each attained the mandatory retirement age of 72 and therefore are not nominated for re-election.

*Exhibit B - Nominees to Board of Directors*

While having 71% of President and CEO's compensation and 57% of Named Executive officers being tied to performance (Appendix 1), specially by having 69% of both group's total annual compensation being equity may serve to align their interests to that of some of the company's stakeholders, it does not do the full job. To answer why, we just need to take a look at the ownership composition (Exhibit C). Having more than 75% owned by institutional investors and insiders puts Marriott above any regional industry average and hopes for change or control.

Furthermore, the prevalent presence of large traditional asset managers (Appendix 2) among the top 20 and the majority of institutional investors, makes it easy to see a marginal investor with very little activism.

| Ownership Summary | | | |
|---|---|---|---|
| Type | Common Stock Equivalent Held | % Total Shares Outstanding | Market Value (USD in mm) |
| Institutions | 217,704,892 | 67.14% | 17,270.50 |
| Corporations (Private) | 16,074,179 | 4.96% | 1,275.20 |
| Individuals/Insiders | 27,261,963 | 8.41% | 2,162.70 |
| State Owned Shares | 122,574 | 0.04% | 9.70 |
| Public and Other 3 | 63,057,571 | 19.45% | 5,002.40 |
| **Total** | **324,255,928** | 99.99% | 25,723.20 |

*Exhibit C - Stockholder Type Distribution (MAR)*

| Industry Name | Country | Number of Firms | CEO Holding | Institutional Holdings | Insider Holdings | Other |
|---|---|---|---|---|---|---|
| Hotel/Gaming | US | 65 | 5.24% | 62.92% | 15.17% | 16.67% |
| Hotel/Gaming | Europe | 109 | 6.28% | 25.61% | 23.94% | 44.17% |
| Hotel/Gaming | China | 88 | 25.45% | 7.62% | 22.28% | 44.65% |
| Hotel/Gaming | India | 53 | 15.90% | 10.14% | 35.01% | 38.95% |
| Hotel/Gaming | Japan | 28 | 23.91% | 11.72% | 26.43% | 37.94% |
| Hotel/Gaming | Emerging Markets | 400 | 13.04% | 11.57% | 22.46% | 52.93% |
| **Hotel/Gaming** | **Global** | **639** | **11.08%** | **19.29%** | **21.82%** | **47.81%** |

*Exhibit D - CEO, Insider and Institutional Stock Holdings for Hotel/Gaming*

Potential for conflicts of interest are not he only looming issue. Independence may also be questioned at some decisions as that taken by the Audit Committee to keep the same public accounting firm in roster for the 18th straight year. While the firm in question's well-known reputation sparks nothing but confidence in their integrity and capability, the list of equally capable firms falling into scandals and failing to detect them beforehand is not short. Rotation is best practice.

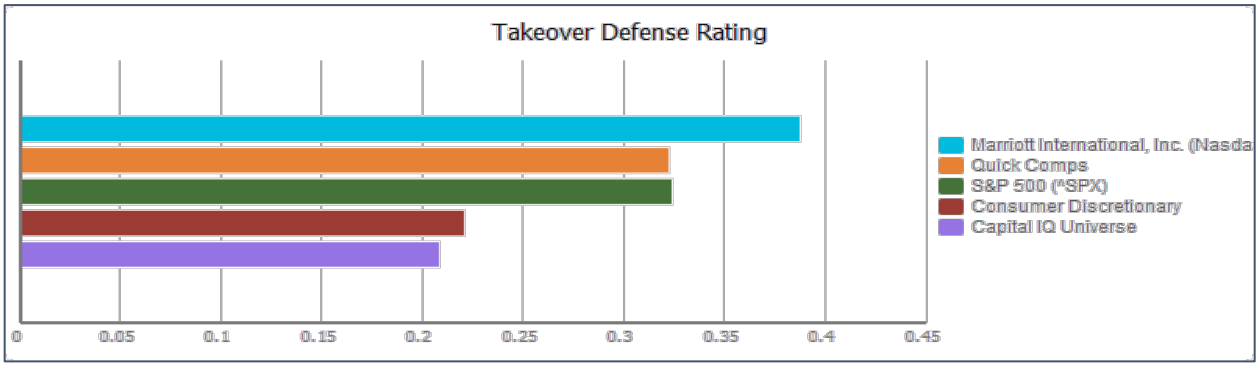



*Exhibit E - Takeover Defense Rating*

Even though Marriott's bylaws are a negative outlier towards the protection of individual investor's interests (Exhibit E), the company has been taking steps towards the better by implementing the need of a supermajority in the voting of certain topics and allowing for clauses as its preferred stock plan poison pill to expire and not be re-issued or renewed. The recent involvement and presence of some new activist investors is definitely a sign of hope in these new efforts (Exhibit F).

| Launched Date | Activist Investor(s) | Status Date | Campaign Status | Tactic(s) | Objective(s) |
|---|---|---|---|---|---|
| Apr-08-2020 | Professionally Managed Portfolios - Trillium ESG Global Equity Fund (MutualFund:PORI.X) | - | Announced | Shareholder Proposals | Corp. Gov. - Other Matters (Introduce Forms of Accountability ) |
| Apr-08-2020 | AFL-CIO Reserve Fund | - | Announced | Shareholder Proposals | Corp. Gov. - Voting Matters (Adopt Majority Vote to Elect Directors) |
| Mar-15-2019 | Land and Buildings Investment Management, LLC | Apr-10-2019 | Withdrawn | Threat to Launch Proxy Fight | Corp. Gov. - Board Matters (Replace/Nominate Some/All Directors) |

*Exhibit F - Activist Investors*

## Discount Rate

Being the largest publicly-traded hospitality multinational, with presence in 134 different countries around the world, Marriott's geographical risk is more diversified than most of its competitors. Having the company's key performance driver's being fee-based, most of it can be tied to its revenue per available room (RevPAR), as its common in the industry. While public information on their revenue generation is only available at a regional level of segmentation, its number of properties in each country is publicly available (Appendix 3) and can therefore be used to derive a weighted average regional equity risk premium, to later on arrive at the company's revenue-driven 6.81% equity risk premium (Exhibit G).

| Properties | Properties (%) | Rooms (%) | EBIT (%) | Revenue (%) | Implied ERP |
|---|---|---|---|---|---|
| North America | 73.4% | 66.5% | 65.0% | 79.6% | 6.1% |
| Europe | 8.5% | 9.0% | 9.7% | 7.9% | 8.5% |
| Middle East & Africa | 3.7% | 4.4% | 1.6% | 3.4% | 11.2% |
| Asia Pacific | 10.7% | 16.1% | 13.2% | 6.3% | 8.3% |
| Caribbean & Latin America | 3.6% | 4.0% | 4.2% | 2.8% | 13.7% |
| Other | | | 6.3% | | |
| **Weighted ERP** | **7.00%** | **7.20%** | **7.09%** | **6.81%** | |

*Exhibit G - Geographic Distribution Drivers and Weighted Avg. ERP*

RevPAR being a function of occupancy, average daily rate (ADR) and available rooms, most of the company's secondary streams of income as residential sales, property leasing, food and beverage sales, and spas are either not disclosed to that level of detail or priced into the ADR. Looking at industry average distribution and some specific comparable as a proxy, a median 0.96 unlevered beta is calculated (Exhibit H).

| Unlevered Beta | | | |
|---|---|---|---|
| Industry | Average | Median | Weight |
| Lodging | 0.67 | 1.06 | 75% |
| Property Mgmt. & Leasing | 0.40 | 0.48 | 15% |
| Food & Beverage | 0.66 | 0.60 | 5% |
| Spa | 1.02 | 1.17 | 5% |
| Weighted Average | 0.65 | 0.96 | |

*Exhibit H - Revenue Weighted Business Composition and resulting Bottom Up Beta*

Furthermore, the default spread is given due to a relation of its size and Moody's recently issued review on their credit rating. To calculate the weighted average cost of capital (WACC), the cost of debt is calculated as a function of the risk-free rate and aforementioned default spread. While Marriott did perform a public debt issuance for the quantity of USD 1,600MM in the shape of a 5-year senior unsecured bond, its placement yield was not used as the cost of debt. The logic behind this decision lies in the fact that the markets perception of the company's cashflows' stability in 5 years' time is much worse than in the longer term. This is evidenced in the company's existing corporate bond yield curve. Weights for debt and equity were calculated using their market values and including all financial and operational interest-bearing contractual obligations as debt, for a final WACC of 7.02%.

| Variable | Value | Notes |
|---|---|---|
| Risk Free Rate | 0.64% | *US TBond YTM* |
| Equity Risk Premium | 6.81% | *Revenue Weigthed Avg. Implied ERP* |
| Unlevered Beta | 0.96 | *Bottom-Up Beta (Median Worldwide Multi-industry; Mkt. Cap. Floor; Corrected for Cash)* |
| Default Spread | 2.00% | *Baa3 credit rating by Moody's* |
| Market Cost of Debt | 5.75% | *Offering YTM for USD1,600MM 5Yr. Bond issued by Marriott in April 2020* |
| Debt Ratio | 29.14% | *Using Market Values and Including Operating Leases* |
| D/E Ratio | 41.13% | *Using Market Values and Including Operating Leases* |
| Marginal Tax Rate | 27.00% | *US Marginal Tax Rate* |

| | |
|---|---|
| Beta | 1.24 |
| Cost of Equity | 9.11% |
| Pre-Tax Cost of Debt | 2.64% |
| Cost of Debt x (1-T) | 1.93% |
| WACC | 7.02% |

*Exhibit I - Weighted Average Cost of Capital Calculation*

## Return on Invested Capital and Return on Equity

The company's last three years of adjusted return of capital have been characteristic of its mature nature presenting stable, yet slightly diminishing pattern. Both its acquisition frenzy in search for new associates and brand expansion and its consequent take on leverage has much to do with this (Appendices 4, 5 & 6). The trend is further perceived on its impact on equity's book value and goodwill, which in conjunction with rapidly increasing financial expenses explain equity measures of return. This behavior has allowed Marriott to have their ROIC consistently overcome their WACC these past few years (Exhibit J), therefore creating economic value added through growth. This becomes even more evident if a regression beta of 1.05 is used in calculating the WACC. While the shrinking spread between ROIC and WACC may call for attention, the looming crisis may just be the needed externality to stimulate and create a sense of urgency for reinvention to possibly re-enter a face of rapid growth.

| Return on Invested Capital | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Return on Invested capital | 107.4% | -34.4% | 39.9% | 51.5% | 35.2% | 50.5% |
| Adjusted Return on Invested Capital | 26.4% | 18.3% | 11.8% | 14.2% | 10.4% | 9.7% |

| Return on Equity | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Return on Equity | -27.3% | -7.2% | -37.9% | -34.9% | -18.7% | -10.4% |
| Adjusted Return on Equity | -39.0% | -22.5% | 27.2% | 53.2% | 57.2% | -4,645.0% |

| Non-Cash Return on Equity | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Non-cash ROE | -25.6% | -6.4% | -33.6% | -32.7% | -17.7% | -8.5% |
| Adjusted non-cash ROE | -37.7% | -21.5% | 26.5% | 52.6% | 56.0% | -4,515.0% |

*Exhibit J - Historical ROIC, ROE and Non-Cash ROE*

## Capital Structure

Despite its market presence and inorganic growth, Marriott has managed to be placed in the lower end of the industry, along-side other asset-light competitors, in terms of leverage. Its debt is at large US dollar-based. By complementing its touristic customer base with a large presence of business and government clientele, and having occasional residence sales, especially in its higher tier products, and constant flow of rent on almost 1% of its propertied, the company manages to escape part of the seasonality inherent in its industry. Global diversification also helps. This is seen as well in the fact that only 11.64% of its debt has a floating factor.

Most of the company's financial debt is comprised by publicly traded corporate bonds (Appendix 7). These have a weighted average maturity of 3.99 years and a weighted average coupon rate of 3.61%. Marriott's operational lease obligations account for 10.55% of its total adjusted debt. They have a weighted average maturity interest rate of 4.80%. The market value of debt at a 2.64% cost of debt amounts to USD10,976.18MM, conforming 29.14% of the company's cost of capital, in complement to a mkt. cap. of USD 26,689.51MM as of end of March 2020 (Exhibit K).

| Equity | |
|---|---|
| Shares Outstanding | 324.26 |
| Price x Share | 82.31 |
| Market Cap. | 26,689.51 |

**Values in MM, except values x share*

| Debt | |
|---|---|
| Credit Rating | Baa3 |
| Spread | 2.00% |
| Risk Free Rate | 0.64% |
| Cost of Debt | 2.64% |

| | |
|---|---|
| Market Value of Debt | 10,976.18 |

*Exhibit K - Capital Structure Using Market Values and Accounting for Operating Leases*

## Optimal Capital Structure

The multinational's enterprise value could be maximized by lowering its leverage by 11% (Exhibit L). This can be mainly explained by three factors. First, the increasing costs of debt for the company may not be based on funding providers' concern for the mogul's default risks. Rather than that, if we delve deep into Marriott's ongoing transformation into an asset-light platform, its behavior starts to resemble what we would see in some technological firms, where the scarcity for collateral and their inorganic expansion tendencies tend to make them lean towards a more equity funding, provided its inherent flexibility. Moreover, Marriott's current debt and financial expenses are highly skewed by its latest round of funding, where it placed USD1,600MM at a 5.752% yield to maturity.

| RESULTS FROM ANALYSIS | | | |
|---|---|---|---|
| | *Current* | *Optimal* | *Change* |
| D/(D+E) Ratio = | 31.24% | 20.00% | -11.24% |
| Beta for the Stock = | 1.24 | 1.10 | -0.14 |
| Cost of Equity = | 9.08% | 8.14% | -0.95% |
| Rating on Debt | Baa2/BBB | | |
| After-tax cost of Debt = | 2.04% | 1.39% | -0.66% |
| WACC | 6.89% | 6.79% | -0.10% |
| Implied Growth Rate = | 0.64% | | |
| Enterprise value | $37,055 | $37,638 | $583 |
| Value/share (Perpetual Growth) = | $82.31 | $84.11 | $1.80 |

*Exhibit L - Optimal Capital Structure Analysis*

While the possibility of value creation amounting to enough to approximately cover its last dividend per share payment may seem attractive and coherent to the company's ongoing transformation (Exhibit M), the current uncertainty in the environment calls for a wider perspective in regards of how to proceed towards this capital structure. While leverage may bring certain risks, especially in an economic crisis, by looking at Marriott's fee structure we can identify many fixed components, like royalty fees, to match this debt. The liquidity brought by this new issuance should be focused on supporting affiliates who may be struggling and cover for crippled rent and performance fees in the short and mid-term. The survival of the ecosystem is key to the protection of Marriott's

brand, one of two key assets in the company's new business model. The same way debt should match cashflows, the usage of FCFF for principal repayments should be matched to the industry's recovery's pace.

| Debt Ratio | Beta | Cost of Equity | Bond Rating | Interest rate on debt | Tax Rate | Cost of Debt (after-tax) | WACC | Enterprise Value |
|---|---|---|---|---|---|---|---|---|
| 0% | 0.9312 | 6.98% | Aaa/AAA | 1.90% | 27.00% | 1.39% | 6.98% | $36,492 |
| 10% | 1.0067 | 7.50% | Aaa/AAA | 1.90% | 27.00% | 1.39% | 6.88% | $37,056 |
| 20% | 1.1011 | 8.14% | Aaa/AAA | 1.90% | 27.00% | 1.39% | 6.79% | $37,638 |
| 30% | 1.2225 | 8.97% | A1/A+ | 2.60% | 27.00% | 1.90% | 6.85% | $37,294 |
| 40% | 1.4287 | 10.37% | Ca2/CC | 16.84% | 19.86% | 13.50% | 11.62% | $21,076 |
| 50% | 1.7486 | 12.55% | C2/C | 21.90% | 12.22% | 19.22% | 15.89% | $15,178 |
| 60% | 2.1857 | 15.52% | C2/C | 21.90% | 10.18% | 19.67% | 18.01% | $13,321 |
| 70% | 2.9143 | 20.49% | C2/C | 21.90% | 8.73% | 19.99% | 20.14% | $11,868 |
| 80% | 4.3715 | 30.41% | C2/C | 21.90% | 7.64% | 20.23% | 22.26% | $10,701 |
| 90% | 8.7429 | 60.18% | C2/C | 21.90% | 6.79% | 20.41% | 24.39% | $9,744 |

*Exhibit M - Optimal Capital Structure Summary Table*

## Dividend Policy

On average, Marriott has paid out 37.07% of its FCFE in the shape of dividends (Exhibit N). The company historically keeps a stable dividend payout ratio range, which may be interpreted as an intent to protect the niche of stockholders that they have managed to attract thus far. This dividend-seeking clientele is largely conformed by asset managers of the likes of Vanguard, Blackrock and Fidelity, whose passive investing mutual funds tend to target this type of cashflow stability. This theory of is further fueled by two facts. First, at the industry level, asset-light comparable companies with similar market capitalizations show congruent dividend policies. This may be either fundament based or a factor of "me-to" policy, given Marriott's status as market leader (especially in the American market). Second, as seen below, Marriott has gone to the extent of borrowing money for buy-backs, having the total cash paid out being significantly larger than FCFE in four of the last five years. Despite all this, Marriott remains logical y prudent in this aspect, prioritizing a sane corporate government over the possibility of losing clientele. This is shown in their announcement of no dividend distribution and stop of their share buyback program for the time being, in face of the COVID-19 situation.

| Free Cash Flow to Equity | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Net Income | $859 | $808 | $1,459 | $1,907 | $1,273 | $929 |
| Capital Expenditures (incl Acq.) | $(305) | $187 | $(81) | $(401) | $(515) | $(519) |
| Depreciation and Amortization | $139 | $119 | $229 | $226 | $227 | $233 |
| Δ in Non-Cash Working Capital | $(437) | $(680) | $(727) | $(162) | $546 | $583 |
| Net Debt | $325 | $2,529 | $(250) | $1,120 | $1,513 | $1,861 |
| Acquisitions | - | $(386) | $(159) | $(155) | $(138) | $(127) |
| **FCFE** | **$1,455** | **$3,937** | **$1,925** | **$2,859** | **$1,814** | **$1,794** |
| Dividends | $253 | $374 | $482 | $543 | $612 | $629 |
| Buybacks | $2,002 | $668 | $3,170 | $2,955 | $2,408 | $1,761 |
| Weighted Avg. Shares Outstanding | $267 | $291 | $375 | $350 | $333 | $329 |
| Payout Ratio | 29.45% | 46.29% | 33.04% | 28.47% | 48.08% | 67.71% |
| Cash Paid as % of FCFE | 154.98% | 26.47% | 189.71% | 122.35% | 166.48% | 133.22% |

| Key Numbers | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Retention Ratio | 70.55% | 53.71% | 66.96% | 71.53% | 51.92% | 32.29% |
| Previous Year BV Equity | $(2,200) | $(3,590) | $5,357 | $3,582 | $2,225 | $(20) |
| ROE | -39.05% | -22.51% | 27.24% | 53.24% | 57.21% | -4,645.00% |
| Fundamental Growth Rate | -27.55% | -12.09% | 18.24% | 38.08% | 29.71% | -1,500.00% |

| | 5Yr Avg. | 5 Yr. Med |
|---|---|---|
| Payout Ratio | 37.07% | 33.04% |
| Cash Paid as % of FCFE | 132.00% | 154.98% |

*Exhibit N - Dividend Analysis*

## Valuation

Marriott International has overcome many crises in its 93 years of existence. It has learned to adapt and invest into reinvention and transformation proactively, rather than reactively. These qualities give them the tools to navigate through this crisis and come out stronger. While still being too dependent on industries like tourism and transportation and having the hospitality industry facing possible one of the last spots in the queue of economic reopening and recovering will possibly result in a 2020 of contraction; coming out of it poses plenty of opportunities to re-embrace a prolonged rapid growth stage. Some of the factors that may prove to counteract the negative effects of the sanitation crisis and slow recovery of the economic ones are:

- "Cheap" acquisition of distressed smaller competitors to get into untapped markets or expand dominance in those where it is incumbent
- Defaulting of some of the existing competitors
- Higher capability of adaptation to a new normal than both direct competitors, resorts or longer-stay facilities and platforms that may struggle to impose safety measures to their tenants, may prove
- Ongoing transformation and innovation into a digitally-driven centralized hospitality platform.

Growing ROIC and economic value created (Exhibit L) may be of high likelihood in the mid and long term. Despite this, as seen in the estimated value of equity, 38.14% lower than market capitalization, there is still fundament in the short term to expect a correction in equity's market value.

| | Base year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Terminal Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue growth rate | | -10.00% | 10.00% | 15.00% | 25.00% | 25.00% | 20.40% | 15.80% | 11.20% | 6.60% | 2.00% | 2.00% |
| Revenues | $5,074.00 | $4,566.60 | $5,023.26 | $5,776.75 | $7,220.94 | $9,026.17 | $10,867.51 | $12,584.58 | $13,994.05 | $14,917.66 | $15,216.01 | $15,520.33 |
| EBIT (Operating) margin | 34.55% | 31.14% | 30.46% | 29.78% | 29.10% | 28.41% | 27.73% | 27.05% | 26.37% | 25.68% | 25.00% | 25.00% |
| EBIT (Operating income) | $1,753.00 | $1,422.25 | $1,530.18 | $1,720.27 | $2,101.04 | $2,564.67 | $3,013.67 | $3,403.91 | $3,689.60 | $3,831.26 | $3,804.00 | $3,880.08 |
| Tax rate | 27.00% | 27.00% | 27.00% | 27.00% | 27.00% | 27.00% | 28.60% | 30.20% | 31.80% | 33.40% | 35.00% | 35.00% |
| EBIT(1-t) | $1,279.69 | $1,038.25 | $1,117.03 | $1,255.80 | $1,533.76 | $1,872.21 | $2,151.76 | $2,375.93 | $2,516.31 | $2,551.62 | $2,472.60 | $2,522.05 |
| - Reinvestment | $865.00 | $(281.17) | $253.05 | $417.53 | $800.27 | $1,000.34 | $1,020.34 | $951.48 | $781.03 | $511.80 | $165.33 | $723.69 |
| FCFF | $414.69 | $1,319.41 | $863.98 | $838.27 | $733.49 | $871.87 | $1,131.41 | $1,424.44 | $1,735.27 | $2,039.82 | $2,307.27 | $1,798.37 |
| NOL | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |
| Cost of capital | | 7.02% | 7.02% | 7.02% | 7.02% | 7.02% | 6.97% | 6.93% | 6.88% | 6.84% | 6.79% | 6.79% |
| Cumulated discount factor | | 0.9344 | 0.8731 | 0.8158 | 0.7623 | 0.7123 | 0.6659 | 0.6227 | 0.5826 | 0.5454 | 0.5107 | |
| PV(FCFF) | | $ 1,232.86 | $ 754.35 | $ 683.89 | $ 559.15 | $ 621.05 | $ 753.38 | $ 887.05 | $ 1,011.03 | $ 1,112.43 | $ 1,178.28 | |

| | |
|---|---|
| Terminal cash flow | $1,798.37 |
| Terminal cost of capital | $0.07 |
| Terminal value | $37,544.16 |
| PV(Terminal value) | $19,173.08 |
| PV (CF over next 10 years) | $8,793.48 |
| Sum of PV | $27,966.56 |
| Value of operating assets = | $27,966.56 |
| - Debt | $13,216.00 |
| + Cash | $1,760.00 |
| + Non-operating assets | $- |
| Value of equity | $16,510.56 |
| Number of shares | 324.26 |
| Estimated value /share | $50.92 |
| Price | $82.31 |
| Price as % of value | 161.65% |

| Implied variables | Base year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | After Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales to capital ratio | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | |
| Invested capital | $13,196.00 | $12,914.83 | $13,167.88 | $13,585.42 | $14,385.69 | $15,386.02 | $16,406.37 | $17,357.85 | $18,138.88 | $18,650.68 | $18,816.01 | |
| ROIC | 9.70% | 8.04% | 8.48% | 9.24% | 10.66% | 12.17% | 13.12% | 13.69% | 13.87% | 13.68% | 13.14% | 6.97% |

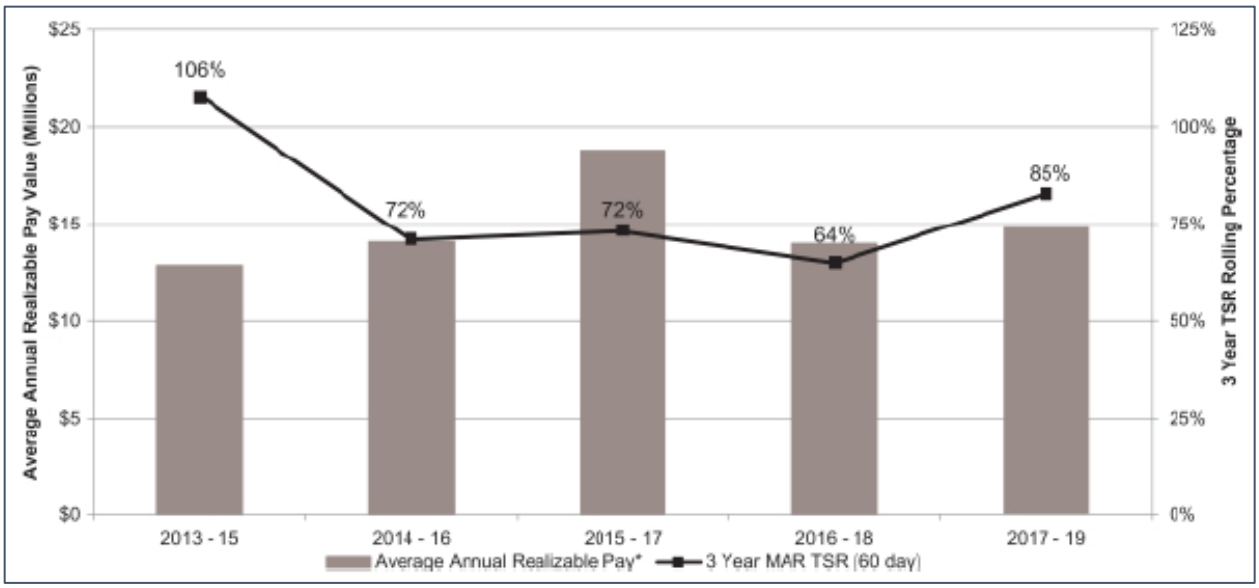
*Exhibit L - DCF Valuation*

# References


- Marriott International, Inc.'s 10-K for Year-End 2019
- Marriott International, Inc.'s 10-Q for the First Quarter of Year-End 2020
- Marriott International, Inc.'s Proxy Statement (DEF14A) for Year-End 2019, Notice of Annual Meeting of Stockholders.
- Marriott Worldwide Directory, Hotels by Region/Country, https://www.marriott.com/hotel-search.mi.
- Marriott International News Center, Marriott International, https://news.marriott.com/.
- Capital IQ, Marriott International, Inc. (MAR).
- Marriott International, Inc. MAR:US Quote, Bloomberg, https://www.bloomberg.com/quote/MAR:US.
- Marriott International, Inc. MAR:US Quote, Yahoo Finance, https://finance.yahoo.com/quote/MAR/analysis?p=MAR.
- Marriott International, Inc. MAR:US Quote, Morningstar, https://www.morningstar.com/stocks/xnas/mar/quote.
- Marriott International, Inc., Stock Summary, TD Ameritrade, https://research.tdameritrade.com/grid/public/research/stocks/summary?symbol=MAR&c_name=grid_VENDOR.
- Data: Current and Data: Archives, Damodaran Online http://www.stern.nyu.edu/~adamodar/New_Home_Page/data.html.
- US Interest Rates, Data Chart Center, US Treasury, https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield.

# Appendix

**Appendix 1 -** Historical alignment between company performance, measured as total stockholder return, and CEO's average annual realizable pay.




**Appendix 2 -** Institutional holder type distribution of shares outstanding.

| Institutional Ownership Details By: Owner Type | | | | | |
|---|---|---|---|---|---|
| Type | Common Stock Equivalent Held | % of Inst. Ownership | % of Total Shares Outstanding | Market Value (USD in mm)[2] | Number Of Holders |
| Traditional Investment Managers | 175,977,781 | 80.83% | 54.27% | 13,960.3 | 673 |
| Hedge Fund Managers (<5% stake) | 12,004,685 | 5.51% | 3.70% | 952.3 | 57 |
| REITs | 9,218,599 | 4.23% | 2.84% | 731.3 | 2 |
| Government Pension Sponsors | 7,788,580 | 3.58% | 2.40% | 617.9 | 29 |
| Banks/Investment Banks | 4,095,544 | 1.88% | 1.26% | 324.9 | 50 |
| Charitable Foundations | 3,701,187 | 1.70% | 1.14% | 293.6 | 3 |
| Educational/Cultural Endowments | 1,705,899 | 0.78% | 0.53% | 135.3 | 3 |
| Corporate Pension Sponsors | 1,665,485 | 0.77% | 0.51% | 132.1 | 5 |
| Family Offices/Trusts | 1,462,945 | 0.67% | 0.45% | 116.1 | 144 |
| Insurance Companies | 49,231 | 0.02% | 0.02% | 3.9 | 4 |
| Sovereign Wealth Funds (<5% stake) | 24,365 | 0.01% | 0.01% | 1.9 | 2 |
| VC/PE Firms (<5% stake) | 8,156 | 0.00% | 0.00% | 0.7 | 2 |
| Unclassified | 2,435 | 0.00% | 0.00% | 0.2 | 2 |
| **Total** | **217,704,892** | **100.00%** | **67.14%** | **17,270.5** | **976** |

## **Appendix 3-** Marriott International, Inc. worldwide directory of hotels and ERP by country.

| | Properties | ERP | Weight |
|---|---|---|---|
| **North America** | **5,756** | **6.1%** | **73.7%** |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| United States | 5,387 | 6.0% | 93.6% |
| Canada | 257 | 6.0% | 4.5% |
| Mexico | 112 | 8.2% | 1.9% |

| | Properties | ERP | Weight |
|---|---|---|---|
| **Middle East & Africa** | **278** | **11.2%** | **3.6%** |

| | Properties | ERP | Weight |
|---|---|---|---|
| Middle East | 132 | 8.1% | 47.5% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Bahrain | 5 | 16.1% | 3.8% |
| Israel | 5 | 7.3% | 3.8% |
| Jordan | 8 | 14.3% | 6.1% |
| Kuwait | 5 | 6.9% | 3.8% |
| Lebanon | 1 | 24.5% | 0.8% |
| Oman | 4 | 11.5% | 3.0% |
| Qatar | 11 | 7.1% | 8.3% |
| Saudi Arabia | 33 | 7.3% | 25.0% |
| United Arab Emirates | 60 | 6.9% | 45.5% |

| | Properties | ERP | Weight |
|---|---|---|---|
| Africa | 146 | 14.0% | 52.5% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Algeria | 11 | 17.9% | 7.5% |
| Egypt | 19 | 16.1% | 13.0% |
| Ethiopia | 2 | 14.3% | 1.4% |
| Ghana | 2 | 17.9% | 1.4% |
| Kenya | 5 | 16.1% | 3.4% |
| Morocco | 6 | 10.6% | 4.1% |
| Namibia | 5 | 11.5% | 3.4% |
| Nigeria | 7 | 16.1% | 4.8% |
| South Africa | 63 | 10.6% | 43.2% |
| Uganda | 4 | 16.1% | 2.7% |
| Tanzania | 6 | 14.3% | 4.1% |
| Zambia | 8 | 24.5% | 5.5% |
| Seychelles | 2 | 24.5% | 1.4% |
| Botswana | 1 | 7.6% | 0.7% |
| Djibouti | 1 | 24.5% | 0.7% |
| Guinea | 1 | 24.3% | 0.7% |
| Malawi | 1 | 17.9% | 0.7% |
| Rwanda | 1 | 16.1% | 0.7% |
| Tunisia | 1 | 16.1% | 0.7% |

| | Properties | ERP | Weight |
|---|---|---|---|
| **Europe** | **717** | **8.5%** | **9.2%** |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Austria | 19 | 6.7% | 2.6% |
| France | 54 | 6.9% | 7.5% |
| Germany | 96 | 6.0% | 13.4% |
| Greece | 23 | 14.3% | 3.2% |
| Italy | 64 | 10.0% | 8.9% |
| Netherlands | 20 | 6.0% | 2.8% |
| Poland | 19 | 7.6% | 2.6% |
| Russia | 30 | 10.0% | 4.2% |
| Spain | 100 | 8.9% | 13.9% |
| Switzerland | 24 | 6.0% | 3.3% |
| Turkey | 34 | 14.3% | 4.7% |
| United Kingdom | 114 | 6.9% | 15.9% |
| Portugal | 17 | 10.0% | 2.4% |
| Belgium | 11 | 7.1% | 1.5% |
| Georgia | 9 | 11.5% | 1.3% |
| Sweden | 9 | 6.0% | 1.3% |
| Czech Republic | 7 | 7.1% | 1.0% |
| Hungary | 7 | 10.0% | 1.0% |
| Ireland | 7 | 7.6% | 1.0% |
| Croatia | 5 | 11.5% | 0.7% |
| Bosnia and Herzegovina | 4 | 17.9% | 0.6% |
| Denmark | 4 | 6.0% | 0.6% |
| Finland | 4 | 6.7% | 0.6% |
| Iceland | 4 | 7.6% | 0.6% |
| Romania | 4 | 10.0% | 0.6% |
| Armenia | 3 | 12.6% | 0.4% |
| Lithuania | 3 | 8.2% | 0.4% |
| Serbia | 3 | 12.6% | 0.4% |
| Belarus | 2 | 17.9% | 0.3% |
| Bulgaria | 2 | 9.5% | 0.3% |
| Cyprus | 2 | 11.5% | 0.3% |
| Malta | 2 | 7.6% | 0.3% |
| Slovakia | 2 | 7.6% | 0.3% |
| Ukraine | 2 | 19.7% | 0.3% |
| Estonia | 1 | 7.3% | 0.1% |
| Latvia | 1 | 8.2% | 0.1% |
| Macedonia | 1 | 12.6% | 0.1% |
| Monaco | 1 | 6.9% | 0.1% |
| Montenegro | 1 | 14.3% | 0.1% |
| Norway | 1 | 6.0% | 0.1% |
| Slovenia | 1 | 8.9% | 0.1% |

| | Properties | ERP | Weight |
|---|---|---|---|
| **Asia Pacific** | **880** | **8.3%** | **11.3%** |

| | Properties | ERP | Weight |
|---|---|---|---|
| Asia | 839 | 8.3% | 95.3% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Azerbaijan | 6 | 11.5% | 0.7% |
| India | 125 | 9.5% | 14.9% |
| Indonesia | 61 | 9.5% | 7.3% |
| Japan | 61 | 7.3% | 7.3% |
| Kazakhstan | 8 | 10.0% | 1.0% |
| China | 407 | 7.3% | 48.5% |
| Malaysia | 35 | 8.2% | 4.2% |
| Philippines | 7 | 9.5% | 0.8% |
| Singapore | 12 | 6.0% | 1.4% |
| South Korea | 30 | 6.9% | 3.6% |
| Thailand | 50 | 8.9% | 6.0% |
| Vietnam | 10 | 12.6% | 1.2% |
| Maldives | 6 | 16.1% | 0.7% |
| Bangladesh | 5 | 12.6% | 0.6% |
| Cambodia | 3 | 16.1% | 0.4% |
| Nepal | 3 | 17.9% | 0.4% |
| Pakistan | 3 | 17.9% | 0.4% |
| Sri Lanka | 3 | 16.1% | 0.4% |
| Bhutan | 2 | 17.9% | 0.2% |
| Kyrgyzstan | 1 | 16.1% | 0.1% |
| Myanmar | 1 | 17.9% | 0.1% |

| | Properties | ERP | Weight |
|---|---|---|---|
| Australia & Pacific Islands | 41 | 8.3% | 4.7% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Australia | 26 | 6.0% | 63.4% |
| Fiji | 5 | 12.6% | 12.2% |
| French Polynesia | 2 | 12.6% | 4.9% |
| Guam | 2 | 12.6% | 4.9% |
| New Caledonia | 3 | 12.6% | 7.3% |
| New Zealand | 1 | 6.0% | 2.4% |
| Samoa | 2 | 12.6% | 4.9% |

| | Properties | ERP | Weight |
|---|---|---|---|
| **Caribbean & Latin America** | **182** | **13.7%** | **2.3%** |

| | Properties | ERP | Weight |
|---|---|---|---|
| Caribbean | 62 | 15.0% | 34.1% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Aruba | 6 | 8.9% | 9.7% |
| Bahamas | 5 | 10.0% | 8.1% |
| Barbados | 8 | 19.7% | 12.9% |
| Bonaire | 1 | 22.5% | 1.6% |
| Cayman Islands | 3 | 7.1% | 4.8% |
| Cuba | 1 | 22.5% | 1.6% |
| Curacao | 2 | 8.9% | 3.2% |
| Dominican Republic | 7 | 12.6% | 11.3% |
| Jamaica | 2 | 16.1% | 3.2% |
| Puerto Rico | 15 | 12.6% | 24.2% |
| Saint Kitts and Nevis | 2 | 19.7% | 3.2% |
| US Virgin Islands | 6 | 26.1% | 9.7% |
| Grenada | 1 | 19.7% | 1.6% |
| Haiti | 1 | 22.5% | 1.6% |
| Trinidad and Tobago | 1 | 10.6% | 1.6% |
| British Virgin Islands | 1 | 26.1% | 1.6% |

| | Properties | ERP | Weight |
|---|---|---|---|
| Central America | 38 | 12.6% | 20.9% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Belize | 1 | 17.9% | 2.6% |
| Costa Rica | 13 | 16.1% | 34.2% |
| El Salvador | 3 | 17.9% | 7.9% |
| Guatemala | 3 | 10.6% | 7.9% |
| Honduras | 1 | 14.3% | 2.6% |
| Panama | 17 | 8.9% | 44.7% |

| | Properties | ERP | Weight |
|---|---|---|---|
| South America | 82 | 13.3% | 45.1% |

| Country | Properties | ERP | Weight |
|---|---|---|---|
| Argentina | 11 | 24.5% | 13.4% |
| Bolivia | 1 | 14.3% | 1.2% |
| Brazil | 14 | 11.5% | 17.1% |
| Chile | 10 | 7.3% | 12.2% |
| Colombia | 18 | 9.5% | 22.0% |
| Ecuador | 5 | 24.3% | 6.1% |
| Guyana | 1 | 17.9% | 1.2% |
| Paraguay | 2 | 10.6% | 2.4% |
| Peru | 12 | 8.2% | 14.6% |
| Suriname | 1 | 16.1% | 1.2% |
| Uruguay | 3 | 9.5% | 3.7% |
| Venezuela | 4 | 24.5% | 4.9% |

## Appendix 4 - Historical Return on Invested Capital

| Return on Invested Capital | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Stated Operating Income = | $1,350 | $1,810 | $2,663 | $2,521 | $2,070 | $1,753 |
| + Adjustment for leases | $203 | $217 | - | - | $298 | - |
| + Adjustment for R&D | - | - | - | - | - | - |
| Adjusted Operating Income | $1,553 | $2,027 | $2,663 | $2,521 | $2,368 | $1,753 |
| Tax rate used | 40.0% | 40.0% | 40.0% | 27.0% | 27.0% | 27.0% |
| After-tax Operating Income | $932 | $1,216 | $1,598 | $1,840 | $1,729 | $1,280 |
| + Tax adjustment for R&D | - | - | - | - | - | - |
| **After-tax Operating Income** | **$932** | **$1,216** | **$1,598** | **$1,840** | **$1,729** | **$1,280** |
| | | | | | | |
| Book value of interest bearing debt | $4,107 | $8,506 | $8,238 | $9,347 | $11,952 | $13,216 |
| Book value of equity | $(2,200) | $(3,590) | $5,357 | $3,582 | $2,225 | $(20) |
| + Minority Interests | - | - | - | - | - | - |
| - Goodwill | $943 | $7,598 | $9,207 | $9,039 | $9,048 | $8,901 |
| - Cash | $96 | $858 | $383 | $316 | $225 | $1,760 |
| **Invested Capital** | **$868** | **$(3,540)** | **$4,005** | **$3,574** | **$4,904** | **$2,535** |
| + Capitlaized leases | $1,624 | $1,736 | - | - | $2,384 | - |
| + Capitalized R&D | - | - | - | - | - | - |
| + Goodwill add back | $943 | $7,598 | $9,207 | $9,039 | $9,048 | $8,901 |
| + Cash add back | $96 | $858 | $383 | $316 | $225 | $1,760 |
| **Adjusted Invested Capital** | **$3,531** | **$6,652** | **$13,595** | **$12,929** | **$16,561** | **$13,196** |
| | | | | | | |
| **Return on Invested capital** | **107.4%** | **-34.4%** | **39.9%** | **51.5%** | **35.2%** | **50.5%** |
| **Adjusted Return on Invested Capital** | **26.4%** | **18.3%** | **11.8%** | **14.2%** | **10.4%** | **9.7%** |

## Appendix 5 - Historical Return on Equity

| Return on Equity | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Stated Net Income | $859 | $808 | $1,459 | $1,907 | $1,273 | $929 |
| + Adjustment for R&D | - | - | - | - | - | - |
| Adjusted Net Income | $859 | $808 | $1,459 | $1,907 | $1,273 | $929 |
| + Tax adjustment for R&D | - | - | - | - | - | - |
| **Net Income** | **$859** | **$808** | **$1,459** | **$1,907** | **$1,273** | **$929** |
| | | | | | | |
| Book Value of Equity | $(2,200) | $(3,590) | $5,357 | $3,582 | $2,225 | $(20) |
| - Goodwill | $943 | $7,598 | $9,207 | $9,039 | $9,048 | $8,901 |
| **Book Value of Invested Equity** | **$(3,143)** | **$(11,188)** | **$(3,850)** | **$(5,457)** | **$(6,823)** | **$(8,921)** |
| + Capitalized R&D | - | - | - | - | - | - |
| + Goodwill add back | $943 | $7,598 | $9,207 | $9,039 | $9,048 | $8,901 |
| **Adjusted Book value of Equity** | **$(2,200)** | **$(3,590)** | **$5,357** | **$3,582** | **$2,225** | **$(20)** |
| | | | | | | |
| **Return on Equity** | **-27.3%** | **-7.2%** | **-37.9%** | **-34.9%** | **-18.7%** | **-10.4%** |
| **Adjusted Return on Equity** | **-39.0%** | **-22.5%** | **27.2%** | **53.2%** | **57.2%** | **-4,645.0%** |

## Appendix 6 - Historical Non-Cash Return on Equity

| Non-Cash Return on Equity | 2015 | 2016 | 2017 | 2018 | 2019 | LTM Mar 31 2020 |
|---|---|---|---|---|---|---|
| Stated Net Income | $859 | $808 | $1,459 | $1,907 | $1,273 | $929 |
| - Interest income from cash (after-tax) | $29 | $35 | $38 | $22 | $26 | $26 |
| Non-cash Net Income | $830 | $773 | $1,421 | $1,885 | $1,247 | $903 |
| + Adjustment for R&D | - | - | - | - | - | - |
| + Tax adjustment for R&D | - | - | - | - | - | - |
| Adjusted Net Income | $830 | $773 | $1,421 | $1,885 | $1,247 | $903 |
| | | | | | | |
| Book Value of Equity | $(2,200) | $(3,590) | $5,357 | $3,582 | $2,225 | $(20) |
| - Goodwill | $943 | $7,598 | $9,207 | $9,039 | $9,048 | $8,901 |
| - Cash | $96 | $858 | $383 | $316 | $225 | $1,760 |
| Adjusted Book Value of Equity | $(3,239) | $(12,046) | $(4,233) | $(5,773) | $(7,048) | $(10,681) |
| + Capitalized R&D | - | - | - | - | - | - |
| + Goodwill add back | $943 | $7,598 | $9,207 | $9,039 | $9,048 | $8,901 |
| + Cash add back | $96 | $858 | $383 | $316 | $225 | $1,760 |
| Adjusted Book Value of Equity | $(2,200) | $(3,590) | $5,357 | $3,582 | $2,225 | $(20) |
| **Non-cash ROE** | **-25.6%** | **-6.4%** | **-33.6%** | **-32.7%** | **-17.7%** | **-8.5%** |
| **Adjusted non-cash ROE** | **-37.7%** | **-21.5%** | **26.5%** | **52.6%** | **56.0%** | **-4,515.0%** |

## Appendix 7 - Public Debt Outstanding & Operating Leases

| Security Type | Face Value (mm) | Coupon | Maturity | Yearly Pmts | Market Value |
|---|---|---|---|---|---|
| Corporate Debentures | 350.00 | 3.375% | 2020 | 2 | 350.53 |
| Corporate Debentures | 550.00 | 2.180% | 2020 | 4 | 549.63 |
| Corporate Debentures | 1.00 | 0.000% | 2020 | 0 | 0.97 |
| Corporate Debentures | 450.00 | 2.875% | 2021 | 2 | 451.04 |
| Corporate Debentures | 300.00 | 1.651% | 2021 | 4 | 297.08 |
| Corporate Debentures | 400.00 | 3.125% | 2021 | 2 | 401.90 |
| Corporate Debentures | 750.00 | 2.300% | 2022 | 2 | 745.06 |
| Corporate Debentures | 350.00 | 3.250% | 2022 | 2 | 354.13 |
| Corporate Debentures | 550.00 | 2.125% | 2022 | 2 | 544.52 |
| Corporate Debentures | 35.36 | 3.125% | 2023 | 2 | 35.85 |
| Corporate Debentures | 290.97 | 3.125% | 2023 | 2 | 295.01 |
| Corporate Debentures | 350.00 | 4.150% | 2023 | 2 | 365.15 |
| Corporate Debentures | 550.00 | 3.600% | 2024 | 2 | 569.92 |
| Corporate Debentures | 32.16 | 3.750% | 2025 | 2 | 33.82 |
| Corporate Debentures | 317.83 | 3.750% | 2025 | 2 | 334.25 |
| Corporate Debentures | 1,600.00 | 5.750% | 2025 | 2 | 1,831.65 |
| Corporate Debentures | 350.00 | 3.750% | 2025 | 2 | 368.09 |
| Corporate Debentures | 750.00 | 3.125% | 2026 | 2 | 770.06 |
| Corporate Debentures | 450.00 | 4.000% | 2028 | 2 | 493.88 |
| Corporate Debentures | 300.00 | 4.650% | 2028 | 2 | 343.23 |
| Corporate Debentures | 22.39 | 4.500% | 2034 | 2 | 27.24 |
| Corporate Debentures | 277.61 | 4.500% | 2034 | 2 | 337.72 |

| LTM Lease Expense | 298 |
|---|---|

| Maturity | Face Value (mm) | Commitment | MV |
|---|---|---|---|
| 1 | 173 | 173 | 169 |
| 2 | 171 | 171 | 162 |
| 3 | 165 | 165 | 153 |
| 4 | 115 | 115 | 104 |
| 5 | 107 | 107 | 94 |
| 5+ | 579 | 146 | 477 |
| Total | 1,310 | | 1,158 |