

TRAVEL AND HOSPITALITY

Marriott ends turbulent year with serious loss

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Exterior shot of The St. Regis Cairo in Egypt. Image courtesy of Marriott Luxury

By LUXURY DAILY NEWS SERVICE

Hospitality group Marriott International, Inc. has shared its fourth quarter 2020 results, marking a close to its most challenging year in company history.

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The hospitality company reported a Q4 net loss total of \$164 million, with an adjusted net income totaling \$39 million, compared to Q4 2019 adjusted net income of \$498 million. The company's net rooms grew 3.1 percent from year-end 2019, as it added nearly 63,000 rooms globally during 2020.

"With the global pandemic, 2020 was the most challenging year in our 93-year history," said Stephanie Linnartz, group president of consumers operations, technology and emerging businesses at Marriott International, in a statement. "In April, we experienced the sharpest worldwide RevPAR1 decline on record, down 90 percent year over year with just 12 percent occupancy.

"While no one can know how long this pandemic will last, we are seeing some small, early signs that the acceleration of vaccine rollouts around the world will help drive a significant rebound in travel and lodging demand."

Financial review

The company's fourth quarter 2020 comparable systemwide constant dollar revenue per available room (RevPAR) declined 64.1 percent worldwide, 64.6 percent in the U.S. and Canada and 62.7 percent in international markets, compared to the 2019 fourth quarter.



Marriott CEO Arne Sorenson passed away at the age of 62. Image credit: Marriott International

Marriott's worldwide development pipeline totaled nearly 2,900 properties and more than 498,000 rooms, including roughly 20,000 rooms approved, but not yet subject to signed contracts. More than 229,000 rooms in the pipeline were under construction as of the end of 2020.

At year-end 2020, Marriott's net debt was \$9.5 billion, representing total debt of \$10.4 billion less cash and cash equivalents of \$0.9 billion. At year-end 2019, the company's net debt was \$10.7 billion, representing total debt of \$10.9 billion less cash and cash equivalents of \$0.2 billion.

The company's net liquidity was approximately \$4.4 billion at year end, representing roughly \$0.8 billion in available cash balances and \$3.6 billion of unused borrowing capacity under its revolving credit facility. During the fourth quarter, the company reduced its debt by more than \$600 million.

In February 2020, Marriott halted share repurchases and suspended its quarterly dividend beginning in the second quarter of 2020.

Earlier this week, Marriott International president and CEO Arne M. Sorenson passed away after a battle with pancreatic cancer. In 2012, Mr. Sorenson became Marriott's third CEO in history and was the first individual, outside of the founding family, to rise to the role.

During his tenure at Marriott, he led a multibillion-dollar acquisition of Starwood Hotels & Resorts and spoke out publicly about a range of social issues ([see story](#)).

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