

MARRIOTT  
VACATIONS  
WORLDWIDE<sup>SM</sup>

# Investor Presentation

February 22, 2024



# Forward-Looking Statements

This presentation and accompanying schedules contain “forward-looking statements” within the meaning of federal securities laws, including statements about expectations for future growth and projections for full year 2024. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could” or the negative of these terms or similar expressions. We caution you that these statements are not guarantees of future performance and are subject to numerous and evolving risks and uncertainties that we may not be able to predict or assess, such as: a future health crisis and responses to a health crisis, including possible quarantines or other government imposed travel or health-related restrictions and the effects of a health crisis, including the short and longer-term impact on consumer confidence and demand for travel, and the pace of recovery following a health crisis; variations in demand for vacation ownership and exchange products and services; worker absenteeism; price inflation; difficulties associated with implementing new or maintaining existing technology; changes in privacy laws; the impact of a future banking crisis; impacts from natural or man-made disasters and wildfires, including the Maui wildfires; global supply chain disruptions; volatility in the international and national economy and credit markets, including as a result of the ongoing conflicts between Russia and Ukraine, Israel and Gaza, and other conflicts elsewhere in the world and related sanctions and other measures; our ability to attract and retain our global workforce; competitive conditions; the availability of capital to finance growth; the impact of changes in interest rates; the effects of steps we have taken and may continue to take to reduce operating costs; political or social strife; and other matters referred to under the heading “Risk Factors” in our most recent Annual Report on Form 10-K, and which may be updated in our periodic filings with the U.S. Securities and Exchange Commission. All forward-looking statements in this presentation are made as of the date of this presentation and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. There may be other risks and uncertainties that we cannot predict at this time or that we currently do not expect will have a material adverse effect on our financial position, results of operations or cash flows. Any such risks could cause our results to differ materially from those we express in forward-looking statements.

**Non-GAAP Financial Measures.** In this presentation we report certain financial measures that are not prescribed by United States generally accepted accounting principles (“GAAP”). We discuss our reasons for reporting these non-GAAP financial measures herein, and reconcile the most directly comparable GAAP financial measure to each non-GAAP financial measure that we report (in the appendix). Non-GAAP financial measures are identified in the footnotes in the pages that follow and are further explained in the appendix. Although we evaluate and present these non-GAAP financial measures for the reasons described in the appendix, please be aware that these non-GAAP financial measures have limitations and should not be considered in isolation or as a substitute for revenues, net income or loss attributable to common stockholders, earnings or loss per share or any other comparable operating measure prescribed by GAAP. In addition, other companies in our industry may calculate these non-GAAP financial measures differently than we do or may not calculate them at all, limiting their usefulness as comparative measures.

**Brands.** We refer to brands that we own, as well as those brands that we license, as our brands. All brand names, trademarks, trade names, and service marks names cited in this presentation are the property of their respective owners, including those of other companies and organizations. Solely for convenience, trademarks, trade names, and service marks referred to in this presentation may appear without the ® or TM symbols, however such references are not intended to indicate in any way that MVW or the owner, as applicable, will not assert, to the fullest extent under applicable law, all rights to such trademarks, trade names, and service marks.





# Driving Sustained Long-Term Growth

**Unique and resilient business model**

**Consistent and sustainable growth**

# Leading Provider of Vacation Experiences

## Vacation Ownership – 87% of Adjusted EBITDA Contribution\*

- Sales of vacation ownership products & financing
- Management & rentals

**7**

Iconic Brands



**~120**

Resorts



**~700,000**

Owner Families



**Leader in**

Upper Upscale Resorts



## Exchange and Third-Party Management – 13% of Adjusted EBITDA Contribution\*

- Exchange
- Third-party management

**~1.6M**

Interval International  
Members



**>3,200**

Exchange Resorts



**Premier**

Exchange Company



**>90**

Countries and Territories



All values as of 12/31/2023 and Adjusted EBITDA contribution based on full year 2023 results.

\*Adjusted EBITDA contribution and Adjusted EBITDA are non-GAAP measures. For definitions and reconciliation, please see appendix.



# Evolving and Resilient Business Model

	Pre-2011		Today		Outcome
<b>Brand Expansion</b>	3 brands	➔	7 brands	==	Now selling Marriott- and Hyatt-branded products
<b>Product</b>	Timeshare + residence + fractional ownership	➔	Timeshare + exchange	==	Diverse cash flow
<b>Development Model</b>	Deeded weeks-based	➔	Primarily points-based	==	Capital efficient
<b>Sales Centers</b>	Site-specific	➔	“Sell the system”	==	Perpetual sales centers across system and more efficient marketing channels
<b>Capital Structure</b>	Capital intensive weeks-based product	➔	Capital efficient development model	==	High margins and free cash flow

# Large and Attractive Addressable Market and Customer Base

## Vacation Ownership

~48M



Households – addressable market in U.S. alone<sup>1</sup>

735



FICO score

~\$125K



Median annual income

\$1.5M



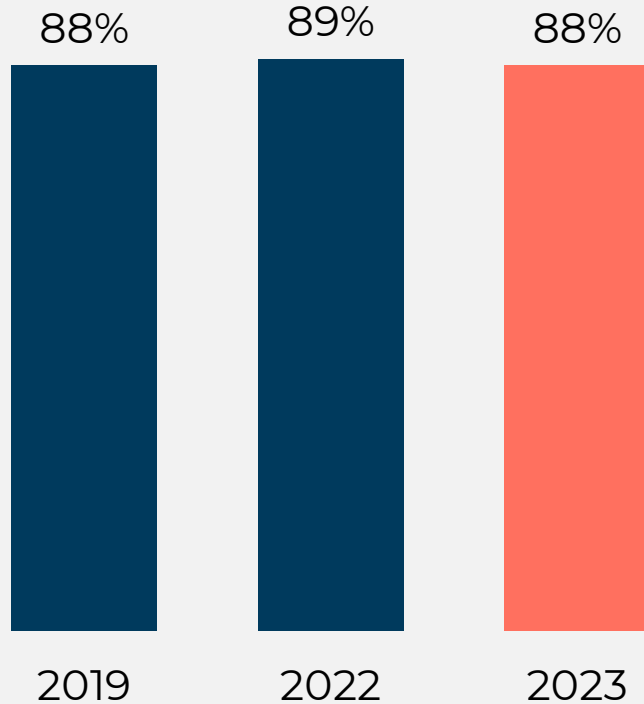
Median net worth



1. Based on 2022 data from the American Community Survey. FICO score based on buyers in full year 2023. Annual income and net worth based on all owners as of 12/31/2022.

# On-Site Guests Drive Vacation Ownership Sales

Pre-paid Vacations Drive  
**High Resort Occupancy**



Most Vacation Ownership  
**Sales** Come from  
**On-Property Guests**<sup>1</sup>



1. Sales from resort guests based on full year 2023 contract sales.

# High-Margin Exchange and Third-Party Management Business with Low Capital Intensity

~40% of Members are MVW Vacation Ownership Owners



**\$130M**

Segment  
Adjusted EBITDA\*



**1%**

Capital Expenditure  
as % of Revenue (excluding  
Cost Reimbursements)



**52%**

Segment  
Adjusted EBITDA Margin\*

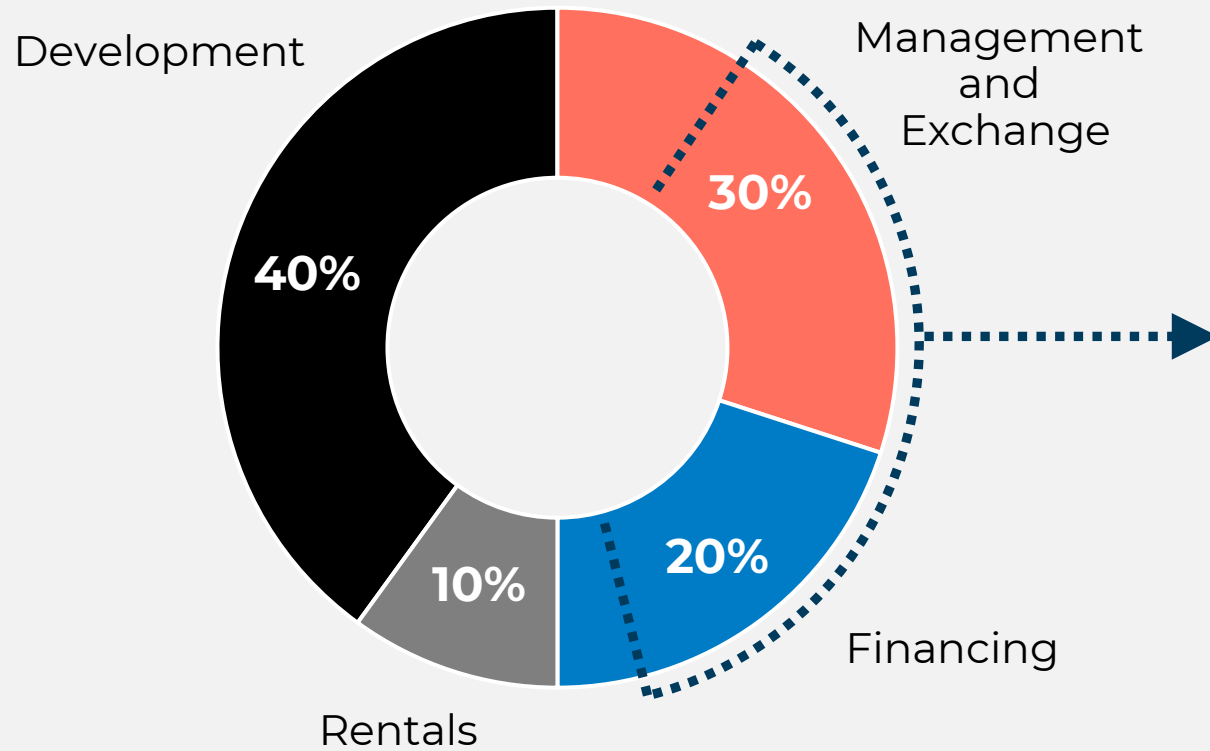
All numbers based on full year 2023 results.

\*Segment Adjusted EBITDA and Segment Adjusted EBITDA margin are non-GAAP measures. Please see appendix for definitions and reconciliations.



# Substantial Adjusted EBITDA from Recurring Sources

## Adjusted EBITDA Contribution\*



**~35%**  
of Adjusted EBITDA  
contribution from  
recurring sources



All numbers are approximate.

\*Adjusted EBITDA Contribution is based on full year 2023 results and is a non-GAAP measure. For definition and reconciliation, please see appendix.

# Well Positioned To Grow

- 1 100% leisure focused**
- Flexible and resilient to changing work trends

- 2 Spacious upper upscale resorts**
- Product well aligned with current vacation style

- 3 Strong value proposition**
- Versus lodging average rates

- 4 High margin/cash flow business**
- Efficient capital and cost controls provide substantial free cash flow



# Strong Liquidity Position

As of December 31, 2023

**Available cash on hand**

**\$248M**

**Gross notes available for securitization<sup>1</sup>**

**\$60M**

**Additional borrowing capacity under revolving credit facility**

**\$621M**

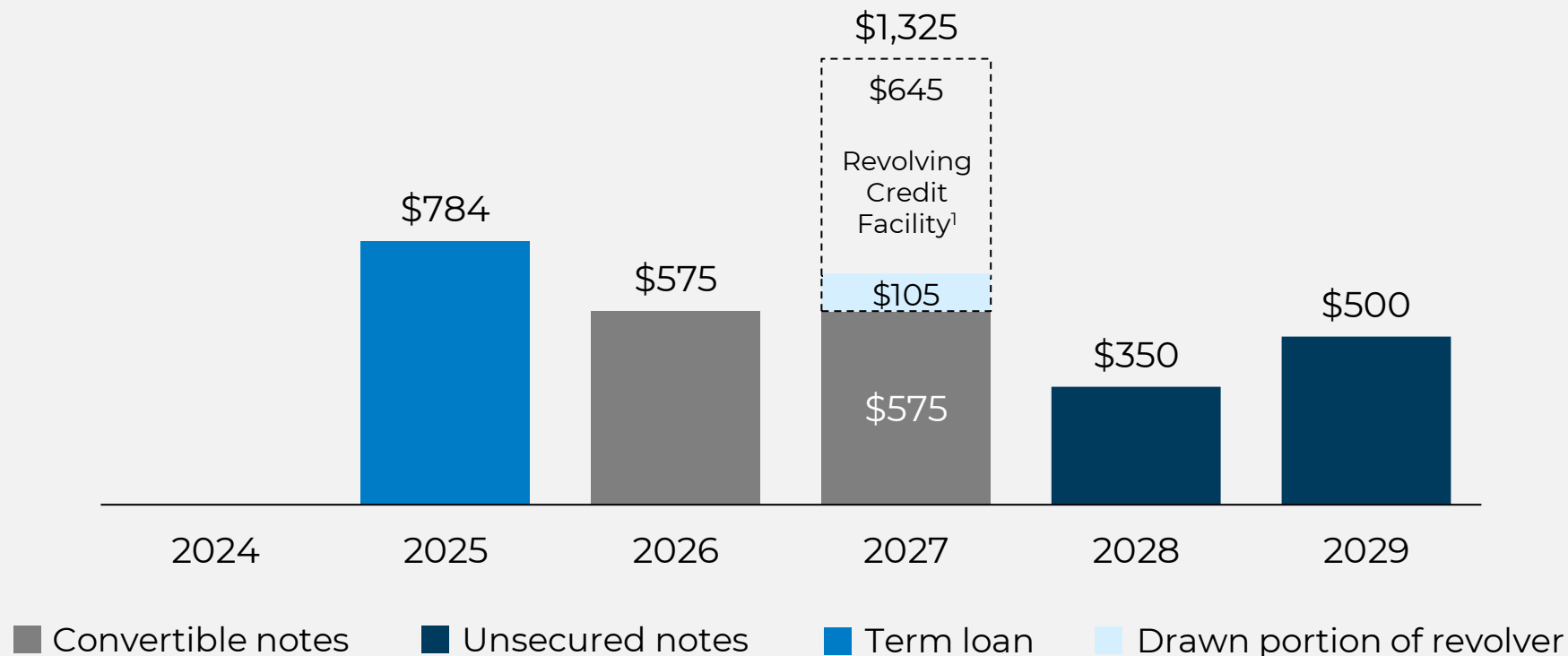
**~\$930 Million of Liquidity**

1. Represents gross notes receivable eligible for securitization that are not in the warehouse credit facility.



# Conservative Balance Sheet with Interest Rates Primarily Fixed

## Corporate Debt Maturity Schedule (\$M)



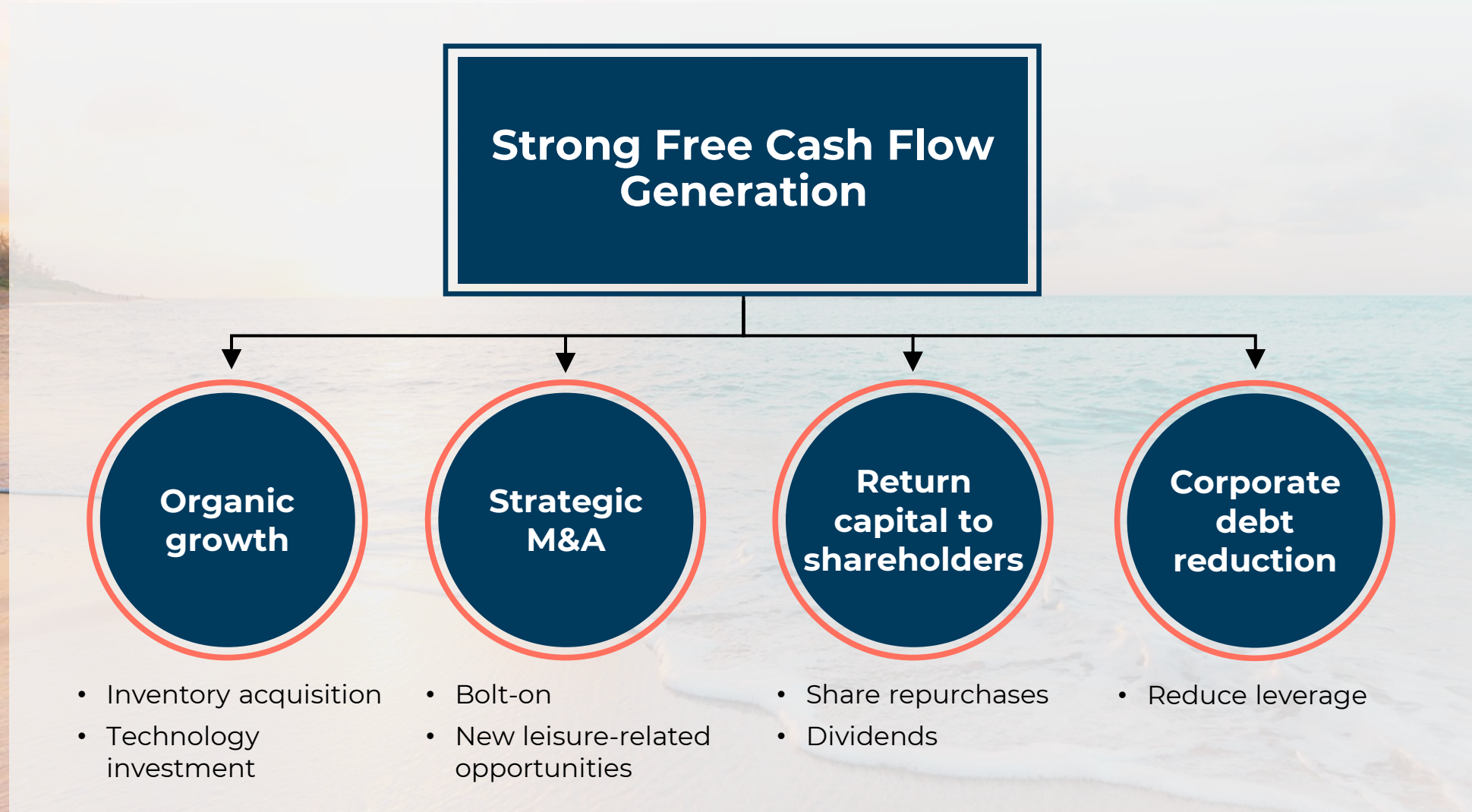
2023  
Ending  
Leverage of  
**3.7x**



All numbers as of 12/31/2023 and exclude non-recourse securitized debt. Corporate debt maturity schedule excludes finance leases and non-interest-bearing note for Bali. Net leverage calculated using gross corporate debt minus cash, divided by last twelve months Adjusted EBITDA.

1. Excludes \$24 million of outstanding letters of credit.

# Disciplined Capital Allocation Model







# Driving Sustained Long-Term Growth

Unique and resilient business model

Consistent and sustainable growth



# Three-Point Growth Strategy

1  
Drive growth through continued transformation of our products



2  
Leverage technology to expand our businesses and new product offerings



3  
Disciplined use of free cash flow





# Driving Vacation Ownership Growth

1



Leveraging our Brands to Drive Growth

2



Technology-Driven Sales and Marketing Growth

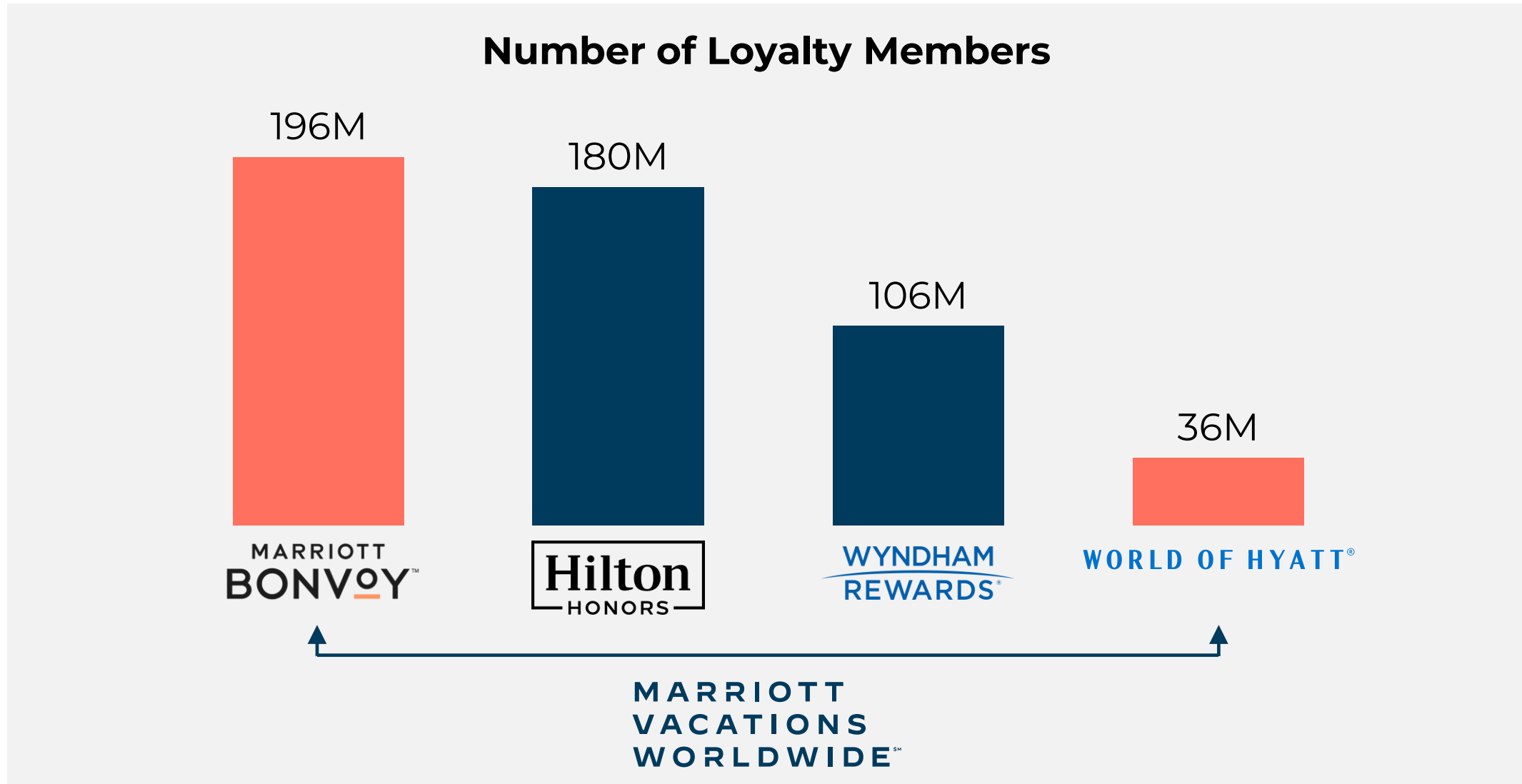
3



High Owner Engagement with Customer-Driven Product Strategies

# Vacation Ownership Growth Strategy #1





## Leveraging Strong License Relationships





# Vacation Ownership Growth Strategy #1

## Global Footprint in Premium Locations

	 MARRIOTT VACATION CLUB	 WESTIN <sup>®</sup> VACATION CLUB	 SHERATON VACATION CLUB	 HYATT VACATION CLUB
Scottsdale, AZ	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Orlando, FL	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Maui, HI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Oahu, HI	<input checked="" type="checkbox"/>			
Big Island, HI	<input checked="" type="checkbox"/>			
Kauai, HI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Las Vegas, NV	<input checked="" type="checkbox"/>			
New York, NY	<input checked="" type="checkbox"/>			
Aruba	<input checked="" type="checkbox"/>			
Cancun, Mexico		<input checked="" type="checkbox"/>		
Los Cabos, Mexico		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Asia Pacific	<input checked="" type="checkbox"/>			

# Transforming Hyatt Vacation Ownership Business

1



Implement best practices

2



Product enhancements

3



Capitalize on development opportunities

4



Optimize marketing channels

# Unified Products and Enhancing Digital Capabilities

1

Unified product drives growth



2

Transform marketing, sales, and service with technology



Enhance internet-based marketing campaigns



Invest in AI and data science to improve targeting



Expand virtual sales presentations

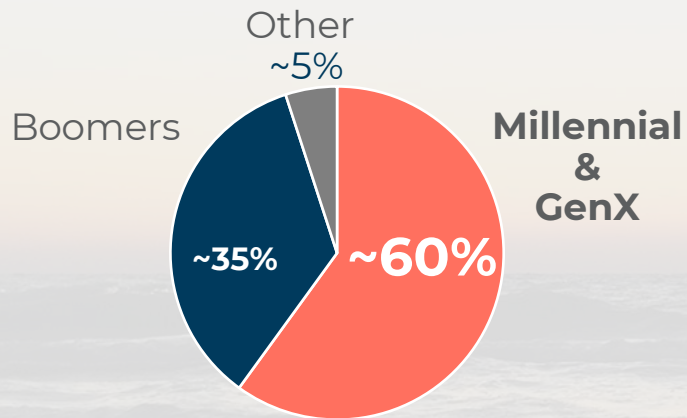


Leverage Salesforce for more efficient marketing programs



# Vacation Ownership Growth Strategy #3 Focusing on First-Time Buyer Growth

## Increasing Sales to Younger Generations<sup>1</sup>



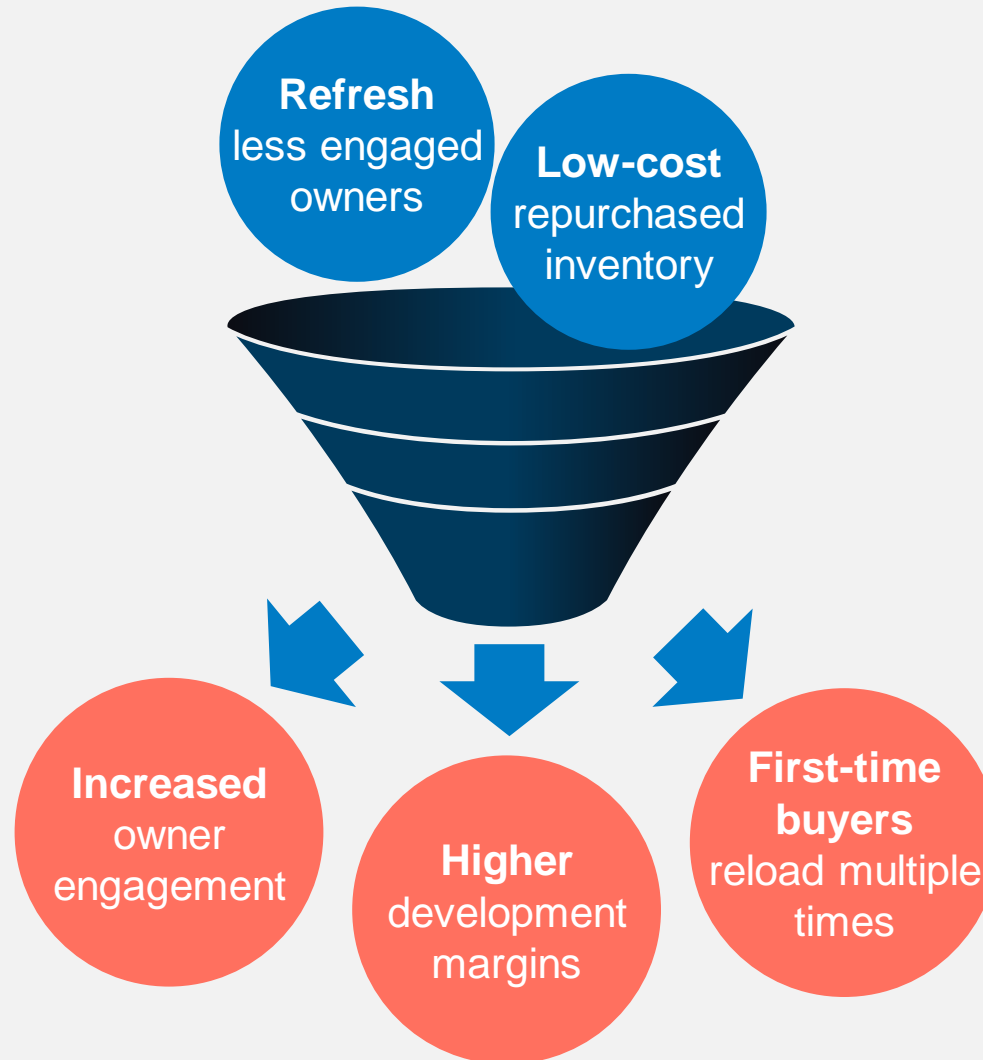
## Growing New Owners<sup>2</sup>



**~160K**  
First-time buyers  
added since  
2016

1. Based on full year 2023 contract sales. First-time buyers only.  
2. 2016 – 2023.

# Repurchases Refresh Owner Base to Improve Margins and Satisfaction



Points owners are

**2.5x**

as likely to tour and

**2x**

as likely to buy<sup>1</sup>

1. Represents North America Marriott Vacation Club owners who stayed on-site.

# Exchange & Third-Party Management Business Growth Strategies

1



Increase share of wallet with enhanced product offerings

2



Expand distribution channels

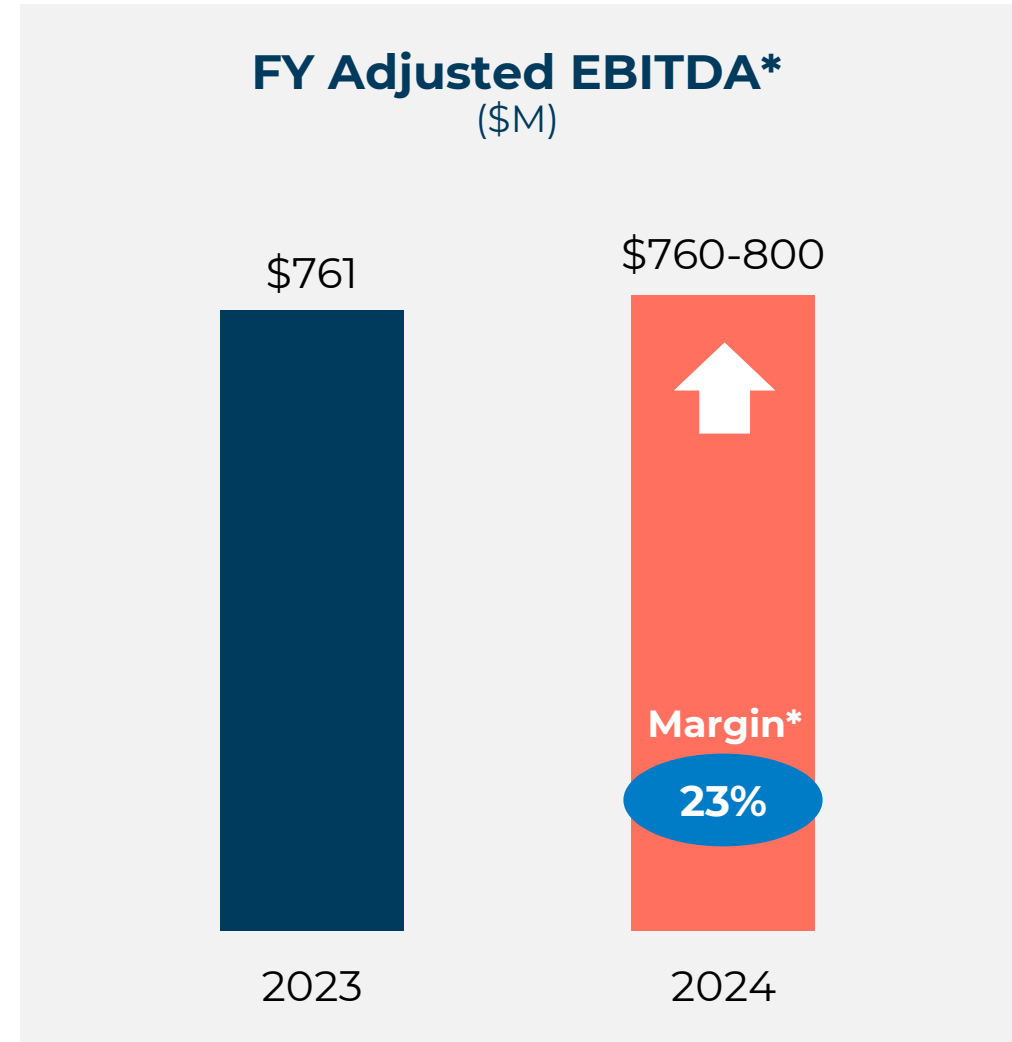
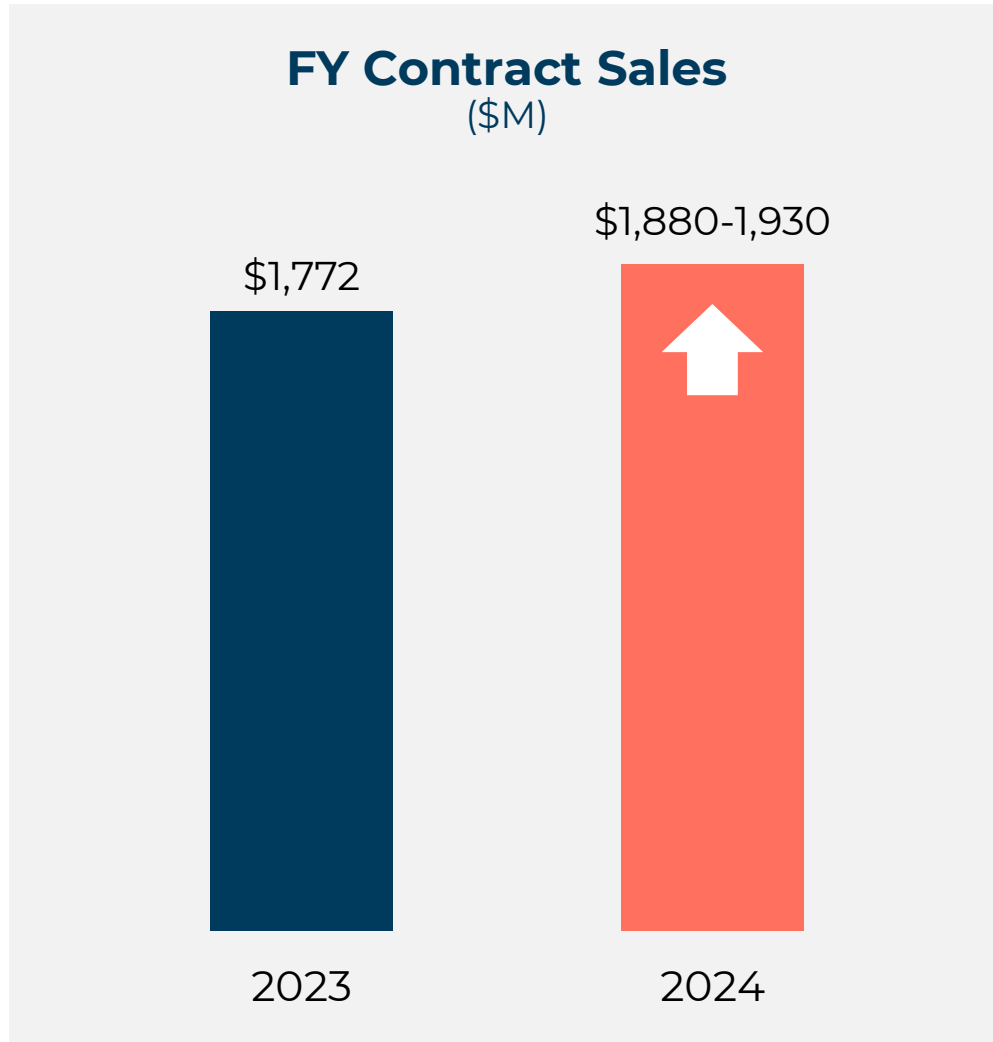
3



Grow affiliations and management contracts



# Growing Contract Sales and Adjusted EBITDA



CAGRs and Adjusted EBITDA margin calculated using the 2024 midpoint of guidance.  
\*Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. For definitions and reconciliation, please see appendix.

# Expect to Generate Substantial Adjusted Free Cash Flow in 2024

(\$M)	Low	High
<b>Adjusted EBITDA*</b>	<b>\$760</b>	<b>\$800</b>
<b>Cash interest</b>	(145)	(140)
<b>Cash taxes</b>	(155)	(165)
<b>Corporate capital expenditures</b>	(65)	(85)
<b>Inventory</b>	5	15
<b>Financing activity and other</b>	-	25
<b>Adjusted Free Cash Flow*</b>	<b>\$400</b>	<b>\$450</b>

\*Adjusted EBITDA and Adjusted Free Cash Flow are non-GAAP measures. For definitions and reconciliation, please see appendix.

# Resilient, Well-Positioned Business Executing on Proven Strategy

- ▶ Proven resilient business model
- ▶ Well-positioned products with iconic brands
- ▶ Expansion through organic growth, acquisitions, and new product lines
- ▶ Enhancing value and efficiency with technology
- ▶ High-margin businesses yielding substantial adjusted free cash flow

IN SUMMARY



# Appendix



# Non-GAAP Financial Measures

In our presentation we report certain financial measures that are not prescribed by GAAP. We discuss our reasons for reporting these non-GAAP financial measures below and we have made footnote references to them on the preceding pages. The financial schedules included herein reconcile the most directly comparable GAAP financial measure to each non-GAAP financial measure that we report. Although we evaluate and present these non-GAAP financial measures for the reasons described below, please be aware that these non-GAAP financial measures have limitations and should not be considered in isolation or as a substitute for revenues, net income or loss attributable to common stockholders, earnings or loss per share or any other comparable operating measure prescribed by GAAP. In addition, other companies in our industry may calculate these non-GAAP financial measures differently than we do or may not calculate them at all, limiting their usefulness as comparative measures.

We evaluate non-GAAP financial measures, including those described below, that exclude certain items in the periods indicated, and believe these measures provide useful information to investors because these non-GAAP financial measures allow for period-over-period comparisons of our on-going core operations before the impact of these certain items. These non-GAAP financial measures also facilitate the comparison of results from our on-going core operations before these items with results from other companies in our industry.

**Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA** EBITDA, a financial measure that is not prescribed by GAAP, is defined as earnings, or net income or loss attributable to common stockholders, before interest expense, net (excluding consumer financing interest expense associated with term loan securitization transactions), income taxes, depreciation and amortization. Adjusted EBITDA reflects additional adjustments for certain items, as itemized in the discussion of Adjusted EBITDA in the following pages and excludes share-based compensation expense to address considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted. For purposes of our EBITDA and Adjusted EBITDA calculations, we do not adjust for consumer financing interest expense associated with term loan securitization transactions because we consider it to be an operating expense of our business. We consider Adjusted EBITDA to be an indicator of operating performance, which we use to measure our ability to service debt, fund capital expenditures, expand our business, and return cash to stockholders. We also use Adjusted EBITDA, as do analysts, lenders, investors and others, because this measure excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company's capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provisions for income taxes can vary considerably among companies. EBITDA and Adjusted EBITDA also exclude depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We believe Adjusted EBITDA is useful as an indicator of operating performance because it allows for period-over-period comparisons of our on-going core operations before the impact of the excluded items. Adjusted EBITDA also facilitates comparison by us, analysts, investors, and others, of results from our on-going core operations before the impact of these items with results from other companies.

**Adjusted EBITDA Margin and Segment Adjusted EBITDA Margin.** We evaluate Adjusted EBITDA margin and Segment adjusted EBITDA margin as indicators of operating performance. Adjusted EBITDA margin represents Adjusted EBITDA divided by our total revenues less cost reimbursement revenues. Segment adjusted EBITDA margin represents Segment adjusted EBITDA divided by the applicable segment's total revenues less cost reimbursement revenues. We evaluate Adjusted EBITDA margin and Segment adjusted EBITDA margin and believe it provides useful information to investors because it allows for period-over-period comparisons of our on-going core operations.



# Non-GAAP Financial Measures

(In millions)

	<b>2024</b>	
	<b>Low</b>	<b>High</b>
<b>Consolidated Adjusted EBITDA</b>		
Net income attributable to common stockholders	\$ 285	\$ 320
Interest expense	161	156
Provision for income taxes	119	134
Depreciation and amortization	128	128
	<b>EBITDA</b>	<b>738</b>
Share-based compensation	38	38
Certain items		
Litigation charges	12	12
Transaction and integration costs	15	10
Purchase accounting adjustments	2	2
	<b>Adjusted EBITDA</b>	<b>\$ 800</b>
	<b>Adjusted EBITDA margin</b>	<b>23%</b>
Total revenues excluding cost reimbursements	\$ 3,379	\$ 3,443
	<b>Adjusted EBITDA margin</b>	<b>22%</b>



# Non-GAAP Financial Measures

	Reportable Segments				VO and Exchange & Third-Party Management	% Vacation Ownership	% Exchange & Third-Party Management
	Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	2023 Total			
<i>(In millions)</i>							
Net income attributable to common stockholders	\$ 777	\$ 93	\$ (616)	\$ 254	\$ 870		
Interest expense	-	-	145	145	-		
Provision for income taxes	-	-	146	146	-		
Depreciation and amortization	93	31	11	135	124		
<b>EBITDA</b>	870	124	(314)	680	994		
Share-based compensation	8	2	21	31	10		
Certain items <sup>(1)</sup>	5	4	41	50	9		
<b>Adjusted EBITDA</b>	<b>\$ 883</b>	<b>\$ 130</b>	<b>\$ (252)</b>	<b>\$ 761</b>	<b>\$ 1,013</b>	<b>87%</b>	<b>13%</b>
Total revenues	\$ 4,468	\$ 262	\$ (3)	4,727	\$ 4,730		
Less: cost reimbursements	(1,587)	(16)	42	(1,561)	(1,603)		
<b>Total revenues excluding cost reimbursements</b>	<b>\$ 2,881</b>	<b>\$ 246</b>	<b>\$ 39</b>	<b>\$ 3,166</b>	<b>\$ 3,127</b>		
<b>Adjusted EBITDA margin</b>		<b>52%</b>					

(1) Certain items for combined company in 2023 consisted of \$37 million of transaction and integration costs (including \$15 million of ILG integration related costs and \$22 million of Welk acquisition and integration related costs), \$8 million of purchase accounting adjustments, \$13 million of litigation charges, \$32 million of impairment charges, \$6 million of restructuring charges, \$10 million of early redemption of senior secured notes, and \$1 million of other charges, partially offset by \$31 million of changes in indemnification asset, \$9 million of insurance proceeds, \$8 million of gains on dispositions, \$6 million of foreign currency translation, and \$3 million of other income.

# Non-GAAP Financial Measures

**Adjusted EBITDA Contribution.** We calculate Adjusted EBITDA Contribution by calculating profit by revenue source (development, management and exchange, rental and financing) and then calculating profit by revenue source as a percentage of total profit, as reconciled herein. We consider Adjusted EBITDA Contribution to be an indicator of operating performance and believe it provides useful information to investors because it demonstrates the diversity of our business model and provides perspective regarding how much of our total Adjusted EBITDA comes from each revenue source.

	2023	
	Adjusted EBITDA Contribution	Adjusted Contribution % <sup>(1)</sup>
<i>(In millions)</i>		
Development profit	\$ 413	37%
Management and exchange profit	372	33%
Rental profit	119	11%
Financing profit	209	19%
Total	\$ 1,113	100%

(1) Represents the contribution toward Adjusted EBITDA for the listed profit lines.

# Non-GAAP Financial Measures

**Free Cash Flow and Adjusted Free Cash Flow.** We evaluate Free cash flow and Adjusted free cash flow as liquidity measures that provide useful information to management and investors about the amount of cash provided by operating activities after capital expenditures for property and equipment and the borrowing and repayment activity related to our term loan securitizations, which cash can be used for, among other purposes, strategic opportunities, including acquisitions and strengthening the balance sheet. Adjusted free cash flow, which reflects additional adjustments to Free cash flow for the impact of transaction and integration charges, impact of borrowings available from the securitization of eligible vacation ownership notes receivable, acquisition and restructuring charges, and changes in restricted cash, allows for period-over-period comparisons of the cash generated by our business before the impact of these items. Analysis of Free cash flow and Adjusted free cash flow also facilitates management's comparison of our results with our competitors' results.

(In millions)

## Adjusted free cash flow

Net cash, cash equivalents, and restricted cash provided by operating activities  
 Capital expenditures for property and equipment (excluding inventory)  
 Borrowings from securitizations, net of repayments  
 Securitized debt issuance costs

## Free cash flow

Adjustments:

Net change in borrowings available from the securitization of eligible vacation ownership notes receivable <sup>(1)</sup>  
 Certain items <sup>(2)</sup>

## Adjusted free cash flow

		2024	
		Low	High
Net cash, cash equivalents, and restricted cash provided by operating activities		\$ 265	\$ 295
Capital expenditures for property and equipment (excluding inventory)		(65)	(85)
Borrowings from securitizations, net of repayments		166	195
Securitized debt issuance costs		(14)	(15)
<b>Free cash flow</b>		352	390
Adjustments:			
Net change in borrowings available from the securitization of eligible vacation ownership notes receivable <sup>(1)</sup>		25	40
Certain items <sup>(2)</sup>		23	20
<b>Adjusted free cash flow</b>		<b>\$ 400</b>	<b>\$ 450</b>

(1) Represents the anticipated net change in borrowings available from the securitization of eligible vacation ownership notes receivable between the 2023 and 2024 year ends.

(2) Certain items adjustment consists primarily of the after-tax impact of anticipated transaction and integration costs and litigation charges.



Thank you.

