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INVESTOR PRESENTATION

November 2022

TRAVEL+
LEISURE

 **MOAB, UTAH**

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Presentation of Financial Information

Financial information discussed in this presentation includes non-GAAP measures such as adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow, and gross VOI sales, which include or exclude certain items. The Company utilizes non-GAAP measures on a regular basis to assess performance of its business including its reportable segments. These non-GAAP measures differ from reported GAAP results and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors when considered with GAAP measures as an additional tool for further understanding and assessing the Company’s ongoing operating performance by adjusting for items which in our view do not necessarily reflect ongoing performance. Management also internally uses these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions. Exclusion of items in the Company’s non-GAAP presentation should not be considered an inference that these items are unusual, infrequent or non-recurring. See the appendix to this presentation for definitions of these Non-GAAP measures, and reconciliations to the most comparable GAAP measure, where applicable.

Forward-looking statements that include non-GAAP financial measures have been presented only on a non-GAAP basis because not all of the information necessary for a quantitative reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measure is available without unreasonable effort, primarily due to uncertainties relating to the occurrence or amount of these adjustments that may arise in the future. Where one or more of the currently unavailable items is applicable, such items could be material, individually or in aggregate, to GAAP reported results.

WE PUT THE WORLD ON VACATION

OUR MISSION

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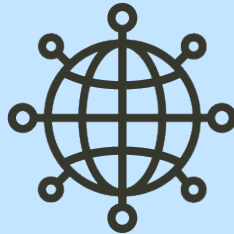


Strong and Resilient Cash Flow Across the Economic Cycle



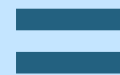
Strong Foundation

Vacation Ownership
and Exchange



Business Extensions

Travel Clubs



Accelerating Growth

Accelerate earnings growth
& free cash flow generation

In the Leisure Travel and Membership Business for 50+ Years

**WYNDHAM
• DESTINATIONS**



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NYSE listed TNL
\$3.0B¹ market cap



2022 adj. EBITDA² outlook
\$855-\$865M



2022 Adj. EBITDA-to-FCF² conversion
~50%



Annualized dividend of
\$1.60 | Yield of
4.2%¹



Resorts
+245³ | Owners
833K³



RCI Members
+3.7M³ | Affiliated Resorts
+4,200³

(1) As of 10/31/2022.

(2) FY 2022 Adjusted EBITDA and adjusted EBITDA-to-adjusted FCF conversion outlook is as of 10/27/22; inclusion here is not intended to update any such outlook or guidance to reflect any facts, circumstances or other factors since such date of our previous public disclosure of such outlook or guidance. Adjusted EBITDA and adjusted FCF conversion are forward-looking non-GAAP measures, the reconciliation of which is not available without unreasonable effort. See appendix for definitions.

(3) As of 12/31/2021.

Leading Membership & Leisure Travel Company

YTD Through September 30, 2022

Vacation Ownership

**WYNDHAM
•DESTINATIONS**

Travel & Membership



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Revenue	Mix ²
\$2,098M	79%

Adj. EBITDA ¹	Mix ²
\$480M	69%

Revenue	Mix ²
\$572M	21%

Adj. EBITDA ¹	Mix ²
\$211M	31%

Owners	Tours	VPG
833K³	415K	\$3,423

Members	Transactions	Rev/transaction
3.7M³	1,373K⁴	\$299⁴

(1) Non-GAAP measure: see appendix for definition and reconciliation.

(2) Mix of reportable segment activity.

(3) As of 12/31/2021.

(4) During 2022, it was determined that the presentation of transactions for Travel Club would be more reflective of how members use the club if it included add-on vacation travel bookings, such as car rentals. The amounts presented reflect this change.

2025 Financial Goals

	Low	High
2025 Adj. EBITDA¹	\$1.13B	\$1.25B
Adj. FCF Conversion¹	58% ¹	63%
Cumulative Adj. FCF¹ 2022-2025	\$2.4B	\$2.6B

(1) Adjusted EBITDA, adjusted EPS, adjusted Free Cash Flow and adjusted Free Cash Flow conversion are forward-looking non-GAAP measures, the reconciliation of which is not available without unreasonable effort. See appendix for definitions.

(2) Adjusted EPS compound growth is based off 2021 adjusted EPS of \$3.65 including actual share repurchases through September 30, 2022.

(3) Includes potential for additional cash by maintaining leverage above target range.

Information provided as of September 10, 2021; this is not intended to update such outlook or guidance or to reflect any facts, circumstances or other factors occurring since the date of our previous public disclosure of such outlook or guidance.

Travel + Leisure
Adj. EPS²

16-20%

CAGR
Before share
repurchases

Cash available
for enhancing
shareholder value³

\$2.9-3.3B

Target Leverage
2.25x-3.0x

Investment Thesis



Proven Resilient Business Model

Recurring and predictable revenue streams



Compelling Consumer Value Proposition

Benefits of vacation ownership and discounted travel



Strong FCF Supports Growth & Return of Capital to Shareholders

Capital efficient business model

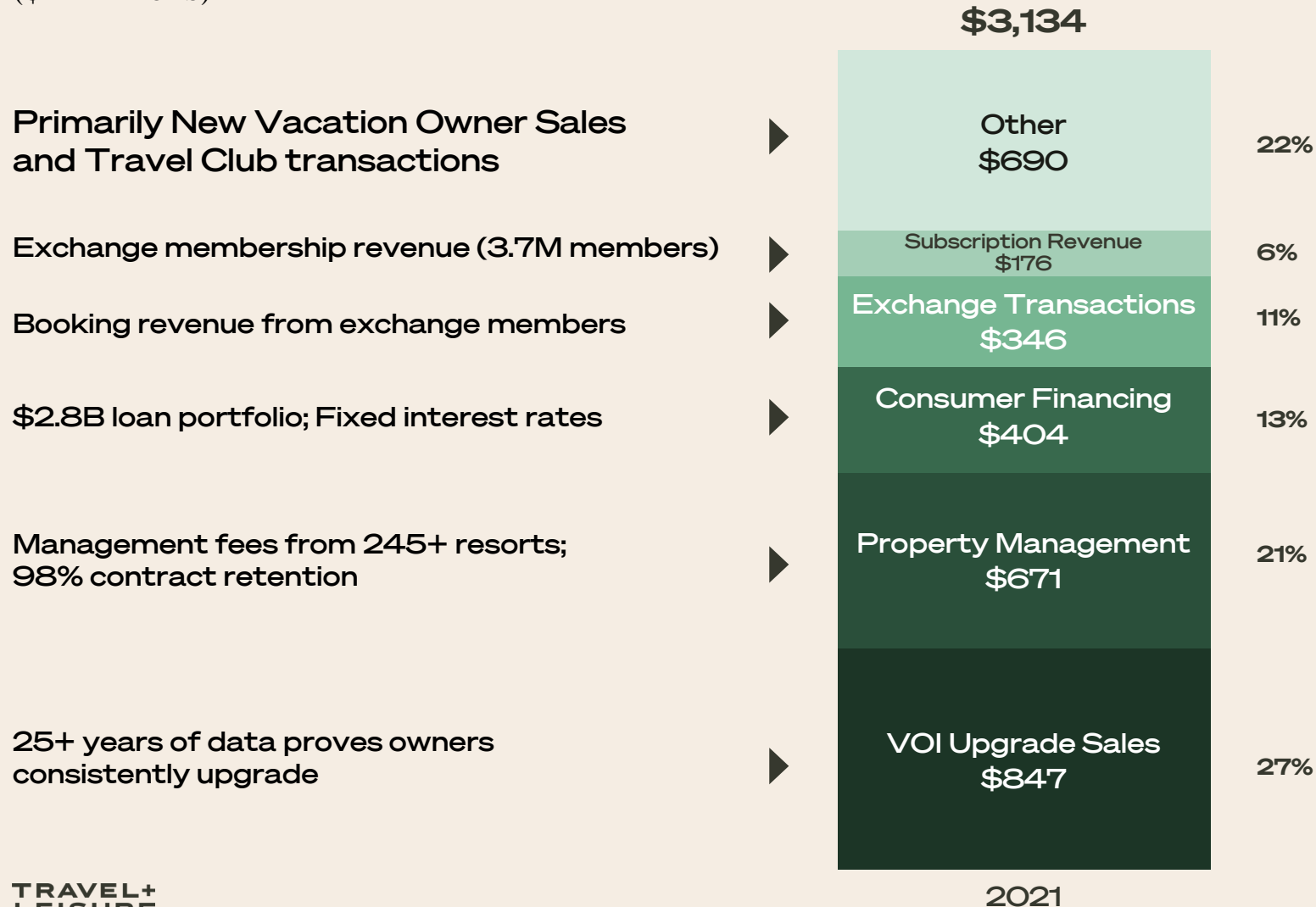


Leisure Travel Focus

Consumers are prioritizing experiences

Predictable and/or Recurring Revenue

(\$ in millions)



Primarily New Vacation Owner Sales and Travel Club transactions

Exchange membership revenue (3.7M members)

Booking revenue from exchange members

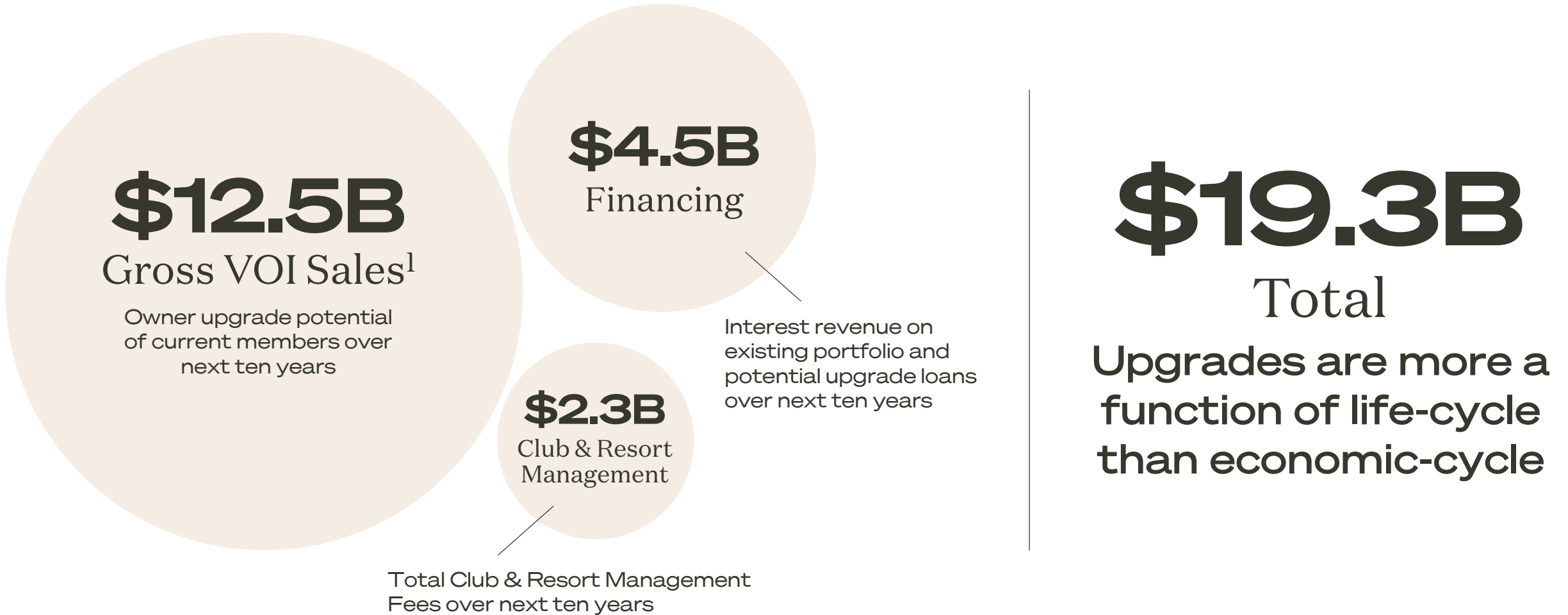
\$2.8B loan portfolio; Fixed interest rates

Management fees from 245+ resorts; 98% contract retention

25+ years of data proves owners consistently upgrade

~80% of Revenue in 2021
 Predictable and/or Recurring

Embedded Revenue Potential of Large Existing Owner Base



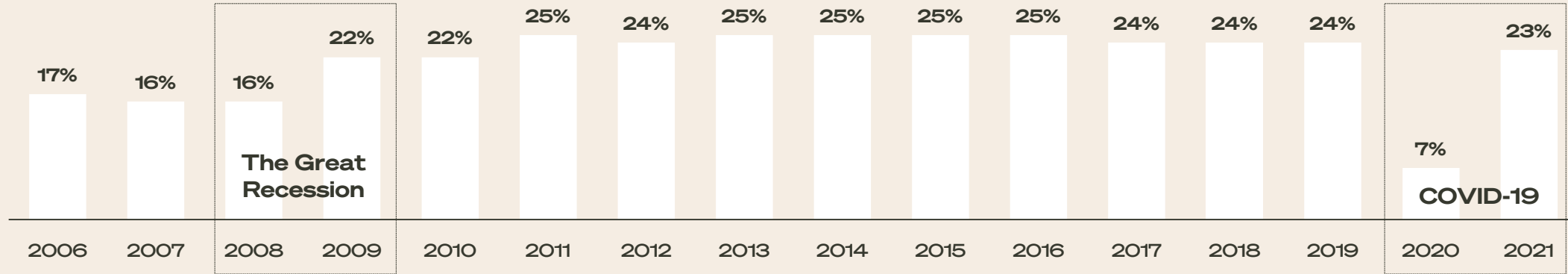
Note: Ten year cumulative revenue potential, not discounted.

(1) Gross VOI, a forward looking non-GAAP measure, the reconciliation of which is not available without unreasonable effort. See appendix for definition.

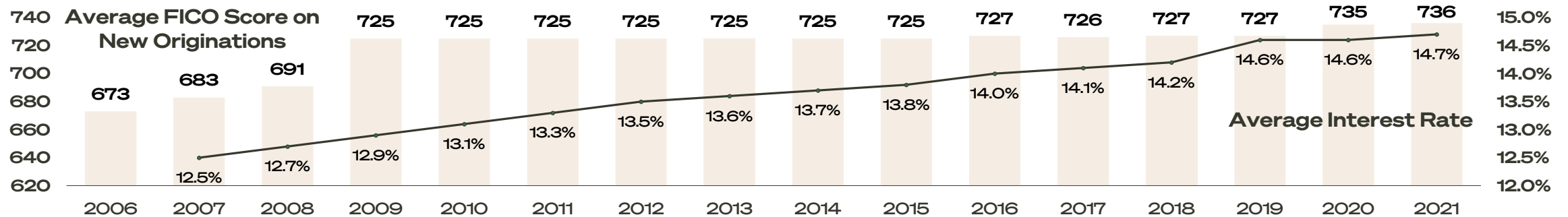
Adj. EBITDA Margin Performance Across the Economic Cycle

Resilient Business with Strong Margins

Vacation Ownership Segment Adjusted EBITDA Margin



Strong Credit Quality



Investment Thesis



Proven Resilient Business Model

Recurring and predictable revenue streams



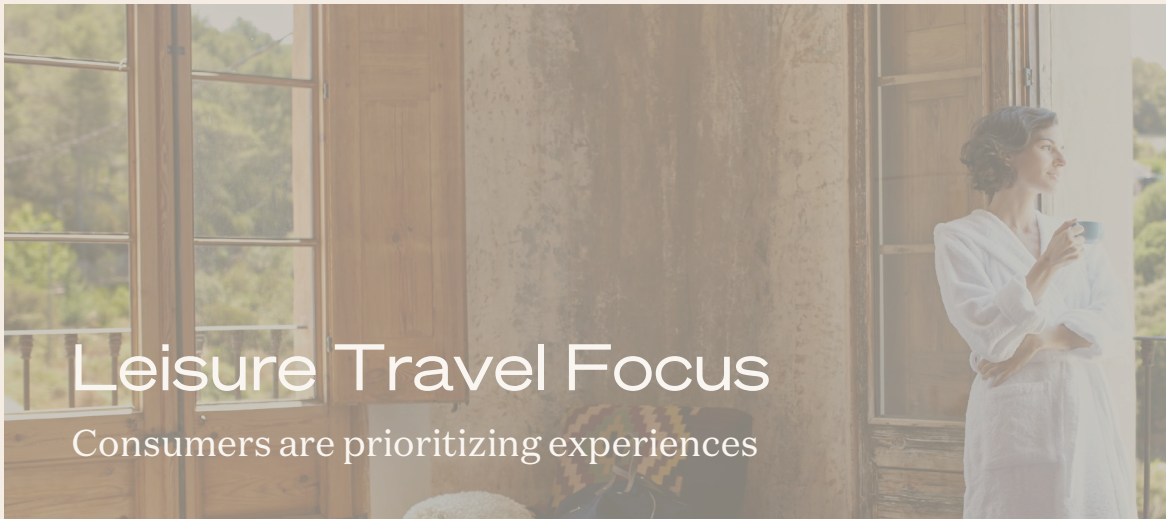
Compelling Consumer Value Proposition

Benefits of vacation ownership and discounted travel



Strong FCF Supports Growth & Return of Capital to Shareholders

Capital efficient business model



Leisure Travel Focus

Consumers are prioritizing experiences

Compelling Consumer Value Proposition



Scale

+245¹

Resorts

833K¹

Owners



Flexibility

Points-based System

Diversity of Destinations

Additional Space/Amenities



Value

Majority of Sales are Owner Upgrades

Inflation: Lock in Price of Future Vacations

65%² of Sales to Millennial/GenX



Consumer Value Proposition

KEY STATISTICS UNDERLINE THE VALUE PROPOSITION

Owners

833K¹

Owners with No Loans Outstanding

~80%¹

Annual Retention of Owners

98%²

Record High YTD VPGs in Today's Inflationary Environment

\$3,423³

(1) As of 12/31/21.

(2) Annual retention of owners without loans over last 10 years as of 12/31/21.

(3) YTD through September 30, 2022.

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Consumer Value Proposition

Travel Club Value Proposition

Travel Suppliers

- + Price integrity (via paywall)
- + Fulfilled inventory

Closed User Group

- + Member loyalty
- + Customized/one-stop platform

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CLUBS**

TNL Travel Solutions

- + Recurring revenue and bookings
- + Attractive inventory at value

Travel Consumers

- + Attractive inventory
- + Preferred pricing

Investment Thesis



Proven Resilient Business Model

Recurring and predictable revenue streams



Compelling Consumer Value Proposition

Benefits of vacation ownership and discounted travel



Strong FCF Supports Growth & Return of Capital to Shareholders

Capital efficient business model



Leisure Travel Focus

Consumers are prioritizing experiences

Strong FCF Supports Growth and Return of Capital to Shareholders



Strong and Consistent Conversion of FCF from EBITDA

Just-in-Time inventory model



Long Track Record of Execution in the ABS Market

Historically average three transactions per year



Minimal Inventory Commitments

Five years of inventory locked-in on balance sheet

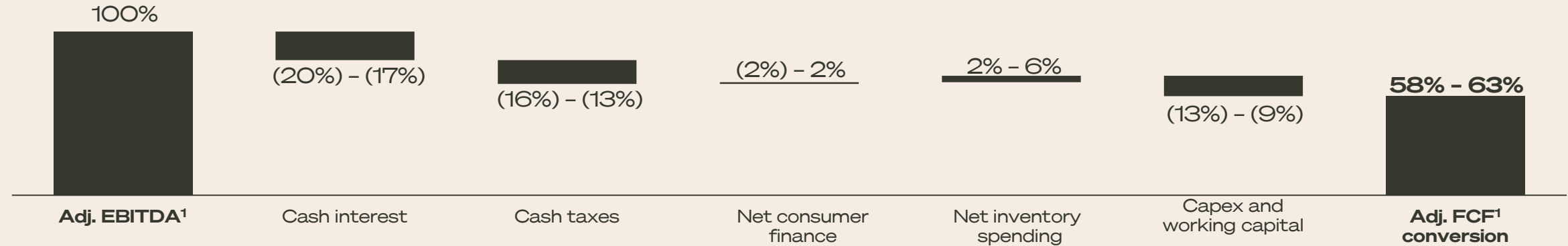


Strong Track Record of Returning Capital to Shareholders

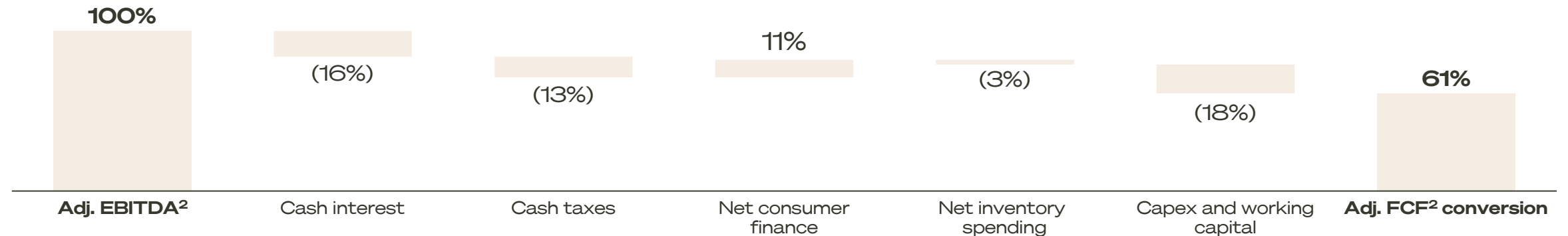
Quarterly dividend of \$0.40 per share¹

Adjusted EBITDA to Adjusted Free Cash Flow Conversion %

2025 Outlook



2018 to 2019 Actual



(1) Adjusted EBITDA and Adjusted FCF conversion are forward-looking non-GAAP measures, the reconciliation of which is not available without unreasonable effort. See appendix for definitions.

(2) See appendix for GAAP reconciliations.

Committed to Returning Cash to Shareholders 2022-2025 Outlook

\$2.4-2.6B

Cumulative Adj. FCF¹

+

\$0.5-0.7B

Net Debt/Other

\$2.9-3.3B

Cash Available for Enhancing Shareholder Value

\$0.6-0.7B

Potential Dividends

\$2.3-2.6B

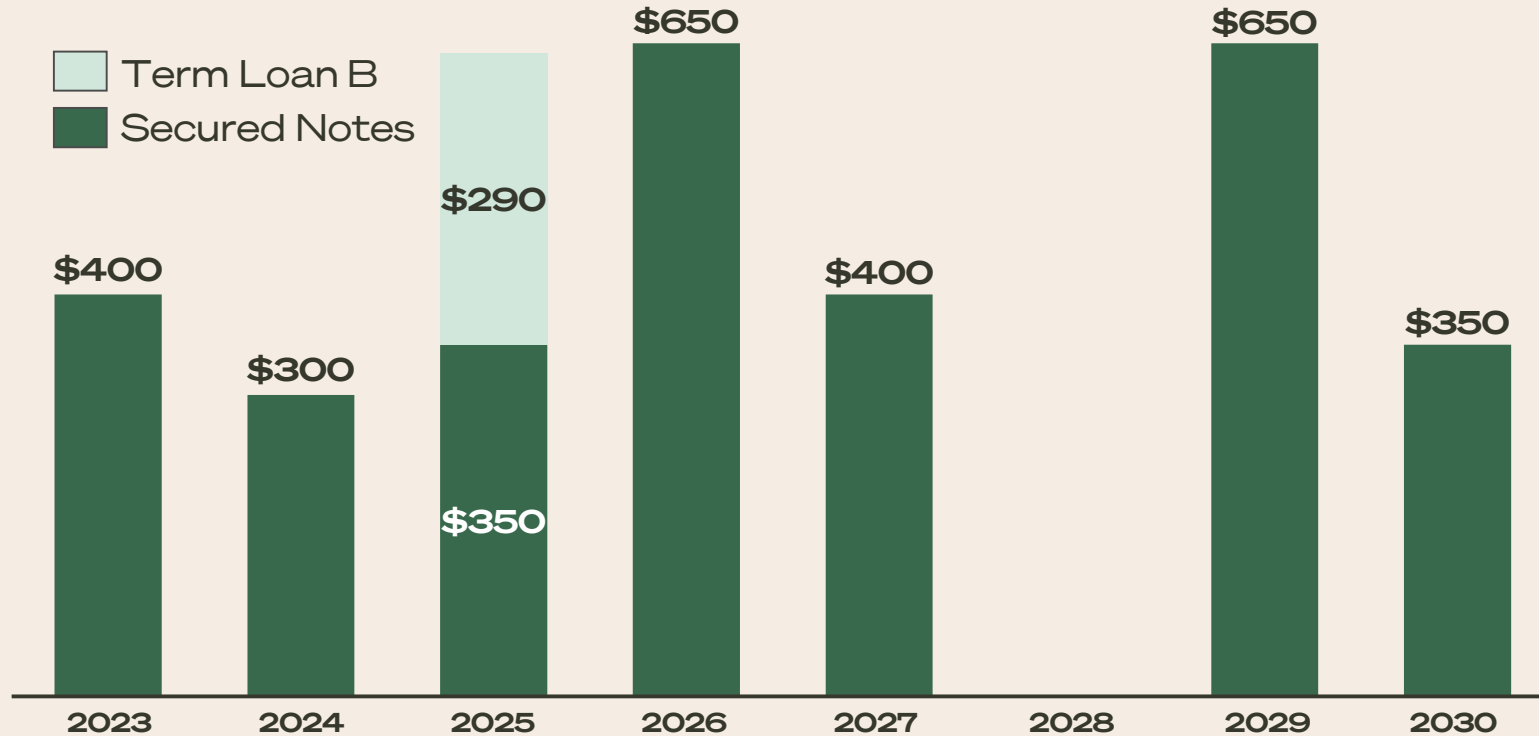
Potential Business Investments
Share Repurchases
M&A

(1) Adjusted Free Cash Flow is a forward-looking non-GAAP measure, the reconciliation of which is not available without unreasonable effort. See appendix for definition.

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Corporate Debt Maturities

As of September 30, 2022 (\$ in millions)



Note: Excludes Term Loan B amortization payments of \$3M per year in 2022-2024. The \$1B revolving credit facility is expected to be renewed prior to its maturity in 2026 and had \$12M outstanding as of September 30, 2022 which was paid in October.

**91% of
Corporate
Debt is Fixed**
with a weighted average
effective interest rate of 5.4%

Investment Thesis



Proven Resilient Business Model

Recurring and predictable revenue streams



Compelling Consumer Value Proposition

Benefits of vacation ownership and discounted travel



Strong FCF Supports Growth & Return of Capital to Shareholders

Capital efficient business model



Leisure Travel Focus

Consumers are prioritizing experiences

A NEW ALGORITHM FOR SUSTAINED GROWTH



Strong Foundation

Building on a strong foundation; resilient business with strong adj. EBITDA margins¹



Business Extensions

Accelerating top-line growth by leveraging core competencies with acquired strategic capabilities



Free Cash Flow Projection

Driving strong Adj. FCF generation of \$2.4B+ over next four years¹



The Outlook

Accelerating adj. EBITDA growth and cumulative Adj. FCF to maximize shareholder returns¹



THREE MONTHS ENDED 09/30/22



Net Revenue

\$937M

+12% YOY growth



Gross VOI Sales¹

\$555M

+26% YOY growth



Adj. EBITDA¹

\$234M

+3% YOY growth



VPG

\$3,393

+5% YOY growth



YTD Adj. FCF¹

\$195M

HIGHLIGHTS

- + 3Q 2022 VPGs increased 45% over 3Q 2019
- + Repurchased \$115M of common stock in the 3rd quarter and \$243M in the first nine months of 2022
- + Closed on a \$250 million term securitization on October 20, 2022 with a weighted average coupon of 6.9% and a 87.5% advance rate
- + Paid quarterly dividend of \$0.40 per share
- + Forbes magazine named Travel + Leisure Co. to its 2022 list of World's Best Employers

(1) Non-GAAP measure: see appendix for definitions and reconciliations.



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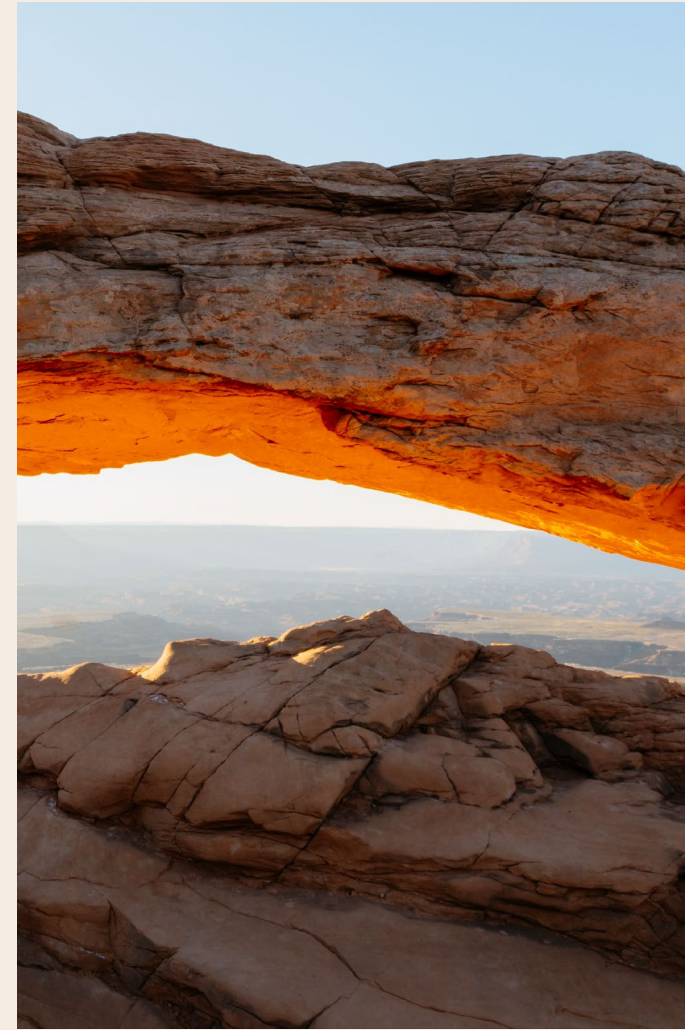
TNL
LISTED
NYSE





APPENDIX

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APPENDIX: NON-GAAP RECONCILIATION

TNL Consolidated Reconciliation of Net Income to Adjusted EBITDA (\$ in millions)

	2019	2018 ⁽¹⁾	2018 + 2019
Net income attributable to T+L shareholders	\$ 507	\$ 672	\$ 1,179
Income from ops of disc bus, net of income taxes	-	50	50
Gain on disposal of disc bus, net of income taxes	(18)	(456)	(474)
Provision for income taxes	191	130	321
Depreciation and amortization	121	138	259
Interest expense	162	170	332
Interest (income)	(7)	(5)	(12)
Acquisition related	1	-	1
Restructuring costs	9	16	25
Asset impairments	27	(4)	23
Separation & related costs ⁽²⁾	45	223	268
Legacy items ⁽³⁾	1	1	2
Gain on disposal	(68)	-	(68)
Stock based compensation	20	23	43
Value-added tax refund	-	(16)	(16)
Further adjustments ⁽⁴⁾	-	15	15
Adjusted EBITDA	\$ 991	\$ 957	\$ 1,948

(1) 2018 Adjusted EBITDA is further adjusted.

(2) Includes \$4 million and \$105 million of stock-based compensation expenses for the years ended 2019 and 2018.

(3) Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels and Cendant and the sale of the vacation rentals businesses.

(4) Includes incremental license fees paid to Wyndham Hotels, other changes being affected in conjunction with the spin-off, and other costs to reflect the Company's position as if the spin-off of its hotel business and the sale of its European vacation rentals business had occurred for all reported periods.

APPENDIX: NON-GAAP RECONCILIATION

Reconciliation of Net Cash Provided by Operating Activities from Continuing Operations to Adjusted Free Cash Flow (\$ in millions)

	2019	2018	2018 + 2019
Net cash provided by operating activities from continuing operations	\$ 453	\$ 292	\$ 745
Property and equipment additions	(108)	(99)	(207)
Sum of proceeds and principal payments of non-recourse vacation ownership debt	185	264	449
Free cash flow	530	457	987
Separation and other adjustments ⁽¹⁾	87	123	210
Adjusted free cash flow ⁽²⁾	\$ 617	\$ 580	\$ 1,197
Net income cash flow conversion			63%
Adjusted free cash flow conversion			61%

(1) Includes cash paid for separation-related activities and transaction costs for acquisitions and divestitures as well as certain adjustments to 2018 for comparative purposes for incremental license fees paid to Wyndham Hotels and other corporate costs being affected in order to reflect the Company's position as if the spin-off had occurred for all periods presented.

(2) The Company had \$66 million of net cash used in investing activities and \$289 million of net cash used in financing activities for the year ended December 31, 2019, and \$725 million of net cash used in investing activities and \$280 million of net cash provided by financing activities for the year ended December 31, 2018.

APPENDIX: NON-GAAP RECONCILIATION

Non-GAAP Measure: Reconciliation of Net VOI Sales to Gross VOI Sales (\$ in millions)

The Company believes gross VOI sales provide an enhanced understanding of the performance of its vacation ownership business because it directly measures the sales volume of this business during a given reporting period.

Three Months Ended September 30, 2022

Net VOI sales	\$ 403
Loan loss provision	91
Gross VOI sales, net of Fee-for-Service sales	<u>494</u>
Fee-for-Service sales	61
Gross VOI sales	<u><u>\$ 555</u></u>

APPENDIX: NON-GAAP RECONCILIATION

Non-GAAP Measure: Reconciliation of Net Income to Adjusted Net Income to Adjusted EBITDA (\$ in millions)

Three Months Ended September 30, 2022

Net income attributable to TNL shareholders	\$ 116
Amortization of acquired intangibles ⁽¹⁾	2
Legacy items	(1)
Gain on equity investment	(3)
Fair value change in contingent consideration	(10)
Taxes ⁽²⁾	3
Adjusted net income	<u>\$107</u>
Income taxes on adjusted net income	43
Interest expense	48
Depreciation	28
Stock-based compensation expense ⁽³⁾	10
Interest income	(2)
Adjusted EBITDA	<u>\$ 234</u>

(1) Amortization of acquisition-related intangible assets is excluded from adjusted net income and adjusted EBITDA.

(2) Represents the tax effects on the adjustments.

(3) All stock-based compensation is excluded from adjusted EBITDA.

APPENDIX: NON-GAAP RECONCILIATION

Non-GAAP Measure: Reconciliation of Net Cash Provided by Operating Activities to Adjusted Free Cash Flow (\$ in millions)

Nine Months Ended September 30, 2022

Net cash provided by operating activities	\$ 267
Property and equipment additions	(36)
Sum of proceeds and principal payments of non-recourse vacation ownership debt	(38)
Free cash flow	\$ 193
COVID-19 related adjustments ⁽¹⁾	2
Adjusted free cash flow ⁽²⁾	\$ 195

(1) Includes cash paid for COVID-19 expenses factored into the calculation of Adjusted EBITDA.

(2) The Company had \$34 million of net cash used in investing activities and \$414 million of net cash used in financing activities for the nine months ended September 30, 2022.

APPENDIX: NON-GAAP RECONCILIATION

Vacation Ownership Net Income to Adj. EBITDA Reconciliation

(\$ in millions)

	YTD Q3 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Vacation Ownership net income/(loss)	\$ 276	\$ 309	\$ (69)	\$ 404	\$ 340	\$ 174	\$ 316	\$ 316	\$ 295	\$ 248	\$ 227	\$ 195	\$ 156	\$ 117	\$ (1,281)	\$ 150	\$ 86
Effect of accounting change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65
Net income attributable to noncontrolling interest	-	-	-	-	-	-	1	-	1	1	-	-	-	-	-	-	-
Provision for/(benefit from) income taxes	109	128	(17)	150	119	110	194	196	185	144	137	122	96	72	50	95	98
Depreciation and amortization	59	82	86	81	73	63	53	47	47	47	38	38	46	54	58	48	39
Interest expense	24	34	43	78	117	142	131	130	133	180	147	160	142	144	100	85	37
Interest (income)	-	-	-	-	(1)	-	(1)	(2)	(1)	(1)	-	-	-	-	(1)	-	-
Acquisition related	-	-	-	-	-	-	-	-	-	2	1	-	-	-	-	-	-
COVID-19 related	-	3	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring costs	1	(1)	14	5	11	-	8	1	-	-	2	(1)	-	37	66	-	-
Asset impairments/(recoveries)	(1)	1	22	27	(4)	205	-	-	-	-	-	-	-	9	1,374	-	-
Executive costs	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-
Separation and related costs	-	-	-	4	67	1	-	-	-	-	-	-	-	-	-	9	18
Stock-based compensation	12	13	8	7	9	13	16	-	-	-	-	-	-	-	-	-	-
2016 grant modifier	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Further adjustments ⁽¹⁾	-	-	-	-	(10)	(25)	(21)	-	-	-	-	-	-	-	-	-	-
Vacation Ownership Adjusted EBITDA	\$ 480	\$ 569	\$ 121	\$ 756	\$ 721	\$ 684	\$ 703	\$ 688	\$ 660	\$ 621	\$ 552	\$ 514	\$ 440	\$ 433	\$ 366	\$ 387	\$ 343
Total Revenue	\$ 2,098	\$ 2,423	\$ 1,637	\$ 3,151	\$ 2,979	\$ 2,881	\$ 2,774	\$ 2,772	\$ 2,638	\$ 2,515	\$ 2,269	\$ 2,077	\$ 1,979	\$ 1,945	\$ 2,278	\$ 2,425	\$ 2,068
Net Income Margin	13%	13%	-4%	13%	11%	6%	11%	11%	11%	10%	10%	9%	8%	6%	-56%	6%	4%
Adj. EBITDA Margin	23%	23%	7%	24%	24%	24%	25%	25%	25%	25%	24%	25%	22%	22%	16%	16%	17%

Note: 2006-2015 Adjusted EBITDA is per Wyndham Worldwide's definition and does not reflect the adoption of ASC 606 revenue recognition accounting standard. 2016-2018 Adjusted EBITDA is further adjusted.

(1) Includes incremental license fees paid to Wyndham Hotels & Resorts and other changes being affected in conjunction with the spin-off.

APPENDIX: NON-GAAP RECONCILIATION

Travel and Membership Net Income to Adj. EBITDA Reconciliation
(in millions)

Nine Months Ended September 30, 2022

Travel and Membership net income	\$ 118
Loss/(gain) on disposal of discontinued business, net of income taxes	(1)
Provision for income taxes	55
Depreciation and amortization	22
Interest expense	13
Restructuring	6
Stock-based compensation	3
Loss on equity investment	5
Fair value change in contingent consideration	(10)
Travel and Membership Adjusted EBITDA	<u>\$ 211</u>

DEFINITIONS

- Adjusted Diluted Earnings per Share:** A non-GAAP measure, defined by the Company as Adjusted net income divided by the diluted weighted average number of common shares. Adjusted Diluted Earnings per Share is useful to assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods.
- Adjusted EBITDA:** A non-GAAP measure, defined by the Company as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes, each of which is presented on the Condensed Consolidated Statements of Income. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction costs for acquisitions and divestitures, impairments, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels and Cendant, and the sale of the vacation rentals businesses. We believe that when considered with GAAP measures, Adjusted EBITDA is useful to assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods. We also internally use these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions. Adjusted EBITDA should not be considered in isolation or as a substitute for net income/(loss) or other income statement data prepared in accordance with GAAP and our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.
- Adjusted EBITDA Margin:** A non-GAAP measure, represents Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA Margin is useful to assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods.
- Adjusted Free Cash Flow:** A non-GAAP measure, defined by the Company as net cash provided by operating activities from continuing operations less property and equipment additions (capital expenditures) plus the sum of proceeds and principal payments of non-recourse vacation ownership debt, while also adding back cash paid for transaction costs for acquisitions and divestitures, separation adjustments associated with the spin-off of Wyndham Hotels, and certain adjustments related to COVID-19. TNL believes FCF to be a useful operating performance measure to evaluate the ability of its operations to generate cash for uses other than capital expenditures and, after debt service and other obligations, its ability to grow its business through acquisitions and equity investments, as well as its ability to return cash to shareholders through dividends and share repurchases. A limitation of using Adjusted free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating TNL is that Adjusted free cash flow does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.
- Adjusted Free Cash Flow Conversion:** Adjusted free cash flow as a percentage of Adjusted EBITDA. Forward-looking outlook regarding Adjusted Free Cash Flow Conversion is provided only on a non-GAAP basis because not all of the information necessary for a quantitative reconciliation is available without unreasonable effort.
- Adjusted Net Income:** A non-GAAP measure, defined by the Company as net income from continuing operations adjusted to exclude separation and restructuring costs, legacy items, transaction costs for acquisitions and divestitures, amortization of acquisition-related assets, debt modification costs, impairments, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent and the tax effect of such adjustments. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels and Cendant, and the sale of the vacation rentals businesses.

Adjusted Net Income is useful to assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods

- Average Number of Exchange Members:** Represents paid members in our vacation exchange programs who are considered to be in good standing.
- Free Cash Flow (FCF):** A non-GAAP measure, defined by TNL as net cash provided by operating activities from continuing operations less property and equipment additions (capital expenditures) plus the sum of proceeds and principal payments of non-recourse vacation ownership debt. TNL believes FCF to be a useful operating performance measure to evaluate the ability of its operations to generate cash for uses other than capital expenditures and, after debt service and other obligations, its ability to grow its business through acquisitions and equity investments, as well as its ability to return cash to shareholders through dividends and share repurchases. A limitation of using FCF versus the GAAP measure of net cash provided by operating activities as a means for evaluating TNL is that FCF does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.
- Gross Vacation Ownership Interest Sales:** A non-GAAP measure, represents sales of vacation ownership interests (VOIs), including sales under the fee-for-service program before the effect of loan loss provisions. We believe that Gross VOI sales provide an enhanced understanding of the performance of our vacation ownership business because it directly measures the sales volume of this business during a given reporting period.
- Leverage Ratio:** The Company calculates leverage ratio as net debt divided by Adjusted EBITDA as defined in the credit agreement.
- Net Debt:** Net debt equals total debt outstanding, less non-recourse vacation ownership debt and cash and cash equivalents.
- Tours:** Represents the number of tours taken by guests in our efforts to sell VOIs.
- Travel and Membership Revenue per Transaction:** Represents transaction revenue divided by transactions, provided in two categories; Exchange, which is primarily RCI, and Travel Club.
- Travel and Membership Transactions:** Represents the number of exchanges and travel club bookings recognized as revenue during the period, net of cancellations. This measure is provided in two categories; Exchange, which is primarily RCI, and Travel Club.
- Volume Per Guest (VPG):** Represents Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) divided by the number of tours. The Company has excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our Vacation Ownership business because it directly measures the efficiency of its tour selling efforts during a given reporting period.
- Further Adjusted Earnings Measures:** A non-GAAP measure, defined by the Company to exclude certain items including impairment charges, restructuring and other related charges, transaction-related items, contract termination costs and other significant charges which in the Company's view does not reflect ongoing performance. Further adjusted earnings measures adjust for license fees, credit card income and corporate expense to reflect the performance of the Company as if it were separated from Wyndham Hotels & Resorts and the sale of the European rentals business was completed for all reported periods. All further adjusted earnings measures are reported from continuing operations, unless otherwise noted. Travel + Leisure Co. believes that these measures are useful to investors as supplemental measures in evaluating the aggregate performance of the Company.