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INVESTOR PRESENTATION

February 2023

TRAVEL+ LEISURE

MARGARITAVILLE VACATION CLUB BY WYNDHAM
CLUB WYNDHAM - ATLANTA

Forward Looking Statements Disclaimer
This presentation includes "forward-looking statements" as that term is defined by the Securities and Exchange Commission ("SEC"). Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," "future," "intends," and other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results of Travel + Leisure Co. and its subsidiaries ("Travel + Leisure Co." or "we") to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, risks associated with: the acquisition of the Travel + Leisure brand and the future prospects and plans for Travel + Leisure Co., including our ability to execute our strategies to grow our cornerstone timeshare and exchange businesses and expand into the broader leisure travel industry through new business extensions; our ability to compete in the highly competitive timeshare and leisure travel industries; uncertainties related to acquisitions, dispositions and other strategic transactions; the health of the travel industry and declines or disruptions caused by adverse economic conditions (including inflation, higher interest rates, and recessionary pressures), terrorism or acts of gun violence, political strife, war (including hostilities in Ukraine), pandemics, and severe weather events and other natural disasters; adverse changes in consumer travel and vacation patterns, consumer preferences and demand for our products; increased or unanticipated operating costs and other inherent business risks; our ability to comply with financial and restrictive covenants under our indebtedness; our ability to access capital and insurance markets on reasonable terms, at a reasonable cost or at all; maintaining the integrity of internal or customer data and protecting our systems from cyber-attacks; uncertainty with respect to potential resurgences of the novel coronavirus global pandemic ("COVID-19") and its impacts; the timing and amount of future dividends and share repurchases, if any; and those other factors disclosed as risks under "Risk Factors" in documents we have filed with the SEC, including in Part I, Item 1A of our Annual Report on Form 10-K most recently filed with the SEC. We caution readers that any such statements are based on currently available operational, financial and competitive information, and they should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Except as required by law, we undertake no obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

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Presentation of Financial Information
Financial information discussed in this presentation includes non-GAAP measures such as Adjusted EBITDA, Adjusted EPS, Adjusted EBITDA margin, Adjusted Free Cash Flow, gross VOI sales and Adjusted Net Income, 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

TRAVEL+
LEISURE

Strong and Resilient Cash Flow Across the Economic Cycle

Strong Foundation

Vacation Ownership and Exchange

+

Business Extensions

Travel Clubs

=

Accelerate Growth

Expected to accelerate earnings growth & free cash flow generation

4Q and FY 2022 Results

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THREE MONTHS ENDED 12/31/2022

Net Revenue	Gross VOI Sales	Adj. EBITDA	VPG
$899M	$521M	$225M	$3,434

TWELVE MONTHS ENDED 12/31/2022

Net Revenue	Gross VOI Sales	Adj. EBITDA	Adj. FCF
$3.6B	$2.0B	$859M	$439M

For full financial data and non-GAAP reconciliations,
please see the Company's 4Q'22 earnings release at: travelandleisureco.com/investors

FULL YEAR HIGHLIGHTS

+ Record VPG, 44% over full year 2019
+ Adjusted diluted earnings per share growth of 24%
+ Repurchased 8.2M shares of common stock for $351M representing 10% of share count[1]
+ Paid $135M in dividends to shareholders
+ Fortune magazine named Travel + Leisure Co. to its 2023 list of Most Admired Companies
+ Opened new resorts in Moab, Utah and downtown Atlanta, Georgia

(1) Share count as of 12/31/2021.

NEW YORK, NEW YORK

TRAVEL+ LEISURE

Full Year 2022 vs. 2021

VPG +9%

Tours +24%

Net VOI sales +26%

Gross VOI sales +33%

New Owner tours +33%

New Owner sales +42%

Blue Thread sales +65%

Travel Club transactions +14%

New Travel Clubs transactions +37%

NEW YORK, NEW YORK

In the leisure travel and membership business for 50+ years

WYNDHAM DESTINATIONS | RCI | TRAVEL + LEISURE GO

NYSE listed TNL[1]
$3.3B market cap

Full Year 2022 Adj. EBITDA[3]
$859M

Full Year 2022 Adj. EBITDA-to-FCF conversion[3]
51%

Annual dividend[2]
$1.60

Dividend Yield[2]
4.4%

Resorts[2]
245+

Owners[2]
816K

Avg. number of exchange members[2]
3.5M

Affiliated Resorts[2]
4,100+

(1) As of 1/31/2023.
(2) As of 12/31/2022.
(3) Non-GAAP measure: see appendix for definition and reconciliation.

Leading Membership & Leisure Travel Company

Full Year 2022

Vacation Ownership | WYNDHAM DESTINATIONS

Revenue	Mix[2]
$2,835M	79%
Adj. EBITDA[1]	**Mix[2]**
$665M	71%

Owners[3]	Tours	VPG
816K	561K	$3,426

Travel and Membership | RCI | TRAVEL + LEISURE GO

Revenue	Mix[2]
$735M	21%
Adj. EBITDA[1]	**Mix[2]**
$268M	29%

Avg. number of exchange members[3]	Transactions[4]	Rev/transaction[4]
3.5M	1,731K	$300

(1) Non-GAAP measure: see appendix for definition and reconciliation.
(2) Mix of reportable segment activity.
(3) As of 12/31/2022.
(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 amount presented reflects this change.

2025 Financial Goals

	Low	High
2025 Adj. EBITDA[1]	$1.13B	$1.25B
Adj. FCF Conversion[1]	58%	63%
Cumulative Adj. FCF[1] 2022-2025	**$2.4B**	**$2.6B**

Travel + Leisure Adj. EPS[1]

17-22%

CAGR
Before share repurchases

Cash available for enhancing shareholder value[2]

$2.9-3.3B

Target Leverage 2.25x-3.0x

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

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

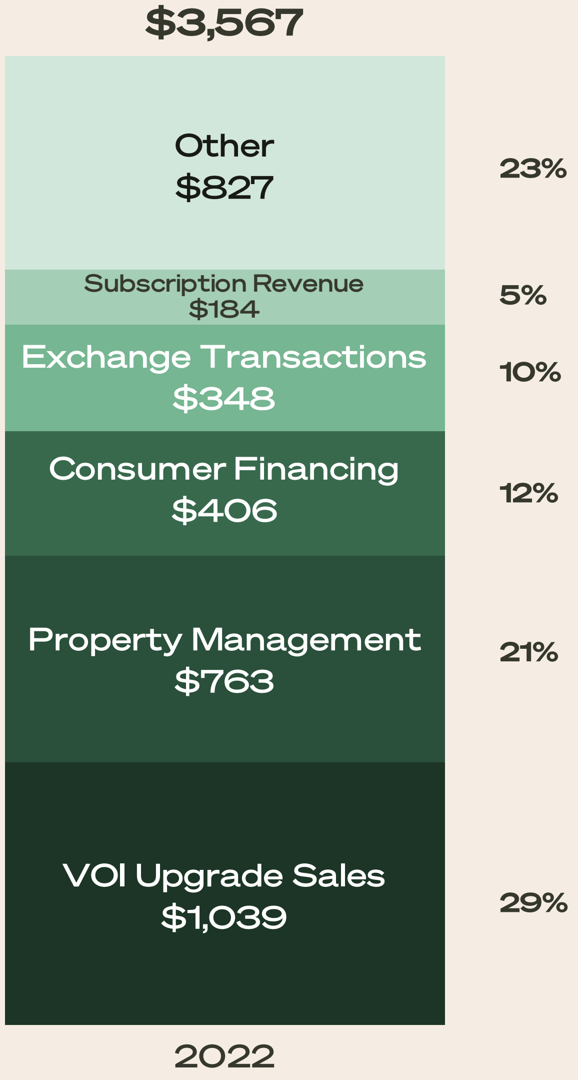
Travel and Membership subscription revenue

Booking revenue from exchange members

$2.9B loan portfolio; Fixed interest rates

Management fees from 245+ resorts; 98% contract retention

25+ years of data proves owners consistently upgrade



>75% of Revenue in 2022

Predictable and/ or Recurring

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Embedded Revenue Potential of Large Existing Owner Base

$12.5B
Gross VOI Sales[1]
Owner upgrade potential of current members over next ten years

$4.5B
Financing
Interest revenue on existing portfolio and potential upgrade loans over next ten years

$2.3B
Club & Resort Management
Total Club & Resort Management Fees over next ten years

$19.3B
Total
Upgrades are more a function of life-cycle than economic-cycle

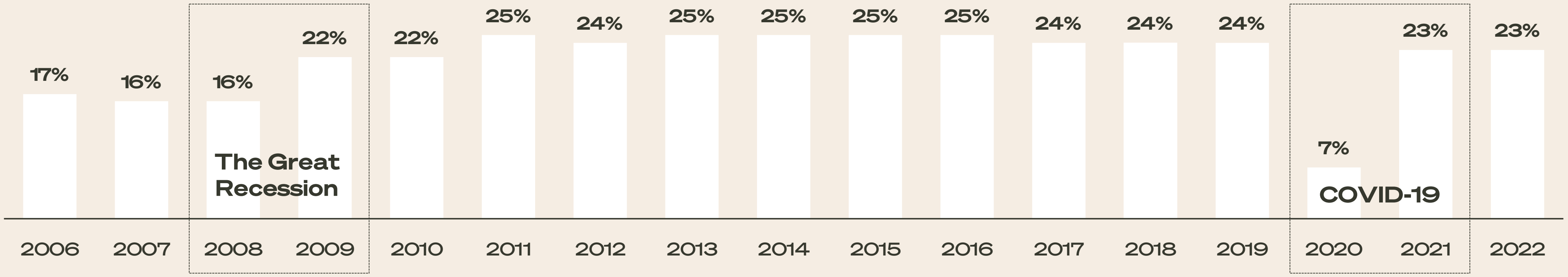
Note: Ten year cumulative revenue potential, not discounted.
(1) Gross VOI, a forward looking non-GAAP measure, the reconciliation of which is not available without unreasonable effort. See appendix for definition.

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.

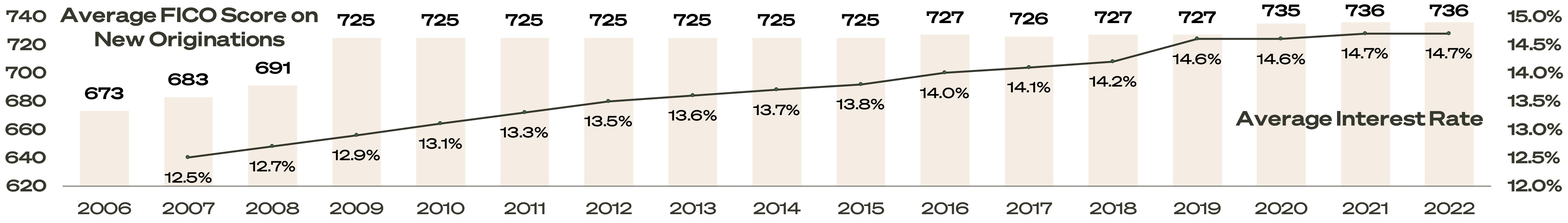
Resilient Business Across Economic Cycles

Strong Margins

Vacation Ownership Segment Adjusted EBITDA Margin



High Credit Quality



Investment Thesis

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Compelling Consumer Value Proposition

Scale

245+
Resorts[1]

816K
Owners[1]

+

Flexibility

Points-based System

Diversity of Destinations

Additional Space/Amenities

+

Value

Majority of Sales are Owner Upgrades

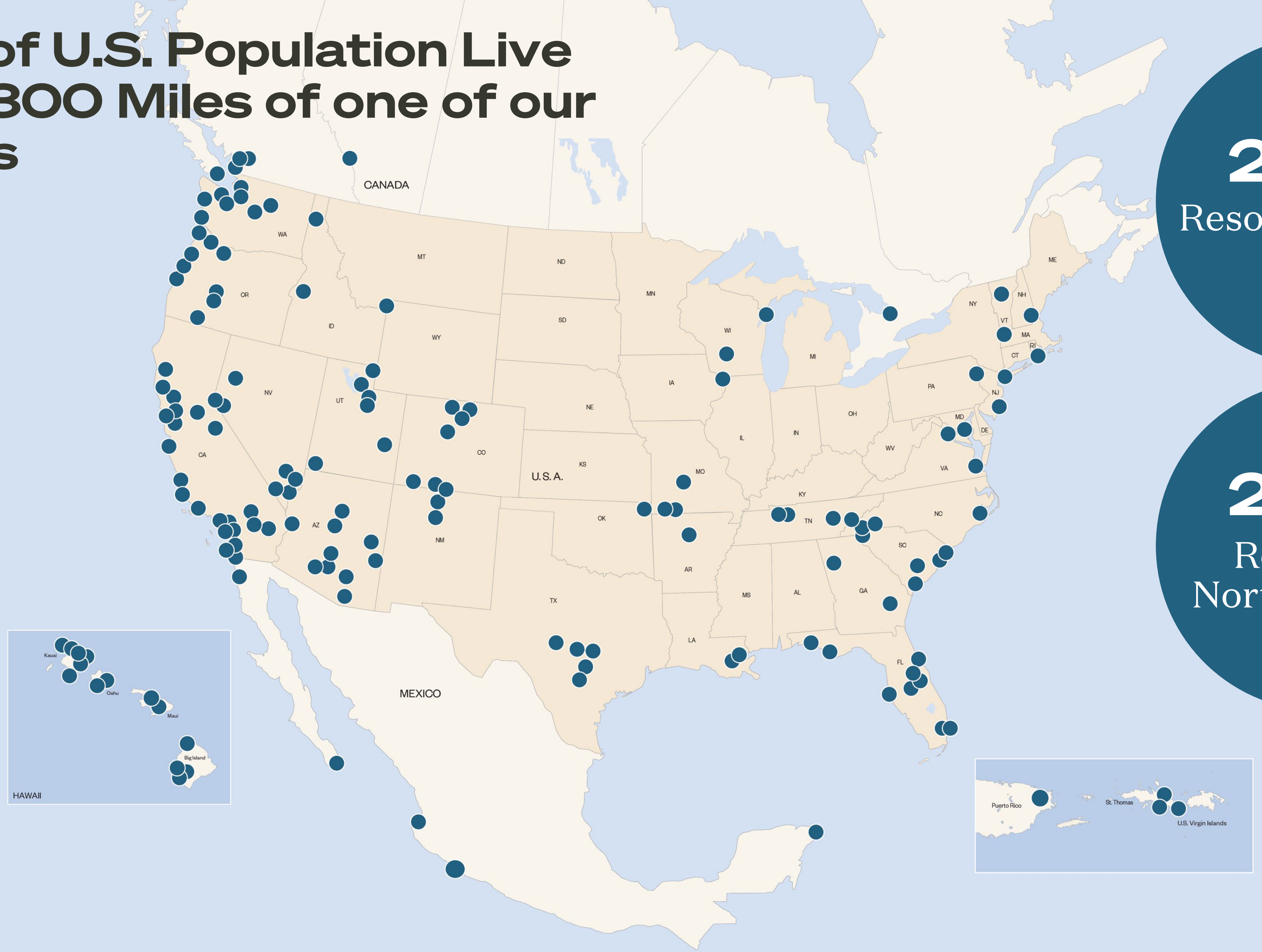
Inflation: Lock in Price of Future Vacations

65% of New Owner Sales to Millennial/GenX[2]

Consumer Value Proposition

(1) As of 12/31/2022.
(2) Percentage of new owner sales for the year ended 12/31/2022.

+95% of U.S. Population Live within 300 Miles of one of our Resorts



245+
Resorts Globally

220+
Resorts in North America

As of 12/31/2022.

KEY STATISTICS UNDERLINE THE CONSUMER VALUE PROPOSITION

Owners[1]

816K

Owners with No Loans Outstanding[1]

~80%

Annual Retention of Owners[2]

98%

Record High VPGs[3]

$3,426

(1) As of 12/31/2022.
(2) Annual retention of owners without loans over last 10 years as of 12/31/2022.
(3) Full Year 2022.

Travel Club Value Proposition

TRAVEL CLUBS

Travel Suppliers
+ Price integrity (via paywall)
+ Fulfilled inventory

Closed User Group
+ Member loyalty
+ Customized/one-stop platform

T+L Travel Solutions
+ Recurring revenue and bookings
+ Attractive inventory at value

Travel Consumers
+ Attractive inventory
+ Preferred pricing

Investment Thesis

Strong FCF Supports Growth and Return of Capital to Shareholders

Strong and Consistent Conversion of Adj. FCF from Adj. EBITDA

Just-in-Time inventory model

Long Track Record of Execution in the ABS Market

Historically average three transactions per year

Minimal Inventory Commitments

Four years of inventory locked-in on balance sheet

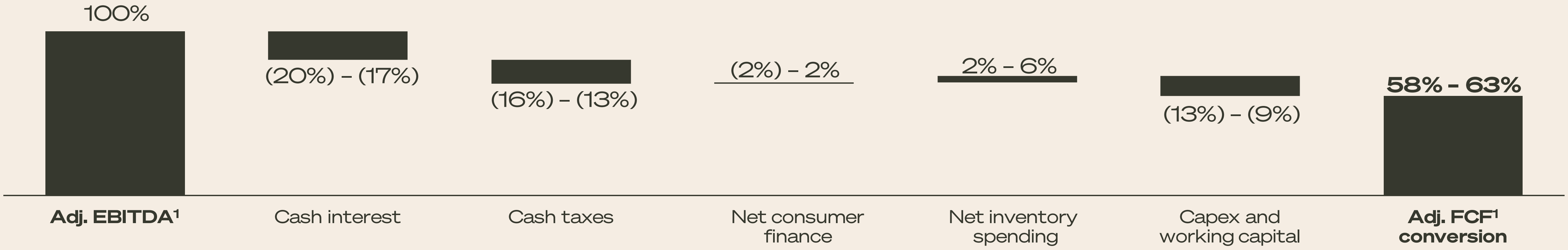
Strong Track Record of Returning Capital to Shareholders

Quarterly dividend of $0.40 per share[1]

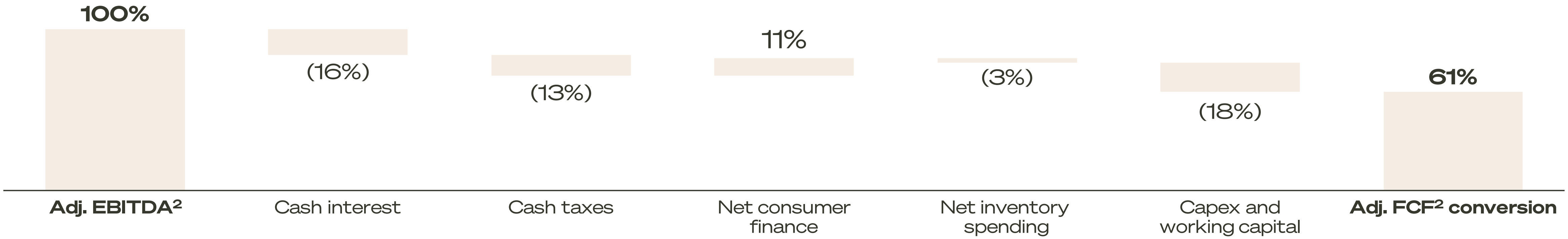
(1) 2022 quarterly periods

Adjusted EBITDA to Adjusted Free Cash Flow Conversion %

2022 to 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. FCF[1]

+

$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.

Corporate Debt Maturities[1]

As of December 31, 2022 ($ in millions)

82% of Corporate Debt is Fixed

with a weighted average effective interest rate of 5.7%

(1) Excludes Term Loan B amortization payments of $6M per year in 2023-2024 and $3M per year in 2025-2028. Also excludes $400M securitized notes due in March 2023. We expect to repay these notes with net proceeds from the incremental Term Loan B maturing in 2029, cash on hand, and revolving credit facility borrowings. The $1B revolving credit facility is expected to be renewed prior to its maturity in 2026. Corporate debt excludes our securitization transactions indebtedness and securitization conduit facilities.

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 margins[1]

Business Extensions

Expect to accelerate top-line growth by leveraging core competencies with acquired strategic capabilities

Free Cash Flow Projection

Expect to drive strong cumulative Adj. FCF generation of $2.4B+ for years 2022 through 2025[1]

The Outlook

Expect to accelerate adj. EBITDA growth and cumulative Adj. FCF to maximize shareholder returns[1]

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

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TNL

LISTED

NYSE

FORTUNE
WORLD'S MOST ADMIRED COMPANIES™
2023

Forbes 2022
WORLD'S BEST EMPLOYERS
POWERED BY STATISTA

AMERICA'S MOST RESPONSIBLE COMPANIES
2022
Newsweek
statista

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
Loss 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 and divestiture related costs	1	-	1
Restructuring	9	16	25
Asset impairments/(recoveries), net	27	(4)	23
Separation and related costs (2)	45	223	268
Legacy items	1	1	2
Gain on sale of business	(68)	-	(68)
Stock based compensation	20	23	43
Value-added tax refund	-	(16)	(16)
Further adjustments (3)	-	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) 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.

	Q4 2022 QTD	FY 2022
Net VOI sales	$ 384	$ 1,484
Loan loss provision	86	302
Gross VOI sales, net of Fee-for-Service sales	$ 470	$ 1,786
Fee-for-Service sales	51	196
Gross VOI sales	$ 521	$ 1,982

APPENDIX: NON-GAAP RECONCILIATION

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

Reconciliation of Net income to Adjusted EBITDA	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2022
Net income attributable to Travel + Leisure Co. shareholders	$ 90	$ 357
Gain on disposal of discontinued business, net of income taxes	-	(1)
Net income from continuing operations	$ 90	$ 356
Amortization of acquired intangibles[1]	2	9
Asset impairments/(recoveries), net[2]	12	11
Restructuring[3]	7	14
Loss on equity investment	-	5
COVID-19 related costs	-	2
Legacy items	-	1
Fair value change in contingent consideration	-	(10)
Taxes[4]	(5)	(8)
Adjusted Net Income	$ 105	$ 380
Income taxes on Adjusted Net Income	34	138
Interest expense	51	195
Depreciation	26	110
Stock-based compensation expense[5]	11	42
Interest income	(3)	(6)
Adjusted EBITDA	$ 225	$ 859

Note: Amounts may not calculate due to rounding.
(1) Amortization of acquisition-related intangible assets is excluded from Adjusted Net Income and Adjusted EBITDA.
(2) Includes $1 million of inventory impairments during the twelve months ended December 31, 2022, included in Cost of vacation ownership interests on the Consolidated Statements of Income.
(3) The twelve months ended December 31, 2022 include $3 million of stock-based compensation expenses associated with the 2022 restructuring.
(4) Represents the tax effects on the adjustments. We determine the tax effects of the non-GAAP adjustments based on the nature of the underlying adjustment and the relevant tax jurisdictions. The tax effect of the non-GAAP adjustments was calculated based on an evaluation of the statutory tax treatment and the applicable statutory tax rate in the relevant jurisdictions.
(5) 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)

	Twelve Months Ended December 31, 2022
Net cash provided by operating activities	$ 442
Property and equipment additions	(52)
Sum of proceeds and principal payments of non-recourse vacation ownership debt	47
Free Cash Flow	$ 437
COVID-19 related adjustments (1)	2
Adjusted Free Cash Flow (2)	$ 439
Net income Cash Flow conversion	124%
Adjusted Free Cash Flow conversion	51%

(1) Includes cash paid for COVID-19 expenses factored into the calculation of Adjusted EBITDA.
(2) The Company had $50 million of net cash used in investing activities and $196 million of net cash used in financing activities for the twelve months ended December 31, 2022.

APPENDIX: NON-GAAP RECONCILIATION

Vacation Ownership Net Income to Adj. EBITDA Reconciliation
($ in millions)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Vacation Ownership net income/(loss) attributable to TNL shareholders	$ 373	$ 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	149	128	(17)	150	119	110	194	196	185	144	137	122	96	72	50	95	98
Depreciation and amortization	78	82	86	81	73	63	53	47	47	47	38	38	46	54	58	48	39
Interest expense	38	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 and divestiture related costs	-	-	-	-	-	-	-	-	-	2	1	-	-	-	-	-	-
COVID-19 related	-	3	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring	3	(1)	14	5	11	-	8	1	-	-	2	(1)	-	37	66	-	-
Asset impairments/(recoveries), net	8	1	22	27	(4)	205	-	-	-	-	-	-	-	9	1,374	-	-
Executive costs	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-
Separation and related costs	-	-	-	4	67	1	-	-	-	-	-	-	-	-	-	9	18
Stock-based compensation	16	13	8	7	9	13	16	-	-	-	-	-	-	-	-	-	-
2016 grant modifier	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Further adjustments[1]	-	-	-	-	(10)	(25)	(21)	-	-	-	-	-	-	-	-	-	-
Vacation Ownership Adjusted EBITDA	$ 665	$ 569	$ 121	$ 756	$ 721	$ 684	$ 703	$ 688	$ 660	$ 621	$ 552	$ 514	$ 440	$ 433	$ 366	$387	$ 343
Total revenue	$2,835	$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
Vacation Ownership Net Income Margin	13%	13%	-4%	13%	11%	6%	11%	11%	11%	10%	10%	9%	8%	6%	-56%	6%	4%
Vacation Ownership 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)

	2022
Travel and Membership net income attributable to TNL shareholders	$ 147
Gain on disposal of discontinued business, net of income taxes	(1)
Provision for income taxes	65
Depreciation and amortization	29
Interest expense	19
Interest (income)	(2)
Restructuring	9
Asset impairments	3
Stock-based compensation	4
Loss on equity investment	5
Fair value change in contingent consideration	(10)
Travel and Membership Adjusted EBITDA	$ 268

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 Consolidated Statements of Income. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction costs for acquisitions and divestitures, asset impairments/recoveries, 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 & Resorts, Inc. 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 telesales and virtual sales) divided by the number of tours. The Company has excluded non-tour sales in the calculation of VPG because non-tour 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.