

# **+ INVESTOR PRESENTATION**

March/April 2024

**TRAVEL+  
LEISURE**



**Presentation of Financial Information**

Financial information discussed in this presentation includes non-GAAP measures such as Adjusted EBITDA, Adjusted EBITDA margin, Adjusted diluted EPS, Adjusted free cash flow, Adjusted free cash flow conversion, gross VOI sales and Adjusted net income, which include or exclude certain items, as well as non-GAAP guidance. The Company utilizes non-GAAP measures on a regular basis to assess performance of its reportable segments and allocate resources. 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 full reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures where applicable.

The Company may use its website as a means of disclosing information concerning its operations, results and prospects, including information which may constitute material nonpublic information, and for complying with its disclosure obligations under SEC Regulation FD. Disclosure of such information will be included on the Company’s website in the Investor Relations section at [travandleisureco.com/investors](https://travandleisureco.com/investors). Accordingly, investors should monitor that Investor Relations section of the Company website, in addition to accessing its press releases, its submissions and filings with the SEC, and its publicly noticed conference calls and webcasts.

**About Travel + Leisure Co.**

As the world’s leading membership and leisure travel company, Travel + Leisure Co. (NYSE:TNL) transformed the way families vacation with the introduction of the most dynamic points-based vacation ownership program at Club Wyndham, and the first vacation exchange network, RCI. The company delivers more than six million vacations each year at more than 270 timeshare resorts worldwide, through tailored travel and membership products, and via Travel + Leisure GO—the signature subscription travel club inspired by the pages of Travel + Leisure magazine. With hospitality and responsible tourism at the heart of all we do, our 19,000+ dedicated associates bring out the best in people and places around the globe. We put the world on vacation. Learn more at [travandleisureco.com](https://travandleisureco.com).

**Forward-Looking Statements**

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,” “outlook,” or 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 travel clubs; 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 and the Middle East), 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; 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 for the fiscal year ended December 31, 2023, filed with the SEC on February 21, 2024. 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.



**WE PUT THE WORLD  
ON VACATION**

Our mission

**TRAVEL+  
LEISURE**

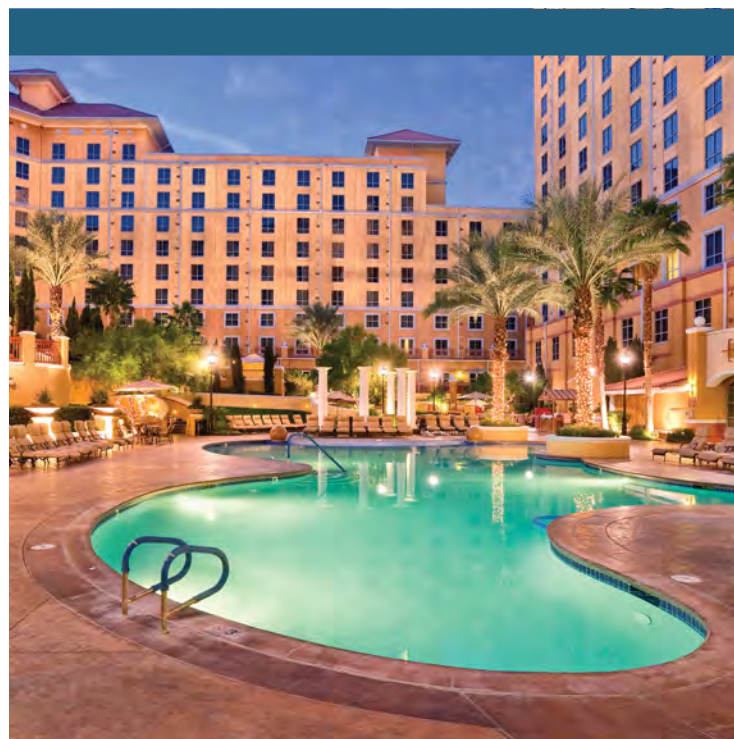




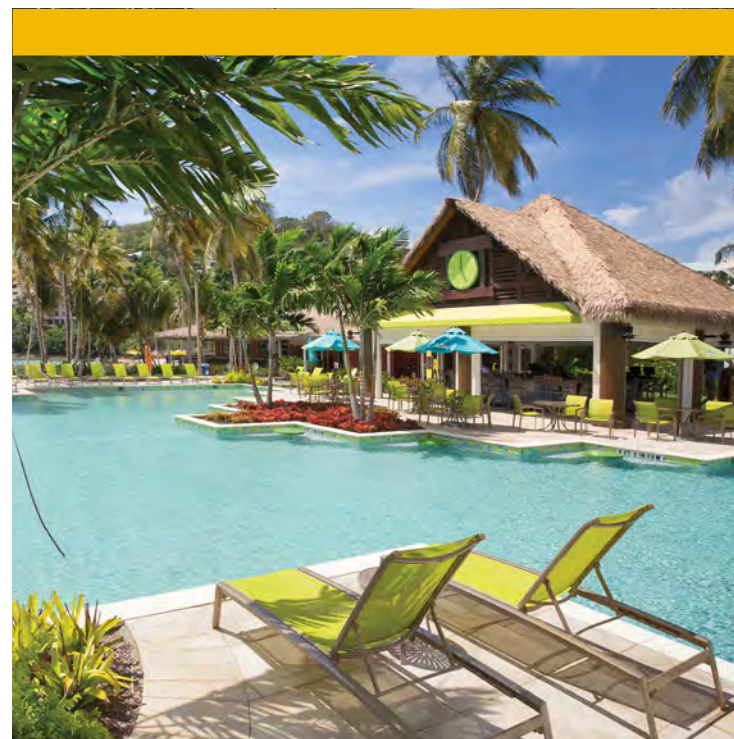
## The Travel + Leisure Co. Story

# Resilient Business. Strong FCF and Capital Returns.

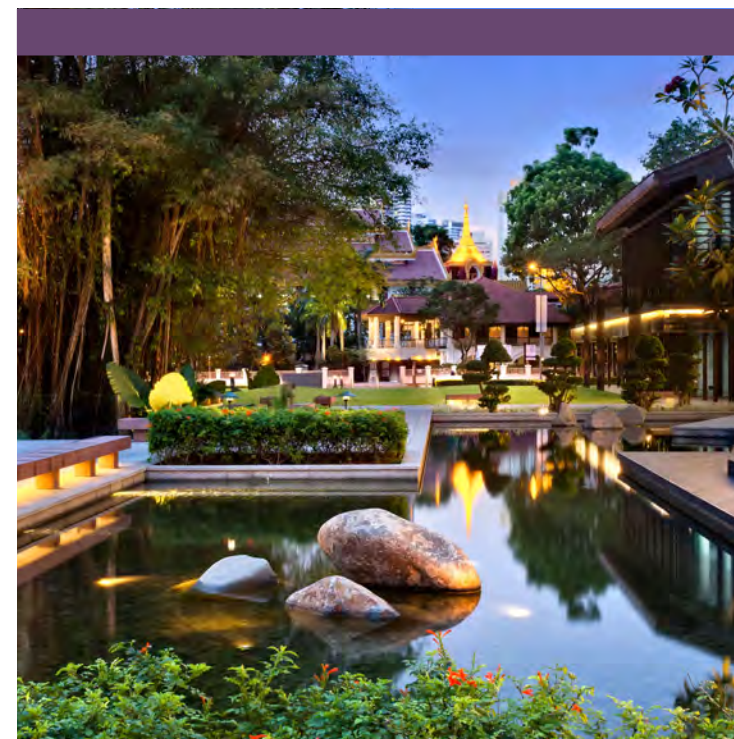
Proven Resilient  
Business Model



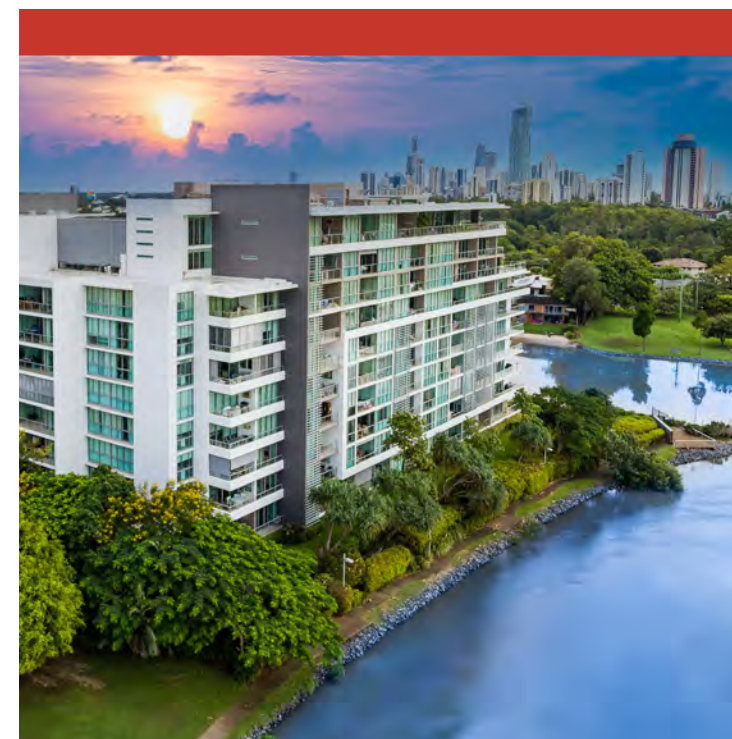
Favorable  
Market Dynamics



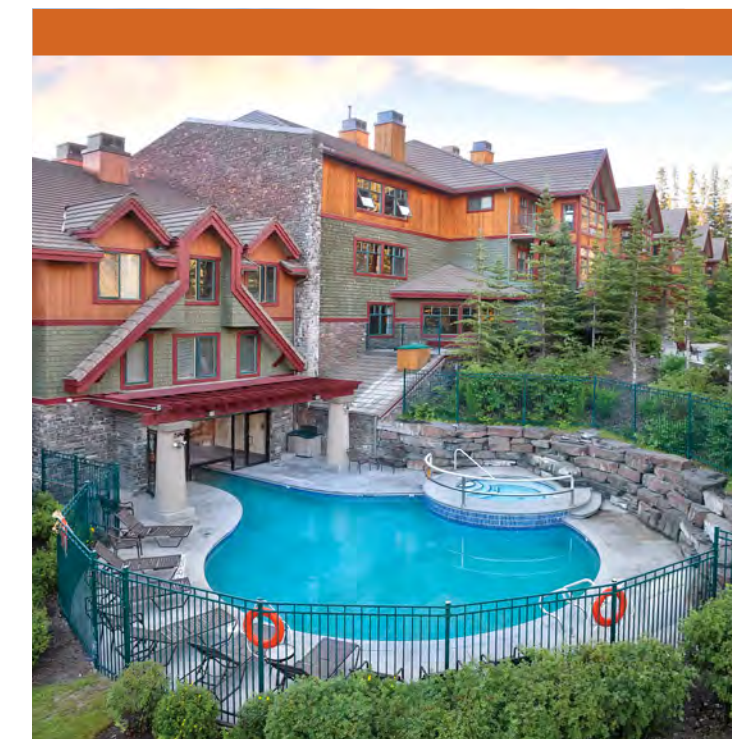
Timeshare Reality  
vs. Perception



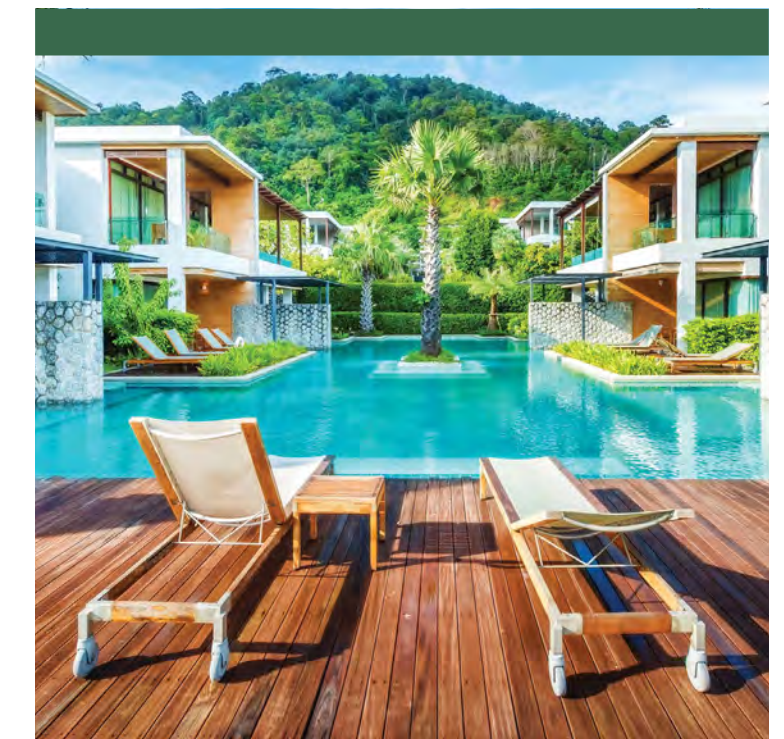
Expanding  
Platform



Strong Margins  
and FCF



Robust Capital  
Returns





PROVEN  
RESILIENT  
BUSINESS MODEL

FAVORABLE  
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CLUB WYNDHAM GRAND DESERT

# Proven Resilient Business Model



# Leading Membership & Leisure Travel Company

At a Glance

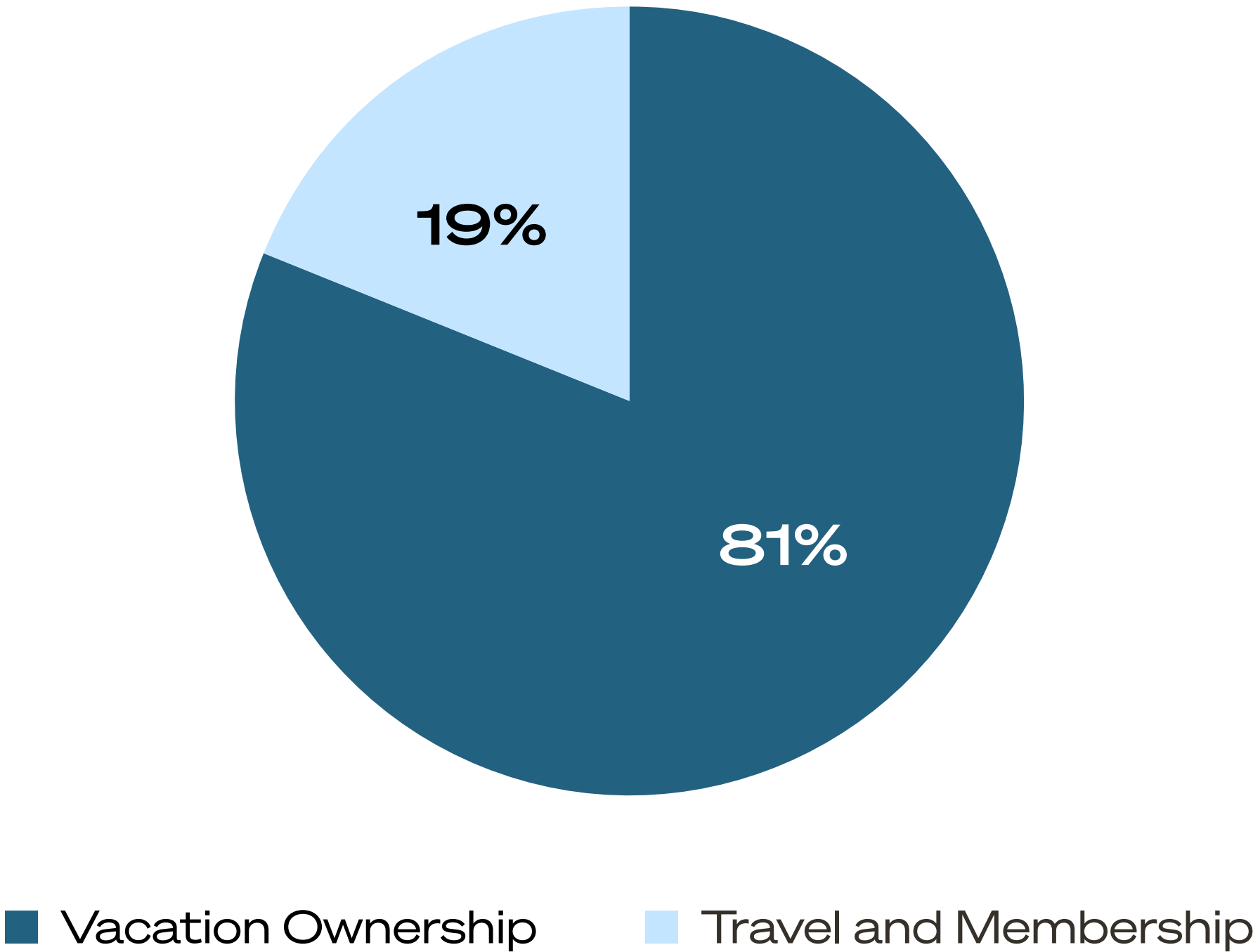
Key Financials	2023
Net Revenue	\$3.8B
Gross VOI Sales <sup>(1)</sup>	\$2.15B
Adj. EBITDA <sup>(1)</sup>	\$908M
Adj. Free Cash Flow <sup>(1)</sup>	\$379M

Key Facts	2023
Timeshare Resorts	245+
Timeshare Owners	800K+
Affiliated Exchange Resorts	~4,100
Avg. Exchange Members	3.5M

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

(2) Mix of reportable segment activity.

Revenue mix<sup>(2)</sup>





# 1Q 2024 Results

THREE MONTHS ENDED 3/31/2024



Net Revenue

**\$916M**

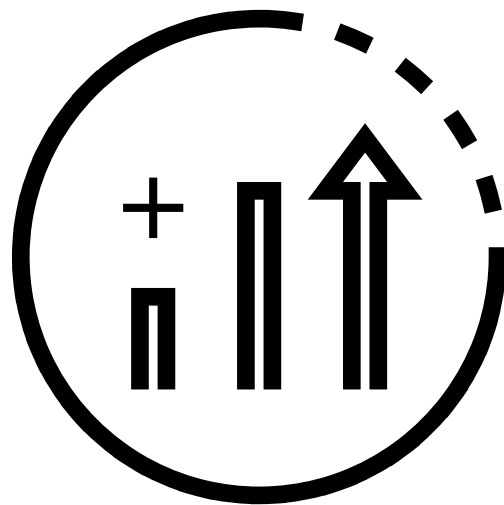
+4% YOY growth



Gross VOI Sales<sup>(1)</sup>

**\$490M**

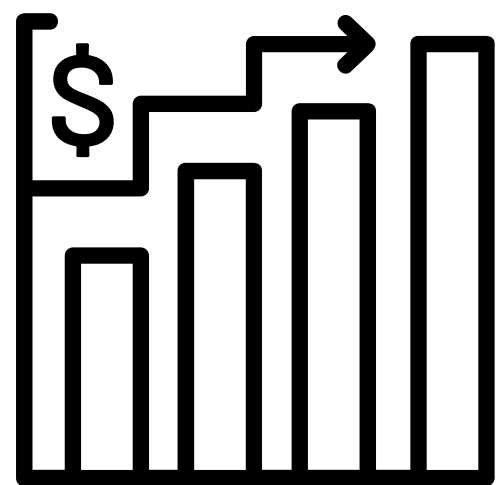
+8% YOY growth



Adj. EBITDA<sup>(1)</sup>

**\$191M**

+4% YOY growth



Adj. Diluted Earnings Per Share<sup>(1)</sup>

**\$0.97**

+9% YOY growth

## HIGHLIGHTS

+ VPG of \$3,035, above the high end of our guidance range

+ Tours up 15% over prior year

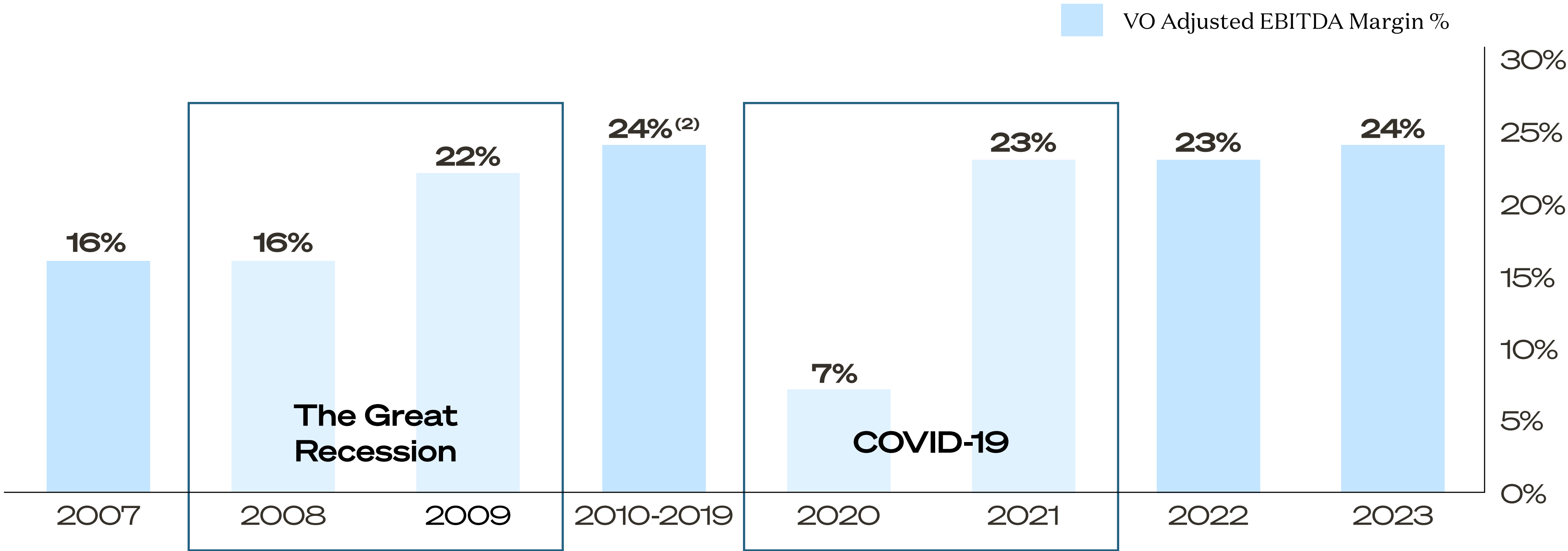
+ New owner tours up 28% over prior year

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



# Resilient Business with Strong Adjusted EBITDA Margins

Vacation Ownership Segment Adjusted EBITDA Margin<sup>(1)</sup>



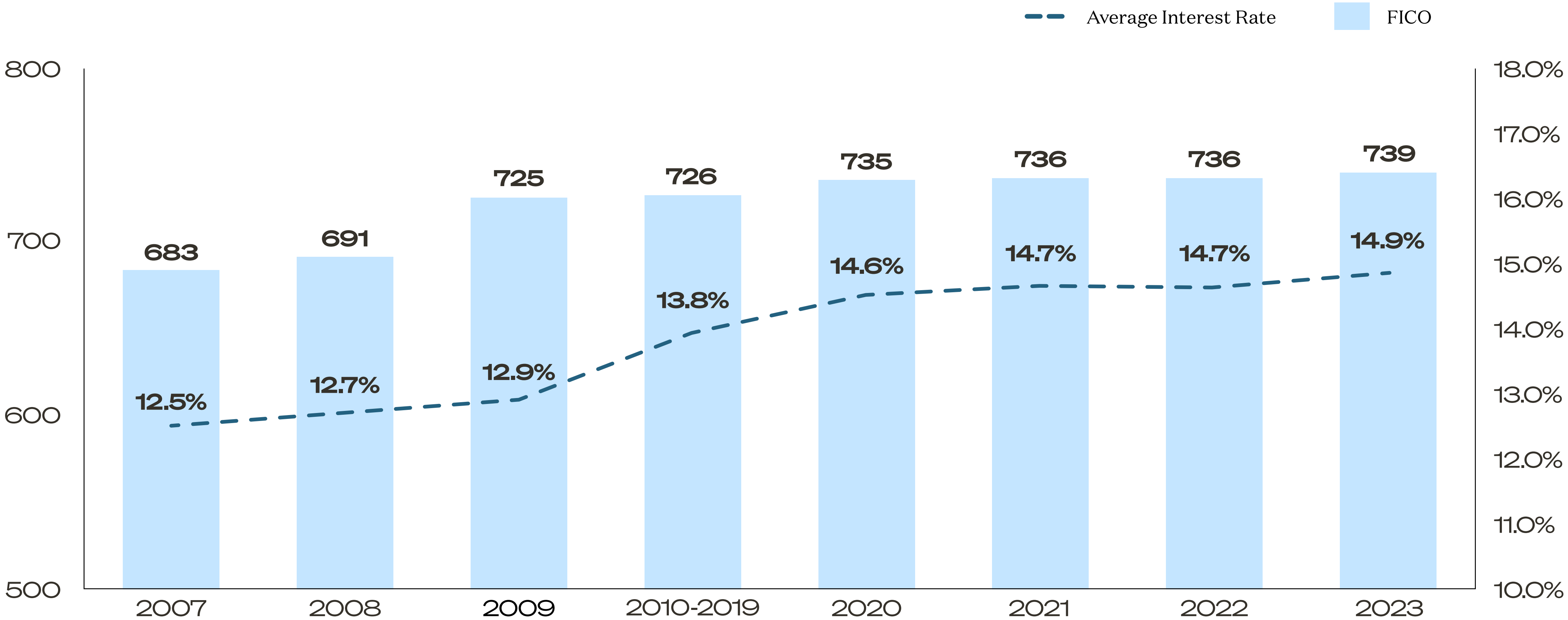
2007	2008	2009	2010-2019	2020	2021	2022	2023	Gross VOI <sup>(1)</sup>
1,993	1,987	1,315	1,935 <sup>(2)</sup>	967	1,491	1,982	2,149	

(1) Non-GAAP measure: see appendix for definition and reconciliation.  
(2) Average from 2010-2019.



# Strong Credit Quality

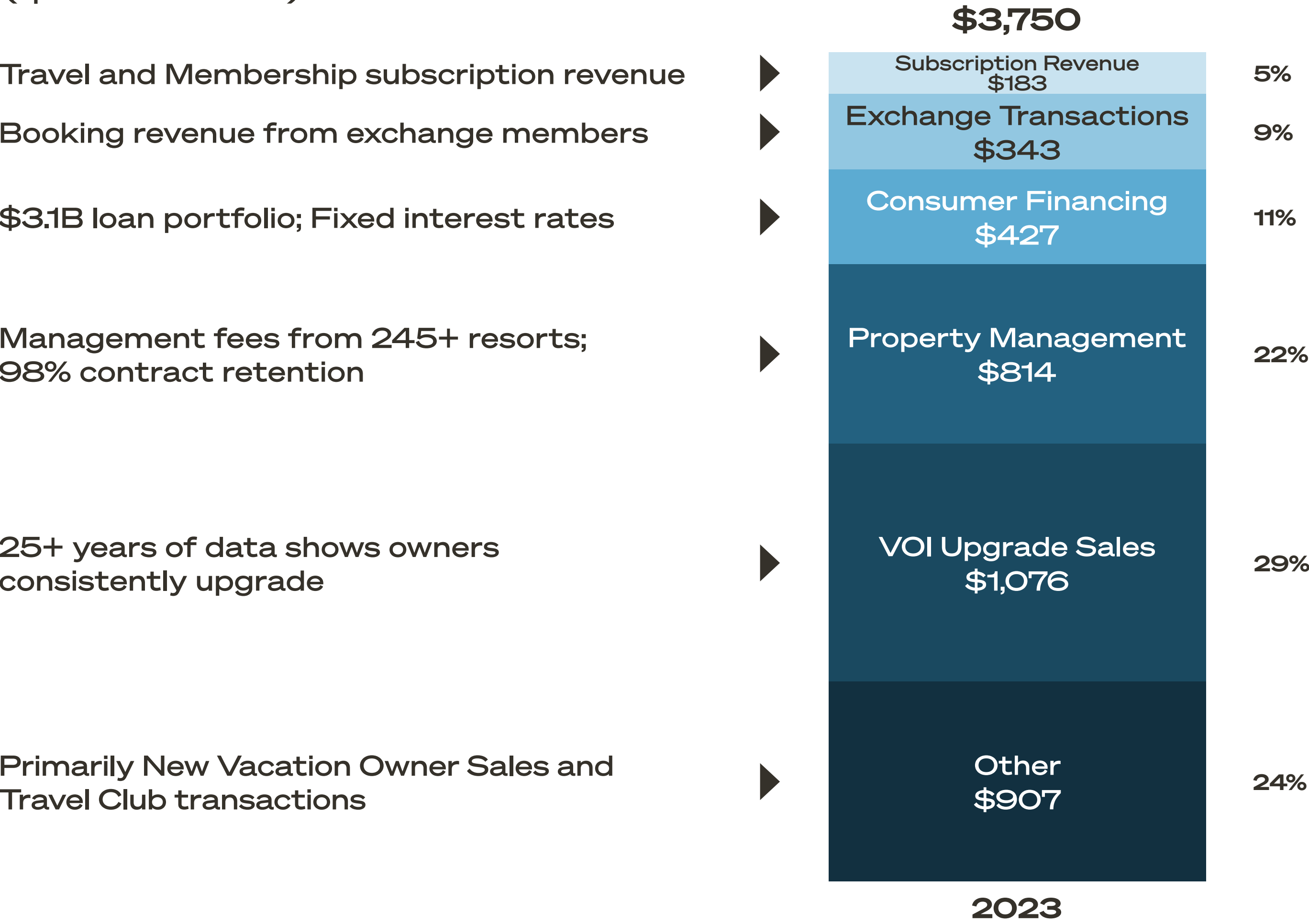
Average FICO Score on New Originations





# Predictable and/or Recurring Revenue

(\$ in millions)

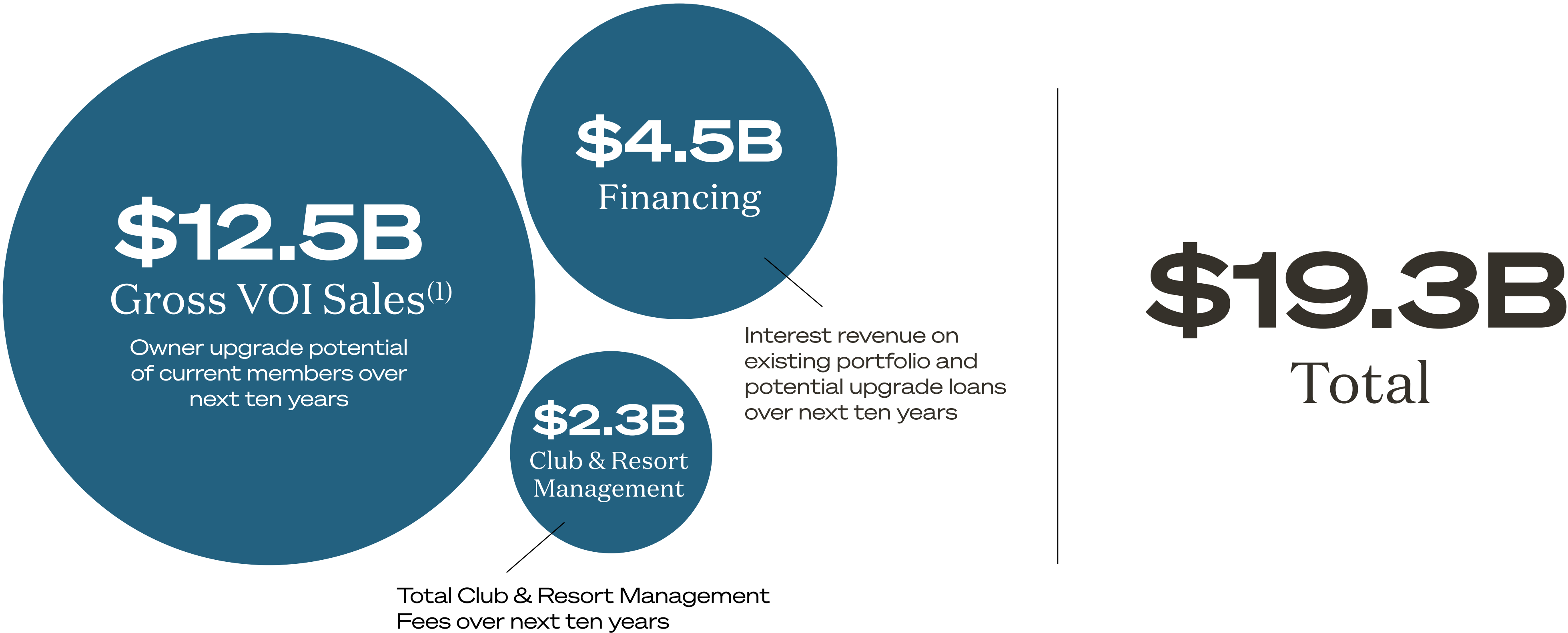


**>75% of Revenue**  
is Predictable  
and/or Recurring



# Embedded Revenue Potential of Existing Owner Base

Ten year cumulative revenue potential, not discounted



(1) Gross VOI Sales, 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 such outlook or guidance.



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RETURNS



📍 MARGARITAVILLE VACATION CLUB ST. THOMAS

# Favorable Market Dynamics



# Strong Value Proposition



Favorable  
secular trends



Attractive  
product form



Scale/Product  
Flexibility



Inflation  
beneficiary





## Favorable secular trends

### Secular growth in leisure travel

- Global leisure travel market is forecast to grow at a CAGR of 7% (2024-2032)<sup>(1)</sup>

### Work from Anywhere

- 25% of our guests surveyed in 2023 worked remote during their stay at our resorts<sup>(2)</sup>
- Length of stay was 7% higher in 2023 than 2019



## Attractive product form

- Spacious condominium accommodations with kitchen and washer/dryer
- One bedroom unit is approximately 2x the size of hotel room



## Scale/Product Flexibility

- 220+ resorts in the U.S. and ~4,100 resort options globally through RCI
- Split points into multiple stays, borrow from the future or bank points into the next year



## Inflation beneficiary

- Lock-in the price of future vacations
- Comparable hotel accommodation as much as 4x-6x<sup>(3)</sup> average annual maintenance fee

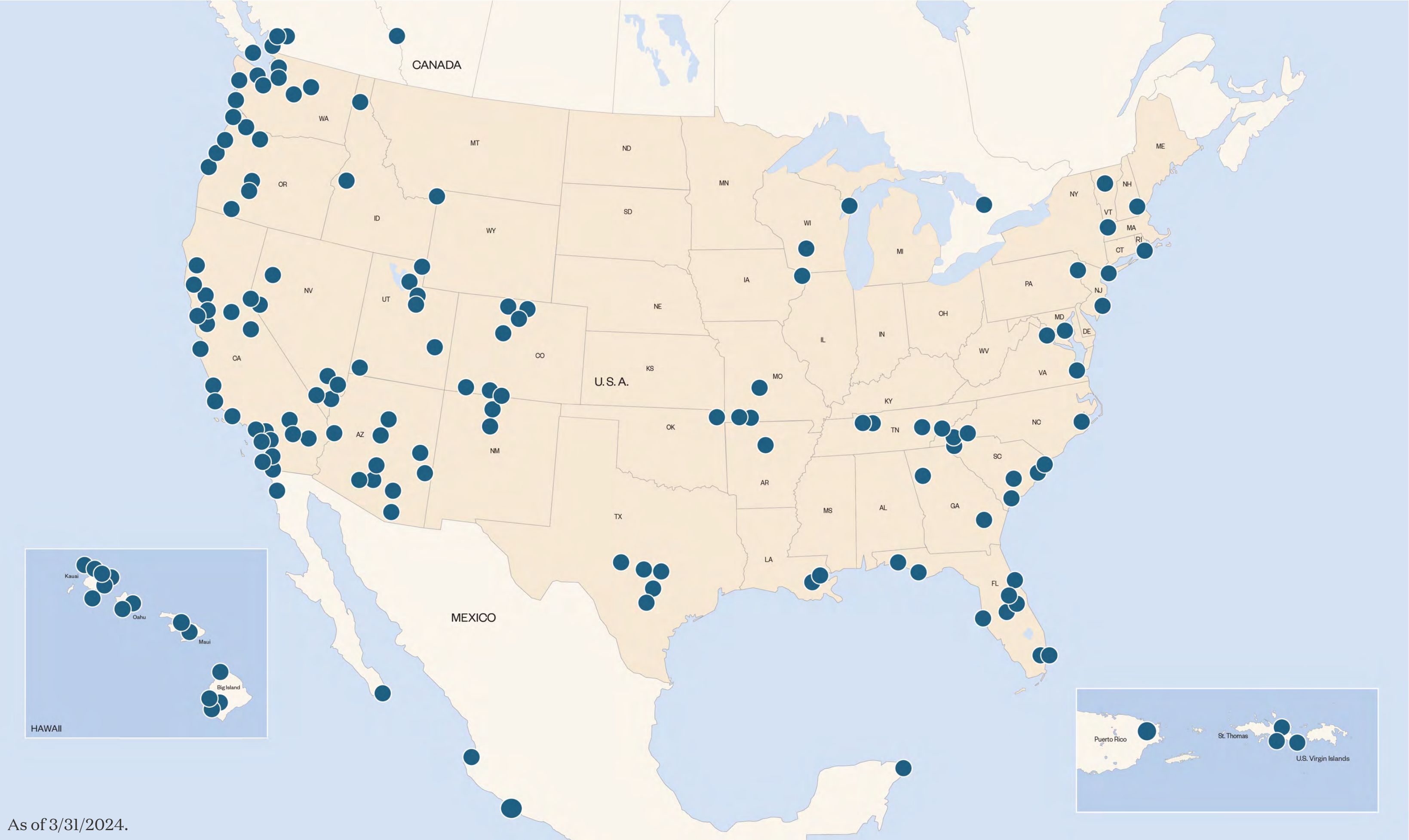
(1) Source: Expert Market Research.com

(2) Wyndham Destinations post-stay surveys of guests younger than 68.

(3) Sources: Smith Travel Research and company 2023 data. Comparison based on Upper Upscale average daily rates for two hotel rooms in peak season in Lake Buena Vista area of central Florida compared to one and two bedroom condominium maintenance fees for Wyndham Bonnet Creek in peak season.



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



**270+<sup>(1)</sup>**  
Resorts Globally

**220+**  
Resorts in  
North America

(1) As of March 31, 2024, includes resorts acquired as part of the Accor Vacation Club acquisition in March 2024.



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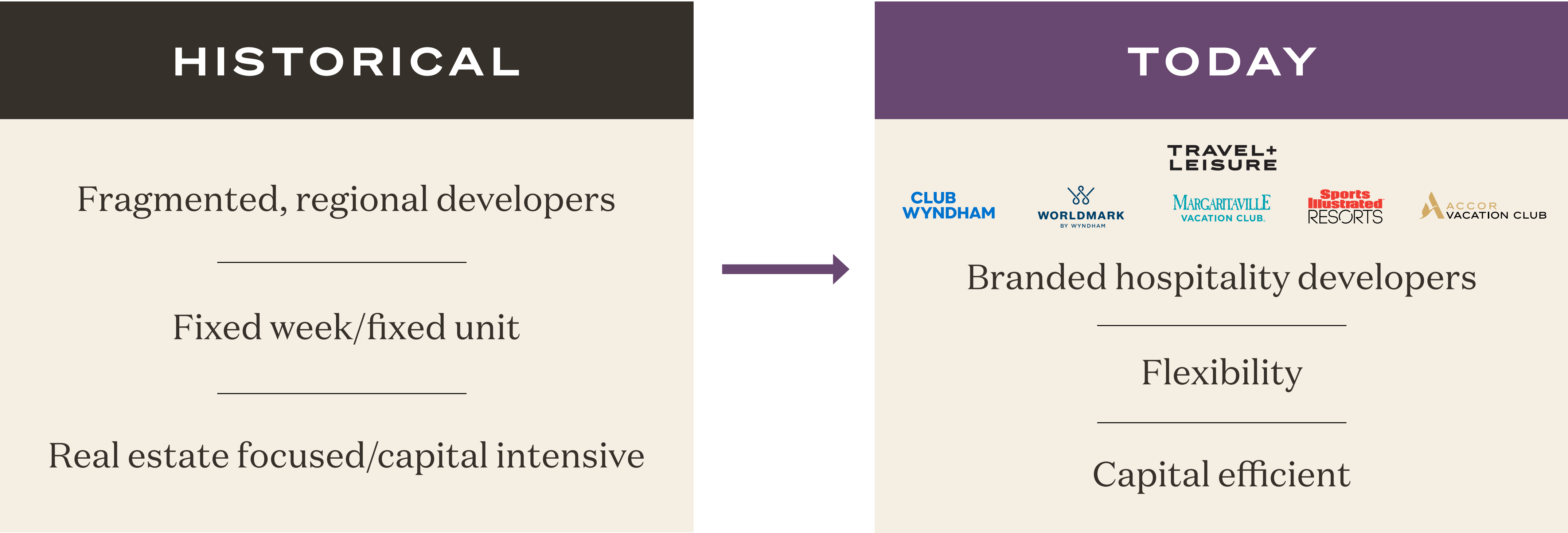
ROBUST  
CAPITAL  
RETURNS



# Timeshare Reality vs. Perception



# Industry Transformation





# OWNERS LOVE THEIR TIMESHARE

Owners<sup>(1)</sup>  
820K+

Owners with No Loans Outstanding<sup>(2)</sup>  
~80%

Annual Retention of Owners<sup>(3)</sup>  
98%

Owners Buy More<sup>(4)</sup>  
~70% of sales to  
existing owners



CLUB WYNDHAM MIDTOWN 45

(1) As of March 31, 2024, includes owners acquired as part of the Accor Vacation Club acquisition in March 2024.  
(2) As of 12/31/2023.  
(3) Annual retention of owners without loans over the last 10 years as of 12/31/2023.  
(4) Full Year 2023.



# YOUNGER GENERATIONS ARE BUYING

Gen-X<sup>(1)</sup>

26% of new owner sales

Millennial and Gen-Z<sup>(1)</sup>

38% of new owner sales

Family formation drives  
interest in timeshare



(1) New owner sales for the twelve months ended December 31, 2023.



# CAPITAL EFFICIENT

Just-in-time inventory

Owners fund  
FF&E reserves

Inventory recycling —  
Certified exit programs





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📍 ACCOR VACATION CLUB FRESHWATER POINT RESORT BROADBEACH

# Expanding Platform



# Growing Vacation Ownership Through Brand Expansion

**Sports  
Illustrated™**  
RESORTS

 **ACCOR  
VACATION CLUB**

- Sports Illustrated Resorts and Accor Vacation Club<sup>(1)</sup> join the growing brand portfolio
- Leverage affinity relationships & access new customer-databases
- Generate incremental tour flow and revenues
- Leverage existing operational skill-sets in sales, financing and resort management

(1) Successfully closed the acquisition of Accor Vacation Club on March 1, 2024.



## Aligning with world-class leisure brands Accor Vacation Club for \$50 million<sup>(1)</sup>



- Leverages the Travel + Leisure Co. global platform to enhance service and accelerate sales across existing 24 resorts and nearly 30,000 members
- Exclusive agreement to develop new timeshare products in certain regions globally on the strength of the Accor brand

(1) Successfully closed the acquisition of Accor Vacation Club on March 1, 2024.



# First Partnership with Sports Illustrated Resorts



## Sports Illustrated RESORTS

- Network of sports-themed and lifestyle resorts in popular college towns and leisure destinations
- Acquired the rights to the vacation ownership business of Sports Hospitality Ventures, LLC
- First location planned at the University of Alabama in Tuscaloosa anticipated to open in late 2025
- Expected to drive incremental growth starting in the second half of 2025



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## Strong Margins and FCF



# High Adjusted EBITDA Margins and Strong FCF



High Adjusted  
EBITDA Margins<sup>(1)</sup>  
Mid-20's

Increased margins during  
the Great Financial Crisis



Strong and Consistent  
Conversion of Adj. FCF<sup>(1)</sup>  
from Adj. EBITDA<sup>(1)</sup>

~50% expected  
adj. FCF conversion<sup>(2)</sup>



Track Record  
of Execution in  
the ABS Market

Average three  
transactions per year



Minimal  
Inventory  
Commitments

Three years of expected  
inventory on balance sheet

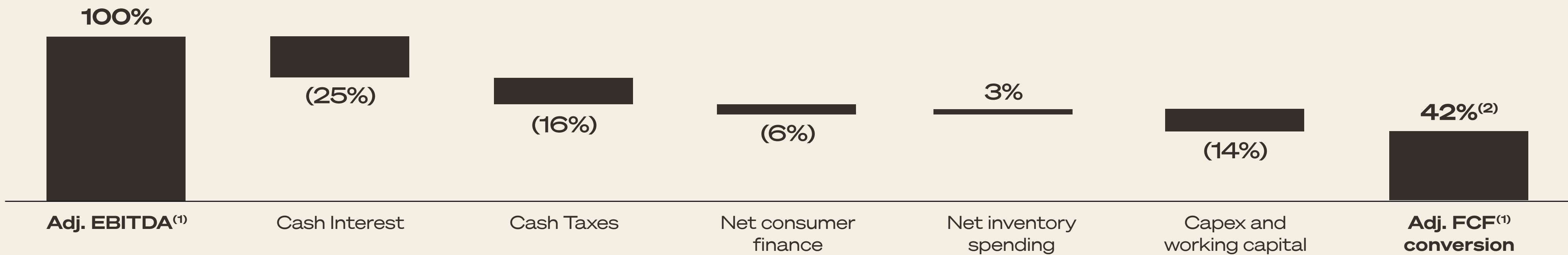
(1) Non-GAAP measure: see appendix for definition.

(2) 2024 Financial goal. Adjusted Free Cash Flow conversion is a forward-looking non-GAAP measure, the reconciliation of which is not available without unreasonable effort. See appendix for definition.

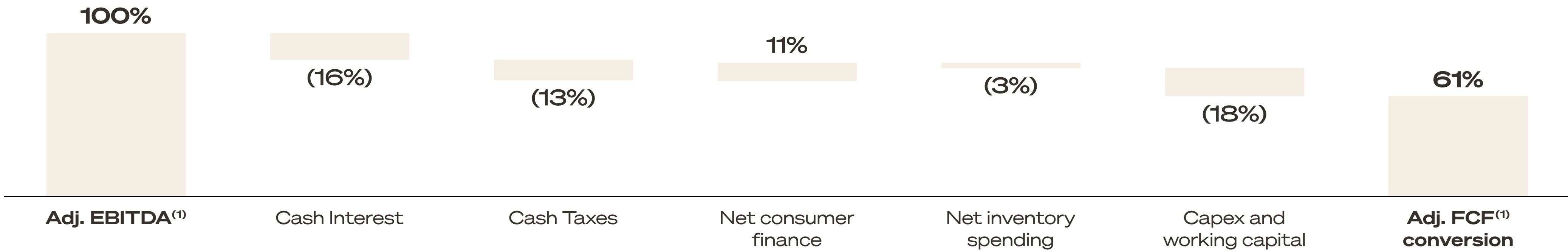


# Adjusted EBITDA to Adjusted Free Cash Flow Conversion %

## 2023 Actuals



## 2018 to 2019 Actual



(1) Non-GAAP measure: see appendix for definition and GAAP reconciliation.  
(2) Inclusive of \$41 million outflow for our investment in Sports Illustrated Resorts.



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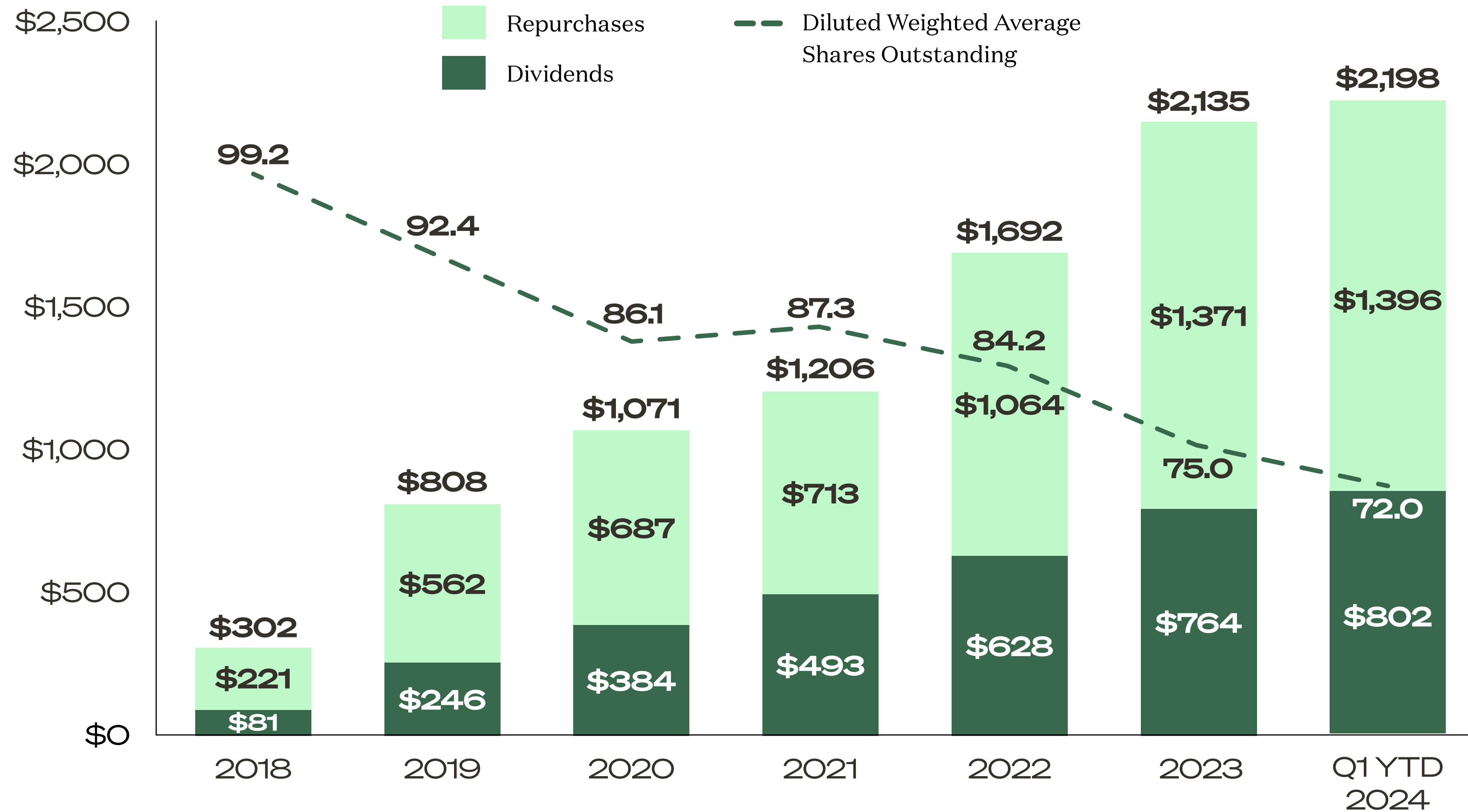


📍 CLUB WYNDHAM SEA PEARL PHUKET

# Robust Capital Returns



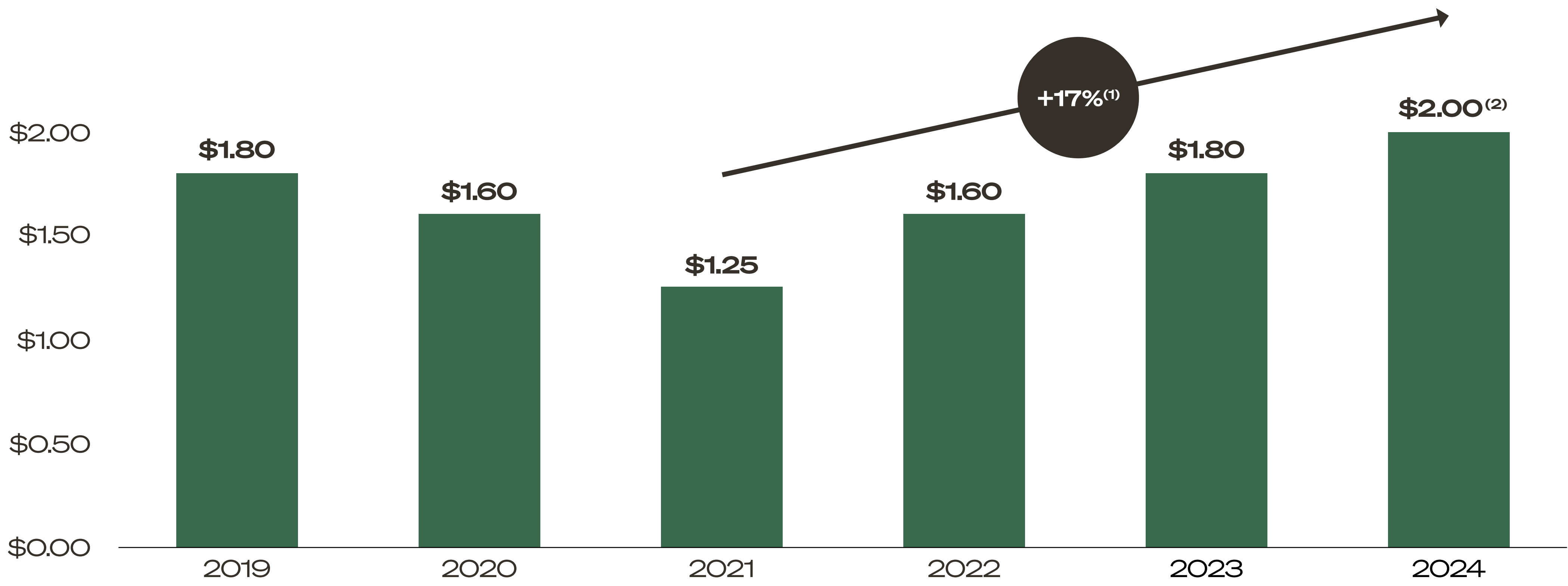
# Cumulative Capital Returned to Shareholders Since Spin



**\$2.2B**  
of capital  
returned  
to shareholders  
post spin



# Annual Dividend Growth

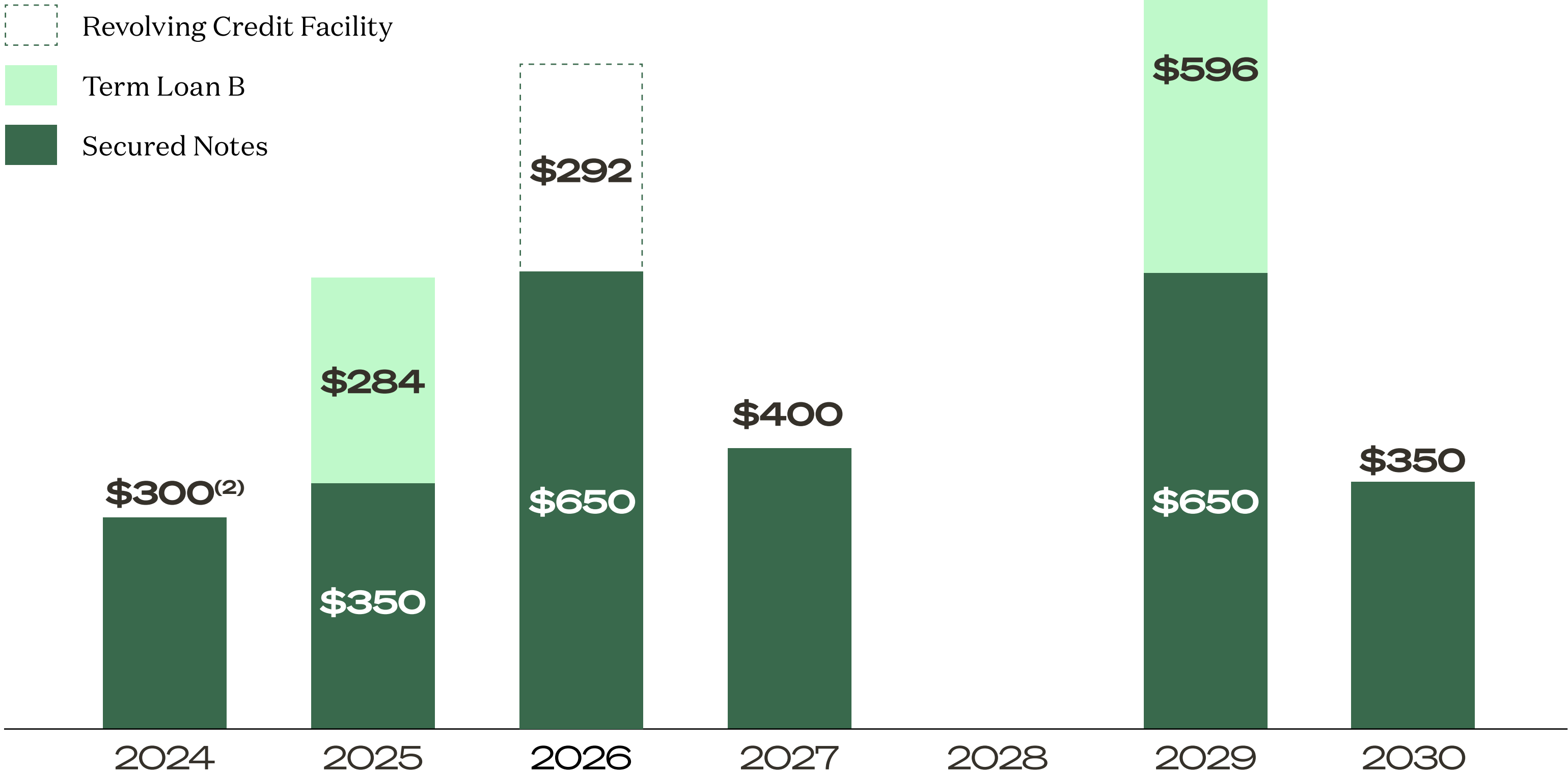


(1) Average annual growth.  
(2) Annualized dividend amount includes expected 2024 dividends that are subject to declaration at the discretion of the Board of Directors.



# Corporate Debt Maturities<sup>(1)</sup>

As of March 31, 2024 (\$ in millions)



70%<sup>(3)</sup> of  
Corporate  
Debt is Fixed

Weighted Average  
Effective Interest  
Rate of Total  
Corporate Debt is  
6.4%

(1) Excludes remaining Term Loan B amortization payments of \$7M in 2024, \$7M in 2025, \$6M per year in 2026-2028, and \$4.5M in 2029. 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. At 3/31/24, the revolving credit facility of \$1B held \$706M of capacity, net of \$2M outstanding letters of credit.

(2) Repaid \$300M secured notes due 4/1/2024 at maturity, funded by proceeds from the 2023 Incremental Term Loan B Facility, together with available cash on hand plus revolving credit facility draw.

(3) As of 3/31/2024 \$2.7B of Corporate debt was fixed.





# TRAVEL+ LEISURE

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TNL  
LISTED  
NYSE







# APPENDIX

**TRAVEL+**  
**LEISURE**





# APPENDIX: NON-GAAP RECONCILIATION

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

	2019	2018 <sup>(1)</sup>	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 <sup>(2)</sup>	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 <sup>(3)</sup>	-	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 <sup>(1)</sup>	87	123	210
Adjusted Free Cash Flow <sup>(2)</sup>	\$ 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.

	Q1 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net VOI Sales	\$ 369	\$ 1,582	\$ 1,484	\$ 1,176	\$ 505	\$ 1,848	\$ 1,769	\$ 1,684	\$ 1,601	\$ 1,604	\$ 1,485	\$ 1,379	\$ 1,323	\$ 1,150	\$ 1,072	\$ 1,053	\$ 1,463	\$ 1,666
Net effect of percentage-of-completion accounting	-	-	-	-	-	-	-	-	-	(13)	12	1	-	-	-	(187)	74	22
Loan loss provision	78	348	302	129	415	479	456	420	342	248	260	349	409	339	341	449	450	305
Gross VOI sales, net of Fee-for-Service sales	447	1,930	1,786	1,305	920	2,327	2,225	2,104	1,943	1,839	1,757	1,729	1,732	1,489	1,413	1,315	1,987	1,993
Fee-for-Service sales	43	219	196	186	47	28	46	34	64	126	132	160	49	106	51	-	-	-
Gross VOI sales	\$ 490	\$ 2,149	\$ 1,982	\$ 1,491	\$ 967	\$ 2,355	\$ 2,271	\$ 2,138	\$ 2,007	\$ 1,965	\$ 1,889	\$ 1,889	\$ 1,781	\$ 1,595	\$ 1,464	\$ 1,315	\$ 1,987	\$ 1,993
2010-2019 Average										\$ 1,935								

Note: 2007-2015 Gross VOI sales does not reflect the adoption of ASC 606 revenue recognition accounting standard.



# APPENDIX: NON-GAAP RECONCILIATION

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

Reconciliation of Net income to Adjusted EBITDA	Three Months Ended March 31,			Twelve Months Ended December 31,		
	2024	EPS	Margin %	2023	EPS	Margin %
Net income attributable to TNL shareholders	\$ 66	\$ 0.92	7%	\$ 396	\$5.28	11%
Gain on disposal of discontinued business, net of income taxes	-			(5)		
Net income from continuing operations	\$ 66	\$ 0.92	7%	\$ 391	\$ 5.21	10%
Amortization of acquired intangibles <sup>(1)</sup>	2			10		
Acquisition-related deal costs	2			-		
Restructuring <sup>(2)</sup>	-			26		
Legacy items	-			8		
Loss on sale of business	-			2		
Asset impairments, net <sup>(3)</sup>	-			1		
Debt modification	-			1		
Taxes <sup>(4)</sup>	(1)			(12)		
Adjusted net income	\$ 69	\$ 0.97	8%	\$ 427	\$ 5.70	11%
Income taxes on adjusted net income	27			106		
Interest expense	64			251		
Depreciation	26			102		
Stock-based compensation expense <sup>(5)</sup>	9			36		
Debt modification <sup>(6)</sup>	-			(1)		
Interest income	(4)			(13)		
Adjusted EBITDA	\$ 191		21%	\$ 908		24%
Diluted Shares Outstanding	72.0			75.0		

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 \$2 million stock-based compensation expenses associated with the 2023 restructuring plans.

(3) Includes \$1 million of inventory impairments included in Cost of vacation ownership interests on the Consolidated Statements of Income for the twelve months ended December 31, 2023.

(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.

(6) Debt modifications are excluded from Adjusted net income, while included for 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, 2023
Net cash provided by operating activities	\$ 350
Property and equipment additions	(74)
Sum of proceeds and principal payments of non-recourse vacation ownership debt	103
Free cash flow	\$ 379
Adjustments	-
Adjusted free cash flow <sup>(1)</sup>	\$ 379
Net income attributable to TNL shareholders	\$ 396
Adjusted EBITDA	\$ 908
Net income cash flow conversion	88%
Adjusted free fash flow conversion	42%

(1) The Company had \$80 million of net cash used in investing and \$500 million of net cash used in financing activities for the year ended December 31, 2023.



# APPENDIX: NON-GAAP RECONCILIATION

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vacation Ownership net income	\$ 429	\$ 373	\$ 309	\$ (69)	\$ 404	\$ 340	\$ 174	\$ 316	\$ 316	\$ 295	\$ 248	\$ 227	\$ 195	\$ 156	\$ 117	\$ (1,281)	\$ 150
Net income attributable to noncontrolling interest	-	-	-	-	-	-	-	1	-	1	1	-	-	-	-	-	-
Provision for/(benefit from) income taxes	160	149	128	(17)	150	119	110	194	196	185	144	137	122	96	72	50	95
Depreciation and amortization	70	78	82	86	81	73	63	53	47	47	47	38	38	46	54	58	48
Interest expense	47	38	34	43	78	117	142	131	130	133	180	147	160	142	144	100	85
Interest (income)	(2)	-	-	-	-	(1)	-	(1)	(2)	(1)	(1)	-	-	-	-	(1)	-
Acquisition related	-	-	-	-	-	-	-	-	-	-	2	1	-	-	-	-	-
COVID-19 related	-	-	3	34	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring costs	10	3	(1)	14	5	11	-	8	1	-	-	2	(1)	-	37	66	-
Asset impairments/(recoveries)	-	8	1	22	27	(4)	205	-	-	-	-	-	-	-	9	1,374	-
Executive costs	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-
Separation and related costs	-	-	-	-	4	67	1	-	-	-	-	-	-	-	-	-	9
Stock-based compensation	15	16	13	8	7	9	13	16	-	-	-	-	-	-	-	-	-
2016 grant modifier	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Further adjustments <sup>(1)</sup>	-	-	-	-	-	(10)	(25)	(21)	-	-	-	-	-	-	-	-	-
Vacation Ownership Adjusted EBITDA	\$ 729	\$ 665	\$ 569	\$ 121	\$ 756	\$ 721	\$ 684	\$ 703	\$ 688	\$ 660	\$ 621	\$ 552	\$ 514	\$ 440	\$ 433	\$ 366	\$ 387
Total revenue	\$ 3,041	\$ 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
Net Income Margin	14%	13%	13%	-4%	13%	11%	6%	11%	11%	11%	10%	10%	9%	8%	6%	-56%	6%
Adj. EBITDA margin	24%	23%	23%	7%	24%	24%	24%	25%	25%	25%	25%	24%	25%	22%	22%	16%	16%

Note: 2007-2015 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.



# 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 Adjusted 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:** A non-GAAP measure, represents Adjusted free cash flow as a percentage of Adjusted EBITDA. We use this non-GAAP performance measure to assist in evaluating our operating performance and the quality of our earnings as represented by adjusted EBITDA, and to evaluate the performance of our current and prospective operating and strategic initiatives in generating cash flows from our earnings performance. This measure also assists investors in evaluating our operating performance, management of our assets, and ability to generate cash flows from our earnings, as well as facilitating period-to-period comparisons.

**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 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.