
MAY 2020
WYNDHAM
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Q1 2020
Earnings Presentation

COVID-19 Response

1Q 2020 Results

- Strong performance during January and February driven by healthy tour volumes, followed by resort closures in mid-March and 52% decline in tours in March

COVID-19 Situation Overview

- The health and safety of our employees, owners and members is our top priority
- Took proactive actions to safeguard owners' and members' vacations and their use rights, increasing flexibility and reducing fees
- Secured liquidity position by drawing down $1B revolver and completing a $325M private securitization transaction
- Focused on preserving adjusted EBITDA and free cash flow by reducing project capital and inventory expenditures as well as reducing operating cost base by $205M

Reopening Strategy

- Working with government authorities and health experts in establishing the reopening criteria and methodologies
- Launched taskforce to implement safety protocols in-line with guidelines and in consultation with health experts
- Planning a phased reopening strategy starting in the second quarter and ramping through the summer, while balancing the needs of our employees and other stakeholders
- Managing our operations to be adjusted free cash flow positive for the full year

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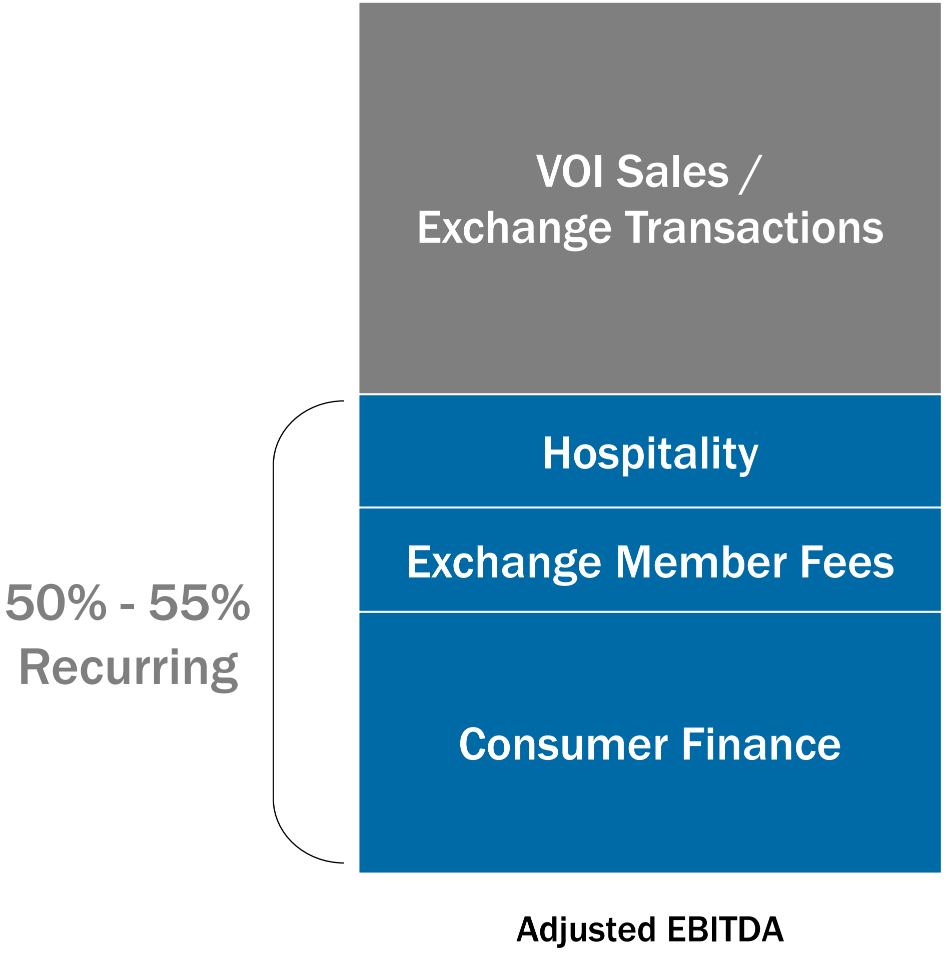
50%+ of Adj. EBITDA from Predictable Fee Streams



- Predictability of cash flow
- Baseline of visibility into the second half of 2020
- Additional cost actions to reduce fixed costs
- Plan to be adjusted FCF positive under multiple re-opening scenarios

Cash Burn Analysis Based on Closed Resorts

Average monthly cash burn (rolling 12 months)

Revenue	$M
Service and member fees	64
Consumer financing	36
	100
Costs	
G&A	(24)
Opex	(74)
	(98)
Uses of cash	
Capex/Inventory spending	(18)
Interest	(14)
Working capital/other	(14)
Free Cash Flow	**(44)**

~23 months of available cash at current burn rate

Unrestricted cash
$1B

Availability on warehouse facility
$342M

Leverage for covenant purposes
2.9x (1)

Next debt maturity in March 2021
$250M

(1) As of March 31, 2020. The maximum first lien leverage ratio is 4.25x as of the measurement date.

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Timeshare Well Positioned for the Recovery

- 100% focused on leisure travel
- Not reliant on air-travel, 95%+ U.S. population within 300 miles of one of our resorts
- Timeshare units are conducive to social distancing - more space/kitchens etc.
- Wyndham is a trusted brand with proven cleaning and safety protocols
- Timeshare owners among the first to return to their vacations because of the prepaid nature of the product
- The lockdown has created pent-up demand for vacations

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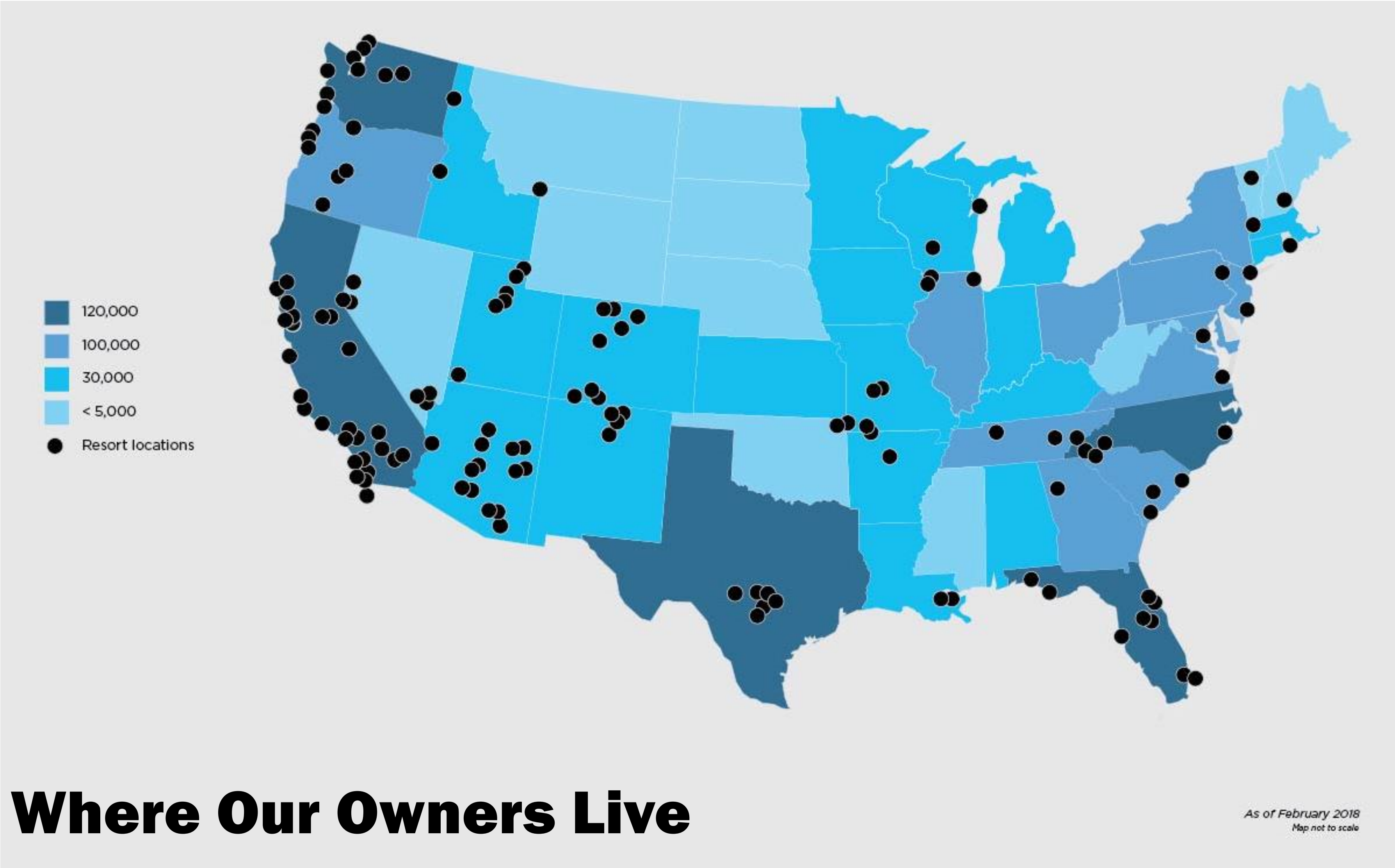
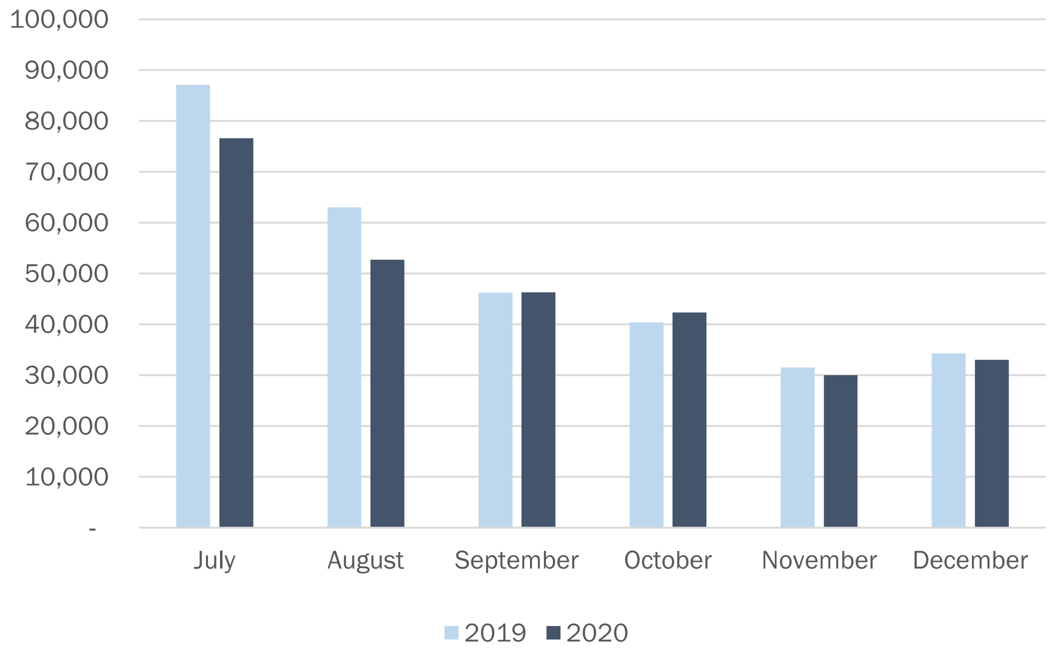
Extensive Footprint in the U.S.



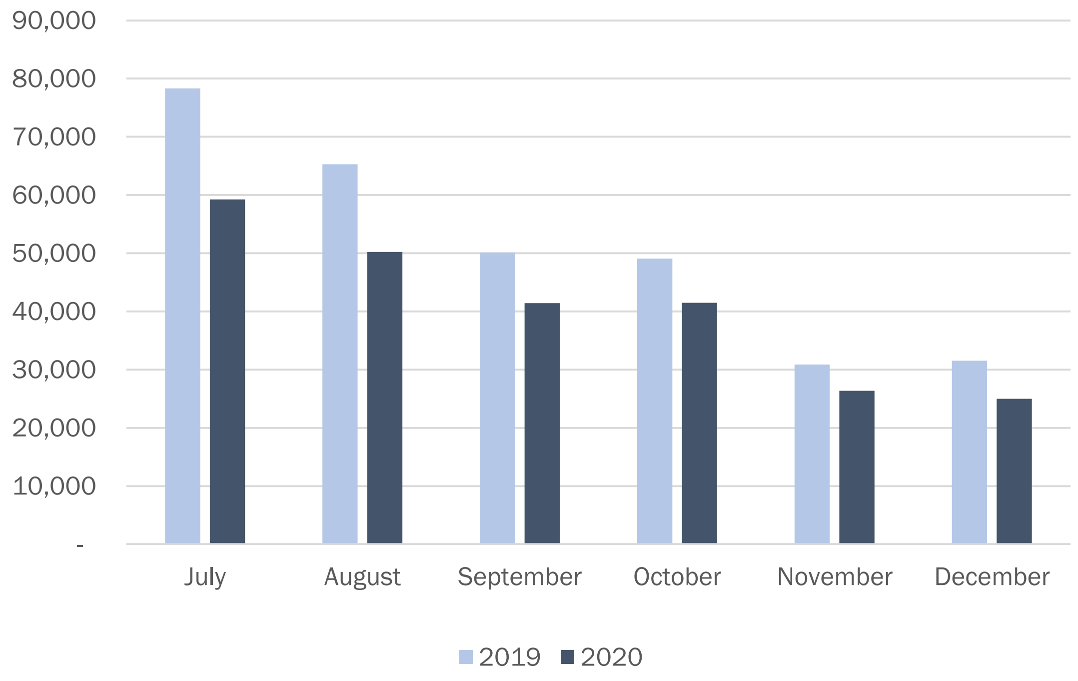
- 95%+ U.S. population live within 300 miles of a Vacation Clubs resort
- 161 resorts on mainland U.S.
- 93% of North American sales on mainland U.S.

Owners and Members Booking 2020 Vacations Despite Crisis

Vacation Owners Net Bookings



Exchange Net Bookings



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Stronger Positioning Heading into Crisis

		2008	2019
Stronger margins	VO segment adjusted EBITDA margins	16%	24%
Capital efficient inventory sourcing	Capital efficient inventory mix	<25%	>85% [1]
Credit quality improved	Average FICO on new originations	691	727
Increased down payment requirements	Average down payment % of financed VOI sales [2]	13%	24%
Hotel affinity sales	Blue Thread sales	—	$87M
Large geographic footprint	Vacation ownership resorts	150	230

1. Average of last four years
2. Represents average down payment percentage on financed sales in the U.S. only

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Key Metrics 2008 — 2011

	2008	2009	2010	2011
Occupancy (1)	75%	77%	76%	76%
Adjusted EBITDA Margin (2)	16%	22%	22%	25%
FICO Scores (3)	691	725	725	725
VPG (4)	$1,602	$1,964	$2,183	$2,229
y-o-y		*23%*	*11%*	*2%*
Tours (in thousands)	1,143	617	634	685
y-o-y		*(46%)*	*3%*	*8%*
Provision (% of gross VOI) (5)	24%	30%	24%	23%

(1) Worldmark and Club Wyndham occupancy combined
(2) Wyndham Vacation Ownership Segment Adjusted EBITDA Margin. Does not reflect impact of revenue recognition standards.
(3) Average FICO scores on new originations
(4) Does not reflect impact of revenue recognition standards
(5) Provision for Loan Loss as a Percentage of Gross VOI Sales, net of Fee-for-Service sales

THANK YOU

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Financial information discussed in this presentation includes non-GAAP measures such as adjusted EBITDA, 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 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. Full reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures for the reported periods appear in the appendix of this presentation.

Appendix: Definitions

Adjusted EBITDA: A non-GAAP measure, defined by the Company as net (loss)/income 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, transaction costs and impairments, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. 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 (loss)/income 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.

Free Cash Flow from Continuing Operations (FCF): 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. The Company 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 measures of net cash provided by operating activities as a means for evaluating Wyndham Destinations is that FCF does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

Adjusted Free Cash Flow from Continuing Operations: 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 transaction costs for acquisitions and divestitures, and separation adjustments associated with the spin-off of Wyndham Hotels & Resorts.

Leverage Ratio: The Company calculates leverage ratio as net debt divided by adjusted EBITDA, as defined in the credit agreement.

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.

Tours: Represents the number of tours taken by guests in our efforts to sell VOIs.

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.

Appendix: Non-GAAP Reconciliations

Vacation Ownership (VO) Further Adjusted EBITDA Reconciliation ($M)

	2019	2011	2010	2009	2008
VO Net Income attributable to WYND	$ 404	$ 195	$ 156	$ 117	$ (1,281)
Net income attributable to non controlling interest	-	-	-	-	-
Provision for Income Taxes	150	122	96	72	50
Depreciation and Amortization	81	38	46	54	58
Interest Expense	78	160	141	144	100
Early extinguishment of debt	-	-	1	-	-
Interest (Income)	-	-	-	-	(1)
Restructuring Costs	5	(1)	-	37	66
Loss on Sale/Asset Impairments	27	-	-	9	1,374
Separation Costs	4	-	-	-	-
Stock Based Compensation	7	-	-	-	-
VO Adjusted EBITDA	$ 756	$ 514	$ 440	$ 433	$ 366
Total Revenue	$ 3,151	$ 2,077	$ 1,979	$ 1,945	$ 2,278
Adj. EBITDA Margin	24%	25%	22%	22%	16%

2008-2011 Does not reflect impact of new revenue recognition standard