

+

INVESTOR PRESENTATION

November 2024

**TRAVEL+
LEISURE**

 **WORLDMARK BIG BEAR
BIG BEAR LAKE, CA**

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 travelandleisureco.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.

Travel + Leisure Co. (NYSE:TNL) is the world's leading membership and leisure travel company, providing more than six million vacations to travelers every year. The company operates a portfolio of vacation ownership, travel club, and lifestyle travel brands designed to meet the needs of the modern leisure traveler, whether they're traveling the world or staying a little closer to home. With hospitality and responsible tourism at its heart, the company's 19,000+ dedicated associates around the globe help the company achieve its mission to put the world on vacation. Learn more at travelandleisureco.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," "projects," "continue," "outlook," "guidance," "commitments" 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.



📍 WORLDMARK LEAVENWORTH
LEAVENWORTH, WA

Company Overview

Travel + Leisure Co.: The Leader in Vacation Ownership



- Industry has consolidated around large, branded-name companies
- Product evolution to points-based system provides greater utility to owners



- Long-term stable owner base generates significant recurring revenue
- Margin stability in a variety of economic conditions



- Strong free cash generation supports capital allocation flexibility
- Over \$2.4B returned to shareholders since spin in 2018 through dividends and share repurchases

Travel + Leisure Co.: By the Numbers



TRAVEL+ LEISURE

CLUB
WYNDHAM

WORLDMARK
BY WYNDHAM

MARGARITAVILLE
VACATION CLUB

Sports
Illustrated
RESORTS

ACCOR
VACATION CLUB

270+
Resorts Worldwide
Q3'24

4,000
Affiliated RCI Resorts
Q3'24

820K
Timeshare Owners
Q3'24

3.4M
Avg. Exchange Members
Q3'24

19,000+
Employees Worldwide
Q3'24

344K
New Owner Tours
2023

\$3.8B
Net Revenue
2023

22.3%
Avg. Adj. EBITDA Margin
2018 - 2023

\$2.3B
Cumulative Adj. FCF
2018 - 2023

TRAVEL+ LEISURE

VACATION OWNERSHIP

+ Overview

- Sales of vacation ownership interests
- Resort Management
- Consumer Financing

+ 2023 Financials

\$3,041M	\$729M	24%
Net Revenue	Adj. EBITDA ⁽¹⁾	Adj. EBITDA Margin ⁽¹⁾

TRAVEL AND MEMBERSHIP

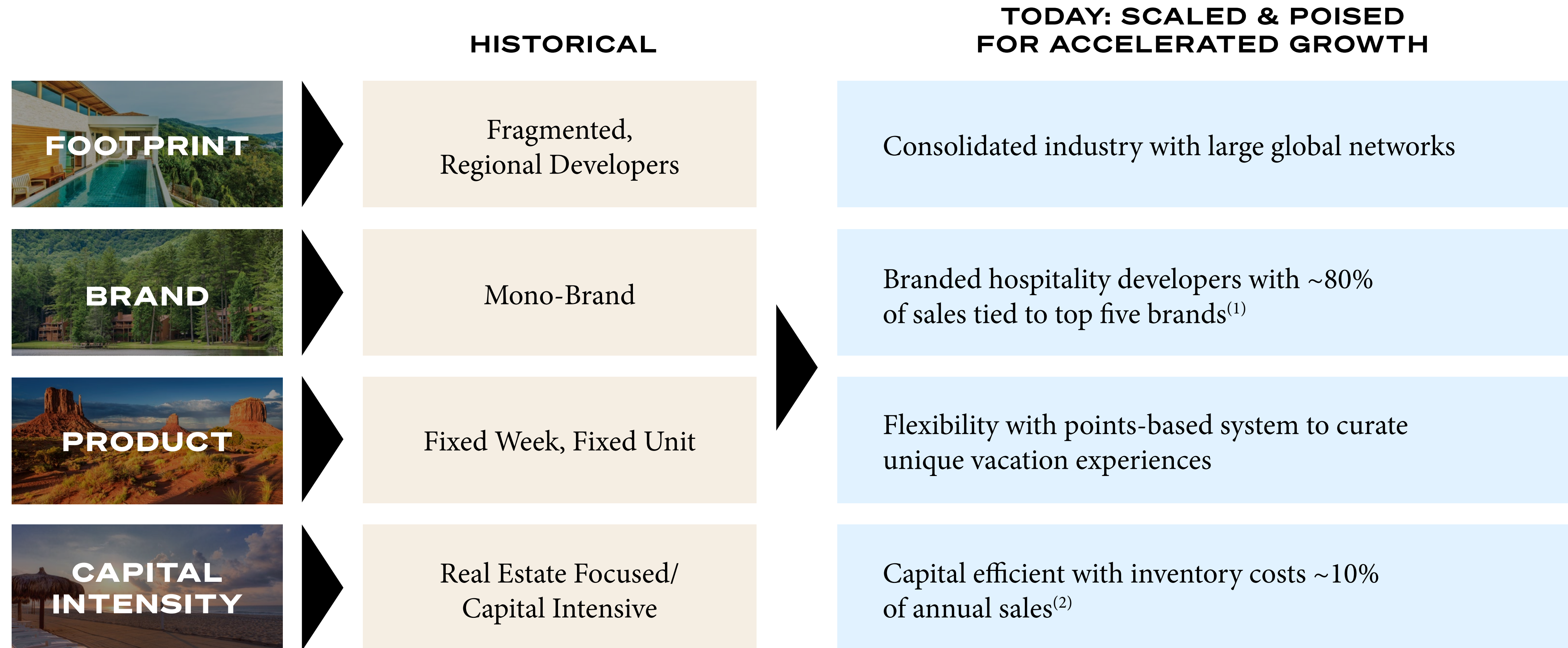
+ Overview

- Exchange services for timeshare intervals
- Travel club membership

+ 2023 Financials

\$711M	\$247M	35%
Net Revenue	Adj. EBITDA ⁽¹⁾	Adj. EBITDA Margin ⁽¹⁾

Consolidation + Product Evolution Driving Industry Transformation



(1) Source: ARDA Second Quarter Pulse Survey.
(2) Average from 2018 - 2023.

Favorable Trends in the Business

+ Secular Growth In Travel

- Global leisure travel market is forecasted to grow at a CAGR of 7% (2024-2032)⁽¹⁾
- 23% of our guests surveyed in 2024 worked during their stay at our resorts⁽²⁾⁽³⁾

+ Strong Owner Satisfaction

- Owners buy more— ~70% of sales are to existing owners⁽³⁾
- 98% annual retention of owners who fully paid off their purchase⁽³⁾

+ Attractive Product

- “Best of both” with spacious accommodations of vacation rental with consistent, safe experience similar to hotel
- Split points into multiple stays, borrow from the future, or bank points into next year
- Strong value proposition vs hotel stay or vacation rental

+ Generational Shift

- Average age of new owner is ~50 years old⁽³⁾
- 65% of sales are to Gen X, Millennials, and younger generations⁽³⁾

(1) Source: Expert Market Research.com

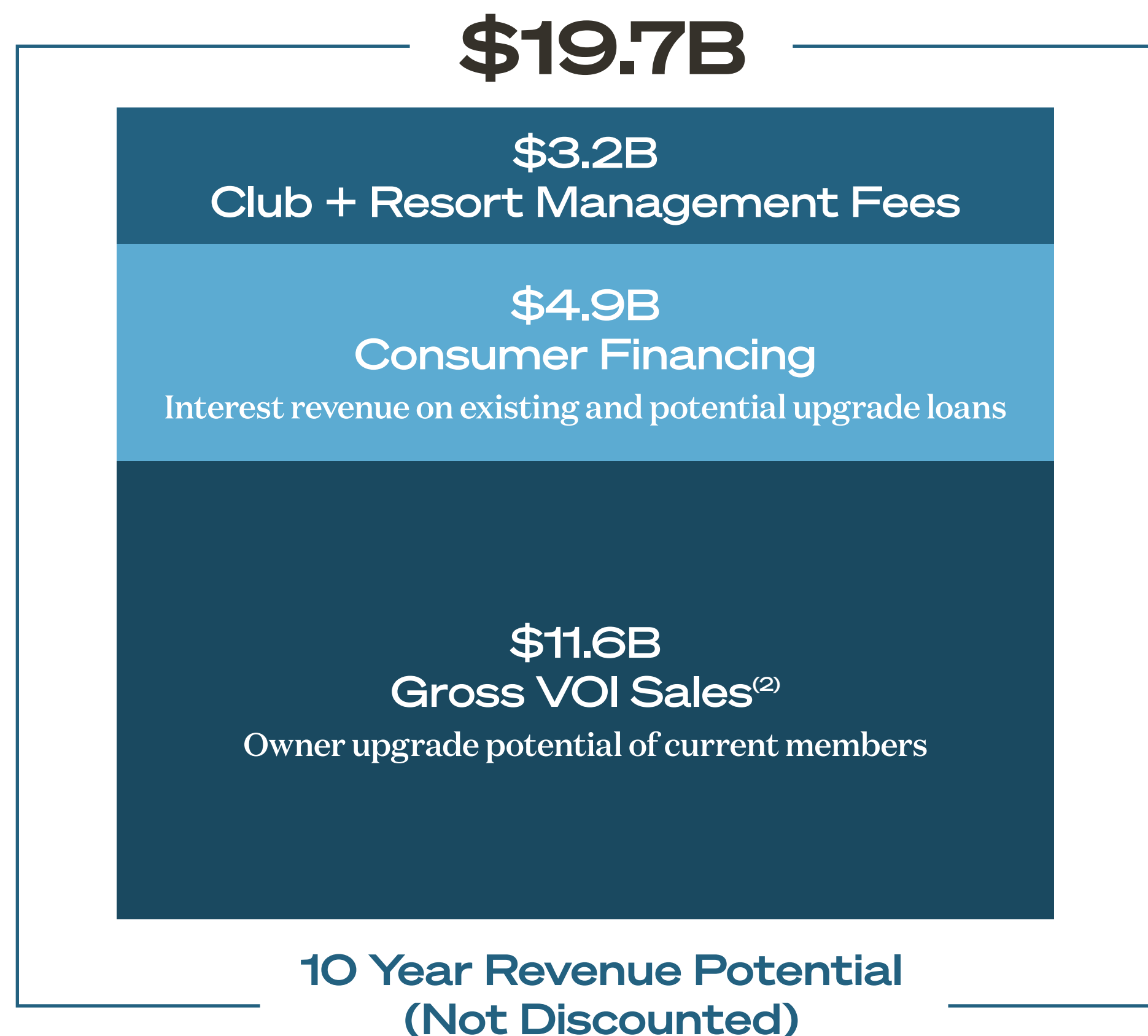
(2) Wyndham Destinations post-stay surveys of guests younger than 67.

(3) Information provided for the nine months ended September 30, 2024.

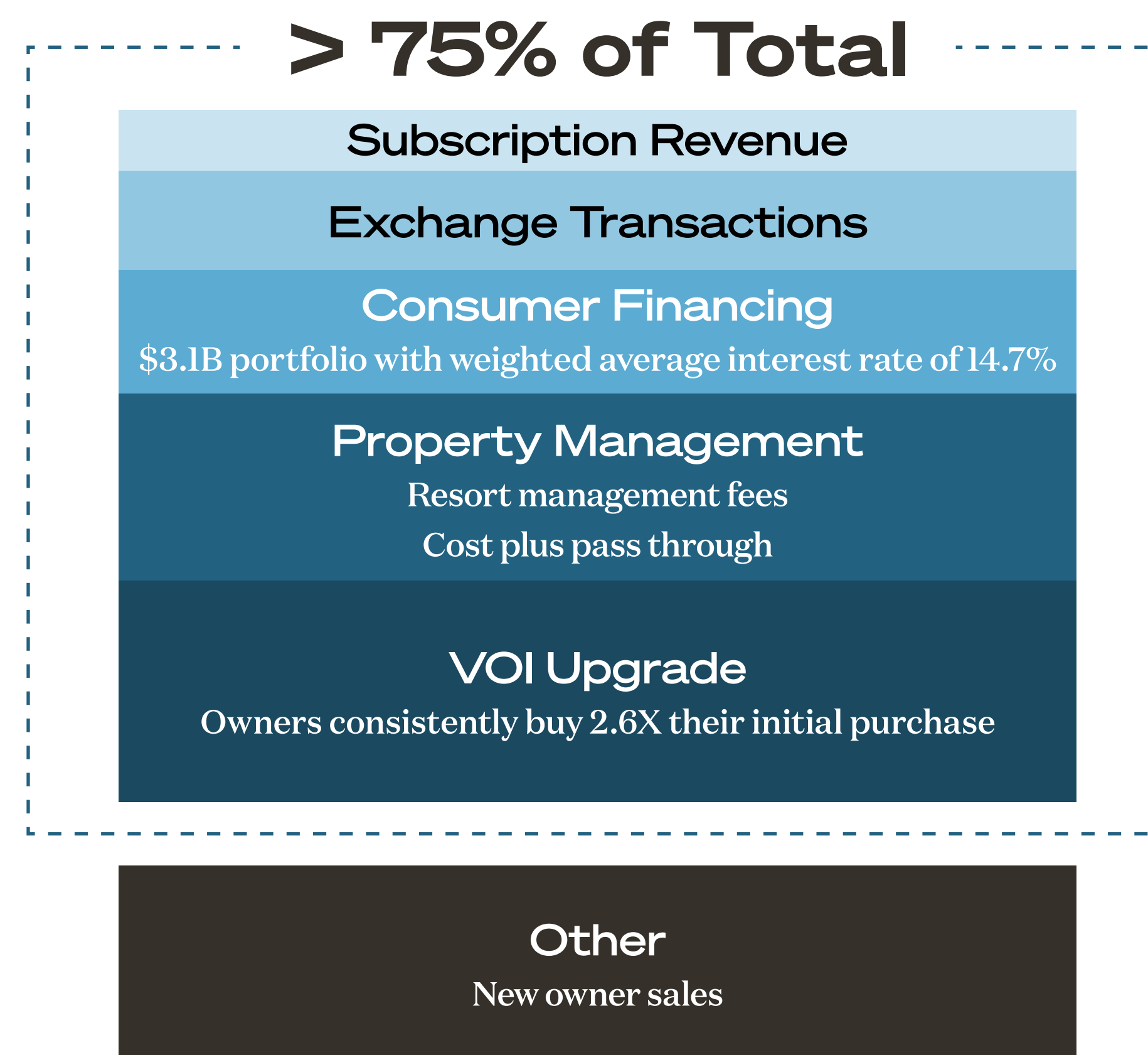


New Owner Sales Create Solid Foundation for Future Revenue Growth

**STRONG PIPELINE OF POTENTIAL
FUTURE REVENUE⁽¹⁾**



**MORE THAN 75% OF REVENUES
ARE PREDICTABLE AND/OR RECURRING⁽³⁾**



(1) Information for future revenue potential provided as of November 2024.

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

(3) Information provided as of December 31, 2023.

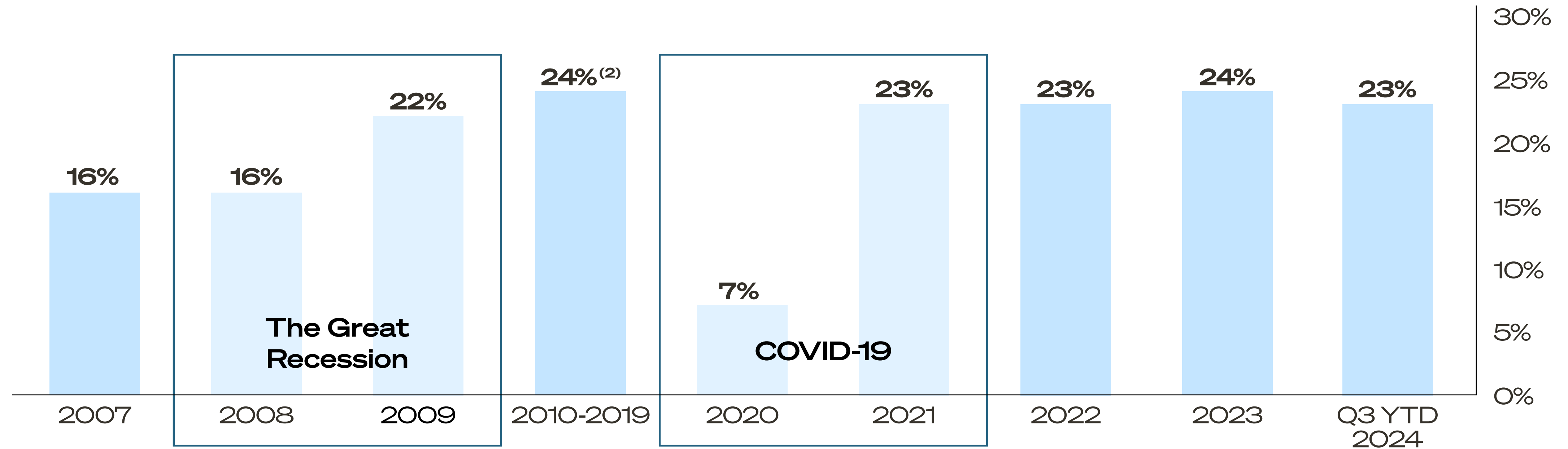
Stable of Brands to Appeal to a Wide Range of Consumers Throughout the Stages of Their Lives



Newer, faster-growing brands augment growth in mature brands

Resilient Business with Strong Adjusted EBITDA Margins

Vacation Ownership Segment Adjusted EBITDA Margin⁽¹⁾

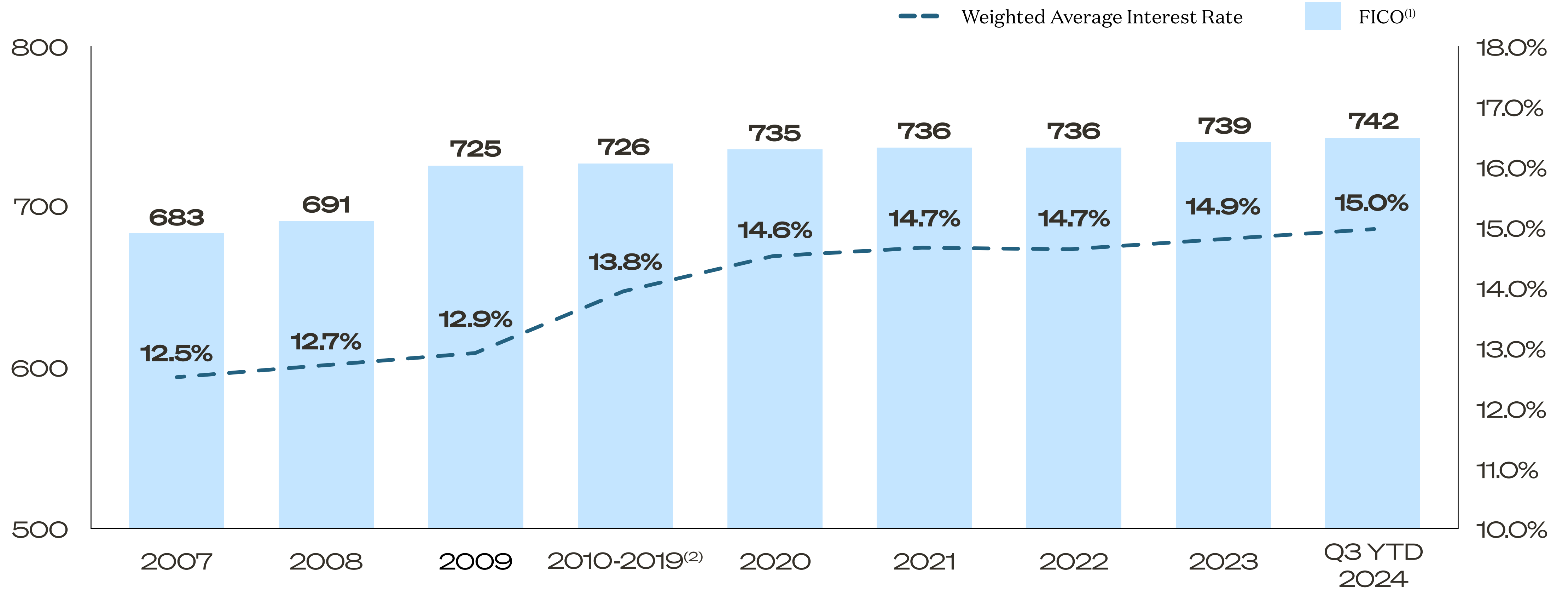


2007	2008	2009	2010-2019	2020	2021	2022	2023	Q3 YTD 2024	GROSS VOI ⁽¹⁾
1,993	1,987	1,315	1,935 ⁽²⁾	967	1,491	1,982	2,149	1,702	

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

(2) Average from 2010-2019.

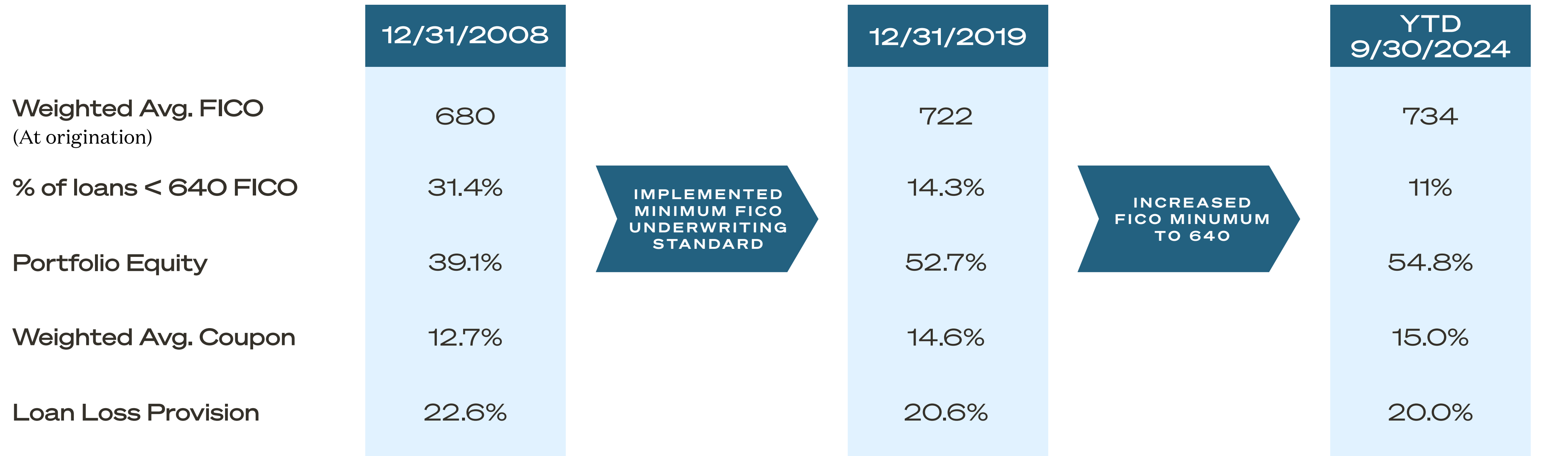
Consumer Financing Drives Substantial Earnings Stream



NET INTEREST INCOME	2007	2008	2009	2010-2019 ⁽²⁾	2020	2021	2022	2023	Q3 YTD 2024
	248	295	296	360	366	323	327	315	234

(1) Weighted average FICO Score on New Originations.
(2) Average from 2010 - 2019.

Disciplined Approach to Underwriting Has Improved Relative Position of Loan Portfolio



RECEIVABLES⁽¹⁾
\$3.04B

LOAN COUNT⁽¹⁾
~136,000

AVG. BALANCE⁽¹⁾
\$22,264

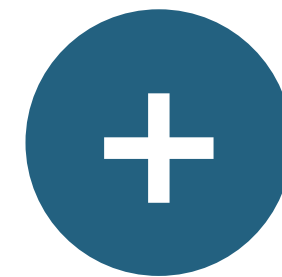
AUTO PAY ENROLLMENT⁽¹⁾
88%

(1) Portfolio Characteristics as of 9/30/2024. Qualified Non-defaulted North American Portfolio, including Shell originations starting 07/01/13.

Our Travel and Membership Business is Transforming

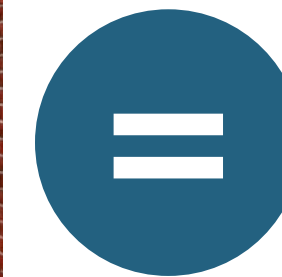
EXCHANGE

- Pressure on volumes as industry has consolidated and points-based products expand
- Resized footprint and more targeted approach will drive higher quality service and better efficiency



TRAVEL CLUBS

- Refining offering to broaden appeal to closed-user groups
- Driving mix toward higher margin transactions



TRAVEL AND MEMBERSHIP

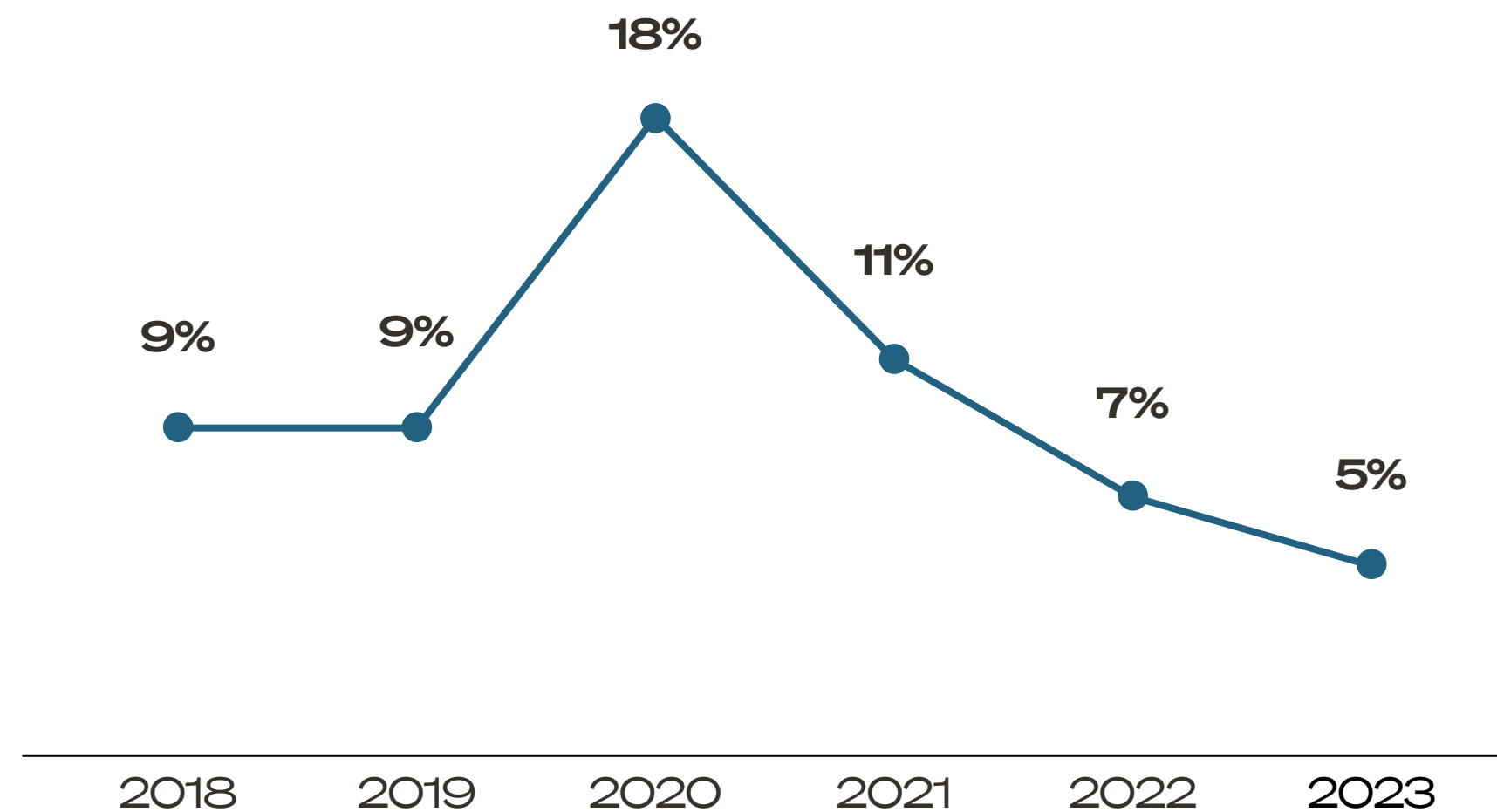
- Higher Revenue per Transaction
- Increased Member Retention

High Margin, Low Capital Intensity, and High Adjusted Free Cash Flow

Capital Efficiency Underpins Strong Cash Generation

IMPROVED CAPITAL EFFICIENCY

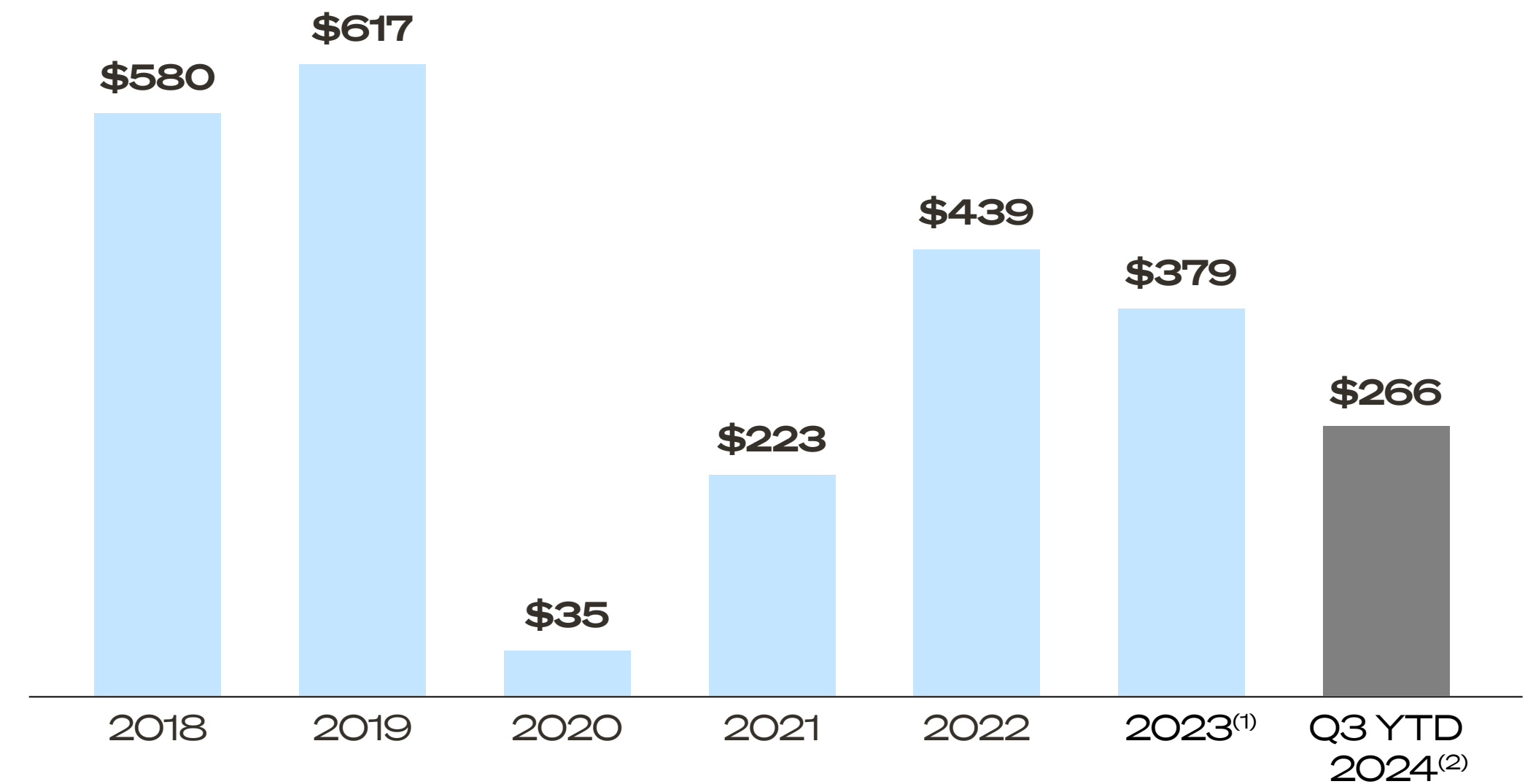
Inventory Spending as a Percentage of Revenue



- Just-in-time inventory
- Owners fund maintenance CapEx
- Inventory recycling

SUBSTANTIAL FREE CASH GENERATION

Adj. Free Cash Flow by Year



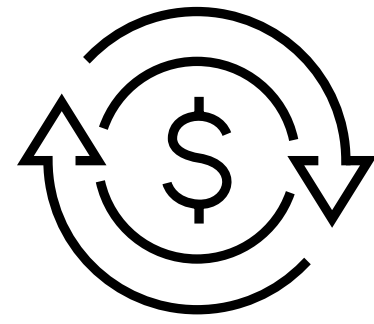
- \$2.5B cumulative Adj. Free Cash Flow since 2018
- Long-term goal of 55-60% Adj. EBITDA to Adj. FCF conversion⁽³⁾

(1) After cash outflow of \$41M for Sports Illustrated Resorts.

(2) After cash outflow of \$44M for Accor Vacation Club.

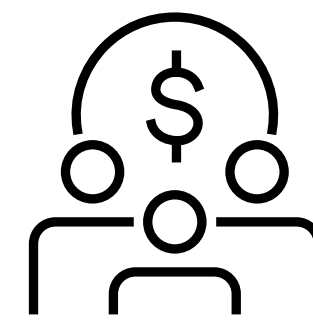
(3) Long Term Target for Adjusted FCF Conversion, the reconciliation of which is not available without unreasonable effort. Information provided as of November 2024.

Disciplined and Balanced Capital Allocation Framework



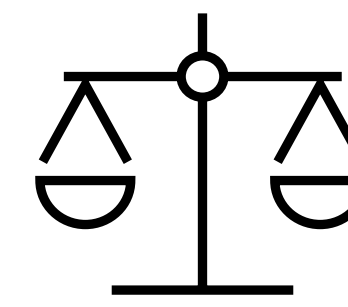
INVESTING IN THE BUSINESS

Opportunistic M&A
Organic growth



CAPITAL RETURNS TO SHAREHOLDERS

Dividends
Share repurchases



BALANCE SHEET

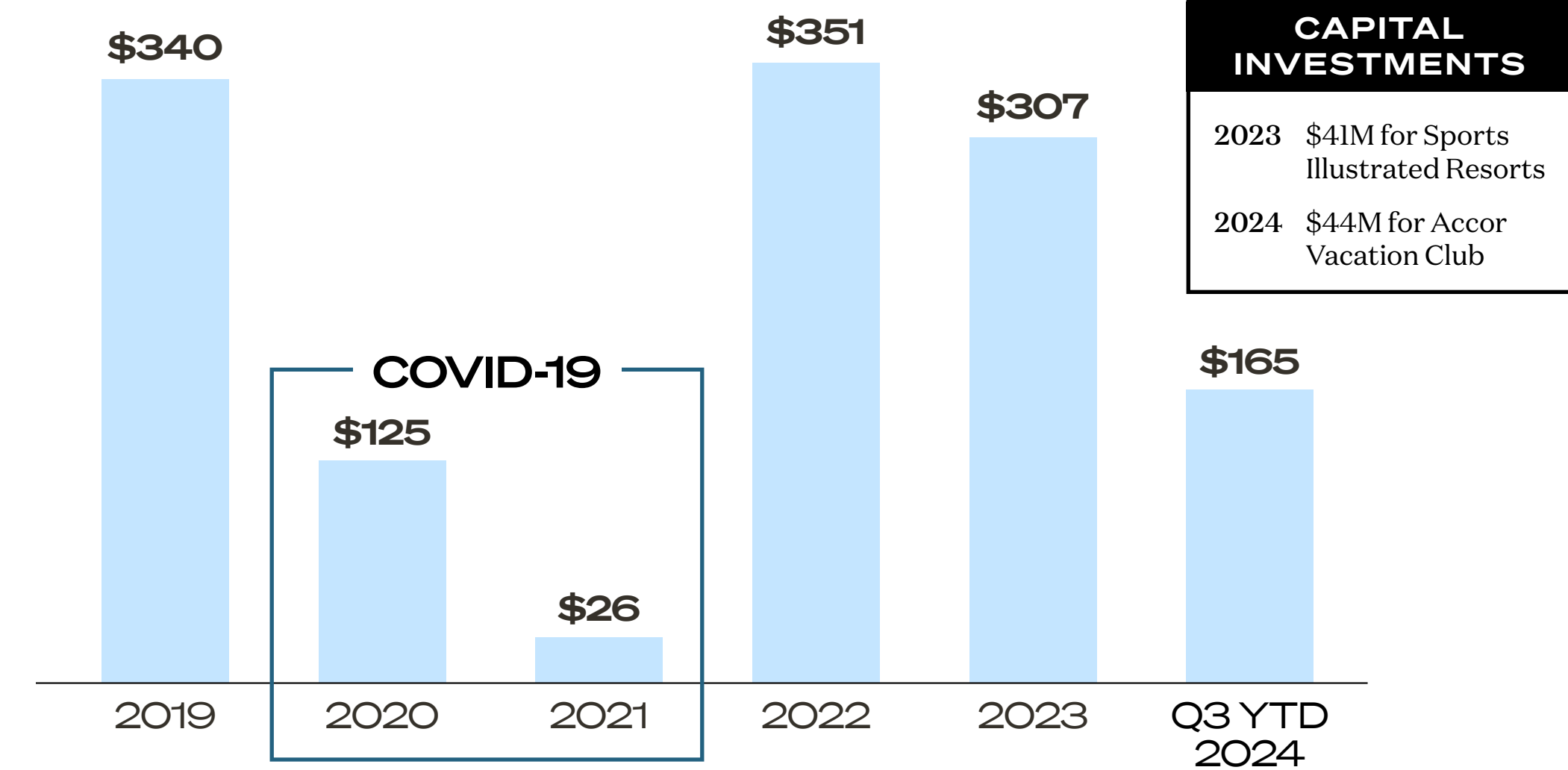
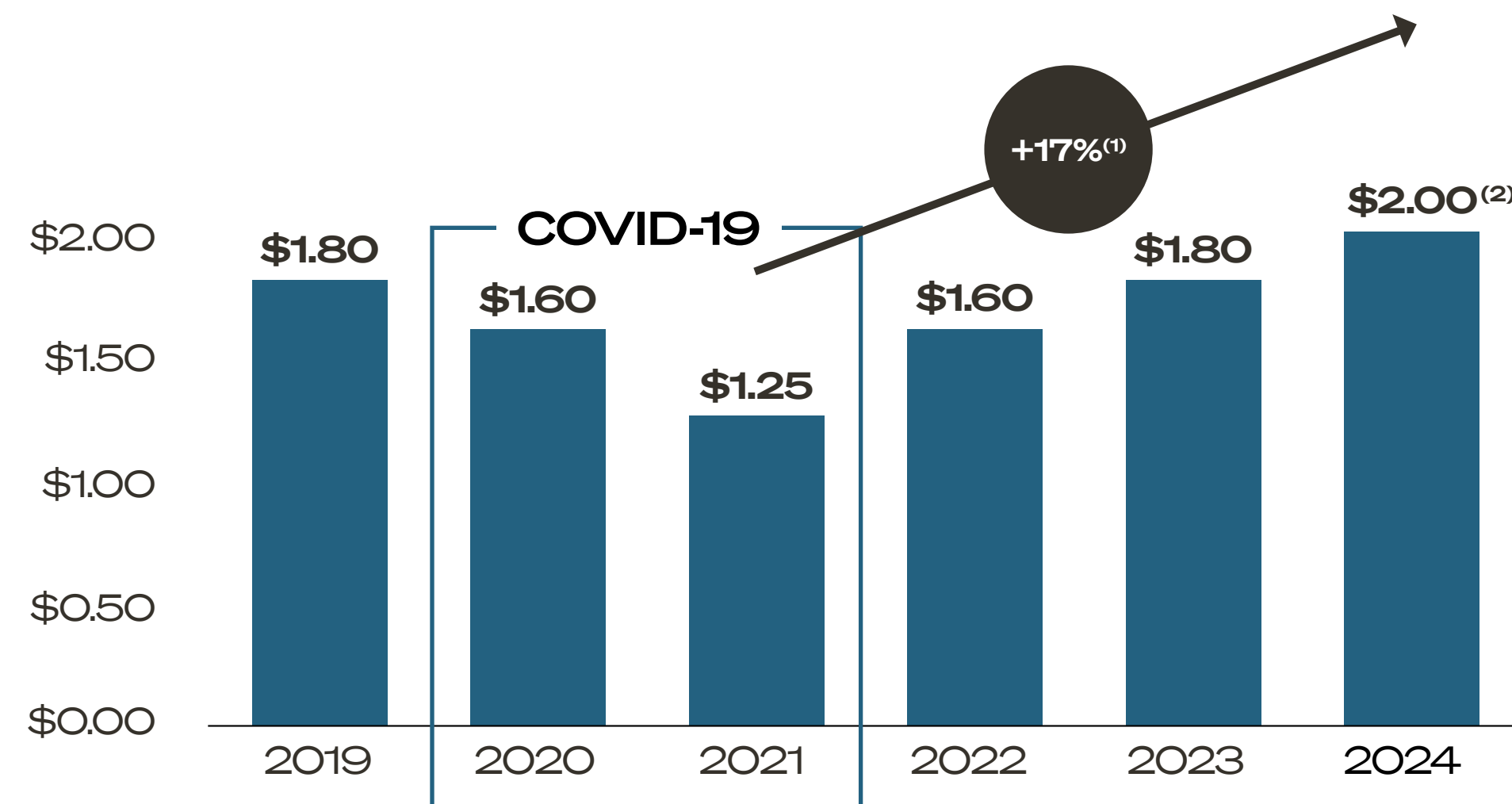
Leverage reduction through
EBITDA growth
Manageable maturities



Shareholder-Focused Capital Allocation

DIVIDEND GROWS IN LINE WITH BUSINESS

SUBSTANTIAL SHARE REPURCHASES



CAPITAL ALLOCATION

- Over \$2.4B cumulative capital returned to shareholders since spin
- Have paid a dividend every quarter as an independent company, including during COVID
- Repurchase an average of ~10% of shares each year⁽³⁾

(1) Average annual dividend growth.

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

(3) Average since 2022.

Solid Balance Sheet with Manageable Debt Maturities

STATS



Weighted Average Interest Rate of
6.5%⁽¹⁾



68%⁽²⁾
of corporate debt is fixed



3.4x
leverage ratio at 9/30/24

CORPORATE DEBT RATINGS⁽¹⁾



S&P
BB-



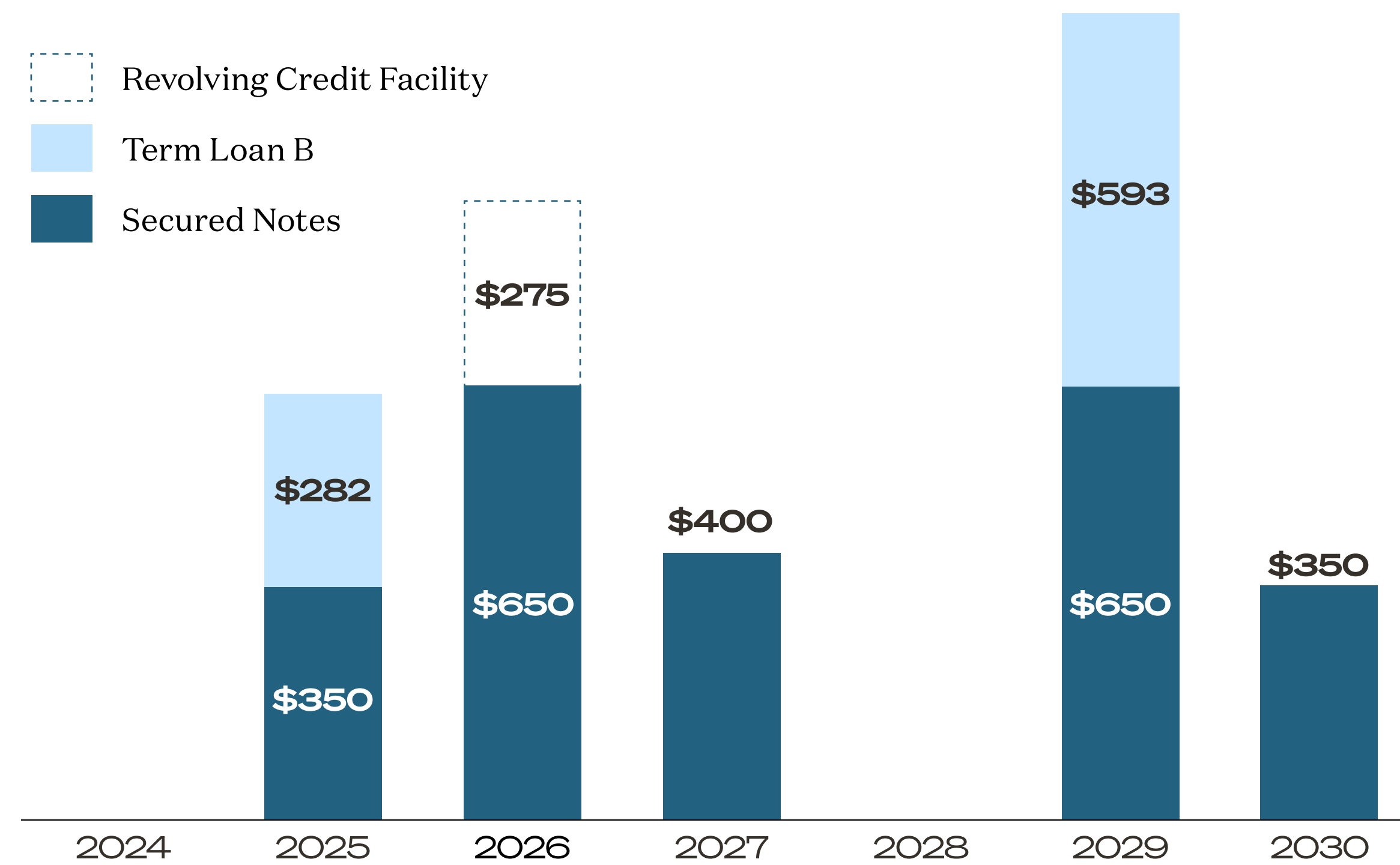
Moody's
Ba3



Fitch
BB+

CORPORATE DEBT MATURITIES⁽³⁾

As of September 30, 2024 (\$ in millions)



(1) As of September 30, 2024. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity, or any future credit rating.

(2) As of 9/30/2024 \$2.4B of Corporate debt was fixed.

(3) Excludes remaining Term Loan B amortization payments of \$2M in 2024, \$7M in 2025, \$6M per year in 2026-2028, and \$4M 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 9/30/24, the revolving credit facility of \$1B had \$724M of capacity, net of \$1M outstanding letters of credit.



📍 WORLDMARK RANCHO VISTOSO
ORO VALLEY, AZ

Quarterly Results and Outlook

3Q 2024 Results

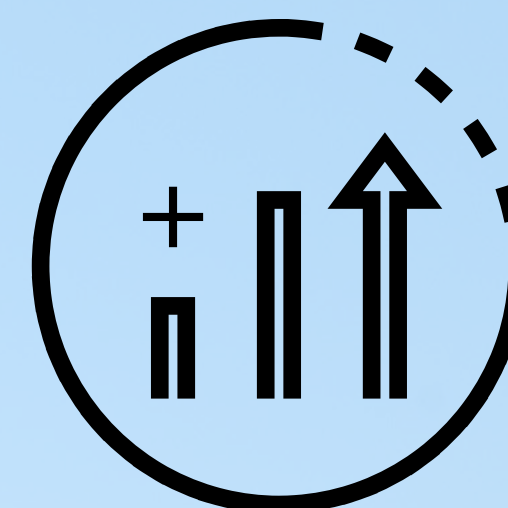
THREE MONTHS ENDED 9/30/2024



Net Revenue
\$993M



Gross VOI Sales⁽¹⁾
\$606M



Adj. EBITDA⁽¹⁾
\$242M



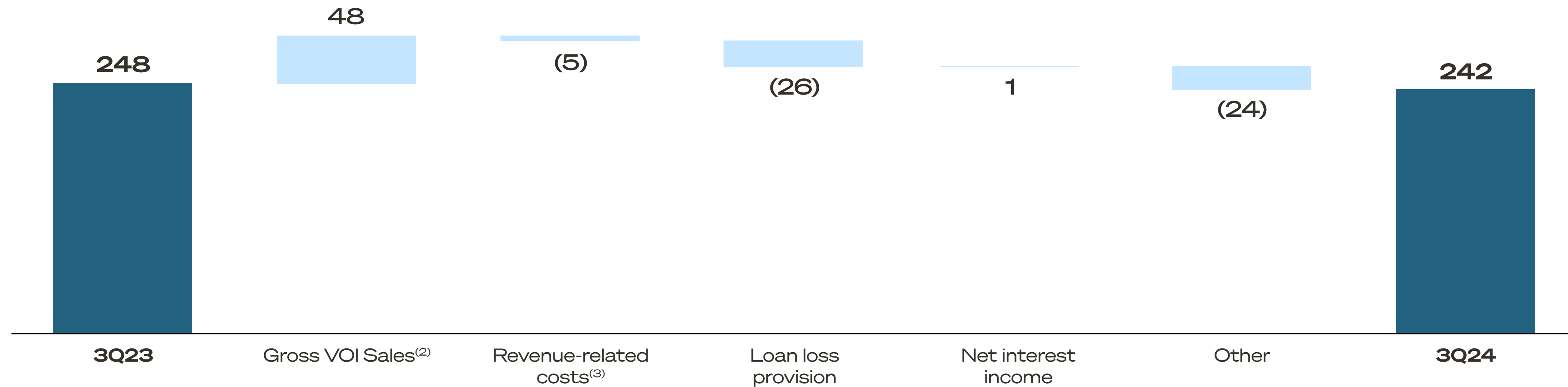
Adj. Diluted Earnings Per Share⁽¹⁾
\$1.57

HIGHLIGHTS

- + VPG of \$3,012, above the midpoint of our guidance range
- + Returned \$105 million to shareholders through dividends and share repurchases
- + Closed on a \$325 million term securitization on October 18, 2024
- + Tours up 4% over prior year period, with new owner tours up 9%
- + New owner mix above 35% YTD

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

Adjusted EBITDA⁽¹⁾ — 3Q23 v. 3Q24



Gross VOI Sales⁽²⁾

- Strong consumer demand with tours up 4% YOY and new owner tours up 9%
- Volume per guest (VPG) down 3% YOY, driven by higher new owner mix (up 86bps)



Revenue-related costs⁽³⁾

- Cost of sales averaging ~10% for full year, from low-cost inventory burn due to higher than usual inventory levels built up during COVID



Loan loss provision

- Loan delinquency trends stable sequentially, on track to meet guidance of ~20% loan loss provision for full year 2024

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

(2) Net of Fee-for-Service sales.

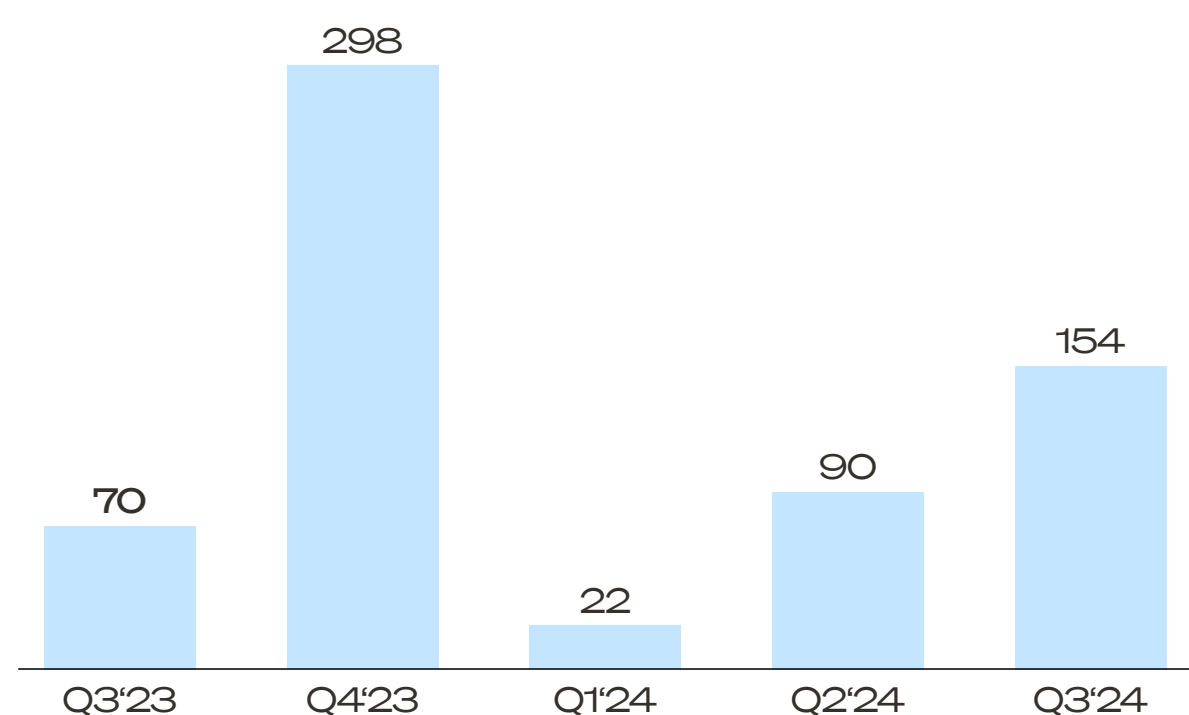
(3) Revenue-related costs: Cost of VOI sales, Sales & Marketing expense (incl. commissions), and license fees for our Vacation Ownership business.

Utilizing a Proven Capital Allocation Framework



STRONG CASH GENERATION

ADJUSTED FREE CASH FLOW⁽¹⁾⁽²⁾⁽³⁾

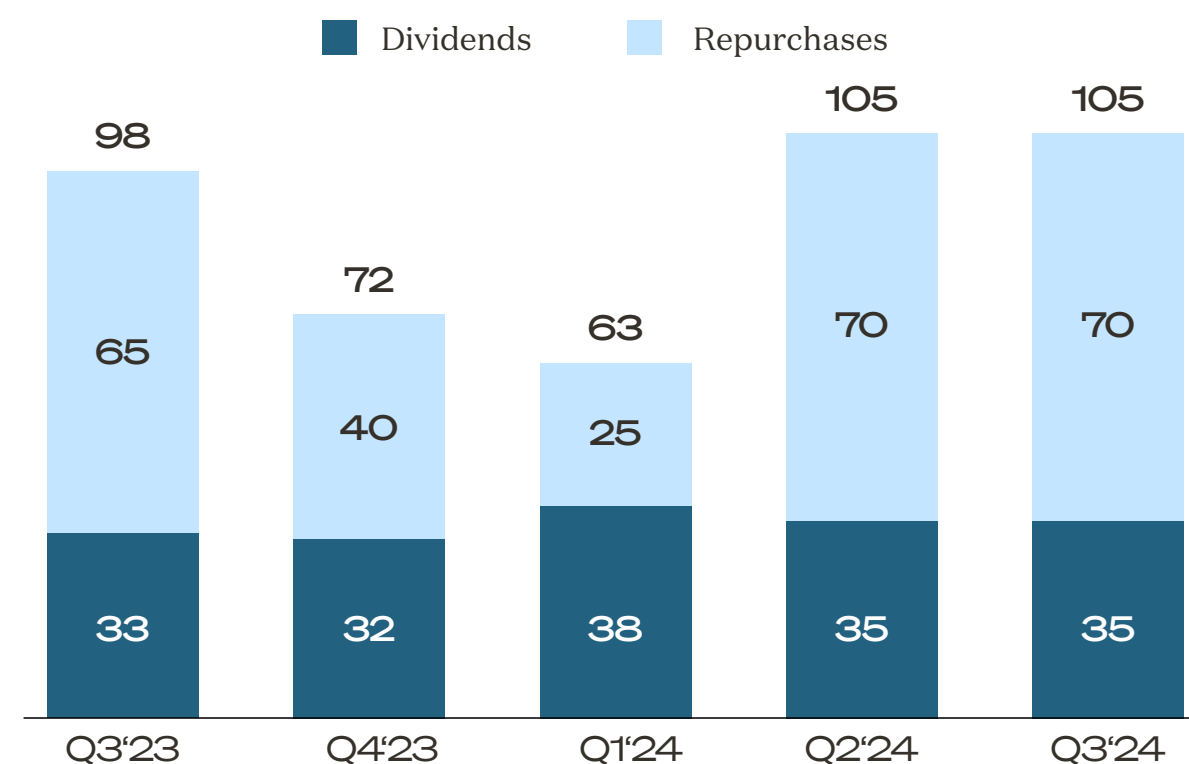


- \$266M Adj. FCF⁽¹⁾ produced YTD-3Q
- On track for ~50% Adj. EBITDA to Adj. FCF conversion



SHAREHOLDER RETURNS

CASH RETURNED TO SHAREHOLDERS⁽²⁾⁽³⁾

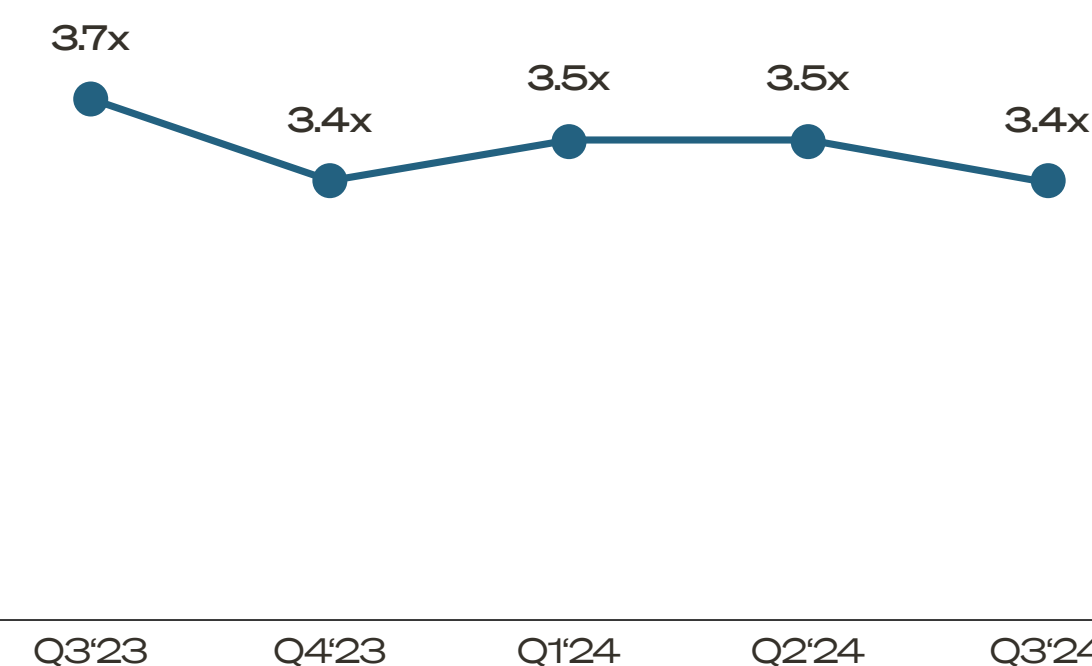


- \$105M returned to shareholders in 3Q
- Repurchased 5.25% of shares outstanding YTD⁽⁴⁾



SOLID BALANCE SHEET

LEVERAGE RATIO

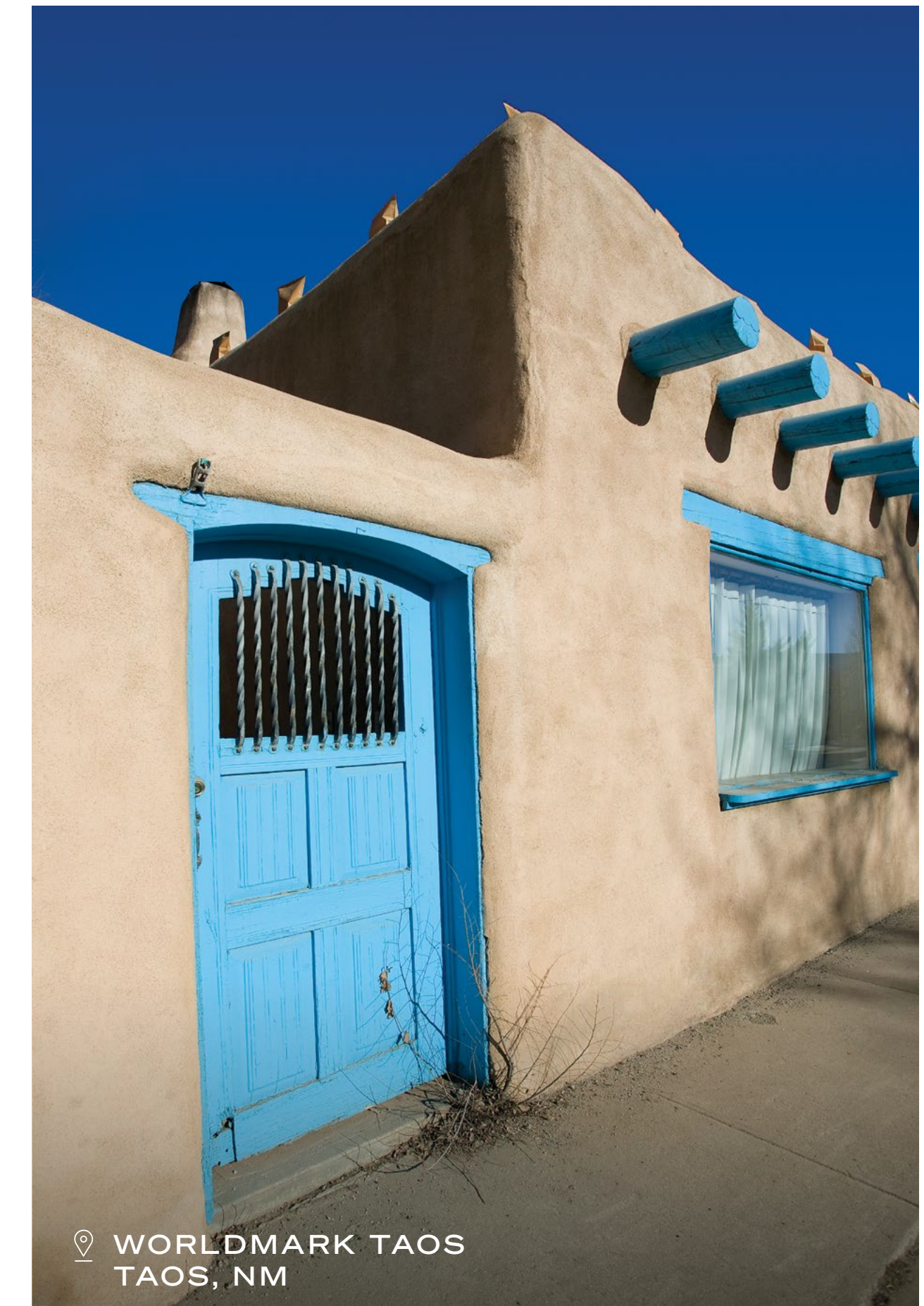


- Strong access to capital markets
- Weighted average interest rate of 6.5%⁽⁴⁾
- Leverage improved 20 bps over prior year⁽⁴⁾

(1) Non-GAAP measure: see appendix for definition and reconciliation.
 (2) Capital investment of \$41M for Sports Illustrated Resorts occurred primarily in Q4'23.
 (3) Capital investment of \$44M for Accor Vacation Club occurred primarily in Q1'24.
 (4) As of September 30, 2024.

Expectations for 2024

	PROVIDING FOURTH QUARTER GUIDANCE	UPDATING 2024 TARGETS (Prior Guidance)
	Q4'24E	2024E
Adj. EBITDA ⁽¹⁾	\$240M-\$260M	\$915M-\$935M (No change from prior outlook)
Gross VOI Sales ⁽¹⁾	\$550M-\$600M	\$2.25B-\$2.30B (\$2.25B-\$2.35B)
VPG ⁽¹⁾	\$2,900-\$3,000	\$3,000-\$3,025 (\$2,950-\$3,050)
T&M Adj. EBITDA ⁽¹⁾	\$45M-\$50M	N/A



WORLDMARK TAOS
TAOS, NM

(1) Adjusted EBITDA and Gross VOI Sales are forward looking non-GAAP measures, the reconciliation of which is not available without unreasonable effort. See appendix for definitions. Outlook is as of October 23, 2024. Nothing herein is intended to update such outlook or guidance after such date or to reflect any facts, circumstances or other factors occurring since the date of such outlook or guidance.



Additional Financial Information

Model Sensitivities

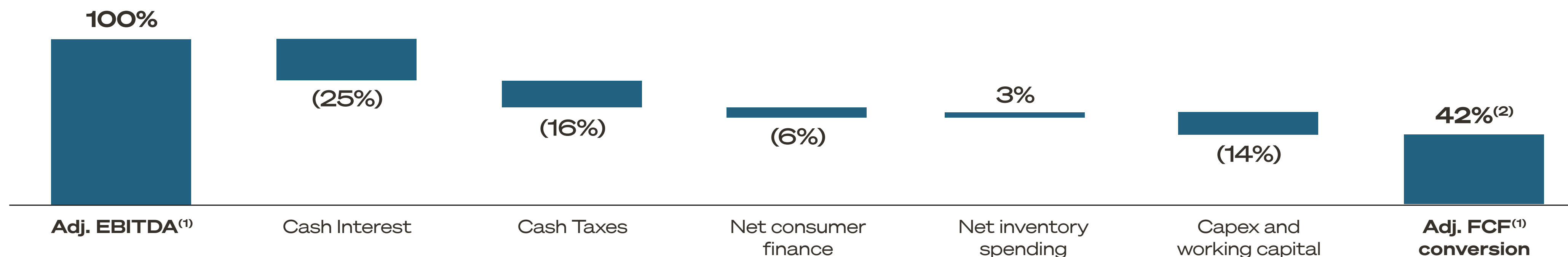
Three major drivers to performance in the Vacation Ownership segment



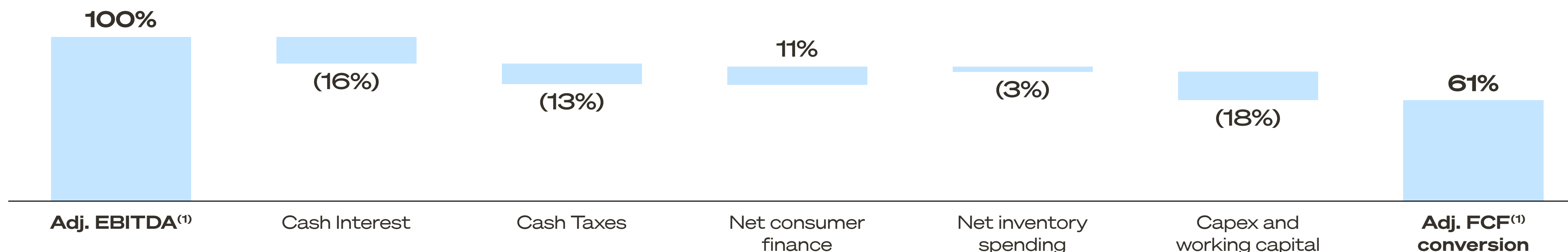
(1) Net of Fee-for-Service sales.

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.



TRAVEL+ LEISURE

TNL
LISTED
NYSE





APPENDIX: NON-GAAP RECONCILIATIONS

**TRAVEL+
LEISURE**



APPENDIX: NON-GAAP RECONCILIATION

Travel + Leisure Co. Net Income to Adjusted EBITDA Reconciliation (\$ in millions)

	2023	2022	2021	2020	2019	2018 ⁽¹⁾	2018 +2019
Net income/(loss) attributable to T+L shareholders	\$ 396	\$ 357	\$ 308	\$ (255)	\$ 507	\$ 672	\$ 1,179
Loss from ops of disc bus, net of income taxes	—	—	—	—	—	50	50
(Gain)/loss on disposal of disc bus, net of income taxes	(5)	(1)	5	2	(18)	(456)	(474)
Provision for/(benefit from) income taxes	94	130	116	(23)	191	130	321
Depreciation and amortization	112	119	124	126	121	138	259
Interest expense	251	195	198	192	162	170	332
Interest (income)	(13)	(6)	(3)	(7)	(7)	(5)	(12)
Stock-based compensation	36	42	32	20	20	23	43
Restructuring	26	14	(1)	39	9	16	25
Asset impairments/(recoveries), net	1	11	(5)	57	27	(4)	23
Loss/(gain) on equity investment	—	5	(3)	—	—	—	—
COVID-19 related costs	—	2	3	56	—	—	—
Legacy items	8	1	4	4	1	1	2
Exchange inventory write-off	—	—	—	48	—	—	—
Acquisition/divestiture related	—	—	—	—	1	—	1
Separation and related costs ⁽²⁾	—	—	—	—	45	223	268
Loss/(gain) on sale of business	2	—	—	—	(68)	—	(68)
Value-added tax refund	—	—	—	—	—	(16)	(16)
Fair value change in contingent consideration	—	(10)	—	—	—	—	—
Further adjustments ⁽³⁾	—	—	—	—	—	15	15
T+L Adj. EBITDA	\$ 908	\$ 859	\$ 778	\$ 259	\$ 991	\$ 957	\$ 1,948
Total Revenue	\$ 3,750	\$ 3,567	\$ 3,134	\$ 2,160	\$ 4,043	\$ 3,931	
Net income margin	11 %	10 %	10 %	(12)%	13 %	17 %	
Adj. EBITDA margin	24 %	24 %	25 %	12 %	25 %	24 %	

Avg EBITDA Margin (2018 - 2023)

22.3 %

(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 & Resorts and other changes being affected in conjunction with the spin-off.

APPENDIX: NON-GAAP RECONCILIATION

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

	Q3 2024 YTD	2023	2022	2021	2020	2019	2018	2018 + 2019
Net cash provided by operating activities from continuing operations	\$ 366	\$ 350	\$ 442	\$ 568	\$ 374	\$ 453	\$ 292	\$ 745
Property and equipment additions	(58)	(74)	(52)	(57)	(69)	(108)	(99)	(207)
Sum of proceeds and principal payments of non-recourse vacation ownership debt	(43)	103	47	(294)	(333)	185	264	449
Free cash flow	265	379	437	217	(28)	530	457	987
Separation and other adjustments ⁽¹⁾	1	—	—	—	16	87	123	210
COVID-19 related adjustments ⁽²⁾	—	—	2	6	47	—	—	—
Adj. free cash flow	266	\$ 379	\$ 439	\$ 223	\$ 35	\$ 617	\$ 580	\$ 1,197
Net cash used in investing activities from continuing operations	(101)	(80)	(45)	(93)	(60)	(44)	(99)	(143)
Net cash (used in)/provided by financing activities from continuing operations	(46)	(500)	(196)	(1,288)	502	(289)	(1,786)	(2,075)
Net income		396	357	308	(255)	507	672	1,179
Adj. EBITDA		908	859	778	259	991	957	1,948
Net income cash flow conversion		88 %	124 %	184 %	(147)%	89 %	43 %	63 %
Adj. Free Cash Flow conversion		42 %	51 %	29 %	14 %	62 %	61 %	61 %
Cumulative Adj. FCF (2018-2023)					\$ 2,273			
Cumulative Adj. FCF (2018-YTD Q3 2024)					\$ 2,539			

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

APPENDIX: NON-GAAP RECONCILIATION

Vacation Ownership Net Income to Adjusted EBITDA Reconciliation (\$ in millions)

	YTD Q3 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
VO net income/(loss)	\$ 318	\$ 429	\$ 373	\$ 309	\$ (69)	\$ 404	\$ 340	\$ 174	\$ 316	\$ 316	\$ 295	\$ 248	\$ 227	\$ 195	\$ 156	\$ 117	\$ (1,281)	\$ 150
NI attributable to NCI	—	—	—	—	—	—	—	—	1	—	1	1	—	—	—	—	—	—
Provision for income taxes	125	160	149	128	(17)	150	119	110	194	196	185	144	137	122	96	72	50	95
Depreciation and amortization	53	70	78	82	86	81	73	63	53	47	47	47	38	38	46	54	58	48
Interest expense	35	47	38	34	43	78	117	142	131	130	133	180	147	160	142	144	100	85
Interest (income)	(2)	(2)	—	—	—	—	(1)	—	(1)	(2)	(1)	(1)	—	—	—	—	(1)	—
Acquisition related	1	—	—	—	—	—	—	—	—	—	—	2	1	—	—	—	—	—
COVID-19 related	—	—	—	3	34	—	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring Costs	2	10	3	(1)	14	5	11	—	8	1	—	—	2	(1)	—	37	66	—
Asset Impairments/(recoveries)	1	—	8	1	22	27	(4)	205	—	—	—	—	—	—	—	9	1,374	—
Executive Costs	—	—	—	—	—	—	—	—	6	—	—	—	—	—	—	—	—	—
Separation & related costs	—	—	—	—	—	4	67	1	—	—	—	—	—	—	—	—	—	9
Stock-based compensation	10	15	16	13	8	7	9	13	16	—	—	—	—	—	—	—	—	—
2016 Grant Modifier	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—
Further adjustments ⁽¹⁾	—	—	—	—	—	—	(10)	(25)	(21)	—	—	—	—	—	—	—	—	—
VO Adj. EBITDA	\$ 543	\$ 729	\$ 665	\$ 569	\$ 121	\$ 756	\$ 721	\$ 684	\$ 703	\$ 688	\$ 660	\$ 621	\$ 552	\$ 514	\$ 440	\$ 433	\$ 366	\$ 387
Total Revenue	\$ 2,358	\$ 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	13%	14%	13%	13%	(4)%	13%	11%	6%	11%	11%	11%	10%	10%	9%	8%	6%	(56)%	6%
Adj. EBITDA Margin	23%	24%	23%	23%	7%	24%	24%	24%	25%	25%	25%	25%	24%	25%	22%	22%	16%	16%

2010 - 2019

VO Adj. EBITDA	\$ 6,339
Total Revenue	\$ 26,035
Avg Adj. EBITDA Margin	24%

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.

APPENDIX: NON-GAAP RECONCILIATION

Travel and Membership Net Income to Adjusted EBITDA Reconciliation (\$ in millions)

	2023
T&M net income	\$ 154
Gain on disposal of disc bus, net	(6)
Provision for income taxes	49
Depreciation and amortization	28
Interest expense	7
Interest (income)	(2)
Restructuring costs	11
Legacy items	2
Loss on sale of business	2
Stock-based compensation	2
T&M Adj. EBITDA	\$ 247
Total Revenue	711
Net Income Margin	22 %
Adj. EBITDA Margin	35 %

APPENDIX: NON-GAAP RECONCILIATION

Reconciliation of Net Income to Adjusted Net Income to Adjusted EBITDA
(\$ in millions except per share data)

	Three Months Ended September 30,					
	2024	EPS	Margin %	2023	EPS	Margin %
Net income attributable to TNL shareholders	\$ 97	\$ 1.39	9.8 %	\$ 110	\$ 1.49	11.2 %
Restructuring	14			2		
Amortization of acquired intangibles ⁽¹⁾	3			3		
Asset impairments	2			—		
Legacy items	(1)			—		
Fair value change in contingent consideration	(1)			—		
Taxes ⁽²⁾	(5)			(1)		
Adj. net income	<u>\$ 110</u>	<u>\$ 1.57</u>	<u>11.1 %</u>	<u>\$ 113</u>	<u>\$ 1.54</u>	<u>11.5 %</u>
Income taxes on adjusted net income	38			40		
Interest expense	63			64		
Depreciation	26			25		
Stock-based compensation expense ⁽³⁾	9			9		
Interest income	(3)			(3)		
Adj. EBITDA	<u>\$ 242</u>		<u>24.4 %</u>	<u>\$ 248</u>		<u>25.2 %</u>
Diluted Shares Outstanding	70.2			73.6		

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) 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.

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

APPENDIX: NON-GAAP RECONCILIATION

Net Cash Provided by Operating Activities from Continuing Operations to Adj. Free Cash Flow
(\$ in millions)

	QTD Q3 2023	QTD Q4 2023	QTD Q1 2024	QTD Q2 2024	QTD Q3 2024
Net cash provided by operating activities from continuing operations	\$ 88	\$ 152	\$ 47	\$ 174	\$ 145
Property and equipment additions	(14)	(32)	(17)	(21)	(20)
Sum of proceeds and principal payments of non-recourse vacation ownership debt	(4)	178	(8)	(63)	28
Free cash flow	70	298	22	90	153
Transaction costs for acquisitions	—	—	—	—	1
Adj. free cash flow	\$ 70	\$ 298	\$ 22	\$ 90	\$ 154
Net cash used in investing activities from continuing operations	(13)	(34)	(57)	(24)	(20)
Net cash (used in)/provided by financing activities from continuing operations	(58)	(56)	203	(464)	(113)

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 and integration costs associated with mergers, 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, defined by the Company as 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 and integration costs associated with mergers, 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 the average number of paid members in our vacation exchange programs who are considered to be in good standing, during a given reporting period.

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.