

Q1 2022 Investor Update

May 9, 2022

 **Hilton**
GRAND VACATIONS

The Diamond acquisition presents a transformational opportunity for HGV

- 1 Significant value creation from scale benefits** of combining the largest independent timeshare company with the strength of Hilton Grand Vacations' brand and culture
- 2 Diversifies HGV portfolio**, adding additional drive-to destinations and allowing HGV to leverage the Hilton network to penetrate a broader customer segment
- 3 Accelerates launch of HGV-branded trust product offering** by rebranding Diamond's properties over time to drive revenue growth in a new customer segment
- 4 Generates \$150M in run-rate cost synergies** expected to be achieved in the first 24 months following close
- 5 Increases recurring EBITDA streams** and drives overall cash flow, with adjusted free cash flow per share accretion in year one¹
- 6 Compelling valuation and deal structure** facilitates financial flexibility and deleveraging

Ideal timing to capitalize on the leisure travel recovery



Hilton

GRAND VACATIONS

Resort Collections

The combination with Diamond enhances alignment with the Hilton system and their nearly 133 million Honors members

Hilton
—CLUB—

Luxury

Exclusive spaces with well-appointed décor and a local feel

Hilton
GRAND VACATIONS CLUB

Upper Upscale

Upscale, spacious accommodations with resort-style amenities in aspirational destinations

Hilton
VACATION CLUB

Upscale

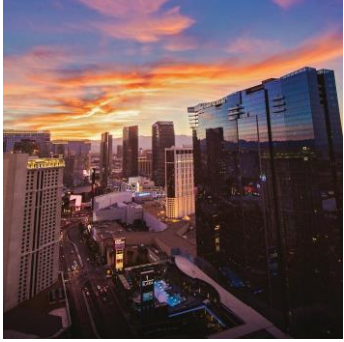
(Diamond rebranded properties)

Family-friendly vacations in relaxed, condo-like settings

Higher

Average Price Per Point

Lower



Synergies and efficiencies enable strong free cash flow



Operating efficiency



Maintain **industry-leading margins**



Realize **\$150M of run-rate cost synergies**



Realize incremental \$20-25M of annualized **HGV standalone cost reductions identified** in 2020

Working capital efficiency



Tap significant **developed inventory pipeline** to reduce near-term spending needs



Reduce long-term inventory spending with increased rate of inventory recapture

Steady state

50-60% adjusted FCF conversion¹

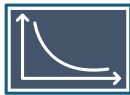
¹) Conversion of Adjusted EBITDA excluding the impact of net deferrals of revenue and direct expenses related to the Sales of VOIs under construction



The vacation ownership business is ideally positioned



Ideal product form for today's travelers featuring in-room kitchen, laundry and more square footage – reducing reliance on common areas



Low observed price elasticity vs. traditional lodging



Dedicated focus on leisure travelers insulated from exposure to business travel



Insulated from inflationary pressures maintenance capital expenditures and resort operating costs funded by Owners each year



Ability to monetize unutilized assets rental income offsets carrying costs of inventory and also generates additional tours



Limited exposure to volatility in asset values focus on selling out projects versus long-term asset speculation

The integration of Diamond Resorts is proceeding as planned

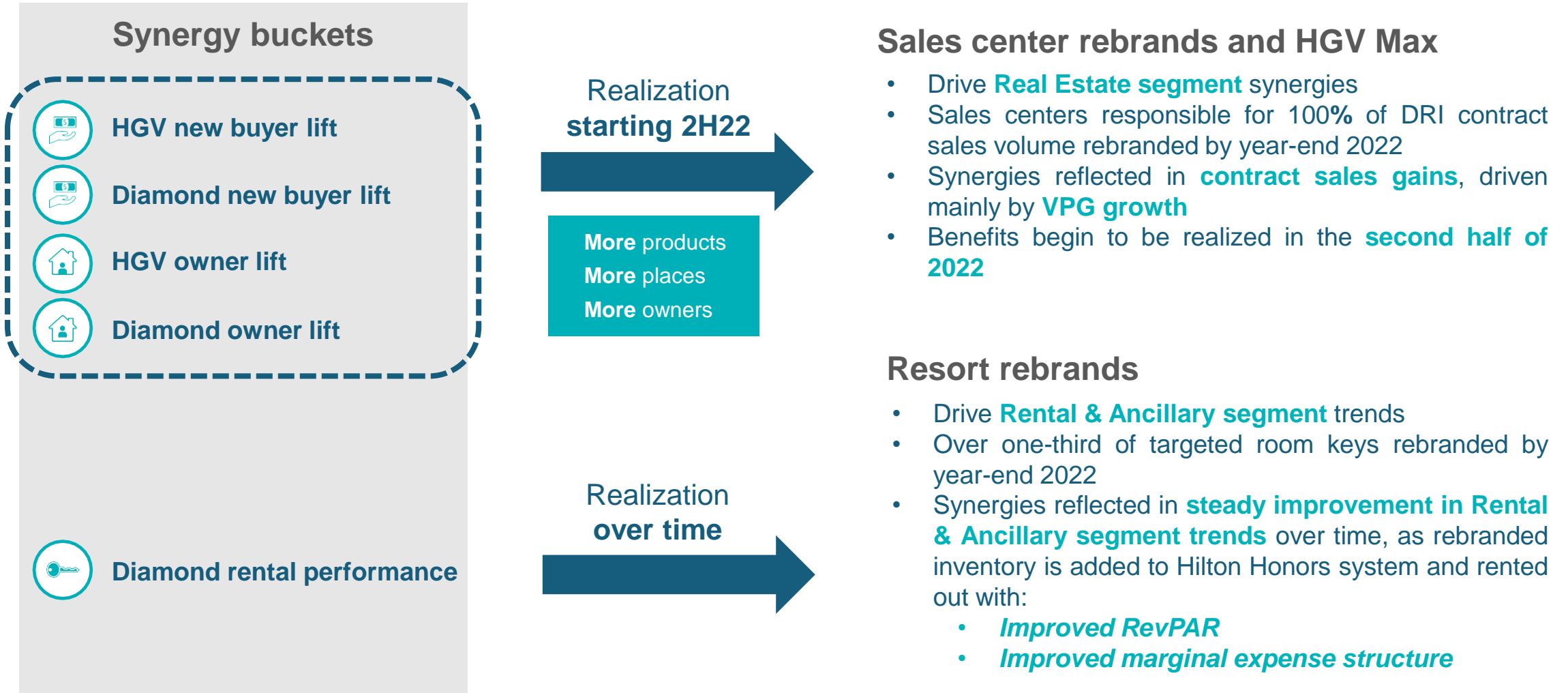


Cost synergy realization (24 mos. to achieve \$150M run-rate)

Revenue synergy realization

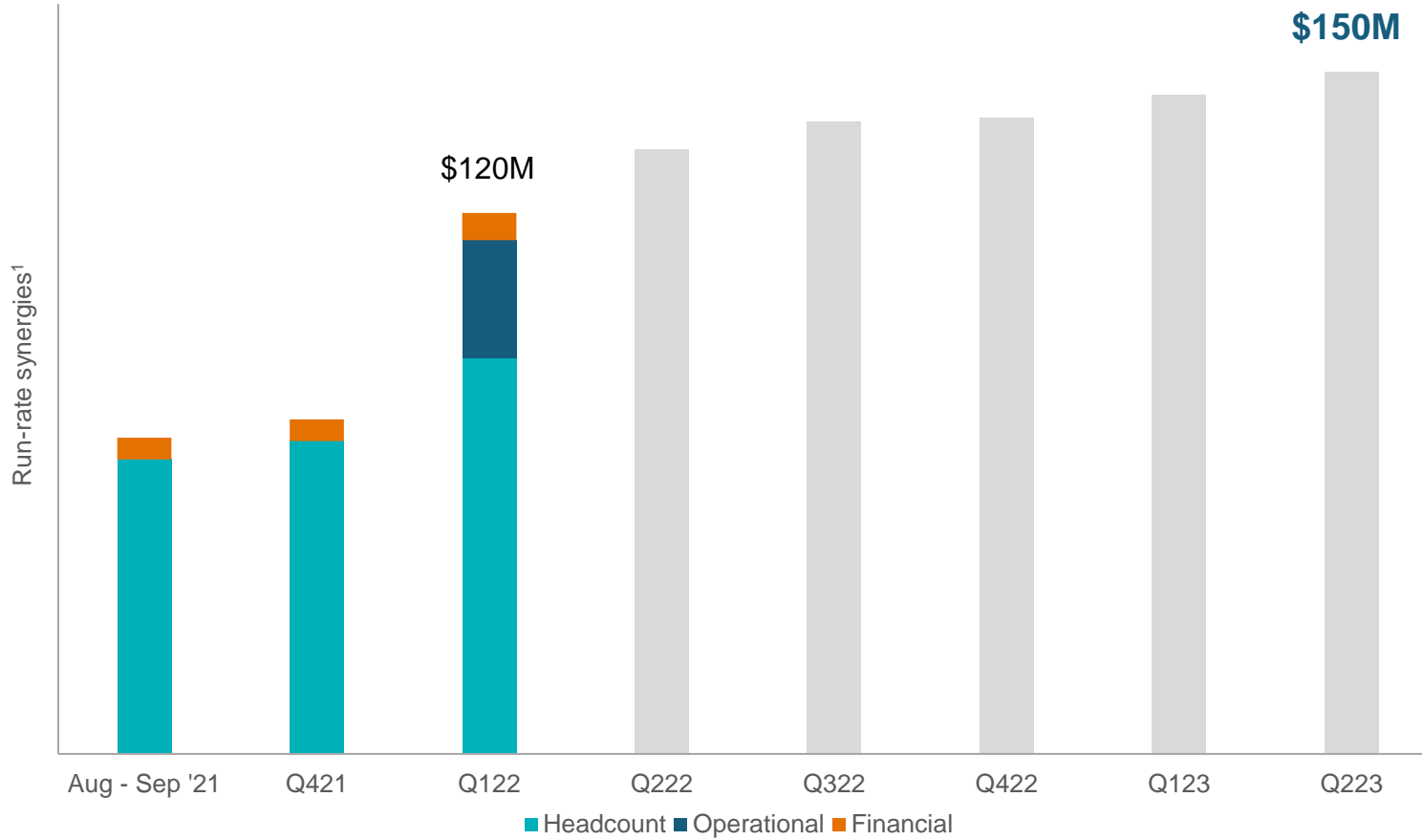
Clear line of sight to near-term revenue synergy realization

Majority of revenue synergies are not dependent on resort rebranding



Increased cost synergy target

Now expect to realize \$150M of cost synergies within 24 months of close



\$150M of identified cost synergies against 2019 combined cost structure



Headcount & other efficiencies

- **Approx. 2/3 of identified savings**
- Management and headcount overlap
- Back-office process redundancies
- Legal, HR, IT systems savings



Operational efficiencies

- **Approx. 1/4 of identified savings**
- Sales & marketing efficiencies
- Rental inventory OTA fees
- Resort operations efficiencies



Financial efficiencies

- **Remainder of identified savings**
- Administrative and credit card fees
- Treasury and capital markets savings
- Portfolio efficiencies
- Insurance
- Regulatory fees

1) Most recent month of realized savings multiplied by 12

Sales Center rebrands

Diamond's sales centers are being completely renovated to meet HGV standards and enhance the sales environment

Before

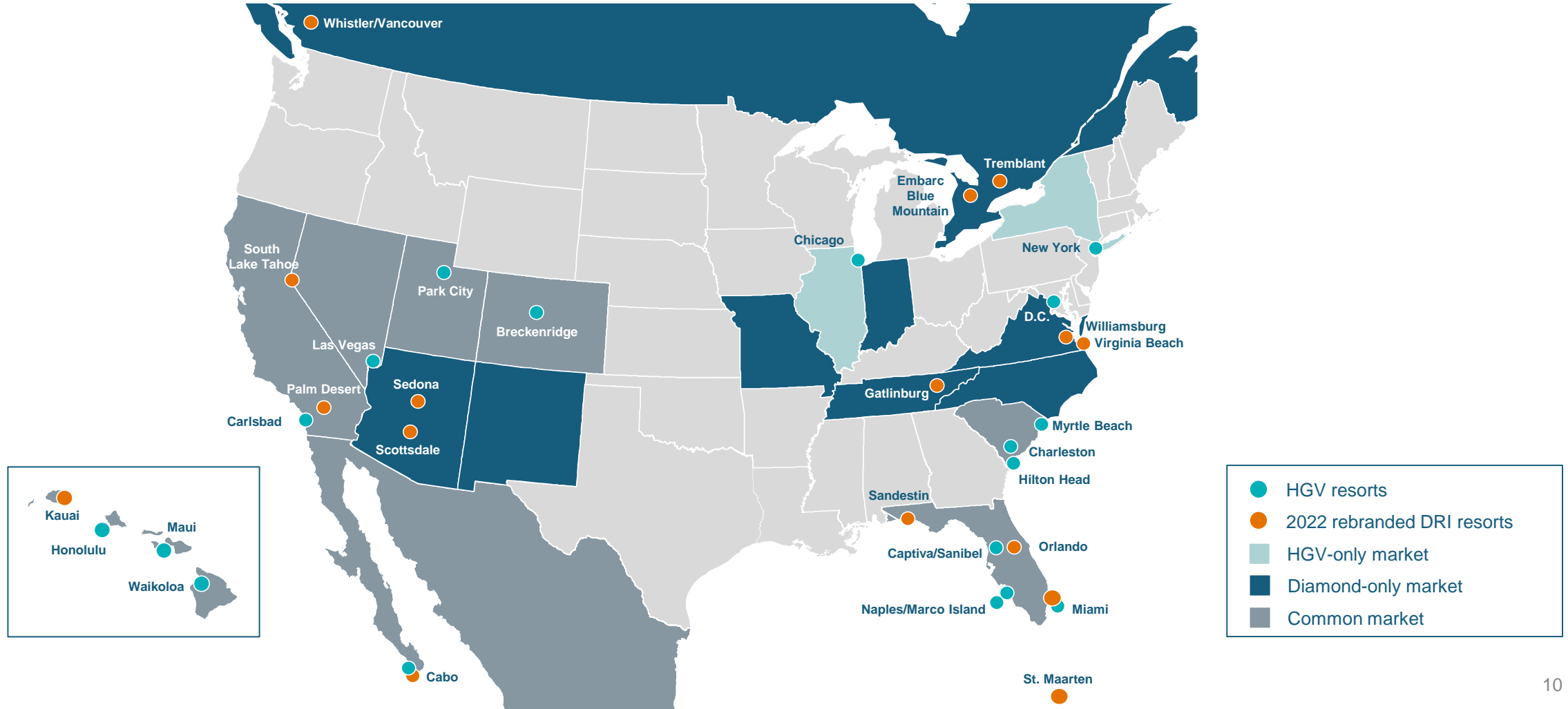


After



2022 property rebrands: 20 properties in 16 markets – 13 markets new to HGV

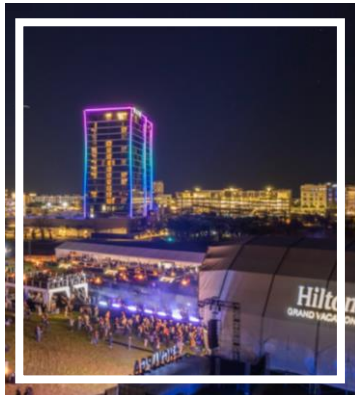
Focus on markets new to HGV that are expected to drive meaningful sales uplift



HGV Ultimate Access



HGV Ultimate Access – a collection of premier experiences and privileges designed exclusively for Hilton Grand Vacations



HGV
Live!



—HGV—
MEMBERS
TABLE

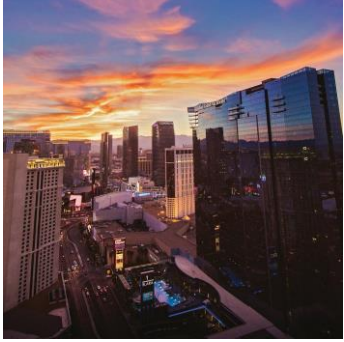


HGV PRESENTS

An aerial photograph of a tropical coastline. On the left, a dense line of green palm trees borders a dark, calm lagoon. A few people are visible in the water near the shore. To the right, the water transitions into a vibrant turquoise sea with white waves crashing against a rocky reef. The entire scene is framed by a white border.

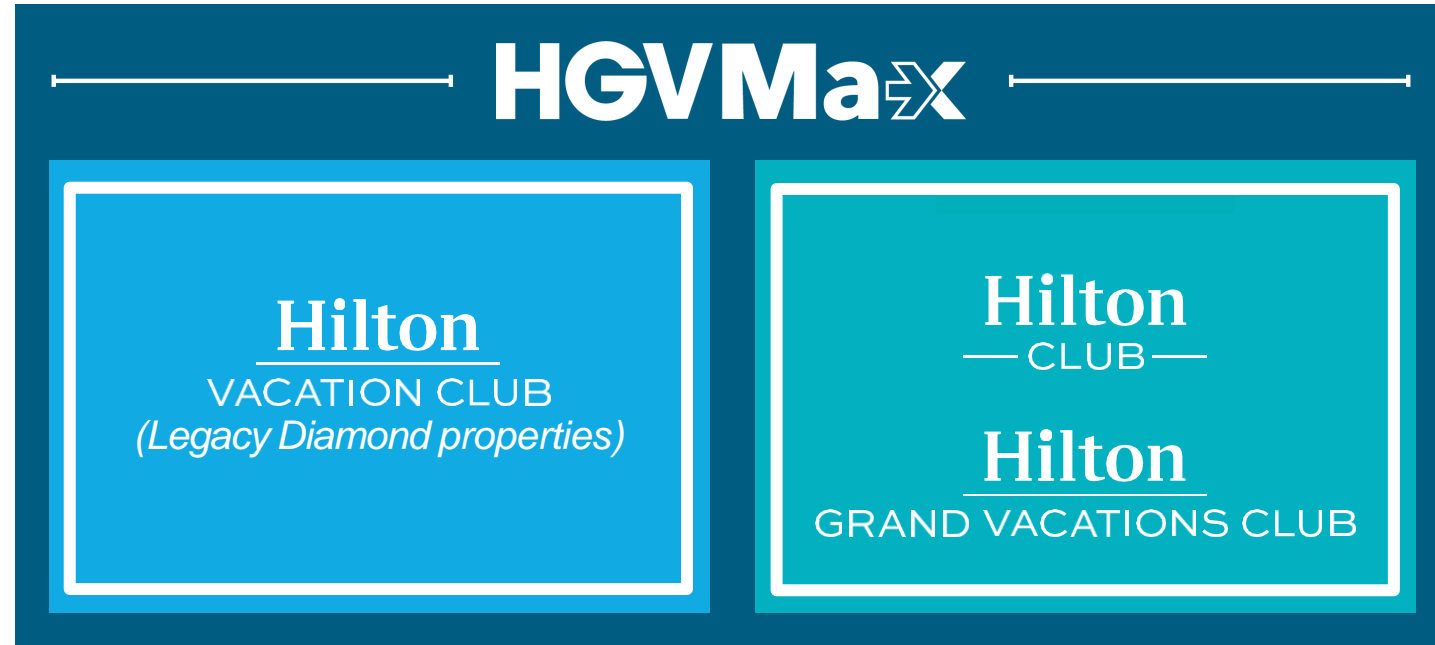
HGVMax

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HGVMax

HGV Max is the link between our three resort collections



- Three resort collections provide the widest range of offerings in the industry
 - Flexibility of deed- or trust-based points
 - HGV Max provides expanded access, benefits, and value



HGV Max delivers a compelling consumer value proposition



Consistent point value

Rebalanced HGV points to establish a uniform ClubPoints system



Expanded resort portfolio

More resort availability in highly-desirable vacation destinations across three resort collections

Hilton connection

Hilton Honors status, Points Conversion and a new HGV Max Rate with Hilton

Simplified ownership

Flat membership fee with free reservation bookings and other complimentary benefits



Vacation flexibility

Combines the “best of” partner offerings from legacy HGV and Diamond Clubs while adding new features and benefits

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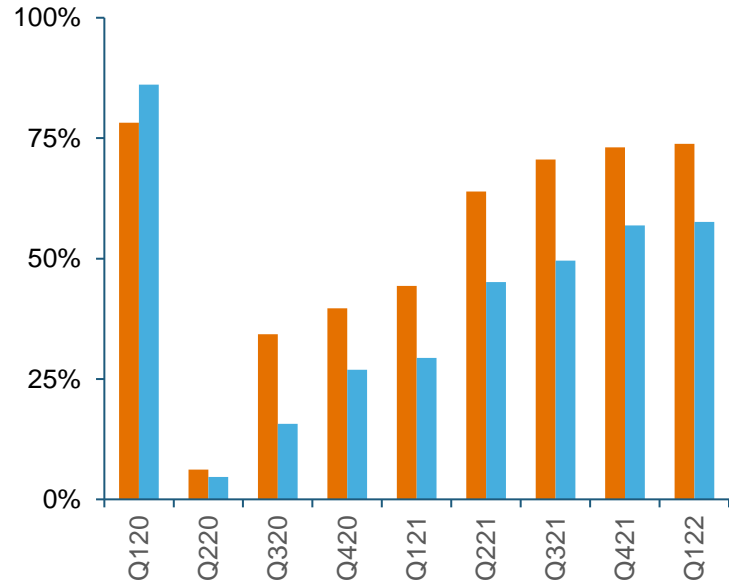
Performance and outlook



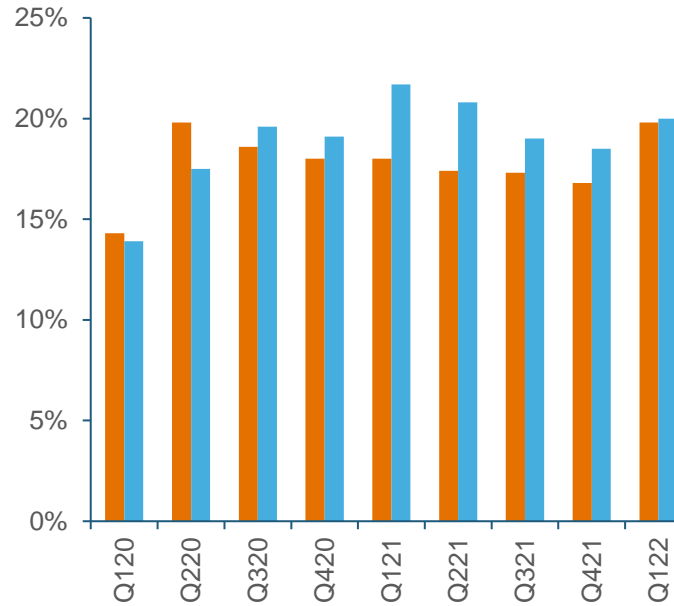
Pro-forma combined geographic sales trends

Tours

Percent of 2019

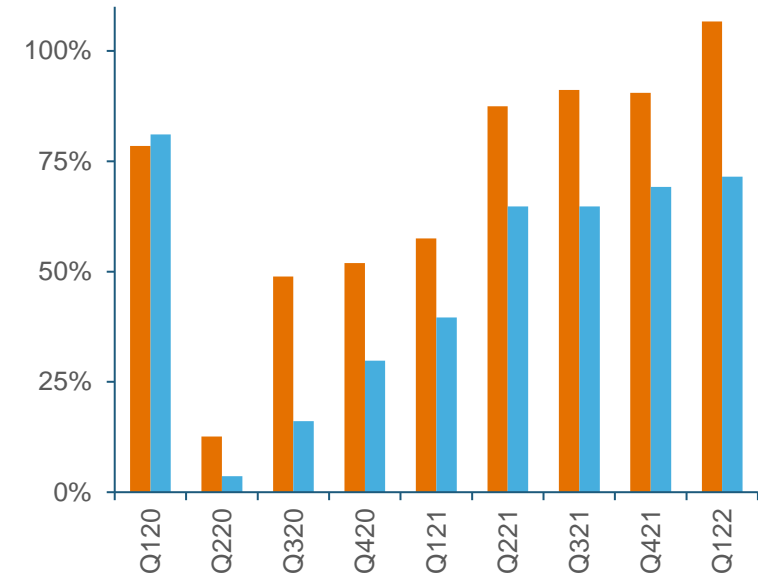


Close Rate



Contract sales

Percent of 2019



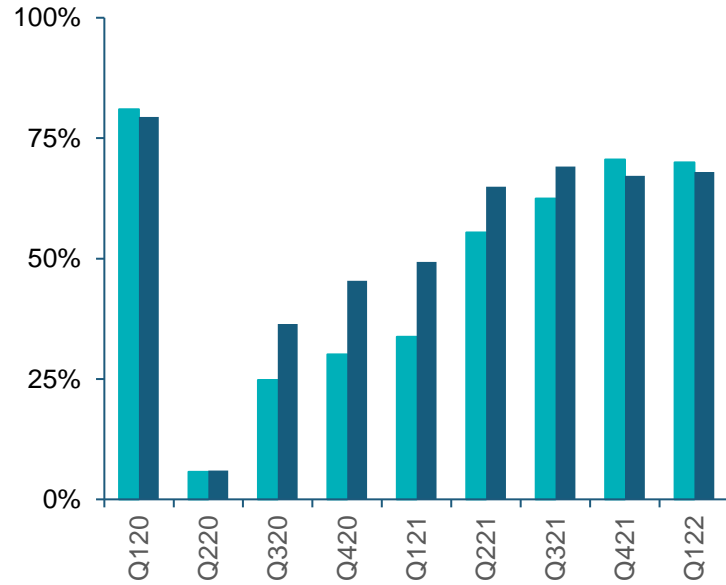
North America¹ APAC²

1) North America includes continental US, Canada, Mexico
2) APAC includes Japan and Hawaii

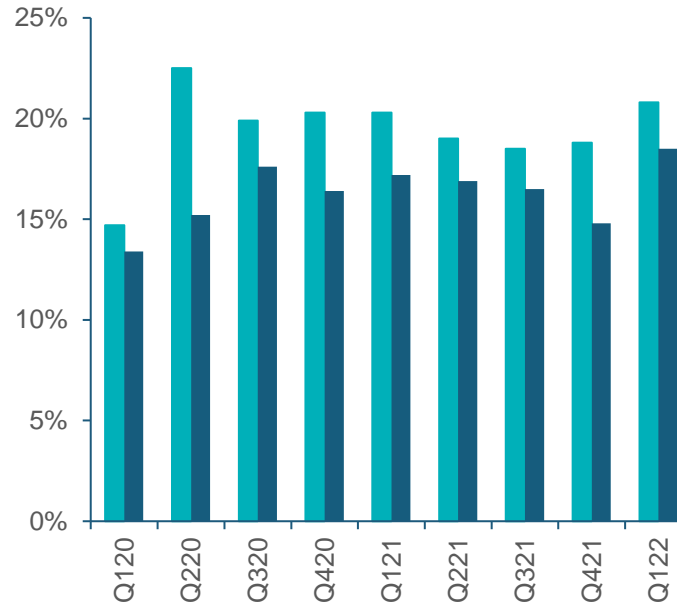
Overall sales trends

Tours

Percent of 2019

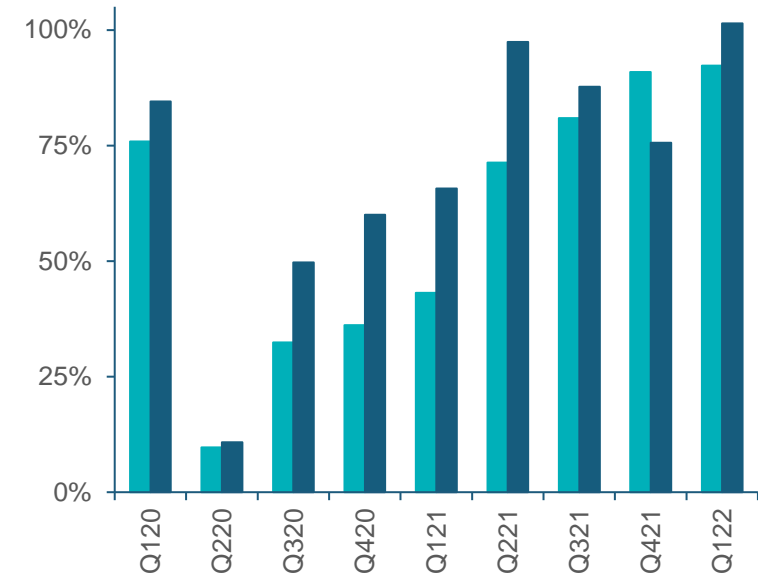


Close Rate



Contract sales

Percent of 2019



■ HGV ■ DRI



Raising EBITDA guidance range

2022 Deferral Adjusted EBITDA¹ target

Current guidance

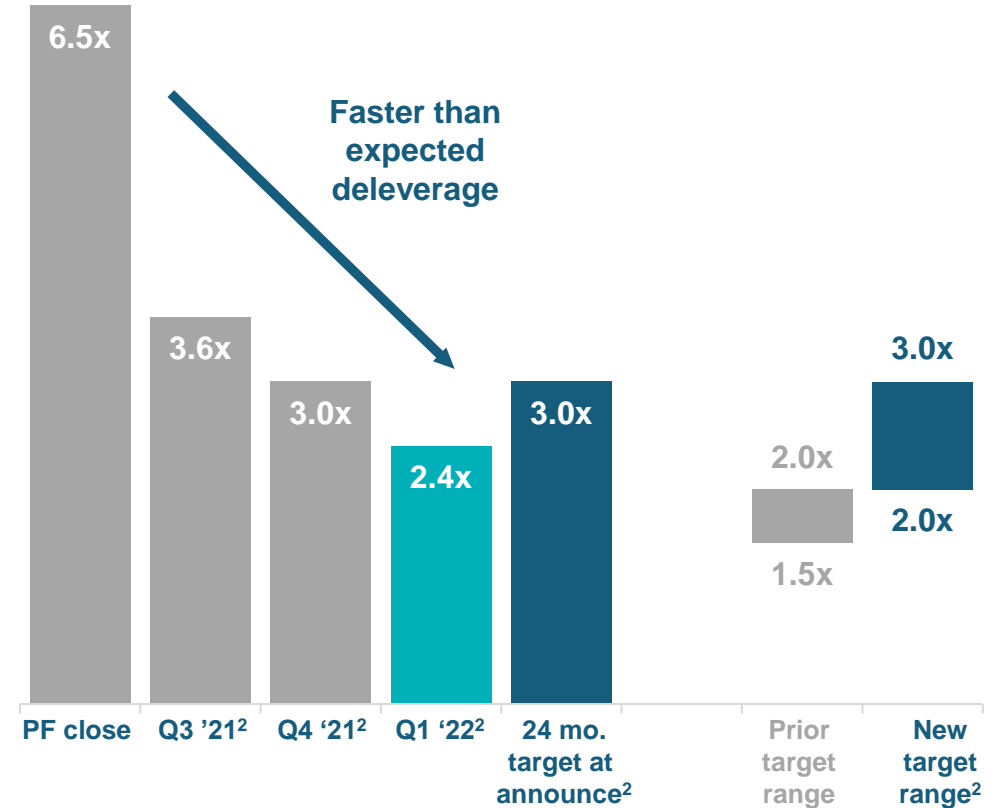
**\$960 million to
\$990 million**

Previous guidance

**\$915 million to
\$935 million**



Net Leverage and long-term target



1) Adjusted EBITDA excluding the impact of net deferrals of revenue and direct expenses related to the Sales of VOIs under construction

2) Inclusive of all expected synergies

A tropical sunset scene with palm trees, a tiki torch, and the ocean. The sun is setting behind the palm trees, casting a warm glow over the scene. The sky is a mix of orange, yellow, and purple. The ocean is visible in the background, and the foreground is filled with lush greenery and a tiki torch.

Thank you

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