

INVESTOR PRESENTATION

MAY 2019

HILTON
GRAND VACATIONS

DISCLAIMER

Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements convey management's expectations as to the future of HGV, and are based on management's beliefs, expectations, assumptions and such plans, estimates, projections and other information available to management at the time HGV makes such statements. Forward-looking statements include all statements that are not historical facts and may be identified by terminology such as the words "outlook," "believe," "expect," "potential," "goal," "continues," "may," "will," "should," "could," "seeks," "approximately," "projects," predicts," "intends," "plans," "estimates," "anticipates" "future," "guidance," "target," or the negative version of these words or other comparable words. The forward-looking statements contained in this presentation include statements related to HGV's revenues, earnings, taxes, cash flow and related financial and operating measures, and expectations with respect to future operating, financial and business performance, and other anticipated future events and expectations that are not historical facts.

HGV cautions you that its forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of HGV to be materially different from the future results, business performance or achievements expressed or implied by its forward-looking statements. HGV's forward-looking statements are not guarantees of future performance, and you should not place undue reliance on such statements in this presentation. Factors that could cause HGV's actual results to differ materially from those contemplated by its forward-looking statements include risks associated with: the inherent business, financial and operating risks of the timeshare industry, including limited underwriting standards due to the real-time nature of industry sales practices, and the intense competition associated with the industry; HGV's ability successfully market and sell VOIs; HGV's development and other activities to source inventory for VOI sales; significant increases in defaults on HGV's vacation ownership mortgage receivables; the ability of managed homeowner associations to collect sufficient maintenance fees; general volatility in the economy and/or the financial and credit markets; adverse economic or market conditions and trends in the tourism and hospitality industry, which may impact the purchasing and vacationing decisions of consumers; actions of HGV or the occurrence of other events that could cause a breach under or termination of the HGV's license agreement with Hilton that could affect or terminate our access to the Hilton brands and programs, or actions of Hilton that affect the reputation of the licensed marks or Hilton's programs; economic and operational uncertainties related to HGV's expanding global operations, including our ability to manage the outcome and timing of such operations and compliance with anti-corruption, data privacy and other applicable laws and regulations affecting our international operations; the effects of foreign currency exchange; changes in tax rates and exposure to additional tax liabilities; the impact of future changes in legislation, regulations or accounting pronouncements; HGV's acquisitions, joint ventures, and strategic alliances that that may not result in expected benefits, including the termination of material fee-for-service agreements; our dependence on third-party development activities to secure just-in-time inventory; HGV's use of social media platforms; cyber-attacks, security vulnerabilities, and information technology system failures resulting in disclosure of personal data, company data loss, system outages or disruptions of online services, which could lead to reduced revenue, increased costs, liability claims, harm to user engagement, and harm to HGV's reputation or competitive position; the impact of claims against HGV that may result in adverse outcomes, including regulatory proceedings or litigation; HGV's credit facilities, indenture and other debt agreements and instruments, including variable interest rates, operating and financial restrictions, our ability to make scheduled payments, and our ability to refinance our debt on acceptable terms; the continued service and availability of key executives and employees; and catastrophic events or geo-political conditions including war, terrorist activity, political strife or natural disasters that may disrupt HGV's operations in key vacation destinations. Any one or more of the foregoing factors could adversely impact HGV's operations, revenue, operating margins, financial condition and/or credit rating.

For additional information regarding factors that could cause HGV's actual results to differ materially from those expressed or implied in the forward-looking statements in this presentation, please see the risk factors discussed in "Part I—Item 1A. Risk Factors" of HGV's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and those described from time to time other periodic reports that we file with the U.S. Securities and Exchange Commission. There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business. Except for HGV's ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, changes in management's expectations, or otherwise.

Non-GAAP Financial Measures

This presentation includes discussion of terms that are not recognized terms under U.S. Generally Accepted Accounting Principles ("GAAP"), and financial measures that are not calculated in accordance with GAAP, including contract sales, sales revenue, real estate margin, tour flow, volume per guest ("VPG"), earnings before interest expense (excluding interest expense relating to our non-recourse debt), income tax expense, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt and Net Debt / Adj. EBITDA, Free Cash Flow and Adjusted Free Cash Flow. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP.

We derived the non-GAAP financial measures from the following sources:

- Audited consolidated statements of operations for the years ended December 31, 2018, 2017, 2016, 2015, 2014 and 2013 and from our audited consolidated balance sheets as of December 31, 2018, 2017, 2016, 2015 and 2014 – Prior to our spin-off from our former parent, Hilton Worldwide ("Hilton"), on January 3, 2017, our consolidated financial statements were derived from the financial results of our former parent and included certain indirect general and administrative costs allocated to us for certain functions and support services primarily on the basis of financial and operating metrics that Hilton has historically used to allocate resources and evaluate performance against its strategic objectives. Both we and Hilton, as our former parent, consider the basis on which expenses have been allocated for periods prior to our spin-off to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented;
- Unaudited consolidated statement of operations for the years ended December 31, 2012 and 2011 and from our unaudited consolidated balance sheet as of December 31, 2013, 2012 and 2011 – These financial statements also contained allocations from Hilton, as our former parent, and were reviewed by our independent registered public accounting firm in connection with the spin-off transaction; and
- All financial statements for all periods prior to the year ended December 31, 2011 were derived from Hilton's financial statements, do not reflect allocations from Hilton and were unaudited.

We believe such non-GAAP financial measures provide useful information to our investors about us and our financial condition and results of operations since many of these measures are used by our management to evaluate our operating performance and by securities analyst and investors as a common financial measure for comparison purposes in our industry. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics and Terms Used by Management*" and "*—Results of Operations*" sections of our SEC filings, including, but not limited to our most recent Annual report on Form 10-K and quarterly reports on Form 10-Q, for a more detailed discussion of the meanings of these terms and our reasons for providing non-GAAP financial measures. Full reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures for the historical periods and for 2018 and 2019 full year estimates discussed in this presentation appear in the appendix of this presentation. For years 2020 and beyond, refer to "Forward Looking Non-GAAP Financial Measures" below.

Forward-Looking Non-GAAP Financial Measures

In addition to certain non-GAAP financial measures for historical periods noted above, this presentation contains certain forward-looking non-GAAP financial measures. We provide these forward-looking non-GAAP financial measures to investors on a prospective basis for the same reasons that we provide them to investors on a historical basis. For years 2020 and beyond, we are unable to provide a reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures without unreasonable effort due to variability and difficulty in making accurate projections for items that would be required to be included in the GAAP financial measures, such as: income tax expense (benefit); interest expense; asset dispositions; foreign currency transactions; debt restructurings/retirements; non-cash impairment losses; reorganization costs, including severance and relocation costs; share-based and certain other compensation expenses; and other items. We believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

Disclaimer

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We undertake no obligation to publicly update or review any forward-looking statement or information to conform to actual results, whether as a result of new information, future developments, changes in the Company's expectations, or otherwise, except as required by law.

All information in this presentation is as of March 31, 2019 unless otherwise indicated.

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WHO WE ARE

1

We have a winning net owner growth driven demand strategy in a great industry

2

Resilient and proven business model throughout economic cycles that isn't tied to broader lodging fundamentals

3

We manage for strong returns through our unique capital efficient inventory strategy

4

Our dynamic capital allocation strategy to maximize returns is supported by strong financial performance

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NET OWNER GROWTH (NOG) DRIVEN STRATEGY



HILTON WAIKOLOA VILLAGE

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NOG IS A SIMPLE YET POWERFUL DRIVER OF OUR STRATEGY TO CREATE LONG-TERM SHAREHOLDER VALUE

ADD new owners + **RETAIN existing owners** = **Net Owner GROWTH**

Create demand

Deliver exceptional vacation experiences

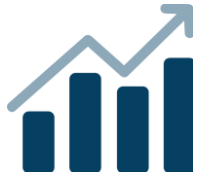
NOG is the y-o-y % change in members



Each new owner is a source of highly predictable recurring EBITDA



NOG increases the total embedded value in the business **year after year**



We realize substantial value in near-term **due to faster upgrade cycles**

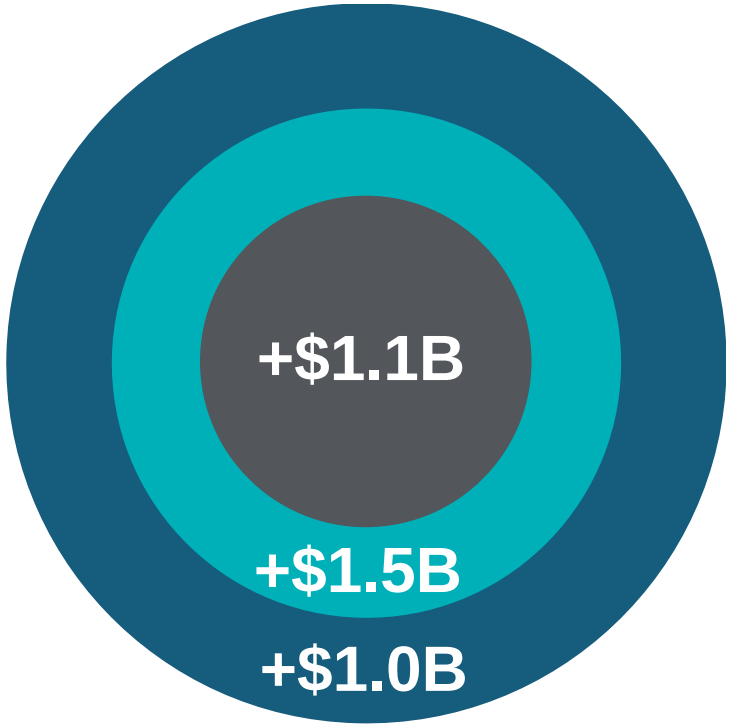


We replenish and expand embedded value **by constantly adding new owners**

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OUR NOG STRATEGY EMBEDS SUBSTANTIAL VALUE IN OUR OWNER BASE FROM THREE HIGHLY PREDICTABLE AND/OR CONTRACTUAL SOURCES



Total: $3.6B

EOY 2018

Note: Ten year cumulative margin, not discounted

FINANCING – 69% MARGIN[1]

- Profits from existing loans and future owner upgrades
- 66% of buyers finance their purchases
- Typically 10-year fixed-rate secured loans with average coupon rates of approximately 12%

CLUB AND RESORT MANAGEMENT – 73% MARGIN[1]

- Profits from current owners
- 2018 average Club and Resort Management revenue per member was $556

REAL ESTATE – 34% MARGIN[1]

- Profits from current owners' future upgrades
- For each $1 of initial purchase, on average owners will purchase another $1.15 in additional upgrades over 20 years

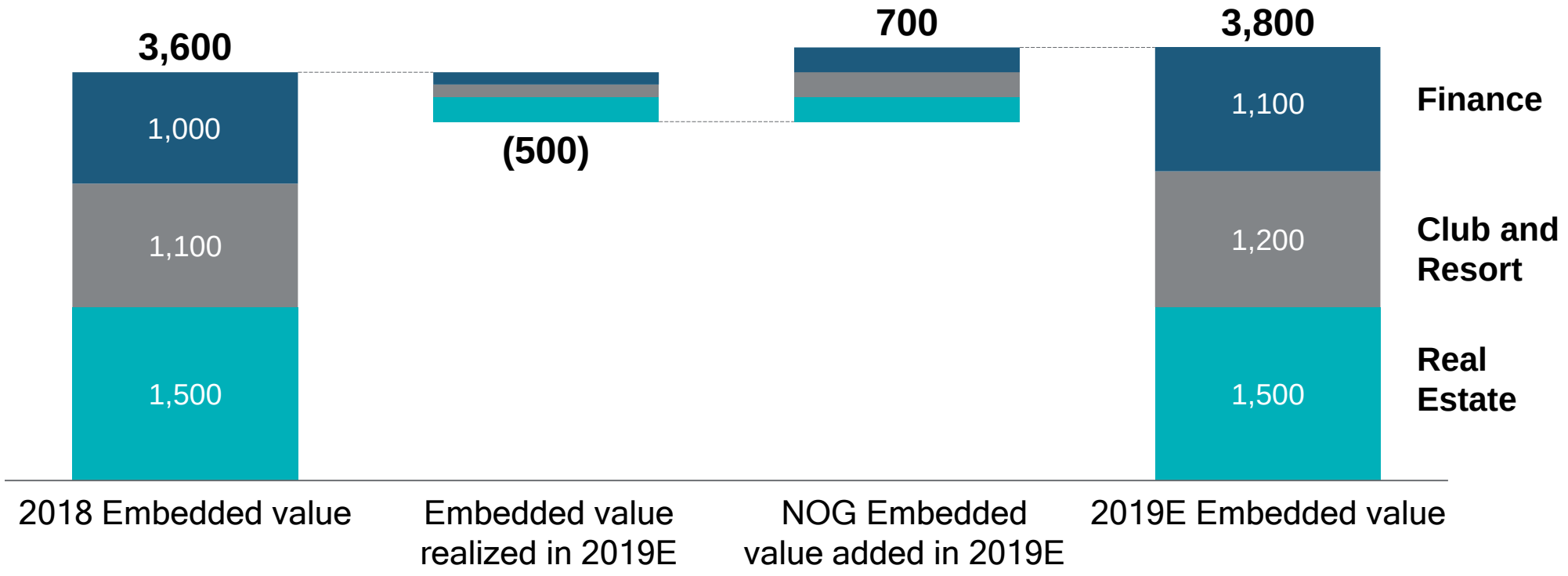
THE EMBEDDED VALUE OF OUR OWNER BASE HAS INCREASED BY ~3X (11% CAGR) SINCE 2007

Note: Embedded value considers total expected nominal margin over 10 year period, not discounted; Does not account for license fees, taxes, perpetuity of club dues, assumes current cost of securitization; 1.) % represents 2018 margin for line of business. Source: HGV internal data

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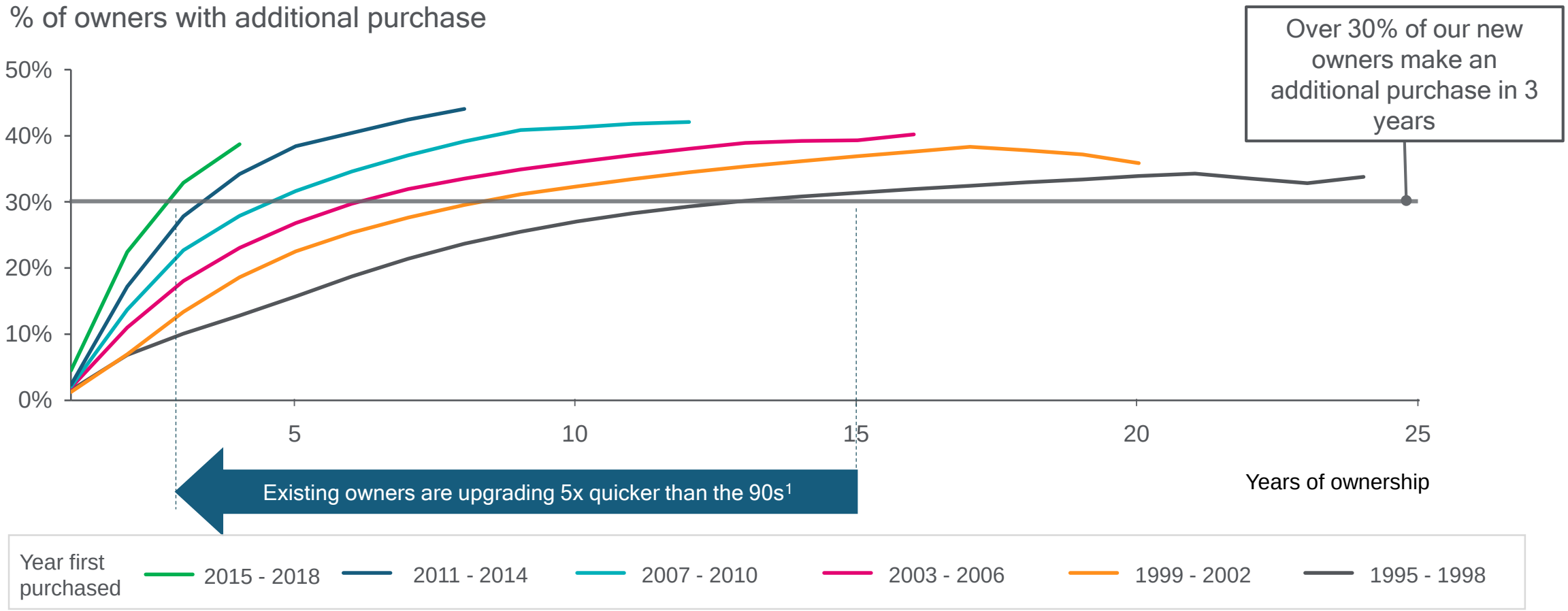
WE MONETIZE EMBEDDED VALUE IN THE NEAR TERM, THEN EMBED EVEN MORE FUTURE VALUE BY ADDING NEW OWNERS

Embedded value of owner base ($M)
(Rounded to nearest $100M)



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UPGRADES HAVE ACCELERATED – OWNERS ARE UPGRADING FASTER AND MORE OFTEN

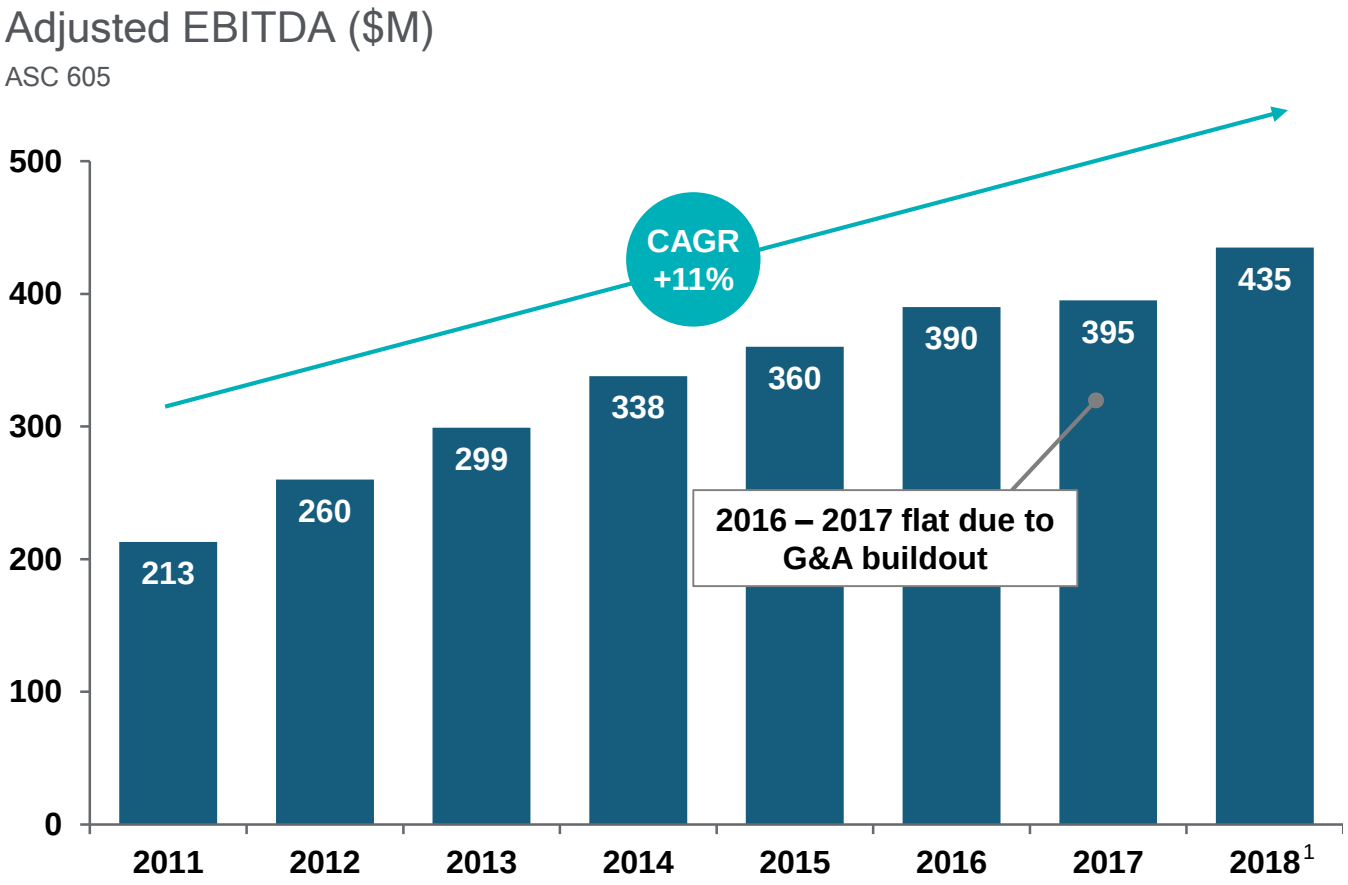


1. For those who purchased 1994 – 1996, it took ~15 years for 30% to upgrade, for those who purchased 2012 – 2017, it took ~3 years for 30% to upgrade; Source: Company financials.

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OUR NOG STRATEGY HAS DRIVEN INDUSTRY LEADING EBITDA GROWTH



	NOG CAGR ('08-'18)		Revenue CAGR ('08-'18)
HILTON GRAND VACATIONS	8%	>	7%
MARRIOTT VACATIONS WORLDWIDE	5%[2]	>	4%[2]
WYNDHAM	1%	>	-1%
bluegreenvacations share happiness	3%	>	2%

1. ASC606 Adjusted EBITDA is $503M 2. For growth calculations, 2008 figures reflect only Marriott Vacations Worldwide business compared to 2018 which includes the acquisition of Interval Leisure Group on Sept 1, 2018.
Source: 10Ks, Internal HGV data

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HILTON IS THE WORLD'S MOST VALUABLE HOTEL BRAND[1] AND WE LEVERAGE KEY MARKETING BENEFITS FROM OUR RELATIONSHIP

TRUST

The Hilton brand is a significant influencer when considering and purchasing HGV vacation ownership

"Why did you consider purchasing a timeshare with HGV?"

1. "I was offered a tour package"
2. "The properties were in places I wanted to visit"
3. **"I trusted the brand"**

"Why did you purchase a timeshare with HGV?"

1. "I liked the amenities"
2. **"I trusted the brand"**
3. "It had great destinations"

ACCESS

We source tours from the fastest organic growth loyalty program in the world

Hilton Honors	WYNDHAM REWARDS	Marriott Rewards
20% Annual growth	7% Annual growth	14% Annual growth

DATA

Hilton has a wide digital reach, expansive footprint, and large and growing honors database

~250M	~5.7K	~85M
Unique website visits/yr. One of highest-rated hospitality apps, with one download every 8 seconds	Locations around the world across 113 countries[2]	Hilton Honors members growing to 100M by summer of 2019[2]

1. Brand Finance Hotels 50 2018 report 2.. Hilton 2018 Fact Sheet

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DESPITE HALF OUR SALES COMING FROM NEW CUSTOMERS, WE STILL HAVE THE HIGHEST VPG IN THE INDUSTRY

2018 Volume Per Guest

HILTON GRAND VACATIONS

$3,743
48% OF SALES TO NEW CUSTOMERS

MARRIOTT VACATIONS WORLDWIDE

$3,666
35% OF SALES TO NEW CUSTOMERS

bluegreenvacations
share happiness

$2,642
48% OF SALES TO NEW CUSTOMERS

WYN

$2,392
38% OF SALES TO NEW CUSTOMERS

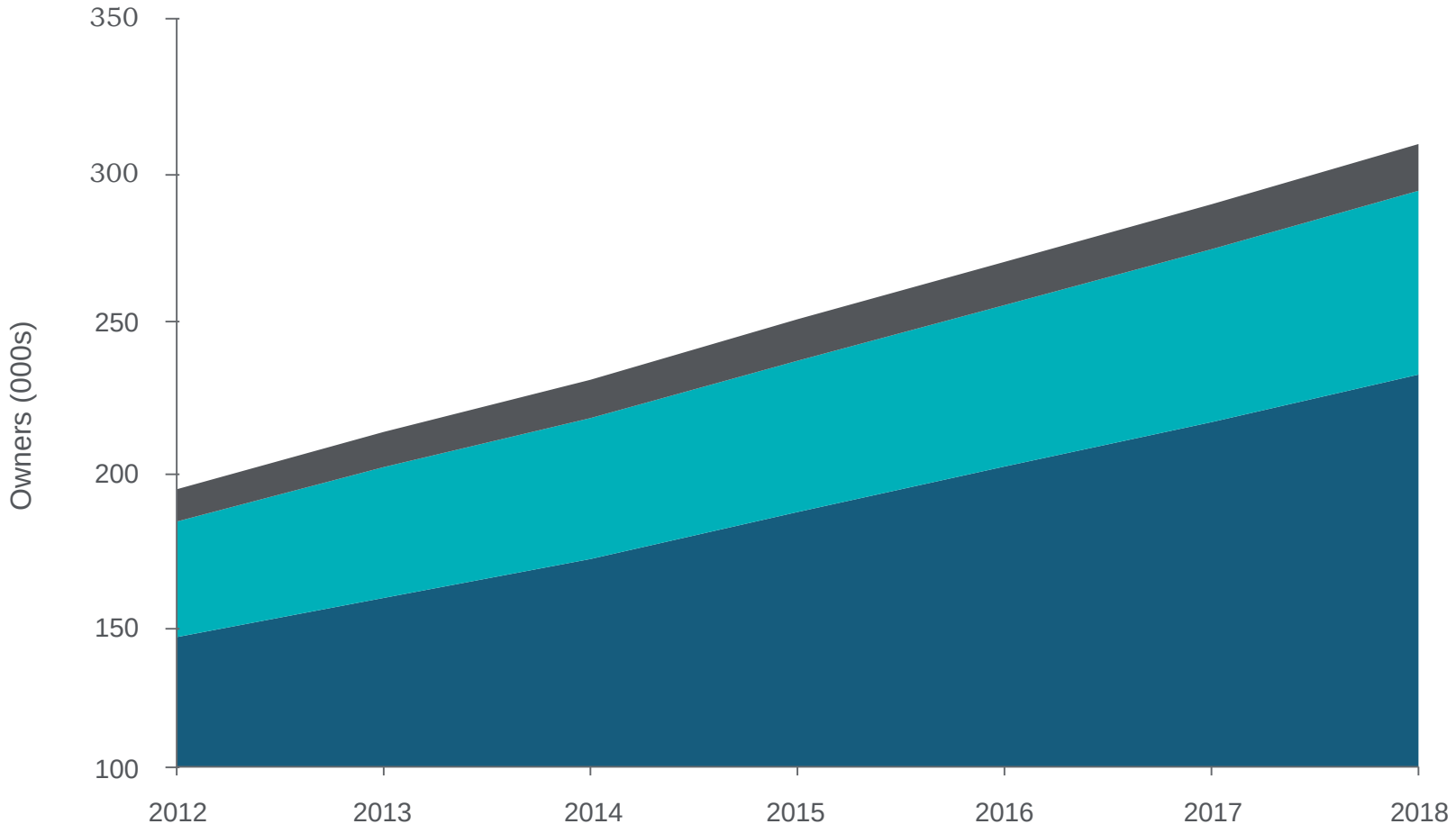
APPROX.
$4,300

Effective VPG if we sold 35% of sales to new customers

Source: 2018 10K filings and 8-K Earnings Release

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OUR OWNER BASE IS GLOBALLY DIVERSE AND GROWING





5%
OTHER INT'L OWNERS
(PRIMARILY WESTERN EUROPE AND CANADA)



20%
JAPANESE OWNERS
8% NOG CAGR



75%
U.S. OWNERS
8% NOG CAGR

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STRONG US OWNER BASE AND UNIQUE STRENGTH IN JAPAN



75%
U.S. OWNERS



20%
JAPAN



56
AVG. OWNER AGE[2]



92%
HOMEOWNERS[2]



22%
OF NEW OWNERS ARE MILLENNIALS[2]



64%
COLLEGE EDUCATED[2]



~$150K
AVERAGE INCOME[3]



749
FICO[5]

20% of US millennials plan to spend more on travel in coming year[1]



61K+
OWNERS



~JP¥13M
AVERAGE INCOME[4]
($117K USD)



16
LEISURE DAYS PER YEAR[4]



69%
COLLEGE EDUCATED[4]

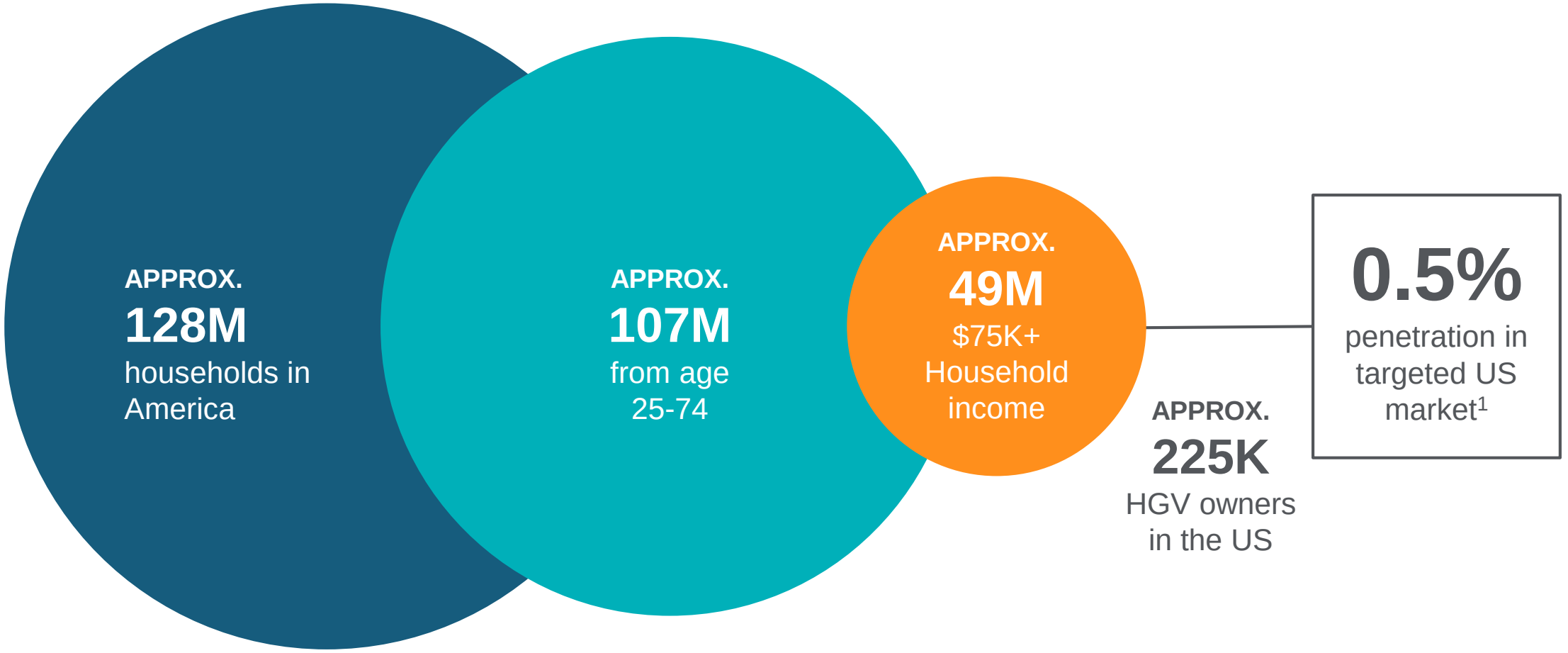
600 in-market team members. Established marketing channels host 130+ events per year[4]

1. Source: BCG Bernstein Consumer Summit Survey, 2017, N=4,045 2. Merkle data, 2018; 3. 2018 HGV US timeshare survey, current HGV owners, n=204; average income is calculated using midpoint of range options provided in survey. Survey results based on self-reported information from Owners. 4. 2016 HGV Japan timeshare survey, current HGV owners, n=63; average income calculated using midpoint of range options provided in survey. 5. 2018 10K

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AND WE'VE ONLY SCRATCHED THE SURFACE



Source: 2017 US census data
1. Assumes one HGV owner per household

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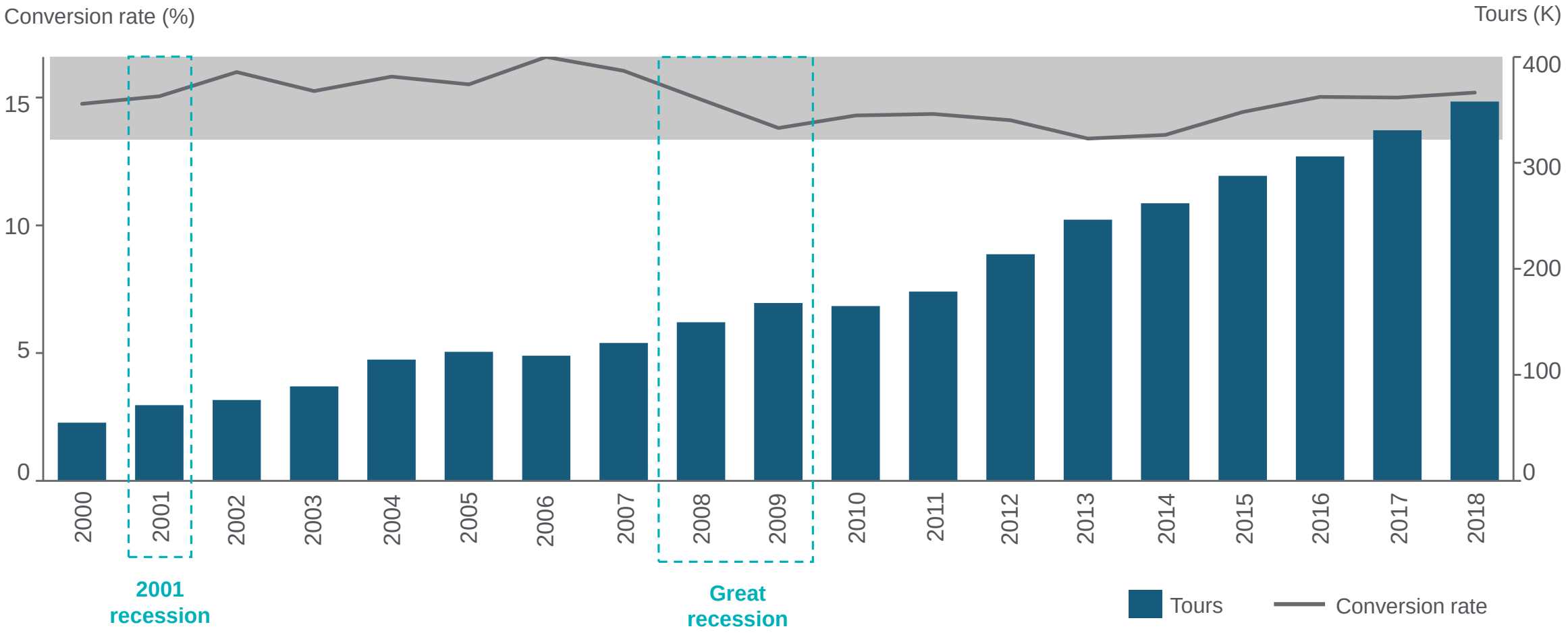


RESILIENCY AND STRENGTH THROUGH MULTIPLE CYCLES

OCEAN TOWER BY HILTON GRAND VACATIONS, WAIKOLOA, HAWAII

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TOURS HAVE GROWN CONSISTENTLY AND CONVERSION RATES HAVE REMAINED IN A TIGHT RANGE EVEN IN RECESSIONARY TIMES

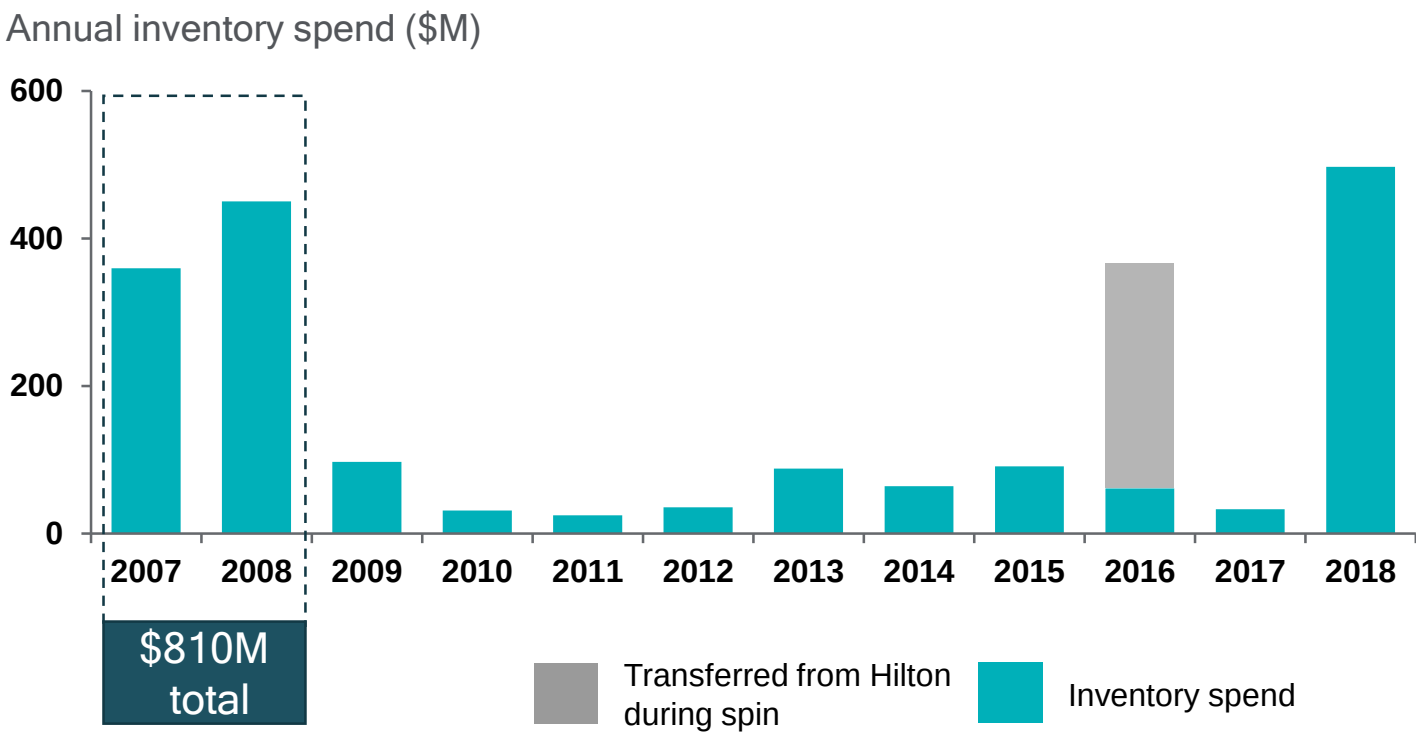


Source: HGV internal data

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OUR LAST MAJOR INVENTORY INVESTMENT PERIOD WAS 2007-2008 WHEN WE INVESTED $810 MILLION IN FOUR PROJECTS



Tourism Resilient in Major Markets – 2009 Change in Visitation

Orlando	- 4.7%	Oahu	- 2.0%
NYC	- 2.8%	Big Island	- 6.8%

WE OPENED FOUR PROPERTIES DURING THE GREAT RECESSION

GRAND WAIKIKIAN *(opened 2008)*
Honolulu, Hawaii
- 80% Sold by 2012

WEST 57TH ST. *(opened 2009)*
New York, New York
- 80% Sold by 2011

PARC SOLEIL *(opened 2009)*
Orlando, Florida
- 80% Sold by 2012

KINGS LAND *(opened 2008)*
Waikoloa, Hawaii
- 80% Sold by 2010

Source: HGV Internal Data

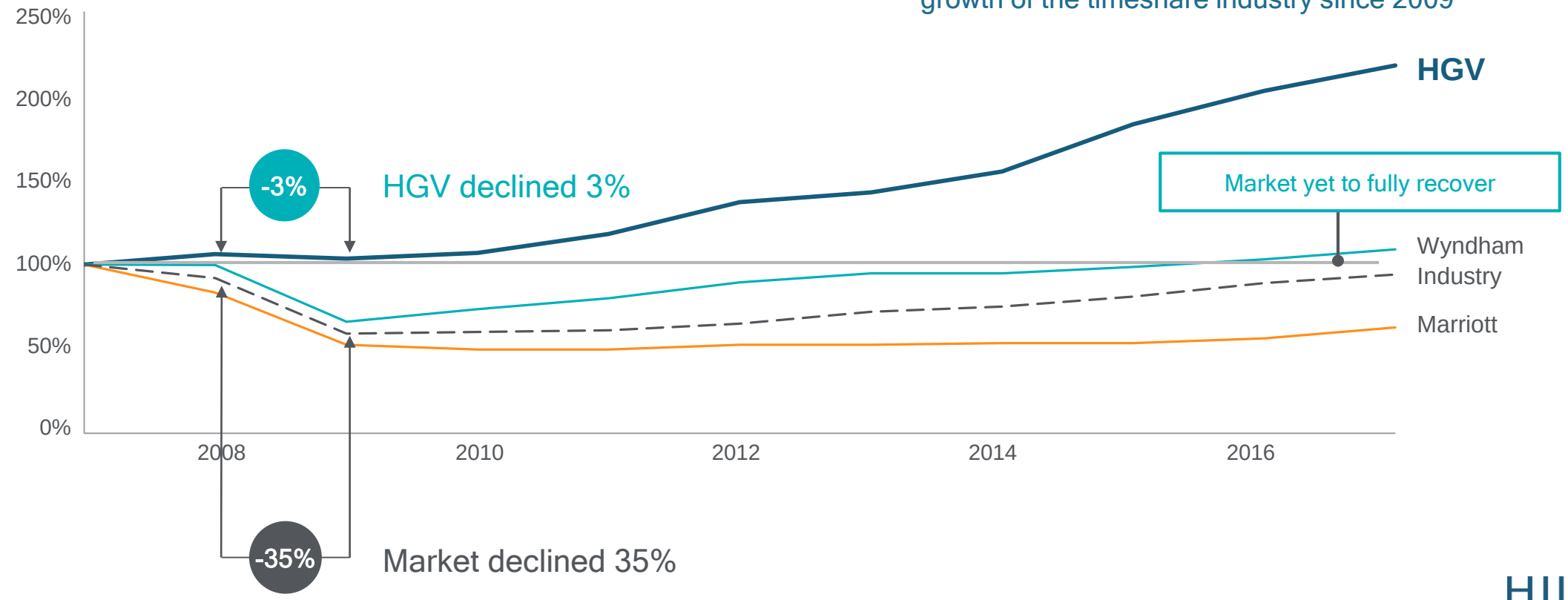
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WE'VE MORE THAN DOUBLED OUR SALES AND MARKET SHARE SINCE 2007

Net sales through recession

Trailing 12-month sales, relative to 2007



5% → 13%

HGV market share (2007-2017)

HGV has captured more than 20% of the entire growth of the timeshare industry since 2009

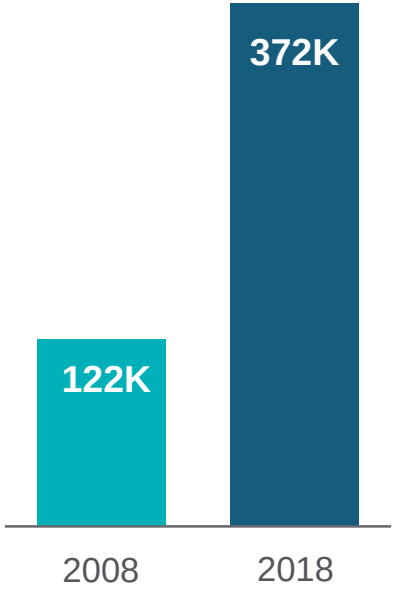
Source: Company financials. Publicly available 10K filings.

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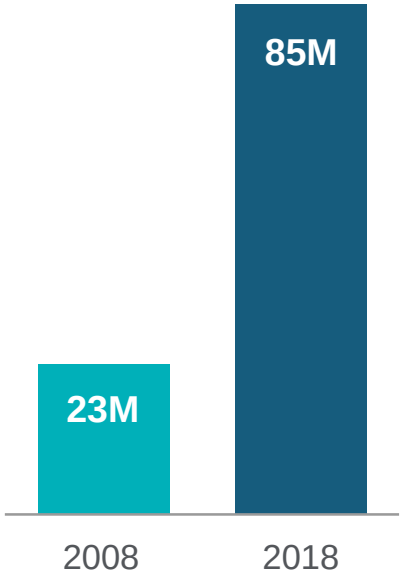
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TODAY WE ARE EVEN BETTER POSITIONED FOR A POTENTIAL SLOWDOWN THAN WE WERE IN 2008

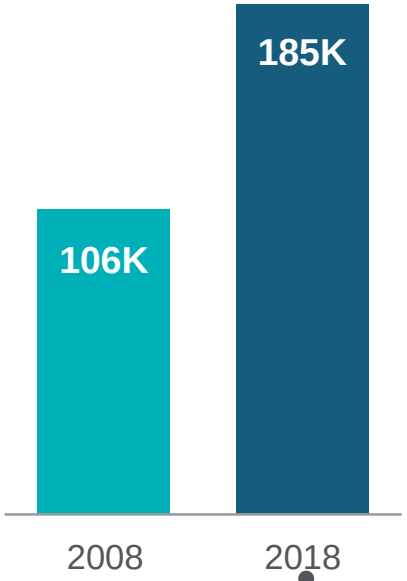
Sold packages



Hilton Honors members

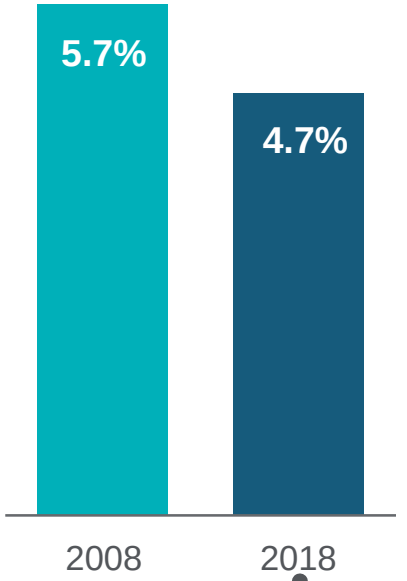


Owners who have not upgraded



In addition, 2018 owner base is globally diversified

Default rate[1]



% of gross sales[2] financed down 4ppt

1. Default rate as % of beginning portfolio balance;
2. % of Gross sales financed excluding 90 day loans.

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WHILE THERE ARE SOME SIMILARITIES, THE TIMESHARE BUSINESS MODEL IS FUNDAMENTALLY DIFFERENT FROM TRADITIONAL HOTELS

There are some high level similarities between timeshare and hotels…

- Top timeshare companies are partnered with **leading global brands**
- Deliver an **exceptional guest experience** on and off property
- Offer **range of product and amenity levels** across footprint

…but many key fundamentals are very different from the traditional hotel model

- **Very limited exposure to volatility in asset values** - focus on selling out projects vs. long-term asset speculation
- **Minimal focus on rental income** as available inventory primarily used to support sales with tour guests, then rental
- **Low observed price elasticity of demand** vs. traditional lodging
- **Limited-to-no ongoing property-level capex by timeshare developer** – fully funded by owners each year as part of maintenance fees
- **Dedicated focus on leisure travelers -** insulated from exposure to highly cyclical business travel

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CAPITAL EFFICIENT INVENTORY STRATEGY



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DIVERSIFIED, CAPITAL-EFFICIENT INVENTORY SOURCING STRATEGY

Capital efficient development deals

Fee for service
Asset always sits on partner's balance sheet

Just-in-time
Asset sits on partner's balance sheet until it is ready to be sold

Traditional development deals

Development deals
Asset sits on balance sheet from beginning of project

Inventory reacquisition
Reacquire inventory from owners when they are ready to sell

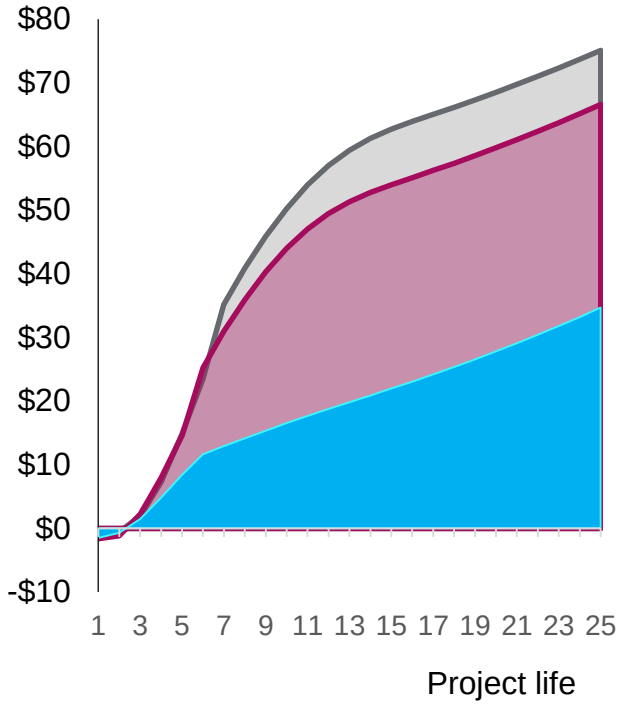
Curate Inventory	Maximize growth	Efficiently deploy capital	Grow EBITDA with strong returns
Able to select inventory in strategic markets with variety of deal types	Having broad range of deal structures gives us flex to entertain more deals, more developers, and more markets to maximize NOG growth and contract sales	Using capital efficient deals allows us to support more growth with less deployed capital at any one time	Allows us to grow EBITDA while maintaining strong returns

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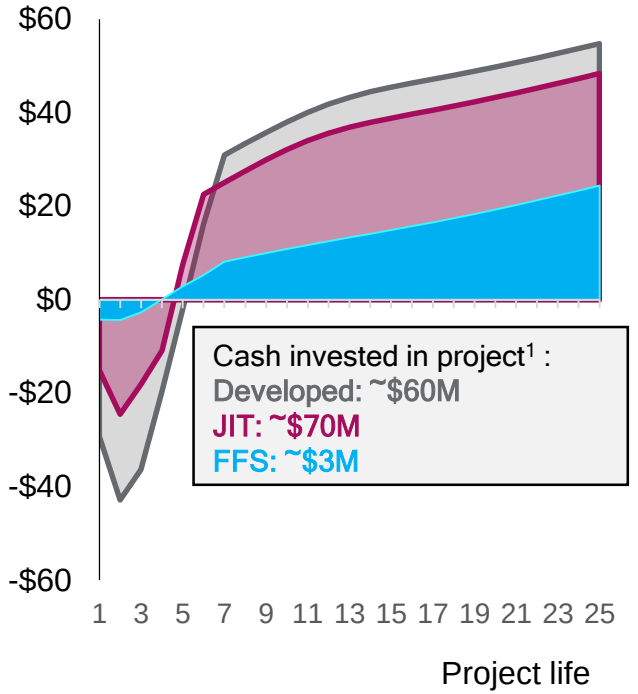
OUR THREE DEAL STRUCTURES EACH OFFER ATTRACTIVE RETURNS BUT SCALE AND TIMING OF RETURNS AND CASH FLOWS WILL VARY

Cumulative Adj. EBITDA ($M)



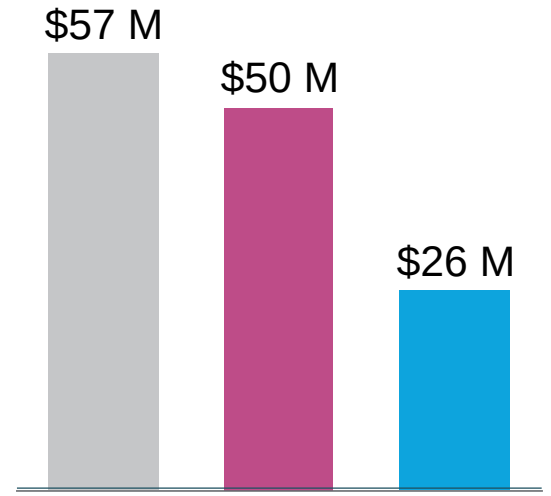
Illustrative $200M contract sales project

Cumulative Cash Flow ($M)



Developed
Just in time
Fee for service

Cash generated ($M) & ROIC (%)



15% - 22% *18% - 30%* *30%+*

ROIC

1. Represent year of initial investment. Note: Includes fully loaded project costs, all cash flow after tax

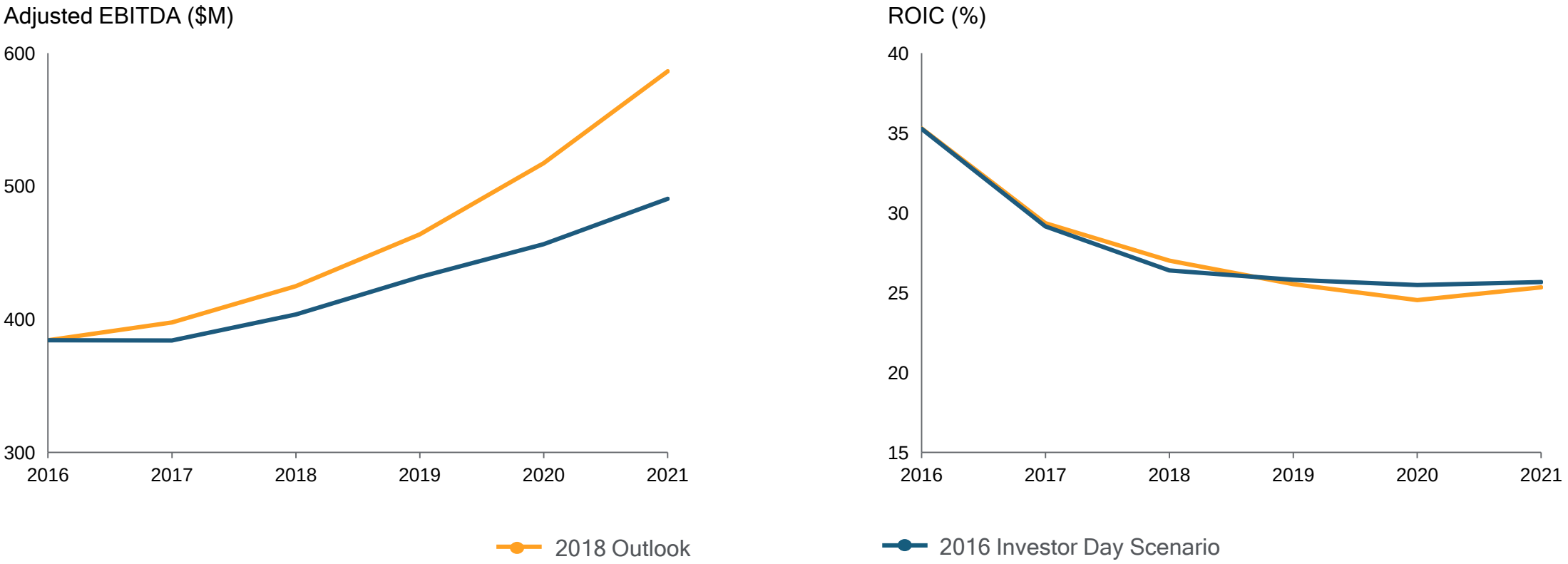
Source: HGV Internal Data,

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BY OPTIMIZING MIX OF OWNED AND CAPITAL EFFICIENT DEALS WE CAN MAXIMIZE ADJUSTED EBITDA GROWTH AND STILL DRIVE ROIC

Note: based on actual committed pipeline and feasibility projects



1. Implied performance based on 2016 Investor Day presentation. HGV Internal Data

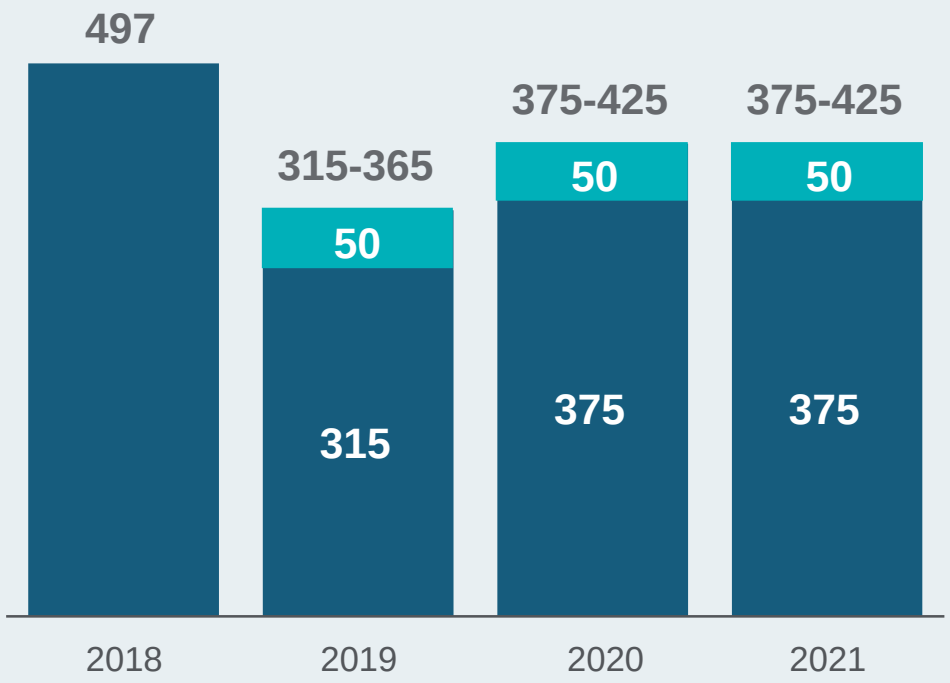
2. Forecasted implied performance based on 2018 Outlook presented is not intended to predict future events, but to present a multi-year target for key metrics based on estimated growth rate ranges. The Company is unable to provide a reconciliation of 2020 – 2021 non-GAAP measures to the closest GAAP equivalent without unreasonable effort because the Company is unable to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments or other potential adjustments [such as income tax expense (benefit), interest expense, asset dispositions; foreign currency transactions; debt restructurings/retirements; non-cash impairment losses; reorganization costs, including severance and relocation costs; share-based and certain other compensation expenses; and other items] that may arise in the future during the outlook period, which can be dependent on future events that may not be reliably predicted.
Actual results may differ materially.

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OUR INVENTORY SPENDING COMMITMENTS ARE IN PROVEN SEQUEL MARKETS OR STRATEGICALLY IMPORTANT NEW MARKETS

Inventory spending ($ millions) guidance[1]



Capital committed to strategic projects opening within 4 years

Project	Sales Start	Opening
Japan (Bay Forest - Odawara)	In Sales	Opened
Hawaii (Ocean Tower)	In Sales	Opened
Barbados (The Crane)	In Sales	Opened
Hilton Head (Ocean Oak)	In Sales	Opened
Myrtle Beach (Ocean Enclave)	In Sales	2019
Chicago (Magnificent Mile)	In Sales	2019
New York (The Central at 5th)	In Sales	2020
Charleston (Liberty Place)	2019 H1	2021
New York (Quin)	2019 H2	2019
Los Cabos (La Pacifica Los Cabos)	2020 H1	2020
Hawaii (Maui Bay Villas)	2020 H1	2021
Hawaii (Waikiki)	2020 H2	2022
Japan (Sesoko)	2021 H2	2021

1. Excludes expense related to granting credit to customers for their existing ownership when upgrading into fee-for-service projects of $34 million recorded in Costs of VOI sales for the year ended December 31, 2018 and a similar level for years 2019 through 2021.

Source: Company financials

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DYNAMIC CAPITAL ALLOCATION STRATEGY SUPPORTED BY STRONG FINANCIAL PERFORMANCE

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WE WILL TAKE A DYNAMIC APPROACH TO ALLOCATING CAPITAL AND MAXIMIZING RETURNS

INVEST IN INVENTORY / PRODUCT FOR PROFITABLE GROWTH

Average of **$375 - $425M** in investments per year over the next 3 years

SHARE REPURCHASES AND DIVIDENDS

Authorization to repurchase **$200M** of outstanding shares

STRATEGIC M&A

Maintain flexibility should compelling opportunity arise

Balance sheet

- Preserve liquidity and maintain conservative capital structure
- Increase flexibility to be opportunistic and growth-focused through cycles
- Maintain current credit rating and target 1.5x - 2.0x leverage[1]

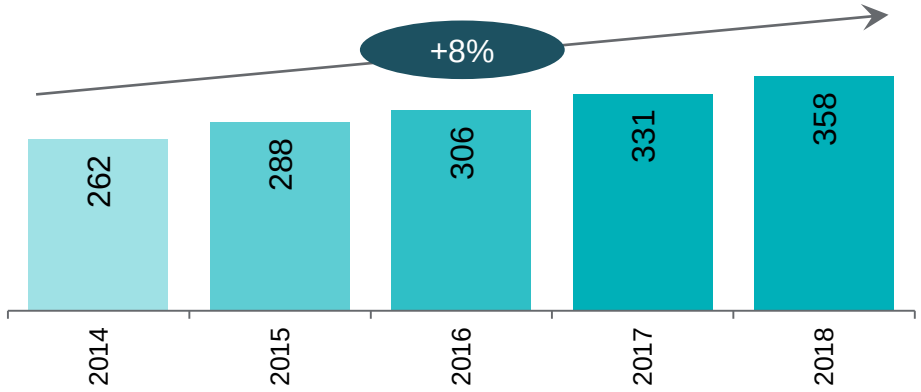
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1. Excludes non-recourse debt

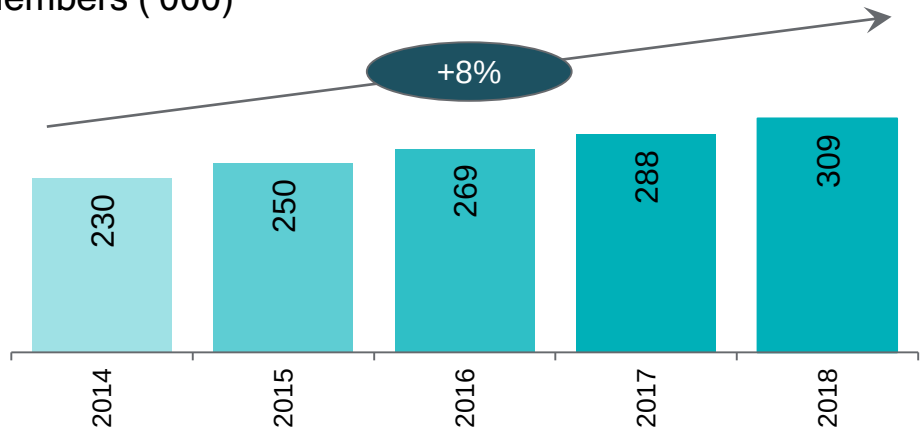
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STRONG FUNDAMENTAL BUSINESS DRIVERS

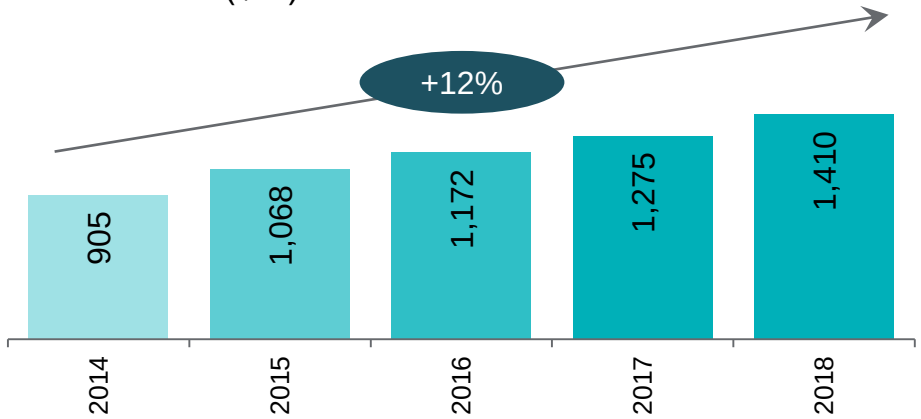
Tours (‘000)



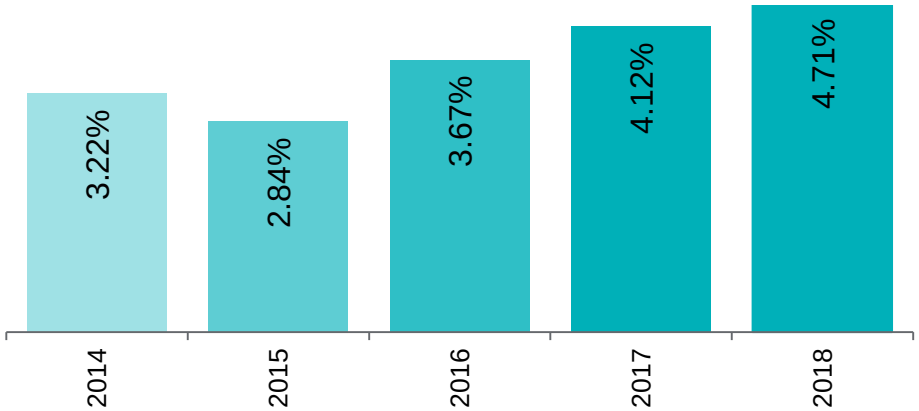
Members (‘000)



Contract Sales ($M)



Default Rate



Note: CAGR shown for multi-year periods; y-o-y % growth shown for YTD comparisons.

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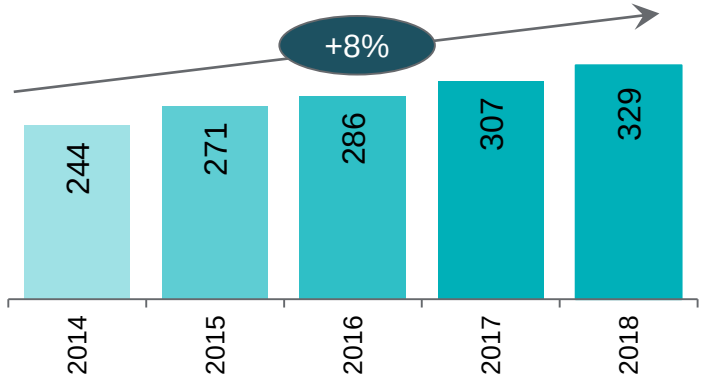
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TRANSLATE INTO HEALTHY REVENUE AND MARGIN GROWTH

Total Revenue ($M)



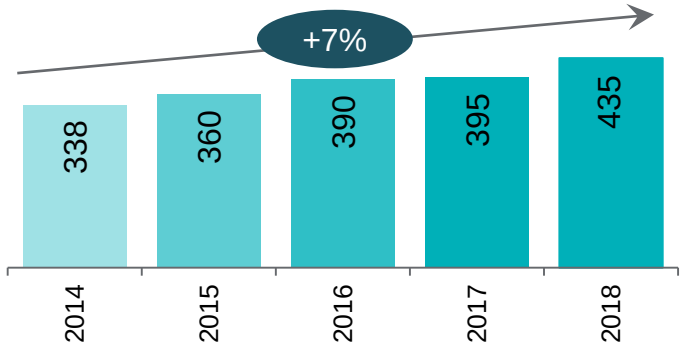
Real Estate Margin ($M)



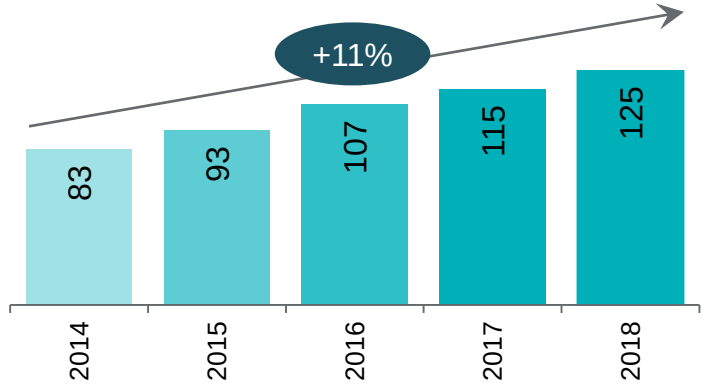
Financing Margin ($M)



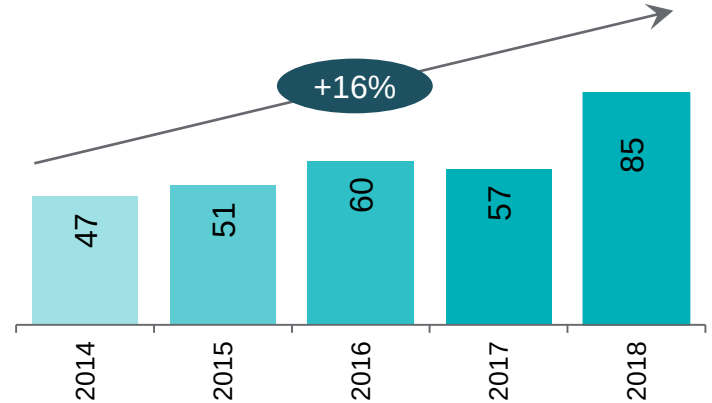
Adjusted EBITDA ($M)



Resort & Club Margin ($M)



Rental & Ancillary Margin ($M)



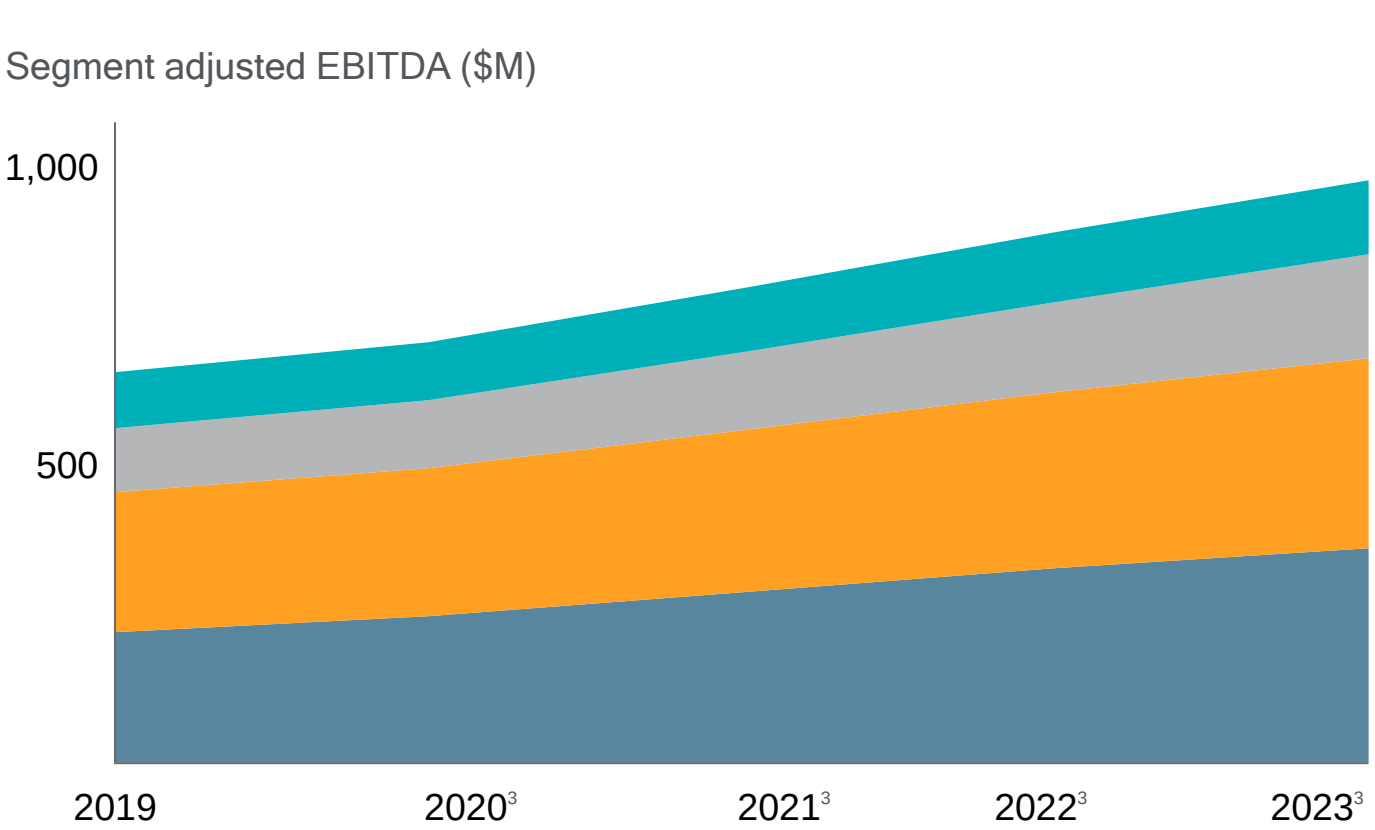
All figures ASC 605

Note: CAGR shown for multi-year periods; y-o-y % growth shown for YTD comparisons.

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NEARLY 70% OF OUR ADJUSTED EBITDA[1,2] COMES FROM RECURRING SOURCES OR HIGHLY PREDICTABLE OWNER UPGRADES



Segment adjusted EBITDA

10% -15%	Real estate EBITDA from new owners
15% - 20%	Rental & ancillary EBITDA
32% - 37%	Real estate and transaction EBITDA from existing owners[1]
35% - 40%	EBITDA from recurring revenue streams[2]

1.) Highly predictable EBITDA from upgrades and transaction fees; 2.) Contractually recurring revenue streams of financing and resort management & operations; 3.) Information presented is not intended to predict future events, but to provide an illustrative example of the consistency of certain contributions to our Adjusted EBITDA over multiple periods The Company is unable to provide a reconciliation of 2020 – 2023 non-GAAP measures to the closest GAAP equivalent without unreasonable effort because the Company is unable to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments or other potential adjustments such as income tax expense (benefit), interest expense, asset dispositions; foreign currency transactions; debt restructurings/retirements; non-cash impairment losses; reorganization costs, including severance and relocation costs; share-based and certain other compensation expenses; and other items that may arise in the future during the outlook period, which can be dependent on future events that may not be reliably predicted. Actual results may differ materially.
Note: %'s based on 2023 EBITDA margin projections, recurring revenue includes financing, club & resort mgmt., and rental and ancillary, not adjusted for G&A and licensing fee.

Source: HGV Internal Data

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2019 GUIDANCE

Metrics	Guidance 2019
Net income	$240M - $255M
Earnings per share - diluted	$2.61 - $2.77
Adjusted EBITDA	$445M - $465M
Net cash flow provided by operating activities	$85M - $125M
Adjusted free cash flow	$60M - $120M
Contract sales growth	5% - 8%
FFS as % of contract sales	48% - 54%
Construction deferral impact *(full year)*	*None expected*

All figures ASC 606

Source: HGV Internal Data

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APPENDIX

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OUTLOOK ADJUSTED EBITDA AND FCF RECONCILIATION

	2019E	
	Low Case	High Case
($ millions)		
Net income	$240	$255
Income tax expense	89	95
Interest expense	40	37
Depreciation and amortization	45	42
Interest expense and depreciation and amortization from unconsolidated affiliates	1	2
EBITDA	**$415**	**$431**
Share based comp	28	30
Other items[1]	2	4
Adjusted EBITDA	**$445**	**$465**
ADJUSTED FREE CASH FLOW		
Cash flow provided by operating activities	85	125
Non-inventory capex	(65)	(55)
Free cash flow	**$20**	**$70**
Net proceeds from securitization activity	40	50
Adjusted free cash flow	**$60**	**$120**

1.) Represents adjustments for one-time public company costs.

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HISTORICAL ADJUSTED EBITDA AND FCF RECONCILIATION

For the year ending 12/31								
(in millions)	2011[1]	2012[1]	2013[1]	2014[1]	2015[1]	2016[1]	2017[1]	2018[1]
Total revenues	$1,007	$1,172	$1,224	$1,317	$1,475	$1,583	$1,711	$1,904
Net income	73	118	128	167	174	168	327	247
Interest expense	53	45	48	36	29	29	27	30
Income tax expense (benefit)	53	82	90	113	118	125	(16)	88
Depreciation and amortization	31	11	16	18	22	24	29	38
Interest expense, D&A included in equity in earnings from unconsolidated affiliate	-	-	-	-	-	-	3	4
EBITDA[2]	$210	$256	$282	$334	$343	$346	$370	$407
Gain on debt extinguishment	-	-	(22)	-	-	-	-	
Other (gain)/loss	(1)	3	5	(3)	-	1	-	1
Share-based compensation expense	-	1	22	4	13	8	15	16
Other adjustment items	4	-	12	3	4	35	10	11
Adjusted EBITDA[2]	$213	$260	$299	$338	$360	$390	$395	$435
Cash flow provided by (used in) operations[3]	-	-	-	214	165	190	356	(159)
Non-inventory capital expenditures	-	-	-	(17)	(18)	(34)	(47)	(63)
Free cash flow	-	-	-	$197	$147	$156	$309	(222)
NET CONSTRUCTION DEFERRAL ACTIVITY								
Sales of VOI, net					$(5)	$(5)	$(5)	$133
Cost of VOI sales					(1)	(1)	(2)	36
Sales, marketing, general and administrative expense					(1)	1	-	18
Net construction recognitions (deferrals) included in net income/ EBITDA/Adjusted EBITDA					$(3)	$(5)	$(3)	$79

1. All figures ASC 605
2. During the first quarter of 2017, we revised our definition of EBITDA to exclude the adjustment of interest expense relating to our non-recourse debt as a reconciling item to arrive at net income (loss) in order to conform to the presentation of the timeshare industry following the consummation of the spin-off form Hilton
3. For the years ended December 31, 2014, 2015, 2016, amounts include share-based compensation expense which, prior to the spin-off, were included as a component of financing activities on the condensed consolidated statements of cash flows

Disclaimer: Past performance does not necessarily predict future results

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