4Q20 Investor Update

Quarterly Results and Update

March 1, 2021



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Disclaimer

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Executed on key initiatives within our strategic priorities

1 Safeguard

our owners, guests and team members

Continued rigorous cleaning standards under the HGV Enhanced Care Guidelines

Implemented social distancing, temperature checks, and PPE use by guests and team members

2 Streamline

spending to maintain our strong liquidity position and optimize inventory assets

Identified **35 months of available liquidity**[1]

Secured **additional financial flexibility** with covenant waiver

3 Protect

recurring revenue streams and embedded value

Member fee collection rate through Feb 2021 **on par with same pre-Covid period in 2020**

Maintained **positive NOG,** adding to embedded value

4 Grow

demand and implement opportunities to create incremental value

Reopened our **Hawaii resorts and sales centers**

Improved our package sale close rate YOY for the second straight quarter

Started pre-sales at our new **Okinawa and Cabo** resorts

Priorities to win the fight today…

…and in the future

1) Under a December 2020 run-rate real estate and rental revenue scenario

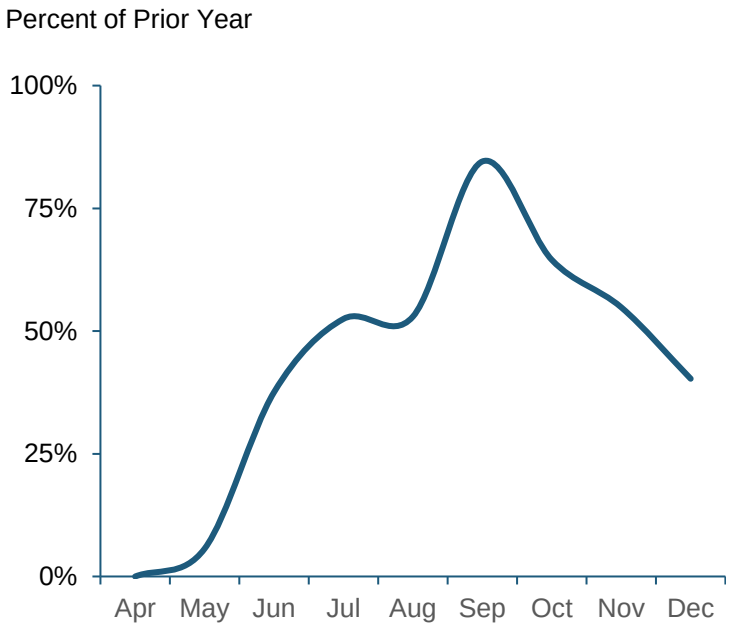
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Open domestic regional markets[1] - solid execution

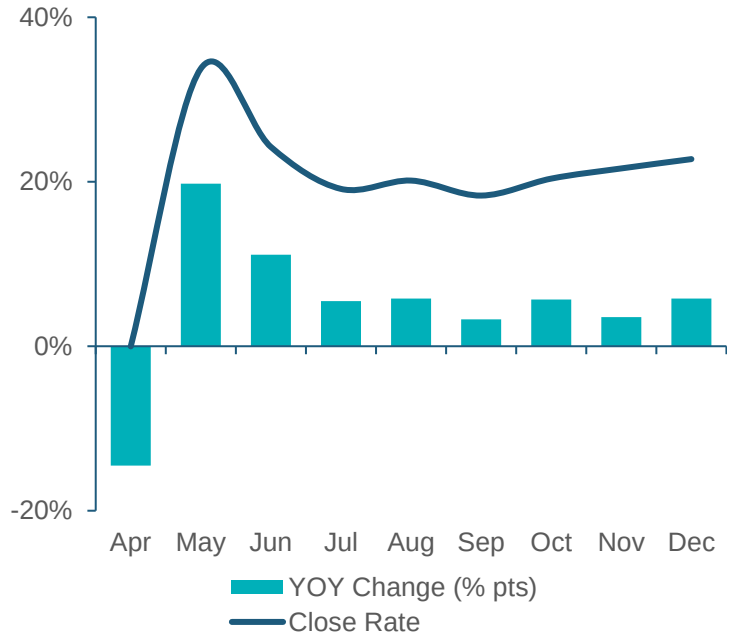
Close rates continue to improve despite the recent Covid wave and related travel restrictions

Accounted for 10% of contract sales in 2019

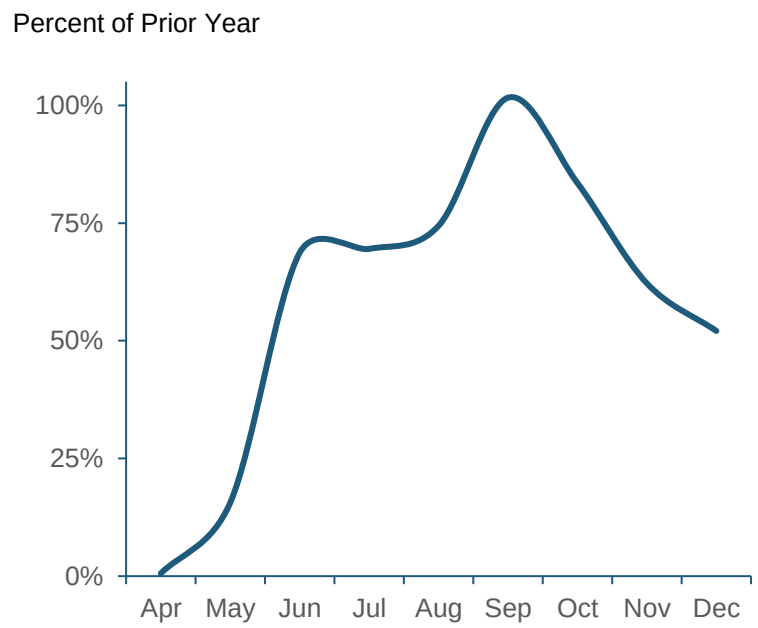
Tours



Close Rate



Contract Sales



1) Open regional markets include Myrtle Beach, Park City, Hilton Head, and Southern California

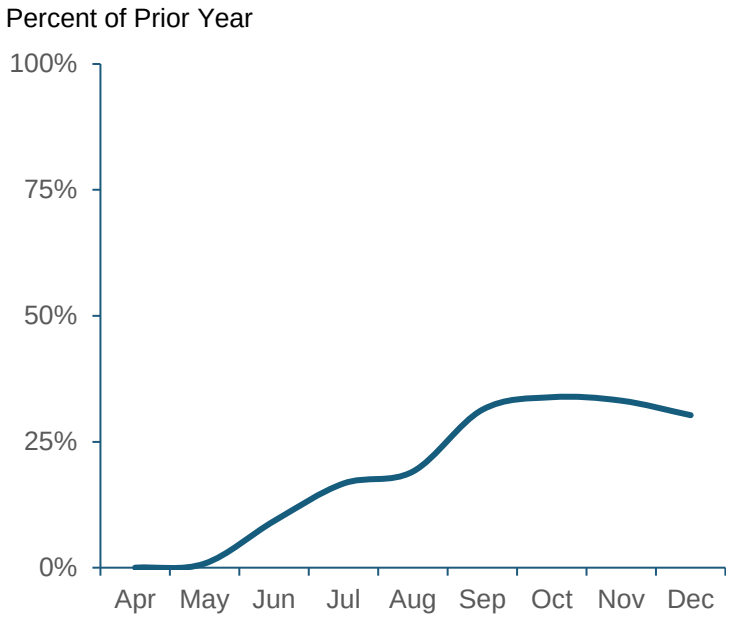
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Open domestic destination markets[1] - steady performance

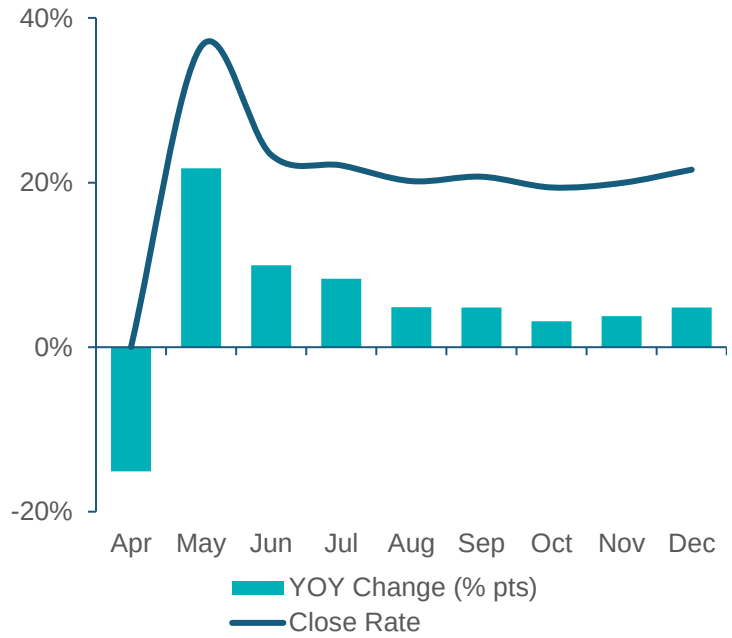
Destination markets have shown steady tours with close rate and contract sales improvement

Accounted for 40% of contract sales in 2019

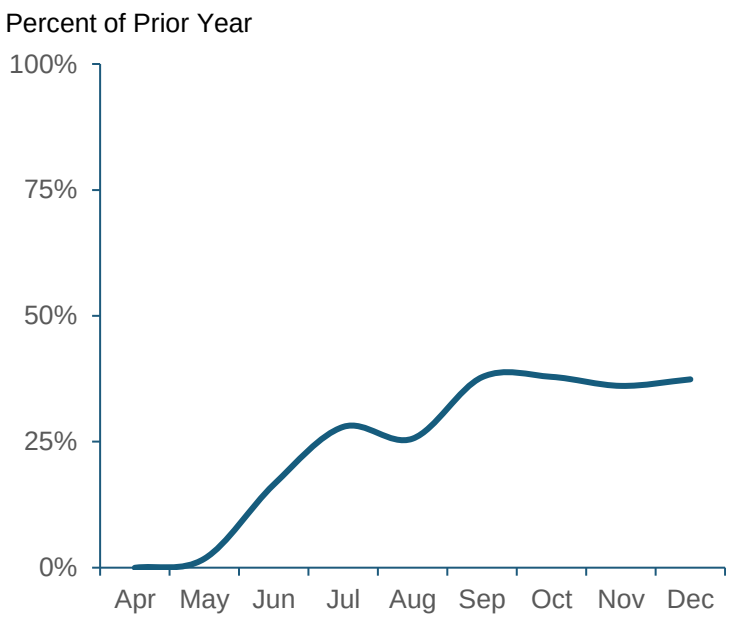
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Close Rate



Contract Sales



1) Open destination markets include Las Vegas and Orlando

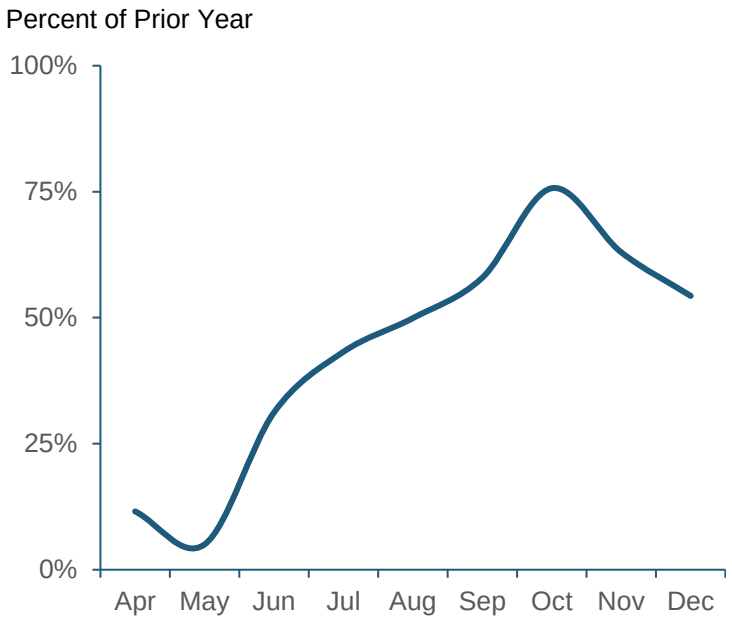
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Japan – continued recovery

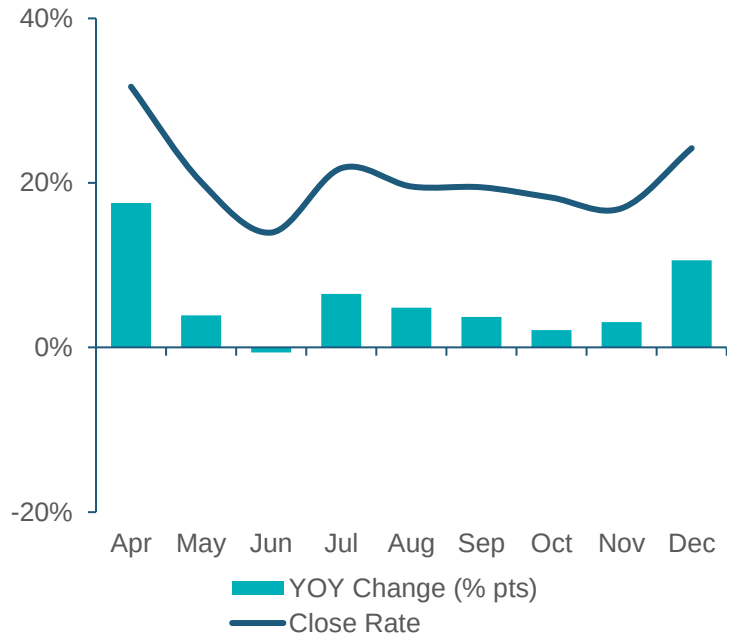
Strong execution and the launch of Okinawa sales drove the contract sales improvement

Accounted for 12% of contract sales in 2019

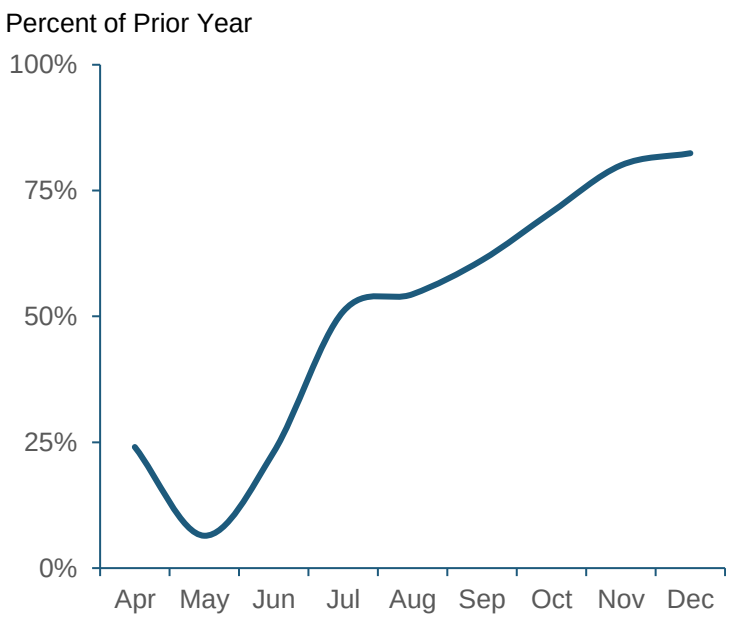
Tours



Close Rate



Contract Sales



Enhanced balance sheet flexibility

Solid Liquidity Metrics[1]

$703M
Available liquidity[2]

35 months
Available liquidity[2]

5.13x
Interest coverage ratio

3.40x
Total net leverage

1.96x
First-lien net leverage

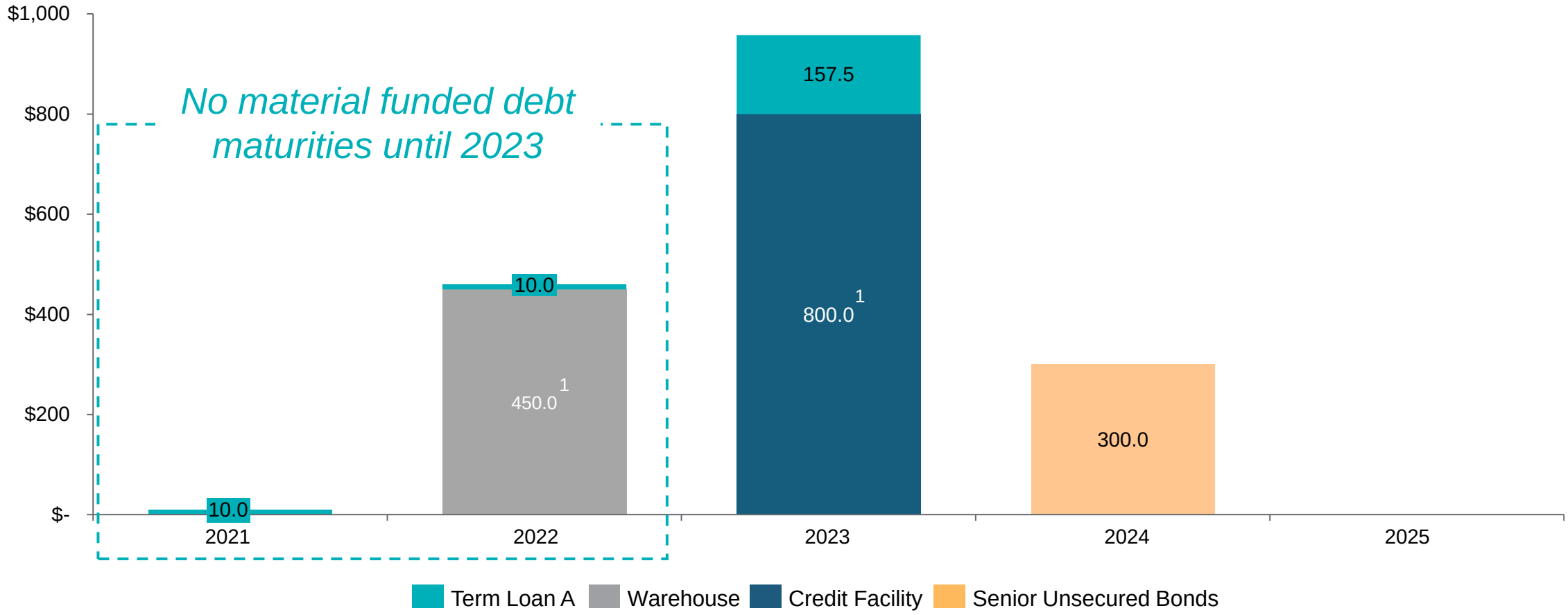
Liquidity Highlights

1. **Enhanced financial flexibility:** Secured additional financial flexibility in the form of an optional waiver of certain financial covenants through 3Q21.
2. **Remain conservatively levered:** First-lien net leverage ("FLNL") remains very low at 1.96x not including nearly 0.5x of de-levering capacity in warehouse collateral, suggesting approximately 1.5x effective FLNL.
3. **Robust liquidity profile:** Sizable buffer with over $700M of available liquidity coupled with generally stable Adjusted FCF of $68M in 2020 versus $71M for the prior year.

Note:
1) All figures on bank covenant basis and subject to final certification and calculation
2) Under a December 2020 run-rate real estate and rental revenue scenario. Includes $135.7 of liquidity from available collateral to borrow against

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No near-term funded debt maturities



1) Denotes facility size and contractual commitment date. As of December 31, 2020 there was nothing drawn on the Warehouse Facility, and $660 million was drawn on the Credit Facility

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Timeshare is well-positioned to lead out of the crisis



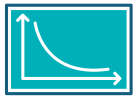
Properties conducive to social distancing generally feature in-room full kitchen, washer/dryer and more square footage, reducing reliance on common areas



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



Minimal focus on rental income available inventory primarily used to support sales with tour guests, rather than rental



Low observed price elasticity vs. traditional lodging



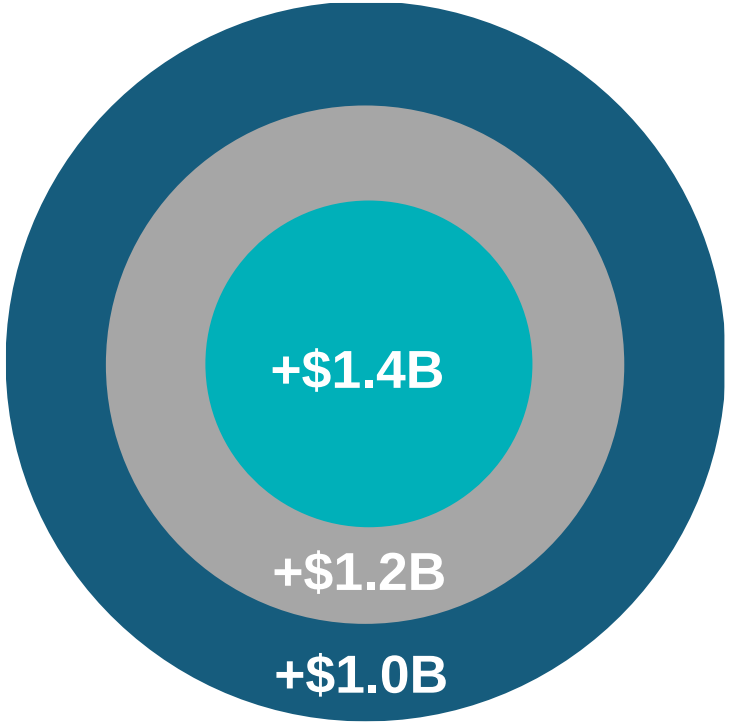
Limited maintenance capital expenditures by timeshare developer; funded in full by Owners each year



Dedicated focus on leisure travelers insulated from exposure to business travel

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Our NOG strategy embeds substantial value into our owner base from three highly predictable and/or contractual sources



Total: $3.6B

Note: Ten-year cumulative segment profit, 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 12.5%

CLUB AND RESORT MANAGEMENT – 76% MARGIN[1]

- Profits from current owners
- 2020 average Club and Resort Management revenue per member is $505

REAL ESTATE – 29% MARGIN[1]

- Profits from current owners' future upgrades
- For each $1 of initial purchase, owners will purchase an estimated $1.30 in additional upgrades over 20 years

THE EMBEDDED VALUE OF OUR OWNER BASE HAS INCREASED BY 3.3X (10% 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

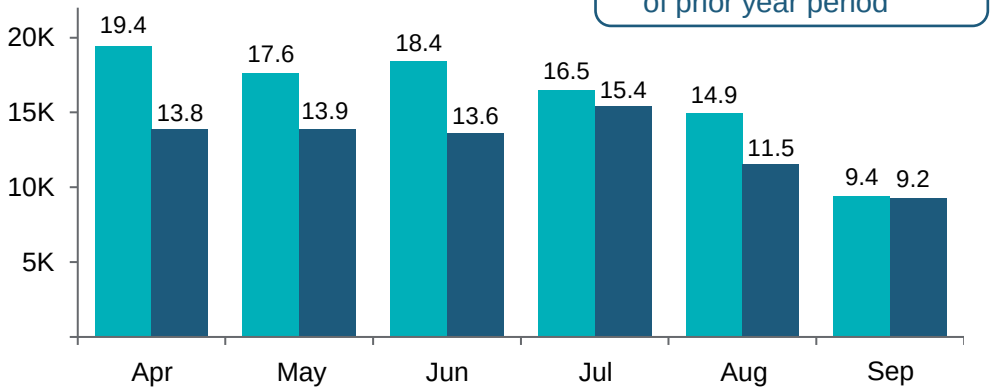
1) % represents full year 2019 profit margin percentage for each line of business

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Future booking trends show resilience

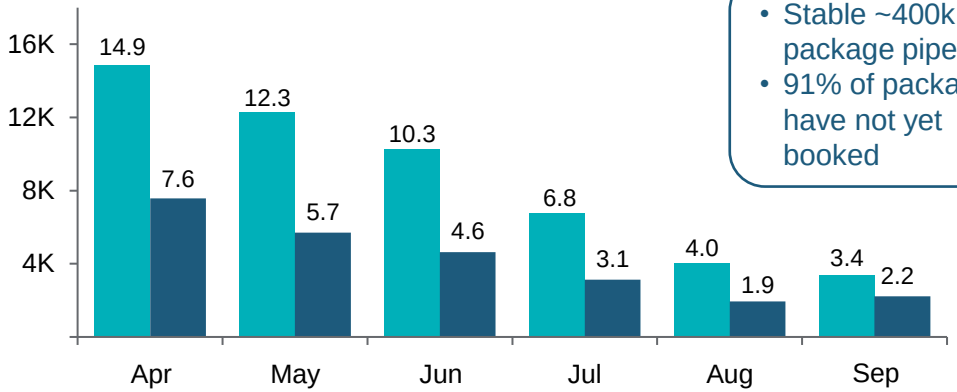
Club and owner arrivals

- Forward bookings 80% of prior year period

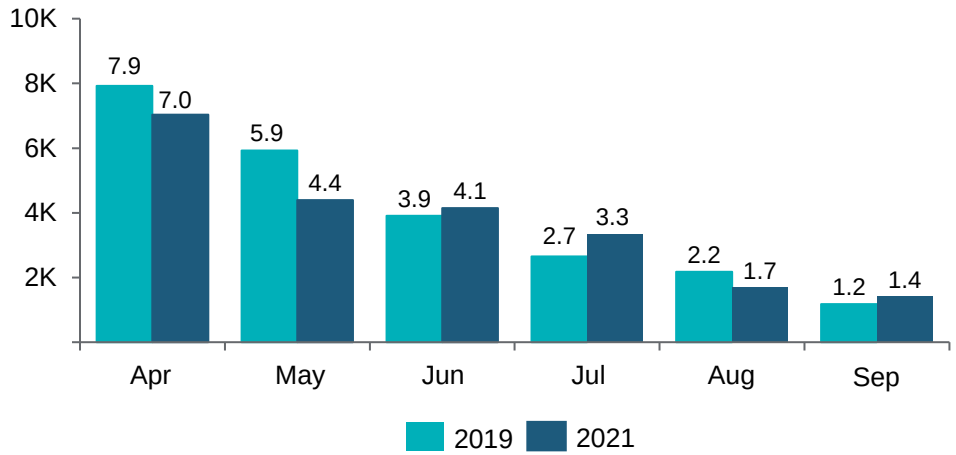


Marketing and sampler package arrivals

- Stable ~400k package pipeline
- 91% of packages have not yet booked

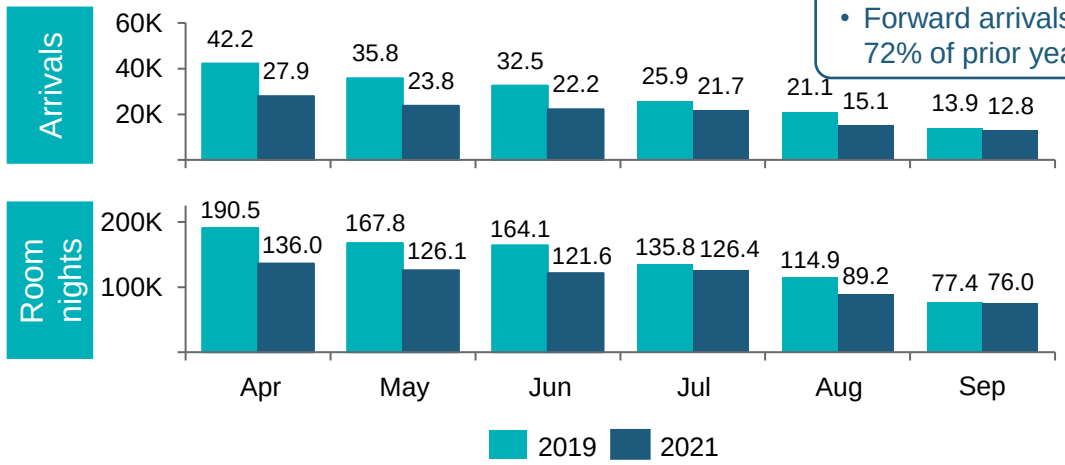


Rental arrivals



Consolidated arrivals and room nights

- Forward arrivals at 72% of prior year levels

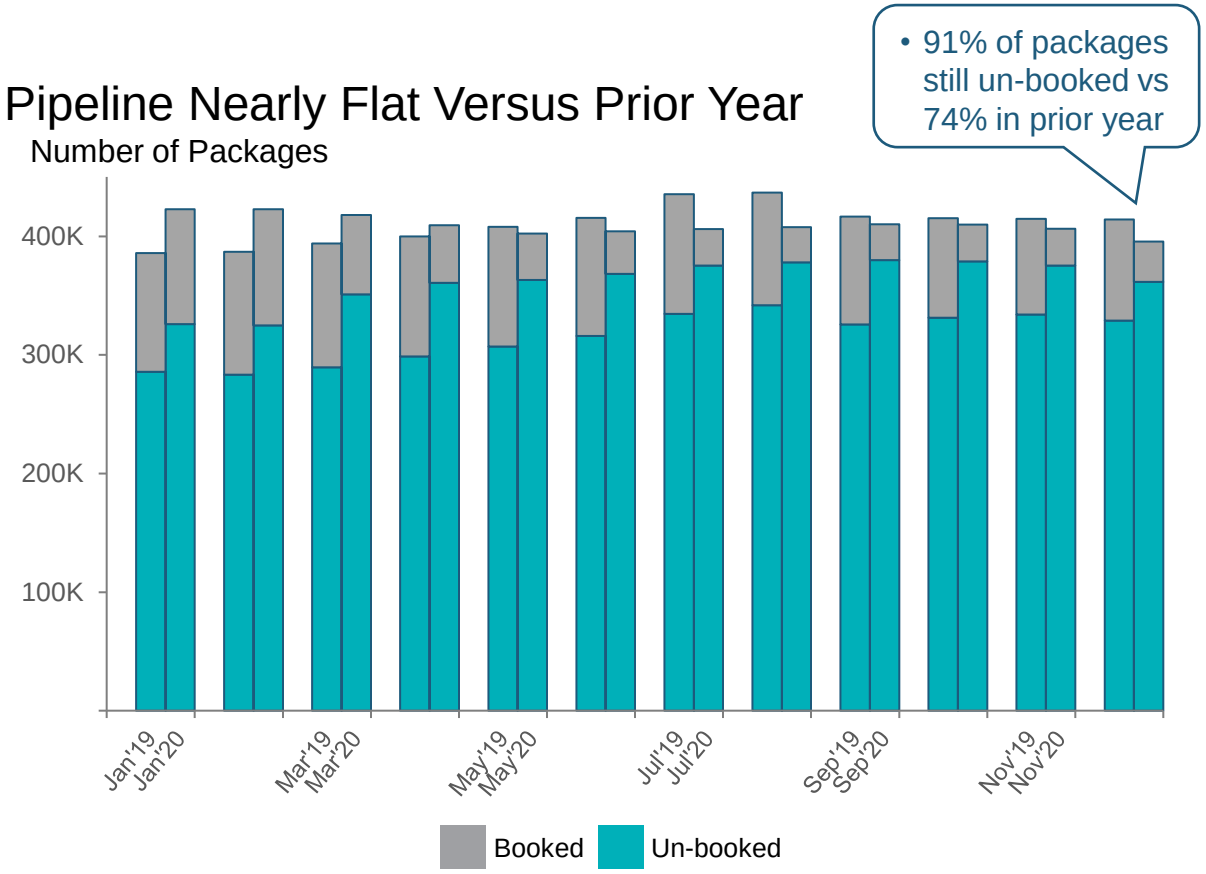


Note: Forward data snapshot taken as of February 25, 2019 and February 25, 2021, respectively
Source: HGV company data

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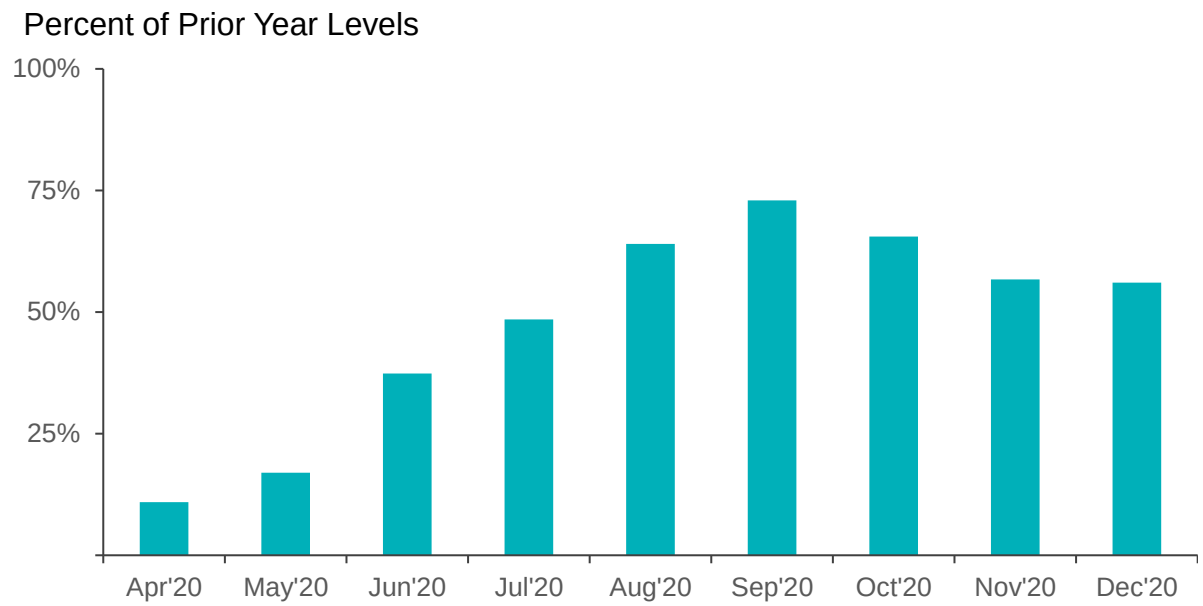
Our pipeline of prepaid vacation packages remains stable and will convert to future tours

Pipeline Nearly Flat Versus Prior Year



- 91% of packages still un-booked vs 74% in prior year

Package Sales Trends Continue to Support the Pipeline



Source: HGV company data

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Thank you

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