

3Q20 INVESTOR UPDATE

QUARTERLY RESULTS AND UPDATE

OCTOBER 29, 2020

HILTON
GRAND VACATIONS

Disclaimer

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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 slide 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, 2019, as supplemented and updated by the risk factors discussed in "Part II-Item 1A. Risk Factors" of HGV's subsequent Quarterly Reports on Form 10-Q, as well as those described from time to time other periodic reports that it files with the SEC. Except for HGV's ongoing obligations to disclose material information under the federal securities laws, HGV undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, changes in management's expectations, or otherwise.

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

Rationalized our cost structure, removing an annualized $20-25 million of operating expenses

Identified **31 months** of available liquidity[1]

Streamlined our on-site sales & marketing operating model

3 Protect

recurring revenue streams and embedded value

Allowed members to roll unused points into 2021 to **preserve** their value

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

4 Grow

demand and implement opportunities to create incremental value

Grew our package pipeline sequentially to fuel future **tour growth**

Began re-opening our **Hawaii** resorts

Priorities to win the fight today…

…and in the future

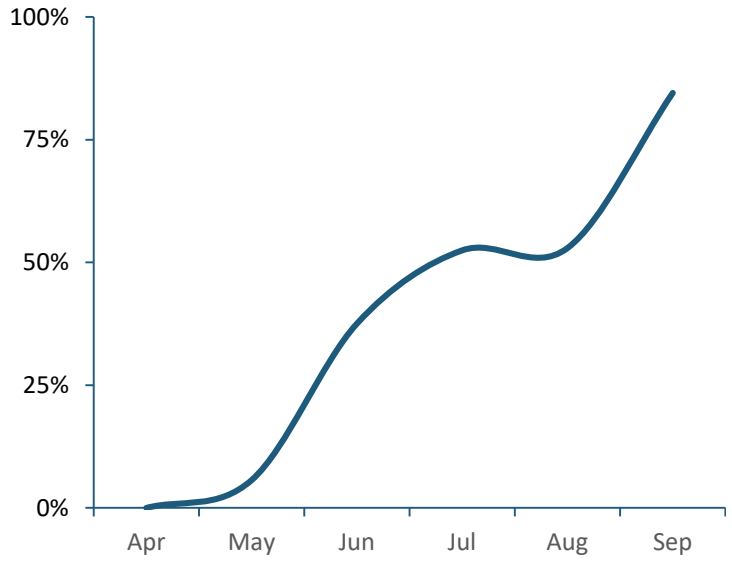
1. Under a September 2020 run-rate real estate and rental revenue scenario

OPEN DOMESTIC REGIONAL MARKETS[1] – RAPID RECOVERY

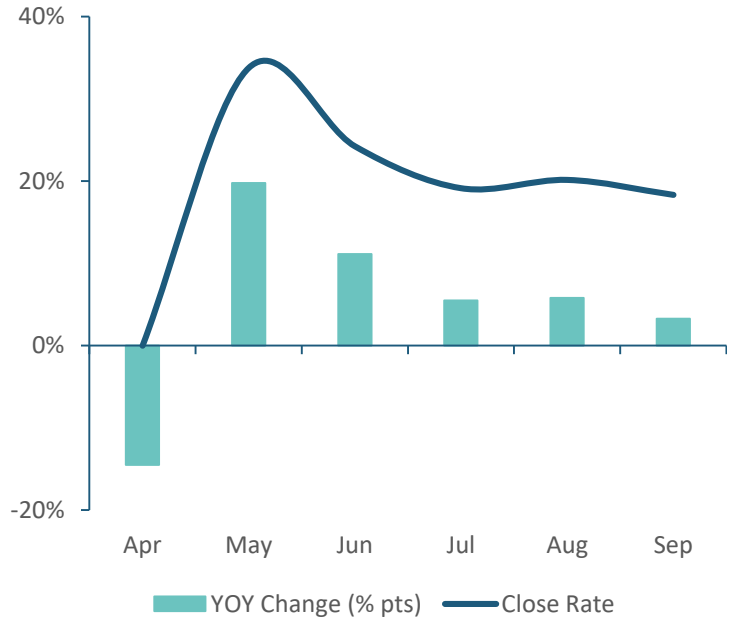
- Our outdoor-oriented beach and mountain destinations have recovered quickly
- Accounted for 10% of our contract sales in 2019

Rapid Tour Recovery

Percent of Prior Year

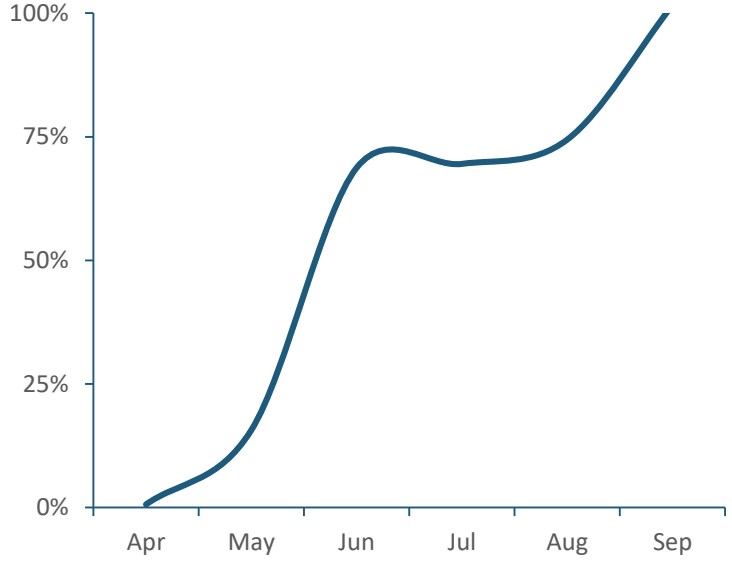


Coupled With Strong Close Rates



Driving A Strong Contract Sales Recovery

Percent of Prior Year



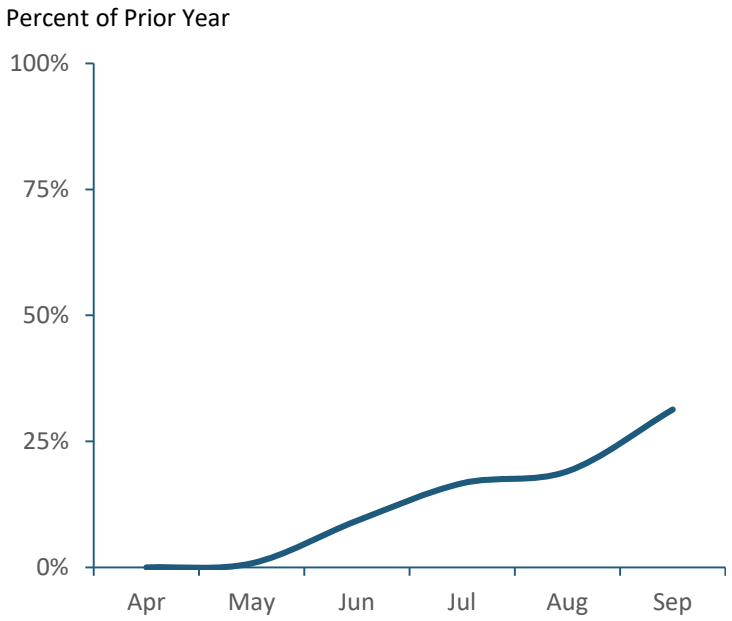
Source: HGV company data

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

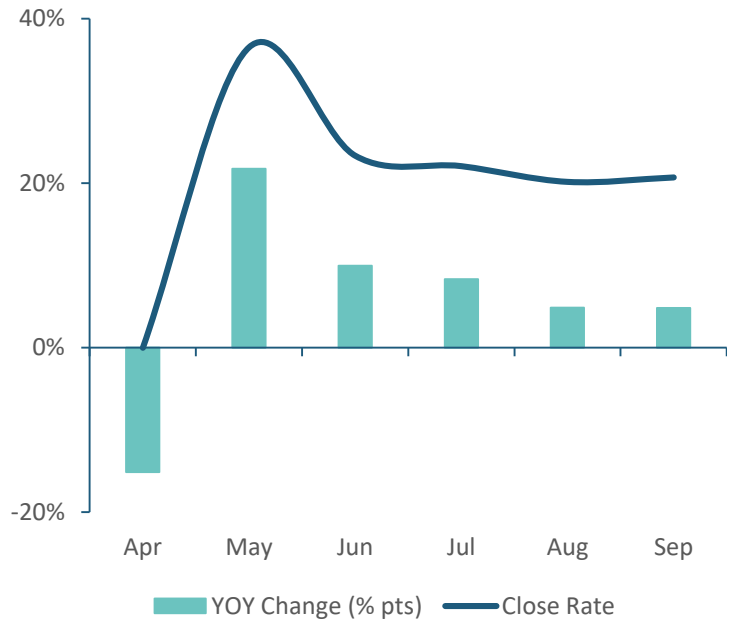
OPEN DOMESTIC DESTINATION MARKETS[1] – STEADY IMPROVEMENT

- Our destination resorts in Las Vegas and Orlando are showing measured progress
- Accounted for 40% of our contract sales in 2019

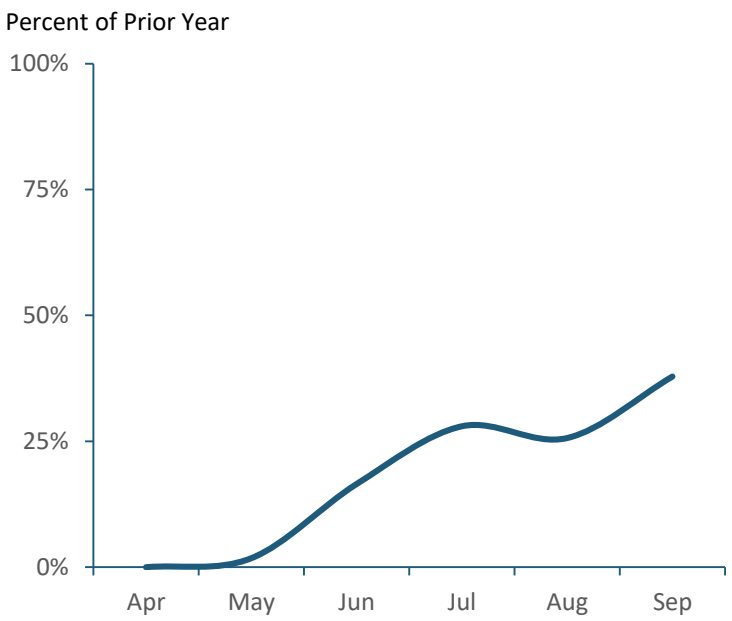
Steady Recovery In Tours



And Consistent Close Rates



Leading To Contract Sales Improvement



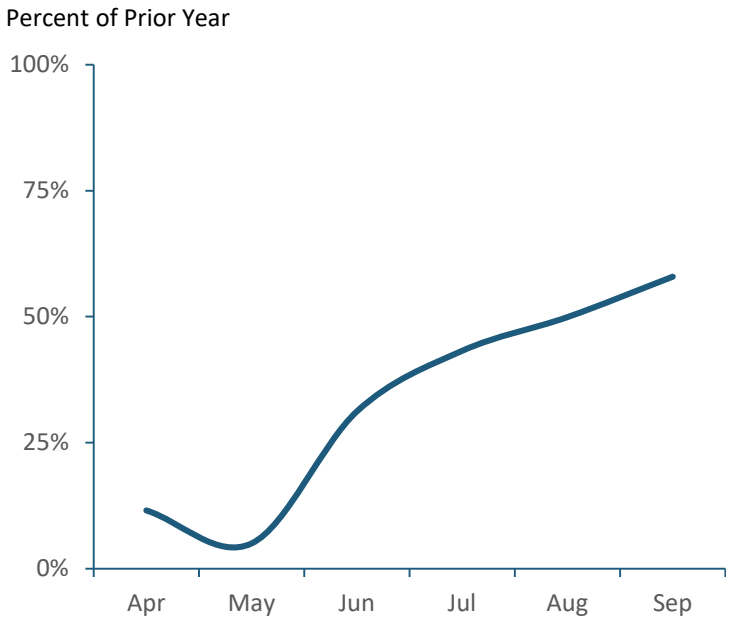
Source: HGV company data

1. Open destination markets include Las Vegas and Orlando

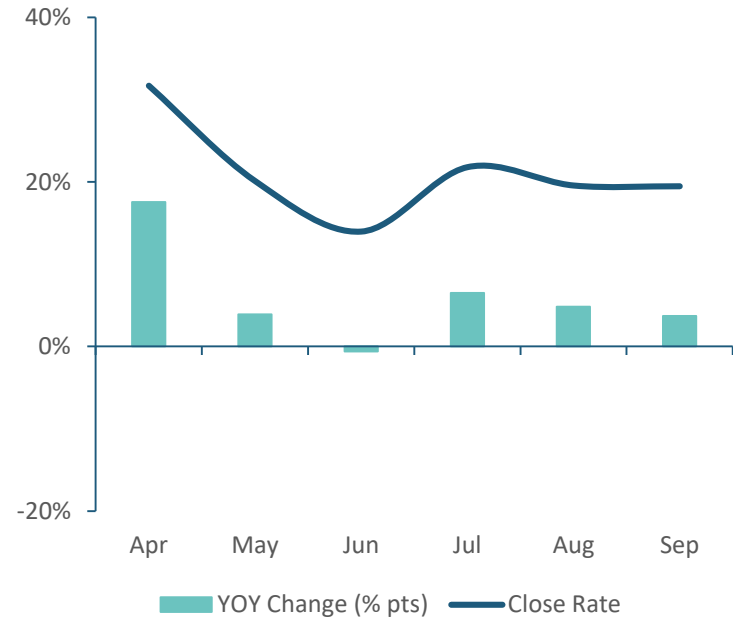
JAPAN – A KEY COMPETITIVE ADVANTAGE

- Our network of regional sales centers operated through the pandemic
- Accounted for 12% of our contract sales in 2019

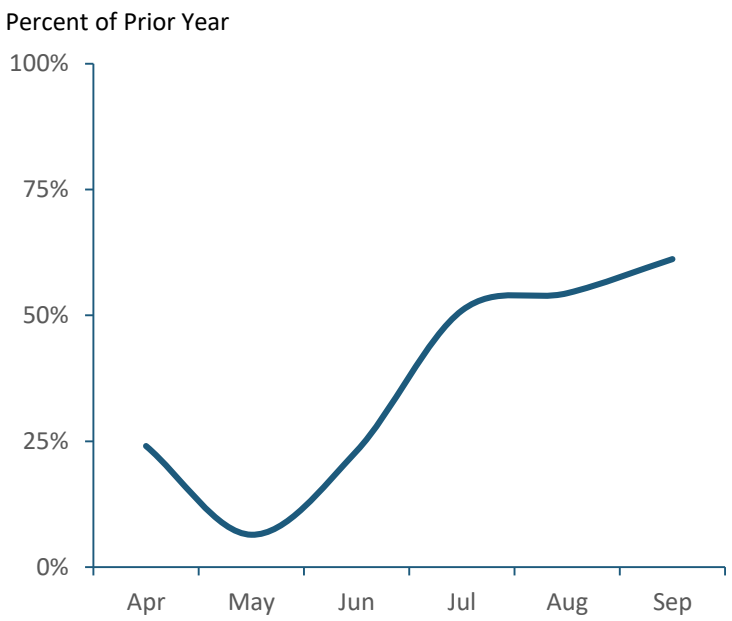
Steady Recovery In Tours



And Consistent Close Rates



Leading To Contract Sales Improvement



Source: HGV company data

WE WILL RAMP OUR HAWAII PROPERTIES OVER THE COMING MONTHS









- Hawaii sales centers accounted for 22% of contract sales in 2019
- Nine resorts in prime locations: Waikoloa on the Big Island and Waikiki on Oahu
- Maui Bay Villas currently in pre-sales

<u>Currently Open</u>

- Hokulani – Honolulu, Oahu
- Bay Club – Waikoloa, Big Island
- Kohala Suites - Waikoloa, Big Island

<u>November</u>

- Ocean Tower – Waikoloa, Big Island[1]
- Kings' Land – Waikoloa, Big Island[1]

<u>Before Year End</u>

- Grand Waikikian – Honolulu, Oahu[1]
- Hilton Hawaiian Village Kailia Tower – Honolulu, Oahu
- Hilton Hawaiian Village Lagoon Tower – Honolulu, Oahu[1]
- Grand Islander – Honolulu, Oahu[1]

1. Denotes a property that contains a sales center

ENHANCED BALANCE SHEET FLEXIBILITY

Solid Liquidity Metrics[1]

$764M
Available liquidity[2]

31 months
Available liquidity[2]

7.17x
Interest coverage ratio

2.14x
Total net leverage

1.11x
First-lien net leverage

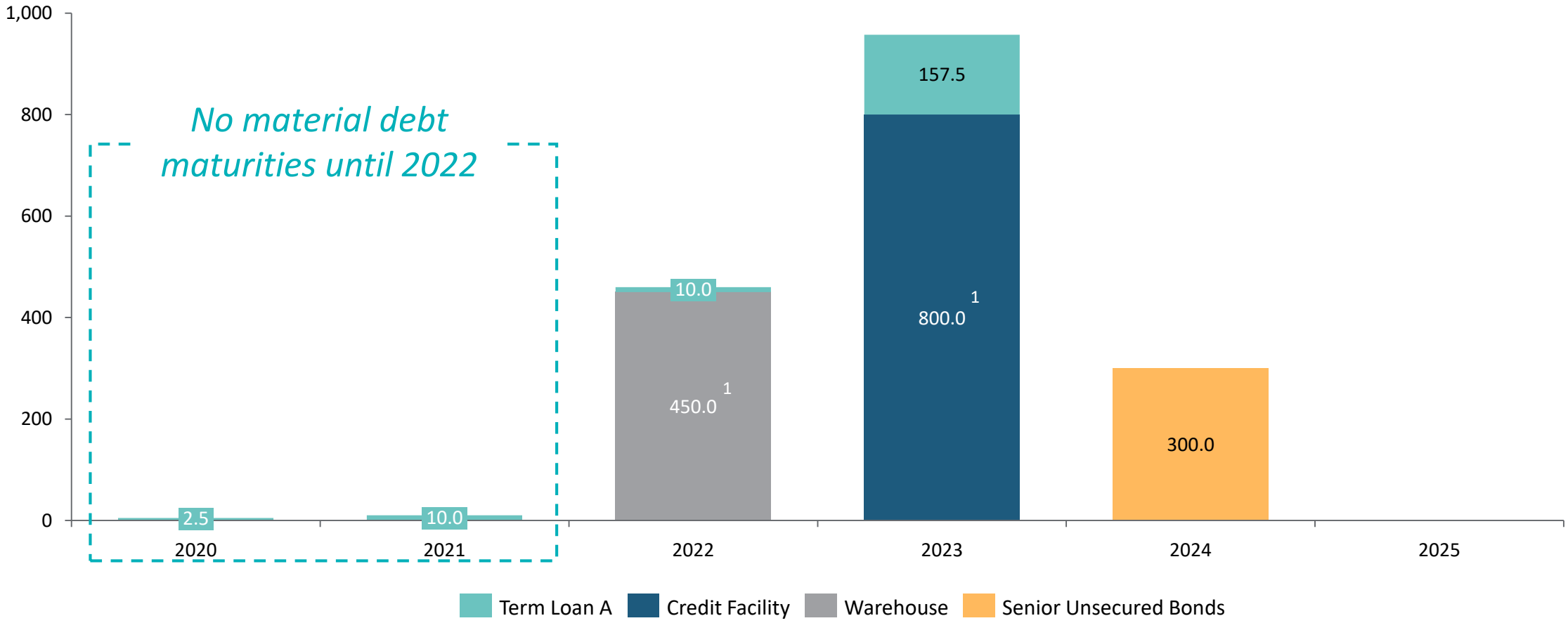
Liquidity Highlights

1. **Focused on Free Cash Flow:** Efforts to control costs and working capital will now result in positive Adjusted Free Cash Flow generation of $40-50 million in Fiscal 2020
2. **Best-in-Class Leverage Profile:** With First-Lien Net Leverage of 1.11x in 3Q20 we maintain industry-leading low leverage ratios, continuing the Company's prudent capital approach
3. **Sizable Receivables in Reserve:** Currently we maintain nearly $100M of receivables collateral that could be borrowed against

Note:
1. All figures on bank covenant basis and subject to final certification and calculation
2. Under a September 2020 run-rate real estate and rental revenue scenario. Includes $100mm of liquidity from available collateral to borrow against

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NO NEAR-TERM DEBT MATURITIES



1. Denotes facility size and contractual commitment date. As of September 30, 2020 there was nothing drawn on the Warehouse Facility, and $760 million was drawn on the Credit Facility

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TIMESHARE OFFERING IS WELL POSITIONED TO LEAD OUT OF THE CRISIS



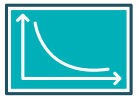
Properties conducive to social distancing generally feature in-room full kitchen, washer/dryer and more square footage, reducing reliance on common areas



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



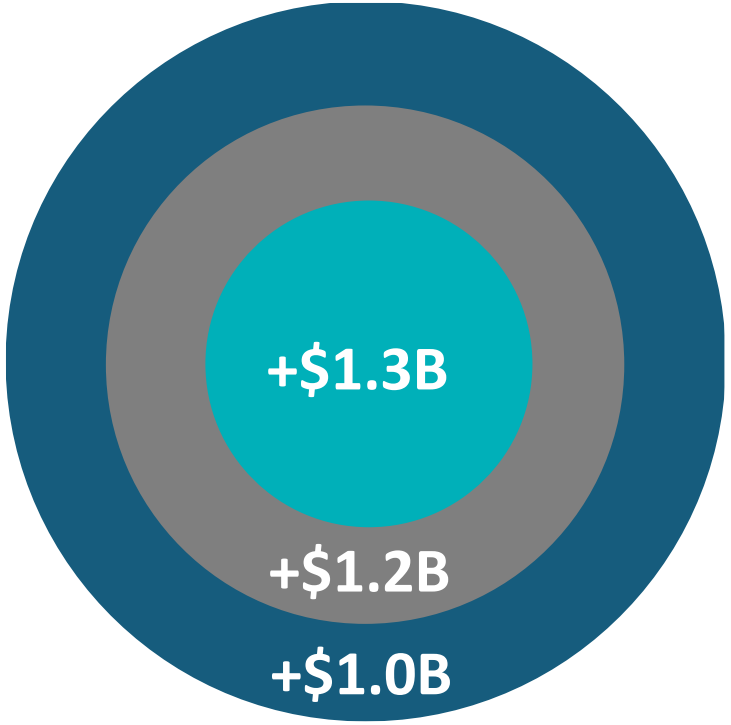
Limited maintenance capital expenditures by timeshare developer; funded in full by Owners each year



Dedicated focus on leisure travelers insulated from exposure to business travel

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



Total: $3.5B

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 12.5%

CLUB AND RESORT MANAGEMENT – 76% MARGIN[1]

- Profits from current owners
- 2019 average Club and Resort Management revenue per member is $586

REAL ESTATE – 29% MARGIN[1]

- Profits from current owners' future upgrades
- For each $1 of initial purchase, on average owners will purchase another $1.17 in additional upgrades over 20 years

THE EMBEDDED VALUE OF OUR OWNER BASE HAS INCREASED BY 3.3X (10% CAGR) SINCE 2007

Source: HGV internal data

Note: Embedded value considers total expected nominal margin dollars over ten-year period, not discounted; Does not account for license fees, taxes, perpetuity of club dues, assumes current cost of securitization

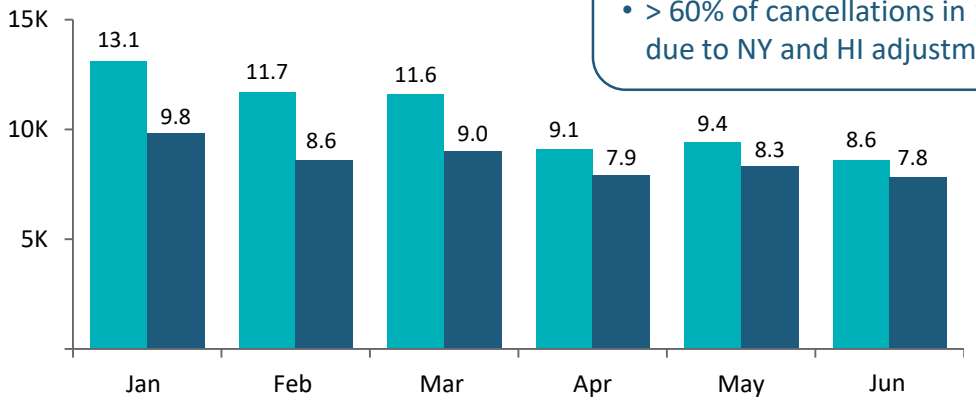
1. % represents 2019 margin for line of business.

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FUTURE BOOKINGS CONTINUE TO SHOW A DESIRE TO TRAVEL

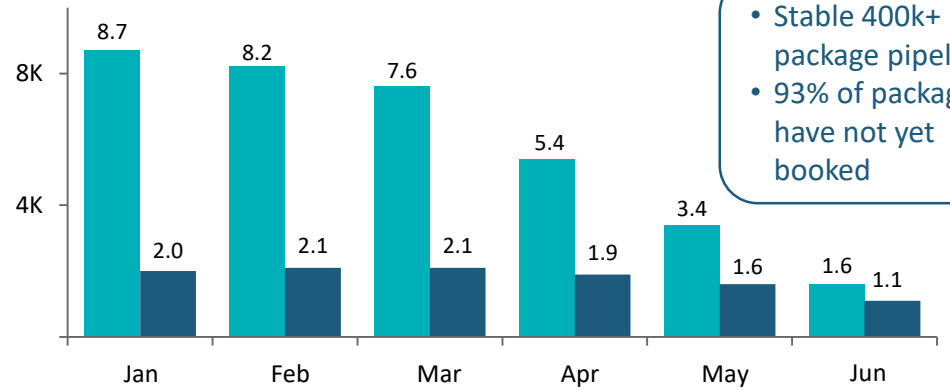
Club and owner arrivals

- Forward bookings 81% of prior year period
- > 60% of cancellations in 1H 2021 due to NY and HI adjustments

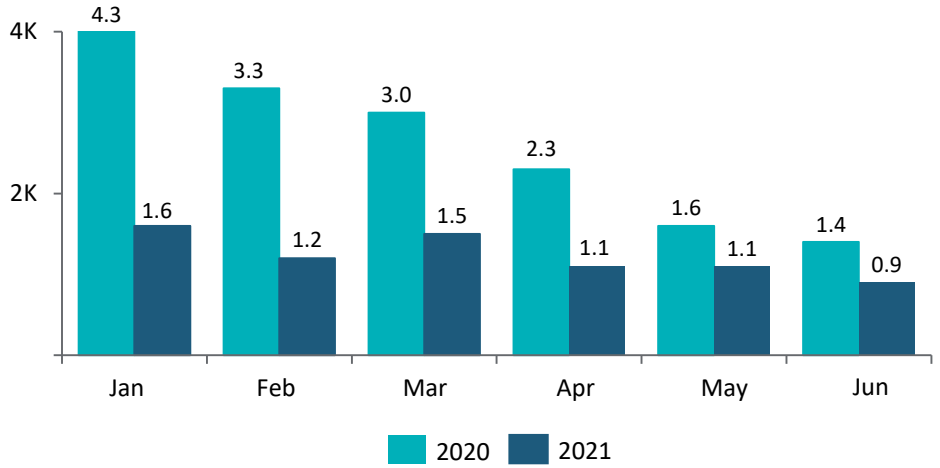


Marketing and sampler package arrivals

- Stable 400k+ package pipeline
- 93% of packages have not yet booked

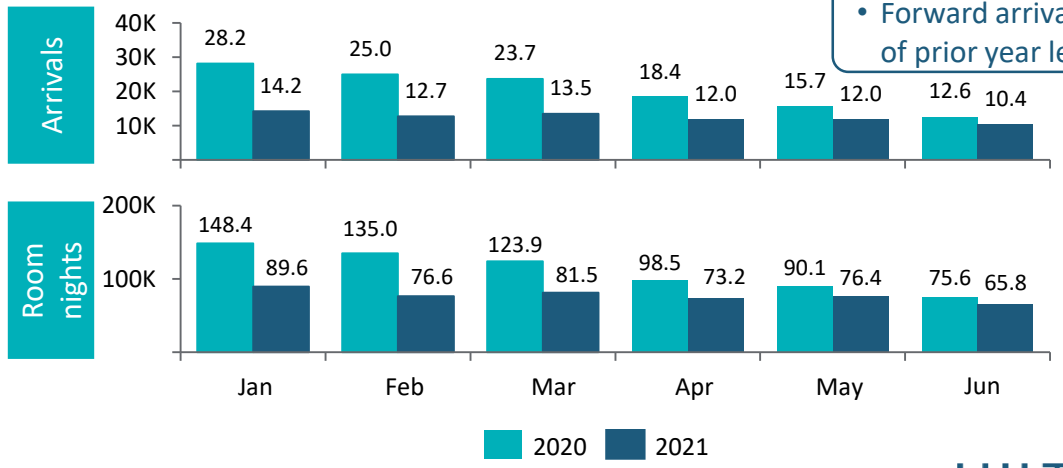


Rental arrivals



Consolidated arrivals and room nights

- Forward arrivals at 61% of prior year levels

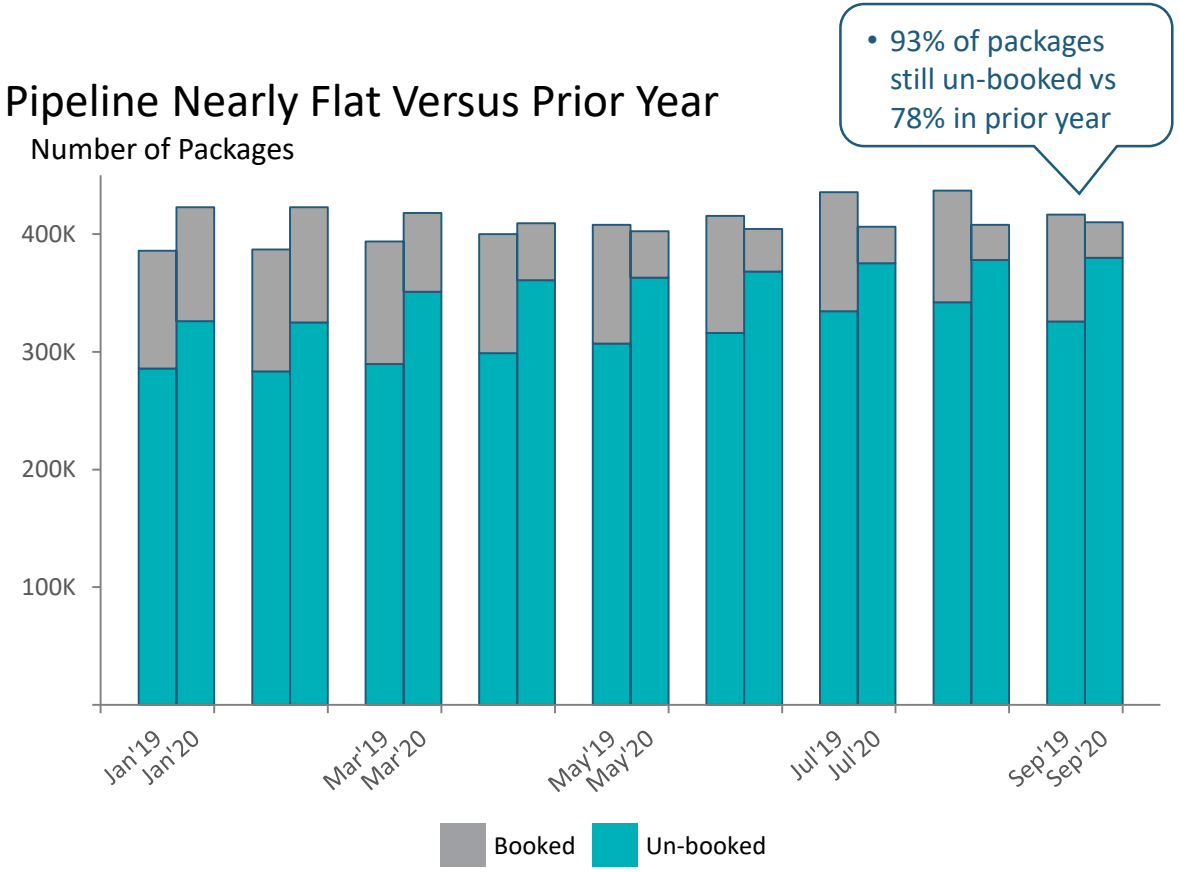


Note: Forward data snapshot taken as of October 22, 2019 for 1H 2020, and October 22, 2020 for 1H 2021
Source: HGV company data

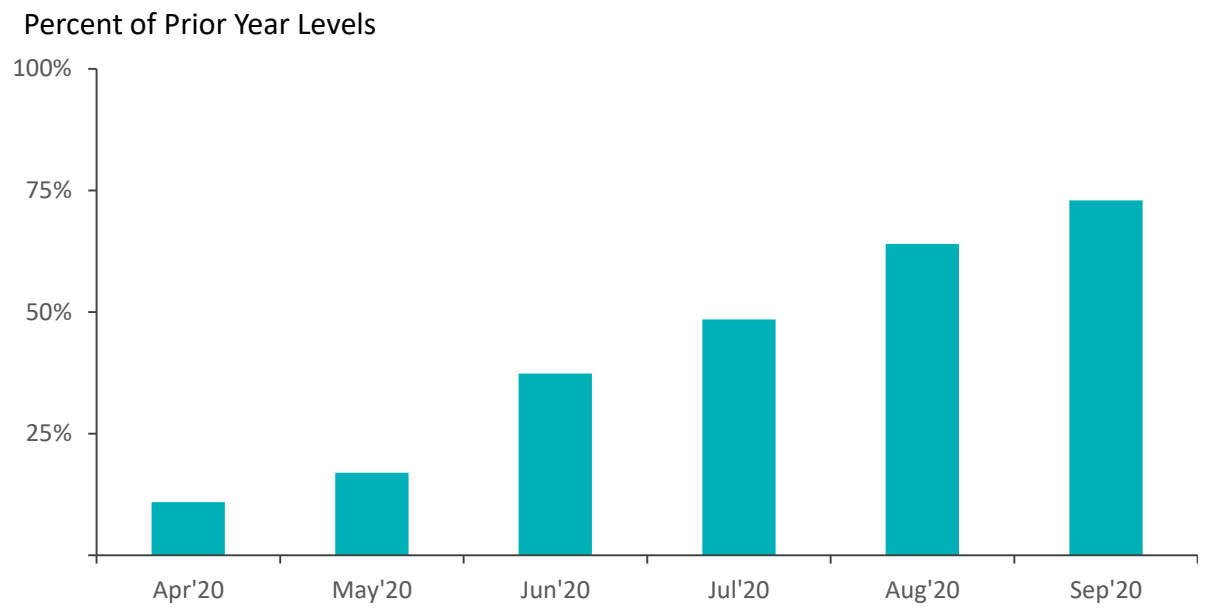
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OUR PIPELINE OF PREPAID VACATION PACKAGES REMAINS ROBUST

Pipeline Nearly Flat Versus Prior Year



Package Sales Trends Continue To Normalize



Source: HGV company data

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THANK YOU