

1Q20 INVESTOR UPDATE

QUARTERLY RESULTS AND UPDATE

APRIL 30, 2020

HILTON
GRAND VACATIONS

Disclaimer

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The forward-looking statements contained in press release include statements related to HGV's future leverage ratio and maximum amount of currently approved share repurchase plan, as well as 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, 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. 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 HGV's access to the Hilton brands and programs, or actions of Hilton that affect the reputation of the licensed marks or Hilton's programs; Hilton's sole and discretionary consent right with respect to any acquisition or similar transaction by a third party of HGV pursuant to the license agreement; economic and operational uncertainties related to HGV's expanding global operations, including HGV's ability to manage the outcome and timing of such operations and compliance with anti-corruption, data privacy and other applicable laws and regulations affecting HGV's 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 may not result in expected benefits, including the termination of material fee-for-service agreements; HGV's 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, HGV's ability to make scheduled payments, and its ability to refinance its debt on acceptable terms, or at all; the continued service and availability of key executives and employees; and catastrophic events, geo-political conditions or global health crisis, including war, terrorist activity, political strife, natural disasters, pandemic outbreak, such as the coronavirus, 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 press release, please see the risk factors discussed in "Part I—Item 1A. Risk Factors" of HGV's Quarterly Report on Form 10-Q for the quarter ended Mar. 31, 2020, and those described from time to time in other periodic reports that HGV files with the SEC. There may be other risks and uncertainties that HGV is unable to predict at this time or that HGV currently does not expect to have a material adverse effect on its business. Except for HGV's ongoing obligations to disclose material information under the federal securities laws, HGV undertakes 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.

OUR FOUR STRATEGIC PRIORITIES TO WIN TODAY AND IN THE RECOVERY

1 Safeguard

our Owners, guests and team members

- Implement our HGV Clean initiative in alignment with Hilton
- Implement social distancing and protection protocols within our locations
- Protect at-risk populations
- Reopen resorts and sales offices based on government directives

2 Streamline

spending to maintain our strong liquidity position and optimize inventory assets

- Manage inventory and capital spend with a focus on maximizing overall returns
- Recalibrate fixed and G&A expenses
- Manage variable costs to flex up and down as needed
- Bring back team members efficiently

3 Protect

recurring revenue streams and embedded value

- Ensure Owner points are not lost due to disrupted travel
- Promote return of Owners to travel at appropriate time, including drive to offers
- Implement value-added features to our Club
- Maintain 2020 fee structures for 2021 where possible

4 Grow

demand and implement opportunities to create incremental value

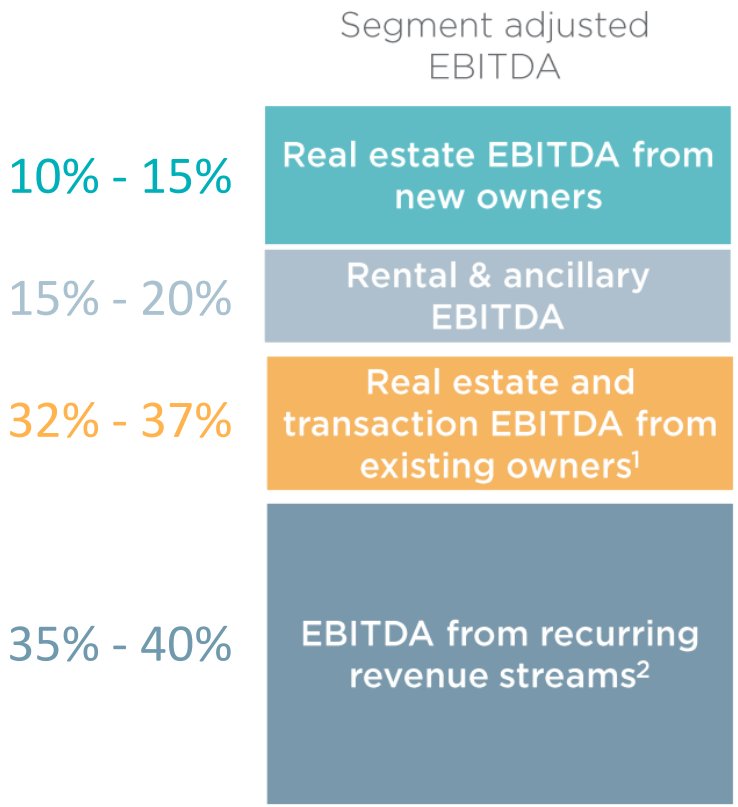
- Drive demand for upgrade and NOG sales with new inventory offerings
- Encourage tours and activate pipeline through enhanced promotions, digital
- Leverage Hilton's marketing channels, data and brand trust to promote leisure travel
- Pilot prepaid vacation offering
- Enhance and expand partnerships
- Expand virtual sales and work-from-home models
- Evaluate distressed property opportunities with fee-for-service partners

Priorities to win the fight today…

…and in the future

HGV POSITIONED WELL WITH STRONG RECURRING EBITDA COUPLED WITH COST SAVINGS

Highly Visible EBITDA Stream



Coupled with Difficult but Necessary Measures

1. **Difficult Decisions to Protect Business:** Evaluated worst-case scenarios and took actions to protect the core business
2. **Temporary Salary Reductions:** Temporarily reduced salaries for all team members and management across all levels of the organization.
3. **Broad-based OpEx Reductions & $200M of Inventory Deferment:** Discretionary spending severely reduced in addition to capital spending curtailment including $200M of deferred inventory spend
4. **Significant Furloughs:** Placed 6,100 of 9,100 team members on furlough for a period through 2Q20

1. Highly predictable EBITDA from upgrades and transaction fees. 2. Contractually recurring revenue streams of financing and resort management & operations.

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SOLID BALANCE SHEET AND LIQUIDITY PROFILE

Solid Liquidity Metrics

$669M
Unrestricted cash

9.56x
Interest coverage ratio

1.45x
Total net leverage

0.7x
First-lien net leverage

Early and Decisive Action to Secure Liquidity

1. **Solid Cash Reserves:** Total cash and cash equivalents were $759 million, including $90 million of restricted cash.
2. **Low Levels of Net Corporate Debt:** Had $1,266 million of corporate debt, net of DFC outstanding with a weighted average interest rate of 3.54% and $885 million of non-recourse debt, net outstanding with a weighted average interest rate of 2.65%.
3. **Total Liquidity Position Strong:** Liquidity position consisted of $669 million of unrestricted cash and available capacity of $39 million on the revolving credit facility and $255 million on the warehouse facility.
4. **Positive Free Cash Flow:** Free cash flow was $45 million for the quarter ended March 31, 2020, compared to $4 million in the prior period. Adjusted free cash flow was $182 million for the period ended March 31, 2020, compared to ($36) million in the prior period.

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THE ACTIONS WE HAVE TAKEN YIELD ~22 MONTHS OF AVAILABLE CASH IN A ZERO REAL ESTATE AND RENTAL REVENUE ENVIRONMENT

Sources of liquidity

Sources of liquidity	$M
Cash	$ 669
Revolver availability	39
Warehouse availability[1]	120
Cash and available liquidity	**$ 828**

Cash inflows and outflows

Cash inflows[2]	$M
Financing	$ 15
Resort and club	13
Monthly cash inflow	**$ 28**

Cash outflows[2]	$M
OpEx run rate	**$ (40)**
Fixed charges and other	
Corporate debt principal and interest expense	(5)
Capital expenditures	(3)
License fees	(2)
Corporate and other costs	(5)
Subtotal fixed charges and other	**(15)**
Inventory investment[3]	**(11)**
Monthly cash outflow	**$ (66)**

Net cash flows	**$ (38)**

Resulting monthly burn rate and runway

~22

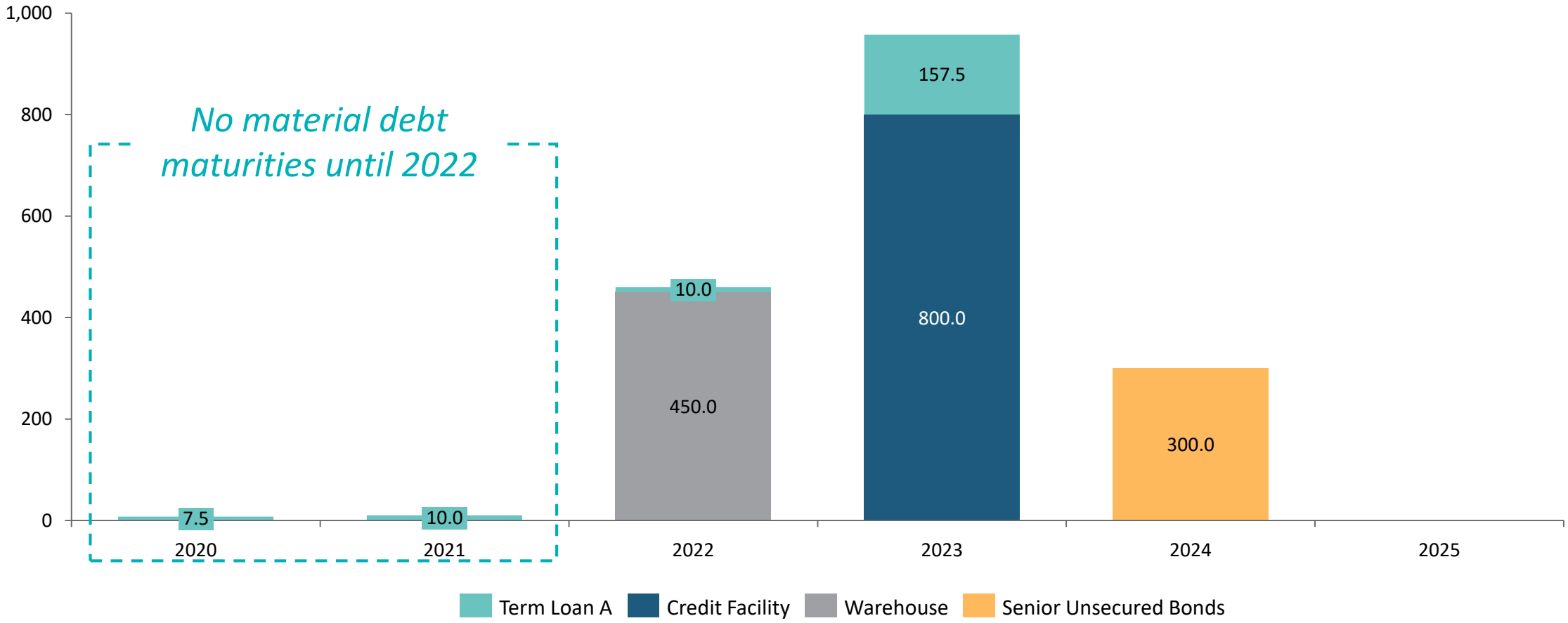
months of available cash at current burn

$$\frac{Cash\ and\ liquidity\ available}{net\ cash\ flows} = runway$$

1. $120 million warehouse availability represents timeshare receivables currently eligible for collateralization. Remaining capacity of the warehouse facility is $255 million.
2. Illustrative rolling 12 month averages
3. Inventory investment amount is based upon contractual obligations

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NO NEAR-TERM DEBT MATURITIES



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TIMESHARE OFFERING IS WELL POSITIONED IN THIS CRISIS



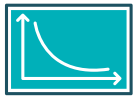
Properties conducive to social distancing generally feature in-room full kitchen, washer/dryer and more square footage, reducing reliance on common areas



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



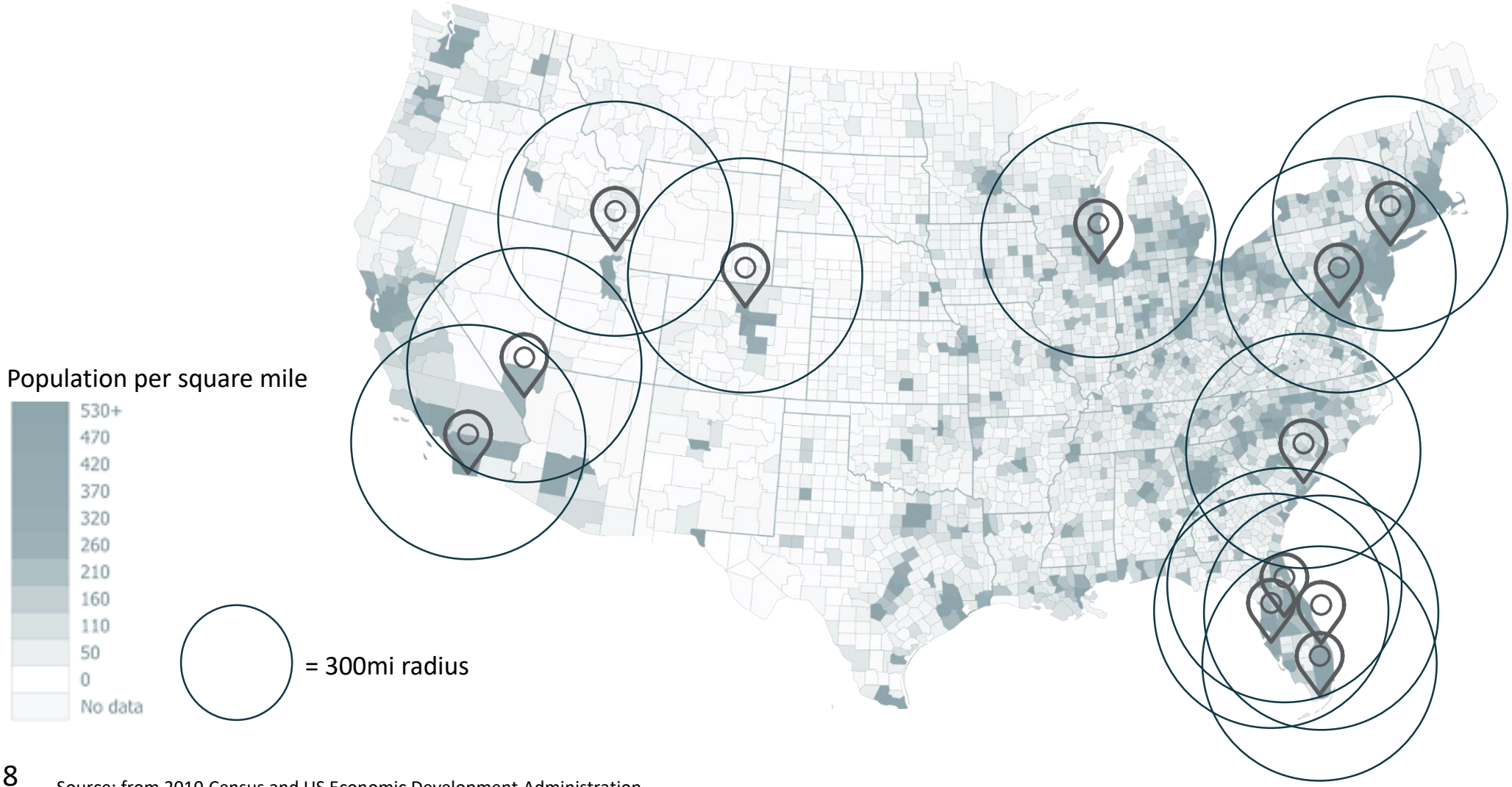
Limited maintenance capital expenditures by timeshare developer; funded in full by Owners each year



Dedicated focus on leisure travelers insulated from exposure to business travel

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OVER 60% OF THE U.S. POPULATION WITHIN 300 MILES OF AN HGV LOCATION; 70% OF HGV LOCATIONS ARE IN DRIVE-TO MARKETS

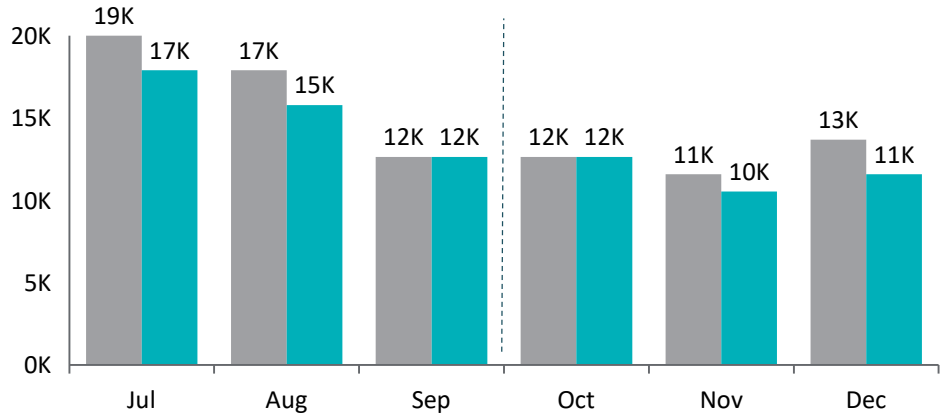


Source: from 2010 Census and US Economic Development Administration

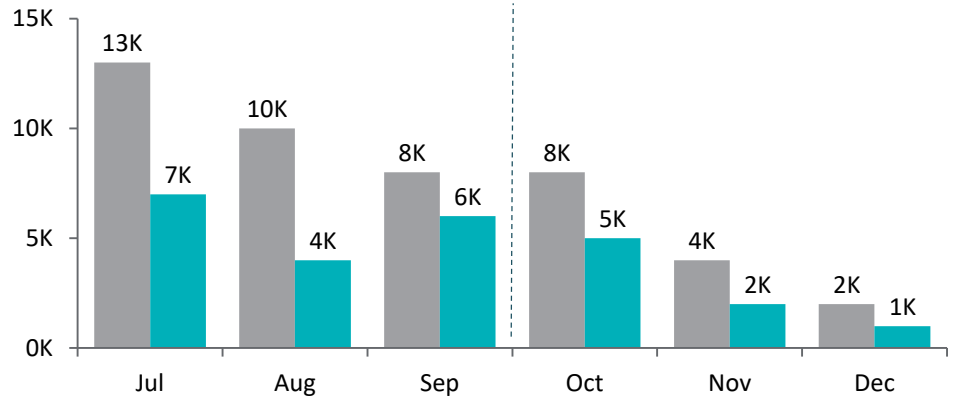
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2H20 BOOKINGS SUGGEST CONTINUED ENGAGEMENT

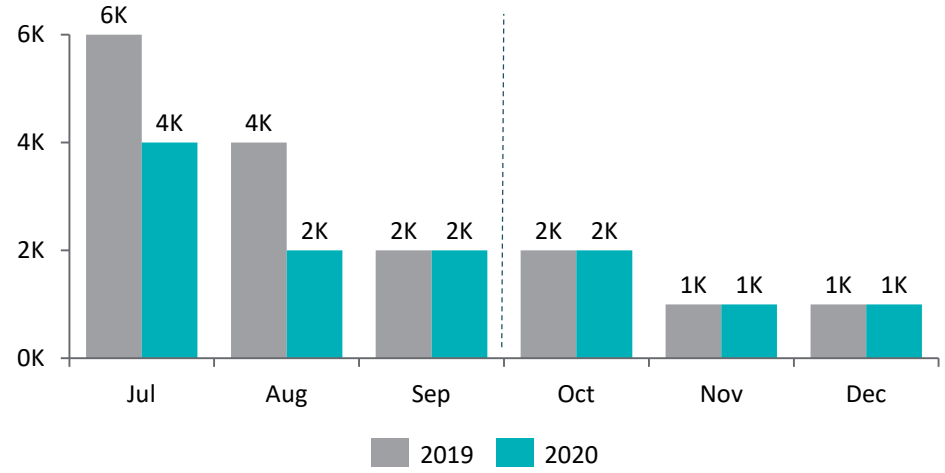
Club and Owner arrivals



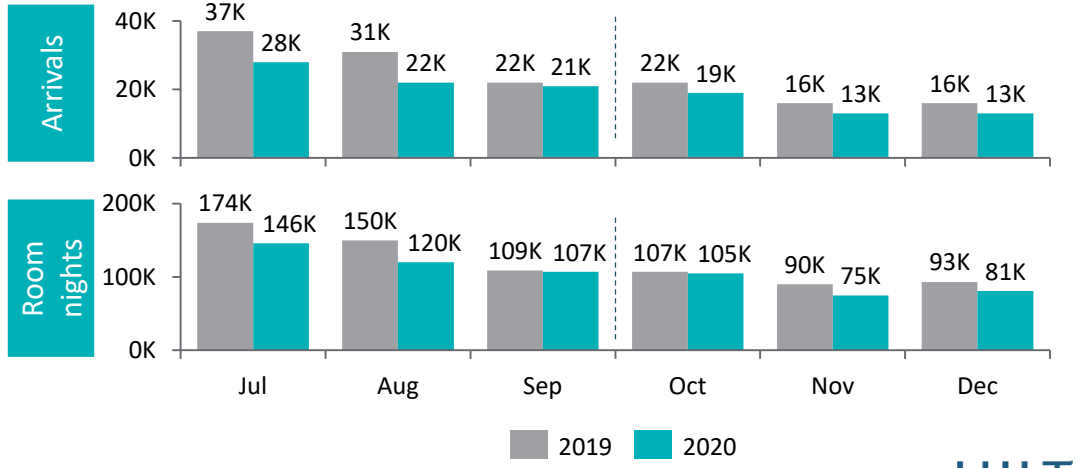
Marketing and sampler package arrivals



Rental arrivals



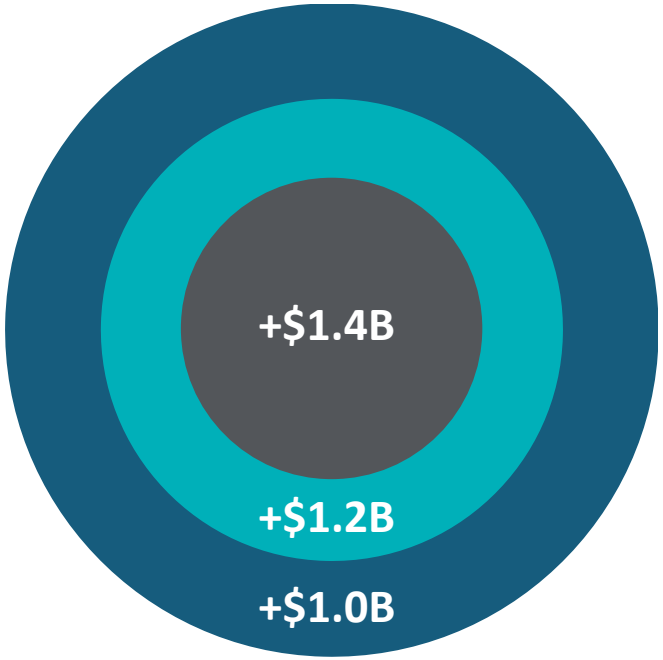
Consolidated arrivals and room nights



Note: Data as of April 28, 2020
Source: HGV company data

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SIGNIFICANT EMBEDDED VALUE REMAINS EVEN IN A TOPLINE PAUSE SCENARIO[1]



Total: $3.6B

Note: Ten year cumulative margin, not discounted

FINANCING – 69% MARGIN[2]

- 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[2]

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

REAL ESTATE – 29% MARGIN[2]

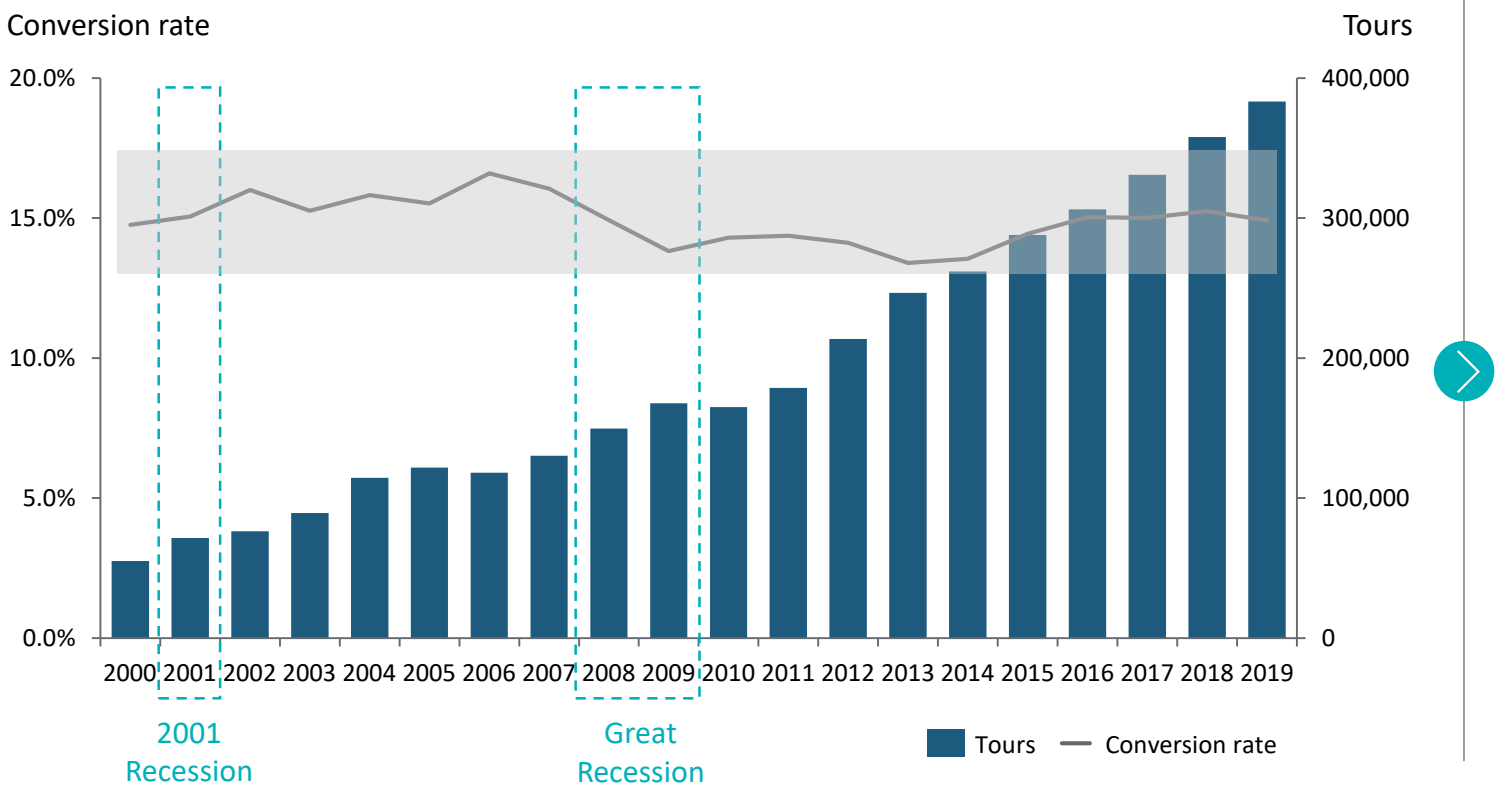
- Profits from current Owners' future upgrades
- For each $1 of initial purchase, on average Owners will purchase another $1.17 in additional upgrades over 20 years

THE EMBEDDED VALUE OF OUR OWNER BASE HAS INCREASED BY 3.5X (10% CAGR) SINCE 2007

1. Assumes contract sales remain at zero for the remainder of 2020 2. % represents 2019 margin for line of business.
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
Source: HGV internal data

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HGV DEMONSTRATED STRONG PERFORMANCE DURING AND AFTER PREVIOUS CYCLES AND IS WELL POSITIONED TODAY



~$1B
Available liquidity

420K
New buyers in the package pipeline

4.5x
Hilton Honors member base growth since '08

2.3X
Owner base growth since recession


THANK YOU