
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-35219

Marriott Vacations Worldwide Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

7812 Palm Parkway Orlando FL
(Address of principal executive offices)

45-2598330

(I.R.S. Employer
Identification No.)

32836
(Zip Code)

(407) 206-6000 (Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	VAC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the issuer's common stock, par value \$0.01 per share, as of May 5, 2025 was 34,535,278.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
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Throughout this report, we refer to Marriott Vacations Worldwide Corporation, together with its consolidated subsidiaries, as “Marriott Vacations Worldwide,” “MVW,” “we,” “us,” or the “Company.” We also refer to brands that we own, as well as those brands that we license, as our brands. All brand names, trademarks, trade names, and service marks cited in this report are the property of their respective owners, including those of other companies and organizations. Solely for convenience, trademarks, trade names, and service marks referred to in this report may appear without the ® or ™ symbols, however, such references are not intended to indicate in any way that MVW or the owner, as applicable, will not assert, to the fullest extent under applicable law, all rights to such trademarks, trade names, and service marks.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share amounts)

(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES		
Sale of vacation ownership products	\$ 355	\$ 352
Management and exchange	215	211
Rental	169	158
Financing	88	83
Cost reimbursements	373	391
TOTAL REVENUES	1,200	1,195
EXPENSES		
Cost of vacation ownership products	42	53
Marketing and sales	234	223
Management and exchange	117	116
Rental	123	107
Financing	36	34
General and administrative	61	63
Depreciation and amortization	38	38
Litigation charges	7	3
Restructuring	12	2
Royalty fee	28	28
Cost reimbursements	373	391
TOTAL EXPENSES	1,071	1,058
Gains and other income, net	13	—
Interest expense, net	(40)	(40)
Transaction and integration costs	—	(15)
Other	—	(1)
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	102	81
Provision for income taxes	(45)	(35)
NET INCOME	57	46
Net (income) loss attributable to noncontrolling interests	(1)	1
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 56	\$ 47
EARNINGS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS		
Basic	\$ 1.60	\$ 1.32
Diluted	\$ 1.46	\$ 1.22
CASH DIVIDENDS DECLARED PER SHARE	\$ 0.79	\$ 0.76

See Interim Condensed Notes to Consolidated Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
NET INCOME	\$ 57	\$ 46
Foreign currency translation adjustments	(1)	1
Derivative instrument adjustment, net of tax	—	(2)
OTHER COMPREHENSIVE LOSS, NET OF TAX	(1)	(1)
Net (income) loss attributable to noncontrolling interests	(1)	1
COMPREHENSIVE (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1)	1
COMPREHENSIVE INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 55	\$ 46

See Interim Condensed Notes to Consolidated Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

	Unaudited	
	March 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 196	\$ 197
Restricted cash (including \$95 and \$82 from VIEs, respectively)	291	331
Accounts and contracts receivable, net (including \$15 and \$16 from VIEs, respectively)	389	387
Vacation ownership notes receivable, net (including \$1,959 and \$1,917 from VIEs, respectively)	2,446	2,440
Inventory	737	735
Property and equipment, net	1,166	1,170
Goodwill	3,117	3,117
Intangibles, net	775	790
Other (including \$130 and \$131 from VIEs, respectively)	765	641
TOTAL ASSETS	\$ 9,882	\$ 9,808
LIABILITIES AND EQUITY		
Accounts payable	\$ 251	\$ 343
Advance deposits	167	162
Accrued liabilities (including \$4 and \$4 from VIEs, respectively)	426	384
Deferred revenue	442	354
Payroll and benefits liability	208	220
Deferred compensation liability	186	195
Securitized debt, net (including \$2,171 and \$2,163 from VIEs, respectively)	2,147	2,136
Debt, net	3,151	3,089
Other	134	139
Deferred taxes	335	345
TOTAL LIABILITIES	7,447	7,367
Contingencies and Commitments (Note 9)		
Preferred stock — \$0.01 par value; 2,000,000 shares authorized; none issued or outstanding	—	—
Common stock — \$0.01 par value; 100,000,000 shares authorized; 75,855,593 and 75,852,678 shares issued, respectively	1	1
Treasury stock — at cost; 41,326,184 and 40,974,753 shares, respectively	(2,406)	(2,378)
Additional paid-in capital	3,968	3,975
Accumulated other comprehensive loss	(9)	(8)
Retained earnings	881	852
TOTAL MVW STOCKHOLDERS' EQUITY	2,435	2,442
Noncontrolling interests	—	(1)
TOTAL EQUITY	2,435	2,441
TOTAL LIABILITIES AND EQUITY	\$ 9,882	\$ 9,808

The abbreviation VIEs above means Variable Interest Entities.

See Interim Condensed Notes to Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
OPERATING ACTIVITIES		
Net income	\$ 57	\$ 46
Adjustments to reconcile net income to net cash, cash equivalents and restricted cash provided by operating activities:		
Depreciation and amortization of intangibles	38	38
Amortization of debt discount and issuance costs	5	5
Vacation ownership notes and contracts receivable reserve	50	46
Share-based compensation	7	7
Deferred income taxes	(15)	35
Net change in assets and liabilities:		
Accounts and contracts receivable	—	(41)
Vacation ownership notes receivable originations	(233)	(200)
Vacation ownership notes receivable collections	176	160
Inventory	1	17
Other assets	(129)	(133)
Accounts payable, advance deposits and accrued liabilities	(13)	(60)
Deferred revenue	88	100
Payroll and benefit liabilities	(13)	4
Deferred compensation liability	(5)	(3)
Other liabilities	(5)	(19)
Purchase and development of property for future transfer to inventory	(2)	—
Other, net	1	1
Net cash, cash equivalents and restricted cash provided by operating activities	<u>8</u>	<u>3</u>
INVESTING ACTIVITIES		
Capital expenditures for property and equipment (excluding inventory)	(14)	(16)
Purchase of company owned life insurance	(4)	(4)
Purchase and development of property for future sale	—	(49)
Net cash, cash equivalents and restricted cash used in investing activities	<u>(18)</u>	<u>(69)</u>

Continued

See Interim Condensed Notes to Consolidated Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In millions)
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
FINANCING ACTIVITIES		
Borrowings from securitization transactions	206	524
Repayment of debt related to securitization transactions	(197)	(441)
Proceeds from debt	340	340
Repayments of debt	(277)	(289)
Finance lease payment	(2)	(2)
Payment of debt and securitized debt issuance costs	(5)	(6)
Repurchase of common stock	(36)	(24)
Payment of dividends	(55)	(54)
Payment of withholding taxes on vesting of restricted stock units	(6)	(5)
Net cash, cash equivalents and restricted cash (used in) provided by financing activities	(32)	43
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	1	(1)
Change in cash, cash equivalents and restricted cash	(41)	(24)
Cash, cash equivalents and restricted cash, beginning of period	528	574
Cash, cash equivalents and restricted cash, end of period	<u>\$ 487</u>	<u>\$ 550</u>
SUPPLEMENTAL DISCLOSURES		
Non-cash issuance of treasury stock for employee stock purchase plan	\$ 1	\$ 1
Non-cash transfer from inventory to property and equipment	—	6
Non-cash transfer from property and equipment to inventory	—	23
Right-of-use asset obtained in exchange for finance lease obligation	2	11
Non-cash issuance of debt in connection with finance lease	2	11
Interest paid, net of amounts capitalized	54	52
Income taxes paid, net of refunds	4	50

See Interim Condensed Notes to Consolidated Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions)

(Unaudited)

Common Stock Issued		Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total MVW Stockholders' Equity	Noncontrolling Interests	Total Equity
75.9	BALANCE AT DECEMBER 31, 2024	\$ 1	\$ (2,378)	\$ 3,975	\$ (8)	\$ 852	\$ 2,442	\$ (1)	\$ 2,441
—	Net income	—	—	—	—	56	56	1	57
—	Foreign currency translation adjustments	—	—	—	(1)	—	(1)	—	(1)
—	Share-based compensation plans	—	8	(7)	—	—	1	—	1
—	Repurchase of common stock	—	(36)	—	—	—	(36)	—	(36)
—	Dividends	—	—	—	—	(27)	(27)	—	(27)
75.9	BALANCE AT MARCH 31, 2025	\$ 1	\$ (2,406)	\$ 3,968	\$ (9)	\$ 881	\$ 2,435	\$ —	\$ 2,435

Common Stock Issued		Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total MVW Stockholders' Equity	Noncontrolling Interests	Total Equity
75.8	BALANCE AT DECEMBER 31, 2023	\$ 1	\$ (2,332)	\$ 3,955	\$ 16	\$ 742	\$ 2,382	\$ —	\$ 2,382
—	Net income (loss)	—	—	—	—	47	47	(1)	46
—	Foreign currency translation adjustments	—	—	—	1	—	1	—	1
—	Derivative instrument adjustment	—	—	—	(2)	—	(2)	—	(2)
—	Share-based compensation plans	—	5	(4)	—	—	1	—	1
—	Repurchase of common stock	—	(24)	—	—	—	(24)	—	(24)
—	Dividends	—	—	—	—	(26)	(26)	—	(26)
75.8	BALANCE AT MARCH 31, 2024	\$ 1	\$ (2,351)	\$ 3,951	\$ 15	\$ 763	\$ 2,379	\$ (1)	\$ 2,378

See Interim Condensed Notes to Consolidated Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The Interim Consolidated Financial Statements present the results of operations, financial position and cash flows of Marriott Vacations Worldwide Corporation (referred to in this report as (i) “we,” “us,” “Marriott Vacations Worldwide,” “MVW,” or the “Company,” which includes our consolidated subsidiaries except where the context of the reference is to a single corporate entity, or (ii) “MVWC,” which shall refer only to Marriott Vacations Worldwide Corporation, without its consolidated subsidiaries). In order to make this report easier to read, we refer throughout to (i) our Interim Consolidated Financial Statements as our “Financial Statements,” (ii) our Interim Consolidated Statements of Income as our “Income Statements,” (iii) our Interim Consolidated Balance Sheets as our “Balance Sheets,” and (iv) our Interim Consolidated Statements of Cash Flows as our “Cash Flows.” In addition, references throughout to numbered “Footnotes” refer to the numbered notes in the Financial Statements, unless otherwise noted. Capitalized terms used and not specifically defined herein have the same meanings given those terms in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the “2024 Annual Report”). We also use certain other terms that are defined within these Financial Statements.

The Financial Statements presented herein and discussed below include 100% of the assets, liabilities, revenues, expenses, and cash flows of Marriott Vacations Worldwide, all entities in which Marriott Vacations Worldwide has a controlling voting interest (“subsidiaries”), and variable interest entities (“VIEs”) for which Marriott Vacations Worldwide is the primary beneficiary in accordance with consolidation accounting guidance. References in these Financial Statements to net income attributable to common stockholders and MVW stockholders’ equity do not include noncontrolling interests, which represent the outside ownership of our consolidated non-wholly owned entities and are reported separately. Intercompany accounts and transactions between consolidated entities have been eliminated in consolidation.

These Financial Statements reflect our financial position, results of operations, and cash flows as prepared in conformity with United States Generally Accepted Accounting Principles (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates include, but are not limited to, revenue recognition, cost of vacation ownership products, inventory valuation, goodwill and intangibles valuation, vacation ownership notes receivable reserves, income taxes, and loss contingencies. The uncertainties and volatility in the broader macroeconomic environment, including inflation, the impact of changing trade policy, continuing high interest rates, mixed economic indicators, increased consumer debt, continuing global insecurity and political uncertainty, have made it more challenging to make these estimates. Actual results could differ from our estimates, and such differences may be material.

In our opinion, our Financial Statements reflect all normal and recurring adjustments necessary to present fairly our financial position, the results of our operations, and cash flows for the periods presented. Interim results may not be indicative of fiscal year performance because of, among other reasons, general macroeconomic conditions, including inflationary pressures and seasonal and short-term variations. These Financial Statements have not been audited. We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP. Although we believe our footnote disclosures are adequate to make the information presented not misleading, the Financial Statements in this report should be read in conjunction with the consolidated financial statements and notes thereto in our 2024 Annual Report.

We refer to the business and brands that we acquired in the acquisition of ILG, LLC, formerly known as ILG, Inc. (“ILG”), in 2018 (the “ILG Acquisition”) as “Legacy-ILG.” We refer to the business we conducted prior to the ILG Acquisition and the associated brands as “Legacy-MVW.” We refer to the business and brand that we acquired in the acquisition of Welk Hospitality Group, Inc. (“Welk”) in 2021 (the “Welk Acquisition”) as “Legacy-Welk.” During 2023, we rebranded all Legacy-Welk resorts as Hyatt Vacation Club resorts. Additionally, we use the term “Marriott Vacation Ownership” to refer to our Marriott, Sheraton, and Westin branded businesses and the term “Hyatt Vacation Ownership” to refer to our Hyatt branded business.

2. SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING STANDARDS

Future Adoption of Accounting Standards

Accounting Standards Update 2023-09 – “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”)

In December 2023, the Financial Accounting Standards Board (“FASB”) issued accounting standards update (“ASU”) 2023-09, which is intended to enhance the transparency and decision usefulness of income tax disclosures. ASU 2023-09 primarily enhances and expands both the annual income tax rate reconciliation disclosure and the annual income taxes paid disclosure. This update is effective for fiscal years beginning after December 15, 2024 and may be adopted on a prospective or retrospective basis, with early adoption permitted. We expect to begin providing the enhanced disclosures required by this update in our Annual Report on Form 10-K for the year ending December 31, 2025.

Accounting Standards Update 2024-03 - “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses” (“ASU 2024-03”)

In November 2024, the FASB issued ASU 2024-03, which requires additional information about specific expense categories in the notes to financial statements for both interim and annual reporting periods. This update is effective for annual periods beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027, and may be adopted on a prospective or retrospective basis, with early adoption permitted. We are evaluating the impact that the adoption of this update, including the timing of implementation, will have on our disclosures.

Accounting Standards Update 2024-04 - “Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments” (“ASU 2024-04”)

In November 2024, the FASB issued ASU 2024-04, which requires an entity to account for certain early settlements of convertible debt instruments as an induced conversion if the inducement offer includes the issuance of all consideration (in form and amount) issuable under the conversion privileges provided in the terms of the existing convertible debt instrument. This update is effective for annual periods beginning after December 15, 2025, and interim periods within those annual reporting periods, with early adoption permitted for all entities that have adopted the amendments in ASU 2020-06. We adopted ASU 2020-06 on January 1, 2022 using the modified retrospective method. We are evaluating the impact that the adoption of this update, including the timing of implementation, will have on our disclosures.

3. REVENUE AND RECEIVABLES

Sources of Revenue by Segment

(\$ in millions)	Three Months Ended March 31, 2025			
	Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Sale of vacation ownership products	\$ 355	\$ —	\$ —	\$ 355
Ancillary revenues	65	1	—	66
Management fee revenues	55	3	(1)	57
Exchange and other services revenues	35	42	15	92
Management and exchange	155	46	14	215
Rental	159	10	—	169
Cost reimbursements	378	2	(7)	373
Revenue from contracts with customers	1,047	58	7	1,112
Financing	88	—	—	88
Total Revenues	\$ 1,135	\$ 58	\$ 7	\$ 1,200

	Three Months Ended March 31, 2024			
<i>(\$ in millions)</i>	Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Sale of vacation ownership products	\$ 352	\$ —	\$ —	\$ 352
Ancillary revenues	65	1	—	66
Management fee revenues	52	5	(1)	56
Exchange and other services revenues	31	46	12	89
Management and exchange	148	52	11	211
Rental	147	11	—	158
Cost reimbursements	400	2	(11)	391
Revenue from contracts with customers	1,047	65	—	1,112
Financing	83	—	—	83
Total Revenues	<u>\$ 1,130</u>	<u>\$ 65</u>	<u>\$ —</u>	<u>\$ 1,195</u>

Timing of Revenue from Contracts with Customers by Segment

The following tables detail the timing of revenue from contracts with customers by segment for the time periods presented.

	Three Months Ended March 31, 2025			
<i>(\$ in millions)</i>	Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Services transferred over time	\$ 620	\$ 21	\$ 7	\$ 648
Goods or services transferred at a point in time	427	37	—	464
Revenue from contracts with customers	<u>\$ 1,047</u>	<u>\$ 58</u>	<u>\$ 7</u>	<u>\$ 1,112</u>

	Three Months Ended March 31, 2024			
<i>(\$ in millions)</i>	Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Services transferred over time	\$ 625	\$ 24	\$ —	\$ 649
Goods or services transferred at a point in time	422	41	—	463
Revenue from contracts with customers	<u>\$ 1,047</u>	<u>\$ 65</u>	<u>\$ —</u>	<u>\$ 1,112</u>

Sale of Vacation Ownership Products

Revenues were reduced during the first quarter of 2025 by \$3 million due to changes in our estimates of variable consideration for performance obligations that were satisfied in prior periods.

Receivables from Contracts with Customers, Contract Assets, & Contract Liabilities

The following table shows the composition of our receivables from contracts with customers and contract liabilities. We had no contract assets at either March 31, 2025 or December 31, 2024.

<i>(\$ in millions)</i>	<u>At March 31, 2025</u>	<u>At December 31, 2024</u>
Receivables from Contracts with Customers		
Accounts and contracts receivable, net	\$ 258	\$ 250
Vacation ownership notes receivable, net	2,446	2,440
	<u>\$ 2,704</u>	<u>\$ 2,690</u>
Contract Liabilities		
Advance deposits	\$ 167	\$ 162
Deferred revenue	442	354
	<u>\$ 609</u>	<u>\$ 516</u>

Revenue recognized during the first quarter of 2025 that was included in our contract liabilities balance at December 31, 2024 was \$117 million.

Remaining Performance Obligations

Our remaining performance obligations represent the expected transaction price allocated to our contracts that we expect to recognize as revenue in future periods when we perform under the contracts. At March 31, 2025, approximately 93% of this amount is expected to be recognized as revenue over the next two years.

Accounts and Contracts Receivable

Accounts and contracts receivable is composed of amounts due from customers, primarily owners' associations, resort developers, owners and members, credit card receivables, interest receivables, amounts due from taxing authorities, indemnification assets, and other miscellaneous receivables. The following table shows the composition of our accounts and contracts receivable balances:

<i>(\$ in millions)</i>	<u>At March 31, 2025</u>	<u>At December 31, 2024</u>
Receivables from contracts with customers, net	\$ 258	\$ 250
Interest receivable	19	20
Tax receivable	52	57
Indemnification assets	34	34
Employee tax credit receivable	10	10
Other	16	16
	<u>\$ 389</u>	<u>\$ 387</u>

4. INCOME TAXES

Our provision for income taxes is calculated using an estimated annual effective tax rate ("AETR"), based upon expected annual income less losses in certain jurisdictions, non-deductible expenses under federal and local tax laws, statutory rates, and planned tax strategies in the various jurisdictions in which we operate. Certain items that do not relate directly to ordinary income are excluded from the AETR and included in the period in which they occur.

Our effective tax rate was 43.6% and 43.0% for the three months ended March 31, 2025 and March 31, 2024, respectively.

The effective tax rate for the three months ended March 31, 2025 differed from the blended statutory tax rate for the same period due to a lower pre-tax book income forecast for the current year, which is largely driven by our modernization efforts and related costs expected to be incurred, higher expected foreign losses, for which a valuation allowance will be recorded, and income tax adjustments for discrete items, primarily related to share-based compensation.

The effective tax rate for the three months ended March 31, 2024 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including \$11 million primarily related to a \$20 million

increase to remove the permanent reinvestment assertion for certain non-U.S. entities offset by a \$9 million decrease for the expiration of statutes of limitation on certain unrecognized tax benefits.

Our income tax returns are subject to examination by relevant tax authorities. Certain returns are being audited in various jurisdictions for tax years 2007 through 2020. The amount of the unrecognized tax benefits may increase or decrease within the next twelve months as a result of audits or audit settlements.

5. VACATION OWNERSHIP NOTES RECEIVABLE

The following table shows the composition of our vacation ownership notes receivable balances, net of reserves.

(\$ in millions)	March 31, 2025			December 31, 2024		
	Originated	Acquired	Total	Originated	Acquired	Total
Securitized	\$ 1,876	\$ 83	\$ 1,959	\$ 1,824	\$ 93	\$ 1,917
Eligible for securitization ⁽¹⁾	59	—	59	92	2	94
Not eligible for securitization ⁽¹⁾	416	12	428	417	12	429
Non-securitized	475	12	487	509	14	523
Total	\$ 2,351	\$ 95	\$ 2,446	\$ 2,333	\$ 107	\$ 2,440

⁽¹⁾ Refer to Footnote 6 “Financial Instruments” for discussion of eligibility of our vacation ownership notes receivable for securitization.

We reflect interest income associated with vacation ownership notes receivable on our Income Statements in the Financing revenues caption. The following table summarizes interest income associated with vacation ownership notes receivable.

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Interest income - securitized vacation ownership notes receivable	\$ 74	\$ 71
Interest income - non-securitized vacation ownership notes receivable	12	10
Total interest income associated with vacation ownership notes receivable	\$ 86	\$ 81

Credit Quality Indicators - Vacation Ownership Notes Receivable

We use the origination of vacation ownership notes receivable and the FICO scores of the customer by brand as the primary credit quality indicators, as historical performance indicates that there is a relationship between the default behavior of borrowers by FICO score and the brand associated with the vacation ownership interest (“VOI”) they have acquired.

The weighted average FICO score within our consolidated vacation ownership notes receivable pool was 726 and 725, at March 31, 2025 and December 31, 2024, respectively, based upon the FICO score of the borrower at the time of origination.

Vacation Ownership Notes Receivable Reserve

The estimates of the variable consideration for originated vacation ownership notes receivable and the reserve for credit losses on the acquired vacation ownership notes receivable are based on default rates that are an output of our static pool analyses and estimates regarding future defaults.

Originated Vacation Ownership Notes Receivable

Originated vacation ownership notes receivable represent vacation ownership notes receivable originated by Legacy-ILG and Legacy-Welk subsequent to each respective acquisition date, and all Legacy-MVW vacation ownership notes receivable. The following table shows future principal payments, net of reserves, and interest rates for our originated vacation ownership notes receivable at March 31, 2025.

(\$ in millions)	Originated Vacation Ownership Notes Receivable		
	Non-Securitized	Securitized	Total
2025, remaining	\$ 66	\$ 108	\$ 174
2026	63	153	216
2027	57	160	217
2028	49	167	216
2029	40	168	208
Thereafter	200	1,120	1,320
Balance at March 31, 2025	\$ 475	\$ 1,876	\$ 2,351
Weighted average stated interest rate	11.5%	13.4%	12.9%
Range of stated interest rates	0.0% to 20.9%	0.0% to 20.9%	0.0% to 20.9%

For originated vacation ownership notes receivable, we record the difference between the vacation ownership note receivable and the variable consideration included in the transaction price for the sale of the related vacation ownership product as a reserve on our vacation ownership notes receivable. The following table summarizes the activity related to our originated vacation ownership notes receivable reserve during the first quarter of 2025.

(\$ in millions)	Originated Vacation Ownership Notes Receivable Reserve		
	Non-Securitized	Securitized	Total
Balance at December 31, 2024	\$ 252	\$ 275	\$ 527
Increase in vacation ownership notes receivable reserve	42	7	49
Securitizations	(35)	35	—
Write-offs	(56)	—	(56)
Defaulted vacation ownership notes receivable repurchase activity ⁽¹⁾	41	(41)	—
Balance at March 31, 2025	\$ 244	\$ 276	\$ 520

- ⁽¹⁾ Reflects the change attributable to the transfer of the reserve from the securitized vacation ownership notes receivable reserve to the non-securitized vacation ownership notes receivable reserve when we voluntarily repurchased securitized vacation ownership notes receivable.

The following tables show originated vacation ownership notes receivable, before reserves, by brand and borrower FICO score at origination.

(\$ in millions)	Originated Vacation Ownership Notes Receivable as of March 31, 2025				
	700 +	600 - 699	< 600	No Score	Total
Marriott Vacation Ownership	\$ 1,527	\$ 628	\$ 57	\$ 374	\$ 2,586
Hyatt Vacation Ownership	208	72	2	3	285
	\$ 1,735	\$ 700	\$ 59	\$ 377	\$ 2,871

(\$ in millions)	Originated Vacation Ownership Notes Receivable as of December 31, 2024				
	700 +	600 - 699	< 600	No Score	Total
Marriott Vacation Ownership	\$ 1,513	\$ 634	\$ 58	\$ 365	\$ 2,570
Hyatt Vacation Ownership	210	75	2	3	290
	\$ 1,723	\$ 709	\$ 60	\$ 368	\$ 2,860

The following tables detail the origination year of our originated vacation ownership notes receivable, before reserves, by brand and borrower FICO score at origination as of March 31, 2025, and gross write-offs by brand for the first quarter of 2025.

(\$ in millions)	Originated Vacation Ownership Notes Receivable - Marriott Vacation Ownership					
	2025	2024	2023	2022	2021 & Prior	Total
700 +	\$ 135	\$ 499	\$ 341	\$ 234	\$ 318	\$ 1,527
600 - 699	38	175	138	110	167	628
< 600	4	17	12	9	15	57
No Score	51	155	78	37	53	374
	<u>\$ 228</u>	<u>\$ 846</u>	<u>\$ 569</u>	<u>\$ 390</u>	<u>\$ 553</u>	<u>\$ 2,586</u>

Gross write-offs	\$ 1	\$ 2	\$ 18	\$ 11	\$ 13	\$ 45
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(\$ in millions)	Originated Vacation Ownership Notes Receivable - Hyatt Vacation Ownership					
	2025	2024	2023	2022	2021 & Prior	Total
700 +	\$ 31	\$ 73	\$ 47	\$ 37	\$ 20	\$ 208
600 - 699	8	26	17	14	7	72
< 600	1	1	—	—	—	2
No Score	—	1	1	—	1	3
	<u>\$ 40</u>	<u>\$ 101</u>	<u>\$ 65</u>	<u>\$ 51</u>	<u>\$ 28</u>	<u>\$ 285</u>

Gross write-offs	\$ —	\$ 2	\$ 4	\$ 4	\$ 1	\$ 11
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Acquired Vacation Ownership Notes Receivable

Acquired vacation ownership notes receivable represent vacation ownership notes receivable acquired as part of the ILG Acquisition and the Welk Acquisition. The following table shows future contractual principal payments, net of an \$8 million reserve, and interest rates for our acquired vacation ownership notes receivable at March 31, 2025.

(\$ in millions)	Acquired Vacation Ownership Notes Receivable		
	Non-Securitized	Securitized	Total
2025, remaining	\$ 4	\$ 17	\$ 21
2026	3	20	23
2027	2	16	18
2028	1	10	11
2029	1	7	8
Thereafter	1	13	14
Balance at March 31, 2025	<u>\$ 12</u>	<u>\$ 83</u>	<u>\$ 95</u>
Weighted average stated interest rate	13.7%	14.2%	14.1%
Range of stated interest rates	0.0% to 21.9%	0.0% to 21.9%	0.0% to 21.9%

The following tables show the acquired vacation ownership notes receivable, before reserves, by brand and borrower FICO score at origination.

(\$ in millions)	Acquired Vacation Ownership Notes Receivable as of March 31, 2025				
	700+	600 - 699	< 600	No Score	Total
Marriott Vacation Ownership	\$ 27	\$ 19	\$ 3	\$ 4	\$ 53
Hyatt Vacation Ownership	31	19	—	—	50
	<u>\$ 58</u>	<u>\$ 38</u>	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 103</u>

(\$ in millions)	Acquired Vacation Ownership Notes Receivable as of December 31, 2024				
	700+	600 - 699	< 600	No Score	Total
Marriott Vacation Ownership	\$ 30	\$ 21	\$ 3	\$ 5	\$ 59
Hyatt Vacation Ownership	34	22	—	1	57
	<u>\$ 64</u>	<u>\$ 43</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ 116</u>

Vacation Ownership Notes Receivable on Non-Accrual Status

For both non-securitized and securitized vacation ownership notes receivable, we estimated the average remaining default rates of 13.86% as of March 31, 2025 and 13.96% as of December 31, 2024. A 0.5 percentage point increase in the estimated default rate would have resulted in an increase in the related vacation ownership notes receivable reserve of \$14 million as of both March 31, 2025 and December 31, 2024.

The following table shows our recorded investment in non-accrual vacation ownership notes receivable, which are vacation ownership notes receivable that are 90 days or more past due.

<i>(\$ in millions)</i>	Vacation Ownership Notes Receivable		
	Non-Securitized	Securitized	Total
Investment in vacation ownership notes receivable on non-accrual status at March 31, 2025	\$ 165	\$ 24	\$ 189
Investment in vacation ownership notes receivable on non-accrual status at December 31, 2024	\$ 171	\$ 24	\$ 195

The following table shows the aging of the recorded investment in principal, before reserves, in vacation ownership notes receivable as of March 31, 2025 and December 31, 2024.

<i>(\$ in millions)</i>	As of March 31, 2025			As of December 31, 2024		
	Non-Securitized	Securitized	Total	Non-Securitized	Securitized	Total
31 – 90 days past due	\$ 25	\$ 65	\$ 90	\$ 29	\$ 74	\$ 103
91 – 120 days past due	7	19	26	11	19	30
Greater than 120 days past due	158	5	163	160	5	165
Total past due	190	89	279	200	98	298
Current	544	2,151	2,695	579	2,099	2,678
Total vacation ownership notes receivable	\$ 734	\$ 2,240	\$ 2,974	\$ 779	\$ 2,197	\$ 2,976

6. FINANCIAL INSTRUMENTS

The following table shows the carrying values and the estimated fair values of financial assets and liabilities that qualify as financial instruments, determined in accordance with the authoritative guidance for disclosures regarding the fair value of financial instruments. Considerable judgment is required in interpreting market data to develop estimates of fair value. The use of different market assumptions and/or estimation methodologies could have a material effect on the estimated fair value amounts. The table excludes Cash and cash equivalents, Restricted cash, Accounts and contracts receivable (excluding contracts receivable for financed VOI sales, net), deposits included in Other assets, Accounts payable, Advance deposits, and Accrued liabilities, all of which had fair values approximating their carrying amounts due to the short maturities and liquidity of these instruments. The table also excludes the Delayed-Draw Term Loan (as defined and further discussed in Footnote 11 “Debt”) as there were no outstanding borrowings as of March 31, 2025.

(\$ in millions)	At March 31, 2025		At December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable, net	\$ 2,446	\$ 2,510	\$ 2,440	\$ 2,508
Contracts receivable for financed VOI sales, net	50	50	46	46
Other assets	130	130	131	131
Total financial assets	\$ 2,626	\$ 2,690	\$ 2,617	\$ 2,685
Securitized debt, net	\$ (2,147)	\$ (2,166)	\$ (2,136)	\$ (2,147)
Term Loan, net	(784)	(792)	(786)	(796)
Revolving Corporate Credit Facility, net	(185)	(190)	(122)	(125)
2028 Notes, net	(348)	(333)	(348)	(336)
2029 Notes, net	(496)	(460)	(496)	(467)
2026 Convertible Notes, net	(572)	(551)	(572)	(546)
2027 Convertible Notes, net	(567)	(533)	(566)	(541)
Total financial liabilities	\$ (5,099)	\$ (5,025)	\$ (5,026)	\$ (4,958)

Vacation Ownership Notes Receivable

(\$ in millions)	At March 31, 2025		At December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Securitized	\$ 1,959	\$ 2,021	\$ 1,917	\$ 1,981
Eligible for securitization	59	61	94	98
Not eligible for securitization	428	428	429	429
Non-securitized	487	489	523	527
Total	\$ 2,446	\$ 2,510	\$ 2,440	\$ 2,508

We estimate the fair value of our vacation ownership notes receivable that have been securitized using a discounted cash flow model. We believe this is comparable to the model that an independent third party would use in the current market. Our model uses default rates, prepayment rates, coupon rates, and loan terms for our securitized vacation ownership notes receivable portfolio as key drivers of risk and relative value to determine the fair value of the underlying vacation ownership notes receivable. We concluded that this fair value measurement should be categorized within Level 3.

Due to factors that impact the general marketability of our vacation ownership notes receivable that have not been securitized, as well as current market conditions, we bifurcate our non-securitized vacation ownership notes receivable at each balance sheet date into those eligible and not eligible for securitization using criteria applicable to current securitization transactions in the asset-backed securities (“ABS”) market. Generally, vacation ownership notes receivable are considered not eligible for securitization if any of the following attributes are present: (1) payments are greater than 30 days past due; (2) the first payment has not been received; or (3) the collateral is located in Asia or Europe. In some cases, eligibility may also be determined based on the credit score of the borrower, the remaining term of the loans and

other similar factors that may reflect investor demand in a securitization transaction or the cost to effectively securitize the vacation ownership notes receivable.

The table above shows the bifurcation of our vacation ownership notes receivable that have not been securitized into those eligible and not eligible for securitization based upon the aforementioned eligibility criteria. We estimate the fair value of the portion of our vacation ownership notes receivable that have not been securitized that we believe will ultimately be securitized in the same manner as vacation ownership notes receivable that have been securitized. We value the remaining vacation ownership notes receivable that have not been securitized at their carrying value, rather than using our pricing model. We believe that the carrying value of these particular vacation ownership notes receivable approximates fair value because the stated, or otherwise imputed, interest rates of these loans are generally consistent with current market rates and the reserve for these vacation ownership notes receivable appropriately accounts for risks in default rates, prepayment rates, discount rates, and loan terms. We concluded that this fair value measurement should be categorized within Level 3.

Contracts Receivable for Financed VOI Sales

At the time at which we recognize revenue for our VOI sales, we temporarily record a contract receivable for financed VOI sales, until the time at which we originate a vacation ownership note receivable, which occurs at closing. We believe that the carrying value of the contracts receivable for financed VOI sales approximates fair value because the stated, or otherwise imputed, interest rates of these receivables are generally consistent with current market rates and the reserve for these contracts receivable for financed VOI sales appropriately accounts for risks in default rates. We concluded that this fair value measurement should be categorized within Level 3.

Other Assets

Other assets include \$130 million and \$131 million of company owned insurance policies (the “COLI policies”) acquired on the lives of certain participants in the Marriott Vacations Worldwide Deferred Compensation Plan (the “Deferred Compensation Plan”) at March 31, 2025 and December 31, 2024, respectively, that are held in a rabbi trust. The carrying value of the COLI policies is equal to their cash surrender value (Level 2 inputs).

Securitized Debt

We generate cash flow estimates by modeling all bond tranches for our active vacation ownership notes receivable securitization transactions, with consideration for the collateral specific to each tranche. The key drivers in our analysis include default rates, prepayment rates, bond interest rates, and other structural factors, which we use to estimate the projected cash flows. In order to estimate market credit spreads by rating, we obtain indicative credit spreads from investment banks that actively issue and facilitate the market for vacation ownership securities and determine an average credit spread by rating level of the different tranches. We then apply those estimated market spreads to swap rates in order to estimate an underlying discount rate for calculating the fair value of the active bonds payable. We concluded that this fair value measurement should be categorized within Level 3.

Term Loan

We estimate the fair value of our Term Loan (as defined in Footnote 11 “Debt”) using quotes from securities dealers as of the last trading day for the quarter; however, this loan has only a limited trading history and volume, and as such, this fair value estimate is not necessarily indicative of the value at which the Term Loan could be retired or transferred. We concluded that this fair value measurement should be categorized within Level 3.

Revolving Corporate Credit Facility

We estimate that the gross carrying value of our Revolving Corporate Credit Facility (as defined in Footnote 11 “Debt”) approximates fair value as the contractual interest rate is variable plus an applicable margin. We concluded that this fair value measurement should be categorized within Level 3.

Senior Notes

We estimate the fair value of our 2028 Notes and 2029 Notes (each as defined in Footnote 11 “Debt”) using quoted market prices as of the last trading day for the quarter; however, these notes have only a limited trading history and volume, and as such, this fair value estimate is not necessarily indicative of the value at which these notes could be retired or transferred. We concluded that this fair value measurement should be categorized within Level 2.

Convertible Notes

We estimate the fair value of our convertible notes using quoted market prices as of the last trading day for the quarter; however these notes have only a limited trading history and volume, and as such, this fair value estimate is not

necessarily indicative of the value at which the convertible notes could be retired or transferred. We concluded that this fair value measurement should be categorized within Level 2.

7. EARNINGS PER SHARE

Basic earnings per share attributable to common stockholders is calculated by dividing net income attributable to common stockholders by the weighted average number of shares of common stock outstanding during the reporting period. Diluted earnings per share attributable to common stockholders reflects the assumed conversion of all dilutive securities, calculated using the treasury stock method.

The tables below illustrate the reconciliation of the earnings and number of shares used in our calculation of basic and diluted earnings per share attributable to common stockholders.

<i>(in millions, except per share amounts)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Net income attributable to common stockholders	\$ 56	\$ 47
Shares for basic earnings per share	35.1	35.5
Basic earnings per share	<u>\$ 1.60</u>	<u>\$ 1.32</u>

<i>(in millions, except per share amounts)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Net income attributable to common stockholders	\$ 56	\$ 47
Add back of interest expense related to convertible notes, net of tax	5	5
Numerator used to calculate diluted earnings per share	<u>\$ 61</u>	<u>\$ 52</u>
Shares for basic earnings per share	35.1	35.5
Effect of dilutive shares outstanding		
Restricted stock units	0.2	0.1
2026 Convertible Notes	3.7	3.6
2027 Convertible Notes	3.0	3.0
Shares for diluted earnings per share	<u>42.0</u>	<u>42.2</u>
Diluted earnings per share	<u>\$ 1.46</u>	<u>\$ 1.22</u>

The computations of diluted earnings per share attributable to common stockholders above exclude approximately 529,000 and 396,000 shares of common stock, the maximum number of shares issuable as of March 31, 2025 and March 31, 2024, respectively, upon the vesting of certain performance-based awards, because the performance conditions required to be met for the shares subject to such awards to vest were not achieved by the end of the reporting period.

In accordance with the applicable accounting guidance for calculating earnings per share, for the first quarter of 2025, we excluded from our calculation of diluted earnings per share 788,607 shares underlying stock appreciation rights (“SARs”) that may settle in shares of common stock because the exercise prices of such SARs, which ranged from \$71.17 to \$173.88, were greater than the average market price of our common stock for the applicable period.

For the first quarter of 2024, we excluded from our calculation of diluted earnings per share 645,524 shares underlying SARs that may settle in shares of common stock because the exercise prices of such SARs, which ranged from \$93.73 to \$173.88, were greater than the average market price of our common stock for the applicable period.

8. INVENTORY

The following table shows the composition of our inventory balances:

<i>(\$ in millions)</i>	At March 31, 2025	At December 31, 2024
Real estate inventory ⁽¹⁾	727	725
Other	10	10
	\$ 737	\$ 735

⁽¹⁾ Represents completed inventory that is registered for sale as VOIs and vacation ownership inventory expected to be reacquired pursuant to estimated future defaults on originated vacation ownership notes receivable.

Product cost true-up activity relating to vacation ownership products increased carrying values of inventory by \$13 million during the first quarter of 2025 and \$5 million during the first quarter of 2024.

In addition to the above, at March 31, 2025 and December 31, 2024, we had \$266 million and \$271 million, respectively, of completed vacation ownership units which are classified as a component of Property and equipment, net until the time at which they are available and legally registered for sale as vacation ownership products.

We also had deposits on future purchases of inventory of \$33 million, of which \$29 million was included in Other assets and \$4 million was included in Accounts and contracts receivable, net on our Balance Sheet as of both March 31, 2025 and December 31, 2024.

9. CONTINGENCIES AND COMMITMENTS

Commitments and Letters of Credit

As of March 31, 2025, we had the following commitments outstanding:

- We have various contracts for the use of information technology hardware and software, including cloud computing arrangements, that we use in the normal course of business. Our aggregate commitment under these contracts was \$75 million, of which we expect \$37 million, \$27 million, \$9 million, and \$2 million will be paid in the remainder of 2025, 2026, 2027, and 2028, respectively.
- We have remaining commitments of \$32 million to purchase vacation ownership units located in Bali, Indonesia in two separate transactions, contingent upon completion of construction to agreed-upon standards within specified timeframes, for use in our Vacation Ownership segment.
 - We expect to complete the acquisition of 32 vacation ownership units in 2025 pursuant to one of these commitments, and to make remaining payments with respect to these units when specific construction milestones are completed as follows: \$10 million in the remainder of 2025 and \$1 million in 2026.
 - We expect to complete the acquisition of 26 vacation ownership units in 2026 pursuant to the other commitment, and to make remaining payments with respect to these units when specific construction milestones are completed as follows: \$6 million in the remainder of 2025, \$14 million in 2026, and \$1 million in 2027.
- We have remaining commitments of \$80 million to purchase vacation ownership units located in Thailand, in two separate transactions for use in our Vacation Ownership segment.
 - We expect to complete the acquisition of 52 vacation ownership units in 2025 pursuant to one of these commitments, subject to performance of agreed-upon pre-closing obligations by the seller, and to make the remaining payment of \$43 million with respect to these units in the second quarter of 2025.
 - We expect to complete the acquisition of 60 vacation ownership units in 2026 pursuant to the other commitment, contingent upon completion of construction to agreed-upon standards within specified timeframes, and to make remaining payments with respect to these units when specific construction milestones are completed as follows: \$4 million in the remainder of 2025, \$31 million in 2026, and \$2 million in 2027.
- We have a commitment of \$122 million to purchase property and vacation ownership units located in Nashville, Tennessee, contingent upon completion of construction to agreed-upon standards within specified timeframes, for use in our Vacation Ownership segment. We expect to complete the acquisition of 168 vacation ownership units in 2027, and we expect to make payments when specific construction milestones are completed as follows: \$14 million in 2026, and \$108 million in 2027.

- We have a commitment to acquire real estate in Waikiki, Hawaii for use in our Vacation Ownership segment via our involvement with a VIE. Refer to Footnote 14 “Variable Interest Entities” for information about this commitment, including purchases that occurred during the first quarter of 2024 pursuant to this commitment, and for additional information about our activities relating to the VIE involved in this commitment.

As of March 31, 2025, we had \$11 million of letters of credit outstanding under our Revolving Corporate Credit Facility (as defined in Footnote 11 “Debt”), of which \$10 million were related to and in lieu of reserves required for our outstanding securitization transactions completed during the first quarter of 2024 and the fourth quarter of 2023. In addition, as of March 31, 2025, we had \$10 million in letters of credit outstanding that were related to and in lieu of reserves required for our outstanding securitization transaction completed during the third quarter of 2024, which were not issued pursuant to, nor do they impact our borrowing capacity under, the Revolving Corporate Credit Facility.

Surety bonds issued as of March 31, 2025 totaled \$127 million, the majority of which were requested by federal, state or local governments in connection with our operations.

Guarantees

We have a commitment to an owners’ association that we manage to pay for any shortfall between the actual expenses incurred by the owners’ association and the income received by the owners’ association, in lieu of our payment of maintenance fees for unsold inventory. The agreement will terminate on the earlier of: 1) sale of 95% of the total ownership interests in the owners’ association; or 2) written notification of termination by either party. At March 31, 2025, our expected commitment for the remainder of 2025 is \$18 million, which will ultimately be recorded as a component of rental expense on our income statement.

Loss Contingencies

In February 2019, the owners’ association for the St. Regis Residence Club, New York filed a lawsuit in the Supreme Court for the State of New York, New York County, Commercial Division against ILG and several of its subsidiaries and certain third parties. The operative complaint alleged that the defendants breached their fiduciary duties related to sale and rental practices, aided and abetted certain breaches of fiduciary duty, engaged in self-dealing as the sponsor and manager of the club, tortiously interfered with the management agreement, were unjustly enriched, and engaged in anticompetitive conduct. The plaintiff sought unspecified damages, punitive damages and disgorgement of payments under the management and purchase agreements. In February 2022, the Court granted our motion to dismiss the complaint and dismissed with prejudice all claims except one (such claim, the “Remaining Claim”), with respect to which the plaintiff was granted leave to amend its complaint. The plaintiff filed an amended complaint with respect to the Remaining Claim and appealed the dismissal of the other claims. In June 2023, the appellate court upheld the dismissal of those claims. Plaintiff filed a motion for reconsideration of that appellate ruling, and in October 2023, the appellate court denied that motion. In November 2022, the Court granted our motion to dismiss the amended complaint with respect to the Remaining Claim and again granted plaintiff leave to amend its complaint. The plaintiff filed an amended complaint with respect to the Remaining Claim and again appealed the dismissal of the other claims. In January 2024, the appellate court upheld the dismissal of the other claims. In September 2023, the Court granted our motion to dismiss the amended complaint with respect to the Remaining Claim and denied plaintiff permission to file any additional amended complaints. Plaintiff’s appeal of the September 2023 ruling was dismissed as untimely by the appellate court on June 10, 2024.

In the ordinary course of our business, various claims and lawsuits have been filed or are pending against us. A number of these lawsuits and claims may exist at any given time. We record and accrue for legal contingencies when we determine that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, we evaluate, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, our ability to make a reasonable estimate of loss. We review these accruals each reporting period and make revisions based on changes in facts and circumstances.

We have not accrued for the matter described above and we cannot estimate a range of the potential liability associated with this matter, if any, at this time. We have accrued for other claims and lawsuits, but the amount accrued is not material individually or in the aggregate. For matters not requiring accrual, we do not believe that the ultimate outcome of such matters, individually or in the aggregate, will materially harm our financial position, cash flows, or overall trends in results of operations based on information currently available. However, legal proceedings are inherently uncertain, and while we believe that our accruals, where required, are adequate and/or we have valid defenses to the claims asserted, unfavorable rulings could occur that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, or operating results.

10. SECURITIZED DEBT

The following table provides detail on our securitized debt, net of unamortized debt discount and issuance costs.

<i>(\$ in millions)</i>	At March 31, 2025	At December 31, 2024
Vacation ownership notes receivable securitizations, gross ⁽¹⁾	\$ 1,856	\$ 2,039
Unamortized debt discount and issuance costs	(23)	(25)
	<u>1,833</u>	<u>2,014</u>
Warehouse Credit Facility, gross ⁽²⁾	315	124
Unamortized debt issuance costs	(1)	(2)
	<u>314</u>	<u>122</u>
	<u>\$ 2,147</u>	<u>\$ 2,136</u>

⁽¹⁾ Interest rates as of March 31, 2025 range from 1.5% to 6.6%, with a weighted average interest rate of 4.7%.

⁽²⁾ Effective interest rate as of March 31, 2025 was 5.5%.

All of our securitized debt is non-recourse. See Footnote 14 “Variable Interest Entities” for a discussion of the collateral for the non-recourse debt associated with our securitized debt.

The following table shows anticipated future principal payments for our securitized debt as of March 31, 2025.

<i>(\$ in millions)</i>	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility⁽¹⁾	Total
Payment Year			
2025, remaining	\$ 142	\$ 12	\$ 154
2026	167	16	183
2027	170	287	457
2028	170	—	170
2029	168	—	168
Thereafter	1,039	—	1,039
	<u>\$ 1,856</u>	<u>\$ 315</u>	<u>\$ 2,171</u>

⁽¹⁾ Excludes future Warehouse Credit Facility renewals.

Vacation Ownership Notes Receivable Securitizations

Each of the securitized vacation ownership notes receivable transactions contains various triggers relating to the performance of the underlying vacation ownership notes receivable. If a pool of securitized vacation ownership notes receivable fails to perform within the pool’s established parameters (default or delinquency thresholds vary by transaction), transaction provisions effectively redirect the monthly excess spread we would otherwise receive from that pool (attributable to the interests we retained) to accelerate the principal payments to investors (taking into account the subordination of the different tranches to the extent there are multiple tranches) until the performance trigger is cured. During the first quarter of 2025, and as of March 31, 2025, we had 12 securitized vacation ownership notes receivable pools outstanding, none of which were out of compliance with their respective established parameters.

As the contractual terms of the underlying securitized vacation ownership notes receivable determine the maturities of the non-recourse debt associated with them, actual maturities may occur earlier than shown above due to prepayments by the vacation ownership notes receivable obligors.

On May 6, 2025, subsequent to the end of the first quarter of 2025, we securitized a pool of \$459 million of vacation ownership notes receivable. In connection with the securitization, \$450 million in vacation ownership loan backed notes were issued by MVW 2025-1 LLC (the “2025-1 LLC”) in a private placement. Three classes of vacation ownership loan backed notes were issued by the 2025-1 LLC: \$277 million of Class A Notes, \$93 million of Class B Notes, and \$80 million of Class C Notes. The Class A Notes have an interest rate of 4.97%, the Class B Notes have an interest rate of 5.21%, and the Class C Notes have an interest rate of 5.75%, for an overall weighted average interest rate of 5.16%. Proceeds from the transaction, net of fees, were used to repay the outstanding obligations on our warehouse credit facility (the “Warehouse Credit Facility”) and for other general corporate purposes.

11. DEBT

The following table provides detail on our debt balances, net of unamortized debt discount and issuance costs.

<i>(\$ in millions)</i>	<u>At March 31, 2025</u>	<u>At December 31, 2024</u>
Corporate Credit Facility		
Term Loan ⁽¹⁾	\$ 794	\$ 796
Unamortized debt discount and issuance costs	(10)	(10)
	<u>784</u>	<u>786</u>
Revolving Corporate Credit Facility ⁽²⁾	190	125
Unamortized debt issuance costs	(5)	(3)
	<u>185</u>	<u>122</u>
Senior Unsecured Notes		
2028 Notes	350	350
Unamortized debt discount and issuance costs	(2)	(2)
	<u>348</u>	<u>348</u>
2029 Notes	500	500
Unamortized debt discount and issuance costs	(4)	(4)
	<u>496</u>	<u>496</u>
Convertible Notes		
2026 Convertible Notes	575	575
Unamortized debt issuance costs	(3)	(3)
	<u>572</u>	<u>572</u>
2027 Convertible Notes	575	575
Unamortized debt issuance costs	(8)	(9)
	<u>567</u>	<u>566</u>
Finance Leases	199	199
	<u>\$ 3,151</u>	<u>\$ 3,089</u>

(1) The effective interest rate as of March 31, 2025 was 6.6%.

(2) The effective interest rate as of March 31, 2025 was 5.8%.

The following table shows scheduled principal payments for our debt, excluding finance leases, as of March 31, 2025.

<i>(\$ in millions)</i>	Payments Year							Total
	Remaining 2025	2026	2027	2028	2029	Thereafter		
Term Loan	\$ 6	\$ 8	\$ 8	\$ 8	\$ 8	\$ 756	\$ 794	
Revolving Corporate Credit Facility	—	—	—	—	—	190	190	
2028 Notes	—	—	—	350	—	—	350	
2029 Notes	—	—	—	—	500	—	500	
2026 Convertible Notes	—	575	—	—	—	—	575	
2027 Convertible Notes	—	—	575	—	—	—	575	
	<u>\$ 6</u>	<u>\$ 583</u>	<u>\$ 583</u>	<u>\$ 358</u>	<u>\$ 508</u>	<u>\$ 946</u>	<u>\$ 2,984</u>	

Corporate Credit Facility

Our corporate credit facility (the “Corporate Credit Facility”) provides support for our business, including ongoing liquidity and letters of credit, and consists of a term loan facility (the “Term Loan”), a delayed-draw term loan facility (as defined below), and a revolving credit facility (the “Revolving Corporate Credit Facility”), which includes a letter of credit sub-facility.

During the first quarter of 2025, we entered into an amendment to the Corporate Credit Facility (the “Amendment”), which, among other things: increased the borrowing capacity on our Revolving Corporate Credit Facility from \$750 million to \$800 million; extended the termination date from March 31, 2027 to March 24, 2030; and reduced certain fees and interest costs. The Amendment also increased the letter of credit sub-facility of the Revolving Corporate Credit Facility from \$75 million to \$150 million.

Additionally, the Amendment provided for a new \$450 million senior secured delayed-draw term loan facility (the “Delayed-Draw Term Loan”) scheduled to mature on December 31, 2027. The Delayed-Draw Term Loan is only available to finance the redemption or repurchase of our 2026 Convertible Notes (as defined below), which are due January 15, 2026. As of March 31, 2025, there were no outstanding borrowings on the Delayed-Draw Term Loan.

Senior Notes

Our senior notes include:

- \$350 million aggregate principal amount of 4.750% Senior Unsecured Notes due 2028 issued in the fourth quarter of 2019 with a maturity date of January 15, 2028 (the “2028 Notes”).
- \$500 million aggregate principal amount of 4.500% Senior Unsecured Notes due 2029 issued in the second quarter of 2021 with a maturity date of June 15, 2029 (the “2029 Notes”).

Convertible Notes

2026 Convertible Notes

During 2021, we issued \$575 million aggregate principal amount of convertible senior notes (the “2026 Convertible Notes”) that bear interest at a rate of 0.00%. The 2026 Convertible Notes mature on January 15, 2026, unless earlier repurchased or converted in accordance with their terms prior to that date.

The conversion rate of the 2026 Convertible Notes is subject to adjustment for certain events as described in the indenture governing the notes and was subject to adjustment as of March 31, 2025 to 6.4526 shares of common stock per \$1,000 principal amount of 2026 Convertible Notes (equivalent to a conversion price of \$154.98 per share of our common stock), as a result of the dividends we declared since issuance of the 2026 Convertible Notes that were greater than the quarterly dividend we paid when the 2026 Convertible Notes were issued. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock, at our election. As of March 31, 2025, the effective interest rate was 0.55%. Amortization of debt issuance costs related to the 2026 Convertible Notes was \$1 million during each of the first quarters of 2025 and 2024.

2026 Convertible Note Hedges and Warrants

In connection with the offering of the 2026 Convertible Notes, we concurrently entered into the following privately-negotiated separate transactions: convertible note hedge transactions with respect to our common stock (the “2026 Convertible Note Hedges”), covering a total of 3.7 million shares of our common stock, and warrant transactions (the “2026 Warrants”), whereby we sold to the counterparties to the 2026 Convertible Note Hedges warrants to acquire 3.7 million shares of our common stock, in each case, as of March 31, 2025. The strike prices of the 2026 Convertible Note Hedges and the 2026 Warrants were subject to adjustment to \$154.98 and \$193.72, respectively, as of March 31, 2025, and no 2026 Convertible Note Hedges or 2026 Warrants have been exercised.

2027 Convertible Notes

During 2022, we issued \$575 million aggregate principal amount of convertible senior notes (the “2027 Convertible Notes”) that bear interest at a rate of 3.25%. The 2027 Convertible Notes mature on December 15, 2027, unless earlier repurchased or converted in accordance with their terms prior to that date.

The conversion rate of the 2027 Convertible Notes is subject to adjustment for certain events as described in the indenture governing the notes and was subject to adjustment as of March 31, 2025 to 5.2923 shares of common stock per \$1,000 principal amount of 2027 Convertible Notes (equivalent to a conversion price of \$188.95 per share of our common stock), as a result of the dividends we declared since issuance of the 2027 Convertible Notes that were greater than the quarterly dividend we paid when the 2027 Convertible notes were issued. Upon conversion, we will pay or

deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock, at our election. As of March 31, 2025, the effective interest rate was 3.88%.

The following table provides the components of interest expense related to the 2027 Convertible Notes.

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Contractual interest expense	\$ 4	\$ 4
Amortization of debt issuance costs	1	1
	<u>\$ 5</u>	<u>\$ 5</u>

2027 Convertible Note Hedges and Warrants

In connection with the offering of the 2027 Convertible Notes, we concurrently entered into the following privately-negotiated separate transactions: convertible note hedge transactions with respect to our common stock (the “2027 Convertible Note Hedges”), covering a total of 3.0 million shares of our common stock, and warrant transactions (the “2027 Warrants”), whereby we sold to the counterparties to the 2027 Convertible Note Hedges warrants to acquire 3.0 million shares of our common stock, in each case, as of March 31, 2025. The strike prices of the 2027 Convertible Note Hedges and the 2027 Warrants were subject to adjustment to \$188.95 and \$285.21, respectively, as of March 31, 2025, and no 2027 Convertible Note Hedges or 2027 Warrants have been exercised.

Security and Guarantees

Amounts borrowed under the Corporate Credit Facility, as well as obligations with respect to letters of credit issued pursuant to the Corporate Credit Facility, are secured by a perfected first priority security interest in substantially all of the assets of the borrowers under, and guarantors of, that facility (which include MVWC and certain of our direct and indirect, existing and future, domestic subsidiaries, excluding certain bankruptcy remote special purpose entities), subject to certain exceptions. In addition, the Corporate Credit Facility, the 2026 Convertible Notes, the 2027 Convertible Notes, the 2028 Notes, and the 2029 Notes are guaranteed by MVWC and certain of our direct and indirect, existing and future, domestic subsidiaries, excluding certain bankruptcy remote special purpose entities.

12. STOCKHOLDERS’ EQUITY

Marriott Vacations Worldwide has 100,000,000 authorized shares of common stock, par value of \$0.01 per share. At March 31, 2025, there were 75,855,593 shares of Marriott Vacations Worldwide common stock issued, of which 34,529,409 shares were outstanding and 41,326,184 shares were held as treasury stock. At December 31, 2024, there were 75,852,678 shares of Marriott Vacations Worldwide common stock issued, of which 34,877,925 shares were outstanding and 40,974,753 shares were held as treasury stock. Marriott Vacations Worldwide has 2,000,000 authorized shares of preferred stock, par value of \$0.01 per share, none of which were issued or outstanding as of March 31, 2025 or December 31, 2024.

Share Repurchase Program

From time to time, with the approval of our Board of Directors, we may undertake programs to purchase shares of our common stock (each, a “Share Repurchase Program”). As of March 31, 2025, approximately \$347 million remained available for share repurchases under the current Share Repurchase Program, which authorizes share repurchases through December 31, 2025.

Share repurchases may be made through open market purchases, privately negotiated transactions, block transactions, tender offers, or otherwise. The specific timing, amount and other terms of the repurchases will depend on market conditions, corporate and regulatory requirements, contractual restrictions, and other factors. In connection with the current Share Repurchase Program, we are authorized to adopt one or more plans pursuant to the provisions of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The authorization for the current Share Repurchase Program may be suspended, terminated, increased or decreased by our Board of Directors at any time without prior notice. Acquired shares of our common stock are currently held as treasury shares and carried at cost in our Financial Statements.

The following table summarizes share repurchase activity under our Share Repurchase Program:

<i>(\$ in millions, except per share amounts)</i>	Number of Shares Repurchased	Cost Basis of Shares Repurchased	Average Price Paid per Share
As of December 31, 2024	25,790,550	\$ 2,461	\$ 95.40
For the first quarter of 2025	496,484	36	\$ 73.21
As of March 31, 2025	26,287,034	\$ 2,497	\$ 94.98

Dividends

We declared cash dividends to holders of common stock during the first quarter of 2025 as follows. Any future dividend payments will be subject to the restrictions imposed under the agreements covering our debt and approval of our Board of Directors. There can be no assurance that we will pay dividends in the future.

Declaration Date	Stockholder Record Date	Distribution Date	Dividend per Share
February 20, 2025	March 5, 2025	March 19, 2025	\$0.79

13. SHARE-BASED COMPENSATION

We maintain the Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan (the “MVW Equity Plan”) for the benefit of our officers, directors, and employees. Under the MVW Equity Plan, we are authorized to award: (1) restricted stock and restricted stock units (“RSUs”) of our common stock, (2) stock appreciation rights (“SARs”) relating to our common stock, and (3) stock options to purchase our common stock. A total of approximately 3 million shares are authorized for issuance pursuant to grants under the MVW Equity Plan. As of March 31, 2025, approximately 1 million shares were available for grants under the MVW Equity Plan.

The following table details our share-based compensation expense related to award grants to our officers, directors, and employees:

<i>(\$ in millions)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Service-based RSUs	\$ 6	\$ 6
Performance-based RSUs	—	1
	6	7
SARs	1	—
	\$ 7	\$ 7

The following table details our deferred compensation costs related to unvested awards:

<i>(\$ in millions)</i>	At March 31, 2025	At December 31, 2024
Service-based RSUs	\$ 49	\$ 24
Performance-based RSUs	12	5
	61	29
SARs	4	1
	\$ 65	\$ 30

Restricted Stock Units

We granted 497,543 service-based RSUs, which are subject to time-based vesting conditions, with a weighted average grant-date fair value of \$63.90, to our employees and non-employee directors during the first quarter of 2025. During the first quarter of 2025, we also granted performance-based RSUs, which are subject to performance-based vesting conditions, to members of management. A maximum of 307,780 RSUs may be earned under the performance-based RSU awards granted during the first quarter of 2025.

Stock Appreciation Rights

We granted 145,440 SARs, with a weighted average grant-date fair value of \$23.17 and a weighted average exercise price of \$71.17, to members of management during the first quarter of 2025. We use the Black-Scholes model to estimate the fair value of the SARs granted. The expected stock price volatility was calculated based on the average of the historical and implied volatility of our stock price. The average expected life was calculated using the simplified method, as we have insufficient historical information to provide a basis for estimating average expected life. The risk-free interest rate was calculated based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of grant. The dividend yield assumption listed below is based on the expectation of future payouts.

The following table outlines the assumptions used to estimate the fair value of grants during the first quarter of 2025:

Expected volatility	45.79%
Dividend yield	4.35%
Risk-free rate	4.03%
Expected term (in years)	6.25

14. VARIABLE INTEREST ENTITIES

Variable Interest Entities Related to Our Vacation Ownership Notes Receivable Securitizations

The following table shows consolidated assets, which are collateral for the obligations of the VIEs related to our vacation ownership notes receivable securitizations, and consolidated liabilities included on our Balance Sheet at March 31, 2025:

<i>(\$ in millions)</i>	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility	Total
Consolidated Assets			
Vacation ownership notes receivable, net of reserves	\$ 1,632	\$ 327	\$ 1,959
Interest receivable	13	2	15
Restricted cash	76	19	95
Total	<u>\$ 1,721</u>	<u>\$ 348</u>	<u>\$ 2,069</u>
Consolidated Liabilities			
Interest payable	\$ 3	\$ 1	\$ 4
Securitized debt	1,856	315	2,171
Total	<u>\$ 1,859</u>	<u>\$ 316</u>	<u>\$ 2,175</u>

The following table shows the interest income and expense recognized as a result of our involvement with these VIEs during the first quarter of 2025:

<i>(\$ in millions)</i>	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility	Total
Interest income	\$ 64	\$ 10	\$ 74
Interest expense	\$ 23	\$ 3	\$ 26
Debt issuance cost amortization	\$ 2	\$ 1	\$ 3

The following table shows cash flows between us and the vacation ownership notes receivable securitization VIEs:

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Cash Inflows		
Net proceeds from vacation ownership notes receivable securitizations	\$ —	\$ 425
Principal receipts	141	141
Interest receipts	65	65
Reserve release	—	60
Total	206	691
Cash Outflows		
Principal payments	(140)	(132)
Voluntary repurchases of defaulted vacation ownership notes receivable	(43)	(35)
Voluntary clean-up call	—	(29)
Interest payments	(23)	(21)
Funding of restricted cash	—	(112)
Total	(206)	(329)
Net Cash Flows	\$ —	\$ 362

The following table shows cash flows between us and the Warehouse Credit Facility VIE:

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Cash Inflows		
Proceeds from vacation ownership notes receivable securitizations	\$ 206	\$ 94
Principal receipts	17	10
Interest receipts	9	6
Reserve release	—	6
Total	232	116
Cash Outflows		
Principal payments	(14)	(7)
Voluntary repurchases of defaulted vacation ownership notes receivable	—	(2)
Repayment of Warehouse Credit Facility	—	(236)
Interest payments	(3)	(3)
Funding of restricted cash	(9)	(2)
Total	(26)	(250)
Net Cash Flows	\$ 206	\$ (134)

Under the terms of our vacation ownership notes receivable securitizations, we have the right to substitute loans for, or repurchase, defaulted loans at our option, subject to certain limitations. Our maximum exposure to potential loss relating to the special purpose entities that purchase, sell, and own these vacation ownership notes receivable is the overcollateralization amount (the difference between the loan collateral balance and the balance of the outstanding vacation ownership notes receivable), plus cash reserves and any residual interest in future cash flows from collateral.

Other Variable Interest Entities

We have a commitment to purchase a property located in Waikiki, Hawaii. The property is held by a VIE for which we are not the primary beneficiary. We do not control the decisions that most significantly impact the economic performance of the entity as we cannot prevent the variable interest entity from selling the property at a higher price. Accordingly, we have not consolidated the VIE. We expect to acquire the property over time and as of March 31, 2025, we expect to make payments for the property as follows: \$82 million in 2025 and \$41 million in 2026. As of March 31, 2025, our Balance Sheet reflected \$1 million in Accounts and contracts receivable, net, including a note receivable of less than \$1 million, \$12 million in Property and equipment, net, and \$1 million in the Other line within liabilities on our Balance Sheet. We believe that our maximum exposure to loss as a result of our involvement with this VIE is

approximately \$16 million as of March 31, 2025. During the first quarter of 2024, we acquired retail space located at our Marriott Vacation Club, Waikiki property for \$48 million. The transaction was accounted for as an asset acquisition and classified as held-for-sale and included in Other assets as of March 31, 2025.

Deferred Compensation Plan

We consolidate the liabilities of the Deferred Compensation Plan and the related assets, which consist of the COLI policies held in a rabbi trust. The rabbi trust is considered a VIE. We are the primary beneficiary of the rabbi trust because we direct the activities of the trust and are the beneficiary of the trust. At March 31, 2025 and December 31, 2024, the value of the assets held in the rabbi trust was \$130 million and \$131 million, respectively, and was included in the Other line within assets on our Balance Sheets.

15. BUSINESS SEGMENTS

We define our reportable segments based on the way in which the chief operating decision maker (“CODM”), currently our chief executive officer, manages the operations of the Company for purposes of allocating resources and assessing performance. We operate in two operating and reportable business segments: Vacation Ownership and Exchange & Third-Party Management.

Our CODM evaluates the performance of our segments based primarily on the results of the segment without allocating corporate expenses or income taxes. We do not allocate corporate interest expense or indirect general and administrative expenses to our segments. We include interest income specific to segment activities within the appropriate segment. We allocate depreciation and amortization, other gains and losses, equity in earnings or losses from our joint ventures, and noncontrolling interest to each of our segments as appropriate. Corporate and other represents that portion of our results that are not allocable to our segments, including those relating to consolidated owners’ associations, as our CODM does not use this information to make operating segment resource allocations.

Our CODM uses Adjusted Earnings before Interest Expense, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) to evaluate the profitability of our operating segments, and the components of net income attributable to common stockholders excluded from Adjusted EBITDA are not separately evaluated. Our CODM reviews budget-to-actual and/or forecast-to-actual variances on a monthly basis using Adjusted EBITDA to make decisions about capital allocation and resource distribution to the segments. Adjusted EBITDA is defined as net income attributable to common stockholders, before interest expense (excluding consumer financing interest expense associated with term securitization transactions), income taxes, depreciation and amortization, excluding share-based compensation expense and amortization of cloud computing software implementation costs, and adjusted for certain items that affect the comparability of our operating performance. Our reconciliation of the aggregate amount of Adjusted EBITDA for our reportable segments to consolidated net income attributable to common stockholders is presented below.

Segment Revenues and Adjusted EBITDA

The table below presents the following for the periods presented: revenues, disaggregated by segment, reconciled to consolidated revenue; segment expenses, including significant expense categories and amounts that align with segment-level information regularly provided to our CODM; and segment Adjusted EBITDA reconciled to Net income attributable to common stockholders.

(\$ in millions)	Three Months Ended					
	March 31, 2025			March 31, 2024		
	Vacation Ownership	Exchange & Third-Party Management	Total	Vacation Ownership	Exchange & Third-Party Management	Total
Revenues from external customers	\$ 1,135	\$ 58	\$ 1,193	\$ 1,130	\$ 65	\$ 1,195
Reconciliation of revenues						
Corporate and other ⁽¹⁾			7			—
Total consolidated revenues			<u>\$ 1,200</u>			<u>\$ 1,195</u>
Cost of vacation ownership products	(42)	—		(53)	—	
Marketing and sales	(234)	—		(223)	—	
Management and exchange	(72)	(29)		(71)	(31)	
Rental	(126)	—		(110)	—	
Financing	(36)	—		(34)	—	
Royalty fee	(28)	—		(28)	—	
Other segment items ⁽²⁾	(376)	(1)		(398)	(2)	
Segment Adjusted EBITDA	221	28	249	213	32	245
Corporate and other ⁽¹⁾			(57)			(58)
Interest expense, net			(40)			(40)
Depreciation and amortization			(38)			(38)
Share-based compensation expense			(7)			(7)
Amortization of cloud computing software implementation costs			(1)			—
Certain items			(5)			(20)
Provision for income taxes			(45)			(35)
Net income attributable to common stockholders			<u>\$ 56</u>			<u>\$ 47</u>

(1) Corporate and Other consist of results that are not allocable to our segments, including company-wide general and administrative expenses, corporate interest expense, transaction and integration costs, and income taxes. In addition, Corporate and Other includes revenues and expenses from Consolidated Property Owners' Associations. Our CODM does not use this information for operating segment resource allocations.

(2) Other segment items include cost reimbursements, non-cash share-based compensation, amortization of cloud computing software implementation costs, and other.

Assets

(\$ in millions)	At March 31, 2025	At December 31, 2024
Vacation Ownership	\$ 8,416	\$ 8,296
Exchange & Third-Party Management	759	777
Total segment assets	<u>9,175</u>	<u>9,073</u>
Corporate and other	707	735
	<u>\$ 9,882</u>	<u>\$ 9,808</u>

16. RESTRUCTURING

In November 2024, we announced the creation of a Strategic Business Operations office focused on accelerating our growth and driving operating efficiencies in all areas of our business while increasing organizational agility. We intend to: modernize and optimize our processes and systems, including through advanced technology and automation; increase sales efficiency and inventory optimization; and capture significant savings from initiatives related to procurement and corporate overhead.

During the first quarter of 2025, we incurred \$10 million of restructuring charges associated with these efforts and as of March 31, 2025, \$5 million was accrued on our Balance Sheet related to these charges.

In addition, we recorded a \$2 million impairment related to an operating lease and related assets.

During the first quarter of 2024, we incurred \$2 million of restructuring charges associated with the elimination of certain positions as a result of the realignment of our management structure and headcount reductions in 2023.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

We make forward-looking statements throughout this Management’s Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this Quarterly Report on Form 10-Q (this “Quarterly Report”), based on our management’s beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among other things, the information concerning: our possible or assumed future results of operations and growth opportunities, revenues, financial condition, leverage, liquidity, returns on investments, margins and related financing, development and rental profits; dividend payments; business strategies, ; financing plans and the adequacy of capital to meet short-term and long-term liquidity requirements; our competitive position; our plans to pursue growth opportunities; our expectations regarding average consumer financing interest rates and our financing profit margin; our expectations regarding the objectives, costs and benefits of our Strategic Business Operations office including revenue growth, operational efficiencies and savings; our ability to reduce our corporate debt, net of cash and equivalents, to Adjusted EBITDA ratio; our expectations regarding inventory spending in 2025 and the impact of inventory repurchases; taxes; our ability to securitize consumer loans; and expectations related to sales reserves, delinquencies and default rates. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could” or the negative of these terms or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. We caution you that these statements are not guarantees of future performance and are subject to numerous and evolving risks and uncertainties that we may not be able to predict or assess, such as: uncertainty in the current global macroeconomic environment created by rapid governmental policy and regulatory changes, a future health crisis and responses to a health crisis, including possible quarantines or other government imposed travel or health-related restrictions and the effects of a health crisis, including the short and longer-term impact on consumer confidence and demand for travel and the pace of recovery following a health crisis; variations in demand for vacation ownership and exchange products and services; worker absenteeism; price inflation; difficulties associated with implementing new or maintaining existing technology; the ability to use artificial intelligence (“AI”) technologies successfully and potential business, compliance, or reputational risks associated with the use of AI technologies; changes in privacy laws; the impact of a future banking crisis; impacts from natural or man-made disasters and wildfires, including the Maui and Los Angeles area wildfires; delinquency and default rates; global supply chain disruptions; volatility in the international and national economy and credit markets, including as a result of the ongoing conflicts between Russia and Ukraine, Israel and Gaza, and elsewhere in the world and related sanctions and other measures; our ability to attract and retain our global workforce; competitive conditions; the availability of capital to finance growth; the impact of changes in interest rates; the effects of steps we have taken and may continue to take to reduce operating costs and accelerate growth and profitability; political or social strife; and other matters referred to under the heading “Risk Factors” contained herein and also in our 2024 Annual Report, and which may be updated in our future periodic filings with the U.S. Securities and Exchange Commission (the “SEC”).

All forward-looking statements in this Quarterly Report apply only as of the date of this Quarterly Report or as of the date they were made or as otherwise specified herein. We do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. You should not put undue reliance on any forward-looking statements in this Quarterly Report.

The risk factors discussed in “Risk Factors” in our 2024 Annual Report and under Part II Item 1A of this report could cause actual results to differ materially from those expressed or implied in forward-looking statements in this Quarterly Report. There may be other risks and uncertainties that we cannot predict at this time or that we currently do not expect will have a material adverse effect on our financial position, results of operations or cash flows. Any such risks could cause our results to differ materially from those we express in forward-looking statements.

Our Financial Statements (as defined below), which we discuss below, reflect our historical financial condition, results of operations and cash flows. The financial information discussed below and included in this Quarterly Report may not, however, necessarily reflect what our financial condition, results of operations or cash flows may be in the future.

In order to make this report easier to read, we refer to (i) our Interim Consolidated Financial Statements as our “Financial Statements,” (ii) our Interim Consolidated Statements of Income as our “Income Statements,” (iii) our Interim Consolidated Balance Sheets as our “Balance Sheets” and (iv) our Interim Consolidated Statements of Cash Flows as our “Cash Flows.” References throughout to numbered “Footnotes” refer to the numbered Notes in the Interim Condensed Notes to Consolidated Financial Statements included in this Quarterly Report.

We routinely post important information, including news releases, announcements and other statements about our business and results of operations, that may be deemed material to investors on the Investor Relations section of our website, www.marriottvacationsworldwide.com. We use our website as a means of disclosing material, nonpublic information and for complying with our disclosure obligations under Regulation FD. Investors should monitor the Investor Relations section of our website in addition to following our press releases, filings with the SEC, public conference calls and webcasts. The information on our website is not part of, and is not incorporated by reference into, this Quarterly Report.

Business Overview

We are a leading global vacation company that offers vacation ownership, exchange, rental and resort and property management, along with related businesses, products and services. Our business operates in two reportable segments: Vacation Ownership and Exchange & Third-Party Management.

Our Vacation Ownership segment includes a diverse portfolio of resorts that includes some of the world's most iconic brands licensed under exclusive long-term relationships. We are the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club, Grand Residences by Marriott, Sheraton Vacation Club, Westin Vacation Club, and Hyatt Vacation Club brands. We are also the exclusive worldwide developer, marketer and seller of vacation ownership and related products under The Ritz-Carlton Club brand, and we have the non-exclusive right to develop, market and sell whole ownership residential products under The Ritz-Carlton Residences brand. We also have a license to use the St. Regis brand for specified fractional ownership products.

Our Vacation Ownership segment generates most of its revenues from four primary sources: selling vacation ownership products; managing vacation ownership resorts, clubs and owners' associations; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory.

Our Exchange & Third-Party Management segment includes an exchange network and membership programs, as well as the provision of management services to other resorts and lodging properties. Exchange & Third-Party Management revenue generally is fee-based and derived from membership, exchange and rental transactions, property and owners' association management, and other related products and services. We provide these services through our Interval International and Aqua-Aston businesses.

Corporate and other represents that portion of our results that are not allocable to our segments, including those relating to consolidated property owners' associations ("Consolidated Property Owners' Associations").

Strategic Business Operations

In the fourth quarter of 2024, we announced the creation of a Strategic Business Operations office focused on accelerating our growth and driving operating efficiencies in all areas of our business while increasing organizational agility. We intend to: modernize and optimize our processes and systems, including through advanced technology and automation; increase sales efficiency and inventory optimization; and capture significant savings from initiatives related to procurement and corporate overhead. We believe that we can drive \$150 million to \$200 million of run-rate benefits from these initiatives by the end of 2026, with half of these benefits coming from cost savings and efficiencies and the balance from accelerating revenue growth. We also expect to realize additional savings that will benefit our owners' maintenance fees. We expect to incur one-time cash costs related to these modernization initiatives of approximately \$100 million in each of 2025 and 2026.

Performance Measures

We measure operating performance using the key metrics described below:

- *Contract sales from the sale of vacation ownership products* is considered to be an important operating measure because it reflects the pace of sales in our business.
 - Total contract sales include contract sales from the sale of vacation ownership products, including non-consolidated joint ventures.
 - Consolidated contract sales exclude contract sales from the sale of vacation ownership products for non-consolidated joint ventures.
- *Volume per guest* (“VPG”) is calculated by dividing consolidated vacation ownership contract sales, excluding fractional sales, telesales, resales, and other sales that are not attributed to a sales tour (referred to as *Tours*, see below), by the number of tours in a given period. We believe that VPG is valuable in evaluating the effectiveness of the sales process as it combines the impact of average contract price with the number of touring guests who make a purchase.
- *Tours* is the number of sales tours performed during the applicable period, and generally includes virtual and offsite sales tours, and excludes telesales. We believe that *Tours* is a valuable metric because it represents the volume of touring guests.
- *Development profit margin* is calculated by dividing Development profit by revenues from the sale of vacation ownership products. We refer to revenues from the sale of vacation ownership products less the cost of vacation ownership products and marketing and sales costs as Development profit. We believe that Development profit margin is an important measure of the profitability of our development and subsequent marketing and sales of VOIs.
- *Total active members* is the number of Interval Network active members at the end of the applicable period. We consider active members to be an important metric because it represents the population of owners eligible to book transactions using the Interval Network.
- *Average revenue per member* is calculated by dividing membership fee revenue, transaction revenue, rental revenue, and other member revenue for the Interval Network by the monthly weighted average number of Interval Network active members during the applicable period. We believe this metric is valuable in measuring the overall engagement of our Interval Network active members.
- *Segment financial results attributable to common stockholders* represents revenues less expenses directly attributable to each applicable reportable business segment (Vacation Ownership and Exchange & Third-Party Management). We consider this measure to be important in evaluating the performance of our reportable business segments. See Footnote 15 “Business Segments” to our Financial Statements for further information about our reportable business segments.
- *Adjusted EBITDA margin* represents Adjusted EBITDA divided by the Company’s total revenues less cost reimbursements revenues.
- *Segment Adjusted EBITDA margin* represents Segment Adjusted EBITDA divided by the applicable segment’s total revenues less cost reimbursements revenues.

NM = Not meaningful.

Consolidated Results

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES		
Sale of vacation ownership products	\$ 355	\$ 352
Management and exchange	215	211
Rental	169	158
Financing	88	83
Cost reimbursements	373	391
TOTAL REVENUES	1,200	1,195
EXPENSES		
Cost of vacation ownership products	42	53
Marketing and sales	234	223
Management and exchange	117	116
Rental	123	107
Financing	36	34
General and administrative	61	63
Depreciation and amortization	38	38
Litigation charges	7	3
Restructuring	12	2
Royalty fee	28	28
Cost reimbursements	373	391
TOTAL EXPENSES	1,071	1,058
Gains and other income, net	13	—
Interest expense, net	(40)	(40)
Transaction and integration costs	—	(15)
Other	—	(1)
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	102	81
Provision for income taxes	(45)	(35)
NET INCOME	57	46
Net (income) loss attributable to noncontrolling interests	(1)	1
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 56	\$ 47

Operating Statistics

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Vacation Ownership				
Total contract sales	\$ 425	\$ 433	\$ (8)	(2%)
Consolidated contract sales	\$ 420	\$ 428	\$ (8)	(2%)
Joint venture contract sales	\$ 5	\$ 5	\$ —	(4%)
VPG	\$ 3,979	\$ 4,129	\$ (150)	(4%)
Tours	97,998	96,579	1,419	1%
Exchange & Third-Party Management				
Total active members at end of period (000's)	1,538	1,566	(28)	(2%)
Average revenue per member	\$ 39.94	\$ 41.74	\$ (1.80)	(4%)

Revenues

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Vacation Ownership	\$ 1,135	\$ 1,130	\$ 5	—%
Exchange & Third-Party Management	58	65	(7)	(10%)
Total Segment Revenues	1,193	1,195	(2)	—%
Consolidated Property Owners' Associations	7	—	7	NM
Total Revenues	\$ 1,200	\$ 1,195	\$ 5	—%

Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA

EBITDA, a financial measure that is not prescribed by GAAP, is defined as earnings, or net income attributable to common stockholders, before interest expense, net (excluding consumer financing interest expense associated with term securitization transactions), income taxes, depreciation and amortization. Adjusted EBITDA reflects additional adjustments for certain items, and excludes share-based compensation expense and amortization of cloud computing software implementation costs. Share-based compensation expense is excluded to address considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted. Amortization of cloud computing software implementation costs, which are not included in depreciation and amortization, are excluded for comparability purposes.

For purposes of our EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin calculations, we do not adjust for consumer financing interest expense associated with term securitization transactions because we consider it to be an operating expense of our business. We consider Adjusted EBITDA to be an indicator of operating performance, which we use to measure our ability to service debt, fund capital expenditures, expand our business, and return cash to stockholders. We consider Adjusted EBITDA margin to be an indicator of our operating profitability.

We also use Adjusted EBITDA and Adjusted EBITDA margin, as do analysts, lenders, investors, and others, because these measures exclude certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provisions for income taxes can vary considerably among companies. EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin also exclude depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We believe Adjusted EBITDA and Adjusted EBITDA margin are useful as indicators of operating performance and profitability, respectively, because they allow for period-over-period comparisons of our ongoing core operations before the impact of the excluded items. Adjusted EBITDA and Adjusted EBITDA margin also facilitate comparisons by us, analysts, investors, and others of results from our ongoing core operations before the impact of these items with results from other companies.

EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. In addition, other companies in our industry may calculate EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin differently than we do or may not calculate them at all, limiting their usefulness as comparative measures.

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The table below shows our EBITDA and Adjusted EBITDA calculation and reconciles these measures with net income attributable to common stockholders, which is the most directly comparable GAAP financial measure.

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Net income attributable to common stockholders	\$ 56	\$ 47	\$ 9	20%
Interest expense, net	40	40	—	1%
Provision for income taxes	45	35	10	27%
Depreciation and amortization	38	38	—	—%
EBITDA	179	160	19	12%
Share-based compensation expense	7	7	—	6%
Amortization of cloud computing software implementation costs	1	—	1	NM
Certain items	5	20	(15)	NM
Adjusted EBITDA	\$ 192	\$ 187	\$ 5	3%
Adjusted EBITDA Margin	23.2%	23.2%	— pts	

The table below details the components of Certain items for the periods presented.

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Foreign currency translation	\$ (3)	\$ 2
Insurance proceeds	(7)	—
Change in indemnification asset	—	(2)
Change in estimates relating to pre-acquisition contingencies	(2)	—
Other	(1)	—
Gains and other income, net	(13)	—
Transaction and integration costs	—	15
Purchase accounting adjustments	—	1
Litigation charges	7	3
Restructuring charges	12	2
Other	(1)	(1)
Total Certain items	\$ 5	\$ 20

During the second quarter of 2024, we discontinued classifying costs associated with the continued integration of Welk in Transaction and integration costs. Welk integration costs incurred after this period are reflected in the operating results of each of our segments and/or General and administrative expenses.

Segment Adjusted EBITDA

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Vacation Ownership	\$ 221	\$ 213	\$ 8	4%
Exchange & Third-Party Management	28	32	(4)	(13%)
Segment adjusted EBITDA	249	245	4	1%
General and administrative	(61)	(63)	2	3%
Other	4	5	(1)	6%
Adjusted EBITDA	\$ 192	\$ 187	\$ 5	3%

The following tables present segment financial results attributable to common stockholders reconciled to segment Adjusted EBITDA.

Vacation Ownership

<i>(\$ in millions)</i>	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Segment financial results	\$ 198	\$ 182	\$ 16	9%
Depreciation and amortization	26	25	1	2%
Share-based compensation expense	1	2	(1)	9%
Amortization of cloud computing software implementation costs	1	—	1	NM
Certain items	(5)	4	(9)	NM
Segment adjusted EBITDA	\$ 221	\$ 213	\$ 8	4%
Segment Adjusted EBITDA Margin	29.2%	29.2%	— pts	

The table below details the components of Certain items for Vacation Ownership segment financial results.

<i>(\$ in millions)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Insurance proceeds	\$ (7)	\$ —
Change in estimates relating to pre-acquisition contingencies	(2)	—
Gains and other income, net	(9)	—
Purchase accounting adjustments	—	1
Litigation charges	4	3
Total Certain items	\$ (5)	\$ 4

Exchange & Third-Party Management

<i>(\$ in millions)</i>	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Segment financial results	\$ 18	\$ 25	\$ (7)	(24%)
Depreciation and amortization	7	7	—	(4%)
Share-based compensation expense	1	—	1	2%
Certain items	2	—	2	NM
Segment adjusted EBITDA	\$ 28	\$ 32	\$ (4)	(13%)
Segment Adjusted EBITDA Margin	49.0%	51.3%	(2.3 pts)	

The table below details the components of Certain items for Exchange and Third-Party Management segment financial results.

<i>(\$ in millions)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Restructuring charges	\$ 2	\$ —
Total Certain items	\$ 2	\$ —

Business Segments

Our business is grouped into two reportable business segments: Vacation Ownership and Exchange & Third-Party Management. See Footnote 15 “Business Segments” to our Financial Statements for further information about our segments.

Vacation Ownership

<i>(\$ in millions)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES		
Sale of vacation ownership products	\$ 355	\$ 352
Resort management and other services	155	148
Rental	159	147
Financing	88	83
Cost reimbursements	378	400
TOTAL REVENUES	1,135	1,130
EXPENSES		
Cost of vacation ownership products	42	53
Marketing and sales	234	223
Resort management and other services	72	71
Rental	126	110
Financing	36	34
Depreciation and amortization	26	25
Litigation charges	4	3
Royalty fee	28	28
Cost reimbursements	378	400
TOTAL EXPENSES	946	947
Gains and other income, net	9	—
Other	—	(1)
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 198	\$ 182

Sale of Vacation Ownership Products

First Quarter

(\$ in millions)	Three Months Ended				
	March 31, 2025	% of Consolidated Contract Sales, Net of Resales	March 31, 2024	% of Consolidated Contract Sales, Net of Resales	Change
Consolidated contract sales	\$ 420		\$ 428		\$ (8) (2%)
Joint venture contract sales	5		5		— (4%)
Total contract sales	425		433		(8) (2%)
Less: Resales contract sales	(9)		(12)		3
Less: Joint venture contract sales	(5)		(5)		—
Consolidated contract sales, net of resales	411		416		(5) (1%)
Plus:					
Settlement revenue	9	2%	8	2%	1
Resales revenue	4	1%	5	1%	(1)
Revenue recognition adjustments:					
Reportability	5	1%	(9)	(2%)	14
Sales reserve	(50)	(12%)	(46)	(11%)	(4)
Other ⁽¹⁾	(24)	(6%)	(22)	(6%)	(2)
Sale of vacation ownership products	<u>\$ 355</u>	86%	<u>\$ 352</u>	84%	<u>\$ 3</u> 1%
VPG	\$3,979		\$4,129		\$ (150) (4%)
Tours	97,998		96,579		1,419 1%
Financing propensity	54.2%		53.4%		0.8 pts
Average FICO Score ⁽²⁾	740		739		

⁽¹⁾ Adjustment for sales incentives that will not be recognized as Sale of vacation ownership products revenue and other adjustments to Sale of vacation ownership products revenue.

⁽²⁾ For customers who financed a vacation ownership purchase and for whom a credit score was available, generally U.S. and Canadian residents.

First Quarter

The increase in Sale of vacation ownership products was due to the following:

- Contract sales decreased during the first quarter of 2025 due to a 4% decrease in VPG, partially offset by a 1% increase in tours.
 - Approximately half of the VPG decrease was due to a larger percentage mix of first time buyer sales, which carry a lower VPG than existing owners.
 - Both first time buyer and owner VPG decreased due to lower closing efficiencies.
- An increase in revenue reportability due to timing differences in the expiration of contractual rescission periods; and
- An increase in our sales reserve to reflect higher expected cumulative losses on new originations, consistent with the increase in our sales reserve rate in the latter half of 2024.

Development Profit

First Quarter

(\$ in millions)	Three Months Ended					
	March 31, 2025	% of Revenue	March 31, 2024	% of Revenue	Change	
Sale of vacation ownership products	\$ 355		\$ 352		\$ 3	1%
Cost of vacation ownership products	(42)	12%	(53)	15%	11	21%
Marketing and sales	(234)	66%	(223)	63%	(11)	(5%)
Development profit	<u>\$ 79</u>		<u>\$ 76</u>		<u>\$ 3</u>	4%
Development profit margin	22.2%		21.5%		0.7 pts	

The increase in Development profit was due to the following:

- higher sales of vacation ownership products (discussed above); and
- lower cost of vacation ownership products due to the sale of lower average cost inventory, including product cost true-up activity, slightly offset by higher revenue reportability.

These changes were partially offset by higher marketing and sales costs due to:

- \$3 million of higher preview costs, which were evenly split between higher keys and higher rate;
- \$5 million increase in tour generation costs, including \$1 million associated with the higher tour volume; and
- \$3 million of higher wages and benefits, including variable compensation.

Resort Management and Other Services Revenues, Expenses and Profit

(\$ in millions)	Three Months Ended					
	March 31, 2025	March 31, 2024	Change			
Management fee revenues	\$ 55	\$ 52	\$ 3	7%		
Ancillary revenues	65	65	—	NM		
Other management and exchange revenues	35	31	4	9%		
Resort management and other services revenues	155	148	7	4%		
Resort management and other services expenses	(72)	(71)	(1)	(1%)		
Resort management and other services profit	<u>\$ 83</u>	<u>\$ 77</u>	<u>\$ 6</u>	8%		
Resort management and other services profit margin	53.6%	51.8%	1.8 pts			
Resort occupancy ⁽¹⁾	90.3%	90.2%	0.1 pts			

⁽¹⁾ Resort occupancy represents all transient, preview, and owner keys divided by total keys available, net of keys out of service.

The increase in Resort management and other services profit reflects higher management fees and higher club dues, partially offset by \$1 million of higher wages and benefits.

Rental Revenues, Expenses and Profit

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Rental revenues	\$ 159	\$ 147	\$ 12	8%
Rental expenses	(126)	(110)	(16)	(15%)
Rental profit	\$ 33	\$ 37	\$ (4)	(13%)
Rental profit margin	20.4%	25.3%	(4.9 pts)	
Transient keys rented ⁽¹⁾	569,470	542,970	26,500	5%
Average transient key rate	\$ 284	\$ 286	\$ (2)	(1%)
Rental occupancy ⁽²⁾	74.3%	72.7%	1.6 pts	

(1) Transient keys rented exclude plus points and preview stays.

(2) Rental occupancy represents transient and preview keys divided by keys available to rent, which is total available keys excluding owner usage.

First Quarter

Rental profit, excluding profit from owned hotels, declined due to:

- \$5 million of higher unsold maintenance fees associated with increased developer-owned inventory;
- \$4 million of lower plus points revenue;
- \$2 million of higher tidy and variable costs on higher keys rented; and
- \$2 million of increased costs associated with higher owner utilization of third-party vacation and other offerings.

These changes were partially offset by:

- \$6 million of higher transient rental revenue; and
- a \$3 million increase in costs allocated to marketing and sales expense for occupancy used for previews.

Rental profit for our owned hotels remained in-line with the first quarter of 2024.

Financing Revenues, Expenses and Profit

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Financing revenues	\$ 88	\$ 83	\$ 5	6%
Financing expenses	(11)	(9)	(2)	(16%)
Consumer financing interest expense	(25)	(25)	—	NM
Financing profit	\$ 52	\$ 49	\$ 3	6%
Financing profit margin	59.3%	59.5%	(0.2 pts)	
Financing propensity	54.2%	53.4%	0.8 pts	

First Quarter

- Financing revenues reflect higher interest income as a result of a higher average notes receivable balance and a slightly higher average interest rate for the three months ended March 31, 2025.
- The increase in financing expense is primarily attributed to higher credit card fees and other operating costs.
- Consumer financing interest expense was flat due to lower average securitized debt at a slightly higher average interest rate for our more recent term securitization transactions.

We expect our average interest rate to continue to increase slightly as the current interest rate environment for new securitization transactions exceeds the average interest rate on our existing securitized debt. We do not adjust interest rates on consumer financing offerings at the same pace as, or in lock-step with, broader market interest rates; as a result, we expect our financing profit margin to continue to decrease in 2025, as we repay existing securitization transactions with proceeds from newer securitization transactions with lower interest rates.

Litigation Charges

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Litigation charges	\$ 4	\$ 3	\$ 1	28%

First Quarter

Litigation charges during the first quarter of 2025 as well as the first quarter of 2024, relate primarily to certain resorts in Europe.

Gains and Other Income

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Gains and other income, net	\$ 9	\$ —	\$ 9	NM

First Quarter

During the first quarter of 2025, we recorded \$7 million related to the receipt of service interruption insurance proceeds from the Maui wildfires and a \$2 million reduction in certain pre-acquisition contingencies associated with the ILG Acquisition.

Exchange & Third-Party Management

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES		
Management and exchange	\$ 46	\$ 52
Rental	10	11
Cost reimbursements	2	2
TOTAL REVENUES	58	65
EXPENSES		
Management and exchange	29	31
Depreciation and amortization	7	7
Restructuring	2	—
Cost reimbursements	2	2
TOTAL EXPENSES	40	40
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 18	\$ 25

Management and Exchange Profit

(\$ in millions)	Three Months Ended			
	March 31, 2025	March 31, 2024	Change	
Management and exchange revenue	\$ 46	\$ 52	\$ (6)	(10%)
Management and exchange expense	(29)	(31)	2	5%
Management and exchange profit	\$ 17	\$ 21	\$ (4)	(18%)
Management and exchange profit margin	37.1%	40.6%	(3.5 pts)	

First Quarter

- Interval International management and exchange revenues declined \$4 million, or 7%, primarily due to 11% lower exchange transaction volume, partially offset by a 3% increase in average exchange fees.
- Management and exchange revenue reflects a \$2 million decline in Aqua-Aston management revenues resulting from fewer available nights for rent, lower occupancy, and a lower average daily rate in the Hawaii market due to changes in demand.
- The decrease in management and exchange profit was primarily attributable to lower revenues, partially offset by lower wages and benefits and other costs.

Restructuring

(\$ in millions)	Three Months Ended		
	March 31, 2025	March 31, 2024	Change
Restructuring	\$ 2	\$ —	\$ 2 NM

First Quarter

During the first quarter of 2025, we recorded a \$2 million impairment related to an operating lease and related assets.

Corporate and Other

Corporate and Other consists of results that are not allocable to our segments, including company-wide general and administrative costs, corporate interest expense, transaction and integration costs, and income taxes. In addition, Corporate and Other includes the revenues and expenses from Consolidated Property Owners' Associations.

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES		
Resort management and other services	\$ 14	\$ 11
Cost reimbursements	(7)	(11)
TOTAL REVENUES	7	—
EXPENSES		
Resort management and other services	16	14
Rental	(3)	(3)
General and administrative	61	63
Depreciation and amortization	5	6
Litigation charges	3	—
Restructuring	10	2
Cost reimbursements	(7)	(11)
TOTAL EXPENSES	85	71
Gains and other income, net	4	—
Interest expense, net	(40)	(40)
Transaction and integration costs	—	(15)
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	(114)	(126)
Provision for income taxes	(45)	(35)
Net (income) loss attributable to noncontrolling interests	(1)	1
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (160)	\$ (160)

Litigation Charges

(\$ in millions)	Three Months Ended		
	March 31, 2025	March 31, 2024	Change
Litigation charges	\$ 3	\$ —	\$ 3 NM

First Quarter

Litigation charges during the first quarter of 2025 relate to a dispute with a service provider.

Restructuring

(\$ in millions)	Three Months Ended		
	March 31, 2025	March 31, 2024	Change
Restructuring	\$ 10	\$ 2	\$ 8 NM

First Quarter

In November 2024, we announced the creation of a Strategic Business Operations office focused on accelerating our growth and driving operating efficiencies in all areas of our business while increasing organizational agility. We intend to: modernize and optimize our processes and systems, including through advanced technology and automation; increase sales efficiency and inventory optimization; and capture significant savings from initiatives related to procurement and corporate overhead. During the first quarter of 2025, we incurred \$10 million of restructuring charges associated with these efforts.

During the first quarter of 2024, we incurred \$2 million of restructuring charges associated with the elimination of certain positions as a result of the realignment of our management structure and headcount reductions in 2023.

Gains and Other Income

(\$ in millions)	Three Months Ended		
	March 31, 2025	March 31, 2024	Change
Gains and other income, net	\$ 4	\$ —	\$ 4 NM

First Quarter

In the first quarter of 2025, we recorded \$3 million of foreign currency translation gains and \$1 million of other gains.

In the first quarter of 2024, we recorded \$2 million of foreign currency translation losses, offset by \$2 million of tax related adjustments to the receivable from Marriott International for indemnified tax matters.

Income Tax

2025 First Quarter

(\$ in millions)	Three Months Ended		
	March 31, 2025	March 31, 2024	Change
Provision for income taxes	\$ (45)	\$ (35)	\$ (10) (27%)

First Quarter

Our effective tax rate was 43.6% and 43.0% for the three months ended March 31, 2025 and March 31, 2024, respectively.

The effective tax rate for the three months ended March 31, 2025 differed from the blended statutory tax rate for the same period due to lower pre-tax book income forecast for the current year, which is largely driven by our modernization efforts and related costs expected to be incurred, higher expected foreign losses, for which a valuation allowance will be recorded, and income tax adjustments for discrete items, primarily related to share-based compensation.

The effective tax rate for the three months ended March 31, 2024 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including \$11 million primarily related to a \$20 million increase to remove the permanent reinvestment assertion for certain non-U.S. entities offset by a \$9 million decrease for the expiration of statutes of limitation on certain unrecognized tax benefits.

Consolidated Property Owners' Associations

The following table illustrates the impact of certain Consolidated Property Owners' Associations under the relevant accounting guidance.

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES		
Resort management and other services	\$ 14	\$ 11
Cost reimbursements	(7)	(11)
TOTAL REVENUES	<u>7</u>	<u>—</u>
EXPENSES		
Resort management and other services	16	14
Rental	(3)	(3)
Cost reimbursements	(7)	(11)
TOTAL EXPENSES	<u>6</u>	<u>—</u>
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	1	—
Net (income) loss attributable to noncontrolling interests	(1)	1
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ —</u>	<u>\$ 1</u>

Liquidity and Capital Resources

Typically, our capital needs are supported by cash on hand, cash generated from operations, our ability to access funds under the Warehouse Credit Facility and the Revolving Corporate Credit Facility, our ability to raise capital through securitizations in the ABS market, and, to the extent necessary, our ability to issue new debt and refinance existing debt. We believe these sources of capital will be adequate to meet our short-term and long-term liquidity requirements, finance our long-term growth plans, satisfy debt service requirements, fulfill other cash requirements, and return capital to stockholders. We continuously monitor the capital markets to evaluate the effect that changes in market conditions may have on our ability to fund our liquidity needs.

At March 31, 2025, our corporate debt, net of cash and equivalents, to Adjusted EBITDA ratio was 4.1, above our targeted range of 2.5 to 3.0, and we remain focused on reducing this ratio over time.

We have no material principal payment obligations on our debt prior to 2026. See Footnote 11 “Debt” to our Financial Statements for further information related to maturities of our debt.

Sources of Liquidity

Cash from Operations

Our primary sources of funds from operations are (1) cash sales and down payments on financed sales, (2) cash from our financing operations, including principal and interest payments received on outstanding vacation ownership notes receivable, (3) cash from fee-based membership, exchange and rental transactions, and (4) cash generated from our rental and resort management and other services operations.

Vacation Ownership Notes Receivable Securitizations

We periodically securitize, without recourse through bankruptcy remote special purpose entities, the majority of the notes receivable originated in connection with the sale of vacation ownership products to institutional investors in the ABS term securitization market. These vacation ownership notes receivable securitizations provide liquidity for general corporate purposes. In a vacation ownership notes receivable term securitization, several classes of debt securities issued by a special purpose entity are collateralized by a single pool of transferred vacation ownership notes receivable. In connection with each vacation ownership notes receivable securitization, we may retain all or a portion of the securities that are issued.

Typically, we receive cash at inception of the term securitization transaction for the amount of notes issued less fees and monies held in reserve and we receive cash during the life of the transaction in amounts reflecting the excess spread of interest received on the related vacation ownership notes receivable less the interest payable on the ABS securities, less administrative fees and amounts from related vacation ownership notes receivable that default. Loan defaults under securitizations offset a portion of the excess spread we receive, on a monthly basis.

Each of the securitized vacation ownership notes receivable transactions contains various triggers relating to the performance of the underlying vacation ownership notes receivable. If a pool of securitized vacation ownership notes receivable fails to perform within the pool's parameters (default or delinquency thresholds vary by transaction), transaction provisions effectively redirect the monthly excess spread of interest accruing on the related vacation ownership notes receivable less the interest accruing on the ABS securities and fees we would otherwise receive from that pool (attributable to the interests we retained) to accelerate the principal payments to investors (taking into account the subordination of the different tranches to the extent there are multiple tranches) until the performance trigger is cured. At the recent level of defaults, there is no impact to cash whether we repurchase defaulted vacation ownership notes receivable from a securitization VIE and pursue foreclosure or foreclose on behalf of a securitization VIE. During the first quarter of 2025, and as of March 31, 2025, we had 12 term securitization transactions outstanding, all of which were in compliance with their respective required parameters. Since 2000, we have issued approximately \$10 billion of debt securities in securitization transactions in the term ABS market, excluding amounts securitized through warehouse credit facilities or private bank transactions.

On an ongoing basis, we have the ability to use our Warehouse Credit Facility to securitize, on a revolving non-recourse basis, eligible consumer loans derived from certain vacation ownership sales. Those loans may later be transferred to term securitization transactions in the ABS market, which typically occur twice a year. At March 31, 2025, we had \$315 million of borrowings outstanding on our Warehouse Credit Facility.

As of March 31, 2025, \$70 million of gross vacation ownership notes receivable were eligible for securitization.

Corporate Credit Facility

During the first quarter of 2025, we entered into an amendment to the Corporate Credit Facility, which, among other things, increased the borrowing capacity on our Revolving Corporate Credit Facility from \$750 million to \$800 million of aggregate borrowings for general corporate needs, including working capital, capital expenditures, letters of credit, and acquisitions. The Amendment also extended the termination date from March 31, 2027 to March 24, 2030, reduced certain fees and interest costs, and increased the letter of credit sub-facility of the Revolving Corporate Credit Facility from \$75 million to \$150 million. At March 31, 2025, \$190 million of borrowings and \$11 million of letters of credit were outstanding under our Revolving Corporate Credit Facility.

Additionally, the Amendment provided for a new \$450 million senior secured Delayed-Draw Term Loan with a maturity date of December 31, 2027. The Delayed-Draw Term Loan is only available to finance the redemption or repurchase of our 2026 Convertible Notes, which are due January 15, 2026. As of March 31, 2025, there were no outstanding borrowings on the Delayed-Draw Term Loan.

See Footnote 11 "Debt" to our Financial Statements for further information.

Uses of Cash

We minimize our working capital needs through cash management, strict credit-granting policies, and disciplined collection efforts. Our working capital needs fluctuate throughout the year given the timing of annual maintenance fees on unsold inventory we pay to owners' associations and certain annual compensation-related outflows. In addition, our cash from operations varies due to the timing of repayment by owners of vacation ownership notes receivable, the closing or recording of sales contracts for vacation ownership products, financing propensity, and cash outlays for inventory acquisitions and development.

Seasonality

Our cash flow from operations fluctuates during the year due to the timing of certain receipts and contractual and compensation-related payments. Significant changes in cash flow can result from the timing of our collection of maintenance fees, club dues, and other customer payments, which typically occurs in either the fourth quarter or the first quarter of each year. Generally, cash outflows related to our payment of maintenance fees associated with unsold inventory occurs in the fourth quarter for our points-based products, and in the first quarter for our weeks-based products. In addition, during the first quarter of each year, we generally have significant variable compensation-related cash outflows associated with payment of annual bonuses.

Timing of Estimated Tax Payments

The Internal Revenue Service provided for the deferral of federal income tax payments as tax relief for businesses in parts of Florida affected by the hurricanes that occurred during the third and fourth quarters of 2024. This relief allows us to delay making certain estimated tax payments, without interest or penalty. As a result, we deferred \$38 million of estimated tax payments from the third and fourth quarters of 2024 to the second quarter of 2025. Similarly, in the prior

year, as tax relief for businesses in parts of Florida affected by the hurricanes that occurred in 2023, we were able to defer \$32 million of estimated tax payments from the third and fourth quarters of 2023 to the first quarter of 2024.

Operations

In addition to net income and adjustments for non-cash items, the following are key drivers of our cash flow from operating activities:

Inventory Spending (In Excess of) Less Than Cost of Sales

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Inventory spending	\$ (29)	\$ (25)
Purchase and development of property for future transfer to inventory	(2)	—
Inventory costs	30	42
Inventory spending (in excess of) less than cost of sales	<u>\$ (1)</u>	<u>\$ 17</u>

Although we have adequate inventory on hand, we intend to continue selectively pursuing growth opportunities by targeting high-quality inventory that allows us to add desirable new destinations to our systems with new on-site sales locations to support anticipated future contract sales growth. Where possible, we will structure transactions to limit our up-front capital investment and allow us to purchase finished inventory closer to the time it is needed for sale. These capital efficient vacation ownership transaction structures may consist of the development of new inventory, or the conversion of previously built units, by third parties. In addition, we may develop inventory on our balance sheet in key markets where we believe the opportunities will generate acceptable risk adjusted returns.

Through our existing VOI repurchase program, we proactively acquire previously sold VOIs from owners' associations and individual owners at lower costs than would be required to develop new inventory. Among other reasons for repurchasing inventory, we expect these repurchases will help stabilize the future cost of our vacation ownership products.

We expect inventory spending to continue to exceed cost of sales for the remainder of 2025 due to our remaining commitments to acquire property as disclosed in Footnote 9 "Contingencies and Commitments" to our Financial Statements.

Vacation Ownership Notes Receivable Collections Less Than Originations

(\$ in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
Vacation ownership notes receivable collections — non-securitized	\$ 41	\$ 9
Vacation ownership notes receivable collections — securitized	135	151
Vacation ownership notes receivable originations	(233)	(200)
Vacation ownership notes receivable collections less than originations	<u>\$ (57)</u>	<u>\$ (40)</u>

Vacation ownership notes receivable collections were less than originations in the first quarters of 2025 and 2024 due to the growth of our vacation ownership notes receivable portfolio.

Repurchase of Common Stock

The following table summarizes share repurchase activity under our Share Repurchase Program:

(\$ in millions, except per share amounts)	Number of Shares Repurchased	Cost Basis of Shares Repurchased	Average Price Paid per Share
As of December 31, 2024	25,790,550	\$ 2,461	\$ 95.40
For the first quarter of 2025	496,484	36	\$ 73.21
As of March 31, 2025	<u>26,287,034</u>	<u>\$ 2,497</u>	<u>\$ 94.98</u>

See Footnote 12 "Stockholders' Equity" to our Financial Statements for further information related to our current share repurchase program.

Payment of Dividends to Common Stockholders

We distributed cash dividends to holders of common stock during the first quarter of 2025 as follows:

Declaration Date	Stockholder Record Date	Distribution Date	Dividend per Share
December 6, 2024	December 19, 2024	January 3, 2025	\$0.79
February 20, 2025	March 5, 2025	March 19, 2025	\$0.79

We currently expect to pay quarterly dividends in the future, but any future dividend payments will be subject to the approval of our Board of Directors, which will depend on our financial condition, results of operations and capital requirements at the time, as well as applicable law, regulatory constraints, industry practice, and other business considerations that our Board of Directors considers relevant. In addition, our Corporate Credit Facility and the indentures governing our senior notes contain restrictions on our ability to pay dividends, and the terms of agreements governing debt that we may incur in the future may also limit or prohibit the payment of dividends. The payment of certain cash dividends may also result in an adjustment to the conversion rate of our convertible notes in a manner adverse to us. Accordingly, there can be no assurance that we will pay dividends in the future at any particular rate or at all.

Material Cash Requirements

The following table summarizes our future material cash requirements from known contractual or other obligations as of March 31, 2025:

<i>(\$ in millions)</i>	Payments Due by Period						
	Total	Remainder of 2025	2026	2027	2028	2029	Thereafter
Debt ⁽¹⁾⁽²⁾	\$ 3,469	\$ 96	\$ 689	\$ 686	\$ 428	\$ 566	\$ 1,004
Securitized debt ⁽¹⁾⁽³⁾	2,741	230	277	535	234	223	1,242
Purchase obligations ⁽⁴⁾	524	204	150	139	16	3	12
Operating lease obligations ⁽⁵⁾	94	16	22	15	11	9	21
Finance lease obligations ⁽⁵⁾	532	13	17	15	13	13	461
Other long-term obligations	23	20	1	1	1	—	—
	<u>\$ 7,383</u>	<u>\$ 579</u>	<u>\$ 1,156</u>	<u>\$ 1,391</u>	<u>\$ 703</u>	<u>\$ 814</u>	<u>\$ 2,740</u>

- (1) Includes principal as well as interest payments and excludes unamortized debt discount and issuance costs.
- (2) Excludes the Delayed-Draw Term Loan as there were no outstanding borrowings at March 31, 2025. See Footnote 11 “Debt” to our Financial Statements for further information.
- (3) Payments based on estimated timing of cash flow associated with securitized notes receivable.
- (4) Arrangements are considered purchase obligations if a contract specifies all significant terms, including fixed or minimum quantities to be purchased, a pricing structure, and approximate timing of the transaction. Amounts reflected herein represent expected funding requirements under such contracts and primarily relate to future purchases of property and vacation ownership units and information technology assets (hardware and software). Amounts reflected on the consolidated balance sheet as accounts payable and accrued liabilities are excluded from the table above.
- (5) Includes interest.

In the normal course of our resort management business, we enter into purchase commitments on behalf of owners’ associations to manage the daily operating needs of our resorts. Since we are reimbursed for these commitments from the cash flows of the owners’ associations, these obligations have minimal impact on our net income and cash flow. These purchase commitments are excluded from the table above.

Supplemental Guarantor Information

The 2028 Notes are guaranteed by MVWC, Marriott Ownership Resorts, Inc. (“MORI”), and certain other subsidiaries whose voting securities are wholly owned directly or indirectly by MORI (such subsidiaries collectively, the “Senior Notes Guarantors”). These guarantees are full and unconditional and joint and several. The guarantees of the Senior Notes Guarantors are subject to release in limited circumstances only upon the occurrence of certain customary conditions.

The following tables present consolidating financial information as of March 31, 2025 and December 31, 2024, and for the three months ended March 31, 2025 for MVWC and MORI on a stand-alone basis (collectively, the “Issuers”), the Senior Notes Guarantors, the combined non-guarantor subsidiaries of MVWC, and MVW on a consolidated basis.

Condensed Consolidating Statement of Income

(\$ in millions)	Three Months Ended March 31, 2025					
	Issuers		Senior Notes Guarantors	Non-Guarantor Subsidiaries	Total Eliminations	MVW Consolidated
	MVWC	MORI				
Revenues	\$ —	\$ 263	\$ 684	\$ 264	\$ (11)	\$ 1,200
Expenses	(10)	(299)	(603)	(197)	11	(1,098)
Benefit from (provision for) income taxes	3	12	(29)	(31)	—	(45)
Equity in net income (loss) of subsidiaries	63	107	—	—	(170)	—
Net income (loss)	56	83	52	36	(170)	57
Net income attributable to noncontrolling interests	—	—	—	(1)	—	(1)
Net income (loss) attributable to common stockholders	\$ 56	\$ 83	\$ 52	\$ 35	\$ (170)	\$ 56

Condensed Consolidating Balance Sheet

(\$ in millions)	As of March 31, 2025						As of December 31, 2024					
	Issuers		Senior Notes	Non-Guarantor	Total	MVW	Issuers		Senior Notes	Non-Guarantor	Total	MVW
	MVWC	MORI	Guarantors	Subsidiaries	Eliminations	Consolidated	MVWC	MORI	Guarantors	Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ 1	\$ 25	\$ 64	\$ 106	\$ —	\$ 196	\$ 1	\$ 14	\$ 59	\$ 123	\$ —	\$ 197
Restricted cash	—	28	95	168	—	291	—	25	134	172	—	331
Accounts and contracts receivable, net	24	279	80	96	(90)	389	18	166	118	88	(3)	387
Vacation ownership notes receivable, net	—	145	149	2,152	—	2,446	—	177	161	2,102	—	2,440
Inventory	—	329	301	107	—	737	—	282	345	108	—	735
Property and equipment, net	—	281	647	238	—	1,166	—	280	652	238	—	1,170
Goodwill	—	—	3,117	—	—	3,117	—	—	3,117	—	—	3,117
Intangibles, net	—	—	749	26	—	775	—	—	763	27	—	790
Investments in subsidiaries	3,431	3,572	—	—	(7,003)	—	3,466	3,743	—	—	(7,209)	—
Other	144	207	335	181	(102)	765	148	199	261	105	(72)	641
Total assets	\$ 3,600	\$ 4,866	\$ 5,537	\$ 3,074	\$ (7,195)	\$ 9,882	\$ 3,633	\$ 4,886	\$ 5,610	\$ 2,963	\$ (7,284)	\$ 9,808
Accounts payable	\$ 20	\$ 53	\$ 101	\$ 77	\$ —	\$ 251	\$ 51	\$ 52	\$ 164	\$ 76	\$ —	\$ 343
Advance deposits	—	53	99	15	—	167	—	68	79	15	—	162
Accrued liabilities	6	94	210	202	(86)	426	2	103	149	127	3	384
Deferred revenue	—	10	216	242	(26)	442	—	15	157	190	(8)	354
Payroll and benefits liability	—	106	74	28	—	208	—	103	86	31	—	220
Deferred compensation liability	—	138	44	4	—	186	—	143	48	4	—	195
Securitized debt, net	—	—	—	2,171	(24)	2,147	—	—	—	2,163	(27)	2,136
Debt, net	1,139	1,833	179	—	—	3,151	1,138	1,771	179	1	—	3,089
Other	—	2	113	19	—	134	—	2	118	19	—	139
Deferred taxes	—	140	220	31	(56)	335	—	121	236	31	(43)	345
MVW stockholders' equity	2,435	2,437	4,281	285	(7,003)	2,435	2,442	2,508	4,394	307	(7,209)	2,442
Noncontrolling interests	—	—	—	—	—	—	—	—	—	(1)	—	(1)
Total liabilities and equity	\$ 3,600	\$ 4,866	\$ 5,537	\$ 3,074	\$ (7,195)	\$ 9,882	\$ 3,633	\$ 4,886	\$ 5,610	\$ 2,963	\$ (7,284)	\$ 9,808

Recent Accounting Pronouncements

See Footnote 2 “Significant Accounting Policies and Recent Accounting Standards” to our Financial Statements for a discussion of recently issued accounting pronouncements, including information about new accounting standards and the future adoption of such standards.

Critical Accounting Policies and Estimates

Our preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. We have discussed those policies and estimates that we believe are critical and require the use of complex judgment in their application in our 2024 Annual Report. Since the date of our 2024 Annual Report, there have been no material changes to our critical accounting policies or the methodologies or assumptions we apply under them.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk has not changed materially from that disclosed in Part I, Item 7A of the 2024 Annual Report, other than as set forth below.

We manage the interest rate risk on our corporate debt through the use of fixed-rate debt and may also use interest rate hedges to fix a portion of our variable-rate debt. At March 31, 2025, the interest rate applicable to 67% (approximately \$2 billion) of our corporate debt, excluding finance leases, was fixed and the interest rate applicable to the remaining 33% (approximately \$984 million) was variable. Assuming we had no outstanding balance under our Revolving Corporate Credit Facility, a 100 basis point increase in the underlying benchmark rate on our variable-rate debt at March 31, 2025 would result in an annual increase in cash interest of approximately \$8 million.

The following table presents the scheduled maturities and the total fair value as of March 31, 2025 for our financial instruments that are impacted by market risks:

(\$ in millions)	Average Interest Rate	Maturities by Period						Total Carrying Value	Total Fair Value
		Remainder of 2025	2026	2027	2028	2029	Thereafter		
Assets – Maturities represent expected principal receipts; fair values represent assets									
Vacation ownership notes receivable — non-securitized	11.5%	\$ 70	\$ 66	\$ 59	\$ 50	\$ 41	\$ 201	\$ 487	\$ 489
Vacation ownership notes receivable — securitized	13.4%	\$ 125	\$ 173	\$ 176	\$ 177	\$ 175	\$ 1,133	\$ 1,959	\$ 2,021
Contracts receivable for financed VOI sales, net	12.3%	\$ 3	\$ 4	\$ 4	\$ 4	\$ 5	\$ 30	\$ 50	\$ 50
Liabilities⁽¹⁾ – Maturities represent expected principal payments; fair values represent liabilities									
Securitized Debt	4.8%	\$ (154)	\$ (183)	\$ (457)	\$ (170)	\$ (168)	\$ (1,039)	\$ (2,171)	\$ (2,166)
Term Loan	6.6%	\$ (6)	\$ (8)	\$ (8)	\$ (8)	\$ (8)	\$ (756)	\$ (794)	\$ (792)
Revolving Corporate Credit Facility	5.8%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (190)	\$ (190)	\$ (190)
Senior Notes									
2028 Notes	4.8%	\$ —	\$ —	\$ —	\$ (350)	\$ —	\$ —	\$ (350)	\$ (333)
2029 Notes	4.5%	\$ —	\$ —	\$ —	\$ —	\$ (500)	\$ —	\$ (500)	\$ (460)
2026 Convertible Notes	0.0%	\$ —	\$ (575)	\$ —	\$ —	\$ —	\$ —	\$ (575)	\$ (551)
2027 Convertible Notes	3.3%	\$ —	\$ —	\$ (575)	\$ —	\$ —	\$ —	\$ (575)	\$ (533)

⁽¹⁾ During the first quarter of 2025, we amended the Corporate Credit Facility to provide for a Delayed-Draw Term Loan that is only available to finance the redemption or repurchase of our 2026 Convertible Notes, which are due January 15, 2026. As of March 31, 2025, there were no outstanding borrowings on the Delayed-Draw Term Loan. See Footnote 11 “Debt” to our Financial Statements for further information.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), and management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which by their nature, can provide only reasonable assurance about management’s control objectives. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving the desired control objectives. However, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based upon the foregoing evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2025, our disclosure controls and procedures were effective and operating to provide reasonable assurance that we record, process, summarize and report the information we are required to disclose in the reports that we file or submit under the Exchange Act within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that we accumulate and communicate such information to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

Changes in Internal Control Over Financial Reporting

We made no changes in our internal control over financial reporting during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

Currently, and from time to time, we are subject to claims in legal proceedings arising in the normal course of business, including, among others, the legal actions discussed under “Loss Contingencies” in Footnote 9 “Contingencies and Commitments” to our Financial Statements. While management presently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, cash flows, or overall trends in results of operations, legal proceedings are inherently uncertain, and unfavorable rulings could, individually or in the aggregate, have a material adverse effect on our business, financial condition, or operating results.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in Item 1A to Part 1 of our 2024 Annual Report, except as set forth below or to the extent factual information disclosed elsewhere in this Quarterly Report relates to such risk factors, which is incorporated herein by reference.

Uncertainty in the current global macroeconomic environment created by rapid governmental policy and regulatory changes could negatively impact our business

Our business operations and financial performance are significantly influenced by governmental policies, the regulatory environment and consumers' willingness to travel to our resorts. Recent and rapid changes to governmental policies worldwide and rapidly evolving governmental regulations regarding international trade and other matters have introduced substantial uncertainty and volatility into the financial markets, leading to a decline in consumer sentiment. These changes could negatively impact our supply chain, cost structure, market access and consumers' willingness to travel to our resorts and purchase our products and services. Additionally, recent and future policy and regulatory changes could disrupt our strategic planning, investments, increase maintenance fees and negatively impact owners' ability to pay such fees, decrease consumers' disposable income and impact our ability to originate, and the payment of, vacation ownership notes receivable, among other consequences. These factors may also adversely impair our ability to execute strategies to mitigate negative impacts of the current environment.

We are actively monitoring these developments and assessing their potential impact on our business. However, the unpredictable nature of the current global macroeconomic environment makes it challenging to anticipate and address all possible material risks. This uncertainty and its effects could have a material adverse effect on our financial condition, results of operations and cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Maximum Dollar Amount of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾⁽²⁾
January 1, 2025 – January 31, 2025	98,932	\$ 86.14	98,932	\$ 374,719,016
February 1, 2025 – February 28, 2025	—	\$ —	—	\$ 374,719,016
March 1, 2025 – March 31, 2025	397,552	\$ 69.39	397,552	\$ 347,132,547
Total	<u>496,484</u>	\$ 72.73	<u>496,484</u>	\$ 347,132,547

(1) On May 11, 2023, we announced that our Board of Directors increased the then-remaining authorization under our share repurchase program (which was first announced on September 13, 2021) to authorize purchases of up to \$600 million of our common stock and extended the term of our share repurchase program to December 31, 2024. On December 19, 2024, we announced that our Board of Directors extended the term of our share repurchase program to December 31, 2025.

(2) All dollar amounts presented exclude the nondeductible 1% excise tax on the net value of certain stock repurchases that was imposed by the Inflation Reduction Act of 2022.

Item 5. Other Information

(c) Trading Plans

During the quarter ended March 31, 2025, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

All documents referenced below are being filed as a part of this Quarterly Report, unless otherwise noted.

Exhibit Number	Description	Filed Herewith	Incorporation By Reference From		
			Form	Exhibit	Date Filed
3.1	Second Restated Certificate of Incorporation of Marriott Vacations Worldwide Corporation		8-K	3.2	5/15/2023
3.2	Restated Bylaws of Marriott Vacations Worldwide Corporation (effective May 12, 2023)		10-Q	3.3	8/4/2023
4.1	Form of certificate representing shares of common stock, par value \$0.01 per share, of Marriott Vacations Worldwide Corporation		10	4.1	10/14/2011
4.2	Indenture, dated as of October 1, 2019, by and among Marriott Ownership Resorts, Inc., Marriott Vacations Worldwide Corporation, as guarantor, the other guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	4.1	10/1/2019
4.3	Form of 4.750% Senior Notes due 2028 (included as Exhibit A to Exhibit 4.2 above)		8-K	4.2	10/1/2019
4.4	Registration Rights Agreement, dated as of October 1, 2019, by and among Marriott Ownership Resorts, Inc., Marriott Vacations Worldwide Corporation, as guarantor, the other guarantors party thereto and J.P. Morgan Securities LLC		8-K	4.3	10/1/2019
4.5	Indenture, dated as of February 2, 2021, by and among Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc. and the other guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	4.1	2/3/2021

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Exhibit Number	Description	Filed Herewith	Incorporation By Reference From		
			Form	Exhibit	Date Filed
4.6	Form of 0.00% Convertible Senior Note due 2026 (included as Exhibit A to Exhibit 4.5 above)		8-K	4.1	2/3/2021
4.7	Indenture, dated as of June 21, 2021, by and among Marriott Ownership Resorts, Inc., Marriott Vacations Worldwide Corporation, as guarantor, the other guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	4.1	6/22/2021
4.8	Form of 4.500% Senior Notes due 2029 (included at Exhibit A to Exhibit 4.7 above)		8-K	4.2	6/22/2021
4.9	Indenture, dated as of December 8, 2022, by and among Marriott Vacations Worldwide Corporation, as issuer, Marriott Ownership Resorts, Inc. and the other guarantors party thereto from time to time and The New York Bank of Mellon Trust Company, N.A., as trustee		8-K	4.1	12/8/2022
4.10	Form of 3.25% Convertible Senior Notes due 2027 (included as Exhibit A to Exhibit 4.9 above)		8-K	4.2	12/8/2022
4.11	Description of Registered Securities		10-K	4.16	3/2/2020
10.1	Marriott Vacations Worldwide Corporation Change in Control Severance Plan**		10-K	10.18	2/28/2025
10.2	Incremental Facility Amendment and Amendment No. 4, dated as of March 24, 2025, by and among Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc., as borrower, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders party thereto		8-K	10.1	3/27/2025
22.1	List of the Issuer and its Guarantor Subsidiaries		10-K	22.1	2/27/2024
31.1	Certification by Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	X			
31.2	Certification by Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	X			
32.1	Certification by Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				Furnished
32.2	Certification by Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				Furnished
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL: (i) Interim Consolidated Statements of Income, (ii) Interim Consolidated Statements of Comprehensive Income, (iii) Interim Consolidated Balance Sheets, (iv) Interim Consolidated Statements of Cash Flows, (v) Interim Consolidated Statements of Stockholders' Equity, and (vi) Notes to Interim Consolidated Financial Statements				
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL and contained in Exhibit 101				
**	Management contract or compensatory plan or arrangement.				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Date: May 8, 2025

/s/ John E. Geller, Jr.

John E. Geller, Jr.

President and Chief Executive Officer

/s/ Jason P. Marino

Jason P. Marino

Executive Vice President and Chief Financial Officer

**Certification by Chief Executive Officer
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, John E. Geller, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Marriott Vacations Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ John E. Geller, Jr.

John E. Geller, Jr.

President and Chief Executive Officer

(Principal Executive Officer)

**Certification by Chief Financial Officer
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Jason P. Marino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Marriott Vacations Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Jason P. Marino

Jason P. Marino

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Certification by Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, John E. Geller, Jr., President and Chief Executive Officer of Marriott Vacations Worldwide Corporation (the “Company”) certify that:

1. the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 (the “Quarterly Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2025

/s/ John E. Geller, Jr.

John E. Geller, Jr.

President and Chief Executive Officer

(Principal Executive Officer)

Certification by Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Jason P. Marino, Executive Vice President and Chief Financial Officer of Marriott Vacations Worldwide Corporation (the “Company”) certify that:

1. the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 (the “Quarterly Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2025

/s/ Jason P. Marino

Jason P. Marino

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)