

**Marriott Vacations Worldwide  
Third Quarter 2025 Earning Call  
November 6, 2025**

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**Presenters**

**Neal Goldner, VP of IR  
John Geller, CEO  
Jason Marino, EVP and CFO**

**Q&A Participants**

**Ben Chaiken - Mizuho Securities  
Patrick Scholes - Truist Securities  
Brandt Montour - Barclays  
David Katz - Jefferies  
Shaun Kelley - Bank of America**

**Operator**

Good morning, ladies and gentlemen, and thank you for standing by. Welcome to the Marriott Vacations Worldwide third quarter 2025 earnings call. At this time, all participants are in a listen only mode. A question-and-answer session will follow the formal presentation. Should you require operator assistance during the conference, please press star zero to signal an operator. Please note, this conference is being recorded. I will now turn the conference over to your host, Neal Goldner, Vice President, Investor Relations for Marriott. Thank you. You may begin.

**Neal Goldner**

Thank you and welcome to the Marriott Vacations Worldwide third quarter earnings call. I am joined today by John Geller, our President and Chief Executive Officer, and Jason Marino, our Executive Vice President and Chief Financial Officer. I need to remind everyone that many of our comments today are not historical facts and are considered forward-looking statements under federal securities laws. These statements are subject to numerous risks and uncertainties which could cause future results to differ materially from those expressed in or implied by our comments. Forward-looking statements in the press release, as well as comments on this call, are effective only when made and will not be updated as actual events unfold. Throughout the call we will make references to non-GAAP financial information. You can find a reconciliation of non-GAAP financial measures in the schedules attached to our press release and on our website. With that, it's now my pleasure to turn the call over to John Geller.

## **John Geller**

Thanks, Neal. Good morning, everyone, and thank you for joining our third quarter earnings call.

As you saw in our release last night, third quarter contract sales declined 4% year-over-year, a couple of points below our expectations. The shortfall relative to our expectations was driven by weakness in Orlando and Maui, two of our largest markets. Excluding those two markets, system-wide contract sales were approximately flat year-over-year. We're not satisfied with these results and have recently implemented meaningful changes that we believe will drive return to growth.

First, we've adjusted our sales and marketing incentive plans to better align with our long-term objectives.

Second, we're working to curb third-party commercial rental activity by a small subset of owners, which has depressed owner arrivals at some of our most attractive destinations in recent years. By curbing this practice, we expect to make more inventory available for occupancy by our owners, which should drive higher owner satisfaction and incremental arrivals at our most productive sales centers, benefiting tours and VPG.

Third, we have implemented FICO scoring data for marketing purposes, which should result in higher VPGs and improved credit metrics.

With respect to our modernization program, we continue to make strong progress towards the \$150 million to \$200 million in run rate EBITDA benefit by the end of 2026. One of the most impactful steps we've taken thus far occurred in August when we reorganized a portion of our HR and finance and accounting functions and transitioned work to third-party providers. This change will save us \$20 million in annual costs that will fall to the bottom line going forward.

In addition to these three operational changes I've already outlined, we're rolling out additional initiatives we expect to improve VPG as part of the modernization program.

- For example, we implemented initiatives to drive owner arrivals, offering owners Bonvoy points to arrive at select resorts within a two-month window. This will help us drive incremental owner tours at an above average VPG.
- Our new owner experience initiative, which helps reduce rescission and boost our tour pipeline, is creating excitement at the sales table by giving buyers a pre-planned vacation to look forward to after their presentation.
- And with over 270,000 packages in our pipeline at the end of Q3, the impacts of these changes will be realized over the course of the coming year.

In the quarter, we also expanded our presence in Asia Pacific with the opening of a new Marriott Vacation Club Resort in Khao Lak, Thailand. And we have other resorts and sales centers in development that we expect to contribute more than \$80 million of annual contract sales within a few years after opening.

We have updated our full-year expectations based on our third quarter results.

- October VPGs were down less than they were in Q3, and we expect occupancy to remain strong.
- Keys on the books for the balance of the year are consistent with the same time a year ago, and we expect to drive tour capture rates for owners as we continue to roll out initiatives to drive future owner arrivals.
- We also have 270,000 packages in our pipeline, which is a good forward indicator, and loan delinquencies are down meaningfully year-over-year.

In conclusion, despite our disappointing results this year, I still believe in the long-term growth potential of this business. And with the recent operational changes we've made and our continued modernization work, we have tremendous confidence in the future profitability growth.

We will be hosting an Investor Day the morning of December 17th at the New York Stock Exchange, and I hope to see many of you there. It will also be webcast for those who won't be able to make it in person.

With that, I'll turn the call over to Jason to discuss our results in more detail.

**Jason Marino**

Thanks, John.

Today, I'm going to review our third quarter results, our balance sheet and liquidity position, and our outlook for the year.

Contract sales were down 4% year-over-year in the quarter driven by 5% lower VPG and a 1% decline in tours. First-time buyer sales decreased 2% while owner sales declined 5%.

Delinquencies declined 100 basis points year-over-year and are now slightly below 2023 levels. Financing propensity increased 90 basis points from last year, which is good for the long-term growth given the strong margins we get from our lending business. Due to the higher-than-expected financing propensity in the quarter, our sales reserve was 13% of contract sales, and we expect it to be 12.5% to 13% in the fourth quarter.

Development profit declined \$33 million compared to the prior year reflecting lower contract sales and higher marketing and sales expense.

Total company rental profit declined \$17 million to \$21 million, primarily driven by higher unsold maintenance fees and getaways at Interval.

Our recurring revenue businesses performed well. Management and exchange profit increased 12% to \$96 million, and financing profit increased 5% to \$52 million.

Finally, corporate G&A decreased \$8 million. As a result, adjusted EBITDA decreased 15% year-over-year to \$170 million.

Moving to the balance sheet, during the quarter, we issued \$575 million of 6.5% senior notes, which we will use to repay our 0% convertible debt when it matures in January. We ended the quarter with leverage of 4.1x and \$1.4 billion in liquidity in anticipation of repaying those notes. We also terminated our delayed draw term loan. After January, our next corporate debt maturity isn't until December 2027, so our balance sheet is in good shape from a maturity perspective.

Looking forward, we are updating our full year guidance to reflect our results year-to-date and our expectations for the fourth quarter.

We now expect contract sales to decline 2% to 3% this year with tours flat to up slightly and VPG down.

We still expect product costs as a percent of contract sales to be in line with last year.

We now expect rental profit to decline around \$30 million this year, which is slightly lower than our previous guidance due to lower RevPAR expectations.

We expect management exchange profit to be in the \$380 million range and for financing profit to be around \$210 million and corporate G&A to be flat to down slightly this year.

We continue to make good progress in our modernization program and still expect to deliver \$150 million to \$200 million in run rate benefit by the end of next year. For modeling purposes, we still expect to generate an incremental \$60 million to \$80 million of benefit to flow to the bottom line in 2026 with the full run rate in 2027.

As a result, we now expect adjusted EBITDA to be in the \$740 million to \$755 million range this year.

Moving to cash flow. We expect our adjusted free cash flow to be \$235 million to \$270 million this year. This lower guidance is driven by lower adjusted EBITDA, higher 2026 unsold maintenance fees due in Q4, and the timing of tax refunds, which we now expect to receive next year. Our guidance also excludes roughly \$100 million of onetime cash costs related to our modernization initiatives, which is consistent with our previous thinking.

We are making good progress on our noncore asset and excess inventory dispositions and hope to dispose one asset this year and a couple next year. While we don't include proceeds from noncore asset sales in our adjusted free cash flow, any dispositions will provide cash we can use to either reduce debt or buy back shares.

We ended the quarter with \$1 billion of inventory on the balance sheet. As we discussed last quarter, we plan to restrict our new inventory spending to capital-efficient arrangements where our cash outlay coincides with the start of sales, as well as low-cost reacquired inventory. Our long-term goal remains to get close to 1.5-to-2 years of inventory on the balance sheet over the next few years, which will free up cash over time.

With that, we'll be happy to answer your questions. Operator?

**Operator**

Thank you. At this time, we will be conducting a question-and-answer session. If you'd like to ask a question, please press star one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. If at any time you wish to remove your question from the queue, please press star two. For participants using speaker equipment, it may be necessary to pick up your -- excuse me, it may be necessary to pick up your handset before pressing the star keys. One moment, please, while we pull for questions. Our first question is from Ben Chaiken with Mizuho Securities.

**Ben Chaiken**

Hey. Thanks. Good morning. Either John or whoever wants to take this, you kind of threw a lot at us right off the bat in the beginning of the call. Maybe you could talk to us about the strategy to reinvigorate the top line whether that's on VPG or on tours and then what levers are at your disposal. Or is this just kind of like a broader deceleration in the business? Thanks.

**John Geller**

Yeah. No, we're obviously focused on growth. I think as I hit on, two of our larger markets, Orlando and Maui, were down significantly year-over-year, about \$20 million of contract sales in total. In the case of Orlando, you had owner arrivals down, which we've talked about this year more broadly has been a bit of a headwind, but we've offset a lot of that with higher capture rates on the tour side to kind of offset what we're seeing that. And I think that -- when you think about Orlando, in that market, we've got two Sheraton sales centers. So, those sales centers average relative to our broader Marriotts tend to have a lower income consumer, so we saw some softer VPGs in Orlando. A lot of the changes that I talked about making, as we've

looked at, especially in markets like Orlando, what the compensation for sales and marketing execs and bringing those and making sure we're competitive to drive not only retaining our top folks but also recruiting and getting high performers, as well.

So, we're focused on that. We did see some higher turnover in Orlando on the sales exec side. So, when you bring in a new sales exec off the bat, they -- typically have a lower VPG, and it takes a while to ramp that up. So, retaining the best and bringing in new, good talent is going to be key there. We talked about the commercial rental activity. As I talked about -- and we talked about this earlier in the year. As we continue to focus on lower owner arrivals, a lot of that -- or some of it I should say as we've dug into a lot of the details that we've seen kind of an uptick in commercial rental activity. It's a small subset of the ownership base, but it does impact owners trying to get to where they want to go, and we want to get their satisfaction higher. We've got good owner satisfaction, so it can only help there. And then the flow-through is, more owners at the sites, better VPGs, better tours. So, that's another big initiative. And we've ramped up sales training across the board at all our sites. We're starting to see some benefits there. In fact, in October, our VPGs were flattish. So, that -- that's a good trend to start the fourth quarter, but we still got to do more to continue to drive growth going forward.

**Ben Chaiken**

Okay. And then stepping back, I guess, just going back to the beginning of the call when you fired off a number of kind of new initiatives. Looking out to '26 -- because I don't know if we've all digested kind of the moving parts that you guys are laying out here. Are there any curveballs we need to be aware of in any of the segments to stick out to you? I guess rentals comes to mind just because that's a little bit more of a black box for us typically. So again, I don't know if you have any visibility there or any other areas that some of these initiatives might impact. Thanks.

**John Geller**

Yeah. Are you talking rentals next year or just in the fourth quarter?

**Ben Chaiken**

I'm talking next year. I'm saying that there -- it seems like there's a number of changes you're implementing today to drive top line, and I'm just trying to get ahead and see are there any implications to the P&L in '26 from those changes? And the one that jumps out to me, because it's somewhat of a black box for us, is rentals. Thanks.

**John Geller**

Yeah. Obviously, we're still working on our budget and long-range plan, which we'll provide more detail in December. I think specific to rentals, Jason hit on. We do have some higher unsold maintenance fees. We have more inventory we expect on our books going into '26 than we had this year. And that's inventory that we've taken back as well as Waikiki and some of the purchases we've made. So, we will have higher unsold maintenance costs. The key is how do we offset that on the rental side and drive RevPAR. And so, those are the details we're still working

through. But on a baseline, we expect to have some higher costs, and the goal is to try and mitigate that as much as possible on the revenue side.

**Ben Chaiken**

Okay. Thanks.

**Operator**

Our next question is from Patrick Scholes with Truist Securities.

**Patrick Scholes**

Good morning. Thank you. I have three questions to start with, and I have some more. I will jump back in the queue later on. First, a very high-level question. When do you consider all strategic alternatives for the company given the consistent underperformance, arguably mis-execution, and certainly share price underperformance? Any reason it shouldn't be now?

**John Geller**

Sure. Yeah. No, we're constantly looking at all things and work with the Board on that. So, we're going to do everything we can to increase shareholder value.

**Patrick Scholes**

Okay. Number two, let's just talk about expectations for 4Q. We saw that guidance was really only reduced by the amount of the 3Q miss. What gives you confidence that the issues in 3Q won't persist into 4Q?

**John Geller**

Yeah. As I mentioned, at least early trends in October, our VPGs, which were the big headwind in the third quarter, are trending more positive. So, still early days, but some of the initiatives I've talked about, things to drive owner arrivals in the near term. And as we look out and what packages and owner keys on the books and things like that, we still got to drive tour flow as well as VPG. But what we've given you in the guidance is kind of based on what we're seeing -- based on what we achieved in October and what we see on the books and the trends for November and December.

**Patrick Scholes**

Okay. And then third question is about the comment that was included in the earnings release around curbing third-party commercial rental activity to drive higher owner arrivals and satisfaction. Was there an issue with rental bookings that hurt owner arrivals and VPG in 3Q?

**John Geller**

Yeah. I mean, it's a great question. I'm not sure you can quantify it other than we know we've seen some higher owner rentals. And let's be clear. Our owners can rent the product. That is an option for the typical owner. What we're seeing is a small group of owners that appear to be running commercial businesses, right? And they're obviously going after the better inventory,

the better weeks, and a lot of the higher-end markets to try and rent those and make money. That's the commercial rental activity. So, anything we can do to make sure they're adhering to the rules. Our points programs don't allow commercial rental activity, and we've employed some technology to track that, and we're working on how we're going to enforce those rules here going forward. So, that will take a little bit of time to ramp up here, but we're focused on that. And if we can get more owners there, the read-through, right, is that should help owner satisfaction. They're getting on more vacations to their top choices. And when owners are happy and they're there, that should help us drive tours and better VPGs.

**Patrick Scholes**

Okay. Thank you. I'm going to hop back in queue.

**John Geller**

Okay.

**Operator**

Our next question is from Brandt Montour with Barclays.

**Brandt Montour**

Hey. So, on that point, John -- I'm sorry. So, can you just go over that one more time, the commercial third parties. This is something we haven't really heard about at least on these calls. What sort of percentage of your inventory is being used by that? How long has this been a problem? Is it a bigger problem than the past? Maybe help give us a little more context.

**John Geller**

Sure. Yeah. No, like I said, Brandt, owners can, in the normal course, rent their time. That's not prohibited. What you can't do for our documents with the Points trust and all that is run commercial business -- run a rental -- and you see, if you go to rent weeks for example, you see a disproportionate amount of our weeks on there. I'm not saying those are all commercial businesses, but as we really dug into the data over the last year or so, we have seen an increase in what we call our guest of owners. And so, as we delve deeper into that, with technology, we're able to kind of see where we've got -- and once again, it's a pretty small subset of the overall ownership group, but the reservations they're booking are disproportionate, right, to what you would normally see. So, we're going to put all the procedures in place. And if we can reduce that, that makes more inventory available more generally for owners to use to go on vacation.

**Brandt Montour**

Okay. All right. And then taking a bigger step back but on a similar topic, when we look at some of your peers' reports, it wasn't any sort of surprise that new owner sales has been a bit weaker and repeat has been stronger, which is something that I think kind of happens when you have a bit of a softer leisure macro backdrop. But I think we're under the impression that the levers that you can pull to sell to owners are sort of there for you. Is it -- are you trying to tell us

essentially that you didn't have the inventory available to make that pivot throughout this sort of maybe tougher-than-expected year? And when -- then when you talk about what you can do to change -- and you said a few things. How much of those are super short term? How much of those take longer time? I mean, you mentioned retaining talent and things like that where you don't actually get the flexibility and maneuverability until '26.

**John Geller**

Yeah. A lot in there. I'm not sure I got all the question you're looking for. Let me try here. Yeah. As you know, we run a 90% year-round occupancy at our system-wide resorts. So, we run a high occupancy. We talked about the commercial rental activity. That's just a swap out of getting more owners versus renters and getting owners happier there. The near-term levers, which we started to do more in the second quarter, and we really ramped it up in the third quarter, are incentives, the Marriott Bonvoy program points, to incent owners for short-term bookings where -- think places like Orlando or other bigger markets where we do have some near-term availability to get owners to arrive within two months. And those end up being above-average VPGs for the owners that were able to tour there. So, that's one of the near-term initiatives that we've been focused on here to improve. I think when you talk about the commercial rental activity, that will help more over time. That's going to take some time to ramp up here over the next couple of quarters.

**Brandt Montour**

Okay.

**Operator**

Our next question is from David Katz with Jefferies.

**David Katz**

Hi. Good morning, everyone. Pardon for background noise. It is what it is. What I wanted to get at is my -- I think our understanding is that this is a sales force driven business, right? That's at the heart of it. Can you just talk about sort of how the sales force is sort of being run today? Where was it 6 to 12 months ago? And how should we think about it 6 to 12 months from now? Unless I'm wrong, and I invite you to correct me, that seems to be kind of a critical piece of all of this and where the performance ultimately lands. Thanks.

**John Geller**

Yeah. Yeah. In terms of managing our on-site sales force, I think the bigger changes and some of the things we've talked about is we've leaned in on training more recently to train, especially our newer sales folks. Some of the things I mentioned earlier, in certain highly competitive timeshare markets, you do see that they seem to have more turnover, people moving around and that's where, as we talked about, adjusting our comp programs to focus on not only retaining but also getting really good new talent. That's been a focus here. And I think I talked about it earlier. When you do have turnover and you bring in maybe a non-experienced timeshare exec, there is a bit of a ramp-up on getting their VPGs up. So, everything we can do

to retain the best talent and recruit in the best talent, that's the focus. And so, there's no wholesale change overall other than really focusing on the talent. But you're right. The sales force -- you got somebody who can do a \$6,000 or \$7,000 VPG on average versus \$4,000, that's a big difference as higher VPGs flow through to the bottom line. And as we really focus in on this, this should help drive higher VPGs going forward.

**David Katz**

So, if I may follow that up -- and if it was in there and I missed it, I apologize. But have there been some sort of departures in leadership or management within the sales force over the recent past or any changes worth noting?

**John Geller**

Well, not -- there's always normal turnover, David. I think in certain markets when you get down to the frontline sales execs, the highly competitive markets -- like I said, think Orlando, maybe to some extent, Vegas, those types of things. There's a lot of people looking for talent on the sales side. And that's where in a few of the markets, we have seen some higher turnover more recently of our better sales folks.

**Jason Marino**

And David, when you think about the comments that John made in the script about Maui, some of this is sales related. So, we are still recovering from the wildfires. And as you think about sales execs that had to move 1.5 hours or 2 hours away because they lost their home and there was no housing, they did that commute for a while and then, call it, more recently over the last six months or so, have found other opportunities closer to home. It's a tough commute to make that drive every day, and so that did impact us a little bit in Maui. That's not necessarily fixable overnight, but that is something that is related but specific to Maui.

**David Katz**

Understood. Thank you.

**Operator**

Our next question is from Shaun Kelley with Bank of America.

**Shaun Kelley**

Hi. Good afternoon and thanks for taking my question. A lot of ground has been covered, but I did want to go back to the commercial piece that you've been talking about throughout. And I just want to make sure I understand what's happening here. But just to be clear, so, are people basically arbitraging the point system to some degree and either kind of rent or rerenting that on third-party websites? Is that what's really going on? And then what's your ability today as we sit here to kind of track and control that? Like what systems do you use, or how like familiar are you with this? Because it would seem like you should be pretty aware of this. But again, I think for many of us, this is either the first or maybe second time we've ever heard of this. Thanks.

**John Geller**

Yeah. No. I think the way you described it, yes. At a lot of our resorts, given the markets they're in, you can rent those weeks for more than, call it, your annual maintenance fees, right, if that's what you're talking about, arbitrage. But yes, you can make money, if you will, just on your annual fees. And as I mentioned, owners in the normal course are allowed to do rental activity. It's really where -- and this is where -- yes, we're tracking in the systems. We're identifying unusual high bookings by a smaller number and then doing the work to make sure that this is commercial and shutting those down. So, it's a constant -- just because you shut one down, then there could be others. So, we're going to continue to look at it and do the best we can to make people adhere to the rules and stop the commercial rental activity.

**Shaun Kelley**

Got it. Thanks. And then just sort of one super high-level question would be going back to the core business just on the VOI sales. Just big picture, obviously, the trend line is a little different than what we're hearing from other operators in this space. So, in your own estimation, how much of this is macro, and how much of this is idiosyncratic to your portfolio, be it some of the just continued headwinds in Maui or the sales force thing? I think we're all still struggling a little bit with trying to kind of balance, what's been a bifurcated consumer environment and that underlying trend line with what's kind of happening in VAC's business?

**John Geller**

Yeah. I think if you want to start at the macro level, like I mentioned a little bit earlier, I do think in Orlando and some of our resorts where the mix of income is trends towards the lower end versus our higher-end resorts, things like that, we've probably seen some impact at that lower end of our household income. So, we do see a little bit of that. But I think some of the bigger things that we've talked about, which we talked about earlier in the year, which is owner arrivals that in some of the commercial rental activity is probably a little bit with us. We'll solve that and move that forward.

Owner arrivals this year versus last year, and we talked about this earlier, last year benefited from more plus points and things that were burning off. So, the goal was to continue to drive owner arrivals. And to offset that this year, like we talked about, notwithstanding owner arrivals being down, we've done a much better job of what we call capture rate, getting those owners that do show up, touring them at a higher percentage to really drive that. And we've got programs to continue doing that going forward.

Yes, Maui, pre-fires was 10% of our contract sales. We're the largest, I think, in West Maui by far. It's a big part of our business versus our competitors. And the recovery has been choppy over the last couple of years. Jason talked a little bit on the sales exec side. But -- and I think we've talked about this before. We do a lot of packages into Maui. So, when the fires hit, we stopped selling packages, right? It just didn't make sense, and people weren't going to buy them. And so, that pipeline started to get depleted. People that had packages started to come

back over time, and then we started to sell packages again. So, we have seen lower package arrivals just because of that, but those are starting to ramp back up. And then owners, they've started to come back to Maui, but they're being respectful, as well, to the messaging that's come out of Maui over the last couple of years. So, that one is probably specific to us.

And I think high level, as you look at our competitors, too, they're in a different spot, obviously, with acquisitions on the HGV side and how they're upgrading owners and selling into those products and TNL's launching new brands and new resorts. So, they're at a different life cycle a little bit here in the near term, and I think that's offsetting for them any headwinds they've got. They've got some good things that they're selling at the table.

**Shaun Kelley**

Thank you so much.

**Operator**

Our next question is a follow-up from Patrick Scholes with Truist Securities.

**Patrick Scholes**

Thank you for taking my follow up questions. I have some questions just specifically for Jason. Jason, any costs or expenses for next year that you'd like to point out so when we're modeling that we initially should be aware of? Thank you.

**Jason Marino**

Yeah. John talked a little bit about unsold maintenance fees in response to one of the earlier questions. I think the other item that we've talked about in the past and just to make sure everyone is on the same page is higher product costs as we go forward. You did see an increase as we expected from Q2 to Q3 due to the mix of inventory, and we think that will go up again next year. We've talked about that in the past. We have the higher product costs coming from Khao Lak inventory in Asia that we're going to sell through next year as well as the mix of inventory we expect to sell next year domestically. So, I would point to really those two.

Obviously, we're working hard on the modernization. We did take some costs out of the organization in August, which are going to -- we are about \$20 million in total on an annual run rate basis spread throughout the P&L. So, some of it will be in G&A, some of it will be in other lines as that was done in August. So, we'll give more guidance out later, but as we work through everything, what -- those would be the ones that I would call out.

**Patrick Scholes**

Okay. And then, Jason, just specifically on the rental business, certainly, we saw the profit down this year. And I think earlier in this call, it was noted, higher costs for next year. Is it the expectation that profit next year for the rental business will grow?

**Jason Marino**

Yeah, Patrick. We're still working through that. As we talked about, we have a good sense of the unsold maintenance fees going up. Generally, depending on the markets in which that inventory exists, we don't always cover our unsold maintenance fees. As John talked about, some of the markets where we would, but in markets like Orlando and the desert where we do have a significant amount of inventory, the ADRs don't cover that. And that's largely due to the reserves that's common in the timeshare business. So, there could be some headwinds related to that higher unsold maintenance fees, and that's what we're working through here as we kind of finalize the year in the budget. You did see in Q3 a pretty significant decline in the rental business from Q2. A lot of that is seasonality with lower ADRs in that market. Those markets have continued to struggle a little bit. We do expect that to pick up in Q4, but that would be what I would highlight.

**Patrick Scholes**

Okay. Thank you. I look forward to the Investor Day. And if you'd be so kind, just at the Investor Day to talk a little bit more granularity about that last topic of expectations for rental business. I'm all set. Thank you.

**Operator**

Ladies and gentlemen, we have reached the end of the question-and-answer session. I'd like to turn the call back to John Geller for closing remarks.

**John Geller**

Thank you, everyone, for joining our call today. As I said at the outset, we acknowledge that this has been a challenging year. We believe recent targeted changes address some of the root causes of our sales softness in recent periods, particularly in Orlando. These changes combined with continued progress on the \$150 million to \$200 million in adjusted EBITDA benefit through our modernization program by the end of 2026 will position us to return to consistent profitable growth. On behalf of all of our associates, owners, members, and guests around the world, I want to thank you for your continued interest in our company and hope to see you on vacation soon. Thank you.

**Operator**

This concludes today's conference. You may disconnect your lines at this time.