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 June 30, 2024

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	**45-2598330**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7812 Palm Parkway Orlando FL	**32836**
(Address of principal executive offices)	**(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 July 26, 2024 was 35,056,762.

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		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
REVENUES				
Sale of vacation ownership products	$ 309	$ 391	$ 661	$ 766
Management and exchange	215	206	426	406
Rental	153	146	311	297
Financing	85	80	168	158
Cost reimbursements	378	355	769	720
TOTAL REVENUES	1,140	1,178	2,335	2,347
EXPENSES				
Cost of vacation ownership products	38	66	91	124
Marketing and sales	226	206	449	416
Management and exchange	119	110	235	217
Rental	111	112	218	225
Financing	35	25	69	51
General and administrative	54	64	117	132
Depreciation and amortization	35	34	73	66
Litigation charges	10	2	13	5
Restructuring	1	—	3	—
Royalty fee	29	29	57	58
Impairment	2	—	2	4
Cost reimbursements	378	355	769	720
TOTAL EXPENSES	1,038	1,003	2,096	2,018
(Losses) gains and other (expense) income, net	(7)	10	(7)	31
Interest expense, net	(43)	(36)	(83)	(70)
Transaction and integration costs	(3)	(10)	(18)	(23)
Other	(1)	1	(2)	1
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	48	140	129	268
Provision for income taxes	(10)	(50)	(45)	(91)
NET INCOME	38	90	84	177
Net income attributable to noncontrolling interests	(1)	—	—	—
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 37	$ 90	$ 84	$ 177
EARNINGS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Basic	$ 1.04	$ 2.46	$ 2.36	$ 4.78
Diluted	$ 0.98	$ 2.17	$ 2.20	$ 4.23
CASH DIVIDENDS DECLARED PER SHARE	$ 0.76	$ 0.72	$ 1.52	$ 1.44

See Interim Condensed Notes to Consolidated Financial Statements

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

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
NET INCOME	$ 38	$ 90	$ 84	$ 177
Foreign currency translation adjustments	(13)	6	(12)	12
Derivative instrument adjustment, net of tax	(1)	(1)	(3)	(4)
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX	(14)	5	(15)	8
Net income attributable to noncontrolling interests	(1)	—	—	—
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1)	—	—	—
COMPREHENSIVE INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 23	$ 95	$ 69	$ 185

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 June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 206	$ 248
Restricted cash (including $74 and $79 from VIEs, respectively)	251	326
Accounts and contracts receivable, net (including $17 and $15 from VIEs, respectively)	370	385
Vacation ownership notes receivable, net (including $1,906 and $1,912 from VIEs, respectively)	2,308	2,343
Inventory	643	634
Property and equipment, net	1,295	1,260
Goodwill	3,117	3,117
Intangibles, net	822	854
Other (including $118 and $99 from VIEs, respectively)	599	513
TOTAL ASSETS	$ 9,611	$ 9,680
LIABILITIES AND EQUITY		
Accounts payable	$ 198	$ 362
Advance deposits	166	164
Accrued liabilities (including $4 and $4 from VIEs, respectively)	371	343
Deferred revenue	418	382
Payroll and benefits liability	163	205
Deferred compensation liability	179	168
Securitized debt, net (including $2,124 and $2,121 from VIEs, respectively)	2,098	2,096
Debt, net	3,137	3,049
Other	139	249
Deferred taxes	370	280
TOTAL LIABILITIES	7,239	7,298
Contingencies and Commitments (Note 10)		
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; 75,847,792 and 75,807,882 shares issued, respectively	1	1
Treasury stock — at cost; 40,791,747 and 40,488,576 shares, respectively	(2,362)	(2,332)
Additional paid-in capital	3,959	3,955
Accumulated other comprehensive income	1	16
Retained earnings	773	742
TOTAL MVW STOCKHOLDERS' EQUITY	2,372	2,382
Noncontrolling interests	—	—
TOTAL EQUITY	2,372	2,382
TOTAL LIABILITIES AND EQUITY	$ 9,611	$ 9,680

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)

	Six Months Ended	
	June 30, 2024	**June 30, 2023**
OPERATING ACTIVITIES		
Net income	$ 84	$ 177
Adjustments to reconcile net income to net cash, cash equivalents and restricted cash provided by operating activities:		
Depreciation and amortization of intangibles	73	66
Amortization of debt discount and issuance costs	15	12
Vacation ownership notes receivable reserve	168	79
Share-based compensation	16	19
Impairment charges	2	2
Gains and other income, net	—	(7)
Deferred income taxes	79	10
Net change in assets and liabilities:		
Accounts and contracts receivable	7	(31)
Vacation ownership notes receivable originations	(446)	(470)
Vacation ownership notes receivable collections	311	308
Inventory	4	54
Other assets	(60)	(61)
Accounts payable, advance deposits and accrued liabilities	(113)	(129)
Deferred revenue	36	69
Payroll and benefit liabilities	(42)	(78)
Deferred compensation liability	2	7
Other liabilities	(108)	12
Purchase of property for future transfer to inventory	—	(8)
Other, net	5	(4)
Net cash, cash equivalents and restricted cash provided by operating activities	33	27
INVESTING ACTIVITIES		
Capital expenditures for property and equipment (excluding inventory)	(29)	(63)
Purchase of company owned life insurance	(10)	(4)
Purchase and development of property for future sale	(49)	—
Other dispositions, net	—	14
Net cash, cash equivalents and restricted cash used in investing activities	(88)	(53)

Continued

See Interim Condensed Notes to Consolidated Financial Statements

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

	Six Months Ended	
	June 30, 2024	**June 30, 2023**
FINANCING ACTIVITIES		
Borrowings from securitization transactions	633	743
Repayment of debt related to securitization transactions	(629)	(651)
Proceeds from debt	1,460	515
Repayments of debt	(1,378)	(706)
Finance lease incentive	—	10
Finance lease payment	(3)	(2)
Payment of debt issuance costs	(19)	(6)
Repurchase of common stock	(36)	(162)
Payment of dividends	(81)	(80)
Payment of withholding taxes on vesting of restricted stock units	(6)	(10)
Net cash, cash equivalents and restricted cash used in financing activities	(59)	(349)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(3)	1
Change in cash, cash equivalents and restricted cash	(117)	(374)
Cash, cash equivalents and restricted cash, beginning of period	574	854
Cash, cash equivalents and restricted cash, end of period	$ 457	$ 480
SUPPLEMENTAL DISCLOSURES		
Non-cash issuance of treasury stock for employee stock purchase plan	$ 4	$ 3
Non-cash transfer from inventory to property and equipment	15	10
Non-cash transfer from property and equipment to inventory	23	63
Right-of-use asset obtained in exchange for finance lease obligation	12	80
Non-cash issuance of debt in connection with finance lease	12	97
Interest paid, net of amounts capitalized	$ 123	$ 99
Income taxes paid, net of refunds	114	133

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 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
—	Net income	—	—	—	—	37	37	1	38
—	Foreign currency translation adjustments	—	—	—	(13)	—	(13)	—	(13)
—	Derivative instrument adjustment	—	—	—	(1)	—	(1)	—	(1)
—	Share-based compensation plans	—	1	8	—	—	9	—	9
—	Repurchase of common stock	—	(12)	—	—	—	(12)	—	(12)
—	Dividends	—	—	—	—	(27)	(27)	—	(27)
75.8	**BALANCE AT JUNE 30, 2024**	$ 1	$ (2,362)	$ 3,959	$ 1	$ 773	$ 2,372	$ —	$ 2,372

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
75.7	**BALANCE AT DECEMBER 31, 2022**	$ 1	$ (2,054)	$ 3,941	$ 15	$ 593	$ 2,496	$ 2	$ 2,498
—	Net income	—	—	—	—	87	87	—	87
—	Foreign currency translation adjustments	—	—	—	6	—	6	—	6
—	Derivative instrument adjustment	—	—	—	(3)	—	(3)	—	(3)
0.1	Share-based compensation plans	—	2	(4)	—	—	(2)	—	(2)
—	Repurchase of common stock	—	(80)	—	—	—	(80)	—	(80)
—	Dividends	—	—	—	—	(26)	(26)	—	(26)
75.8	**BALANCE AT MARCH 31, 2023**	1	(2,132)	3,937	18	654	2,478	2	2,480
—	Net income	—	—	—	—	90	90	—	90
—	Foreign currency translation adjustments	—	—	—	6	—	6	—	6
—	Derivative instrument adjustment	—	—	—	(1)	—	(1)	—	(1)
—	Share-based compensation plans	—	1	10	—	—	11	—	11
—	Repurchase of common stock	—	(82)	—	—	—	(82)	—	(82)
—	Dividends	—	—	—	—	(26)	(26)	—	(26)
75.8	**BALANCE AT JUNE 30, 2023**	$ 1	$ (2,213)	$ 3,947	$ 23	$ 718	$ 2,476	$ 2	$ 2,478

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, 2023 (the "2023 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, accounting for acquired vacation ownership notes receivable, vacation ownership notes receivable reserves, income taxes, and loss contingencies. The uncertainties in the broader macroeconomic environment, including inflation, continuing high interest rates, mixed economic indicators, increased consumer debt and continuing global insecurity, 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 2023 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-brands and the term "Hyatt Vacation Ownership" to refer to our Hyatt-brands.

We have reclassified certain prior year amounts to conform with our current year presentation.

2. SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING STANDARDS

Future Adoption of Accounting Standards

Accounting Standards Update 2023-07 – *"Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures"* ("ASU 2023-07")

In November 2023, the FASB issued ASU 2023-07, which updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. This update will be applied retrospectively for all prior periods presented in the financial statements. We will begin providing the enhanced disclosures required by this standard with our Annual Report on Form 10-K for the year ending December 31, 2024.

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

In December 2023, the FASB issued 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 will begin providing the enhanced disclosures required by this standard with our Annual Report on Form 10-K for the year ending December 31, 2025.

3. ACQUISITIONS

Charleston, South Carolina

During the first quarter of 2023, we acquired a parcel of land and an adjacent retail space in Charleston, South Carolina for $17 million. We plan to develop the parcel of land into a 50-unit vacation ownership property and use a portion of the retail space to operate a sales center. The transaction was accounted for as an asset acquisition and was recorded in Property and equipment, net.

4. REVENUE AND RECEIVABLES

Sources of Revenue by Segment

	Three Months Ended June 30, 2024			
($ in millions)	**Vacation Ownership**	**Exchange & Third-Party Management**	**Corporate and Other**	**Total**
Sale of vacation ownership products	$ 309	$ —	$ —	$ 309
Ancillary revenues	72	1	—	73
Management fee revenues	51	2	(1)	52
Exchange and other services revenues	34	42	14	90
Management and exchange	157	45	13	215
Rental	143	10	—	153
Cost reimbursements	384	3	(9)	378
Revenue from contracts with customers	993	58	4	1,055
Financing	85	—	—	85
Total Revenues	$ 1,078	$ 58	$ 4	$ 1,140

($ in millions)	Three Months Ended June 30, 2023 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Sale of vacation ownership products	$ 391	$ —	$ —	$ 391
Ancillary revenues	70	1	—	71
Management fee revenues	45	5	(1)	49
Exchange and other services revenues	32	45	9	86
Management and exchange	147	51	8	206
Rental	135	11	—	146
Cost reimbursements	359	3	(7)	355
Revenue from contracts with customers	1,032	65	1	1,098
Financing	80	—	—	80
Total Revenues	$ 1,112	$ 65	$ 1	$ 1,178

($ in millions)	Six Months Ended June 30, 2024 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Sale of vacation ownership products	$ 661	$ —	$ —	$ 661
Ancillary revenues	137	2	—	139
Management fee revenues	103	7	(2)	108
Exchange and other services revenues	65	88	26	179
Management and exchange	305	97	24	426
Rental	290	21	—	311
Cost reimbursements	784	5	(20)	769
Revenue from contracts with customers	2,040	123	4	2,167
Financing	168	—	—	168
Total Revenues	$ 2,208	$ 123	$ 4	$ 2,335

($ in millions)	Six Months Ended June 30, 2023 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Sale of vacation ownership products	$ 766	$ —	$ —	$ 766
Ancillary revenues	131	2	—	133
Management fee revenues	90	13	(2)	101
Exchange and other services revenues	61	92	19	172
Management and exchange	282	107	17	406
Rental	276	21	—	297
Cost reimbursements	727	8	(15)	720
Revenue from contracts with customers	2,051	136	2	2,189
Financing	158	—	—	158
Total Revenues	$ 2,209	$ 136	$ 2	$ 2,347

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.

($ in millions)	Three Months Ended June 30, 2024 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Services transferred over time	$ 607	$ 22	$ 4	$ 633
Goods or services transferred at a point in time	386	36	—	422
Revenue from contracts with customers	$ 993	$ 58	$ 4	$ 1,055

($ in millions)	Three Months Ended June 30, 2023 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Services transferred over time	$ 567	$ 27	$ 1	$ 595
Goods or services transferred at a point in time	465	38	—	503
Revenue from contracts with customers	$ 1,032	$ 65	$ 1	$ 1,098

($ in millions)	Six Months Ended June 30, 2024 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Services transferred over time	$ 1,233	$ 46	$ 4	$ 1,283
Goods or services transferred at a point in time	807	77	—	884
Revenue from contracts with customers	$ 2,040	$ 123	$ 4	$ 2,167

($ in millions)	Six Months Ended June 30, 2023 Vacation Ownership	Exchange & Third-Party Management	Corporate and Other	Total
Services transferred over time	$ 1,145	$ 56	$ 2	$ 1,203
Goods or services transferred at a point in time	906	80	—	986
Revenue from contracts with customers	$ 2,051	$ 136	$ 2	$ 2,189

Sale of Vacation Ownership Products

Revenues were reduced during the second quarter and first half of 2024 by $60 million and $64 million, respectively, 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 June 30, 2024 or December 31, 2023.

($ in millions)	**At June 30, 2024**	**At December 31, 2023**
Receivables from Contracts with Customers		
Accounts and contracts receivable, net	$ 212	$ 259
Vacation ownership notes receivable, net	2,308	2,343
	$ 2,520	$ 2,602
Contract Liabilities		
Advance deposits	$ 166	$ 164
Deferred revenue	418	382
	$ 584	$ 546

Revenue recognized during the second quarter and first half of 2024 that was included in our contract liabilities balance at December 31, 2023 was $95 million and $216 million, respectively.

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 June 30, 2024, approximately 92% 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:

($ in millions)	**At June 30, 2024**	**At December 31, 2023**
Receivables from contracts with customers, net	$ 212	$ 259
Interest receivable	20	18
Tax receivable	70	44
Indemnification assets	38	40
Employee tax credit receivable	10	11
Other	20	13
	$ 370	$ 385

5. 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 22.0% and 35.4% for the three months ended June 30, 2024 and June 30, 2023, respectively, and 35.2% and 33.9% for the six months ended June 30, 2024 and June 30, 2023, respectively.

The effective tax rate for the three months ended June 30, 2024 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including a $13 million decrease for the expiration of statutes of limitation on certain unrecognized tax benefits, partially offset by a $4 million increase related to prior year true-up adjustments in non-U.S. jurisdictions.

The effective tax rate for the three months ended June 30, 2023 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including a $5 million adjustment in stock compensation.

The effective tax rate for the six months ended June 30, 2024 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including a $20 million increase to remove the permanent reinvestment assertion for certain non-U.S. entities and a $5 million increase related to prior year true-up adjustments in non-U.S. jurisdictions, partially offset by a $22 million decrease for the expiration of statutes of limitation on certain unrecognized tax benefits.

The effective tax rate for the six months ended June 30, 2023 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including an $18 million increase to pre-acquisition reserves for unrecognized tax benefits.

Unrecognized Tax Benefits

The following table summarizes the activity related to our unrecognized tax benefits (excluding interest and penalties) during the six months ended June 30, 2024.

($ in millions)	**Unrecognized Tax Benefits**
Balance at December 31, 2023	$ 106
Decreases to tax positions related to a prior period[1]	(80)
Decreases as a result of a lapse of the applicable statute of limitation	(9)
Balance at June 30, 2024	$ 17

[1] Decrease due to filing of an automatic tax method change with the IRS during the second quarter of 2024.

The total amount of gross interest and penalties accrued related to unrecognized tax benefits was $33 million at June 30, 2024 and $48 million at December 31, 2023, a decrease of $15 million, which is predominantly attributable to the expiration of statutes of limitation, partially offset by additional interest and penalties related to non-U.S. uncertain tax positions. At June 30, 2024, unrecognized tax benefits (including interest and penalties) of $16 million, net of indemnification, would impact the effective tax rate if recognized.

We anticipate $34 million of unrecognized tax benefits, including interest and penalties, to be indemnified pursuant to a Tax Matters Agreement dated May 11, 2016 by and among Starwood Hotels & Resorts Worldwide, Inc., Vistana Signature Experiences, Inc., and Interval Leisure Group, Inc., and consequently have recorded a corresponding indemnification asset. The unrecognized tax benefits, including accrued interest and penalties, are included in Other liabilities on our Balance Sheet.

Our income tax returns are subject to examination by relevant tax authorities. Certain of our 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.

6. VACATION OWNERSHIP NOTES RECEIVABLE

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

	June 30, 2024			December 31, 2023		
($ in millions)	Originated	Acquired	Total	Originated	Acquired	Total
Securitized	$ 1,790	$ 116	$ 1,906	$ 1,764	$ 148	$ 1,912
Eligible for securitization[1]	56	4	60	51	1	52
Not eligible for securitization[1]	327	15	342	363	16	379
Non-securitized	383	19	402	414	17	431
Total	$ 2,173	$ 135	$ 2,308	$ 2,178	$ 165	$ 2,343

[1] Refer to Footnote 7 "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.

	Three Months Ended		Six Months Ended	
($ in millions)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Interest income associated with securitized vacation ownership notes receivable	$ 72	$ 68	$ 143	$ 135
Interest income associated with non-securitized vacation ownership notes receivable	10	8	20	17
Total interest income associated with vacation ownership notes receivable	$ 82	$ 76	$ 163	$ 152

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 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.

In the third quarter of 2023, we increased our vacation ownership notes receivable reserve to reflect then-current trends in delinquencies and default rates. We estimated the amount of the increase in our sales reserve primarily using a historical period of increased defaults. The additional reserves recorded in 2023 adjusted our future default rate estimate to reflect then-current macroeconomic conditions, including inflation outpacing wage growth, continuing high interest rates, mixed economic indicators and increased global insecurity. Subsequent to the third quarter of 2023, we increased our sales reserve rate to provide for higher expected cumulative losses on new originations.

We believe the cumulative impact of inflation on consumers and the related impact on year-over-year increases in maintenance fees for 2023 and 2024 are driving continued elevated delinquencies and defaults. As a result, during the second quarter of 2024, we increased our sales reserve by $70 million to reflect increases in expected cumulative loss rates for our vacation ownership notes receivable originated during 2021-2024. In estimating the increase in the sales reserve, we considered current macroeconomic conditions, including higher consumer debt levels, moderating inflation, continued high interest rates, uncertainty around timing and frequency of interest rate adjustments and continued mixed economic indicators.

The weighted average FICO score within our consolidated vacation ownership notes receivable pool was 724 and 723, at June 30, 2024 and December 31, 2023, respectively, based upon the FICO score of the borrower at the time of origination.

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 a $12 million reserve, and interest rates for our acquired vacation ownership notes receivable at June 30, 2024.

	Acquired Vacation Ownership Notes Receivable		
($ in millions)	**Non-Securitized**	**Securitized**	**Total**
2024, remaining	$ 4	$ 14	$ 18
2025	5	25	30
2026	3	23	26
2027	2	19	21
2028	2	12	14
Thereafter	3	23	26
Balance at June 30, 2024	$ 19	$ 116	$ 135
Weighted average stated interest rate	13.8%	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.

	Acquired Vacation Ownership Notes Receivable as of June 30, 2024				
($ in millions)	**700+**	**600 - 699**	**< 600**	**No Score**	**Total**
Marriott Vacation Ownership	$ 38	$ 26	$ 3	$ 8	$ 75
Hyatt Vacation Ownership	43	28	1	—	72
	$ 81	$ 54	$ 4	$ 8	$ 147

	Acquired Vacation Ownership Notes Receivable as of December 31, 2023				
($ in millions)	**700+**	**600 - 699**	**< 600**	**No Score**	**Total**
Marriott Vacation Ownership	$ 46	$ 32	$ 4	$ 9	$ 91
Hyatt Vacation Ownership	53	34	1	1	89
	$ 99	$ 66	$ 5	$ 10	$ 180

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 June 30, 2024.

	Originated Vacation Ownership Notes Receivable		
($ in millions)	**Non-Securitized**	**Securitized**	**Total**
2024, remaining	$ 34	$ 71	$ 105
2025	50	145	195
2026	41	154	195
2027	38	161	199
2028	33	167	200
Thereafter	187	1,092	1,279
Balance at June 30, 2024	$ 383	$ 1,790	$ 2,173
Weighted average stated interest rate	12.0%	13.3%	13.0%
Range of stated interest rates	0.0% to 20.9%	0.0% to 20.9%	0.0% to 20.9%

The following table summarizes the activity related to our originated vacation ownership notes receivable reserve.

	Originated Vacation Ownership Notes Receivable Reserve		
($ in millions)	Non-Securitized	Securitized	Total
Balance at December 31, 2023	$ 195	$ 260	$ 455
Increase in vacation ownership notes receivable reserve	144	18	162
Securitizations	(86)	86	—
Clean-up call	34	(34)	—
Write-offs	(89)	—	(89)
Defaulted vacation ownership notes receivable repurchase activity(1)	73	(73)	—
Balance at June 30, 2024	$ 271	$ 257	$ 528

(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.

	Originated Vacation Ownership Notes Receivable as of June 30, 2024				
($ in millions)	700 +	600 - 699	< 600	No Score	Total
Marriott Vacation Ownership	$ 1,427	$ 618	$ 58	$ 326	$ 2,429
Hyatt Vacation Ownership	195	72	2	3	272
	$ 1,622	$ 690	$ 60	$ 329	$ 2,701

	Originated Vacation Ownership Notes Receivable as of December 31, 2023				
($ in millions)	700 +	600 - 699	< 600	No Score	Total
Marriott Vacation Ownership	$ 1,381	$ 609	$ 57	$ 323	2,370
Hyatt Vacation Ownership	188	70	2	3	263
	$ 1,569	$ 679	$ 59	$ 326	$ 2,633

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 June 30, 2024, and gross write-offs by brand for the first half of 2024.

	Originated Vacation Ownership Notes Receivable - Marriott Vacation Ownership					
($ in millions)	2024	2023	2022	2021	2020 & Prior	Total
700 +	$ 247	$ 438	$ 319	$ 177	$ 246	$ 1,427
600 - 699	81	171	144	91	131	618
< 600	8	16	13	8	13	58
No Score	82	114	52	19	59	326
	$ 418	$ 739	$ 528	$ 295	$ 449	$ 2,429
Gross write-offs	$ 1	$ 18	$ 22	$ 14	$ 20	$ 75

($ in millions)	Originated Vacation Ownership Notes Receivable - Hyatt Vacation Ownership 2024	2023	2022	2021	2020 & Prior	Total
700 +	$ 49	$ 69	$ 50	$ 23	$ 4	$ 195
600 - 699	16	25	20	9	2	72
< 600	1	—	1	—	—	2
No Score	1	1	1	—	—	3
	$ 67	$ 95	$ 72	$ 32	$ 6	$ 272
Gross write-offs	$ —	$ 5	$ 6	$ 3	$ —	$ 14

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 14.77% as of June 30, 2024 and 13.00% as of December 31, 2023. 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 $13 million as of both June 30, 2024 and December 31, 2023.

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.

($ in millions)	Vacation Ownership Notes Receivable Non-Securitized	Securitized	Total
Investment in vacation ownership notes receivable on non-accrual status at June 30, 2024	$ 171	$ 22	$ 193
Investment in vacation ownership notes receivable on non-accrual status at December 31, 2023	$ 141	$ 27	$ 168

The following table shows the aging of the recorded investment in principal, before reserves, in vacation ownership notes receivable as of June 30, 2024 and December 31, 2023.

	As of June 30, 2024			As of December 31, 2023		
($ in millions)	Non-Securitized	Securitized	Total	Non-Securitized	Securitized	Total
31 – 90 days past due	$ 27	$ 77	$ 104	$ 31	$ 72	$ 103
91 – 120 days past due	8	16	24	7	19	26
Greater than 120 days past due	163	6	169	134	8	142
Total past due	198	99	297	172	99	271
Current	480	2,071	2,551	460	2,082	2,542
Total vacation ownership notes receivable	$ 678	$ 2,170	$ 2,848	$ 632	$ 2,181	$ 2,813

7. 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.

	At June 30, 2024		At December 31, 2023	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable, net	$ 2,308	$ 2,360	$ 2,343	$ 2,427
Contracts receivable for financed VOI sales, net	51	51	37	37
Other assets	118	118	99	99
Total financial assets	$ 2,477	$ 2,529	$ 2,479	$ 2,563
Securitized debt, net	$ (2,098)	$ (2,085)	$ (2,096)	$ (2,068)
Term Loan, net	(789)	(802)	(781)	(784)
Revolving Corporate Credit Facility, net	(172)	(175)	(101)	(105)
2028 Notes, net	(348)	(331)	(348)	(322)
2029 Notes, net	(495)	(460)	(495)	(445)
2026 Convertible Notes, net	(570)	(503)	(568)	(508)
2027 Convertible Notes, net	(565)	(536)	(563)	(513)
Non-interest bearing note payable, net	—	—	(4)	(4)
Total financial liabilities	$ (5,037)	$ (4,892)	$ (4,956)	$ (4,749)

Vacation Ownership Notes Receivable

	At June 30, 2024		At December 31, 2023	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Securitized	$ 1,906	$ 1,954	$ 1,912	$ 1,994
Eligible for securitization	60	64	52	54
Not eligible for securitization	342	342	379	379
Non-securitized	402	406	431	433
Total	$ 2,308	$ 2,360	$ 2,343	$ 2,427

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 Marriott-branded 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 $118 million and $99 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 June 30, 2024 and December 31, 2023, 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 12 “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 12 “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 12 “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.

8. EARNINGS PER SHARE

Basic earnings per common 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 common share attributable to common stockholders reflects the assumed conversion of all dilutive securities, calculated using the treasury stock method.

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

	Three Months Ended		Six Months Ended	
(in millions, except per share amounts)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net income attributable to common stockholders	$ 37	$ 90	$ 84	$ 177
Shares for basic earnings per share	35.4	36.9	35.5	37.1
Basic earnings per share	$ 1.04	$ 2.46	$ 2.36	$ 4.78

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

	Three Months Ended		Six Months Ended	
(in millions, except per share amounts)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net income attributable to common stockholders	$ 37	$ 90	$ 84	$ 177
Add back of interest expense related to convertible notes, net of tax	4	5	9	9
Numerator used to calculate diluted earnings per share	$ 41	$ 95	$ 93	$ 186
Shares for basic earnings per share	35.4	36.9	35.5	37.1
Effect of dilutive shares outstanding				
Employee SARs	—	0.1	—	0.2
Restricted stock units	0.1	0.3	0.1	0.3
2026 Convertible Notes	3.6	3.5	3.6	3.5
2027 Convertible Notes	3.1	3.0	3.0	3.0
Shares for diluted earnings per share	42.2	43.8	42.2	44.1
Diluted earnings per share	$ 0.98	$ 2.17	$ 2.20	$ 4.23

The computations of diluted earnings per share attributable to common stockholders in the table above exclude approximately 393,000 and 213,000 shares of common stock, the maximum number of shares issuable as of June 30, 2024 and June 30, 2023, 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 second quarter of 2024, we excluded from our calculation of diluted earnings per share 559,444 shares underlying stock appreciation rights ("SARs") that may settle in shares of common stock because the exercise prices of such SARs, which ranged from $96.82 to $173.88, were greater than the average market price of our common stock for the applicable period.

For the first half of 2024, we excluded from our calculation of diluted earnings per share 646,203 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.

For each of the second quarter and first half of 2023, we excluded from our calculation of diluted earnings per share 289,750 shares underlying SARs that may settle in shares of common stock because the exercise prices of such SARs, which ranged from $143.38 to $173.88, were greater than the average market price of our common stock for the applicable period.

9. INVENTORY

The following table shows the composition of our inventory balances:

($ in millions)	At June 30, 2024	At December 31, 2023
Finished goods[1]	$ 629	$ 624
Work-in-progress	4	—
Real estate inventory	633	624
Other	10	10
	$ 643	$ 634

(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 $20 million during the first half of 2024 and $15 million during the first half of 2023.

In addition to the above, at June 30, 2024 and December 31, 2023, we had $345 million and $370 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 $25 million at June 30, 2024, of which $21 million was included in Other assets and $4 million was included in Accounts and contracts receivable, net on our Balance Sheet, and $3 million at December 31, 2023, which was included in Other assets on our Balance Sheet.

10. CONTINGENCIES AND COMMITMENTS

Commitments and Letters of Credit

As of June 30, 2024, we had the following commitments outstanding:

- We have various contracts for the use of information technology hardware and software that we use in the normal course of business. Our aggregate commitment under these contracts was $79 million, of which we expect $24 million, $29 million, $18 million, $6 million, and $2 million will be paid in the remainder of 2024, 2025, 2026, 2027, and 2028, respectively.
- We have remaining commitments of $34 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 the commitments, and to make remaining payments with respect to these units when specific construction milestones are completed as follows: $2 million in the remainder of 2024, $10 million in 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: $4 million in the remainder of 2024, $2 million in 2025, $14 million in 2026, and $1 million in 2027.
- We have a remaining commitment of $37 million to purchase 60 vacation ownership units located in Khao Lak, Thailand, 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 these vacation ownership units in 2026. We expect to make remaining payments when specific construction milestones are completed as follows: $4 million in 2025, $31 million in 2026, and $2 million in 2027.
- We have $134 million of commitments to purchase property and vacation ownership units located in the continental United States, subject to various contingencies, that include, but are not limited to, the receipt of financing by third-party developers, governmental approvals, and the completion of construction to agreed-upon standards within specified timeframes. We expect to complete these acquisitions by 2027. We expect to make remaining payments when specific approvals are received and construction milestones are completed as follows: $13 million in the remainder of 2024, $13 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 15 “Variable Interest Entities” for additional information and our activities relating to the VIE involved in this transaction.

As of June 30, 2024, we had $32 million of letters of credit outstanding under our Revolving Corporate Credit Facility (as defined in Footnote 12 "Debt"), of which $31 million were related to and in lieu of reserves required for our most recent outstanding securitization transactions completed during the first quarter of 2024 and the fourth quarter of 2023. In addition, as of June 30, 2024, we had $1 million in letters of credit outstanding that were not issued pursuant to, nor do they impact our borrowing capacity under, the Revolving Corporate Credit Facility.

Surety bonds issued as of June 30, 2024 totaled $129 million, the majority of which were requested by federal, state or local governments in connection with our operations.

Guarantees

Certain of our rental management agreements in our Exchange & Third-Party Management segment provide for owners of properties we manage to receive specified percentages of rental revenue or guaranteed amounts generated under our management. In these cases, the operating expenses for the rental operations are paid from the revenue generated by the rentals, the owners are then paid their contractual percentages or guaranteed amounts, and we either retain the balance of the rental revenue (if any) as our fee or we make up the deficit if the owners have not received their guaranteed amounts. At June 30, 2024, our maximum exposure under fixed dollar guarantees was $4 million, of which $1 million, $1 million, $1 million, $1 million, and less than $1 million relate to the remainder of 2024, 2025, 2026, 2027, and 2028, respectively.

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 June 30, 2024, our expected commitment for the remainder of 2024 is $10 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 alleges 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 is seeking 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. Additionally, the COVID-19 pandemic may give rise to various claims and lawsuits from owners, members and other parties. 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.

11. SECURITIZED DEBT

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

($ in millions)	At June 30, 2024	At December 31, 2023
Vacation ownership notes receivable securitizations, gross[1]	$ 2,016	$ 1,971
Unamortized debt discount and issuance costs	(24)	(23)
	1,992	1,948
Warehouse Credit Facility, gross[2]	108	150
Unamortized debt issuance costs	(2)	(2)
	106	148
	$ 2,098	$ 2,096

(1) Interest rates as of June 30, 2024 range from 1.5% to 6.6%, with a weighted average interest rate of 4.7%.

(2) The effective interest rate as of June 30, 2024 was 6.6%.

All of our securitized debt is non-recourse. See Footnote 15 “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 June 30, 2024.

($ in millions)	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility[1]	Total
Payment Year			
2024, remaining	$ 92	$ 8	$ 100
2025	182	6	188
2026	187	7	194
2027	191	87	278
2028	189	—	189
Thereafter	1,175	—	1,175
	$ 2,016	$ 108	$ 2,124

(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 second quarter of 2024, and as of June 30, 2024, we had 14 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.

During the first quarter of 2024, we securitized a pool of $439 million of vacation ownership notes receivable. In connection with the securitization, $430 million in vacation ownership loan backed notes were issued by MVW 2024-1 LLC (the “2024-1 LLC”) in a private placement. Three classes of vacation ownership loan backed notes were issued by the 2024-1 LLC: $284 million of Class A Notes, $89 million of Class B Notes, and $57 million of Class C Notes. The

Class A Notes have an interest rate of 5.32%, the Class B Notes have an interest rate of 5.51%, and the Class C Notes have an interest rate of 6.20%, for an overall weighted average interest rate of 5.48%. Proceeds from the transaction, net of fees and a reserve, were used to repay the outstanding obligations on our warehouse credit facility (the "Warehouse Credit Facility") and for other general corporate purposes.

Warehouse Credit Facility

During the second quarter of 2024, we amended certain agreements associated with our Warehouse Credit Facility (the "Warehouse Amendment"). The Warehouse Amendment extended the revolving period from May 31, 2025 to June 11, 2026, and modified the benchmark interest rate applicable to most borrowings under the Warehouse Credit Facility to the Secured Overnight Financing Rate ("SOFR"). The Warehouse Amendment removed the use of Adjusted SOFR, which was defined as SOFR plus a 0.10% adjustment. Additionally, as part of the Warehouse Amendment, the credit spread was changed from 135 basis points over Adjusted SOFR to 115 basis points over SOFR. The Warehouse Amendment made no other material changes to the Warehouse Credit Facility.

12. DEBT

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

($ in millions)	**At June 30, 2024**	**At December 31, 2023**
Corporate Credit Facility		
Term Loan[1]	$ 800	$ 784
Unamortized debt discount and issuance costs	(11)	(3)
	789	781
Revolving Corporate Credit Facility[2]	175	105
Unamortized debt issuance costs	(3)	(4)
	172	101
Senior Unsecured Notes		
2028 Notes	350	350
Unamortized debt discount and issuance costs	(2)	(2)
	348	348
2029 Notes	500	500
Unamortized debt discount and issuance costs	(5)	(5)
	495	495
Convertible Notes		
2026 Convertible Notes	575	575
Unamortized debt issuance costs	(5)	(7)
	570	568
2027 Convertible Notes	575	575
Unamortized debt issuance costs	(10)	(12)
	565	563
Finance Leases	198	189
Non-interest bearing note payable	—	4
	$ 3,137	$ 3,049

(1) The effective interest rate as of June 30, 2024 was 7.6%.

(2) The effective interest rate as of June 30, 2024 was 7.4%.

The following table shows scheduled principal payments for our debt, excluding finance leases, as of June 30, 2024.

	Payments Year						
($ in millions)	Remaining 2024	2025	2026	2027	2028	Thereafter	Total
Term Loan	$ 4	$ 8	$ 8	$ 8	$ 8	$ 764	$ 800
Revolving Corporate Credit Facility	—	—	—	175	—	—	175
2028 Notes	—	—	—	—	350	—	350
2029 Notes	—	—	—	—	—	500	500
2026 Convertible Notes	—	—	575	—	—	—	575
2027 Convertible Notes	—	—	—	575	—	—	575
	$ 4	$ 8	$ 583	$ 758	$ 358	$ 1,264	$ 2,975

Corporate Credit Facility

Our corporate credit facility ("Corporate Credit Facility"), which provides support for our business, including ongoing liquidity and letters of credit, includes a term loan facility (the "Term Loan"), and a revolving credit facility with a borrowing capacity of $750 million (the "Revolving Corporate Credit Facility"), which includes a letter of credit sub-facility of $75 million, that terminates on March 31, 2027.

During the second quarter of 2024, we entered into an amendment to the Corporate Credit Facility (the "Amendment"), which, among other things, provided for a new $800 million term loan facility scheduled to mature on April 1, 2031 (the "New Term Loan"). Prior to the Amendment, the Corporate Credit Facility included a $900 million term loan facility. The proceeds of the New Term Loan were used to refinance, in full, the Term Loan, which had a balance of $784 million as of March 31, 2024 and was scheduled to mature on August 31, 2025. The interest rate applicable to the New Term Loan is SOFR plus 2.25%. There were no changes to the borrowing capacity or the termination date of the Revolving Corporate Credit Facility or its letter of credit sub-facility.

During the second quarter of 2024, $200 million of interest rate swaps and a $100 million interest rate collar that were entered into prior to 2023 to hedge a portion of our interest rate risk on the Term Loan expired and are no longer recorded on our Balance Sheet as of June 30, 2024. Both the interest rate swap and the interest rate collar were designated and qualified as cash flow hedges of interest rate risk and were recorded in Other assets on our Balance Sheets as of December 31, 2023. We characterized payments we made or received in connection with these derivative instruments as interest expense and a reclassification of accumulated other comprehensive income or loss for presentation purposes.

The following table reflects the activity in accumulated other comprehensive income or loss related to our derivative instruments during the first half of 2024 and 2023. There were no reclassifications to the Income Statement for any of the periods presented below.

($ in millions)	2024	2023
Derivative instrument adjustment balance, January 1	$ 3	$ 13
Other comprehensive loss before reclassifications	(2)	(3)
Derivative instrument adjustment balance, March 31	1	10
Other comprehensive loss before reclassifications	(1)	(1)
Derivative instrument adjustment balance, June 30	$ —	$ 9

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 June 30, 2024 to 6.2577 shares of common stock per $1,000 principal amount of 2026 Convertible Notes (equivalent to a conversion price of $159.80 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 June 30, 2024, the effective interest rate was 0.55%.

The following table shows interest expense information related to the 2026 Convertible Notes.

	Three Months Ended		Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Amortization of debt issuance costs	$ 1	$ 1	$ 2	$ 2

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 3.6 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 3.6 million shares of our common stock, in each case, as of June 30, 2024. The strike prices of the 2026 Convertible Note Hedges and the 2026 Warrants were subject to adjustment to $159.80 and $199.75, respectively, as of June 30, 2024, 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 June 30, 2024 to 5.2798 shares of common stock per $1,000 principal amount of 2027 Convertible Notes (equivalent to a conversion price of $189.40 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 June 30, 2024, the effective interest rate was 3.88%.

The following table shows interest expense information related to the 2027 Convertible Notes.

	Three Months Ended		Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Contractual interest expense	$ 5	$ 5	$ 9	$ 9
Amortization of debt issuance costs	1	1	2	2
	$ 6	$ 6	$ 11	$ 11

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 June 30, 2024. The strike prices of the 2027 Convertible Note Hedges and the 2027 Warrants were subject to adjustment to $189.40 and $285.89, respectively, as of June 30, 2024, 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 subsidiaries), 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 subsidiaries.

13. STOCKHOLDERS' EQUITY

Marriott Vacations Worldwide has 100,000,000 authorized shares of common stock, par value of $0.01 per share. At June 30, 2024, there were 75,847,792 shares of Marriott Vacations Worldwide common stock issued, of which 35,056,045 shares were outstanding and 40,791,747 shares were held as treasury stock. At December 31, 2023, there were 75,807,882 shares of Marriott Vacations Worldwide common stock issued, of which 35,319,306 shares were outstanding and 40,488,576 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 June 30, 2024 or December 31, 2023.

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 June 30, 2024, approximately $402 million remained available for share repurchases under the current Share Repurchase Program, which authorizes share repurchases through December 31, 2024.

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:

($ in millions, except per share amounts)	Number of Shares Repurchased	Cost Basis of Shares Repurchased	Average Price Paid per Share
As of December 31, 2023	25,141,073	$ 2,405	$ 95.65
For the first half of 2024	410,377	36	$ 88.99
As of June 30, 2024	25,551,450	$ 2,441	$ 95.55

Dividends

We declared cash dividends to holders of common stock during the first half of 2024 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 15, 2024	February 29, 2024	March 14, 2024	$0.76
May 9, 2024	May 23, 2024	June 6, 2024	$0.76

14. SHARE-BASED COMPENSATION

During the second quarter of 2024, our stockholders approved the Amended and Restated Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan (the “MVW Equity Plan”). The MVW Equity Plan is maintained 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 June 30, 2024, approximately 2 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:

	Three Months Ended		Six Months Ended	
($ in millions)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Service-based RSUs	$ 10	$ 9	$ 16	$ 15
Performance-based RSUs	(2)	2	(1)	3
	8	11	15	18
SARs	1	1	1	1
	$ 9	$ 12	$ 16	$ 19

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

($ in millions)	At June 30, 2024	At December 31, 2023
Service-based RSUs	$ 41	$ 22
Performance-based RSUs	7	1
	48	23
SARs	2	1
	$ 50	$ 24

Restricted Stock Units

We granted 399,680 service-based RSUs, which are subject to time-based vesting conditions, with a weighted average grant-date fair value of $87.62, to our employees and non-employee directors during the first half of 2024. During the first half of 2024, we also granted performance-based RSUs, which are subject to performance-based vesting conditions, to members of management. A maximum of 204,020 RSUs may be earned under the performance-based RSU awards granted during the first half of 2024.

Stock Appreciation Rights

We granted 86,759 SARs, with a weighted average grant-date fair value of $34.58 and a weighted average exercise price of $93.73, to members of management during the first half of 2024. 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 half of 2024:

Expected volatility	45.78%
Dividend yield	3.21%
Risk-free rate	4.23%
Expected term (in years)	6.25

15. 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 June 30, 2024:

($ in millions)	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility	Total
Consolidated Assets			
Vacation ownership notes receivable, net of reserves	$ 1,789	$ 117	$ 1,906
Interest receivable	16	1	17
Restricted cash	70	4	74
Total	$ 1,875	$ 122	$ 1,997
Consolidated Liabilities			
Interest payable	$ 3	$ 1	$ 4
Securitized debt	2,016	108	2,124
Total	$ 2,019	$ 109	$ 2,128

The following table shows the interest income and expense recognized as a result of our involvement with these VIEs during the second quarter of 2024:

($ in millions)	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility	Total
Interest income	$ 70	$ 2	$ 72
Interest expense	$ 25	$ 1	$ 26
Debt issuance cost amortization	$ 2	$ 1	$ 3

The following table shows the interest income and expense recognized as a result of our involvement with these VIEs during the first half of 2024:

($ in millions)	Vacation Ownership Notes Receivable Securitizations	Warehouse Credit Facility	Total
Interest income	$ 136	$ 7	$ 143
Interest expense	$ 47	$ 4	$ 51
Debt issuance cost amortization	$ 5	$ 1	$ 6
Administrative expenses	$ 1	$ —	$ 1

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

	Six Months Ended	
($ in millions)	June 30, 2024	June 30, 2023
Cash Inflows		
Net proceeds from vacation ownership notes receivable securitizations	$ 426	$ 396
Principal receipts	275	255
Interest receipts	132	120
Reserve release	112	16
Total	945	787
Cash Outflows		
Principal payments	(277)	(259)
Voluntary repurchases of defaulted vacation ownership notes receivable	(78)	(57)
Voluntary clean-up call	(29)	(19)
Interest payments	(50)	(34)
Funding of restricted cash	(112)	(17)
Total	(546)	(386)
Net Cash Flows	$ 399	$ 401

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

	Six Months Ended	
($ in millions)	June 30, 2024	June 30, 2023
Cash Inflows		
Proceeds from vacation ownership notes receivable securitizations	$ 203	$ 342
Principal receipts	12	25
Interest receipts	7	14
Reserve release	6	8
Total	228	389
Cash Outflows		
Principal payments	(7)	(19)
Voluntary repurchases of defaulted vacation ownership notes receivable	(2)	(1)
Repayment of Warehouse Credit Facility	(236)	(296)
Interest payments	(4)	(5)
Funding of restricted cash	(5)	(11)
Total	(254)	(332)
Net Cash Flows	$ (26)	$ 57

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 June 30, 2024, we expect to make remaining payments for the property as follows: $65 million during the third quarter of 2024, $82 million in 2025, and $41 million in 2026. As of June 30, 2024, our Balance Sheet reflected $1 million in Accounts and contracts receivable, net, including a note receivable of less than $1 million, $14 million in Property and equipment, net, and $1 million in the Other line within liabilities on our Balance Sheets. We believe that our maximum exposure to loss as a result of our involvement with this VIE is approximately $16 million as of June 30, 2024. During the first half of 2024, we fulfilled our outstanding commitment to purchase retail space for $48 million and incurred $1 million of cost related to the fit-out of this space. We have an agreement to sell the retail space to a third party, at cost, upon completion of construction, which we expect to occur in the second half of 2024.

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 June 30, 2024 and December 31, 2023, the value of the assets held in the rabbi trust was $118 million and $99 million, respectively, and was included in the Other line within assets on our Balance Sheets.

16. 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.

Vacation Ownership 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.

Exchange & Third-Party Management includes an exchange network and membership programs, as well as provision of management services to other resorts and lodging properties. We provide these services through our Interval International and Aqua-Aston businesses. 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.

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. 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 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.

Revenues

	Three Months Ended		Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Vacation Ownership	$ 1,078	$ 1,112	$ 2,208	$ 2,209
Exchange & Third-Party Management	58	65	123	136
Total segment revenues	1,136	1,177	2,331	2,345
Consolidated Property Owners' Associations	4	1	4	2
	$ 1,140	$ 1,178	$ 2,335	$ 2,347

Adjusted EBITDA and Reconciliation to Net Income Attributable to Common Stockholders

	Three Months Ended		Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Adjusted EBITDA Vacation Ownership	$ 180	$ 245	$ 393	$ 474
Adjusted EBITDA Exchange & Third-Party Management	25	32	57	69
Reconciling items:				
Corporate and other	(48)	(55)	(106)	(118)
Interest expense, net	(43)	(36)	(83)	(70)
Tax provision	(10)	(50)	(45)	(91)
Depreciation and amortization	(35)	(34)	(73)	(66)
Share-based compensation expense	(9)	(12)	(16)	(19)
Certain items	(23)	—	(43)	(2)
Net income attributable to common stockholders	$ 37	$ 90	$ 84	$ 177

Assets

($ in millions)	**At June 30, 2024**	**At December 31, 2023**
Vacation Ownership	$ 8,173	$ 8,167
Exchange & Third-Party Management	783	813
Total segment assets	8,956	8,980
Corporate and other	655	700
	$ 9,611	$ 9,680

Revenues Excluding Cost Reimbursements

	Three Months Ended		Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
United States	$ 643	$ 710	$ 1,342	$ 1,410
All other countries	119	113	224	217
	$ 762	$ 823	$ 1,566	$ 1,627

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: timing of payments related to purchase commitments; our possible or assumed future results of operations, financial condition, leverage, the ratio of our corporate debt, net of cash and equivalents, to Adjusted EBITDA, liquidity, returns on investments, margins including financing profit and development profit margins; dividend payments; business strategies; financing plans; our competitive position; our plans to pursue growth opportunities; potential operating performance, including our expectations regarding contract sales, including contract sales from our Maui sales centers; our expectation that consumer financing interest expense will remain higher than our average outstanding interest rates on existing securitization transactions; our expectation that inventory spending will exceed cost of sales for the remainder of 2024 due to our commitment to acquire property in Waikiki and the quantity and impact of inventory repurchases on the future cost of our vacation ownership products; indemnification; capital requirements; taxes, including the impact of Pillar 2; our ability to securitize consumer loans and related default rates and reserve requirements; the pace of originations of vacation ownership notes receivable compared to payoffs of existing notes receivable; and the rate of maintenance fee increases. 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: a future health crisis and responses to such 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; changes in privacy laws; the impact of a future banking crisis; impacts from natural or man-made disasters and wildfires, including the Maui wildfires; 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; political or social strife; and other matters referred to under the heading "Risk Factors" contained herein and also in our 2023 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. You should not put undue reliance on any forward-looking statements in this Quarterly Report. We do not have any intention or obligation to update forward-looking statements after the date of this Quarterly Report, except as required by law.

The risk factors discussed in "Risk Factors" in our 2023 Annual 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. However, the financial information discussed below and included in this Quarterly Report may not 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." In addition, references throughout to numbered "Footnotes" refer to the numbered Notes in the Interim Condensed Notes to Consolidated Financial Statements that we include in the Financial Statements of 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").

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.

Performance Measures

We measure operating performance using the key metrics described below:

- *Contract sales* from the sale of vacation ownership products, which consists of the total amount of vacation ownership product sales under contracts signed during the period where we have generally received a down payment of at least ten percent of the contract price, reduced by actual rescissions during the period, inclusive of contracts associated with sales of vacation ownership products on behalf of third parties, which we refer to as "resales contract sales." In circumstances where customers apply any or all of their existing ownership interests as part of the purchase price for additional interests, we include only the incremental value purchased as contract sales. Contract sales differ from revenues from the sale of vacation ownership products that we report on our income statements due to the requirements for revenue recognition and adjustments 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. We consider contract sales 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 tour, by the number of tours in a given period. We believe that this operating metric 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.
- *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 16 "Business Segments" to our Financial Statements for further information on our reportable business segments.
- *Adjusted EBITDA margin* is calculated by dividing Adjusted EBITDA by total revenues less cost reimbursement revenues.
- *Segment Adjusted EBITDA margin* is calculated by dividing Segment Adjusted EBITDA by the applicable segment's total revenues less cost reimbursement revenues.

NM = Not meaningful.

Consolidated Results

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
REVENUES				
Sale of vacation ownership products	$ 309	$ 391	$ 661	$ 766
Management and exchange	215	206	426	406
Rental	153	146	311	297
Financing	85	80	168	158
Cost reimbursements	378	355	769	720
TOTAL REVENUES	1,140	1,178	2,335	2,347
EXPENSES				
Cost of vacation ownership products	38	66	91	124
Marketing and sales	226	206	449	416
Management and exchange	119	110	235	217
Rental	111	112	218	225
Financing	35	25	69	51
General and administrative	54	64	117	132
Depreciation and amortization	35	34	73	66
Litigation charges	10	2	13	5
Restructuring	1	—	3	—
Royalty fee	29	29	57	58
Impairment	2	—	2	4
Cost reimbursements	378	355	769	720
TOTAL EXPENSES	1,038	1,003	2,096	2,018
(Losses) gains and other (expense) income, net	(7)	10	(7)	31
Interest expense, net	(43)	(36)	(83)	(70)
Transaction and integration costs	(3)	(10)	(18)	(23)
Other	(1)	1	(2)	1
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	48	140	129	268
Provision for income taxes	(10)	(50)	(45)	(91)
NET INCOME	38	90	84	177
Net income attributable to noncontrolling interests	(1)	—	—	—
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 37	$ 90	$ 84	$ 177

Operating Statistics

(Contract sales $ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Vacation Ownership								
Total contract sales	$ 452	$ 462	$ (10)	(2%)	$ 885	$ 906	$ (21)	(2%)
Consolidated contract sales	$ 449	$ 453	$ (4)	(1%)	$ 877	$ 887	$ (10)	(1%)
Joint venture contract sales	$ 3	$ 9	$ (6)	(65%)	$ 8	$ 19	$ (11)	(57%)
VPG	$ 3,741	$ 3,968	$ (227)	(6%)	$ 3,921	$ 4,150	$ (229)	(6%)
Exchange & Third-Party Management								
Total active members at end of period (000's)	1,530	1,566	(36)	(2%)	1,530	1,566	(36)	(2%)
Average revenue per member	$ 38.30	$ 39.30	$ (1.00)	(3%)	$ 80.14	$ 81.35	$ (1.21)	(1%)

Revenues

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Vacation Ownership	$ 1,078	$ 1,112	$ (34)	(3%)	$ 2,208	2,209	$ (1)	—%
Exchange & Third-Party Management	58	65	(7)	(11%)	123	136	(13)	(10%)
Total Segment Revenues	1,136	1,177	(41)	(4%)	2,331	2,345	(14)	(1%)
Consolidated Property Owners' Associations	4	1	3	NM	4	2	2	NM
Total Revenues	$ 1,140	$ 1,178	$ (38)	(3%)	2,335	2,347	$ (12)	(1%)

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 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. 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 performance. 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 is useful as an indicator of operating performance because it allows for period-over-period comparisons of our on-going core operations before the impact of the excluded items. We believe Adjusted EBITDA margin is useful as an indicator of operating profitability because it allows for period-over-period comparisons of the profitability of our on-going 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 on-going 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. 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.

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**		**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**	
Net income attributable to common stockholders	$ 37	$ 90	$ (53)	(59%)	$ 84	$ 177	$ (93)	(53%)
Interest expense, net	43	36	7	21%	83	70	13	19%
Provision for income taxes	10	50	(40)	(79%)	45	91	(46)	(50%)
Depreciation and amortization	35	34	1	7%	73	66	7	12%
EBITDA	125	210	(85)	(40%)	285	404	(119)	(29%)
Share-based compensation expense	9	12	(3)	(21%)	16	19	(3)	(18%)
Certain items	23	—	23	NM	43	2	41	NM
Adjusted EBITDA	$ 157	$ 222	$ (65)	(29%)	$ 344	$ 425	$ (81)	(19%)
Adjusted EBITDA Margin	20.7%	26.9%	(6.2 pts)		22.0%	26.1%	(4.1 pts)	

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

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**		**June 30, 2023**		**June 30, 2024**		**June 30, 2023**	
ILG integration	$ —		$ 6		$ —		$ 15	
Welk acquisition and integration	3		4		18		8	
Transaction and integration costs		3		10		18		23
Purchase accounting adjustments		—		1		1		3
Litigation charges		10		2		13		5
Restructuring charges		1		—		3		—
Impairment charges		2		—		2		4
Early redemption of senior secured notes	—		—		—		10	
Gain on disposition of hotel, land and other	(1)		(7)		(1)		(7)	
Foreign currency translation	4		(2)		6		(4)	
Insurance proceeds	—		—		—		(2)	
Change in indemnification asset	4		(1)		2		(24)	
Other	—		—		—		(4)	
Losses (gains) and other expense (income), net		7		(10)		7		(31)
Other		—		(3)		(1)		(2)
Total Certain items		$ 23		$ —		$ 43		$ 2

Commencing in the second quarter of 2024, we discontinued classifying adjustments related to Welk purchase accounting as Purchase accounting adjustments. Ongoing costs associated with the continued integration of Welk will be reflected in our operating results commencing in the third quarter of 2024.

Segment Adjusted EBITDA

($ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2024	June 30, 2023	Change 2024 vs. 2023		June 30, 2024	June 30, 2023	Change 2024 vs. 2023	
Vacation Ownership	$ 180	$ 245	$ (65)	(26%)	$ 393	$ 474	$ (81)	(17%)
Exchange & Third-Party Management	25	32	(7)	(22%)	57	69	(12)	(17%)
Segment adjusted EBITDA	205	277	(72)	(26%)	450	543	(93)	(17%)
General and administrative	(54)	(64)	10	15%	(117)	(132)	15	11%
Other	6	9	(3)	(28%)	$ 11	$ 14	$ (3)	(22%)
Adjusted EBITDA	$ 157	$ 222	$ (65)	(29%)	$ 344	$ 425	$ (81)	(19%)

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

Vacation Ownership

($ in millions)	Three Months Ended				Six Months Ended			
	June 30, 2024	June 30, 2023	Change 2024 vs. 2023		June 30, 2024	June 30, 2023	Change 2024 vs. 2023	
Segment financial results	$ 144	$ 224	$ (80)	(36%)	$ 326	$ 429	$ (103)	(24%)
Depreciation and amortization	25	23	2	7%	50	46	4	9%
Share-based compensation expense	2	3	(1)	(4%)	4	4	—	(6%)
Certain items	9	(5)	14	NM	13	(5)	18	NM
Segment adjusted EBITDA	$ 180	$ 245	$ (65)	(26%)	$ 393	$ 474	$ (81)	(17%)
Segment Adjusted EBITDA Margin	26.0%	32.5%	(6.5 pts)		27.6%	32.0%	(4.4 pts)	

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

($ in millions)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Purchase accounting adjustments	$ —	$ 1	1	3
Litigation charges	10	3	13	6
Impairment charges	—	—	—	4
Gain on disposition of hotel, land and other	(1)	(7)	(1)	(7)
Insurance proceeds	—	—	—	(2)
Change in indemnification asset	—	—	—	(3)
Other	—	—	—	(4)
Gains and other income, net	(1)	(7)	(1)	(16)
Other	—	(2)	—	(2)
Total Certain items	$ 9	$ (5)	$ 13	$ (5)

Exchange & Third-Party Management

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Segment financial results	$ 15	$ 24	$ (9)	(35%)	$ 40	$ 52	$ (12)	(23%)
Depreciation and amortization	7	8	(1)	(4%)	14	16	(2)	(9%)
Share-based compensation expense	1	—	1	(15%)	1	1	—	(13%)
Certain items	2	—	2	NM	2	—	2	NM
Segment adjusted EBITDA	$ 25	$ 32	$ (7)	(22%)	$ 57	$ 69	$ (12)	(17%)
Segment Adjusted EBITDA Margin	44.3%	51.9%	(7.6 pts)		48.0%	53.8%	(5.8 pts)	

Certain items for the Exchange & Third-Party Management segment for the three and six months ended June 30, 2024 consisted of $2 million of impairment charges.

Business Segments

Our business is grouped into two reportable business segments: Vacation Ownership and Exchange & Third-Party Management. See Footnote 16 “Business Segments” to our Financial Statements for further information on our segments.

Vacation Ownership

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
REVENUES				
Sale of vacation ownership products	$ 309	$ 391	$ 661	$ 766
Resort management and other services	157	147	305	282
Rental	143	135	290	276
Financing	85	80	168	158
Cost reimbursements	384	359	784	727
TOTAL REVENUES	1,078	1,112	2,208	2,209
EXPENSES				
Cost of vacation ownership products	38	66	91	124
Marketing and sales	226	206	449	416
Resort management and other services	73	69	144	133
Rental	113	116	223	232
Financing	35	25	69	51
Depreciation and amortization	25	23	50	46
Litigation charges	10	3	13	6
Royalty fee	29	29	57	58
Impairment	—	—	—	4
Cost reimbursements	384	359	784	727
TOTAL EXPENSES	933	896	1,880	1,797
Gains and other income, net	1	7	1	16
Other	(2)	1	(3)	1
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 144	$ 224	$ 326	$ 429

Sale of Vacation Ownership Products

Second Quarter and First Half

	Three Months Ended						Six Months Ended					
($ in millions)	June 30, 2024	% of Consolidated Contract Sales, Net of Resales	June 30, 2023	% of Consolidated Contract Sales, Net of Resales	Change 2024 vs. 2023		June 30, 2024	% of Consolidated Contract Sales, Net of Resales	June 30, 2023	% of Consolidated Contract Sales, Net of Resales	Change 2024 vs. 2023	
Consolidated contract sales	$ 449		$ 453		$ (4)	(1%)	$ 877		$ 887		$ (10)	(1%)
Joint venture contract sales	3		9		(6)	(65%)	8		19		(11)	(57%)
Total contract sales	452		462		(10)	(2%)	885		906		(21)	(2%)
Less: Resales contract sales	(9)		(10)		1		(21)		(21)		—	
Less: Joint venture contract sales	(3)		(9)		6		(8)		(19)		11	
Consolidated contract sales, net of resales	440		443		(3)	(1%)	856		866		(10)	(1%)
Plus:												
Settlement revenue	10	2%	9	2%	1		18	2%	17	2%	1	
Resales revenue	6	1%	6	1%	—		11	1%	12	1%	(1)	
Revenue recognition adjustments:												
Reportability	1	—%	5	1%	(4)		(8)	(1%)	5	1%	(13)	
Sales reserve	(122)	(28%)	(45)	(10%)	(77)		(168)	(20%)	(83)	(10%)	(85)	
Other[(1)]	(26)	(6%)	(27)	(6%)	1		(48)	(6%)	(51)	(6%)	3	
Sale of vacation ownership products	$ 309	70%	$ 391	88%	$ (82)	(21%)	$ 661	77%	$ 766	88%	$(105)	(14%)
Financing propensity	54.5%		56.2%		(1.7 pts)		54.0%		55.3%		(1.3pts)	
Average FICO Score [(2)]	737		736				738		737			

(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.

Second Quarter and First Half

Contract sales in the second quarter and first half of 2024 declined due to a 6% decrease in VPG in each period, partially offset by an increase in tours (5% and 4%, respectively). The decrease in VPG in both periods was due to a decline in first time buyer VPG, a larger percentage mix of international tours which carry a lower VPG, and the on-going impact from the reduced activity at our Maui sales centers. Excluding the $16 million and $32 million decline in contract sales at our Maui sales centers in the second quarter and first half of 2024, respectively, contract sales increased 3% in each period.

In the third quarter of 2023, we increased our vacation ownership notes receivable reserve to reflect then-current trends in delinquencies and default rates. We estimated the amount of the increase in our sales reserve primarily using a historical period of increased defaults. The additional reserves recorded in 2023 adjusted our future default rate estimate to reflect then-current macroeconomic conditions, including inflation outpacing wage growth, continuing high interest rates, mixed economic indicators and increased global insecurity. Subsequent to the third quarter of 2023, we increased our sales reserve rate to provide for higher expected cumulative losses on new originations.

We believe the cumulative impact of inflation on consumers and the related impact on year-over-year increases in maintenance fees for 2023 and 2024 are driving continued elevated delinquencies and defaults. As a result, during the second quarter of 2024, we increased our sales reserve by $70 million to reflect increases in expected cumulative loss rates for our vacation ownership notes receivable originated during 2021-2024. In estimating the increase in the sales reserve, we considered current macroeconomic conditions, including higher consumer debt levels, moderating inflation, continued high interest rates, uncertainty around timing and frequency of interest rate adjustments and continued mixed economic indicators. While we expect a return to normalized maintenance fee increases commencing in 2025, we plan to increase our sales reserve prospectively for new originations at a weighted average rate of 17% to 19% until we have sufficient evidence of improvement in delinquency and default rates. We expect our full year 2024 contracts sales will reflect lower VPG for the second half of 2024, partially offset by tour growth in first time buyer tours, which carry a lower VPG.

Development Profit

Second Quarter

	Three Months Ended					
($ in millions)	June 30, 2024	% of Revenue	June 30, 2023	% of Revenue	Change 2024 vs. 2023	
Sale of vacation ownership products	$ 309		$ 391		$ (82)	(21%)
Cost of vacation ownership products	(38)	(12%)	(66)	(17%)	28	43%
Marketing and sales	(226)	(73%)	(206)	(53%)	(20)	(10%)
Development profit	$ 45		$ 119		$ (74)	(62%)
Development profit margin	14.7%		30.8%		(16.1 pts)	

The decrease in Development profit reflects lower sales of vacation ownership products and higher marketing and sales costs, including $8 million of higher preview costs, partially offset by $13 million of lower product cost associated with the additional sales reserve, $11 million of favorable product cost true-up activity compared to the prior comparable period and $4 million from the sale of lower average cost inventory. Development profit margin, excluding the impact of the sales reserve increase of $70 million, was 27.0% in the second quarter of 2024. We expect our full year 2024 Development profit margin to decline due to increased marketing and sales expense, the $57 million net impact from the additional sales reserve recorded in the second quarter, and our higher sales reserve rate to be applied to new originations.

First Half

	Six Months Ended					
($ in millions)	June 30, 2024	% of Revenue	June 30, 2023	% of Revenue	Change 2024 vs. 2023	
Sale of vacation ownership products	$ 661		$ 766		$ (105)	(14%)
Cost of vacation ownership products	(91)	(14%)	(124)	(16%)	33	27%
Marketing and sales	(449)	(68%)	(416)	(54%)	(33)	(8%)
Development profit	$ 121		$ 226		$ (105)	(47%)
Development profit margin	18.3%		29.6%		(11.3 pts)	

The decrease in Development profit reflects lower sales of vacation ownership products and higher marketing and sales costs, including $14 million of higher preview costs, partially offset by $13 million of lower product cost associated with the additional sales reserve, $11 million due to the sale of lower cost inventory, $5 million of favorable product cost true-up activity compared to the prior comparable period, $2 million associated with lower sales volume and $2 million of other development related costs. Development profit margin, excluding the impact of the $70 million sales reserve increase in the second quarter of 2024, was 24.3% in the first half of 2024.

Resort Management and Other Services Revenues, Expenses and Profit

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Management fee revenues	$ 51	$ 45	$ 6	16%	$ 103	$ 90	$ 13	15%
Ancillary revenues	72	70	2	3%	137	131	6	5%
Other management and exchange revenues	34	32	2	3%	65	61	4	5%
Resort management and other services revenues	157	147	10	7%	305	282	23	8%
Resort management and other services expenses	(73)	(69)	(4)	(5%)	(144)	(133)	(11)	(8%)
Resort management and other services profit	$ 84	$ 78	$ 6	9%	$ 161	$ 149	$ 12	8%
Resort management and other services profit margin	53.9%	52.9%	1.0 pts		52.9%	52.8%	0.1 pts	
Resort occupancy (1)	90.1%	88.7%	1.4 pts		90.1%	88.8%	1.3 pts	

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

Second Quarter and First Half

The increase in Other management and exchange revenues is attributed to higher club dues in both the second quarter and first half of 2024. The increase in Resort management and other services expenses reflects an increase in ancillary expenses of $3 million and $7 million, and an increase in customer service and exchange company expenses of $1 million and $4 million due to higher wages, benefits, and other operating cost increases in the second quarter and first half of 2024, respectively.

Rental Revenues, Expenses and Profit

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Rental revenues	$ 143	$ 135	$ 8	6%	$ 290	$ 276	$ 14	5%
Rental expenses	(113)	(116)	3	3%	(223)	(232)	9	4%
Rental profit	$ 30	$ 19	$ 11	64%	$ 67	$ 44	$ 23	54%
Rental profit margin	20.7%	13.4%	7.3 pts		23.0%	15.7%	7.3 pts	
Transient keys rented(1)	575,704	549,329	26,375	5%	1,118,674	1,096,869	21,805	2%
Average transient rate	$ 245	$ 263	$ (18)	(7%)	$ 265	$ 275	$ (10)	(4%)
Rental occupancy(2)	74.4%	70.8%	3.6 pts		73.6%	70.6%	3.0 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.

Second Quarter

Rental profit, excluding profit from owned hotels, increased due to higher plus points revenue of $11 million, an $8 million increase in costs allocated to marketing and sales expense for occupancy used for previews, and $2 million of lower hotel loyalty and other costs. These changes were partially offset by $5 million of decreased profit due to lower average transient rate on higher keys rented and higher tidy and variable costs, $3 million of increased costs associated with higher owner utilization of third-party vacation and other offerings, and $2 million of higher unsold maintenance fees associated with developer owned inventory. Rental profit for our owned hotels remained in-line with the second quarter of 2023.

First Half

Rental profit, excluding profit from owned hotels, increased due to higher plus points revenue of $22 million, a $14 million increase in costs allocated to marketing and sales expense for occupancy used for previews, and $2 million of lower hotel loyalty and other costs. These changes were partially offset by $9 million of decreased profit due to lower average transient rate on higher keys rented and higher tidy and variable costs and $6 million of increased costs associated with higher owner utilization of third-party vacation and other offerings. Rental profit for our owned hotels remained in-line with the first half of 2023.

Financing Revenues, Expenses and Profit

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**		**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**	
Financing revenues	$ 85	$ 80	$ 5	7%	168	158	10	7%
Financing expenses	(8)	(5)	(3)	(81%)	(17)	(15)	(2)	(17%)
Consumer financing interest expense	(27)	(20)	(7)	(38%)	(52)	(36)	(16)	(43%)
Financing profit	$ 50	$ 55	$ (5)	(10%)	$ 99	$ 107	$ (8)	(7%)
Financing profit margin	58.0%	69.1%	(11.1 pts)		58.7%	67.4%	(8.7 pts)	
Financing propensity	54.5%	56.2%	(1.7 pts)		54.0%	55.3%	(1.3 pts)	

Second Quarter and First Half

Financing revenues reflect higher interest income as a result of a higher average notes receivable balances and a slightly higher average interest rate for the three and six months ended June 30, 2024. The higher average notes receivable balances resulted from new loan originations in excess of the repayment of existing vacation ownership notes receivable, which we expect to continue for the remainder of 2024.

The increase in consumer financing interest expense is attributable to the higher average securitized debt at a higher average interest rate for our more recent term securitization transactions.

We expect consumer financing interest expense to continue to remain higher than our average outstanding interest rates on existing securitization transactions as a result of higher interest rates until meaningful market interest rate declines occur. 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 2024, as we repay existing securitization transactions with lower interest rates and enter into new securitization transactions with higher interest rates.

Gains and Other Income

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**		**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**	
Gains and other income, net	$ 1	$ 7	$ (6)	(82%)	$ 1	$ 16	$ (15)	(92%)

Second Quarter

During the second quarter of 2023, we recorded $7 million of gains on the disposition of excess real estate.

First Half

During the first half of 2023, we recorded $7 million of gains on the disposition of excess real estate, a $4 million gain associated with the earn out of additional proceeds from the 2019 disposition of a land parcel in Cancun, Mexico, a $3 million reduction in certain pre-acquisition contingencies associated with the ILG Acquisition, and $2 million related to the receipt of business interruption insurance proceeds.

Litigation Charges

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**		**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**	
Litigation charges	$ 10	$ 3	$ 7	NM	$ 13	$ 6	$ 7	NM

Second Quarter and First Half

Litigation charges during the second quarter of 2024 and 2023, as well as the first half of 2024 and 2023, relate primarily to a land disposition in the U.S. and certain resorts in Europe.

Exchange & Third-Party Management

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
REVENUES				
Management and exchange	$ 45	$ 51	$ 97	$ 107
Rental	10	11	21	21
Cost reimbursements	3	3	5	8
TOTAL REVENUES	58	65	123	136
EXPENSES				
Management and exchange	31	30	62	60
Depreciation and amortization	7	8	14	16
Impairment	2	—	2	—
Cost reimbursements	3	3	5	8
TOTAL EXPENSES	43	41	83	84
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 15	$ 24	$ 40	$ 52

Management and Exchange Profit

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Management and exchange revenue	$ 45	$ 51	$ (6)	(9%)	$ 97	$ 107	$ (10)	(9%)
Management and exchange expense	(31)	(30)	(1)	(5%)	(62)	(60)	(2)	(4%)
Management and exchange profit	$ 14	$ 21	$ (7)	(31%)	$ 35	$ 47	$ (12)	(26%)
Management and exchange profit margin	30.6%	40.4%	(9.8 pts)		35.9%	44.0%	(8.1 pts)	

Second Quarter

Interval International management and exchange revenues declined $3 million or 4% primarily attributed to 7% lower exchange transaction volume, partially offset by a 4% increase in average exchange fees.The decrease in management and exchange revenue reflects a $3 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 attributed to lower revenues and higher information technology expenses.

First Half

Interval International management and exchange revenues declined $4 million or 4% primarily attributed to 6% lower exchange transaction volume, partially offset by a 3% increase in average exchange fees.The decrease in management and exchange revenue reflects a $6 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 attributed to lower revenues and higher information technology expenses.

Rental Revenues

($ in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change 2024 vs. 2023		Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change 2024 vs. 2023	
Rental revenues	$ 10	$ 11	$ (1)	(5%)	$ 21	$ 21	$ —	1%

Second Quarter

Results reflect a 16% decrease in transaction volume, partially offset by a 10% increase in average fees per transaction.

First Half

Results reflect a 7% decrease in transaction volume offset by a 7% increase in average fees per transaction.

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.

	Three Months Ended		Six Months Ended	
($ in millions)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
REVENUES				
Resort management and other services	$ 13	$ 8	$ 24	$ 17
Cost reimbursements	(9)	(7)	(20)	(15)
TOTAL REVENUES	4	1	4	2
EXPENSES				
Resort management and other services	15	11	29	24
Rental	(2)	(4)	(5)	(7)
General and administrative	54	64	117	132
Depreciation and amortization	3	3	9	4
Litigation charges	—	(1)	—	(1)
Restructuring	1	—	3	—
Cost reimbursements	(9)	(7)	(20)	(15)
TOTAL EXPENSES	62	66	133	137
(Losses) gains and other (expense) income, net	(8)	3	(8)	15
Interest expense, net	(43)	(36)	(83)	(70)
Transaction and integration costs	(3)	(10)	(18)	(23)
Other	1	—	1	—
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	(111)	(108)	(237)	(213)
Provision for income taxes	(10)	(50)	(45)	(91)
Net income attributable to noncontrolling interests	(1)	—	—	—
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (122)	$ (158)	$ (282)	$ (304)

Consolidated Property Owners' Associations

The following table illustrates the impact of certain Consolidated Property Owners' Associations under the relevant accounting guidance and the changes attributed to the deconsolidation of individual Consolidated Property Owners' Associations.

	Three Months Ended		Six Months Ended	
($ in millions)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
REVENUES				
Resort management and other services	$ 13	$ 8	$ 24	$ 17
Cost reimbursements	(9)	(7)	(20)	(15)
TOTAL REVENUES	4	1	4	2
EXPENSES				
Resort management and other services	15	11	29	24
Rental	(2)	(4)	(5)	(7)
Cost reimbursements	(9)	(7)	(20)	(15)
TOTAL EXPENSES	4	—	4	2
Interest expense, net	1	1	1	1
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	1	2	1	1
Provision for income taxes	(1)	—	(1)	—
Net income attributable to noncontrolling interests	(1)	—	—	—
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (1)	$ 2	$ —	$ 1

General and Administrative

	Three Months Ended				Six Months Ended			
($ in millions)	June 30, 2024	June 30, 2023	Change 2024 vs. 2023		June 30, 2024	June 30, 2023	Change 2024 vs. 2023	
General and administrative	$ 54	$ 64	$ (10)	(15%)	$ 117	$ 132	$ (15)	(11%)

Second Quarter

The decrease in General and administrative expenses for the second quarter of 2024 is due to lower information technology costs, insurance expense and compensation expense of $5 million, $2 million and $3 million, respectively.

First Half

The decrease in General and administrative expenses for the first half of 2024 is due to lower information technology costs, insurance expense and compliance related expenses of $9 million, $3 million and $3 million, respectively.

(Losses) Gains and Other (Expense) Income

	Three Months Ended				Six Months Ended			
($ in millions)	June 30, 2024	June 30, 2023	Change 2024 vs. 2023		June 30, 2024	June 30, 2023	Change 2024 vs. 2023	
(Losses) gains and other (expense) income, net	$ (8)	$ 3	$ (11)	NM	$ (8)	$ 15	$ (23)	NM

Second Quarter

In the second quarter of 2024, we recorded $4 million of foreign currency translation losses and $4 million of tax related adjustments to the receivable from Marriott International for indemnified tax matters.

In the second quarter of 2023, we recorded $2 million of foreign currency translation gains and a $1 million increase in our receivable from Marriott International for indemnified income tax matters (the true-up to the offsetting accrual is included in the Provision for income taxes line).

First Half

In the first half of 2024, we recorded $6 million of foreign currency translation losses and $2 million net of tax related adjustments to the receivable from Marriott International for indemnified tax matters.

In the first half of 2023, we recorded a $21 million increase in our receivable from Marriott International for indemnified income tax matters (the true-up to the offsetting accrual is included in the Provision for income taxes line) and $4 million of foreign currency translation gains, partially offset by $10 million attributed to the redemption premium and write-off of unamortized debt issuance costs resulting from the early redemption of our senior secured notes.

Interest Expense

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**		**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**	
Interest expense, net	$ (43)	$ (36)	$ (7)	(21%)	$ (83)	$ (70)	$ (13)	(19%)

Second Quarter and First Half

The increase in Interest expense, net is attributed to higher variable interest expense and changes in outstanding borrowings during the comparative periods.

Income Tax

2024 Second Quarter

	Three Months Ended				Six Months Ended			
($ in millions)	**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**		**June 30, 2024**	**June 30, 2023**	**Change 2024 vs. 2023**	
Provision for income taxes	$ (10)	$ (50)	$ 40	79%	$ (45)	$ (91)	$ 46	50%

Second Quarter

Our effective tax rate was 22.0% and 35.4% for the three months ended June 30, 2024 and June 30, 2023, respectively.

The effective tax rate for the three months ended June 30, 2024 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including a $13 million decrease for the expiration of statutes of limitation on certain unrecognized tax benefits, partially offset by a $4 million increase related to prior year true-up adjustments in non-U.S. jurisdictions.

The effective tax rate for the three months ended June 30, 2023 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including a $5 million adjustment in stock compensation.

First Half

Our effective tax rate was 35.2% and 33.9% for the six months ended June 30, 2024 and June 30, 2023, respectively.

The effective tax rate for the six months ended June 30, 2024 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including a $20 million increase to remove the permanent reinvestment assertion for certain non-U.S. entities and a $5 million increase related to prior year true-up adjustments in non-U.S. jurisdictions, partially offset by a $22 million decrease for the expiration of statutes of limitation on certain unrecognized tax benefits.

The effective tax rate for the six months ended June 30, 2023 differed from the blended statutory tax rate for the same period due to income tax adjustments for discrete items, including an $18 million increase to pre-acquisition reserves for unrecognized tax benefits.

The Organization for Economic Co-operation and Development has proposed a global minimum tax of 15% of reported profits (“Pillar 2”) that has been agreed upon in principle by over 140 non-U.S. countries. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar 2 differently than the model rules and/or on different timelines. While we continue to monitor legislative developments, we do not anticipate Pillar 2 will have a material impact on our 2024 or long-term financial results.

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 June 30, 2024, our corporate debt, net of cash and equivalents, to Adjusted EBITDA ratio was 4.4, above our targeted range of 2.5 to 3.0, and our goal is to reduce this ratio to 3.0 by the end of 2025.

In the second quarter of 2024, we amended the Corporate Credit Facility to provide for a new $800 million term loan facility that is scheduled to mature on April 1, 2031, the New Term Loan. The proceeds of the New Term Loan were used to refinance in full the Term Loan, which had a balance of $784 million as of March 31, 2024 and was scheduled to mature on August 31, 2025. We have no material principal payment obligations on our debt prior to 2026. See Footnote 12 “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) net 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. Given the recent increase in delinquencies and defaults above historical averages, the cash excess spread we received from our securitization transactions has been lower than previously anticipated. 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.

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. During the second quarter of 2024, and as of June 30, 2024, we had 14 term securitization transactions outstanding, all of which were in compliance with their respective required parameters. Since 2000, we have issued approximately $9.4 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. During the second quarter of 2024, we amended certain agreements associated with our Warehouse Credit Facility, which extended the revolving period from May 31, 2025 to June 11, 2026. At June 30, 2024, we had $108 million of borrowings outstanding under our Warehouse Credit Facility.

As of June 30, 2024, $71 million of gross vacation ownership notes receivable were eligible for securitization.

Revolving Corporate Credit Facility

Our Revolving Corporate Credit Facility, which expires on March 31, 2027, provides for up to $750 million of aggregate borrowings for general corporate needs, including working capital, capital expenditures, letters of credit, and acquisitions. At June 30, 2024, $175 million of borrowings and $32 million of letters of credit were outstanding under our Revolving Corporate Credit Facility.

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 typically have significant variable compensation-related cash outflows associated with payment of annual bonuses.

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 Less Than Cost of Sales

	Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**
Inventory spending	$ (63)	$ (41)
Purchase of property for future transfer to inventory	—	(8)
Inventory costs	67	98
Inventory spending less than cost of sales	$ 4	$ 49

Although we have significant 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. 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.

Our spending for real estate inventory in the first half of 2024 was lower than cost of sales and was primarily related to purchases under our VOI repurchase programs. Purchase of property for future transfer to inventory in 2023 included the acquisition of property in Charleston, South Carolina. We expect inventory spending to exceed cost of sales for the remainder of 2024, due to our remaining commitment to acquire property in Waikiki.

Vacation Ownership Notes Receivable Collections Less Than Originations

	Six Months Ended	
($ in millions)	**June 30, 2024**	**June 30, 2023**
Vacation ownership notes receivable collections — non-securitized	$ 67	$ 90
Vacation ownership notes receivable collections — securitized	244	218
Vacation ownership notes receivable originations	(446)	(470)
Vacation ownership notes receivable collections less than originations	$ (135)	$ (162)

We expect vacation ownership notes receivable originations to continue to outpace vacation ownership notes receivable collections in 2024 due to sales growth.

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, 2023	25,141,073	$ 2,405	$ 95.65
For the first half of 2024	410,377	36	$ 88.99
As of June 30, 2024	25,551,450	$ 2,441	$ 95.55

See Footnote 13 “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 half of 2024 as follows:

Declaration Date	**Stockholder Record Date**	**Distribution Date**	**Dividend per Share**
December 7, 2023	December 21, 2023	January 4, 2024	$0.76
February 15, 2024	February 29, 2024	March 14, 2024	$0.76
May 9, 2024	May 23, 2024	June 6, 2024	$0.76

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 June 30, 2024:

		Payments Due by Period					
($ in millions)	**Total**	**Remainder of 2024**	**2025**	**2026**	**2027**	**2028**	**Thereafter**
Debt[1][2]	$ 3,541	$ 64	$ 122	$ 690	$ 862	$ 426	$ 1,377
Securitized debt[1][3]	2,710	150	281	276	348	250	1,405
Purchase obligations[4]	575	131	151	139	134	15	5
Operating lease obligations[5]	124	12	24	22	15	11	40
Finance lease obligations[5]	541	9	17	15	13	13	474
Other long-term obligations	26	21	4	—	1	—	—
	$ 7,517	$ 387	$ 599	$ 1,142	$ 1,373	$ 715	$ 3,301

(1) Includes principal as well as interest payments and excludes unamortized debt discount and issuance costs.

(2) During the second quarter of 2024, we amended the Corporate Credit Facility to provide for the New Term Loan, which is scheduled to mature on April 1, 2031. The proceeds from the New Term Loan were used to refinance in full the Term Loan, which had a balance of $784 million as of March 31, 2024, and was scheduled to mature on August 31, 2025.

(3) Payments based on estimated timing of cash flow associated with securitized vacation ownership 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 June 30, 2024 and December 31, 2023, and for the six months ended June 30, 2024 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

	Six Months Ended June 30, 2024					
	Issuers		Senior Notes Guarantors	Non-Guarantor Subsidiaries	Total Eliminations	MVW Consolidated
($ in millions)	MVWC	MORI				
Revenues	$ —	$ 573	$ 1,236	$ 547	$ (21)	$ 2,335
Expenses	(23)	(656)	(1,152)	(396)	21	(2,206)
Benefit from (provision for) income taxes	7	26	(2)	(76)	—	(45)
Equity in net income (loss) of subsidiaries	100	219	—	—	(319)	—
Net income (loss)	84	162	82	75	(319)	84
Net loss attributable to noncontrolling interests	—	—	—	—	—	—
Net income (loss) attributable to common stockholders	$ 84	$ 162	$ 82	$ 75	$ (319)	$ 84

Condensed Consolidating Balance Sheet

	As of June 30, 2024					
	Issuers		Senior Notes Guarantors	Non-Guarantor Subsidiaries	Total Eliminations	MVW Consolidated
($ in millions)	MVWC	MORI				
Cash and cash equivalents	$ —	$ 16	$ 61	$ 129	$ —	$ 206
Restricted cash	—	25	84	142	—	251
Accounts and contracts receivable, net	24	155	81	132	(22)	370
Vacation ownership notes receivable, net	—	116	136	2,056	—	2,308
Inventory	—	232	298	113	—	643
Property and equipment, net	—	339	714	242	—	1,295
Goodwill	—	—	3,117	—	—	3,117
Intangibles, net	—	—	792	30	—	822
Investments in subsidiaries	3,382	3,793	—	—	(7,175)	—
Other	139	150	244	152	(86)	599
Total assets	$ 3,545	$ 4,826	$ 5,527	$ 2,996	$ (7,283)	$ 9,611
Accounts payable	$ 31	$ 26	$ 72	$ 69	$ —	$ 198
Advance deposits	—	66	84	16	—	166
Accrued liabilities	8	109	163	111	(20)	371
Deferred revenue	—	14	196	224	(16)	418
Payroll and benefits liability	—	70	67	26	—	163
Deferred compensation liability	—	131	44	4	—	179
Securitized debt, net	—	—	—	2,125	(27)	2,098
Debt, net	1,134	1,824	178	1	—	3,137
Other	—	2	120	17	—	139
Deferred taxes	—	128	248	39	(45)	370
MVW stockholders' equity	2,372	2,456	4,355	364	(7,175)	2,372
Noncontrolling interests	—	—	—	—	—	—
Total liabilities and equity	$ 3,545	$ 4,826	$ 5,527	$ 2,996	$ (7,283)	$ 9,611

($ in millions)	Issuers: MVWC	Issuers: MORI	Senior Notes Guarantors	Non-Guarantor Subsidiaries	Total Eliminations	MVW Consolidated
	As of December 31, 2023					
Cash and cash equivalents	$ —	$ 20	$ 96	$ 132	$ —	$ 248
Restricted cash	—	25	153	148	—	326
Accounts and contracts receivable, net	30	106	142	120	(13)	385
Vacation ownership notes receivable, net	—	121	176	2,046	—	2,343
Inventory	—	186	336	112	—	634
Property and equipment, net	—	265	736	259	—	1,260
Goodwill	—	—	3,117	—	—	3,117
Intangibles, net	—	—	822	32	—	854
Investments in subsidiaries	3,421	3,943	—	—	(7,364)	—
Other	122	126	279	118	(132)	513
Total assets	$ 3,573	$ 4,792	$ 5,857	$ 2,967	$ (7,509)	$ 9,680
Accounts payable	$ 55	$ 30	$ 196	$ 81	$ —	$ 362
Advance deposits	—	65	83	16	—	164
Accrued liabilities	5	95	137	113	(7)	343
Deferred revenue	—	7	169	213	(7)	382
Payroll and benefits liability	—	91	86	28	—	205
Deferred compensation liability	—	126	39	3	—	168
Securitized debt, net	—	—	—	2,121	(25)	2,096
Debt, net	1,131	1,736	177	5	—	3,049
Other	—	2	229	18	—	249
Deferred taxes	—	124	242	19	(105)	280
MVW stockholders' equity	2,382	2,516	4,499	350	(7,365)	2,382
Total liabilities and equity	$ 3,573	$ 4,792	$ 5,857	$ 2,967	$ (7,509)	$ 9,680

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 on 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 2023 Annual Report. Since the date of our 2023 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 2023 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 June 30, 2024, the interest rate applicable to 67% (approximately $2.0 billion) of our corporate debt, excluding finance leases, was fixed and the interest rate applicable to the remaining 33% (approximately $975 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 June 30, 2024 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 June 30, 2024 for our financial instruments that are impacted by market risks:

		Maturities by Period							
($ in millions)	**Average Interest Rate**	**Remainder of 2024**	**2025**	**2026**	**2027**	**2028**	**Thereafter**	**Total Carrying Value**	**Total Fair Value**
Assets – Maturities represent expected principal receipts; fair values represent assets									
Vacation ownership notes receivable — non-securitized	12.0%	$ 38	$ 55	$ 44	$ 40	$ 35	$ 190	$ 402	$ 406
Vacation ownership notes receivable — securitized	13.4%	$ 85	$ 170	$ 177	$ 180	$ 179	$ 1,115	$ 1,906	$ 1,954
Contracts receivable for financed VOI sales, net	13.0%	$ 3	$ 4	$ 4	$ 4	$ 4	$ 32	$ 51	$ 51
Liabilities – Maturities represent expected principal payments; fair values represent liabilities									
Securitized debt	4.8%	$ (100)	$ (188)	$ (194)	$ (278)	$ (189)	$ (1,175)	$ (2,124)	$ (2,085)
Term Loan[(1)]	7.6%	$ (4)	$ (8)	$ (8)	$ (8)	$ (8)	$ (764)	$ (800)	$ (802)
Revolving Corporate Credit Facility	7.4%	$ —	$ —	$ —	$ (175)	$ —	$ —	$ (175)	$ (175)
Senior notes									
2028 Notes	4.8%	$ —	$ —	$ —	$ —	$ (350)	$ —	$ (350)	$ (331)
2029 Notes	4.5%	$ —	$ —	$ —	$ —	$ —	$ (500)	$ (500)	$ (460)
2026 Convertible Notes	0.0%	$ —	$ —	$ (575)	$ —	$ —	$ —	$ (575)	$ (503)
2027 Convertible Notes	3.3%	$ —	$ —	$ —	$ (575)	$ —	$ —	$ (575)	$ (536)

(1) During the second quarter of 2024, we amended the Corporate Credit Facility to provide for the New Term Loan, which is scheduled to mature on April 1, 2031. The proceeds from the New Term Loan were used to refinance in full the Term Loan, which had a balance of $784 million as of March 31, 2024, and was scheduled to mature on August 31, 2025.

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 June 30, 2024, 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 10 "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 2023 Annual Report, except to the extent factual information disclosed elsewhere in this Quarterly Report relates to such risk factors, which is incorporated herein by reference.

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)]
April 1, 2024 – April 30, 2024	—	$ —	—	$ 414,303,514
May 1, 2024 – May 31, 2024	73,800	$ 95.55	73,800	$ 407,251,625
June 1, 2024 – June 30, 2024	57,000	$ 86.74	57,000	$ 402,307,195
Total	130,800	$ 91.71	130,800	$ 402,307,195

(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.

(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 June 30, 2024, 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	Supplemental Indenture, dated December 31, 2019, by and among Marriott Ownership Resorts, Inc., MVW Vacations, LLC and the Bank of New York Mellon Trust Company, N.A., as trustee		10-K	4.12	3/2/2020
4.4	Second Supplemental Indenture, dated February 26, 2020, by and among Marriott Ownership Resorts, Inc., MVW Services Corporation, and the Bank of New York Mellon Trust Company, N.A., as trustee		10-K	4.13	3/2/2020
4.5	Form of 4.750% Senior Notes due 2028 (included as Exhibit A to Exhibit 4.2 above)		8-K	4.2	10/1/2019
4.6	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
4.7	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
4.8	Form of 0.00% Convertible Senior Note due 2026 (included as Exhibit A to Exhibit 4.7 above)		8-K	4.1	2/3/2021
4.9	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
4.10	Form of 4.500% Senior Notes due 2029 (included as Exhibit A to Exhibit 4.9 above)		8-K	4.2	6/22/2021
4.11	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
4.12	Form of 3.25% Convertible Senior Notes due 2027 (included as Exhibit A to Exhibit 4.11 above)		8-K	4.2	12/8/2022
4.13	Description of Registered Securities		10-K	4.16	3/2/2020
10.1	Marriott Vacations Worldwide Corporation Change in Control Severance Plan**		10-K	10.25	2/27/2024

Exhibit Number	Description	Filed Herewith	Incorporation By Reference From		
			Form	Exhibit	Date Filed
10.2	Incremental Facility Amendment and Amendment No. 3, dated as of April 1, 2024, 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	4/2/2024
10.3	Form of Stock Appreciation Right Agreement - Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan**		10-Q	10.3	5/7/2024
10.4	Form of Restricted Stock Unit Agreement - Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan**		10-Q	10.4	5/7/2024
10.5	Form of Performance Unit Agreement - Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan**		10-Q	10.5	5/7/2024
10.6	Amended and Restated Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan	X			
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 June 30, 2024, 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 June 30, 2024, formatted in Inline XBRL and contained in Exhibit 101				

*	Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplemental copies to the SEC of any omitted schedule upon request by the SEC.
**	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: August 1, 2024

/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

Exhibit 10.6

Marriott Vacations Worldwide Corporation
2020 Equity Incentive Plan

As Amended and Restated Effective May 10, 2024

PREAMBLE

Marriott Vacations Worldwide Corporation has established the Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan, which shall become effective on the Effective Date and shall remain in effect for the period set forth in Article 1.4 hereof. The Plan is amended and restated effective May 10, 2024, subject to approval by the Company's stockholders.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
2020 EQUITY INCENTIVE PLAN
As Amended and Restated Effective May 10, 2024

Article 1 Establishment, Objectives, and Duration

1.1 Establishment of the Plan. Marriott Vacations Worldwide Corporation, a Delaware corporation, hereby establishes an incentive compensation plan to be known as the Marriott Vacations Worldwide Corporation 2020 Equity Incentive Plan, as set forth in this document, as amended and restated effective May 10, 2024 (the "Restatement Effective Date").

1.2 Purpose of the Plan. The purpose of the Plan is to promote and enhance the long -term growth of the Company by aligning the personal interests of Employees, Non-Employee Directors to those of Company stockholders and allowing such Employees and Non-Employee Directors to participate in the growth, development and financial success of the Company. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of key individuals.

1.3 History. Prior to the Effective Date, the Company had in effect the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan (the "Prior Marriott Plan") and the Amended and Restated Interval Leisure Group, Inc. 2013 Stock and Incentive Compensation Plan (together with the Prior Marriott Plan, the "Prior Plans"). Upon stockholder approval of this Plan in 2020, the Prior Plans terminated and no new awards have been granted under the Prior Plans, although awards granted under the Prior Plans and still outstanding will continue to be subject to all terms and conditions of the Prior Plans.

1.4 Duration of the Plan. The Plan commenced on the Effective Date. The Plan shall remain in effect, subject to the right of the Board of Directors to terminate the Plan at any time pursuant to Article 14 hereof, until the earlier of the date all Shares subject to it shall have been purchased or acquired according to the Plan's provisions or the 10th anniversary of the Restatement Effective Date, provided the stockholders of the Company have approved the Plan as restated.

Article 2 Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

2.1 "Annual Meeting" means the annual meeting of the stockholders of the Company at which Directors are elected.

2.2 "Approved Retiree" means, unless otherwise specified in an Award Agreement, any awardee of an Award who (i) terminates employment by reason of a Disability, or (ii) (A) retires from employment with the Company with the specific approval of the Committee on or after such date on which the awardee has attained age fifty-five (55) and completed ten (10) Years of Service, and (B) except to the extent prohibited or unenforceable under applicable law, has entered into and has not breached an agreement to refrain from Engaging in Competition in form and substance satisfactory to the Committee.

2.3 "Award" means, individually or collectively, a grant under this Plan of SARs, Nonqualified Stock Options, Incentive Stock Options, Restricted Stock, RSUs, Other Share-Based Awards, Non-Employee Director Share Awards, Stock Units, Director SARs and Director Options.

2.4 "Award Agreement" means an agreement entered into by the Company and each Participant setting forth the terms and provisions applicable to an Award granted under this Plan.

2.5 "Beneficial Owner" or "Beneficial Ownership" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.6 "Beneficiary" means the person or persons designated pursuant to Article 11 hereof.

2.7 "Board" or "Board of Directors" means the Board of Directors of the Company.

2.8 “Change in Control Price per Share” means (a) in the case of a Change in Control in which consideration is paid to the general stockholders of the Company, through a tender offer or otherwise, the price paid per Share to such stockholders as determined by the Committee in its sole discretion and (b) in the case of a Change in Control in which consideration is not paid to the general stockholders of the Company, such as a sale of all or substantially all of the Company’s assets, the value of the consideration on a per Share basis as determined by the Committee in its sole discretion.

2.9 “Code” means the Internal Revenue Code of 1986, as amended from time to time.

2.10 “Committee” means the Compensation Policy Committee of the Board, as specified in Article 3 hereof, or such other committee appointed by the Board to administer the Plan with respect to grants of Awards.

2.11 “Company” means Marriott Vacations Worldwide Corporation, together with any and all Subsidiaries, and any successor thereto as provided in Article 18 hereof.

2.12 “Director” means any member of the Board.

2.13 “Director SAR” and “Director Option” mean, respectively, a SAR and a Nonqualified Stock Option as described in Article 10 hereof.

2.14 “Disability” means a permanent and total disability, within the meaning of Code Section 22(e)(3), as determined by the Committee in good faith, upon receipt of sufficient competent medical advice from one or more individuals, selected by or satisfactory to the Committee, who are qualified to give professional medical advice.

2.15 “Effective Date” means the date of the 2020 Annual Meeting, subject to the approval of the Plan by the Company’s stockholders at such meeting.

2.16 “Employee” means any individual who is, or will become, an active, non-union employee of the Company. Any Employee who, at the request of the Company, and on the written assignment of the Company specifically referencing this provision of the Plan, becomes an employee of another employer shall continue to be treated as an Employee for all purposes hereunder during the period of such assignment. Non-Employee Directors shall not be considered Employees under this Plan.

2.17 “Engaging in Competition” means (a) engaging, individually or as an employee, consultant, owner (more than five percent (5%)) or agent of any entity, in or on behalf of any business engaged in significant competition (or that transacts or cooperates with another business in activities of significant competition) with any business operated by the Company or with interests adverse to those of the Company; (b) soliciting and hiring a key employee of the Company in another business, whether or not in significant competition with any business operated by the Company; or (c) using or disclosing confidential or proprietary information, in each case, without the approval of the Company.

2.18 “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.19 “Exercise Price” means the price at which a Share may be purchased by a Participant pursuant to an Option or the base price from which appreciation in Shares is measured under a SAR.

2.20 “Fair Market Value” means the average of the highest and lowest quoted selling prices for the Shares on the relevant date, or (if there were no sales on such date) the average so computed on the nearest day before or the nearest day after the relevant date, as reported in The Wall Street Journal or a similar publication selected by the Committee.

2.21 “Fee Deferral Election” means an election made by a Non-Employee Director to defer the receipt of Fees, as described in Article 10.3 hereof.

2.22 “Fees” means all or part of any retainer and/or fees payable to a Non-Employee Director in his or her capacity as such.

2.23 “Incentive Stock Option” or “ISO” means an option to purchase Shares granted under Article 6 hereof, which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422.

2.24 “Insider” means an individual who is, on the relevant date, an officer, Director or more than ten percent (10%) beneficial owner of any class of the Company’s equity securities that is registered pursuant to Section 12 of the Exchange Act, all as defined under Section 16 of the Exchange Act.

2.25 “Non-Employee Director” means a Director who is not an Employee of the Company.

2.26 “Non-Employee Director Share Award” shall mean an award of Shares to a Non-Employee Director, as described in Article 10.2 hereof.

2.27 “Nonqualified Stock Option” or “NQSO” means an option to purchase Shares granted under Article 6 hereof and which is not intended to meet the requirements of Code Section 422.

2.28 “Option” means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 6 hereof, or a Director Option as described in Article 10 hereof.

2.29 “Other Share-Based Award” means an Other Share-Based Award, as described in Article 9 hereof.

2.30 “Participant” means an individual who has an outstanding Award granted under the Plan.

2.31 “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock is limited in some way (based on the passage of time, the achievement of performance objectives, or upon the occurrence of other events as determined by the Committee, in its discretion), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 7 hereof.

2.32 “Person” shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) thereof.

2.33 “Plan” means this Marriott Vacations Worldwide Corporation 2020 Stock and Cash Incentive Plan.

2.34 “Restricted Stock” means an Award of Shares granted to a Participant pursuant to Article 7 hereof.

2.35 “RSU” means a restricted stock unit Award granted to a Participant pursuant to Article 8 hereof.

2.36 “Shares” means shares of Common Stock of the Company or of any successor company adopting this Plan.

2.37 “SAR” means a stock appreciation right as described in Article 6 hereof, or a Director SAR as described in Article 10 hereof, which may be settled in Shares or cash as provided in the pertinent Award Agreement.

2.38 “Stock Units” means the credits to a Non-Employee Director’s Stock Unit Account, each of which represents the right to receive one Share upon settlement of the Stock Unit Account.

2.39 “Stock Unit Account” means the bookkeeping account established by the Company pursuant to Article 10.3.

2.40 “Subsidiary” means any corporation, partnership, joint venture, trust or other entity in which the Company has a controlling interest as defined in Treasury Regulation Section 1.414(c)-2(b)(2), except that the threshold interest shall be “more than fifty percent (50%)” instead of “at least eighty percent (80%).”

2.41 “Termination of Service” means termination of service as a Non-Employee Director in any of the following circumstances:

(a) Where the Non-Employee Director voluntarily resigns or retires;

(b) Where the Non-Employee Director is not re-elected (or elected in the case of an appointed Non-Employee Director) to the Board by the stockholders;

(c) Where the Non-Employee Director ceases to perform services on account of a Disability; or

(d) Where the Non-Employee Director dies.

With respect to any Awards that are or become subject to Section 409A of the Code, Termination of Service shall not include any event that is not within the meaning of “separation from service” as set forth in Treasury Regulation Section 1.409A-1(h).

2.42 “Year of Service” means a period of twelve (12) consecutive calendar months during which an Employee is employed by the Company or any predecessor thereto as determined by the Committee.

Article 3 Administration

3.1 The Committee. The Plan shall be administered by the Committee or by any other committee appointed by the Board. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors. Any power of the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Exchange Act. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

3.2 Authority of the Committee. Except as limited by law or by the Articles of Incorporation or Bylaws of the Company, and subject to the provisions hereof, the Committee shall have full power to select Employees and Non-Employee Directors who shall participate in the Plan; determine the sizes and types of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan; establish, amend, or waive rules and regulations for the Plan's administration; subject to the provisions of Article 14 hereof, amend the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion of the Committee as provided in the Plan; and approve corrections in the documentation or administration of any Award. Further, the Committee shall make all other determinations that may be necessary or advisable for the administration of the Plan. The Committee's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Award Agreements evidencing such Awards) need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated. As permitted by law, the Committee may delegate its authority under the Plan to a Director or Employee.

3.3 Delegation. The Committee may delegate to one or more separate committees (any such committee a "Subcommittee") composed of one or more Directors (who may but need not be members of the Committee) the ability to grant Awards and take the other actions described in Article 3.2 hereof with respect to Participants who are not executive officers, and such actions shall be treated for all purposes as if taken by the Committee. The Committee may delegate to a Subcommittee of one or more officers of the Company the ability to grant Awards and take the other actions described in Article 3.2 hereof with respect to Participants (other than any such officers themselves) who are not Directors or executive officers, provided, however, that the resolution so authorizing such officer(s) shall specify the total number of rights or options such Subcommittee may so award, and such actions shall be treated for all purposes as if taken by the Committee. Any action by any such Subcommittee within the scope of such delegation shall be deemed for all purposes to have been taken by the Committee, and references in this Plan to the Committee shall include any such Subcommittee. The Committee may delegate the day to day administration of the Plan to an officer or officers of the Company, or one or more agents, and such administrator(s) may have the authority to execute and distribute agreements or other documents evidencing or relating to Awards granted by the Committee under the Plan, to maintain records relating to the grant, vesting, exercise, forfeiture or expiration of Awards, to process or oversee the issuance of Shares upon the exercise, vesting and/or settlement of an Award, to interpret the terms of Awards and to take such other actions as the Committee may specify. Any action by any such administrator within the scope of its delegation shall be deemed for all purposes to have been taken by the Committee and references in the Plan to the Committee shall include any such administrator, provided that the actions and interpretations of any such administrator shall be subject to review and approval, disapproval or modification by the Committee.

3.4 Decisions Binding. All determinations and decisions made by the Committee or its designee pursuant to the provisions of the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all parties.

3.5 Unanimous Consent in Lieu of Meeting. A memorandum signed by all members of the Committee shall constitute the act of the Committee without the necessity in such event to hold a meeting.

3.6 Serious Misconduct. Notwithstanding anything to the contrary in the Plan or any Award Agreement, if a Participant terminates employment for serious misconduct, including but not limited to engaging in a terminable offense set forth in the applicable associate handbook, the Committee may, in its sole discretion, refuse or revoke Approved Retiree status or other retirement approval for such Participant, or otherwise determine that such Participant may not receive, vest in or exercise any Awards or otherwise receive Shares thereunder to the extent the Awards are not granted, vested or fully exercised, or Shares are not received, as of such determination.

Article 4 Shares Subject to the Plan

4.1 Number of Shares.

(a) ***Reserve***. Subject to Article 4.2 hereof, an aggregate of one million, two hundred and sixty-five thousand (1,265,000) Shares, plus the Shares described in Article 4.1(b), plus on and after the Restatement Effective Date, an additional one million, two hundred and fifty thousand (1,250,000) Shares (collectively, the "Reserve"), may be issued pursuant to Awards granted under the Plan. All of the Shares reserved for issuance under the Plan may be issued pursuant to ISOs.

(b) ***Prior Plans.*** The number of Shares which were reserved for issuance under the Prior Marriott Plan but which are not subject to any outstanding awards under such plan as of the Effective Date shall be considered part of the Reserve under Article 4.1(a). Further, after the Effective Date, if any Shares subject to or underlying awards granted under the Prior Plans would again become available for new grants under the terms of such plans if such plans were still in effect, then those Shares will be added to the Reserve, thereby increasing the number of Shares available for issuance under this Plan as determined under the first sentence of Article 4.1(a). Any such Shares will not be available for future awards under the terms of the Prior Plans, which are terminated as of the Effective Date.

(c) ***Depletion of Reserve***. When an Award is granted, the Reserve shall be depleted by the maximum number of Shares to which the Award relates, except that an Award that is valued in relation to a Share but that may only be settled in cash shall not deplete the Reserve. In addition, if the number of Shares issuable under an Award is increased after the grant date, such as by an amendment to the Award or as a result of converting dividends or dividend equivalent units into additional Shares of Restricted Stock or RSUs subject to the Award, then the Reserve shall be depleted by such increased number of Shares at the time of such increase.

(d) ***Replenishment of Reserve***. To the extent (i) an Award lapses, expires, terminates or is cancelled without the issuance of Shares under the Award, (ii) it is determined during or at the conclusion of the term of an Award that all or some portion of the Shares with respect to which the Award was granted will not be issuable on the basis that the conditions for such issuance will not be satisfied, (iii) Shares are forfeited under an Award, (iv) Shares are tendered or withheld in payment of the exercise price of an Option or as a result of the net settlement in Shares of an outstanding SAR; (v) Shares are tendered or withheld to satisfy federal, state or local tax withholding obligations; or (vi) Shares are issued under any Award and the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares shall be re-credited to the Reserve and may be used for new Awards under the Plan, provided that Shares re-credited to the Reserve pursuant to clause (vi) may not be issued pursuant to ISOs.

4.2 Adjustments in Authorized Shares and Awards. In the event of any change in corporate capitalization, such as a stock split, reverse stock split, stock dividend, share combination, recapitalization, or similar event affecting the equity capital structure of the Company, or in the event the Shares shall be changed into or exchanged for a different number or class of shares of stock or securities of the Company or of another corporation and/or for cash as a result of a corporate transaction, such as any merger, consolidation, separation, acquisition of property or shares, stock rights offering, spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation of the Company, or similar event affecting the Company, such adjustment shall be made in (a) the number and class of Shares which thereafter may be delivered under Article 4.1(a), (b) or (c), (b) the number and class of Shares subject to outstanding Awards, (c) the Exercise Price relating to any Award, and (d) the performance goals which may be applicable to any outstanding Awards, and such other equitable substitutions or adjustments may be made, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights. Without limiting the preceding sentence, in the case of any such transaction described in the preceding sentence, the adjustments made by the Committee or the board of directors, compensation committee or similar body of any other legal entity assuming the obligations of the Company hereunder, may consist of either (i) making appropriate provision for the protection of outstanding Awards by the substitution on an equitable basis of appropriate equity interests or awards similar to the Awards (or, in the event no such similar equity interests may be identified, a nonqualified deferred compensation account allocation of equivalent value), provided that the substitution neither enlarges nor diminishes the value and rights under the Awards; or (ii) upon written notice to the Participants, providing that Awards will be exercised, distributed, cashed out or exchanged for value pursuant to such terms and conditions (including the waiver of any existing terms or conditions including but not limited to vesting restrictions or exercise waiting periods) as shall be specified in the notice, provided that any Awards that are subject to Code Section 409A must not be exercised, distributed, cashed out or exchanged for value unless, to the extent required for compliance with Code Section 409A, the transaction qualifies as a "change in control event" as described under Code Section 409A(2)(A)(v) and the regulations thereunder. Any adjustment of an ISO under clause (i) of the preceding sentence in this paragraph shall be made in such a manner so as not to constitute a "modification" within the meaning of Section 424(h)(3) of the Code.

Article 5 Eligibility and Participation

5.1 Eligibility. Employees shall be eligible to participate in this Plan with respect to Awards specified in Articles 6 through 9. Non-Employee Directors shall be eligible to participate in the Plan with respect to Awards specified in Article 10.

5.2 Actual Participation by Employees. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Employees, those to whom Awards shall be granted and shall determine the nature and amount of each Award.

Article 6 SARs and Stock Options

6.1 Grant of SARs and Options. Subject to the terms and provisions of the Plan, SARs and/or Options may be granted to Employees in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee. No dividends or dividend equivalent rights may be granted with respect to SARs or Options.

6.2 Award Agreement. Each SAR and Option grant shall be evidenced by an Award Agreement that shall specify the Exercise Price, the duration of the Award, the number of Shares to which the Award pertains, and such other provisions as the Committee shall determine. The Award Agreement, if pertaining to an Option, also shall specify whether the Option is intended to be an ISO within the meaning of Code Section 422, or an NQSO whose grant is intended not to fall under the provisions of Code Section 422.

6.3 Exercise Price. The Exercise Price for each grant of a SAR or an Option under this Article 6 shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the date the SAR or Option is granted.

6.4 Duration of SARs and Options. Each SAR and Option granted under this Article 6 shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no SAR or Option shall be exercisable later than the tenth (10th) anniversary date of its grant.

6.5 Exercise of SARs and Options. SARs and Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

The ability of a Participant to exercise a SAR or an Option is conditioned upon the Participant not committing any criminal offense or malicious tort relating to or against the Company, or, as determined by the Committee in its sole discretion, engaging in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the Company's operations, financial condition or business reputation.

6.6 Notice and Payment. SARs and Options granted under this Article 6 shall be exercised by the delivery of notice of exercise to the Company by such means as the Committee shall approve from time **to** time, setting forth the number of Shares with respect to which the SAR or Option is to be exercised, accompanied, in the case of Options, by full payment for the Shares.

The Exercise Price upon exercise of any Option shall be payable to the Company in full either: (a) in cash or its equivalent, (b) if permitted in the governing Award Agreement, by withholding of Shares deliverable upon exercise or tendering (either actually or by attestation) previously acquired Shares, in each case having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, (c) withholding Shares subject to the Option, or (d) any combination of (a), (b) and (c).

The Committee also may allow cashless exercise as permitted under the Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

If a Participant shall dispose of Shares acquired through exercise of an ISO within either (i) two (2) years after the date the Option is granted or (ii) one (1) year after the date the Option is exercised (i.e., in a disqualifying disposition), such Participant shall notify the Company within seven (7) days of the date of such disqualifying disposition. In addition, if a Participant elects, under Code Section 83, to be taxed at the time an Award of Restricted Stock (or other property subject to such Code section) is made, rather than at the time the Award vests, such Participant shall notify the Company of such election within the time period prescribed by law.

6.7 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of a SAR or an Option granted under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed or traded, and under any blue sky or state securities laws applicable to such Shares.

6.8 Termination of Employment or Leave of Absence. Except as otherwise approved by the Committee and set forth in the pertinent Award Agreement(s), in the event that a Participant who is an Employee, during his or her lifetime has been on leave of absence for a period of greater than twelve (12) months (except a leave of absence approved by the Board or the Committee, as the case may be), or ceases to be an Employee of the Company or of any Subsidiary for any reason, including retirement, the portion of any SAR or Option which is not exercisable on the date on which the Participant ceased to be an Employee or has been on leave for over twelve (12) months (except a leave of absence approved by the Board or the Committee, as the case may be) shall expire on such date and any unexercised portion thereof which was otherwise exercisable on such date shall expire unless exercised within a period of three (3) months from such date, but in no event after the expiration of the term for which the SAR or Option was granted; provided, however, that in the case of an awardee of a SAR or a NQSO who is an "Approved Retiree" (as hereinafter defined), the SAR or NQSO shall continue to vest for up to five years from the date of retirement and said awardee may exercise such SAR or NQSO, as applicable, until the soonest to occur of (i) the expiration of such SAR or NQSO in accordance with its original term; (ii) the expiration of five (5) years from the date of retirement; or (iii) with respect to SARs or Options granted less than one year before the date the Approved Retiree retires, expiration of the SAR or Option on such retirement date, except not with respect to that portion of the SARs or Options equal to such number of shares multiplied by the ratio of (I) the number of days between the grant date and the retirement date inclusive, over (II) the number of days in the twelve (12) month period following the grant date.

Notwithstanding the preceding paragraph, if the Committee subsequently determines, in its sole discretion, that an Approved Retiree has violated the provisions of any agreement to refrain from Engaging in Competition unless such provisions are unenforceable under applicable law, or has engaged in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the Company's operations, financial condition or business reputation, all SARs and Options shall be cancelled without consideration immediately.

In the event of the death of an awardee during the three (3) month period described above for exercise of a SAR or an Option by a terminated awardee or one on leave for over twelve (12) months (except a leave of absence approved by the Board or the Committee, as the case may be), the Option shall be exercisable by the awardee's personal representatives, heirs or legatees to the same extent and during the same period that the awardee could have exercised the SAR or Option if the awardee had not died.

Notwithstanding anything in Article 6.5 to the contrary, in the event of the death of an awardee while an Employee or Approved Retiree of the Company or any Subsidiary, an outstanding SAR or Option held by such awardee upon death shall become fully vested upon death and shall be exercisable by the awardee's personal representatives, heirs or legatees at any time prior to the expiration of one (1) year from the date of death of the awardee, but in no event after the expiration of the term for which the SAR or Option was granted.

6.9 Nontransferability of SARs and Options. No SAR, NQSO or ISO granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all SARS, NQSOs and ISOs granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

Article 7 Restricted Stock

7.1 Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Employees in such amounts as the Committee shall determine.

7.2 Restricted Stock Agreement. Each Restricted Stock grant shall be evidenced by a Restricted Stock Award Agreement that shall specify the Period(s) of Restriction, the number of Shares of Restricted Stock granted, and such other provisions as the Committee shall determine.

7.3 Transferability. Except as provided in this Article 7, the Shares of Restricted Stock granted hereunder may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Award Agreement, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Restricted Stock Award Agreement. All rights with respect to the Restricted Stock granted to a Participant under the Plan shall be available during his or her lifetime only to such Participant.

7.4 Other Restrictions. The Committee shall impose such conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock, restrictions based upon the achievement of specific performance objectives (Company-wide, business unit, and/or individual), time-based restrictions on vesting following the attainment of the performance objectives, and/or restrictions under applicable Federal or state securities laws.

The Company shall retain the certificates representing Shares of Restricted Stock in the Company’s possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied.

Except as otherwise provided in this Article 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan shall become freely transferable by the Participant after the last day of the applicable Period of Restriction.

Distribution of Shares of Restricted Stock is conditioned upon the Participant not committing any criminal offense or malicious tort relating to or against the Company or, as determined by the Committee in its sole discretion, engaging in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the company’s operations, financial condition or business reputation.

7.5 Voting Rights. During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares.

7.6 Dividends and Other Distributions. During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder shall be credited with regular dividends paid with respect to the underlying Shares while they are so held. Such dividends shall be converted into additional shares of Restricted Stock or deferred until such Restricted Stock vests, upon such terms as the Committee establishes, but in no event will any dividends be paid on unvested Restricted Stock.

The Committee may apply any additional restrictions to the dividends that the Committee deems appropriate. Without limiting the generality of the preceding sentence, if Restricted Stock is contingent on a performance condition, any dividends relating to such Restricted Stock may also be made subject to such performance conditions.

7.7 Termination of Employment. Except as otherwise approved by the Committee and set forth in the pertinent Award Agreement(s), (a) in the event that a Participant’s employment with the Company is terminated during the Period of Restriction because the Participant is an Approved Retiree, the Committee shall have complete discretion in determining the percentage, if any, of a Participant’s outstanding Shares of Restricted Stock as to which the Period of Restriction shall end; (b) in the event a Participant’s employment with the Company is terminated because of the Participant’s Disability or death during the Period of Restriction, the Period of Restriction shall end and, in the case of death, the Participant’s rights thereunder shall inure to the benefit of his or her Beneficiary; and (c) in the event that a Participant's employment with the Company is terminated for any other reason during the Period of Restriction, such Participant's outstanding Shares of Restricted Stock shall be forfeited to the Company without payment.

Article 8 Restricted Stock Units

8.1 RSUs. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Awards of RSUs to eligible Employees in such amounts as the Committee shall determine.

8.2 RSU and Common Stock Rights. RSUs shall represent an Employee's unsecured right to receive from the Company the transfer of title to Shares subject to the vesting schedule referenced in Article 8.3 below, provided that the Employee has satisfied the conditions of transfer set forth in Article 8.4 below. On each such vesting date, if it occurs, the Company shall transfer a corresponding number of Shares to an individual brokerage account established and maintained in the Employee's name. The Employee shall have all the rights of a stockholder with respect to such Shares transferred to the brokerage account, including but not limited to the right to vote the Shares, to sell, transfer, liquidate or otherwise dispose of the Shares, and to receive all dividends or other distributions paid or made with respect to the Shares from the time they are deposited in the account. The Employee shall have no voting, transfer, liquidation, or other rights of a Share stockholder with respect to RSUs prior to such time that the corresponding Shares are transferred, if at all, to the Employee's brokerage account. Notwithstanding the foregoing, RSU's may be granted with dividend equivalent rights at the discretion of the Committee and the Committee shall provide whether such dividend equivalents will be converted into additional RSUs (subject to the same terms and conditions as the underlying RSUs to which they relate) or deferred until such RSUs vest, but in no event will any dividends equivalents be paid with respect to unvested RSUs.

8.3 Vesting in RSUs. RSU Awards shall become vested in accordance with the vesting provisions set forth in the pertinent Award Agreement.

8.4 Conditions of Transfer. A transfer of Shares in accordance with Article 8.2 above shall be conditioned upon the Employee meeting both of the following conditions during the entire period from the grant date through the vesting date(s) relating to such RSUs:

(a) The Employee must continue to be an active employee of the Company or one of its Subsidiaries; and

(b) The Employee must refrain from committing any criminal offense or malicious tort relating to or against the Company or, as determined by the Committee in its discretion, engaging in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the Company's operations, financial condition or business reputation.

If the Employee fails to meet the requirements of Article 8.4(a) or (b), then the Employee shall forfeit the right to vest in any RSUs that have not already vested as of the time such failure is determined, and the Employee shall accordingly forfeit the right to receive the transfer of title to any corresponding Shares. The forfeiture of rights with respect to unvested RSUs (and corresponding Shares) shall not affect the rights of the Employee with respect to any RSUs that already have vested nor with respect to any Shares the title of which has already been transferred to the Employee's brokerage account.

8.5 Effect of Termination of Employment. Notwithstanding contrary provisions of this Article 8, except as otherwise approved by the Committee and set forth in the pertinent Award Agreement(s):

(a) In the event the Employee's employment is terminated prior to the relevant vesting date on account of death, and if the Employee had otherwise met the requirements of Article 8.4(a) and (b) from the grant date through the date of such death, then the Employee's unvested RSUs shall immediately vest in full upon death and the Employee's rights hereunder with respect to any such RSUs shall inure to the benefit of the Employee's executors, administrators, personal representatives and assigns.

(b) In the event Employee's employment is terminated prior to the relevant vesting date on account of the Employee having a Disability or being an Approved Retiree, and if the Employee had otherwise met the requirements of Article 8.4(a) and (b) from the grant date through the date of the termination of employment date, and provided that the Employee continues to meet the requirements of Article 8.4(b), then the Employee's rights hereunder with respect to any outstanding, unvested RSUs shall continue in the same manner as if the Employee continued to meet the continuous employment requirement of Article 8.4(a) through the vesting dates related to the Award, except not for that portion of RSUs granted less than one (1) year prior to the Employee's termination equal to such number of shares multiplied by the ratio of (A) the number of days after the termination date and before the first (1^{st}) anniversary of the grant date, over (B) the number of days on and after the grant date and before the first (1^{st}) anniversary of the grant date.

(c) In the event Employee's employment is terminated prior to the relevant vesting date for any reason other than those circumstances described in paragraphs (a) and (b) of this Article 8.5, such Employee's outstanding RSUs shall be forfeited to the Company without payment.

Article 9 Other Share-Based Awards

9.1 Grant of Other Share-Based Awards. The Committee may grant Other Share-Based Awards to Participants in such number, and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

9.2 Terms of Other Share-Based Awards. Other Share-Based Awards shall contain such terms and conditions as the Committee may from time to time specify and may be denominated in cash, in Shares, in Share-equivalent units, in Share appreciation units, in securities or debentures convertible into Shares or in a combination of the foregoing and may be paid in cash or in Shares, all as determined by the Committee, provided that any Other Share-Based Award that represent the right to receive value in the amount of the increase in the Fair Market Value of a Share rather than the full value of a Share shall have an exercise or grant price no lower than the Fair Market Value on the date of grant. Other Share-Based Awards may be issued alone or in tandem with other Awards granted to Employees. No dividend equivalent units may granted on an Other Shared-Based Award that is not a full-value award, and any dividends or dividend equivalents granted with respect to an Other Share-Based Award that is a full-value award shall vest and be paid only if and to the same extent as the underlying Other Share-Based Award is vested and paid.

9.3 Other Share-Based Award Agreement. Each Other Share-Based Award shall be evidenced by an Award Agreement that shall specify such terms and conditions as the Committee shall determine.

Article 10 Directors' Share Awards, Fee Deferral Elections, and Director SARs and Options

10.1 Eligibility. Only Non-Employee Directors shall be eligible to receive Non-Employee Director Share Awards and Director SARs and Options and to make Fee Deferral Elections. All such awards are subject to prior approval by the Committee. The aggregate value of the cash fees paid, along with the grant date value of any Awards granted hereunder, to a Non-Employee Director during any fiscal year of the Company shall not exceed $750,000.

10.2 Non-Employee Director Share Awards. On the first (1^{st}) full trading day immediately following each Annual Meeting, each Non- Employee Director designated by the Board may receive a Non-Employee Director Share Award of a number of Shares determined by the Board before such Annual Meeting. Each Non-Employee Director Share Award shall be fully vested and nonforfeitable when granted. Upon Termination of Service or at such other times as determined by the Committee, the Non-Employee Director Share Award awarded to a Non-Employee Director shall be paid to the Non-Employee Director.

10.3 Fee Deferral Elections.

(a) ***Elections to Defer Payment of Fees.*** Payment of all or any part of any Fees payable to a Non-Employee Director may be deferred by election of the Non-Employee Director. Each such election must be made in writing on a form prescribed by the Committee and irrevocably delivered to the Company in the year preceding the year which commences with the next Annual Meeting (the "Election Year"), and must be irrevocable for such Election Year. No election may be made under this Article 10.3(a) with respect to Fees for which an election is made under Article 10.5.

(b) ***Crediting Stock Units to Accounts***. Amounts deferred pursuant to a Fee Deferral Election shall be credited as of the date of the deferral to a Stock Unit Account in Stock Units. The number of Stock Units credited to a Stock Unit Account with respect to any Non-Employee Director shall equal (i) the amount deferred pursuant to the Fee Deferral Election divided by (ii) the Fair Market Value of a Share on the date on which the Fees subject to the Fee Deferral Election would have been paid but for the Fee Deferral Election, and, unless the Committee or the Board determines otherwise, rounded down to the nearest whole Stock Unit with the value of any fractional Stock Unit paid to the Director in cash.

(c) ***Fully Vested Stock Units.*** All Stock Units credited to a Non-Employee Director's Stock Unit Account pursuant to this Article 10.3 shall be at all times fully vested and nonforfeitable.

(d) ***Credit of Dividend Equivalents.*** Each Stock Unit credited to a Director's Stock Unit Account includes one dividend equivalent unit, which represents the Non-Employee Director's right to receive a cash payment equal to the dividend paid on one Share. Such cash payment will be paid to the Non-Employee Director within 30 days of the dividend payment date. Notwithstanding the foregoing, the Committee may either require or allow a Non-Employee Director to elect (at the same time elections are made under paragraph (a) of this Article 10.3) to have the cash dividend equivalent unit payments reinvested in additional Stock Units. In such case, the amount of Stock Units credited to the Non-Employee Director's Stock Unit Account shall equal the quotient of (i) the amount of dividend equivalent payments that are to be reinvested in Stock Units, divided by (ii) the Fair Market Value of a Share on such dividend payment date, and, unless the Committee or the Board determines otherwise, rounded down to the nearest whole Stock Unit with the value of any fractional Stock Unit paid to the Director in cash within 30 days of the dividend payment date. If dividends are paid on Shares in a form other than cash, then the Committee or the Board shall determine, in its discretion, whether to make payment (or credit the Stock Unit Account, as applicable) in-kind or notionally convert the dividend to cash.

(e) ***Payment of Stock Units.*** Upon Termination of Service or at such other times as determined by the Committee and irrevocably elected in writing by the Non-Employee Director at the time of the Non-Employee Director's election to defer Fees under Article 10.3(a), the Stock Units credited to a Non-Employee Director's Stock Unit Account shall be paid to the Non-Employee Director in an equal number of shares of Stock in a single lump sum or in substantially equal annual installments over a period not to exceed ten (10) years, as irrevocably elected in writing by the Non-Employee Director at the time of the Non-Employee Director's election to defer Fees under Article 10.3(a), pursuant to rules established from time to time by the Committee.

10.4 Unfunded Status. The interest of each Non-Employee Director in any Fees deferred under this Article 10 (and any Stock Units or Stock Unit Account relating thereto) or in any Director Stock Award shall be that of a general creditor of the Company. Stock Unit Accounts and Stock Units (and, if any, "in kind" dividends) credited thereto shall at all times be maintained by the Company as bookkeeping entries evidencing unfunded and unsecured general obligations of the Company.

10.5 Director SARs and Options.

(a) ***Elections to Receive Payment of Fees in the Form of SARs or Options.*** A Non-Employee Director may elect to receive payment of all or any part of his or her cash retainer in the form of Director SARs or Options, as determined by the Committee, in lieu of cash. Each such election must be made in writing on a form prescribed by the Committee and delivered to the Company in the calendar year preceding the calendar year in which occurs the Annual Meeting that marks the commencement of the annual period of service during which such Fees are earned. Each election is irrevocable for that annual period. Elections under this Article 10.5 may not be made with respect to Fees deferred under Article 10.3.

(b) ***Grant of Director SARs and Options.*** On the first (1^{st}) full trading day immediately following each Annual Meeting, each Non- Employee Director who has filed an election under Article 10.5(a) for the annual period of service that commences with such Annual Meeting shall be granted Director SARs or Options that have a value on the date of grant substantially equal to the amount of Fees otherwise payable to the Non-Employee Director in cash but for the election to receive Director SARs or Options. The value of Director SARs or Options shall be determined by the Committee in its sole discretion, at a meeting held prior to the Annual Meeting, based on a Black-Scholes option pricing model or other valuation model that the Committee determines to be appropriate in its sole discretion.

(c) ***Terms of Director SARs and Options.*** Each Director SAR and Option shall be evidenced by an Award Agreement that shall specify the Exercise Price, the duration of the SAR or Option, and the number of Shares to which the SAR or Option pertains. Each Director SAR and Option shall (i) have an Exercise Price equal to or greater than the Fair Market Value of a Share on the date the Award is granted; (ii) be immediately vested and exercisable; (iii) expire on the tenth (10^{th}) anniversary of the date of its grant; and (iv) be nontransferable unless otherwise specified by the Committee. No dividends or dividend equivalent rights may be granted with respect to SARs or Options.

(d) ***Payment.*** Director SARs and Options granted under this Article 10 shall be exercised by the delivery of notice of exercise to the Company in such manner as the Committee shall determine, setting forth the number of Shares with respect to which the SAR or Option is to be exercised, accompanied by full payment for the Shares. The Exercise Price upon exercise of any Director SAR or Option shall be payable to the Company in full either: (i) in cash or its equivalent, (ii) by withholding of Shares deliverable upon exercise or tendering (either actually or by attestation) previously acquired Shares, in each case having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, or (iii) by a combination of (i) and (ii). The Committee also may allow cashless exercise as permitted under the Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

10.6 **Dividends and Dividend Equivalents**. No dividend or dividend equivalents will be paid with respect to any unvested Non-Employee Director Awards under this Article 10.

Article 11 Beneficiary Designation

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Participant's death before the Participant has received any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

Article 12 Change in Control

12.1 **Treatment of Awards.** If an Award Agreement specifies the treatment of an Award in connection with a Change in Control, then the terms of such Award Agreement shall apply in lieu of the provisions of this Article 12.1. In the absence of such provisions in an Award Agreement, and unless otherwise determined by the Committee in its sole discretion prior to a Change in Control, if a Participant who is actively employed by the Company incurs a Covered Termination of Employment (as defined in Article 12.2 below) on or within twelve (12) months following a Change in Control (as defined in Article 12.3 below), or if a Change in Control occurs in connection with which no Awards, publicly-traded Shares or substitute equity interests are available, then the following shall occur:

(a) ***Restricted Stock and RSUs.*** With respect to any Restricted Stock, RSUs or any Other Share-Based Awards taking a form substantially the same as Restricted Stock or RSUs, the restrictions, forfeiture conditions, deferral of settlement and conditions on distribution other than those imposed by law applicable to such Awards shall lapse, and all such Awards shall be deemed fully vested, as of the date of the Participant's Covered Termination of Employment, and the subject Shares, or equity interests that are substituted for the subject Shares as a result of the Change in Control, shall be distributed to the Participant immediately following such Covered Termination of Employment. Notwithstanding the preceding sentence, in the event no Awards, publicly-traded Shares or substitute equity interests are available in connection with the Change in Control, the restrictions, forfeiture conditions, deferral of settlement and conditions on distribution other than those imposed by law applicable to such Restricted Stock, RSU and Other Share-Based Awards shall lapse, and all such Awards shall be deemed fully vested, as of the date of the Change in Control, and the Awards shall be distributed to the Participant immediately following the Change in Control. In the Committee's discretion, the distribution of Awards as described in this Article 12.1(a) may be made in the form of a cash payment equal to the product of (i) the per Share value, which shall be (I) in the case of a payment made immediately following a Covered Termination of Employment, the Fair Market Value per Share as of the date of the Covered Termination of Employment, or (II) in the case of a payment made immediately after the Change in Control, the Change in Control Price per Share in connection with the transaction resulting in the Change in Control, and (ii) the number of subject Shares or substitute equity awards that otherwise would be distributed to the Participant if available and the Committee had not determined to pay cash.

(b) ***Options and SARs.*** As of the date of the Participant's Covered Termination of Employment, all of the unvested or unexercisable Options, SARs or Other Share-Based Awards taking a form substantially the same as Options or SARs held by the Participant shall be deemed to be fully vested and exercisable with respect to the subject Shares, or other equity interests that are substituted for the Shares as a result of the Change in Control, and any other conditions on such Awards shall lapse, other than those imposed by law. Such Awards shall remain exercisable until the earlier of (i) the end of their original term, or (ii) twelve (12) months (or in the case of an Approved Retiree, five (5) years) following the Participant's Covered Termination of Employment. Notwithstanding the preceding sentence, in the event no Awards, publicly-traded Shares or substitute equity interests are available in connection with the Change in Control, the restrictions, forfeiture conditions, deferral of settlement and conditions on distribution other than those imposed by law applicable to such Options, SARs and Other Share-Based Awards shall lapse, and all such Awards shall be deemed fully vested, as of the date of the Change in Control. In the Committee's discretion, a cash payment may be made to the Participant immediately following the Participant's Covered Termination of Employment or the date of the Change in Control, whichever is the date upon which the Participant is deemed to be fully vested as determined under this Article 12.1(b), in an amount equal to (i) the per Share value, which shall be (I) in the case of a payment made immediately following a Covered Termination of Employment, the Fair Market Value per Share as of the date of the Covered Termination of Employment, or (II) in the case of a payment made immediately after the Change in Control, the Change in Control Price per Share in connection with the transaction resulting in the Change in Control, (ii) less the Exercise Price, and (iii) multiplied by the number of subject Shares or substitute equity awards that otherwise would be distributed to the Participant if available and the Committee had not determined to pay cash.

(c) ***Other Share-Based Awards.*** All of the Participant's Other Share-Based Awards subject to performance-based vesting for which the performance period has not expired shall be deemed to be fully vested as of the Participant's Covered Termination of Employment and be paid out immediately thereafter, where such payment shall be based on a target level of performance, pro-rated for the days of such performance period through the date of the Covered Termination of Employment. Notwithstanding the preceding sentence, in the event no Awards, publicly-traded Shares or substitute equity interests are available in connection with the Change in Control, the restrictions, forfeiture conditions, deferral of settlement and conditions on distribution other than those imposed by law applicable to such Other Share-Based Awards shall lapse, and all such Awards shall be deemed to be fully vested, as of the date of the Change in Control, in which case payment shall be based on a target level of performance pro rated for the days of such performance period through the date of the Change in Control. Any Other Share-Based Awards other than those described in Articles 12.1(a) and (b), and other than as described above in this Article 12.1(c), shall be treated in a manner similar to that described in Articles 12.1(a) and (b).

12.2 Covered Termination of Employment. For purposes of this Article 12, "Covered Termination of Employment" shall mean any involuntary termination of employment of a Participant, provided that such termination does not result from the Participant's serious misconduct within the meaning of Article 3.6.

12.3 Change in Control Definition. A Change in Control shall occur if:

(a) ***Acquisition of Voting Securities.*** Any Person directly or indirectly becomes the Beneficial Owner of more than thirty percent (30%) of the Company's then outstanding voting securities (measured on the basis of voting power), provided that the Person (i) has not acquired such voting securities directly from the Company, (ii) is not the Company or any of its Subsidiaries, (iii) is not a trustee or other fiduciary holding voting securities under an employee benefit plan of the Company or any of its Subsidiaries, (iv) is not an underwriter temporarily holding the voting securities in connection with an offering thereof, and (v) is not a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Company stock; or

(b) ***Merger or Consolidation.*** The Company merges or consolidates with any other corporation, other than a merger or consolidation resulting in the voting securities of the Company outstanding immediately prior to such merger or consolidation representing fifty percent (50%) or more of the combined voting power of the voting securities of the Company, the other corporation (if such corporation is the surviving corporation) or the parent of the Company or other corporation, in each case outstanding immediately after such merger or consolidation; or

(c) ***Change in Majority of Board.*** Continuing Directors cease to represent a majority of the Board, where "Continuing Directors" shall mean the directors of the Board immediately after the Effective Date , and any other director whose appointment, election or nomination for election by the stockholders is approved by at least a majority of the Continuing Directors at such time; or

(d) ***Sale, Liquidation or Other Disposition.*** The stockholders of the Company approve a plan of complete liquidation of the Company or the Company sells or disposes of all or substantially all of its assets.

Notwithstanding the foregoing provisions of Article 12.3, with respect to any Award that is subject to Code Section 409A, in order to be treated as a Change in Control, any event described in this Article 12.3 also must qualify as a "change in control event" within the meaning of Code Section 409A(a)(2)(A)(v) and the regulations thereunder to the extent required for compliance with Code Section 409A.

12.4 Section 280G Cut-back in Benefits. Notwithstanding the other provisions of this Plan, unless otherwise specifically provided by the Committee in an Award Agreement, in the event that the amount of payments or other benefits payable to any Participant under this Plan, together with any payments or benefits payable under any other plan, program, arrangement or agreement maintained by the Company or one of its affiliates, would constitute an "excess parachute payment" (within the meaning of Section 280G or the Code), the payments under this Plan shall be reduced in a manner determined by the Company (by the minimum possible amounts) until no amount payable to the Participant under the Plan constitutes an "excess parachute payment" (within the meaning of Section 280G of the Code). All determinations required to be made under this Article 12.4, including whether a payment would result in an "excess parachute payment" and the assumptions utilized in arriving at such determination, shall be made by a registered public accounting firm selected by the Company.

Article 13 Rights of Participants

13.1 Employment or Service. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment or service at any time, nor confer upon any Participant any right to continue in the employ or service of the Company.

13.2 Participation. No Employee shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

Article 14 Amendment, Modification, and Termination

14.1 Amendment, Modification, and Termination. The Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part; provided, however, that the Board may, in its sole discretion, condition the adoption of any amendment of the Plan on the approval thereof by the requisite vote of the stockholders of the Company entitled to vote thereon. The Board shall condition the adoption of an amendment on such a stockholder vote to the extent required by applicable law or the requirements of the principal securities exchange or market on which the Shares are then traded, or to the extent such amendment would diminish the protections afforded by Article 14.3.

14.2 Adjustment of Awards upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Article 4.2 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

14.3 Awards Previously Granted; No Repricing or Cash Buyouts of Options or SARs.

(a) ***Awards Previously Granted.*** No termination, amendment, or modification of the Plan or any Award shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award; provided that Participant consent shall not be required for the termination, amendment or modification of an Award pursuant to the provisions of Article 4.2 or Article 12 or the termination, amendment or modification of an Award to the extent deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded, or to preserve favorable accounting or tax treatment of any Award for the Company.

(b) ***Repricing and Cash Buyouts Prohibited***. Except as provided under Article 14.2, an outstanding SAR or Option may not be (i) amended to reduce its Exercise Price, (ii) cancelled in exchange for the re-grant of a SAR or Option with a reduced Exercise Price, nor (iii) except in the case of SARs or Options with an Exercise Price above the then-current Share price, cancelled in exchange for other Awards or for a payment made in cash or Shares, unless approved by stockholders.

14.4 Substitution of Awards in Mergers and Acquisitions. Awards may be granted under the Plan from time to time in substitution for awards held by employees or directors of entities who become or are about to become employees or directors of the Company or a Subsidiary as the result of a merger, consolidation or other acquisition of the employing entity or the acquisition by the Company or a Subsidiary of the assets or stock of the employing entity, and such Awards shall not deplete the number of Shares reserved under Article 4.1. The terms and conditions of any substitute awards so granted may vary from the terms and conditions set forth hereof to the extent that the Committee deems appropriate at the time of grant to conform the substitute awards to the provisions of the awards for which they are substituted.

Article 15 Withholding

15.1 Tax Withholding. The Company shall have the power and the right to deduct from any amount otherwise due to the Participant, or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local income, employment or other related taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan. In addition, subject to any restrictions on transfer, the Company may permit a Participant to satisfy a withholding obligation required in connection with the issuance or vesting of Shares under an Award through the use of a broker-assisted sell-to-cover transaction.

15.2 Share Withholding. With respect to withholding required in connection with any Award, the Company may require, or the Committee may permit a Participant to elect, that the withholding requirement be satisfied, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined up to the maximum statutory total tax which could be withheld on the transaction. Any election by a Participant shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

Article 16 Indemnification

Except as prohibited by law, each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan, other than by willful misconduct, and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Article 17 Code Section 409A

17.1 General. To the extent that Code Section 409A may apply to any Awards under the Plan, it is intended that the terms of the Plan and such Awards meet the applicable requirements of Code Section 409A so that a Participant is not taxed under Code Section 409A with respect to such Awards until such time as Shares or other amounts are distributed to the Participant in accordance with the Plan's and the Awards' terms. For this purpose, the Plan and the Awards will be administered and interpreted to comply with Code Section 409A and any applicable Treasury or IRS guidance.

17.2 Delay for Specified Employees. To the extent that any Awards under the Plan may be subject to Code Section 409A(a)(2)(B)(i), distributions of Shares or other amounts pursuant to such Awards on account of a termination of employment of a Participant who is a Specified Employee (as defined as follows) shall be made or commence not before the date which is six (6) months following the termination of employment, except in the event of the Participant's death. Any distribution that is delayed under this Article 17.2 shall be distributed on the first day of the seventh month following the Specified Employee's termination of employment (without affecting the timing of any subsequent installment that is not within the six-month period following termination of employment). For this purpose, a Specified Employee is a person described under Treasury Regulation section 1.409A-1(i), applying the default rules thereunder, except that the definition of compensation for purposes of identifying Specified Employees is the safe harbor definition of compensation set forth under Treasury Regulation section 1.415(c)- 2(d)(4).

Article 18 Successors

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, of all or substantially all of the business and/or assets of the Company, or a merger, consolidation or otherwise.

Article 19 Legal Construction; Miscellaneous

19.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used hereof also shall include the feminine, the plural shall include the singular and the singular shall include the plural.

19.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

19.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

19.4 Securities Law Compliance. With respect to Insiders, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Exchange Act. To the extent any provision of the plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

19.5 Governing Law. To the extent not preempted by Federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Florida.

19.6 No Guarantee of Tax Treatment. Notwithstanding any provision of the Plan, the Company does not guarantee to any Participant or any other person with an interest in an Award that (a) any Award intended to be exempt from Code Section 409A or Code Section 457A shall be so exempt, (b) any Award intended to comply with Code Section 409A or Code Section 422 shall so comply, (c) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any affiliate indemnify, defend or hold harmless any individual with respect to the tax consequences of any Award.

19.7 Compensation Recoupment Policies. Any Awards granted pursuant to this Plan, and any Shares issued or cash paid pursuant to an Award, shall be subject to (a) any recoupment, clawback, equity holding, Share ownership or similar policies adopted by the Company from time to time and (b) any recoupment, clawback, equity holding, Share ownership or similar requirements made applicable to the Company from time to time by law, regulation or listing standards.

19.8 Limitations on Actions. Any legal action or proceeding with respect to this Plan, any Award or any award agreement, must be brought within one (1) year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

Exhibit 31.1

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: August 1, 2024

/s/ John E. Geller, Jr.

John E. Geller, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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: August 1, 2024

/s/ Jason P. Marino

Jason P. Marino
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 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

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 June 30, 2024 (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: August 1, 2024

/s/ John E. Geller, Jr.

John E. Geller, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 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

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 June 30, 2024 (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: August 1, 2024

/s/ Jason P. Marino

Jason P. Marino
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)