

Travel + Leisure Co. | CEO Messaging Matrix

Conversational reference for Mike Brown



TRUST

Vacations you can count on, at a price you already know.

- About 80 percent of our owners finish paying for their ownership well before they pack. When hotel rates jump, their cost stays frozen in time, so the only surprise is how relaxed they feel at check-in. They also get a full kitchen, separate bedrooms, and living space so one vacation dollar covers both space and experience.
- This is the easiest hedge against travel inflation you'll ever see: if you bought in 2016, you're still vacationing on 2016 dollars, while your friends are booking hotel rooms at today's rates. Every rate hike since then stays in your pocket.
- Because bills never change without warning, families quickly learn they can budget once and enjoy forever. That predictability breeds a sense of security no last-minute booking site can touch. The result is loyalty that spans decades. First-year guests turn into long-term owners and, before long, bring friends and siblings into the fold.

We earn affinity by making every cost visible and giving guests room to walk away.

- In many cases, prospects start with a short stay that includes every fee up front, with nothing hidden in the fine print. If it's not for them, they leave with great memories and no hard feelings.
- Our advisors are partially compensated on satisfaction scores, so their incentive is to guide, not pressure. That flips the old timeshare stereotype on its head and keeps closing rates high without arm-twisting.
- External recognition follows internal practice: Newsweek's 2025 trust list simply echoes what our owners have been telling surveys for years.

Promises matter more when times get tough, and ours are backed by real strength.

- Annual owner maintenance fees flow in like clockwork, giving us the cash to refurbish rooms while hotels are trimming housekeeping. Guests notice the fresh paint and tell us that consistency reaffirms their choice.

- Because regulators and lenders can see the durability of our model, they classify our receivables as some of the safest in leisure. With an average FICO around 740, our owners are among the most credit-worthy in leisure, which only strengthens those durability ratings. That lower borrowing cost funds continuous upgrades.



NEW GROWTH

Many ways to vacation, one standard of service.

- Our portfolio now spans more than 270 resorts worldwide, from beach hammocks and mountain cabins to college stadium towns. Guests choose the vibe that fits the moment and still get the same warm welcome at reception.
- When a Club Wyndham owner decides skiing sounds fun, they can trade sand for snow without paying a premium. That cross-brand freedom deepens engagement and keeps inventory humming.
- Each new brand opens doors to fresh audiences — from sports super-fans to eco-adventurers — who, in turn, explore the rest of the network. Diversity of experiences, unity of quality.

Control the new luxury, and our points travel as easily as your suitcase.

- Owners slice a week into three-day weekends, bank unused nights for a blowout trip, or gift time to newlywed kids. Flexibility that once belonged only to elite frequent fliers is now the baseline here.
- Work-from-anywhere guests log on from the balcony, then close the laptop and hit the pool, extending stays by several nights. Longer occupancy lifts revenue without a single extra marketing dollar spent.
- Younger buyers appreciate products that move with life stages. The average new owner has already dipped below fifty, and Gen Z contracts are beginning to come through — evidence the model keeps evolving.

Leisure demand has moved from spike to steady beat — and we're tuned to it.

- Highway-friendly resorts draw families dodging airport chaos, so occupancy stays solid even when airfare climbs. We benefit from both the drive-to and fly-to worlds without relying solely on either. Even when airfare spikes, our drive-to versus fly-to mix barely budges, a sign families won't give up their vacation; they'll just choose the easier route.
- Advance bookings keep arriving earlier and in larger numbers, giving us the visibility to staff correctly and preserve service standards. Industry surveys show about seven in ten owners already have their next trip booked — a real-time vote of confidence in the model.
- Our development pipeline follows hard booking data, not gut feel. New resorts enter markets only when member search volume and tour conversions line up, keeping supply right-sized from day one.



LEADERSHIP

We lead with reliability: predictable cash and stable margins, even when headlines wobble.

- A prepaid owner base means revenue doesn't change with every economic headline. That calm lets us plan renovations instead of slashing budgets in panic. Even when wallets tighten, families don't cancel travel; they simply look for smarter value — and prepaid ownership is the simplest solution.
- Margins held firm through the recent inflation wave because costs are largely fixed at purchase while dues rise modestly with the CPI. Investors appreciate an earnings line they can actually model.
- Peers often chase whichever segment is hot; we prefer consistency that compounds. Steady beats flashy when you're stewarding both vacations and pensions.

Growth backed by discipline keeps both owners and investors smiling.

- Even while launching new brands, we've continued to retire shares at a healthy clip — a sign capital allocation is a muscle, not a mood.
- That balanced approach earned an upgrade from Bank of America. Analysts like growth, but they love growth that pays its own way.

We're putting a fresh, candid voice to a misunderstood category.

- When CNBC or Forbes wants the pulse of leisure travel, they dial us directly. We're happy to share booking trends and owner behavior because transparency invites confidence.
- By publishing simple explainers on how modern vacation ownership works, we help policymakers and consumers look past decades-old misconceptions. An informed market is a larger market.
- Owning the narrative lifts the whole sector, but it positions us as the reference point, effectively giving us share of voice long before share of wallet. Independent analysts project the vacation ownership market will keep expanding year over year.

Key Messages

Travel + Leisure Co.'s Q2 2025 Financial Performance - Solid Financial Results

- TNL delivered strong Q2 2025 results, with \$1.02 billion in revenue, \$250 million in adjusted EBITDA, and \$1.65 in adjusted earnings per share, all up year-over-year

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\$2.7 billion returned to shareholders since the company's spin-off.

Future Outlook and Strategic Priorities

- **Brand Expansion and New Ventures:** The company continues to focus on multi-brand expansion, with brands like Margaritaville Vacation Club, Accor Vacation Club, and Sports Illustrated Resorts (Nashville location) driving growth.
- **Sustainability and Technology Investments:** TNL is investing in technology, including AI for personalized customer experiences and mobile app enhancements, as well as forming new partnerships like with Hornblower to create unique vacation experiences/162,000 downloads of CW app and represents 19% of bookings
- **Owners demographics:** We serve more than 800,000 owner families with an average tenure of 17 years / The average FICO score of new originations is 746 / We are seeing consistent interest from younger generations, with over 65% of new buyers coming from Gen X, Millennial, and Gen Z households. Our product delivers exactly what these new owners want: flexibility, convenience, and personalized experiences.

The State of the Travel and Leisure Industry Amid Economic Challenges

- **Resilience in the Face of Economic Challenges:** Despite challenges like inflation, interest rates, and macroeconomic uncertainty, Travel + Leisure Co. has maintained strong performance. More than 75% of revenue comes from predictable sources such as owner upgrades, financing, and management fees, ensuring stability.
- **Shift in Consumer Behavior:** Consumers are increasingly prioritizing experiential travel and destination-based vacations, which aligns with Travel + Leisure Co.'s strategy. 95% of Americans live within 300 miles of one of its resorts, and the company is seeing significant demand for road trips, with locations like Orlando, Myrtle Beach, and the Smoky Mountains

Impact of Tariffs and Inflation on the Leisure Travel Market

- **Limited Impact of Foreign Traveler Tariffs:** Foreign travelers make up less than 10% of U.S. tourism, with Canadian customers at just 2% of Travel + Leisure Co.'s base. The company has seen minimal impact from tariffs, with U.S. domestic demand remaining strong. Foreign business mostly South Pacific/Asia and most travel domestically. Seeing increase in Canadian customers traveling to our Canadian resorts but they are still traveling on their ownership.
- **Impact of Inflation on Consumer Behavior:** Inflation has made consumers more price-sensitive, but 80% of vacation ownership customers have already paid for their vacations, providing predictability and resilience against rising costs. 71% of U.S. timeshare owners have already planned their next vacation.
- **Strong Domestic Demand:** Orlando, benefiting from attractions like Epic Universe, is seeing strong bookings. High occupancy rates across key locations continue to support the company's solid financial performance.

Supporting Facts / FAQs

- **How is the current economic uncertainty – tariffs, inflation, interest rates – impacting your business?**
 - While macro headwinds are real, we're still seeing strong demand for travel.
 - [REDACTED]
 - [REDACTED]
- **Has there been a change in bookings due to backlash from tariffs? Both with travelers from the U.S. in foreign countries and foreigners coming to the U.S.?**
 - Foreign travelers account for less than 10% of U.S. tourism.
 - Our Canadian member base for instance is just 2%. We've seen a shift with more Canadians booking locally, but it's not a major driver.
What's important is that U.S. travel demand remains incredibly strong.
- **Isn't discretionary spending under pressure? Why are people still vacationing?**
 - Consumers are being more selective but they're not skipping vacations. Travel remains a priority. Vacations are not discretionary
 - Think of it this way - if you could check into a hotel in 2025 but pay 2015 prices, would you? That's exactly what our owners do every time they travel. It's consistent, predictable, and already paid for.
- **Why is timeshare working when others are seeing slowdowns?**
 - 80% of our owners have already paid for their vacations. That's stability you don't get in traditional travel.
 - We've built a business that's resilient through all cycles - because people always value quality time with family.
 - 75% of revenue is from recurring and/or predictable sources
- **What are the big travel trends you're seeing this year?**
 - We're seeing a few trends that align well with our model:
 - Road trips: 95% of Americans live within 300 miles of one of our resorts.
 - Cultural travel: people want local, immersive experiences and our brands like Margaritaville deliver that.
 - Value-focused travel: guests want space, amenities, and the reliability that comes with a trusted hospitality brand.
- **Where are your customers headed this summer?**
 - We're seeing strong bookings in places like Orlando, Myrtle Beach, and the Smoky Mountains.
 - Orlando is booming thanks to Epic Universe, and demand's up with events like the FIFA Club World Cup and Vans Warped Tour.
- **How does timeshare fit into a very competitive travel marketplace?**
 - Timeshare is being rediscovered. It offers space, amenities, and peace of mind from brands people know and trust.
 - The model is built on prepaid vacations which means no inflation surprises.
 - The timeshare business model works through any economic conditions. We have predictable and recurring revenue which drives high levels of free cash flow.
- **What's driving Travel + Leisure Co.'s growth, and how do you plan to expand through new brands and acquisitions?**
 - Travel + Leisure Co.'s growth is driven by the strength of our core Vacation Ownership business and our continued focus on brand expansion. Brands like Margaritaville Vacation Club and Accor Vacation Club are helping us diversify our offerings and reach new customer segments. We are also strategically expanding into international markets, with the recent launch of the Asia-based Accor Vacation Club in Indonesia and the introduction of a Sports Illustrated Resort in Nashville. These new initiatives are designed to enhance our portfolio and appeal to diverse consumer preferences.

- **With continued growth in Vacation Ownership, what's driving the resilience of this segment despite broader market uncertainty?**
The resilience of our Vacation Ownership business stems from its predictable revenue model. This stability allows us to weather economic uncertainty better than many in the industry. Additionally, the strong engagement from our owner base, with 80% of owners having fully paid for their ownership, underscores the reliability of the business model. 98% retention of those owners who have fully paid for the ownership.
- **What role do new brands like Margaritaville Resorts and Accor Vacation Club play in driving future growth?**
 - These new brands are key drivers for growth by expanding our reach into new customer segments and markets. Margaritaville Resorts appeals to travelers looking for laid-back, lifestyle-oriented experiences, while the Accor Vacation Club introduces us to new international markets, particularly in Asia. The introduction of new brands helps us diversify our portfolio and capture emerging trends in the travel industry, ensuring long-term growth and customer loyalty.
- **What factors are contributing to TNL's resilience in a fluctuating market, especially in terms of consistent stock performance?**
 - Our resilience is largely attributed to our diversified business model, which focuses on both recurring revenue streams from Vacation Ownership and strategic investments in brand expansion. Our stable customer base, strong engagement metrics, and disciplined cost management have helped maintain performance even amid economic fluctuations. This stability in our core business, combined with growth from new ventures, is reflected in our consistent stock performance.
- **Looking ahead to H2, how do you see the travel market performing, and what's your strategy for continued growth?**
 - The travel market is expected to grow at a moderate pace, with spending on leisure travel forecasted to grow mid-single digits annually over the next five years. We are confident in our ability to continue growing by focusing on our core Vacation Ownership business, expanding our brand portfolio, and leveraging technology to enhance the customer experience. We also anticipate continued growth from new brands and resort developments, which will help us capture a broader audience and extend our market reach.
- **What's driving your strong financial results, especially in light of the current economic climate?**
 - Our strong financial results are a direct result of the resilience of our Vacation Ownership business and the continued demand for leisure travel. Despite broader economic challenges, including inflation and interest rates, our business remains stable thanks to our predictable revenue model. In times of inflation, the value proposition for timeshare becomes stronger. [REDACTED]
- **What are the key opportunities and challenges for Travel + Leisure Co. in 2025, particularly with new brands and resort developments?**
 - Key opportunities for TNL in 2025 include expanding our brand portfolio, particularly with Margaritaville Vacation Club and Sports Illustrated Resorts, as well as growing the Accor Vacation Club in new international markets. These initiatives will help us tap into new customer segments and diversify our revenue streams. The main challenges will be managing the headwinds in the Travel and Membership segment, which has faced pressure from industry consolidation and a shift in exchange models. However, we remain focused on delivering consistent growth through disciplined execution and innovation.
- **With growing demand for experiential travel, how is Travel + Leisure Co. aligning its strategy to capitalize on this trend?**
 - We are aligning our strategy to meet the demand for experiential travel by offering vacation experiences that cater to a variety of interests. Our brand portfolio now includes destinations like Margaritaville, which offers immersive, lifestyle-focused experiences. These offerings resonate with consumers seeking personalized, authentic travel experiences, and we will continue to leverage this trend as part of our expansion strategy.