

An aerial photograph of a tropical beach. The water is a vibrant turquoise color, transitioning to a lighter, sandy beach. A small wooden structure with a bright red umbrella is situated on the sand. The overall scene is serene and idyllic.

**MAY 2018**

# WYNDHAM DESTINATIONS

Investor Presentation



**Disclaimers**

Certain statements in this presentation constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. Such forward-looking statements include projections, which were not prepared in accordance with public guidelines of the American Institute of Certified Public Accountants regarding projections and forecasts, nor have they been audited or otherwise reviewed by the independent auditors of Wyndham Worldwide Corporation. The forward-looking statements, including the projections, are inherently uncertain and are subject to a wide variety of risks and uncertainties that could cause actual results of Wyndham Worldwide and Wyndham Destinations, Inc., as Wyndham Worldwide will be known after the completion of the spin-off of its hotel franchising and management business, to differ materially from those contained therein, including those specified in the section “Risk Factors” of Wyndham Worldwide’s Form 10-K for the year-ended December 31, 2017 (Form 10-K) filed with the Securities and Exchange Commission (SEC) on February 16, 2018.

The information in this presentation should be read in conjunction with the consolidated financial statements and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section in Wyndham Worldwide’s Form 10-K.

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This presentation also includes certain pro forma financial information, which is unaudited, presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the relevant transactions had been consummated on the date indicated, nor is it indicative of future operating results. The pro forma financial information presented includes adjustments that would not be included in the pro forma financial statements contained in a registration statement filed with the SEC that contain pro forma information prepared in accordance with Regulation S-X under the Securities Act.

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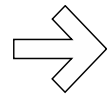
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**Non-GAAP Financial Measures**

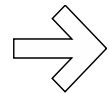
Financial information contained in this presentation includes certain financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting policies in the United States of America (GAAP), such as adjusted EBITDA, which include or exclude certain items from the most directly comparable GAAP financial measure. These non-GAAP measures differ from reported GAAP measures and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing Wyndham Worldwide’s expected ongoing operating performance. Any non-GAAP financial measure used in this presentation is in addition to, and not meant to be considered superior to, or a substitute for, measures prepared in accordance with GAAP.

# WYNDHAM

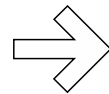
# • DESTINATIONS



**Execution is in the DNA**



**Wyndham is everywhere**



**Potential to leverage Wyndham Hotels & Resorts relationship**



**WYNDHAM  
•DESTINATIONS**



WYNDHAM  
VACATION OWNERSHIP®

+

RCI®

878K Owners

3.9M Members

221 Resorts

4.3K Resorts

\$2.1B+ VOI Sales

1.6M Exchange and Rental Transactions

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**100% focused on vacations**



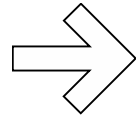
~3.5M **Families**



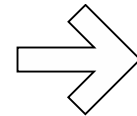




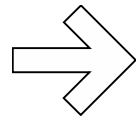
**Hospitality**



**Relationship**



**Transactions**



**Conversation**



**Higher Utilization &  
Satisfaction Rates**



47%  
of New Owners are  
Gen X or Millennials



FLEXIBILITY  
and Value



60M+  
Loyalty Members



HIGH  
Owner Satisfaction



# Business Benefits



Marketing Reach &  
Lead Generation



Management  
Contract Retention



Membership  
Renewal



Untapped New  
Owner Opportunity



Mitigated  
Portfolio Risk





Wyndham Park City  
Park City, UT





Wyndham La Belle Maison  
New Orleans, LA





Wyndham Vacation Resorts at Glacier Canyon  
Wisconsin Dells, WI



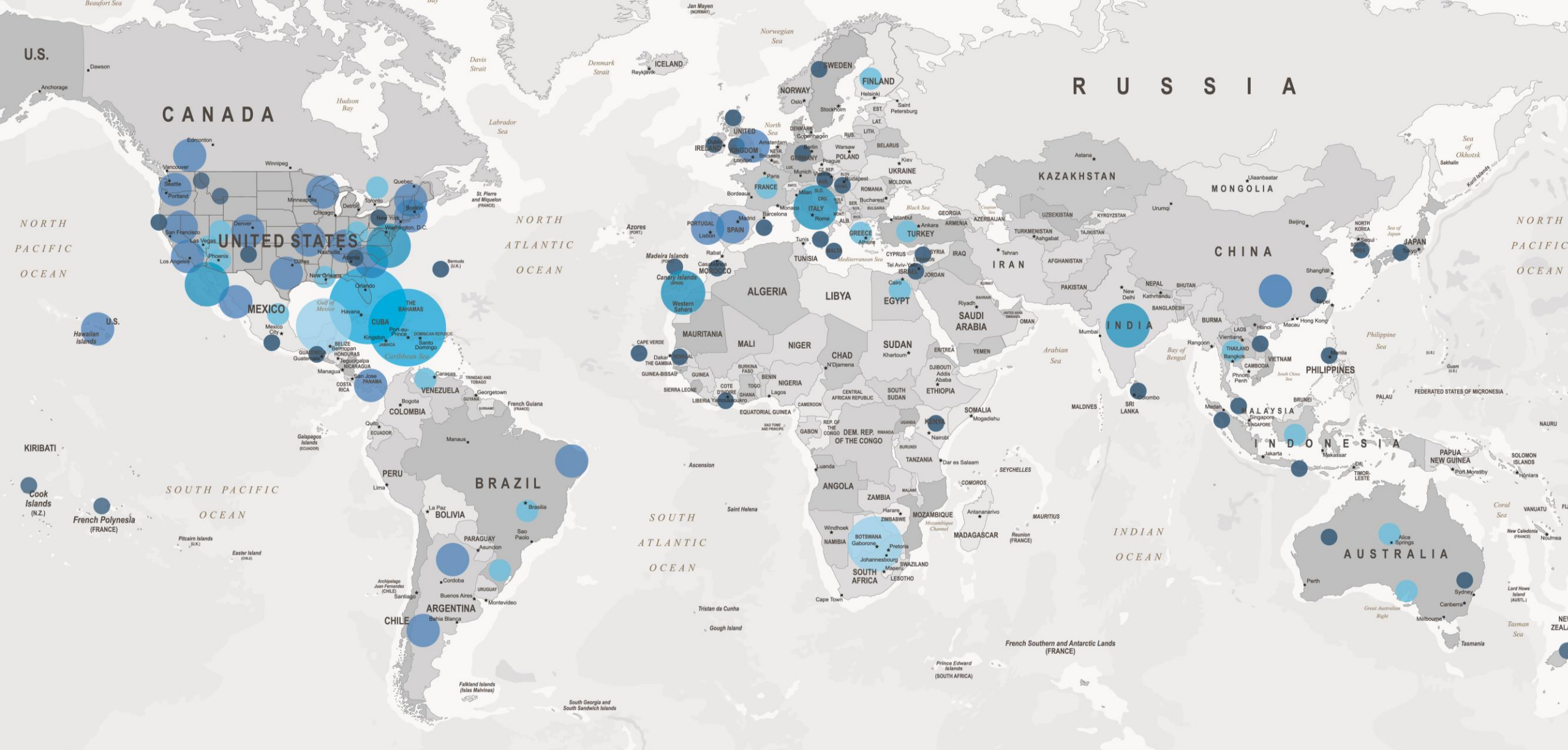
# STRENGTHS AND COMPETITIVE ADVANTAGES

➔ **Leading Size and Scale**

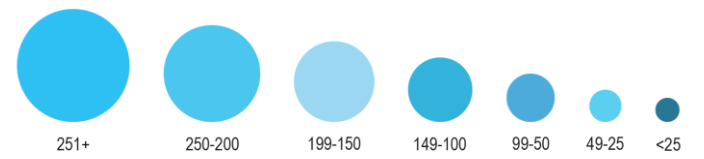
➔ Best at Owner Acquisition

➔ Expansive Brand Portfolio





4,000+ destinations in 110 countries





# VOI Sales

WYNDHAM  
•DESTINATIONS

**\$2.1B**

HILTON  
GRAND VACATIONS

**\$1.3B**

MARRIOTT  
VACATIONS  
WORLDWIDE

**\$0.8B**

interval leisure  
group.

**\$0.6B**

# Resorts

WYNDHAM  
•DESTINATIONS

**221**

MARRIOTT  
VACATIONS  
WORLDWIDE

**65**

HILTON  
GRAND VACATIONS

**48**

interval leisure  
group.

**43**

## Members

**RCI<sup>®</sup> 3.9M**

interval  
leisure  
group.

**1.8M**

## Exchange Options

**RCI<sup>®</sup> 4.3K**

interval  
leisure  
group.

**3.2K**

# BENEFITS OF LEADING SIZE AND SCALE

- Customer acquisition drives top line growth
- Access to deals that grow the network
- Innovation keeps WYND at the forefront



# Marketing Partner of Choice



*...and many more*

# Development Partner of Choice



Austin, TX

# Pioneers in the Industry

**Wyndham Asset  
Affiliation Model**

Established  
2008



Launched  
2017

**OVATION**  
— BY WYNDHAM —

Established  
2013



Established  
2017

**Wyndham Cares**



# STRENGTHS AND COMPETITIVE ADVANTAGES

➔ Leading Size and Scale

➔ **Best at Owner Acquisition**

➔ Expansive Brand Portfolio







Unassailable leader in Open Market channels

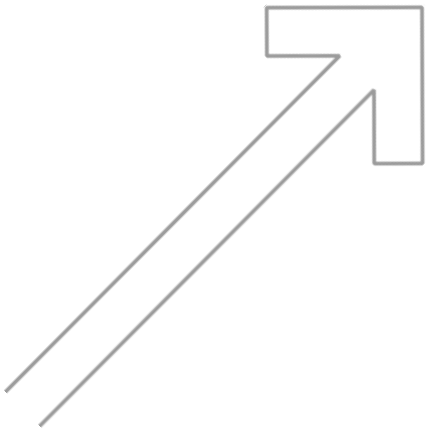
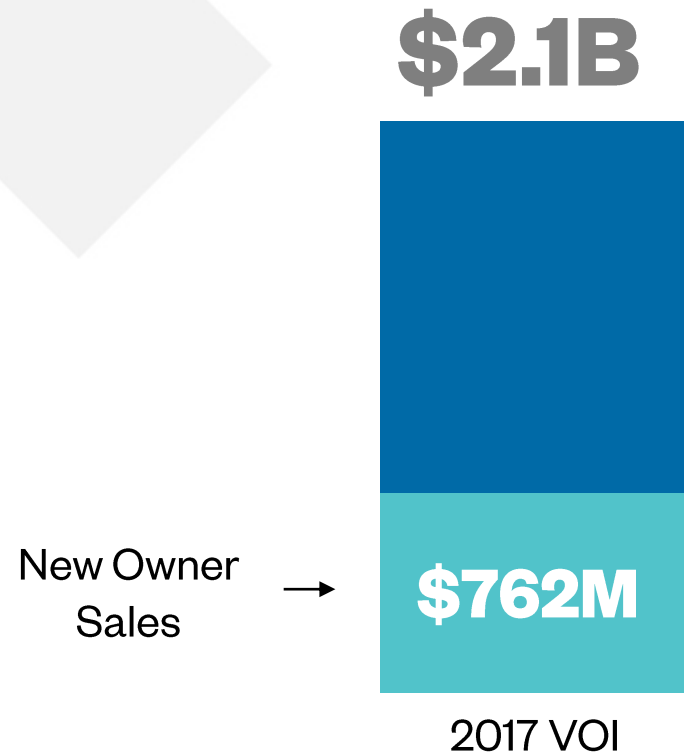


Untapped Blue Thread potential



Owner base with highly predictable revenues

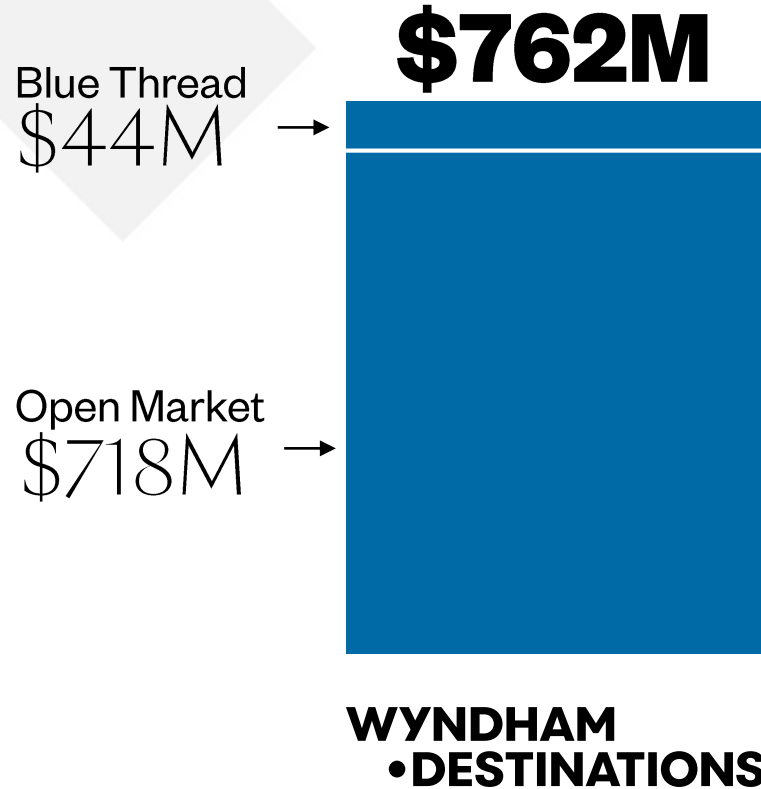
# Industry Leader in New Owner Sales



**36K New Members**



# New Owner Sales



**15%** Marketing partners

**40%** Community Marketing Programs

**45%** Rental and other

# Blue Thread Opportunity

- ➔ 100-year exclusive license agreement with Wyndham Hotels & Resorts
- ➔ Purely variable
- ➔ 4.25% of gross VOI sales\*
- ➔ Bifurcated fee, higher for Blue Thread sales and lower for open market and owner upgrade sales
- ➔ WYND exclusive use of loyalty program, rental platform, hotel data and IP

\* Based on blended rate

**WYNDHAM**  
**• DESTINATIONS**

**+**

**WYNDHAM**  
  
**HOTELS & RESORTS**



# Blue Thread Opportunity

Wyndham.com



**Cross selling of  
174 resorts**

Wyndham Hotels  
& Resorts



**In-hotel marketing  
to ~140M annual  
guests**

Wyndham  
Contact Center



**Access to 11M annual  
phone calls**

Wyndham  
Rewards








**Marketing to  
database of  
60M+ members**

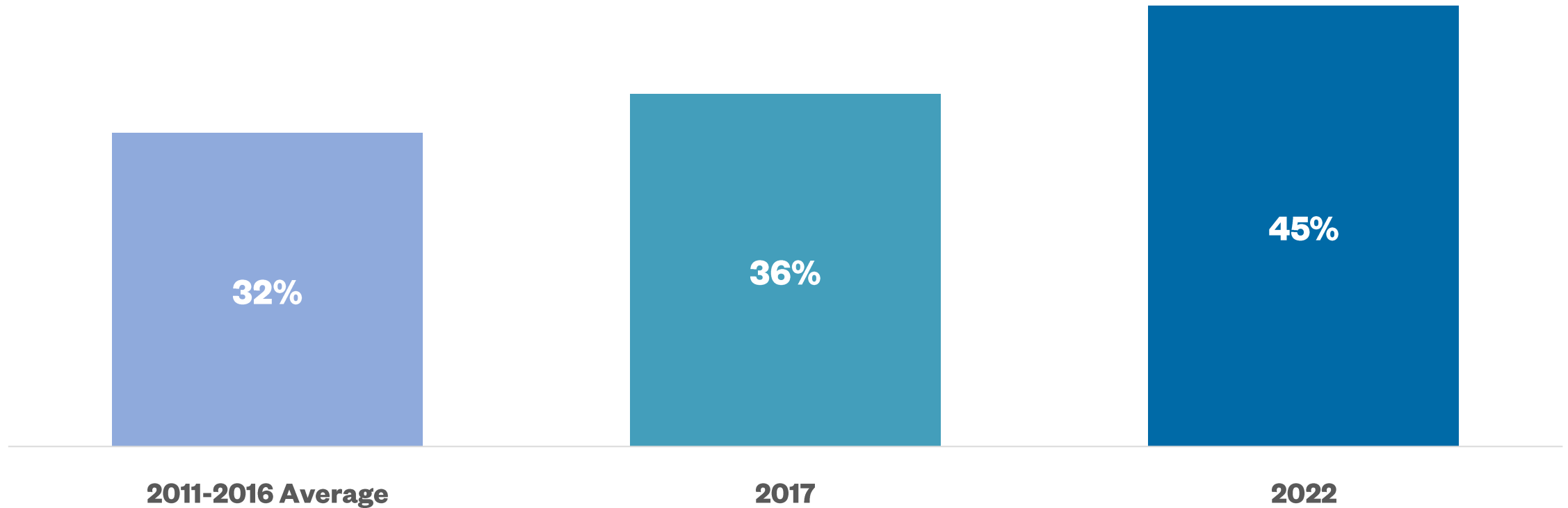
60M+ includes anticipated impact of La Quinta acquisition

+20%  
VPG

## Rewards Members Correlate to Club Owner Demographics

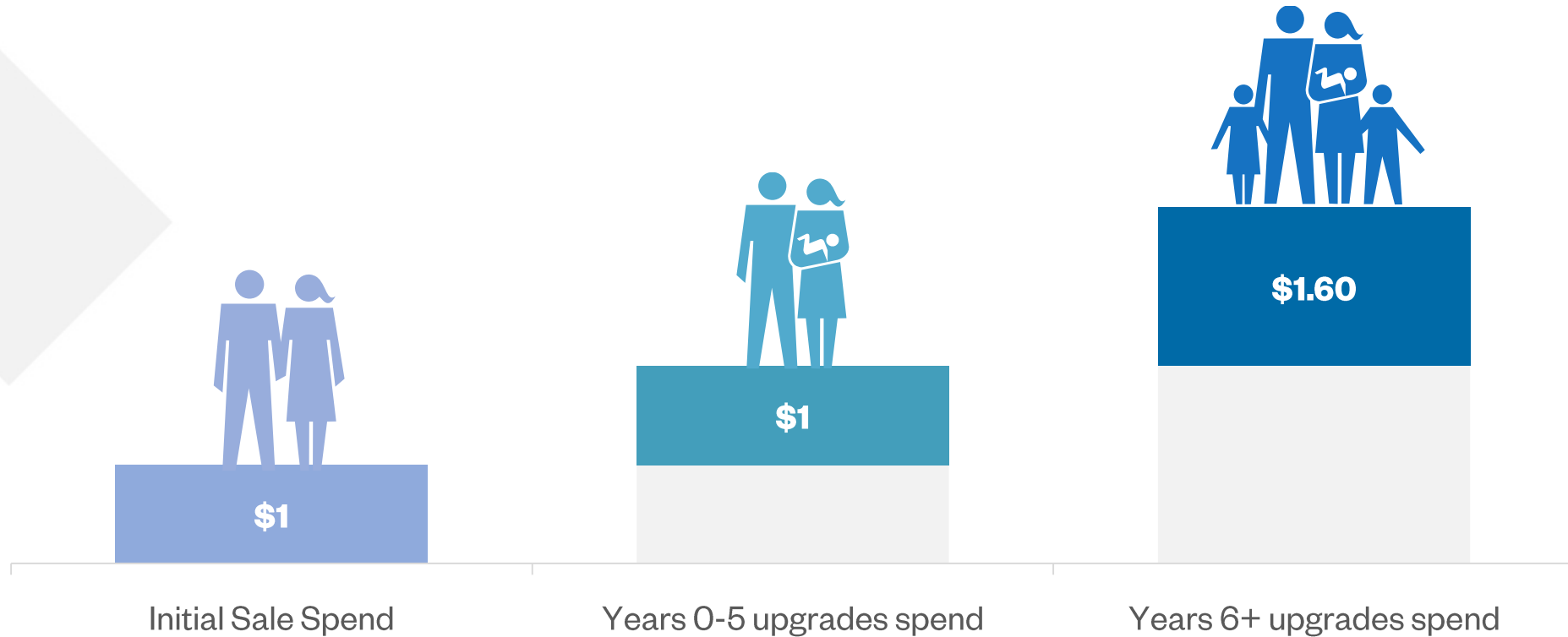
	Average Household Income	Homeowner	Married	Gen X	Millennials
WYNDHAM REWARDS®	>\$100k 	93% 	69% 	29% 	15% 
WYNDHAM •DESTINATIONS New Owners (< 5 Years)	>\$100k	94%	73%	30%	17%

# Committed to Boosting New Owner Sales





# The Value of New Members is High



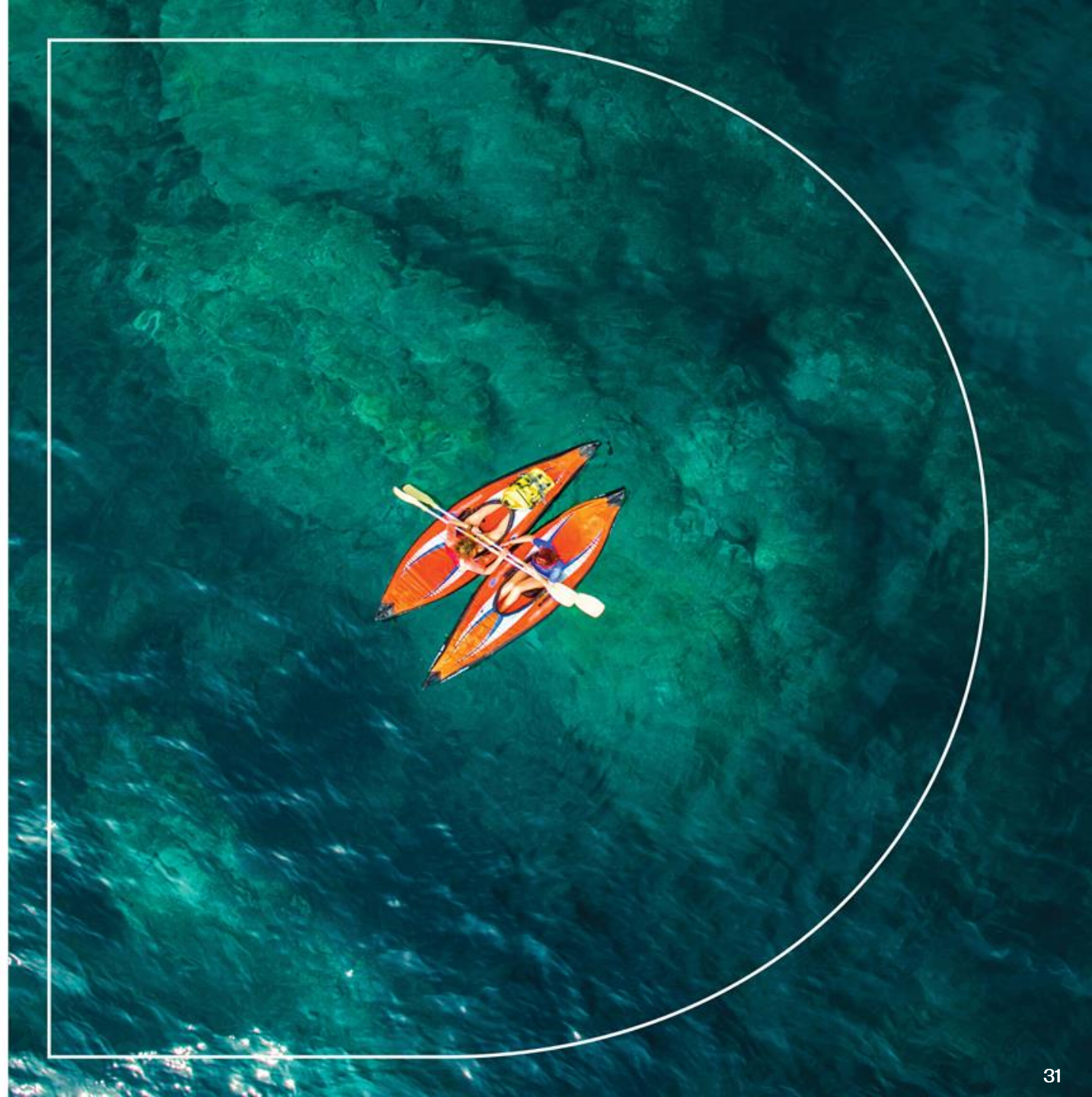
Owners spend an **incremental ~2.6X** the initial purchase over their lifetime  
Average lifetime spend per owner, ~\$65K

# STRENGTHS AND COMPETITIVE ADVANTAGES

➔ Leading Size and Scale

➔ Best at Owner Acquisition

➔ **Expansive Brand Portfolio**

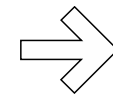




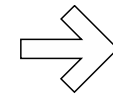
# WYNDHAM•DESTINATIONS



# Grow in Existing Markets Case Study: Myrtle Beach



Added an off beach location



Multiple brands provide flexibility to expand

*WorldMark*

BY WYNDHAM

Myrtle Beach, SC



# Expand into New Markets Case Study: Nashville

- ➔ Opened access to prime downtown location
- ➔ Provides developer diversity
- ➔ Naturally grows development pipeline



Nashville, TN

# Increase Member Base Through Segmented Products

- ➔ Segment and grow membership base
- ➔ Acquire and grow locations



Disney's Beach Club Villas  
Orlando, FL



# CREATING VALUE FOR SHAREHOLDERS



**WYNDHAM**

**• DESTINATIONS**

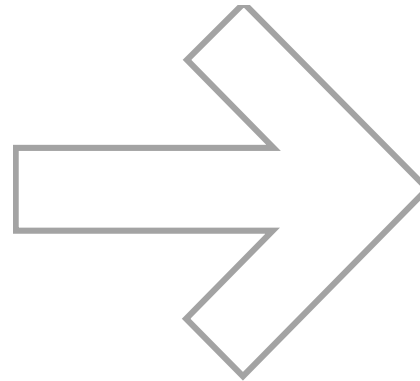


WYNDHAM  
• DESTINATIONS



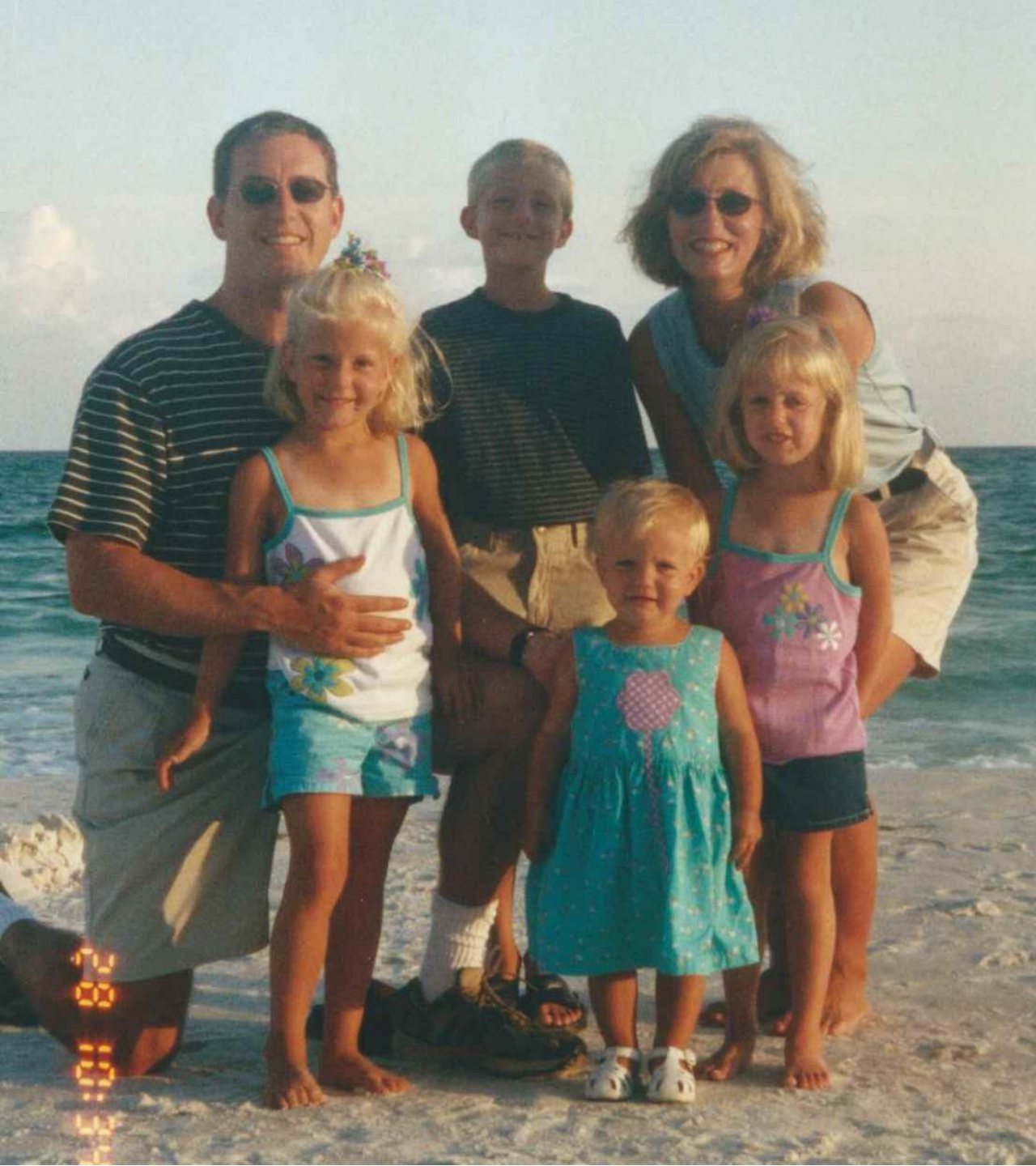
# Highly Attractive Business Model

- Recurring and predictable revenue base
- Stable margins across the cycle
- Capital efficient
- Loan portfolio strength



- High FCF conversion
- Strong balance sheet

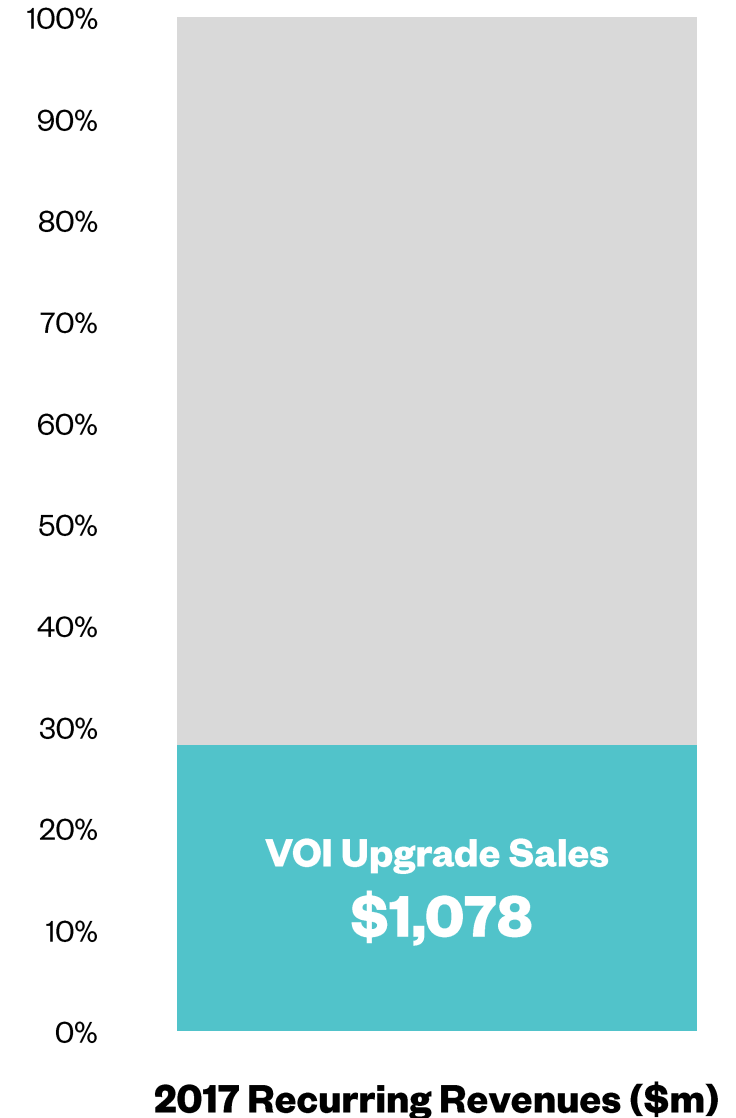




# WYNDHAM • DESTINATIONS

# Predictable Revenues: OWNER UPGRADES

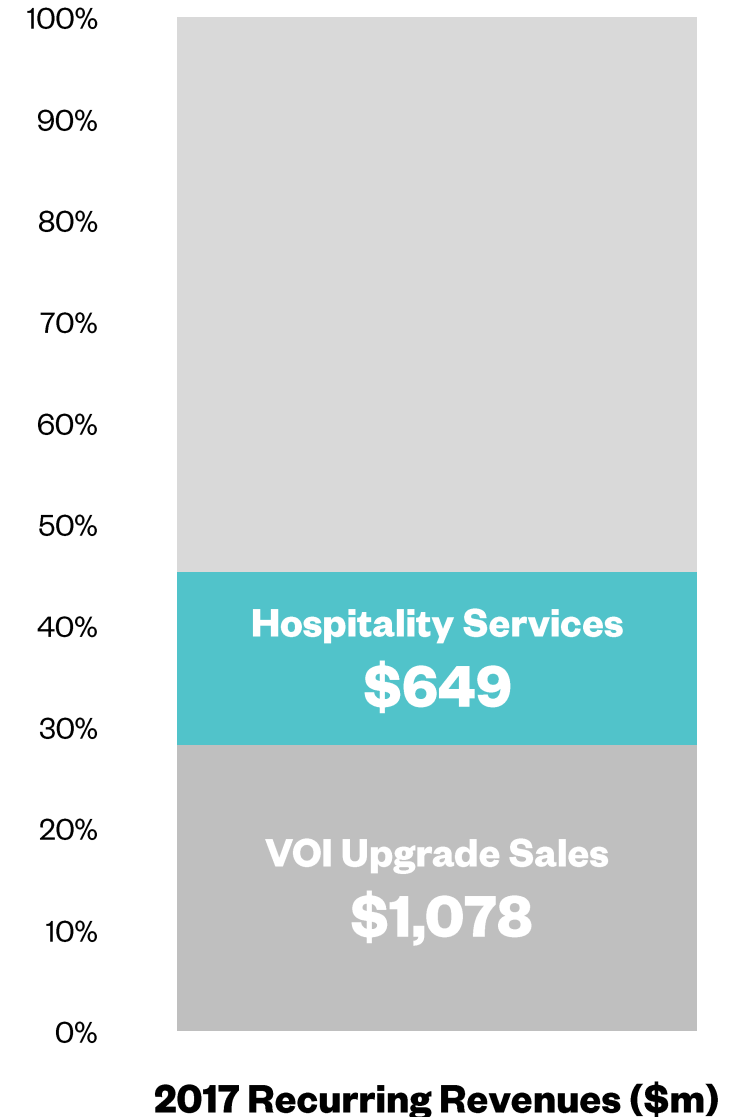
- More than 25 years of data proves owners consistently upgrade
- Today's new owner is tomorrow's upgrade





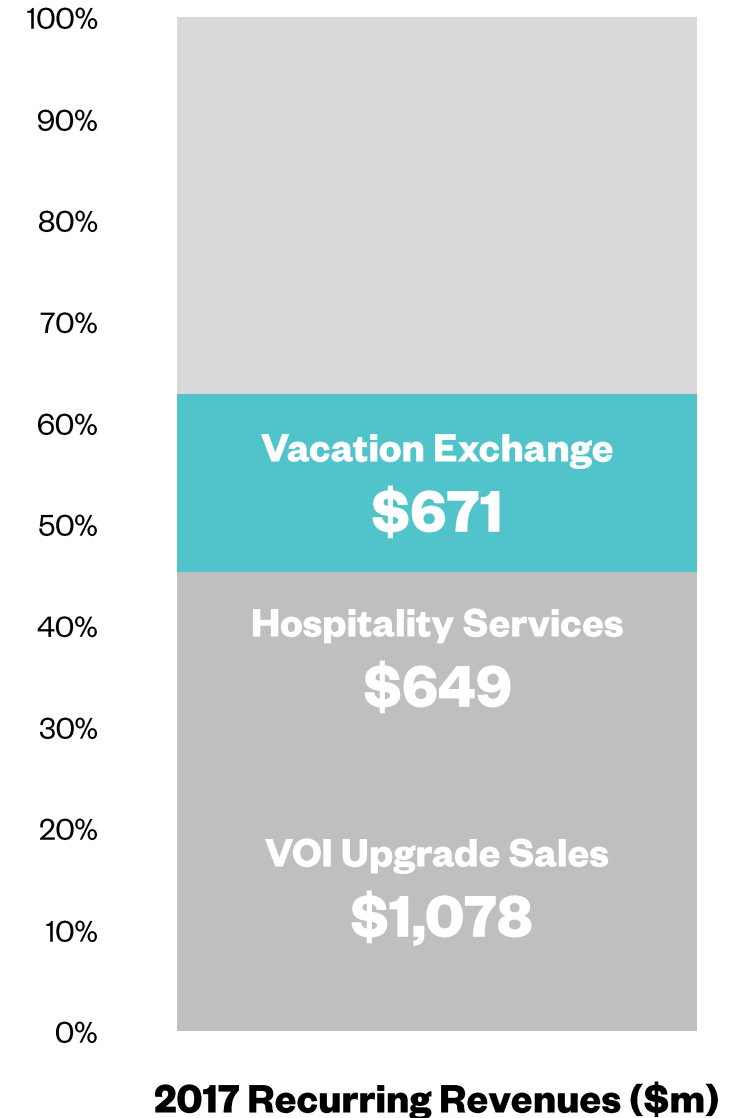
# Predictable Revenues: HOSPITALITY SERVICES

- Management fees from 200+ resorts
- 98% contract retention
- Cost-plus business: not tied to broader real estate cycle



# Predictable Revenues: VACATION EXCHANGE

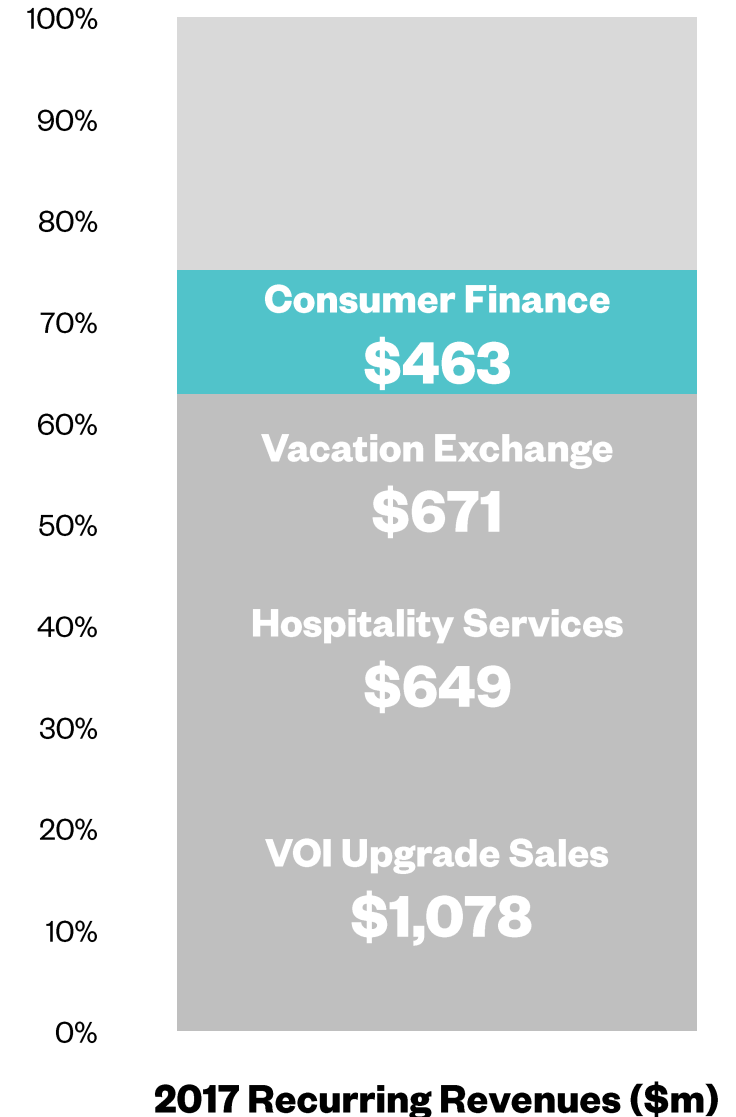
- 3.9M members paying annual dues
- 85% retention





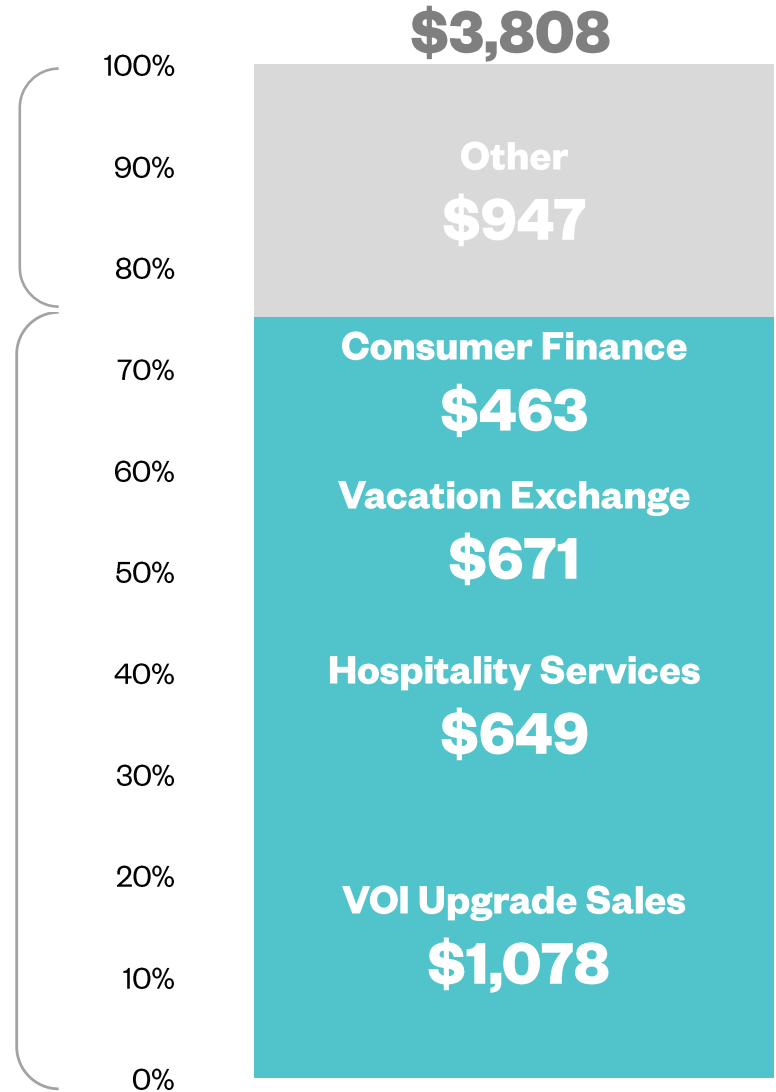
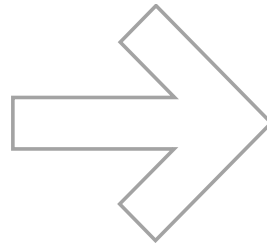
# Predictable Revenues: CONSUMER FINANCE

- \$3.6B loan portfolio
- Fixed interest rates
- 7-year average life



**~75% of Revenue is**  
RECURRING &  
PREDICTABLE

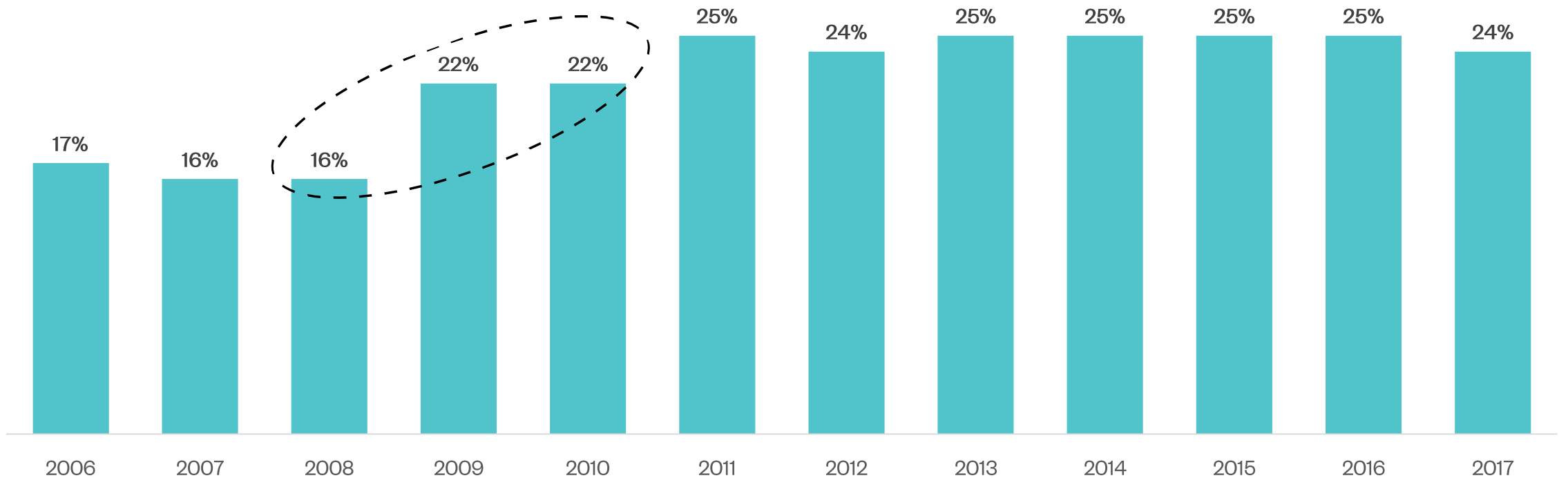
~25% Primarily  
New Owner Sales



**2017 Recurring Revenues (\$m)**



# Maintain High Margins Across the Cycle



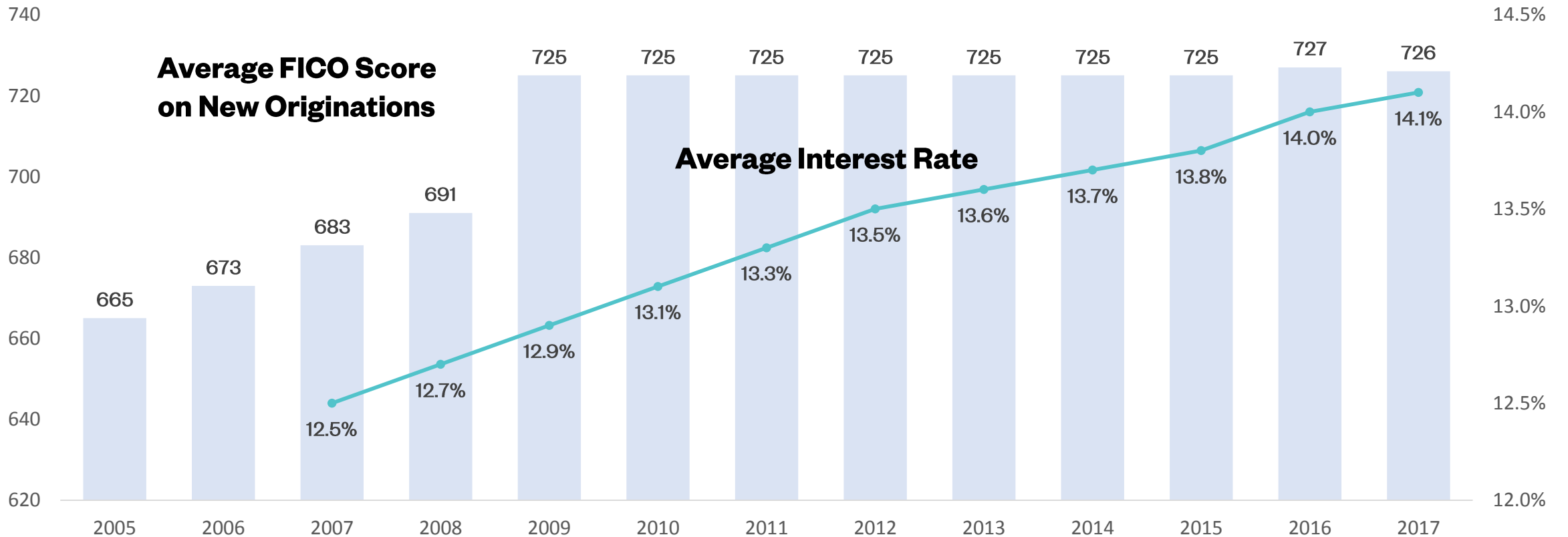
Wyndham Vacation Ownership Segment Adjusted EBITDA Margin

# Capital Efficient Inventory Model

- Moderate and consistent inventory spend
- Strong ROIC
- Maximizes returns to shareholders

New York, NY

# Credit Quality of Originations has been Consistently Strong







## High Free Cash Flow Conversion

- Lower cash taxes with deferred taxes on financed sales
- Access to ABS markets
- Disciplined capex

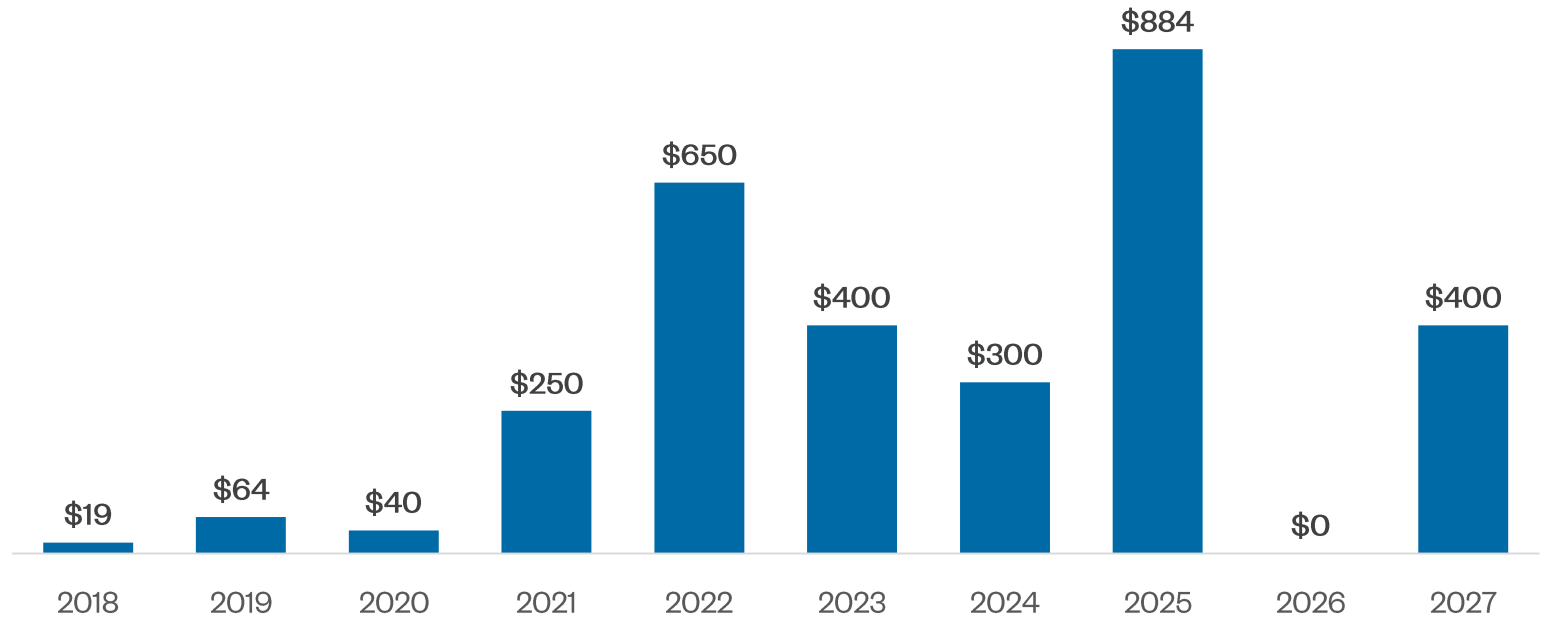
# Strong Balance Sheet

**Net Leverage: 3.2x**  
**Target: 2.25x to 3.0x**

**WACD**  
~4.4%

**WAM**  
~5.8 years

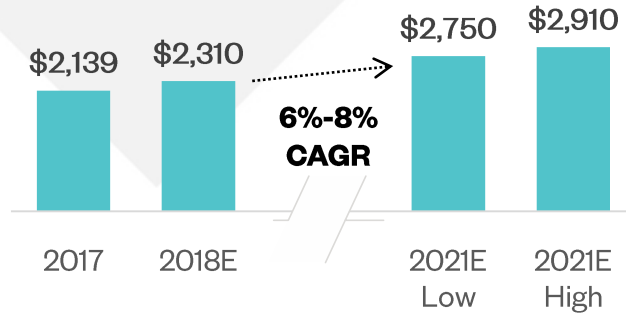
**Debt Maturity Schedule (a)**  
(\$ in millions)



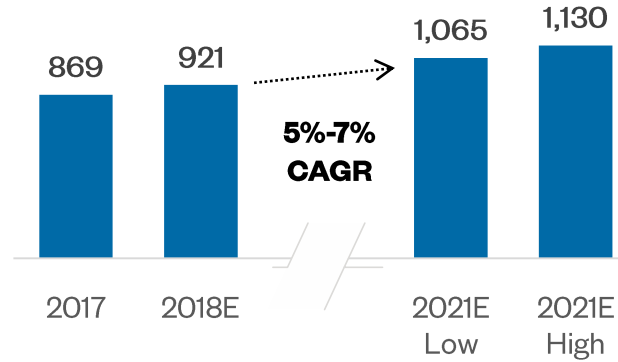
(a) Assumes revolving credit facility matures on May 1, 2025

# Key Drivers: Steady Mid-Single Digit Growth

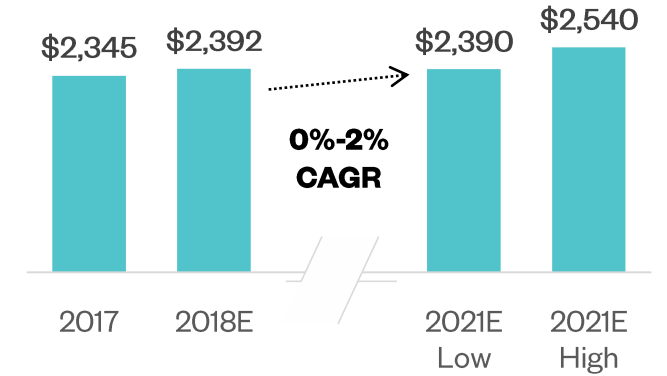
**Gross VOI Sales**  
(\$ in millions)



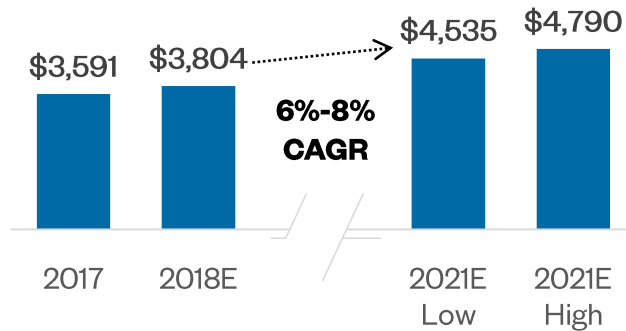
**Number of Tours**  
(in 000s)



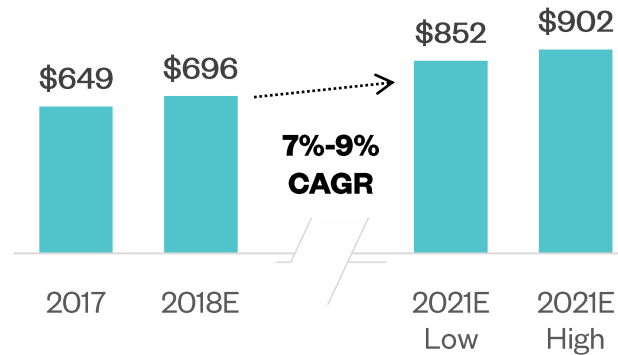
**Volume Per Guest (VPG)**



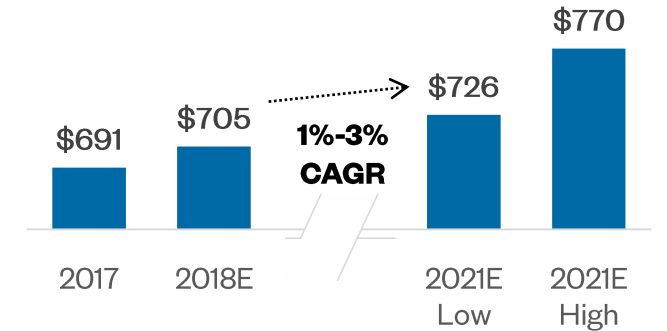
**Consumer Finance Portfolio**  
(\$ in millions)



**Hospitality Services Revenue**  
(\$ in millions)



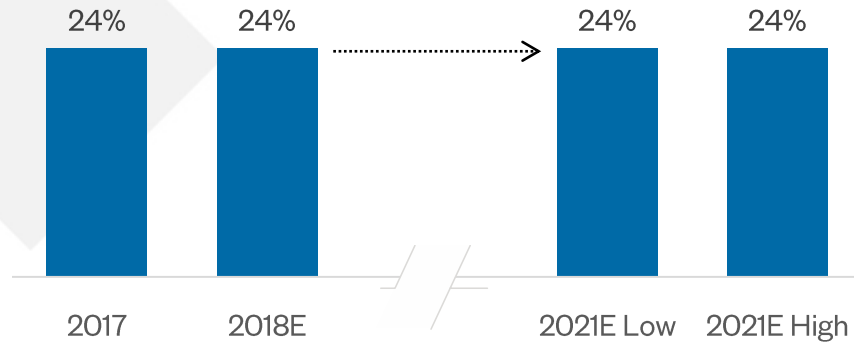
**RCI Revenues**  
(\$ in millions)



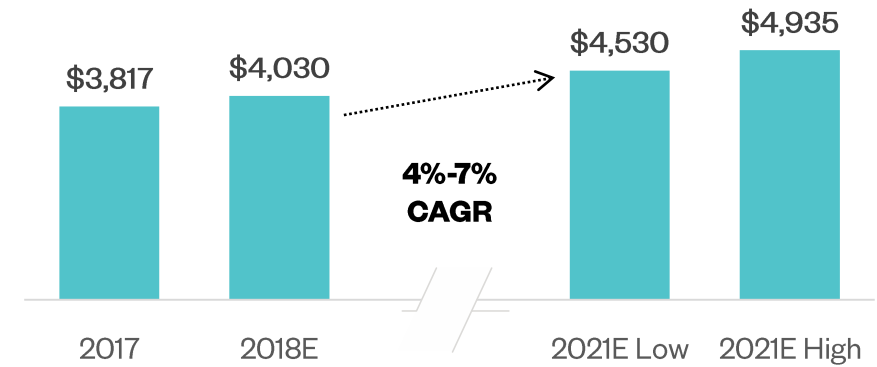


# Three Year Growth Outlook

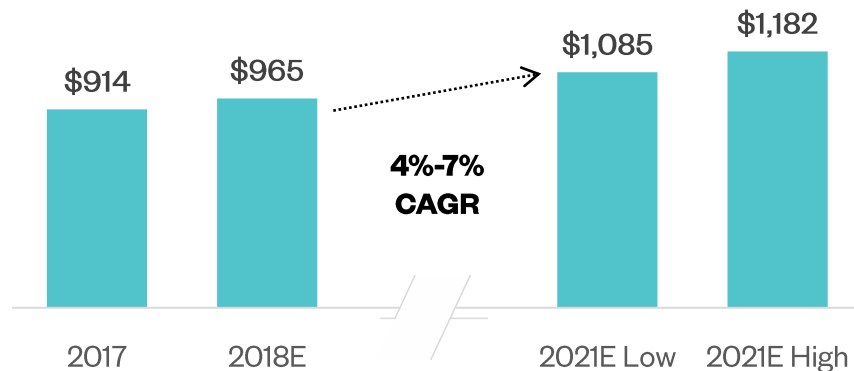
Adjusted EBITDA Margins



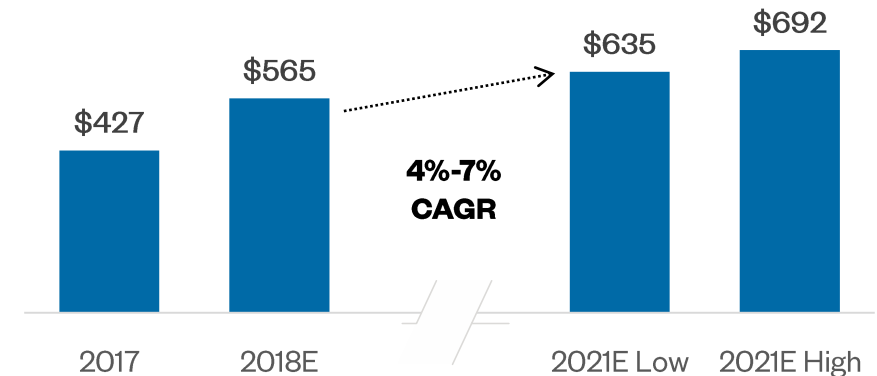
Total Revenue  
(\$ in millions)



Adjusted EBITDA  
(\$ in millions)

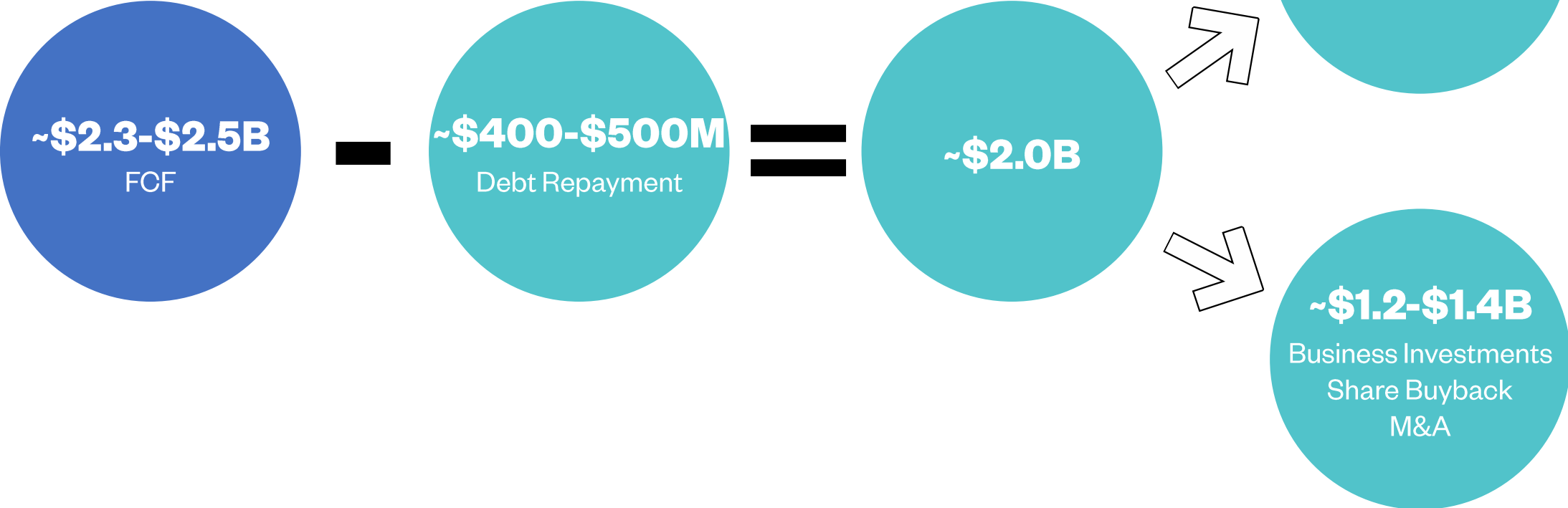


Free Cash Flow  
(\$ in millions)



# Commitment to Returning Cash to Shareholders

2018E – 2021E Cumulative Capital Allocation



Assumptions based on 2018 Pro Forma financials



A low-angle photograph of the New York Stock Exchange building facade, featuring a grand portico with eight Corinthian columns and a pediment with sculptures. The text 'WYND' is overlaid in large white letters across the top of the image.

WYND

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LISTED

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NYSE



# Leadership Team



**Michael Brown**  
CEO & President



**Michael Hug**  
Chief Financial Officer



**Noah Brodsky**  
Chief Brand Officer



**Mary Lynn Clark**  
President, Wyndham  
Vacations Rentals  
North America



**Brad Dettmer**  
Chief Information  
Officer



**Gordon Gurnik**  
President, RCI



**Kim Marshall**  
Chief Human  
Resources Officer



**Jeff Myers**  
Chief Sales and  
Marketing Officer



**Geoff Richards**  
Chief Operations Officer



**Barry Robinson**  
President & Managing  
Director International  
Operations



**James Savina**  
General Counsel





**WYNDHAM  
• DESTINATIONS**

**Q&A**





An aerial photograph of a coastal road at sunset. The road, with white dashed lines, curves along the edge of a grassy cliff overlooking the ocean. In the distance, a tall, white lighthouse with a red top stands on a small island or peninsula. The sky is a mix of orange and grey, suggesting a cloudy sunset. The foreground is filled with dense green trees and grass.

**WYNDHAM  
• DESTINATIONS**

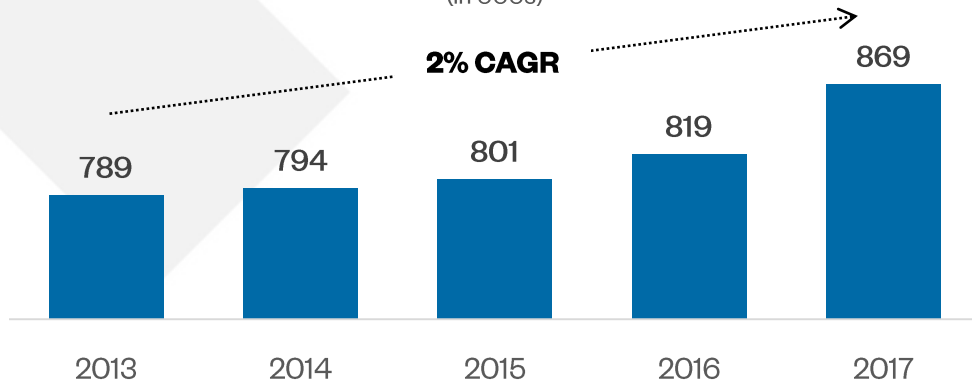
**APPENDIX**



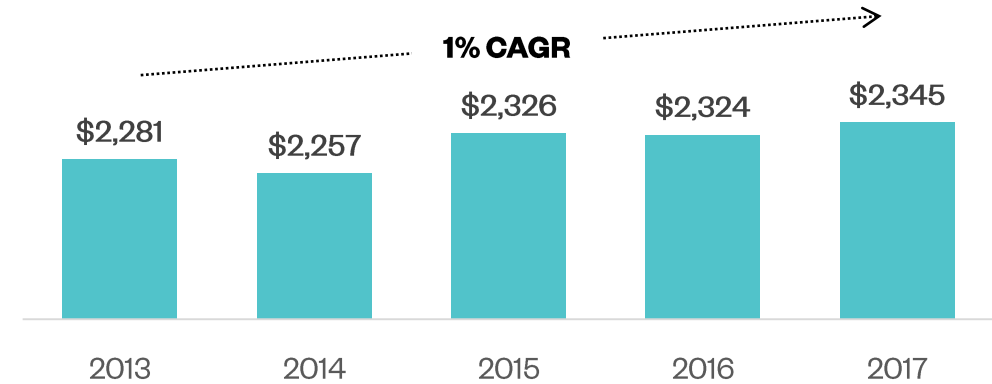


# Historical Financials – Vacation Ownership

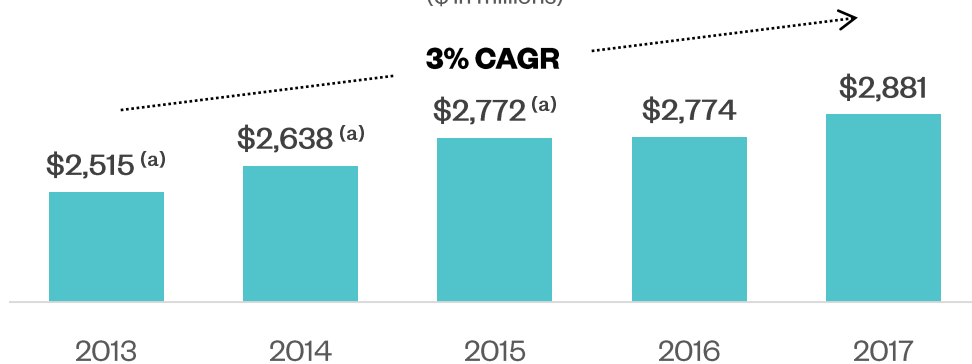
**Number of Tours**  
(in 000s)



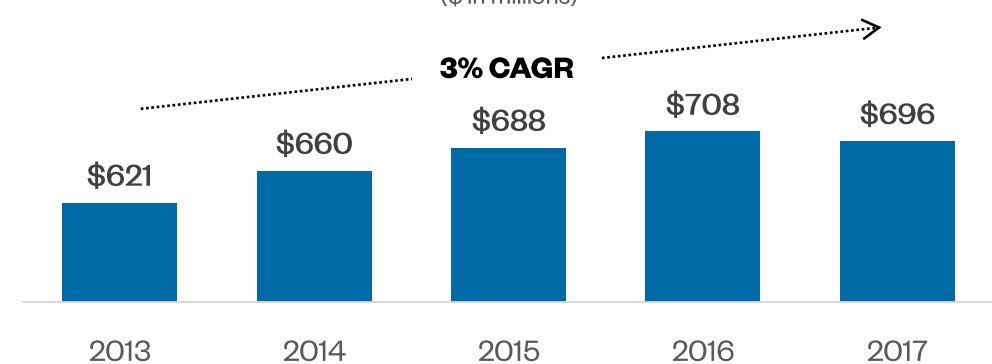
**Volume Per Guest (VPG)**



**Total Revenues**  
(\$ in millions)

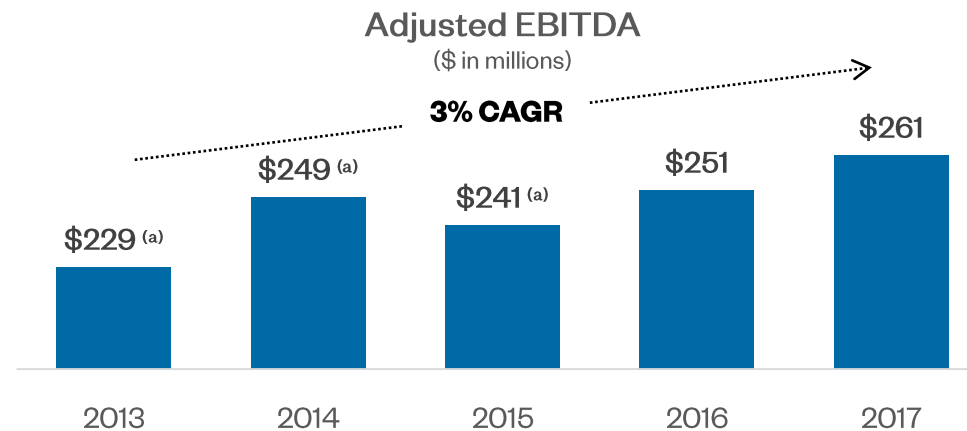
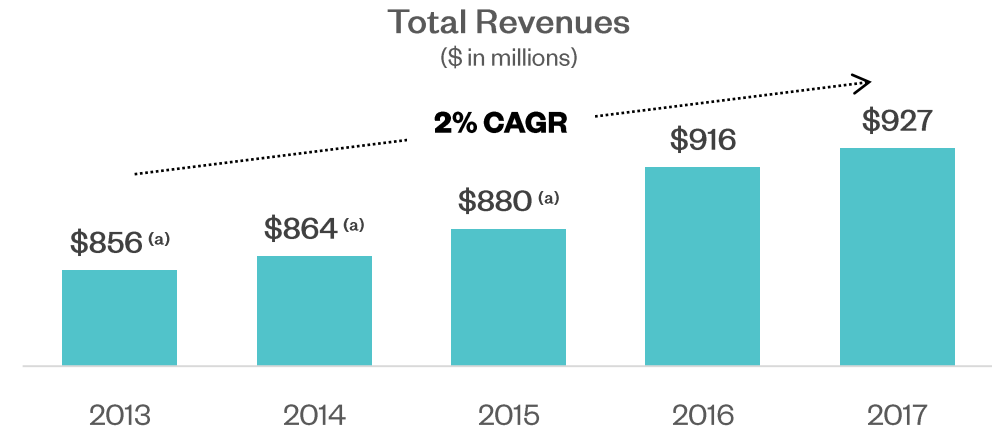
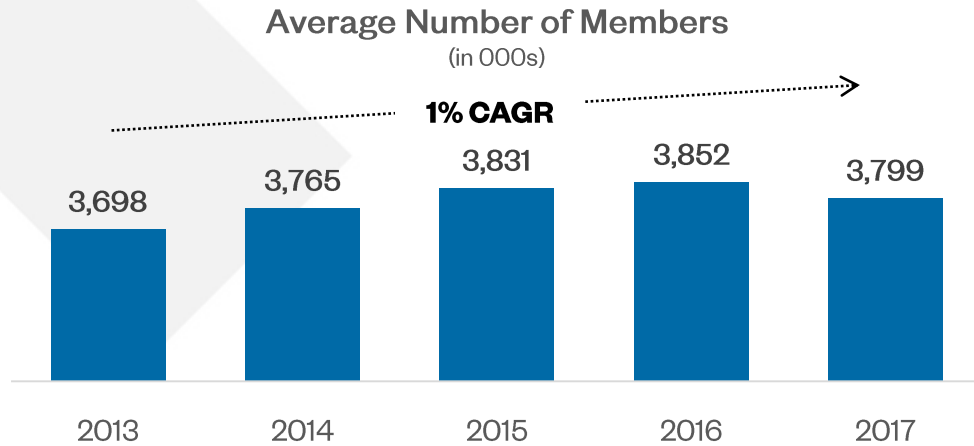


**Adjusted EBITDA**  
(\$ in millions)



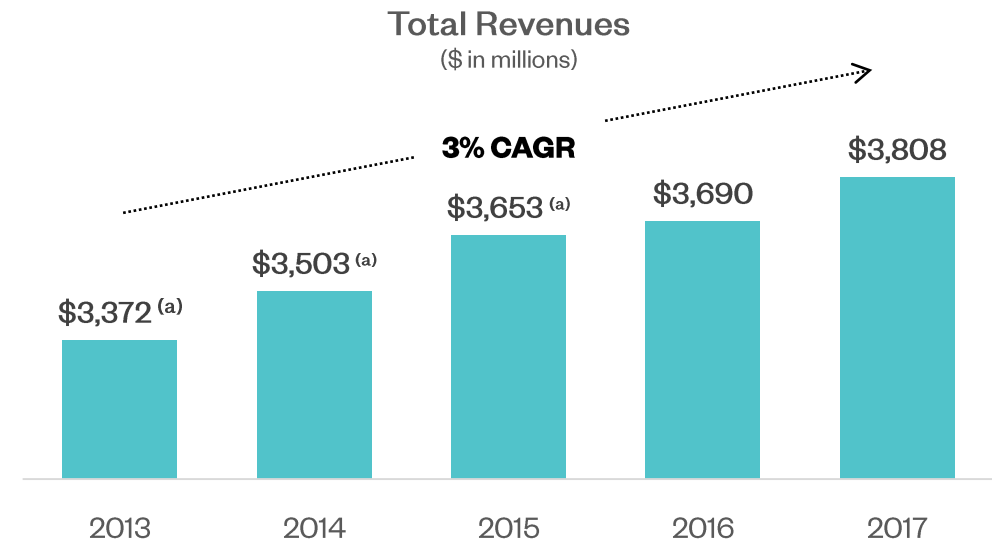
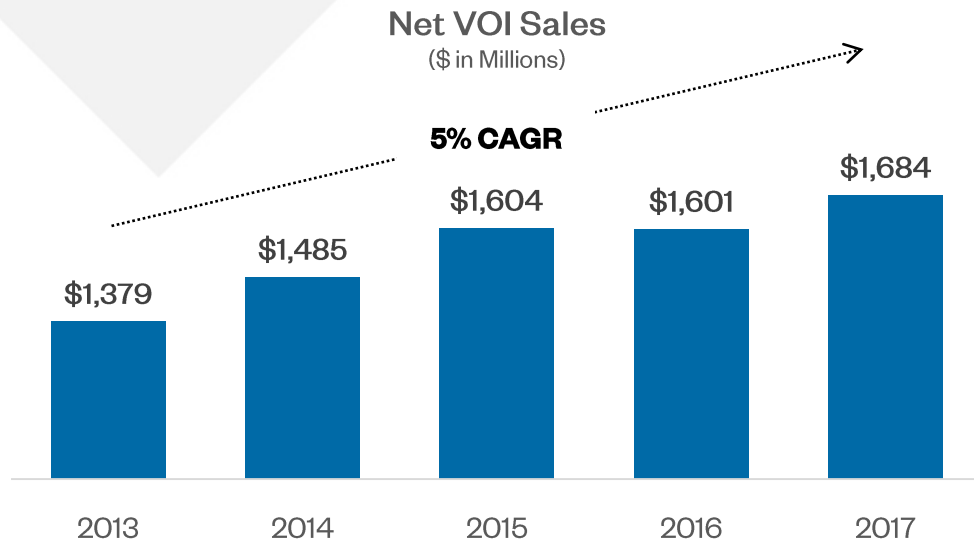
(a) Does not reflect impact of the adoption of the new revenue recognition standard.

# Historical Financials – Exchange & Rentals



(a) Does not reflect impact of the adoption of the new revenue recognition standard.

# Historical Financials – Consolidated



(a) Does not reflect impact of the adoption of the new revenue recognition standard.



# Appendix: Non-GAAP Reconciliations

## Wyndham Destinations Reconciliation of Pro Forma Net Income to Pro Forma Adjusted EBITDA (\$ in millions)

(\$ in millions)		2017
<b>Pro Forma Net Income</b>	\$	<b>591</b>
Benefit for income taxes	\$	(235)
Depreciation and amortization	\$	131
Interest expense	\$	130
Interest income	\$	(7)
Impairment	\$	205
Stock-based compensation	\$	36
Restructuring	\$	14
Acquisition-related gain	\$	(12)
Assumed general and administrative cost savings	\$	65
Other adjusting items	\$	(4)
<b>Pro Forma Adjusted EBITDA</b>	\$	<b>914</b>

# Appendix: Non-GAAP Reconciliations

Wyndham Destinations Reconciliation of Free Cash Flow (\$ in millions)

		2017
Pro Forma net cash provided by operating activities	\$	534
Less: Property and equipment additions	\$	(107)
Free Cash Flow	\$	427

# Appendix: Non-GAAP Reconciliations

## Wyndham Vacation Ownership (WVO) Adjusted EBITDA Reconciliation (\$ in millions)

	WVO Segment Reported EBITDA		Acquisition Related		Restructuring Costs		Loss on Sale/Asset Impairments		Executive Costs		Separation Costs		WVO Adjusted EBITDA	
2017	\$	489	\$	-	\$	-	\$	205	\$	1	\$	1	\$	696
2016	\$	694	\$	-	\$	8	\$	-	\$	6	\$	-	\$	708
2015	\$	687	\$	-	\$	1	\$	-	\$	-	\$	-	\$	688
2014	\$	660	\$	-	\$	-	\$	-	\$	-	\$	-	\$	660
2013	\$	619	\$	2	\$	-	\$	-	\$	-	\$	-	\$	621
2012	\$	549	\$	1	\$	2	\$	-	\$	-	\$	-	\$	552
2011	\$	515	\$	-	\$	(1)	\$	-	\$	-	\$	-	\$	514
2010	\$	440	\$	-	\$	-	\$	-	\$	-	\$	-	\$	440
2009	\$	387	\$	-	\$	37	\$	9	\$	-	\$	-	\$	433
2008	\$	(1,074)	\$	-	\$	66	\$	1,374	\$	-	\$	-	\$	366
2007	\$	378	\$	-	\$	-	\$	-	\$	-	\$	9	\$	387
2006	\$	325	\$	-	\$	-	\$	-	\$	-	\$	18	\$	343

Adjusted EBITDA is per Wyndham Worldwide's definition and does not reflect the adoption of the new revenue recognition accounting standard.



# Appendix: Non-GAAP Reconciliations

## Exchange & Rentals Adjusted EBITDA Reconciliation (\$ in millions)

	Exchange & Rentals Segment Reported EBITDA	Venezuela Currency Devaluation	Restructuring Costs	Loss on Sale/Asset Impairment	VAT Adjustment	Separation Costs	Executive Costs	Exchange & Rentals Adjusted EBITDA
2017	\$ 229	- \$	- \$	- \$	- \$	- \$	- \$	229
2016	\$ 210	10 \$	10 \$	7 \$	(2) \$	- \$	- \$	235
2015	\$ 238	- \$	3 \$	- \$	- \$	- \$	- \$	241
2014	\$ 223	24 \$	4 \$	- \$	- \$	- \$	- \$	251
2013	\$ 256	- \$	(4) \$	- \$	- \$	8 \$	1 \$	261

Adjusted EBITDA is per Wyndham Worldwide's definition and does not reflect the adoption of the new revenue recognition accounting standard.

# Appendix: Definitions

**Adjusted EBITDA:** Net income excluding interest expense (but including consumer financing interest), depreciation and amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related costs (acquisition-, disposition- or separation-related), stock-based compensation expense, early extinguishment of debt costs and income taxes.

**Free Cash Flow (FCF):** Free Cash Flow is the Net Cash provided by operating activities less property and equipment additions which the Company refers to capital expenditures.

**Net Leverage:** Net Leverage equals total debt outstanding, excluding non-recourse debt, less cash divided by Adjusted EBITDA.

**Weighted Average Cost of Debt:** Weighted Average Cost of Debt represents interest expense on outstanding debt, excluding non-recourse debt, divided by outstanding debt, excluding non-recourse debt.

**Weighted Average Maturity:** Weighted Average Maturity represents the number of years of the remaining life of all outstanding debt, excluding non-recourse debt.

**Wyndham Vacation Ownership Segment Adjusted EBITDA Margin:** Wyndham Vacation Ownership Segment Adjusted EBITDA Margin is calculated by taking the Net income excluding interest expense (but including consumer financing interest), depreciation and amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related costs (acquisition-, disposition- or separation-related), stock-based compensation expense, early extinguishment of debt costs and income taxes divided by revenue.