

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 10-Q**

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended June 30, 2026  
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 **001-32876**

**TRAVEL + LEISURE CO.**

*(Exact Name of Registrant as Specified in Its Charter)*

**Delaware**  
*(State or Other Jurisdiction  
of Incorporation or Organization)*  
**501 W. Church Street**  
**Orlando, Florida**  
*(Address of Principal Executive Offices)*

**20-0052541**  
*(I.R.S. Employer  
Identification No.)*  
**32805**  
*(Zip Code)*

**(407) 626-5200**  
*(Registrant's Telephone Number, Including Area Code)*

**None**  
*(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)*  
*Securities registered pursuant to Section 12(b) of the Act:*

| <i>Title of each class</i>                      | <i>Trading Symbol</i> | <i>Name of each exchange on which registered</i> |
|-------------------------------------------------|-----------------------|--------------------------------------------------|
| <b>Common Stock, \$0.01 par value per share</b> | <b>TNL</b>            | <b>New York Stock Exchange</b>                   |

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 | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:  
61,204,232 shares of common stock outstanding as of June 30, 2026.

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## GLOSSARY OF TERMS

The following terms and acronyms appear in the text of this report and have the definitions indicated below:

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adjusted EBITDA      | A non-GAAP measure, defined by the Company as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction and integration costs associated with mergers, acquisitions, and divestitures, asset impairments/recoveries and inventory write-downs associated with the Company's resort optimization initiative, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels") and Avis Budget Group, Inc. ("ABG"), and the sale of the vacation rentals businesses. Integration costs represent certain non-recurring costs directly incurred to integrate mergers and/or acquisitions into the existing business. |
| AOCL                 | Accumulated Other Comprehensive Loss                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| AUD                  | Australian Dollar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| ABG                  | Avis Budget Group, Inc., formerly Cendant Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Awaze                | Awaze Limited, formerly Compass IV Limited, an affiliate of Platinum Equity, LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Board                | Board of Directors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| CODM                 | Chief Operating Decision Maker                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Company              | Travel + Leisure Co. and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| EPS                  | Earnings Per Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| FASB                 | Financial Accounting Standards Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Fee-for-Service      | Programs where inventory is sold through the Company's sales and marketing channels for a commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| GAAP                 | Generally Accepted Accounting Principles in the United States                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| HOA                  | Homeowners' Associations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| NQ                   | Non-Qualified stock options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| NZD                  | New Zealand Dollar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| PSU                  | Performance-vested restricted Stock Units                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| RSU                  | Restricted Stock Unit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| SEC                  | Securities and Exchange Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SOFR                 | Secured Overnight Financing Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| SPE                  | Special Purpose Entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Spin-off             | Spin-off of Wyndham Hotels & Resorts, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Travel + Leisure Co. | Travel + Leisure Co. and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| VIE                  | Variable Interest Entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| VOCR                 | Vacation Ownership Contract Receivable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| VOI                  | Vacation Ownership Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| VPG                  | Volume Per Guest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Wyndham Hotels       | Wyndham Hotels & Resorts, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**PART I — FINANCIAL INFORMATION**

**Item 1. Financial Statements (Unaudited).**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and Board of Directors of Travel + Leisure Co.

**Results of Review of Interim Financial Information**

We have reviewed the accompanying condensed consolidated balance sheet of Travel + Leisure Co. and subsidiaries (the "Company") as of June 30, 2026, the related condensed consolidated statements of income, comprehensive income, and deficit for the three-month and six-month periods ended June 30, 2026 and 2025, and of cash flows for the six-month periods ended June 30, 2026 and 2025, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2025, and the related consolidated statements of income, comprehensive income, cash flows and deficit for the year then ended (not presented herein); and in our report dated February 18, 2026, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2025, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

**Basis for Review Results**

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Tampa, FL

July 22, 2026

**TRAVEL + LEISURE CO.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In millions, except per share amounts)  
(Unaudited)

|                                                                     | Three Months Ended<br>June 30, |               | Six Months Ended<br>June 30, |               |
|---------------------------------------------------------------------|--------------------------------|---------------|------------------------------|---------------|
|                                                                     | 2026                           | 2025          | 2026                         | 2025          |
| <b>Net revenues</b>                                                 |                                |               |                              |               |
| Vacation ownership interest sales                                   | \$ 524                         | \$ 474        | \$ 951                       | \$ 858        |
| Service and membership fees                                         | 396                            | 407           | 792                          | 823           |
| Consumer financing                                                  | 113                            | 112           | 226                          | 224           |
| Other                                                               | 30                             | 25            | 55                           | 46            |
| Net revenues                                                        | 1,063                          | 1,018         | 2,024                        | 1,951         |
| <b>Expenses</b>                                                     |                                |               |                              |               |
| Operating                                                           | 457                            | 457           | 898                          | 902           |
| Marketing                                                           | 172                            | 152           | 314                          | 276           |
| General and administrative                                          | 130                            | 116           | 253                          | 236           |
| Consumer financing interest                                         | 33                             | 34            | 65                           | 68            |
| Depreciation and amortization                                       | 32                             | 31            | 64                           | 61            |
| Cost of vacation ownership interests                                | 29                             | 21            | 63                           | 45            |
| Restructuring                                                       | —                              | —             | (2)                          | —             |
| Asset impairments, net                                              | —                              | 1             | —                            | 1             |
| Total expenses                                                      | 853                            | 812           | 1,655                        | 1,589         |
| <b>Operating income</b>                                             | 210                            | 206           | 369                          | 362           |
| Interest expense                                                    | 59                             | 57            | 115                          | 115           |
| Other (income), net                                                 | (2)                            | (1)           | (4)                          | (2)           |
| Interest (income)                                                   | (2)                            | (2)           | (5)                          | (4)           |
| Income before income taxes                                          | 155                            | 152           | 263                          | 253           |
| Provision for income taxes                                          | 46                             | 44            | 75                           | 72            |
| <b>Net income attributable to Travel + Leisure Co. shareholders</b> | <u>\$ 109</u>                  | <u>\$ 108</u> | <u>\$ 188</u>                | <u>\$ 181</u> |
| <b>Earnings per share</b>                                           |                                |               |                              |               |
| Basic                                                               | \$ 1.75                        | \$ 1.63       | \$ 3.00                      | \$ 2.71       |
| Diluted                                                             | \$ 1.72                        | \$ 1.62       | \$ 2.94                      | \$ 2.68       |

See Notes to Condensed Consolidated Financial Statements.

**TRAVEL + LEISURE CO.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(In millions)**  
**(Unaudited)**

|                                                                               | <b>Three Months Ended</b> |               | <b>Six Months Ended</b> |               |
|-------------------------------------------------------------------------------|---------------------------|---------------|-------------------------|---------------|
|                                                                               | <b>June 30,</b>           |               | <b>June 30,</b>         |               |
|                                                                               | <b>2026</b>               | <b>2025</b>   | <b>2026</b>             | <b>2025</b>   |
| <b>Net income attributable to Travel + Leisure Co. shareholders</b>           | \$ 109                    | \$ 108        | \$ 188                  | \$ 181        |
| Foreign currency translation adjustments, net of tax                          | (1)                       | 34            | 3                       | 46            |
| Defined benefit pension plans, net of tax                                     | —                         | —             | (1)                     | —             |
| <b>Other comprehensive (loss)/income, net of tax</b>                          | <b>(1)</b>                | <b>34</b>     | <b>2</b>                | <b>46</b>     |
| <b>Comprehensive income attributable to Travel + Leisure Co. shareholders</b> | <b>\$ 108</b>             | <b>\$ 142</b> | <b>\$ 190</b>           | <b>\$ 227</b> |

See Notes to Condensed Consolidated Financial Statements.

**TRAVEL + LEISURE CO.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions, except share data)  
(Unaudited)

|                                                                                                                         | June 30,<br>2026 | December 31,<br>2025 |
|-------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|
| <b>Assets</b>                                                                                                           |                  |                      |
| Cash and cash equivalents                                                                                               | \$ 282           | \$ 253               |
| Restricted cash (VIE - \$86 as of 2026 and \$87 as of 2025)                                                             | 189              | 173                  |
| Trade receivables, net                                                                                                  | 152              | 165                  |
| Vacation ownership contract receivables, net (VIE - \$2,162 as of 2026 and \$2,281 as of 2025)                          | 2,589            | 2,638                |
| Inventory                                                                                                               | 1,179            | 1,128                |
| Prepaid expenses                                                                                                        | 264              | 214                  |
| Property and equipment, net                                                                                             | 524              | 531                  |
| Goodwill                                                                                                                | 972              | 972                  |
| Other intangibles, net                                                                                                  | 197              | 201                  |
| Other assets                                                                                                            | 548              | 485                  |
| <b>Total assets</b>                                                                                                     | <u>\$ 6,896</u>  | <u>\$ 6,760</u>      |
| <b>Liabilities and (deficit)</b>                                                                                        |                  |                      |
| Accounts payable                                                                                                        | \$ 59            | \$ 62                |
| Accrued expenses and other liabilities                                                                                  | 957              | 910                  |
| Deferred income                                                                                                         | 462              | 468                  |
| Non-recourse vacation ownership debt (VIE)                                                                              | 2,010            | 2,124                |
| Debt                                                                                                                    | 3,700            | 3,474                |
| Deferred income taxes                                                                                                   | 728              | 704                  |
| <b>Total liabilities</b>                                                                                                | <u>7,916</u>     | <u>7,742</u>         |
| Commitments and contingencies (Note 15)                                                                                 |                  |                      |
| Stockholders' (deficit):                                                                                                |                  |                      |
| Preferred stock, \$0.01 par value, authorized 6,000,000 shares, none issued and outstanding                             | —                | —                    |
| Common stock, \$0.01 par value, 600,000,000 shares authorized, 226,628,187 issued as of 2026 and 225,937,948 as of 2025 | 3                | 3                    |
| Treasury stock, at cost – 165,346,102 shares as of 2026 and 162,880,360 shares as of 2025                               | (7,912)          | (7,735)              |
| Additional paid-in capital                                                                                              | 4,430            | 4,405                |
| Retained earnings                                                                                                       | 2,524            | 2,412                |
| Accumulated other comprehensive loss                                                                                    | (64)             | (66)                 |
| <b>Total stockholders' (deficit)</b>                                                                                    | <u>(1,019)</u>   | <u>(981)</u>         |
| Noncontrolling interest                                                                                                 | (1)              | (1)                  |
| <b>Total (deficit)</b>                                                                                                  | <u>(1,020)</u>   | <u>(982)</u>         |
| <b>Total liabilities and (deficit)</b>                                                                                  | <u>\$ 6,896</u>  | <u>\$ 6,760</u>      |

See Notes to Condensed Consolidated Financial Statements.

**TRAVEL + LEISURE CO.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

|                                                                                              | Six Months Ended<br>June 30, |               |
|----------------------------------------------------------------------------------------------|------------------------------|---------------|
|                                                                                              | 2026                         | 2025          |
| <b>Operating activities</b>                                                                  |                              |               |
| Net income                                                                                   | \$ 188                       | \$ 181        |
| Adjustments to reconcile net income to net cash provided by operating activities:            |                              |               |
| Provision for loan losses                                                                    | 241                          | 219           |
| Depreciation and amortization                                                                | 64                           | 61            |
| Stock-based compensation                                                                     | 28                           | 26            |
| Inventory write-downs and impairments                                                        | 25                           | —             |
| Deferred income taxes                                                                        | 24                           | 23            |
| Non-cash interest                                                                            | 12                           | 12            |
| Non-cash lease expense                                                                       | 6                            | 7             |
| Asset impairments, net                                                                       | —                            | 1             |
| Other, net                                                                                   | (5)                          | (2)           |
| Net change in assets and liabilities, excluding the impact of acquisitions and dispositions: |                              |               |
| Trade receivables                                                                            | 17                           | (14)          |
| Vacation ownership contract receivables                                                      | (189)                        | (161)         |
| Inventory                                                                                    | (75)                         | (16)          |
| Prepaid expenses                                                                             | (49)                         | (27)          |
| Other assets                                                                                 | (25)                         | 18            |
| Accounts payable, accrued expenses, and other liabilities                                    | 3                            | 5             |
| Deferred income                                                                              | (7)                          | 20            |
| <b>Net cash provided by operating activities</b>                                             | <b>258</b>                   | <b>353</b>    |
| <b>Investing activities</b>                                                                  |                              |               |
| Property and equipment additions                                                             | (44)                         | (58)          |
| Purchase of investments                                                                      | (13)                         | (4)           |
| Proceeds from the sale of investments                                                        | 13                           | 15            |
| Acquisitions, net of cash acquired                                                           | —                            | (1)           |
| <b>Net cash used in investing activities</b>                                                 | <b>(44)</b>                  | <b>(48)</b>   |
| <b>Financing activities</b>                                                                  |                              |               |
| Proceeds from non-recourse vacation ownership debt                                           | 748                          | 644           |
| Principal payments on non-recourse vacation ownership debt                                   | (867)                        | (816)         |
| Proceeds from debt, notes issued, and term loans                                             | 2,297                        | 1,253         |
| Principal payments on debt, notes, and term loans                                            | (2,076)                      | (1,099)       |
| Repurchase of common stock                                                                   | (175)                        | (140)         |
| Dividends paid to shareholders                                                               | (78)                         | (78)          |
| Net share settlement of incentive equity awards                                              | (17)                         | (13)          |
| Debt issuance/modification costs                                                             | (15)                         | (12)          |
| Proceeds from issuance of common stock                                                       | 11                           | 7             |
| Other, net                                                                                   | —                            | (1)           |
| <b>Net cash used in financing activities</b>                                                 | <b>(172)</b>                 | <b>(255)</b>  |
| Effect of changes in exchange rates on cash, cash equivalents and restricted cash            | 3                            | 8             |
| Net change in cash, cash equivalents and restricted cash                                     | 45                           | 58            |
| Cash, cash equivalents and restricted cash, beginning of period                              | 426                          | 329           |
| Cash, cash equivalents and restricted cash, end of period                                    | 471                          | 387           |
| Less: Restricted cash                                                                        | 189                          | 175           |
| <b>Cash and cash equivalents</b>                                                             | <b>\$ 282</b>                | <b>\$ 212</b> |

See Notes to Condensed Consolidated Financial Statements.

**TRAVEL + LEISURE CO.**  
**CONDENSED CONSOLIDATED STATEMENTS OF DEFICIT**  
(In millions, except per share amounts)  
(Unaudited)

|                                                  | Common Shares<br>Outstanding | Common Stock | Treasury Stock | Additional Paid-in<br>Capital | Retained Earnings | Accumulated Other<br>Comprehensive Loss | Non-controlling<br>Interest | Total Deficit |
|--------------------------------------------------|------------------------------|--------------|----------------|-------------------------------|-------------------|-----------------------------------------|-----------------------------|---------------|
| <b>Balance as of December 31, 2025</b>           | 63.1                         | \$ 3         | \$ (7,735)     | \$ 4,405                      | \$ 2,412          | \$ (66)                                 | \$ (1)                      | \$ (982)      |
| Net income                                       | —                            | —            | —              | —                             | 79                | —                                       | —                           | 79            |
| Other comprehensive income                       | —                            | —            | —              | —                             | —                 | 3                                       | —                           | 3             |
| Stock option exercises                           | 0.1                          | —            | —              | 4                             | —                 | —                                       | —                           | 4             |
| Issuance of shares for RSU/PSU vesting           | 0.4                          | —            | —              | —                             | —                 | —                                       | —                           | —             |
| Net share settlement of stock-based compensation | —                            | —            | —              | (16)                          | —                 | —                                       | —                           | (16)          |
| Change in stock-based compensation               | —                            | —            | —              | 13                            | —                 | —                                       | —                           | 13            |
| Repurchase of common stock                       | (1.2)                        | —            | (87)           | —                             | —                 | —                                       | —                           | (87)          |
| Dividends (\$0.60 per share)                     | —                            | —            | —              | —                             | (38)              | —                                       | —                           | (38)          |
| Other                                            | —                            | —            | (1)            | 2                             | —                 | —                                       | —                           | 1             |
| <b>Balance as of March 31, 2026</b>              | 62.4                         | 3            | (7,823)        | 4,408                         | 2,453             | (63)                                    | (1)                         | (1,023)       |
| Net income                                       | —                            | —            | —              | —                             | 109               | —                                       | —                           | 109           |
| Other comprehensive loss                         | —                            | —            | —              | —                             | —                 | (1)                                     | —                           | (1)           |
| Stock option exercises                           | —                            | —            | —              | 1                             | —                 | —                                       | —                           | 1             |
| Net share settlement of stock-based compensation | —                            | —            | —              | (1)                           | —                 | —                                       | —                           | (1)           |
| Employee stock purchase program issuances        | 0.1                          | —            | —              | 6                             | —                 | —                                       | —                           | 6             |
| Change in stock-based compensation               | —                            | —            | —              | 15                            | —                 | —                                       | —                           | 15            |
| Repurchase of common stock                       | (1.2)                        | —            | (88)           | —                             | —                 | —                                       | —                           | (88)          |
| Dividends (\$0.60 per share)                     | —                            | —            | —              | —                             | (38)              | —                                       | —                           | (38)          |
| Other                                            | —                            | —            | (1)            | 1                             | —                 | —                                       | —                           | —             |
| <b>Balance as of June 30, 2026</b>               | 61.3                         | \$ 3         | \$ (7,912)     | \$ 4,430                      | \$ 2,524          | \$ (64)                                 | \$ (1)                      | \$ (1,020)    |

See Notes to Condensed Consolidated Financial Statements.

**TRAVEL + LEISURE CO.**  
**CONDENSED CONSOLIDATED STATEMENTS OF DEFICIT**  
(In millions, except per share amounts)  
(Unaudited)

|                                                  | Common Shares<br>Outstanding | Common Stock | Treasury Stock | Additional Paid-in<br>Capital | Retained Earnings | Accumulated Other<br>Comprehensive Loss | Non-controlling<br>Interest | Total Deficit |
|--------------------------------------------------|------------------------------|--------------|----------------|-------------------------------|-------------------|-----------------------------------------|-----------------------------|---------------|
| <b>Balance as of December 31, 2024</b>           | 67.1                         | \$ 2         | \$ (7,433)     | \$ 4,328                      | \$ 2,334          | \$ (112)                                | \$ 1                        | \$ (880)      |
| Net income                                       | —                            | —            | —              | —                             | 73                | —                                       | —                           | 73            |
| Other comprehensive income                       | —                            | —            | —              | —                             | —                 | 12                                      | —                           | 12            |
| Issuance of shares for RSU/PSU vesting           | 0.6                          | 1            | —              | —                             | —                 | —                                       | —                           | 1             |
| Net share settlement of stock-based compensation | —                            | —            | —              | (13)                          | —                 | —                                       | —                           | (13)          |
| Change in stock-based compensation               | —                            | —            | —              | 14                            | —                 | —                                       | —                           | 14            |
| Repurchase of common stock                       | (1.3)                        | —            | (70)           | —                             | —                 | —                                       | —                           | (70)          |
| Dividends (\$0.56 per share)                     | —                            | —            | —              | —                             | (40)              | —                                       | —                           | (40)          |
| Non-controlling interest ownership change        | —                            | —            | —              | —                             | —                 | —                                       | (1)                         | (1)           |
| Other                                            | —                            | —            | (1)            | 2                             | —                 | —                                       | —                           | 1             |
| <b>Balance as of March 31, 2025</b>              | 66.4                         | 3            | (7,504)        | 4,331                         | 2,367             | (100)                                   | —                           | (903)         |
| Net income                                       | —                            | —            | —              | —                             | 108               | —                                       | —                           | 108           |
| Other comprehensive income                       | —                            | —            | —              | —                             | —                 | 34                                      | —                           | 34            |
| Employee stock purchase program issuances        | 0.1                          | —            | —              | 5                             | —                 | —                                       | —                           | 5             |
| Change in stock-based compensation               | —                            | —            | —              | 12                            | —                 | —                                       | —                           | 12            |
| Repurchase of common stock                       | (1.5)                        | —            | (70)           | —                             | —                 | —                                       | —                           | (70)          |
| Dividends (\$0.56 per share)                     | —                            | —            | —              | —                             | (38)              | —                                       | —                           | (38)          |
| Non-controlling interest ownership change        | —                            | —            | —              | —                             | —                 | —                                       | (1)                         | (1)           |
| <b>Balance as of June 30, 2025</b>               | 65.0                         | \$ 3         | \$ (7,574)     | \$ 4,348                      | \$ 2,437          | \$ (66)                                 | \$ (1)                      | \$ (853)      |

See Notes to Condensed Consolidated Financial Statements.

**TRAVEL + LEISURE CO.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)  
(Unaudited)

**1. Background and Basis of Presentation**

***Background***

Travel + Leisure Co. and its subsidiaries (collectively, “Travel + Leisure Co.,” or the “Company”) is a global provider of hospitality services and travel products. The Company has two reportable segments: Vacation Ownership and Travel and Membership.

The Vacation Ownership segment develops, markets, and sells vacation ownership interests (“VOIs”) to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. This segment is wholly comprised of the Vacation Ownership business line.

The Travel and Membership segment operates a variety of travel businesses, including vacation exchange brands, travel technology platforms, travel memberships, and direct-to-consumer rentals. This segment is comprised of the Exchange and Travel Club business lines.

***Basis of Presentation***

The accompanying unaudited Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q include the accounts and transactions of Travel + Leisure Co., as well as the entities in which Travel + Leisure Co. directly or indirectly has a controlling financial interest. The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). All intercompany balances and transactions have been eliminated in the Condensed Consolidated Financial Statements.

The Company presents an unclassified balance sheet which conforms to that of the Company’s peers and industry practice.

In presenting the Condensed Consolidated Financial Statements, management makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates and assumptions. In management’s opinion, the Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company’s 2025 Consolidated Financial Statements included in its Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 18, 2026.

**2. New Accounting Pronouncements**

***Recently Issued Accounting Pronouncements***

*Disclosure Improvements.* In October 2023, the Financial Accounting Standards Board (“FASB”) issued guidance to modify the disclosure and presentation requirements of a variety of topics in the Codification. Among other updates, amendments specific to the Company include updates to disclosure requirements related to derivative instruments, diluted earnings per share, commitments, and amounts and terms of unused lines of credit. The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company will adopt these amendments as they become effective. The amendments primarily affect presentation and disclosure requirements and are not expected to have a material impact on the Company’s financial statements.

*Disaggregation of Disclosures About Income Statement Expenses.* In November 2024, the FASB issued guidance which will require public companies to provide disclosure in the footnotes of certain expense captions into specified categories. The objective of the standard is to provide more detailed information about the types of expenses presented within expense captions commonly used in the statements of income. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

*Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity.* In May 2025, the FASB issued guidance to revise current guidance for determining the accounting acquirer for a transaction effected primarily by

exchanging equity interests in which the legal acquiree is a variable interest entity (“VIE”) that meets the definition of a business. The amendments require that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. Previously, the accounting acquirer in such transactions was always the primary beneficiary. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

*Software costs.* In September 2025, the FASB issued new guidance amending the accounting for and disclosure of software costs. The amendments update the framework for recognizing and disclosing costs related to software developed for internal use, including costs associated with website development. The amendments are effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of this guidance on its financial statements and related disclosures.

*Hedge accounting.* In November 2025, the FASB issued new guidance that updates several aspects of hedge accounting under ASC 815. The amendments address how companies assess risk for cash flow hedges, account for hedges of forecasted interest payments on choose-your-rate debt, apply hedge accounting to nonfinancial forecasted transactions, use net written options as hedging instruments, and manage dual hedges involving foreign-currency-denominated debt. These changes are designed to better align hedge accounting practices with the actual risk management strategies used by companies. The guidance is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods therein. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements and related disclosures.

*Interim accounting.* In December 2025, the FASB issued new guidance which updates ASC 270 to make interim reporting requirements clearer and easier to follow. The guidance clarifies the required format and content of interim reports, provides comprehensive lists of interim disclosures required by other Codification topics, and establishes that entities must disclose any material events occurring after the last annual reporting period. These changes are intended to improve clarity and consistency, without fundamentally altering the nature or scope of interim reporting requirements. The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements and related disclosures.

*Codification Improvements.* In December 2025, the FASB issued new guidance related to its continuing agenda to make improvements to the Codification. The purpose of the new guidance is to cover “a broad range of Topics arising from technical corrections, unintended application of the Codification, clarifications, and other minor improvements.” The guidance is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements and related disclosures.

#### ***Recently Adopted Accounting Pronouncements***

*Financial Instruments—Credit Losses.* In July 2025, the FASB issued new guidance amending the manner in which credit losses for accounts receivable and contract assets are determined. For public companies, the guidance introduces a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets. Under this expedient, entities may assume that conditions existing at the balance sheet date will persist for the remaining life of the asset, which simplifies the estimation process by eliminating the need to forecast future economic conditions for these short-term assets. This guidance became effective for fiscal years beginning after December 15, 2025. This guidance did not have a material impact to the Company's financial statements.

### **3. Revenue Recognition**

#### ***Vacation Ownership***

The Company develops, markets, and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. The Company's sales of VOIs are either cash sales or developer-financed sales. Developer-financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired, and the transaction price has been deemed to be collectible.

For developer-financed sales, the Company reduces the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. The Company's estimates of uncollectible amounts are based largely on the results of the Company's static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, the Company may provide its customers with certain non-cash incentives, such as credits for future stays at its resorts. For those VOI sales, the Company allocates the sales price between the VOI sale and the non-cash incentive based upon the relative standalone selling price of the performance obligations within the contract. Non-cash incentives generally have expiration periods of two years or less and are recognized at a point in time upon transfer of control.

The Company provides day-to-day property management services including oversight of housekeeping services, maintenance, and certain accounting and administrative services for property owners' associations and clubs. These services may also include reservation and resort renovation activities. The initial terms of such property management agreements are generally between three to five years; however, the vast majority of the agreements provide a mechanism for an automatic one year renewal upon expiration of the terms. The Company's management agreements contain cancellation clauses, which allow for either party to cancel the agreement, by either a majority board vote or a majority vote of non-developer interests. The Company receives fees for such property management services which are collected monthly in advance and are based upon total costs to operate such resorts (or as services are provided in the case of resort renovation activities). Fees for property management services typically approximate 10% of budgeted operating expenses. The Company is entitled to consideration for reimbursement of costs incurred on behalf of the property owners' association in providing management services ("reimbursable revenue"). These reimbursable costs principally relate to the payroll costs for management of the associations, club and resort properties where the Company is the employer and are reflected as a component of Operating expenses on the Condensed Consolidated Statements of Income. The Company reduces its management fee revenue for amounts it has paid to the property owners' association that reflect maintenance fees for VOIs for which it retains ownership, as the Company has concluded that such payments are consideration payable to a customer.

Property management fee revenues and reimbursable revenues are recognized when the services are performed and are recorded as a component of Service and membership fees on the Condensed Consolidated Statements of Income. Property management fee and reimbursable revenues were (in millions):

|                                                    | Three Months Ended |        | Six Months Ended |        |
|----------------------------------------------------|--------------------|--------|------------------|--------|
|                                                    | June 30,           |        | June 30,         |        |
|                                                    | 2026               | 2025   | 2026             | 2025   |
| Management fee revenues                            | \$ 117             | \$ 114 | \$ 233           | \$ 228 |
| Reimbursable revenues                              | 113                | 103    | 219              | 212    |
| Property management fees and reimbursable revenues | \$ 230             | \$ 217 | \$ 452           | \$ 440 |

One of the associations that the Company manages paid the Travel and Membership segment \$9 million for exchange services during both the three months ended June 30, 2026 and 2025, and \$18 million during both the six months ended June 30, 2026 and 2025.

The Company earns revenue from its Wyndham Rewards co-branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The primary performance obligation for the program relates to brand performance services. Total contract consideration is estimated and recognized on a straight-line basis over the contract term.

### ***Travel and Membership***

Travel and Membership derives a majority of its revenues from membership dues and fees for facilitating members' trading of their timeshare intervals. Revenues from membership dues represent the fees paid by members or affiliated clubs on their behalf. As a provider of vacation exchange services, the Company enters into affiliation agreements with developers of vacation ownership properties to allow owners of VOIs to trade their intervals for intervals at other properties affiliated with the Company's vacation exchange network and, for some members, for other leisure-related services and products. The Company recognizes revenues from membership dues paid by the member on a straight-line basis over the membership period as the performance obligations are fulfilled through delivery of publications, if applicable, and by providing access to travel-related products and services. Estimated net contract consideration payable by affiliated clubs for memberships is recognized as revenue over the term of the contract with the affiliated club in proportion to the estimated average monthly member count. Such estimates are adjusted periodically for changes in actual and forecasted member activity. For additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and, for certain members, for other leisure-related services and products.

The Company also derives revenue from facilitating bookings of travel accommodations that were acquired from various sources. Revenue is recognized when these transactions have been confirmed, net of expected cancellations.

The Company's vacation exchange business also derives revenues from programs with affiliated resorts, club servicing, and loyalty programs, and additional exchange-related products that provide members with the ability to protect trading power or points, extend the life of deposits, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power. Revenues from other vacation exchange related product fees are deferred and recognized upon the occurrence of a future exchange, event, or other related transaction.

The Company earns revenue from its RCI Elite Rewards co-branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The primary performance obligation for the program relates to brand performance services. Total contract consideration is estimated and recognized on a straight-line basis over the contract term.

#### **Other Items**

The Company records property management service revenues for its Vacation Ownership segment and RCI Elite Rewards revenues for its Travel and Membership segment gross as a principal.

#### **Contract Liabilities**

Contract liabilities generally represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities consisted of (in millions):

|                                                  | June 30,<br>2026 | December 31, 2025 |
|--------------------------------------------------|------------------|-------------------|
| Deferred subscription revenue                    | \$ 146           | \$ 147            |
| Deferred VOI trial package revenue               | 134              | 138               |
| Deferred VOI incentive revenue                   | 88               | 90                |
| Deferred exchange-related revenue <sup>(a)</sup> | 57               | 57                |
| Deferred co-branded credit card programs revenue | 34               | 36                |
| Deferred other revenue                           | 4                | 1                 |
| <b>Total</b>                                     | <b>\$ 463</b>    | <b>\$ 469</b>     |

<sup>(a)</sup> Includes contractual liabilities to accommodate members for cancellations initiated by the Company due to unexpected events. As of both June 30, 2026 and December 31, 2025, there were \$1 million of these contractual liabilities included within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

In the Company's Vacation Ownership segment, deferred VOI trial package revenue represents consideration received in advance for a trial VOI, which allows customers to utilize a vacation package typically within three years of purchase, but may extend longer for certain programs. Deferred VOI incentive revenue represents payments received in advance for additional travel-related services and products at the time of a VOI sale. Revenue is recognized when a customer utilizes the additional services and products, which is typically within two years of the VOI sale, but may extend longer for certain programs. Deferred revenue also includes VOI sales for which the Company has not met all required performance obligations.

Within the Company's Travel and Membership segment, deferred subscription revenue represents billings and payments received in advance from members and affiliated clubs for memberships in the Company's travel programs which are recognized in future periods. Deferred exchange-related revenue primarily represents payments received in advance from members to book vacation exchanges which are recognized upon the future confirmed transaction. Deferred revenue also includes other leisure-related service and product revenues which are recognized as customers utilize the associated benefits.

Deferred co-branded credit card programs revenue represents the advance payments received under these programs for the Vacation Ownership and Travel and Membership segments, which are recognized as the brand performance service obligations are satisfied.

Changes in contract liabilities for the periods presented were as follows (in millions):

|                    | Six Months Ended<br>June 30, |               |
|--------------------|------------------------------|---------------|
|                    | 2026                         | 2025          |
| Beginning balance  | \$ 469                       | \$ 459        |
| Additions          | 172                          | 192           |
| Revenue recognized | (178)                        | (167)         |
| Ending balance     | <u>\$ 463</u>                | <u>\$ 484</u> |

#### **Capitalized Contract Costs**

The Vacation Ownership segment incurs certain direct and incremental selling costs in connection with VOI trial package and incentive revenues. Such costs are capitalized and subsequently recognized over the utilization period when usage or expiration occurs, which is typically within three years from the date of sale. As of both June 30, 2026 and December 31, 2025, these capitalized costs were \$50 million and are included within Other assets on the Condensed Consolidated Balance Sheets.

The Travel and Membership segment incurs certain direct and incremental selling costs to obtain contracts with customers in connection with subscription revenues and exchange-related revenues. Such costs, which are primarily comprised of commissions paid to internal and external parties and credit card processing fees, are deferred at the inception of the contract and recognized when the benefit is transferred to the customer. As of June 30, 2026, the capitalized costs were \$19 million, of which \$7 million was included in Prepaid expenses and \$12 million was included in Other assets on the Condensed Consolidated Balance Sheets. As of December 31, 2025, these capitalized costs were \$16 million, of which \$9 million was included in Prepaid expenses and \$7 million was included in Other assets on the Condensed Consolidated Balance Sheets.

#### **Practical Expedients**

The Company has not adjusted the consideration for the effects of a significant financing component if it expected, at contract inception, that the period between when the Company will satisfy the performance obligation and when the customer will pay for that good or service will be one year or less.

#### **Performance Obligations**

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service to the customer. The consideration received from a customer is allocated to each distinct performance obligation and recognized as revenue when, or as, each performance obligation is satisfied.

The following table summarizes the Company's remaining performance obligations for the 12-month periods set forth below (in millions):

|                                         | 7/1/2026 - 6/30/2027 | 7/1/2027 - 6/30/2028 | 7/1/2028 - 6/30/2029 | Thereafter   | Total         |
|-----------------------------------------|----------------------|----------------------|----------------------|--------------|---------------|
| Subscription revenue                    | \$ 83                | \$ 31                | \$ 14                | \$ 18        | \$ 146        |
| VOI trial package revenue               | 122                  | 4                    | 4                    | 4            | 134           |
| VOI incentive revenue                   | 88                   | —                    | —                    | —            | 88            |
| Exchange-related revenue                | 54                   | 2                    | 1                    | —            | 57            |
| Co-branded credit card programs revenue | 4                    | 4                    | 4                    | 22           | 34            |
| Other revenue                           | 4                    | —                    | —                    | —            | 4             |
| Total                                   | <u>\$ 355</u>        | <u>\$ 41</u>         | <u>\$ 23</u>         | <u>\$ 44</u> | <u>\$ 463</u> |

### Disaggregation of Net Revenues

The table below presents a disaggregation of the Company's net revenues from contracts with customers by major services and products for each of the Company's segments (in millions):

|                                                    | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                 |
|----------------------------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|                                                    | 2026                           | 2025            | 2026                         | 2025            |
| <b>Vacation Ownership</b>                          |                                |                 |                              |                 |
| Vacation ownership interest sales                  | \$ 524                         | \$ 474          | \$ 951                       | \$ 858          |
| Property management fees and reimbursable revenues | 230                            | 217             | 452                          | 440             |
| Consumer financing                                 | 113                            | 112             | 226                          | 224             |
| Fee-for-Service commissions                        | 11                             | 26              | 22                           | 42              |
| Ancillary revenues                                 | 29                             | 24              | 54                           | 45              |
| <b>Total Vacation Ownership</b>                    | <b>907</b>                     | <b>853</b>      | <b>1,705</b>                 | <b>1,609</b>    |
| <b>Travel and Membership</b>                       |                                |                 |                              |                 |
| Transaction revenues                               | 109                            | 117             | 225                          | 246             |
| Subscription revenues                              | 42                             | 43              | 84                           | 86              |
| Ancillary revenues                                 | 6                              | 6               | 12                           | 13              |
| <b>Total Travel and Membership</b>                 | <b>157</b>                     | <b>166</b>      | <b>321</b>                   | <b>345</b>      |
| <b>Corporate and other</b>                         |                                |                 |                              |                 |
| Ancillary revenues                                 | —                              | 1               | 1                            | 1               |
| Eliminations                                       | (1)                            | (2)             | (3)                          | (4)             |
| <b>Total Corporate and other</b>                   | <b>(1)</b>                     | <b>(1)</b>      | <b>(2)</b>                   | <b>(3)</b>      |
| <b>Net revenues</b>                                | <b>\$ 1,063</b>                | <b>\$ 1,018</b> | <b>\$ 2,024</b>              | <b>\$ 1,951</b> |

### 4. Earnings Per Share

The computations of basic and diluted earnings per share ("EPS") are based on Net income attributable to Travel + Leisure Co. shareholders divided by the basic weighted average number of common shares and diluted weighted average number of common shares outstanding. The following table sets forth the computations of basic and diluted EPS (in millions, except per share data):

|                                                                 | Three Months Ended<br>June 30, |         | Six Months Ended<br>June 30, |         |
|-----------------------------------------------------------------|--------------------------------|---------|------------------------------|---------|
|                                                                 | 2026                           | 2025    | 2026                         | 2025    |
| Net income attributable to Travel + Leisure Co. shareholders    | \$ 109                         | \$ 108  | \$ 188                       | \$ 181  |
| <b>Earnings per share <sup>(a)</sup></b>                        |                                |         |                              |         |
| Basic                                                           | \$ 1.75                        | \$ 1.63 | \$ 3.00                      | \$ 2.71 |
| Diluted                                                         | \$ 1.72                        | \$ 1.62 | \$ 2.94                      | \$ 2.68 |
| Basic weighted average shares outstanding                       | 62.3                           | 66.1    | 62.6                         | 66.6    |
| RSUs, <sup>(b)</sup> PSUs <sup>(c)</sup> and NQs <sup>(d)</sup> | 1.1                            | 0.4     | 1.4                          | 0.7     |
| Diluted weighted average shares outstanding <sup>(e)</sup>      | 63.4                           | 66.5    | 64.0                         | 67.3    |
| <b>Dividends:</b>                                               |                                |         |                              |         |
| Aggregate dividends paid to shareholders <sup>(f)</sup>         | \$ 37                          | \$ 37   | \$ 78                        | \$ 78   |

<sup>(a)</sup> Earnings per share amounts are calculated using whole numbers.

- (b) Excludes 0.5 million and 0.4 million of restricted stock units (“RSUs”) that would have been anti-dilutive to EPS for the three and six months ended June 30, 2025.
- (c) Excludes performance-vested restricted stock units (“PSUs”) of 0.5 million for the three and six months ended June 30, 2026 and 0.8 million for the three and six months ended June 30, 2025, as the Company has not met the required performance metrics. These PSUs could potentially dilute EPS in the future.
- (d) Excludes 0.1 million of outstanding Non-Qualified stock options (“NQs”) that would have been anti-dilutive to EPS for both the three and six months ended June 30, 2025.
- (e) The dilutive impact of the Company’s potential common stock is computed utilizing the treasury stock method using average market prices during the period.
- (f) The Company paid cash dividends of \$0.60 and \$1.20 per share during the three and six months ended June 30, 2026 and \$0.56 and \$1.12 per share during the three and six months ended June 30, 2025.

### Share Repurchase Program

The following table summarizes stock repurchase activity under the current share repurchase program (in millions):

|                         | Shares | Cost     |
|-------------------------|--------|----------|
| As of December 31, 2025 | 138.4  | \$ 6,946 |
| Repurchases             | 2.4    | 175      |
| As of June 30, 2026     | 140.8  | \$ 7,121 |

On August 20, 2007, the Company’s Board of Directors (“Board”) authorized a share repurchase program that enabled it to purchase its common stock. As of June 30, 2026, the Board has increased the capacity of the program 11 times, most recently in February 2026 by \$750 million, bringing the total authorization under the current program to \$7.75 billion. Proceeds received from stock option exercises have increased the repurchase capacity by \$116 million since the inception of this program. As of June 30, 2026, the Company had \$745 million of remaining availability in its program.

The Company incurred \$1 million of excise tax related to share repurchases during both the six months ended June 30, 2026 and 2025, included within Treasury stock on the Condensed Consolidated Balance Sheets.

## 5. Acquisitions

*Other.* On February 10, 2025, the Company completed a business acquisition for consideration of \$3 million. The fair value of purchase consideration was comprised of \$1 million of cash paid at closing and \$2 million to be paid in 2027. The acquisition resulted in the recognition of (i) \$2 million of definite-lived intangible assets consisting of management agreements, and (ii) \$1 million of Property and equipment, net. This business is included within the Vacation Ownership segment.

## 6. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables (“VOCRs”) by extending financing to the purchasers of its VOIs. Vacation ownership contract receivables, net consisted of the following (in millions):

|                                                 | June 30,<br>2026 | December 31,<br>2025 |
|-------------------------------------------------|------------------|----------------------|
| <i>Vacation ownership contract receivables:</i> |                  |                      |
| Securitized <sup>(a)</sup>                      | \$ 2,162         | \$ 2,281             |
| Non-securitized <sup>(b)</sup>                  | 1,087            | 1,020                |
| Vacation ownership contract receivables, gross  | 3,249            | 3,301                |
| Less: allowance for loan losses                 | 660              | 663                  |
| Vacation ownership contract receivables, net    | \$ 2,589         | \$ 2,638             |

<sup>(a)</sup> Excludes \$17 million and \$19 million of accrued interest on VOCRs as of June 30, 2026 and December 31, 2025, which are included in Trade receivables, net on the Condensed Consolidated Balance Sheets.

<sup>(b)</sup> Excludes \$10 million and \$8 million of accrued interest on VOCRs as of June 30, 2026 and December 31, 2025, which are included in Trade receivables, net on the Condensed Consolidated Balance Sheets.

During the three and six months ended June 30, 2026, the Company’s securitized VOCRs generated interest income of \$80 million and \$160 million. During the three and six months ended June 30, 2025, the Company’s securitized VOCRs generated interest income of \$82 million and \$166 million. Such interest income is included within Consumer financing revenue on the Condensed Consolidated Statements of Income.

During the six months ended June 30, 2026 and 2025, the Company had net VOCR originations of \$760 million and \$732 million, and received principal collections of \$571 million in each of these periods. The weighted average interest rate on outstanding VOCRs was 14.6% as of both June 30, 2026 and December 31, 2025.

The Company records the difference between VOCRs and the variable consideration included in the transaction price for the sale of the related VOIs as a provision for loan losses on VOCRs. The activity in the allowance for loan losses on VOCRs was as follows (in millions):

|                                               | Six Months Ended<br>June 30, |               |
|-----------------------------------------------|------------------------------|---------------|
|                                               | 2026                         | 2025          |
| Allowance for loan losses, beginning balance  | \$ 663                       | \$ 614        |
| Provision for loan losses, net <sup>(a)</sup> | 241                          | 219           |
| Contract receivables write-offs, net          | (244)                        | (229)         |
| Allowance for loan losses, ending balance     | <u>\$ 660</u>                | <u>\$ 604</u> |

<sup>(a)</sup> Recorded as a reduction to Net revenue.

#### ***Credit Quality for Financed Receivables and the Allowance for Credit Losses***

The basis of the differentiation within the identified class of financed VOI contract receivables is the consumer's Fair Isaac Corporation ("FICO") score. A FICO score is a branded version of a consumer credit score widely used within the U.S. by the largest banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. The Company updates its records for all active VOI contract receivables with a balance due on a rolling monthly basis to ensure that all VOI contract receivables are scored at least every six months. The Company groups all VOI contract receivables into five different categories: FICO scores ranging from 700 to 850, from 600 to 699, below 600, no score (primarily comprised of consumers for whom a score is not readily available, including consumers declining access to FICO scores and non-U.S. residents), and Asia Pacific (comprised of receivables in the Company's Travel + Leisure Vacation Clubs Asia Pacific business for which scores are not available).

The following table details an aging analysis of financing receivables using the most recently updated FICO scores, based on the policy described above (in millions):

|               | As of June 30, 2026 |               |               |              |               |                 |
|---------------|---------------------|---------------|---------------|--------------|---------------|-----------------|
|               | 700+                | 600-699       | <600          | No Score     | Asia Pacific  | Total           |
| Current       | \$ 1,956            | \$ 687        | \$ 134        | \$ 79        | \$ 229        | \$ 3,085        |
| 31 - 60 days  | 26                  | 23            | 13            | 2            | 4             | 68              |
| 61 - 90 days  | 21                  | 18            | 9             | 2            | 4             | 54              |
| 91 - 120 days | 14                  | 15            | 10            | 1            | 2             | 42              |
| Total         | <u>\$ 2,017</u>     | <u>\$ 743</u> | <u>\$ 166</u> | <u>\$ 84</u> | <u>\$ 239</u> | <u>\$ 3,249</u> |

  

|               | As of December 31, 2025 |               |               |              |               |                 |
|---------------|-------------------------|---------------|---------------|--------------|---------------|-----------------|
|               | 700+                    | 600-699       | <600          | No Score     | Asia Pacific  | Total           |
| Current       | \$ 2,014                | \$ 680        | \$ 133        | \$ 77        | \$ 213        | \$ 3,117        |
| 31 - 60 days  | 31                      | 29            | 13            | 2            | 4             | 79              |
| 61 - 90 days  | 22                      | 18            | 11            | 2            | 3             | 56              |
| 91 - 120 days | 15                      | 17            | 12            | 2            | 3             | 49              |
| Total         | <u>\$ 2,082</u>         | <u>\$ 744</u> | <u>\$ 169</u> | <u>\$ 83</u> | <u>\$ 223</u> | <u>\$ 3,301</u> |

The Company ceases to accrue interest on VOI contract receivables once the contract has remained delinquent for greater than 90 days and reverses all of the associated accrued interest recognized to date against interest income included within Consumer financing revenue on the Condensed Consolidated Statements of Income. At greater than 120 days, the VOI contract receivable is written off to the allowance for loan losses. In accordance with its policy, the Company assesses the allowance for loan losses using a static pool methodology and thus does not assess individual loans for impairment.

The following table details the year of origination of financing receivables using the most recently updated FICO scores, based on the policy described above (in millions):

| As of June 30, 2026 |          |         |        |          |              |          |
|---------------------|----------|---------|--------|----------|--------------|----------|
|                     | 700+     | 600-699 | <600   | No Score | Asia Pacific | Total    |
| 2026                | \$ 540   | \$ 126  | \$ 2   | \$ 18    | \$ 87        | \$ 773   |
| 2025                | 625      | 239     | 45     | 23       | 79           | 1,011    |
| 2024                | 336      | 129     | 38     | 15       | 35           | 553      |
| 2023                | 202      | 94      | 29     | 10       | 15           | 350      |
| 2022                | 134      | 66      | 22     | 5        | 6            | 233      |
| Prior               | 180      | 89      | 30     | 13       | 17           | 329      |
| Total               | \$ 2,017 | \$ 743  | \$ 166 | \$ 84    | \$ 239       | \$ 3,249 |

  

| As of December 31, 2025 |          |         |        |          |              |          |
|-------------------------|----------|---------|--------|----------|--------------|----------|
|                         | 700+     | 600-699 | <600   | No Score | Asia Pacific | Total    |
| 2025                    | \$ 1,001 | \$ 266  | \$ 24  | \$ 30    | \$ 131       | \$ 1,452 |
| 2024                    | 431      | 169     | 45     | 18       | 45           | 708      |
| 2023                    | 251      | 116     | 36     | 12       | 18           | 433      |
| 2022                    | 163      | 81      | 26     | 6        | 7            | 283      |
| 2021                    | 73       | 36      | 13     | 2        | 5            | 129      |
| Prior                   | 163      | 76      | 25     | 15       | 17           | 296      |
| Total                   | \$ 2,082 | \$ 744  | \$ 169 | \$ 83    | \$ 223       | \$ 3,301 |

The table below represents the gross write-offs of financing receivables by year of origination (in millions):

|       |    | Six Months Ended<br>June 30, 2026 |
|-------|----|-----------------------------------|
| 2026  | \$ | 1                                 |
| 2025  |    | 122                               |
| 2024  |    | 59                                |
| 2023  |    | 32                                |
| 2022  |    | 15                                |
| Prior |    | 17                                |
| Total | \$ | 246                               |

## 7. Inventory

Inventory consisted of the following (in millions):

|                                            | June 30,<br>2026 | December 31,<br>2025 |
|--------------------------------------------|------------------|----------------------|
| Completed VOI inventory                    | \$ 911           | \$ 857               |
| Estimated VOI recoveries                   | 216              | 222                  |
| Inventory subject to financing arrangement | 28               | 26                   |
| VOI construction in process                | 12               | 9                    |
| Land held for VOI development              | 10               | 10                   |
| Vacation exchange credits and other        | 2                | 4                    |
| Total inventory                            | \$ 1,179         | \$ 1,128             |

As VOI inventory is completed, it may be transferred into property and equipment until such units are registered and made available for sale. Once registered and available for sale, the units are then transferred back into completed inventory. There were \$1 million and \$8 million of net transfers of VOI inventory from property and equipment during the six months ended June 30, 2026 and 2025.

In connection with the resort optimization initiative discussed in Note 20—*Restructuring*, during the first half of 2026 the Vacation Ownership segment transferred \$7 million of inventory to assets held-for-sale bringing the total assets held-for-

sale related to this initiative to \$23 million as of June 30, 2026. This balance is included within Other assets on the Condensed Consolidated Balance Sheets.

During 2025, the Company entered into an agreement to sell real property located in Tuscaloosa, Alabama, associated with Sports Illustrated Resorts, to a third-party developer consisting of inventory, in exchange for cash consideration. Under the agreement, the Company could be obligated to repurchase the property should certain future events not occur. As a result, \$28 million of vacation ownership inventory remained on the balance sheet and the \$30 million in proceeds and accrued interest were recorded as an inventory financing obligation, included within Accrued and other liabilities on the Condensed Consolidated Balance Sheets. The Company recognized no gain or loss on this transaction.

### ***Inventory Obligations***

The Company has entered into inventory sale transactions with third-party developers for which the Company has conditional rights and obligations to repurchase the completed properties from the developers subject to the properties conforming to the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. Under the sale of real estate accounting guidance, the conditional rights and obligations of the Company constitute continuing involvement and thus the Company was unable to account for these transactions as a sale.

The following table summarizes the activity related to the Company's inventory obligations (in millions):

|                   | <b>Total <sup>(a)</sup></b> |
|-------------------|-----------------------------|
| December 31, 2025 | \$ 2                        |
| Purchases         | 126                         |
| Payments          | (123)                       |
| June 30, 2026     | \$ 5                        |
| December 31, 2024 | \$ 7                        |
| Purchases         | 65                          |
| Payments          | (67)                        |
| June 30, 2025     | \$ 5                        |

<sup>(a)</sup> Included in Accounts payable on the Condensed Consolidated Balance Sheets.

The Company has committed to purchase completed properties from third-party developers subject to the properties meeting the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. The third-party developers are VIEs for which the Company is not the primary beneficiary. Accordingly, the Company does not consolidate the VIEs. The maximum potential future payments that the Company could be required to make under these commitments was \$174 million as of June 30, 2026.

## **8. Property and Equipment**

Property and equipment, net consisted of the following (in millions):

|                                                    | <b>June 30,<br/>2026</b> | <b>December 31, 2025</b> |
|----------------------------------------------------|--------------------------|--------------------------|
| Capitalized software                               | \$ 875                   | \$ 854                   |
| Building and leasehold improvements <sup>(a)</sup> | 569                      | 564                      |
| Furniture, fixtures and equipment                  | 122                      | 120                      |
| Finance lease assets                               | 49                       | 59                       |
| Land                                               | 20                       | 20                       |
| Construction in progress                           | 15                       | 9                        |
| <b>Total property and equipment</b>                | <b>1,650</b>             | <b>1,626</b>             |
| Less: accumulated depreciation and amortization    | 1,126                    | 1,095                    |
| <b>Property and equipment, net</b>                 | <b>\$ 524</b>            | <b>\$ 531</b>            |

<sup>(a)</sup> Includes \$116 million and \$119 million of unregistered VOI inventory as of June 30, 2026 and December 31, 2025.

## 9. Debt

The Company's indebtedness consisted of the following (in millions):

|                                                                                | June 30,<br>2026 | December 31,<br>2025 |
|--------------------------------------------------------------------------------|------------------|----------------------|
| <i>Non-recourse vacation ownership debt:</i> <sup>(a)</sup>                    |                  |                      |
| Term notes <sup>(b)</sup>                                                      | \$ 1,512         | \$ 1,690             |
| USD bank conduit facility (due August 2027) <sup>(c)</sup>                     | 376              | 318                  |
| AUD/NZD bank conduit facility (due December 2026) <sup>(d)</sup>               | 122              | 116                  |
| <b>Total</b>                                                                   | <b>\$ 2,010</b>  | <b>\$ 2,124</b>      |
| <i>Debt:</i> <sup>(e)</sup>                                                    |                  |                      |
| \$1.0 billion secured revolving credit facility (due June 2030) <sup>(f)</sup> | \$ 45            | \$ 63                |
| Secured term loan B (due December 2029) <sup>(g)</sup>                         | 851              | 854                  |
| \$650 million 6.625% secured notes (due July 2026)                             | —                | 649                  |
| \$400 million 6.00% secured notes (due April 2027) <sup>(h)</sup>              | 401              | 402                  |
| \$650 million 4.50% secured notes (due December 2029)                          | 646              | 646                  |
| \$350 million 4.625% secured notes (due March 2030)                            | 348              | 348                  |
| \$900 million 6.250% secured notes (due June 2031)                             | 891              | —                    |
| \$500 million 6.125% secured notes (due September 2033)                        | 495              | 494                  |
| Finance leases                                                                 | 23               | 18                   |
| <b>Total</b>                                                                   | <b>\$ 3,700</b>  | <b>\$ 3,474</b>      |

<sup>(a)</sup> Represents non-recourse debt that is securitized through bankruptcy-remote special purpose entities, the creditors of which have no recourse to the Company for principal and interest. These outstanding borrowings (which legally are not liabilities of the Company) are collateralized by \$2.28 billion and \$2.40 billion of underlying gross VOCRs and related assets (which legally are not assets of the Company) as of June 30, 2026 and December 31, 2025.

<sup>(b)</sup> The carrying amounts of the term notes are net of deferred financing costs of \$21 million and \$23 million as of June 30, 2026 and December 31, 2025.

<sup>(c)</sup> The Company has a borrowing capacity of \$600 million under the USD bank conduit facility through August 2027. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than September 2028.

<sup>(d)</sup> The Company has a borrowing capacity of 200 million Australian dollars ("AUD") and 25 million New Zealand dollars ("NZD") under the AUD/NZD bank conduit facility through December 2026. Borrowings under this facility are required to be repaid no later than January 2029.

<sup>(e)</sup> The carrying amounts of the secured notes and term loan are net of unamortized discounts of \$9 million and \$11 million as of June 30, 2026 and December 31, 2025, and net of unamortized debt financing costs of \$23 million and \$16 million as of June 30, 2026 and December 31, 2025.

<sup>(f)</sup> The weighted average effective interest rate on facility borrowings was 5.72% and 6.52% for the six months ended June 30, 2026 and year-ended December 31, 2025.

<sup>(g)</sup> The weighted average effective interest rate on facility borrowings was 5.70% and 6.86% for the six months ended June 30, 2026 and year-ended December 31, 2025.

<sup>(h)</sup> Includes \$1 million and \$2 million of unamortized gains from the settlement of a derivative as of June 30, 2026 and December 31, 2025.

### Sierra Timeshare 2026-1 Receivables Funding LLC

On March 26, 2026, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2026-1 Receivables Funding LLC, with an initial principal amount of \$325 million, secured by VOCRs and bearing interest at a weighted average coupon rate of 5.11%. The advance rate for this transaction was 98%.

### Debt

**Secured Notes.** On May 20, 2026, the Company issued secured notes, with a face value of \$900 million and an interest rate of 6.250%. Deferred financing costs were \$10 million, which will be amortized over the life of the notes. Interest is payable semi-annually in arrears on the notes. The notes will mature on June 1, 2031 unless earlier redeemed in accordance with their terms. Prior to June 1, 2028, the Company will be entitled at its option to redeem all or a portion of these notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus a "make-whole premium" plus any accrued and unpaid interest. At any time on or after June 1, 2028, the Company may redeem all or a portion of the notes at certain redemption prices above their face amount plus any accrued and unpaid interest. On or after June 1, 2030 the Company will be able to redeem the notes at par plus any accrued and unpaid interest. The proceeds of this offering

were used to redeem all of the Company's \$650 million 6.625% secured notes due July 2026, toward repayment of outstanding borrowings under the revolving credit facility, to pay the fees and expenses incurred in connection with the offering and for general corporate purposes. The Company incurred \$2 million of third party debt modification costs associated with this transaction, which are included within Interest expense on the Condensed Consolidated Statements of Income.

### **Maturities and Capacity**

The Company's outstanding indebtedness as of June 30, 2026, matures as follows (in millions):

|                       | Non-recourse Vacation<br>Ownership Debt | Debt            | Total           |
|-----------------------|-----------------------------------------|-----------------|-----------------|
| Within 1 year         | \$ 236                                  | \$ 419          | \$ 655          |
| Between 1 and 2 years | 270                                     | 15              | 285             |
| Between 2 and 3 years | 436                                     | 13              | 449             |
| Between 3 and 4 years | 177                                     | 1,866           | 2,043           |
| Between 4 and 5 years | 194                                     | 892             | 1,086           |
| Thereafter            | 697                                     | 495             | 1,192           |
|                       | <u>\$ 2,010</u>                         | <u>\$ 3,700</u> | <u>\$ 5,710</u> |

Required principal payments on the non-recourse vacation ownership debt are based on the contractual repayment terms of the underlying VOCRs. Actual maturities may differ as a result of prepayments by the VOCR obligors.

As of June 30, 2026, the available capacities under the Company's borrowing arrangements were as follows (in millions):

|                              | Non-recourse Conduit Facilities<br>(a) | Revolving<br>Credit Facilities (b) |
|------------------------------|----------------------------------------|------------------------------------|
| Total capacity               | \$ 753                                 | \$ 1,000                           |
| Less: outstanding borrowings | 498                                    | 45                                 |
| Less: letters of credit      | —                                      | 1                                  |
| Available capacity           | <u>\$ 255</u>                          | <u>\$ 954</u>                      |

(a) Consists of the Company's USD bank conduit facility and AUD/NZD bank conduit facility. The capacities of these facilities are subject to the Company's ability to provide additional assets to collateralize additional non-recourse borrowings.

(b) Consists of the Company's \$1.0 billion secured revolving credit facility.

### **Debt Covenants**

The revolving credit facility and term loan B facility are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. The financial ratio covenants consist of a minimum interest coverage ratio of 2.00 to 1.0 as of the measurement date and a maximum first lien leverage ratio of 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date.

As of June 30, 2026, the Company's interest coverage ratio was 5.05 to 1.0 and the first lien leverage ratio was 3.16 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of June 30, 2026, the Company was in compliance with the financial covenants described above.

Each of the Company's non-recourse securitized term notes and bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the VOCR pool that collateralizes one of the Company's securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of June 30, 2026, all of the Company's securitized loan pools were in compliance with applicable contractual triggers.

### Interest Expense

The Company incurred interest expense of \$59 million and \$115 million during the three and six months ended June 30, 2026 and \$57 million and \$115 million during the three and six months ended June 30, 2025, excluding interest expense associated with non-recourse vacation ownership debt. These amounts include offsets of less than \$1 million of capitalized interest during each period. Cash paid related to such interest was \$124 million and \$115 million for the six months ended June 30, 2026 and 2025.

Interest expense incurred in connection with the Company's non-recourse vacation ownership debt was \$33 million and \$65 million during the three and six months ended June 30, 2026 and \$34 million and \$68 million during the three and six months ended June 30, 2025. These amounts are included within Consumer financing interest on the Condensed Consolidated Statements of Income. Cash paid related to such interest was \$54 million and \$56 million for the six months ended June 30, 2026 and 2025.

## 10. Variable Interest Entities

The Company analyzes its variable interests, including loans, guarantees, interests in special purpose entities ("SPEs"), and equity investments, to determine if an entity in which the Company has a variable interest is a VIE. If the entity is deemed to be a VIE, the Company consolidates those VIEs for which the Company is the primary beneficiary.

### Vacation Ownership Contract Receivables Securitizations

The Company pools qualifying VOCRs and sells them to bankruptcy-remote entities. VOCRs qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. VOCRs are securitized through bankruptcy-remote SPEs that are consolidated within the Company's Condensed Consolidated Financial Statements. As a result, the Company does not recognize gains or losses resulting from these securitizations at the time of sale to the SPEs. Interest income is recognized when earned over the contractual life of the VOCRs. The Company services the securitized VOCRs pursuant to servicing agreements negotiated on an arm's-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing VOCRs from the Company's vacation ownership subsidiaries, (ii) issuing debt securities and/or borrowing under a conduit facility to fund such purchases, and (iii) entering into derivatives to hedge interest rate exposure. The bankruptcy-remote SPEs are legally separate from the Company. The receivables held by the bankruptcy-remote SPEs are not available to creditors of the Company and legally are not assets of the Company. Additionally, the non-recourse debt that is securitized through the SPEs is legally not a liability of the Company and thus, the creditors of these SPEs have no recourse to the Company for principal and interest.

The assets and liabilities of these vacation ownership SPEs are as follows (in millions):

|                                                                         | June 30,<br>2026 | December 31,<br>2025 |
|-------------------------------------------------------------------------|------------------|----------------------|
| Securitized contract receivables, gross <sup>(a)</sup>                  | \$ 2,162         | \$ 2,281             |
| Securitized restricted cash <sup>(b)</sup>                              | 86               | 87                   |
| Interest receivables on securitized contract receivables <sup>(c)</sup> | 17               | 19                   |
| Other assets <sup>(d)</sup>                                             | 14               | 8                    |
| Total SPE assets                                                        | 2,279            | 2,395                |
| Non-recourse term notes <sup>(e) (f)</sup>                              | 1,512            | 1,690                |
| Non-recourse conduit facilities <sup>(e)</sup>                          | 498              | 434                  |
| Other liabilities <sup>(g)</sup>                                        | 3                | 1                    |
| Total SPE liabilities                                                   | 2,013            | 2,125                |
| SPE assets in excess of SPE liabilities                                 | \$ 266           | \$ 270               |

<sup>(a)</sup> Included in Vacation ownership contract receivables, net on the Condensed Consolidated Balance Sheets.

<sup>(b)</sup> Included in Restricted cash on the Condensed Consolidated Balance Sheets.

<sup>(c)</sup> Included in Trade receivables, net on the Condensed Consolidated Balance Sheets.

<sup>(d)</sup> Primarily includes deferred financing costs for the bank conduit facilities and a security investment asset, which are included in Other assets on the Condensed Consolidated Balance Sheets.

<sup>(e)</sup> Included in Non-recourse vacation ownership debt on the Condensed Consolidated Balance Sheets.

<sup>(f)</sup> Includes deferred financing costs of \$21 million and \$23 million as of June 30, 2026 and December 31, 2025, related to non-recourse debt.

<sup>(g)</sup> Primarily includes accrued interest on non-recourse debt, which is included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

In addition, the Company has VOCRs that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were \$1.09 billion and \$1.02 billion as of June 30, 2026 and December 31, 2025.

A summary of total vacation ownership receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows (in millions):

|                                         | June 30,<br>2026 | December 31,<br>2025 |
|-----------------------------------------|------------------|----------------------|
| SPE assets in excess of SPE liabilities | \$ 266           | \$ 270               |
| Non-securitized contract receivables    | 1,087            | 1,020                |
| Less: allowance for loan losses         | 660              | 663                  |
| Total, net                              | <u>\$ 693</u>    | <u>\$ 627</u>        |

## 11. Fair Value

The Company measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Company's derivative instruments currently consist of foreign exchange forward contracts and interest rate caps.

As of June 30, 2026, the Company had foreign exchange contracts resulting in less than \$1 million of assets which are included within Other assets and \$1 million of liabilities which are included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets. On a recurring basis, such assets and liabilities are remeasured at estimated fair value (all of which are Level 2) and thus are equal to the carrying value.

The impact of interest rate caps was immaterial as of both June 30, 2026 and 2025.

For assets and liabilities that are measured using quoted prices in active markets, the fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using other significant observable inputs are valued by reference to similar assets and liabilities. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets and liabilities in active markets. For assets and liabilities that are measured using significant unobservable inputs, fair value is primarily derived using a fair value model, such as a discounted cash flow model.

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, accounts payable, and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

The carrying amounts and estimated fair values of all other financial instruments were as follows (in millions):

|                                                        | June 30, 2026   |                      | December 31, 2025 |                      |
|--------------------------------------------------------|-----------------|----------------------|-------------------|----------------------|
|                                                        | Carrying Amount | Estimated Fair Value | Carrying Amount   | Estimated Fair Value |
| <b>Assets</b>                                          |                 |                      |                   |                      |
| Vacation ownership contract receivables, net (Level 3) | \$ 2,589        | \$ 2,823             | \$ 2,638          | \$ 2,866             |
| <b>Liabilities</b>                                     |                 |                      |                   |                      |
| Debt (Level 2)                                         | \$ 5,710        | \$ 5,681             | \$ 5,598          | \$ 5,612             |

The Company estimates the fair value of its VOCRs using a discounted cash flow model which it believes is comparable to the model that an independent third-party would use in the current market. The model uses Level 3 inputs consisting of default rates, prepayment rates, coupon rates, and loan terms for the contract receivables portfolio as key drivers of risk and relative value that, when applied in combination with pricing parameters, determines the fair value of the underlying contract receivables.

The Company estimates the fair value of its non-recourse vacation ownership debt by obtaining Level 2 inputs comprised of indicative bids from investment banks that actively issue and facilitate the secondary market for timeshare securities. The Company estimates the fair value of its debt, excluding finance leases, using Level 2 inputs based on indicative bids from investment banks and determines the fair value of its secured notes using quoted market prices (such secured notes are not actively traded).

## 12. Derivative Instruments and Hedging Activities

### *Foreign Currency Risk*

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide with particular exposure to the Euro, British pound sterling, Australian and Canadian dollars, and Mexican peso. The Company uses freestanding foreign currency forward contracts to manage a portion of its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, payables, and forecasted earnings of foreign subsidiaries. Additionally, the Company has used foreign currency forward contracts designated as cash flow hedges to manage a portion of its exposure to changes in forecasted foreign currency denominated vendor payments. As of June 30, 2026, the Company had no gains or losses relating to foreign currency contracts designated as cash flow hedges included in Accumulated other comprehensive loss ("AOCL").

### *Interest Rate Risk*

A portion of the debt used to finance the Company's operations is exposed to interest rate fluctuations. The Company periodically uses financial derivatives to strategically adjust its mix of fixed to floating rate debt. The derivative instruments utilized include interest rate swaps which convert fixed rate debt into variable rate debt (i.e. fair value hedges), and interest rate caps (undesignated hedges) to manage the overall interest cost. For relationships designated as fair value hedges, changes in fair value of the derivatives are recorded in income, with offsetting adjustments to the carrying amount of the hedged debt. As of June 30, 2026 and 2025, the Company had no interest rate derivatives designated as fair value or cash flow hedges.

There were no losses on derivatives recognized in AOCL for the three and six months ended June 30, 2026 or 2025.

## 13. Income Taxes

The Company files U.S. federal and state, and foreign income tax returns in jurisdictions with varying statutes of limitations. With few exceptions, the Company is no longer subject to U.S. federal income tax examinations for years prior to 2022 and state and local income tax examinations prior to 2016. In significant foreign jurisdictions, years prior to 2017 are generally no longer subject to income tax examinations by their respective tax authorities.

The Company's effective tax rate was 29.7% and 28.9% for the three months ended June 30, 2026 and 2025; and 28.5% for both the six months ended June 30, 2026 and 2025. The effective tax rate for the three months ended June 30, 2026 was primarily impacted by discrete tax adjustments recorded in the quarter, primarily related to an increase in unrecognized tax benefits. The effective tax rate for the three months ended June 30, 2025 was primarily impacted by an increase in unrecognized tax benefits. The effective tax rate for the six months ended June 30, 2026 was impacted by the excess tax benefit from stock-based compensation offset by an increase in unrecognized tax benefits. The effective tax rate for the six months ended June 30, 2025 was primarily impacted by Pillar Two taxes and an increase in unrecognized tax benefits offset by a decrease in state taxes.

The Company made income tax payments, net of tax refunds, of \$75 million and \$57 million during the six months ended June 30, 2026 and 2025.

#### 14. Leases

The Company leases property and equipment under finance and operating leases for its corporate headquarters, administrative functions, marketing and sales offices, and various other facilities and equipment. For leases with terms greater than 12 months, the Company records the related asset and obligation at the present value of lease payments over the term. Many of its leases include rental escalation clauses, lease incentives, renewal options and/or termination options that are factored into the Company's determination of lease payments. The Company elected the hindsight practical expedient to determine the reasonably certain lease term for existing leases. The Company also made an accounting policy election to keep leases with an initial term of 12 months or less off the balance sheet and recognize the associated lease payments on a straight-line basis over the lease term in the Condensed Consolidated Statements of Income.

When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of its leases do not provide a readily determinable implicit rate. Therefore, the Company must estimate its incremental borrowing rate to discount the lease payments based on information available at lease commencement. The majority of the Company's leases have remaining lease terms of one to 20 years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within one year.

The table below presents information related to the lease costs for finance and operating leases (in millions):

|                                     | Three Months Ended<br>June 30, |      | Six Months Ended<br>June 30, |       |
|-------------------------------------|--------------------------------|------|------------------------------|-------|
|                                     | 2026                           | 2025 | 2026                         | 2025  |
| Operating lease cost                | \$ 5                           | \$ 5 | \$ 9                         | \$ 10 |
| Short-term lease cost               | \$ 4                           | \$ 3 | \$ 7                         | \$ 7  |
| Finance lease cost:                 |                                |      |                              |       |
| Amortization of right-of-use assets | \$ 3                           | \$ 3 | \$ 5                         | \$ 5  |
| Interest on lease liabilities       | —                              | —    | 1                            | 1     |
| Total finance lease cost            | \$ 3                           | \$ 3 | \$ 6                         | \$ 6  |

The table below presents the lease-related assets and liabilities recorded on the Condensed Consolidated Balance Sheets:

|                                               | Balance Sheet Classification           | June 30,<br>2026 | December 31, 2025 |
|-----------------------------------------------|----------------------------------------|------------------|-------------------|
| <b>Operating leases (in millions):</b>        |                                        |                  |                   |
| Operating lease right-of-use assets           | Other assets                           | \$ 82            | \$ 85             |
| Operating lease liabilities                   | Accrued expenses and other liabilities | \$ 131           | \$ 136            |
| <b>Finance leases (in millions):</b>          |                                        |                  |                   |
| Finance lease assets <sup>(a)</sup>           | Property and equipment, net            | \$ 24            | \$ 19             |
| Finance lease liabilities                     | Debt                                   | \$ 23            | \$ 18             |
| <b>Weighted average remaining lease term:</b> |                                        |                  |                   |
| Operating leases                              |                                        | 9.0 years        | 9.6 years         |
| Finance leases                                |                                        | 3.1 years        | 2.4 years         |
| <b>Weighted average discount rate:</b>        |                                        |                  |                   |
| Operating leases <sup>(b)</sup>               |                                        | 6.3 %            | 6.3 %             |
| Finance leases                                |                                        | 6.0 %            | 6.1 %             |

<sup>(a)</sup> Presented net of accumulated depreciation.

<sup>(b)</sup> Upon adoption of the lease standard, discount rates used for existing leases were established at January 1, 2019.

The table below presents supplemental cash flow information related to leases (in millions):

|                                                                                | Six Months Ended<br>June 30, |       |
|--------------------------------------------------------------------------------|------------------------------|-------|
|                                                                                | 2026                         | 2025  |
| <b>Cash paid for amounts included in the measurement of lease liabilities:</b> |                              |       |
| Operating cash outflows from operating leases                                  | \$ 14                        | \$ 15 |
| Operating cash outflows from finance leases                                    | \$ 1                         | \$ 1  |
| Financing cash outflows from finance leases                                    | \$ 5                         | \$ 6  |
| <b>Right-of-use assets obtained in exchange for lease obligations:</b>         |                              |       |
| Operating leases                                                               | \$ 8                         | \$ 13 |
| Finance leases                                                                 | \$ 10                        | \$ 3  |

The table below presents maturities of lease liabilities as of June 30, 2026 (in millions):

|                                                | Operating Leases | Finance Leases |
|------------------------------------------------|------------------|----------------|
| Six months ending December 31, 2026            | \$ 15            | \$ 6           |
| 2027                                           | 27               | 9              |
| 2028                                           | 24               | 5              |
| 2029                                           | 21               | 3              |
| 2030                                           | 13               | 2              |
| Thereafter                                     | 84               | 1              |
| Total minimum lease payments                   | 184              | 26             |
| Amount of lease payments representing interest | (53)             | (3)            |
| Present value of future minimum lease payments | \$ 131           | \$ 23          |

## 15. Commitments and Contingencies

The Company is involved in claims, legal and regulatory proceedings, and governmental inquiries related to its business, none of which, in the opinion of management, is expected to have a material effect on the Company's results of operations or financial condition.

### *Travel + Leisure Co. Litigation*

The Company may be from time to time involved in claims, legal and regulatory proceedings, and governmental inquiries arising in the ordinary course of its business including, but not limited to: for its Vacation Ownership business — breach of contract, bad faith, conflict of interest, fraud, consumer protection and other statutory claims by property owners' associations, owners and prospective owners in connection with the sale or use of VOIs or land, or the management of vacation ownership resorts; construction defect claims relating to vacation ownership units or resorts or in relation to guest reservations and bookings; and negligence, breach of contract, fraud, consumer protection and other statutory claims by guests and other consumers for alleged injuries sustained at or acts or occurrences related to vacation ownership units or resorts or in relation to guest reservations and bookings; for its Travel and Membership business — breach of contract, fraud and bad faith claims by affiliates and customers in connection with their respective agreements, negligence, breach of contract, fraud, consumer protection and other statutory claims asserted by members, guests and other consumers for alleged injuries sustained at or acts or occurrences related to affiliated resorts, or in relation to guest reservations and bookings; and for each of its businesses, bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters including but not limited to, claims of wrongful termination, retaliation, discrimination, harassment and wage and hour claims, whistleblower claims, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, fiduciary duty/trust claims, tax claims, environmental claims, and landlord/tenant disputes.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel where appropriate, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the Company's ability to make a reasonable estimate of loss. The Company reviews these accruals each fiscal quarter and makes revisions based on changes in facts and circumstances including changes to its strategy in dealing with these matters. The Company believes that it has adequately accrued for such matters with reserves of \$3 million and \$2 million as of June 30, 2026 and December 31, 2025.

Litigation

is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. As of June 30, 2026, it is estimated that the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to \$22 million in excess of recorded accruals. Such accruals are exclusive of matters relating to the Company's separation from the Company's former parent Avis Budget Group, Inc. ("ABG"), formerly Cendant Corporation, matters relating to the spin-off of Wyndham Hotels & Resorts, Inc. ("Spin-off"), and matters relating to the sale of the vacation rentals businesses, which are discussed in Note 21—*Transactions with Former Parent and Former Subsidiaries*. However, the Company does not believe that the impact of such litigation should result in a material liability to the Company in relation to its consolidated financial position and/or liquidity.

For matters deemed reasonably possible, therefore not requiring accrual, the Company believes that such matters will not have a material effect on its results of operations, financial position, or cash flows based on information currently available.

In addition to the items listed above, the Company has reached an agreement in principle with the SEC Staff to settle an inquiry relating to its disclosures regarding certain delinquent and defaulted loans that the Company agreed to rescind in 2019 and 2020. The proposed settlement is subject to approval by the SEC. Until it is approved, there can be no assurance that the matter will ultimately be resolved on terms acceptable to the Company and the SEC. The proposed settlement, which would be entered into on a neither admit nor deny basis, involves non-scienter-based violations of the federal securities laws by the Company and a civil monetary penalty of \$975,000. Such amount has been accrued within Accrued expenses and other liabilities on the Condensed Consolidated Balance sheets as of both June 30, 2026 and December 31, 2025.

## **GUARANTEES/INDEMNIFICATIONS**

### ***Standard Guarantees/Indemnifications***

In the ordinary course of business, the Company enters into agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for specified breaches of, or third-party claims relating to, an underlying agreement. Such underlying agreements are typically entered into by one of the Company's subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, customer data safeguards, access to credit facilities, derivatives, and issuances of debt securities. Also in the ordinary course of business, the Company provides corporate guarantees for its operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. The Company is not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases, the Company receives offsetting indemnifications from third-parties and/or maintains insurance coverage that may mitigate any potential payments.

### ***Other Guarantees and Indemnifications***

For information on guarantees and indemnifications related to the Company's former parent and subsidiaries see Note 21—*Transactions with Former Parent and Former Subsidiaries*.

## 16. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows (in millions):

|                                   | Foreign Currency<br>Translation<br>Adjustments | Defined Benefit<br>Pension Plans | Accumulated Other<br>Comprehensive Loss |
|-----------------------------------|------------------------------------------------|----------------------------------|-----------------------------------------|
| <b>Pretax</b>                     |                                                |                                  |                                         |
| Balance, December 31, 2025        | \$ (164)                                       | \$ 1                             | \$ (163)                                |
| Other comprehensive income/(loss) | 3                                              | (1)                              | 2                                       |
| Balance, June 30, 2026            | <u>\$ (161)</u>                                | <u>\$ —</u>                      | <u>\$ (161)</u>                         |
| <b>Tax</b>                        |                                                |                                  |                                         |
| Balance, December 31, 2025        | \$ 97                                          | \$ —                             | \$ 97                                   |
| Other comprehensive income/(loss) | —                                              | —                                | —                                       |
| Balance, June 30, 2026            | <u>\$ 97</u>                                   | <u>\$ —</u>                      | <u>\$ 97</u>                            |
| <b>Net of Tax</b>                 |                                                |                                  |                                         |
| Balance, December 31, 2025        | \$ (67)                                        | \$ 1                             | \$ (66)                                 |
| Other comprehensive income/(loss) | 3                                              | (1)                              | 2                                       |
| Balance, June 30, 2026            | <u>\$ (64)</u>                                 | <u>\$ —</u>                      | <u>\$ (64)</u>                          |

  

|                            | Foreign Currency<br>Translation<br>Adjustments | Defined Benefit<br>Pension Plans | Accumulated Other<br>Comprehensive Loss |
|----------------------------|------------------------------------------------|----------------------------------|-----------------------------------------|
| <b>Pretax</b>              |                                                |                                  |                                         |
| Balance, December 31, 2024 | \$ (210)                                       | \$ 1                             | \$ (209)                                |
| Other comprehensive income | 46                                             | —                                | 46                                      |
| Balance, June 30, 2025     | <u>\$ (164)</u>                                | <u>\$ 1</u>                      | <u>\$ (163)</u>                         |
| <b>Tax</b>                 |                                                |                                  |                                         |
| Balance, December 31, 2024 | \$ 97                                          | \$ —                             | \$ 97                                   |
| Other comprehensive income | —                                              | —                                | —                                       |
| Balance, June 30, 2025     | <u>\$ 97</u>                                   | <u>\$ —</u>                      | <u>\$ 97</u>                            |
| <b>Net of Tax</b>          |                                                |                                  |                                         |
| Balance, December 31, 2024 | \$ (113)                                       | \$ 1                             | \$ (112)                                |
| Other comprehensive income | 46                                             | —                                | 46                                      |
| Balance, June 30, 2025     | <u>\$ (67)</u>                                 | <u>\$ 1</u>                      | <u>\$ (66)</u>                          |

Foreign currency translation adjustments exclude income taxes related to investments in foreign subsidiaries where the Company intends to reinvest the undistributed earnings indefinitely in those foreign operations.

The Company's policy for releasing disproportionate income tax effects from AOCL utilizes the aggregate approach.

There were no reclassifications out of AOCL for the six months ended June 30, 2026 or 2025.

## 17. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, PSUs, stock-settled appreciation rights, NQs, and other stock-based awards to key employees, non-employee directors, advisors, and consultants.

Under the Amended and Restated 2006 Equity Incentive Plan, a maximum of 15.7 million shares of common stock may be awarded. As of June 30, 2026, based on the number of awards granted at target performance levels, 9.0 million shares remained available.

### *Incentive Equity Awards Granted by the Company*

During the six months ended June 30, 2026, the Company granted incentive equity awards to key employees and senior officers of \$48 million in the form of RSUs and \$20 million in the form of PSUs, based on target performance. Of these

awards, the majority of RSUs will vest ratably over a period of four years and the majority of the PSUs will cliff vest on the third anniversary of the grant date, contingent upon the Company achieving certain performance metrics, with a maximum vesting of 200%.

During the six months ended June 30, 2025, the Company granted incentive equity awards to key employees and senior officers of \$38 million in the form of RSUs and \$10 million in the form of PSUs, contingent upon the Company achieving certain performance metrics, with a maximum vesting of 200%.

The activity related to incentive equity awards granted by the Company to key employees and senior officers for the six months ended June 30, 2026, consisted of the following (in millions, except grant prices):

|                              | Balance, December<br>31, 2025 | Granted  | Performance<br>Adjustment <sup>(a)</sup> | Vested / Exercised<br><sup>(b)</sup> | Cancelled /<br>Forfeited <sup>(c)</sup> | Balance, June 30,<br>2026 |
|------------------------------|-------------------------------|----------|------------------------------------------|--------------------------------------|-----------------------------------------|---------------------------|
| <b>RSUs</b>                  |                               |          |                                          |                                      |                                         |                           |
| Number of RSUs               | 1.7                           | 0.7      | —                                        | (0.6)                                | —                                       | 1.8 <sup>(d)</sup>        |
| Weighted average grant price | \$ 49.64                      | \$ 71.47 | \$ —                                     | \$ 48.24                             | \$ —                                    | \$ 58.28                  |
| <b>PSUs</b>                  |                               |          |                                          |                                      |                                         |                           |
| Number of PSUs               | 0.9                           | 0.3      | (0.3)                                    | (0.2)                                | —                                       | 0.7 <sup>(e)</sup>        |
| Weighted average grant price | \$ 46.08                      | \$ 71.50 | \$ 43.33                                 | \$ 42.18                             | \$ —                                    | \$ 58.64                  |
| <b>NQs</b>                   |                               |          |                                          |                                      |                                         |                           |
| Number of NQs                | 0.9                           | —        | —                                        | (0.1)                                | —                                       | 0.8 <sup>(f)</sup>        |
| Weighted average grant price | \$ 43.97                      | \$ —     | \$ —                                     | \$ 44.38                             | \$ —                                    | \$ 43.91                  |

<sup>(a)</sup> Represents a reduction to shares awarded as the Company did not achieve the target performance metrics at the end of the associated performance period.

<sup>(b)</sup> Upon exercise of NQs and vesting of RSUs and PSUs, the Company issues new shares to participants.

<sup>(c)</sup> The Company recognizes cancellations and forfeitures as they occur.

<sup>(d)</sup> Aggregate unrecognized compensation expense related to RSUs was \$82 million as of June 30, 2026, which is expected to be recognized over a weighted average period of 2.8 years.

<sup>(e)</sup> The aggregate unrecognized compensation expense related to PSUs was \$36 million as of June 30, 2026, which is expected to be recognized over a weighted average period of 2.2 years.

<sup>(f)</sup> There were 0.8 million NQs which were exercisable as of June 30, 2026. These exercisable NQs will expire over a weighted average period of 3.8 years and carry a weighted average grant date fair value of \$9.10. There was no unrecognized compensation expense for NQs as of June 30, 2026.

The Company did not grant any stock options during the six months ended June 30, 2026 or 2025. The fair value of stock options granted by the Company prior to 2025 was estimated on the date of grant using the Black-Scholes option-pricing model with the relevant weighted average assumptions. Expected volatility was based on both historical and implied volatilities of the Company's stock and the stock of comparable companies over the estimated expected life for options. The expected life represented the period of time these awards were expected to be outstanding. The risk-free interest rate was based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the options. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

The Company received \$5 million and \$2 million from option exercises during the six months ended June 30, 2026 and 2025. The total intrinsic value of options exercised was \$5 million and \$1 million during the six months ended June 30, 2026 and 2025. The vest date fair value of shares that vested during the six months ended June 30, 2026 and 2025 was \$41 million and \$50 million.

#### **Stock-Based Compensation Expense**

The Company recorded stock-based compensation expense of \$15 million and \$28 million during the three and six months ended June 30, 2026, and \$12 million and \$26 million during the three and six months ended June 30, 2025 related to incentive equity awards granted to key employees, senior officers, and non-employee directors. During the six months

ended June 30, 2026 and 2025, the Company recognized \$8 million and \$7 million of tax benefits associated with stock-based compensation.

The Company paid \$17 million and \$13 million of taxes for the net share settlement of incentive equity awards that vested during the six months ended June 30, 2026 and 2025. Such amounts are included within Financing activities on the Condensed Consolidated Statements of Cash Flows.

#### ***Employee Stock Purchase Plan***

The Company has an employee stock purchase plan which allows eligible employees to purchase common shares of Company stock through payroll deductions at a 10% discount off the fair market value at the grant date. The Company issued 0.1 million shares under this plan during both the six months ended June 30, 2026 and 2025 and recognized \$1 million of compensation expense for each of these issuances. The purchase date fair value of shares issued under this plan was \$6 million and \$5 million during the six months ended June 30, 2026 and 2025.

### **18. Segment Information**

The Company has two reportable segments: Vacation Ownership and Travel and Membership. In identifying its reportable segments the Company analyzed the components of each segment, the nature of the segments' products and services, and prescribed quantitative thresholds. Based on this analysis the Company aggregates two geographical operating segments within the Vacation Ownership reportable segment and two operating segments within the Travel and Membership reportable segment.

The Vacation Ownership segment develops, markets, and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. This segment is wholly comprised of the Vacation Ownership business line. The Travel and Membership segment operates a variety of travel businesses, including vacation exchange brands, travel technology platforms, travel memberships, and direct-to-consumer rentals. This segment is comprised of the Exchange and Travel Club business lines.

The financial results of these reportable segments are regularly reviewed by the Company's Chief Executive Officer ("CEO") to evaluate performance and allocate resources. Since the Company's CEO makes key operating and resource allocation decisions, the CEO is considered the Company's chief operating decision maker ("CODM").

Adjusted EBITDA is the profitability measure utilized by the CODM to assess the performance of the reportable segments through comparisons to budgets, forecasts, prior periods, and trends. This analysis is used to make certain decisions regarding the allocation of capital and personnel to the segments.

Adjusted EBITDA is defined by the Company as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction and integration costs associated with mergers, acquisitions, and divestitures, asset impairments/recoveries and inventory write-downs associated with the Company's resort optimization initiative, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels") and ABG, and the sale of the vacation rentals businesses. Integration costs represent certain non-recurring costs directly incurred to integrate mergers and/or acquisitions into the existing business. The Company excludes these costs as they do not reflect recurring operating expenses. The Company believes that Adjusted EBITDA is a useful measure of performance for its segments which, when considered with GAAP measures, gives a more complete understanding of its operating performance. The Company's presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

The following tables present the Company's segment information (in millions):

| Net revenues                                                        | Three Months Ended June 30, 2026 |                       |                                         |
|---------------------------------------------------------------------|----------------------------------|-----------------------|-----------------------------------------|
|                                                                     | Vacation Ownership               | Travel and Membership | Total                                   |
| Revenues from external customers                                    | \$ 907 <sup>(a)</sup>            | \$ 156                | \$ 1,063                                |
| Intersegment revenues                                               | —                                | 1                     | 1                                       |
|                                                                     | 907                              | 157                   | 1,064                                   |
| <i>Reconciliation of revenues</i>                                   |                                  |                       |                                         |
| Elimination of intersegment revenues                                |                                  |                       | (1)                                     |
| <b>Total consolidated revenues</b>                                  |                                  |                       | <b>\$ 1,063</b>                         |
| Less:                                                               |                                  |                       |                                         |
| Property management expense                                         | 180                              | — <sup>(b)</sup>      |                                         |
| Marketing                                                           | 132 <sup>(c)</sup>               | 9                     |                                         |
| Commissions                                                         | 121                              | — <sup>(b)</sup>      |                                         |
| General and administrative <sup>(d)</sup>                           | 65                               | 23                    |                                         |
| Sales administration                                                | 58                               | — <sup>(b)</sup>      |                                         |
| Consumer financing interest                                         | 33                               | — <sup>(b)</sup>      |                                         |
| Licensing fees                                                      | 30                               | — <sup>(b)</sup>      |                                         |
| Cost of sales                                                       | 23 <sup>(e)</sup>                | 50                    |                                         |
| Fee-for-Service expenses                                            | 7                                | — <sup>(b)</sup>      |                                         |
| Developer obligations <sup>(f)</sup>                                | 1                                | — <sup>(b)</sup>      |                                         |
| Contact center                                                      | — <sup>(b)</sup>                 | 18                    |                                         |
| Resort services                                                     | — <sup>(b)</sup>                 | 8                     |                                         |
| Other segment items <sup>(g)</sup>                                  | 10                               | —                     |                                         |
| Reportable segment Adjusted EBITDA                                  | \$ 247                           | \$ 49                 | \$ 296                                  |
| Other Adjusted EBITDA                                               |                                  |                       | (27)                                    |
| <b>Adjusted EBITDA</b>                                              |                                  |                       | <b>\$ 269</b>                           |
|                                                                     |                                  |                       | <b>Three Months Ended June 30, 2026</b> |
| <i>Reconciliation of Adjusted EBITDA</i>                            |                                  |                       | <b>Total</b>                            |
| <b>Adjusted EBITDA</b>                                              |                                  |                       | <b>\$ 269</b>                           |
| Interest expense <sup>(h)</sup>                                     |                                  |                       | (59)                                    |
| Depreciation and amortization                                       |                                  |                       | (32)                                    |
| Stock-based compensation                                            |                                  |                       | (15)                                    |
| Inventory write-downs and asset impairments <sup>(i)</sup>          |                                  |                       | (6)                                     |
| Acquisition and divestiture related deal costs                      |                                  |                       | (1)                                     |
| Legacy items                                                        |                                  |                       | 1                                       |
| Interest income                                                     |                                  |                       | 2                                       |
| Other <sup>(i)</sup>                                                |                                  |                       | (4)                                     |
| <b>Income before income taxes</b>                                   |                                  |                       | <b>155</b>                              |
| Provision for income taxes                                          |                                  |                       | (46)                                    |
| <b>Net income attributable to Travel + Leisure Co. shareholders</b> |                                  |                       | <b>\$ 109</b>                           |

(a) Includes \$141 million provision for loan losses, net.

(b) Expense category not regularly provided to the CODM for this segment.

(c) Excludes licensing fees which are reported within Marketing on the Condensed Consolidated Statements of Income, as it is separately disclosed.

(d) Excludes stock-based compensation and legacy items which are not included in the determination of Adjusted EBITDA.

(e) Represents Cost of vacation ownership interests on the Condensed Consolidated Statements of Income. Excludes \$6 million of inventory write-downs and impairments which are not included in the determination of Adjusted EBITDA.

(f) Represents maintenance fees incurred by the Company for unsold VOIs, net of monetization.

(g) Includes expenses for VOI travel packages, VOI incentives, and professional fees reported within Operating expenses, and other non-operating income/expense items included in the determination of Adjusted EBITDA such as dividend income and asset sales.

(h) Includes \$2 million of debt modification costs associated with the refinancing of the \$650 million 6.625% secured notes which were due July 2026.

(i) Includes \$6 million of inventory write-downs and impairments related to the Company's resort optimization initiative included in Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.

- (i) Includes \$3 million of resort closure and employee related costs associated with the resort optimization initiative included within Operating expense on the Condensed Consolidated Statements of Income and \$1 million of other items that meet the conditions of unusual and/or infrequent.

|                                                                     | Three Months Ended June 30, 2025 |                       |                                         |
|---------------------------------------------------------------------|----------------------------------|-----------------------|-----------------------------------------|
|                                                                     | Vacation Ownership               | Travel and Membership | Total                                   |
| <b>Net revenues</b>                                                 |                                  |                       |                                         |
| Revenues from external customers                                    | \$ 853 <sup>(a)</sup>            | \$ 164                | \$ 1,017                                |
| Intersegment revenues                                               | —                                | 2                     | 2                                       |
|                                                                     | 853                              | 166                   | 1,019                                   |
| <i>Reconciliation of revenues</i>                                   |                                  |                       |                                         |
| Other revenues <sup>(b)</sup>                                       |                                  |                       | 1                                       |
| Elimination of intersegment revenues                                |                                  |                       | (2)                                     |
| <b>Total consolidated revenues</b>                                  |                                  |                       | <b>\$ 1,018</b>                         |
| <b>Less:</b>                                                        |                                  |                       |                                         |
| Property management expense                                         | 167                              | — <sup>(c)</sup>      |                                         |
| Marketing                                                           | 114 <sup>(d)</sup>               | 11                    |                                         |
| Commissions                                                         | 112                              | — <sup>(c)</sup>      |                                         |
| General and administrative <sup>(e)</sup>                           | 57                               | 23                    |                                         |
| Sales administration                                                | 53                               | — <sup>(c)</sup>      |                                         |
| Consumer financing interest                                         | 34                               | — <sup>(c)</sup>      |                                         |
| Licensing fees                                                      | 27                               | — <sup>(c)</sup>      |                                         |
| Developer obligations <sup>(f)</sup>                                | 23                               | — <sup>(c)</sup>      |                                         |
| Cost of sales                                                       | 21 <sup>(g)</sup>                | 49                    |                                         |
| Fee-for-Service expenses                                            | 17                               | — <sup>(c)</sup>      |                                         |
| Contact center                                                      | — <sup>(c)</sup>                 | 18                    |                                         |
| Resort services                                                     | — <sup>(c)</sup>                 | 8                     |                                         |
| Other segment items <sup>(h)</sup>                                  | 10                               | 2                     |                                         |
| Reportable segment Adjusted EBITDA                                  | \$ 218                           | \$ 55                 | \$ 273                                  |
| Other Adjusted EBITDA                                               |                                  |                       | (23)                                    |
| <b>Adjusted EBITDA</b>                                              |                                  |                       | <b>\$ 250</b>                           |
|                                                                     |                                  |                       |                                         |
|                                                                     |                                  |                       | <b>Three Months Ended June 30, 2025</b> |
|                                                                     |                                  |                       | <b>Total</b>                            |
| <i>Reconciliation of Adjusted EBITDA</i>                            |                                  |                       |                                         |
| <b>Adjusted EBITDA</b>                                              |                                  |                       | <b>\$ 250</b>                           |
| Interest expense                                                    |                                  |                       | (57)                                    |
| Depreciation and amortization                                       |                                  |                       | (31)                                    |
| Stock-based compensation                                            |                                  |                       | (12)                                    |
| Asset impairments, net                                              |                                  |                       | (1)                                     |
| Legacy items                                                        |                                  |                       | 1                                       |
| Interest income                                                     |                                  |                       | 2                                       |
| <b>Income before income taxes</b>                                   |                                  |                       | <b>152</b>                              |
| Provision for income taxes                                          |                                  |                       | (44)                                    |
| <b>Net income attributable to Travel + Leisure Co. shareholders</b> |                                  |                       | <b>\$ 108</b>                           |

(a) Includes \$128 million provision for loan losses, net.

(b) Represents revenue recognized at the Company's Corporate and other segment for managing an insurance program on behalf of homeowners associations.

(c) Expense category not regularly provided to the CODM for this segment.

(d) Excludes licensing fees which are reported within Marketing on the Condensed Consolidated Statements of Income, as it is separately disclosed.

(e) Excludes stock-based compensation and legacy items which are not included in the determination of Adjusted EBITDA.

(f) Represents maintenance fees incurred by the Company for unsold VOIs, net of monetization.

(g) Represents Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.

(h) Includes expenses for VOI travel packages, VOI incentives, and professional fees reported within Operating expenses, and other non-operating income/expense items included in the determination of Adjusted EBITDA such as dividend income.

| Net revenues                                                        | Six Months Ended June 30, 2026 |                       |                                       |
|---------------------------------------------------------------------|--------------------------------|-----------------------|---------------------------------------|
|                                                                     | Vacation Ownership             | Travel and Membership | Total                                 |
| Revenues from external customers                                    | \$ 1,705 <sup>(a)</sup>        | \$ 318                | \$ 2,023                              |
| Intersegment revenues                                               | —                              | 3                     | 3                                     |
|                                                                     | 1,705                          | 321                   | 2,026                                 |
| Reconciliation of revenues                                          |                                |                       |                                       |
| Other revenues <sup>(b)</sup>                                       |                                |                       | 1                                     |
| Elimination of intersegment revenues                                |                                |                       | (3)                                   |
| <b>Total consolidated revenues</b>                                  |                                |                       | <b>\$ 2,024</b>                       |
| Less:                                                               |                                |                       |                                       |
| Property management expense                                         | 353                            | — <sup>(c)</sup>      |                                       |
| Marketing                                                           | 241 <sup>(d)</sup>             | 18                    |                                       |
| Commissions                                                         | 221                            | — <sup>(c)</sup>      |                                       |
| General and administrative <sup>(e)</sup>                           | 127                            | 45                    |                                       |
| Sales administration                                                | 116                            | — <sup>(c)</sup>      |                                       |
| Consumer financing interest                                         | 65                             | — <sup>(c)</sup>      |                                       |
| Licensing fees                                                      | 55                             | — <sup>(c)</sup>      |                                       |
| Cost of sales                                                       | 38 <sup>(f)</sup>              | 97                    |                                       |
| Developer obligations <sup>(g)</sup>                                | 20                             | — <sup>(c)</sup>      |                                       |
| Fee-for-Service expenses                                            | 14                             | — <sup>(c)</sup>      |                                       |
| Contact center                                                      | — <sup>(c)</sup>               | 35                    |                                       |
| Resort services                                                     | — <sup>(c)</sup>               | 16                    |                                       |
| Other segment items <sup>(h)</sup>                                  | 17                             | 2                     |                                       |
| Reportable segment Adjusted EBITDA                                  | \$ 438                         | \$ 108                | \$ 546                                |
| Other Adjusted EBITDA                                               |                                |                       | (52)                                  |
| <b>Adjusted EBITDA</b>                                              |                                |                       | <b>\$ 494</b>                         |
|                                                                     |                                |                       | <b>Six Months Ended June 30, 2026</b> |
|                                                                     |                                |                       | <b>Total</b>                          |
| <i>Reconciliation of Adjusted EBITDA</i>                            |                                |                       |                                       |
| <b>Adjusted EBITDA</b>                                              |                                |                       | <b>\$ 494</b>                         |
| Interest expense <sup>(i)</sup>                                     |                                |                       | (115)                                 |
| Depreciation and amortization                                       |                                |                       | (64)                                  |
| Stock-based compensation                                            |                                |                       | (29)                                  |
| Inventory write-downs and asset impairments <sup>(i)</sup>          |                                |                       | (25)                                  |
| Acquisition and divestiture related deal costs                      |                                |                       | (1)                                   |
| Restructuring                                                       |                                |                       | 2                                     |
| Legacy items                                                        |                                |                       | 5                                     |
| Interest income                                                     |                                |                       | 5                                     |
| Other <sup>(k)</sup>                                                |                                |                       | (9)                                   |
| <b>Income before income taxes</b>                                   |                                |                       | <b>263</b>                            |
| Provision for income taxes                                          |                                |                       | (75)                                  |
| <b>Net income attributable to Travel + Leisure Co. shareholders</b> |                                |                       | <b>\$ 188</b>                         |

<sup>(a)</sup> Includes \$241 million provision for loan losses, net.

<sup>(b)</sup> Represents revenue recognized at the Company's Corporate and other segment for managing an insurance program on behalf of homeowners associations.

<sup>(c)</sup> Expense category not regularly provided to the CODM for this segment.

<sup>(d)</sup> Excludes licensing fees which are reported within Marketing on the Condensed Consolidated Statements of Income, as it is separately disclosed.

<sup>(e)</sup> Excludes stock-based compensation and legacy items which are not included in the determination of Adjusted EBITDA.

<sup>(f)</sup> Represents Cost of vacation ownership interests on the Condensed Consolidated Statements of Income. Excludes \$25 million of inventory impairments for the six months ended June 30, 2026, which are not included in the determination of Adjusted EBITDA.

<sup>(g)</sup> Represents maintenance fees incurred by the Company for unsold VOIs, net of monetization.

- (h) Includes expenses for VOI travel packages, VOI incentives, and professional fees reported within Operating expenses, and other non-operating income/expense items included in the determination of Adjusted EBITDA such as dividend income and asset sales.
- (i) Includes \$2 million of debt modification costs associated with the refinancing of the \$650 million 6.625% secured notes which were due July 2026.
- (j) Includes \$25 million of inventory impairments and write-downs related to the Company's resort optimization initiative for the six months ended June 30, 2026, included in Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.
- (k) Includes \$8 million of resort closure and employee related costs associated with the resort optimization initiative included within Operating expense on the Condensed Consolidated Statements of Income and \$1 million of other items that meet the conditions of unusual and/or infrequent.

| Net revenues                                                        | Six Months Ended June 30, 2025 |                       |                                       |
|---------------------------------------------------------------------|--------------------------------|-----------------------|---------------------------------------|
|                                                                     | Vacation Ownership             | Travel and Membership | Total                                 |
| Revenues from external customers                                    | \$ 1,609 <sup>(a)</sup>        | \$ 341                | \$ 1,950                              |
| Intersegment revenues                                               | —                              | 4                     | 4                                     |
|                                                                     | 1,609                          | 345                   | 1,954                                 |
| Reconciliation of revenues                                          |                                |                       |                                       |
| Other revenues <sup>(b)</sup>                                       |                                |                       | 1                                     |
| Elimination of intersegment revenues                                |                                |                       | (4)                                   |
| <b>Total consolidated revenues</b>                                  |                                |                       | <b>\$ 1,951</b>                       |
| Less:                                                               |                                |                       |                                       |
| Property management expense                                         | 340                            | — <sup>(c)</sup>      |                                       |
| Marketing                                                           | 207 <sup>(d)</sup>             | 21                    |                                       |
| Commissions                                                         | 201                            | — <sup>(c)</sup>      |                                       |
| General and administrative <sup>(e)</sup>                           | 116                            | 46                    |                                       |
| Sales administration                                                | 105                            | — <sup>(c)</sup>      |                                       |
| Consumer financing interest                                         | 68                             | — <sup>(c)</sup>      |                                       |
| Developer obligations <sup>(f)</sup>                                | 59                             | — <sup>(c)</sup>      |                                       |
| Licensing fees                                                      | 48                             | — <sup>(c)</sup>      |                                       |
| Cost of sales                                                       | 45 <sup>(g)</sup>              | 100                   |                                       |
| Fee-for-Service expenses                                            | 27                             | — <sup>(c)</sup>      |                                       |
| Contact center                                                      | — <sup>(c)</sup>               | 36                    |                                       |
| Resort services                                                     | — <sup>(c)</sup>               | 16                    |                                       |
| Other segment items <sup>(h)</sup>                                  | 15                             | 3                     |                                       |
| Reportable segment Adjusted EBITDA                                  | \$ 378                         | \$ 123                | \$ 501                                |
| Other Adjusted EBITDA                                               |                                |                       | (49)                                  |
| <b>Adjusted EBITDA</b>                                              |                                |                       | <b>\$ 452</b>                         |
|                                                                     |                                |                       | <b>Six Months Ended June 30, 2025</b> |
|                                                                     |                                |                       | <b>Total</b>                          |
| <b>Adjusted EBITDA</b>                                              |                                |                       | <b>\$ 452</b>                         |
| Interest expense                                                    |                                |                       | (115)                                 |
| Depreciation and amortization                                       |                                |                       | (61)                                  |
| Stock-based compensation                                            |                                |                       | (26)                                  |
| Asset impairments, net                                              |                                |                       | (1)                                   |
| Interest income                                                     |                                |                       | 4                                     |
| <b>Income before income taxes</b>                                   |                                |                       | <b>253</b>                            |
| Provision for income taxes                                          |                                |                       | (72)                                  |
| <b>Net income attributable to Travel + Leisure Co. shareholders</b> |                                |                       | <b>\$ 181</b>                         |

(a) Includes \$219 million provision for loan losses, net.

(b) Represents revenue recognized at the Company's Corporate and other segment for managing an insurance program on behalf of homeowners associations.

(c) Expense category not regularly provided to the CODM for this segment.

(d) Excludes licensing fees which are reported within Marketing on the Condensed Consolidated Statements of Income, as it is separately disclosed.

(e) Excludes stock-based compensation and legacy items which are not included in the determination of Adjusted EBITDA.

- (f) Represents maintenance fees incurred by the Company for unsold VOIs, net of monetization.  
 (g) Represents Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.  
 (h) Includes expenses for VOI travel packages, VOI incentives, and professional fees reported within Operating expenses, and other non-operating income/expense items included in the determination of Adjusted EBITDA such as dividend income and asset sales.

|                                      | Six Months Ended<br>June 30, |                   |
|--------------------------------------|------------------------------|-------------------|
|                                      | 2026                         | 2025              |
| <b>Capital Expenditures</b>          |                              |                   |
| Vacation Ownership                   | \$ 28                        | \$ 28             |
| Travel and Membership                | 9                            | 8                 |
| Total reportable segments            | 37                           | 36                |
| Corporate and other                  | 7                            | 22                |
| Total Company                        | \$ 44                        | \$ 58             |
|                                      |                              |                   |
|                                      | June 30,<br>2026             | December 31, 2025 |
|                                      |                              |                   |
| <b>Segment Assets <sup>(a)</sup></b> |                              |                   |
| Vacation Ownership                   | \$ 5,090                     | \$ 5,022          |
| Travel and Membership                | 1,314                        | 1,334             |
| Total reportable segments            | 6,404                        | 6,356             |
| Corporate and other                  | 492                          | 404               |
| Total Company                        | \$ 6,896                     | \$ 6,760          |

(a) Excludes investment in consolidated subsidiaries.

## 19. Impairments and other charges

In connection with the resort optimization initiative discussed in Note 20—*Restructuring*, the Company incurred \$6 million and \$25 million of inventory write-downs and impairments at its Vacation Ownership segment during the three and six months ended June 30, 2026 associated with the removal of certain identified resorts from the Company's portfolio and agreements to supply replacement inventory to vacation ownership clubs impacted by this initiative. These charges are included within Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.

## 20. Restructuring

### *Resort Optimization Initiative*

In order to promote the long-term strength of its portfolio of vacation ownership resorts, the Company undertook a strategic review with the intent of optimizing the overall quality of its resort portfolio, aligning with evolving owner preferences, preserving the affordability of maintenance fees, and mitigating the need for costly special assessments in the future. This review identified 17 resorts requiring significant owner reinvestment, or are in markets that no longer align with owner demand. As a result, during 2025, the Company proposed to the boards of the respective homeowners' associations ("HOAs") of these identified resorts, court-supervised restructuring plans to remove select resorts from the Company's portfolio and reduce the number of units at certain other resorts.

As of June 30, 2026, the Company had received confirmation of both HOA board and required member approvals of the proposed actions for all HOAs of the identified resorts. When the restructuring plans have been completed, the identified resorts and related assets of the respective HOAs will be sold, and all owners, including the Company and its vacation ownership clubs, will receive pro-rata distributions of the net sales proceeds. The Company anticipates that the respective HOAs will receive the necessary court approvals for the sale of the property governed by the HOAs by the end of 2026. Related to this initiative, during the fourth quarter of 2025, the Company executed agreements to supply replacement inventory to the vacation ownership clubs impacted by removal of the identified resorts in exchange for the clubs' pro-rata distributions of net sales proceeds.

During 2025, the Company incurred \$233 million of costs in connection with these actions, including \$216 million of inventory write-downs and impairments at its Vacation Ownership segment associated with the removal of the identified resorts and the agreements to supply replacement inventory to the impacted vacation ownership clubs which were included within Cost of vacation ownership interests on the Consolidated Statements of Income. During 2025, the Company also incurred \$8 million of impairments of other property and equipment, which were included within Asset impairments, net

and \$9 million of other charges consisting primarily of employee-related costs, of which \$5 million was included within Operating expense and \$4 million was included in Restructuring on the Consolidated Statements of Income.

The Company incurred an additional \$9 million and \$31 million of costs associated with this initiative during the three and six months ended June 30, 2026 at its Vacation Ownership segment, including \$6 million and \$25 million of inventory write-downs and impairments driven by actions that were approved by owners during the three and six months ended June 30, 2026.

The valuation method used in the determination of the fair value of inventory impacted by this initiative was based on a discounted cash flow model which used Level 3 inputs consisting of available property information and comparable sales to estimate income and operating expenses to determine an estimated price range.

The Company's financial statements included the following impacts related to the resort optimization initiative (in millions):

|                                                   | Three Months Ended June 30, |          | Six Months Ended June 30, | Income Statement Classification      |
|---------------------------------------------------|-----------------------------|----------|---------------------------|--------------------------------------|
| Inventory write-downs                             | \$                          | 3        | \$ 14                     | Cost of vacation ownership interests |
| Inventory impairments                             |                             | 3        | 11                        | Cost of vacation ownership interests |
| Resort closure costs                              |                             | 2        | 5                         | Operating                            |
| Severance and related benefits                    |                             | —        | (2)                       | Restructuring                        |
| Other employee related costs                      |                             | 1        | 3                         | Operating                            |
| <b>Total resort optimization initiative costs</b> | <b>\$</b>                   | <b>9</b> | <b>\$ 31</b>              |                                      |

As of December 31, 2025, there were \$4 million of restructuring liabilities associated with this initiative. During the six months ended June 30, 2026, the Company reversed \$2 million of restructuring expense for costs incurred during 2025 on behalf of the HOAs which are subject to reimbursement. As these costs will be paid by the Company on behalf of the HOAs these \$2 million of charges are maintained within the restructuring liability with an offsetting receivable included in Trade receivables, net on the Condensed Consolidated Balance Sheet. This liability was reduced by \$1 million of cash payments during the six months ended June 30, 2026. The remaining resort optimization initiative liability of \$3 million is expected to be paid by the end of 2027.

#### **2025 Restructuring Plan**

During 2025, the Company incurred \$15 million of restructuring charges associated with the 2025 restructuring plan. These actions were primarily focused on enhancing organizational efficiency and rationalizing operations. These charges included personnel-related costs resulting from a reduction of approximately 250 employees and other expenses. The 2025 restructuring plan charges consisted of (i) \$7 million of personnel-related costs at the Company's corporate operations, (ii) \$5 million of personnel-related costs and \$2 million of fees associated with the termination of a licensing agreement at the Travel and Membership segment, and (iii) \$1 million of personnel-related costs at the Vacation Ownership segment. All material initiative and related expenses have been incurred as of December 31, 2025. The 2025 restructuring liability was reduced by \$3 million of cash payments during the year ended December 31, 2025. As of December 31, 2025, this restructuring liability was \$12 million. The 2025 restructuring liability was reduced by \$11 million of cash payments during the six months ended June 30, 2026. The remaining 2025 restructuring liability of \$1 million is expected to be paid by the end of 2027.

#### **Prior Restructuring Plans**

The Company has additional restructuring plans which were implemented prior to 2025. As of both June 30, 2026 and December 31, 2025, the restructuring liability related to these plans was \$12 million, all of which is related to leased facilities. The remaining liability associated with these prior restructuring plans is expected to be paid by the end of 2029.

The Company's restructuring liabilities are included within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets. The table below summarizes the activity associated with the Company's aforementioned restructuring plans (in millions):

|                   | Liability as of   |                  |                |                     | Liability as of |
|-------------------|-------------------|------------------|----------------|---------------------|-----------------|
|                   | December 31, 2025 | Costs Recognized | Cash Payments  | Other               | June 30, 2026   |
| Personnel-related | \$ 14             | \$ (2)           | \$ (10)        | \$ 2 <sup>(a)</sup> | \$ 4            |
| Facility-related  | 12                | —                | —              | —                   | 12              |
| Other             | 2                 | —                | (2)            | —                   | —               |
|                   | <u>\$ 28</u>      | <u>\$ (2)</u>    | <u>\$ (12)</u> | <u>\$ 2</u>         | <u>\$ 16</u>    |

(a) Represents reimbursable costs the Company will pay on behalf of the respective HOAs related to the resort optimization initiative.

## 21. Transactions with Former Parent and Former Subsidiaries

### *Matters Related to Former Parent*

Pursuant to the Separation and Distribution Agreement with the Company's former parent ABG (formerly Cendant Corporation), the Company entered into certain guarantee commitments with ABG and ABG's former subsidiary, Compass, Inc. (formerly Anywhere Real Estate Inc. and Realogy). These guarantee arrangements primarily related to certain contingent litigation liabilities, contingent tax liabilities, and ABG contingent and other corporate liabilities, of which Wyndham Worldwide Corporation assumed 37.5% of the responsibility while ABG's former subsidiary Compass, Inc. is responsible for the remaining 62.5%. In connection with the Spin-off, Wyndham Hotels agreed to retain one-third of ABG's contingent and other corporate liabilities and associated costs; therefore, Travel + Leisure Co. was effectively responsible for 25% of such matters subsequent to the separation. Since ABG's separation, ABG has settled the majority of the lawsuits that were pending on the date of the separation.

On March 21, 2023, the California Office of Tax Appeals ("OTA") issued an opinion in favor of the California Franchise Tax Board on a legacy tax matter involving ABG related to a 1999 transaction. The matter concerned (i) whether the statute of limitations barred proposed assessment notices issued by the California Franchise Tax Board; and (ii) whether a transaction undertaken by the taxpayers for the 1999 tax year constituted a tax-free reorganization under the Internal Revenue Code. ABG filed a petition for rehearing in 2023. On April 10, 2024, the OTA denied ABG's petition. On May 27, 2025, the Company paid \$24 million for its share of the taxes and interest, and was reimbursed \$8 million by Wyndham Hotels for its one-third portion. On April 21, 2026, ABG filed a Claim for Refund of Corporate Income Tax with the California Franchise Tax Board.

As of June 30, 2026 and December 31, 2025, the Company had less than \$1 million and \$1 million ABG separation and related liabilities, comprised of contingent and corporate liabilities. These liabilities are included within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

### *Matters Related to Wyndham Hotels*

In connection with the Spin-off on May 31, 2018, Travel + Leisure Co. entered into several agreements with Wyndham Hotels that govern the relationship of the parties following the separation. The current ongoing agreements include the Separation and Distribution Agreement, the Employee Matters Agreement, the Tax Matters Agreement, and the License, Development and Noncompetition Agreement.

The Company and Wyndham Hotels entered into a letter agreement during 2021 pursuant to which, among other things, Wyndham Hotels waived its right to enforce certain noncompetition covenants in the License, Development and Noncompetition Agreement.

In accordance with the agreements governing the relationship between Travel + Leisure Co. and Wyndham Hotels, Travel + Leisure Co. assumed two-thirds and Wyndham Hotels assumed one-third of certain contingent corporate liabilities of the Company incurred prior to the Spin-off, including liabilities of the Company related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. Likewise, Travel + Leisure Co. is entitled to receive two-thirds and Wyndham Hotels is entitled to receive one-third of the proceeds from certain contingent corporate assets of the Company arising prior to the Spin-off.

***Matters Related to the European Vacation Rentals Business***

In connection with the sale of the Company's European vacation rentals business to Awaze Limited ("Awaze"), formerly Compass IV Limited, an affiliate of Platinum Equity, LLC, the Company and Wyndham Hotels agreed to certain post-closing credit support for the benefit of certain credit card service providers, a British travel association, and certain regulatory authorities to allow them to continue providing services or regulatory approval to the business. Post-closing credit support may be called if the business fails to meet its primary obligation to pay amounts when due. Awaze has provided an indemnification to Travel + Leisure Co. in the event that the post-closing credit support is enforced or called upon.

At closing, the Company agreed to provide additional post-closing credit support to a British travel association and regulatory authority. An escrow was established at closing, of which \$46 million was subsequently released in exchange for a secured bonding facility and a perpetual guarantee denominated in British pound sterling with a USD equivalent of \$46 million. The estimated fair value of the guarantee was \$22 million as of June 30, 2026. The Company maintains a \$7 million receivable from Wyndham Hotels for its portion of the guarantee.

Wyndham Hotels provided certain post-closing credit support primarily for the benefit of a British travel association in the form of guarantees which are mainly denominated in pound sterling of up to £61 million (\$81 million USD) on a perpetual basis. These guarantees totaled £30 million (\$39 million USD) at June 30, 2026. Travel + Leisure Co. is responsible for two-thirds of these guarantees.

The estimated fair value of the guarantees and indemnifications for which Travel + Leisure Co. is responsible related to the sale of the European vacation rentals business at June 30, 2026, including the two-thirds portion related to guarantees provided by Wyndham Hotels, totaled \$48 million and was included in Accrued expenses and other liabilities and total receivables of \$7 million were included in Other assets on the Condensed Consolidated Balance Sheets, representing the portion of these guarantees and indemnifications for which Wyndham Hotels is responsible.

***Matters Related to the North American Vacation Rentals Business***

In connection with the sale of the North American vacation rentals business, the Company agreed to indemnify Vacasa LLC against certain claims and assessments, including income tax and other tax matters related to the operations of the North American vacation rentals business for the periods prior to the transaction. As of June 30, 2026, the estimated fair value of the indemnifications was \$2 million, which was included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

**22. Related Party Transactions**

The Company occasionally sublets an aircraft from its former CEO and current Chairman of the Board for business travel through a timesharing arrangement. The Company incurred less than \$1 million of expenses related to this timesharing arrangement during each of the three and six months ended June 30, 2026 and 2025.

**23. Subsequent Events*****Spinnaker Resorts***

On July 14, 2026, the Company entered into a definitive agreement to acquire Spinnaker Resorts, a fully integrated timeshare business engaged in development, marketing, sales, property management and related services within the vacation ownership industry, for \$150 million, subject to customary adjustments and contingent performance-based payments of up to \$10 million. This acquisition will further expand the Company's network of resorts and number of owners. The Company expects this acquisition to close in the third quarter of 2026, subject to customary closing conditions. Upon closing, this acquisition will be reported within the Vacation Ownership segment.

***Yes& Vacations***

On July 15, 2026, the Company acquired Yes& Vacations, a fully integrated timeshare business engaged in development, marketing, sales, property management and related services within the vacation ownership industry. This acquisition creates opportunities to generate incremental revenue through the addition of highly sought-after destinations and owners to the Company's vacation ownership network. Yes& Vacations was acquired for \$193 million, subject to customary post-closing adjustments based on final valuation information and additional analysis. The fair value of purchase consideration was fully comprised of \$193 million of cash delivered at closing. The Company has not yet completed the purchase accounting for this transaction. This transaction will be accounted for as a business acquisition and will be reported within the Vacation Ownership segment.

***Sierra Timeshare 2026-2 Receivables Funding LLC***

On July 20, 2026, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2026-2 Receivables Funding LLC, with an initial principal amount of \$300 million, secured by VOCRs and bearing interest at a weighted average coupon rate of 5.52%. The advance rate for this transaction was 98%.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.****FORWARD-LOOKING STATEMENTS**

This report includes “forward-looking statements” as that term is defined by the Securities and Exchange Commission (“SEC”). Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as “may,” “will,” “expects,” “should,” “believes,” “plans,” “anticipates,” “estimates,” “predicts,” “potential,” “projects,” “continue,” “guidance,” “commitments,” “future,” “outlook,” or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results of Travel + Leisure Co. and its subsidiaries (“Travel + Leisure Co.” or “we”) to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, risks associated with: the acquisition of the Travel + Leisure brand and the future prospects and plans for Travel + Leisure Co., including our ability to execute our strategies to grow our cornerstone timeshare and exchange businesses and expand into the broader leisure travel industry; the health of the travel industry and declines or disruptions caused by adverse economic conditions (including inflation, recent tariff actions and other trade restrictions, higher interest rates, and recessionary pressures), travel restrictions, terrorism or acts of violence, political strife, war (including hostilities in Ukraine and the Middle East), pandemics, and severe weather events and other natural disasters; our ability to compete in the highly competitive timeshare and leisure travel industries; uncertainties related to acquisitions, dispositions and other strategic transactions; adverse changes in consumer travel and vacation patterns, consumer preferences and demand for our products; increased or unanticipated operating costs and other inherent business risks; our ability to comply with financial and restrictive covenants under our indebtedness; our ability to access capital and insurance markets on reasonable terms, at a reasonable cost or at all; maintaining the integrity of internal or customer data and protecting our systems from cyber-attacks; compliance with consumer privacy laws; the timing and amount of future dividends and share repurchases, if any; failure to obtain the necessary court approvals associated with our resort optimization initiative; and those other factors disclosed as risks under “Risk Factors” in documents we have filed with the SEC, including in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 18, 2026. We caution readers that any such statements are based on currently available operational, financial and competitive information, and they should not place undue reliance on these forward-looking statements, which reflect management’s opinion only as of the date on which they were made. Except as required by law, we undertake no obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

**BUSINESS AND OVERVIEW**

We are a global provider of hospitality services and travel products with the following two segments:

- **Vacation Ownership** — develops, markets and sells vacation ownership interests (“VOIs”) to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. This segment is wholly comprised of our Vacation Ownership business line.
- **Travel and Membership** — operates a variety of travel businesses, including vacation exchange brands, travel technology platforms, travel memberships, and direct-to-consumer rentals. This segment is comprised of our Exchange and Travel Club business lines.

***Economic Conditions and Key Business Trends***

Our results for the three and six months ended June 30, 2026 highlight the strength and efficiency of our vacation ownership sales process driven by high quality tours, and the recognition of benefits resulting from strategic decisions made in 2025, mainly the resort optimization initiative. These benefits are apparent in both the quarter to date and year to date results of our Vacation Ownership segment with revenue and Adjusted EBITDA increases as compared to the prior year. Revenue growth at this segment was driven by higher tours and volume per guest (“VPGs”), with Adjusted EBITDA further benefitted by cost savings attributable to lower maintenance fees incurred on unsold VOIs as a result of resorts closed as part of the resort optimization initiative. We believe the tour increase, coupled with a significant increase in VPGs as compared to the prior year, highlights consumers’ recognition of the value proposition of our products. Such value proposition becomes especially apparent during periods of inflation when the costs of other accommodation types are rising. Our Vacation Ownership business is benefitted by the fact that the majority of our owners do not have loans and are therefore less dependent on economic conditions when making travel decisions, which provides opportunities for upgrade sales. Subsequent to the end of the quarter, we closed on the acquisition of Yes& Vacations and entered into a definitive agreement to acquire Spinnaker Resorts. These transactions will expand our network of resorts and number of owners. Upon closing, these transactions are expected to be immediately accretive and create opportunities for owner monetization, receivables optimization, and recurring management fee growth. These acquisitions will be included within our Vacation Ownership segment. See Note 23—*Subsequent Events* for additional information.

At our Travel and Membership business, the results for the three and six months ended June 30, 2026 reflect the impacts of continued exchange headwinds associated with reduced member counts and the increased mix of members with club

affiliations. While Travel Club transactions have increased on both a quarter to date and year to date basis as compared to the prior year, this shift in transaction mix is putting downward pressure on revenue per transaction as there was a significant decline in Travel Club revenue per transaction due to an increased mix of transactions sourced from lower commission partners. Given recent declines in the number of exchange members, this business may be negatively impacted in the future if we are required to purchase additional inventory to supplement the inventory supplied by exchange members. Despite the headwinds faced by this business it remains a capital-light, high-margin business that generates significant cash flows. We continue to focus on stabilizing the long-term earnings and cash flow generation of this business through operational improvements, new strategic partnerships, and digital initiatives.

While we continue to benefit from the changes we made to our marketing criteria to strengthen sales efficiencies and improve the performance of our vacation ownership contract receivables (“VOCR”) portfolio, similar to a number of other companies, we are experiencing some pressure on our loan portfolio primarily due to delinquencies remaining elevated over historical levels, however delinquency levels are beginning to normalize with sequential improvement as compared to the first quarter of the year.

Our interest expense during the first half of 2026 was benefitted by savings associated with our 2025 and 2026 corporate debt refinancing activities. The 2025 refinancing activities reduced the associated interest rate spread on borrowings under our revolving credit facility by 25 basis points at all pricing levels, reduced the interest rate on our term loan B facility by 50 basis points, and provided for a nearly 50 basis point interest rate reduction on our refinanced \$350 million notes. During the second quarter of 2026, we reduced the associated interest rate on our refinanced \$650 million notes by nearly 40 basis points. As a result, interest expense for the first half of the year remained flat despite higher outstanding borrowings. Additionally, we closed on a \$325 million term securitization at the end of the first quarter of 2026 with a 98% advance rate and weighted average coupon rate of 5.11%, which is well below the average interest rate on our portfolio creating significant interest income opportunities and serving to strengthen our liquidity position. Subsequent to the end of the second quarter, we closed on additional term securitization financings of \$300 million with a 98% advance rate and weighted average coupon rate of 5.52%. These transactions reflect our ability to access the capital markets even during times of market volatility.

While overall we had a strong first half of the year, the sustained effects of hostilities in the Middle East, inflationary pressures, high interest rates, high fuel costs, and risk of recession inherently result in uncertainty in business trends and consumer behavior. Since our Vacation Ownership and Travel and Membership businesses are highly dependent on the health of the travel industry, declines in, or disruptions to, the industry such as those caused by adverse economic conditions may adversely affect us. We are also subject to the other risks and uncertainties discussed in “*Risk Factors*” contained in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 18, 2026.

#### ***Resort Optimization Initiative***

In order to promote the long-term strength of our vacation ownership resorts, during 2025 we undertook a strategic review with the intent of optimizing the overall quality of our resort portfolio, aligning with evolving owner preferences, preserving the affordability of maintenance fees, and mitigating the need for costly special assessments in the future. This review identified 17 resorts requiring significant owner reinvestment, or those located in markets that no longer align with owner demand. This initiative has generated, and is expected to generate further, meaningful savings attributable to developer obligations, which represent the maintenance fees we incur on unsold VOIs. Such savings are partially offset by the loss of, or reduction in, VOI sales and property management fees earned at the impacted resorts, but are expected to result in a positive net impact to Adjusted EBITDA. These benefits are reflected in the \$40 million reduction in developer obligations associated with this initiative through the first half of the year, as compared to the prior year.

In connection with these actions, we incurred \$233 million of charges in 2025. These charges are discussed further in Note 20—*Restructuring—Resort Optimization Initiative* to the Condensed Consolidated Financial Statements, along with a description of the restructuring plan we are undertaking in connection with this strategic review.

During the six months ended June 30, 2026, we incurred an additional \$31 million of charges associated with the resort optimization initiative, consisting of \$11 million of inventory impairment charges and \$14 million of inventory write-downs driven by actions that were approved by owners during the first half of 2026, and \$6 million of resort closure, severance, and other associated employee costs.

As of June 30, 2026, we have received confirmation of both HOA board and required member approvals of the proposed actions under this initiative.

### ***Pillar Two***

The Organization for Economic Co-operation and Development (“OECD”), continues to advance initiatives, including Pillar Two which introduced a global minimum tax at a rate of 15%. A number of countries have implemented the OECD’s Pillar Two rules with varying effective dates for different aspects of the directive. As of June 30, 2026, based on the countries in which we do business that have enacted legislation in effect as of January 1, 2026, the impact of these rules did increase our effective tax rate but overall the impact to our financial statements was not material. This may change as other countries enact similar legislation and further guidance is released. We continue to closely monitor regulatory developments to assess potential impacts, including the OECD’s published administrative guidance, released January 5, 2026, on a side-by-side system, which would effectively exempt U.S. multinationals from certain provisions of Pillar Two.

### ***Recent Legislation***

On July 4, 2025, the bill commonly referred to as the “One Big Beautiful Bill Act” was signed into law. Among other provisions, the bill extends permanently, with modifications, tax provisions enacted as part of the 2017 Tax Cuts and Jobs Act and restores and makes permanent many business provisions, such as full expensing for research and development and capital investments. In addition, the bill contains other new tax relief measures and various revenue raising measures. The legislation has multiple effective dates. For the provisions effective in 2026 and 2025, there was no material impact to our effective tax rate for the three and six months ended June 30, 2026, or the year ended December 31, 2025. We do not expect the impact to be material to our full year 2026 effective tax rate.

## **RESULTS OF OPERATIONS**

We have two reportable segments: Vacation Ownership and Travel and Membership. The reportable segments presented below are those for which discrete financial information is available and which are utilized on a regular basis by the chief operating decision maker (“CODM”) to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by the operating segments. Based on this analysis we aggregate two geographical operating segments within the Vacation Ownership reportable segment and two operating segments within the Travel and Membership reportable segment. Management uses Adjusted EBITDA to assess the performance of the reportable segments. We define Adjusted EBITDA as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction and integration costs associated with mergers, acquisitions, and divestitures, asset impairments/recoveries and inventory write-downs associated with the Company’s resort optimization initiative, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels & Resorts, Inc. (“Wyndham Hotels”) and Avis Budget Group, Inc. (“ABG”), formerly Cendant Corporation, and the sale of the vacation rentals businesses. Integration costs represent certain non-recurring costs directly incurred to integrate mergers and/or acquisitions into the existing business. We exclude these costs as they do not reflect recurring operating expenses. We believe that Adjusted EBITDA is a useful measure of performance for our segments which, when considered with generally accepted accounting principles in the United States (“GAAP”) measures, we believe gives a more complete understanding of our operating performance. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

## OPERATING STATISTICS

The table below presents our operating statistics for the three months ended June 30, 2026 and 2025. These operating statistics are the drivers of our revenues and therefore provide an enhanced understanding of our businesses. Refer to the Three Months Ended June 30, 2026 vs. Three Months Ended June 30, 2025 section for a discussion on how these operating statistics affected our business for the periods presented.

|                                                             | Three Months Ended June 30, |          |                         |
|-------------------------------------------------------------|-----------------------------|----------|-------------------------|
|                                                             | 2026                        | 2025     | % Change <sup>(h)</sup> |
| <b>Vacation Ownership <sup>(a)</sup></b>                    |                             |          |                         |
| Gross VOI sales (in millions) <sup>(b) (i)</sup>            | \$ 693                      | \$ 654   | 6.0                     |
| Tours (in 000s) <sup>(c)</sup>                              | 200                         | 197      | 1.4                     |
| Volume per guest <sup>(d)</sup>                             | \$ 3,318                    | \$ 3,251 | 2.1                     |
| <b>Travel and Membership</b>                                |                             |          |                         |
| Transactions (in 000s) <sup>(e)</sup>                       |                             |          |                         |
| Exchange                                                    | 171                         | 197      | (13.4)                  |
| Travel Club                                                 | 242                         | 191      | 26.5                    |
| Total transactions                                          | 413                         | 388      | 6.3                     |
| Revenue per transaction <sup>(f)</sup>                      |                             |          |                         |
| Exchange                                                    | \$ 369                      | \$ 370   | (0.3)                   |
| Travel Club                                                 | \$ 189                      | \$ 229   | (17.3)                  |
| Total revenue per transaction                               | \$ 263                      | \$ 300   | (12.3)                  |
| Average number of exchange members (in 000s) <sup>(g)</sup> | 3,275                       | 3,329    | (1.6)                   |

<sup>(a)</sup> Includes the impact of acquisitions from the acquisition dates forward.

<sup>(b)</sup> Represents total sales of VOIs, including sales under the Fee-for-Service program before the effect of loan loss provisions. We believe that Gross VOI sales provides an enhanced understanding of the performance of our Vacation Ownership business because it directly measures the sales volume of this business during a given reporting period.

<sup>(c)</sup> Represents the number of tours taken by guests in our efforts to sell VOIs.

<sup>(d)</sup> VPG is calculated by dividing Gross VOI sales (excluding telesales and virtual sales) by the number of tours. We have excluded non-tour sales in the calculation of VPG because they are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our Vacation Ownership business because it directly measures the efficiency of this business' efforts in generating sales from tours during a given reporting period.

<sup>(e)</sup> Represents the number of exchanges and travel bookings recognized as revenue during the period, net of cancellations.

<sup>(f)</sup> Represents transaction revenue divided by transactions.

<sup>(g)</sup> Represents paid members in our vacation exchange programs who are considered to be in good standing.

<sup>(h)</sup> Percentage change may not calculate due to rounding.

<sup>(i)</sup> The following table provides a reconciliation of Vacation ownership interest sales, net to Gross VOI sales for the three months ended June 30, 2026 and 2025 (in millions):

|                                               | 2026   | 2025   |
|-----------------------------------------------|--------|--------|
| Vacation ownership interest sales, net        | \$ 524 | \$ 474 |
| Loan loss provision                           | 141    | 128    |
| Gross VOI sales, net of Fee-for-Service sales | 665    | 602    |
| Fee-for-Service sales <sup>(1)</sup>          | 28     | 52     |
| Gross VOI sales                               | \$ 693 | \$ 654 |

<sup>(1)</sup> Represents total sales of VOIs through our Fee-for-Service programs where inventory is sold through our sales and marketing channels for a commission. The Fee-for-Service commission revenues were \$11 million and \$26 million for the three months ended June 30, 2026 and 2025. These commissions are reported within Service and membership fees on the Condensed Consolidated Statements of Income.

**THREE MONTHS ENDED JUNE 30, 2026 VS. THREE MONTHS ENDED JUNE 30, 2025**

Our consolidated results are as follows (in millions):

|                                                              | Three Months Ended June 30, |          |                         |
|--------------------------------------------------------------|-----------------------------|----------|-------------------------|
|                                                              | 2026                        | 2025     | Favorable/(Unfavorable) |
| Net revenues                                                 | \$ 1,063                    | \$ 1,018 | \$ 45                   |
| Expenses                                                     | 853                         | 812      | (41)                    |
| Operating income                                             | 210                         | 206      | 4                       |
| Interest expense                                             | 59                          | 57       | (2)                     |
| Interest (income)                                            | (2)                         | (2)      | —                       |
| Other (income), net                                          | (2)                         | (1)      | 1                       |
| Income before income taxes                                   | 155                         | 152      | 3                       |
| Provision for income taxes                                   | 46                          | 44       | (2)                     |
| Net income attributable to Travel + Leisure Co. shareholders | \$ 109                      | \$ 108   | \$ 1                    |

Net revenues increased \$45 million for the three months ended June 30, 2026, compared with the same period last year. This increase was favorably impacted by foreign currency of \$7 million. Excluding the impacts of foreign currency, the increase in net revenues was primarily the result of:

- \$48 million of increased revenues at our Vacation Ownership segment primarily due to an increase in net VOI sales resulting from higher VPGs and increased tours; partially offset by
- \$10 million of decreased revenues at our Travel and Membership segment primarily due to a decrease in transaction revenue as a result of a higher mix of Travel Club transactions which generally produce lower revenue per transaction along with an increased mix of transactions sourced from lower commission partners.

Expenses increased \$41 million for the three months ended June 30, 2026, compared with the same period last year. This increase in expenses was unfavorably impacted by foreign currency of \$3 million. Excluding the impacts of foreign currency, the increase in expenses was primarily the result of:

- \$20 million increase in marketing costs in support of increased tour flow and sales volume at the Vacation Ownership segment;
- \$14 million increase in general and administrative expenses, driven by \$5 million of increased employee compensation, \$4 million higher legal fees, and higher stock-based compensation of \$3 million;
- \$13 million increase in sales and commission expenses at the Vacation Ownership segment due to higher Gross VOI sales, net of Fee-for-Service sales;
- \$11 million increase in property management expenses due to higher reimbursable resort operating costs and expenses;
- \$6 million of inventory write-downs and impairments related to the resort optimization initiative at the Vacation Ownership segment.

These increases were partially offset by a \$21 million decrease in developer obligation due to the resort optimization initiative, and a \$9 million decrease in sales and commission expense at the Vacation Ownership segment for VOI Fee-for-Service sales due to lower volume.

Interest expense increased \$2 million for the three months ended June 30, 2026, compared with the same period last year due to higher debt modification costs and a higher average debt balance during 2026, partially offset by lower average effective interest rates on corporate debt.

Our effective tax rates were 29.7% and 28.9% during the three months ended June 30, 2026 and 2025. The effective tax rate for the three months ended June 30, 2026 was primarily impacted by discrete tax adjustments recorded in the quarter, primarily related to an increase in unrecognized tax benefits. The effective tax rate for the three months ended June 30, 2025 was primarily impacted by an increase in unrecognized tax benefits.

As a result of these items, Net income attributable to Travel + Leisure Co. shareholders increased \$1 million for the three months ended June 30, 2026 as compared to the same period last year.

Our segment results are as follows (in millions):

|                                    | Three Months Ended<br>June 30, |          |
|------------------------------------|--------------------------------|----------|
|                                    | 2026                           | 2025     |
| <b>Net revenues</b>                |                                |          |
| Vacation Ownership                 | \$ 907                         | \$ 853   |
| Travel and Membership              | 157                            | 166      |
| Total reportable segments          | 1,064                          | 1,019    |
| Corporate and other <sup>(a)</sup> | (1)                            | (1)      |
| Total Company                      | \$ 1,063                       | \$ 1,018 |

|                                                                 | Three Months Ended<br>June 30, |        |
|-----------------------------------------------------------------|--------------------------------|--------|
|                                                                 | 2026                           | 2025   |
| <b>Reconciliation of Net income to Adjusted EBITDA</b>          |                                |        |
| Net income attributable to Travel + Leisure Co. shareholders    | \$ 109                         | \$ 108 |
| Interest expense <sup>(b)</sup>                                 | 59                             | 57     |
| Provision for income taxes                                      | 46                             | 44     |
| Depreciation and amortization                                   | 32                             | 31     |
| Stock-based compensation                                        | 15                             | 12     |
| Inventory write-downs and asset impairments, net <sup>(c)</sup> | 6                              | 1      |
| Acquisition and divestiture related deal costs                  | 1                              | —      |
| Legacy items                                                    | (1)                            | (1)    |
| Interest (income)                                               | (2)                            | (2)    |
| Other <sup>(d)</sup>                                            | 4                              | —      |
| Adjusted EBITDA                                                 | \$ 269                         | \$ 250 |

|                                    | Three Months Ended<br>June 30, |        |
|------------------------------------|--------------------------------|--------|
|                                    | 2026                           | 2025   |
| <b>Adjusted EBITDA</b>             |                                |        |
| Vacation Ownership                 | \$ 247                         | \$ 218 |
| Travel and Membership              | 49                             | 55     |
| Total reportable segments          | 296                            | 273    |
| Corporate and other <sup>(a)</sup> | (27)                           | (23)   |
| Total Company                      | \$ 269                         | \$ 250 |

<sup>(a)</sup> Includes the elimination of transactions between segments.

<sup>(b)</sup> Includes \$2 million of debt modification costs associated with refinancing of the \$650 million 6.625% secured notes for the three months ended June 30, 2026.

<sup>(c)</sup> Includes \$6 million of inventory write-downs and impairments related to the resort optimization initiative for the three months ended June 30, 2026, included in Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.

<sup>(d)</sup> Includes \$3 million of resort closure and employee related costs associated with the resort optimization initiative, included within Operating expense on the Condensed Consolidated Statements of Income and \$1 million of other items that meet the conditions of unusual and/or infrequent for the three months ended June 30, 2026.

### ***Vacation Ownership***

Net revenues increased \$54 million and Adjusted EBITDA increased \$29 million for the three months ended June 30, 2026, compared with the same period of 2025. The net revenue increase was favorably impacted by foreign currency of \$6 million and Adjusted EBITDA was favorably impacted by \$3 million of foreign currency.

The net revenue increase, excluding the foreign currency impacts, was primarily driven by:

- \$60 million increase in Gross VOI sales, net of Fee-for-Service sales, due to a 2.1% increase in VPG and a 1.4% increase in tours;
- \$12 million increase in property management revenues primarily due to higher reimbursable revenues; and a
- \$4 million increase in other revenues due to higher VOI travel package and incentive revenues.

These increases were partially offset by a \$15 million decrease in commission revenues due to lower volume of VOI Fee-for-Service sales, and a \$13 million increase in our provision for loan losses primarily due to increased Gross VOI sales, net of Fee-for-Service sales.

In addition to the net revenue change explained above, and excluding foreign currency, Adjusted EBITDA was further impacted by:

- \$21 million increase in marketing costs in support of increased tour flow and sales volume;
- \$13 million increase in sales and commission expenses due to higher Gross VOI sales, net of Fee-for-Service sales;
- \$11 million increase in property management expenses due to higher reimbursable resort operating costs and expenses; and a
- \$7 million increase in general and administrative expenses driven by a \$5 million increase in employee compensation and a \$1 million increase in legal fees.

These increases were partially offset by a \$21 million decrease in developer obligation due to the resort optimization initiative, and a \$9 million decrease in sales and commission expense for VOI Fee-for-Service sales due to lower volume.

#### ***Travel and Membership***

Net revenues decreased \$9 million and Adjusted EBITDA decreased \$6 million during the three months ended June 30, 2026, compared with the same period of 2025. Both the net revenue and Adjusted EBITDA decreases were favorably impacted by foreign currency of \$1 million.

The decrease in net revenues was primarily driven by a \$9 million decrease in transaction revenue mostly due to an increase in the Travel Club transaction mix, which carry a lower revenue per transaction than Exchange transactions. This change in mix is attributed to a 26.5% increase in Travel Club transactions, whereas Exchange transactions decreased 13.4%. Exchange transactions were impacted by an increase mix of Exchange members with a club affiliation who have a lower transaction propensity; as well as a reduction in Exchange member count. Although Travel Club transactions increased, the associated revenue per transaction decreased as a result of an increased mix of transactions sourced from lower commission partners. Net revenues were also impacted by a \$1 million decrease in subscription revenue due to lower member counts.

In addition to the net revenue decrease explained above, Adjusted EBITDA was further impacted by:

- \$1 million increase in cost of sales due to increasing Travel Club transactions and inventory mix; partially offset by
- \$2 million of employee related cost savings mostly due to the 2025 strategic restructuring of this segment; which focused on enhancing organizational efficiency and rationalizing operations.

#### ***Corporate and other***

For the three months ended June 30, 2026 Corporate and other net revenue was flat and Adjusted EBITDA decreased \$4 million compared to the same period of 2025. The adjusted EBITDA decrease was driven by \$3 million of higher legal fees.

**SIX MONTHS ENDED JUNE 30, 2026 VS. SIX MONTHS ENDED JUNE 30, 2025**

Our consolidated results are as follows (in millions):

|                                                              | Six Months Ended June 30, |          |                         |
|--------------------------------------------------------------|---------------------------|----------|-------------------------|
|                                                              | 2026                      | 2025     | Favorable/(Unfavorable) |
| Net revenues                                                 | \$ 2,024                  | \$ 1,951 | \$ 73                   |
| Expenses                                                     | 1,655                     | 1,589    | (66)                    |
| Operating income                                             | 369                       | 362      | 7                       |
| Interest expense                                             | 115                       | 115      | —                       |
| Other (income), net                                          | (4)                       | (2)      | 2                       |
| Interest (income)                                            | (5)                       | (4)      | 1                       |
| Income before income taxes                                   | 263                       | 253      | 10                      |
| Provision for income taxes                                   | 75                        | 72       | (3)                     |
| Net income attributable to Travel + Leisure Co. shareholders | \$ 188                    | \$ 181   | \$ 7                    |

Net revenues increased \$73 million for the six months ended June 30, 2026 compared with the same period last year. This increase was favorably impacted by foreign currency of \$14 million. Excluding the impacts of foreign currency, the increase in net revenues was primarily the result of:

- \$85 million of increased revenues at our Vacation Ownership segment primarily due to an increase in net VOI sales as a result of higher VPGs and an increase in tours; higher property management revenues resulting from higher property management fees and reimbursable revenues; and higher travel package and incentive revenues; partially offset by a decrease in commission revenues. This increase in revenues was partially offset by:
- \$27 million of decreased revenues at our Travel and Membership segment primarily due to a decrease in transaction revenue due to lower exchange transactions and lower revenue per transaction.

Expenses increased \$66 million for the six months ended June 30, 2026 compared with the same period last year and were unfavorably impacted by foreign currency of \$8 million. Excluding the impacts of foreign currency, the increase in expenses was primarily due to:

- \$38 million increase in marketing costs driven by our Vacation Ownership segment in support of increased sales volume and tour flow;
- \$30 million increase in sales and commission expenses at the Vacation Ownership segment due to higher Gross VOI sales, net of Fee-for-Service sales;
- \$25 million of inventory write-downs and impairments related to the resort optimization initiative;
- \$17 million increase in general and administrative expenses driven by \$12 million increased employee compensation, \$3 million of higher legal fees, and \$2 million increase in stock-based compensation, partially offset by a \$5 million decrease in legacy costs driven by the reversal of a contingent liability during 2026 associated with the 2023 sale of Love Home Swap; and
- \$10 million increase in property management expenses due to higher reimbursable resort operating costs and expenses;

These increases were partially offset by:

- \$40 million decrease in developer obligations due to the resort optimization initiative;
- \$13 million decrease in sales and commission expense at the Vacation Ownership segment for VOI Fee-for-Service sales due to lower volume;
- \$5 million of cost savings related to the 2025 strategic restructuring of the Travel and Membership segment, which focused on enhancing organizational efficiency and rationalizing operations; and
- \$4 million decrease in cost of sales at the Travel and Membership segments, in line with the decline in transaction revenue.

Other income, net of other expense increased \$2 million for the six months ended June 30, 2026, compared with the same period last year, primarily due to asset sales during the current year.

Our effective tax rates were 28.5% for both the six months ended June 30, 2026 and 2025. The effective tax rate for the six months ended June 30, 2026 was impacted by the excess tax benefit from stock-based compensation offset by an increase in unrecognized tax benefits. The effective tax rate for the six months ended June 30, 2025 was primarily impacted by Pillar Two taxes and an increase in unrecognized tax benefits offset by a decrease in state taxes.

As a result of these items, Net income attributable to Travel + Leisure Co. shareholders increased \$7 million for the six months ended June 30, 2026 as compared to the same period last year.

Our segment results are as follows (in millions):

|                                    | Six Months Ended<br>June 30, |          |
|------------------------------------|------------------------------|----------|
|                                    | 2026                         | 2025     |
| <b>Net Revenues</b>                |                              |          |
| Vacation Ownership                 | \$ 1,705                     | \$ 1,609 |
| Travel and Membership              | 321                          | 345      |
| Total reportable segments          | 2,026                        | 1,954    |
| Corporate and other <sup>(a)</sup> | (2)                          | (3)      |
| Total Company                      | \$ 2,024                     | \$ 1,951 |

|                                                                 | Six Months Ended<br>June 30, |        |
|-----------------------------------------------------------------|------------------------------|--------|
|                                                                 | 2026                         | 2025   |
| <b>Reconciliation of Net income to Adjusted EBITDA</b>          |                              |        |
| Net income attributable to Travel + Leisure Co. shareholders    | \$ 188                       | \$ 181 |
| Interest expense <sup>(b)</sup>                                 | 115                          | 115    |
| Provision for income taxes                                      | 75                           | 72     |
| Depreciation and amortization                                   | 64                           | 61     |
| Stock-based compensation                                        | 29                           | 26     |
| Inventory write-downs and asset impairments, net <sup>(c)</sup> | 25                           | 1      |
| Acquisition and divestiture related deal costs                  | 1                            | —      |
| Restructuring                                                   | (2)                          | —      |
| Interest (income)                                               | (5)                          | (4)    |
| Legacy items                                                    | (5)                          | —      |
| Other <sup>(d)</sup>                                            | 9                            | —      |
| Adjusted EBITDA                                                 | \$ 494                       | \$ 452 |

|                                    | Six Months Ended<br>June 30, |        |
|------------------------------------|------------------------------|--------|
|                                    | 2026                         | 2025   |
| <b>Adjusted EBITDA</b>             |                              |        |
| Vacation Ownership                 | \$ 438                       | \$ 378 |
| Travel and Membership              | 108                          | 123    |
| Total reportable segments          | 546                          | 501    |
| Corporate and other <sup>(a)</sup> | (52)                         | (49)   |
| Total Company                      | \$ 494                       | \$ 452 |

<sup>(a)</sup> Includes the elimination of transactions between segments.

<sup>(b)</sup> Includes \$2 million of debt modification costs associated with refinancing of the \$650 million 6.625% secured notes due July 2026 for the six months ended June 30, 2026.

<sup>(c)</sup> Includes \$25 million of inventory write-downs and impairments related to the resort optimization initiative during the six months ended June 30, 2026, included in Cost of vacation ownership interests on the Condensed Consolidated Statements of Income.

<sup>(d)</sup> Includes \$8 million of resort closure and employee related costs associated with the resort optimization initiative, included within Operating expense on the Condensed Consolidated Statements of Income, and \$1 million of other items that meet the conditions of unusual and/or infrequent for the six months ended June 30, 2026.

### ***Vacation Ownership***

Net revenues increased \$96 million and Adjusted EBITDA increased \$60 million during the six months ended June 30, 2026 compared with the same period of 2025. The net revenue increase was favorably impacted by foreign currency of \$11 million and Adjusted EBITDA was favorably impacted by foreign currency of \$4 million.

The net revenue increase excluding the impact of foreign currency was primarily driven by:

- \$107 million increase in gross VOI sales, net of Fee-for-Service sales, due to a 2.7% increase in VPG and a 2.9% increase in tours;
- \$10 million increase in property management revenues primarily due to higher management fees and reimbursable revenues; and a
- \$8 million increase in other operating revenue primarily due to higher VOI travel package and incentive revenues.

These increases were partially offset by a \$21 million increase in our provision for loan losses primarily due to higher gross VOI sales, net of Fee-for-Service sales and a \$20 million decrease in commission revenues due to lower volume of VOI Fee-for-Service sales.

In addition to the net revenue change explained above, Adjusted EBITDA was further impacted by a:

- \$39 million increase in marketing costs in support of increased sales volume and tour flow;
- \$30 million increase in sales and commission expenses due to higher gross VOI sales, net of Fee-for-Service sales;
- \$10 million increase in property management expenses due to higher reimbursable resort operating costs and expenses; and a
- \$10 million increase in general and administrative expenses driven by an \$8 million increase in employee compensation and a \$2 million increase in legal fees.

These increases were partially offset by a \$40 million decrease in developer obligations due to the resort optimization initiative, and a \$13 million decrease in sales and commission expense for VOI Fee-for-Service sales due to lower volume.

### ***Travel and Membership***

Net revenues decreased \$24 million and Adjusted EBITDA decreased \$15 million during the six months ended June 30, 2026 compared with the same period of 2025. The net revenue was favorably impacted by foreign currency of \$3 million and Adjusted EBITDA was favorably impacted by \$1 million.

The decrease in net revenues, was primarily driven by a \$23 million decrease in transaction revenue due to an increase in the Travel Club transaction mix, which carry a lower revenue per transaction than Exchange transactions. This change in mix is attributed to a 22.1% increase in Travel Club transactions, whereas Exchange transactions decreased 12.7%. Exchange transactions were impacted by an increased mix of Exchange members with a club affiliation who have a lower transaction propensity; as well as a reduction in Exchange member count. Although Travel Club transactions increased, the associated revenue per transaction decreased as a result of shift in mix amongst affiliates, resulting in lower commissions. Net revenues were also impacted by a \$3 million decrease in subscription revenue due to lower member counts.

In addition to the revenue change explained above, Adjusted EBITDA was further impacted by:

- \$5 million of cost savings mostly due to the 2025 strategic restructuring of this segment, which focused on enhancing organizational efficiency and rationalizing operations;
- \$4 million decrease in cost of sales in line with the decline in transaction revenue above; and
- \$1 million of facilities and cloud savings.

### ***Corporate and other***

For the six months ended June 30, 2026, Corporate and other net revenue increased \$1 million due to lower intersegment eliminations and Adjusted EBITDA decreased \$3 million compared to 2025. The adjusted EBITDA decrease was driven by \$3 million of higher employee related costs.

## **RESTRUCTURING PLANS**

### ***Resort Optimization Initiative***

In order to promote the long-term strength of our portfolio of vacation ownership resorts, we undertook a strategic review with the intent of optimizing the overall quality of our resort portfolio, aligning with evolving owner preferences, preserving the affordability of maintenance fees, and mitigating the need for costly special assessments in the future. This review identified 17 resorts requiring significant owner reinvestment or are in markets that no longer align with owner demand. As a result, during

2025, we proposed to the boards of these respective homeowners' associations ("HOAs") of the identified resorts, court-supervised restructuring plans to remove select resorts from our portfolio and reduce the number of units at certain other resorts.

In connection with these actions, during 2025, we incurred \$233 million of charges consisting of \$216 million of inventory write-downs and impairments at the Vacation Ownership segment associated with the removal of the identified resorts and agreements to supply replacement inventory to the impacted vacation ownership clubs, \$8 million of impairments of other property and equipment, and \$9 million of other charges consisting primarily of employee-related costs.

We incurred an additional \$31 million of costs associated with this initiative during the six months ended June 30, 2026 at the Vacation Ownership segment associated with this initiative, consisting of \$25 million of inventory write-downs and impairments included within Cost of vacation ownership interests on the Condensed Consolidated Statements of Income, \$8 million of resort closure and other associated employee costs included within Operating expenses, and a \$2 million reversal of severance and related benefits included within Restructuring expenses for costs incurred on behalf of the HOAs in 2025 subject to reimbursement.

As of December 31, 2025, there were \$4 million of restructuring liabilities associated with this initiative. This liability was reduced by \$1 million of cash payments during the six months ended June 30, 2026. The remaining resort optimization initiative liability of \$3 million is expected to be paid by the end of 2027. See Note 20—*Restructuring—Resort Optimization Initiative* to the Condensed Consolidated Financial Statements for additional details.

#### 2025 Restructuring Plan

During 2025, we incurred \$15 million of restructuring charges associated with the 2025 restructuring plan. These charges included personnel-related costs resulting from a reduction of approximately 250 employees and other expenses. These charges consisted of (i) \$7 million of personnel-related costs at our corporate operations, (ii) \$5 million of personnel-related costs and \$2 million of fees associated with the termination of a licensing agreement at the Travel and Membership segment, and (iii) \$1 million of personnel-related costs at the Vacation Ownership segment. All material initiative and related expenses were incurred as of December 31, 2025. As of December 31, 2025, this restructuring liability was \$12 million. The 2025 restructuring liability was reduced by \$11 million of cash payments during the six months ended June 30, 2026. The remaining 2025 restructuring liability of \$1 million is expected to be paid by the end of 2027.

#### Prior Restructuring Plans

We also have plans that were implemented prior to 2025. The remaining liability of \$12 million under these plans is expected to be paid by the end of 2029. See Note 20—*Restructuring* to the Condensed Consolidated Financial Statements for additional details of our restructuring activities.

#### FINANCIAL CONDITION

| (In millions)     | June 30,<br>2026 | December 31,<br>2025 | Change  |
|-------------------|------------------|----------------------|---------|
| Total assets      | \$ 6,896         | \$ 6,760             | \$ 136  |
| Total liabilities | \$ 7,916         | \$ 7,742             | \$ 174  |
| Total (deficit)   | \$ (1,020)       | \$ (982)             | \$ (38) |

Total assets increased by \$136 million from December 31, 2025 to June 30, 2026, primarily due to:

- \$63 million increase in Other assets driven by \$34 million increase in non-trade receivables; \$7 million of inventory transferred to assets held-for-sale during 2026 in connection with the resort optimization initiative, \$6 million increase in derivatives, \$5 million increase in deferred compensation costs, and \$5 million related to timing of payroll payments;
- \$51 million increase in Inventory driven by \$121 million of inventory acquisitions, partially offset by \$38 million of VOI inventory sales, \$25 million of inventory write-downs and impairments associated with the resort optimization initiative, and \$7 million of inventory transferred to assets held-for-sale as a result of member approvals during 2026 for the remaining resorts identified as part of the resort optimization initiative;
- \$50 million increase in Prepaid expenses driven by a \$22 million increase in prepaid maintenance, \$16 million increase in prepaid marketing, and \$11 million increase in other prepayments due to timing of contract renewals; and
- \$29 million increase in Cash and cash equivalents driven by the issuance of \$900 million 6.25% secured notes due June 2031, and \$258 million of Net cash provided by operating activities, partially offset by repayment of the \$650 million notes which were due July 2026, \$175 million paid for share repurchases, \$119 million net payments on Non-recourse vacation ownership debt, \$78 million of dividend payments, \$44 million of property and equipment additions,

\$18 million of net payments on the revolving credit facility, \$17 million for the net share settlement of incentive equity awards, and \$15 million used for debt issuance/modification costs.

These increases were partially offset by a \$49 million decrease in Vacation ownership contract receivables, net driven by \$571 million of principal collections and net provision for loan losses of \$241 million, partially offset by \$760 million of net VOCR originations.

Total liabilities increased by \$174 million from December 31, 2025 to June 30, 2026, primarily due to:

- \$226 million increase in Debt primarily due to the issuance of \$900 million 6.25% secured notes due June 2031, partially offset by repayment of the \$650 million notes which were due July 2026 and \$18 million of net payments on the revolving credit facility; and a
- \$24 million increase in Deferred income taxes primarily related to installment sales.

These increases were partially offset by a \$114 million decrease in Non-recourse vacation ownership debt driven by \$119 million of net repayments, partially offset by \$4 million of foreign exchange impacts.

Total deficit increased \$38 million from December 31, 2025 to June 30, 2026, primarily due to \$175 million of share repurchases and \$76 million of dividends, partially offset by \$188 million of Net income attributable to Travel + Leisure Co. shareholders and \$28 million of stock-based compensation.

## **LIQUIDITY AND CAPITAL RESOURCES**

We believe that we have sufficient sources of liquidity to meet our expected ongoing short-term and long-term cash needs, including capital expenditures, operational and/or strategic opportunities, and expenditures for human capital, intellectual property, contractual obligations, off-balance sheet arrangements, and other such requirements. Our net cash from operations and cash and cash equivalents are key sources of liquidity along with our revolving credit facility, bank conduit facilities, and continued access to debt markets. We believe these anticipated sources of liquidity are sufficient to meet our expected ongoing short-term and long-term cash needs, including the repayment of our \$400 million 6.00% secured notes due in April 2027. Our discussion below highlights these sources of liquidity and how they are utilized to support our cash needs.

### Cash and Cash Equivalents

As of June 30, 2026, we had \$282 million of Cash and cash equivalents, which includes highly-liquid investments with an original maturity of three months or less.

### \$1.0 Billion Revolving Credit Facility

We generally utilize our revolving credit facility to finance our short-term to medium-term business operations, as needed. The facility expires in June 2030 and had \$954 million of available capacity as of June 30, 2026.

The revolving credit facility and term loan B facility are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. The financial ratio covenants consist of a minimum interest coverage ratio of 2.00 to 1.0 as of the measurement date and a maximum first lien leverage ratio of 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date. Our first lien leverage ratio determines the interest rate spread on revolver borrowings and fees associated with letters of credit, which subjects them to fluctuation.

As of June 30, 2026, our interest coverage ratio was 5.05 to 1.0 and our first lien leverage ratio was 3.16 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of June 30, 2026, we were in compliance with the financial covenants described above.

### Secured Notes and Term Loan B facility

We generally utilize borrowing via secured notes and term loan B issuances to meet our long-term financing needs. During the third quarter of 2025, we issued senior secured notes due September 2033, with a face value of \$500 million and an interest rate of 6.125%. The proceeds of this offering were used to redeem all of our \$350 million 6.60% secured notes that were due October 2025, toward repayment of outstanding borrowings under the revolving credit facility, to pay the fees and expenses incurred in connection with the issuance, and for general corporate purposes.

During the fourth quarter of 2025, we amended the credit agreement governing our revolving credit facility and term loan B facility ("Eighth Amendment"). The Eighth Amendment refinanced the \$869 million outstanding balance of the term loan B

facility, with interest rate per annum applicable to borrowings under this facility equal to the Term Secured Overnight Financing Rate (“SOFR”), plus an applicable rate of 2.00%, representing a 50 basis point reduction. The maturity date of this facility remains December 14, 2029.

During the second quarter of 2026, we issued senior secured notes due June 2031, with a face value of \$900 million and an interest rate of 6.25%. The proceeds of this offering were used to redeem all of our \$650 million 6.625% secured notes that were due July 2026, toward repayment of outstanding borrowings under the revolving credit facility, to pay the fees and expenses incurred in connection with the issuance, and for general corporate purposes. This transaction reduced the associated interest rate on our refinanced \$650 million notes by nearly 40 basis points.

These transactions reinforce our expectation that we will maintain adequate liquidity for the next year and beyond. As of June 30, 2026, we had \$3.63 billion of outstanding borrowings under our secured notes and term loan B facility with maturities ranging from 2027 to 2033.

#### Non-recourse Vacation Ownership Debt

Our Vacation Ownership business finances certain of its VOCRs through (i) asset-backed conduit facilities and (ii) term asset-backed securitizations, all of which are non-recourse to us with respect to principal and interest. For the securitizations, we pool qualifying VOCRs and sell them to bankruptcy-remote entities, all of which are consolidated into the accompanying Condensed Consolidated Balance Sheets. We plan to continue using these sources to finance certain VOCRs. We believe that our USD bank conduit facility, with a term through August 2027, and our AUD/NZD bank conduit facility, with a term through December 2026, amounting to a combined capacity of \$753 million (\$255 million available as of June 30, 2026), along with our ability to issue term asset-backed securities, provide sufficient liquidity to finance the sale of VOIs beyond the next year.

We closed on securitization financings of \$325 million during the six months ended June 30, 2026, and subsequent to the end of the quarter, we closed on additional securitization financings of \$300 million. During the full year of 2025, we closed on \$950 million of securitization financings. These transactions positively impacted our liquidity and reinforce our expectation that we will maintain adequate liquidity for the next year and beyond.

Our liquidity position may be negatively affected by unfavorable conditions in the capital markets in which we operate or if our VOCR portfolios do not meet specified portfolio credit parameters. Our liquidity, as it relates to our VOCR securitization program, could be adversely affected if we were to fail to renew or replace our conduit facilities on their expiration dates, or if a particular receivables pool were to fail to meet certain ratios, which could occur in certain instances if the default rates or other credit metrics of the underlying VOCRs deteriorate. Our ability to sell securities backed by our VOCRs depends on the continued ability and willingness of capital market participants to invest in such securities.

Each of our non-recourse securitized term notes and the bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the VOCR pool that collateralizes one of our securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of June 30, 2026, all of our securitized loan pools were in compliance with applicable contractual triggers.

We may, from time to time, depending on market conditions and other factors, repurchase our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other consideration, in each case in open market purchases and/or privately negotiated transactions.

For additional details regarding our credit facilities, term loan B facility, and non-recourse debt see Note 9—*Debt* to the Condensed Consolidated Financial Statements.

### Material Cash Requirements

The following table summarizes material future contractual obligations of our continuing operations as of June 30, 2026 (in millions). We plan to fund these obligations, along with our other cash requirements, with net cash from operations, cash and cash equivalents, and through the use of our revolving credit facilities, bank conduit facilities, and continued access to debt markets.

|                                               | 7/1/26 - 6/30/27 | 7/1/27 - 6/30/28 | 7/1/28 - 6/30/29 | 7/1/29 - 6/30/30 | 7/1/30 - 6/30/31 | Thereafter      | Total           |
|-----------------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| Debt <sup>(a)</sup>                           | \$ 418           | \$ 15            | \$ 13            | \$ 1,883         | \$ 902           | \$ 500          | \$ 3,731        |
| Non-recourse debt <sup>(b)</sup>              | 246              | 275              | 439              | 179              | 194              | 698             | 2,031           |
| Interest on debt <sup>(c)</sup>               | 311              | 279              | 259              | 189              | 75               | 86              | 1,199           |
| Purchase commitments <sup>(d)</sup>           | 456              | 251              | 119              | 31               | 21               | 130             | 1,008           |
| Operating leases                              | 28               | 26               | 24               | 16               | 11               | 79              | 184             |
| Inventory financing obligation <sup>(e)</sup> | 30               | —                | —                | —                | —                | —               | 30              |
| <b>Total <sup>(f)</sup></b>                   | <b>\$ 1,489</b>  | <b>\$ 846</b>    | <b>\$ 854</b>    | <b>\$ 2,298</b>  | <b>\$ 1,203</b>  | <b>\$ 1,493</b> | <b>\$ 8,183</b> |

(a) Represents required principal payments on notes, term loans, and finance leases.

(b) Represents required principal payments on debt that is securitized through bankruptcy-remote special purpose entities; the creditors of which have no recourse to us for principal and interest.

(c) Includes interest on debt and non-recourse debt; estimated using the stated interest rates.

(d) Includes \$485 million for marketing related activities, \$349 million related to the development of vacation ownership properties, and \$113 million for information technology activities.

(e) Represents an inventory financing obligation with a third-party developer, including associated interest (see Note 7—*Inventory* to the Condensed Consolidated Financial Statements for further detail) of which \$30 million is included within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

(f) Excludes a \$36 million liability for unrecognized tax benefits as it is not reasonably estimable to determine the periods in which such liability would be settled with the respective tax authorities.

In addition to the amounts shown in the table above and in connection with our separation from our former parent, ABG, formerly Cendant Corporation, we entered into certain guarantee commitments with ABG (pursuant to our assumption of certain liabilities and our obligation to indemnify ABG, Compass, Inc. (formerly Anywhere Real Estate Inc. and Realogy), and Travelport for such liabilities) and guarantee commitments related to deferred compensation arrangements with ABG and Compass, Inc. We also entered into certain guarantee commitments and indemnifications related to the sale of our vacation rentals businesses. For information on matters related to our former parent and subsidiaries see Note 21—*Transactions with Former Parent and Former Subsidiaries* to the Condensed Consolidated Financial Statements.

In addition to the key contractual obligation and separation related commitments described above, we also utilize surety bonds in our Vacation Ownership business for sales and development transactions in order to meet regulatory requirements of certain states. In the ordinary course of our business, we have assembled commitments from 13 surety providers in the amount of \$2.38 billion, of which we had \$544 million outstanding as of June 30, 2026. The availability, terms and conditions and pricing of bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity, and our corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to us, our Vacation Ownership business could be negatively impacted.

As of June 30, 2026, our secured debt is rated Ba3 with a “stable outlook” by Moody’s Investors Service, Inc., BB- with a “stable outlook” by Standard & Poor’s Rating Services, and BB+ with a “stable outlook” by Fitch Rating Agency. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity, or any future credit rating.

## CASH FLOW

The following table summarizes the changes in cash, cash equivalents, and restricted cash (in millions):

| Cash provided by/(used in)                                        | Six Months Ended June 30, |        |         |
|-------------------------------------------------------------------|---------------------------|--------|---------|
|                                                                   | 2026                      | 2025   | Change  |
| Operating activities:                                             | \$ 258                    | \$ 353 | \$ (95) |
| Investing activities:                                             | (44)                      | (48)   | 4       |
| Financing activities:                                             | (172)                     | (255)  | 83      |
| Effects of changes in exchange rates on cash and cash equivalents | 3                         | 8      | (5)     |
| Net change in cash, cash equivalents and restricted cash          | \$ 45                     | \$ 58  | \$ (13) |

### *Operating Activities*

Net cash provided by operating activities decreased \$95 million for the six months ended June 30, 2026 compared to the prior year. This decrease was primarily attributable to a \$54 million increase in cash utilized for vacation ownership inventory, a \$22 million increase in prepaid expenses, and \$18 million of higher net income tax payments.

### *Investing Activities*

Net cash used in investing activities decreased \$4 million during the six months ended June 30, 2026 compared to the prior year. This decrease is primarily due to a \$14 million decrease in capital expenditures, partially offset by \$11 million of lower net proceeds on investments.

### *Financing Activities*

Net cash used in financing activities decreased \$83 million during the six months ended June 30, 2026 compared to the prior year. This decrease was primarily due to a \$67 million increase in net proceeds from corporate debt and a \$53 million decrease in net payments related to non-recourse vacation ownership debt, partially offset by a \$35 million increase in share repurchases.

### *Capital Deployment*

We focus on deploying capital for the highest possible returns. Ultimately, our business objective is to grow our business while optimizing cash flow and Adjusted EBITDA. We intend to continue to invest in select capital and technological improvements across our business. We also regularly consider a wide array of potential acquisitions and other strategic transactions, including acquisitions of businesses and real property, joint ventures, business combinations, strategic investments, and dispositions. Any of these transactions could be material to our business. As part of this strategy, we have made, and expect to continue to make, proposals and enter into non-binding letters of intent, allowing us to conduct due diligence on a confidential basis. A potential transaction contemplated by a letter of intent may never reach the point where we enter into a definitive agreement, nor can we predict the timing of such a potential transaction. Finally, we intend to continue to return value to shareholders through the repurchase of common stock and payment of dividends. All future declarations of quarterly cash dividends and increases to the capacity of our share repurchase program are subject to review and approval by the Board of Directors ("Board").

During the six months ended June 30, 2026, we spent \$121 million on vacation ownership development projects (inventory). We believe that our Vacation Ownership business currently has adequate finished inventory to support vacation ownership sales for several years. We anticipate full year spending between \$200 million and \$230 million for vacation ownership projects in 2026. After factoring in the anticipated additional annual spending, and the impacts of the resort optimization initiative discussed in Note 20—*Restructuring* to the Condensed Consolidated Financial Statements, we expect to have adequate inventory to support vacation ownership sales through at least the next three to four years.

During the six months ended June 30, 2026, we spent \$44 million on capital expenditures, primarily for information technology (digital and new club initiatives) and sales center facility enhancements. During 2026, we anticipate spending between \$90 million and \$100 million on capital expenditures, primarily for continuation of information technology digital enhancements to our sales and reservation systems, sales center facility renovation and expansion, and resort improvements.

In connection with our focus on optimizing cash flow, we are continuing our asset-light efforts in vacation ownership by seeking opportunities with financial partners whereby they make strategic investments to develop assets on our behalf. We refer to this as Just-in-Time. The partner may invest in new ground-up development projects or purchase from us, for cash, existing in-process inventory which currently resides on our Condensed Consolidated Balance Sheets. The partner will complete the development of the project and we may purchase finished inventory at a future date as needed or as obligated under the agreement.

We expect that the majority of the expenditures that will be required to pursue our capital spending programs, strategic investments, and vacation ownership development projects will be financed with cash flow generated through operations and cash and cash equivalents. We expect that additional expenditures will be financed with general secured corporate borrowings, including through the use of available capacity under our revolving credit facility.

#### **Share Repurchase Program**

On August 20, 2007, our Board authorized a share repurchase program that enables us to purchase our common stock. As of June 30, 2026, the Board has increased the capacity of the program 11 times, most recently in February 2026 by \$750 million, bringing the total authorization under the current program to \$7.75 billion. During the six months ended June 30, 2026, we repurchased 2.4 million shares at an average price of \$70.97 for a cost of \$175 million, bringing the total share repurchased under this authorization to \$7.12 billion. Since the inception of this program, proceeds received from stock option exercises have increased the repurchase capacity by \$116 million, resulting in \$745 million of remaining availability under this program as of June 30, 2026.

The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors, including capital allocation priorities. Repurchases may be conducted in the open market or in privately negotiated transactions.

#### **Dividends**

We paid cash dividends of \$0.60 and \$0.56 per share during the first two quarters of 2026 and 2025. The aggregate dividends paid to shareholders were \$78 million during both the six months ended June 30, 2026 and 2025. Our long-term plan is to grow our dividend at the rate of growth of our earnings at a minimum. The declaration and payment of future dividends to holders of our common stock are at the discretion of our Board and depend upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice, and other factors that our Board deems relevant. There is no assurance that a payment of a dividend or a dividend at current levels will occur in the future.

#### **SEASONALITY**

We experience seasonal fluctuations in our net revenues and net income from sales of VOIs and vacation exchange fees. Revenues from sales of VOIs are generally higher in the third quarter than in other quarters due to increased leisure travel. Revenues from vacation exchange fees are generally highest in the first quarter, which is typically when members of our vacation exchange business book their vacations for the year.

The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

#### **COMMITMENTS AND CONTINGENCIES**

From time to time, we are involved in claims, legal and regulatory proceedings, and governmental inquiries related to our business, none of which, in the opinion of management, is expected to have a material effect on our results of operations or financial condition. See Note 15—*Commitments and Contingencies* to the Condensed Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business along with our guarantees and indemnifications and Note 21—*Transactions with Former Parent and Former Subsidiaries* to the Condensed Consolidated Financial Statements for a description of our obligations regarding ABG contingent litigation, matters related to Wyndham Hotels & Resorts, Inc., and matters related to the vacation rentals businesses.

#### **CRITICAL ACCOUNTING ESTIMATES**

In presenting our Condensed Consolidated Financial Statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated results of operations, financial position, and liquidity. We believe that the estimates and assumptions we used when preparing our Condensed Consolidated Financial Statements were the most appropriate at that time. These Condensed Consolidated Financial Statements should be read in conjunction with our “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the audited Consolidated Financial Statements included in the Annual Report on Form 10-K filed with the SEC on February 18, 2026, which includes a description of our critical accounting estimates that involve subjective and complex judgments that could potentially affect reported results. There have been no

material changes to these critical accounting estimates since the filing of the Annual Report on Form 10-K for the year ended December 31, 2025.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

We assess our market risks based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis that measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest and foreign currency exchange rates. We used June 30, 2026 market rates to perform sensitivity analyses separately for each of our market risk exposures: interest and foreign currency rate instruments. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. There were no changes to the assumptions used in this model in 2026 compared to 2025.

We have determined through such analyses, that a hypothetical 10% change in the interest rates would have resulted in a \$2 million increase or decrease in annual consumer financing interest expense and a \$3 million increase or decrease in annual debt interest expense during the six months ended June 30, 2026. A hypothetical 10% change in the interest rates would have resulted in a \$2 million increase or decrease in annual consumer financing interest expense and a \$5 million increase or decrease in annual debt interest expense during the six months ended June 30, 2025. We have determined that a hypothetical 10% change in the foreign currency exchange rates would have resulted in an increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts of \$8 million and \$6 million during the six months ended June 30, 2026 and 2025, which would generally be offset by an opposite effect on the underlying exposure being economically hedged. As such, we believe that a 10% change in interest rates or foreign currency exchange rates would not have a material effect on our prices, earnings, fair values, or cash flows.

Our variable rate borrowings, which include our term loan B facility, non-recourse conduit facilities, and revolving credit facility, expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable rate borrowings at June 30, 2026, was \$498 million in non-recourse debt and \$896 million in corporate debt. A 100 basis point change in the underlying interest rates as of June 30, 2026 would result in a \$5 million increase or decrease in annual consumer financing interest expense and a \$9 million increase or decrease in our annual debt interest expense. The total outstanding balance of such variable rate borrowings at June 30, 2025, was \$383 million in non-recourse debt and \$1.22 billion in corporate debt. A 100 basis point change in the underlying interest rates as of June 30, 2025 would result in a \$4 million increase or decrease in annual consumer financing interest expense and a \$12 million increase or decrease in our annual debt interest expense.

### **Item 4. Controls and Procedures.**

- (a) *Disclosure Controls and Procedures.* As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive and principal financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). Based on such evaluation, our principal executive and principal financial officers concluded that our disclosure controls and procedures were designed and functioning effectively as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.
- (b) *Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of June 30, 2026, we utilized the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

We are involved in various claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on our results of operations or financial condition. See Note 15—*Commitments and Contingencies* to the Condensed Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business and Note 21—*Transactions with Former Parent and Former Subsidiaries* to the Condensed Consolidated Financial Statements for a description of our obligations regarding ABG contingent litigation, matters related to Wyndham Hotels & Resorts, Inc., and matters related to the vacation rentals businesses.

### Item 1A. Risk Factors.

The discussion of our business and operations should be read together with the risk factors contained in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the Securities and Exchange Commission on February 18, 2026, which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. As of June 30, 2026, there have been no material changes to the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

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

(c) Below is a summary of our common stock repurchases by month for the quarter ended June 30, 2026:

#### ISSUER PURCHASES OF EQUITY SECURITIES

| Period                  | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plan | Approximate Dollar Value of Shares that May Yet Be Purchased Under Plan <sup>(a)</sup> |
|-------------------------|----------------------------------|------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| April 2026 (April 1-30) | 626,078                          | \$ 70.46                     | 626,078                                                             | \$ 788,825,717                                                                         |
| May 2026 (May 1-31)     | 287,127                          | \$ 64.04                     | 287,127                                                             | \$ 770,436,870                                                                         |
| June 2026 (June 1-30)   | 345,798                          | \$ 72.30                     | 345,798                                                             | \$ 745,433,978                                                                         |
| <b>Total</b>            | <b>1,259,003</b>                 | <b>\$ 69.50</b>              | <b>1,259,003</b>                                                    | <b>\$ 745,433,978</b>                                                                  |

<sup>(a)</sup> Proceeds received from stock option exercises increase repurchase capacity under the plan.

On August 20, 2007, our Board authorized the repurchase of our common stock (the “Share Repurchase Program”). Under the Share Repurchase Program, we are authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The Share Repurchase Program has no time limit and may be suspended or discontinued completely at any time. The Board of Directors has since increased the capacity of the Share Repurchase Program 11 times, most recently in February 2026 by \$750 million, bringing the total authorization under the current program to \$7.75 billion. See the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Share Repurchase Program*” section for further information on the Share Repurchase Program.

For a description of limitations on the payment of our dividends, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Dividends.*”

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

(a) None.

(b) None.

(c) On April 23, 2026, Erik Hoag, Chief Financial Officer, terminated the Rule 10b5-1 trading arrangement dated February 19, 2026 for the sale of up to 24,541 shares of the Company’s common stock.

On May 14, 2026, Sy Esfahani, Chief Technology Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 76,821 shares of the Company's common stock until July 30, 2027.

**Item 6. Exhibits.**

| <b><u>Exhibit No.</u></b> | <b><u>Description</u></b>                                                                                                                                                                                                                                                         |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1                       | <a href="#"><u>Third Amended and Restated Certificate of Incorporation of Travel + Leisure Co. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed May 20, 2024).</u></a>                                                                                |
| 3.2                       | <a href="#"><u>Fourth Amended and Restated Bylaws of Travel + Leisure Co., effective as of November 8, 2023 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed November 9, 2023).</u></a>                                                               |
| 4.1                       | <a href="#"><u>Indenture, dated December 13, 2019, between Wyndham Destinations, Inc. and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 13, 2019).</u></a>    |
| 4.2                       | <a href="#"><u>Fifth Supplemental Indenture, dated May 20, 2026, between Travel + Leisure Co. and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 20, 2026).</u></a> |
| 4.3                       | <a href="#"><u>Form of 6.250% Note due 2031 (included in Exhibit 4.2).</u></a>                                                                                                                                                                                                    |
| 15*                       | <a href="#"><u>Letter re: Unaudited Interim Financial Information</u></a>                                                                                                                                                                                                         |
| 31.1*                     | <a href="#"><u>Certification of President and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities and Exchange Act of 1934.</u></a>                                                                                                                           |
| 31.2*                     | <a href="#"><u>Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934</u></a>                                                                                                                                              |
| 32**                      | <a href="#"><u>Certification of President and Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.</u></a>                                                                                                                                     |
| 101.INS*                  | Inline XBRL Instance Document                                                                                                                                                                                                                                                     |
| 101.SCH*                  | Inline XBRL Taxonomy Extension Schema Document                                                                                                                                                                                                                                    |
| 101.CAL*                  | Inline XBRL Taxonomy Extension Calculation Linkbase Document                                                                                                                                                                                                                      |
| 101.DEF*                  | Inline XBRL Taxonomy Extension Definition Linkbase Document                                                                                                                                                                                                                       |
| 101.LAB*                  | Inline XBRL Taxonomy Extension Label Linkbase Document                                                                                                                                                                                                                            |
| 101.PRE*                  | Inline XBRL Taxonomy Extension Presentation Linkbase Document                                                                                                                                                                                                                     |
| 104*                      | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)                                                                                                                                                                                          |

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\* Filed with this report

\*\* Furnished with this report

† 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.

**TRAVEL + LEISURE CO.**

Date: July 22, 2026

By: /s/ Erik Hoag  
Erik Hoag  
Chief Financial Officer

Date: July 22, 2026

By: /s/ Thomas M. Duncan  
Thomas M. Duncan  
Chief Accounting Officer

July 22, 2026

The Board of Directors and Stockholders of Travel + Leisure Co.  
501 W. Church St.  
Orlando, Florida 32805

We are aware that our report dated July 22, 2026, on our review of the interim condensed consolidated financial information of Travel + Leisure Co. and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, is incorporated by reference in Registration Statement Nos. 333-136090 and 333-228435 on Forms S-8 and Registration Statement No. 333-280014 on Form S-3ASR.

/s/ Deloitte & Touche LLP

Tampa, Florida

## CERTIFICATION

I, Michael D. Brown, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Travel + Leisure Co.;
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: July 22, 2026

\_\_\_\_\_  
/S/ MICHAEL D. BROWN  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

## CERTIFICATION

I, Erik Hoag, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Travel + Leisure Co.;
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: July 22, 2026

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/S/ ERIK HOAG  
CHIEF FINANCIAL OFFICER

**CERTIFICATION OF PRESIDENT AND CEO AND CFO PURSUANT TO  
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Travel + Leisure Co. (the “Company”) on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Michael D. Brown, as President and Chief Executive Officer of the Company, and Erik Hoag, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1.) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ MICHAEL D. BROWN

MICHAEL D. BROWN  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
JULY 22, 2026

/S/ ERIK HOAG

ERIK HOAG  
CHIEF FINANCIAL OFFICER  
JULY 22, 2026