UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2023

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	**20-0052541**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6277 Sea Harbor Drive	**32821**
Orlando, Florida	(Zip Code)
(Address of Principal Executive Offices)	

(407) 626-5200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol	Name of each exchange on which registered
Common Stock	TNL	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐		
		Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2023, was $ 2,902,211,695. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of January 31, 2024, the registrant had outstanding 71,031,585 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement prepared for our 2024 Annual Meeting of Shareholders are incorporated by reference into Part III (Items 10, 11, 12, 13 and 14) of this report.

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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 costs for acquisitions and divestitures, asset impairments/recoveries, 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. and Cendant Corporation, and the sale of the vacation rentals businesses.
AOCL	Accumulated Other Comprehensive Loss
ARN	Alliance Reservations Network
AUD	Australian Dollar
Awaze	Awaze Limited, formerly Compass IV Limited, an affiliate of Platinum Equity, LLC
Board	Board of Directors
Cendant	Cendant Corporation
Company	Travel + Leisure Co. and its subsidiaries
Distribution	Pro rata distribution of Wyndham Hotels & Resorts, Inc. stock to Wyndham Worldwide Corporation's shareholders.
ESG	Environmental, Social, and Governance
EPS	Earnings Per Share
Fee-for-Service sales	Sales of VOIs through the Company's Fee-for-Service programs where inventory is sold through its sales and marketing channels for a commission.
GAAP	Generally Accepted Accounting Principles in the United States
GHG	Greenhouse gas
LIBOR	London Interbank Offered Rate
Moody's	Moody's Investors Service, Inc.
NQ	Non-Qualified stock options
NYSE	New York Stock Exchange
NZD	New Zealand Dollar
PSU	Performance-vested restricted Stock Units
RSU	Restricted Stock Unit
S&P	Standard & Poor's Rating Services
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
Vacasa	Vacasa LLC
VIE	Variable Interest Entity
VOCR	Vacation Ownership Contract Receivable
VOI	Vacation Ownership Interest
VPG	Volume Per Guest
Wyndham Hotels	Wyndham Hotels & Resorts, Inc.
Wyndham Worldwide	Wyndham Worldwide Corporation

PART I

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," "continue," "future" 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 through travel clubs; our ability to compete in the highly competitive timeshare and leisure travel industries; uncertainties related to acquisitions, dispositions and other strategic transactions; the health of the travel industry and declines or disruptions caused by adverse economic conditions (including inflation, higher interest rates, and recessionary pressures), terrorism or acts of gun violence, political strife, war (including hostilities in Ukraine and the Middle East), pandemics, and severe weather events and other natural disasters; 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; the timing and amount of future dividends and share repurchases, if any; 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 this report. 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.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements, reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and other information with the SEC. Our SEC filings are available free of charge to the public over the Internet at the SEC's website at http://www.sec.gov. Our SEC filings are also available on our website at http://www.travelandleisureco.com as soon as reasonably practicable after they are filed with or furnished to the SEC. Our website and the information contained on or connected to that site are not incorporated into this Annual Report.

ITEM 1. BUSINESS

Company Overview

Travel + Leisure Co. is the world's leading membership and leisure travel company. We provide vacation experiences and travel inspiration to millions of owners, members, and subscribers through our products and services. Travel + Leisure Co. has the following segments:

- ***Vacation Ownership*** includes our Wyndham Destinations business line, which is the world's largest vacation ownership company with 804,000 owners and more than 245 vacation club resort locations.
- ***Travel and Membership*** includes our Exchange and Travel Club business lines. RCI is the world's largest exchange company with 3.5 million members and 4,100 affiliated resorts in its network. Our Travel Club business line includes: our RCI travel club, which seeks to capture a greater share of our members non-exchange travel budgets; and our business-to-business ("B2B") travel clubs, which offer white-label solutions to associations, organizations, and other closed user groups.

History and Development

Our corporate history can be traced back to the formation of Hospitality Franchise Systems ("HFS") in 1990. In December 1997, HFS merged with CUC International, Inc. to form Cendant Corporation ("Cendant"), which then expanded further through the addition of vacation rentals and vacation ownership businesses. On July 31, 2006, Cendant distributed all of the shares of its subsidiary, Wyndham Worldwide Corporation ("Wyndham Worldwide"), to the holders of Cendant common stock. On August 1, 2006, we commenced "regular way" trading on the New York Stock Exchange ("NYSE") under the symbol WYN.

On May 31, 2018, we established Wyndham Destinations, Inc. and completed the spin-off of our hotel business ("Spin-off") into a separate publicly traded company, Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). This transaction was effected through a pro rata distribution of the new hotel entity's stock to shareholders of Wyndham Worldwide (the "Distribution"). In connection with the Spin-off, we entered into certain agreements with Wyndham Hotels. See "*Key Agreements Related to the Spin-Off*" for more information.

On January 5, 2021, we acquired the Travel + Leisure brand and all related assets from Dotdash Meredith (formerly Meredith Corporation). The acquisition created a strategic alliance between Travel + Leisure Co. and Dotdash Meredith, with Dotdash Meredith continuing to operate and monetize Travel + Leisure branded multi-platform media assets across multiple channels under a 30-year royalty-free, renewable licensing relationship. In connection with this acquisition, on February 17, 2021, Wyndham Destinations, Inc. was renamed Travel + Leisure Co. and trades on the NYSE under the ticker symbol TNL. See Note 5—*Acquisitions* to the Consolidated Financial Statements for more information.

Business Strategy

We are focused on leisure travel and our mission is to "Put the World on Vacation." Travel + Leisure Co. has been a leader in the travel membership business for over 50 years. Our strategy is to accelerate the growth of our global businesses by broadening the strength of our cornerstone timeshare and exchange businesses and creating depth of leisure travel products and services through growth of our travel clubs.

BUSINESS DESCRIPTIONS

We report results of operations for the following reportable segments, which are described in more detail below:

- ***Vacation Ownership,*** substantially comprised of Wyndham Destinations.
- ***Travel and Membership***, comprised of Exchange and Travel Club.

Our business segments generate diversified revenue streams and significant cash flow. In 2023, we generated 42% of our revenues from the sale of vacation ownership interests, and 44% from our fee-for-service revenue streams.

Our businesses have both domestic and international operations. During 2023, we derived 89% of our revenues in the United States ("U.S.") and 11% internationally. For further details on our segment revenues, profits, assets and geographical operations, see Note 23—*Segment Information* to the Consolidated Financial Statements.

VACATION OWNERSHIP

Industry

The vacation ownership industry, also referred to as the timeshare industry, enables consumers to share ownership of fully-furnished vacation accommodations. Typically, the consumer purchases either a title to a fraction of a unit through a points-based system or a right to use a property for a specific period of time through a weekly interval system. This is referred to as a vacation ownership interest ("VOI"). Under a points-based system, owners often have advance reservation rights for a particular destination and are free to redeem their points for various unit types and/or locations. In addition, points-owners can vary the length and frequency of product utilization.

Typically, developers sell VOIs for a fixed purchase price that is paid in full at closing or financed through developer-offered financing options. Vacation ownership resorts are often operated by a property owners' association of which the VOI owners are members. Most property owners' associations are governed by a board of directors that includes owners and may include representatives of the developer. The board of the property owners' association typically delegates much of the responsibility for managing the resort to a management company, which is often affiliated with the developer.

After the initial purchase, most vacation ownership programs require the owner to pay an annual maintenance fee. This fee represents the owner's allocable share of the costs and expenses of operating and maintaining the vacation ownership property and providing program services. This fee typically covers expenses such as housekeeping, landscaping, taxes, insurance, resort labor, a management fee payable to the management company, and an assessment to fund a reserve account used to renovate, refurbish and replace furnishings, appliances, and common areas and other assets, such as structural elements and equipment, as needed over time.

Based on published industry data, owners express the following primary reasons for buying and continuing to own their timeshare:

- saving money on future vacation costs;
- location of resorts;

- overall flexibility to use different locations, unit types, and times of year;
- certainty of vacations; and
- certainty of quality accommodations.

Vacation Ownership Overview

Our Vacation Ownership reportable segment is substantially comprised of our Wyndham Destinations branded business line, which is the world's largest vacation ownership business based on number of resorts and owners. We develop and acquire vacation ownership resorts, market and sell VOIs, provide consumer financing for the majority of the VOI sales, and provide property management services to property owners' associations. As of December 31, 2023, we had more than 245 vacation ownership resorts in the U.S., Canada, Mexico, the Caribbean, and Asia Pacific that represent 26,800 individual vacation ownership units and 804,000 owners of VOIs. Our programs allow us to market and sell our vacation ownership products in variable quantities and to offer existing owners "upgrade" sales to supplement their existing VOIs.

During 2023, we entered into an agreement to acquire the rights to the vacation ownership business of Sports Hospitality Ventures, LLC ("SHV"), a hotel and resorts licensee for the Sports Illustrated brand. This business line is included in the Vacation Ownership segment.

Strategies

Our goal is to strengthen our leadership position in the vacation ownership industry and generate consistent and long-term value for our shareholders. To achieve this goal, we intend to pursue the following strategies:

Optimize the revenue potential of our existing owner base as well as enhance our upgrade pipeline through the addition of new owners. We have strong embedded revenue potential through our existing owner base: owners tend to upgrade as vacation needs evolve. We earn interest revenue on our portfolio as well as club and resort management fees. We also seek to enhance our future upgrade pipeline through sales to new owners. On average, new owners nearly double their initial VOI purchase within six years, resulting in predictable, high-margin future revenue streams.

Maximize our relationship with Wyndham Hotels. We have a long-term, exclusive license agreement and marketing arrangements with Wyndham Hotels, the world's largest hotel franchiser by number of hotels with approximately 9,200 affiliated hotels located in more than 95 countries. The Wyndham Hotels loyalty program, Wyndham Rewards, has over 106 million enrolled members, many of whom fit our target new-customer demographic, providing us with a substantial customer sourcing opportunity to drive future VOI sales. We plan to increase this sales channel with initiatives such as enhanced call transfers, online marketing, in-hotel marketing, and online rentals of vacation ownership resorts. Volume per guest on these affinity marketing tours is generally higher than other tours, helping to increase margins on new owner sales.

Add leisure or hospitality brands to our existing portfolio. The addition of brands will help us expand in existing markets or extend into new markets. New brands will also help with lead generation for new owner tours.

Maintain a capital-efficient inventory sourcing strategy to produce attractive returns and cash flow. We have a diverse inventory sourcing model that allows us to generate VOI sales. These sources include self-developed inventory, Just-in-Time inventory, Fee-for-Service inventory, inventory reclaimed from consumer loan defaults and owners' associations or owners. Our capital-efficient inventory sourcing strategy has significantly increased return on invested capital since 2010.

Revenues and Operating Statistics

Our Vacation Ownership business derives a majority of its revenues from vacation ownership sales, with consumer financing and property management fees being the other main sources of revenue.

Performance in our Vacation Ownership business is measured by the following key operating statistics:

- Gross vacation ownership interest sales — Sales of VOIs, including sales under our Fee-for-Service program, before the effect of loan loss provisions.
- Tours — Number of tours taken by guests in our efforts to sell VOIs.
- Volume per guest ("VPG") — Gross VOI sales (excluding telesales and virtual sales) divided 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.

Sales and Marketing

We employ a variety of marketing channels to encourage prospective owners of VOIs to tour our properties and attend sales presentations at our resort-based sales centers as well as offsite sales offices. Our resort-based sales centers also enable us to actively solicit upgrade sales to existing owners of VOIs while they vacation at our resorts. Additionally, we operate telesales and virtual sales programs designed to reach and solicit upgrade sales to existing owners we were not able to market to during their vacations. In total VOI upgrade sales represented 68% and 70% of our net VOI sales in 2023 and 2022.

Our marketing and sales activities are often facilitated through marketing alliances with other travel, hospitality, entertainment, gaming, and retail companies that provide access to such companies' customers through a variety of co-branded marketing offers. Our resort-based sales centers, which are located in popular travel destinations throughout the U.S., generate substantial tour flow by enabling us to market to tourists already visiting these destinations. Our marketing agents, who often operate on the premises of the hospitality, entertainment, gaming, and retail companies with which we have alliances, solicit tourists with offers relating to entertainment activities and other incentives in exchange for the tourists visiting the local resorts and attending sales presentations.

Consumer Financing

We offer financing to purchasers of VOIs which attracts additional customers and generates substantial incremental revenues and profits. Domestically, we fund and service loans through our wholly-owned consumer financing subsidiary, Wyndham Consumer Finance. Wyndham Consumer Finance performs loan financing, servicing, and related administrative functions, including customer service, billing, and collection activities.

We typically perform a credit investigation or other inquiry into a purchaser's credit history before offering to finance a portion of the purchase price of the VOI. The interest rate offered to participating purchasers is determined by an automated underwriting process based upon the purchaser's credit score. We use a consumer credit score, Fair Isaac Corporation ("FICO"), which is a branded version of a consumer credit score widely used within the U.S. Our weighted average FICO score on new originations was 739 and 736 for 2023 and 2022.

We typically require a minimum down payment of 10% of the purchase price on all VOI sales and offer consumer financing for the remaining balance for up to 10 years. These loans are structured with equal monthly installments that fully amortize the principal by the final due date. While the minimum down payment is typically 10%, our average down payment on financed VOI sales was 19% for both 2023 and 2022.

During 2023, we generated $1.43 billion of receivables on $1.93 billion of gross VOI sales, net of Fee-for-Service sales, resulting in 74% of our VOI sales being financed compared to 64% during 2022. This level of financing is prior to the application of cash received for the full payment of a loan within 60 days of origination. After the application of these early repayments, we financed 56% of VOI sales during both 2023 and 2022.

Similar to many other companies that provide consumer financing, we have historically securitized a majority of the receivables originated in connection with the sale of VOIs. We initially place the financed contracts into a revolving warehouse securitization facility, generally within 30 to 90 days after origination. Many of the receivables are subsequently transferred from the warehouse securitization facility into term securitization facilities. Wyndham Consumer Finance manages the selection, processing and servicing of loans pledged in our warehouse and term securitization facilities.

We assess the performance of our loan portfolio by monitoring numerous metrics including collection rates, defaults by state of residency, and bankruptcies. Our loan portfolio was 95% and 94% current (not more than 30 days past due) as of December 31, 2023 and 2022. See Note 9—*Vacation Ownership Contract Receivables* to the Consolidated Financial Statements for further information on the performance of our loan portfolio.

Property Management

On behalf of each of the property owners' associations, we or our affiliates generally provide day-to-day management for vacation ownership resorts, which includes oversight of housekeeping services, maintenance, and refurbishment of the units, and provide certain accounting and administrative services to property owners' associations. The terms of the property management agreements are generally between three to five years; however, the vast majority of the agreements provide a mechanism for automatic renewal upon expiration of the terms. In connection with these property management services, we receive fees which are generally based upon total costs to operate such resorts. Fees for property management services typically approximate 10% of budgeted operating expenses. As the owner of unsold VOIs, we pay maintenance fees in accordance with the legal requirements of the jurisdictions in which the resorts are located. In addition, at certain newly-developed resorts, we may enter into subsidy agreements with the property owners' associations to cover costs that otherwise would be covered by annual maintenance fees payable with respect to VOIs that have not yet been sold.

Seasonality

We rely, in part, upon tour flow to generate sales of VOIs; consequently, sales volume tends to increase in the spring and summer months as a result of greater tour flow from travelers, generally resulting in higher revenue from sales of VOIs in the third quarter than in other quarters.

Competition

Our Vacation Ownership business principally competes with short-term vacation options such as lodging, cruise and home and apartment sharing services, as well as other timeshare developers. The leisure travel industry is large and highly competitive. We compete based on brand name recognition and reputation, lifetime value, location and the availability of desirable development sites for new vacation ownership properties, convenience, quality of accommodations, evolving customer travel preferences, service levels, amenities, customer loyalty, and flexibility. In order to compete, we incent potential new owners and existing owners to tour with us in order to better understand our products and services.

The vacation ownership industry has consolidated over the last 20 years leaving multiple well-capitalized branded companies including: Marriott Vacations Worldwide, Hilton Grand Vacations, Disney Vacation Club, and Holiday Inn Club Vacations. As an industry, we largely source potential new owner tours from different marketing channels, but there is overlap when consumers are members of more than one loyalty program and/or travel to more than one resort within a market. We compete for property acquisitions and partnerships with entities that have similar investment objectives. There is also significant competition for talent at all levels within the industry, in particular for sales and management. Competitors range from small independent vacation ownership companies, to large branded hospitality companies, all operating vacation ownership businesses involved in the development, finance, and operation of timeshare properties.

We generally do not face competition in our consumer financing business to finance our VOI sales. We do face competition from financial institutions providing other forms of consumer credit, which may lead to full or partial prepayment of our timeshare financing receivables.

TRAVEL AND MEMBERSHIP

Travel and Membership Overview

Our Travel and Membership segment is comprised of our Exchange and Travel Club business lines. These businesses are primarily fee-for-service, selling third-party inventory that provides stable revenue streams and produces strong cash flow.

Within Exchange, we operate RCI, the world's largest vacation exchange network based on the number of members and affiliated resorts. Through our collection of vacation exchange brands, we have 3.5 million paid member families. Annual member retention is high and over the last three years we have retained on average 85% of the exchange memberships through our Exchange networks. In the vast majority of cases, we acquire new members when an affiliated timeshare developer pays for the initial term of a membership on behalf of a timeshare owner as part of the vacation ownership purchase process. Generally, this initial membership is for either a one- or two-year term, after which these new members may choose to renew directly with us. We also acquire a small percentage of new members directly from online channels or direct consumer outreach. Members receive periodicals and other communications published by us and, for additional fees, may use the vacation exchange program and other services that provide the ability to protect trading power or points, extend the life of a deposit, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power and book travel services.

Our vacation exchange business has relationships with 4,100 affiliated vacation ownership resorts in 104 countries and territories located in North America, Latin America, the Caribbean, Europe, the Middle East, Africa, and Asia Pacific.

Travel Club offers discount travel to consumers as well as custom travel technology solutions to B2B affinity partners including large employers, banks and retailers, trade associations and others via their operations in the U.S. and Mexico.

Strategies

Our goal is to grow our cornerstone vacation exchange business, optimize cash flow, and broaden our reach into the leisure travel markets to accelerate overall growth for the segment through our travel clubs. To achieve this goal, we intend to pursue the following strategies:

*Expand and enhance our products and services to increase wallet share, transaction propensity, and retention within our member base.*Through the addition of more inventory options for exchange and more travel products and services, RCI Travel Club seeks to enhance its core exchange business lines' growth through greater share of consumers' travel spend, increased member engagement, and reduced churn.

Expand B2B travel solutions. We seek to expand B2B partnerships across multiple sectors driving incremental transaction revenue. We offer white-label solutions to associations, organizations, and other closed-user groups in order for these groups to offer travel benefits to their communities which increases engagement and loyalty.

Revenues and Operating Statistics

Travel and Membership derives the majority of its revenues from annual membership dues and fees for facilitating exchange and non-exchange transactions and other travel accommodations and services. We also generate revenue from programs with affiliated resorts, club servicing, and loyalty programs, as well as additional products that provide exchange 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. No single customer, developer, or group accounts for more than 10% of our revenues.

Performance in our Travel and Membership business has been measured by the following key operating statistics:

- Average number of exchange members — Represents paid members in our vacation exchange programs who are considered to be in good standing.
- Transactions — Represents the number of exchanges and travel bookings recognized as revenue during the period, net of cancellations.
- Revenue per transaction — Represents transaction revenue divided by transactions.

Sales and Marketing, Distribution and Customer Development

In the exchange business, we affiliate with vacation ownership developers directly through our in-house sales teams. Affiliated vacation ownership developers sign agreements that have an average duration of five years. Our vacation exchange members are acquired primarily through our affiliated developers as part of the vacation ownership purchase process. We acquire a small percentage of our members directly from online channels.

Travel clubs collaborate with affinity groups outside of the vacation ownership industry. These affinity groups include employee benefit plans, professional associations, and other paid membership groups that are interested in providing travel benefits to their members to enhance customer loyalty, and in many cases, generate incremental fee streams. We distribute our products and services through proprietary websites and call centers around the world.

Inventory

The properties our business makes available to travelers include vacation ownership and fractional resorts, homes, private residence clubs, and traditional hotel rooms. Only in rare cases do we acquire and take title of inventory, as our network supply is predominantly owned and provided by third-party affiliates and suppliers. We offer travelers flexibility to select preferred travel dates in a variety of lodging options. We leverage inventory comprised of VOIs and independently owned properties across our network of brands to maximize value for affiliates and members.

Through our Travel Club business, we also offer additional travel products such as flights and car rentals.

Seasonality

Our revenues from vacation exchange fees have traditionally been higher in the first quarter, which is generally when our vacation exchange members plan and book their vacations for the year.

Competition

Our global exchange business competes with other vacation exchange companies, most notably Interval International, certain timeshare developers, and clubs that offer vacation exchange through their own internal networks of properties. This business also competes with third-party internet travel intermediaries and peer-to-peer online networks that are used by consumers to search for and book their resort and other travel accommodations.

Our Travel Club business competes more broadly with the larger sector of leisure travel options including traditional travel agents, online travel agents, and travel clubs.

INTELLECTUAL PROPERTY

Our business is affected by our ability to protect against infringement of our intellectual property, including our trademarks, service marks, logos, trade names, domain names, and other proprietary rights. Travel + Leisure Co. and its subsidiaries actively use or license for use all significant marks and domain names, and we own or have exclusive licenses to use these marks and domain names. In connection with the Spin-off, we entered into a license, development and noncompetition agreement with Wyndham Hotels, which, among other things, granted to Travel + Leisure Co. the right to use the "Wyndham" trademark, "The Registry Collection" trademark, and certain other trademarks and intellectual property in our business. See "*Key Agreements Related to the Spin-Off—License, Development and Noncompetition Agreement*" for more information. We register the marks that we own in the U.S. Patent and Trademark Office, as well as with other relevant authorities where we deem appropriate, and seek to protect our marks from unauthorized use as permitted by law. See Note 7— *Intangible Assets* to the Consolidated Financial Statements for more information regarding our intangible assets.

GOVERNMENT REGULATION

Our business is subject to various international, national, federal, state and local laws, regulations, and policies in jurisdictions in which we operate. Some laws, regulations, and policies impact multiple areas of our business, such as securities, anti-discrimination, anti-fraud, data protection and security and anti-corruption and bribery laws and regulations or government economic sanctions, including applicable regulations under the U.S. Treasury's Office of Foreign Asset Control and the U.S. Foreign Corrupt Practices Act ("FCPA"). The FCPA and similar anti-corruption and bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or generating business. Other laws, regulations, and policies primarily affect only one of the following areas of our business: inventory sourcing activities; sales and marketing activities; purchaser financing activities; and property management activities.

Timeshare Inventory Purchasing and Development

Our inventory sourcing activities are regulated under a number of different timeshare, condominium, and land sales disclosure statutes in many jurisdictions. We are generally subject to laws and regulations applicable to real estate development, subdivision, and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance, and taxation. In the U.S., these include the Fair Housing Act and the Americans with Disabilities Act of 1990 and the Accessibility Guidelines promulgated thereunder. In addition, we are subject to laws in some jurisdictions that impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer.

Sales and Marketing Regulation

Our sales and marketing activities are highly regulated. In addition to regulations implementing laws enacted specifically for the timeshare industry, a wide variety of laws and regulations govern our sales and marketing activities, including regulations implementing the USA PATRIOT Act, Foreign Investment In Real Property Tax Act, the federal Interstate Land Sales Full Disclosure Act and fair housing statutes, U.S. Federal Trade Commission and states' "Little FTC Acts" and other regulations governing unfair, deceptive or abusive acts or practices including unfair or deceptive trade practices and unfair competition, state attorney general regulations, anti-fraud laws, prize, gift and sweepstakes laws, laws governing discount sales and buying clubs, real estate, title agency or insurance and other licensing or registration laws and regulations, anti-money laundering, consumer information privacy and security, breach notification, information sharing, telemarketing and email marketing laws, home solicitation sales laws, tour operator laws, lodging certificate and seller of travel laws, securities laws, subscription laws, and other consumer protection laws.

We must obtain the approval of numerous governmental authorities for our sales and marketing activities. Changes in circumstances or applicable law may necessitate the application for or modification of existing approvals. Our telemarketing activities are subject to regulation and enforcement activities including the federal Telephone Consumer Protection Act and "do not call" legislation, which may increase the cost of telemarketing activities and expose us to enforcement actions if we do not comply. We mitigate this risk by using permission-based marketing in some instances and have implemented procedures to comply with federal and state "do not call" regulations, including subscription to federal and certain state "do not call" registries and maintenance of an internal "do not call" list. Similarly, state and federal regulations may place limitations on our ability to engage our consumers in electronic mail marketing campaigns, including requirements applicable to the transmission of email messages with the primary purpose of advertising or promoting a commercial product or service. We have adopted email messaging practices responsive to the requirements of such regulations.

In addition, many jurisdictions, including many in the U.S., require that we file detailed registration or offering statements with regulatory authorities disclosing information regarding our VOIs, such as information concerning the intervals being offered, the project, resort or program to which the intervals relate, applicable timeshare plans, evidence of title, details regarding our business, the purchaser's rights and obligations with respect to such intervals, and a description of the manner in which we intend to offer and advertise such intervals.

When we sell VOIs, local law grants the purchaser of a VOI the right to cancel a purchase contract during a specified rescission period following the later of the date the contract was signed or the date the purchaser received the last of the documents required to be provided by us.

Purchaser Financing Regulation

Our purchaser financing activities are subject to a number of laws and regulations including those of applicable supervisory agencies such as, in the U.S., the Consumer Financial Protection Bureau, the Federal Trade Commission, and the Financial Crimes Enforcement Network. These laws and regulations, some of which contain exceptions applicable to the timeshare industry, may include, among others, the Real Estate Settlement Procedures Act and Regulation X, the Truth In Lending Act and Regulation Z, the Federal Trade Commission Act, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act, the Fair Housing Act and implementing regulations, the Fair Debt Collection Practices Act, the Electronic Funds Transfer Act and Regulation E, unfair, deceptive or abusive acts or practices regulations and the Credit Practices rules, the USA PATRIOT Act, the Right to Financial Privacy Act, the Gramm-Leach-Bliley Act, the Servicemembers Civil Relief Act, and the Bank Secrecy Act. Our purchaser financing activities are also subject to the laws and regulations of other jurisdictions, including, among others, laws and regulations related to consumer loans, retail installment contracts, mortgage lending, fair debt collection and credit reporting practices, consumer debt collection practices, mortgage disclosure, lender or mortgage loan originator licensing and registration and anti-money laundering.

Property Management Regulation

Our property management activities are subject to laws and regulations regarding community association management, public lodging, food and beverage services, liquor licensing, labor, employment, health care, health and safety, accessibility, discrimination, immigration, gaming, and the environment (including climate change). In addition, many jurisdictions in which we manage our resorts have statutory provisions that limit the duration of the initial and renewal terms of our management agreements for property owners' associations.

HUMAN CAPITAL

Employee Profile

We recognize our employees as associates who bring our mission to put the world on vacation to life through their service to the world's leading membership and leisure travel company.

Oversight and Management

Our human resources organization manages employment-related matters, including recruiting and hiring, onboarding, compensation and benefits, performance management, and professional development. Our Board of Directors ("Board") and its committees also provide oversight on certain human capital matters, including diversity and inclusion initiatives. Our Corporate Governance Committee periodically reviews potential trends and impacts of environmental, social, and governance issues that affect human capital matters. Our Compensation Committee is responsible for periodically reviewing certain of our human capital programs, policies and procedures, including management succession planning and development. The Compensation Committee is also responsible for periodically reviewing incentives and risks related to our compensation programs. Furthermore, our Audit Committee discusses compliance risks related to human capital matters and periodically reviews and updates our Code of Conduct to promote ethical behavior by all of our associates.

As of December 31, 2023, our global team was comprised of over 19,000 associates, 4,200 of whom work outside the U.S. Of our global associates 14,900 support Vacation Ownership, 1,900 support Travel and Membership, and 2,200 comprise our corporate group. Less than 1% of our associates are subject to collective bargaining agreements governing their employment with our company.

Employee Development

We seek to attract and retain top talent through our commitment to shared values and competencies, and the development of each associate as an integral contributor to our business and our culture. Our internal pipeline of talent is strengthened by our ability to help associates develop knowledge, skills, and a network of supporters throughout their career. We promote four competencies for all associates: Customer Obsession, Decision Velocity, Transparency, and Empowerment. Associates are encouraged to master these competencies through individual development plans, performance reviews, and training. Examples of our employee development programs and initiatives include:

- Associate Learning and Development: our proprietary Destination U resource is a comprehensive solution that puts the ownership of each associate's career development directly into their hands. By fostering growth potential for all associates at Travel + Leisure Co., we enable each individual to clearly understand their role in the context of the larger organization and to access courses designed specifically to further their development.

- Programs focused on career progression include formal talent reviews, succession planning, associate development programs for all levels, executive coaching, leader onboarding plans, new leader orientation, and tuition and certification reimbursement.

Competitive Pay/Benefits

We offer a comprehensive total rewards program designed to attract and retain top talent, fuel our business objectives, and reward performance excellence. Our total rewards package reflects our commitment to our associates and includes competitive pay, healthcare benefits, retirement savings plans, paid time off including parental leave, and other mental health and well-being support. Approximately 97% of our associates are eligible to participate in a company sponsored retirement plan or a mandatory pension plan in their country of residence, subject to plan terms. We also have an Employee Stock Purchase Plan which is available to 87% of our associates. This plan allows eligible associates to purchase common shares of Company stock at a 10% discount from the fair market value at the grant date. We regularly review our design and offerings to ensure alignment with country and regional competitive practices.

We believe in performance-based variable compensation programs that support a high-performance environment. All of our managers participate in an annual incentive plan that most closely aligns with their role. Sales and marketing associates at all levels across our business lines participate in variable compensation plans aligned to their role. As of December 31, 2023, 41% of our associates participate in a variable pay incentive pay program.

Health & Safety

The health and safety of our associates is of the utmost importance. Travel + Leisure Co. remains responsive to health-related issues, including COVID-19, for the safety and well-being of our associates, guests, and customers. Our plans mirror the relevant direction from the Center for Disease Control ("CDC") and prevention guidelines for the U.S. and other equivalent government agencies in the regions where we operate globally.

To ensure associates and contractors under our management have a safe working environment, the Corporate Safety and Security team leads our occupational health and safety management system, in compliance with Occupational Safety and Health Administration ("OSHA") requirements and guidance. The Corporate Safety and Security team works closely with the Business Continuity team on incident management plans and responses. Business Continuity owns a detailed Emergency Preparedness Guide that equips each location with incident response protocols and reporting processes, an emergency response hotline, and outlines the physical requirements for handling situations ranging from natural disasters to criminal activity.

Visit our website at travelandleisureco.com/esg-commitment for additional information about our health and safety activities and initiatives. Information on our website is not part of, or incorporated by reference into, this Annual Report on Form 10-K.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We are committed to making a positive impact on our world while delivering stakeholder value through our Environmental, Social, and Governance ("ESG") strategy, Full Circle. This strategy remains an integral part of our company culture and is reflected in our global business operations. We prioritize protecting the environment and strengthening the communities where we live and operate. We strive to cultivate an inclusive environment, in which our associates, customers, suppliers, and communities feel appreciated, respected, and valued.

Our Full Circle strategy is recognized through the prestigious honors we have earned, including:

- Fortune magazine's World's Most Admired Companies,
- U.S. News' Best Companies to Work For,
- Newsweek's lists of both World's Most Trustworthy Companies and Most Trustworthy Companies in America,
- National Veteran-Owned Business Association's Best Corporations for Veteran's Business Enterprises,
- National LGBT Chamber of Commerce's "Best-of-the-Best" Corporations,
- National Business Inclusion Consortium's ("NBIC") Top 50 Best-of-the-Best Corporations for Inclusion, and the
- Human Rights Campaign's 2023-2024 Equality 100 award for leaders in LGBTQ+ workplace inclusion.

Environmental Progress

Our environmental strategy is anchored through three main tenants: reducing our environmental footprint, expanding our renewables portfolio, and prioritizing biodiversity in locations where we live and work. Our commitment to environmental management extends beyond fully owned assets, encompassing all assets we own, manage, and lease. We closely partner with applicable property owners' associations that we do not control to drive progress toward our environmental goals. Our environmental goals are to:

- Reduce greenhouse gas ("GHG") emissions intensity (Scope 1 + Scope 2 - location-based) by 40% by 2025 compared to our 2010 baseline.
- Increase renewable electricity consumption (of our managed resorts) to 20% by 2030 compared to our 2010 baseline.
- Reduce water withdrawal per square foot by 35% at our owned, managed, and leased assets by 2025 compared to our 2010 baseline.
- Plant two million trees through our partnership with the Arbor Day Foundation by 2025.

As of December 31, 2022, we have reduced our Scope 1 + Scope 2 GHG emissions intensity by 36% and continue to increase our renewable energy consumption. This progress has been accomplished through a combination of increased operational efficiency, onsite solar projects, and one offsite solar project. Additionally, as of December 31, 2022, we have reduced our water withdrawal per square foot by 21%, compared to our 2010 baseline. In partnership with the Arbor Day Foundation, during 2023 we achieved our 2025 goal of planting two million trees. This accomplishment, two years ahead of schedule, underscores our commitment to enhancing biodiversity.

Environmental Compliance

Our compliance with federal, state and local laws and regulations relating to environmental protection and discharge of hazardous materials has not had a material impact on our capital expenditures, earnings or competitive position, and we do not anticipate any material impact from such compliance in the future.

Climate Change

Climate change is associated with extreme weather conditions and other natural disasters, such as increased frequency and severity of storms and floods, coastal erosion and flooding due to higher sea levels, increased temperatures, and increased forest fires. We manage properties exposed to areas which are susceptible to adverse effects resulting from these conditions and disasters. As of December 31, 2023, based on insurable property values, approximately:

- 37% of our managed properties are located in Tier I windstorm exposure areas,
- 23% are in states prone to high-risk wildfire, and
- 20% are situated in areas with a high level of flood risk.

In addition, based on the water risk assessment we conducted in 2023, we identified 53 managed resorts in high or extremely high-water stressed locations. It is possible that the weather conditions and other natural disasters associated with climate change could increase in frequency and/or severity in the future which could have a material adverse effect on our managed property portfolio, operating costs, and demand for our products and/or services. We are continuously monitoring climate change risks and taking actions to mitigate impacts, as deemed appropriate.

Inclusion & Diversity

We understand that a culture of rich inclusion and diversity enhances our performance and fortifies our ability to serve our customers. We strive to cultivate an inclusive environment which enables people to be their authentic selves, and where each associate feels appreciated, respected, and valued as a contributor at every level within the organization.

- Our inclusive talent acquisition strategy focuses on developing a diverse pipeline of candidates that includes applicants from a variety of backgrounds, cultures, and experiences. This includes women, diverse ethnicities, veterans, LGBTQIA+, those with disabilities, generational diversity, and more.
- Our Global Inclusion and Diversity Council ("GIDC") is comprised of a CEO-led team of diverse senior and executive leaders representing our worldwide operations. The mission of the GIDC is to foster, cultivate, and design actions to strengthen our culture and global communities, through inclusion, equitable opportunities, and social justice.
- We host voluntary, associate-led Diversity Resource Groups ("DRGs") for our Asian/Pacific Islander, Black/African American, Hispanic/Latinx, LGBTQIA+, Veteran, and Women associates. DRGs foster affiliation with colleagues across the business, and are designed to enable the personal growth, professional development, and retention of diverse talent. Participants have the opportunity to develop their careers through learning, leadership exposure, and business engagement. Our partnerships with inclusive, diverse organizations at national and regional levels provide a platform for our associates to develop leadership skills and gain inclusion and diversity education. Additionally, these forums enable executives to showcase thought leadership at sponsored programs and events.

- Our roadmap to drive progress in inclusion and diversity is guided by our goals of continuing to enhance a diverse talent pipeline to increase diverse representation at the director and above level; ongoing focus on diverse hires at all levels; and maintaining and growing our business relationships with companies that have diverse ownership.

As of December 31, 2023, 53% of our global associates were women, 45% were men, and 2% were not declared. On December 31, 2023, of our global leaders with direct reports 52% were men and 48% were women. The following table provides the global gender distribution by level:

Gender	Below Director	Director and above [(a)]
Female	53%	41%
Male	45%	59%
Undeclared	2%	—%

(a) Includes our executive officers which are 80% male and 20% female.

Our ethnic representation in the U.S. as of December 31, 2023 was:

- 47% White
- 23% Hispanic/Latinx
- 14% Black/African American
- 7% Asian
- 4% Two or more races
- 2% Native Hawaiian/Other Pacific Islander
- 1% Native American/American Indian
- 2% Undeclared

The following table provides the U.S. ethnic diversity distribution by level:

	Below Director	Director and above [(a)]
White	46%	75%
Diverse	52%	24%
Undeclared	2%	1%

(a) Includes our executive officers which are 90% white and 10% ethnically diverse.

Beyond our diverse workforce, we have diverse representation on our Board, with four of our nine Board members being gender and/or ethnically diverse.

We remain committed to sustaining our reputation as an engaged and responsive organization. Travel + Leisure Co. President and CEO Michael Brown signed the CEO Diversity Action Pledge in partnership with CEO Action for Diversity & Inclusion, joining more than 2,400 global organizations who have pledged to act on supporting a more inclusive workplace for employees, communities, and society at large. Mr. Brown was also among 75 Central Florida leaders to sign the first-ever Orlando Economic Partnership Regional Corporate Pledge in 2020, committing to improve regional diversity, equity, and inclusion outcomes.

Philanthropy

With a focus on improving the lives of children and families through vacations, we support charitable organizations with a similar focus and mission. Our philanthropic efforts drive support for organizations including Give Kids the World Village, Jack and Jill Late Stage Cancer Foundation, as well as our internal Associate Relief Fund. Our decades long partnership with Christel House International supports educational opportunities for children in underserved global communities. Additionally, through contributions to Step Up for Students, we support providing low-income families in Florida the opportunity to choose the best education for their children. Most recently, we established the Travel + Leisure Charitable Foundation. This foundation embraces a diverse and inclusive community through a variety of programs, including leadership training, mentoring opportunities, and educational support. Since its formation, the Travel + Leisure Charitable Foundation has partnered with the School Board of Orange County, Florida, to create the Travel + Leisure Eatonville scholarship program, which strives to promote educational excellence within the Eatonville community, the oldest African-American-incorporated municipality in the U.S., by providing scholarships to eligible students.

Governance

For detailed information about our governance practices, see "Governance" in the Proxy Statement for our 2024 Annual Meeting of Shareholders.

Visit our website at travelandleisureco.com/esg-commitment for additional information on our social responsibility activities and initiatives, along with our 2022 ESG report. Information on our website, including our 2022 ESG report, is not part of, or incorporated in, this Annual Report on Form 10-K.

KEY AGREEMENTS RELATED TO THE SPIN-OFF

This section summarizes the material agreements between Travel + Leisure Co. and Wyndham Hotels that govern the ongoing relationships between the two companies after the Spin-off. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are incorporated by reference herein.

As of May 31, 2018, when the Spin-off was completed, Travel + Leisure Co. and Wyndham Hotels operated independently, and neither company has any ownership interest in the other. Before the Spin-off, we entered into a Separation and Distribution Agreement and several other agreements with Wyndham Hotels related to the Spin-off. These agreements govern the relationship following completion of the Spin-off and provide for the allocation of various assets, liabilities, rights, and obligations. The following is a summary of the terms of the material agreements we entered into with Wyndham Hotels. The following summaries do not purport to be complete and are qualified in their entirety by reference to the full text of each agreement, which is incorporated by reference into this Annual Report on Form 10-K included in Part IV, Item 15 as Exhibits 2.4, 10.62, 10.63, 10.64, and 10.65.

Separation and Distribution Agreement

We entered into a Separation and Distribution Agreement with Wyndham Hotels regarding the principal actions taken or to be taken in connection with the Spin-off. The Separation and Distribution Agreement provided for the allocation of assets and liabilities between Travel + Leisure Co. and Wyndham Hotels and established certain rights and obligations between the parties following the Distribution.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement provided for those transfers of assets and assumptions of liabilities so that Travel + Leisure Co. and Wyndham Hotels allocated the assets necessary to operate their respective businesses and retain or assume the liabilities allocated to them in accordance with the separation plan. The Separation and Distribution Agreement also provided for the settlement or extinguishment of certain liabilities and other obligations among Travel + Leisure Co. and Wyndham Hotels. In particular, the Separation and Distribution Agreement provided that, subject to certain terms and conditions:

- The assets that have been retained by or transferred to Wyndham Hotels ("SpinCo assets") include, but are not limited to:
    - all of the equity interests of Wyndham Hotels;
    - any and all assets reflected on the audited combined balance sheet of the Wyndham Hotels businesses;
    - any and all contracts primarily relating to the Wyndham Hotels businesses; and
    - all rights in the "Wyndham" trademark and "The Registry Collection" trademark, and certain intellectual property related thereto.
- The liabilities that have been retained by or transferred to Wyndham Hotels ("SpinCo liabilities") include, but are not limited to:
    - any and all liabilities (whether accrued, contingent or otherwise, and subject to certain exceptions) to the extent primarily related to, arising out of or resulting from (i) the operation or conduct of the Wyndham Hotels businesses or (ii) the SpinCo assets;
    - any and all liabilities (whether accrued, contingent or otherwise) relating to, arising out of or resulting from any form, registration statement, schedule or similar disclosure document filed or furnished with the SEC, to the extent such filing is either made by Wyndham Hotels or made by us in connection with the Spin-off, subject to each party's indemnification obligations under the Separation and Distribution Agreement with respect to any misstatement of or omission to state a material fact contained in any such filing to the extent the misstatement or omission is based upon information that was furnished by such party;
    - any and all liabilities relating to, arising out of, or resulting from any indebtedness of Wyndham Hotels or any indebtedness secured exclusively by any of the Wyndham Hotels assets; and

    - any and all liabilities (whether accrued, contingent or otherwise) reflected on the audited combined balance sheet of the Wyndham Hotels businesses.
- Wyndham Hotels assumed one-third and Travel + Leisure Co. assumed two-thirds of certain contingent and other corporate liabilities of Travel + Leisure Co. and Wyndham Hotels ("shared contingent liabilities") in each case incurred prior to the Distribution, including our liabilities related to, arising out of or resulting from (i) certain terminated or divested businesses, (ii) certain general corporate matters of Travel + Leisure Co., and (iii) any actions with respect to the separation plan or the Distribution made or brought by any third party.
- Wyndham Hotels is entitled to receive one-third and Travel + Leisure Co. is entitled to receive two-thirds of the proceeds (or, in certain cases, a portion thereof) from certain contingent and other corporate assets of Travel + Leisure Co. and Wyndham Hotels ("shared contingent assets") arising or accrued prior to the Distribution, including our assets related to, arising from or involving (i) certain terminated or divested businesses, and (ii) certain general corporate matters of Travel + Leisure Co.
- In connection with the sale of our European vacation rentals business, Wyndham Hotels assumed one-third and Travel + Leisure Co. assumed two-thirds of certain shared contingent liabilities and certain shared contingent assets.
- Except as otherwise provided in the Separation and Distribution Agreement or any ancillary agreement, the corporate costs and expenses relating to the Spin-off will be paid by the party with whom such costs were incurred, from a separate account maintained by each of Wyndham Hotels and Travel + Leisure Co. and established prior to completion of the Spin-off on terms agreed upon by Wyndham Hotels and Travel + Leisure Co. and, to the extent the funds in such separate account are not sufficient to satisfy such costs and expenses, be treated as shared contingent liabilities (as described above).
- All of our assets and liabilities (whether accrued, contingent or otherwise) other than the SpinCo assets and SpinCo liabilities, subject to certain exceptions (including the shared contingent assets and shared contingent liabilities), have been retained by or transferred to Travel + Leisure Co., except as set forth in the Separation and Distribution Agreement or one of the other agreements described below.

Release of Claims and Indemnification. Travel + Leisure Co. and Wyndham Hotels agreed to broad releases pursuant to which each releases the other and certain related persons from any claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or alleged to occur or to have failed to occur or any conditions existing or alleged to exist at or prior to the time of the Distribution. These releases are subject to certain exceptions set forth in the Separation and Distribution Agreement and the ancillary agreements. The Separation and Distribution Agreement provides for cross-indemnities that, except as otherwise provided in the Separation and Distribution Agreement, are principally designed to place financial responsibility for the obligations and liabilities of Wyndham Hotels' business with Wyndham Hotels, and financial responsibility for the obligations and liabilities of Travel + Leisure Co.'s business with Travel + Leisure Co. Specifically, each party will, and will cause its subsidiaries to, indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and each of its and their respective officers, directors, employees and agents for any losses arising out of, by reason of or otherwise in connection with:

- the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement;
- any misstatement of or omission to state a material fact contained in any party's public filings, only to the extent the misstatement or omission is based upon information that was furnished by the indemnifying party (or incorporated by reference from a filing of such indemnifying party) and then only to the extent the statement or omission was made or occurred after the Spin-off; and
- any breach by such party of the Separation and Distribution Agreement or any ancillary agreement unless such ancillary agreement expressly provides for separate indemnification therein, in which case any such indemnification claims will be made thereunder.

The amount of each party's indemnification obligations is subject to reduction by any insurance proceeds received by the party being indemnified. Except in the case of tax assets and liabilities related to the sale of our European vacation rentals business, indemnification with respect to taxes are governed solely by the Tax Matters Agreement.

Employee Matters Agreement

We are party to an Employee Matters Agreement with Wyndham Hotels that governs the respective rights, responsibilities and obligations of Wyndham Hotels and Travel + Leisure Co. following the Spin-off with respect to employment, compensation and benefits-related matters. Wyndham Hotels' employees no longer participate in Travel + Leisure Co.'s plans or programs, and Wyndham Hotels has established plans or programs for their employees as described in the Employee Matters Agreement.

Tax Matters Agreement

We have a Tax Matters Agreement with Wyndham Hotels that governs the respective rights, responsibilities and obligations of Wyndham Hotels and Travel + Leisure Co. following the Spin-off with respect to tax liabilities and benefits, tax attributes, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns. As a former subsidiary of Travel + Leisure Co., Wyndham Hotels has joint and several liability with us to the U.S. Internal Revenue Service ("IRS") for the combined U.S. federal income taxes of the Travel + Leisure Co. consolidated group relating to the taxable periods in which Wyndham Hotels was part of that group. In general, the Tax Matters Agreement specifies that Wyndham Hotels will bear one-third, and Travel + Leisure Co. two-thirds, of this tax liability, and Wyndham Hotels has agreed to indemnify us against any amounts for which we are not responsible including subject to the next sentence. The Tax Matters Agreement also provides special rules for allocating tax liabilities in the event that the Spin-off is not tax-free. In general, if a party's actions cause the Spin-off not to be tax-free, that party will be responsible for the payment of any resulting tax liabilities (and will indemnify the other party with respect thereto). The Tax Matters Agreement provides for certain covenants that may restrict our ability to pursue strategic or other transactions that otherwise could maximize the value of our business. Although valid as between the parties, the Tax Matters Agreement will not be binding on the IRS.

License, Development and Noncompetition Agreement

In connection with the Spin-off, we entered into a license, development and noncompetition agreement with Wyndham Hotels, which, among other things, granted to Travel + Leisure Co. the right to use the "Wyndham" trademark, "The Registry Collection" trademark and certain other trademarks and intellectual property in our business. This right is generally limited to use in connection with our vacation ownership and vacation exchange businesses, with certain limited exceptions. This agreement has a term of 100 years with an option for us to extend the term for an additional 30 years. We pay Wyndham Hotels certain royalties and other fees under this agreement.

Additionally, the License, Development and Noncompetition Agreement governs arrangements between us and Wyndham Hotels with respect to the development of new projects and non-compete obligations. These non-compete obligations restrict us and Wyndham Hotels from competing with the other party's business (subject to customary carve-outs) for the first 25 years of the term of the License, Development and Noncompetition Agreement, and we may extend the term of these non-compete obligations for an additional five-year term if we achieve a certain sales target in the last full calendar year of the initial 25-year term. If either party acquires a business that competes with the other party's businesses, Wyndham Hotels or Travel + Leisure Co. must offer the other party the right to acquire such competing business upon and subject to the terms and conditions set forth in the License, Development and Noncompetition Agreement. Additionally, if either party engages in a project that has a component that competes with the other party's businesses, Wyndham Hotels or Travel + Leisure Co., must use commercially reasonable efforts to include the other party in such project, subject to the terms and conditions set forth in the License, Development and Noncompetition Agreement. In January 2021, Travel + Leisure Co. and Wyndham Hotels entered into a letter agreement pursuant to which, among other things, Wyndham Hotels waived its right to enforce certain noncompetition covenants in the License, Development and Noncompetition Agreement.

ITEM 1A. RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this report. Based on the information currently known to us, we believe that the following information identifies the material risk factors affecting our company. However, the risks and uncertainties we face are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe not to be material risks may also adversely affect our business.

Risks Related to Our Business and Our Industry

We may not be able to achieve the objectives of our acquisition of the Travel + Leisure brand or achieve the future prospects and strategic plans for Travel + Leisure Co.

In 2021, we acquired the Travel + Leisure brand and all related assets from Dotdash Meredith (formerly Meredith Corporation) and we also changed our name to Travel + Leisure Co. The expected results of the transaction and the future prospects for and plans of our company more broadly, including our strategies to accelerate growth of our global businesses by broadening the strength of our cornerstone timeshare and exchange businesses and through our travel clubs, are subject to a number of risks and uncertainties, many of which are beyond our control, and may not be achieved in the time or at the level we expect, or at all.

Our efforts to establish and grow our travel clubs businesses and add brands to our existing portfolio of vacation ownership brands, such as through the planned launch of a network of sports-themed resorts and lifestyle complexes under the Sports Illustrated Resorts brand and the expected acquisition of Accor Vacation Club, subject us to greater risks and uncertainties than those historically considered for our core timeshare and exchange businesses. These risks and uncertainties include requiring us to utilize and augment human capital and other resources beyond those required by our historic business offerings to source and establish relationships with new partners and to develop and market vacation ownership resorts, products, and services that meet the demands of new consumers.

Promotion activities associated with our businesses may not yield increased revenue in the time or levels expected, and even if revenue does increase, it may not be sufficient to offset the expenses we incur in building our brands and businesses. If we fail to successfully promote and maintain our businesses and brands or incur substantial expenses in an unsuccessful attempt to promote and maintain our brands and businesses, we may fail to attract or retain customers to the extent necessary to realize a sufficient return with respect to the acquisition, our branding efforts and our businesses, which would adversely impact our results of operations and financial condition.

In addition, a portion of the value associated with the Travel + Leisure brand is derived from the long-standing commitment to high-quality, independent travel journalism by *Travel + Leisure* magazine and associated media properties, which continue to be operated by Dotdash Meredith outside of our control. If the quality or reach of such media properties deteriorates in the future, it could negatively impact the perception of the Travel + Leisure brand and adversely impact our business.

The timeshare industry is highly competitive and we are subject to risks related to competition that may adversely affect our performance.

We will be adversely impacted if we cannot compete effectively in the highly competitive timeshare industry. The continued success and future growth of our timeshare and exchange businesses depends upon our ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing, and other resources and flexibility than we have. We principally compete with short-term vacation options such as lodging, cruise, and home and apartment sharing services, as well as other timeshare developers. We compete based on brand name recognition and reputation, lifetime value, location and the availability of desirable development sites for new vacation ownership properties, convenience, quality of accommodations, evolving customer travel preferences, service levels, amenities, customer loyalty and flexibility. In order to compete, we incent potential new owners and existing owners to tour with us to better understand our products and services. New resorts may be constructed and these additions to supply may create new competitors, in some cases without corresponding increases in demand. Competition may reduce fee structures, potentially causing us to lower our fees or prices, which may adversely impact our profits. New competition or existing competition that uses a business model that is different from our business model may require us to change our model so that we can remain competitive.

Our RCI exchange business depends on vacation ownership developers for new members and on existing members and participants renewing their memberships with us and engaging in exchange and non-exchange transactions. Our new member enrollment and exchange member volumes dropped significantly during the COVID-19 pandemic, due in large part to the industry wide drop in VOI sales to new owners, and the total number of our exchange members continues to be below pre-pandemic levels. Although new owner sales levels have recovered from their lows in 2020, there is no assurance that they will continue to grow in the timeframe or at the levels that we expect. Developers and members also supply resort accommodations for use in exchanges. If we are unable to negotiate new affiliation agreements with resort developers or secure renewals with existing members or developers in our RCI network, the number of new and/or existing members, the supply of resort accommodations available through our exchange networks and related revenue will decrease. These effects on our exchange business are more pronounced as the proportion ofcorporate member relationships, where the developer renews RCI membership fees for all of its active owners, increases. The loss or renegotiation on less favorable terms of several of our largest affiliation agreements could materially impact our financial condition and results of operations. Our ability to maintain affiliate agreements with resort developers is also impacted by consolidation in the vacation ownership industry. For example, in connection with the acquisition of Welk Hospitality Group, Inc. (“Welk”) by Marriott Vacations Worldwide Corporation, the RCI contract with Welk was terminated. Consolidation can also lead to larger competitors with greater resources that compete with our Vacation Ownership business for customers, projects, and talent. In addition, developers have been creating, operating and expanding internal exchange and points-based vacation club networks to offer their respective owners travel flexibility. By design, these networks decrease the propensity of owners to use external vacation ownership exchange programs, such as RCI, which in turn adversely impacts the supply of resort accommodations available for exchange through our exchange networks and reduces our related exchange revenue.

Our travel club businesses operate in a highly competitive global environment and may take longer than expected to achieve the levels of revenues, customer acceptance and profitability we expect.

Our travel club businesses have not grown as quickly as originally anticipated and as we continue to operate and seek to expand our business in the broader leisure travel industry, we will be adversely impacted if we cannot compete effectively. There are a great number of existing competitive travel services, some of which have significantly greater financial, marketing, and other resources than we have, and while the market is currently fragmented, existing travel service companies as well as new entrants may adversely impact our ability to achieve the level of revenues, transactions, and profitability we expect.

Our B2B travel clubs business is largely dependent on the success of marketing efforts to closed user groups through partner brands and the subsequent propensity of the members of those groups to use the platform for their travel bookings and upgrade to receive premium services. Our travel clubs businesses are also reliant on our ability to leverage new and existing relationships with travel suppliers, including hotels, airlines, rental car companies, and wholesale suppliers, and their willingness to distribute products and services through our platforms. Our success in these leisure travel clubs is also dependent upon our ability to efficiently customize our travel offerings to particular areas of interest and focus on the groups to which we market and promote our services and offerings. Our success here is also dependent upon our ongoing ability to adjust our business models to meet changing conditions and differing customer requirements than we may have originally planned for. There is no assurance that these efforts will be successful within the timeframe or at the levels we expect.

Our travel clubs businesses have required us to utilize and augment human capital and other resources beyond those required by our historic business offerings and, as a result, subject us to greater risks and uncertainties than historically considered for our core timeshare and exchange businesses.

Acquisitions, dispositions and other strategic transactions may not prove successful and could result in operating difficulties.

We 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. We often compete for these opportunities with third parties, which may cause us to lose potential opportunities or to pay more than we may otherwise have paid absent such competition. We cannot assure you that we will be able to identify and consummate strategic transactions and opportunities on favorable terms or at all, or that any such strategic transactions or opportunities, if consummated, will be successful. Assimilating any strategic transactions may also create unforeseen operating difficulties and costs.

Acquisitions may also be structured in such a way that we will be assuming unknown, undisclosed or contingent liabilities or obligations or we may incur unanticipated costs or expenses following the acquisition, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, reductions in personnel, unexpected penalties or enforcement actions, and other liabilities. Moreover, we may be unable to efficiently integrate acquisitions, management attention and other resources may be diverted away from other potentially more profitable areas of our business and in some cases these acquisitions may turn out to be less compatible with our growth and operational strategy than originally anticipated. The success of our acquisitions is also subject to other risks, including, among others:

- failure to realize expected technological and product synergies, economies of scale and cost reductions;
- unforeseen expenses, delays or conditions related to the transactions, including those due to regulations;
- adverse effects on existing business relationships with customers, partners, employees or suppliers;
- potential dilutive issuances of equity securities in payment of the acquisition price;
- risks associated with entering into markets in which we have limited or no prior experience such as the college sports community and environment, including less visibility into demand;
- inaccurate assumptions regarding the acquired business or integration process;
- financial and operational results that may differ materially from our assumptions and forecasts;
- unforeseen difficulties that may arise in integrating operations, processes and systems;
- higher than expected investments that may be required to implement necessary compliance processes and related systems, including information technology systems, accounting systems and internal control over financial reporting;
- failure to retain, motivate and integrate any key management and other employees of the acquired business;
- higher than expected costs or other impacts resulting from unforeseen changes in tax, trade, environmental or other regulations in jurisdictions in which the acquired business conducts its operations; and
- issues with retaining customers and integrating customer bases.

Many of these factors are outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues, and diversion of management's time and attention. Furthermore, we may not realize the degree or timing of benefits we anticipate when we first enter into these transactions. Failure to successfully execute these transactions and integrate acquired businesses could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Dispositions of businesses, such as our European and North American vacation rentals transactions, also pose risks and challenges that could negatively impact our business, including costs or disputes with buyers. Dispositions may also involve continued financial involvement, as we may be required to retain responsibility for, or agree to indemnify buyers against, credit support obligations, and contingent liabilities related to a divested business, such as lawsuits, tax liabilities, or other matters. Under these types of arrangements, performance by the divested business or other conditions outside of our control could affect our financial condition or results of operations.

Our revenues are highly dependent on the health of the travel industry and declines in or disruptions to the travel industry such as those caused by economic conditions, terrorism or acts of gun violence, political strife, severe weather events and other natural disasters, war, and pandemics may adversely affect us.

Declines in or disruptions to the travel industry including in regions and locations where we have a significant number of resorts have in the past adversely impacted us and any future declines or disruptions are also likely to adversely impact us. Risks affecting the travel industry can be localized events or global in nature and may adversely impact decisions by consumers to use and consume travel services and products, including: economic factors such as economic slowdown and recession; increased cost of living and reduced discretionary income (including due to inflationary pressures and current higher borrowing costs), and potential for increased unemployment rates; terrorist incidents and threats and associated heightened travel security measures; acts of gun violence or threats thereof; war, other hostilities, and political and regional strife (including the risk that the current conflict between Ukraine and Russia or the conflict in the Middle East expands in a manner that significantly impacts our business and operations); natural disasters such as hurricanes, fires, floods, earthquakes, and volcanic eruptions; concerns with high rates of infection, increased governmental regulations or restrictions on and recommendations and warnings against travel in certain regions, and the associated economic disruption due to pandemics, contagious diseases or health epidemics such as occurred during the COVID-19 pandemic; environmental disasters; lengthy power outages; increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes; and potential for increases in gasoline and other fuel prices such as experienced in 2022.

Climate change is also associated with extreme weather conditions and other natural disasters, such as increased frequency and severity of hurricanes, storms and floods, coastal erosion and flooding due to higher sea levels, increased temperatures, increased forest fires, and other factors that may adversely impact the accessibility or desirability of travel to certain locations, including areas where we or our affiliated resort owners have properties. Additionally, increased regulations related to climate change could have an adverse impact on the leisure travel industry generally.

Further, Travel + Leisure Co. develops and manages resort properties and provides its exchange and travel club members access to resort properties throughout the world, a portion of which are in areas with greater exposure to the adverse effects of severe weather events and other natural disasters associated with climate change due to their location in coastal areas or states where wildfires are common, which could cause such resorts to suffer greater adverse effects from those events than the leisure travel industry faces in general. Based upon insurable property values as of December 31, 2023, approximately 37% of our managed properties are located in Tier I windstorm exposure areas, 23% are located in high-risk wildfire-prone states, and 20% are located in areas with a high level of flood risk. In addition, based on the water risk assessment we conducted in 2023, we identified 53 managed resorts in high or extremely high water-stressed locations. Properties in these areas have in the past closed, and may in the future close, due to such extreme weather events and such closures may be extended for prolonged periods following such weather events while any major damage is remedied and/or major renovations are undertaken and completed. Concern with climate change may also impact customer preferences for future timeshare purchases, including potential decreased customer preference for geographic areas that may be viewed as subject to increased climate change risk.

Any of the foregoing disruptions would also likely adversely affect our affiliated resorts, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations in the impacted location(s), and our travel clubs, thereby impacting our operations and financial results.

We are subject to numerous business, financial, operating and other risks common to the timeshare industry and the leisure travel industry more broadly, any of which could reduce our revenues and our ability to make distributions and limit opportunities for growth.

Our business is subject to numerous business, financial, operating and other risks common to the timeshare industry and the leisure travel industry more broadly, such as adverse changes with respect to any of the following:

- consumer travel and vacation patterns and consumer preferences;
- increased or unanticipated operating costs, including as a result of recent inflationary pressures, and which may not be offset on a timely basis, or at all, by our ability or actions to increase our product pricing or maintenance fees;
- increased energy costs, labor shortages and increased labor costs as well as increases in minimum wage and health-care related costs, which may not be fully offset by price or fee increases in our business or otherwise;

- product and supply chain disruptions;
- desirability of geographic regions where resorts in or affiliated with our businesses are located;
- the supply and demand for exchange services and products, and travel subscription services and products;
- our ability to accurately plan for, predict, and satisfy future timeshare inventory needs, which can be adversely impacted by events and occurrences that affect vacation ownership tours and VOI sales, such as the COVID-19 pandemic, as well as timely acquire and balance our supply of new and existing timeshare properties with consumer demand for those properties;
- our ability to continue to attract customers for VOI purchases and upgrades at the levels we expect;
- our ability to operate our affiliated resorts and conduct tours of our properties;
- seasonality in our businesses, which may cause fluctuations in our operating results;
- the availability of acceptable financing and the cost of capital as they apply to us, our customers, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations;
- the quality of the services provided by affiliated resorts and properties in our exchange business or resorts in which we sell VOIs or by participants in the Wyndham Rewards loyalty program, which may adversely affect our image, reputation and brand value;
- success of any actions we may take to increase our exchange membership levels;
- our ability to develop and maintain relationships with marketing partners;
- market perception of the timeshare industry and our ability to effectively respond to any reputational issues that may arise from negative publicity from social media postings or media reports, which could damage our brands;
- our ability to develop and maintain positive relations and contractual arrangements with VOI owners, current and potential vacation exchange members, resorts with units that are exchanged through our exchange business and timeshare property owner associations;
- organized labor activities and associated litigation;
- adverse economic factors impacting the financial health of customers, which has impaired and could continue to impair our ability to collect outstanding fees or other amounts due or otherwise exercise our contractual rights;
- our effectiveness in keeping pace with technological developments (including with respect to social media platforms) as well as any failure to timely upgrade our technology infrastructure and efficiently manage upgrade projects to achieve our strategic planning expectations and to meet changing customer preferences and customer interfacing needs;
- our ability to effectively use data to achieve market intelligence and develop, manage and grow our core operations and strategic initiatives using such data and market intelligence;
- our ability to offer acceptable customer pricing for products and services, including in a time of economic uncertainty and higher borrowing costs;
- our ability to identify, obtain, train and retain industry specific talent (including digital, sales, marketing, and operational leadership skills) to execute our growth strategy and to address customer satisfaction;
- disruptions, including non-renewal or termination of agreements, in relationships with third parties (including marketing alliances, loyalty programs and other affiliations with third parties, including Wyndham Hotels);
- owners or other developers that have development advance notes with us, or who have received loans or other financial arrangements incentives from us, who have experienced and may continue to experience financial difficulties;
- decrease in the supply of available exchange accommodations due to, among other reasons, a decrease in inventory included in the system (including as a result of severe weather events, including in 2022 and 2023, ongoing property renovations or a decrease in member deposits) could adversely affect our exchange business;
- the viability of property owners' associations that we manage and the maintenance and refurbishment of vacation ownership properties, which depend on property owners associations levying sufficient maintenance fees and the ability of members to pay such maintenance fees, particularly in times of economic downturn;
- decrease in or delays or cancellations of planned or future development or refurbishment projects, whether due to budgetary constraints of property owners’ associations or otherwise, and the complexity with regard to removing properties from timeshare regimes when they can no longer be sustainably maintained;
- increases in maintenance fees, which could cause our product to become less attractive or less competitive;
- the level of unlawful or deceptive third-party VOI resale schemes, which could damage our reputation and brand value;

- difficulties associated with obtaining required approvals to develop vacation ownership properties, liability under state and local laws with respect to any construction defects in the vacation ownership properties we develop, and risks related to real estate project development costs and completion;
- private resale of VOIs and the sale of VOIs on the secondary market, which could adversely affect our vacation ownership resorts and exchange business;
- disputes with owners of VOIs, property owners associations, and vacation exchange affiliation partners, which may result in litigation and the loss of management contracts;
- laws, regulations and legislation internationally and domestically, and on a federal, state or local level, concerning the leisure travel industry, which may make the operation of our business more onerous, more expensive or less profitable;
- our failure or inability to adequately protect and maintain our trademarks and other intellectual property rights; and
- consumers increased use of third-party internet travel intermediaries and peer-to-peer online networks to search for and book their lodging accommodations, which could adversely affect our vacation ownership and vacation exchange brands, travel subscription businesses, reservation systems, bookings and rates.

Any of these factors could increase our costs, reduce our revenues and profitability and otherwise adversely impact our opportunities for growth.

Our international operations are subject to additional risks not generally applicable to our domestic operations.

Our international operations are subject to numerous risks, including exposure to local economic conditions; potential adverse changes in the diplomatic relations of foreign countries with the U.S.; hostility from local populations; political instability; threats or acts of war, hostilities, or terrorism; the presence and acceptance of varying levels of business corruption in international markets and the effect of various anti-corruption and other laws; restrictions and taxes on the withdrawal of foreign investment and earnings; government policies against businesses or properties owned by non-U.S. citizens; investment restrictions or requirements; diminished ability to legally enforce our contractual rights in foreign countries; forced nationalization of assets by local, state or national governments; foreign exchange restrictions; fluctuations in foreign currency exchange rates, including negative impacts of the weakening of foreign currencies in geographic regions in which we operate relative to the U.S. dollar; our ability to, or our decision whether or not in particular instances to, hedge against foreign currency effects, and whether we are successful in any such hedging transactions; conflicts between local laws and U.S. laws including laws that impact our rights to protect our intellectual property; withholding and other taxes on remittances and other payments by subsidiaries; and changes in and application of foreign taxation structures including value added taxes. Any of these risks or any adverse outcome resulting from the financial instability or performance of foreign economies, the instability or weakening of other currencies and the related volatility on foreign exchange and interest rates, could impact our results of operations, financial position or cash flows.

We are subject to risks related to our vacation ownership receivables portfolio.

We are subject to risks that purchasers of VOIs who finance a portion of the purchase price default or otherwise delay payments on their loans due to adverse macro or personal economic conditions, third-party organizations that encourage defaults, or otherwise, which necessitates increases in loan loss reserves and adversely affects loan portfolio performance. In addition, in order to accelerate the growth of consumer financing income, we have taken actions to increase the percentage of the sale amount of VOIs that is financed by owners, which we also expect to increase the loan loss provision associated with such increased financed amount. We have likewise taken action to increase the percentage of new owner sales of our timeshare aggregate sales, which typically results in greater consumer defaults and a corresponding increase in the loan loss provision relative to timeshare sales to existing owners.

Financial difficulties of owners and customers, such as those that occurred during the COVID-19 pandemic and that generally occur during recessionary periods, could result in increased payment defaults and delinquencies. When defaults or delinquencies occur during the early part of the loan amortization period, we may not have recovered the marketing, selling, administrative and other costs associated with such VOIs. Additional costs are incurred in connection with the resale of repossessed VOIs, and the value we recover in a resale is not in all instances sufficient to cover the outstanding debt on the defaulted loan. During 2020, in response to COVID-19, we substantially increased our loan loss allowance on our vacation ownership receivables portfolio. In the future, we could have to increase our loan loss allowance above average historic levels again, whether due to a public health emergency, adverse economic conditions generally, or other causes.

The growth of our business and the execution of our business strategies depend on the services of our senior management and our associates.

We believe that our business success and future growth depends, in part, on the continued services of our senior management team, including our President and CEO, Michael D. Brown, and on our ability to successfully implement succession plans for members of our senior management team. The loss of any members of our senior management team, or the failure to identify qualified successors for such positions, could adversely affect our strategic growth and customer relationships, and impede our ability to execute our business strategies. Additionally, lack of sufficient effective leadership may lead to low morale, higher turnover, and decreased ability to execute our strategy. Also, insufficient numbers of talented associates could constrain our ability to maintain and expand our business. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop and retain sufficient numbers of talented associates, we could experience increased associate turnover, decreased guest satisfaction, low morale, inefficiency, or internal control failures.

Risks Related to Technology, Data Privacy and Cybersecurity

Failure to maintain the integrity of internal or customer data or to protect our systems from cyber-attacks could disrupt our business, damage our reputation, and subject us to significant costs, fines or lawsuits.

In connection with our business, we and our service providers collect and retain large volumes of certain types of personal and proprietary information pertaining to our guests, shareholders, and employees. Such information includes, but is not limited to, large volumes of guest credit and payment card information, guest travel documents, other identification documents, account numbers, and other personally identifiable information. We are subject to attack by cyber-criminals operating on a global basis attempting to gain access to such information, and the integrity and protection of that guest, shareholder, and employee data is critical to us.

While we maintain what we believe are reasonable security controls over personal and proprietary information (including the personal information of guests, shareholders, and employees), breaches of or breakdowns in our systems that result in the theft, loss, fraudulent use or other unauthorized release of personal, confidential or other proprietary information, or other data have occurred in the past and may occur again in the future. In addition, any such cyber-attacks could persist for an extended period of time without detection, which could have a material adverse effect on our brands, reputation, business, financial condition and results of operations, as well as subject us to significant regulatory actions and fines, litigation, losses, third-party damages and other liabilities. Such a breach or a breakdown could also materially increase our costs to protect such information and to protect and insure against such risks. Our and our third-party service providers' vulnerability to attack exists in relation to known and unknown threats. As a consequence, the security measures we deploy are not perfect or impenetrable, and we may be unable to anticipate or prevent all unauthorized access attempts made on our systems or those of our third-party service providers.

Data breaches and other serious cyber incidents have increased globally, along with the methods, techniques and complexity of attacks, including use of viruses, ransomware and other malicious software, phishing and other efforts to discover and exploit any design flaws, bugs or other security vulnerabilities. Continued geopolitical turmoil (including the ongoing conflict between Russia and Ukraine and the ongoing conflict in the Middle East) has heightened the risk of cyber-attacks. We have experienced and likely will continue to experience, such cyber-attacks. Also, the same cyber security threats exist for the third parties with whom we interact and share information, and cyber-attacks on third parties which possess or use our customer, personnel and other information have in the past adversely impacted us in the same way as a direct cyber-attack on us. Additionally, we also currently have a hybrid work environment in which many corporate associates work both in the office and remotely on an ongoing basis. The increase in the number of our associates working remotely has increased certain risks to our business, including increased demand on our information technology resources and systems, and greater potential for phishing and other cybersecurity attacks.

While to date no such cyber-attacks have had, individually or in the aggregate, any known material adverse impact on our operations or financial results, we cannot guarantee that cyber-attacks have not gone generally undetected or without general recognition of magnitude or will not continue to occur in the future, any of which could materially adversely affect our brands, reputation, consumer confidence in us, costs, and profitability.

Our information technology infrastructure (including our, and our third-party service providers', information systems and legacy proprietary online reservation and management systems) has been and will likely continue to be vulnerable to system failures such as server malfunction or software or hardware failures, computer hacking, phishing attacks, user error, cyber-terrorism, loss of data, computer viruses, ransomware and malware installation, and other intentional or unintentional interference, negligence, fraud, misuse and other unauthorized attempts to access or interfere with these systems and our personal and proprietary information. In addition, as we continue to transition from our legacy systems to new, cloud-based technologies and other technology systems, we may continue to face issues that may negatively impact guests, other individuals and third parties. In addition, as we pursue new initiatives that are designed to improve our operations and cost structure, the expansion and implementation of new technologies and systems (including artificial intelligence ("AI") technologies) carries significant potential risks, including failure to operate as designed, potential loss of or corruption of information, changes in security processes, implementation delays, and disruption of operations. The increased scope and complexity of our information technology infrastructure and systems could contribute to the risk of future material security breaches or breakdowns, any of which could have a material adverse impact on our business, brands, reputation, and results of operations. Further, if we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks.

Additionally, we are subject to federal, state, and international laws and regulations relating to the collection, use, retention, security and transfer of personally identifiable information and individual payment data. The information, security and privacy requirements imposed by such laws and regulations are constantly evolving and are becoming increasingly demanding in the U.S., both at the federal and state levels, and in other jurisdictions where we operate. Aspects of these laws and regulations, as well as their enforcement, remain unclear, and foreign laws and regulations are often more restrictive or burdensome than those in the U.S. Moreover, we have incurred and will likely continue to incur significant costs relating to compliance with these laws and regulations, including costs related to updating certain business practices and systems. Further, any changes to laws or regulations, including new restrictions or requirements applicable to our business, or an increase in enforcement of existing laws and regulations, such as restricting use or sharing of consumer data, including for marketing or advertising or limiting the use of, limiting our ability to provide certain consumer data to our customers, or otherwise regulating AI and machine learning (including the use of algorithms and automated processing), could expose us to additional costs and liability. In addition, should we violate or not comply with any applicable laws, regulations, contractual requirements relating to data security and privacy, or with our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries, it could have a material adverse effect on our brands, marketing, reputation, business, financial condition, and results of operations, as well as subject us to significant fines, litigation, losses, third-party damages and other liabilities.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities, including those used for our travel clubs businesses, reservation systems, payments systems, vacation exchange systems, property management, communications, procurement, member record databases, call centers, operation of our loyalty programs and administrative systems. We also maintain physical facilities to support these systems and related services. Our backup systems and disaster recovery systems, or those of our third-party service providers, may be insufficient to address or prevent breakdown of systems, loss of critical information or prolonged interruption. A natural disaster, cyberattack, disruption or other impairment in our technology capabilities and service facilities (including IT systems, data centers and backup systems, or those of our third-party service providers) could result in denial or interruption of service, significant investment in resources to restore and remedy such systems, prolonged outages and interruption, financial losses, customer claims, litigation or damage to our reputation, or otherwise harm our business and financial results. In addition, any failure of our ability to provide our reservation systems, as a result of failures related to us or our third-party providers, may deter prospective resort owners from entering into agreements with us, and may expose us to liability from other parties with whom we have contracted to provide reservation services. Similarly, any failure to keep pace with developments in technology and technology infrastructures (including continuing upgrades to our technology systems which interface with customers), which is a significant part of our business, could impair our operations, financial results and competitive position.

Further, any failure to keep pace with new or innovative use of technologies (including digital technologies within the leisure travel and timeshare industry) could adversely impact our competitive position and future prospects. Our industry is marked by rapid technological developments and innovations (such as the use of AI and machine learning) and evolving industry standards. The development, adoption and use for AI and machine learning technologies are still in their early stages and the development of AI technologies is complex, involving technical challenges associated with achieving the desired level of accuracy, efficiency, and reliability. Developing, testing, and deploying resource-intensive AI systems may require additional investment and increase our costs and any failure of our business continuity planning as to any of these matters could have a material adverse impact on our business, brand, and financial results.

Risks Related to Indebtedness and Tax Treatment

We are subject to certain risks related to our indebtedness, hedging transactions, securitization of certain of our assets, surety bond requirements, the cost and availability of capital and the extension of credit by us.

We are a borrower of funds under credit facilities, credit lines, senior notes, and term loans and securitization financings. We use financial instruments to reduce or hedge our financial exposure to the effects of currency and interest rate fluctuations from time to time. We are required to post surety bonds in connection with our development and sales activities. In connection with our debt obligations, hedging transactions, securitization of certain of our assets, surety bond requirements, the cost and availability of capital and the extension of credit by us, we are subject to numerous risks, including:

- the interest rates being charged on recently issued and floating rate corporate debt and securitized debt have increased significantly beginning in 2022 and higher interest costs on our debt may continue in the future, and we may not be able to pass along the full amount of such costs to purchasers of VOIs to whom we provide financing;
- our cash flows from operations or available lines of credit may be insufficient to meet required payments of principal and interest, which could result in a default and acceleration of the underlying debt and other debt instruments that contain cross-default provisions;
- we may be unable to comply with the terms of the financial covenants under our revolving credit facility or other debt agreements, including a breach of the financial ratio tests, which could result in a default and acceleration of the underlying debt and under other debt and financial instruments that contain cross-default provisions;
- our leverage may adversely affect our ability to obtain additional financing on favorable terms or at all;
- our leverage requires the dedication of a significant portion of our cash flows to the payment of principal and interest thus reducing the availability of cash flows to fund working capital, capital expenditures, dividends, share repurchases or other operating needs;
- negative ratings and/or downgrades of our debt by rating agencies could increase our borrowing costs and prevent us from obtaining additional financing on favorable terms or at all;
- failure or non-performance of counterparties to foreign exchange and interest rate hedging transactions could result in losses;
- an inability to securitize our vacation ownership loan receivables on terms acceptable to us or at all because of, among other factors, the performance of the vacation ownership loan receivables, adverse conditions in the market for vacation ownership loan-backed notes and asset-backed notes in general, and the risk that the actual amount of uncollectible accounts on our securitized vacation ownership loan receivables and other credit we extend is greater than expected;
- our liquidity, as it relates to our vacation ownership contract receivables (“VOCRs”) 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, which may be negatively affected by economic conditions, the credit quality of our VOCRs pools, and other market dynamics;
- breach of portfolio performance triggers under securitization transactions which if violated may result in a disruption or loss of cash flow from such transactions;
- a reduction in commitments from surety bond providers, which may impair our Vacation Ownership business by requiring us to escrow cash in order to meet regulatory requirements of certain states;
- prohibitive or increased cost, or inadequate availability, of capital could restrict the development or acquisition of vacation ownership resorts by us and the financing of purchases of VOIs;
- increases in interest rates on consumer financing to VOI purchasers could diminish our VOI sales; and
- disruptions in the U.S. or global financial markets, and the failure of financial institutions that support our credit facilities, general economic conditions and market liquidity factors outside of our control, which may limit our access to short- and long-term financing, credit and capital.

Changes in U.S. federal, state and local or foreign tax law, interpretations of existing tax law, or adverse determinations by tax authorities, could increase our tax burden or otherwise adversely affect our financial condition or results of operations.

We are subject to taxation at the federal, state and local levels in the U.S., and various other countries and jurisdictions. Our future effective tax rate and future cash flows could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in the valuation of our deferred tax assets and liabilities, changes in determinations regarding the jurisdictions in which we are subject to tax, and our ability to repatriate earnings from foreign jurisdictions. From time to time, U.S. federal, state and local, and foreign governments make substantive changes to tax rules and their application. For example, effective beginning for the 2023 tax year, the Inflation Reduction Act of 2022 made changes to the U.S. corporate income tax system, including a 15% minimum tax on adjusted financial statement income for certain large corporations and a 1% excise tax on share repurchases. We currently are not subject to the 15% minimum tax, but we will continue to monitor as this could change. Further changes to the tax laws may be contemplated both in the U.S. and certain other countries, which could result in materially higher corporate taxes than would be incurred under existing tax law and could otherwise adversely affect our financial condition or results of operations.

The international tax environment remains highly uncertain and increasingly complex as evidenced by initiatives put forth by the Organization for Economic Co-operation and Development (“OECD”), which includes the introduction of a global minimum tax at a rate of 15% under the OECD’s Pillar Two rules. The OECD continues to release additional guidance on these rules and has indicated enactment is expected to take effect in 2024. European Union member states agreed to implement the OECD’s Pillar Two rules with effective dates of January 1, 2024 and January 1, 2025, for different aspects of the directive and most have already enacted legislation. A number of other countries are also implementing similar legislation. We are currently in the process of evaluating the impact of this on our consolidated financial statements, and we continue to monitor closely other countries that may enact these rules. These changes may increase our taxes in the applicable jurisdictions or cause us to change the way we operate our business and result in increased taxation of our international earnings.

We are subject to ongoing and periodic tax audits and disputes in U.S. federal and various state, local, and foreign jurisdictions. An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby adversely affecting our financial condition or results of operations.

We are responsible for certain of Cendant's contingent and other corporate liabilities.

Under the separation agreement and the tax sharing agreement that we executed with Cendant (now Avis Budget Group) and former Cendant units, Realogy (now Anywhere Real Estate Inc.) and Travelport, Wyndham Worldwide and Realogy generally were responsible for 37.5% and 62.5% of certain of Cendant’s contingent and other corporate liabilities and associated costs, including certain contingent and other corporate liabilities of Cendant or its subsidiaries to the extent incurred on or prior to August 23, 2006. As a result of the completion of the Spin-off, Wyndham Hotels agreed to retain one-third of Cendant’s contingent and other corporate liabilities and associated costs; therefore, we are responsible for 25% of these liabilities and costs subsequent to the Spin-off. These liabilities include those relating to certain of Cendant’s terminated or divested businesses, the Travelport sale, certain Cendant-related litigation, actions with respect to the separation plan and payments under certain contracts that were not allocated to any specific party in connection with the separation.

If any party responsible for the liabilities described above were to default on its obligations, each non-defaulting party would be required to pay an equal portion of the amounts in default. Accordingly, we could under certain circumstances be obligated to pay amounts in excess of our share of the assumed obligations related to such liabilities, including associated costs.

We may incur impairment charges related to the fair value of our assets.

Changes to estimates or projections used to assess the fair value of our assets or operating results that are lower than our current estimates may cause us to incur impairment losses and require us to write-off all or a portion of the remaining value of our goodwill or other intangibles of companies we have acquired.

Our total assets include goodwill and other intangible assets. We evaluate our goodwill for impairment on an annual basis or at other times during the year if events or circumstances indicate that it is more likely than not that the fair value is below the carrying value. We may be required to record a significant non-cash impairment charge in our financial statements during the period in which any impairment of our goodwill, other intangible assets or other assets is determined, negatively impacting our results of operations and shareholders' equity.

Risks Related to Legal, Regulatory and Reputational Matters

Negative public perception regarding our industry could have an adverse effect on our operations.

Negative public perception regarding our industry resulting from, among other things, consumer complaints regarding sales and marketing practices, consumer financing arrangements, and restrictions on exit related to our products, as well as negative comments on social media, could result in increased regulatory scrutiny, which could result in reputational damage, more onerous laws, regulations, guidelines and enforcement interpretations in jurisdictions in which we operate. These actions may lead to operational delays or restrictions, as well as increased operating costs, regulatory burdens and risk of litigation.

Our business is subject to extensive regulation and the cost of compliance or failure to comply with such regulations may adversely affect us.

Our business is regulated by federal, state and local governments in the countries in which we operate. In addition, U.S. and international, federal, state and local regulators may enact new laws and regulations that may reduce our revenues, cause our expenses to increase or require us to modify our business practices substantially. We are, and may be in the future, subject to regulatory inquiries and investigations from time to time arising under laws and regulations applicable to our business, including, among others, those governing timeshare (including required government registrations), consumer financings and other lending, information security, data protection and privacy, credit card and payment card security standards, marketing, sales, consumer protection and advertising, unfair and deceptive trade practices, fraud, bribery and corruption, telemarketing (including do-not-call and call-recording regulations), licensing, labor, employment, anti-discrimination, health care, health and safety, accessibility, immigration, gaming, environmental (including climate change) and remediation, intellectual property, securities, stock exchange listing, accounting, tax and regulations applicable under the Dodd-Frank Act, Office of Foreign Asset Control, Americans with Disabilities Act, the Sherman Act, the Foreign Corrupt Practices Act and local equivalents in international jurisdictions (including the United Kingdom Bribery Act). As a result, we may be subject to actions, fines, civil and/or criminal penalties, injunctions and potential criminal prosecution. In the past, when we have been subjected to regulatory inquiries or investigations, the amount of the fines involved were not material to our business, financial condition or results of operations. However, future fines, penalties or other remedies that regulators might seek to impose could materially adversely affect our business, financial condition or results of operations.

The insurance we carry may not always pay, or be sufficient to pay or reimburse us, for our liabilities, losses or replacement costs.

We carry insurance for general liability, property, business interruption, cyber security, directors and officers ("D&O"), and other insurable risks with respect to our business operations. We also self-insure for certain risks up to certain monetary limits. The terms and conditions or the amounts of coverage of our insurance may not at all times be sufficient to pay or reimburse us for the amount of our liabilities, losses or replacement costs. There are risks for which we do not carry insurance for the full range of possible outcomes or at all concerning a potential loss or liability, due to the cost, availability or terms and conditions of such insurance. As a result, we may incur liabilities or losses in the operation of our business that are substantial and not sufficiently covered by the insurance we maintain, or at all, which could have a material adverse effect on our business, financial condition and results of operations. Following the significant property and casualty losses incurred by the insurance industry due to hurricanes, fires, cyber security breaches and other events, as well as market dynamics (such as those resulting from the recent rapid increase in interest rates), insurance costs have increased and may be higher (and availability may be lower) in future periods. In addition, the effects of climate change, such as increased storm intensity, increased wildfires and rising sea levels, have increased and may in the future increase the cost and decrease the available coverage levels of property insurance, particularly in certain geographies.

We are subject to risks related to environmental, social and governance activities.

Many factors influence our reputation and the value of our brands, including the perception held by our customers and other key stakeholders and the communities in which we do business. Our business faces increasing scrutiny related to environmental, social and governance activities and risk of damage to our reputation and the value of our brands if we fail to act responsibly or comply with regulatory requirements in a number of areas, such as business ethics and compliance, safety and security, responsible tourism, public health, environmental stewardship and sustainability, supply chain management, climate change, diversity, human rights and modern slavery, philanthropy and support for local communities.

We have publicly stated our goals related to environmental sustainability, which include reducing our water intensity and GHG emissions (Scope 1 + Scope 2) and increasing our renewable energy consumption at our owned, managed, and leased assets. In part, we must work through applicable property owners' associations that we do not control to achieve these goals. We may also take additional actions related to climate change and environmental sustainability voluntarily or in response to increased regulations in the future that would materially increase the costs to develop and operate our resorts, which could have an adverse impact on our profitability even though such actions may be necessary to increase the long-term sustainability of our business. We also must continue to develop appropriate internal and disclosure controls designed to ensure that our disclosed achievements against our environmental goals are accurately reported.

Current and future international operations expose us to additional challenges and risks that may not be inherent in operating solely in the U.S. due to different social or cultural norms and practices that are not customary in the U.S., geographical distance and language barriers, including our ability to sell products and services, enforce intellectual property rights and staff and manage operations.

Risks Related to the Spin-Off

Our success depends in part on our ongoing relationship with Wyndham Hotels.

In connection with the Spin-off, we entered into a number of agreements with Wyndham Hotels that govern the ongoing relationships between Wyndham Hotels and Travel + Leisure Co. following the Spin-off. Our success depends, in part, on the maintenance of these ongoing relationships with Wyndham Hotels as well as Wyndham Hotels' performance of its obligations under these agreements. If we are unable to maintain a good relationship with Wyndham Hotels, or if Wyndham Hotels does not perform its obligations under these agreements, fails to protect the trademarks, trade names and intellectual property that we license from it or if these brands deteriorate or materially change in an adverse manner, or the reputation of these brands declines, our brand may be negatively affected, our profitability and revenues could decrease and our growth potential may be adversely affected. We also have successfully utilized and leveraged our relationship with Wyndham Hotels' loyalty program and any cessation of or adverse change in that loyalty program could be expected to materially adversely impact our business, growth strategy and financial results.

We are responsible for certain contingent and other corporate liabilities incurred prior to the Spin-off.

In accordance with the agreements we entered into with Wyndham Hotels in connection with the Spin-off, Wyndham Hotels assumed one-third and Travel + Leisure Co. assumed two-thirds of certain contingent and other corporate liabilities of Wyndham Worldwide incurred prior to the Distribution, including liabilities of Wyndham Worldwide related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. See Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements for a description of our obligations related to Wyndham Hotels.

If Wyndham Hotels was to default on its obligations, we would be required to pay the amounts in default. Accordingly, we could under certain circumstances be obligated to pay amounts in excess of our share of the assumed obligations related to such liabilities, including associated costs.

Certain directors who serve on our Board also serve on the board of directors of and own common stock of Wyndham Hotels.

Certain directors who serve on our Board currently serve as directors of and/or own shares of common stock of Wyndham Hotels, which may create, or appear to create, conflicts of interest, in particular when our or Wyndham Hotels' management and directors face decisions that could have different implications for us and Wyndham Hotels, including the resolution of any issue regarding the terms of the agreements governing the Spin-off or governing the relationship between us and Wyndham Hotels or any other commercial agreements entered into in the future between Travel + Leisure Co. and Wyndham Hotels.

If the Distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, then our shareholders, we and Wyndham Hotels might be required to pay substantial U.S. federal income taxes.

In conjunction with the Distribution, we received opinions of our Spin-off tax advisors to the effect that, subject to the assumptions and limitations described therein, the Distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code in which no gain or loss is recognized by us or our shareholders, except, in the case of our shareholders, for cash received in lieu of fractional shares. The opinions of our Spin-off tax advisors were based on and relied on, among other things, certain assumptions as well as on the continuing accuracy of certain factual representations and statements that we and Wyndham Hotels made to the Spin-off tax advisors and certain covenants that Travel + Leisure Co. and Wyndham Hotels entered into, including covenants contained in the Tax Matters Agreement. If any of these representations or statements are or become inaccurate or incomplete, or if Travel + Leisure Co. or Wyndham Hotels breach any of such covenants, the Distribution and such related transactions might not qualify for such tax treatment. The opinions of the Spin-off tax advisors are not binding on the IRS or a court, and there can be no assurance that the IRS will not challenge the validity of the Distribution and such related transactions as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code eligible for tax-free treatment, or that any such challenge ultimately will not prevail.

In addition, we received a private letter ruling from the IRS regarding certain U.S. federal income tax aspects of transactions related to the Spin-off (the "IRS Ruling"). Although the IRS Ruling generally is binding on the IRS, the continued validity of the IRS Ruling will be based upon and subject to the continuing accuracy of factual statements and representations made to the IRS by us. The IRS Ruling is limited to specified aspects of the Spin-off under Sections 355 and 361 of the Code and does not represent a determination by the IRS that all of the requirements necessary to obtain tax-free treatment to holders of our common stock and to us have been satisfied.

If the Distribution does not qualify as a tax-free transaction for any reason, including as a result of a breach of a representation or covenant, we would recognize a substantial gain attributable to Wyndham Hotels for U.S. federal income tax purposes. In such case, under U.S. Treasury regulations, each member of our consolidated group at the time of the Spin-off (including the hotel business) would be jointly and severally liable for the entire resulting amount of any U.S. federal income tax liability. Additionally, if the distribution of the common stock of Wyndham Hotels does not qualify as tax-free under Section 355 of the Code, our shareholders will be treated as having received a taxable distribution.

Risks Related to the Ownership of Our Common Stock

The trading price of our shares of common stock may continue to fluctuate.

The trading price of our common stock may continue to fluctuate depending upon many factors, some of which may be beyond our control, including our quarterly or annual earnings or those of other companies in our industry; customer acceptance and success of our strategic growth initiatives; actual or anticipated fluctuations in our operating results due to seasonality, economic conditions, including increased inflation and higher interest rates, and other factors related to our business; our credit ratings; announcements by us or our competitors of significant acquisitions or dispositions; lower than expected earnings or revenues or outlook for such financial measures, changes in earnings or revenues estimates by us or by securities analysts or our ability to meet those estimates; the operating and stock price performance of comparable companies; and overall market fluctuations. Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

Provisions in our certificate of incorporation and by-laws and under Delaware law may prevent or delay an acquisition of Travel + Leisure Co. which could impact the trading price of our common stock.

Our certificate of incorporation and by-laws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids. These provisions include that shareholders do not have the right to act by written consent, rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings, the right of our Board to issue preferred stock without shareholder approval and limitations on the right of shareholders to remove directors. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. We believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our Board determines is not in the best interests of our company and our shareholders.

We cannot provide assurance that we will continue to pay dividends or purchase shares of our common stock under our share repurchase program.

There can be no assurance that we will have sufficient cash or surplus under Delaware law to be able to continue to pay dividends or purchase shares of our common stock under our share repurchase program. This may result from higher than anticipated cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures, need to fund acquisitions or expected acquisitions, increases in reserves or lack of available capital. Our Board may also reduce or suspend the payment of dividends or suspend our share repurchase program if it deems such action to be in the best interests of our shareholders, such as our Board did when it reduced our dividend and suspended our share repurchase program in response to the COVID-19 pandemic. Although we have since increased our dividend and resumed our share repurchase program, we cannot provide assurance that our Board will not need to consider limitations, reductions or other restrictions on share repurchases and dividends in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our Board and management recognize the importance of maintaining the trust and confidence of our customers, business partners and employees. The Board provides oversight of our risk management program and cybersecurity represents an important component of our overall approach to enterprise risk management ("ERM"). Our cybersecurity policies, processes, and practices are integrated into our ERM program and are based on recognized frameworks established by the National Institute of Standards and Technology ("NIST") and other applicable industry standards. In general, we seek to address cybersecurity risks through a cross-functional approach that is designed to preserve the confidentiality, security and availability of the digital information that we collect and store by identifying and mitigating cybersecurity threats and appropriately responding to cybersecurity incidents if and when they occur.

Cybersecurity Risk Management and Strategy

Our ERM program is designed to identify the top risks applicable to us and document risk mitigation plans and initiatives by management. We have identified, and we expect to continue to identify, cybersecurity threats as among the top risks that we face. As one of the critical elements of our overall ERM approach, our information security program is focused on the following key areas:

- **Governance:** As discussed in more detail below under "Cybersecurity Governance," the Board's oversight of cybersecurity risk management is supported primarily by the Audit Committee of the Board (the "Audit Committee") and our Information and Privacy Risk Committee ("IPRC"), which is the key management-level governance body that oversees management of cybersecurity threat and data privacy risks.
- **Cross-Functional Approach:** Through the IPRC, we have implemented a cross-functional approach to managing cybersecurity threats and incidents, while also implementing controls and procedures that provide for the escalation of significant cybersecurity incidents, either in the form of a single unauthorized occurrence or a series of unauthorized occurrences, so that decisions regarding the public disclosure and reporting of such incidents can be made by appropriate members of management in a timely manner.
- **Threat Assessment:** We engage in an annual cybersecurity-focused risk assessment process, which helps identify our cybersecurity risks by comparing our processes to standards set by the NIST and by engaging third-party experts to attempt to infiltrate our information systems.
- **Technical Safeguards:** While no system is impenetrable, we deploy sophisticated technical safeguards that are intended to provide multiple layers of security designed to identify cybersecurity threats and protect our information systems from such threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which we evaluate and seek to improve through vulnerability assessments and cybersecurity threat intelligence. We leverage both internal and third-party resources to implement and monitor our technical security controls and perform threat and vulnerability assessments. Assessment results feed an iterative process intended to improve our cybersecurity posture and address the constantly evolving threat landscape on an on-going basis.
- **Third-Party Risk Management:** We maintain a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.
- **Education and Awareness:** We provide training for personnel regarding cybersecurity threats as a means to equip our personnel with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, processes and practices.
- **Incident Response and Recovery Planning:** We have established and maintain incident response and recovery plans for critical systems, applications and business functions that address our response to a cybersecurity incident, and such plans are tested and evaluated on a periodic basis.

We describe whether and how risks from identified cybersecurity threats, including as a result of previous incidents, may materially affect, or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading "*Failure to maintain the integrity of internal or customer data or to protect our systems from cyber-attacks could disrupt our business, damage our reputation, and subject us to significant costs, fines or lawsuits*" included as part of our risk factor disclosures included in Part I, Item 1A of this Annual Report filed on Form 10-K.

Cybersecurity Governance

The Board, primarily through the Audit Committee, provides oversight of our ERM process, including the management of risks arising from cybersecurity threats. The Audit Committee receives regular, quarterly presentations and reports from our Chief Technology Officer ("CTO") and Chief Information Security Officer ("CISO")on cybersecurity risks and management's mitigation activities, which address a wide range of topics including our cybersecurity risk profile, recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment and significant newly identified risks, technological trends, and information security considerations arising with respect to our industry peers and third parties. In addition, the CTO and CISO provide the Audit Committee with timely information regarding significant cybersecurity incidents, as applicable. During 2023, the Audit Committee also held an informational meeting with an external advisor regarding the cybersecurity landscape.

The IPRC is the management-level governance body that oversees our management of cybersecurity threats and data privacy risks and supports the strategic goals of our information security programs. The IPRC also oversees the appropriate remediation and response to cybersecurity incidents in accordance with applicable legal and regulatory requirements as well as our Information Security Incident Response Plan. The executive sponsors of the IPRC are our Chief Financial Officer, Chief Operations Officer, Wyndham Destinations, the CTO, and General Counsel and Corporate Secretary. The IPRC members include our CISO, the senior legal officer in the privacy function, the business segments general counsel, the Chief Accounting Officer, and the Managing Director RCI North America & Global Marketing and Operations. The CISO leads a team of information security professionals in the day-to-day execution of our information security program, which isdiscussed in more detail above under the heading "*Cybersecurity Risk Management and Strategy*."

The CISO has served in various roles in information security and information technology for over 20 years for global travel, hospitality, casino, and energy companies along with consulting for both the U.S. Department of Defense and intelligence community. He holds an undergraduate degree in computer information systems, a master's degree in business administration, and has attained the Certified Information Systems Security Professional certification. The CTO holds an undergraduate degree in computer science and a master's degree in business administration, and has served in various roles in information technology for over 30 years for global travel, hospitality, and finance companies, including serving as either the Chief Technology Officer or Chief Information Officer of Qatar Airways Group and MGM Resorts International.

ITEM 2. PROPERTIES

Travel + Leisure Co. Corporate

Our corporate headquarters is located in a leased office at 6277 Sea Harbor Drive in Orlando, Florida, for which the lease expires in 2025. The lease is currently under review related to our ongoing requirements.

Vacation Ownership

Our Vacation Ownership business has its main corporate operations in Orlando, Florida, pursuant to several leases which begin to expire in 2025. Our Vacation Ownership business also has leased space in Las Vegas, Nevada; the Philippines; Australia; and Singapore, with various expiration dates between 2024 and 2056. In addition, our Vacation Ownership business utilizes 164 marketing and sales offices with 123 locations in the U.S. and the remaining locations in Australia, China, the Caribbean, Thailand, Mexico, Indonesia, Japan, Fiji, the Philippines, and New Zealand. Of these 164 marketing and sales offices, 71 are pursuant to leases with various expiration dates between 2024 and 2056. All leases that are due to expire in 2024 are presently under review related to our ongoing requirements.

Travel and Membership

Our Travel and Membership business is headquartered in Orlando, Florida, pursuant to several leases which begin to expire in 2025. The business also owns one property in Indianapolis, Indiana, and one property in Mexico. There are 19 leased offices located in Europe, Latin America, Asia Pacific, North America, and Africa with expiration dates between 2024 and 2029. All leases that are due to expire in 2024 are presently under review related to our ongoing requirements.

ITEM 3. 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, financial condition or cash flows. See Note 19—*Commitments and Contingencies* to the Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business and Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels, matters related to the European vacation rentals business, and matters related to the North American vacation rentals business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol TNL. As of January 31, 2024, the number of stockholders of record was 4,076. The equity plan compensation information called for by Item 201(d) of Regulation S-K is set forth in Part III, Item 12 of this Annual Report on Form 10-K under the heading "*Equity Compensation Plan Information as of December 31, 2023.*"

Issuer Purchases of Equity Securities

Below is a summary of our Travel + Leisure Co. common stock repurchases by month for the quarter ended December 31, 2023:

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 the Publicly Announced Plan [(a)]
October 2023 (October 1-31)	180,438	$ 33.25	180,438	$ 204,130,249
November 2023 (November 1-30)	874,092	$ 36.04	874,092	$ 172,630,660
December 2023 (December 1-31)	60,753	$ 37.50	60,753	$ 170,352,250
Total	**1,115,283**	**$ 35.67**	**1,115,283**	**$ 170,352,250**

(a) On August 20, 2007, our Board of Directors ("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 has since increased the capacity of the Share Repurchase Program nine times, most recently in April 2022, by $500 million, bringing the total authorization under the current program to $6.5 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.

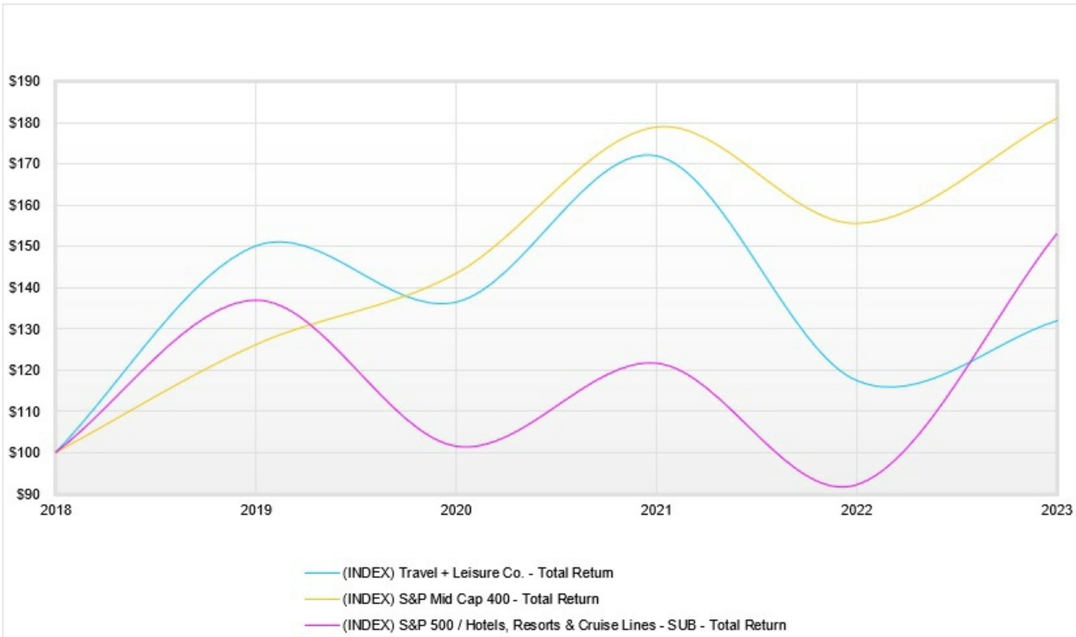
For a description of limitations on the payment of our dividends, see the "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Dividends.*"

Stock Performance Graph

The Stock Performance Graph is not deemed filed with the Securities and Exchange Commission ("SEC") and shall not be deemed incorporated by reference into any of our prior or future filings made with the SEC.

The following Stock Performance Graph compares the cumulative total stockholder return of our common stock against the cumulative total returns of the Standard & Poor's Rating Services ("S&P") Midcap 400 index and the S&P Hotels, Resorts & Cruise Lines index for the period from December 31, 2018, to December 31, 2023. The graph assumes that $100 was invested on December 31, 2018, and all dividends and other distributions were reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN [(a)]
Among Travel + Leisure Co., the S&P Midcap 400 Index
and the S&P Hotels, Resorts, & Cruise Lines Index



(a) $100 invested on December 31, 2018, in stock or index, including reinvestment of dividends.

	Cumulative Total Return					
Fiscal year ending December 31:	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Travel + Leisure Co.	**$ 100.00**	**$ 150.06**	**$ 136.48**	**$ 171.91**	**$ 117.47**	**$ 131.98**
S&P Midcap 400	**$ 100.00**	**$ 126.20**	**$ 143.44**	**$ 178.95**	**$ 155.58**	**$ 181.15**
S&P Hotels, Resorts & Cruise Lines	**$ 100.00**	**$ 137.05**	**$ 101.59**	**$ 121.75**	**$ 92.23**	**$ 153.39**

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS AND OVERVIEW

We are a global provider of hospitality services and travel products and operate our business in 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 includes our Wyndham Destinations 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 business continues to leverage demand for leisure travel, as consumers have prioritized leisure travel following COVID-19. While we are experiencing the benefits of current demand levels, recent inflationary pressures, higher interest rates, and risk of recession inherently result in uncertainty in business trends and consumer behavior. Since the peak of COVID-19, we have experienced trends of increased gross VOI sales, including sales to new owners, volume per guest ("VPG"), and tours. With the strength in travel demand, we are once again focusing on increasing the mix of new owner sales in order to expand our pipeline of potential future owner upgrade sales. As expected with this strategic shift, we are beginning to see our VPGs moderate, however they remain above pre-pandemic levels. In addition to the new owner impact on our VPGs, during 2023 we saw a modest softening of close rates, which we believe reflects demand stabilization after the release of pent-up travel demand that benefited us in the prior year. Despite this modest softening of close rates during the year, they still remain above pre-pandemic levels.

During the pandemic we made changes to our consumer credit quality marketing criteria. These changes are intended to strengthen sales efficiencies as well as the performance of our vacation ownership contract receivables ("VOCR") portfolio. As a result of these changes we have seen an overall improvement in delinquencies, although we saw some normalization of delinquency rates during 2023, they remain below 2019 levels.

Our current VOI inventory levels are expected to be sufficient to support sales during the near term, which limits our exposure to increased inventory costs due to the potential effects of inflation. Higher interest rates negatively impacted our interest expense during 2023 as well as the reporting periods since COVID-19 and, if interest rates remain elevated, we would expect this trend to continue. Although we are not currently seeing meaningful signs of a slowdown in leisure travel demand at our Vacation Ownership business, we are monitoring economic conditions.

During 2023, our Travel and Membership segment saw a decrease in transactions due to an increasing mix of exchange members with a club affiliation, who have a lower transaction propensity. This is a trend we expect to continue into 2024. Transactions were also impacted by a slower than expected ramp-up of our travel clubs. The decrease in transactions was partially offset by an improvement in revenue per transaction.

While our Vacation Ownership business is benefited 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, this business, and, to a greater extent, our Travel and Membership businesses are highly dependent on the health of the travel industry and we are 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.

Inflation Reduction Act

On August 16, 2022, the United States ("U.S.") enacted the Inflation Reduction Act. Among other provisions, this new law imposes a 15% minimum tax rate for large corporations with an average of more than $1.0 billion of adjusted financial statement income over a three-year period, and a 1% excise tax on stock buybacks. These changes became effective for the 2023 tax year. We do not currently expect to be subject to the minimum tax, but we will continue to monitor as this could change. We are subject to the 1% excise tax and during 2023 have incurred $3 million of excise tax related to share repurchases, which is expected to be paid in April 2024. This excise tax is included within Treasury stock on the Consolidated Balance Sheets.

Pillar Two

The Organization for Economic Co-operation and Development ("OECD"), continues to put forth various initiatives, including Pillar Two rules which include the introduction of a global minimum tax at a rate of 15%. European Union member states agreed to implement the OECD's Pillar Two rules with effective dates of January 1, 2024 and January 1, 2025, for different aspects of the directive and most have already enacted legislation. A number of other countries are also implementing similar legislation. These changes may increase our taxes in the applicable jurisdictions or cause us to change the way we operate our business and result in increased taxation of our international earnings. We are currently in the process of evaluating the impact these changes will have on our consolidated financial statements, and are closely monitoring other countries that may enact similar legislation.

Playbook365 Acquisition

On January 3, 2023, we acquired the Playbook365 business for $13 million, comprised of $6 million of cash paid at closing and contingent consideration with a fair market value of $7 million, which can range to $24 million, based on the achievement of certain financial metrics. Playbook365 is a youth and amateur sports management platform. This platform was integrated with Alliance Reservations Network's ("ARN") event lodging management platform to create an all-in-one solution in the youth sports market. This acquisition was made to broaden the products and services offered by ARN, and is included within the Travel and Membership segment. See Note 5—*Acquisitions* to the Consolidated Financial Statements for additional details.

Sports Illustrated Resorts Agreement

On September 11, 2023, we entered into an agreement to acquire the rights to the vacation ownership business of Sports Hospitality Ventures, LLC ("SHV"), a hotel and resorts licensee for the Sports Illustrated brand. Together with SHV, we introduced a new concept for a network of sports-themed resort and lifestyle complexes in popular college towns and leisure destinations. The new resorts are anticipated to be developed using an asset-light development financing model. The first resort in the new business line is expected to open in Tuscaloosa, Alabama, in late 2025. This new business line is included within the Vacation Ownership segment. There is no immediate earnings impact for us, but we expect this business to drive incremental growth starting in the second half of 2025.

SEGMENT OVERVIEW

Vacation Ownership

We develop, market, and sell VOIs to individual consumers, provide consumer financing in connection with the sale of VOIs, and provide property management services at resorts. Our 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, we reduce the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. Our estimates of uncollectible amounts are based largely on the results of our static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, we may provide our customers with certain non-cash incentives, such as credits for future stays at our resorts. For those VOI sales, we allocate the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of two years or less and are recognized at a point in time upon transfer of control.

We provide 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. Such agreements are generally for terms of one year or less and are renewed automatically on an annual basis. Our 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. We receive 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. We are 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 we are the employer and are reflected as a component of Operating expenses on the Consolidated Statements of Income. We reduce our management fees revenue for amounts paid to the property owners' association that reflect maintenance fees for VOIs for which we retain ownership, as we have 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 Consolidated Statements of Income.

Within our Vacation Ownership segment, we measure operating performance using the following key operating statistics: (i) gross VOI sales including sales under our Fee-for-Service program before the effect of loan loss provisions, (ii) tours, which represents the number of tours taken by guests in our efforts to sell VOIs, and (iii) volume per guest, which measures the efficiency of this business' tour selling efforts, is calculated by dividing the 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.

Travel and Membership

We derive a majority of our 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, we enter 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 our vacation exchange network and, for some members, for other leisure-related services and products. We recognize 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 the actual and forecasted member activity. For additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with our vacation exchange networks and, for certain members, for other leisure-related services and products. We also derive 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.

Our 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.

We earn revenue from our RCI Elite Rewards co–branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until our performance obligations have been satisfied. 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.

Within our Travel and Membership segment, we measure operating performance using the following key operating statistics: (i) average number of exchange members, which represents paid members in our vacation exchange programs who are considered to be in good standing; (ii) transactions, which represents the number of exchanges and travel bookings recognized as revenue during the period, net of cancellations; and (iii) revenue per transaction, which represents transaction revenue divided by transactions. Transactions and revenue per transaction are provided in two categories: Exchange, which is primarily RCI, and Travel Club.

Other Items

We record property management service revenues for our Vacation Ownership segment and RCI Elite Rewards revenues for our Travel and Membership segment gross as a principal.

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 to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by the operating segments. 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 costs for acquisitions and divestitures, asset impairments/recoveries, 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 Cendant Corporation ("Cendant"), and the sale of the vacation rentals businesses. We believe that Adjusted EBITDA is a useful measure of performance for our segments which, when considered with generally accepted accounting principles in the U.S. ("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 years ended December 31, 2023 and 2022. These operating statistics are the drivers of our revenues and therefore provide an enhanced understanding of our businesses. Refer to "The Year Ended December 31, 2023 vs. The Year Ended December 31, 2022" section for a discussion of how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2023	**2022**	**% Change [h]**
Vacation Ownership			
Gross VOI sales (in millions) [a] [i]	$ 2,149	$ 1,982	8.4
Tours (in 000s) [b]	663	561	18.2
Volume per guest [c]	$ 3,128	$ 3,426	(8.7)
Travel and Membership [d]			
Transactions (in 000s) [e]			
Exchange	959	1,022	(6.2)
Travel Club	679	709	(4.2)
Total transactions	1,638	1,731	(5.4)
Revenue per transaction [f]			
Exchange	$ 357	$ 341	4.8
Travel Club	$ 230	$ 241	(4.4)
Total revenue per transaction	$ 305	$ 300	1.6
Average number of exchange members (in 000s) [g]	3,515	3,524	(0.2)

(a) 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.
(b) Represents the number of tours taken by guests in our efforts to sell VOIs.
(c) 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' tour selling efforts during a given reporting period.
(d) Includes the impact of acquisitions from the acquisition dates forward.
(e) Represents the number of exchanges and travel bookings recognized as revenue during the period, net of cancellations.
(f) Represents transaction revenue divided by transactions.
(g) Represents paid members in our vacation exchange programs who are considered to be in good standing.
(h) Percentage change may not calculate due to rounding.
(i) The following table provides a reconciliation of Vacation ownership interest sales, net to Gross VOI sales (in millions):

	Year Ended December 31,	
	2023	**2022**
Vacation ownership interest sales, net	$ 1,582	$ 1,484
Loan loss provision	348	302
Gross VOI sales, net of Fee-for-Service sales	1,930	1,786
Fee-for-Service sales [1]	219	196
Gross VOI sales	$ 2,149	$ 1,982

(1) Represents total sales of VOIs through our Fee-for-Service programs where inventory is sold through our sales and marketing channels for a commission. Fee-for-Service commission revenues were $131 million and $116 million for the years ended December 31, 2023 and 2022. These commissions are reported within Service and membership fees on the Consolidated Statements of Income.

THE YEAR ENDED DECEMBER 31, 2023 VS. THE YEAR ENDED DECEMBER 31, 2022

Our consolidated results are as follows (in millions):

	Year Ended December 31,		
	2023	2022	Favorable/ (Unfavorable)
Net revenues	$ 3,750	$ 3,567	$ 183
Expenses	3,028	2,914	(114)
Loss on sale of business	2	—	(2)
Operating income	720	653	67
Interest expense	251	195	(56)
Other (income), net	(3)	(22)	(19)
Interest (income)	(13)	(6)	7
Income before income taxes	485	486	(1)
Provision for income taxes	94	130	36
Net income from continuing operating	391	356	35
Gain on disposal of discontinued business, net of income taxes	5	1	4
Net income attributable to Travel + Leisure Co. shareholders	$ 396	$ 357	$ 39

Net revenues increased $183 million during 2023 compared with 2022. This increase was unfavorably impacted by foreign currency of $7 million (0.2%). Excluding the impacts of foreign currency, the increase in net revenues was primarily due to:

- $212 million of increased revenues at our Vacation Ownership segment primarily due to an increase in gross VOI sales, net of Fee-for-Service sales as a result of increased tours, partially offset by an increase in our provision for loan losses associated with these sales; higher property management revenues resulting from higher property management fees and reimbursable revenues; increased other revenues due to higher VOI travel package and incentive revenues; an increase in consumer financing revenues primarily due to a higher average portfolio balance; and increased commission revenues due to higher volume of VOI Fee-for-Service sales; partially offset by
- $23 million of decreased revenues at our Travel and Membership segment primarily due to lower transactions, partially offset by increased revenue per transaction.

Expenses increased $114 million during 2023 compared with 2022. This increase in expenses, excluding immaterial foreign currency impacts, was primarily the result of:

- $56 million increase in marketing costs mainly in support of increased tour flow and new owner mix at our Vacation Ownership business;
- $45 million increase in property management expenses due to higher reimbursable resort operating costs and expenses;
- $32 million increase in consumer financing interest expense primarily due to an increased weighted average coupon rate;
- $31 million increase in sales and commission expenses at the Vacation Ownership segment due to higher gross VOI sales, net of Fee-for-Service sales; and a
- $12 million increase in restructuring costs as we focused on enhancing organizational efficiency and rationalizing operations.

These increases were partially offset by a $25 million decrease in general and administrative expenses driven by lower professional fees and employee costs; $24 million decrease in the cost of VOIs sold primarily due to estimated recoveries associated with the aforementioned provision increase and product mix; and a $10 million decrease due to asset impairments recorded in the prior year.

We recognized a loss on sale of business of $2 million during 2023 resulting from the sale of the Love Home Swap business.

Interest expense increased $56 million during 2023 compared with 2022 primarily due to increased borrowing activity under the revolving credit facility, the issuance of the 2022 Incremental Term Loan B facility in the fourth quarter of 2022, and higher interest rates on variable borrowings in 2023.

Other income, net of other expense decreased $19 million during 2023 compared with 2022, primarily due to a $10 million benefit in the prior year, related to a reduction in the fair value of contingent consideration associated with a business acquisition.

Interest income increased $7 million during 2023 compared with 2022 primarily due to higher interest rates.

Our effective tax rates were 19.4% and 26.7% for the years ended December 31, 2023 and 2022. Our effective tax rate for 2023 is lower primarily due to the partial reversal of the valuation allowance related to our foreign tax credits based on our determination that it is more likely than not that the benefit will be realized.

Gain on disposal of discontinued business, net of income taxes increased $4 million during 2023 compared with 2022 primarily resulting from the release of an expired guarantee related to the sale of the European vacation rentals business in 2023.

As a result of these items, Net income attributable to Travel + Leisure Co. shareholders increased $39 million in 2023 as compared with 2022.

The tables below present our segment information, followed by a discussion of each segment's 2023 results compared to 2022 (in millions):

	Year Ended December 31,	
Net revenues	**2023**	**2022**
Vacation Ownership	$ 3,041	$ 2,835
Travel and Membership	711	735
Total reportable segments	3,752	3,570
Corporate and other [(a)]	(2)	(3)
Total Company	$ 3,750	$ 3,567

	Year Ended December 31,	
Reconciliation of Net income to Adjusted EBITDA	**2023**	**2022**
Net income attributable to Travel + Leisure Co. shareholders	$ 396	$ 357
Gain on disposal of discontinued business, net of income taxes	(5)	(1)
Interest expense	251	195
Interest (income)	(13)	(6)
Provision for income taxes	94	130
Depreciation and amortization	112	119
Stock-based compensation	36	42
Restructuring [(b)]	26	14
Legacy items	8	1
Loss on sale of business	2	—
Asset impairments, net [(c)]	1	11
Loss on equity investment	—	5
COVID-19 related costs [(d)]	—	2
Fair value change in contingent consideration	—	(10)
Adjusted EBITDA	$ 908	$ 859

	Year Ended December 31,	
Adjusted EBITDA	**2023**	**2022**
Vacation Ownership	$ 729	$ 665
Travel and Membership	247	268
Total reportable segments	976	933
Corporate and other [(a)]	(68)	(74)
Total Company	$ 908	$ 859

(a) Includes the elimination of transactions between segments.
(b) Includes $2 million and $3 million of stock-based compensation expense for the years ended December 31, 2023 and 2022 associated with the 2023 and 2022 restructuring plans.
(c) Includes $1 million of inventory impairments for the years ended December 31, 2023 and 2022, included in Cost of vacation ownership interests on the Consolidated Statements of Income.
(d) Includes expenses related to COVID-19 testing and other expenses associated with our return-to-work program in 2022.

Vacation Ownership

Net revenues increased $206 million and Adjusted EBITDA increased $64 million during 2023 compared with 2022. The net revenue growth was unfavorably impacted by foreign currency of $6 million (0.2%) and Adjusted EBITDA growth was unfavorably impacted by foreign currency of $3 million (0.5%).

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

- $149 million increase in gross VOI sales, net of Fee-for-Service sales, due to increased tours, partially offset by a decrease in VPG due to higher mix of new owner tours (52% in the current year compared to 45% in the same period of 2022) which generally produce lower sales volume and lower close rates;
- $52 million increase in property management revenues primarily due to higher management fees and reimbursable revenues;
- $22 million increase in other revenues due to higher VOI travel package and incentive revenues;
- $21 million increase in consumer financing revenues primarily due to a higher average portfolio balance; and
- $15 million increase in commission revenues due to the volume of VOI Fee-for-Service sales.

These increases were partially offset by a $47 million increase in our provision for loan losses primarily due to higher gross VOI sales, net of Fee-for-Service sales.

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

- $61 million increase in marketing costs in support of increased tour flow and new owner mix;
- $45 million increase in property management expenses due to higher reimbursable resort operating costs and expenses;
- $32 million increase in consumer financing interest expense primarily due to an increased weighted average coupon rate;
- $31 million increase in sales and commission expenses due to higher gross VOI sales, net of Fee-for-Service sales; and
- $8 million increase in other operating expenses due to higher VOI travel package and incentive expenses.

These increases were partially offset by a $24 million decrease in the cost of VOIs sold primarily due to estimated recoveries associated with the aforementioned provision increase and product mix, and a $19 million decrease in general and administrative expenses due to lower professional fees and employee related costs.

Travel and Membership

Net revenues decreased $24 million and Adjusted EBITDA decreased $21 million during 2023 compared with 2022. The net revenue decrease was unfavorably impacted by foreign currency of $1 million (0.1%) and the Adjusted EBITDA decrease was unfavorably impacted by foreign currency of $5 million (1.9%).

The decrease in net revenues excluding the impact of foreign currency was primarily driven by lower transactions, partially offset by increased revenue per transaction. Transactions were impacted by an increasing mix of exchange members with a club affiliation. who have a lower transaction propensity.

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

- $7 million decrease in cost of sales primarily associated with lower transactions; partially offset by heavier weighting of rentals in Exchange’s revenue mix; and a
- $5 million decrease in marketing costs; partially offset by a
- $5 million increase in other operating costs primarily related to business development activities.

Corporate and other

Corporate and other revenue increased $1 million during 2023 compared with 2022 primarily due to $5 million of fees charged for managing an insurance program on behalf of homeowners associations; partially offset by a $4 million increase in eliminated transactions between segments.

Adjusted EBITDA increased $6 million (8.1%) during 2023 compared with 2022 and was not materially impacted by foreign currency. The growth in Adjusted EBITDA was primarily due to $5 million of fees charged for managing an insurance program on behalf of homeowners associations.

For a comparative review of our consolidated results of operations and those of our reportable segments for the fiscal years ended December 31, 2022 and 2021, refer to Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 22, 2023.

DISCONTINUED OPERATIONS

During 2023 and 2022, we recognized $5 million and $1 million Gains on disposal of discontinued business, net of income taxes. During 2021, we recognized a Loss on disposal of discontinued business, net of income taxes of $5 million.

During 2022, we had $5 million of Net cash used in investing activities from discontinued operations on the Consolidated Statements of Cash Flows. See Note 6—*Discontinued Operations* to the Consolidated Financial Statements for additional information.

RESTRUCTURING PLANS

2023 Restructuring Plan

We incurred $26 million of restructuring charges during the year ended December 31, 2023. 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. As part of this restructuring plan, we also decided to decrease our facilities by closing our owned office in Indianapolis, Indiana, and exiting other leased locations. The charges consisted of (i) $11 million of personnel-related costs at the Travel and Membership segment, (ii) $9 million of personnel-related costs and $1 million of lease costs at the Vacation Ownership segment, and (iii) $5 million of personnel-related costs at our corporate operations. These restructuring charges included $2 million of accelerated stock-based compensation expense. Substantially all initiative and related expenses have been incurred as of December 31, 2023.

2022 Restructuring Plan

We incurred $14 million of restructuring charges during the year ended December 31, 2022. These charges were associated with certain positions that were made redundant based upon changes to our organizational structure, primarily within the Travel and Membership segment. The charges consisted of (i) $9 million of personnel costs at the Travel and Membership segment, (ii) $3 million of lease and personnel-related costs at the Vacation Ownership segment, and (iii) $2 million of personnel-related costs at our corporate operations. These restructuring charges included $3 million of accelerated stock-based compensation expense.

See Note 26—*Restructuring* to the Consolidated Financial Statements for additional details of our restructuring activities.

FINANCIAL CONDITION

	As of December 31,		
(In millions)	**2023**	**2022**	**Change**
Total assets	$ 6,738	$ 6,757	$ (19)
Total liabilities	$ 7,655	$ 7,661	$ (6)
Total deficit	$ (917)	$ (904)	$ (13)

Total assets decreased $19 million from December 31, 2022 to December 31, 2023, due to:

- $268 million decrease in Cash and cash equivalents primarily driven by $400 million repayment of the 3.90% secured notes during the first quarter of 2023, $309 million of payments for share repurchases, $136 million of dividend payments, $74 million of property and equipment additions, $22 million of payments relating to debt issuances/modifications, and $15 million payment associated with the acquisition of the Travel + Leisure brand partially offset by $350 million of net cash provided by operating activities, proceeds from $300 million of borrowings on the 2023 Incremental Term Loan B facility, and $103 million of net proceeds from non-recourse debt; and a
- $58 million decrease in Inventory driven by the sale of $133 million of VOI inventory and $16 million of net transfers of completed unregistered VOI inventory to property and equipment; partially offset by $88 million of inventory additions.

These decreases were partially offset by:

- $38 million increase in Restricted cash driven by a $14 million increase in escrow deposits, $13 million increase in restricted cash for securitizations, and $11 million increase in funds on deposit related to our insurance program;
- $19 million increase in Trade receivables, net driven by increased receivables associated with property management fees and reimbursable expenses;
- $157 million increase in Vacation ownership contract receivables, net, driven by $1.43 billion of VOI originations, partially offset by $924 million of principal collections and net provision for loan losses of $348 million;
- $27 million increase in Prepaid expenses driven by $17 million increase in prepaid marketing costs and $9 million increase in prepaid travel credits; and a

- $70 million increase in Other assets driven by increases of $49 million of tax receivables; $19 million in non-trade receivables, $9 million in capitalized contract costs, $9 million increase in deferred costs, and a $7 million increase in assets held-for-sale, partially offset by $16 million of amortization of right-of-use assets and the release of $12 million of collateral assets.

Total liabilities decreased $6 million from December 31, 2022 to December 31, 2023, primarily due to:

- $69 million decrease in Accrued expenses and other liabilities primarily due to a $30 million decrease due to the relief of the inventory obligation in Las Vegas, Nevada, a $24 million decrease in lease liabilities, a $17 million decrease in accrued payroll and related costs primarily employee bonus and commissions, and a $15 million decrease in tax liabilities, partially offset by an $10 million increase in funds on deposit related to our insurance program; and a
- $94 million decrease in Debt driven by $400 million repayment of the 3.90% secured notes during the first quarter of 2023; partially offset by $300 million of borrowings on the 2023 Incremental Term Loan B facility.

These decreases were partially offset by a:

- $43 million increase in Deferred income driven primarily by deferred VOI trial package and incentive revenues; and a
- $98 million increase in Non-recourse vacation ownership debt primarily due to net borrowings.

Total deficit increased $13 million from December 31, 2022 to December 31, 2023, primarily due to $307 million of share repurchases and $137 million of dividends; partially offset by $396 million of Net income attributable to Travel + Leisure Co. shareholders and a $37 million increase in additional paid-in capital, primarily due to 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 $300 million notes due in April 2024. Our discussion below highlights these sources of liquidity and how they have been utilized to support our cash needs.

Cash and Cash Equivalents

As of December 31, 2023, 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 October 2026 and had $998 million of available capacity as of December 31, 2023.

The revolving credit facility and term loan B facilities 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 no less than 2.50 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 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 December 31, 2023, our interest coverage ratio was 4.23 to 1.0 and our first lien leverage ratio was 3.40 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 December 31, 2023, we were in compliance with the financial covenants described above.

On March 30, 2023, we entered into the fourth amendment to the credit agreement governing our revolving credit facility and term loan B facilities. Through this amendment we exercised our early opt-in election to change the benchmark rate on the revolving credit facility and 2018 Term Loan B Facility due May 2025 from the USD London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR"). This change became effective on March 31, 2023, for both new borrowings and rollovers of then existing USD LIBOR based borrowings (except Base Rate borrowings) and eliminated our exposure to LIBOR.

Secured Notes and Term Loan B facilities

We generally utilize borrowing via secured note issuances to meet our long-term financing needs. During 2022, we entered into the third amendment to the credit agreement governing our revolving credit facility and the original 2018 Term Loan B Facility which provided for the 2022 Incremental Term Loan B Facility of $300 million due 2029. On December 20, 2023 we further amended the credit agreement governing our revolving credit facility and term loan B facilities (“Fifth Amendment”). The Fifth Amendment refinanced $298 million of outstanding borrowings under the 2022 Incremental Term Loan B facility and included additional borrowings of $300 million. This new 2023 Incremental Term Loan B facility matures on December 14, 2029. These transactions reinforce our expectation that we will maintain adequate liquidity for the next year and beyond.

During 2023, we used net proceeds from the 2022 Incremental Term Loan B Facility, along with cash on hand, and borrowings under our revolving credit facility, to repay our $400 million notes which came due in March 2023. We expect to use net proceeds from the 2023 Incremental Term Loan B Facility, together with available cash on hand and revolving credit facility borrowings to repay our outstanding $300 million 5.65% secured notes due April 2024 and pay related fees and expenses. As of December 31, 2023, we had $3.56 billion of outstanding borrowings under our secured notes and term loan B facilities with maturities ranging from 2024 to 2030.

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 Consolidated Balance Sheets. We plan to continue using these sources to finance certain VOCRs. On September 26, 2023, we renewed our USD bank conduit facility, extending its term through September 2025. We believe that our USD bank conduit facility and our AUD/NZD bank conduit facility, with a term through December 2024, amounting to a combined capacity of $752 million ($388 million available as of December 31, 2023), 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 $1.09 billion, $800 million, and $850 million during 2023, 2022, and 2021. 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 December 31, 2023, 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 facilities, and non-recourse debt see Note 15—*Debt* to the Consolidated Financial Statements.

Material Cash Requirements

The following table summarizes material future contractual obligations of our continuing operations (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.

	2024	2025	2026	2027	2028	Thereafter	Total
Debt [(a)]	$ 317	$ 643	$ 660	$ 407	$ 6	$ 1,554	$ 3,587
Non-recourse debt [(b)]	230	450	214	290	360	549	2,093
Interest on debt [(c)]	339	292	219	164	141	111	1,266
Purchase commitments [(d)]	236	184	120	93	89	26	748
Operating leases	29	24	14	13	10	11	101
Total [(e)]	$ 1,151	$ 1,593	$ 1,227	$ 967	$ 606	$ 2,251	$ 7,795

(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 $533 million for marketing related activities and $133 million for information technology activities.
(e) Excludes a $31 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 Cendant, we entered into certain guarantee commitments with Cendant (pursuant to our assumption of certain liabilities and our obligation to indemnify Cendant, Realogy (now Anywhere Real Estate Inc.), and Travelport for such liabilities) and guarantee commitments related to deferred compensation arrangements with Cendant and Realogy. 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 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements.

In addition to the key contractual obligation and separation related commitments described above, we have the following other commercial commitments and off-balance sheet arrangements.

We enter into agreements that contain standard guarantees and indemnities whereby we indemnify 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 our 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. We also provide corporate guarantees for our 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. We are 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 we receive offsetting indemnifications from third-parties and/or maintain insurance coverage that may mitigate any potential payments.

Our Vacation Ownership business provides guarantees to certain owners' associations for funds required to operate and maintain vacation ownership properties in excess of assessments collected from owners of the VOIs. We may be required to fund such a shortfall as a result of unsold company-owned VOIs or failure by owners to pay such assessments. In addition, from time to time, we may agree to reimburse certain owner associations up to 80% of their uncollected assessments. These guarantees extend for the duration of the underlying subsidy or similar agreement (which generally approximate one year and are renewable at our discretion on an annual basis). The maximum potential future payments that we could be required to make under these guarantees was $473 million as of December 31, 2023. We would only be required to pay this maximum amount if none of the assessed owners paid their assessments. Any assessments collected from the owners of the VOIs would reduce the maximum potential amount of future payments to be made by us. Additionally, should we be required to fund the deficit through the payment of any owners' assessments under these guarantees, we would be permitted to use that property to engage in revenue-producing activities such as rentals. During 2023, 2022, and 2021, we made payments related to these guarantees of $12 million, $12 million, and $13 million. As of December 31, 2023 and 2022, we maintained a liability in connection with these guarantees of $21 million and $20 million included within Accrued expenses and other liabilities on the Consolidated Balance Sheets.

As part of the Fee-for-Service program, we may guarantee to reimburse the developer or to purchase inventory from the developer, for a percentage of the original sale price if certain future conditions exist. As of December 31, 2023, the maximum potential future payments that we may be required to make under these guarantees is $61 million. As of December 31, 2023 and 2022, we had no recognized liabilities in connection with these guarantees.

We generally utilize letters of credit to support the securitization of VOCR fundings, certain insurance policies, and development activities in our Vacation Ownership business. As of December 31, 2023, we had $47 million of irrevocable standby letters of credit outstanding, $2 million of which were under our revolving credit facilities. As of December 31, 2022, we had $34 million of irrevocable standby letters of credit outstanding, none of which were under our revolving credit facilities.

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 12 surety providers in the amount of $2.3 billion, of which we had $504 million outstanding as of December 31, 2023. 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.

We have company sponsored severance plans in place for certain employees in the event of involuntary terminations, other than for cause. As of December 31, 2023, our maximum obligation under these severance plans was $199 million. Refer to the Proxy Statement for our 2024 Annual Meeting of Shareholders under the captions “Compensation of Directors,” “Executive Compensation” and “Committees of the Board” for additional details regarding executive compensation.

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 FLOWS

The following table summarizes the changes in cash, cash equivalents, and restricted cash between 2023 and 2022 (in millions). For a comparative review of the fiscal years ended December 31, 2022 and 2021, refer to the Cash Flows section in Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 22, 2023.

	Year Ended December 31,		
Cash provided by/(used in):	**2023**	**2022**	**Change**
Operating activities	$ 350	$ 442	$ (92)
Investing activities			
Continuing operations	(80)	(45)	(35)
Discontinued operations	—	(5)	5
Financing activities	(500)	(196)	(304)
Effects of changes in exchange rates on cash and cash equivalents	—	(5)	5
Net change in cash, cash equivalents and restricted cash	$ (230)	$ 191	$ (421)

Operating Activities

Net cash provided by operating activities was $350 million for the year ended December 31, 2023, compared to $442 million in the prior year. This $92 million decrease in 2023 was primarily attributable to an increase in cash utilized for working capital, including the impacts of the Sports Illustrated agreement and continued growth in our loan portfolio.

Investing Activities

Net cash used in investing activities from continuing operations increased $35 million during the year ended December 31, 2023. This increase was primarily driven by $22 million of higher property and equipment additions and $8 million of proceeds from the sale of investments in 2022.

Net cash used in investing activities from discontinued operations was $5 million during 2022, primarily related to the settlement of post-closing adjustment claims associated with the sale of the European vacation rentals business.

Financing Activities

Net cash used in financing activities increased $304 million during the year ended December 31, 2023. This increase was primarily due to the $400 million repayment of the 3.90% secured notes during the first quarter of 2023 partially offset by higher net proceeds on non-recourse debt and decreased share repurchases in the current year.

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 final approval by the Board of Directors (“Board”).

During 2023, we spent $100 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. As such, we expect to remain below historical levels of spending for vacation ownership development projects in 2024 with anticipated spending between $105 million and $125 million. After factoring in the anticipated additional annual spending, we expect to have adequate inventory to support vacation ownership sales through at least the next four to five years.

During 2023, we spent $74 million on capital expenditures, primarily for information technology and sales center improvement projects. During 2024, we anticipate spending between $80 million and $90 million on capital expenditures, primarily for continuation of information technology digital initiatives, sales center facility and related system enhancements 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 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 December 31, 2023, the Board has increased the capacity of the program nine times, most recently in April 2022 by $500 million, bringing the total authorization under the current program to $6.5 billion. Proceeds received from stock option exercises have increased the repurchase capacity by $81 million since the inception of this program. We had $170 million of remaining availability in our program as of December 31, 2023.

Under our current share repurchase program, we repurchased 7.8 million shares at an average price of $39.11 for a cost of $307 million during the year ended December 31, 2023. 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 $0.45 per share for all four quarters of 2023 and $0.40 per share for all four quarters of 2022. During 2021, we paid cash dividends of $0.30 per share for the first, second, and third quarters, and $0.35 per share for the fourth quarter. The aggregate dividends paid to shareholders for 2023, 2022, and 2021 were $136 million, $135 million, and $109 million.

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.

Foreign Earnings

We assert that substantially all undistributed foreign earnings will be reinvested indefinitely as of December 31, 2023. In the event we determine not to continue to assert that all or part of our undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes, as well as U.S. taxes on currency transaction gains and losses, the determination of which is not practicable.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from sales of VOIs and vacation exchange fees. Revenue from sales of VOIs is generally higher in the third quarter than in other quarters due to increased leisure travel. Revenue from vacation exchange fees is 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 19—*Commitments and Contingencies* to the 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 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels, and matters related to the vacation rentals businesses.

CRITICAL ACCOUNTING ESTIMATES

In presenting our financial statements in conformity with GAAP, 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 financial statements were the most appropriate at that time. In addition to our significant accounting policies referenced in Note 2—*Summary of Significant Accounting Policies* to the Consolidated Financial Statements, presented below are the critical accounting estimates that we believe require subjective and complex judgments that could potentially affect reported results.

Vacation Ownership Revenue Recognition and Allowance for Loan Losses. Our sales of VOIs are either cash sales or developer-financed sales. For developer-financed sales, we project our losses for uncollectible accounts over the entire lives of our notes. This estimate of uncollectible consideration reduces the amount of revenue recognized at the time of sale and establishes an allowance for loan loss which reduces the receivable.

Our estimates of uncollectible amounts are based on the results of our static pool analysis which tracks defaults for each year's sales over the entire life of those contract receivables. We consider current defaults, past due aging, historical write-offs of contracts and consumer credit scores (FICO scores) in the assessment of a borrower's credit strength, down payment amount and expected loan performance. We also consider whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, we adjust the allowance for loan losses to reflect the expected effects of the current environment on the collectability of our VOCRs. There were no changes to the assumptions used in this model in 2023.

Changes in our estimates of uncollectible amounts could result in a material impact to our allowance for loan losses. A one percent change in projected losses would increase our allowance for loan losses by approximately $6 million. See Note 9—

Vacation Ownership Contract Receivables to the Consolidated Financial Statements for additional details of our allowance for loan losses.

Inventory. We use the relative sales value method of costing and relieving our VOI inventory. This method requires us to make estimates subject to significant uncertainty, including future sales prices and volumes as well as credit losses and related inventory recoveries. The impact of any changes in estimates under the relative sales value method is recorded in Cost of vacation ownership interests on the Consolidated Statements of Income in order to retrospectively adjust the margin previously recorded subject to those estimates. There were no changes in these assumptions during 2023.

Impairment of Long-Lived Assets. We perform an annual review of our goodwill and other indefinite-lived intangible assets, or more frequently if indicators of potential impairment exist. This analysis requires significant judgments, including anticipated market conditions, operating expense trends, estimation of future cash flows, which are dependent on internal forecasts, and estimation of long-term rate of growth. The estimates used to calculate the fair value of other indefinite-lived intangible assets change from year to year based on operating results and market conditions. There were no changes in the assumptions used in this analysis in 2023. Changes in these estimates and assumptions could materially affect the determination of fair value and the other indefinite-lived intangible assets impairment.

Business Combinations. A component of our growth strategy has been to acquire and integrate businesses that complement our existing operations. We account for business combinations in accordance with the guidance for business combinations and related literature. Accordingly, we allocate the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed based upon their estimated fair values at the date of purchase, with the exception of contract assets and contract liabilities with a customer acquired in a business combination, for business combinations that occurred in 2022 or later. For these transactions we recognize and measure those contracts as though we had entered into the agreement with the customer as of the same date as the acquiree. This generally will result recognizing contract assets and contract liabilities at amounts consistent with those recorded by the acquiree immediately before the acquisition date. The difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill.

In determining the fair values of assets acquired and liabilities assumed in a business combination, we use various recognized valuation methods including present value modeling and referenced market values (where available). Further, we make assumptions within certain valuation techniques including discount rates and timing of future cash flows. Valuations are performed by management or independent valuation specialists under management's supervision, where appropriate. We believe that the estimated fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ from those estimates.

Guarantees. In the ordinary course of business, we enter into agreements that contain standard guarantees and indemnities whereby we indemnify 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 our 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, access to credit facilities, derivatives and issuances of debt securities. Also in the ordinary course of business, we provide corporate guarantees for our 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. We are 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, we maintain insurance coverage that may mitigate any potential payments.

Income Taxes. We regularly review our deferred tax assets to assess their potential realization and establish a valuation allowance for portions of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions may increase or decrease our valuation allowance resulting in an increase or decrease in our effective tax rate, which could materially impact our results of operations.

For tax positions we have taken or expect to take in our tax return, we apply a more likely than not threshold, under which we must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining our provision for income taxes, we use judgment, reflecting our estimates and assumptions, in applying the more likely than not threshold.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use various financial instruments, particularly interest rate caps and interest rate swaps, to manage and reduce the interest rate risk related to our debt. Foreign currency forwards, spots, and swaps are also used to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and payables, forecasted royalties, forecasted earnings, cash flows of foreign subsidiaries, and other transactions.

We are exclusively an end user of these instruments, which are commonly referred to as derivatives. We do not engage in trading, market making, or other speculative activities in the derivatives markets. More detailed information about these financial instruments is provided in Note 18—*Financial Instruments* to the Consolidated Financial Statements. Our principal market exposures are interest rate and foreign currency rate risks.

- Our primary interest rate exposures as of December 31, 2023, are to interest rate fluctuations in asset-backed commercial paper interest rates and SOFR interest rates due to their impact on variable rate borrowings and other interest rate sensitive liabilities. In the first quarter of 2023, we amended the credit agreement governing our revolving credit facility and term loan B facilities to replace LIBOR with Term SOFR as the benchmark rate. This change became effective on March 31, 2023, for both new borrowings and rollovers of then existing USD LIBOR based borrowings (except Base Rate borrowings) and eliminated our exposure to LIBOR. In addition, interest rate movements in one country, as well as relative interest rate movements between countries, can impact us. We anticipate that SOFR and asset-backed commercial paper rates will remain our primary market risk exposures.
- We have foreign currency rate exposure to exchange rate fluctuations worldwide particularly with respect to the Euro, British pound sterling, Australian and Canadian dollars, and Mexican peso. We anticipate that such foreign currency exchange rate risk will remain a market risk exposure for the foreseeable future.

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 December 31, 2023 market rates to perform a sensitivity analysis separately for each of our market risk exposures. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. 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 $5 million increase or decrease in annual debt interest expense. We use a current market pricing model to assess the changes in the value of our foreign currency derivatives used to hedge underlying exposure that primarily consist of our non-functional current assets and liabilities and those of our subsidiaries. The primary assumption used in these models is a hypothetical 10% weakening or strengthening of the U.S. dollar against all our currency exposures as of December 31, 2023. As of December 31, 2023, the absolute notional amount of our outstanding foreign exchange hedging instruments was $61 million. We have determined that a hypothetical 10% change in the foreign currency exchange rates would have resulted in an approximate increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts of $5 million, 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 facilities, 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 December 31, 2023 was $364 million in non-recourse debt and $867 million in corporate debt. A 100-basis point change in the underlying interest rates would result in a $4 million increase or decrease in annual consumer financing interest expense and a $9 million increase or decrease in our annual debt interest expense.

The fair values of cash and cash equivalents, trade receivables, accounts payable, and accrued expenses and other current liabilities approximate carrying values due to the short-term nature of these assets and liabilities. We use a discounted cash flow model in determining the fair values of VOCRs. The primary assumptions used in determining fair value are prepayment speeds, estimated loss rates, and discount rates. We use a duration-based model in determining the impact of interest rate shifts on our debt and interest rate derivatives. The primary assumption used in these models is that a 10% increase or decrease in the benchmark interest rate produces a parallel shift in the yield curve across all maturities.

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. While probably the most meaningful analysis, these “shock tests” are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

We used December 31, 2023 market rates on outstanding financial instruments to perform the sensitivity analysis separately for each of our market risk exposures: interest and foreign currency rate instruments. The estimates are based on the market risk sensitive portfolios described in the preceding paragraphs and assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. There were no changes to the assumptions used in this model in 2023.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Travel + Leisure Co. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and deficit for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Loan Losses - Refer to Notes 2 and 9 in the financial statements

Critical Audit Matter Description

The Company generates vacation ownership contract receivables by extending financing to the purchasers of its vacation ownership interests. The Company assesses the adequacy of the allowance for loan losses related to these vacation ownership interests using a technique referred to as a static pool model. The model is based upon the historical performance of similar vacation ownership contract receivables and incorporates more recent history of default information. Management prepares a static pool analysis to track defaults for each year’s sales over the entire life of the contract receivable as a means to project future losses. A further qualitative assessment is also performed by the Company which considers whether any external economic conditions or internal portfolio characteristics exist which indicate an adjustment is necessary to reflect expected impacts on the contract receivable portfolio.

Given the level of difficulty required to accurately predict losses over the life of the contract receivables, including the determination of any qualitative adjustments, auditing the allowance for loan losses involved especially complex and subjective judgements.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the vacation ownership interest allowance for loan loss included the following, among others:

- We tested the effectiveness of controls over the Company’s static pool model, historical loss data, and the calculation of a loss rate.
- We evaluated the qualitative adjustment to the historical loss rates, including assessing the basis for the adjustments and the reasonableness of the significant assumptions for the static pool model.
- We tested the accuracy and evaluated the relevance of the historical loss data as an input to the static pool model.
- We performed our own independent analyses using alternative assumptions to assess the reasonableness of the specific allowance models used by the Company.
- We evaluated the predictability of the Company’s models through analyzing the results of a look-back analysis.

/s/ Deloitte & Touche LLP

Tampa, Florida
February 21, 2024

We have served as the Company's auditor since 2005.

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

	Year Ended December 31,		
	2023	2022	2021
Net revenues			
Service and membership fees	$ 1,649	$ 1,611	$ 1,502
Vacation ownership interest sales	1,582	1,484	1,176
Consumer financing	427	406	404
Other	92	66	52
Net revenues	3,750	3,567	3,134
Expenses			
Operating	1,684	1,603	1,359
Cost of vacation ownership interests	133	157	157
Consumer financing interest	112	79	81
Marketing	507	451	363
General and administrative	454	479	434
Depreciation and amortization	112	119	124
Restructuring	26	14	(1)
Asset impairments/(recoveries), net	—	10	(5)
COVID-19 related costs	—	2	4
Total expenses	3,028	2,914	2,516
Loss on sale of business	2	—	—
Operating income	720	653	618
Interest expense	251	195	198
Other (income), net	(3)	(22)	(6)
Interest (income)	(13)	(6)	(3)
Income before income taxes	485	486	429
Provision for income taxes	94	130	116
Net income from continuing operations	391	356	313
Gain/(loss) on disposal of discontinued business, net of income taxes	5	1	(5)
Net income attributable to Travel + Leisure Co. shareholders	$ 396	$ 357	$ 308
Basic earnings per share			
Continuing operations	$ 5.24	$ 4.27	$ 3.62
Discontinued operations	0.07	0.01	(0.06)
	$ 5.31	$ 4.28	$ 3.56
Diluted earnings per share			
Continuing operations	$ 5.21	$ 4.23	$ 3.58
Discontinued operations	0.07	0.01	(0.06)
	$ 5.28	$ 4.24	$ 3.52

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2023	**2022**	**2021**
Net income attributable to Travel + Leisure Co. shareholders	$ 396	$ 357	$ 308
Foreign currency translation adjustments, net of tax	8	(31)	(32)
Defined benefit pension plans, net of tax	1	—	—
Other comprehensive gain/(loss), net of tax	9	(31)	(32)
Comprehensive income attributable to Travel + Leisure Co. shareholders	$ 405	$ 326	$ 276

See Notes to Consolidated Financial Statements.

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

	As of December 31,	
	2023	**2022**
Assets		
Cash and cash equivalents	$ 282	$ 550
Restricted cash (VIE - $96 as of 2023 and $83 as of 2022)	176	138
Trade receivables, net	179	160
Vacation ownership contract receivables, net (VIE - $2,291 as of 2023 and $2,164 as of 2022)	2,527	2,370
Inventory	1,135	1,193
Prepaid expenses	229	202
Property and equipment, net	655	658
Goodwill	962	955
Other intangibles, net	199	207
Other assets	394	324
Total assets	$ 6,738	$ 6,757
Liabilities and (deficit)		
Accounts payable	$ 73	$ 65
Accrued expenses and other liabilities	807	876
Deferred income	442	399
Non-recourse vacation ownership debt (VIE)	2,071	1,973
Debt	3,575	3,669
Deferred income taxes	687	679
Total liabilities	7,655	7,661
Commitments and contingencies (Note 19)		
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, 223,767,468 issued as of 2023 and 222,895,523 as of 2022	2	2
Treasury stock, at cost – 152,336,714 shares as of 2023 and 144,499,361 shares as of 2022	(7,196)	(6,886)
Additional paid-in capital	4,279	4,242
Retained earnings	2,067	1,808
Accumulated other comprehensive loss	(70)	(79)
Total stockholders’ (deficit)	(918)	(913)
Noncontrolling interest	1	9
Total (deficit)	(917)	(904)
Total liabilities and (deficit)	$ 6,738	$ 6,757

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2023	**2022**	**2021**
Operating activities			
Net income	$ 396	$ 357	$ 308
(Gain)/loss on disposal of discontinued business, net of income taxes	(5)	(1)	5
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	348	302	129
Depreciation and amortization	112	119	124
Stock-based compensation	38	45	32
Non-cash interest	22	19	22
Non-cash lease expense	16	16	17
Deferred income taxes	8	(4)	(39)
Loss on sale of business	2	—	—
Asset impairments/(recoveries), net	—	10	(5)
Other, net	(3)	8	1
Net change in assets and liabilities, excluding impact of acquisitions and dispositions:			
Trade receivables	(18)	(28)	(15)
Vacation ownership contract receivables	(504)	(373)	35
Inventory	25	31	(6)
Prepaid expenses	(27)	23	(24)
Other assets	(20)	(23)	32
Accounts payable, accrued expenses, and other liabilities	(70)	(71)	24
Deferred income	30	12	(72)
Net cash provided by operating activities	350	442	568
Investing activities			
Property and equipment additions	(74)	(52)	(57)
Acquisitions	(6)	(2)	(37)
Proceeds from asset sales	—	8	—
Other, net	—	1	1
Net cash used in investing activities - continuing operations	(80)	(45)	(93)
Net cash used in investing activities - discontinued operations	—	(5)	—
Net cash used in investing activities	(80)	(50)	(93)
Financing activities			
Proceeds from non-recourse vacation ownership debt	1,926	1,648	1,419
Principal payments on non-recourse vacation ownership debt	(1,823)	(1,601)	(1,713)
Proceeds from debt	1,732	240	10
Principal payments on debt	(1,741)	(246)	(562)
Proceeds from notes issued and term loan	299	293	643
Repayment of notes	(405)	(3)	(903)
Repurchase of common stock	(309)	(351)	(25)
Dividends to shareholders	(136)	(135)	(109)
Debt issuance/modification costs	(22)	(19)	(20)
Payment of deferred acquisition consideration	(14)	(19)	(30)
Net share settlement of incentive equity awards	(10)	(7)	(9)
Repayments of vacation ownership inventory arrangement	(6)	(6)	—
Proceeds from issuance of common stock	9	10	11
Net cash used in by financing activities	(500)	(196)	(1,288)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	—	(5)	(7)
Net change in cash, cash equivalents and restricted cash	(230)	191	(820)
Cash, cash equivalents and restricted cash, beginning of period	688	497	1,317
Cash, cash equivalents and restricted cash, end of period	458	688	497
Less: Restricted cash	176	138	128
Cash and cash equivalents	$ 282	$ 550	$ 369

See Notes to Consolidated Financial Statements.

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

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Deficit
Balance as of December 31, 2020	**85.9**	**$ 2**	**$ (6,508)**	**$ 4,157**	**$ 1,390**	**$ (16)**	**$ 7**	**$ (968)**
Net income	—	—	—	—	308	—	—	308
Other comprehensive loss	—	—	—	—	—	(32)	—	(32)
Stock option exercises	0.1	—	—	4	—	—	—	4
Issuance of shares for RSU vesting	0.3	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(9)	—	—	—	(9)
Employee stock purchase program issuances	0.1	—	—	8	—	—	—	8
Change in stock-based compensation	—	—	—	32	—	—	—	32
Repurchase of common stock	(0.5)	—	(26)	—	—	—	—	(26)
Dividends ($1.25 per share)	—	—	—	—	(111)	—	—	(111)
Balance as of December 31, 2021	**85.9**	**2**	**(6,534)**	**4,192**	**1,587**	**(48)**	**7**	**(794)**
Net income	—	—	—	—	357	—	—	357
Other comprehensive loss	—	—	—	—	—	(31)	—	(31)
Issuance of shares for RSU vesting	0.4	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(7)	—	—	—	(7)
Employee stock purchase program issuances	0.3	—	—	9	—	—	—	9
Change in stock-based compensation	—	—	—	45	—	—	—	45
Repurchase of common stock	(8.2)	—	(352)	—	—	—	—	(352)
Dividends ($1.60 per share)	—	—	—	—	(136)	—	—	(136)
Non-controlling interest ownership change	—	—	—	—	—	—	2	2
Other	—	—	—	3	—	—	—	3
Balance as of December 31, 2022	**78.4**	**2**	**(6,886)**	**4,242**	**1,808**	**(79)**	**9**	**(904)**
Net income	—	—	—	—	396	—	—	396
Other comprehensive income	—	—	—	—	—	9	—	9
Issuance of shares for RSU vesting	0.6	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(10)	—	—	—	(10)
Employee stock purchase program issuances	0.2	—	—	10	—	—	—	10
Change in stock-based compensation	—	—	—	38	—	—	—	38
Repurchase of common stock	(7.8)	—	(307)	—	—	—	—	(307)
Dividends ($1.80 per share)	—	—	—	—	(137)	—	—	(137)
Non-controlling interest ownership change	—	—	—	—	—	—	(8)	(8)
Other	—	—	(3)	(1)	—	—	—	(4)
Balance as of December 31, 2023	**71.4**	**$ 2**	**$ (7,196)**	**$ 4,279**	**$ 2,067**	**$ (70)**	**$ 1**	**$ (917)**

See Notes to Consolidated Financial Statements.

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

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 substantially comprised of the Wyndham Destinations 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 Consolidated Financial Statements in this Annual Report on Form 10-K 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 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 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 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 Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of annual results reported.

2. Summary of Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION

When evaluating an entity for consolidation, the Company first determines whether an entity is a variable interest entity ("VIE"). If the entity is deemed to be a VIE, the Company consolidates those VIEs for which the Company is the primary beneficiary. The Company will also consolidate an entity not deemed a VIE upon determination that the Company has a controlling financial interest. For entities where the Company does not have a controlling financial interest, the investments in such entities are accounted for using the equity or cost method, as appropriate.

REVENUE RECOGNITION

Refer to Note 3—*Revenue Recognition* for full details of the Company's revenue recognition policies.

CASH AND CASH EQUIVALENTS

The Company considers highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

RESTRICTED CASH

The largest portion of the Company's restricted cash relates to securitizations. The remaining portion is comprised of escrow deposits and insurance funds on deposit.

Securitizations. In accordance with the contractual requirements of the Company's various vacation ownership contract receivables ("VOCR") securitizations, a dedicated lockbox account, subject to a blocked control agreement, is established for each securitization. At each month end, the total cash in the collection account from the previous month is analyzed and a monthly servicer report is prepared by the Company. This report details how much cash should be remitted to the note holders for principal and interest payments, and any cash remaining is transferred by the trustee to the Company.

Additionally, as required by various securitizations, the Company holds an agreed-upon percentage of the aggregate outstanding principal balances of the VOI contract receivables collateralizing the asset-backed notes in a segregated trust account as credit enhancement. Each time a securitization closes and the Company receives cash from the note holders, a portion of the cash is deposited in the trust account. As of December 31, 2023 and 2022, restricted cash for securitizations totaled $96 million and $83 million.

Escrow Deposits. Laws in most U.S. states require the escrow of down payments on VOI sales, with the typical requirement mandating that the funds be held in escrow until the rescission period expires. As sales transactions are consummated, down payments are collected and are subsequently placed in escrow until the rescission period has expired. Rescission periods vary by state, but range on average from five to seven calendar days. In certain states, the escrow laws require that100% of VOI purchaser funds (excluding interest payments, if any) be held in escrow until the deeding process is complete. Where possible, the Company utilizes surety bonds in lieu of escrow deposits. Similarly, laws in certain U.S. states require the escrow of advance deposits received from guests for vacations paid and not yet traveled through the Company’s Travel and Membership businesses. Such amounts are required to be held in escrow until the legal restriction expires, which varies from state to state. Escrow deposits were $62 million and $48 million as of December 31, 2023 and 2022.

Funds on Deposit. The Company operates a captive insurance company which provides property insurance to Travel + Leisure Co. and its affiliates. Amounts received are maintained by a third party and released from this account as necessary to pay claims. Funds on deposit were $18 million and $7 million as of December 31, 2023 and 2022.

RECEIVABLE VALUATION

Trade receivables

The Company provides for estimated bad debts based on its assessment of the ultimate ability to realize receivables, considering historical collection experience, the economic environment, and specific customer information. When the Company determines that an account is not collectible, the account is written-off to the allowance for doubtful accounts. The following table illustrates the Company’s allowance for doubtful accounts activity from continuing operations (in millions):

	Year Ended December 31,		
	2023	**2022**	**2021**
Beginning balance	$ 168	$ 199	$ 221
Bad debt expense	80	83	127
Write-offs	(105)	(114)	(149)
Ending balance	$ 143	$ 168	$ 199

Vacation ownership contract receivables

In the Vacation Ownership segment, the Company provides for estimated VOCR defaults at the time of VOI sales by recording a provision for loan losses as a reduction of Vacation ownership interest sales on the Consolidated Statements of Income. The Company assesses the adequacy of the allowance for loan losses related to these VOIs using a technique referred to as a static pool analysis. This analysis is based upon the historical performance of similar VOCRs and incorporates more recent history of default information. Management prepares a model to track defaults for each year’s sales over the entire life of the contract receivable as a means to project future expected losses. A qualitative assessment is also performed to determine whether any external economic conditions or internal portfolio characteristics indicate an adjustment is necessary to reflect expected impacts on the contract receivables portfolio. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, the Company adjusts the allowance for loan losses to reflect the expected effects of the current environment on the collectability of VOCRs. For additional details on the Company’s vacation ownership contract receivables, including information on the related allowances, see Note 9—*Vacation Ownership Contract Receivables.*

INVENTORY

Inventory primarily consists of completed VOIs, VOIs under construction, land held for future VOI development, vacation exchange credits, and real estate interests sold subject to conditional repurchase. The Company applies the relative sales value method for relieving VOI inventory and recording the related cost of sales. Under the relative sales value method, cost of sales is recorded using a percentage ratio of total estimated development cost and VOI revenue, including estimated future revenue, incorporating factors such as changes in prices and the recovery of VOIs, generally as a result of contract receivable defaults. The effect of such changes in estimates under the relative sales value method is accounted for in each period as a current-period adjustment to inventory and cost of sales. Inventory is stated at the lower of cost, including capitalized interest, property taxes, and certain other carrying costs incurred during the construction process, or estimated fair value less costs to sell. There was no capitalized interest applied to inventory during 2023, 2022, or 2021.

PROPERTY AND EQUIPMENT

Property and equipment (including leasehold improvements) are recorded at cost and presented net of accumulated depreciation and amortization. Depreciation, recorded as a component of Depreciation and amortization on the Consolidated Statements of Income, is computed utilizing the straight-line method over the lesser of the lease terms or estimated useful lives of the related assets. Amortization of leasehold improvements, also recorded as a component of Depreciation and amortization, is computed utilizing the straight-line method over the lesser of the estimated benefit period of the related assets or the lease terms. Useful lives are generally 30 years for buildings, up to 20 years for leasehold improvements, up to 30 years for vacation rental properties, and range from three to seven years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use in accordance with the guidance for accounting for costs of computer software developed or obtained for internal use. Capitalization of software costs developed for internal use commences during the development phase of the project. The Company amortizes software developed or obtained for internal use on a straight-line basis over its estimated useful life, which is generally two to five years, with the exception of certain enterprise resource planning, reservation, and inventory management software, which is up to 10 years. Such amortization commences when the software is substantially ready for its intended use.

The net carrying value of software developed or obtained for internal use was $147 million and $145 million as of December 31, 2023 and 2022. Capitalized interest was less than $1 million, $1 million, and less than $1 million during 2023, 2022, and 2021.

DERIVATIVE INSTRUMENTS

The Company uses derivative instruments as part of its overall strategy to manage its exposure to market risks primarily associated with fluctuations in foreign currency exchange rates and interest rates. As a matter of policy, the Company does not use derivatives for trading or speculative purposes. All derivatives are recorded at fair value either as assets or liabilities. Changes in fair value of derivatives not designated as hedging instruments and of derivatives designated as fair value hedging instruments are recognized in Operating income and net interest expense, based upon the nature of the hedged item, on the Consolidated Statements of Income. Changes in fair value of derivatives designated as cash flow hedging instruments are recorded as components of other comprehensive income. Amounts included in other comprehensive income are reclassified into earnings in the same period during which the hedged item affects earnings.

INCOME TAXES

The Company recognizes deferred tax assets and liabilities using the asset and liability method, under which deferred tax assets and liabilities are calculated based upon the temporary differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates. These differences are based upon estimated differences between the book and tax basis of the assets and liabilities for the Company as of December 31, 2023 and 2022. The Company recognizes the effects of changes in tax laws, or rates, as a component of income taxes from continuing operations within the period that includes the enactment date.

The Company's deferred tax assets are recorded net of a valuation allowance when, based on the weight of available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. Decreases to the valuation allowance are recorded as reductions to the Company's provision for income taxes, and increases to the valuation allowance result in additional provision for income taxes. The realization of the Company's deferred tax assets, net of the valuation allowance, is primarily dependent on estimated future taxable income. A change in the Company's estimate of future taxable income may require a change to the valuation allowance.

For tax positions the Company has taken or expects to take in a tax return, the Company applies a more likely than not threshold, under which the Company must conclude that a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining the Company's provision for income taxes, the Company uses judgment, reflecting its estimates and assumptions, in applying the more likely than not threshold. The Company classifies interest and penalties associated with unrecognized tax benefits as a component of Provision for income taxes on the Consolidated Statements of Income.

ADVERTISING EXPENSE

Advertising costs are expensed in the period incurred. Advertising costs were $30 million, $30 million, and $33 million in 2023, 2022, and 2021.

STOCK-BASED COMPENSATION

The Company measures all stock-based compensation awards using a fair value method and records the related expense within General and administrative expenses on its Consolidated Statements of Income.

LONG-LIVED ASSETS

Assets such as customer lists, management agreements, and trademarks acquired by the Company are classified as intangible assets and recorded at their fair value as of the date of the acquisition and categorized as having either a finite life or an indefinite life. Assets deemed to have a finite life are assigned an appropriate useful life and amortized on a straight-line basis.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company has goodwill and other indefinite-lived intangible assets recorded in connection with business combinations. The Company annually in the fourth quarter, or more frequently if circumstances indicate that the value of goodwill may be impaired, reviews the reporting units' carrying values. This is done either by performing a qualitative assessment or a quantitative assessment, with an impairment being recognized only if a reporting unit's fair value is less than carrying value. In any given year the Company can elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value is in excess of the carrying value, or the Company elects to bypass the qualitative assessment, it would utilize the quantitative assessment. The qualitative factors evaluated include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and the Company's historical share price as well as other industry-specific considerations.

Goodwill and other intangible assets with indefinite lives are not subject to amortization. However, goodwill and other intangibles with indefinite lives are subject to fair value-based rules for measuring impairment, and resulting write-downs, if any, are reflected in Asset impairments/(recoveries), net on the Consolidated Statements of Income. The Company has goodwill recorded at reporting units comprising its Vacation Ownership and Travel and Membership reportable segments. The Company completed its annual goodwill impairment test by performing a qualitative analysis for each of its reporting units as of October 1, 2023 and determined that no impairment exists.

The Company also evaluates the recoverability of its other long-lived assets, including property and equipment and amortizable intangible assets, if circumstances indicate impairment may have occurred. This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. Property and equipment is evaluated separately within each segment. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value.

ACCOUNTING FOR RESTRUCTURING ACTIVITIES

The Company's restructuring activities require it to make significant estimates in several areas including (i) expenses for severance and related benefit costs, (ii) the ability to generate sublease income, as well as its ability to terminate lease obligations, and (iii) contract terminations. The amount that the Company accrued as of December 31, 2023, represents its best estimate of the obligations incurred in connection with these actions, but could change due to various factors including market conditions or the outcome of negotiations with third parties.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Business Combinations—Joint Venture Formations. In August 2023, the Financial Accounting Standards Board ("FASB") issued guidance to address the accounting for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. The guidance was issued in an effort to reduce diversity in practice and requires a joint venture to initially measure its assets and liabilities at fair value on the formation date. This guidance is effective prospectively for all joint ventures within the scope of the standard that are formed on or after January 1, 2025. Existing joint ventures have the option to apply the guidance retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Disclosure improvements. In October 2023, the 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 Securities and Exchange Commission's ("SEC's") removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Segment Reporting. In November 2023, the FASB issued guidance to enhance segment disclosures by requiring incremental segment information on an annual and interim basis for all public entities. Among other provisions, this guidance will require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss. This guidance is effective for all public entities for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Improvements to Income Tax Disclosures. In December 2023, the FASB issued guidance to enhance the transparency and decision usefulness of income tax disclosures through improvements in rate reconciliation and income taxes paid information. Among other provisions, this guidance requires public entities to disclose specific categories in the rate reconciliation, using both percentages and reporting currency amounts; and present cash taxes paid on a disaggregated basis. This guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Presentation of Financial Statements. In July 2023, the FASB issued guidance which amends various SEC paragraphs pursuant to the issuance of SEC Staff Accounting Bulletin No. 120. The bulletin added interpretive guidance for public companies to consider when entering into share-based payment transactions while in possession of material non-public information (i.e., "spring-loaded" awards). This guidance became effective upon issuance and the adoption of this guidance did not have an impact on the Company's Consolidated Financial Statements and related disclosures. The Company will monitor future stock-based awards and will include additional disclosures in future filings, if applicable.

Contract Assets and Contract Liabilities from Contracts with Customers Acquired in a Business Combination. In October 2021, the FASB issued guidance which requires companies to apply Accounting Standards Codification ("ASC") 606 - *Revenue from Contracts with Customers* to recognize and measure contract assets and contract liabilities from contracts with customers acquired in a business combination. This creates an exception to the general recognition and measurement principle in ASC 805 - *Business Combinations*. This generally will result in companies recognizing contract assets and contract liabilities at amounts consistent with those recorded by the acquiree immediately before the acquisition date. This guidance became effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The amendments should be applied prospectively to business combinations occurring on or after the effective date. The Company early adopted this guidance in 2022. The adoption of this guidance has not had a material impact on the Company's Consolidated Financial Statements and related disclosures.

Troubled Debt Restructurings and Vintage Disclosures. In March 2022, the FASB issued guidance which eliminates the accounting guidance in ASC 310-40 Troubled Debt Restructurings for Creditors and amends the guidance on "vintage disclosures" to require disclosure of current-period gross write-offs by year of origination. This guidance became effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. As a result of adopting this guidance the Company added the required disclosure of current-period gross write-offs in Note 9—*Vacation Ownership Contract Receivables.* Aside from this additional disclosure the adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements or related disclosures.

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. Such agreements are generally for terms of one year or less and are renewed automatically on an annual basis. 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 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 Consolidated Statements of Income. Property management fee and reimbursable revenues, were (in millions):

	Year Ended December 31,		
	2023	2022	2021
Management fee revenue	$ 432	$ 413	$ 378
Reimbursable revenues	382	350	313
Property management fees and reimbursable revenues	$ 814	$ 763	$ 691

One of the associations that the Company manages paid its Travel and Membership segment $36 million, $31 million, and $30 million for exchange services during 2023, 2022, and 2021.

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 advance payments received under the program are recognized as a contract liability until the Company's performance obligations have been satisfied. 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):

	As of December 31,	
	2023	2022
Deferred subscription revenue	$ 161	$ 164
Deferred VOI trial package revenue	136	101
Deferred VOI incentive revenue	81	70
Deferred exchange-related revenue [(a)]	59	53
Deferred co-branded credit card programs revenue	6	9
Deferred other revenue	1	3
Total	$ 444	$ 400

(a) Includes contractual liabilities to accommodate members for cancellations initiated by the Company due to unexpected events. These amounts are included within Accrued expenses and other liabilities on the Consolidated Balance Sheets.

In the Company's Vacation Ownership business, 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.

Within the Company's Travel and Membership business, 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.

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

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	$ 400	$ 382	$ 448
Additions	326	273	247
Revenue recognized	(282)	(255)	(313)
Ending balance	$ 444	$ 400	$ 382

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 December 31, 2023 and 2022, these capitalized costs were $46 million and $35 million and are included within Other assets on the 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 December 31, 2023, the capitalized costs were $16 million, of which $11 million are included in Prepaid expenses and $5 million was included in Other assets on the Consolidated Balance Sheets. As of December 31, 2022, these capitalized costs were $18 million, of which $11 million are included in Prepaid expenses and $7 million are included in Other assets on the 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):

	2024	2025	2026	Thereafter	Total
Subscription revenue	$ 91	$ 36	$ 17	$ 17	$ 161
VOI trial package revenue	126	3	3	4	136
VOI incentive revenue	81	—	—	—	81
Exchange-related revenue	55	3	1	—	59
Co-branded credit card programs revenue	2	2	2	—	6
Other revenue	1	—	—	—	1
Total	$ 356	$ 44	$ 23	$ 21	$ 444

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):

	Year Ended December 31,		
	2023	2022	2021
Vacation Ownership			
Vacation ownership interest sales [(a)]	$ 1,582	$ 1,484	$ 1,176
Property management fees and reimbursable revenues	814	763	691
Consumer financing	427	406	404
Fee-for-Service commissions	131	116	101
Ancillary revenues	87	66	51
Total Vacation Ownership	3,041	2,835	2,423
Travel and Membership			
Transaction revenues	499	519	503
Subscription revenues	183	184	176
Ancillary revenues	29	32	35
Total Travel and Membership	711	735	714
Corporate and other			
Ancillary revenues	5	—	—
Eliminations	(7)	(3)	(3)
Total Corporate and other	(2)	(3)	(3)
Net revenues	$ 3,750	$ 3,567	$ 3,134

(a) The Company increased its loan loss allowance during 2020 due to an expected increase in net new defaults driven by higher unemployment associated with COVID-19 at that time. During 2021, the Company released a portion of its COVID-19 related allowance which is reflected as a $91 million increase to Vacation ownership interest sales on the Consolidated Statements of Income.

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):

	Year Ended December 31,		
	2023	2022	2021
Net income from continuing operations attributable to Travel + Leisure Co. shareholders	$ 391	$ 356	$ 313
Gain/(loss) on disposal of discontinued business attributable to Travel + Leisure Co. shareholders, net of income taxes	5	1	(5)
Net income attributable to Travel + Leisure Co. shareholders	$ 396	$ 357	$ 308
Basic earnings per share [(a)]			
Continuing operations	$ 5.24	$ 4.27	$ 3.62
Discontinued operations	0.07	0.01	(0.06)
	$ 5.31	$ 4.28	$ 3.56
Diluted earnings per share [(a)]			
Continuing operations	$ 5.21	$ 4.23	$ 3.58
Discontinued operations	0.07	0.01	(0.06)
	$ 5.28	$ 4.24	$ 3.52
Basic weighted average shares outstanding	74.5	83.4	86.5
RSUs [(b)], PSUs [(c)] and NQs [(d)]	0.5	0.8	0.8
Diluted weighted average shares outstanding [(e)]	75.0	84.2	87.3
Dividends:			
Cash dividends per share [(f)]	$ 1.80	$ 1.60	$ 1.25
Aggregate dividends paid to shareholders	$ 136	$ 135	$ 109

(a) Earnings per share amounts are calculated using whole numbers.

(b) Excludes 1.1 million, 0.7 million, and 0.4 million of restricted stock units ("RSUs") that would have been anti-dilutive to EPS for the years 2023, 2022, and 2021. These shares could potentially dilute EPS in the future.

(c) Excludes performance-vested restricted stock units ("PSUs") of 0.7 million, 0.5 million, and 0.4 million for the years 2023, 2022, and 2021, as the Company had not met the required performance metrics. These PSUs could potentially dilute EPS in the future.

(d) Excludes 2.3 million, 1.6 million, and 1.4 million of outstanding non-qualified stock options ("NQs") that would have been anti-dilutive to EPS for the years 2023, 2022, and 2021. These outstanding NQs could potentially dilute EPS in the future.

(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 $ 0.45 per share for all four quarters of 2023 and $ 0.40 per share for all four quarters of 2022. The Company paid cash dividends of $ 0.30 per share during the first, second, and third quarters, and $0.35 per share for the fourth quarter of 2021.

Share Repurchase Program

Since the inception of the Company's share repurchase program in August 2007 proceeds received from stock option exercises have increased the repurchase capacity by $81 million. As of December 31, 2023, the Company had $170 million of remaining availability under the program.

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

	Shares	Cost
As of December 31, 2022	120.0	$ 6,104
Repurchases	7.8	307
As of December 31, 2023	127.8	$ 6,411

During 2022, the United States enacted the Inflation Reduction Act which became effective for the 2023 tax year. Among other provisions, this law imposes a 1% excise tax on stock buybacks. During the year ended December 31, 2023, the

Company recorded $3 million of excise tax related to share repurchases; which is included within Treasury stock on the Consolidated Balance Sheets.

5. Acquisitions

Assets acquired and liabilities assumed in business combinations were recorded on the Consolidated Balance Sheets as of the respective acquisition dates based upon their estimated fair values at such dates. The results of operations of businesses acquired by the Company have been included in the Consolidated Statements of Income since their respective dates of acquisition. For contract assets and contract liabilities with customers acquired in business combinations which occurred in 2022 or later, the Company recognized and measured those contracts as though it had entered into the agreement with the customer as of the same date as the acquiree. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed was allocated to goodwill. In certain circumstances, the allocations of the excess purchase price were based upon preliminary estimates and assumptions. Accordingly, the allocations may be subject to revision when the Company receives final information, including appraisals and other analyses. Any revisions to the fair values during the measurement period will be recorded by the Company as further adjustments to the purchase price allocations. Although, in certain circumstances, the Company has substantially integrated the operations of its acquired businesses, additional future costs relating to such integration may occur. These costs may result from integrating operating systems, relocating employees, closing facilities, reducing duplicative efforts, and exiting and consolidating other activities. These costs will be recorded on the Consolidated Statements of Income as expenses.

Playbook365. On January 3, 2023, the Company acquired the Playbook365 business, which is a youth and amateur sports management platform. This platform was integrated with Alliance Reservations Network's ("ARN") event lodging management platform to create an all-in-one solution in the youth sports market in order to broaden the products and services offered by ARN. Playbook365 was acquired for $13 million, comprised of $6 million of cash paid at closing and contingent consideration with a fair market value of $7 million, which can range to $24 million, based on the achievement of certain financial metrics. If these financial metrics are achieved, the Company would be required to make payments in the first quarter of 2025 and/or 2026.

This transaction was accounted for as a business acquisition. As of December 31, 2023, the Company has recognized the assets and liabilities of Playbook365 based on estimates of their acquisition date fair values. The determination of the fair values of the acquired assets and assumed liabilities, including goodwill and other intangible assets, requires significant judgment. The purchase price allocation includes: (i) $5 million of developed software with a weighted average life of four years included within Property and equipment, net on the Consolidated Balance Sheets; (ii) $5 million of Goodwill; (iii) $3 million of definite-lived intangible assets with a weighted average life of four years primarily consisting of customer relationships included within Other intangibles, net on the Consolidated Balance Sheets; and (iv) $7 million of Accrued expenses and other liabilities. All of the goodwill and other intangible assets are expected to be deductible for income tax purposes. This business is included within the Travel and Membership segment. The Company completed purchase accounting for this transaction during the third quarter of 2023.

Travel + Leisure. On January 5, 2021, the Company acquired the Travel + Leisure brand from Dotdash Meredith (formerly Meredith Corporation) for $100 million, $35 million of which was paid at closing and is reflected as cash used in Investing activities on the Consolidated Statements of Cash Flows. The Company made additional payments of $20 million, $20 million, and $15 million in 2021, 2022, and 2023. The majority of these payments were reflected as cash used in Financing activities on the Consolidated Statements of Cash Flows. The remaining $10 million payment is due in June 2024. This transaction was accounted for as an asset acquisition, with the full consideration allocated to the related trademark indefinite-lived intangible asset. The Company acquired the Travel + Leisure brand to accelerate its strategic plan to broaden its reach with the launch of new travel services, expand its membership travel business, and amplify the global visibility of its leisure travel products.

Alliance Reservations Network. On August 7, 2019, the Company acquired all of the equity of Alliance Reservations Network. ARN is reported within the Travel and Membership segment and provides private-label travel booking technology solutions. This acquisition was undertaken for the purpose of accelerating growth at Travel and Membership by increasing the offerings available to its members and affiliates. ARN was acquired for $102 million ($97 million net of cash acquired). A portion of the fair value purchase consideration for this transaction was related to contingent consideration, which was reduced by $10 million during 2022 to reflect the fair value based on expected performance. This amount was included within Other income, net on the Consolidated Statements of Income.

Other. During 2022, the Company completed a business acquisition at its Travel and Membership segment for $2 million. The purchase price allocations resulted in the recognition of (i) $1 million of definite lived intangibles with a weighted average life of seven years (ii) $1 million of goodwill; and (iii) $1 million of deferred other revenue.

6. Discontinued Operations

During 2018, the Company completed the spin-off of its hotel business ("Spin-off") Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels") and the sale of its European vacation rentals business. Prior to their classification as discontinued operations, the hotel business comprised the Hotel Group segment and the European vacation rentals business was part of the Travel and Membership segment.

During 2023, the Company recognized a $5 million Gain on disposal of discontinued business, net of income taxes associated with the expiration of a guarantee associated with the sale of the European vacation rentals business. See Note 27—*Transactions with Former Parent and Former Subsidiaries* for additional information.

During 2022, the Company had $5 million of Net cash used in investing activities from discontinued operations on the Consolidated Statements of Cash Flows which included $6 million related to the settlement of post-closing adjustment claims associated with the sale of the European vacation rentals business; partially offset by $1 million of tax refunds related to various pre-sale tax items included in Gain/(loss) on disposal of discontinued business, net of income taxes on the Consolidated Statements of Income.

During 2021, the Company recognized a $5 million Loss on disposal of discontinued business, net of income taxes as a result of entering into a settlement agreement for post-closing adjustment claims related to the sale of the European vacation rentals business. See Note 27—*Transactions with Former Parent and Former Subsidiaries* for additional information.

The Company does not expect to incur significant ongoing gains and/or losses for the aforementioned discontinued operations.

7. Intangible Assets

Intangible assets consisted of (in millions):

	As of December 31, 2023			As of December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets:						
Goodwill	$ 962			$ 955		
Trademarks [a]	$ 144			$ 144		
Amortized Intangible Assets:						
Customer lists [b]	$ 76	$ 42	$ 34	$ 75	$ 37	$ 38
Management agreements [c]	50	39	11	50	35	15
Trademarks [d]	9	6	3	9	6	3
Other [e]	8	1	7	8	1	7
	$ 143	$ 88	$ 55	$ 142	$ 79	$ 63

(a) Comprised of trademarks and trade names the Company has acquired that are expected to generate future cash flows for an indefinite period of time. During 2022, the Company recorded a $ 2 million trade name impairment at the Travel and Membership segment.
(b) Amortized between 4 to 15 years with a weighted average life of 13 years.
(c) Amortized between 5 to 25 years with a weighted average life of 17 years.
(d) Amortized between 5 to 8 years with a weighted average life of 7 years.
(e) Includes business contracts and noncompetition covenants, which are amortized between 3 to 69 years with a weighted average life of 57 years.

Goodwill

During the fourth quarters of 2023, 2022, and 2021, the Company performed its annual goodwill impairment test and determined no impairment existed as the fair value of goodwill at its reporting units was in excess of the carrying value.

The changes in the carrying amount of goodwill are as follows (in millions):

	Balance as of December 31, 2022	Goodwill Acquired During 2023	Foreign Exchange	Balance as of December 31, 2023
Travel and Membership	$ 928	$ 5	$ 2	$ 935
Vacation Ownership	27	—	—	27
Total Company	$ 955	$ 5	$ 2	$ 962

Amortizable Intangible Assets

Amortization expense relating to amortizable intangible assets is included as a component of Depreciation and amortization on the Consolidated Statements of Income and was as follows (in millions):

	Year Ended December 31,		
	2023	2022	2021
Customer lists	$ 6	$ 6	$ 6
Management agreements	4	1	3
Other	—	2	—
Total	$ 10	$ 9	$ 9

Based on the Company's amortizable intangible assets as of December 31, 2023, the Company expects related amortization expense for the next five years as follows (in millions):

	Amount
2024	$ 9
2025	9
2026	9
2027	7
2028	3

8. Income Taxes

The income tax provision attributable to continuing operations consisted of the following (in millions):

	Year Ended December 31,		
	2023	2022	2021
Current			
Federal	$ 53	$ 83	$ 111
State	7	23	27
Foreign	26	28	17
	86	134	155
Deferred			
Federal	—	2	(38)
State	6	(6)	(2)
Foreign	2	—	1
	8	(4)	(39)
Provision for income taxes	$ 94	$ 130	$ 116

Pre-tax income for domestic and foreign operations attributable to continuing operations consisted of the following (in millions):

	Year Ended December 31,		
	2023	2022	2021
Domestic	$ 315	$ 326	$ 314
Foreign	170	160	115
Income before income taxes	$ 485	$ 486	$ 429

Deferred income tax assets and liabilities were comprised of the following (in millions):

	As of December 31,	
	2023	2022
Deferred income tax assets:		
Provision for doubtful accounts and loan loss allowance for vacation ownership contract receivables	$ 182	$ 179
Other comprehensive income	82	78
Accrued liabilities and deferred income	74	76
Foreign tax credit carryforward	52	69
Net operating loss carryforward	25	33
Tax basis differences in assets of foreign subsidiaries	12	12
Other	96	88
Valuation allowance [(a)]	(120)	(151)
Deferred income tax assets	403	384
Deferred income tax liabilities:		
Installment sales of vacation ownership interests	721	701
Depreciation and amortization	204	220
Other comprehensive income	61	57
Estimated VOI recoveries	51	47
Other	30	15
Deferred income tax liabilities	1,067	1,040
Net deferred income tax liabilities	$ 664	$ 656
Reported in:		
Other assets	$ 23	$ 23
Deferred income taxes	687	679
Net deferred income tax liabilities	$ 664	$ 656

[(a)] The valuation allowance of $ 120 million at December 31, 2023, relates to foreign tax credits, net operating loss carryforwards, and certain deferred tax assets of $ 26 million, $16 million, and $78 million. The valuation allowance of $151 million at December 31, 2022, relates to foreign tax credits, net operating loss carryforwards, and certain deferred tax assets of $ 52 million, $20 million, and $79 million. The valuation allowance will be reduced when and if the Company determines it is more likely than not that the related deferred income tax assets will be realized.

As of December 31, 2023, the Company's net operating loss carryforwards primarily relate to state and foreign net operating losses of $13 million and $9 million. The state net operating losses are due to expire at various dates, but no later than 2043 for those that cannot be carried forward indefinitely. The majority of the foreign net operating losses can be carried forward indefinitely. As of December 31, 2023, the Company had $52 million of foreign tax credits. These foreign tax credits expire between the 2025 and 2033 tax years.

The Company's effective income tax rate differs from the U.S. federal statutory rate as follows:

	Year Ended December 31,		
	2023	2022	2021
Federal statutory rate	21.0%	21.0%	21.0%
State and local income taxes, net of federal tax benefits	2.6	2.4	4.5
Taxes on foreign operations at rates different than U.S. federal statutory rates	(2.0)	(2.0)	(3.2)
Taxes on foreign income, net of tax credits	2.5	3.1	3.5
Valuation allowance	(5.4)	(0.2)	1.8
Installment sale interest	0.8	1.1	1.3
Other	(0.1)	1.3	(1.9)
	19.4%	26.7%	27.0%

The following table summarizes the activity related to the Company's unrecognized tax benefits (in millions):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	$ 25	$ 27	$ 26
Increases related to tax positions taken during a prior period	—	—	2
Increases related to tax positions taken during the current period	1	2	2
Decreases related to tax positions taken during a prior period	(1)	(3)	—
Decreases as a result of a lapse of the applicable statute of limitations	(3)	(1)	(3)
Ending balance	$ 22	$ 25	$ 27

The gross amount of the unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate were $18 million, $20 million, and $22 million as of December 31, 2023, 2022, and 2021. The Company records potential penalties and interest as a component of Provision for income taxes on the Consolidated Statements of Income related to these unrecognized tax benefits. During 2023 penalties and interest decreased by less than $1 million. During 2022 penalties and interest decreased by $1 million. During 2021 penalties and interest increased by $1 million. The Company had a liability for potential penalties of $3 million as of December 31, 2023, and $4 million as of December 31, 2022 and 2021, and potential interest of $10 million, $10 million, and $11 million as of December 31, 2023, 2022, and 2021. Such liabilities are reported as a component of Accrued expenses and other liabilities on the Consolidated Balance Sheets.

The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by $2 million within 12 months of the current reporting date due to the expiration of certain statutes of limitations. The Company does not expect other changes to the unrecognized tax benefits balance to be significant.

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 2020 and state and local income tax examinations prior to 2016. In significant foreign jurisdictions, generally years prior to 2015 are no longer subject to income tax examinations by their respective tax authorities.

The Company asserts that substantially all undistributed foreign earnings will be reinvested indefinitely as of December 31, 2023. In the event the Company determines not to continue to assert that all or part of its undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes, as well as U.S. taxes on currency transaction gains and losses, the determination of which is not practicable.

The Company made cash income tax payments, net of refunds, of $144 million, $153 million, and $110 million during 2023, 2022, and 2021. Such payments exclude income tax related payments made to or refunded by the Company's former parent Cendant Corporation ("Cendant") and Wyndham Hotels.

9. Vacation Ownership Contract Receivables

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

	As of December 31,	
	2023	2022
Vacation ownership contract receivables:		
Securitized [(a)]	$ 2,291	$ 2,164
Non-securitized [(b)]	810	747
Vacation ownership contract receivables, gross	3,101	2,911
Less: allowance for loan losses	574	541
Vacation ownership contract receivables, net	$ 2,527	$ 2,370

(a) Excludes $18 million and $ 17 million of accrued interest on VOCRs as of December 31, 2023 and 2022, which are included in Trade receivables, net on the Consolidated Balance Sheets.
(b) Excludes $8 million and $ 7 million of accrued interest on VOCRs as of December 31, 2023 and 2022, which are included in Trade receivables, net on the Consolidated Balance Sheets.

Principal payments due on the Company's VOCRs during each of the five years subsequent to December 31, 2023, and thereafter are as follows (in millions):

	Securitized	Non - Securitized	Total
2024	$ 217	$ 107	$ 324
2025	233	88	321
2026	247	94	341
2027	261	93	354
2028	266	80	346
Thereafter	1,067	348	1,415
	$ 2,291	$ 810	$ 3,101

During 2023, 2022, and 2021, the Company's securitized VOCRs generated interest income of $311 million, $292 million, and $304 million. Such interest income is included within Consumer financing revenue on the Consolidated Statements of Income.

During 2023, 2022, and 2021, the Company had net VOCR originations of $1.43 billion, $1.14 billion, and $780 million and received principal collections of $924 million, $771 million, and $815 million. The weighted average interest rate on outstanding VOCRs was 14.7%, 14.6%, and 14.5% during 2023, 2022, and 2021.

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):

	Year Ended December 31,		
	2023	2022	2021
Allowance for loan losses beginning balance	$ 541	$ 510	$ 693
Provision for loan losses, net [(a)]	348	302	129
Contract receivables write-offs, net	(315)	(271)	(312)
Allowance for loan losses ending balance	$ 574	$ 541	$ 510

(a) Recorded as a reduction to Net revenue.

The Company increased its allowance losses during 2020 due to an expected increase in net new defaults driven by current and projected unemployment rates associated with COVID-19 at that time. During 2021, the Company released a portion of its COVID-19 related allowance which is reflected as a $91 million increase to Vacation ownership interest sales and a $33 million increase to Cost of vacation ownership interests on the Consolidated Statements of Income.

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 Vacation Ownership 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 December 31, 2023					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,835	$ 735	$ 120	$ 83	$ 183	$ 2,956
31 - 60 days	22	28	13	2	1	66
61 - 90 days	12	16	10	1	—	39
91 - 120 days	10	16	12	2	—	40
Total	$ 1,879	$ 795	$ 155	$ 88	$ 184	$ 3,101

	As of December 31, 2022					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,674	$ 700	$ 93	$ 142	$ 143	$ 2,752
31 - 60 days	24	32	11	5	1	73
61 - 90 days	16	20	7	2	—	45
91 - 120 days	12	17	10	2	—	41
Total	$ 1,726	$ 769	$ 121	$ 151	$ 144	$ 2,911

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 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 tables detail the year of origination of financing receivables using the most recently updated FICO scores, based on the policy described above (in millions):

	As of December 31, 2023					
	700+	600-699	<600	No Score	Asia Pacific	Total
2023	$ 850	$ 292	$ 27	$ 33	$ 107	$ 1,309
2022	407	202	46	14	18	687
2021	172	90	27	4	12	305
2020	86	39	10	4	10	149
2019	131	65	18	11	13	238
Prior	233	107	27	22	24	413
Total	$ 1,879	$ 795	$ 155	$ 88	$ 184	$ 3,101

	As of December 31, 2022					
	700+	600-699	<600	No Score	Asia Pacific	Total
2022	$ 745	$ 291	$ 19	$ 87	$ 52	$ 1,194
2021	275	149	30	8	19	481
2020	134	60	12	5	15	226
2019	198	97	23	16	21	355
2018	162	74	16	13	14	279
Prior	212	98	21	22	23	376
Total	$ 1,726	$ 769	$ 121	$ 151	$ 144	$ 2,911

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

	Year Ended December 31, 2023
2023	$ 40
2022	140
2021	48
2020	18
2019	27
Prior	42
Total	$ 315

10. Inventory

Inventory consisted of the following (in millions):

	As of December 31, 2023	As of December 31, 2022
Completed VOI inventory	$ 899	$ 982
Estimated VOI recoveries	207	192
Land held for VOI development	20	1
VOI construction in process	5	14
Vacation exchange credits and other	4	4
Total inventory	$ 1,135	$ 1,193

As VOI inventory is completed it is 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. The Company had net transfers of VOI inventory to property and equipment of $16 million and $19 million during 2023 and 2022.

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):

	Atlanta [(a)]	Las Vegas [(b)]	Other [(c)]	Total
December 31, 2021	$ —	$ 13	$ 1	$ 14
Purchases	67	52	56	175
Payments	(67)	(35)	(50)	(152)
December 31, 2022	—	30	7	37
Purchases	—	—	80	80
Payments	—	(30)	(79)	(109)
December 31, 2023	$ —	$ —	$ 8	$ 8

(a) Represents vacation ownership inventory and property and equipment in Atlanta, Georgia, acquired from a third-party developer.
(b) Included in Accrued expenses and other liabilities on the Consolidated Balance Sheets.
(c) Included in Accounts payable on the Consolidated Balance Sheets.

11. Property and Equipment

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

	As of December 31, 2023	As of December 31, 2022
Capitalized software	$ 756	$ 724
Building and leasehold improvements [(a)]	665	671
Furniture, fixtures and equipment	168	192
Finance leases	41	27
Land	28	30
Construction in progress	24	8
Total property and equipment	1,682	1,652
Less: accumulated depreciation and amortization	1,027	994
Property and equipment, net	$ 655	$ 658

(a) Includes $256 million and $242 million of unregistered VOI inventory as of December 31, 2023 and 2022.

During 2023, 2022, and 2021, the Company recorded depreciation and amortization expense of $102 million, $110 million, and $115 million related to property and equipment. As of December 31, 2023 and 2022, the Company had accrued capital expenditures of $5 million and $4 million.

12. 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 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 to10 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):

	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	$ 21	$ 23	$ 22
Short-term lease cost	$ 13	$ 13	$ 13
Finance lease cost:			
Amortization of right-of-use assets	$ 8	$ 5	$ 4
Interest on lease liabilities	1	1	—
Total finance lease cost	$ 9	$ 6	$ 4

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

	Balance Sheet Classification	As of December 31, 2023	2022
Operating Leases (in millions):			
Operating lease right-of-use assets	Other assets	$ 46	$ 62
Operating lease liabilities	Accrued expenses and other liabilities	$ 87	$ 111
Finance Leases (in millions):			
Finance lease assets [(a)]	Property and equipment, net	$ 21	$ 12
Finance lease liabilities	Debt	$ 20	$ 11
Weighted Average Remaining Lease Term:			
Operating leases		5.1 years	5.6 years
Finance leases		2.8 years	2.7 years
Weighted Average Discount Rate:			
Operating leases [(b)]		6.0 %	5.9 %
Finance leases		6.6 %	5.4 %

(a) Presented net of accumulated depreciation.
(b) 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):

	Year Ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash outflows from operating leases	$ 32	$ 32	$ 36
Operating cash outflows from finance leases	$ 1	$ 1	$ —
Financing cash outflows from finance leases	$ 9	$ 6	$ 4
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	$ 3	$ 2	$ 7
Finance leases	$ 16	$ 8	$ 6

The table below presents maturities of lease liabilities as of December 31, 2023 (in millions):

	Operating Leases	Finance Leases
2024	$ 29	$ 9
2025	24	8
2026	14	4
2027	13	1
2028	10	—
Thereafter	11	—
Total minimum lease payments	101	22
Less: amount of lease payments representing interest	(14)	(2)
Present value of future minimum lease payments	$ 87	$ 20

13. Other Assets

Other assets consisted of the following (in millions):

	As of December 31,	
	2023	2022
Non-trade receivables, net	$ 84	$ 65
Deferred costs	58	49
Tax receivables	52	3
Capitalized contract costs [(a)]	51	42
Right-of-use assets	46	62
Deferred tax asset	23	23
Investments	19	18
Held-for-sale	18	11
Marketable securities	14	12
Derivatives contract assets	11	12
Deposits	10	22
Other	8	5
	$ 394	$ 324

(a) Includes certain direct and incremental selling costs in connection with VOI trial package, incentive, subscription, and exchange–related revenues. See Note 3— *Revenue Recognition* for additional details.

14. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in millions):

	As of December 31,	
	2023	2022
Accrued payroll and related costs	$ 197	$ 214
Lease liabilities [a]	87	111
Accrued taxes	65	80
Guarantees	62	68
Accrued interest	55	52
Payables associated with separation and sale of business activities	49	41
Resort related obligations	48	45
Accrued advertising and marketing	35	38
Restructuring liabilities [b]	33	26
Accrued VOI maintenance fees	20	21
Accrued legal and professional fees	20	21
Deferred consideration [c]	17	24
Funds on deposit	17	7
Customer advances	12	12
Derivative contract liabilities	10	13
Accrued legal settlements	7	3
Inventory sale obligation [d]	—	30
Accrued other	73	70
	$ 807	$ 876

(a) See Note 12—*Leases* for details.
(b) See Note 26—*Restructuring* for details.
(c) See Note 5—*Acquisitions* for details.
(d) See Note 10—*Inventory* for details.

15. Debt

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

	As of December 31,	
	2023	2022
Non-recourse vacation ownership debt: [a]		
Term notes [b]	$ 1,707	$ 1,545
USD bank conduit facility (due September 2025) [c]	261	321
AUD/NZD bank conduit facility (due December 2024) [d]	103	107
Total	$ 2,071	$ 1,973
Debt: [e]		
$1.0 billion secured revolving credit facility (due October 2026) [f]	$ —	$ —
$300 million 2018 secured term loan B (due May 2025) [g]	284	286
$598 million 2023 secured incremental term loan B (due December 2029) [h]	583	288
$400 million 3.90% secured notes (due March 2023) [i]	—	400
$300 million 5.65% secured notes (due April 2024)	300	299
$350 million 6.60% secured notes (due October 2025) [j]	348	346
$650 million 6.625% secured notes (due July 2026)	646	645
$400 million 6.00% secured notes (due April 2027) [k]	404	406
$650 million 4.50% secured notes (due December 2029)	643	642
$350 million 4.625% secured notes (due March 2030)	347	346
Finance leases	20	11
Total	$ 3,575	$ 3,669

(a) 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 $2.42

billion and $2.29 billion of underlying gross VOCRs and related assets (which legally are not assets of the Company) as of December 31, 2023 and 2022.

(b) The carrying amounts of the term notes are net of deferred financing costs of $ 22 million and $ 18 million as of December 31, 2023 and 2022.

(c) The Company has a borrowing capacity of $ 600 million under the USD bank conduit facility through September 2025. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than October 2026.

(d) 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 2024. Borrowings under this facility are required to be repaid no later than January 2027.

(e) The carrying amounts of the secured notes and term loan are net of unamortized discounts of $ 20 million and $ 23 million as of December 31, 2023 and 2022, and net of unamortized debt financing costs of $12 million and $ 10 million as of December 31, 2023 and 2022.

(f) The weighted average effective interest rate on borrowings from this facility was 7.47% and 7.53% as of December 31, 2023 and 2022.

(g) The weighted average effective interest rate on borrowings from this facility was 7.49% and 4.01% as of December 31, 2023 and 2022.

(h) The weighted average effective interest rate on borrowings from this facility was 9.25% and 8.24% as of December 31, 2023 and 2022.

(i) Includes less than $1 million of unamortized gains from the settlement of a derivative as of December 31, 2022.

(j) Includes $2 million and $ 3 million of unamortized losses from the settlement of a derivative as of December 31, 2023 and 2022.

(k) Includes $6 million and $ 7 million of unamortized gains from the settlement of a derivative as of December 31, 2023 and 2022.

Maturities and Capacity

The Company's outstanding indebtedness as of December 31, 2023, matures as follows (in millions):

	Non-recourse Vacation Ownership Debt [(a)]	Debt	Total
Within 1 year	$ 220	$ 317	$ 537
Between 1 and 2 years	444	641	1,085
Between 2 and 3 years	210	656	866
Between 3 and 4 years	289	411	700
Between 4 and 5 years	359	6	365
Thereafter	549	1,544	2,093
	$ 2,071	$ 3,575	$ 5,646

(a) 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 December 31, 2023, the available capacity under the Company's borrowing arrangements was as follows (in millions):

	Non-recourse Conduit Facilities [(a)]	Revolving Credit Facilities [(b)]
Total capacity	$ 752	$ 1,000
Less: outstanding borrowings	364	—
Less: letters of credit	—	2
Available capacity	$ 388	$ 998

(a) Consists of the Company's USD bank conduit facility and AUD/NZD bank conduit facility. The capacity of these facilities is 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.

Non-recourse Vacation Ownership Debt

As discussed in Note 16—*Variable Interest Entities*, the Company issues debt through the securitization of VOCRs.

Sierra Timeshare 2023-1 Receivables Funding, LLC. On April 5, 2023, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2023-1 Receivables Funding LLC, with an initial principal amount of $250 million, secured by VOCRs and bearing interest at a weighted average coupon rate of 6.33%. The advance rate for this transaction was 91.25%. As of December 31, 2023, the Company had $163 million of outstanding borrowings under these term notes, net of debt issuance costs.

Sierra Timeshare 2023-2 Receivables Funding LLC. On July 20, 2023, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2023-2 Receivables Funding LLC, with an initial principal amount of $300 million, secured by VOCRs and bearing interest at a weighted average coupon rate of 6.72%. The advance rate for this transaction was 91.70%. As of December 31, 2023, the Company had $233 million of outstanding borrowings under these term notes, net of debt issuance costs.

Sierra Timeshare 2023-3 Receivables Funding LLC. On October 19, 2023, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2023-3 Receivables Funding LLC, with an initial principal amount of $300 million, secured by VOCRs and bearing interest at a weighted average coupon rate of 6.78%. The advance rate for this transaction was 91.75%. As of December 31, 2023, the Company had $269 million of outstanding borrowings under these term notes, net of debt issuance costs.

Premium Yield Facility 2023-A LLC. On December 20, 2023, the Company closed on a private term securitization transaction with an initial principal amount of $238 million. The transaction is secured by VOCRs and includes $34 million in receivables rolled from the Company's 2018-A Premium Yield Facility, which the Company called on December 15, 2023. The advance rate for this transaction was 80.0% and the borrowings bear interest at a coupon rate of 6.51%. As of December 31, 2023, the Company had $236 million of outstanding borrowings under this facility, net of debt issuance costs.

Term Notes. In addition to the 2023 term notes described above, as of December 31, 2023, the Company had $806 million of outstanding non-recourse borrowings, net of debt issuance costs, under term notes entered into prior to December 31, 2022. The Company's non-recourse term notes include fixed rate term notes for which the weighted average interest rate was 5.6%, 4.2%, and 3.9% during 2023, 2022, and 2021.

USD bank conduit facility. On September 26, 2023, the Company renewed its $600 million USD timeshare receivables conduit facility, extending the end of the commitment period from July 2024 to September 2025 and making certain other amendments, including to the advance rate. The facility bears interest based on a mixture of variable commercial paper rates plus a spread or the Daily Simple Secured Overnight Financing Rate ("SOFR"), plus a spread. Borrowings under this facility are required to be repaid as the collateralized receivables amortize, but no later than October 2026. As of December 31, 2023, the Company had $261 million of outstanding borrowings under this facility.

AUD/NZD bank conduit facility. The Company has a non-recourse AUD/NZD timeshare receivables conduit facility, with a total capacity of A$200 million and NZ$25 million. The facility is secured by VOCRs and bears interest at variable rates based on the Bank Bill Swap Bid Rate plus 2.0%. Borrowings under this facility are required to be repaid no later than January 2027. As of December 31, 2023, the Company had $103 million of outstanding borrowings under this facility.

As of December 31, 2023, the Company's non-recourse vacation ownership debt of $2.07 billion was collateralized by $2.42 billion of underlying gross VOCRs and related assets. Additional usage of the Company's non-recourse bank conduit facilities is subject to the Company's ability to provide additional assets to collateralize such facilities. The combined weighted average interest rate on the Company's total non-recourse vacation ownership debt was 5.9%, 4.2%, and 4.0% during 2023, 2022, and 2021.

Debt

$1.0 billion Revolving Credit Facility and $300 million 2018 Term Loan B due May 2025. The Company has a credit agreement with Bank of America, N.A. as administrative agent and collateral agent. The agreement provides for senior secured credit facilities in the amount of $1.3 billion, consisting of the secured 2018 Term Loan B of $300 million maturing in 2025 and a secured revolving facility of $1.0 billion maturing in 2026. On March 30, 2023, the Company entered into the fourth amendment to the credit agreement governing its revolving credit facility and term loan B facilities. Through this amendment the Company exercised its early opt-in election to change the benchmark rate on the revolving credit facility and 2018 Term Loan B facility due May 2025 from the USD London Interbank Offered Rate ("LIBOR") to SOFR. This change became effective on March 31, 2023, for both new borrowings and rollovers of then existing USD LIBOR based borrowings (except Base Rate borrowings) and eliminated the Company's exposure to LIBOR.

As of December 31, 2023, the Company's interest rate per annum applicable to the 2018 Term Loan B Facility is equal to, at the Company's option, either a base rate plus a margin of 1.25% or the SOFR plus a margin of 2.25%. The interest rate per annum applicable to borrowings under the revolving credit facility is equal to, at the Company's option, either a base rate plus a margin ranging from 0.75% to 1.25% or SOFR plus a margin ranging from 1.75% to 2.25%, in either case based upon the first-lien leverage ratio of Travel + Leisure Co. and its restricted subsidiaries. The SOFR rate with respect to either the term loan B facilities or the revolving credit facility borrowings are subject to a floor of 0.50%. The Company is also subject to a commitment fee for the unused portion of its revolving credit facility. This fee is based upon the first-lien leverage ratio and ranges from 0.25% to 0.35% per annum of the unused balance.

As of December 31, 2023, the security agreement that exists in connection with the credit agreement names Bank of America N.A. as collateral agent on behalf of the secured parties (as defined in the security agreement), and has been in force since May 31, 2018. The security agreement grants a security interest in the collateral of the Company (as defined in the security agreement) and includes the holders of Travel + Leisure Co.'s outstanding secured notes, as "secured parties." These note holders share equally and ratably in the collateral (as defined in the security agreement) owned by the Company for so long as the indebtedness under the credit agreement is secured by such collateral.

$598 million 2023 Incremental Term Loan B due December 2029. On December 20, 2023, the Company amended the credit agreement governing its revolving credit facility and term loan B facilities ("Fifth Amendment"). The Fifth Amendment refinanced $298 million of outstanding borrowings under the 2022 Incremental Term Loan B facility and included additional borrowings of $300 million. The Company expects to use net proceeds from the 2023 Incremental Term Loan B facility, together with available cash on hand and revolving credit facility borrowings to repay its outstanding $300 million 5.65% secured notes due April 2024 and pay related fees and expenses. The 2023 Incremental Term Loan B facility matures on December 14, 2029, and is priced at SOFR plus 3.25% plus a 0.10% SOFR Adjustment, which is 75 basis points lower than the 2022 Incremental Term Loan B facility. $298 million of the borrowings under the 2022 Incremental Term Loan B facility is priced at par, while the additional $300 million was subject to an original issue discount of 99.75%. The floor rate remains at 0.50% for Term SOFR borrowings. The 2023 Incremental Term Loan B facility amortizes in equal quarterly installments of 0.25% of the initial principal amount, starting with the first quarter of 2024. Proceeds from the Fifth Amendment for the facility were $290 million, which were net of the debt discount, arrangement fees, and unpaid interest through the date of the amendment. Debt discount and deferred financing costs were collectively $5 million, which will be amortized over the life of the notes.

Secured Notes. The interest rates increased for certain of the outstanding secured notes that were impacted by rating agency downgrades of the Company's corporate notes. Pursuant to the terms of the indentures governing such rating sensitive series of notes, the interest rate on each such series of notes may be subject to future increases or decreases, as a result of future downgrades or upgrades to the credit ratings of such notes by Standard & Poor's Rating Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), or a substitute rating agency. Since issuance, the interest rates on the impacted notes have increased 150 basis points as of December 31, 2023, with a maximum potential for additional increase of 50 basis points.

As of December 31, 2023, the Company had $2.69 billion of outstanding secured notes issued prior to December 31, 2022. Interest on these notes is payable semi-annually in arrears. The notes are redeemable at the Company's option at a redemption price equal to the greater of (i) the sum of the principal being redeemed, and (ii) a "make-whole" price specified in the indenture of the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other secured indebtedness.

Deferred Financing Costs

The Company classifies debt issuance costs related to its revolving credit facilities and the bank conduit facilities within Other assets on the Consolidated Balance Sheets. Such costs were $8 million and $9 million as of December 31, 2023 and 2022.

Debt Covenants

The revolving credit facility and term loan B facilities 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 no less than 2.50 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 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 December 31, 2023, the Company's interest coverage ratio was 4.23 to 1.0 and the first lien leverage ratio was 3.40 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 December 31, 2023, the Company was in compliance with the financial covenants described above.

Each of the Company's 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 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 December 31, 2023, all of the Company's securitized loan pools were in compliance with applicable contractual triggers.

Interest Expense

The Company incurred interest expense of $251 million, $195 million, and $198 million during 2023, 2022, and 2021 excluding interest expense associated with non-recourse vacation ownership debt. These amounts include offsets of less than $1 million, $1 million, and less than $1 million of capitalized interest during 2023, 2022, and 2021. Cash paid related to such interest was $239 million, $189 million, and $207 million during 2023, 2022, and 2021.

Interest expense incurred in connection with the Company's non-recourse vacation ownership debt was $112 million, $79 million, and $81 million during 2023, 2022, and 2021, and is reported within Consumer financing interest on the Consolidated Statements of Income. Cash paid related to such interest was $82 million, $51 million, and $56 million during 2023, 2022, and 2021.

16. 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 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):

	As of December 31,	
	2023	2022
Securitized contract receivables, gross [(a)]	$ 2,291	$ 2,164
Securitized restricted cash [(b)]	96	83
Interest receivables on securitized contract receivables [(c)]	18	17
Other assets [(d)]	13	25
Total SPE assets	2,418	2,289
Non-recourse term notes [(e)(f)]	1,707	1,545
Non-recourse conduit facilities [(e)]	364	428
Other liabilities [(g)]	4	5
Total SPE liabilities	2,075	1,978
SPE assets in excess of SPE liabilities	$ 343	$ 311

(a) Included in Vacation ownership contract receivables, net on the Consolidated Balance Sheets.
(b) Included in Restricted cash on the Consolidated Balance Sheets.
(c) Included in Trade receivables, net on the Consolidated Balance Sheets.
(d) Primarily includes deferred financing costs for the bank conduit facilities and a security investment asset, which is included in Other assets on the Consolidated Balance Sheets.
(e) Included in Non-recourse vacation ownership debt on the Consolidated Balance Sheets.
(f) Includes deferred financing costs of $ 22 million and $ 18 million as of December 31, 2023 and 2022, related to non-recourse debt.
(g) Primarily includes accrued interest on non-recourse debt, which is included in Accrued expenses and other liabilities on the Consolidated Balance Sheets.

In addition, the Company has VOCRs that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $810 million and $747 million as of December 31, 2023 and 2022.

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):

	As of December 31,	
	2023	2022
SPE assets in excess of SPE liabilities	$ 343	$ 311
Non-securitized contract receivables	810	747
Less: allowance for loan losses	574	541
Total, net	$ 579	$ 517

17. 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 interest rate caps and foreign exchange forward contracts. See Note 18—*Financial Instruments* for additional details.

As of December 31, 2023, the Company had foreign exchange forward contracts resulting in $1 million of assets which are included within Other assets and less than $1 million of liabilities which are included in Accrued expenses and other liabilities on the 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 December 31, 2023 and 2022.

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 the Company's other financial instruments were as follows (in millions):

	December 31, 2023		December 31, 2022	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net (Level 3)	$ 2,527	$ 2,829	$ 2,370	$ 2,639
Liabilities				
Debt (Level 2)	$ 5,646	$ 5,541	$ 5,642	$ 5,356

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).

18. Financial Instruments

The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how the change in fair value of the derivative instrument will be reflected on the Consolidated Financial Statements. A derivative qualifies for hedge accounting if, at inception, the derivative is expected to be highly effective in offsetting the underlying hedged cash flows or fair value, and the hedge documentation standards are fulfilled at the time the Company enters into the derivative contract. A hedge is designated as a cash flow hedge based on the exposure being hedged. The asset or liability value of the derivative will change in tandem with its fair value. Changes in fair value for qualifying cash flow hedges, are recorded in Accumulated other comprehensive loss ("AOCL"). The derivative's gain or loss is released from AOCL to match the timing of the underlying hedged cash flows. A hedge is designated as a fair value hedge when the derivative is used to manage an exposure to changes in the fair value of a recognized asset or liability. For fair value hedges, the portion of the gain or loss on the derivative instrument designated as a fair value hedge will be recognized in earnings. The Company concurrently records changes in the value of the hedged asset or liability via a basis adjustment to the hedged item. These two changes in fair value offset one another in whole or in part and are reported in the same statement of income line item as the hedged risk.

The Company reviews the effectiveness of its hedging instruments on an ongoing basis and discontinues hedge accounting for any hedge that it no longer considers to be highly effective. The Company recognizes changes in fair value for derivatives not designated as hedges or those not qualifying for hedge accounting in current period earnings. Upon termination of cash flow hedges, the Company releases gains and losses from AOCL based on the timing of the underlying cash flows, unless the termination results from the failure of the intended transaction to occur in the expected time frame. Such untimely transactions require the Company to immediately recognize in earnings gains and losses previously recorded in AOCL.

Changes in interest rates and foreign exchange rates expose the Company to market risk. The Company periodically uses cash flow and fair value hedges as part of its overall strategy to manage its exposure to market risks associated with fluctuations in interest rates and foreign currency exchange rates. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk and it does not use derivatives for trading or speculative purposes. The Company uses the following derivative instruments to mitigate its foreign currency exchange rate and interest rate risks:

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 December 31, 2023, the Company had no gains or losses relating to contracts designated as cash flow hedges included in 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 December 31, 2023, 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 years ended December 31, 2023, 2022, or 2021.

The following table summarizes information regarding the gains recognized in income on the Company's freestanding derivatives (in millions):

	Year Ended December 31,		
	2023	2022	2021
Non-designated hedging instruments			
Foreign exchange contracts [a]	$ 1	$ —	$ 1

[a] Included within Operating expenses on the Consolidated Statements of Income, which is primarily offset by changes in the value of the underlying assets and liabilities.

Credit Risk and Exposure

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

As of December 31, 2023, there were no significant concentrations of credit risk with any individual counterparty or groups of counterparties. With the exception of the financing provided to customers of its vacation ownership businesses, the Company does not normally require collateral or other security to support credit sales.

Market Risk

The Company is subject to risks relating to the geographic concentrations of (i) areas in which the Company is currently developing and selling vacation ownership properties, (ii) sales offices in certain vacation areas, and (iii) customers of the Company's Vacation Ownership business, which in each case, may result in the Company's results of operations being more sensitive to local and regional economic conditions and other factors, including competition, extreme weather conditions and other natural disasters, and economic downturns, than the Company's results of operations would be, absent such geographic concentrations. Local and regional economic conditions and other factors may differ materially from prevailing conditions in other parts of the world. Nevada, Florida, and California are examples of areas with concentrations of sales offices. For the year ended December 31, 2023, the Company generated 14%, 14%, and 11% of its VOI sales revenues in sales offices located in Nevada, Florida, and California. Additionally, residents who live in California represent 17% of the Company's outstanding VOCRs portfolio.

Included within the Consolidated Statements of Income are net revenues generated in the state of Florida of 15% during 2023, 2022, and 2021; net revenues generated in California of 10%, 9%, and 10%; and net revenues generated in Nevada of 10%, 11%, and 10% during these periods.

19. Commitments and Contingencies

COMMITMENTS

Leases

The Company is committed to making finance and operating lease payments covering various facilities and equipment. Total future minimum lease obligations are $123 million, including finance leases, operating leases, leases signed but not yet commenced, and leases with a lease term of less than 12 months. See Note 12—*Leases* for additional detail.

Purchase Commitments

In the normal course of business, the Company makes various commitments to purchase goods or services from specific suppliers, including those related to vacation ownership resort development and other capital expenditures. Purchase commitments made by the Company as of December 31, 2023, aggregated to $748 million, of which $533 million were for marketing-related activities and $133 million were for information technology activities.

Letters of Credit

As of December 31, 2023, the Company had $47 million of irrevocable standby letters of credit outstanding, of which $2 million were under its revolving credit facilities. As of December 31, 2022, the Company had $34 million of irrevocable standby letters of credit outstanding, none of which were under its revolving credit facilities. The letters of credit issued during 2023 and 2022 also supported the securitization of VOCR fundings, certain insurance policies, and development activity at the Company's Vacation Ownership segment.

Surety Bonds

A portion of the Company's vacation ownership sales and developments are supported by surety bonds provided by affiliates of certain insurance companies in order to meet regulatory requirements of certain states. In the ordinary course of the Company's business, it has assembled commitments from 12 surety providers in the amount of $2.3 billion, of which the Company had $504 million outstanding as of December 31, 2023. 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 the Company's corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to the Company, its Vacation Ownership business could be negatively impacted.

LITIGATION

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 $7 million and $3 million as of December 31, 2023 and 2022. 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 December 31, 2023, it is estimated that the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to $13 million in excess of recorded accruals. Such reserves are exclusive of matters relating to the Company's separation from Cendant, matters relating to Wyndham Hotels, matters relating to the sale of the European vacation rentals business, and matters relating to the sale of the North American vacation rentals business, which are discussed in Note 27—*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.

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

Vacation Ownership

As part of the Fee-for-Service program, the Company may guarantee to reimburse the developer a certain payment or to purchase inventory from the developer, for a percentage of the original sale price if certain future conditions exist. As of December 31, 2023, the maximum potential future payments that the Company may be required to make under these guarantees is $61 million. As of December 31, 2023 and 2022, the Company had no recognized liabilities in connection with these guarantees. For information on guarantees and indemnifications related to the Company's former parent and subsidiaries see Note 27—*Transactions with Former Parent and Former Subsidiaries*.

20. Accumulated Other Comprehensive Loss

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

Pretax	Foreign Currency Translation Adjustments	Unrealized (Losses)/Gains on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Balance as of December 31, 2020	$ (113)	$ (1)	$ —	$ (114)
Other comprehensive loss	(32)	—	—	(32)
Balance as of December 31, 2021	(145)	(1)	—	(146)
Other comprehensive (loss)/income	(33)	1	—	(32)
Balance as of December 31, 2022	(178)	—	—	(178)
Other comprehensive income	8	—	1	9
Balance as of December 31, 2023	$ (170)	$ —	$ 1	$ (169)

Tax	Foreign Currency Translation Adjustments	Unrealized (Losses)/Gains on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Balance as of December 31, 2020	$ 97	$ 1	$ —	$ 98
Other comprehensive income	—	—	—	—
Balance as of December 31, 2021	97	1	—	98
Other comprehensive income/(loss)	2	(1)	—	1
Balance as of December 31, 2022	99	—	—	99
Other comprehensive income	—	—	—	—
Balance as of December 31, 2023	$ 99	$ —	$ —	$ 99

Net of Tax	Foreign Currency Translation Adjustments	Unrealized (Losses)/Gains on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Balance as of December 31, 2020	$ (16)	$ —	$ —	$ (16)
Other comprehensive loss	(32)	—	—	(32)
Balance as of December 31, 2021	(48)	—	—	(48)
Other comprehensive loss	(31)	—	—	(31)
Balance as of December 31, 2022	(79)	—	—	(79)
Other comprehensive income	8	—	1	9
Balance as of December 31, 2023	$ (71)	$ —	$ 1	$ (70)

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 during 2023 or 2022.

21. 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.

The Wyndham Worldwide Corporation 2006 Equity and Incentive Plan was originally adopted in 2006 and was amended and restated in its entirety and approved by shareholders on May 17, 2018, (the "Amended and Restated Equity Incentive Plan"). Under the Amended and Restated Equity Incentive Plan, a maximum of 15.7 million shares of common stock may be awarded. As of December 31, 2023, 10.1 million shares remain available, based on target performance.

Incentive Equity Awards Granted by the Company

During the year ended December 31, 2023, the Company granted incentive equity awards to key employees and senior officers of $35 million in the form of RSUs and $21 million in the form of PSUs. Of these awards, the majority of RSUs will vest ratably over a period of four years. The majority of PSUs will cliff vest on the third anniversary of the grant date, contingent upon the Company achieving certain performance metrics.

During the year ended December 31, 2022, the Company granted incentive equity awards of $34 million in the form of RSUs and $13 million in the form of PSUs. During 2021, the Company granted incentive equity awards of $35 million in the form of RSUs, $7 million in the form of PSUs, and $2 million in the form of stock options.

The activity related to incentive equity awards granted by the Company to key employees and senior officers for the year ended December 31, 2023, consisted of the following (in millions, except grant prices):

	Balance as of December 31, 2022	Granted	Vested/Exercised [(a)]	Cancelled / Forfeited [(b)]	Balance as of December 31, 2023
RSUs					
Number of RSUs	1.8	0.8	(0.9)	(0.1)	1.6 [(c)]
Weighted average grant price	$ 48.79	$ 42.06	$ 38.23	$ 47.05	$ 47.11
PSUs					
Number of PSUs	0.5	0.5	—	(0.2)	0.8 [(d)]
Weighted average grant price	$ 51.26	$ 42.18	$ —	$ 43.41	$ 47.29
NQs					
Number of NQs	2.3	—	—	—	2.3 [(e)]
Weighted average grant price	$ 45.36	$ —	$ —	$ —	$ 44.88

(a) Upon exercise of NQs and vesting of RSUs and PSUs, the Company issues new shares to participants.
(b) The Company recognizes cancellations and forfeitures as they occur.
(c) Aggregate unrecognized compensation expense related to RSUs was $ 48 million as of December 31, 2023, which is expected to be recognized over a weighted average period of 2.5 years.
(d) Aggregate unrecognized compensation expense related to PSUs that are probable of vesting was $ 6 million as of December 31, 2023, which is expected to be recognized over a weighted average period of 0.7 years. The maximum amount of compensation expense associated with PSUs that are not probable of vesting could range up to $ 44 million which would be recognized over a weighted average period of 2.2 years.
(e) There were 1.7 million NQs which were exercisable as of December 31, 2023. These NQs will expire over a weighted average period of 5.3 years and carry a weighted average grant date fair value of $8.61. Unrecognized compensation expense for the NQs was $ 1 million as of December 31, 2023, which is expected to be recognized over a weighted average period of 1.0 year.

The Company did not grant any stock options during the years ended 2023 and 2022.The fair value of stock options granted by the Company during 2021 were estimated on the date of the grant using the Black-Scholes option-pricing model with the relevant weighted average assumptions outlined in the table below. 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 represents the period of time these awards were expected to be outstanding on the date of grant. 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.

Stock Options	2021
Grant date fair value	$18.87
Grant date strike price	$59.00
Expected volatility	44.80%
Expected life [(a)]	6.25 years
Risk-free interest rate	1.09%
Projected dividend yield	3.12%

(a) The maximum contractual term for these options is 10 years.

The total intrinsic value of exercised options was less than $1 million during 2023, and 2022, and $1 million during 2021. The fair value of shares that vested during 2023, 2022, and 2021 were $37 million, $34 million, and $33 million.

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of $38 million, $45 million, and $32 million during 2023, 2022, and 2021, related to the incentive equity awards granted to key employees, senior officers, and non-employee directors. During 2023 and 2022, such stock-based compensation expense includes $2 million and $3 million which has been classified within Restructuring on the Consolidated Statements of Income. The Company recognized $9 million, $12 million, and $9 million of tax benefits associated with stock-based compensation during 2023, 2022, and 2021.

The Company paid $10 million, $7 million, and $9 million of taxes for the net share settlement of incentive equity awards that vested during 2023, 2022, and 2021. Such amounts are included within Financing activities on the 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 from the fair market value at the grant date. The Company issued 0.2 million, 0.3 million, and 0.1 million shares during 2023, 2022, and 2021 and recognized $1 million of compensation expense related to grants under this plan in each period. The value of shares issued under this plan was $10 million, $9 million, and $8 million during 2023, 2022, and 2021.

22. Employee Benefit Plans

Defined Contribution Benefit Plans

Travel + Leisure Co. sponsors domestic defined contribution savings plans and a domestic deferred compensation plan that provide eligible employees of the Company an opportunity to accumulate funds for retirement. The Company matches the contributions of participating employees on the basis specified by each plan. The Company's cost for these plans was $33 million, $31 million, and $27 million during 2023, 2022, and 2021.

In addition, the Company contributes to several foreign employee benefit contributory plans which also provide eligible employees with an opportunity to accumulate funds for retirement. The Company's contributory cost for these plans was $9 million, $8 million, and $6 million during 2023, 2022, and 2021.

Defined Benefit Pension Plans

The Company sponsors defined benefit pension plans for certain foreign subsidiaries. Under these plans, benefits are based on an employee's years of credited service and a percentage of final average compensation or as otherwise described by the plan. The Company had $6 million and $5 million of net pension liability as of December 31, 2023 and 2022, included within Accrued expenses and other liabilities on the Consolidated Balance Sheets. The Company had $1 million of unrecognized gains as of December 31, 2023; which were included within Accumulated other comprehensive loss on the Consolidated Balance Sheets. There were no unrecognized gains as of December 31, 2022.

The Company's policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws and additional amounts that the Company determines to be appropriate. The Company recognized no pension expense during 2023, 2022 or 2021.

23. Segment Information

The Company has 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 to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management uses Adjusted EBITDA to assess the performance of the reportable 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 costs for acquisitions and divestitures, asset impairments/recoveries, 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 and Cendant, and the sale of the vacation rentals businesses. The Company believes that Adjusted EBITDA is a useful measure of performance for its segments which, when considered with GAAP measures, the Company believes 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):

	Year Ended December 31,		
Net revenues	**2023**	**2022**	**2021**
Vacation Ownership	$ 3,041	$ 2,835	$ 2,423
Travel and Membership	711	735	714
Total reportable segments	3,752	3,570	3,137
Corporate and other [(a)]	(2)	(3)	(3)
Total Company	$ 3,750	$ 3,567	$ 3,134

	Year Ended December 31,		
Reconciliation of Net income to Adjusted EBITDA	**2023**	**2022**	**2021**
Net income attributable to Travel + Leisure Co. shareholders	$ 396	$ 357	$ 308
(Gain)/loss on disposal of discontinued business, net of income taxes	(5)	(1)	5
Interest expense	251	195	198
Interest (income)	(13)	(6)	(3)
Provision for income taxes	94	130	116
Depreciation and amortization	112	119	124
Stock-based compensation	36	42	32
Restructuring [(b)]	26	14	(1)
Legacy items	8	1	4
Loss on sale of business	2	—	—
Asset impairments/(recoveries), net [(c)]	1	11	(5)
Loss/(gain) on equity investment	—	5	(3)
COVID-19 related costs [(d)]	—	2	3
Fair value change in contingent consideration	—	(10)	—
Adjusted EBITDA	$ 908	$ 859	$ 778

	Year Ended December 31,		
Adjusted EBITDA	**2023**	**2022**	**2021**
Vacation Ownership	$ 729	$ 665	$ 569
Travel and Membership	247	268	271
Total reportable segments	976	933	840
Corporate and other [(a)]	(68)	(74)	(62)
Total Company	$ 908	$ 859	$ 778

(a) Includes the elimination of transactions between segments.
(b) Includes $2 million and $3 million of stock-based compensation expense for the years ended December 31, 2023 and 2022 associated with the 2023 and 2022 restructuring plans.
(c) Includes $1 million of inventory impairments for the years ended December 31, 2023 and 2022, included in Cost of vacation ownership interests on the Consolidated Statements of Income.
(d) Includes expenses related to COVID-19 testing and other expenses associated with the Company's return-to-work program in 2022. In 2021, this includes incremental severance and other employee costs associated with layoffs due to the COVID-19 workforce reduction offset in part by U.S. and international government employee retention credits.

	As of December 31,	
Segment Assets [(a)]	**2023**	**2022**
Vacation Ownership	$ 4,980	$ 4,826
Travel and Membership	1,353	1,335
Total reportable segments	6,333	6,161
Corporate and other	405	596
Total Company	$ 6,738	$ 6,757

(a) Excludes investment in consolidated subsidiaries.

Capital Expenditures	Year Ended December 31, 2023	2022	2021
Vacation Ownership	$ 47	$ 32	$ 34
Travel and Membership	22	17	17
Total reportable segments	69	49	51
Corporate and other	5	3	6
Total Company	$ 74	$ 52	$ 57

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries (in millions):

	Net Revenues Year Ended December 31,			Net Long-lived Assets As of December 31,	
	2023	2022	2021	2023	2022
United States	$ 3,320	$ 3,166	$ 2,753	$ 1,577	$ 1,572
All other countries	430	401	381	239	248
Total	$ 3,750	$ 3,567	$ 3,134	$ 1,816	$ 1,820

24. COVID-19 Related Items

During the year ended December 31, 2022, the Company had $2 million of employee compensation related and other expenses at its corporate operations related to COVID-19 testing and other expenses associated with the Company's return-to-work program. These costs are included within COVID-19 related costs on the Consolidated Statements of Income.

For the year ended December 31, 2021, the Company's financial statements included impacts directly related to COVID-19 as detailed in the table below (in millions):

	Vacation Ownership	Travel and Membership	Corporate	Consolidated	Income Statement Classification
Allowance for loan losses:					
Provision	$ (91)	$ —	$ —	$ (91)	Vacation ownership interest sales
Recoveries	33	—	—	33	Cost of vacation ownership interests
Asset recoveries	—	(6)	—	(6)	Asset impairments/(recoveries), net
Lease-related	(1)	—	—	(1)	Restructuring
Employee compensation related and other	3	—	1	4	COVID-19 related costs
Total COVID-19	$ (56)	$ (6)	$ 1	$ (61)	

Allowance for loan losses — Due to the economic downturn resulting from COVID-19 during 2020, the Company evaluated the potential impact of COVID-19 on its owners' ability to repay their contract receivables and as a result of higher unemployment, the Company recorded a COVID-19 related allowance for loan losses during 2020. During 2021, the Company analyzed the adequacy of this 2020 COVID-19 related allowance consistent with past methodology, and due to the improvement in net new defaults the Company reduced this allowance resulting in an increase of $91 million to Vacation ownership interest sales and a corresponding increase of $33 million to Cost of vacation ownership interests. The net positive impact of these adjustments on Adjusted EBITDA was $58 million for the year ended December 31, 2021.

Asset recoveries — During 2021, the Company reversed $6 million of asset impairments related to its equity investment in Vacasa LLC ("Vacasa") previously impaired in 2020.

Employee compensation related and other — During 2021, these costs included $3 million of professional and other costs and $1 million of severance and other employee costs resulting from layoffs, salary, and benefits continuation at the Vacation Ownership segment. These costs were inclusive of $2 million of employee retention credits earned in connection with government programs for the year ended December 31, 2021.

In connection with COVID-19 related actions taken by the Company, it recorded employee-related liabilities which are included within Accrued expenses and other liabilities on the Consolidated Balance Sheets. The activity associated with these COVID-19 related liabilities is summarized as follows (in millions):

	Liability as of December 31, 2020	2021 Activity		Liability as of December 31, 2021
		Costs Recognized	Cash Payments	
COVID-19 employee-related	$ 6	$ 1	$ (6)	$ 1
Ending balance	$ 6	$ 1	$ (6)	$ 1

	Liability as of December 31, 2021	2022 Activity		Liability as of December 31, 2022
		Costs Recognized	Cash Payments	
COVID-19 employee-related	$ 1	$ 2	$ (3)	$ —
Ending balance	$ 1	$ 2	$ (3)	$ —

25. Impairments and Other Charges

Impairments

During 2022, the Company recorded $10 million of impairments within Asset impairments/(recoveries), net on the Consolidated Statements of Income. These impairments include a $9 million loss on the sale at the Vacation Ownership segment related to certain property sold for $22 million, made up of $17 million in cash and a $5 million promissory note. The Company also recorded a $2 million impairment of fixed assets at the Vacation Ownership segment and a $2 million trade name impairment at the Travel and Membership segment. These impairments were offset by $3 million of asset recoveries, primarily related to previously impaired land which was sold during 2022.

During 2021, the Company had net asset recoveries of $5 million driven by the $6 million reversal of a 2020 COVID-19 related impairment of the Vacasa equity investment at the Travel and Membership segment. This reversal was partially offset by less than $1 million of impairments at the Vacation Ownership segment. This activity was recorded within Asset impairments/(recoveries), net on the Consolidated Statements of Income.

Other Charges

During 2023 and 2022, the Company recorded a $1 million inventory impairment at the Vacation Ownership segment included within Cost of vacation ownership interests on the Consolidated Statements of Income.

26. Restructuring

2023 Restructuring Plan

During 2023, the Company incurred $26 million of restructuring charges. 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. As part of this restructuring plan, the Company decided to decrease its facilities by closing its owned office in Indianapolis, Indiana, and exiting other leased locations. The 2023 restructuring plan charges consisted of (i) $11 million of personnel-related costs at the Travel and Membership segment, (ii) $9 million of personnel-related costs and $1 million of lease costs at the Vacation Ownership segment, and (iii) $5 million of personnel-related costs at the Company's corporate operations. These restructuring charges included $2 million of accelerated stock-based compensation expense, which is included within Additional paid-in capital on the Consolidated Balance Sheets. All material initiative and related expenses have been incurred as of December 31, 2023. The Company reduced the 2023 restructuring liability by $8 million of cash payments during the year ended December 31, 2023. The remaining 2023 restructuring liability of $15 million is expected to be paid by the end of 2025.

2022 Restructuring Plan

During 2022, the Company incurred $14 million of restructuring charges. These charges were associated with certain positions that were made redundant based upon changes to the organizational structure of the Company, primarily within the Travel and Membership segment. The charges consisted of (i) $9 million of personnel-related costs at the Travel and Membership segment (ii) $3 million of lease and personnel-related costs at the Vacation Ownership segment, and (iii) $2 million of personnel-related costs at the Company's corporate operations. These restructuring charges included $3 million of accelerated stock-based compensation expense, which is included within Additional paid-in capital on the Consolidated Balance Sheets. The 2022 restructuring liability was reduced by $7 million and $5 million of cash payments during the years ended December 31, 2023 and 2022. The remaining 2022 restructuring liability of less than $1 million is personnel-related and is expected to be paid by the end of 2024.

The Company has additional restructuring plans which were implemented prior to 2021, most of which were COVID-19 related. This restructuring liability was reduced by $2 million, $3 million, and $5 million of cash payments during the years ended December 31, 2023, 2022 and 2021. As of December 31, 2023, the remaining liability of $17 million, all of which is related to leased facilities, is expected to be paid by the end of 2029.

The activity associated with the Company's restructuring plans is summarized as follows (in millions):

	Liability as of	2021 Activity			Liability as of
	December 31, 2020	Costs Recognized	Cash Payments	Other	December 31, 2021
Facility-related	$ 23	$ —	$ (1)	$ —	$ 22
Marketing-related	2	(1) [a]	(4)	3 [b]	—
Personnel-related	1	—	(1)	—	—
	$ 26	$ (1)	$ (6)	$ 3	$ 22

	Liability as of	2022 Activity			Liability as of
	December 31, 2021	Costs Recognized	Cash Payments	Other	December 31, 2022
Facility-related	$ 22	$ 1	$ (4)	$ 1	$ 20
Personnel-related	—	13	(4)	(3) [c]	6
	$ 22	$ 14	$ (8)	$ (2)	$ 26

	Liability as of	2023 Activity			Liability as of
	December 31, 2022	Costs Recognized	Cash Payments	Other	December 31, 2023
Facility-related	$ 20	$ 1	$ (4)	$ —	$ 17
Personnel-related	6	25	(13)	(2) [c]	16
	$ 26	$ 26	$ (17)	$ (2)	$ 33

(a) Includes $1 million reversal of expense related to the reimbursement of prepaid licensing fees that were previously written-off at the Vacation Ownership segment.
(b) Includes $2 million reimbursement of termination payments and $ 1 million reimbursement of license fees at the Vacation Ownership segment.
(c) Represents accelerated stock-based compensation expense included in Additional paid-in capital on the Consolidated Balance Sheets.

27. Transactions with Former Parent and Former Subsidiaries

Matters Related to Cendant

Pursuant to the Separation and Distribution Agreement with Cendant (the Company's former parent company, now Avis Budget Group), the Company entered into certain guarantee commitments with Cendant and Cendant's former subsidiary, Realogy (now Anywhere Real Estate Inc.). These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which Wyndham Worldwide Corporation assumed 37.5% of the responsibility while Cendant's former subsidiary Realogy is responsible for the remaining 62.5%. In connection with the Spin-off, Wyndham Hotels agreed to retain one-third of Cendant's contingent and other corporate liabilities and associated costs; therefore, Travel + Leisure Co. is effectively responsible for 25% of such matters subsequent to the separation. Since Cendant's separation, Cendant 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 on a Cendant legacy tax matter involving Avis Budget Group 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. The OTA ruled in favor of the California Franchise Tax Board. During 2023 the Company increased the reserve by $8 million for this legacy tax matter, one-third of which is the responsibility of Wyndham Hotels. The OTA's opinion is not final, and during the second quarter of 2023 Cendant filed a petition for rehearing. As of December 31, 2023, Cendant's petition was still pending.

As of December 31, 2023 and 2022 the Cendant separation and related liabilities were $23 million and $15 million, all of which were tax related liabilities. These liabilities are included within Accrued expenses and other liabilities on the 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 including the Separation and Distribution Agreement, the Employee Matters Agreement, the Tax Matters Agreement, the Transition Services 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 pound sterling of $46 million. The estimated fair value of the guarantee was $22 million at December 31, 2023. The Company maintains a $7 million receivable from Wyndham Hotels for its portion of the guarantee.

In addition, the Company agreed to indemnify Awaze against certain claims and assessments, including income tax, value-added tax and other tax matters, related to the operations of the European vacation rentals business for the periods prior to the transaction. During 2023, one of the guarantees under this agreement expired resulting in the Company recognizing $5 million within Gain on disposal of discontinued business, net of income taxes, with an offsetting $2 million expense, representing Wyndham Hotels one-third share, included within General and administrative expense on the Consolidated Statements of Income. The estimated fair value of the indemnifications was $36 million at December 31, 2023. The Company has a $12 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 £31 million ($39 million USD) at December 31, 2023. Travel + Leisure Co. is responsible for two-thirds of these guarantees. As part of this agreement Wyndham Hotels is required to maintain minimum credit ratings which increased to Ba1 for Moody’s and BB+ for S&P on May 9, 2020. If Wyndham Hotels drops below these minimum credit ratings, Travel + Leisure Co. would be required to post a letter of credit (or equivalent support) for the amount of the Wyndham Hotels guarantee.

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 December 31, 2023, including the two-thirds portion related to guarantees provided by Wyndham Hotels, totaled $84 million and was recorded in Accrued expenses and other liabilities and total receivables of $19 million were included in Other assets on the Consolidated Balance Sheets, representing the portion of these guarantees and indemnifications for which Wyndham Hotels is responsible.

During 2019, Awaze proposed certain post-closing adjustments of £35 million ($44 million USD) related to the sale of the European vacation rentals business. During 2021, the Company entered into a settlement agreement which received regulatory approval during 2022 to settle these post-closing adjustment claims for £5 million ($7 million USD); one-third of which was the responsibility of Wyndham Hotels. During the third quarter of 2022, the Company made this settlement payment which was included within Net cash used in investing activities from discontinued operations on the Consolidated Statements of Cash Flows, and received $2 million from Wyndham Hotels for their one-third portion which was included within Net cash provided by operating activities on the Consolidated Statements of Cash Flows. This matter is now resolved and no further payments are required.

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 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. The estimated fair value of the indemnifications was $2 million, which was included in Accrued expenses and other liabilities on the Consolidated Balance Sheets as of December 31, 2023.

In connection with the sale of the North American vacation rentals business in the fourth quarter of 2019, the Company entered into a transition service agreement with Vacasa, pursuant to which the companies agreed to provide each other certain transitional services including human resources, facilities, payroll, information technology, information management and related services, treasury, and finance on an interim, transitional basis. During 2021, transition service agreement expenses were less than $1 million and transition service agreement income was less than $1 million. Transition service agreement expenses were included in General and administrative expense and transition service income was included in Other revenue on the Consolidated Statements of Income. These transition services ended in February 2021.

28. Related Party Transactions

The Company occasionally sublets an aircraft from its former CEO and current Chairman of the Board of Directors for business travel through a timesharing arrangement. The Company incurred less than $1 million of expenses related to this timesharing arrangement during the years ended December 31, 2023, 2022, and 2021.

During 2021, the Company sold a parcel of land in Crossville, Tennessee, which was no longer core to the Company's operations to a former executive of the Company for less than $1 million.

In 2019, the Company entered into an agreement with a former executive of the Company whereby the former executive through an SPE would develop and construct VOI inventory located in Orlando, Florida. In 2020, the Company acquired the completed vacation ownership property for $45 million. This agreement was subsequently amended during 2021, increasing the purchase to $47 million.

29. Subsequent Events

On January 30, 2024, the Company announced an agreement to acquire the vacation ownership business of Accor, for $48 million. Accor Vacation Club represents 24 resorts and nearly 30,000 members. This acquisition will help the two companies establish a relationship to develop new timeshare products in the Asia Pacific, Middle East, Africa, and Türkiye regions under the Accor Vacation Club brand leveraging the Travel + Leisure Co. global platform. Accor will receive a percentage of vacation ownership sales revenue as a licensing fee under the exclusive licensing agreement. Travel + Leisure Co. also receives the exclusive rights to develop new vacation ownership clubs and products utilizing the Accor Vacation Club brand. The acquisition will be included within the Vacation Ownership segment.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. Our management, with the participation of our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report. Based on such evaluation, our principal executive and principal financial officers have concluded that, as of the end of such period, our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports that 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 Securities and Exchange Commission, 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.

Management's Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management believes that, as of December 31, 2023, our internal control over financial reporting is effective. Our independent registered public accounting firm has issued an attestation report on the effectiveness of our internal control over financial reporting, see Item 8—*Report of Independent Registered Public Accounting Firm* of this Annual Report on Form 10-K.

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 most recent fiscal quarter to which this report relates that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

(a) None.

(b) On December 5, 2023, James Savina, General Counsel and Corporate Secretary, 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 27,000 shares of the Company's common stock until February 28, 2025.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning Executive Officers required by this item is located under the headings “Governance” and “Information about our Executive Officers” in the Proxy Statement for our 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning Directors required by this item is located under the heading “Proposal 1: Election of Directors” in the Proxy Statement for our 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning the Audit Committee and the Code of Conduct and Business Ethics required by this item is located under the headings “Committees of the Board” and “Code of Business Conduct” in the Proxy Statement for our 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

The Board of Directors maintains a Code of Business Conduct and Ethics for Directors with ethics guidelines specifically applicable to Directors. In addition, we maintain a Code of Conduct applicable to all our associates, including our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer.

We will disclose on our website any amendment to or waiver from a provision of our Code of Business Conduct and Ethics for Directors or the Code of Conduct as may be required and within the time period specified under the applicable Securities and Exchange Commission and New York Stock Exchange rules. The Code of Business Conduct and Ethics for Directors and our Code of Conduct are available on the Investor Relations page of our website at investor.travelandleisureco.com by clicking on the “Governance” link followed by the “Governance Documents” link. Copies of these documents may also be obtained free of charge by writing to our Corporate Secretary.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is included in the Proxy Statement for our 2024 Annual Meeting of Shareholders under the captions “Compensation of Directors,” “Executive Compensation” and “Committees of the Board,” and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information as of December 31, 2023

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	5.0 million [(a)]	$44.88 [(b)]	10.1 million [(c)]
Equity compensation plans not approved by security holders	None	Not applicable	Not applicable

(a) Consists of shares issuable upon exercise of non-qualified stock options, restricted stock units, and performance-vested restricted stock units, based on target performance.
(b) Consists of weighted-average exercise price of non-qualified stock options. The weighted-average exercise price does not reflect the shares that will be issued in connection with the settlement of performance-vested restricted stock units or restricted stock units, as these units have no exercise price.
(c) Consists of shares available for future grants, based on target performance, under the 2006 Equity and Incentive Plan, as amended.

The remaining information required by Item 12 is included in the Proxy Statement for our 2024 Annual Meeting of Shareholders under the caption “Ownership of Company Stock” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by Item 13 is included in the Proxy Statement for our 2024 Annual Meeting of Shareholders under the captions “Related Party Transactions” and “Director Independence,” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is included in the Proxy Statement for our 2024 Annual Meeting of Shareholders under the captions “Disclosure About Fees” and “Pre-Approval of Audit and Non-Audit Services,” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

(1) Financial Statements.

The following consolidated financial statements of Travel + Leisure Co. and its subsidiaries are filed as part of this report under Item 8—*Financial Statements and Supplementary Data*:

(2) Financial Schedules.

The financial statement schedule entitled "Schedule II – Valuation and Qualifying Accounts" has been omitted since the information required is included in the consolidated financial statements and notes thereto. Other schedules are omitted because they are not required.

(3) Exhibits.

See Exhibit Index commencing on page 98 hereof.

The agreements included or incorporated by reference as exhibits to this report contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the contractual risk to one of the parties if those statements prove to be inaccurate, (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws, (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement, (v) may be qualified by a confidential disclosure schedule that contains some nonpublic information that is not material under applicable securities laws, and (vi) only parties to such agreement and specified third party beneficiaries, if any, have a right to enforce the agreement. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading.

Exhibit Index

Exhibit No.	Description of Exhibit
2.1	Separation and Distribution Agreement by and among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed July 31, 2006).
2.2	Amendment No. 1 to Separation and Distribution Agreement by and among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of August 17, 2006 (incorporated by reference to Exhibit 2.2 to the Registrant's Form 10-Q filed November 14, 2006).
2.3	Support Agreement, dated as of January 17, 2018, by and between Wyndham Worldwide Corporation and each of the persons listed on Annex I thereto (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K filed January 18, 2018).
2.4	Separation and Distribution Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed June 4, 2018).
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed May 10, 2012).

3.2	Certificate of Amendment to Certificate of Incorporation of Wyndham Worldwide Corporation effective as of May 31, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed June 4, 2018).
3.3	Certificate of Amendment to Restated Certificate of Incorporation of Wyndham Destinations, Inc., effective as of February 17, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed February 17, 2021).
3.4	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).
4.1	Indenture, dated November 20, 2008, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form S-3 filed November 25, 2008).
4.2	Eighth Supplemental Indenture, dated February 22, 2013, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2018 and 2023 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed February 22, 2013).
4.3	Form of 3.90% Senior Notes due 2023 (included within Exhibit 4.2)
4.4	Ninth Supplemental Indenture, dated September 15, 2015, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed September 15, 2015).
4.5	Form of 5.100% Notes due 2025 (included within Exhibit 4.4)
4.6	Tenth Supplemental Indenture, dated March 21, 2017, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 21, 2017).
4.7	Form of 4.150% Senior Notes due 2024 (included within Exhibit 4.6)
4.8	Form of 4.500% Senior Notes due 2027 (included within Exhibit 4.6)
4.9	Indenture, dated December 13, 2019, between Wyndham Destinations, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed December 13, 2019).
4.10	First Supplemental Indenture, dated December 13, 2019, between Wyndham Destinations, Inc. and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2030 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed December 13, 2019).
4.11	Form of 4.625% Senior Note due 2030 (included within Exhibit 4.10).
4.12	Second Supplemental Indenture, dated July 24, 2020, between Wyndham Destinations, Inc. and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed July 24, 2020).
4.13	Form of 6.625% Senior Note due 2026 (included within Exhibit 4.12).
4.14	Third Supplemental Indenture, dated November 18, 2021, between Travel + Leisure Co. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed November 22, 2021).
4.15	Form of 4.50% Senior Secured Notes due 2029 (included within Exhibit 4.14).
4.16	Description of Registrant's Securities (incorporated by reference to Exhibit 4.23 to the Registrant's Form 10-K filed February 24, 2021).
10.1	Credit Agreement, dated as of May 31, 2018, among Wyndham Destinations, Inc., the guarantors party thereto from time to time, Bank of America, N.A., as Administrative and Collateral Agent, and the lenders party thereto (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed June 4, 2018).
10.2	First Amendment, dated as of July 15, 2020, to the Credit Agreement, dated as of May 31, 2018, among Wyndham Destinations, Inc., the several lenders and letter of credit issuers from time to time party thereto, Bank of America, N.A., as administrative agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 20, 2020).
10.3	Second Amendment, dated as of October 22, 2021, to the Credit Agreement, dated as of May 31, 2018, among Travel + Leisure Co., the several lenders and letter of credit issuers from time to time party thereto, Bank of America, N.A., as administrative agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 27, 2021).
10.4	Third Amendment, dated as of December 14, 2022, to the Credit Agreement, dated as of May 31, 2018, among Travel & Leisure Co., the several lenders and letter of credit issuers from time to time party thereto, Bank of America, N.A., as administrative agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed December 14, 2022).
10.5	Fourth Amendment, dated as of March 30, 2023, to the Credit Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed April 4, 2023).

10.6	Fifth Amendment, dated as of December 20, 2023, to the Credit Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed December 21, 2023).
10.7	Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K filed October 5, 2010).
10.8	First Amendment, dated as of June 28, 2011, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 1, 2011).
10.9	Third Amendment, dated as of August 30, 2012, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 24, 2012).
10.10	Fourth Amendment, dated as of August 29, 2013, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 23, 2013).
10.11	Fifth Amendment, dated as of August 28, 2014, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 24, 2014).
10.12	Sixth Amendment, dated as of August 27, 2015, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed October 27, 2015).
10.13	Seventh Amendment, dated as of August 23, 2016, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 26, 2016).
10.14	Eighth Amendment, dated as of April 6, 2018, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q filed May 2, 2018).
10.15	Ninth Amendment, dated as of April 24, 2019, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-Q filed May 1, 2019).
10.16	Tenth Amendment, dated as of October 27, 2020, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-K filed February 24, 2021).
10.17	Eleventh Amendment, dated as of March 4, 2022, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee, and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 28, 2022).
10.18	Twelfth Amendment, dated as of September 26, 2023, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee, and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 25, 2023).

10.19	Share Sale Agreement, by and among Wyndham Destination Network, LLC, the other Sellers named therein, and Compass IV Limited, dated as of March 27, 2018 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed on May 2, 2018).
10.20	Amendment and Restatement Deed to Sale and Purchase Agreement, dated as of May 9, 2018, by and among Wyndham Destination Network, LLC, certain subsidiaries of Wyndham Worldwide Corporation and Compass IV Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 11, 2018).
10.21†	Letter Agreement, dated as of June 1, 2018, by and between Wyndham Destinations, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed June 4, 2018).
10.22†	Separation and Release Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed June 4, 2018).
10.23†	Employment Agreement dated as of June 1, 2018, by and between Wyndham Destinations, Inc. and Michael D. Brown (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K filed June 4, 2018).
10.24†	Amended and Restated Employment Agreement by and between Travel + Leisure Co. and Michael D. Brown, dated June 1, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed July 28, 2021).
10.25†	Employment Agreement, dated as June 1, 2018, by and between Wyndham Destinations, Inc. and Michael Hug (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K filed June 4, 2018).
10.26†	Amended and Restated Employment Agreement by and between Travel + Leisure Co. and Michael A. Hug, dated June 1, 2021 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed July 28, 2021).
10.27†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Geoffrey Richards (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed May 1, 2019).
10.28†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Jeffrey Myers (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q filed May 1, 2019).
10.29†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and James Savina (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed May 1, 2019).
10.30†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Noah Brodsky (incorporated by reference to Exhibit 10.21 to the Registrant's Form 10-K filed February 26, 2020).
10.31†	Severance Agreement dated as of March 29, 2022 by and between Travel + Leisure Co. and Noah Brodsky (incorporated by reference to Exhibit 10.28 to the Registrant's Form 10-K filed February 22, 2023).
10.32†	Appointment Letter and Letter Agreement, each dated as of October 25, 2021, by and between Wyndham Vacation Ownership, Inc. d/b/a Travel + Leisure Co. and Said Esfahani (incorporated by reference to Exhibit 10.27 to the Registrant's Form 10-K filed February 23, 2022).
10.33†	Letter Agreement, dated as of February 7, 2019, by and between Wyndham Destinations, Inc. and Olivier Chavy (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed July 28, 2022).
10.34†	Letter Agreement, dated September 13, 2022, by and between Travel & Leisure Co. and Thomas Michael Duncan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 27, 2022).
10.35†	Appointment Letter and Letter Agreement, each dated as of April 6, 2023, by and between Wyndham Vacation Ownership, Inc. d/b/a Travel + Leisure Co. and Amandine Robin-Caplan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed July 26, 2023).
10.36†	Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (Amended and Restated as of February 27, 2014) (incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed on April 4, 2014).
10.37†	Amendment No. 1 to Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, effective August 2, 2017 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed October 25, 2017).
10.38†	Amended and Restated Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (amended and restated as of March 1, 2018) (incorporated by reference to Appendix A to Wyndham Worldwide Corporation's definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on April 6, 2018).
10.39†	Amended and Restated Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (amended and restated as of November 3, 2020) (incorporated by reference to Exhibit 10.30 to the Registrant's Form 10-K filed February 24, 2021).
10.40†	Form of Award Agreement for Stock Appreciation Rights (incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-K filed February 17, 2012).
10.41†	Form of Award Agreement for Restricted Stock Units for U.S. Employees, dated June 1, 2018 (incorporated by reference to Exhibit 10.52 to the Registrant's Form 10-K filed February 26, 2019).

10.42†	Form of Award Agreement for Restricted Stock Units for Non-U.S. Employees, dated June 1, 2018 (incorporated by reference to Exhibit 10.53 to the Registrant's Form 10-K filed February 26, 2019).
10.43†	Form of Award Agreement for Non-Qualified Stock Options, dated June 1, 2018, as amended November 11, 2022 (incorporated by reference to Exhibit 10.40 of the Registrant's Form 10-K filed February 22, 2023).
10.44†	Form of Award Agreement for Restricted Stock Units for Non-Employee Directors, dated as of June 1, 2018 (incorporated by reference to Exhibit 10.55 to the Registrant's Form 10-K filed February 26, 2019).
10.45†	Form of Award Agreement for Restricted Stock Units for Non-Employee Directors, dated March 7, 2019 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q filed May 1, 2019).
10.46†	Form of Award Agreement for Restricted Stock Units for U.S. Employees, dated March 7, 2019 (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q filed May 1, 2019).
10.47†	Form of Award Agreement for Restricted Stock Units for Non-U.S. Employees, dated March 7, 2019 (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-Q filed May 1, 2019).
10.48†	Form of Award Agreement for Non-Qualified Stock Options, dated March 7, 2019 (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-Q filed May 1, 2019).
10.49†	Form of Award Agreement for Performance Stock Units, dated March 7, 2019 (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q filed May 1, 2019).
10.50†	Wyndham Worldwide Corporation Savings Restoration Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed July 19, 2006).
10.51†	Amendment Number One to Wyndham Worldwide Corporation Savings Restoration Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 27, 2009).
10.52†	Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed July 19, 2006).
10.53†	First Amendment to Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-K filed March 7, 2007).
10.54†	Amendment Number Two to the Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-K filed February 27, 2009).
10.55†	Wyndham Worldwide Corporation Officer Deferred Compensation Plan (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K filed July 19, 2006).
10.56†	Amendment Number One to Wyndham Worldwide Corporation Officer Deferred Compensation Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.22 to the Registrant's Form 10-K filed February 27, 2009).
10.57†	Amendment No. 2 to Wyndham Worldwide Corporation Officer Deferred Compensation Plan, dated December 31, 2012 (incorporated by reference to Exhibit 10.32 to the Registrant's Form 10-K filed February 15, 2013).
10.58	Transition Services Agreement among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 31, 2006).
10.59	Tax Sharing Agreement among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 28, 2006 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed July 31, 2006).
10.60	Amendment, executed July 8, 2008 and effective as of July 28, 2006 to Tax Sharing Agreement, entered into as of July 28, 2006, by and among Avis Budget Group, Inc., Realogy Corporation and Wyndham Worldwide Corporation (incorporated by Reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 8, 2008).
10.61	Agreement, dated as of July 15, 2010, between Wyndham Worldwide Corporation and Realogy Corporation clarifying Tax Sharing Agreement, dated as of July 28, 2006, among Realogy Corporation, Cendant Corporation, Wyndham Worldwide Corporation and Travelport, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 21, 2010).
10.62	Employee Matters Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed June 4, 2018).
10.63	Transition Services Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed June 4, 2018).
10.64	Tax Matters Agreement, dated as of May 31, 2018, by and between Wyndham Hotels & Resorts, Inc. and Wyndham Destinations, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed June 4, 2018).

10.65	License, Development and Noncompetition Agreement, dated as of May 31, 2018, by and among Wyndham Destinations, Inc., Wyndham Hotels and Resorts, LLC, Wyndham Hotels & Resorts, Inc., Wyndham Hotel Group Europe Limited, Wyndham Hotel Hong Kong Co. Limited, and Wyndham Hotel Asia Pacific Co. Limited. (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed June 4, 2018).
10.66	Form Indemnification Agreement entered into by Wyndham Destinations, Inc. and its Directors and Executive Officers (incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K filed June 4, 2018).
10.67†	Wyndham Destinations, Inc. 2018 Employee Stock Purchase Plan (incorporated by reference to Exhibit 99.1 to the Registrant's Form S-8 filed November 16, 2018).
10.68	Travel + Leisure Co. Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q filed July 28, 2021).
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of Chairman and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934.
32**	Certification of Chairman and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
97.1*	Travel + Leisure Co. Incentive Compensation Recovery Policy
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)

* Filed with this report.
** Furnished with this report.
† Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ MICHAEL D. BROWN

Michael D. Brown
President and Chief Executive Officer
Date: February 21, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ MICHAEL D. BROWN **Michael D. Brown**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 21, 2024
/s/ MICHAEL A. HUG **Michael A. Hug**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 21, 2024
/s/ THOMAS M. DUNCAN **Thomas M. Duncan**	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 21, 2024
/s/ STEPHEN P. HOLMES **Stephen P. Holmes**	Chairman of the Board of Directors	February 21, 2024
/s/ LOUISE F. BRADY **Louise F. Brady**	Director	February 21, 2024
/s/ JAMES E. BUCKMAN **James E. Buckman**	Director	February 21, 2024
/s/ GEORGE HERRERA **George Herrera**	Director	February 21, 2024
/s/ LUCINDA MARTINEZ **Lucinda Martinez**	Director	February 21, 2024
/s/ DENNY MARIE POST **Denny Marie Post**	Director	February 21, 2024
/s/ RONALD L. RICKLES **Ronald L. Rickles**	Director	February 21, 2024
/s/ MICHAEL H. WARGOTZ **Michael H. Wargotz**	Director	February 21, 2024

TRAVEL + LEISURE CO.
SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Organization
RCI General Holdco 2, LLC	Delaware
RCI, LLC	Delaware
Sierra Deposit Company, LLC	Delaware
Wyndham Consumer Finance, Inc.	Delaware
Wyndham Destination Network, LLC	Delaware
Wyndham Resort Development Corporation	Oregon
Wyndham Vacation Ownership, Inc.	Delaware
Wyndham Vacation Resorts, Inc.	Delaware

Omitted from the list are the names of subsidiaries that, if considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary” as defined in SEC Regulation S-X.

TRAVEL + LEISURE CO.
CORPORATION ASSUMED NAMES REPORT

Entity Name	Assumed Name
Wyndham Resort Development Corporation	Resort at Grand Lake
	Seasons
	Seasons at the Inn of Seventh Mountain
	Seasons at Seventh Mountain
	Seasons Restaurant
	Seventh Mountain
	Seventh Mountain Rafting Company
	Seventh Mountain Resort
	Seventh Mountain River Company
	The Lazy River Market
	Trendwest Resorts
	WorldMark by Wyndham
	WorldMark by Wyndham Travel
Wyndham Vacation Resorts, Inc.	Club Wyndham Travel
	Desert Blue Resort
	Fairfield Durango
	Fairfield Land Company
	Fairfield Resorts
	Ocean Breeze Market
	Pagosa Lakes Realty
	Real West Discount Adventures
	Red Rock Discount Adventures
	Red Rock West Discount Adventures
	Resort Financial Services
	Select Timeshare Realty
	Sharp Realty
	Wyndham Vacation Resorts, Inc.
Wyndham Worldwide Operations, Inc.	Travel + Leisure Co.
	Women on Their Way
	Wyndham Green
	Wyndham Worldwide Strategic

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-256689 on Form S-3ASR and in Registration Statement Nos. 333-136090 and 333-228435 on Forms S-8 of our report dated February 21, 2024, relating to the consolidated financial statements of Travel + Leisure Co. and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Travel + Leisure Co. for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP
Tampa, Florida
February 21, 2024

Exhibit 31.1

CERTIFICATION

I, Michael D. Brown, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 21, 2024

/S/ MICHAEL D. BROWN

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Michael A. Hug, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 21, 2024

/S/ MICHAEL A. HUG

CHIEF FINANCIAL OFFICER

Exhibit 32

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

In connection with the Annual Report of Travel + Leisure Co. (the "Company") on Form 10-K for the period ended December 31, 2023, 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 Michael A. Hug, as Chief Financial Officer of the Company, each hereby certify, 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
FEBRUARY 21, 2024

/S/ MICHAEL A. HUG
MICHAEL A. HUG
CHIEF FINANCIAL OFFICER
FEBRUARY 21, 2024

TRAVEL + LEISURE CO.

Incentive Compensation Recovery Policy

Policy Effective Date: October 2, 2023

A. Purpose

The purpose of this Incentive Compensation Recovery Policy, as may be amended from time to time ("Policy"), is to describe the circumstances under which the Covered Executives (as defined below) will be required to repay or return Incentive Compensation (as defined below) to Travel + Leisure Co. (the "Company"). Each Covered Executive is required to sign and return to the Company the acknowledgement form attached to this Policy pursuant to which such Covered Executive will agree to be bound by, and to abide by, the terms of this Policy ("Acknowledgement Form"). This Policy is effective as of October 2, 2023 (the "Effective Date").

B. Administration

This Policy shall be administered by the Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board"). The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determinations made by the Committee shall be final and binding on all affected individuals.

C. Definitions

For purposes of this Policy, the following capitalized terms have the meanings set forth below. Other defined terms not defined in this section are defined elsewhere in this Policy.

1. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (a) to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or (b) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).

The following types of changes to financial statements do not represent error corrections, and therefore would not trigger application of this Policy: (a) retrospective application of a change in accounting principle; (b) retrospective revision to reportable segment information due to a change in the structure of the Company's internal organization; (c) retrospective reclassification due to a discontinued operation; (d) retrospective application of a change in reporting entity, such as from a reorganization of entities under common control; and (e) retrospective revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure. The foregoing list is not intended to be exhaustive and is subject to any changes in applicable accounting standards.

2. "Covered Executive" has the meaning set forth in Section D below.

3. "Eligible Incentive Compensation" means all Incentive Compensation (as defined below) that is Received (as defined below) by a Covered Executive (a) on or after the Effective Date, (b) who served as a Covered Executive at any time during the performance period for that Incentive Compensation, (c) while the Company has a class of securities listed on the NYSE or other national securities exchange or national securities association, and (d) during the applicable Recovery Period (as defined below). For purposes of clarity, in order for Incentive Compensation to qualify as Eligible Incentive Compensation, all four of the conditions listed in this Section C.3 must be satisfied.

4. "Excess Compensation" means, with respect to each Covered Executive in connection with an Accounting Restatement, the amount of Eligible Incentive Compensation that exceeds the amount of Incentive Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid, as determined by the Committee.

5. "Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) are considered Financial Reporting Measures for purposes of this Policy. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the Securities and Exchange Commission ("SEC").

6. "Incentive Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

7. Incentive Compensation shall be deemed "Received" by a Covered Executive in the Company's fiscal period during which the Financial Reporting Measure applicable to such Incentive Compensation is attained, even if payment or grant of the Incentive Compensation occurs after the end of that period.

8. "Recovery Period" means, with respect to any Accounting Restatement, the Company's three completed fiscal years immediately preceding the Restatement Date (as defined below) and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

9. "Restatement Date" means the earlier to occur of (a) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator or other legally authorized body directs the issuer to prepare an Accounting Restatement.

D. Covered Executives

This Policy applies to each individual who is or was designated as an "officer" of the Company under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (each a "Covered Executive"), whether or not such Covered Executive is serving at the time the Excess Compensation is required to be repaid to the Company. This Policy will apply without regard to whether any misconduct occurred or whether the Covered Executive had any individual knowledge or responsibility related to the erroneous financial statements necessitating the relevant Accounting Restatement.

E. Recoupment of Excess Compensation; Accounting Restatement

1. In the event of an Accounting Restatement, the Company will recover reasonably promptly any Excess Compensation in accordance with this Policy. Accordingly, the Committee will promptly determine the amount of any Excess Compensation for each Covered Executive in connection with such Accounting Restatement and will promptly thereafter provide each Covered Executive with a written notice regarding the required repayment or return, as applicable, and setting forth the amount of Excess Compensation due. For Eligible Incentive Compensation based on (or derived from) stock price or total shareholder return where the amount of Excess Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount will be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Eligible Incentive Compensation was Received (in

which case, the Company will maintain documentation of the determination of such reasonable estimate and provide such documentation to the New York Stock Exchange ("NYSE")).

2. The Committee has broad discretion, based on all applicable facts and circumstances, including consideration of pursuing an appropriate balance of cost and speed of recovery, to determine the appropriate means of recovery of Excess Compensation, subject to it occurring reasonably promptly. To the extent that the Committee determines that a method of recovery other than repayment by the Covered Executive in a lump sum in cash or property is appropriate, the Company will, subject to Section E.4, determine alternative means of recovery, which may include an offer to enter into a repayment agreement (in a form reasonably acceptable to the Committee) with the Covered Executive. For the avoidance of doubt, except as set forth in Section E.4 below, in no event may the Company accept an amount that is less than the amount of Excess Compensation in satisfaction of a Covered Executive's obligations under this Policy.

3. To the extent that a Covered Executive fails to repay all Excess Compensation to the Company when due (as determined in accordance with Section E.2 above), the Company will take all actions reasonable and appropriate to recover such Excess Compensation from the applicable Covered Executive. The applicable Covered Executive may, in the discretion of the Committee, be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Excess Compensation in accordance with the immediately preceding sentence.

4. Notwithstanding anything in this Policy to the contrary, the Company will not be required to take the actions contemplated by this Section E if the following conditions are met and the Committee determines that recovery would be impracticable:

a. The direct expenses paid to a third party to assist in enforcing the Policy against a Covered Executive would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Excess Compensation, documented such attempts and provided such documentation to NYSE;

b. Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Excess Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation and a copy of the opinion is provided to NYSE; or

c. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

F. Indemnification Prohibition

The Company is prohibited from indemnifying any Covered Executive against the loss of any Excess Compensation that is repaid, returned or recovered in accordance with the terms of this Policy or any claims relating to the Company's enforcement of its rights under this Policy. This prohibition also applies to payment to, or reimbursement of, a Covered Executive for premiums for any insurance policy covering any potential losses under this Policy. Further, the Company may not enter into any agreement that exempts any Incentive Compensation from the application of this Policy or that waives the Company's right to recovery of any Excess Compensation, and this Policy will supersede any such agreement (whether entered into before, on or after the Effective Date).

G. Amendment; Termination

The Committee may amend or terminate this Policy from time to time in its discretion. Notwithstanding anything in this section to the contrary, no amendment or termination of this Policy will be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or the rules of the NYSE or any national securities exchange or national securities association on which the Company's securities are then listed.

H. Other Recoupment Rights; No Additional Payments

The Committee intends that this Policy will be applied to the fullest extent of the law. The Committee may require, through execution of the Acknowledgment Form or otherwise, that any employment agreement, equity award agreement, or any other agreement, plan or arrangement entered into or adopted on or after the Effective Date will, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under the Sarbanes-Oxley Act of 2002 or other applicable law, regulation, rule, or Company policy, or pursuant to the terms of any employment agreement, equity award agreement, or similar agreement, plan or arrangement and any other legal remedies available to the Company.

I. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Appendix

TRAVEL + LEISURE CO.

Incentive Compensation Recovery Policy
Acknowledgment Form

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Company's Incentive Compensation Recovery Policy, as may be amended from time to time (the "Policy"). Capitalized terms used but not otherwise defined in this Acknowledgement Form have the meaning set forth in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy both during and after the undersigned's employment with the Company and that the terms of the Policy are hereby incorporated by reference in any agreement, plan or arrangement providing for payment of Incentive Compensation to any Covered Executive. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning or repaying any Excess Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy.

______________ Signature

____
Printed Name

____ __, 20__
Dated