Marriott Vacations Worldwide Corp (VAC)

Updated April 7th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$67	**5 Year Annual Expected Total Return:**	21.9%	**Market Cap:**	$2.3 B
Fair Value Price:	$128	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	05/22/26[1]
% Fair Value:	52%	**5 Year Valuation Multiple Estimate:**	13.8%	**Dividend Payment Date:**	06/05/26[2]
Dividend Yield:	4.8%	**5 Year Price Target**	$163	**Years Of Dividend Growth:**	5
Dividend Risk Score:	D	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Marriott Vacations Worldwide Corporation (VAC) is a leading vacation ownership company headquartered in Orlando, Florida. Originally founded in 1984 and spun off from Marriott International in 2011, VAC operates popular brands like Marriott Vacation Club and The Ritz-Carlton Destination Club, with over 120 resorts globally. The company also owns Interval International, a major vacation exchange network. As of July 2025, VAC holds a market cap of roughly $2.7 billion. Shareholders benefit from a consistent dividend, currently paying $0.79 per share quarterly, about a 3.9% annual yield. VAC combines leisure-focused growth with steady shareholder returns.

On February 25th, 2025, the company announced results for the fourth quarter of 2025. The company reported Q4 non-GAAP EPS of $1.86, which beat analysts' estimates by $0.15.

Marriott Vacations Worldwide reported fourth quarter 2025 results that reflected resilient operating performance despite significant headline losses tied to one-off charges. Consolidated contract sales totaled $458 million, a modest decline year over year, while adjusted EBITDA reached $186 million, landing near the high end of guidance. The company recorded a net loss of $431 million, largely driven by $546 million of non-cash impairment charges alongside restructuring and modernization costs. Excluding these items, adjusted net income was $68 million. Operationally, lower tour volumes and slightly softer spending per guest weighed on results, though higher financing and resort management contributions helped partially offset the pressure.

For the full year, MVW generated $1.8 billion in contract sales and $751 million in adjusted EBITDA, while reporting a net loss of $308 million due to $577 million in impairment charges and transformation-related expenses. The company returned $171 million to shareholders through dividends and share repurchases, highlighting ongoing capital return priorities. Looking ahead, management is emphasizing cost discipline, inventory reduction, and improved cash flow generation. Full-year 2026 guidance calls for contract sales between $1.745 billion and $1.815 billion, adjusted EBITDA of $755 million to $780 million, and adjusted net income between $255 million and $285 million, signaling a focus on stabilizing performance as operational changes take hold.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.29	$8.49	$1.61	$3.09	($6.66)	$1.13	$8.76	$6.28	$5.63	($8.84)	***$7.98***	***$10.18***
DPS	$1.25	$1.45	$1.65	$1.89	$0.54	$1.08	$2.58	$2.92	$3.07	$3.17	***$3.20***	***$3.71***
Shares[3]	28.4	27.7	34.0	44.5	41.3	43.3	45.2	43.5	42.1	34.9	***36.3***	***44.0***

Marriott Vacations Worldwide is positioned for moderate growth over the next five years, driven by steady revenue increases, cost efficiencies, and robust share repurchases. While consolidated contract sales have faced slight pressure from a higher mix of first-time buyers, the company's transformation initiatives and stable segment margins should help offset this. We expect the company to post EPS of $7.98 in 2026, which is the midpoint of analysts' estimates. Also, we

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[1] Estimated ex-dividend date.
[2] Estimated ex-dividend date.
[3] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

expect annual EPS growth of 5.0% over the next five years, leading to our estimated EPS of $10.18 by 2031. Moreover, the company has a growing record of paying dividends despite operating in a competitive healthcare sector, the company has paid an increasing dividend for the past five years. Thus, we expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 3.0%, leading to a dividend of $3.71 in 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.5	10.3	70.9	35.1	-19.3	84.7	18.1	24.1	29.4	--	***8.4***	***16.0***
Avg. Yld.	1.7%	1.7%	1.4%	1.7%	0.4%	1.1%	1.6%	1.9%	1.9%	3.7%	***4.8%***	***2.3%***

The stock trades at a forward P/E of 8.4, much lower than the long-term average P/E of 31.7. We assign a P/E target of 16.0 to the stock, matching the sector's median, which we feel is a fair reflection of its value. Accordingly, with an EPS of $10.18 and P/E target of 16.0, our target price for the stock stands at $163 by 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

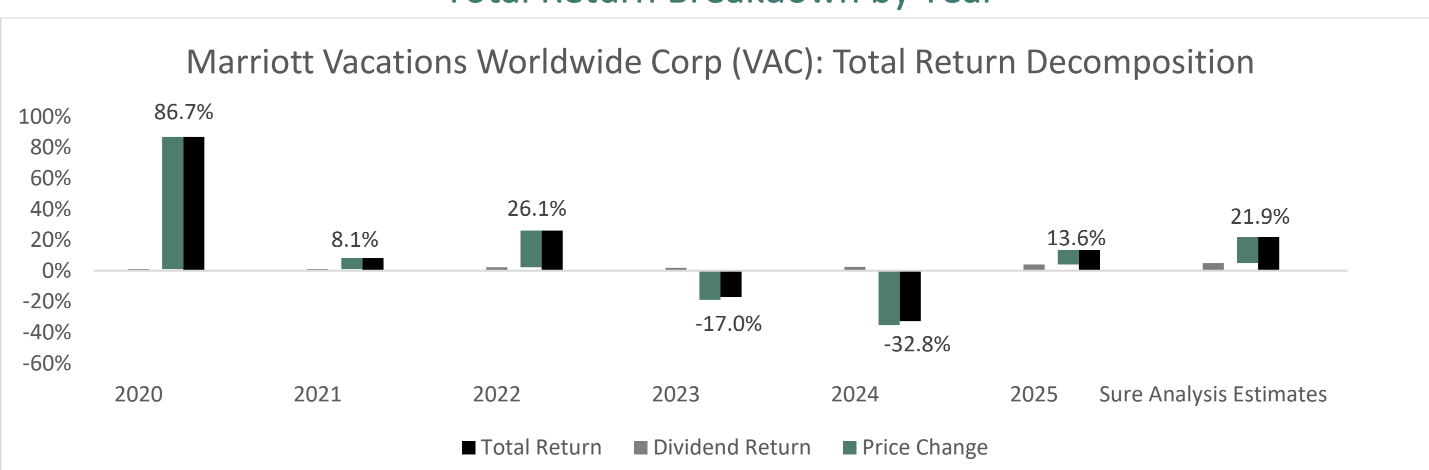
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29%	17%	102%	61%	-8%	96%	29%	46%	55%	--	***40%***	***36%***

Marriott Vacations holds a clear competitive edge through its strong brand partnerships with Marriott and Hyatt, offering trusted vacation ownership that builds loyalty. Historically, the timeshare model showed surprising resilience during the Great Recession, supported by prepaid owner fees and long-term contracts, though sales volumes did dip. During other downturns, like travel slowdowns or oil shocks, VAC's annuity-like revenue from management fees cushioned volatility. Its balance sheet shows $3.5 billion in corporate debt, with liquidity of $1.4 billion, including $406 million in cash and $787 million of revolver capacity, providing support alongside stable EBITDA. During Q4, the company repurchased shares as part of its $171 million total capital return to shareholders through dividends and buybacks during 2025.

Final Thoughts & Recommendation

Marriott Vacations Worldwide's competitive advantage lies in its strong brand affiliations and loyal owner base, driving repeat business even during downturns. During the Great Recession, prepaid fees and long-term contracts helped soften revenue declines. Similar resilience appeared through travel slumps and oil shocks. Therefore, our hold rating is premised upon the 21.9% annualized total returns for the long-term, derived from the forecasted earnings-per-share growth of 5.0%, the 4.8% dividend yield, a valuation tailwind, and a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,811	2,000	2,183	2,968	4,259	2,886	3,890	4,656	4,727	4,967
Gross Profit	681	654	765	1,100	1,701	696	1,453	1,985	1,818	1,855
Gross Margin	37.6%	32.7%	35.0%	37.1%	39.9%	24.1%	37.4%	42.6%	38.5%	37.3%
SG&A Exp.	437	434	494	725	996	540	844	1,056	1,096	1,162
D&A Exp.	22	21	21	62	141	123	146	132	135	146
Operating Profit	244	199	250	313	564	33	463	797	587	547
Operating Margin	13.5%	10.0%	11.5%	10.5%	13.2%	1.1%	11.9%	17.1%	12.4%	11.0%
Net Profit	123	122	235	55	138	(275)	49	391	254	218
Net Margin	6.8%	6.1%	10.8%	1.9%	3.2%	-9.5%	1.3%	8.4%	5.4%	4.4%
Free Cash Flow	83	106	116	57	336	258	296	457	114	148
Income Tax	84	76	5	51	83	(84)	74	191	146	89

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,400	2,391	2,845	9,018	9,214	8,898	9,613	9,639	9,680	9,808
Cash & Equivalents	177	147	409	231	287	524	342	524	248	197
Accounts Receivable	132	162	92	324	323	276	172	194	265	250
Inventories	669	713	398	863	859	759	719	660	634	735
Goodwill & Int. Ass.			-	3,935	3,919	3,769	4,143	4,028	3,971	3,907
Total Liabilities	1,423	1,484	1,804	5,552	6,183	6,216	6,627	7,141	7,298	7,367
Accounts Payable	139	124	145	301	286	209	265	356	362	343
Long-Term Debt	679	730	1,088	3,801	4,073	4,260	4,404	4,940	4,956	5,026
Shareholder's Equity	976	908	1,041	3,461	3,019	2,651	2,976	2,496	2,382	2,442
LTD/E Ratio	0.70	0.80	1.05	1.10	1.35	1.61	1.48	1.98	2.08	2.06

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.0%	5.1%	9.0%	0.9%	1.5%	-3.0%	0.5%	4.1%	2.6%	2.2%
Return on Equity	11.9%	13.0%	24.1%	2.4%	4.2%	-9.6%	1.7%	14.3%	10.4%	9.0%
ROIC	7.1%	7.4%	12.5%	1.2%	1.9%	-3.9%	0.7%	5.3%	3.4%	2.9%
Shares Out.	--	28.4	27.7	34.0	44.5	41.3	43.3	45.2	43.5	42.1
Revenue/Share	56.29	70.42	78.81	87.29	95.71	69.88	89.84	103.01	108.67	117.98
FCF/Share	2.57	3.73	4.19	1.68	7.55	6.25	6.84	10.11	2.62	3.52

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.