Marriott Vacations Worldwide Corp (VAC)

Updated August 4th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$97	**5 Year Annual Expected Total Return:**	12.1%	**Market Cap:**	$3.4 B
Fair Value Price:	$121	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	09/17/26[1]
% Fair Value:	80%	**5 Year Valuation Multiple Estimate:**	4.5%	**Dividend Payment Date:**	10/01/26[2]
Dividend Yield:	3.3%	**5 Year Price Target**	$154	**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 May 5th, 2026, the company announced results for the first quarter of 2025. The company reported Q1 non-GAAP EPS of $1.24, missing analysts' estimates by $0.47.

Marriott Vacations Worldwide reported a softer first quarter for 2026, with contract sales declining 2% year-over-year to $411 million, while net income attributable to common stockholders fell to $22 million from $56 million a year earlier. Adjusted net income decreased 34% to $43 million, and adjusted EBITDA declined to $161 million from $192 million. Within the Vacation Ownership segment, contract sales slipped as tours fell 3%, reflecting the company's deliberate strategy to prioritize profitability in the Asia-Pacific region and reduce tours involving lower-credit customers. Although volume per guest edged higher, profitability was pressured by increased marketing and sales costs, higher product costs, and greater unsold maintenance fee expenses. The Exchange & Third-Party Management segment also posted lower adjusted EBITDA, primarily due to weaker performance at Aqua-Aston.

Management reaffirmed its full-year adjusted EBITDA outlook, stating that first-quarter performance was broadly in line with expectations and projecting stronger results in the second quarter. CEO Matt Avril highlighted leadership changes, expanded sales and marketing expertise, additional cost-reduction initiatives, and progress on the company's asset disposition strategy as key steps to improve performance during the second half of the year. Marriott Vacations closed the sale of the Westin Cancun hotel during the quarter, generating $50 million in proceeds, while additional non-core assets have been listed for sale with expected gross proceeds exceeding $125 million this year. The company ended the quarter with $854 million in liquidity and remains on track to generate between $200 million and $250 million from non-core asset sales by the end of 2027.

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)	***$7.56***	***$9.64***
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

[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.

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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 $7.56 in 2026, which is the midpoint of analysts' estimates. Also, we expect annual EPS growth of 5.0% over the next five years, leading to our estimated EPS of $9.64 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	--	***12.8***	***16.0***
Avg. Yld.	1.7%	1.7%	1.4%	1.7%	0.4%	1.1%	1.6%	1.9%	1.9%	3.7%	***3.3%***	***2.4%***

The stock trades at a forward P/E of 12.8, 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 $9.64 and P/E target of 16.0, our target price for the stock stands at $154 by 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

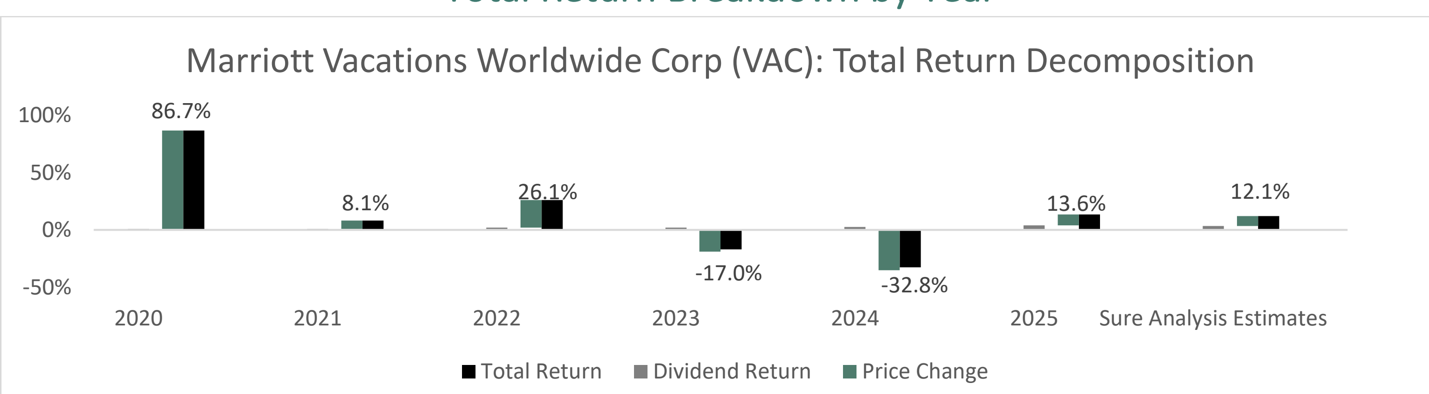
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29%	17%	102%	61%	-8%	96%	29%	46%	55%	--	***42%***	***38%***

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 Q1, Marriott Vacations did not repurchase any shares during the first quarter of 2026, compared with approximately 0.6 million shares repurchased for $50 million in the prior-year period.

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 12.1% annualized total returns for the long-term, derived from the forecasted earnings-per-share growth of 5.0%, the 3.3% dividend yield, a valuation tailwind, and a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,000	2,183	2,968	4,259	2,886	3,890	4,656	4,727	4,967	5,032
Gross Profit	654	765	1,100	1,701	696	1,453	1,985	1,818	1,855	909
Gross Margin	32.7%	35.0%	37.1%	39.9%	24.1%	37.4%	42.6%	38.5%	37.3%	18.1%
SG&A Exp.	434	494	725	996	540	844	1,056	1,096	1,162	0
D&A Exp.	21	21	62	141	123	146	132	135	146	149
Operating Profit	199	250	313	564	33	463	797	587	547	554
Operating Margin	10.0%	11.5%	10.5%	13.2%	1.1%	11.9%	17.1%	12.4%	11.0%	11.0%
Net Profit	122	235	55	138	(275)	49	391	254	218	(307)
Net Margin	6.1%	10.8%	1.9%	3.2%	-9.5%	1.3%	8.4%	5.4%	4.4%	(0.6)%
Free Cash Flow	106	116	57	336	258	296	457	114	148	(29)
Income Tax	76	5	51	83	(84)	74	191	146	89	8

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,391	2,845	9,018	9,214	8,898	9,613	9,639	9,680	9,808	9,757
Cash & Equivalents	147	409	231	287	524	342	524	248	197	733
Accounts Receivable	162	92	324	323	276	172	194	265	250	-
Inventories	713	398	863	859	759	719	660	634	735	692
Goodwill & Int. Ass.		-	3,935	3,919	3,769	4,143	4,028	3,971	3,907	3,669
Total Liabilities	1,484	1,804	5,552	6,183	6,216	6,627	7,141	7,298	7,367	7,764
Accounts Payable	124	145	301	286	209	265	356	362	343	-
Long-Term Debt	730	1,088	3,801	4,073	4,260	4,404	4,940	4,956	5,026	5,746
Shareholder's Equity	908	1,041	3,461	3,019	2,651	2,976	2,496	2,382	2,442	1,993
LTD/E Ratio	0.80	1.05	1.10	1.35	1.61	1.48	1.98	2.08	2.06	2.89

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.1%	9.0%	0.9%	1.5%	-3.0%	0.5%	4.1%	2.6%	2.2%	-3.1%
Return on Equity	13.0%	24.1%	2.4%	4.2%	-9.6%	1.7%	14.3%	10.4%	9.0%	-13.9%
ROIC	7.4%	12.5%	1.2%	1.9%	-3.9%	0.7%	5.3%	3.4%	2.9%	-4.0%
Shares Out.	28.4	27.7	34.0	44.5	41.3	43.3	45.2	43.5	42.1	34.9
Revenue/Share	70.42	78.81	87.29	95.71	69.88	89.84	103.01	108.67	117.98	144.18
FCF/Share	3.73	4.19	1.68	7.55	6.25	6.84	10.11	2.62	3.52	-0.83

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