Marriott Vacations Worldwide Corp (VAC)

Updated August 6th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$119	**5 Year Annual Expected Total Return:**	7.6%	**Market Cap:**	$3.5 B
Fair Value Price:	$121	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	09/17/26[1]
% Fair Value:	98%	**5 Year Valuation Multiple Estimate:**	0.3%	**Dividend Payment Date:**	10/01/26[2]
Dividend Yield:	2.7%	**5 Year Price Target**	$154	**Years Of Dividend Growth:**	6
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 August 6th, 2026, the company announced results for the second quarter of 2025. The company reported Q2 non-GAAP EPS of $2.31, beating analysts' estimates by $0.31 and revenue of $1.32 billion that were up 5.6% year-over-year.

Marriott Vacations Worldwide reported stronger second-quarter 2026 results, supported by broad-based improvement across its vacation ownership business. Contract sales climbed 22% year over year to $545 million, driven by a 23% increase in volume per guest (VPG) as product enhancements and operational improvements lifted average transaction values. While reported tours declined 1%, the company noted this reflected a deliberate strategy to prioritize higher profitability and cash flow in the Asia-Pacific region, with North American tours still increasing 3%. Net income attributable to common stockholders rose to $77 million from $69 million a year earlier, while adjusted net income increased 9% to $84 million. Adjusted EBITDA improved to $215 million from $203 million, reflecting stronger operating performance. Within the Vacation Ownership segment, adjusted EBITDA increased 7%, although margins narrowed due to higher marketing and sales costs as well as increased unsold maintenance fee expense, partly offset by lower product costs as a percentage of sales.

The Exchange & Third-Party Management segment delivered mixed results, with active Interval International members and average revenue per member both declining 2%, while adjusted EBITDA slipped 7%. However, segment profitability improved modestly, supported by higher margins. General and administrative expenses edged higher because of increased variable compensation, partially offset by operational savings. Marriott Vacations ended the quarter with $928 million in liquidity, including $211 million in cash, while its net corporate leverage ratio improved to 4.0x from 4.2x in the previous quarter. Reflecting confidence in business momentum, management raised its full-year 2026 outlook, increasing expectations for contract sales, adjusted EBITDA, adjusted net income, and adjusted free cash flow.

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***

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

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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 $7.56 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	--	***15.8***	***16.0***
Avg. Yld.	1.7%	1.7%	1.4%	1.7%	0.4%	1.1%	1.6%	1.9%	1.9%	3.7%	***2.7%***	***2.4%***

The stock trades at a forward P/E of 15.8, 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

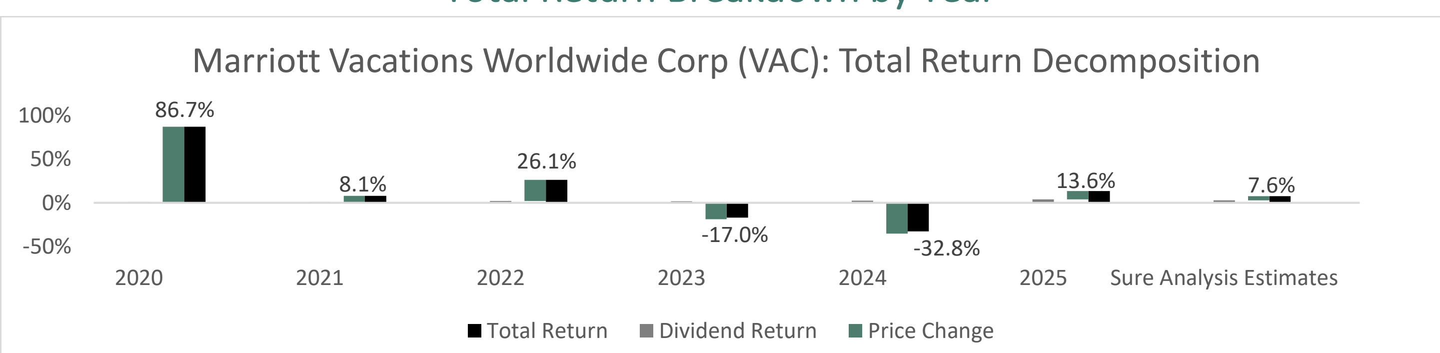
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29%	17%	102%	61%	-8%	96%	29%	46%	55%	--	***42%***	***38%***

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. During Q2, Marriott Vacations repurchased 0.5 million shares of its common stock for approximately $40 million, underscoring its continued commitment to returning capital to shareholders while maintaining financial flexibility.

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 7.6% annualized total returns for the long-term, derived from the forecasted earnings-per-share growth of 5.0%, the 2.7% 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.