Marriott Vacations Worldwide

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Stephen Grambling: All right, we're going to stick with timeshare to a degree here. We've got Marriott Vacations up next, Matt Avril, Mike Flaskey, and Jason Marino to talk about a lot of changes that are happening in the business. I think that- this isn't the company's first time at the conference, but I believe it is the first time that we've had both Matt and Mike, so welcome, first off.

Matt Avril: Thank you.

Stephen Grambling: Both of you have actually had a strong track record in the industry. As you started at the organization, and I realize that some of you had experience on the Board, what's maybe surprised you relative to what your perception was from both the outside and maybe from a Board standpoint, as we think about how you're thinking about effectuating change?

Matt Avril: Sure. A couple of things. As you pointed out, it's 6 months for me, having stepped in, in November and in a more permanent way in February when we announced Mike joining us and me taking on that role. I would say two things. The surprise, but also sort of what the opportunity was, and we had some basic cultural things that we felt like we could improve. We needed – and this is a consistent both phrase and focus that we've had from day one – which was to really provide a clarity of purpose as to what we're doing, allocate our resources accordingly, both as it relates to talent and capital.

And then thirdly, create a culture of both speed and yes/no decision-making. Speed matters, providing clarity to the organization matters. Human beings are really wired for- you tell me yes, and we'll get on it. You tell me no, I'll focus on the next thing. You tell me maybe, and then we lose time. And so that was a cultural focus day one.

I think the next sort of observation is one of those that you sort of know is there. But once you're truly in it, you get a greater appreciation. And that is really the strength of the affinity and loyalty to our brands. We have the Marriott Organization, overall, will be celebrating 100 years next year. That plays into- and you'll hear Mike talk more about opportunities within the Bonvoy database that we have, based on a very good relationship with Marriott International. And in fact, we were just up there visiting them recently. So that gives us a really unique starting point.

And that loyalty extends in our workforce, and it extends very much to our owner base. And we see and hear that very directly in communications from that owner base. And it's one of the things we'll talk more about this morning is that then manifests itself, if you look at the amount of time that people in our category, our demographic have available to them. We have more opportunity for certainly total addressable market, but we've also got significant opportunity with share of wallet with our existing customers.

So those were, I think- and I would say, lastly, the- we weren't winning, and we weren't performing for a couple of years, and people recognize that. People inside knew that. And the momentum we've been able to establish really over these last six months and in particular, the last three months, everyone wants to be a part of that. No one doesn't want to win. And so it's been really gratifying to see the effect of that. You know it's true. But once you get in there and you really see it starting to take place, I think that's been particularly gratifying.

So, the last piece I would tell you is we talked about this at our last call. We had some tough decisions to make, and those got made, and I'm a great believer in the benefits of continuity and longer-term culture, speaking shorthand. But I also believe the best organizations have a blend of that plus new ideas, new energy, new enthusiasm, different experiences, and we're really beginning to see that one plus one can equal three.

Stephen Grambling: I turn it over to Mike now. How about you? Anything that from, you're outside in and now that you've been at the organization, anything surprise you or inform you as you're thinking about the initiatives that you want to put in place?

Mike Flaskey: Yes. I mean, I would say the greatest positive that I saw coming in from the outside was the richness of the Marriott Bonvoy database and the number of records that are in there, the number of records that are untouched, and the amount of runway that we have before us, which is huge from a new member growth standpoint.

The other thing is the owner base, if you look at from a points standpoint, and you convert it to a week's equivalent. And then you look -- most of us know the average owner will buy 2.5 to 3x over the lifetime value, the delta between that is exceptionally large and much greater than I thought, which tells us that we have significant runway left in that owner base.

Stephen Grambling: Is there any reason why your owner base would be either more attractive in terms of upgrades or less attractive in terms of upgrades relative to peers? Or what sets apart the Marriott owner base; we just heard from Travel + Leisure, obviously, they said there's a skew higher over time. What does yours look like?

Mike Flaskey: Well, I think that the affinity, as Matt mentioned, to the Marriott family of brands is exceptional, and it's deep. And the aspiration- what I've seen is the aspiration of our members and owners to really aspire to own more of our product has really got me excited. One of the things that we spoke about on our earnings call was that we rolled out our new owner benefit levels – which is our loyalty tiers, to use different nomenclature. And it's just been exceptional to see the owners' response to that. We looked at the data, and we saw that 40% of our existing members' inventory resided in our top two tiers of our existing loyalty program. And so what that told us, given the exceptionally long life of an owner's life cycle in the Marriott Vacations world, was that if we could go out and not only enhance the existing loyalty benefits or levels that existed, but add – and we did, we added a Reserve level and a Pinnacle level above what was there – we thought the data said that that would be meaningful. And that's part of what drove the exceptional April that we talked about.

Stephen Grambling: Burying the lede a little bit, but yes, you referenced the 8% growth in April. We just heard from one of your peers that they think the strength has, if anything, accelerated in 2Q. What have you seen in your business? Is that strength holding? And what are some of the drivers of that improvement?

Mike Flaskey: Sure. We would tell you that we have been very pleased with May. And we feel that based on what we gave in the way of guidance, we're very comfortable with that. The trend has been very positive. I will tell you that in addition to the loyalty program that I spoke about, we also have what we call tour logistics, which is a very highly disciplined yield management platform that matches up the right salesperson with the right tour by using data to help make that decision. And based on that, it has really been meaningful. The combination of that and the combination of our new loyalty program that we rolled out, we've seen over a $4,000 average transaction increase, which we've held close rate in the meantime. And so, other than a little bit of variable cost associated with the incremental sales, that's highly accretive business that will flow through.

Stephen Grambling: You kind of touched on a few of these just now with what sounds like the loyalty tiers as well as kind of yield management with the tours. What are some of the other major initiatives that you're working on, not only for this year, but as we look out over the next couple of years because sometimes there is a bit of a lead time of how you see the impact build?

Mike Flaskey: No, it's a very fair question. We are going to June 8, next Monday, we- and we've said this, we're going to launch what we call our premier vacations platform, and our premier vacations platform is a point-of-sale incentive that allows us to offer someone, a new member or an existing owner that's purchasing, an opportunity to get a premier vacation over and above what they're purchasing. But more than that, what it does is it keeps them in our ecosystem, and that incentive is intended to drive them back through the Marriott family of resorts. And based upon that, what we know from history is we know that this program will yield an extremely high tour rate when they come back, and it will be our top-performing VPG as far as all of the programs that we have.

Matt Avril: I'd add one quick comment to that, Steve. If you look at what we're generating and talking about right now and talked about in May, is the lift in VPG. And Mike referenced the ability to raise average transaction price, while at the same time holding close rate. That's the most powerful math in this industry. That's what generates flow-through that can create improving margin over time. So, you really can't understate that. But to do at the same time what we're describing, everybody has some version of a first day benefit.

What we've done now is emphasize what will be a return emphasis to our properties. And that then begins to build that pipeline more so even next year. So, there's enhanced value at the time of today's sale which can help with VPG. But there's also then the second wave pipeline that starts showing up in '27, '28, so we get asked that question about how you take these positive trends we're seeing, and then you're able to sustain that going forward.

Stephen Grambling: Will that benefit certain locations more than others or first?

Mike Flaskey: Right. When we designed this program, the engineering is designed to drive these premier vacation packages back to our highest VPG conversion locations. So, our product development team works very hard on creating the best experience they can at the locations where we know that we have the highest conversion.

Stephen Grambling: Highest conversion, not just price.

Matt Avril: Strongest talent.

Stephen Grambling: Okay. And is there any -- there were a lot of back and forth with sales folks? You know, are you at the right place in terms of having the team in place? Or is that always evolving now?

Mike Flaskey: No, look, I will tell you that staffing in this industry is absolutely the key. It begins and ends with staffing because you can't properly performance manage, you can't properly segment, you can't properly run our tour logistics unless you're properly staffed. And so that is an opportunity for us.

And more you asked about kind of long range, we're launching our event platform, Inner Circle, on June 22. We've got Country Music Superstar, Lee Brice, that's going to kick off in Orlando. We're going to do probably 40 to 50 of these events between now and the end of the year to get our Marriott team accustomed with how to produce these types of events. And this is all intended to drive incremental tour flow, because what we know, at Marriott, what I identified as a real opportunity is we are not at the level of our public company peer group when it comes to owner arrival to tour percentage. And so, we've got a lot of low-hanging fruit, and that is really a key opportunity for us. And by creating these events, we know that even when you're at run rate where you should be and where our other peers are at, you'll get an incremental 1,000 basis points or 10 percentage point increase if you have these events for folks that just wouldn't take a traditional tour, but they'll go see Lee Brice, bring their family to the show, and then they'll show up the next day at the sales gallery with an open mind.

Stephen Grambling: Sounds like great Investor Day opportunities. I'm just going to throw a shameless plug in there.

Mike Flaskey: No, we might have done that before.

Stephen Grambling: It could be an owner opportunity. New owner opportunity, too. I guess one follow-up, maybe on that a little bit is do you find that those will also be a tool for them, new owners, as well as existing owners over time? And as part of that, how has the owner base -- we asked this to Travel + Leisure as well, how has the owner base evolved? And how do you see it evolving from here?

Mike Flaskey: Yes. Well, first off, let me answer the first part of it. We have a laser focus on our first-time buyer. We like the mix that we're running at right now, which is in the 70-30 range, right, 70% existing, 30% first-time buyers. We have the ability to turn that dial whenever we want to ratchet that up, given the richness of the Marriott Bonvoy and the World of Hyatt database -- databases, I should say. We're being very strategic and being very thoughtful about how we're going about this transformation. And the answer to the question as it relates to the Inner Circle platform, augmenting the first-time buyer, the answer is absolutely yes. The program is created for our owners, and the intent is to help us increase the lifetime value. And if we do our job and make the customer journey better, then hopefully we'll get to participate in a little bit more wallet share over that customer journey. But while we're doing that, we will absolutely add first-time buyers to these events.

Matt Avril: And let me make one quick comment on that. We've talked about the owner benefit levels and now our events platform and the various things we're doing, and they all do feed and support one another. These events, they're going to be a limited seating. So, these are not mass marketed. If you're in Orlando, you can come do this, this becomes the by-invitation.

Stephen Grambling: My Investor Day, I think-

Matt Avril: And where you start is with those highest tier owners. And so- and consumers like to differentiate themselves, and we're giving them more opportunities to do that and more rewards for doing that.

Stephen Grambling: Yes. So going back to something that you said earlier about the strength of the Bonvoy database. How has that database changed over time, and do you envision that being the primary source for new customers? Or are there new opportunities that you see out there as well for new tour flow?

Mike Flaskey: It's a great question. And as I have said a couple of times, we have a ton of runway inside both the Marriott Bonvoy database and the World of Hyatt database. But in addition to that, one of the things that we have not done in this company that our competitive peer group does very well is what I call partnership marketing opportunities, right? I think Bass Pro Shop would be a great example of that, and there are many others. And so, we are in the process of building a team that will go out and look for the next incremental partnership opportunity.

We think that in our family of brands across the country, frankly, across the world, there is opportunity to be inside hotels that today we don't have sales galleries in, to basically sell what we would call our preview package to get people to come to one of our 120 resorts around the globe to take a presentation. We don't really capitalize on that opportunity today. So, from a tour flow generation standpoint, the world is our oyster.

Matt Avril: One quick comment. We actually -- with not only some new folks on our team as is evidenced today, but also some of our existing executives in different roles, we had the opportunity to go spend a day with Marriott in particular, to explore some of the things that they're doing and the partnerships that they have. And it was really clear, leaving that day that those opportunities are significant, and we can do much more together and mine some of those relationships.

Stephen Grambling: When you think about going after those new partnerships. Does that require any incremental investment in inventory to match that customer base? Or do you have enough inventory where you're flush with it and so you'll be able to continue to add the owner base.

Jason Marino: Yes. We've got good inventory to support the growth of our business. As you look through it, we came out over the last couple of years as a result of some of our sales that we actually think we have too much inventory now, and we're working to get that down to a lower level here over the next couple of years. And so, if you even look at our cash flow last year, we had negative outflow of cash related to our inventory spending. And this year, we expect that to flip more to be neutral. So, we're working to get that inventory down, but we feel good about our inventory position and our ability to support the growth that Mike and Matt are talking about.

Matt Avril: And there was a comment made this morning, and we've made similar comments. As a 40-year-old enterprise in the industry, we have that same natural churn opportunity. So, you have inventory coming back through that channel, and then strategically adding new inventory as we go forward. And we've talked about that. It's got to meet two tests. It's not just doors in the system, but it creates distribution. One of the projects that we've highlighted is Nashville coming online in -- towards the end of '27. And we think it's going to be a highly demanded location for our owners to use for all the entertainment and those- but we think it's also going to be very powerful as a 12-month-a-year distribution environment. And so, when we look at new sites, we're looking at those that can do that.

Stephen Grambling: Is there- I guess there's a balancing act because on the one hand, I'm sure that you have some owners who have been in the system for a very, very, very long time, and probably have inventory that you want to be able to recapture. On the other hand, I also would think that you'd want to increase engagement in some cases and reduce churn. So, what's the feedback mechanism you have from owners as you've maybe gone on a- you can imagine a little bit of a tour of trying to talk to owners, what are you hearing from them, to understand their level of satisfaction?

Matt Avril: A couple of things. One, we've both gotten out in the field a lot. I've probably been to 16. We were at 2 more this past week on the road. And also, we get feedback directly. And one of the things you learn very quickly is I think I was on the job in November about four days before it was pretty clear people were figuring out our e-mail system. So, the e-mails that would come directly to my office started up pretty quickly. We have 700,000 owners, and we're going to hear from them. But what you see in our guest satisfaction scores are extraordinary. They're terrific within the brand measurement that Marriott and Hyatt have overall and terrific on both a nominal basis and relative basis.

So, we hear from them every day, every week with regard to satisfaction, and we know we're delivering a terrific vacation experience. And then the second element, which, again, now these things speed as we now add in these very unique experiential events that become our Inner Circle type events, you're adding to the proposition of that sense of satisfaction and loyalty. And we're very focused on the things that we can do to constantly improve that. But we have plenty of feedback mechanisms for them to tell us how they're doing and how they see our product in their ongoing vacation lives, whether it's next-gen within their family or they've reached a natural sort of end-of-use cycle, and we've got an answer for that as well with them in our various programs that allow them to ultimately move out of their ownership, if that's what's best for them.

Mike Flaskey: You asked me early on one of the things that has been kind of a surprise or one of the unique things that I've picked up on. Frankly, it's the lifetime value of how long the owner stays in the Marriott system. I've been in this industry a long time, workplaces. It's twice as long here as anywhere else I've ever seen, and that's very, very impressive. And the level of engagement is extremely high. Frankly, I think we may be the only company in the industry that offers a resale service to our existing members when they want to get out of it, and it's a pretty large piece of our business. And I feel really good about the lifetime value, about the engagement of the customer, about the foundation that this company has built around making sure that they take care of the owner and a really, really nice thing.

Stephen Grambling: Is there almost like an upper bound in terms of how much you can sell to the existing base as we think about amount of inventory you have or occupancy that's by them?

Matt Avril: Yes. I'll just say a couple of things real quickly, and I'll turn it back to Mike. We run 90% occupancy fundamentally system-wide in our 35,000 doors. So we have a terrific base of customers, both from our owners using the product and evidencing their satisfaction by their use as well as from a marketing perspective, obviously, being able to reach out and invite and be able to talk to those owners while on-site in their vacation environment. So that's a huge element of a part of that question. I'll let Mike go ahead and add some other comments in that regard.

Mike Flaskey: No, no. No, I think you summed it up beautifully.

Stephen Grambling: Is there any way to split out what -- of that 90%, what's kind of rentals and packages that are being used to market versus what's kind of true owner occupancy?

Jason Marino: Our owner occupancy runs 65% to 70%, which is pretty high for the industry. And then we make up the additional components through what you talked about, with some of the marketing packages as well as the transient rentals, so that gets you up to 90%.

Stephen Grambling: And how have you used the marketing packages similar or different versus historical? And are you seeing any change in trends in terms of people looking out, we think about it as an indication of demand going forward?

Matt Avril: You know, it's interesting. First of all, I'll talk about the demand topic two ways. One is, if you were to just step back and say, what is the role of experiences generally and experiential travel and everybody in this room, and your extended families. You know, if you had over the last 20-plus years, that macro trend: do I want stuff or do I want experiences? And I would say the shift towards experiences has been sustained and dramatic. And you see it in a lot of the macro travel trends that you'll be talking about over these couple of days. So that's sort of number one.

The other part is, from a demand standpoint, this is a ultimately direct marketed and direct sold product, so we're not sort of reliant on or dependent on somebody saying, "Today is the day I'm going to walk in and do this." We schedule that forward-leading pipeline. We know who's going to be on our properties from a reservation standpoint, and we're going to introduce them to a well-trained, well-motivated sales executive. So, there is -- yes, there's a broader macro background of demand that I absolutely think exists and is going to go forward even stronger. And then there's that secondary core expertise that we have, which is direct marketing and direct sales.

Mike Flaskey: Which- and I will double click on that, and I thought that Mike Brown did a really nice job speaking to that this morning. We get a lot of questions about the macro economy, and we get a lot of questions about consumer sentiment. And for all the reasons that Matt just articulated, people are still going to take a preview discounted vacation. An owner has already prepaid their maintenance fee. We have 90% occupancy on a year-round basis, and that is really what sets this industry apart from the general hospitality industry. I won't go as far as saying it's recession proof, but it's very resilient. And you can look back at the major significant events, whether it's 9/11, the Great Recession on and on, and this business was the first to bounce back every time in the greater hospitality space.

Jason Marino: Also, a very variable cost structure.

Stephen Grambling: One of the other topics that came out of the first quarter was just around the health of the receivables portfolio for the whole industry, really. Wondering if you could just share and maybe this is for Jason, what KPIs you're looking at to assess the health of the portfolio? Are there any kind of leading indicators that you think about when you're looking at both delinquencies and provisions?

Jason Marino: Yes. I think it's -- the portfolio is, number one, performing very well. 80% of our customers, just even tying it back to our prior conversation, 80% of our customers don't have a loan. So, this is really to support sales. The owner base is very stable. Delinquencies continue to perform well within our expectations, especially in the more recent vintages as we talked about on our first quarter call, and so that those trends continue.

As you think about KPIs, it is about that customer satisfaction, getting people on vacation to use their ownership. And that's really the most important thing that we can do. Mike's talked about the Inner Circle events and some of those new programs. Those are going to enhance the owners' experience, keep people in the product longer. And so it's really, as you think about the overall loan portfolio, it's really about getting people on vacation, using what they bought, delivering on that brand promise, which we do a great job of to really make sure that people are happy with their ownership.

Stephen Grambling: Is there anything that you do or could do different in terms of how you leverage the financing part of the business to try to either drive sales in the near term or improve the experience from a tour conversion standpoint?

Jason Marino: Yes. Our product has been relatively stable for- we offer a 10 and 15 year financing to consumers to buy at the portfolio, at the sales center. And that product has been well-performing. It's a fixed rate product, freely prepayable at any time. So, you can sign up. It enables an easier transaction at the table versus coming up with, let's say, the cash, and then you can go home and prepay it, and we have high prepayment rates, call it, in the first 18 months, as people get home and decide to prepay it, pay cash. So that's really how the product is envisioned in terms of the financing component.

Stephen Grambling: Great. And then turning to margins. How should investors think about the right level of kind of long-term development profit margins?

Jason Marino: Yes. So I think as you think about development profit margins and going back to what Matt said earlier, as we continue to leverage VPG, we should see some flow-through on the margins because at VPG, you have minimal- you know, a lower percentage variable cost against that in the form of commissions and credit card fees and things like that. So, you will get better flow-through as we grow VPG versus, let's say, on the tour side. Longer term, we talked about product cost may be going up a little bit. So that will be a little bit of an offset. We expect the provision to remain constant with what we've talked about in the past. So, the leveraging of the VPG should drive development profit up a little bit here over the next couple of years.

Stephen Grambling: And you talked about some difficult decisions that were made to reduce costs and some capacity. Are there additional savings to be thought about or that are already being evaluated?

Matt Avril: I think the short answer is yes. I mean, we should always be doing that, and we talked about that as a leadership team, which is how do we most efficiently deliver what we need to deliver, both for the benefit of our owners, whether it's their HOA costs or whether it is ultimately for the benefit of our shareholders, how well we run that business. So, we are always going to be intensely focused on that part of the business.

The sort of the "and" in that is we're also flipping the mindset and performance of the company to that of a growth company. Companies are either increasing their vitality and sense of growth or they're not. And I would tell you that was an inflection point over this last six months was shifting that mindset. So, I'm sure we'll have areas where we will need to invest to support the growth.

Technology is one of those areas that you sort of feel like you can never be far enough ahead, but you also have to balance that with good ROIs for the things you want to go do. And just like everybody else, we're taking a look at where can AI make a difference in our businesses, and it is both clearly in a lot of those areas of where you're generating, manipulating and evaluating information, and that's clearly an area of focus for us. And that information, be it from a financial and monitoring the business, or helping and driving what we do from a sales and marketing perspective, from an execution- we are in the top of the first inning of that. We're not even close to what that could potentially become, so I wouldn't even hazard a guess as to what its ultimate impact will be for us.

Stephen Grambling: Do you think that it's more likely to be revenue versus margins? Even too early for that?

Matt Avril: I would say it's a little bit too early for that. I think the drivers for revenue, we are very confident in. And as Mike has said in a number of settings, we have things that we have collectively done before. And you're looking at 70 years of experience in the business, and so we're very confident in the revenue. Clearly, AI ought to be able to help us on both the quality of information we make available to our leaders to make decisions and the cost to produce it, and those are a couple of areas we'll definitely be focused on.

Stephen Grambling: Great. Similar to one of your peers that we got all the way to the end here, and I haven't really talked about the exchange part of the business, which has been a tougher area for the entire industry. Curious what do you think about as being the biggest opportunities to stabilize or even return that segment to growth?

Matt Avril: The timing of your question is prescient. Last week, I actually spent a day down in Miami, with our leadership team at Interval International. And that's the exact conversation we had, which is: so, to the degree that the sort of total yield from transactions – deposits and exchange, that's the traditional model – if there is a sort of sense of longer-term atrophy in that part of the business. By the way, the reason is because companies like ours have brought more of that in-house, so it's not like they get vaporized. In our case, we brought a lot of that into the Marriott business model. But we have a significant owner base there. We had a customer base.

We have 1.5 million customers and the challenge that we're putting on the table is how do we better monetize that beyond our traditional means. The business model itself leads to some inefficiencies and unused inventory. So that's a high priority focus. So, I would tell you that the emphasis on how we generate more opportunity beyond the traditional lens that everybody has thought about for a very long time is where the focus is, and they're excited about it.

Stephen Grambling: Are there synergies from that business still being connected to ownership segment? Or would you say that this could be at some point, something where you think about- could we separate these two businesses?

Matt Avril: I think the short answer is it's more the latter than the former. So, it is a business that can stand on its own.

Stephen Grambling: Maybe one last one on capital allocation. Just to put it all together, how do we think about the long-term kind of conversion to free cash flow and then how you allocate that free cash?

Jason Marino: Yes. So, starting with the cash flow conversion, our target over the long term is call it that 50% number. This year, we'll be just over that, based on our guidance, and we expect that to continue as we go forward. But I think that's the right ZIP code. And then the question is how do you deploy that cash. Right now, we're at about 4.2x leverage, so a little bit higher than we'd like to be. So, combination of EBITDA growth and debt repayment will get us kind of closer down below that 4x, and then we can be more aggressive buying back our shares, absent other investment opportunities.

The nice thing about this business is when we talk about free cash flow and conversion, it is really after supporting the growth of the business and the inventory spending and things like that. So, this business is self-sustaining, and still drives a significant free cash flow conversion, which allows us to deploy it. We do pay a 3.5% dividend. We feel comfortable paying a good return for shareholders as well.

Matt Avril: And I wouldn't understate the capital allocation is rooted in the cash production, both from a growing business as well as what the team does in the ABL markets. This is a paper class that has had a very long history of performing, team that we have that execute those transactions. We got very effective pricing and execution in our most recent transactions, so we're very confident in the ability to generate the capital and then further allocate it between those choices you identified.

Stephen Grambling: On the -- you referenced free cash flow being available for all these different areas. But there's also some assets that were being sold over there. Maybe just remind us of what some of those were? And are there other opportunities to sell assets to then maybe accelerate that debt pay down and pivot to buyback?

Jason Marino: Yes. So, we did sell one asset earlier in the year, the Westin Cancun Hotel. We have a number of other assets that have been listed over $100 million that we expect to sell this year as part of that. And in total, excluding the $50 million that we've already closed on, we think that number is in the $200 million to $250 million range over the next few years. So that will also help with our debt repayment or share buyback strategy as we move forward. So, you're right, that was in addition to that free cash flow conversion that we talked about.

Stephen Grambling: Great. Well, we are a little bit over with that. That's a good way to end it. So please join me in thanking the entire Marriott Vacations team.

Matt Avril: Thank you.

Mike Flaskey: Thank you.

Jason Marino: Thank you.

Stephen Grambling: Thank you.