

MARRIOTT VACATIONS WORLDWIDE CORP

FORM 8-K (Current report filing)

Filed 04/02/20 for the Period Ending 04/02/20

Address	7812 PALM PARKWAY ORLANDO, FL, 32836
Telephone	(407) 206-6000
CIK	0001524358
Symbol	VAC
SIC Code	6531 - Real Estate Agents and Managers (For Others)
Industry	Hotels, Motels & Cruise Lines
Sector	Consumer Cyclical
Fiscal Year	12/31

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

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 2, 2020

Marriott Vacations Worldwide Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35219
(Commission
File Number)

45-2598330
(IRS Employer
Identification No.)

6649 Westwood Blvd. Orlando FL
(Address of principal executive offices)

32821
(Zip Code)

Registrant's telephone number, including area code (407) 206-6000

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	VAC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On April 1, 2020, Marriott Vacations Worldwide Corporation (“MVW,” the “Company,” or “we”) entered into an Omnibus Amendment No. 1 to its December 20, 2019 warehouse facility among MVW, Deutsche Bank AG, Bank of America, N.A., Credit Suisse, AG, Truist Bank, Wells Fargo Bank, N.A., Fifth Third Bank, N.A., HSBC Bank USA, N.A. and MUFG Bank, Ltd. (the “Warehouse Amendment”). The Warehouse Amendment increases MVW’s non-recourse warehouse credit facility by approximately \$181 million, to approximately \$531 million. The revolving period for the existing \$350 million warehouse facility terminates in December 2021, if not renewed. The additional \$181 million facility terminates in March 2021, if not renewed. The warehouse facility presently primarily bears interest at LIBOR plus 1.4%, and previously primarily bore interest at LIBOR plus 1.1%. After giving effect to the Warehouse Amendment, the Company has more than \$310 million of capacity.

Item 8.01 Other Events

On April 2, 2020, we issued a press release announcing the execution of the Warehouse Amendment. The press release is attached as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are furnished with this report:

Exhibit Number	Description
<u>99.1</u>	Press release issued on April 2, 2020
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document
104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL (included as Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

(Registrant)

Dated: April 2, 2020

By: /s/ John E. Geller, Jr.

Name: John E. Geller, Jr.

Title: Executive Vice President and Chief Financial and Administrative Officer

NEWS



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Marriott Vacations Worldwide Increases the Borrowing Capacity of its Warehouse Credit Facility

ORLANDO, Fla. - April 2, 2020 - Marriott Vacations Worldwide (NYSE: VAC) announced today that it has amended its non-recourse warehouse credit facility (the “Warehouse Facility”), expanding its borrowing capacity to \$531 million, an increase of \$181 million.

"Our ability to amend our warehouse credit facility at attractive terms at this time reflects the strength of our business model and the resiliency of our cash flow," said John E. Geller, Jr., executive vice president and chief financial and administrative officer.

Under the agreement, the termination date for our existing \$350 million warehouse facility remains December 2021, if not renewed, with the additional \$181 million borrowing capacity terminating on March 31, 2021. The warehouse facility primarily bears interest at LIBOR plus 1.4%. After giving effect to the amendment to the Warehouse Facility, the Company has more than \$310 million of capacity.

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About Marriott Vacations Worldwide Corporation

[Marriott Vacations Worldwide Corporation](http://www.marriottvacationsworldwide.com) is a leading global vacation company that offers vacation ownership, exchange, rental and resort and property management, along with related businesses, products and services. The company has a diverse portfolio that includes seven vacation ownership brands. It also includes exchange networks and membership programs, as well as management of other resorts and lodging properties. As a leader and innovator in the vacation industry, the company upholds the highest standards of excellence in serving its customers, investors and associates while maintaining exclusive, long-term relationships with Marriott International, Inc. and Hyatt Hotels Corporation for the development, sales and marketing of vacation ownership products and services. For more information, please visit www.marriottvacationsworldwide.com.

Note on forward-looking statements

This press release contains “forward-looking statements” within the meaning of federal securities laws, including statements about expected cash savings, future liquidity, preservation of financial flexibility and other statements concerning anticipated future events and expectations that are not historical facts. The company cautions you that these statements are not guarantees and are subject to numerous risks and uncertainties, such as: the effects of the COVID-19 outbreak, including reduced demand for vacation ownership and exchange products and services, volatility in the international and national economy and credit markets, worker absenteeism, quarantines or other travel or health-related restrictions; the length and severity of the COVID-19 outbreak; the pace of recovery following the COVID-19 outbreak; competitive conditions; the availability of capital to finance growth, and other matters referred to under the heading “Risk Factors” contained in the company’s most recent Annual Report on

Marriott Vacations Worldwide Increases the Borrowing Capacity of its Warehouse Credit Facility / 2

Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) and in subsequent SEC filings, any of which could cause actual results to differ materially from those expressed in or implied in this press release. These statements are made as April 2, 2020 and the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.