

LAND and BUILDINGS

Land & Buildings Believes Hilton Grand Vacations' Proposed Acquisition of Diamond Resorts Would Overpay for the Company, Cede Control to Apollo and Dilute Shareholders

Land & Buildings Sends Letter to HGV Shareholders and Releases Presentation Outlining Serious Issues with the Proposed Acquisition

Highlights the Company's Recent Misleading Statements Regarding the Deal

Believes HGV is More Valuable on a Standalone Basis and Intends to Vote Against Proposed Transaction

STAMFORD, Conn. — (May 3, 2021) – Today Land & Buildings Investment Management LLC (together with its affiliates, “Land & Buildings”), a shareholder of Hilton Grand Vacations Inc. (“HGV” or the “Company”) (NYSE:HGV), sent an open letter notifying HGV shareholders it intends to vote against the Company’s proposed acquisition of Diamond Resorts International, Inc. (“Diamond”) from Apollo Global Management, Inc. (“Apollo”).

Land & Buildings today also released a presentation outlining its serious issues with the proposed deal, which can be found [here](#).

Previously, on April 20, 2021 Land & Buildings sent a private letter to HGV’s Board of Directors (the “Board”), which can be found [here](#).

The full letter to shareholders follows:

Dear Fellow Hilton Grand Vacation Shareholders:

We are deeply concerned that Hilton Grand Vacations’ proposed acquisition of Diamond Resorts is not in the best interests of all shareholders. We believe the proposed transaction amounts to a transfer of control to Apollo and HGV management without payment of an appropriate control premium. As a result, we intend to vote against the transaction.

We believe HGV is more valuable on a stand-alone basis. As recently as last year, the Board apparently agreed, stating in its proxy, “...it would be in the best interest of HGV’s stockholders to remain a standalone company...”¹

Our principal concerns regarding the proposed acquisition are as follows:

- HGV is overpaying for Diamond Resorts at 10x 2019 EBITDA, which is a lower end unbranded time share business that is widely acknowledged to warrant a lower valuation than the branded companies of Hilton and Marriott. This fact was noted by Bank of America in its fairness opinion;²
- HGV is effectively ceding control to Apollo which will own 28% of the Company. The proposed acquisition will give Apollo the right to at least two Board seats and will lock in Apollo’s support for the Board and management through standstill and voting obligations;
- HGV’s growth profile is materially impaired with Diamond, as HGV’s standalone EBITDA is poised to grow 16% annually between 2022-2025, well ahead of Diamond’s 4% growth, as outlined in the proxy;³
- HGV is diluting current shareholders by expanding its share base by one third at \$40.55, a steep discount to fair value of \$55 when applying the Marriott Vacation multiple to HGV’s 2022 EBITDA forecast.⁴

The detailed presentation discusses each of these points and highlights our serious concerns with the proposed acquisition.

Initially we sought to express these concerns to HGV's Board privately by delivering a letter to the Board on April 20, 2021. We were extremely disappointed with the Board's decision to publicly disclose our private letter and issue a 13-page presentation during our long-scheduled call with management last Friday, April 30, 2021. We believe this demonstrates the Board's willingness to disregard the views of its shareholders and further solidifies our belief that the proposed acquisition is not in the best interests of shareholders.

We believe HGV should remain a standalone company and that the proposed deal is not the best path forward for the Company. For these reasons, we intend to vote against the proposed acquisition.

Sincerely,



Jonathan Litt

Founder & CIO
Land & Buildings Investment Management, LLC

Media Contact:

Dan Zacchei / Joe Germani
Sloane & Company
212-486-9500
Dzacchei@sloanepr.com
JGermani@sloanepr.com

¹ See HGV Schedule 14A filed with the SEC on April 30, 2021.

² See HGV preliminary proxy statement filed with the SEC on April 15, 2021.

³ EBITDA forecasts disclosed in HGV preliminary proxy statement. HGV EBITDA based on HGV management's forecasts and Diamond EBITDA based on HGV management's adjustments to Diamond management's forecasts.

⁴ See HGV preliminary proxy statement filed with the SEC on April 15, 2021. Share price represents price utilized in proxy statement of March 5, 2021. HGV standalone value based on VAC's EBITDA multiple disclosed in proxy statement and HGV management's 2022 EBITDA projection.