



# VAIL RESORTS®

EXPERIENCE OF A LIFETIME™

**ALPHA** **CHALLENGE**  
Kenan-Flagler Business School  
The University of North Carolina

**December 1st, 2022**

**Students:** Alyssa Garrett Wilson, Jesse Friedlander & Jack Russ

Long: Vail Resorts, Inc. (NYSE: MTN)

Current Price: \$243.36 (11/18) | 1Y Target Price: \$283.98, 21% Return (including dividends)

## Overview

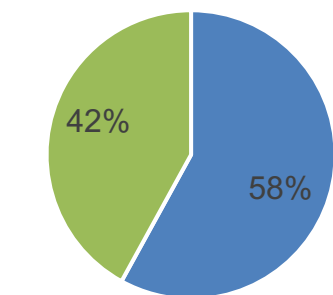
***MTN can continue to increase EPIC pass penetration & prices, consolidate domestically, and grow internationally while providing best-in-class returns***

**Vail Resorts Inc. (NYSE:MTN) operates 41 mountain resorts globally, including 7 of the top 10 most visited resorts in North America**

### Revenue Breakdown

- Largest revenue driver is lift ticket sales, including EPIC pass products. MTN also drives revenue through sale of ancillary products and services (e.g., ski school, retail, rentals, and dining)
- Destination guests generally purchase higher-priced lift tickets and use more ancillary services, effectively driving increased \$ spend per visitor
- Lodging revenue sourced from resort hotels and condominiums

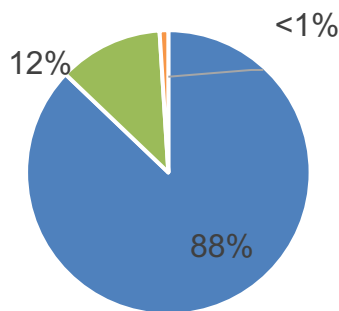
**MTN Skier Demographic**



■ Destination Guests

■ Local Guests

**MTN Revenue**



■ Mountain

■ Real Estate

■ Lodging

### Market Value

Share Price	\$243.36
(x) Shares Out. (000)	40

**Market Cap** **\$9,599**

(+) Debt \$2,734

(-) Cash \$1,126

**Enterprise Value** **\$13,512**

### Trading Statistics

IPO Date	2/3/97
IPO Price	\$22.00
Current Price	\$243.36
52W Low	\$201.91
52W High	\$350.71
Short Interest (%)	2.3%

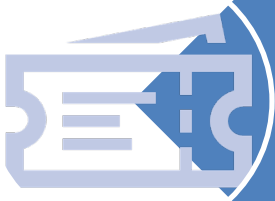
### Multiples<sup>(1)</sup>

EV / EBITDA	12.6x	Debt / EBITDA	3.3x
P/E	21.1x	Net Debt / EBITDA	2.0x

### Historical Financials (FY, ends July 31)

	17	18	19	20	21	22
Revenue	\$1,907	\$2,012	\$2,272	\$1,964	\$1,910	\$2,526
% Growth	19.1%	5.5%	12.9%	(13.6%)	(2.7%)	32.3%
GAAP EBITDA	\$584	\$616	\$700	\$497	\$533	\$829
% Growth	30.2%	5.3%	13.7%	(28.9%)	7.2%	55.5%
% Margin	30.6%	30.6%	30.8%	25.3%	27.9%	32.8%
Net Income	\$211	\$380	\$301	\$99	\$128	\$348
% Growth	40.6%	80.4%	(20.7%)	(67.2%)	29.4%	172.1%
% Margin	11.0%	18.9%	13.3%	5.0%	6.7%	13.8%
EPS	\$5.36	\$9.40	\$7.46	\$2.45	\$3.17	\$8.60

## Investment Thesis



Consistent EPIC pass penetration, price increases, and increased spend per skier poised to grow revenue by high single digits



Opportunistic M&A consolidation in the US and abroad will enable future growth and improve portfolio



Disciplined capital allocation policy will continue to drive attractive returns on capital

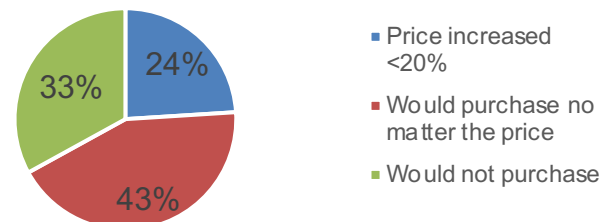
## Thesis #1

***EPIC pass products provide superior value v. competition. Revenue growth driven by a combination of pass penetration, price increases & ancillary rev.***

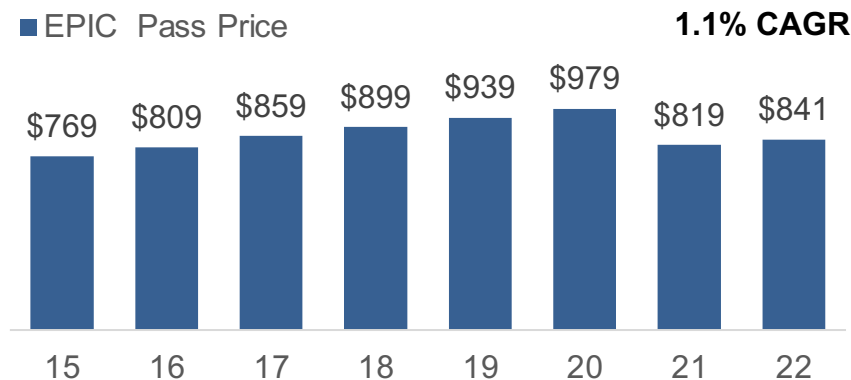
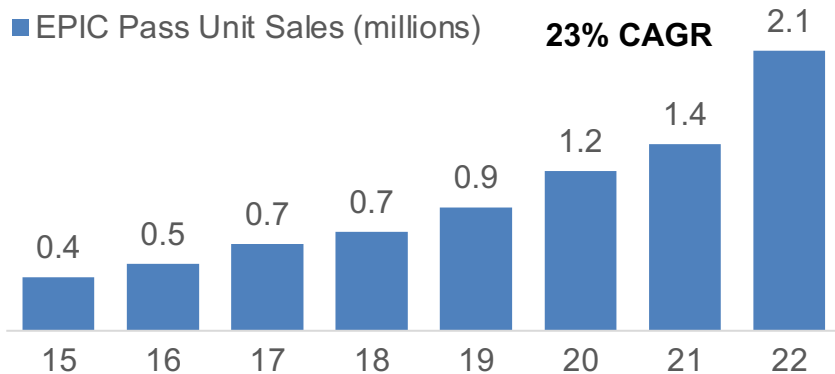
### EPIC is 27% cheaper than competing IKON, despite:

- 45% more skiable acreage (63K v. 43.5K)
- 5% more ski lifts (604 v 577)
- Our survey data and interviews demonstrated strong consumer preference for EPIC and willingness to absorb price increases

Ski Pass Customer Willingness to Pay IF:

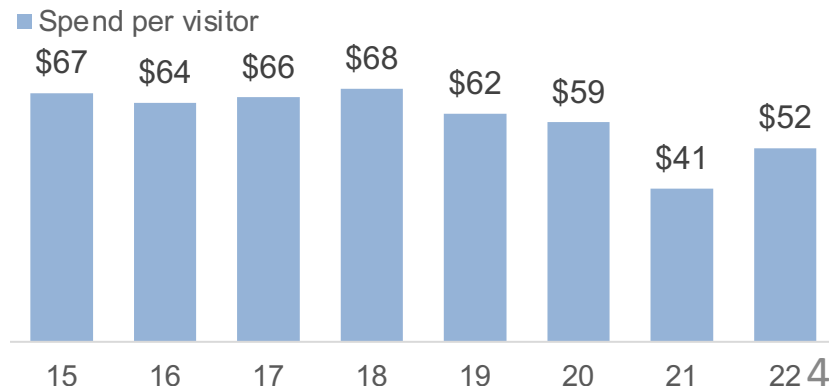


### Given MTN's unique value proposition, consumer demand is inelastic



### Ancillary revenue spend has yet to rebound to pre-COVID levels

- Ski school & rentals are large revenue drivers (10% / 14% mountain revenue respectively) with high margins (~70% ski school / ~60% rental)
- Destination skiers are especially likely to either take ski school (17%) or rent gear (14%)



## Thesis #2

***Vail has historically been a disciplined acquirer. Regional acquisitions & European expansion are next steps of continued growth story***

### Regional acquisitions are key to growth in pass holders

- Recent Seven Springs acquisition well-situated to serve Pittsburgh, Cleveland & DC skiers
- Mngt guiding to +\$15MM EBITDA from \$125MM Silver Springs purchase (8.3x acquisition multiple)<sup>(1)</sup>

### European market is a strategic priority & unlocks additional growth opportunity

- Europe has the largest ski resort market in the world (195M visits v. 70M in North America) and 1,200 ski resorts with 9 of the 10 largest resorts by skier visits
- MTN's CHF 149MM acquisition of 55% of Andermatt-Sedrun<sup>(2)</sup> highlighted Vail's regional ambitions
- Perception is that European resorts are not generally wholly-owned entities and multiple ownerships can complicate transactions as well as make economics less attractive. However, expert calls substantiate that this dynamic isn't universally true across Europe and is quickly changing

*We're going to see more consolidation in Europe. There are some great opportunities for [Vail] in Sweden, Norway, Austria, France and Switzerland... These businesses are regional and underutilize user data* - Ski Resort Consultant

### Highlighted European M&A Targets (Per Former COO at Andermatt)



\$920MM EV, 6 ski resorts in Sweden & Norway, 9.4x EV / NTM EBITDA



\$947MM EV, 10 ski resorts in France, 3.6x EV / NTM EBITDA



Flims-LAAX, Switzerland – 224KM of slopes, 28 lifts, 30 restaurants



Sölden, Austria – 144KM of slopes, 31 lifts, 33 ski huts



Berchtesgaden, Germany – 60KM of slopes, 15 lifts & 10 T-bars

## Thesis #3

***Coveted opportunity to invest in Vail's highly attractive returns on capital.  
Financial profile & capital allocation policy provide downside protection via  
strong FCF yields and industry-leading dividend yields***

### Returns on CapEx & M&A Spend (Normalized Pre-COVID)

#### Return on CapEx & M&A Spend Analysis

(\$ in Millions)

	2015A	2016A	2017A	2018A	2019A
Adj. EBITDA	\$359	\$455	\$593	\$618	\$702
<b>Cum Incr. EBITDA [a]</b>	<b>97</b>	<b>234</b>	<b>259</b>	<b>344</b>	<b>344</b>
<b>% Yield [a/b]</b>	<b>26.2%</b>	<b>52.8%</b>	<b>24.2%</b>	<b>30.1%</b>	<b>30.1%</b>
Capex	124	109	144	141	192
(x) o/w Assumed Growth	50%	50%	50%	50%	50%
Implied Growth CapEx	\$62	\$54	\$72	\$70	\$95
(+) M&A Spend	307	20	553	1	419
Total Growth Investments	\$369	\$75	\$625	\$71	\$514
PY Spend		\$369	\$75	\$625	\$71
<b>Cumulative PY Growth Spend [b]</b>	<b>\$369</b>	<b>\$443</b>	<b>\$1,068</b>	<b>\$1,139</b>	<b>\$1,139</b>

***Vail consistently generates 25% - 30%  
returns on growth spend***

***Best-in-class dividend yields provide downside protection  
& upside from potential yield compression***

### Returns on CapEx & M&A Spend

#### Summary Statistics

Company	Div. Yield	LTM	
		FCF Yield	ROIC
<b>Vail Resorts, Inc.</b>	<b>3.5%</b>	<b>4.1%</b>	<b>13.9%</b>
Vail Resorts, Inc.			
<b>Resorts</b>			
Wynn Resorts, Limited	0.0%	--	1.7%
MGM Resorts International	0.0%	6.8%	3.6%
Cedar Fair, L.P.	2.9%	11.0%	20.2%
Playa Hotels & Resorts N.V.	0.0%	13.9%	10.5%
<b>Mean</b>	<b>0.7%</b>	<b>10.6%</b>	<b>9.0%</b>
<b>Median</b>	<b>0.0%</b>	<b>11.0%</b>	<b>7.0%</b>

#### Discretionary Entertainment Spend

The Walt Disney Company	0.0%	3.3%	5.1%
SeaWorld Entertainment, Inc.	0.0%	5.9%	27.1%
Six Flags Entertainment Corporation	0.0%	--	17.0%
Live Nation Entertainment, Inc.	0.0%	6.2%	12.5%
<b>Mean</b>	<b>0.0%</b>	<b>5.1%</b>	<b>15.4%</b>
<b>Median</b>	<b>0.0%</b>	<b>5.9%</b>	<b>14.7%</b>

#### Cruise Lines

Carnival Corporation & plc	0.0%	--	(15.4%)
Royal Caribbean Cruises Ltd.	0.0%	--	(12.8%)
Norwegian Cruise Line Holdings Ltd.	0.0%	--	(19.2%)
Lindblad Expeditions Holdings, Inc.	0.0%	--	(11.8%)
<b>Mean</b>	<b>0.0%</b>	<b>NM</b>	<b>(14.8%)</b>
<b>Median</b>	<b>0.0%</b>	<b>NM</b>	<b>(14.1%)</b>

<b>Overall Mean</b>	<b>0.0%</b>	<b>5.6%</b>	<b>0.8%</b>
<b>Overall Median</b>	<b>0.0%</b>	<b>5.9%</b>	<b>3.6%</b>

## Valuation Summary

**Utilizing a DCF and comparables analysis yields a \$283.98 price target with added benefit of significant dividends over the investment horizon**

DCF	
WACC	8.0%
PGR	3.0%
Terminal Value	\$15,054
<i>Implied Exit Multiple</i>	9.3x
PV of Terminal Value	\$10,506
(+) PV of FCF	\$2,260
<b>Enterprise Value</b>	<b>\$12,766</b>
(-) Debt	2,734
(-) Minority Interest	235
(+) Cash	1,107
Equity Value	\$10,905
<i>(/) Shares Out.</i>	40.5
<b>Implied Current Share Price</b>	<b>\$269.48</b>
<i>% Prem. / Disc. to Current</i>	10.7%
<b>Implied 1Y Price Target</b>	<b>\$294.24</b>

EBITDA Multiple	
CY 2024E EBITDA	\$986
Multiple	13.0x
<b>Enterprise Value</b>	<b>\$12,814</b>
(-) Debt	2,734
(-) Minority Interest	254
(+) Cash	1,107
Equity Value	\$10,933
<i>(/) Shares Out.</i>	39.9
<b>Implied 1Y Price Target</b>	<b>\$273.71</b>
<i>% Prem. / Disc. to Current</i>	12.5%

### Price Target

Current Price	\$243.36	1 Year TSR (Incl. Dividends)	20.9%
Average 1-Year Price Target	\$283.98		
<i>% Prem. / Disc. to Current</i>	16.7%		
Expected Dividends	\$10.28		

### Bear Case

Average 1-Year Price Target	\$187.87
<i>% Prem. / Disc. to Current</i>	(22.8%)
Implied TSR (Includes Dividends)	(19.7%)
<u>EBITDA Multiple</u>	12.0x

### Base Case

Average 1-Year Price Target	\$283.98
<i>% Prem. / Disc. to Current</i>	16.7%
Implied TSR (Includes Dividends)	20.9%
<u>EBITDA Multiple</u>	13.0x

### Bull Case

Average 1-Year Price Target	\$359.70
<i>% Prem. / Disc. to Current</i>	47.8%
Implied TSR (Includes Dividends)	52.9%
<u>EBITDA Multiple</u>	14.0x

### Cyclical / Recession

- Season pass unit sales increased 6% in FY 22 (through September 24) versus a 42% growth in units in FY 21, highlighting strong demand and renewals, especially from first-time skiers who trialed the pass during COVID. Though EPIC and Epic local passes declined ~10% by unit, pass sale dollars benefited from a 7.5% price increase
- Skiing skews HNW with 60% of skier households earning \$100K+, providing some insulation from recession fears<sup>(1)</sup>
- Skier visits not highly impacted by GFC, with only a 5% decline in skier visits between 2007-08 visits (the 3<sup>rd</sup> most visits in a year for the 44 years of data captured) and 2008-09 visits<sup>(2)</sup>
- Leverage is manageable at 3.3x Debt / EBITDA, especially giving MTN's strong cash generation

### Weather / Climate Change

- EPIC Pass acts as “insurance” against poor snowfall as pre-sale of ticket sales ensures a baseline of revenue well before ski season begins (MTN sold 2.1MM EPIC passes in FY 22)
- Investment in snow making machines improves guest experience and allows lower altitude ski areas to open earlier / later in the season
- 2030 commitment to Net Zero; 2022-23 ski season expected to experience 3x La Nina weather pattern

### Labor Costs

- After severe staffing shortages in FY22, MTN made a \$175MM investment in Human Resources support, return to normal staffing and rate increases. MTN job postings are 42% lower than last year, suggesting that this ski season will not be impacted by the same staffing shortages as last year. Given management guidance on hiring and wage trends, we expect growth in labor spend will normalize going forward

(1) National Skiing Association of America Demographic Survey, 2016-2017.

(2) National Skiing Association of America US Ski Visit data.



conducting field research...



Jesse "Big Air" Friedlander

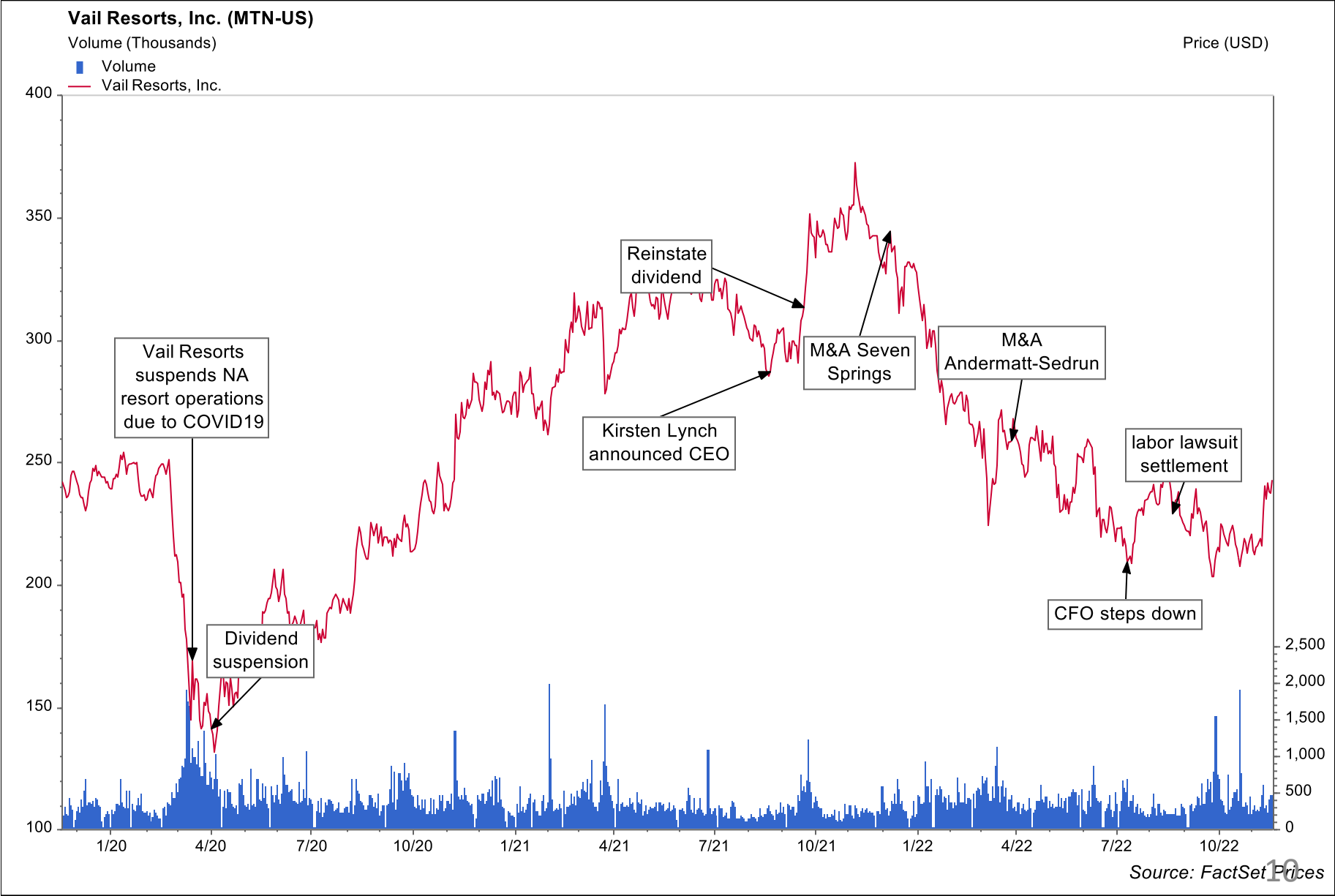


Alyssa "Steez" Wilson

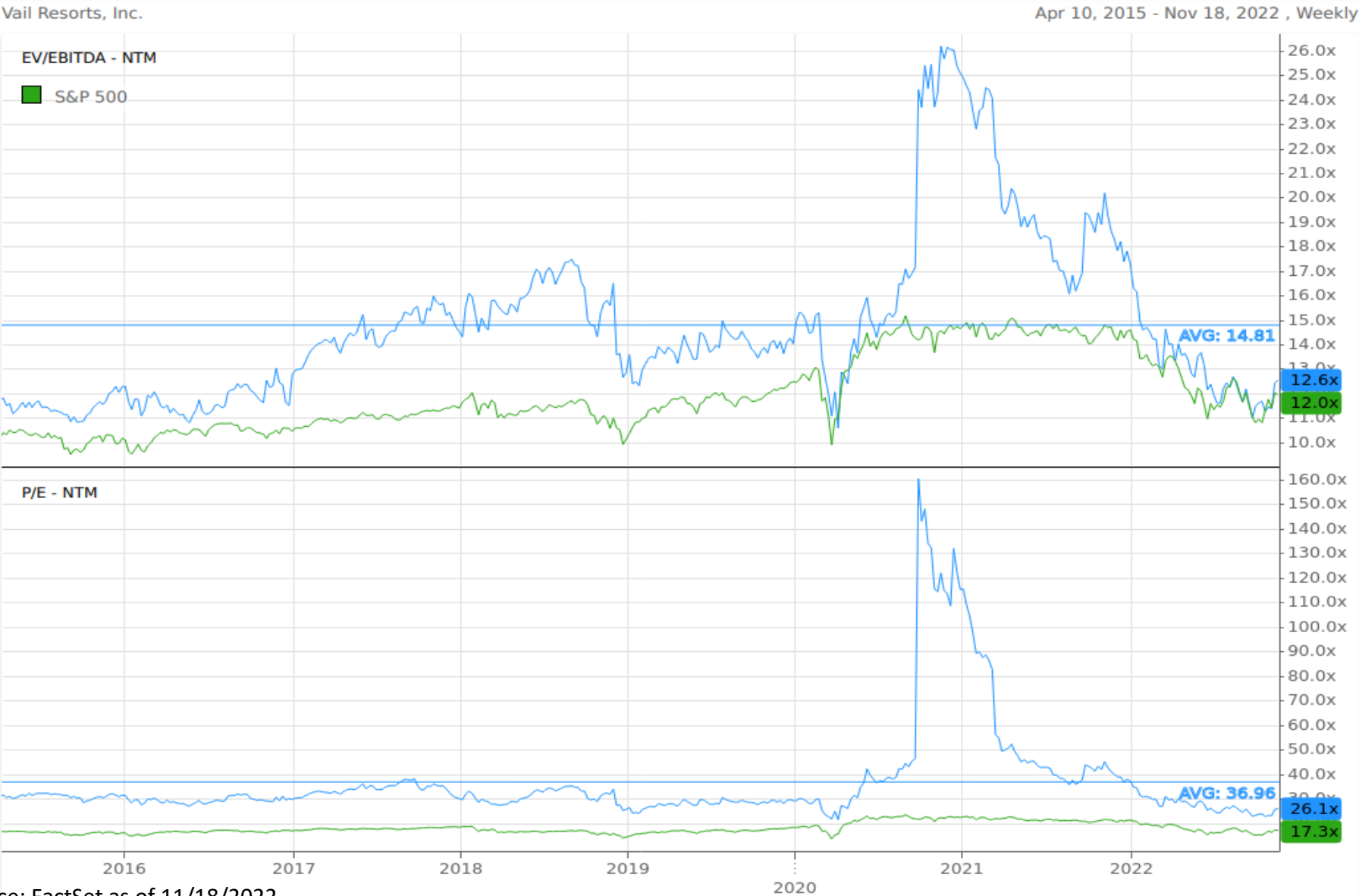


Jack "Pow" Russ

# Appendix | Two-Year Share Price & Volume History



# Appendix: Historical Multiples



## Appendix: Comps Analysis

### Summary Statistics

Company	Price	52W High	% of 52WH	Market Cap	TEV	Div. Yield	LTM Leverage		LTM	
							Gross	Net	FCF Yield	ROIC
<u>Vail Resorts, Inc.</u>										
Vail Resorts, Inc.	\$243.36	\$348.42	70%	\$9,814	\$11,876	3.1%	3.4x	2.1x	3.6%	13.9%
<u>Resorts</u>										
Compagnie des Alpes SA	\$13.45	\$18.88	71%	\$677	\$1,162	0.0%	3.1x	1.6x	43.5%	6.4%
SkiStar AB (publ)	\$10.76	\$194.20	6%	\$843	\$1,181	2.6%	3.2x	3.2x	3.8%	5.0%
Wynn Resorts, Limited	\$76.00	\$96.50	79%	\$8,543	\$18,059	0.0%	n.m.	n.m.	--	1.7%
MGM Resorts International	\$36.74	\$49.00	75%	\$14,109	\$43,898	0.0%	n.m.	n.m.	6.7%	3.6%
Cedar Fair, L.P.	\$40.94	\$62.56	65%	\$2,335	\$4,289	2.9%	4.4x	3.8x	11.0%	20.2%
Playa Hotels & Resorts N.V.	\$5.99	\$9.81	61%	\$973	\$1,714	0.0%	5.1x	3.4x	14.5%	10.5%
Mean						0.9%	3.9x	3.0x	15.9%	7.9%
Median						0.0%	3.8x	3.3x	11.0%	5.7%
<u>Discretionary Entertainment Spend</u>										
The Walt Disney Company	\$91.80	\$160.32	57%	\$167,357	\$213,620	0.0%	3.7x	2.8x	3.8%	5.1%
SeaWorld Entertainment, Inc.	\$54.04	\$76.57	71%	\$3,452	\$5,588	0.0%	3.2x	3.0x	6.4%	27.1%
Six Flags Entertainment Corporation	\$22.33	\$47.24	47%	\$1,857	\$4,901	0.0%	5.1x	5.0x	--	17.0%
Live Nation Entertainment, Inc.	\$66.21	\$126.79	52%	\$14,982	\$19,101	0.0%	5.7x	2.0x	7.5%	12.5%
Mean						0.0%	4.4x	3.2x	5.9%	15.4%
Median						0.0%	4.4x	2.9x	6.4%	14.7%
<u>Cruise Lines</u>										
Carnival Corporation & plc	\$9.47	\$23.86	40%	\$11,777	\$40,515	0.0%	n.m.	n.m.	--	(15.4%)
Royal Caribbean Cruises Ltd.	\$58.69	\$90.55	65%	\$14,977	\$37,358	0.0%	n.m.	n.m.	--	(12.8%)
Norwegian Cruise Line Holdings Ltd.	\$16.37	\$23.90	68%	\$6,898	\$20,355	0.0%	n.m.	n.m.	--	(19.2%)
Lindblad Expeditions Holdings, Inc.	\$10.35	\$19.13	54%	\$550	\$1,026	0.0%	n.m.	n.m.	--	(11.8%)
Mean						0.0%	-	-	-	(14.8%)
Median						0.0%	-	-	-	(14.1%)
Overall Mean						0.0%	4.4x	3.2x	6.1%	0.8%
Overall Median						0.0%	3.7x	2.8x	6.4%	3.6%

## Appendix: Comps Analysis

Operating Metrics														
Company	Revenue Growth (CY)				EBITDA Margin			EBITDA Growth				EBITDA - CapEx Margin		
	2021A	2022E	2023E	'21A - '23E	2021A	2022E	2023E	2021A	2022E	2023E	'21A - '23E	2021A	2022E	2023E
<b>Vail Resorts, Inc.</b>														
Vail Resorts, Inc.	40.2%	24.8%	7.6%	15.8%	30.2%	32.8%	32.0%	77.7%	35.3%	5.0%	19.2%	23.8%	25.3%	25.6%
<b>Resorts</b>														
Compagnie des Alpes SA	(19.5%)	134.5%	9.3%	60.1%	31.0%	31.2%	28.2%	48.0%	135.6%	(1.1%)	52.6%	(5.4%)	12.4%	8.1%
SkiStar AB (publ)	(100.0%)	n.a.	(2.8%)	--	n.a.	31.7%	27.9%	(100.0%)	n.a.	(14.2%)	n.a.	n.a.	14.0%	13.7%
Wynn Resorts, Limited	76.0%	1.3%	38.7%	18.5%	15.4%	19.7%	25.8%	(275.1%)	29.6%	81.4%	53.4%	7.1%	9.5%	18.0%
MGM Resorts International	81.3%	37.4%	6.6%	21.0%	23.3%	26.7%	28.7%	(1571.4%)	57.3%	14.3%	34.1%	18.4%	20.7%	22.8%
Cedar Fair, L.P.	n.m.	39.1%	2.1%	19.2%	23.7%	29.4%	29.5%	(201.5%)	72.1%	2.7%	32.9%	17.6%	19.4%	18.8%
Playa Hotels & Resorts N.V.	91.9%	59.1%	5.6%	29.6%	17.4%	27.3%	28.5%	(531.8%)	148.6%	10.5%	65.7%	13.4%	22.0%	23.5%
Mean	25.9%	54.3%	9.9%	29.7%	22.2%	27.6%	28.1%	(438.6%)	88.6%	15.6%	47.8%	10.2%	16.4%	17.5%
Median	76.0%	39.1%	6.1%	21.0%	23.3%	28.3%	28.4%	(238.3%)	72.1%	6.6%	52.6%	13.4%	16.7%	18.4%
<b>Discretionary Entertainment Spend</b>														
The Walt Disney Company	18.6%	17.0%	10.6%	13.8%	16.8%	17.8%	18.4%	21.3%	24.2%	14.4%	19.2%	11.1%	11.2%	11.9%
SeaWorld Entertainment, Inc.	n.m.	17.7%	2.4%	9.8%	41.4%	41.7%	41.2%	(933.0%)	18.3%	1.2%	9.4%	33.8%	30.5%	30.1%
Six Flags Entertainment Corporation	n.m.	(3.4%)	6.5%	1.4%	31.8%	34.0%	35.6%	(294.2%)	3.5%	11.2%	7.3%	25.1%	25.6%	25.8%
Live Nation Entertainment, Inc.	n.m.	184.5%	7.2%	74.7%	4.9%	8.8%	8.8%	(127.0%)	n.m.	7.7%	n.a.	1.7%	6.7%	6.3%
Mean	18.6%	54.0%	6.7%	24.9%	23.7%	25.6%	26.0%	(333.2%)	15.3%	8.6%	12.0%	17.9%	18.5%	18.5%
Median	18.6%	17.4%	6.8%	11.8%	24.3%	25.9%	27.0%	(210.6%)	18.3%	9.4%	9.4%	18.1%	18.4%	18.8%
<b>Cruise Lines</b>														
Carnival Corporation & plc	(61.1%)	n.m.	72.9%	213.8%	(171.8%)	(13.0%)	21.2%	(43.6%)	(57.0%)	(382.2%)	n.a.	(357.3%)	(55.0%)	1.6%
Royal Caribbean Cruises Ltd.	(22.3%)	n.m.	44.0%	172.5%	(126.9%)	7.6%	28.6%	43.2%	(131.1%)	n.m.	n.a.	(252.1%)	(26.0%)	5.7%
Norwegian Cruise Line Holdings Ltd.	(43.8%)	n.m.	74.8%	242.3%	(219.7%)	(13.2%)	23.4%	51.3%	(59.6%)	(409.1%)	n.a.	(315.2%)	(49.2%)	(5.2%)
Lindblad Expeditions Holdings, Inc.	70.7%	183.0%	29.1%	91.2%	(43.9%)	(3.8%)	16.8%	18.4%	(75.7%)	(677.0%)	n.a.	(123.0%)	(12.1%)	13.8%
Mean	(14.1%)	183.0%	55.2%	180.0%	(140.6%)	(5.6%)	22.5%	17.3%	(80.8%)	(489.4%)	-	(261.9%)	(35.6%)	4.0%
Median	(33.0%)	183.0%	58.4%	193.2%	(149.3%)	(8.4%)	22.3%	30.8%	(67.7%)	(409.1%)	-	(283.6%)	(37.6%)	3.6%
Overall Mean	17.1%	62.5%	29.3%	85.9%	(42.9%)	12.6%	24.8%	(311.0%)	(21.2%)	(148.7%)	24.7%	(95.0%)	(3.8%)	13.1%
Overall Median	29.4%	21.2%	10.6%	21.0%	15.4%	17.8%	25.8%	(43.6%)	10.9%	6.3%	19.2%	7.1%	9.5%	13.8%

## Appendix: Comps Analysis

Trading Metrics												
Company	TEV / Revenue			TEV / EBITDA			TEV / EBITDA - CapEx			FCF Yield		
	LTM	2022E	2023E	LTM	2022E	2023E	LTM	2022E	2023E	LTM	2022E	2023E
<b><u>Vail Resorts, Inc.</u></b>												
Vail Resorts, Inc.	4.7x	4.3x	4.0x	13.9x	12.6X	12.4x	17.9x	22.4x	23.8x	3.6%	--	6.3%
<b><u>Resorts</u></b>												
Compagnie des Alpes SA	1.5x	1.1x	1.0x	4.2x	3.7x	3.7x	9.6x	n.m.	11.9x	43.5%	14.6%	11.1%
SkiStar AB (publ)	3.1x	3.0x	3.1x	11.3x	9.6x	11.2x	35.8x	n.m.	16.3x	3.8%	3.9%	3.3%
Wynn Resorts, Limited	4.8x	4.8x	3.5x	34.2x	24.5x	13.5x	n.m.	68.6x	n.m.	--	--	5.8%
MGM Resorts International	3.5x	3.4x	3.2x	21.5x	12.8x	11.2x	30.9x	25.4x	n.m.	6.7%	7.3%	6.6%
Cedar Fair, L.P.	2.4x	2.4x	2.3x	8.0x	8.1x	7.9x	11.3x	18.9x	n.m.	11.0%	7.9%	6.5%
Playa Hotels & Resorts N.V.	2.1x	2.1x	1.9x	7.8x	7.5x	6.8x	8.9x	24.3x	n.m.	14.5%	3.2%	12.0%
Mean	2.9x	2.8x	2.5x	14.5x	11.0x	9.1x	19.3x	34.3x	14.1x	15.9%	7.4%	7.6%
Median	2.7x	2.7x	2.7x	9.6x	8.9x	9.5x	11.3x	24.9x	14.1x	11.0%	7.3%	6.5%
<b><u>Discretionary Entertainment Spend</u></b>												
The Walt Disney Company	2.6x	2.5x	2.3x	16.5x	14.2x	12.4x	26.8x	26.8x	16.9x	3.8%	2.7%	3.8%
SeaWorld Entertainment, Inc.	3.3x	3.2x	3.2x	8.0x	7.7x	7.7x	11.4x	11.2x	n.m.	6.4%	10.9%	11.9%
Six Flags Entertainment Corporation	3.5x	3.6x	3.4x	9.7x	10.5x	9.5x	13.3x	13.8x	n.m.	--	12.2%	12.7%
Live Nation Entertainment, Inc.	1.3x	1.2x	1.1x	14.4x	13.6x	12.6x	17.9x	n.m.	n.m.	7.5%	5.1%	5.7%
Mean	2.7x	2.6x	2.5x	12.2x	11.5x	10.5x	17.4x	17.3x	16.9x	5.9%	7.7%	8.5%
Median	2.9x	2.9x	2.7x	12.1x	12.1x	10.9x	15.6x	13.8x	16.9x	6.4%	8.0%	8.8%
<b><u>Cruise Lines</u></b>												
Carnival Corporation & plc	4.2x	3.3x	1.9x	n.m.	n.m.	8.9x	n.m.	n.m.	n.m.	--	--	--
Royal Caribbean Cruises Ltd.	5.2x	4.2x	2.9x	n.m.	55.2x	10.2x	n.m.	n.m.	n.m.	--	--	--
Norwegian Cruise Line Holdings Ltd.	5.3x	4.2x	2.4x	n.m.	n.m.	10.3x	n.m.	n.m.	n.m.	--	--	--
Lindblad Expeditions Holdings, Inc.	2.8x	2.6x	2.0x	n.m.	n.m.	11.9x	n.m.	n.m.	n.m.	--	--	7.2%
Mean	4.4x	3.6x	2.3x	-	55.2x	10.3x	-	-	-	-	-	7.2%
Median	4.7x	3.7x	2.2x	-	55.2x	10.3x	-	-	-	-	-	7.2%
Overall Mean	3.6x	3.3x	2.6x	17.4x	19.8x	10.8x	20.1x	29.2x	16.9x	6.1%	7.6%	7.7%
Overall Median	3.5x	3.4x	2.9x	14.4x	13.3x	11.2x	17.9x	23.9x	20.3x	6.4%	7.3%	6.5%



## Appendix: Revenue Build – Mountain Segment

Mountain Revenue Build Assumptions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Total Vail Skier Visits, 000s visits</b>	<b>8,466.0</b>	<b>10,032.0</b>	<b>12,047.0</b>	<b>12,345.0</b>	<b>14,998.0</b>	<b>13,483.0</b>	<b>14,852.0</b>	<b>17,298.0</b>	<b>18,292.0</b>	<b>19,379.6</b>	<b>20,659.2</b>	<b>21,788.3</b>	<b>22,935.5</b>
<i>Total Skier Visits Growth, %</i>	<i>10.1%</i>	<i>18.5%</i>	<i>20.1%</i>	<i>2.5%</i>	<i>21.5%</i>	<i>(10.1%)</i>	<i>10.2%</i>	<i>16.5%</i>	<i>5.7%</i>	<i>5.9%</i>	<i>6.6%</i>	<i>5.5%</i>	<i>5.3%</i>
<b>Increase in US Market Share</b>													
Vail US Skier Visits, 000s visits	8,316	9,615	9,969	9,883	12,314	11,370	13,355	15,263	15,850	16,742	17,810	18,712	19,613
Total US Skier Visits, 000s visits	53,578	52,792	54,761	53,273	59,343	51,079	59,004	60,695	59,481	59,481	60,076	60,076	60,076
% of Market Share (US Market)	15.5%	18.2%	18.2%	18.6%	20.8%	22.3%	22.6%	25.1%	26.6%	28.1%	29.6%	31.1%	32.6%
<i>Change in % Market Share</i>	<i>1.9%</i>	<i>2.7%</i>	<i>(0.0%)</i>	<i>0.3%</i>	<i>2.2%</i>	<i>1.5%</i>	<i>0.4%</i>	<i>2.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>
<i>US Skiers (%)</i>	<i>98%</i>	<i>96%</i>	<i>83%</i>	<i>80%</i>	<i>82%</i>	<i>84%</i>	<i>90%</i>	<i>88%</i>	<i>87%</i>	<i>86%</i>	<i>86%</i>	<i>86%</i>	<i>86%</i>
<b>Increase in International Skier Visits</b>													
International Skiers	150	417	2,078	2,462	2,684	2,113	1,497	2,035	2,442	2,638	2,849	3,077	3,323
<i>International Skiers (%)</i>	<i>2%</i>	<i>4%</i>	<i>17%</i>	<i>20%</i>	<i>18%</i>	<i>16%</i>	<i>10%</i>	<i>12%</i>	<i>13%</i>	<i>14%</i>	<i>14%</i>	<i>14%</i>	<i>14%</i>
<b>Increase in Pass Penetration</b>													
# of EPIC Passes, 000s	400	500	650	740	925	1,200	1,400	2,100	2,205	2,315	2,431	2,553	2,680
<i>Growth %</i>	<i>-</i>	<i>25.0%</i>	<i>30.0%</i>	<i>13.8%</i>	<i>25.0%</i>	<i>29.7%</i>	<i>16.7%</i>	<i>50.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
EPIC Pass Visits	4,318	5,217	6,385	6,790	8,699	8,090	10,248	12,282	12,621	13,760	15,081	16,341	17,660
<i>EPIC Pass Visits (%)</i>	<i>51%</i>	<i>52%</i>	<i>53%</i>	<i>55%</i>	<i>58%</i>	<i>60%</i>	<i>69%</i>	<i>71%</i>	<i>69%</i>	<i>71%</i>	<i>73%</i>	<i>75%</i>	<i>77%</i>
Non-EPIC Pass Visits	4,148	4,815	5,662	5,555	6,299	5,393	4,604	5,016	5,671	5,620	5,578	5,447	5,275
<i>Non-EPIC Pass Visits (%)</i>	<i>49%</i>	<i>48%</i>	<i>47%</i>	<i>45%</i>	<i>42%</i>	<i>40%</i>	<i>31%</i>	<i>29%</i>	<i>31%</i>	<i>29%</i>	<i>27%</i>	<i>25%</i>	<i>23%</i>
<b>Increase in Lift Ticket Prices (blend of EPIC and non EPIC)</b>													
Effective Lift Ticket Price per Skier Visit	\$63.37	\$65.59	\$67.93	\$71.31	\$68.89	\$67.72	\$72.49	\$75.74	\$82.24	\$84.14	\$85.17	\$86.71	\$88.29
<i>Growth (%)</i>	<i>8.9%</i>	<i>3.5%</i>	<i>3.6%</i>	<i>5.0%</i>	<i>-3.4%</i>	<i>-1.7%</i>	<i>7.0%</i>	<i>4.5%</i>	<i>8.6%</i>	<i>2.3%</i>	<i>1.2%</i>	<i>1.8%</i>	<i>1.8%</i>
Total Lift Revenue	\$536.46	\$658.05	\$818.34	\$880.29	\$1,033.23	\$913.09	\$1,076.58	\$1,310.21	\$1,504.43	\$1,630.55	\$1,759.59	\$1,889.20	\$2,025.09
<i>Growth (%)</i>	<i>19.9%</i>	<i>22.7%</i>	<i>24.4%</i>	<i>7.6%</i>	<i>17.4%</i>	<i>-11.6%</i>	<i>17.9%</i>	<i>21.7%</i>	<i>14.8%</i>	<i>8.4%</i>	<i>7.9%</i>	<i>7.4%</i>	<i>7.2%</i>
<b>Increase in Ancillary Revenue (destination skiers, price increases)</b>													
Ancillary Revenue per Skier Visit	\$67.04	\$64.45	\$65.86	\$68.26	\$61.54	\$59.14	\$41.29	\$52.20	\$55.85	\$59.20	\$62.16	\$64.65	\$67.23
<i>Growth (%)</i>	<i>-</i>	<i>-3.9%</i>	<i>2.2%</i>	<i>3.6%</i>	<i>-9.8%</i>	<i>-3.9%</i>	<i>-30.2%</i>	<i>26.4%</i>	<i>7.0%</i>	<i>6.0%</i>	<i>5.0%</i>	<i>4.0%</i>	<i>4.0%</i>
<b>Impact on Total Mountain Revenue</b>													
Total Mountain Revenue per Skier Visit, \$	\$130.41	\$130.04	\$133.79	\$139.56	\$130.43	\$126.86	\$113.78	\$127.94	\$138.10	\$143.34	\$147.33	\$151.36	\$155.53
<i>Total Mountain Revenue per Skier Growth, %</i>	<i>-</i>	<i>-0.3%</i>	<i>2.9%</i>	<i>4.3%</i>	<i>-6.5%</i>	<i>-2.7%</i>	<i>-10.3%</i>	<i>12.4%</i>	<i>7.9%</i>	<i>3.8%</i>	<i>2.8%</i>	<i>2.7%</i>	<i>2.8%</i>
Total Mountain Revenue	\$1,104	\$1,305	\$1,612	\$1,723	\$1,956	\$1,710	\$1,690	\$2,213	\$2,526	\$2,778	\$3,044	\$3,298	\$3,567
<i>Growth (%)</i>	<i>-</i>	<i>18.2%</i>	<i>23.5%</i>	<i>6.9%</i>	<i>13.5%</i>	<i>-12.6%</i>	<i>-1.2%</i>	<i>31.0%</i>	<i>14.1%</i>	<i>10.0%</i>	<i>9.6%</i>	<i>8.3%</i>	<i>8.2%</i>

## Appendix: Revenue Build – Lodging Segment

Lodging Revenue Build Assumption	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Hotel Room Count EOP, # of rooms	\$3,222	\$2,846	\$2,858	\$2,831	\$3,398	\$3,673	\$3,815	\$3,658	\$3,658	\$3,658	\$3,658	\$3,658	\$3,658
(x) Total RevPAR, \$	\$112.67	\$122.61	\$127.95	\$131.08	\$121.81	\$90.37	\$85.99	\$133.53	\$145.24	\$157.53	\$170.43	\$183.95	\$198.14
(x) Nights	365	365	365	365	365	365	365	365	365	365	365	365	365
Lodging Room Revenue	\$117	\$125	\$130	\$135	\$151	\$121	\$120	\$178	\$194	\$210	\$228	\$246	\$265
Growth (%)	-	7.4%	3.3%	4.5%	11.5%	(19.6%)	(1.4%)	48.9%	8.8%	8.5%	8.2%	7.9%	7.7%
Other Lodging Revenue	138	149	149	149	164	127	98	134	138	142	146	151	155
<b>Total Lodging Revenue</b>	<b>255</b>	<b>275</b>	<b>279</b>	<b>285</b>	<b>315</b>	<b>248</b>	<b>218</b>	<b>312</b>	<b>332</b>	<b>352</b>	<b>374</b>	<b>396</b>	<b>420</b>
Growth (%)	5.1%	7.9%	1.4%	2.2%	10.5%	(21.1%)	(12.2%)	43.1%	6.3%	6.2%	6.1%	6.0%	5.9%
<b><u>Increase in Price, Increase in Occupancy Rate increase RevPAR</u></b>													
Total ADR, \$	\$270.84	\$280.38	\$302.80	\$300.90	\$300.47	\$310.76	\$322.15	\$373.89	\$385.11	\$396.66	\$408.56	\$420.82	\$433.44
Growth (%)	5.3%	3.5%	8.0%	(0.6%)	(0.1%)	3.4%	3.7%	16.1%	3.0%	3.0%	3.0%	3.0%	3.0%
(x) Total Occupancy Rate, %	41.6%	43.7%	42.3%	43.6%	40.5%	29.1%	26.7%	35.7%	37.7%	39.7%	41.7%	43.7%	45.7%
Total RevPAR, \$	\$112.67	\$122.61	\$127.95	\$131.08	\$121.81	\$90.37	\$85.99	\$133.53	\$145.24	\$157.53	\$170.43	\$183.95	\$198.14



## Appendix: Income Statement

(FY ends in July)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Mountain	\$1,611.8	\$1,722.9	\$1,956.2	\$1,710.4	\$1,689.9	\$2,213.1	\$2,526.0	\$2,777.9	\$3,043.8	\$3,297.8	\$3,567.1
Lodging	278.5	284.6	314.7	248.4	218.1	312.1	331.7	352.3	373.8	396.2	419.7
Real Estate	16.9	4.0	0.7	4.8	1.8	0.7	2.0	2.0	2.0	2.0	2.0
<b>Total net revenue</b>	<b>\$1,907.2</b>	<b>\$2,011.6</b>	<b>\$2,271.6</b>	<b>\$1,963.7</b>	<b>\$1,909.7</b>	<b>\$2,525.9</b>	<b>\$2,859.8</b>	<b>\$3,132.1</b>	<b>\$3,478.8</b>	<b>\$3,755.7</b>	<b>\$4,047.5</b>
General and administrative	236.8	251.8	274.4	278.7	297.0	347.5	366.6	386.8	408.0	430.5	454.2
Of which, Stock Based Comp	18.3	19.0	19.9	21.0	24.4	24.9	24.9	24.9	24.9	24.9	24.9
Mountain Operating	847.7	918.8	1,046.4	972.6	892.9	1,112.1	1,305.0	1,414.4	1,530.2	1,645.4	1,767.8
Lodging Operating	214.2	221.9	245.3	205.9	180.1	231.3	244.9	259.4	274.7	290.9	308.0
Real Estate Operating	24.1	3.5	5.6	9.2	6.7	5.9	18.6	16.5	16.5	16.5	16.5
<b>Total segment operating expenses</b>	<b>\$1,322.8</b>	<b>\$1,396.0</b>	<b>\$1,571.7</b>	<b>\$1,466.4</b>	<b>\$1,376.7</b>	<b>\$1,696.8</b>	<b>\$1,935.1</b>	<b>\$2,077.1</b>	<b>\$2,268.8</b>	<b>\$2,422.3</b>	<b>\$2,584.4</b>
D&A	189.2	204.5	218.1	249.6	252.6	252.4	262.9	279.8	302.0	322.9	343.4
Other	(16.0)	(2.3)	(5.5)	(24.4)	(19.5)	25.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>\$379.3</b>	<b>\$408.8</b>	<b>\$476.3</b>	<b>\$223.4</b>	<b>\$261.0</b>	<b>\$601.7</b>	<b>\$661.7</b>	<b>\$775.3</b>	<b>\$908.0</b>	<b>\$1,010.6</b>	<b>\$1,119.7</b>
Interest expense, net	54.1	63.2	79.5	106.7	151.4	148.2	148.2	148.2	148.2	148.2	148.2
Other	23.3	(5.5)	2.2	(0.2)	15.6	3.6	-	-	-	-	-
<b>EBT</b>	<b>\$348.4</b>	<b>\$340.1</b>	<b>\$399.0</b>	<b>\$116.4</b>	<b>\$125.2</b>	<b>\$457.2</b>	<b>\$513.5</b>	<b>\$627.1</b>	<b>\$759.8</b>	<b>\$862.4</b>	<b>\$971.5</b>
Taxes	116.7	(61.1)	75.5	7.4	0.7	88.8	99.8	121.8	147.6	167.6	188.8
Net Income to NCI	21.2	21.3	22.3	10.2	(3.4)	20.4	18.0	(3.0)	10.0	10.0	10.0
<b>Net Income to Common Shareholders</b>	<b>\$210.6</b>	<b>\$379.9</b>	<b>\$301.2</b>	<b>\$98.8</b>	<b>\$127.9</b>	<b>\$347.9</b>	<b>\$395.8</b>	<b>\$508.3</b>	<b>\$602.2</b>	<b>\$684.8</b>	<b>\$772.8</b>
<b>EBIT</b>	379.3	408.8	476.3	223.4	261.0	601.7	661.7	775.3	908.0	1,010.6	1,119.7
(+) D&A	189.2	204.5	218.1	249.6	252.6	252.4	262.9	279.8	302.0	322.9	343.4
(-) Other	(16.0)	(2.3)	(5.5)	(24.4)	(19.5)	25.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>\$584.4</b>	<b>\$615.5</b>	<b>\$699.8</b>	<b>\$497.3</b>	<b>\$533.1</b>	<b>\$829.1</b>	<b>\$924.6</b>	<b>\$1,055.1</b>	<b>\$1,210.0</b>	<b>\$1,333.4</b>	<b>\$1,463.1</b>
(+) Net Mountain Eq. Investment	1.9	1.5	2.0	1.7	6.7	2.6	6.0	6.0	6.0	6.0	6.0
(-) Gain on Sale	6.8	0.5	0.6	0.2	0.3	1.3	1.0	0.2	0.2	0.2	0.2
<b>Adjusted EBITDA</b>	<b>\$593.0</b>	<b>\$617.6</b>	<b>\$702.4</b>	<b>\$499.2</b>	<b>\$540.1</b>	<b>\$833.0</b>	<b>\$931.6</b>	<b>\$1,061.3</b>	<b>\$1,216.2</b>	<b>\$1,339.6</b>	<b>\$1,469.3</b>

## Appendix: Statement of Cash Flows

(FY ends in July)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net income (loss)	\$232	\$401	\$323	\$109	\$124	\$368	\$396	\$508	\$602	\$685	\$773
Depreciation and amortization	189	204	218	250	253	252	263	280	302	323	343
Stock-based compensation expense	18	19	20	21	24	25	25	25	25	25	25
Deferred income taxes, net	36	(46)	22	17	(16)	(9)	0	0	0	0	0
Cost of real estate sales	13	4	0	4	0	0	0	0	0	0	0
Accretion Expense	6	6	6	6	0	0	0	0	0	0	0
Change in Fair Value of Contingent Consideration	16	(2)	5	(3)	0	20	0	0	0	0	0
Gain on sale of real property	(7)	(1)	(1)	(0)	0	(44)	0	0	0	0	0
Foreign exchange gains on intercompany loans	(15)	9	3	3	0	0	0	0	0	0	0
Asset impairment charge	0	0	0	28	0	0	0	0	0	0	0
Other non-cash income, net	(15)	(14)	(14)	(17)	13	4	(6)	(6)	(6)	(6)	(6)
Restricted Cash	2	3	0	0	0	0	0	0	0	0	0
Change in Net Working Capital	(50)	(43)	(19)	83	(95)	(26)	23	18	23	19	20
Investments in real estate	0	0	0	0	0	0	0	0	0	0	0
Deferred revenue	24	42	36	(98)	199	49	68	55	70	56	59
Income taxes payable - excess tax benefit from share award exercises	(10)	(71)	(13)	(8)	(18)	(17)	0	0	0	0	0
Income taxes payable - other	28	38	39	(5)	30	98	0	0	0	0	0
Other assets and liabilities, net	5	1	9	5	12	(10)	0	0	0	0	0
<b>CFO</b>	<b>\$473</b>	<b>\$552</b>	<b>\$634</b>	<b>\$395</b>	<b>\$525</b>	<b>\$710</b>	<b>\$768</b>	<b>\$880</b>	<b>\$1,017</b>	<b>\$1,101</b>	<b>\$1,214</b>
Capital expenditures	(\$144)	(\$141)	(\$192)	(\$172)	(\$115)	(\$193)	(\$214)	(\$235)	(\$261)	(\$282)	(\$304)
Acquisition of businesses	(553)	(1)	(419)	(328)	0	(116)	(149)	(200)	(200)	(200)	(200)
Deposit for future acquisition of business	0	0	0	0	0	(114)	0	0	0	0	0
Cash received from sale of real property	8	1	0	0	0	66	0	0	0	0	0
Other investing activities, net	7	7	15	7	12	9	0	0	0	0	0
<b>CFI</b>	<b>(\$683)</b>	<b>(\$135)</b>	<b>(\$596)</b>	<b>(\$493)</b>	<b>(\$103)</b>	<b>(\$348)</b>	<b>(\$363)</b>	<b>(\$435)</b>	<b>(\$461)</b>	<b>(\$482)</b>	<b>(\$504)</b>
Net Proceeds from Borrowing	\$419	(\$3)	\$289	\$686	\$495	(\$147)	\$—	\$—	\$—	\$—	\$—
Repayments of Long-term Debt	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	(146)	(204)	(261)	(213)	0	(226)	(307)	(381)	(452)	(514)	(580)
Employee taxes paid for share award exercises	(16)	(104)	(27)	(19)	(39)	(37)	0	0	0	0	0
Payments for Repurchase of Common Stock	(0)	(26)	(85)	(46)	0	(75)	(97)	(64)	(104)	(106)	(131)
Other financing activities, net	(1)	(14)	(16)	(31)	(21)	(8)	0	0	0	0	0
<b>CFF</b>	<b>\$256</b>	<b>(\$351)</b>	<b>(\$100)</b>	<b>\$376</b>	<b>\$435</b>	<b>(\$493)</b>	<b>(\$404)</b>	<b>(\$446)</b>	<b>(\$556)</b>	<b>(\$620)</b>	<b>(\$710)</b>
FX	3.5	(5.6)	(5.3)	5.3	(0.1)	(1.9)	0.0	0.0	0.0	0.0	0.0
<b>Net Change in Cash Balance</b>	<b>49.5</b>	<b>60.8</b>	<b>(66.7)</b>	<b>283.7</b>	<b>856.5</b>	<b>(132.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Appendix: Balance Sheet & Leverage Summary

(FY ends in July)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Cash	117.4	178.1	108.9	391.0	1,244.0	1,107.4	1,107.4	1,107.4	1,107.4	1,107.4	1,107.4
ST Debt	38.4	38.5	48.5	63.7	114.1	63.7	63.7	63.7	63.7	63.7	63.7
LT Debt	1,234.0	1,234.3	1,527.7	2,387.1	2,736.2	2,670.3	2,670.3	2,670.3	2,670.3	2,670.3	2,670.3
Debt	1,272.4	1,272.7	1,576.3	2,450.8	2,850.3	2,734.0	2,734.0	2,734.0	2,734.0	2,734.0	2,734.0
Operating Lease Liabilities	0.0	0.0	0.0	217.5	190.6	174.6	174.6	174.6	174.6	174.6	174.6
Net Debt (Including Operating Lease Liabilities)	1,155	1,095	1,467	2,277	1,797	1,801	1,801	1,801	1,801	1,801	1,801
Net Interest Expense (Income)	54.1	63.2	79.5	106.7	151.4	148.2	147.1	147.1	147.1	147.1	147.1
Effective Net Interest Rate on Debt	4.3%	5.0%	5.0%	4.4%	5.3%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
<b>EBITDA / Net Interest Expense</b>	11.0x	9.8x	8.8x	4.7x	3.6x	5.6x	6.3x	7.2x	8.3x	9.1x	10.0x
<b>Debt / EBITDA</b>	2.1x	2.1x	2.2x	4.9x	5.3x	3.3x	2.9x	2.6x	2.2x	2.0x	1.9x
<b>Net Debt / EBITDA</b>	1.9x	1.8x	2.1x	4.1x	3.0x	2.0x	1.7x	1.5x	1.3x	1.2x	1.1x

## Appendix: DCF – Base Case

### Cash Flow Projections

(FY ends in July)	2022	2023	2024	2025	2026	2027
Revenue	\$2,526	\$2,860	\$3,132	\$3,479	\$3,756	\$4,047
% YoY		13.2%	9.5%	11.1%	8.0%	7.8%
Adj. EBITDA	\$833	\$932	\$1,061	\$1,216	\$1,340	\$1,469
% Margin	33.0%	32.6%	33.9%	35.0%	35.7%	36.3%
Capex	(\$193)	(\$214)	(\$235)	(\$261)	(\$282)	(\$304)
% of Revenue	7.6%	7.5%	7.5%	7.5%	7.5%	7.5%

### Free Cash Flow

Realized Adj. EBITDA - Capex	\$640	\$717	\$826	\$955	\$1,058	\$1,166
Acquisition Costs	(105)	(149)	(200)	(200)	(200)	(200)
SBC	(25)	(25)	(25)	(25)	(25)	(25)
Cash Taxes	(98)	(100)	(122)	(148)	(168)	(189)
Change in NWC	(41)	(23)	(18)	(23)	(19)	(20)
<b>Unlevered FCF</b>	<b>\$371</b>	<b>\$421</b>	<b>\$461</b>	<b>\$559</b>	<b>\$647</b>	<b>\$732</b>
<b>PV of UFCF</b>		<b>\$400</b>	<b>\$406</b>	<b>\$455</b>	<b>\$488</b>	<b>\$511</b>

### TEV Build

WACC	8.0%
Multiple	3.0x
Terminal Value	\$15,054
Implied 2028E EBITDA Multiple	9.3x
PV of Terminal Value	\$10,506
(+) PV of FCF	2,260
<b>TEV</b>	<b>\$12,766</b>

### Equity Value Bridge (FY 22 Values)

TEV	\$12,766
(-) Debt	2,734
(-) Minority Interest	235
(+) Cash	1,107
Equity Value	\$10,905
(/) FDSO	40.5
<b>Implied Current Share Price</b>	<b>\$269.48</b>
% Prem. / Disc. to Current	10.7%
<b>Implied 1Y Price Target</b>	<b>\$294.24</b>
% Prem. / Disc. to Current	20.9%

### Sensitivity Analyses

		WACC			
		7.5%	8.0%	8.5%	9.0%
PGR	1.5%	\$229.07	\$229.07	\$188.49	\$172.28
	2.0%	\$250.11	\$250.11	\$203.24	\$184.85
	2.5%	\$275.36	\$275.36	\$220.45	\$199.35
	3.0%	\$306.21	\$306.21	\$240.78	\$216.27
	3.5%	\$344.78	\$344.78	\$265.18	\$236.26
		WACC			
		7.5%	8.0%	8.5%	9.0%
Implied Exit Mul	1.5x	7.7x	7.7x	6.6x	6.2x
	2.0x	8.4x	8.4x	7.1x	6.6x
	2.5x	9.3x	9.3x	7.8x	7.2x
	3.0x	10.4x	10.4x	8.5x	7.8x
	3.5x	11.8x	11.8x	9.4x	8.6x

## Appendix: Multiples Analysis

### EV / EBITDA Multiples

	Fiscal Year			Calendar Year		Multiple					
	2023	2024	2025	2023	2024	Low	Base	High	Low	Base	High
(FY ends in July)											
Adj. EBITDA	\$833	\$932	\$1,061	\$874	\$986	12.0x	13.0x	14.0x	\$11,828	\$12,814	\$13,799
(-) Debt	2,734	2,734	2,734	2,734	2,734				2,734	2,734	2,734
(-) Minority Interest	253	250	260	252	254				254	254	254
(+) Cash	1,107	1,107	1,107	1,107	1,107				1,107	1,107	1,107
									\$9,947	\$10,933	\$11,918
(/) FDSO	40.2	40.0	39.8	40	40				39.8	39.8	39.8
<b>Implied 1Y Price Target</b>									<b>\$249.88</b>	<b>\$274.64</b>	<b>\$299.40</b>
% Prem. / Disc. to Current									2.7%	12.9%	23.0%

### Dividends

	Fiscal Year			Calendar Year	
	2023	2024	2025	2023	2024
DPS	\$7.64	\$9.52	\$11.35	\$8.42	\$10.28

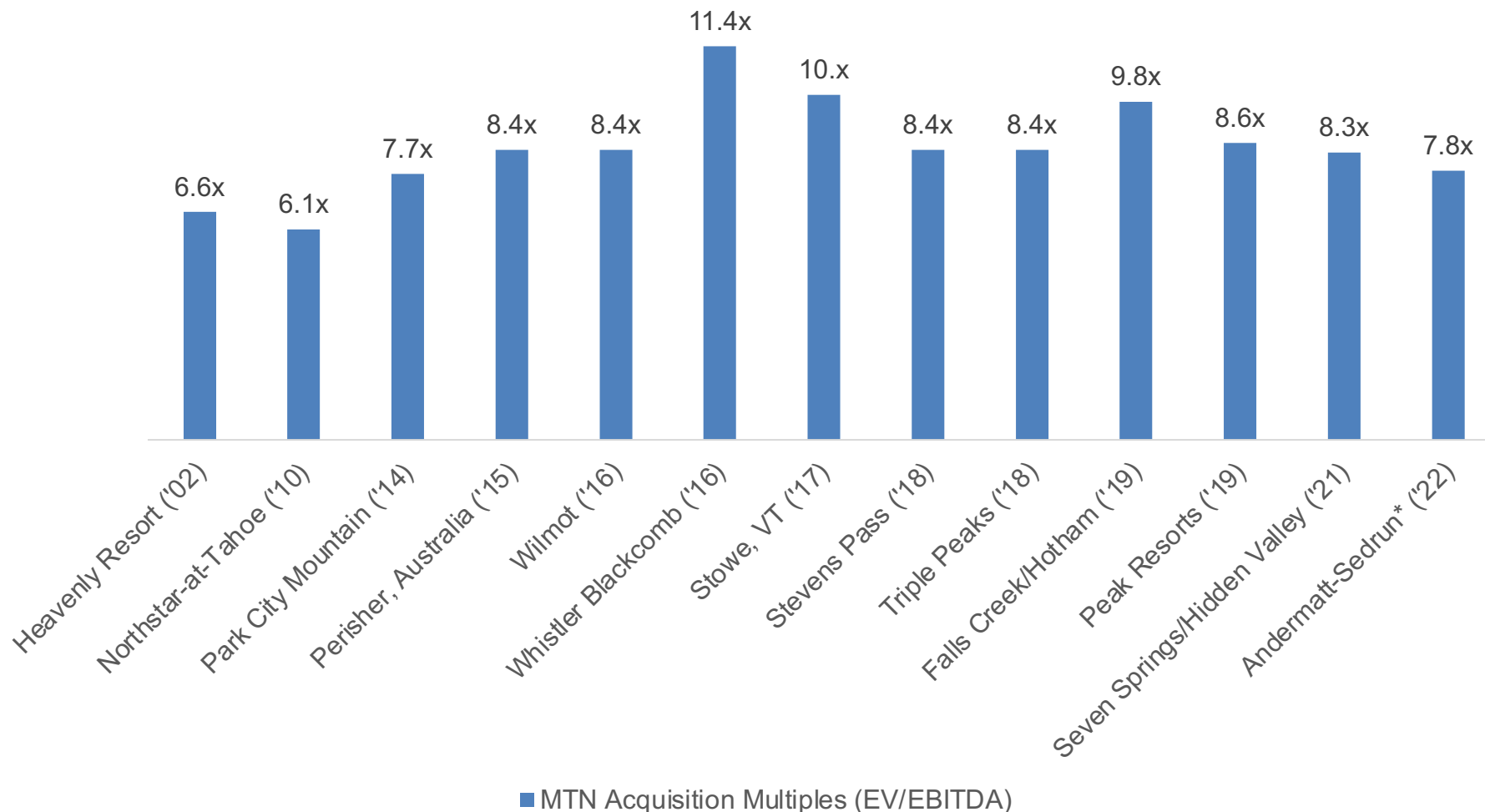
## Appendix: Comparison to Consensus

Projections	2023	2024	2025	2023	2024	2025	2023	2024	2025
Revenue	\$2,860	\$3,132	\$3,479	\$2,914	\$3,077	\$3,219	(1.9%)	1.8%	8.1%
EBIT	662	775	908	655	717	783	0.9%	8.2%	16.0%
Net Income to Common Shareholders	414	505	612	361	411	467	14.5%	23.0%	31.0%
(+) D&A	263	280	302	269	275	286	(2.1%)	1.7%	5.6%
Adj. EBITDA	932	1,061	1,216	924	992	1,069	0.8%	7.0%	13.8%
EPS	\$9.85	\$12.69	\$15.13	\$8.99	\$10.15	\$11.49	9.6%	25.1%	31.6%
DPS	\$7.64	\$9.52	\$11.35	\$7.80	\$8.45	\$9.99	(2.0%)	12.7%	13.6%
Valuation Implications									
1 Year Price Target									
Projection	\$294.24								
Consensus	\$270.70								
% Difference	8.7%								

## Historical Transactions

***MTN is a disciplined acquirer and has consistently expanded their resort portfolio***

### MTN Acquisition Multiples (EV/EBITDA)

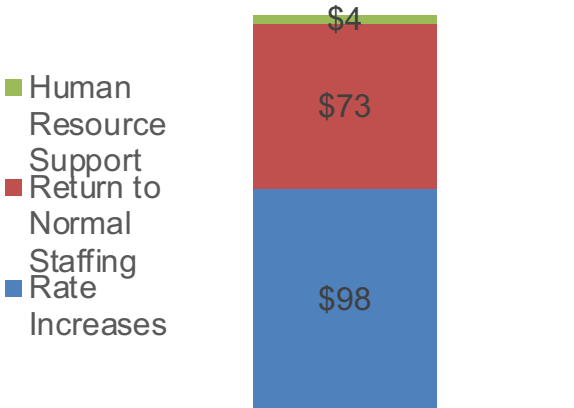


(\*) – Andermatt acquisition of CHF 149mm for 55% ownership includes 110mm intended for capital investment and 39mm paid to ASA. Expected EBITDA contribution of CHF 5MM and projected CHF 20mm EBITDA in 5-7 years

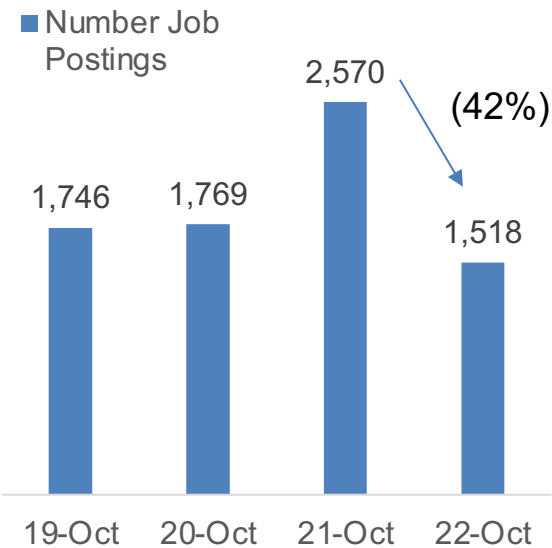
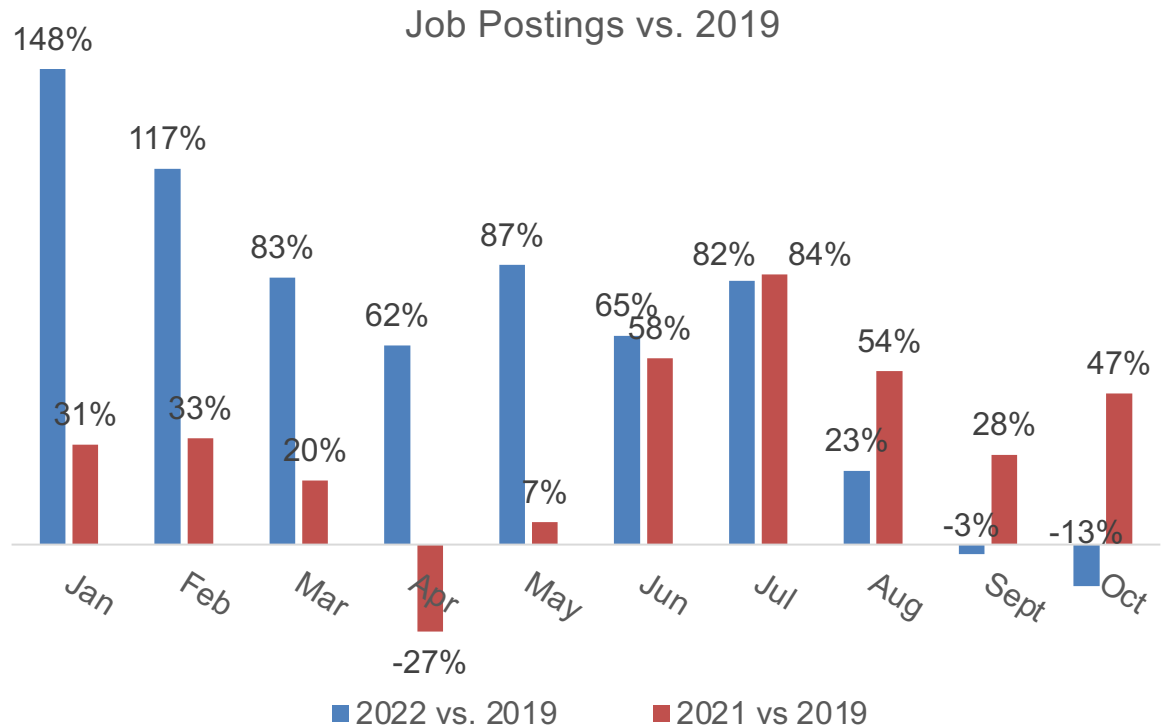
# Labor Investment & Impact on Staffing

## FY23 MTN Expanded Employee Investment Plan

1. New \$20 Per Hour Minimum Wage; \$21 Per Hour Minimum for Patrol, Maintenance, Technicians, and Commercial Drivers
2. New Seasonal Frontline Leadership Development Program
3. Commitment to securing Affordable Housing
4. Salaried Employee Merit Increase



FY23 Labor Investments





## ESG Considerations

*Given the existential risk that climate change poses to skiing, MTN is committed to achieving Net Zero Emissions by 2030.*

### Vail ESG Priorities

1

#### Commitment to Zero

**Achieve a zero net operating footprint** - with goals of zero net emissions, zero waste to landfill and zero net operating impact on forests and habitat by 2030.

2

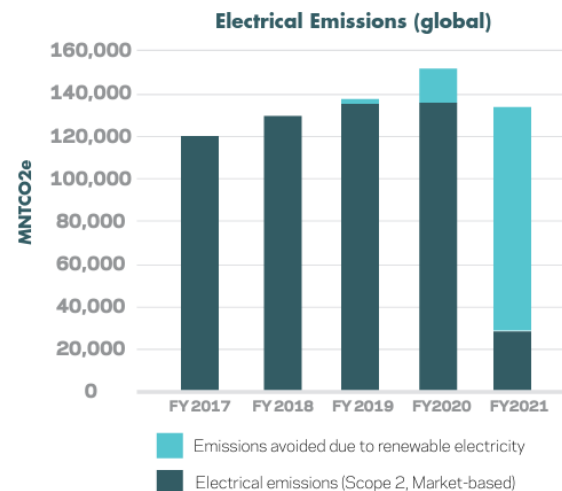
#### Community Impact

**Promote the health and sustainability of our resort communities** through multi-faceted and localized support.

3

#### EpicPromise Employee Foundation

**Support our employees** with educational scholarships and emergency relief grants.



## Appendix | Shareholder Overview

***MTN is 97% institutional ownership and nearly all top holders have held positions long-term***

Rank	Type	%OS	Position (000)	Pos Chg (000) [3M]	Mkt Val (MM)
1	BAMCO, Inc.	11.56	4,658	32	1,108
2	The Vanguard Group, Inc.	8.84	3,563	4	847
3	APG Asset Management NV	5.20	2,095	0	498
4	BlackRock Fund Advisors	4.60	1,852	15	440
5	Principal Global Investors LLC	4.27	1,719	-24	409
6	T. Rowe Price Investment Management, Inc.	3.76	1,513	1,513	360
7	Select Equity Group LP	3.59	1,447	634	344
8	State Street Advisors	2.53	1,020	5	243
9	BlackRock Advisors LLC	2.28	918	1	218
10	Capital Research & Management Co.	2.19	881	0	209
11	Lazard Asset Management LLC	2.14	863	112	205
12	Southpoint Capital Advisors LP	1.99	800	800	190
13	Macquarie Investment Management Business Trust	1.66	667	12	159
14	Geode Capital Management LLC	1.28	514	3	122
15	Norges Bank Investment Management	0.98	397	-2	94
<b>Total</b>		<b>56.87</b>	<b>22,906</b>	<b>3,104</b>	<b>5,447</b>

## Appendix | Governance & Compensation Overview

### Management Team Overview

Name	Position	Tenure
Kirsten Lynch	Chief Executive Officer	11
Michael Barkin	Chief Financial Officer	10
Timothy April	CIO	20
Lynanne Kunkel	Chief Human Resources	5
David Shapiro	Secretary – Executive VP	7
Ryan Bennett	Chief Marketing Officer	3
Nathan Gronberg	Chief Accounting Officer	3
Gregory Jon Sullivan	Retail – Executive VP	6
James Odonnell	President – Mountain Division	20
Mike Friery	Senior Director – Dining – Vail Mountain	-
Bo Heitz	Head – Investor Relations	8

### Board & Corporate Governance Provisions

- All director nominees are independent, except for Mr. Katz and Ms. Lynch (80% independent)
- Average board tenure of 11 years
- Significant portion of executive compensation delivered in long-term equity-based incentives (71% over last 3 years)
- All Audit, Compensation and Nominating & Governance Committee members are independent

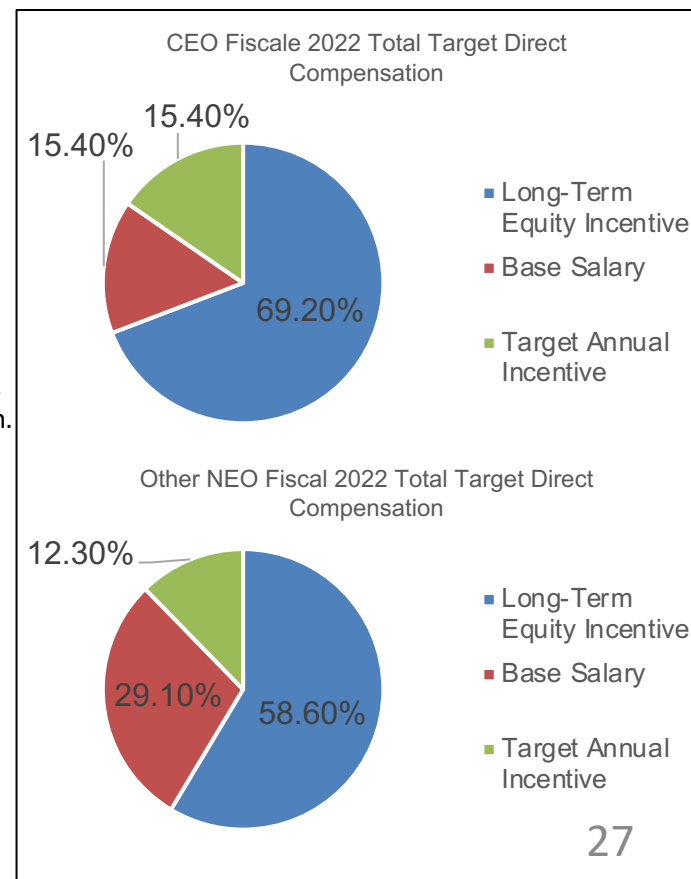
### Executive Compensation Plan Incentives are Well-Aligned to Shareholder Value Creation

#### New CEO

- Effective November 1, 2021, KirstenA. Lynch became Chief Executive Officer, replacing Rob Katz who was CEO since 2006 and is highly regarded in the industry for pioneering strategy execution.
- Katz transitioning to Executive Chairperson Executive

#### Management Incentive Plan (“MIP”) focus on Resort Reported EBITDA

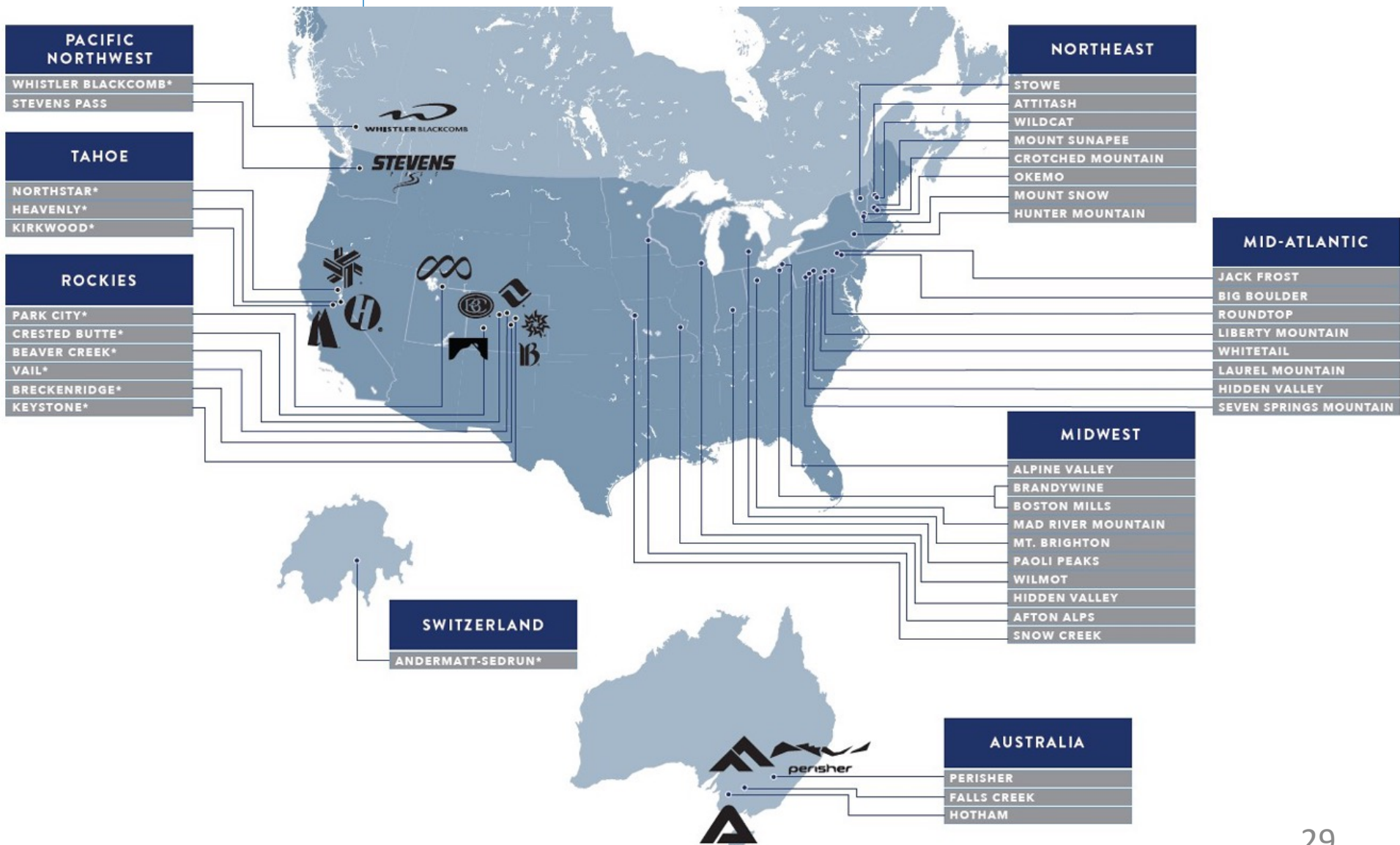
- Emphasize pay-for-performance by tying annual and long-term compensation incentives to achievement of specified performance objectives or overall stock performance.



## Appendix: Management Compensation

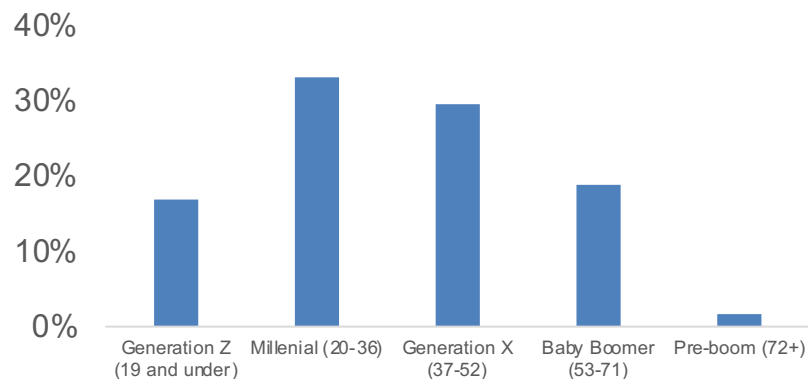
Name and Principal Position	Fiscal Year	Salary (\$) <sup>(1)</sup>	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option/Share Appreciation Right Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total (\$)
Kirsten A. Lynch	2022	885,999	—	2,249,991	2,249,981	1,188,300	35,357	6,609,628
Chief Executive Officer	2021	541,882	—	750,293	1,134,550 <sup>(8)</sup>	—	33,046	2,459,771
	2020	522,500	—	750,159	750,371	—	8,235	2,031,265
Robert A. Katz	2022	1,000,320	—	499,847	499,986	—	22,301	2,022,454
Executive Chairperson and Former Chief Executive Officer	2021	809,372	—	1,034,933 <sup>(6)</sup>	1,936,862 <sup>(9)</sup>	—	33,622	3,814,789
	2020	688,534	—	1,034,942 <sup>(7)</sup>	1,034,976	—	31,445	2,789,897
Michael Z. Barkin	2022	614,936	—	952,833	952,909	557,016	33,451	3,111,145
Executive Vice President and Chief Financial Officer	2021	541,882	—	750,293	1,134,550 <sup>(8)</sup>	—	20,417	2,447,142
	2020	522,500	—	750,159	750,371	—	7,626	2,030,656
James. C. O'Donnell	2022	532,885	—	627,186	627,429	481,262	28,791	2,297,553
President - Mountain Division	2021	431,051	—	362,249	362,219	221,203	13,553	1,390,275
David T. Shapiro	2022	564,539	—	768,786	768,912	341,636	27,561	2,471,434
Executive Vice President, General Counsel and Secretary	2021	497,596	—	549,877	549,951	232,875	16,081	1,846,380
	2020	482,962	—	517,471	517,443	—	6,795	1,524,671
Ryan Bennett	2022	374,289	—	314,781	315,000	202,011	15,352	1,221,433

# MTN Mountain Portfolio

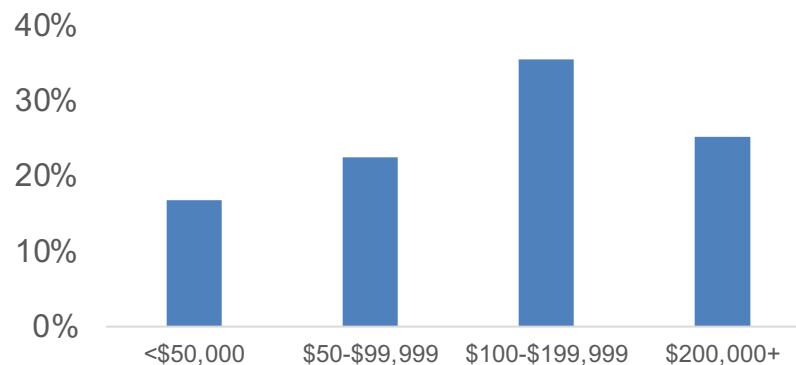


## Skier Demographics

Percent of Snowsports Visits by Generation



Annual Pre-Tax Household Income



Guest Survey Results		2016/17 Season
Percent Highly Likely to Return Next Year (0-10 scale)		71.1%
Net Promoter Score (Likelihood to Recommend Resort)		77.4%
Lesson/Visit Ratio		7.1%
Overnight Visitor (%)		59.6%