

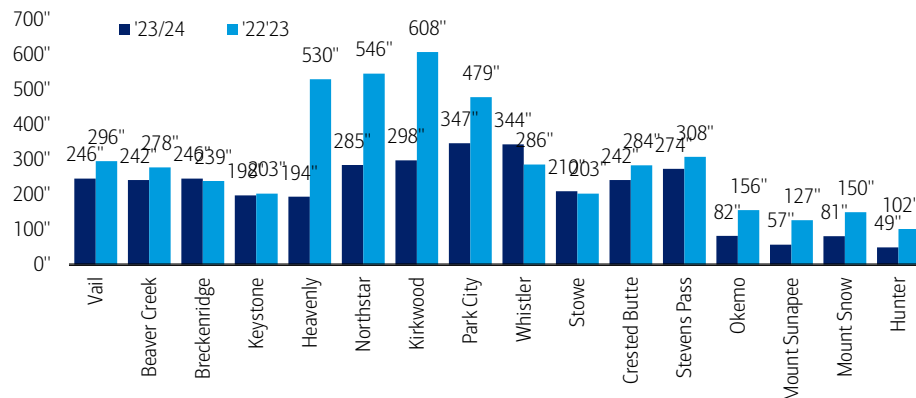
## Vail Resorts, Inc

## Snow Tracker: Wishing we were in Whistler

Maintain Rating: NEUTRAL | PO: 250.00 USD | Price: 218.72 USD

## Exhibit 1: Vail Resorts season to date snowfall

Season-to-date snowfall is currently -31% Y/Y



Note: Data as of 3/14/24

Source: BofA Global Research, OnTheSnow, company websites

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## Snow tracker: Down -31% Y/Y, -9% since Jan. 5th

Total (cumulative) snowfall across Vail's 16 resorts we track is -31% Y/Y and -16% below long-term average. This week, Whistler got over 5 feet of snow, which we think should drive better visitation from here. While overall snowfall is down -31% Y/Y, conditions have improved through the season, and since Jan. 5<sup>th</sup>, snowfall is down just -9%, and excluding Tahoe snowfall is actually up +10% Y/Y over the same period. Recent data from Inntopia shows mountain occupancy is down -4% Y/Y November to April, a modest improvement from -6% reported in January.

Overall visitation to Vail's US resorts improved to -4% in the week ending 3/10, driven by 91% Y/Y growth in Tahoe as we lap resort closures due to big storms last year. We also add update ski-town card spending which is -4% in Feb and -8% season to date.

Snowfall by resort: **Whistler**: 344 in., +20% Y/Y. MTN's 5 **CO resorts**: avg. of 235 in. -10% Y/Y. MTN's **Tahoe resorts**: avg. of 259 in., -54% Y/Y. **Park City**: 347 in. -28% Y/Y. Maintain Neutral.

Estimates (Jul) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	8.48	6.74	7.32	9.47	10.38
EPS Change (YoY)	170.9%	-20.5%	8.6%	29.4%	9.6%
Consensus EPS (Bloomberg)			7.85	9.65	10.77
DPS	6.61	7.94	8.36	8.61	8.87
Valuation (Jul)					
P/E	25.8x	32.5x	29.9x	23.1x	21.1x
Dividend Yield	3.0%	3.6%	3.8%	3.9%	4.1%
EV / EBITDA*	13.0x	13.0x	12.6x	11.5x	11.1x
Free Cash Flow Yield*	6.2%	3.9%	4.5%	5.4%	5.9%

\* For full definitions of *IQmethod*<sup>SM</sup> measures, see page 5.

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Refer to important disclosures on page 6 to 8. Analyst Certification on page 4. Price Objective Basis/Risk on page 4.

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## Equity

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## Stock Data

Price	218.72 USD
Price Objective	250.00 USD
Date Established	8-Mar-2024
Investment Opinion	B-2-7
52-Week Range	204.88 USD - 258.13 USD
Mkt Val (mn) / Shares Out (mn)	8,304 USD / 38.0
Free Float	98.8%
Average Daily Value (mn)	96.29 USD
BofA Ticker / Exchange	MTN / NYS
Bloomberg / Reuters	MTN US / MTN.N
ROE (2024E)	30.3%
Net Dbt to Eqty (Jul-2023A)	168.2%

# iQprofile<sup>SM</sup> Vail Resorts, Inc

## iQmethod<sup>SM</sup> – Bus Performance\*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	9.1%	7.6%	8.5%	10.7%	11.7%
Return on Equity	21.7%	20.5%	30.3%	45.4%	55.8%
Operating Margin	23.8%	17.5%	19.6%	21.7%	22.0%
Free Cash Flow	518	325	376	452	491

## iQmethod<sup>SM</sup> – Quality of Earnings\*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	2.0x	2.4x	2.1x	1.9x	1.8x
Asset Replacement Ratio	0.8x	1.2x	0.8x	0.7x	0.7x
Tax Rate	19.4%	23.7%	27.9%	26.5%	26.5%
Net Debt-to-Equity Ratio	87.0%	168.2%	208.4%	231.2%	249.2%
Interest Cover	4.1x	3.3x	3.5x	4.2x	4.5x

## Income Statement Data (Jul)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	2,526	2,886	2,884	3,039	3,164
% Change	32.3%	14.3%	-0.1%	5.4%	4.1%
Gross Profit	2,526	2,886	2,884	3,039	3,164
% Change	32.3%	14.3%	-0.1%	5.4%	4.1%
EBITDA	833	833	857	941	976
% Change	54.2%	0%	2.9%	9.8%	3.7%
Net Interest & Other Income	(146)	(152)	(155)	(158)	(155)
<b>Net Income (Adjusted)</b>	<b>348</b>	<b>268</b>	<b>278</b>	<b>354</b>	<b>382</b>
<b>% Change</b>	<b>172.0%</b>	<b>-22.9%</b>	<b>3.7%</b>	<b>27.3%</b>	<b>8.0%</b>

## Free Cash Flow Data (Jul)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	348	268	266	339	367
Depreciation & Amortization	252	269	275	278	278
Change in Working Capital	94	(18)	(13)	16	16
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	16	121	68	25	25
Capital Expenditure	(193)	(315)	(220)	(205)	(195)
<b>Free Cash Flow</b>	<b>518</b>	<b>325</b>	<b>376</b>	<b>452</b>	<b>491</b>
<b>% Change</b>	<b>26.2%</b>	<b>-37.3%</b>	<b>15.7%</b>	<b>20.4%</b>	<b>8.6%</b>
Share / Issue Repurchase	(75)	(500)	(120)	(140)	(140)
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	(184)	(79)	(81)	(100)	(100)

## Balance Sheet Data (Jul)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	1,126	573	337	228	153
Trade Receivables	665	635	675	698	723
Other Current Assets	NA	NA	NA	NA	NA
Property, Plant & Equipment	2,118	2,372	2,444	2,371	2,288
Other Non-Current Assets	2,408	2,368	2,317	2,313	2,309
<b>Total Assets</b>	<b>6,318</b>	<b>5,948</b>	<b>5,773</b>	<b>5,611</b>	<b>5,474</b>
Short-Term Debt	NA	NA	NA	NA	NA
Other Current Liabilities	1,047	1,062	1,128	1,167	1,208
Long-Term Debt	2,734	2,820	2,744	2,649	2,555
Other Non-Current Liabilities	689	731	747	747	747
<b>Total Liabilities</b>	<b>4,471</b>	<b>4,612</b>	<b>4,618</b>	<b>4,563</b>	<b>4,510</b>
<b>Total Equity</b>	<b>1,847</b>	<b>1,336</b>	<b>1,155</b>	<b>1,047</b>	<b>964</b>
<b>Total Equity &amp; Liabilities</b>	<b>6,318</b>	<b>5,948</b>	<b>5,773</b>	<b>5,611</b>	<b>5,474</b>

\* For full definitions of iQmethod<sup>SM</sup> measures, see page 5.

## Company Sector

Lodging

## Company Description

Vail Resorts owns and/or operates several ski resorts, including Vail, Beaver Creek, Breckenridge, Keystone, Heavenly, Northstar-at-Tahoe, Kirkwood, Canyons, Park City, Afton Alps, Mt. Brighton, Wilmot, Perisher, Whistler and Stowe. Vail also owns a number of resorts in the Midwest and Northeast, acquired through its acquisition of Peak Resorts. In addition, Vail Resorts owns the RockResorts lodging brand and the Grand Teton Lodge Company.

## Investment Rationale

We are Neutral rated on MTN's shares given Vail's data driven model and ongoing evolution to a more advanced commitment business, offset by slowing growth and negative estimate revisions.

## Stock Data

Average Daily Volume

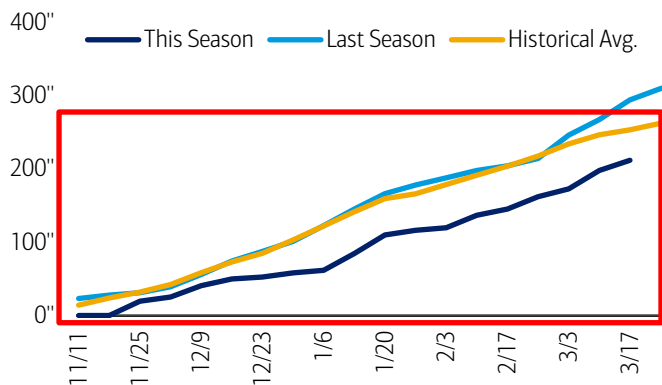
487,884

## Quarterly Earnings Estimates

	2023	2024
Q1	-3.40A	-4.60A
Q2	5.16A	5.76A
Q3	8.18A	9.66E
Q4	-3.35A	-3.50E

**Exhibit 2: Vail Resorts season snowfall to-date vs. last year and LT avg.**

Avg. total snowfall across Vail's 16 resorts to-date is -31% Y/Y and -26% vs. historical average

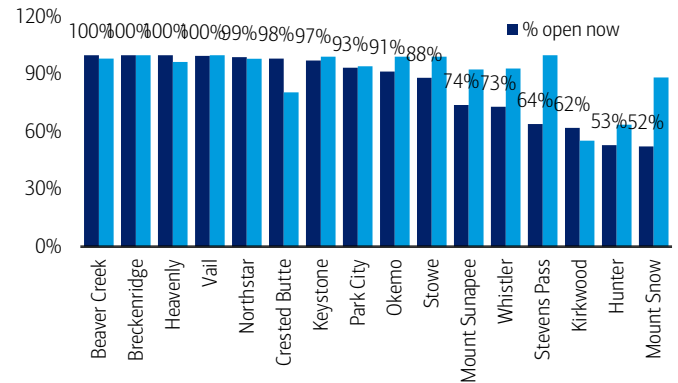


Source: BofA Global Research, ski resort websites

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**Exhibit 3: Vail ski resorts % of open acreage**

On average 84% of terrain is open, compared to 91% last year



Source: BofA Global Research, ski resort websites

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**Exhibit 4: Visitation data to Vail's resorts**

Season-to-date visitation data is down -9% Y/Y across Vail's resorts

	31-Dec	7-Jan	14-Jan	21-Jan	28-Jan	4-Feb	11-Feb	18-Feb	25-Feb	3-Mar	10-Mar
Overall	-13%	8%	-8%	-8%	-12%	-2%	-9%	-9%	-5%	-13%	-4%
Park City	-16%	-5%	-11%	1%	4%	-2%	-9%	-10%	-13%	-1%	0%
Colorado	-10%	5%	-15%	-4%	-5%	-9%	-7%	-7%	-11%	-5%	-12%
Tahoe	-3%	13%	20%	-14%	-17%	-19%	-14%	-15%	23%	-33%	91%
Northeast	-26%	24%	-7%	-14%	-25%	42%	-7%	-6%	-10%	-27%	-28%

Source: Placer AI

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**Exhibit 5: BAC aggregated credit and debt card data for spending at Ski Town**

BAC card data shows spending at Ski Town was down -10% Y/Y the week ending 3/2, and restaurant spend which could be more indicative of destination trends was down -9% Y/Y

Category	16-Dec	23-Dec	30-Dec	6-Jan	13-Jan	20-Jan	27-Jan	3-Feb	10-Feb	17-Feb	24-Feb	2-Mar
Retail Spend	-12%	-17%	-5%	9%	-6%	-11%	-13%	-10%	-6%	-3%	-2%	-10%
Restaurant Spend	-15%	-11%	-1%	14%	-7%	-6%	-11%	-7%	-6%	-4%	2%	-9%

Source: BAC Internal Data

Note: Ski town data series include credit card spending only. Spend is based on the location of the merchant

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See [BofA on USA](#) report for methodology, limitations, and disclaimers related to BAC aggregated credit and debit card data.

## Price objective basis & risk

### Vail Resorts, Inc (MTN)

Our \$250 PO is based on approximately 13x our FY2025E Resort EBITDA estimate, in-line with the mid point of its historical range of 8-17x (2010-19).

We believe this is warranted by 1) limited supply and 2) a strong data driven model

Upside risks to our PO are better-than-anticipated pass sales and stronger visitation. Downside risks to our PO are worse-than-expected skier visitation and spending, snowfall and weather hurting results, higher-than-expected operating leverage that could negatively affect operating results in a weak macro environment, and finally key management risk.

## Analyst Certification

I, Shaun C. Kelley, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

### US - Gaming, Lodging and Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Boyd Gaming Corp	BYD	BYD US	Shaun C. Kelley
	Choice Hotels International	CHH	CHH US	Dany Asad
	DraftKings, Inc.	DKNG	DKNG US	Shaun C. Kelley
	Hilton Worldwide	HLT	HLT US	Shaun C. Kelley
	Host Hotels & Resorts Inc.	HST	HST US	Shaun C. Kelley
	Hyatt Hotels	H	H US	Shaun C. Kelley
	Marriott International Inc.	MAR	MAR US	Shaun C. Kelley
	Penn Entertainment	PENN	PENN US	Shaun C. Kelley
	Ryman Hospitality Properties	RHP	RHP US	Shaun C. Kelley
	Soho House & Co Inc	SHCO	SHCO US	Shaun C. Kelley
	VICI Properties	VICI	VICI US	Shaun C. Kelley
	Wyndham Hotels & Resorts, Inc.	WH	WH US	Dany Asad
<b>NEUTRAL</b>				
	Apple Hospitality REIT Inc.	APLE	APLE US	Dany Asad
	Caesars Entertainment Inc	CZR	CZR US	Shaun C. Kelley
	Churchill Downs Incorporated	CHDN	CHDN US	Shaun C. Kelley
	Hilton Grand Vacations Inc	HGV	HGV US	Dany Asad
	Las Vegas Sands	LVS	LVS US	Shaun C. Kelley
	MGM Resorts International	MGM	MGM US	Shaun C. Kelley
	Park Hotels & Resorts Inc.	PK	PK US	Dany Asad
	Vail Resorts, Inc	MTN	MTN US	Shaun C. Kelley
	Wynn Resorts Ltd	WYNN	WYNN US	Shaun C. Kelley
<b>UNDERPERFORM</b>				
	DiamondRock Hospitality	DRH	DRH US	Dany Asad
	Gaming & Leisure Properties, Inc.	GLPI	GLPI US	Shaun C. Kelley
	Marriott Vacations Worldwide	VAC	VAC US	Shaun C. Kelley
	Pebblebrook Hotel Trust	PEB	PEB US	Shaun C. Kelley
	Playa Hotels & Resorts	PLYA	PLYA US	Shaun C. Kelley
	Red Rock Resorts, Inc.	RRR	RRR US	Shaun C. Kelley
	RLJ Lodging Trust	RLJ	RLJ US	Dany Asad
	Sportradar Holding AG	SRAD	SRAD US	Shaun C. Kelley
	Summit Hotel Properties	INN	INN US	Dany Asad
	Sunstone Hotel Investors	SHO	SHO US	Dany Asad
	Travel + Leisure Co	TNL	TNL US	Dany Asad

## iQmethod<sup>SM</sup> Measures Definitions

### Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

### Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

### Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

### Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

### Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash &amp; Equivalents

EBIT

### Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

### Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

### Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

### Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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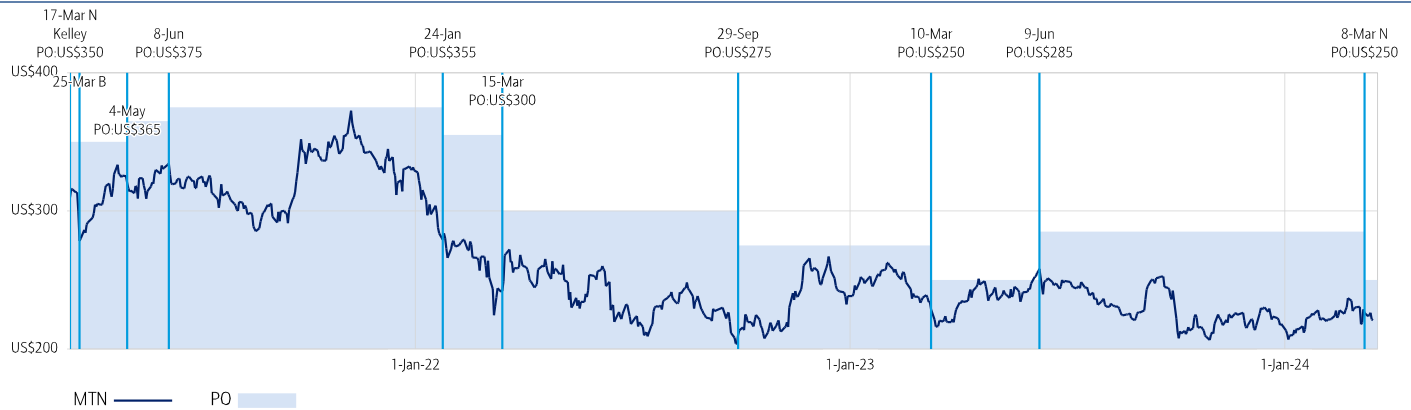
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# Disclosures

## Important Disclosures

### Vail Resorts (MTN) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

### Equity Investment Rating Distribution: Leisure - Hotel/Lodging Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	16	61.54%	Buy	12	75.00%
Hold	3	11.54%	Hold	2	66.67%
Sell	7	26.92%	Sell	5	71.43%

### Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

<sup>R1</sup> Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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