

Big Mountain Resort – Recommendations

Background

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- Here to help **Big Mountain Resort** management determine best steps forward
- Very well run and has tremendous natural resources and features



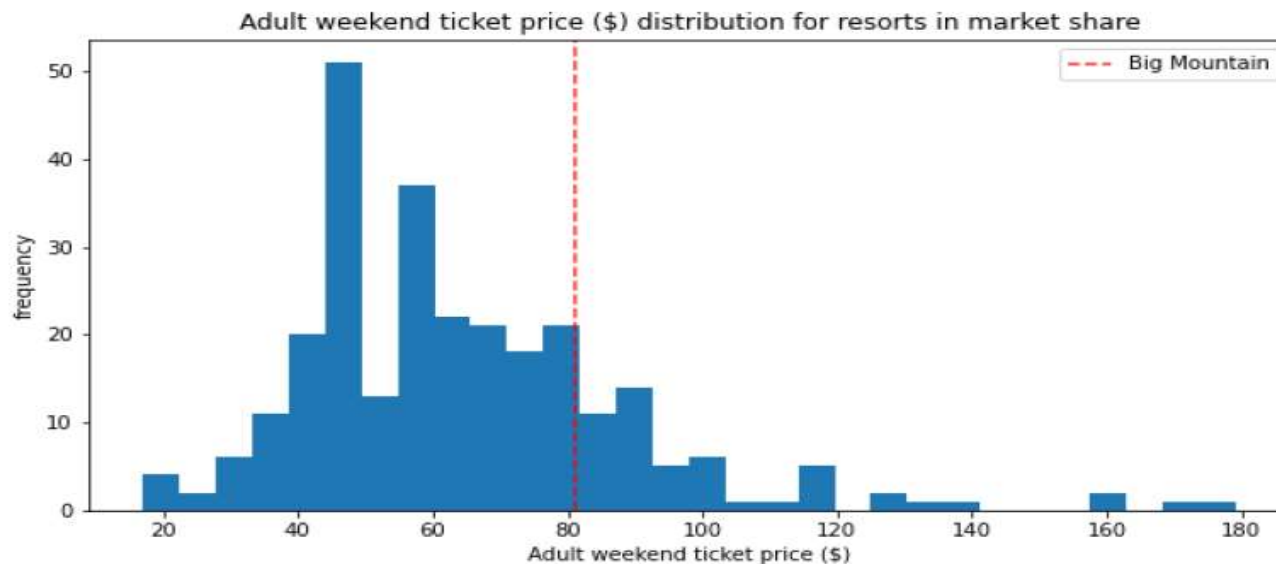
- Located in a gorgeous part of the country and offer beautiful vistas, an impressive vertical drop serviced by a competitive number of lifts/fast quads and ski runs, and large amounts of skiable terrain covered by snowmaking capability
- World-class ski resort, many enviable assets – already in competitive position.

Big Mountain Resort – Recommendations

What can we improve and what does it achieve?

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- Decide on some additional optimizations – to be **even more** successful
- Can we optimize ticket pricing?
 - Specifically, by thoughtfully increasing our adult weekend lift ticket rates...
 - Can we improve our overall revenues?



- Are there other changes that can decrease costs and/or improve revenue?

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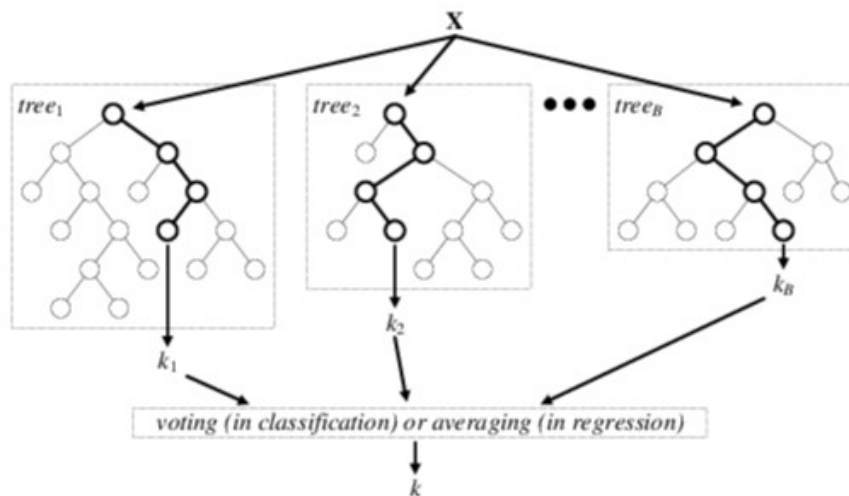
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Big Mountain Resort – Recommendations

Our sophisticated, proprietary model

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- Goal was to evaluate competitiveness of our current ticket pricing to see if there was room for an increase, and if so – how much of an increase
- Developed several analytical models and selected best for this purpose
- Picked an optimized “random forest model” – best performing model for competitive data available – to provide answers for your questions
 - Focus on Top 8 features
 - Good performance based on cross-validation of data set



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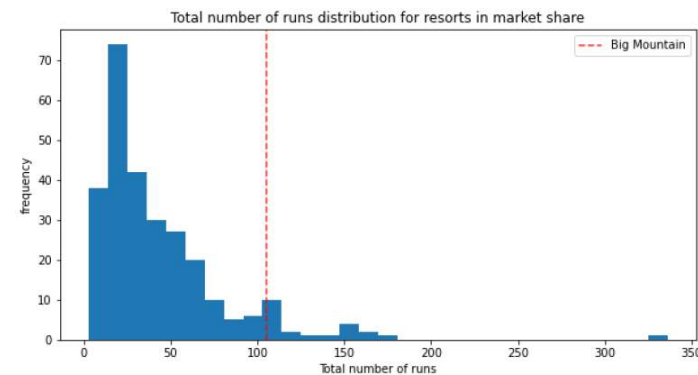
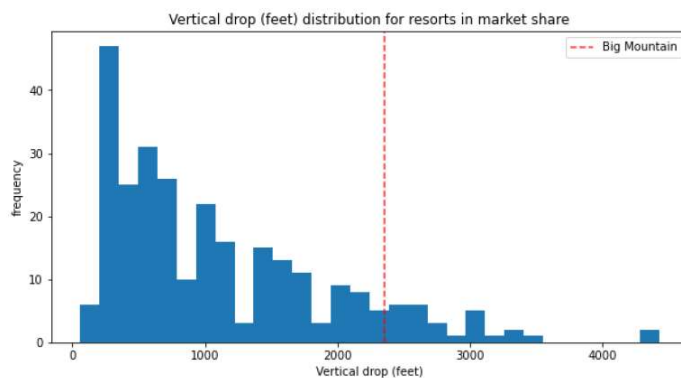
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Big Mountain Resort – Recommendations

Our sophisticated, proprietary modelling

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- **Sophisticated, proprietary** model was used to predict optimal adult weekend lift ticket price based on current industry market pricing



- Evaluated several sets of proposed cost-cutting scenarios
 - Close up to 10 of the least used runs
 - Add a run, increasing vertical drop by 150 feet, and install an additional chair lift
 - Same as previous, but include addition of two acres of snowmaking
- Also evaluated some ad hoc scenarios aimed at incremental increase for adult weekend lift ticket prices

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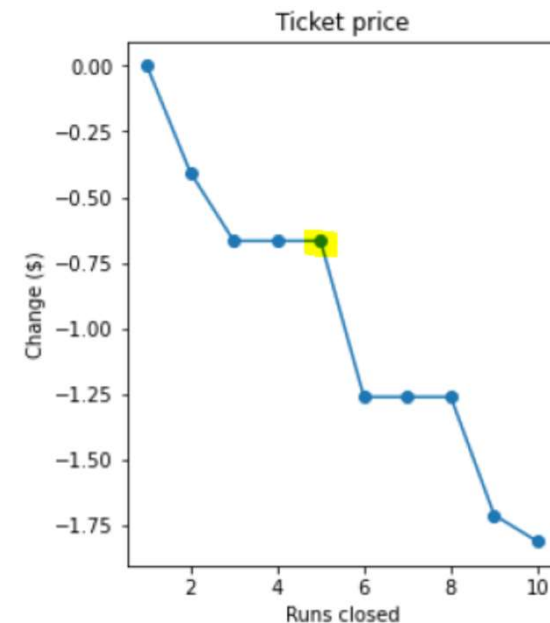
Big Mountain Resort – Recommendations

Our sophisticated, proprietary analysis and findings

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- **Ticket Price:** *Model indicates currently undercharging for weekend lift tickets*
 - We can immediately **raise ticket prices from \$81 to \$96**
 - Align to current market rates and essentially match our competition

- **Cost-Cutting Scenarios:** Close up to five runs would save money and minimally impact ticket price support based on model
- Helps offset the cost of potential new capabilities for the resort such as a new fast quad, or fast six



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Big Mountain Resort – Recommendations

Our sophisticated, proprietary analysis and findings

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- **Additional Growth Options:** Also recommend adding five new runs adjacent to the most popular area on the mountain, adding tram service over to these additional new runs, and adding two fast quads to service that new area (or perhaps a fast six – see conceptual artwork mockup below)
- Take advantage of our existing snow making capabilities, natural vertical drop, and offers some new experiences
- At the same time effectively “uncrowding” popular areas of the existing facilities

SWIFT CURRENT 6

America's Fastest 6-Place Chairlift



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Big Mountain Resort – Recommendations

Our Recommendations

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- Increase adult weekend lift ticket price to \$96 effective immediately
- Consider eliminating five current lifts – achieve annual operating cost savings
 - Most expensive to operate
 - Least used
 - Redundant lift capacity
- Strongly consider a branded, five run expansion - based on professional reliable data modelling and analysis - and collect the rewards
 - Model suggests this supports potential **additional \$10 increase in ticket prices**