



VAIL RESORTS®

EXPERIENCE OF A LIFETIME™

NYSE: MTN
Vail Resorts Inc.

Fundamental Analysis



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Ben, MBA | Value Investing

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Introduction

GICS Sector: Consumer Discretionary

Sub-industry: Resorts & Casinos



CEO: Kirsten Lynch

Tenure: 2.6 years

Vail Resorts Inc's management team has an average tenure of **2.6 years** It is considered experienced.

Business Overview:

- Vail Resorts, Inc., through its subsidiaries, operates mountain resorts and regional ski areas in the United States. It has three segments: Mountain, Lodging, and Real Estate.
- Mountain segment operates 41 destination mountain resorts and regional ski areas. This segment generates revenue through lift tickets, pass products, ski and snowboard lessons, equipment rentals, retail merchandise sales, dining venues, private club operations, and various recreational activities throughout the year.
- Lodging segment includes owned and managed properties, such as luxury hotels under the RockResorts brand, and managed condominium units around its mountain resorts.
- Real Estate Segment focuses on selling land parcels to developers and plans future projects, securing zoning and permits.
- Visit my website to learn more.

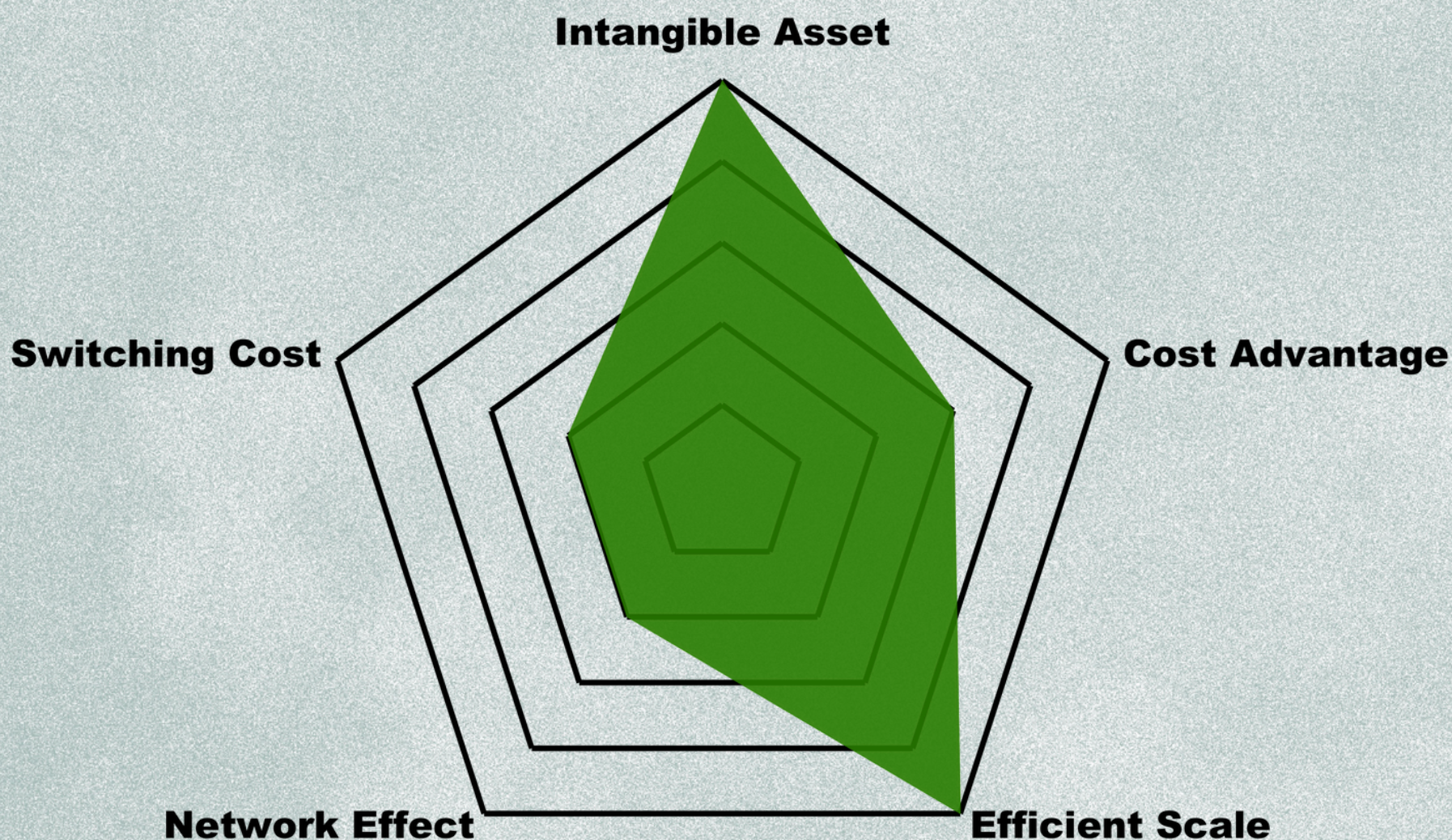


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Economic Moat



Economic moat: **Narrow**

There are many ways to identify a company's economic moat, but I focus on the above 5 types. The rating is purely subjective, and it is based on my in-depth understanding and analysis of the company.



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Performance

Yes**Inconsistent****No**

Revenue growing YoY for the past 5 years consistently?

☐☐☒

Net income growing YoY for the past 5 years consistently?

☐☐☒

Cash flow from operating activities growing YoY for the past 5 years consistently?

☐☐☒

Free cash flow is positive for the past 5 years?

☒☐☐

Gross margin % is consistent/growing for the past 5 years?

☒☐☐

EPS growing for the past 5 years?

☐☐☒**The Globetrotting Investor**

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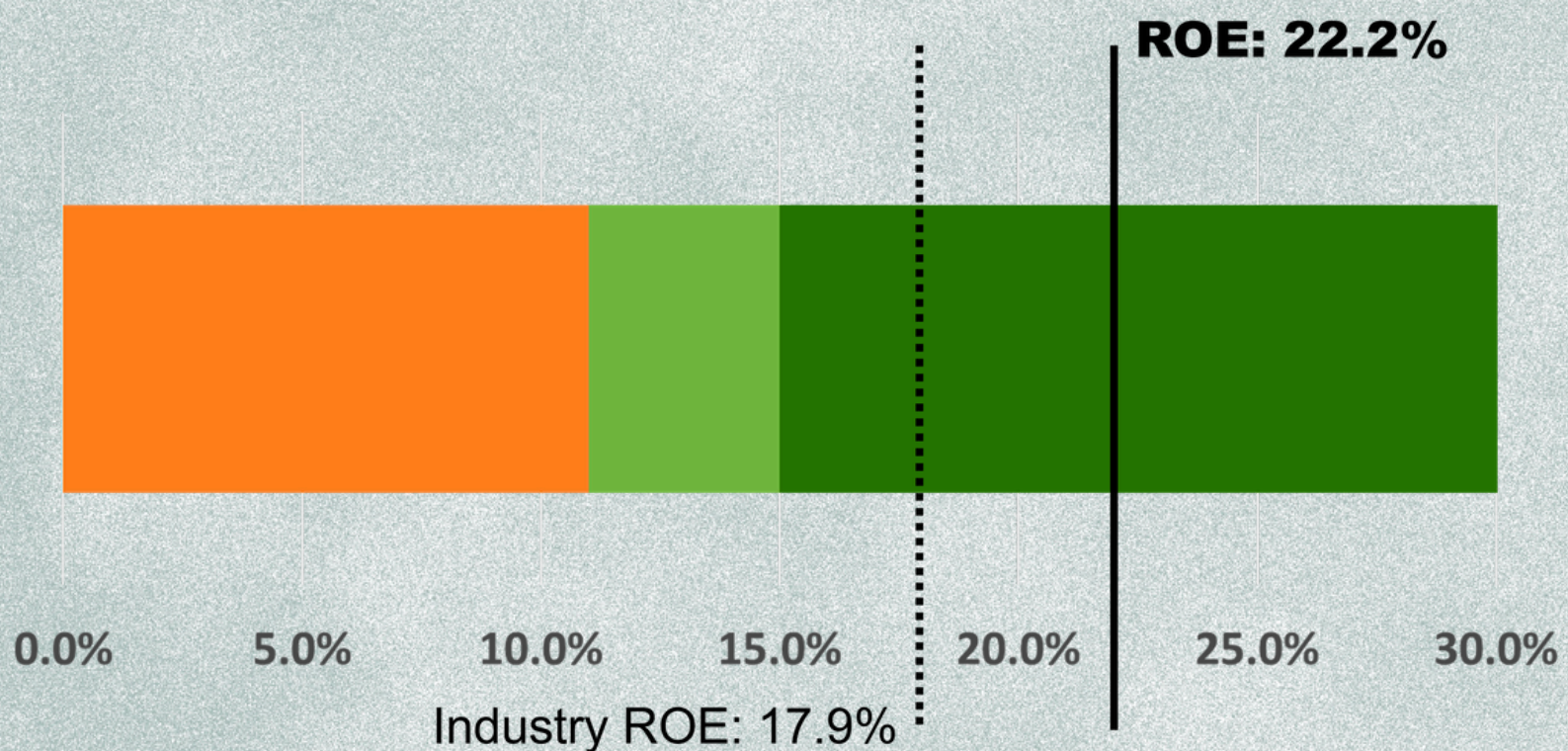
Management Effectiveness

Yes

Inconsistent

No

ROE is consistently at 12%-15%
YoY for the past 5 years?

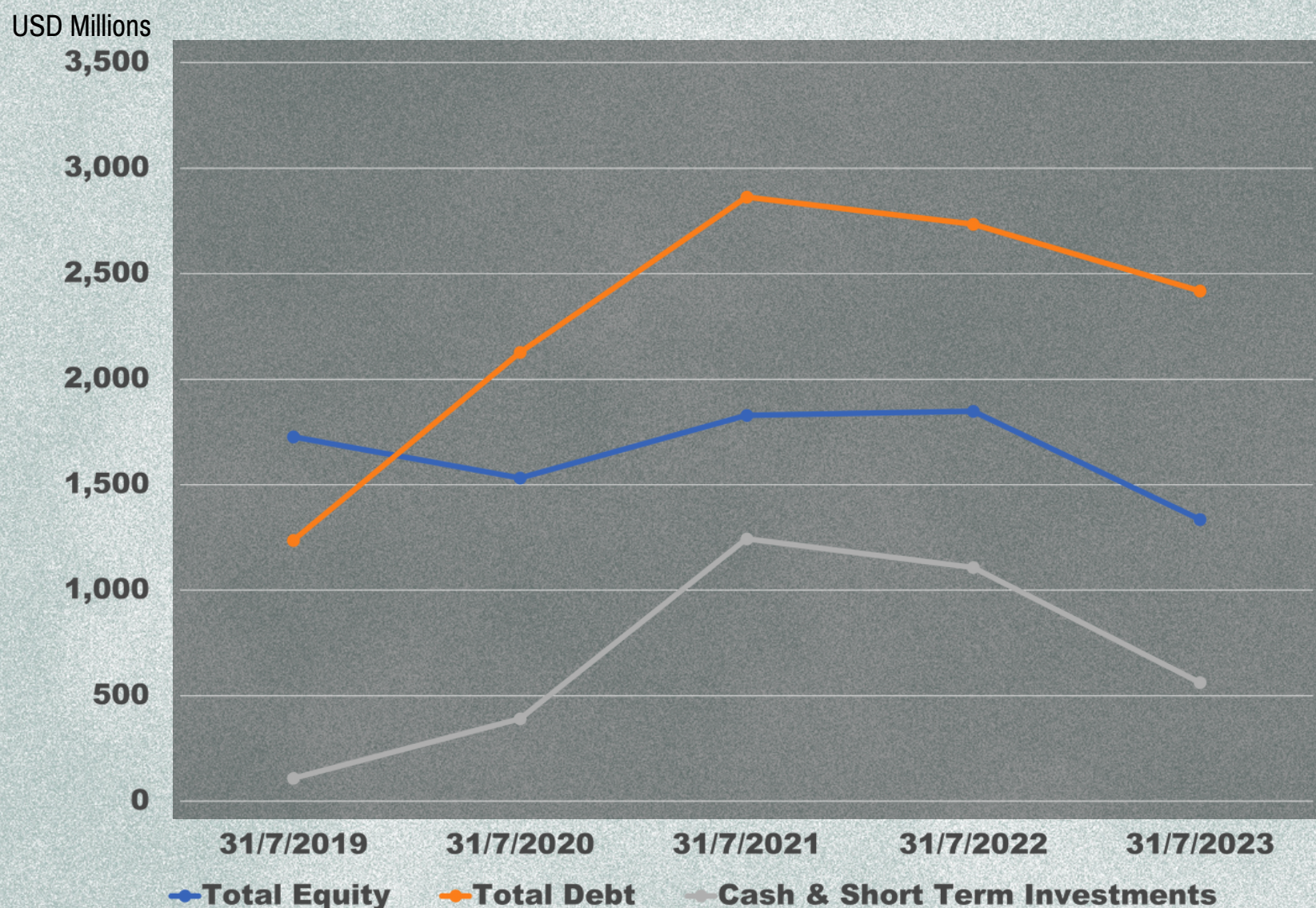


ROIC is consistently at 12%-15%
YoY for the past 5 years?





Financial Health



Current Ratio: 1.2



Debt-to-EBITDA: 3.6



Interest Coverage: 3.4



Debt Servicing Ratio: 27.2%



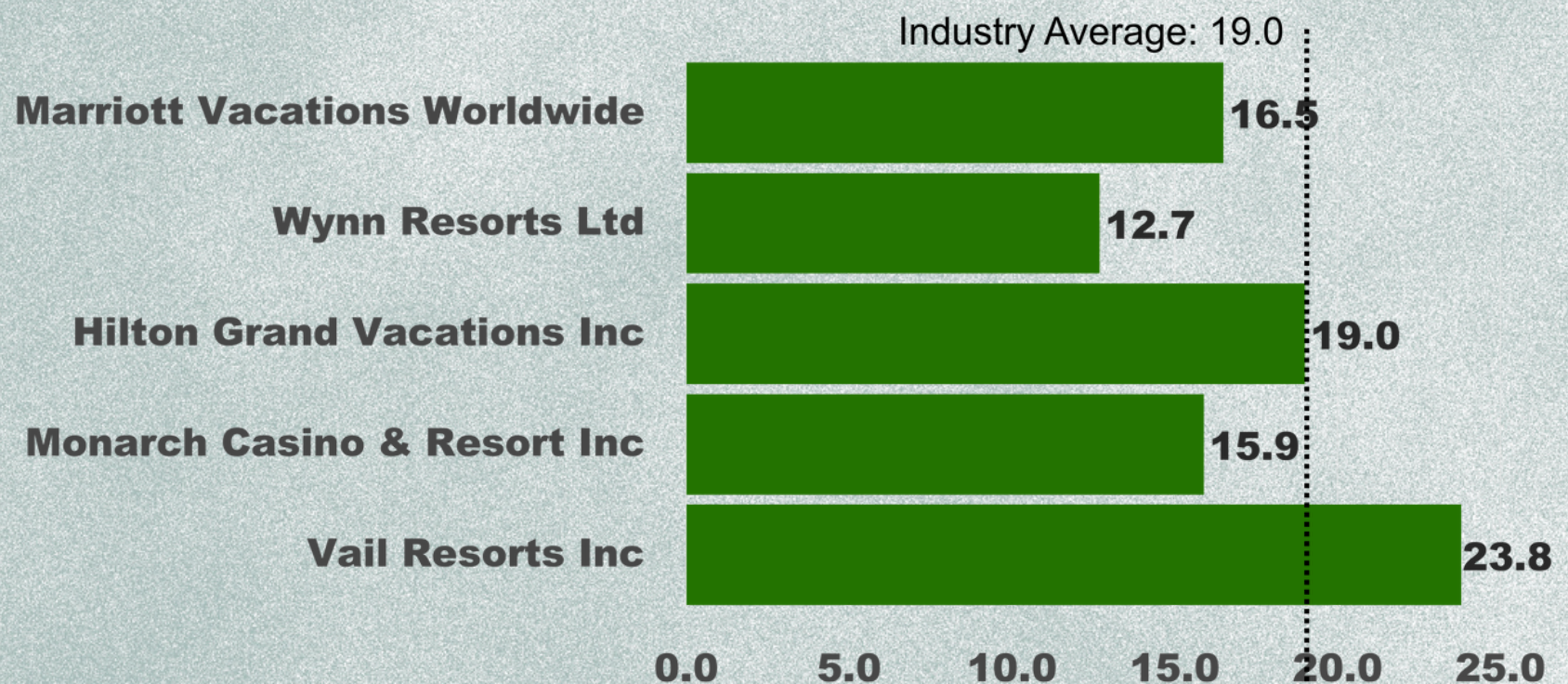
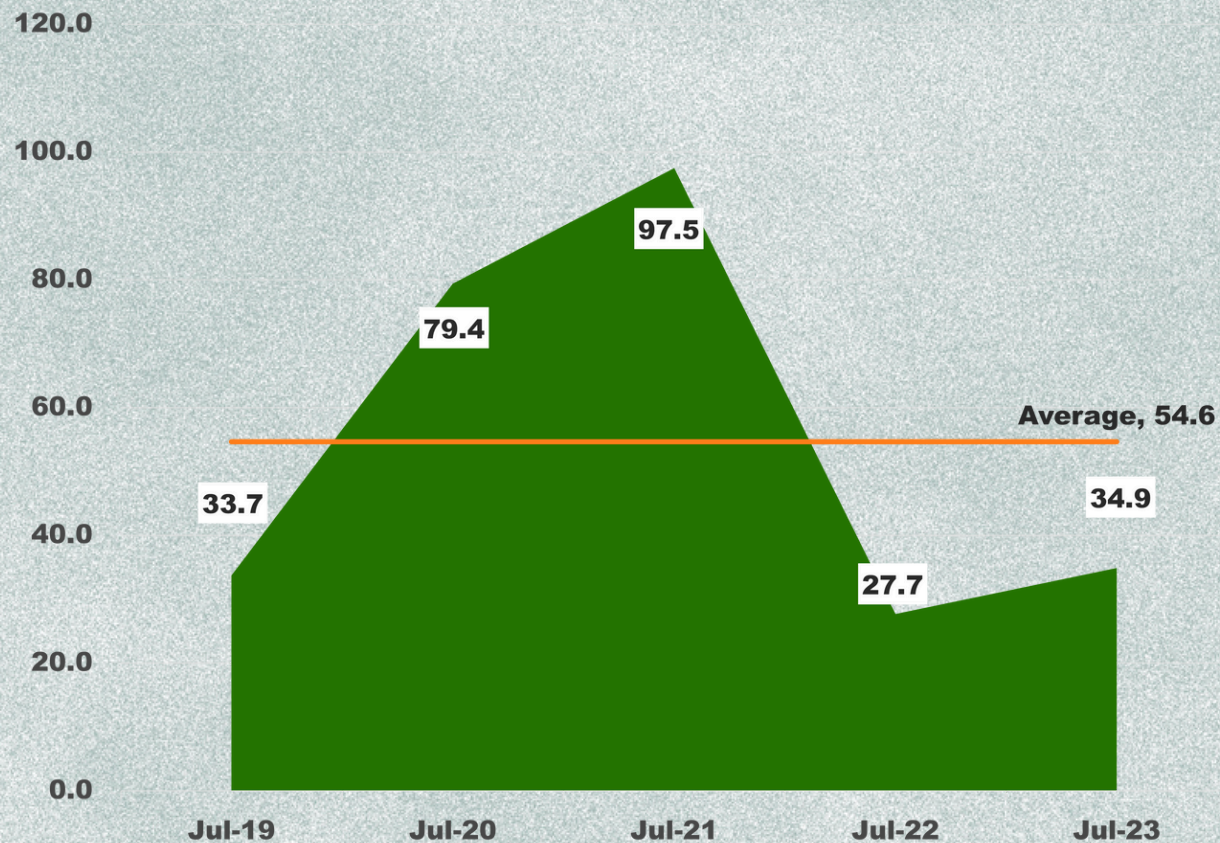
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Relative Valuation





Intrinsic Valuation

Estimated intrinsic value: **\$148.24**

Value is calculated using discounted cash flow method (taking into account their cash and debt) and scenario planning.

Average free cash flow used: USD\$390M

Projected growth rate: 9% - 11%

Beta: 1.1

Discount rate: 8.5%

Date of calculation: 13 Jun 2024

Estimated intrinsic value of
Vail Resorts Inc.

\$148.24

\$165.14

\$254.78

52 weeks range

Uncertainty: High

50% Margin of Safety

Price range after the
margin of safety

<\$74.00

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