



Vail Resorts (\$MTN) Long Stock Pitch

By: RBW Capital Partners



Introduction

- \$MTN trading at decade low EV/ EBITDA (10x)
- DCF forecast projects 190\$ by year end
- EV/ Skiable Acres → 195,950
- EBITDA will grow
- Multiple has compressed; there is potential upside
- Projecting Vail 9/1 risk to reward ratio for 2026



Executive Summary

- Thesis: Vail Resorts owns and operates the largest portfolio of mountains in the world and has just rehired their CEO who made the company what it is today. A proven winner with a plan for success, Robert Katz will fix execution gaps, re-optimize pricing, and expand marketing and outreach into new channels – setting up an earnings inflection and a stock price re rating from current lows.
 - Epic pass delivers high upfront cash flow and demand visibility, while creating a seamless experience for customers
 - Robert Katz has a 20 year track record at Vail, and is a proven winner



Company Background & Sources of Dominance



- How Vail built the category leader
 - Scaled from a single flagship mountain into a global, multi-resort portfolio through disciplined acquisitions
→ Owned 11 mountains in 2015 → 42 today
 - Created the industry's defining product with the Epic Pass, shifting demand to a subscription-based model
- Built a self-reinforcing flywheel
 - Advance commitment → higher visitation → ancillary capture → loyalty → renewal
- Achieved structural scale advantages by operating on shared systems and data, enabling superior pricing, staffing, and guest experience optimization across resorts

What went wrong?

- Execution drift, amplified by weather volatility
 - Over-emphasis on pass growth without equal focus on lift tickets given it provides advanced revenue
 - Marketing mix lagged: not enough progress into new/emerging channels
 - My Epic App engagement up, but purchase conversion below potential
→ opportunity arises as My Epic App plans to add Apple Pay & Google Pay this FY
- Result: Softer uncommitted visitation and negative sentiment despite resilient base economics”
 - Workers on Strike
 - Quality of operations fell
 - Overcrowded mountains

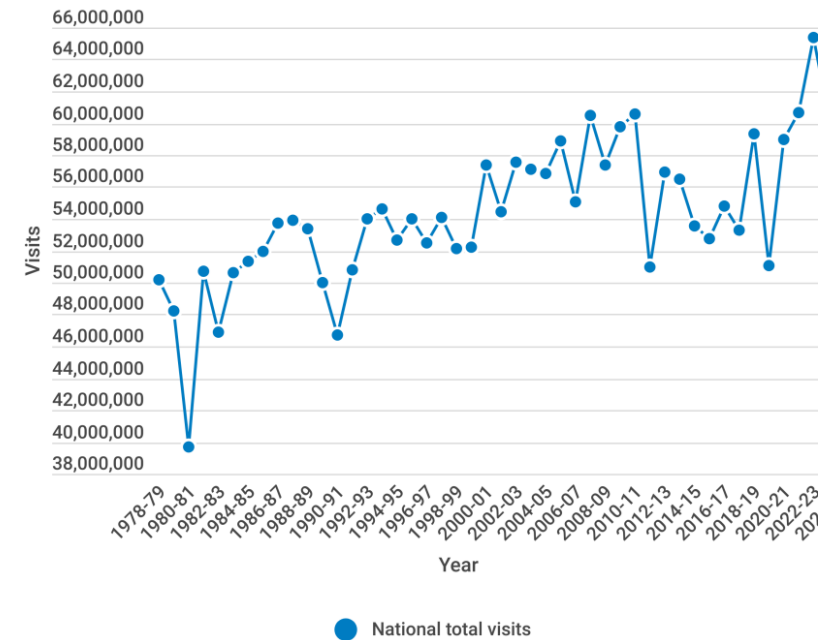
The Change: Rob Katz Returns

- Turnaround catalyst is leadership + strategy
 - Katz: “course correcting” with a multi-year strategy to unlock the business
 - Resource Transformation Plan, strategic implementation of marketing technology, creating optimal balance of skier volume and sales volume
 - Hired proven CRO, Celeste Burgoyne
 - Responsible for over \$7.5 BN in Revenue at Lululemon
- Priority: increase guest satisfaction while sustaining the pass model
 - Implementing discounts for early purchasers of the Epic pass (30% for a month in advance)
 - Making key upgrades in social, dining, and retail
 - Improving lifts at Whistler, Park City and Seven Springs

Industry Tailwinds

- Sustained post-COVID demand step-up
 - The U.S. ski industry has delivered four 60M+ skier-visit seasons since 2021, with 2024–25 at ~61.5M, indicating a structurally higher demand baseline versus the pre-pandemic peak
- Broadening the participation base
 - ~10.7M unique U.S. skiers in 2024–25 (3rd highest on record) supports volume durability beyond core enthusiasts
- Affluent customer mix enables pricing
 - Skiing remains a high-income, discretionary activity, allowing operators to push pricing ahead of inflation with limited elasticity
- Capacity-constrained supply amplifies pricing power
 - Fixed resort capacity and regulatory barriers limit new supply, translating incremental demand directly into yield and margin expansion

U.S. ski area visits by year



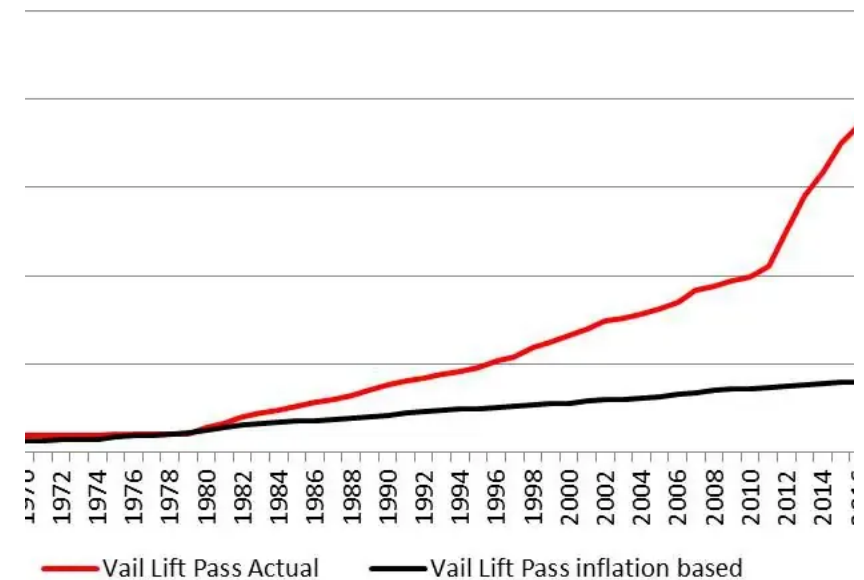
Source: National Ski Areas Association

Rebuilding Lift Ticket Visitation (Near-Term Revenue Lever)



- Largest controllable gap management identified
 - Lift ticket guests are a high-conversion population for future pass sales
 - Katz Strategy: enhance offerings + pricing + marketing to bring in new guests without weakening passes
- Key initiatives:
 - Epic Friend Tickets (50% discount TO friends and family of pass holders)
 - Ticket value can be applied toward a future pass purchase in following season (conversion tool)
 - More targeted adjustments by resort + time period to drive off-peak volume

Day Pass Price Development Actual vs Inflation adjusted since 1962



Financial Resilience & Cash Flow Visibility

- Highly pre-committed demand base:
 - ~2.3M Epic Pass holders committed pre-season, locking in revenue before weather volatility and in-season execution risk
- Recurring, high-visibility revenue stream
 - Epic Pass generates ~\$1.0B of annual revenue and accounts for ~74% of total skier visits, materially reducing dependence on day-of ticket sales
- Downside-protected earnings profile
 - Prepaid pass revenue provides cash inflow ahead of peak operating costs, supporting liquidity, smoothing EBITDA, and insulating margins during periods of weaker visitation or adverse weather
- Operating leverage on incremental visits
 - Fixed-cost resort infrastructure enables high incremental margins as pass holders ski more frequently, amplifying cash flow recovery as utilization normalizes

Competitive Landscape

- Global, diversified resort footprint
 - Vail operates 40+ destination and regional resorts across North America, Europe, and Australia, giving the company unmatched scale in a highly fragmented industry
- Regional risk diversification
 - Exposure across the Rockies, West Coast, Midwest, Northeast, Europe, and Australia mitigates weather volatility, regional economic swings, and travel disruptions
- Network effects reinforce demand
 - The breadth of the Epic Pass network encourages multi-mountain usage, higher visit frequency, and customer lock-in across geographies
- Structural barrier to replication
 - Replicating this footprint would require decades of acquisitions, regulatory approvals, and billions in capital, creating a durable competitive moat



Modernizing the Funnel: Marketing + Pricing Optimization

- In the process of shifting from broad-brush to precision
 - Broaden reach and modernize engagement across: digital, social, influencers
 - Katz “More present in social and influencer channels.” (Q4 2025 Earnings Call)
 - Increased top-of-funnel media investment to expand awareness and conversion
 - Moving away from uniform “across-the-board” pricing → dynamic / segmented approach
 - Optimize the window between pass value and advance lift ticket pricing to capture planners

Valuation: Rerate Setup

- Market pricing execution failure, not recovery
 - MTN trading ~20x P/E vs historical ex-COVID range ~25–26x
 - If execution improves (lift tickets + pricing + tech conversion), earnings visibility strengthens → multiple expands
 - DCF work suggests meaningful upside vs current price (team estimate: ~\$190 intrinsic vs ~\$130)
 - Base case: operational recovery + rerate can drive ~50%+ upside over 12 months



Key Risks

Weather Volatility

Risk: Weak snowfall reduces visitation, especially lift tickets
~74% of skier visits from advance-commitment passes; geographic diversification

High Reliance on Passes

Vail relies heavily on Epic Pass sales
Increasing competition and price could lead to customers switching to competitors, or being priced out completely

Labor Risks

Increasing prices in ski towns leading to an industry-wide strike

Execution Risk

Underperformance in Epic Pass pricing, cost control, or resort operations (weather, labor, capacity constraints) could limit EBITDA growth and prevent multiple expansion

DCF Forecast Model

Assumptions	
% Debt in Capital Structure	88.0%
% Equity in Capital Structure	12.0%
Current Total Debt / LTM EBITC	4.1x

WACC Calculation	
Risk Free Rate	3.7%
Beta	0.82
Market Risk Premium	9.1%
Cost of Equity	11.1%
Cost of Debt	5.6%
WACC	5.0%

DCF Valuation (Exit Multiple Method)	
Exit EV / EBITDA Multiple (LTM)	11.0x
(x) LTM EBITDA	863
Terminal Value (TV)	\$9,491
Discounted at WACC	5.0%
Present Value of TV	\$7,440
(+) Sum of PV of Future Cash Flo	2,709
Implied Enterprise Value	\$10,149
(-) Total Debt	(3,496)
(+) Cash	440
Implied Equity Value	\$7,093
(-) Diluted Shares Outstanding	37.28
Implied Share Price	\$190.28

	9.0x	9.5x	10.0x	10.5x	11.0x	11.5x	12.0x
4.50%	\$157.85	\$167.14	\$176.43	\$185.71	\$195.00	\$204.29	\$213.57
4.75%	\$155.87	\$165.05	\$174.22	\$183.40	\$192.57	\$201.75	\$210.93
5.00%	\$153.91	\$162.98	\$172.05	\$181.11	\$190.18	\$199.25	\$208.32
5.25%	\$151.98	\$160.94	\$169.90	\$178.86	\$187.82	\$196.78	\$205.75
5.50%	\$150.08	\$158.94	\$167.79	\$176.65	\$185.50	\$194.35	\$203.21
5.75%	\$148.21	\$156.96	\$165.71	\$174.46	\$183.21	\$191.96	\$200.71
6.00%	\$146.36	\$155.00	\$163.65	\$172.30	\$180.95	\$189.60	\$198.24

Bottom Line: Why We're Long

- Scarce, irreplaceable asset base
 - Ownership of premier, capacity-constrained ski resorts with significant regulatory, geographic, and capital barriers to entry; no credible large-scale greenfield supply
- High-quality, pre-committed demand
 - ~2.3M Epic Pass holders drive ~\$1B of prepaid revenue and ~75% of skier visits, materially reducing cyclical, weather risk, and downside volatility
- Proven operator re-focused on revenue
 - Rob Katz's return brings a renewed emphasis on pricing discipline, yield optimization, and guest monetization, following a period of operational under-earning
- Multiple identifiable value-creation levers
 - Lift ticket pricing reset, Epic Pass optimization, targeted marketing efficiency, and incremental digital/app-driven monetization provide clear pathways to EBITDA recovery and multiple expansion