



# WESTERN INVESTMENT CLUB

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# Whistler Blackcomb Holdings Inc.

## Company History



**1966**

- Garibaldi begins operating Whistler Mountain ski resort

**1980**

- Blackcomb Mountain begins operations

**1986 - 1997**

- Intrawest purchases operations of Blackcomb Mountain (1986) and Whistler Mountain (1997)

**1997**

- Intrawest purchases operations of Whistler Mountain

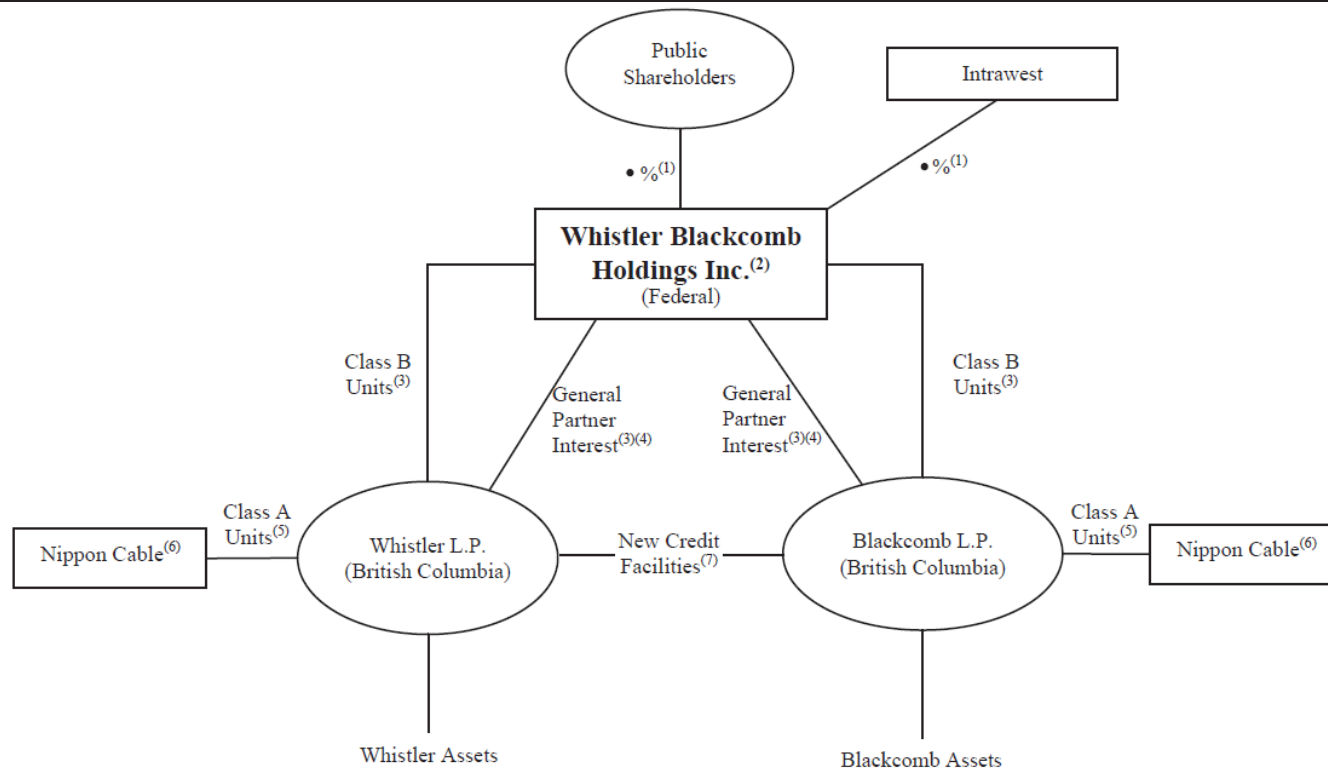
**Nov, 2010**

- Whistler Blackcomb Holdings IPO

Recent restructuring undergone, after several decades of growth

# Investment Thesis

## Intrawest Bankruptcy – Spinoff of Whistler & Blackcomb Operations



- Distressed divestiture
  - Sale of **best asset**
  - Asset values **discounted**
  - Yet to report earnings; no analyst coverage; **market uninterested**

Complicated deal obscures intrinsic value

# Whistler Blackcomb Holdings Inc.

## Company History

- North America's best mountain resort and a preferred global destination
- Lift operations, ski school, retail and rental, food and beverage and real estate activities
- Customers: 54% *regional*, 46% *destination*
- World class village featuring first class amenities
- Host of the 2010 Olympic Winter Games
- Successful restructuring and recapitalization



*“Hosting the Olympic Winter Games in 2010 provided Whistler Blackcomb with significant media coverage. Approximately **10,800** credited and unaccredited media covered the Olympic Winter Games, which were broadcast globally and reached an estimated **3.5 billion viewers**. As a result of the significant media coverage, including over **50,000** hours of television coverage...”*

Diversified revenue stream, with strong customer base and strong recent exposure

# Whistler Blackcomb Holdings Inc.

## Key Attractions



### Mile-High Vert.

- Mile-high vertical drop
- Largest area of skiable terrain
- Most marked trails
- Largest lift capacity

### Skiing Conditions

- Average snowfall of 430 inches
- One of the longest ski seasons in N.A.
- Large investment in latest technologies (snowmaking)

### Peak to Peak

- Opened in 2008
- World record 4.4 km gondola connecting Whistler and Blackcomb mountains
- Summer sightseeing increased 47% YOY, with 4000 visitors

### Village

- Developed on the valley floor between Whistler Mountain and Blackcomb Mountain
- Over 6,300 commercial lodging units
- Numerous recognized accolades

Strong natural endowment and adjacent businesses

# Whistler Blackcomb Holdings Inc.

## Awards

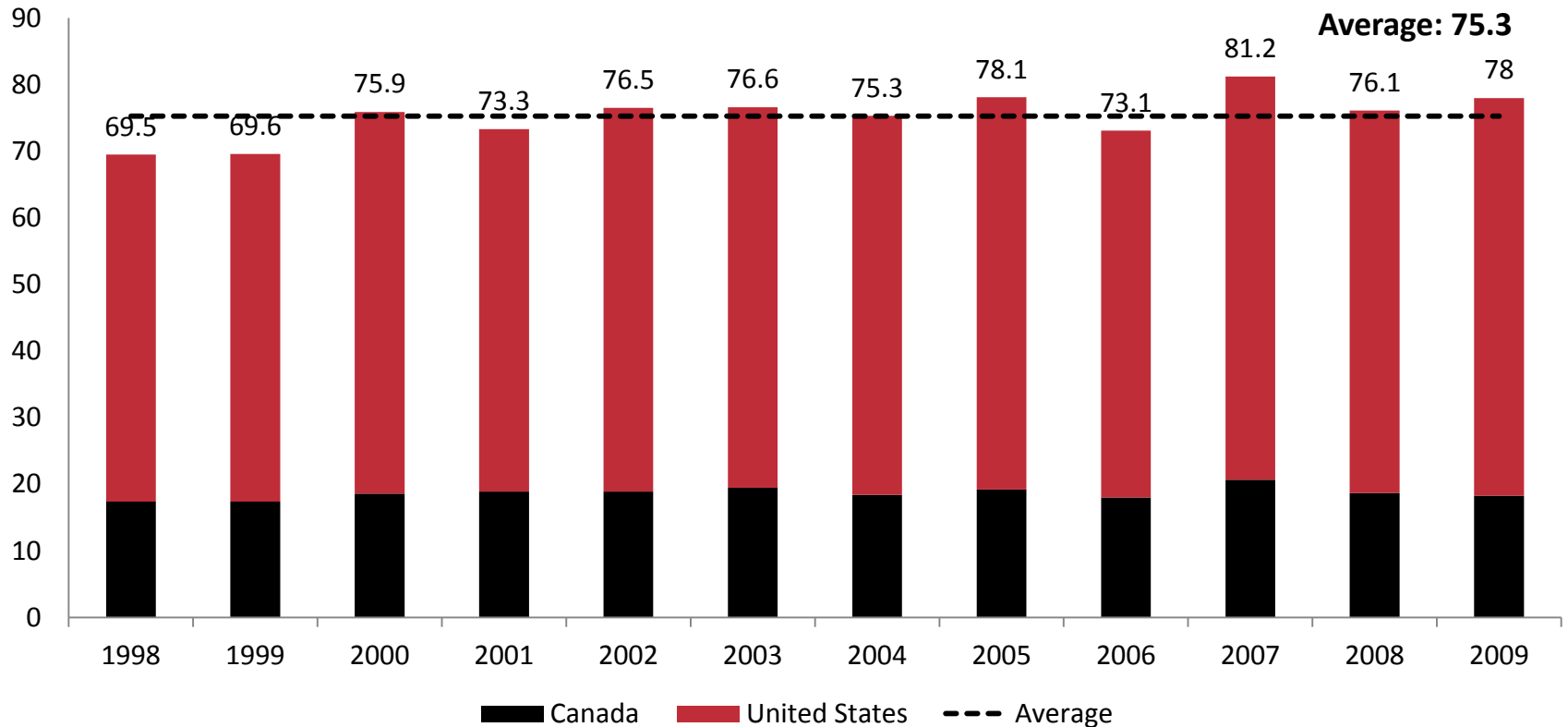


Excellent top of mind awareness

# North American Industry Overview

Industry / Operational Overview

## Total North American Ski Resort Visits

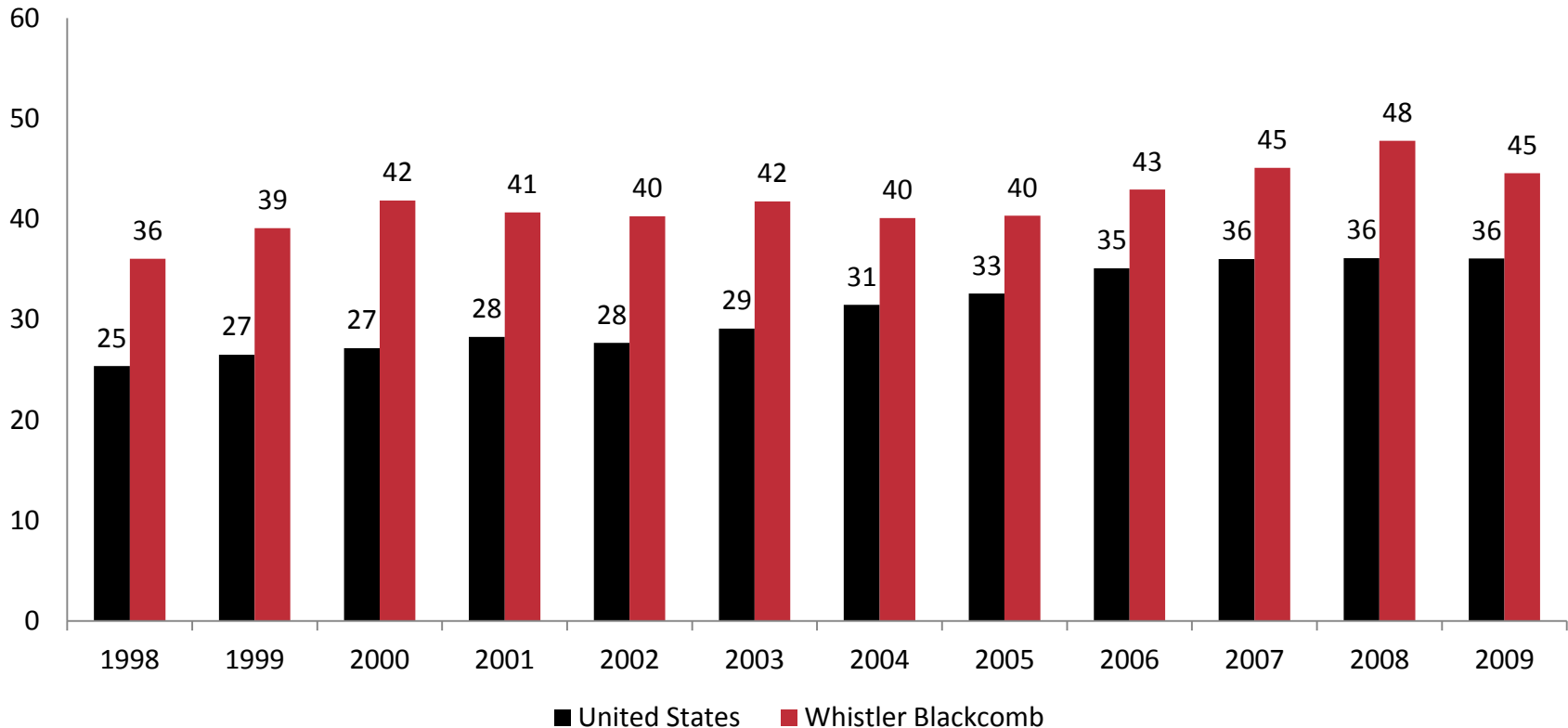


2009-2010 was the 3<sup>rd</sup> strongest year for ski visits over the last 12 years

# North American Industry Overview

Industry / Operational Overview

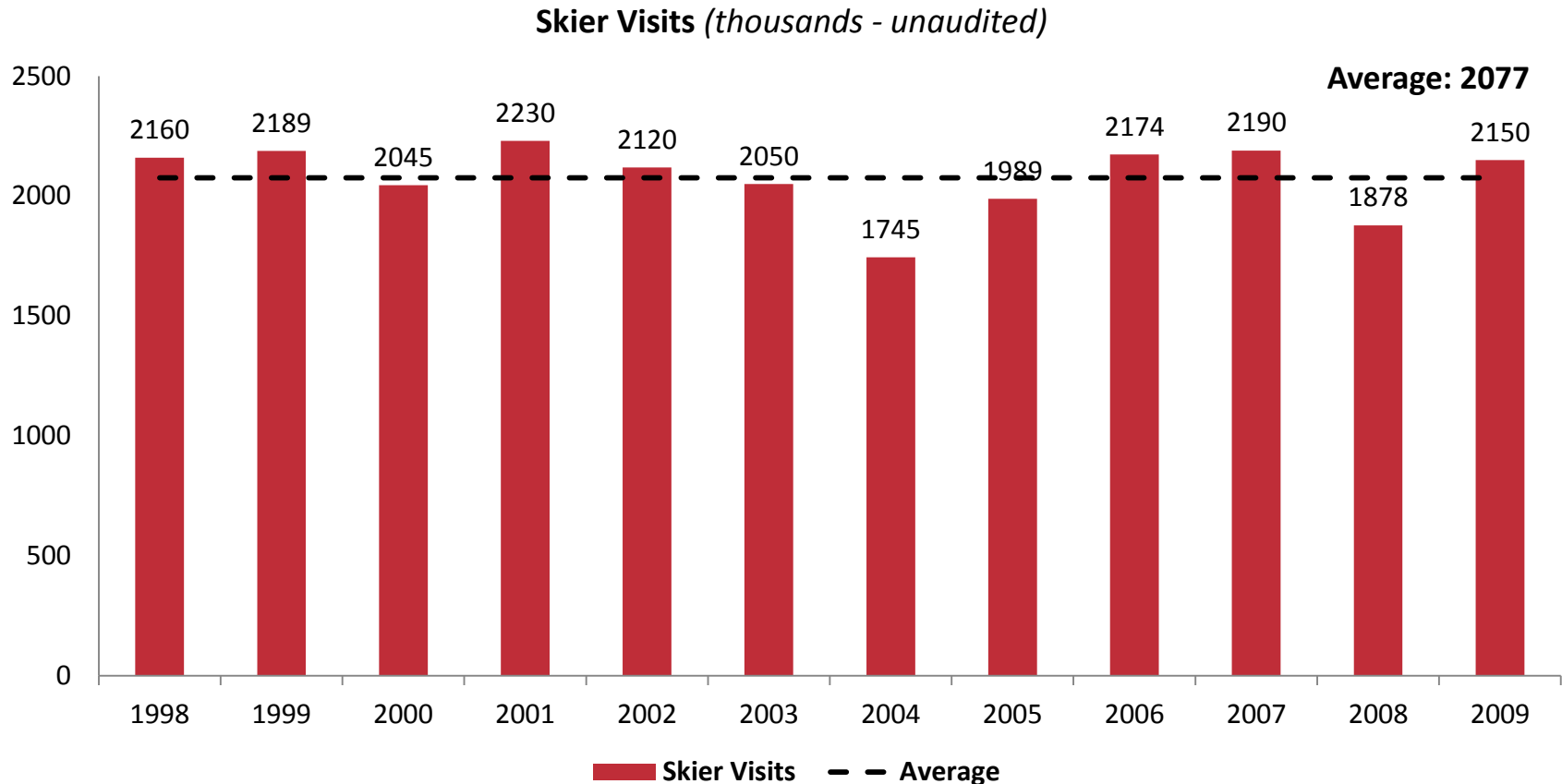
## Average Effective Ticket Price of Ski Resorts



Whistler Blackcomb consistently achieves higher ETP, averaging \$41.73 over the last 12 years

# Whistler Blackcomb Holdings Inc.

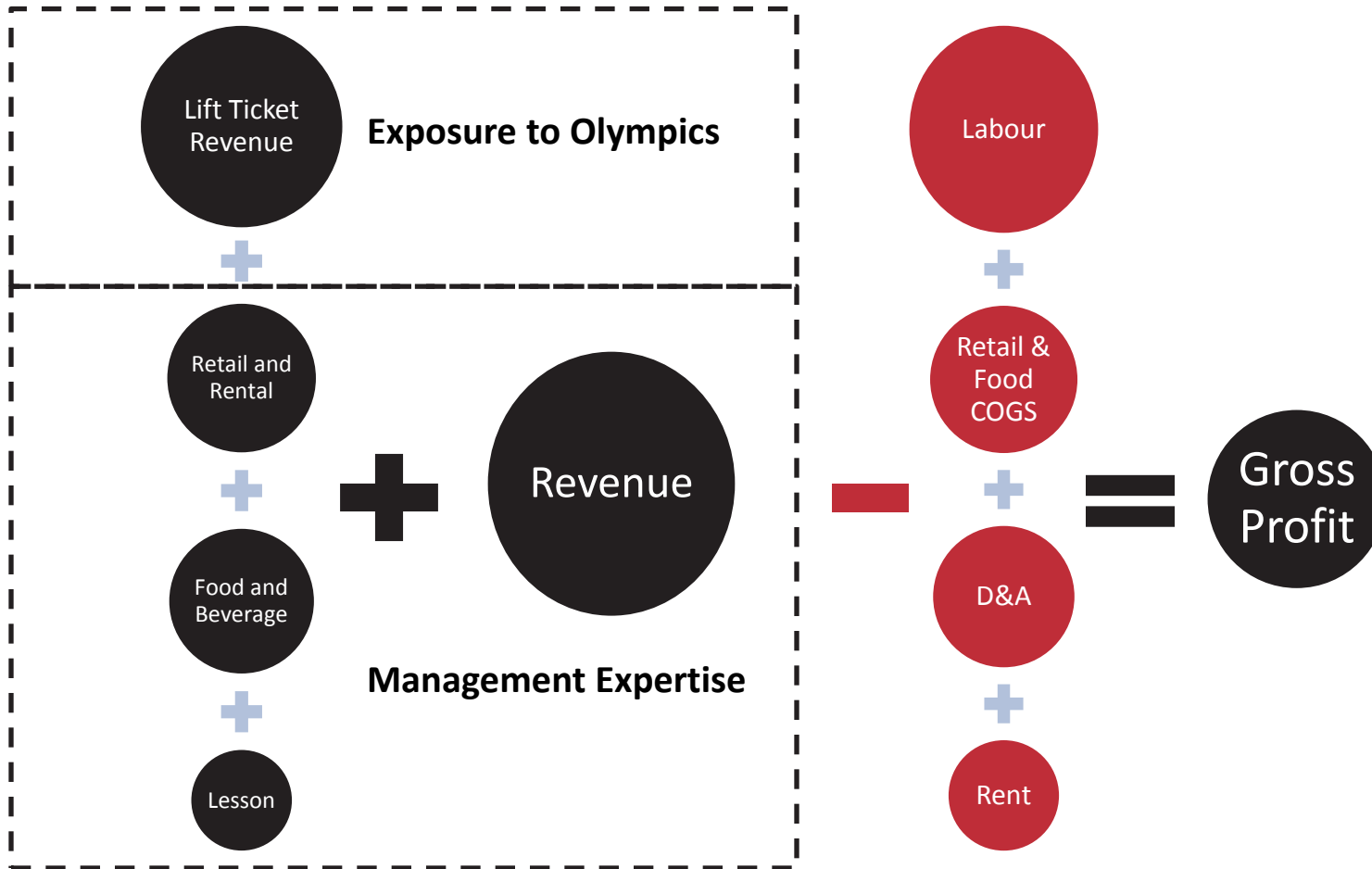
## Industry / Operational Overview



Skier visits rebound with economy – negatively impacted by Olympics

# Whistler Blackcomb Holdings Inc.

## Business Model

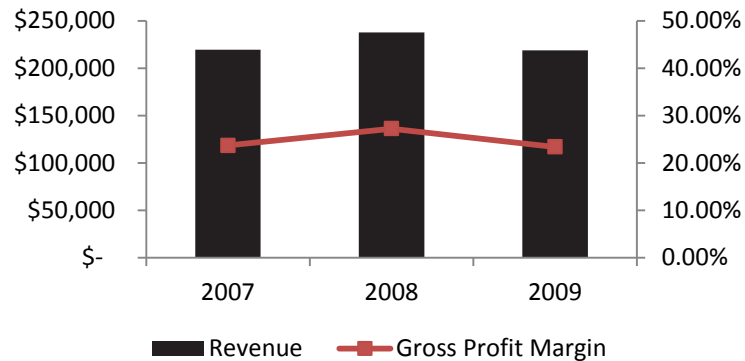


Strong and diversified business model with significant upside growth

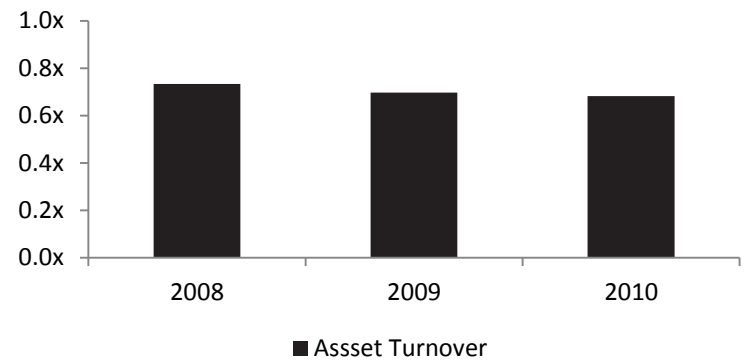
# Whistler Blackcomb Holdings Inc.

## Track Record

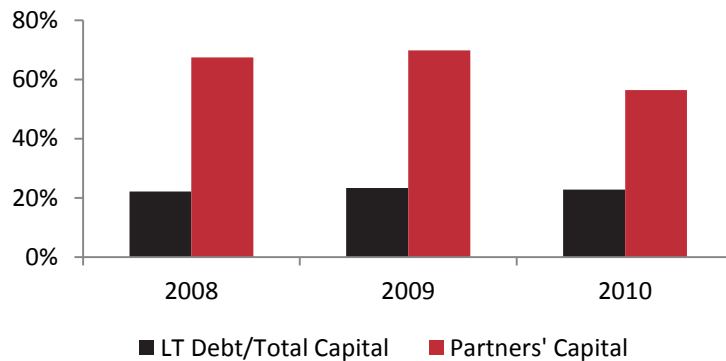
### Profitability



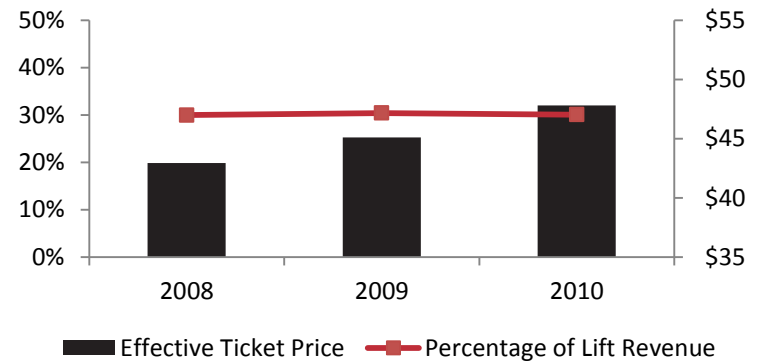
### Asset Utilization



### Leverage








### Skier Revenue



Stable financial performance

# North American Mountain Comparison

Comparing Mountain Characteristics

	Average Season	Skiable Acres	Average Snowfall	Vertical Drop	Number of Trails	Lift Capacity
	5	5,289	889	3,450	193	54,963
	5	2,358	762	3,398	155	37,880
	5	3,807	762	4,406	167	45,252
	4	2,026	762	3,000	100	46,500
<b>Average</b>	<b>4.8</b>	<b>3,370</b>	<b>794</b>	<b>3,564</b>	<b>154</b>	<b>46,149</b>
<b>Diff.</b>	<b>1.3x</b>	<b>2.4x</b>	<b>1.4x</b>	<b>1.5x</b>	<b>1.3x</b>	<b>1.5x</b>
	<b>6</b>	<b>8,171</b>	<b>1,092</b>	<b>5,280</b>	<b>200</b>	<b>69,680</b>

Simply the BEST mountain in North America

# Whistler Blackcomb Holdings, Inc.

## Direct Competition

### Vail Resorts Inc

- Sales: \$638 million
- Market Cap: \$1.7B
- Operates Multiple Mountain Resorts
- Premium U.S. Based Resort Destinations



## Key Resorts

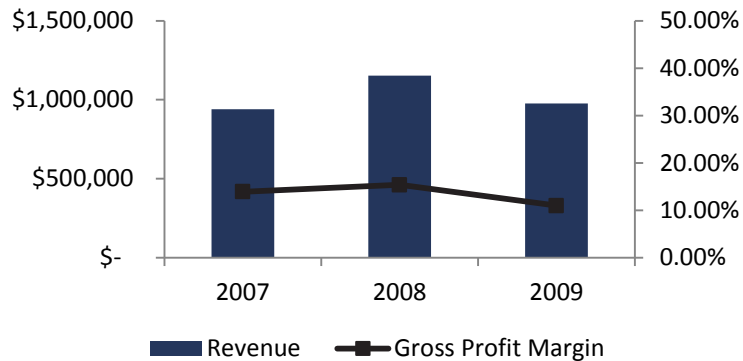


Limited direct competition in Canada

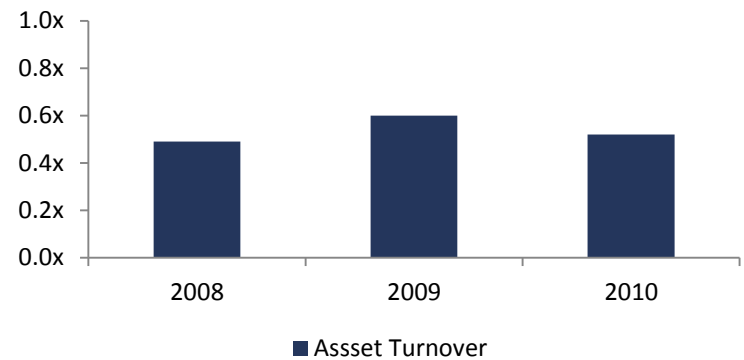
# Vail Resorts, Inc.

## Track Record

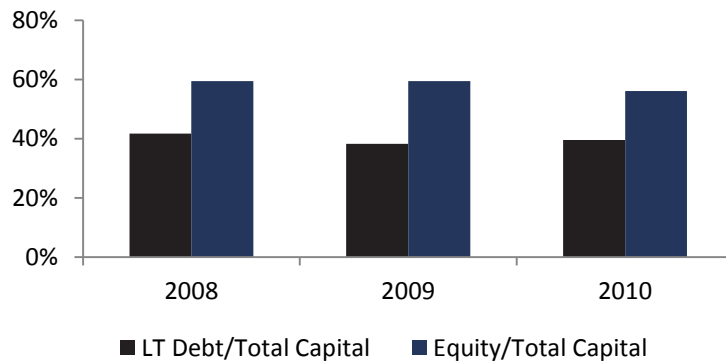
### Profitability



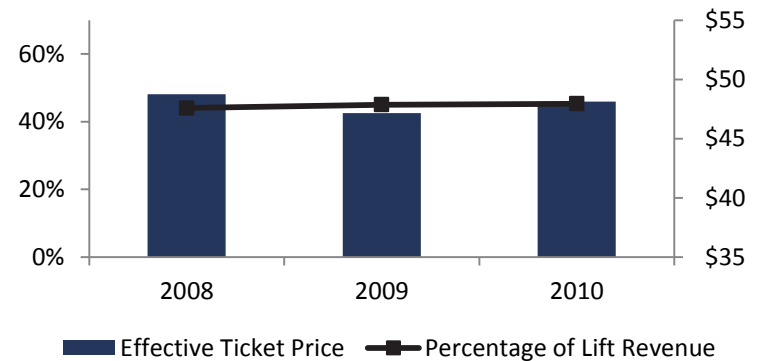
### Asset Utilization



### Leverage



### Skier Revenue

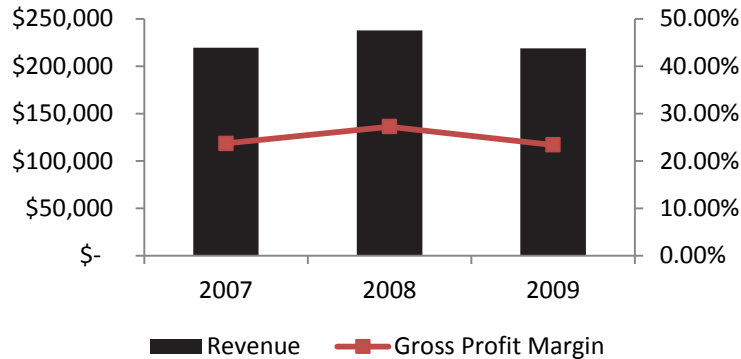


Lower quality assets and operations

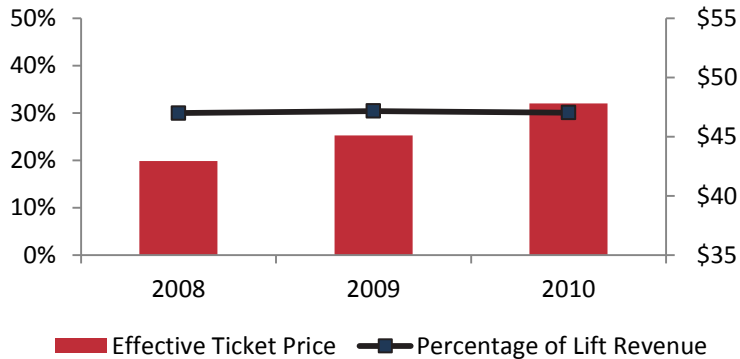
# Financial Performance

## Whistler Blackcomb

### Profitability

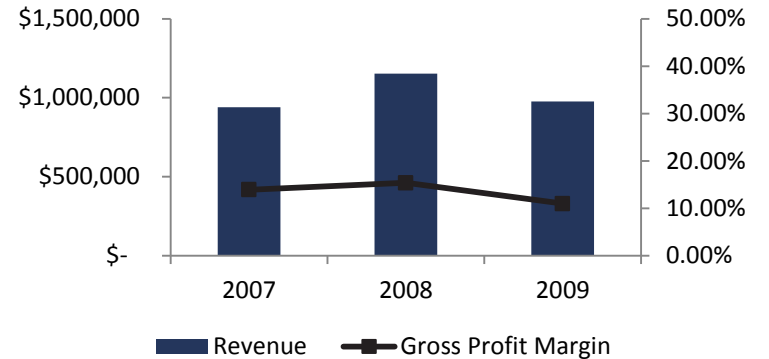


### Skier Revenue

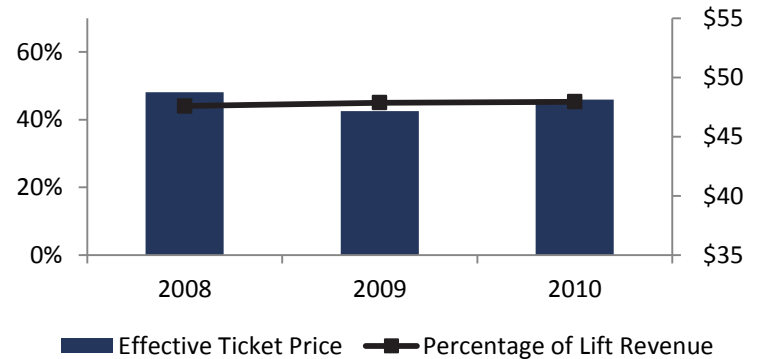


## Vail Resorts

### Profitability



### Skier Revenue

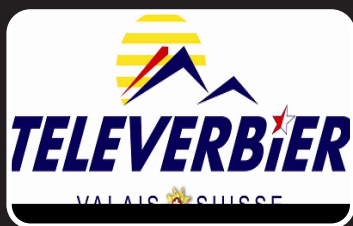


More efficient, stronger diversification

# Whistler Blackcomb Holdings, Inc.

## International Resorts

### Televerbier



*Operates ski resorts in the Swiss Alps. Manages 5 hotels and three restaurants with 45 chairlifts serving 78 ski runs*

- Market Cap: €86.09M
- FTM P/E: 3.5x

### Compagnie Des Alpes SA



*Manages chair lift networks and ski slopes for ski resorts, controlling approximately 8 subsidiaries*

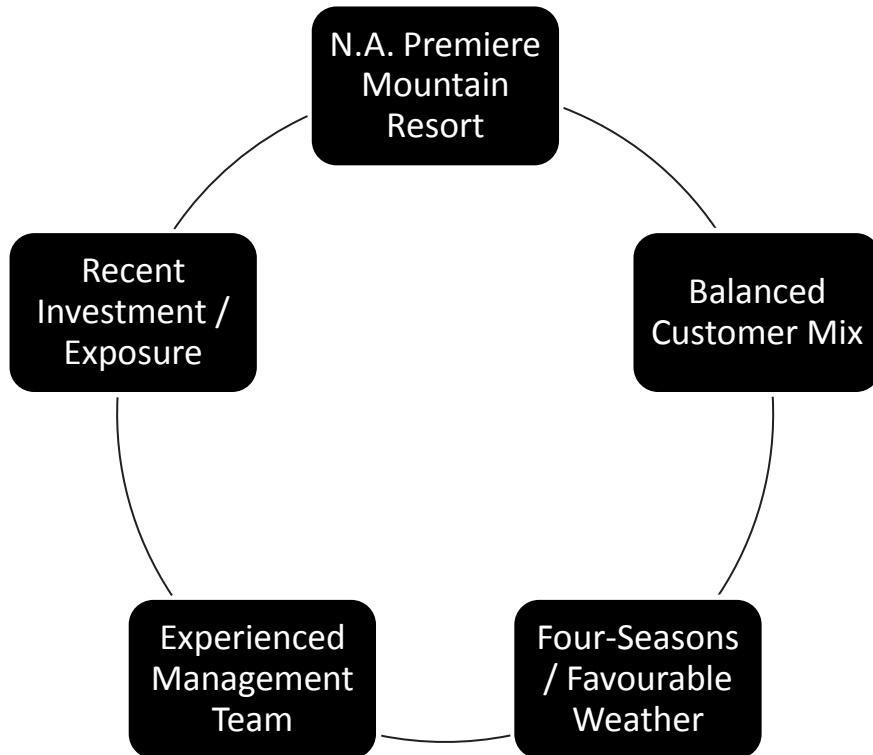
- Market Cap: €560.01M
- FTM P/E 15.0x

Whistler competes on a global level with ~3% of NA market share

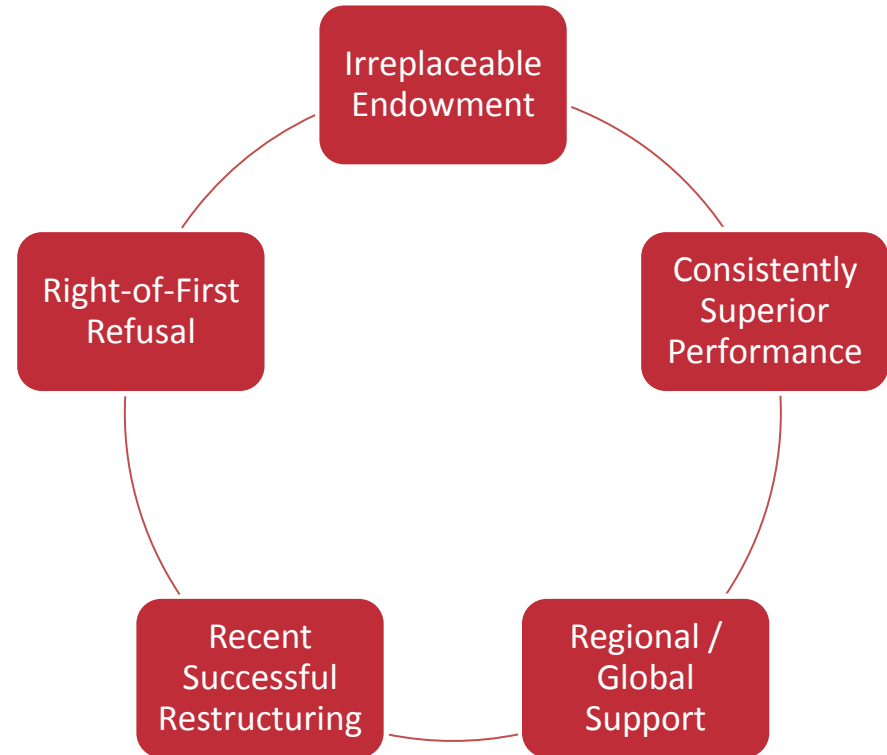
# Investment Opportunity

## Analyzing the Investment Opportunity

### Investment Thesis



### Economic Moat

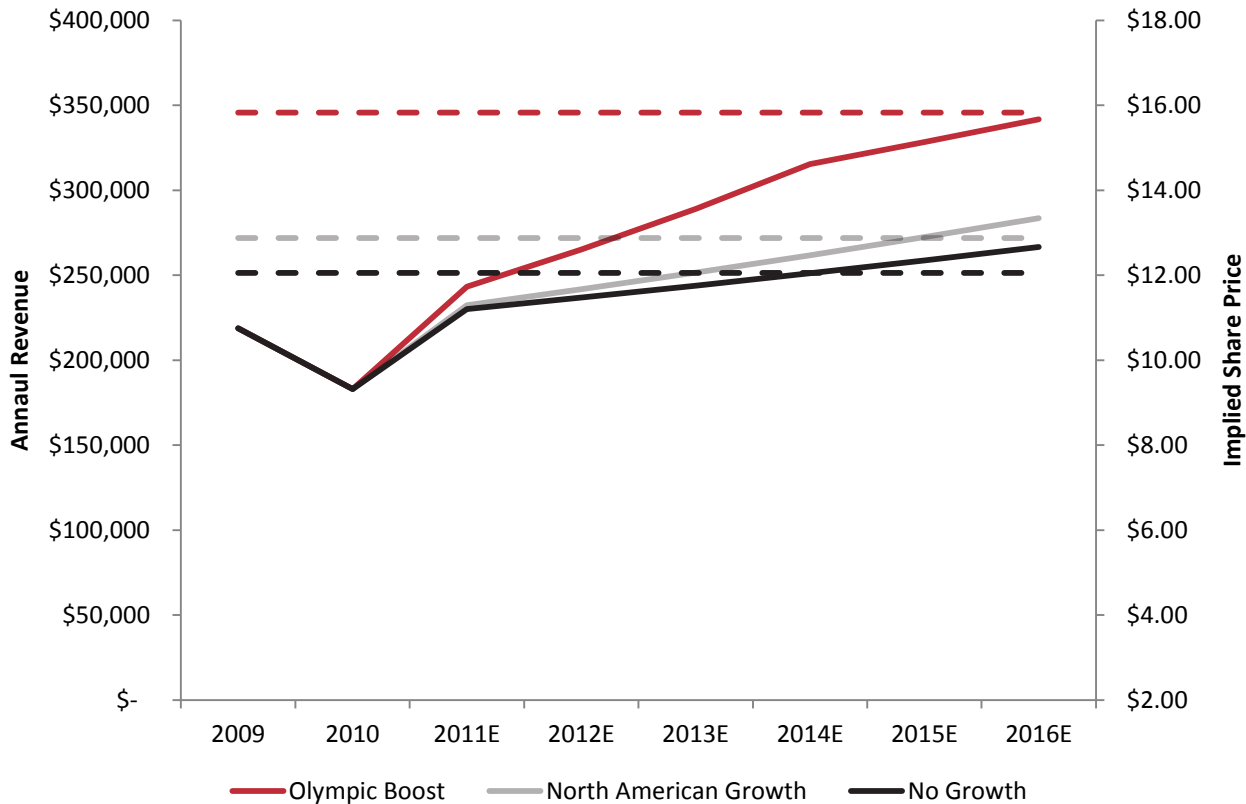


Strong competitive advantage and good timing for investment

# Catalyst

## Olympic Games Drive Skier Visits

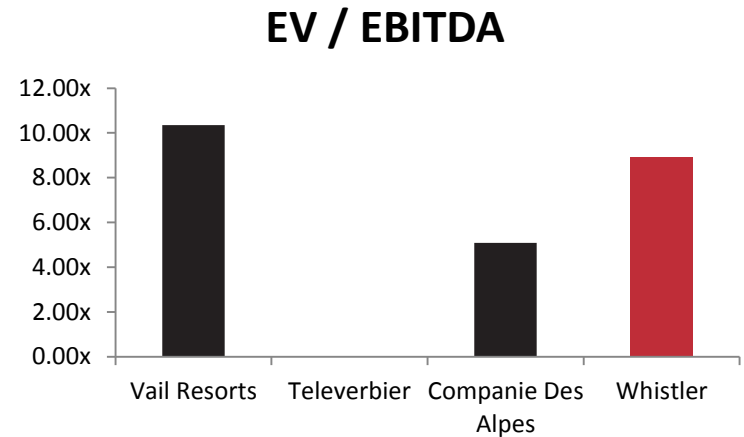
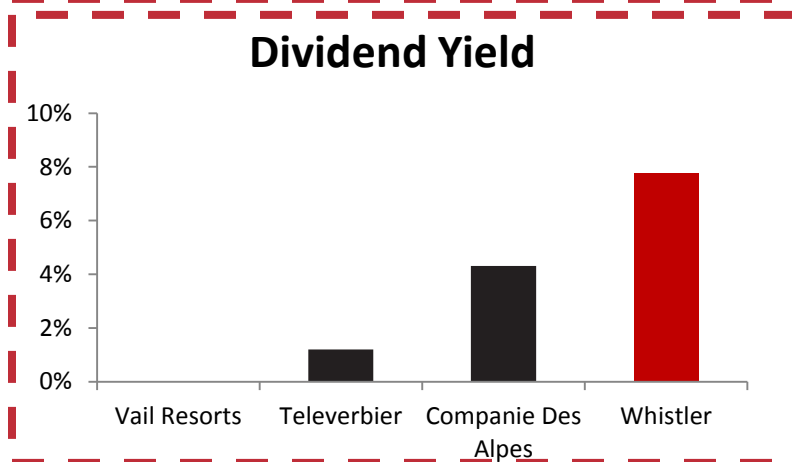
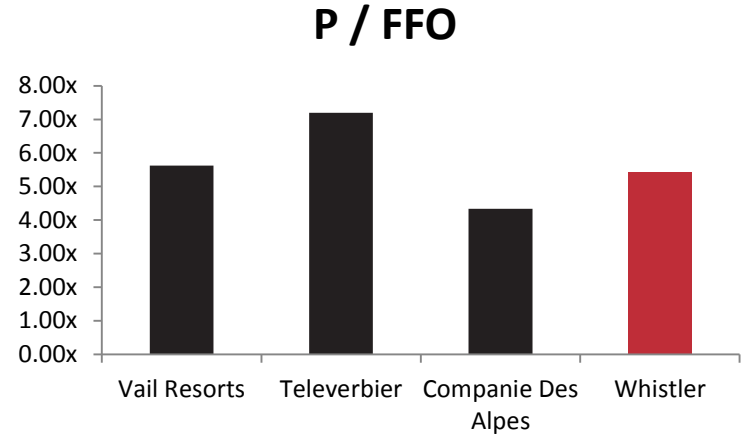
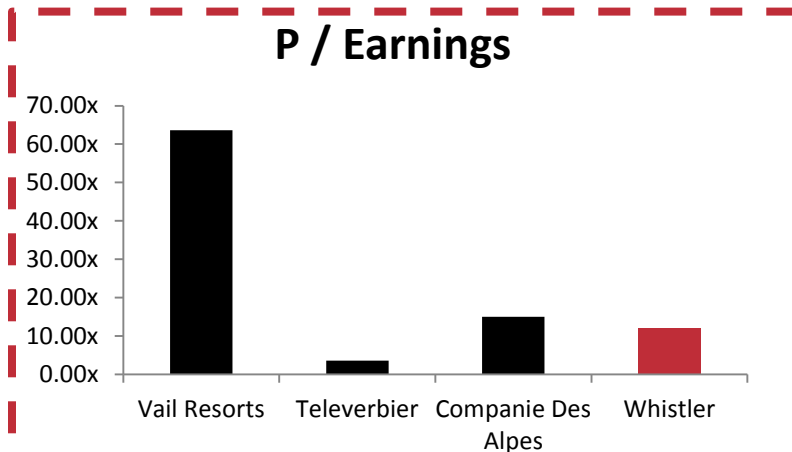
### Skier Visit Projections



Positive reaction to Olympic games unlocks value

# Valuation

## Comparable Multiples



Whistler not fully valued

# Valuation

## Asset Value

Asset	Cost	Term	Adjustment
Whistler Mountain	2.0% gross revenue	2029	Up to 1.0% every 10 years
Blackcomb Mountain	2.0% gross revenue	2032	Up to 0.5% every 10 years

## Management Projections

Operating Lease Capitalization	2011	2012	2013	2014	2015	2016	Thereafter
Operating Lease Obligations	\$ 6,313	\$ 7,732	\$ 6,728	\$ 5,869	\$ 5,418	\$ 4,870	\$ 38,441
Kd	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
PV of Payments	\$ 5,805	\$ 6,538	\$ 5,231	\$ 4,196	\$ 3,562	\$ 2,944	\$ 15,080
Capitalized Asset Value	\$ 45,493						

- Both Limited Partners hold right of first refusal in each lease

Leasing arrangement gives Whistler Blackcomb Holdings, Inc. effective control into perpetuity

# Valuation

DCF

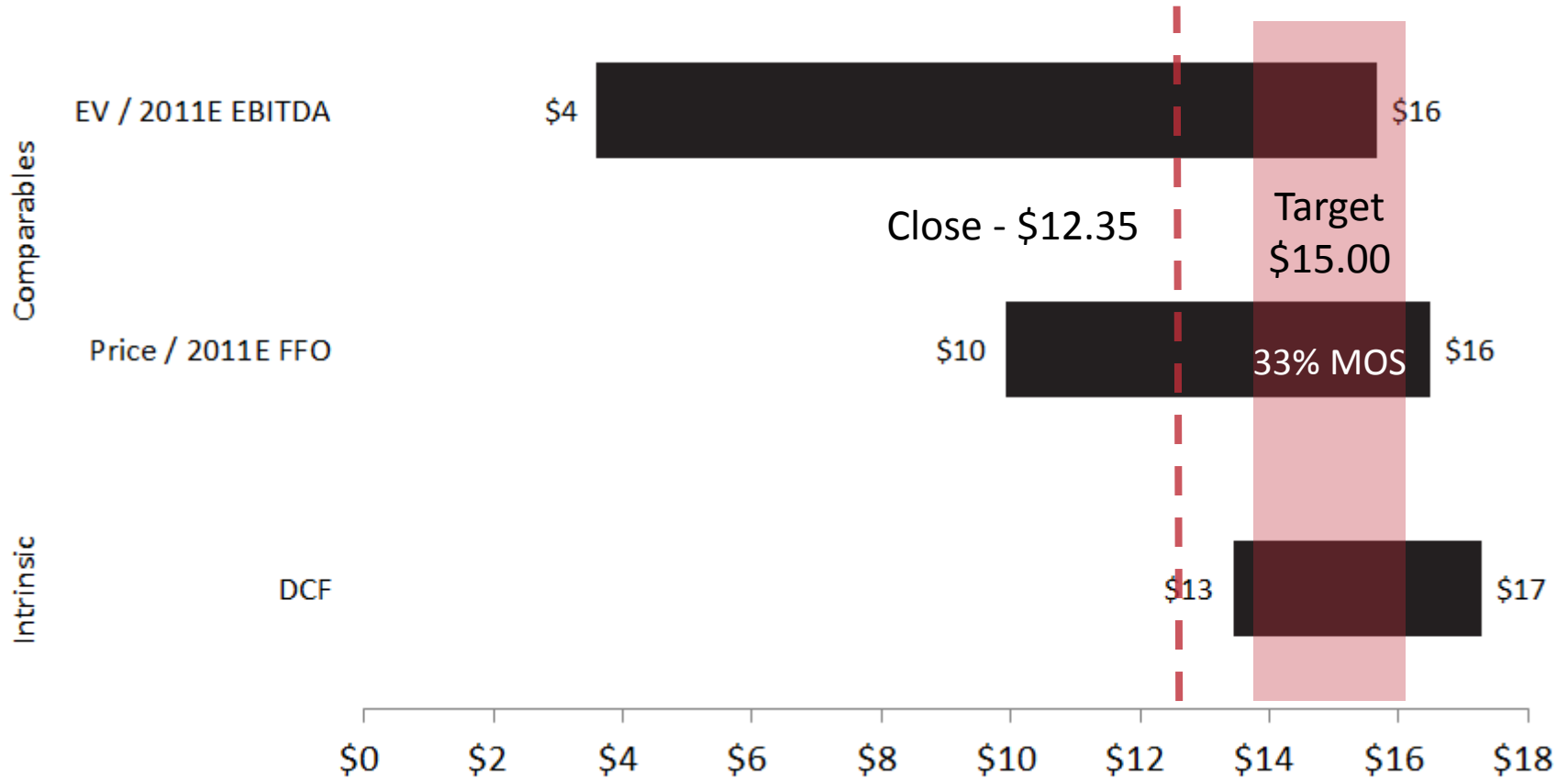
## DCF Sensitivity Analysis

		WACC									
		8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%			
Post-Olympic Growth	1.10%	\$ 14.04	\$ 13.46	\$ 12.90	\$ 12.36	\$ 11.83	\$ 11.33	\$ 10.84			
	1.60%	\$ 14.33	\$ 13.74	\$ 13.17	\$ 12.62	\$ 12.09	\$ 11.58	\$ 11.08			
	2.10%	\$ 14.62	\$ 14.02	\$ 13.45	\$ 12.89	\$ 12.35	\$ 11.83	\$ 11.33			
	2.60%	\$ 14.92	\$ 14.31	\$ 13.73	\$ 13.16	\$ 12.62	\$ 12.09	\$ 11.58			
	3.10%	\$ 15.22	\$ 14.61	\$ 14.01	\$ 13.44	\$ 12.89	\$ 12.35	\$ 11.83			
	3.60%	\$ 15.53	\$ 14.90	\$ 14.30	\$ 13.72	\$ 13.16	\$ 12.61	\$ 12.09			
	4.10%	\$ 15.84	\$ 15.20	\$ 14.59	\$ 14.00	\$ 13.43	\$ 12.88	\$ 12.35			
	4.60%	\$ 16.15	\$ 15.51	\$ 14.89	\$ 14.29	\$ 13.71	\$ 13.15	\$ 12.61			
	5.10%	\$ 16.47	\$ 15.82	\$ 15.19	\$ 14.58	\$ 14.00	\$ 13.43	\$ 12.88			
	5.60%	\$ 16.79	\$ 16.13	\$ 15.49	\$ 14.88	\$ 14.28	\$ 13.71	\$ 13.15			
	6.10%	\$ 17.11	\$ 16.44	\$ 15.80	\$ 15.17	\$ 14.57	\$ 13.99	\$ 13.42			
6.60%	\$ 17.44	\$ 16.76	\$ 16.11	\$ 15.48	\$ 14.86	\$ 14.27	\$ 13.70				

Value in continued operations of Whistler and Blackcomb mountains

# Valuation

## Whistler Blackcomb Holdings, Inc. - Football Field



Football field supports \$15 fair value share price

# Whistler Blackcomb Holdings Inc.

## Risk Analysis



Global Warming



Operational /  
Financial  
Mismanagement



Recessionary  
Period



Limited Risk Exposure

Invest \$5,000

- @ 12.35 / share



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