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**TYLER MATHISEN, CNBC:**

Well, a weekend storm, blessing some relatively green Northeast mountains, as New York City nears nearly 700 days without an inch of snow in Central Park. So were skiers happy with the powder? Of course they are. Or are they changing vacation plans, considering the fact that snow has been lighter than normal in many parts of the country? Joining us now is Chris Woronka, Deutsche Bank Capital Markets Analysts, covering Vail Resorts at other names in leisure and hospitality. Chris, welcome, good to have you with us.

**CHRIS WORONKA, DEUTSCHE BANK:**

Thanks, Tyler. Thanks for having me.

**MATHISEN:**

A lack of snow. I mean, if you're sitting where you are looking over Central Park there, or with a background of Central Park, there's no snow. Out 10 miles west in New Jersey, there's plenty of snow. It's like four or five inches. That being the case, snow has been lighter than normal in many of the northern mountain areas of the United States. Whistler, I hear, has not had a lot of snow. Montana has not had a lot of snow. How does that affect a company like Vail Resorts?

**WORONKA:**

Yeah, well, it affects them less than it used to, Tyler. Many years ago, before they came along with the “Epic pass”, which is their big offering that lets you go to any resort on one pass. Yeah, they were totally weather dependent. Right now, they're getting about 70% of their lift ticket revenue and skier visits from the advanced sale pass, which is an advanced commitment. It's non-refundable. You have to buy it before the season starts. And you're somewhat at that point at the mercy of the weather. And so they have done that to kind of eliminate that. Also, Vail is a much- they’re more diversified than they've ever been. They have 30, 37 resorts in the US versus five when I started covering the company back in 2006.

**MATHISEN:**

Yeah, no. And as you say, that epic pass has been a game-changing product. Rivals in the space have done similar things, but nothing is quite as large in scale as the Epic Pass is. But I gather that the unit sales of Epic Pass are a little down, even though total revenues are roughly tracking where they thought.

**WORONKA:**

Yeah, as of the latest update they gave us, which was back in early December, they were actually up 4% in volume versus last year on a pre-sale basis. Now, that doesn't mean that doesn't mean that's where it's going to end up. That is partially dependent. That's just a past sale number. From here on out, it is going to be partially dependent on the weather. There are a lot of folks that don't want to go skiing if conditions are less than optimal. For others, there's options, spa, restaurants, things like that. But for most folks, if they bought the pass, they're going to go a certain amount, but it works a lot better if there's ample snow for sure.

**KELLY EVANS, CNBC:**

That's fascinating, Chris, that so much of this is a, you know, you have to decide and I don't know, pick the month September, whether you're going to buy the pass and it's non-refundable and you have to have it. So if someone like me wanted to show up and ski on a casual snowy weekend, what would my options be? Can I still go?

**WORONKA:**

Yeah, that's what's difficult now, Kelly, compared to what it used to be. You have to buy an advance ticket now. You can still do it with relatively short notice, but they're really eliminating the walkup sales. And those are, by the way, if you go out to Vail, and you to try to buy something on the day off, you're going to pay well over $200 for a single day of skiing versus if you buy some kind of pass, you can get that same ticket for somewhere between $75 and $100 depending on the date.

**EVANS:**

And I understand the economics of that, but don't you think after a couple of years of no snow, people are going to start going, “you know what, I'm holding off this”, or maybe they just go for the socialization and there's enough- how much of the snow is man-made versus not?

**WORONKA:**

Yeah, so at this point in the season, they're still making a lot of snow. Vail, and a lot of its sister resorts in Colorado have very recently gotten some more snowfall and I know there's more in the forecast, which is great. But in November and December, which used to be big snow months, you know, they're making a bunch of snow now.

**MATHISEN:**

How big a portion of Vail's business are real estate sales or real estate-related initiatives and how have those been tracking?

**WORONKA:**

Yeah, Tyler, that's really no longer a part of the business. It's a very tiny sliver, less than 1% actually of their revenue is going to come from real estate back in the day, back in 2006 and 2007, it was significant, it was over a quarter or a third of profits.

**MATHISEN:**

Do you go skiing a lot, Chris?

**WORONKA:**

I don't go a lot, I go occasionally, I try to pick up snowboarding also, which is very fun.

**MATHISEN:**

You're a brave man, I've always been afraid to try snowboarding because I thought I would spend most of the day on my backside and then most of the evening taking Advil.

**WORONKA:**

Well, Vail has some pretty good instructors, you know, they in ski schools are also a big part of their business, and that's from all ages. Kids on up to seniors, they will teach or try to teach anybody to ski or snowboard. So that is a component of the business that has grown pretty meaningfully over time.

**MATHISEN:**

They do have a tremendous reputation in ski schools and also in hospitality, you know, right up there with Disney in terms of creating an experience for you. Chris, thank you very much, Chris Woronka of Deutsche Bank.

**MATHISEN:**

Thank you.