

Desautels Capital Management

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Intrawest Resort Holdings NYSE: SNOW

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Consumers Industry Review

Desautels Capital Management

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Leisure Market Review

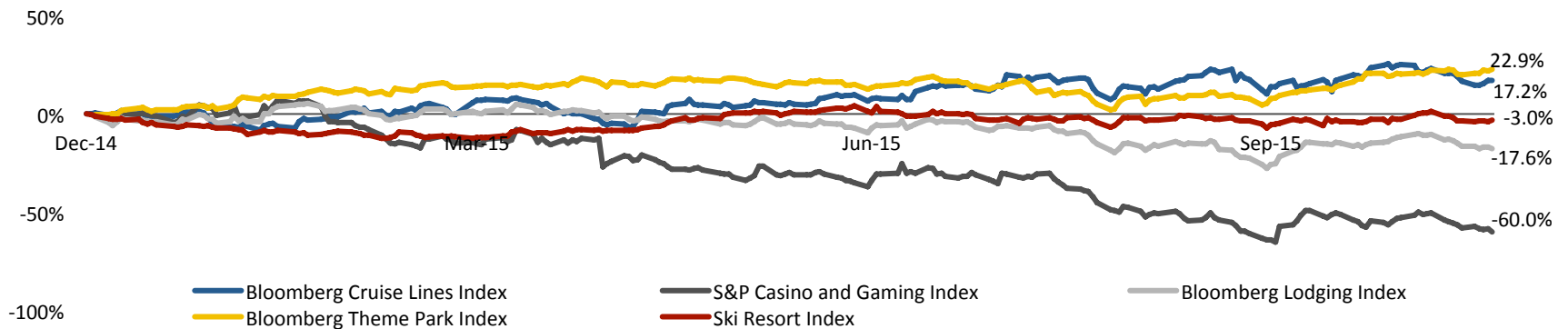
Section I



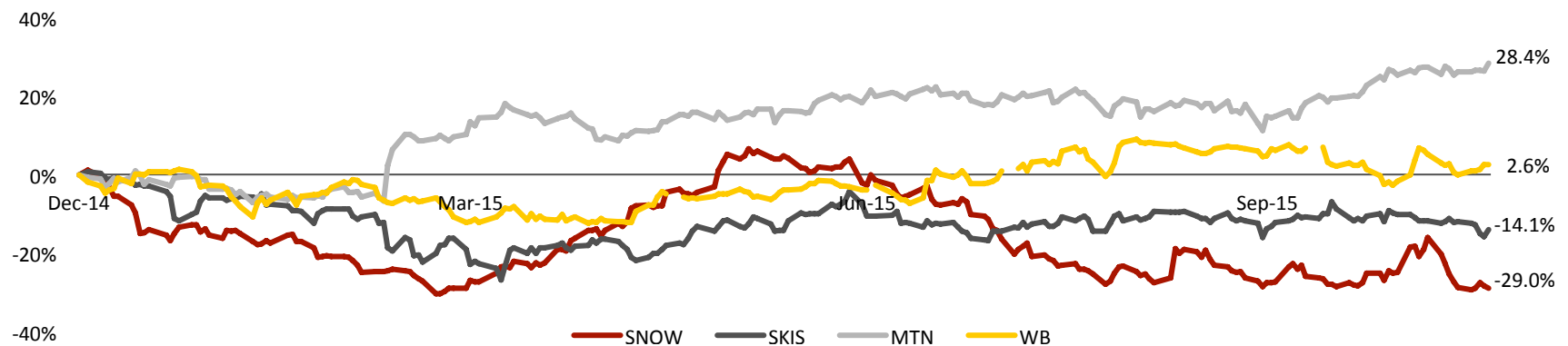
Leisure Industry

Broad Market Overview

YTD Outperformance of Cruise Lines and Theme Parks



YTD Underperformance of SNOW vs Peers



Source: Bloomberg as of 11/20/2015; Note: Ski Resort Index is equal weight index of SKIS, MTN, SNOW and WB



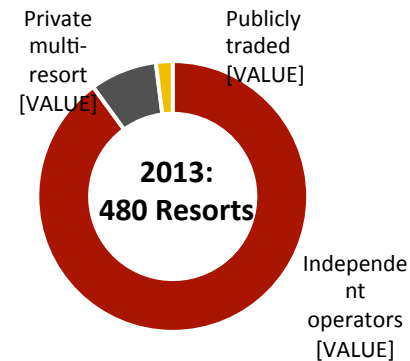
Mountain Resort Industry

Broad Market Overview

Declining Total U.S. Ski Resorts 1983-2013

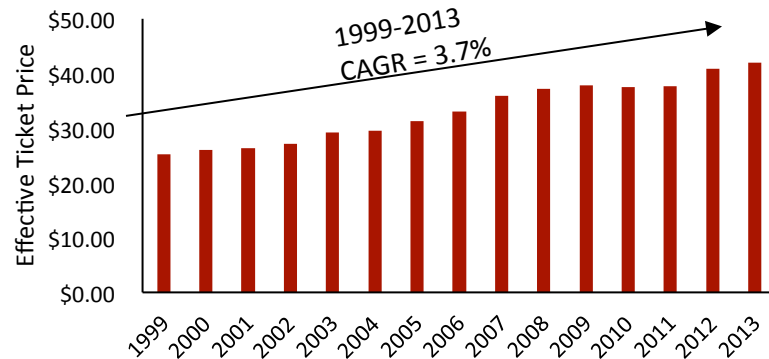


North American Ski Resort Ownership

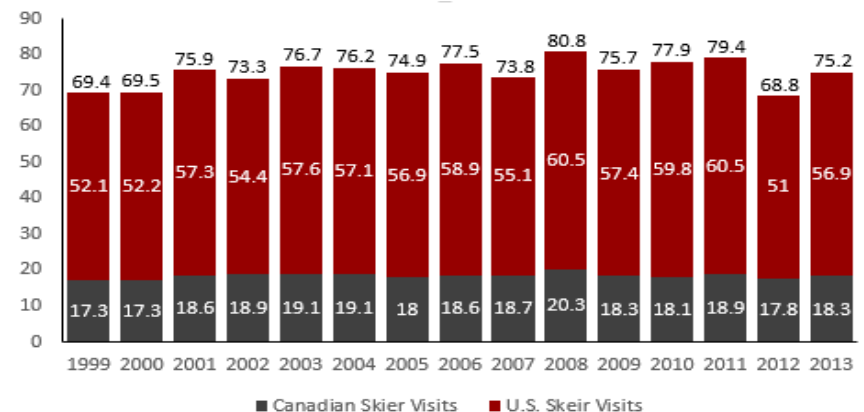


- Fragmented industry, but **just 12% of US resorts account for > 50% of skier visits**
- Single operators are at a large disadvantage due to **high capital costs** tremendous **revenue variability**

Industry Is Able To Steadily Increase Prices



Offsetting Flat Skier Visit Growth



Source: BAML Research, *Note: Effective Ticket Price = Total lift ticket revenue/ Total skier visits



Intrawest Resorts (NYSE:SNOW) v2.0

Section II



Company Overview

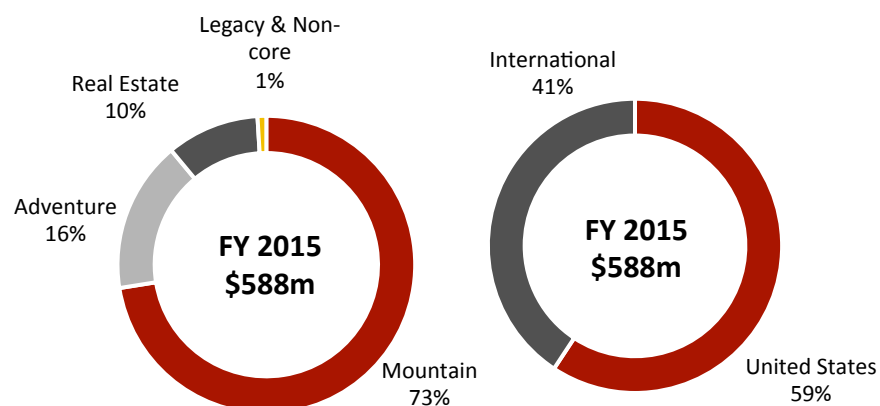
Second Times the Charm



Description

- Founded in 1976 as a privately funded real estate development company and operator of destination resorts and luxury adventure travel
- Owns interests in seven mountain resorts with 11,000 skiable acres and 1150 acres of land available for real estate development
 - Only significant multi-resort operator in Canada
- Main business engages consumers through services including skiing, helicopter accessed skiing, mountaineering, hiking, and lodging

Revenue by Segment & Region



Public Market Overview

Intrawest Resorts Holdings, Inc. (USD\$)

Current Price (CAD\$/Share)	\$8.58
Dividend Yield	0.0%
52-Week High	\$12.75
52-Week Low	\$8.22
Diluted Shares Outstanding (mm)	45.2

Market Cap (mm) **388.0**

Add: Total Debt (mm) 612.4

Add: Value of Preferred Shares -

Add: Minority Interest 3.0

Less: Cash & ST Investments (mm) 92.0

Enterprise Value **911.4**

Valuation Summary

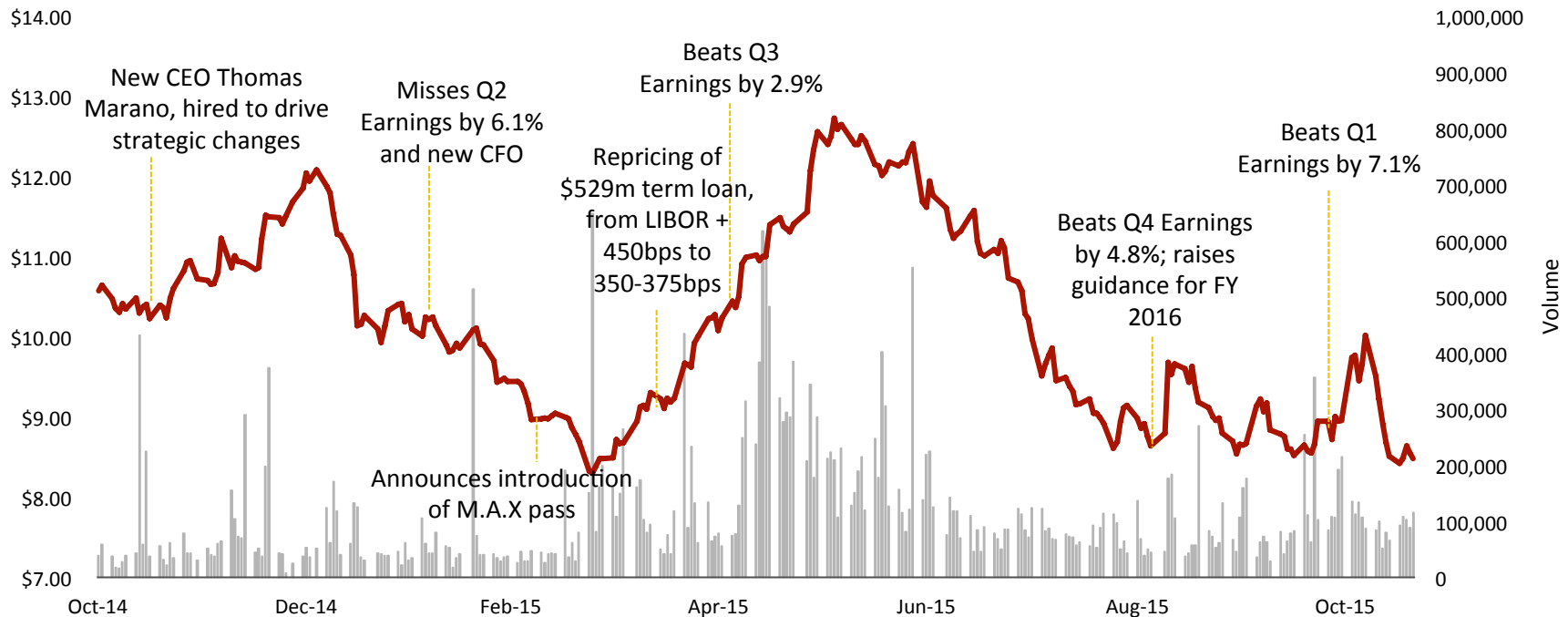
	2013A	2014A	2015E	2016E
Revenue	525.3	587.6	576.7	600.4
YOY Growth %	0.5%	11.9%	-1.9%	4.1%
EBITDA	73.1	94.7	105.0	118.7
YOY Growth %	-4.6%	29.6%	10.9%	13.0%
EV/Revenue	1.7x	1.6x	1.6x	1.5x
EV/EBITDA	12.5x	9.6x	8.7x	7.7x



Company Overview

Annotated Price Chart

Quite The Slopes



Why Are We Pitching It Now?

- **Better value:** 7.7x 2016E EV/EBITDA vs. 11.5x NTM EBITDA when originally pitched
- Consistent earnings beats and incremental data highlight **strategic and operational improvements**
- **Lower leverage** levels and **repricing of loans** outstanding

1. Valuable portfolio with room for strategic and operational improvement

- Improving operating results with consistent margin expansion and revenue growth
- High-quality asset portfolio in a high barriers to entry industry
 - Has room to raise prices given their lack of pricing increase vs. VAIL resorts; price increases and new product offerings act as a capital-light sources of growth
- Strong CF growth has aided in substantial deleveraging from 41x EBITDA in 2012 to 4.8x currently

2. Additional Growth Through Development of Real Estate Assets

- Owns book value of \$154m and \$5.5m in core and non-core real estate, respectively
 - Some properties have already been sold for above book value
- Development operations were stopped in 2009, but company is looking at new opportunities, especially in Colorado

3. SOTP Valuation with Multiple Value-Creating Levers Yield Significant Upside

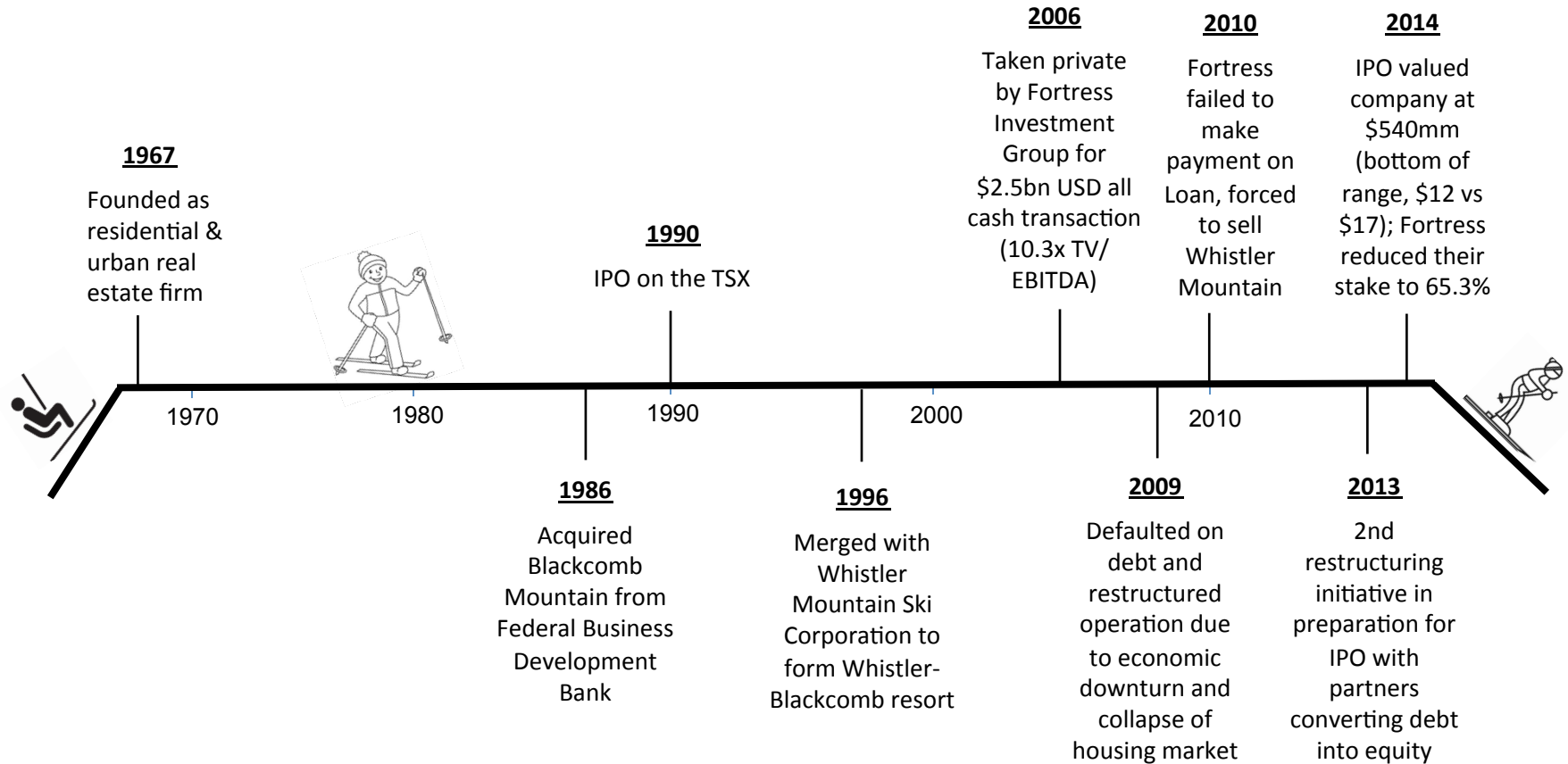
- Trading at around 7.5x 2016E EV/EBITDA vs. 10.4x median
- Unjustified 6x NTM EV/EBITDA discount to best comparable VAIL, vs. historical ~1x
- SOTP valuation from operations + real estate + NOLs through DCF yields 35% upside

Bonus: New & Incentivized Management and PE Sponsor Involvement



Company Overview

It's Been A Rough Ride



Company Overview

Three Main Segments



Mountain
(73%)



Adventure
(16%)



CANADIAN
MOUNTAIN HOLIDAYS
CMH HELI-SKIING / CMH HELI-HIKING



Real Estate
(10%)



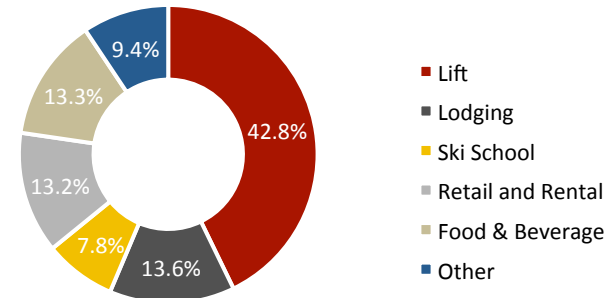
Mountain Segment Overview

V. Important Segment

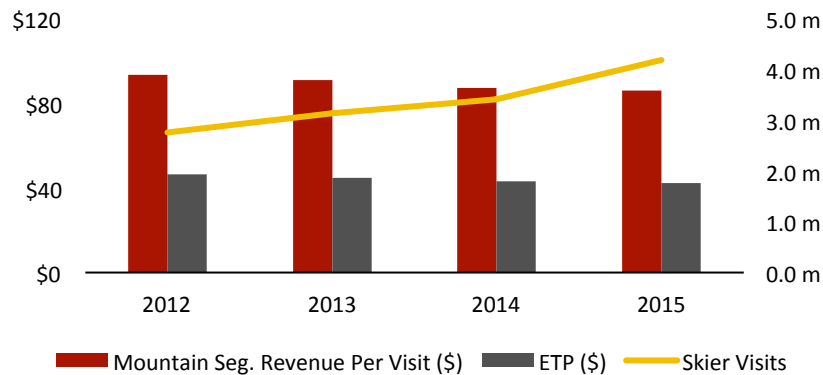
Mountain Segment Description

- Comprises of Steamboat Ski & Resorts, Winter Park Resort, Stratton Mountain Resort, Snowshoe Mountain Resort, Mont Tremblant Resort, Blue Mountain Resort
- Mont Tremblant Resort and Blue Mountain Resort ranked in top 3 Canadian ski destinations by skier visits
- Steamboat Ski & Resorts, Stratton Mountain Resort, and Snowshoe Mountain Resort ranked within top 10 U.S ski destinations by skier visits

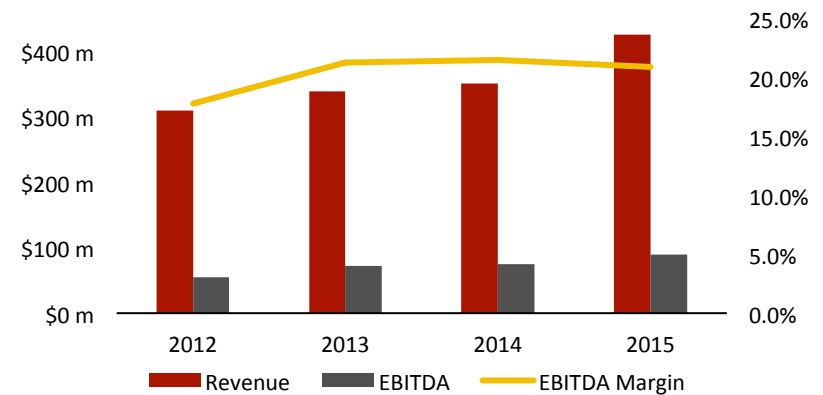
FY15 Mountain Revenue Breakdown



Operating Metrics Per Skier



Total Operating Metrics



Source: Company Filings

Adventure Segment Overview

Seeking Powder Since 1965

Adventure Segment Description

- In 1965, Austrian guide, Hans Gmoser, invented the concept of heli-skiing and started a guiding outfit which he later called Canadian Mountain Holidays
- Intrawest now operates its adventure segment through CMH, a leading heli-skiing adventure company in the Purcell, Selkirk, Monashee, Cariboo mountains of eastern B.C from 11 lodges
- Owns modified fleet of 37 Bell helicopters and operates Alpine Aerotech (helicopter maintenance, repair, overhaul business); lease majority of fleet to Alpine Helicopters (20% ownership)

Size and Scale

- CMH is an industry leader and is the largest and most prestigious operator in Canada
- CMH is double the size of the next largest operator and there are rumours it may further consolidate with acquisitions
- In 2004 Intrawest purchased the remaining portion of CMH (Alpine Helicopters) at implied EV of \$86M
- To purchase next largest competitor would cost CMH \$40-\$50M
- Few operators in industry (~18) so large competition on pricing, level of instruction and accommodation → size of CMH operations makes it difficult for other companies to attract market share

Revenue Generation

- To partially deseasonalize revenues, CMH offers non-ski attractions such as heli-hiking adventures in summer months
- During slow times, and summer closes majority of CMH lodges and leases helicopters for fire suppression activities
- Customers are dedicated adrenaline seekers: 60% repeat customers, average spend of \$1,700/night
 - Tripadvisor.com average rating of 4.8 for the lodges
- Lower CAD to be a tailwind in 2015/16 seasons

Barriers to Entry

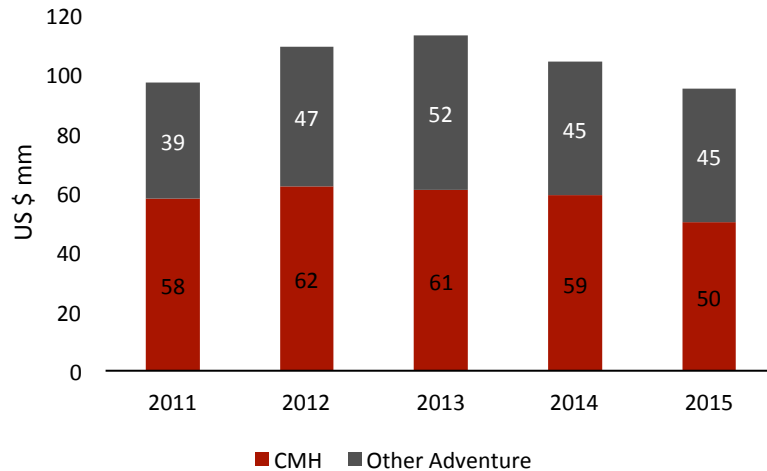
- Gaining access to land in Heli-skiing is a time consuming process.
- Sustainability tests must be performed, hazards identified, permits and tenure must be attained → The costs involved are enormous for a new company to undertake
- Geography – only Rockies and West Coast suitable areas but within that are a limited space where weather and mountain ranges are optimal (difficult for new entrants to break in)
- Infrastructure in the backcountry takes considerable time and money, preventing new operators from starting up with ease

Adventure Segment Overview

Seeking Powder Since 1965

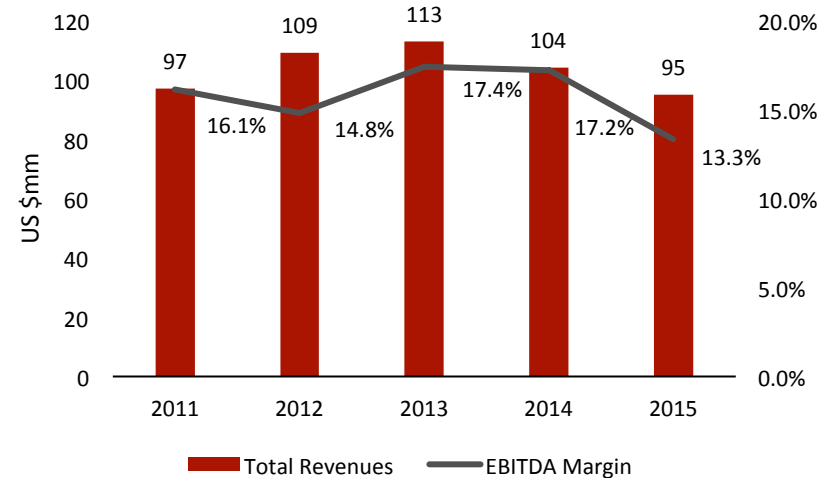


Adventure Segment Revenue Breakdown



- Unlike smaller heli-skiing operators, CMH has reduced its exposure to the unpredictable ski season and offers heli-hiking adventures
- Additionally its subsidiary Eagle Helicopters provides fire suppression & other services under contracts with USFS, Bureau Land Management
- Size and sophistication of CMH's fleet enables it to leverage it to secure contracts that offset a poor skiing season

Operating Trends

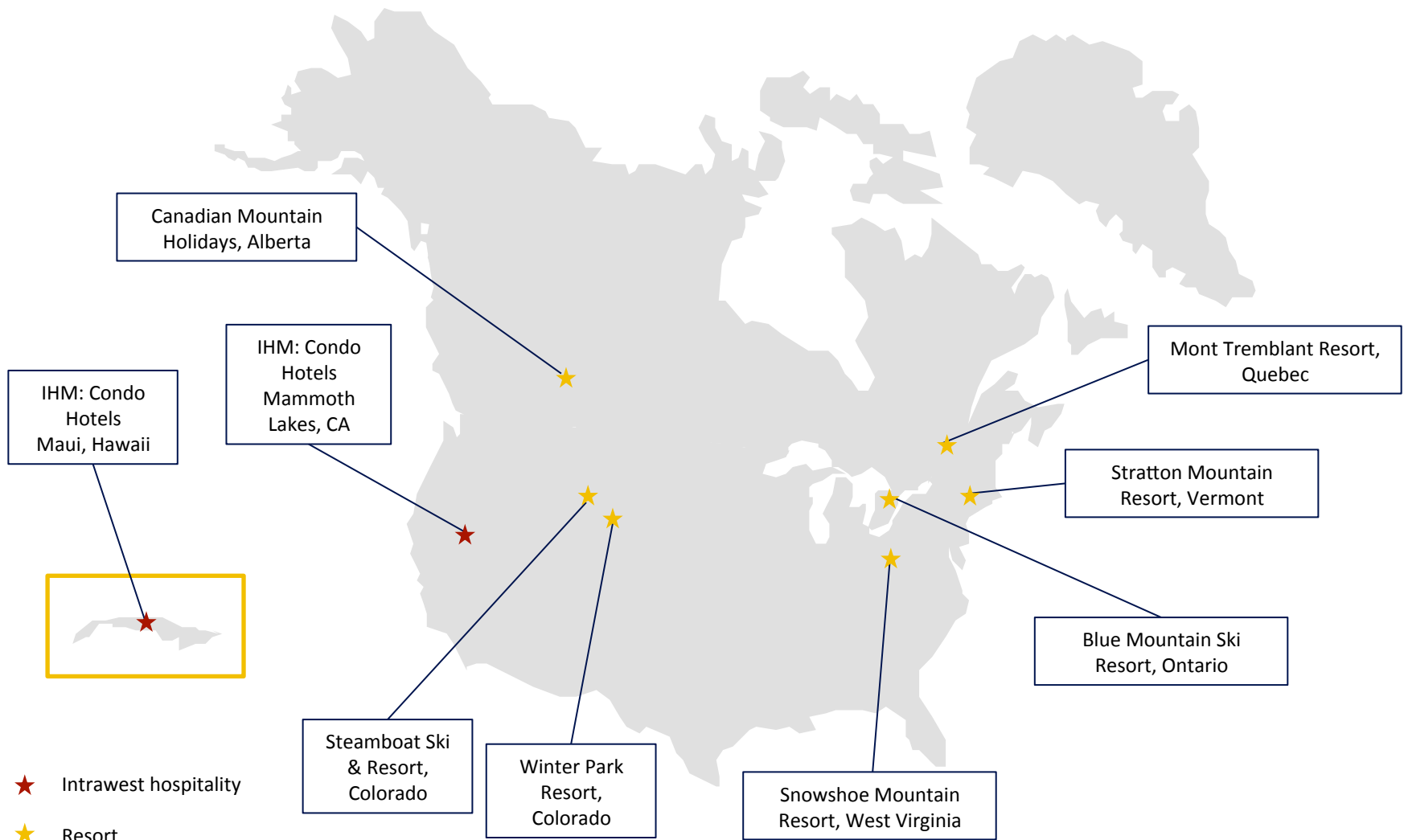


- Marginal skiing conditions led to a sharp decrease in skier traffic and margins plummeted as operators began to slash prices to drive demand
- During slow times, CMH's margins decline due to price cutting and increased reliance on lower margin contracts
- Lack of adequate snow coverage in the upcoming season can be expected to impact margins
- Despite poor season last year CMH bookings are up over 9% compared to last year



1. High-quality portfolio

Resort Locations



1. Valuable portfolio

Intrawest Operates Six Mountain Resorts In North America



Colorado Resorts

1. Steamboat

- 2,965 skiable acres with consistent snowfall in the Rocky Mountains
- 157 miles northwest of Denver, access via direct flights from several major national airports
- Features combination of high-end customer services such as full service spa and fine dining restaurants

2. Winter Park

- 3,081 skiable acres in the Rocky Mountains, 67 miles west of Denver, closest resort to the Denver metropolitan area
- Mountain biking destination during the summer, one of the largest bike park in the US

Other Resorts in USA

3. Stratton

- Located in Vermont, ~220 miles north of NYC, ~150 miles northwest of Boston
- One of the talent peak in New England, with vertical drop of 2,003 feet and snowmaking on 93% of trails
- During summer, 27 holes of golf, 22-acre golf school, sports and tennis complex. Modernizing the lodge in 2015/2016

4. Snowshoe

- Located in West Virginia, one of the largest mountain resorts in Southeast region of the US. Primarily draws customers from the Baltimore-Washington D.C. and Pittsburgh areas
- The resort's 1,500 feet vertical drop is the biggest, with 100% snowmaking cover

Canada Resorts

5. Tremblant

- Canada's second most popular ski resort after Whistler-Blackcomb
- Located in Quebec, within a 2 hour drive from Montreal and a xxx minute drive from Ken's cottage
- In the summer, two 18-hole golf courses, mountain bike and a very pedestrian village and attractions

6. Blue Mountain

- Canada's third largest mountain resort located 90 miles northwest of Toronto. Largest and most popular resort in Ontario
- offers a suite of summer amenities, including an 18-hole golf course, an open-air gondola, a mountain biking facility and a waterfront park



1. Valuable portfolio

A Look At Their Portfolio



Key Metrics for Mountain Resorts

	Skiable Terrain	Days Open 2014	Average Snowfall	Variation Snowfall	Snowmaking %	2015 Ticket Price	Tripadvisor Rating
Vail	55847	146	191	40%	30%	\$89	4.4
Whistler-Blackcomb	8171	250	304	31%	7%	\$101	4.6
Peak	1844	100	69	54%	89%	\$55	4.0
IntraWest	7985	141	183	26%	29%	\$91	4.3

Location vs. Peers

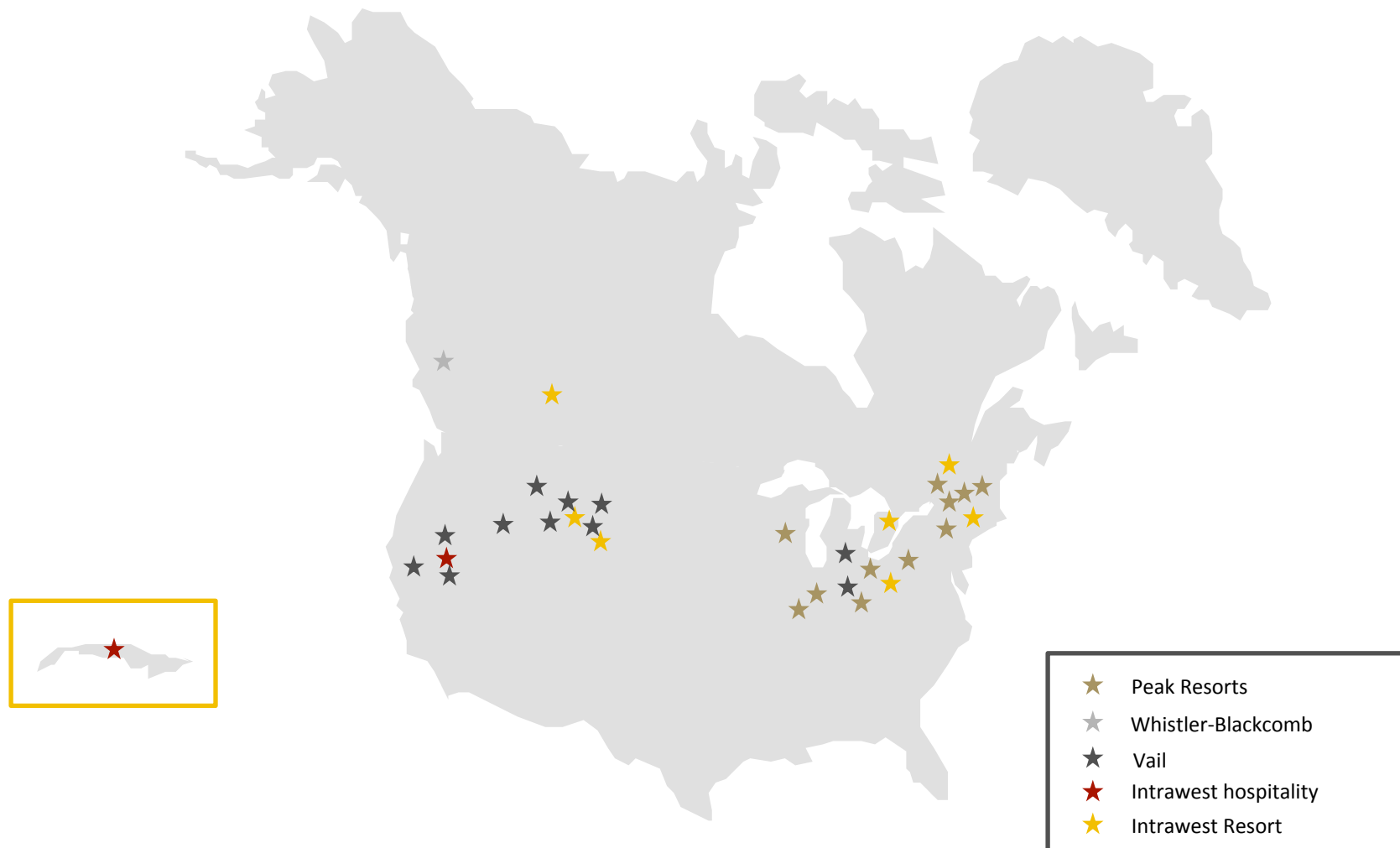
	West Locations	East Locations	Midwest Locations
Vail	9	0	2
Whistler-Blackcomb	1	0	0
Peak	0	6	7
IntraWest	2	3	1

Intrawest has geographically diversified locations vs. peers, with similar snowfall levels to Vail and the lowest variation in average snowfall.



1. Valuable portfolio

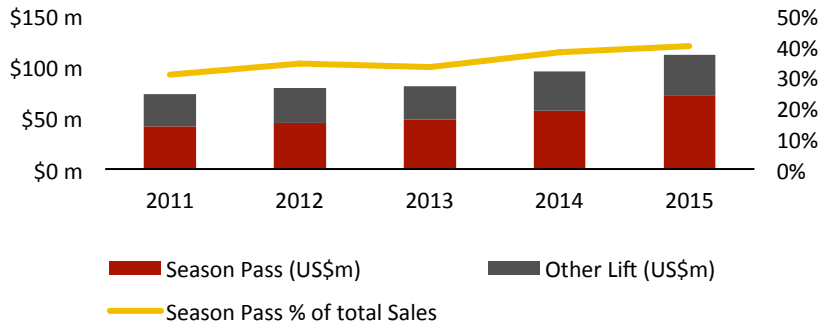
Resort Locations vs Peers



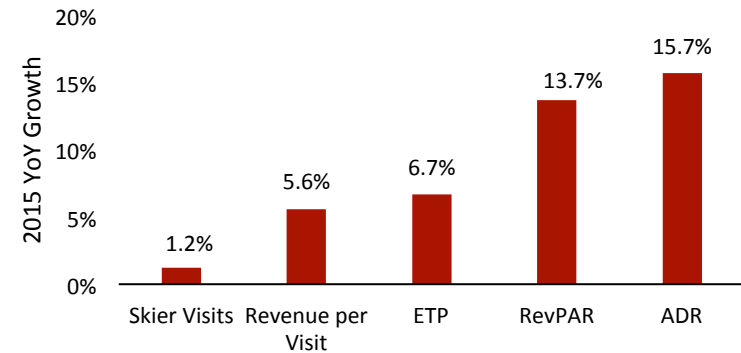
1. ...with room for improvement

Decrease in Seasonality and Long-term pricing Increase potential

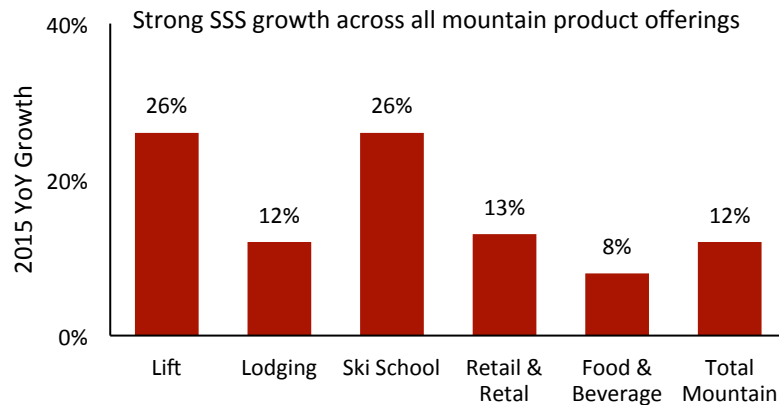
Trend Towards More Season Pass Sales



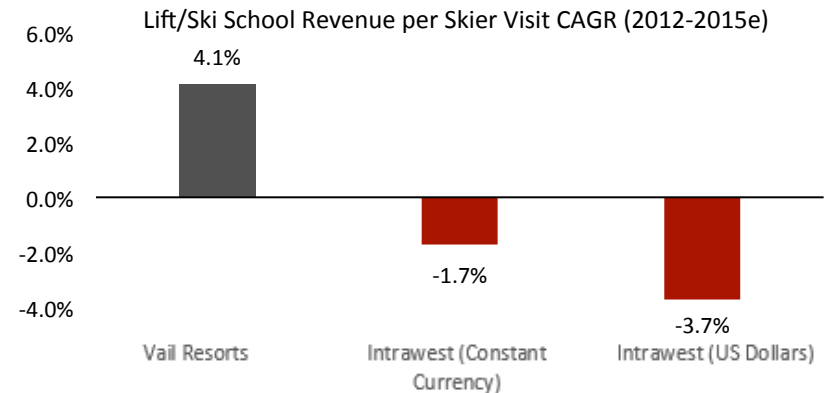
Key metrics show positive trends...(1)



...And so do SSS in mountain sub-segments(1)



...But SNOW is behind VAIL's pricing power



(1) Constant currency terms



1. ...with room for improvement

Intrawest Operates Six Mountain Resorts In North America



Resort		Metrics	Closest Competitor	Relative Positioning ⁽¹⁾
Canada	Mont Tremblant	Skiable Area: 630 acres Season Price: \$1000	Mont-Sainte-Anne, 450 acres, \$864 Le Massif, 406 acres, \$901.5 Mont-Saint Sauveur, 142 acres, \$578	High
	Blue Mountain	Skiing Distance: 250 acres Price: \$623	Horseshoe Valley Resort, 61 acres, \$599 Holiday Valley, 290 acres, \$875	High
Northeastern USA	Stratton	Skiing Distance: 625 acres Price: \$1119	Okemo Mountain, 644 acres, \$1694 Mount Snow, 589 acres, \$1329 Killington Resort, 1509 acres, \$1369	Medium
	Snowshoe	Skiing Distance: 244 acres Price: \$429	Mont Blanc, 160 acres, \$528 Le Massif, 406 acres, \$901	Low-Medium
Colorado, USA	Steamboat	Skiing Distance: 2965 acres Price: \$1376	Park City, Breckenridge Ski Resort, 2908 acres, \$809 (Epic pass) 7300 acres, \$809 (Epic pass)	Low-Medium Due to competition with EPIC Pass 2015/16 season: Introducing M.A.X pass
	Winter Park	Skiing Distance: 3081 acres Price: \$599	Copper Mountain Resort, 2465 acres, \$569 Keystone Resort, 3148 acres, \$619	Low-Medium

(1) Based on OnTheSnow.com



1. ...with room for improvement

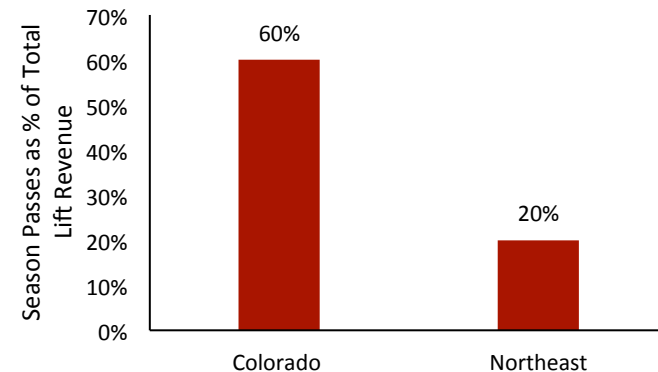
Introducing the Multi-Alpine Experience (M.A.X.) Pass



East: Lack of multi-mountain pass

- Leads to lower level of season pass ownership
- M.A.X Pass intends to fill this gap by providing eastern skiers the same level of value and flexibility available to Colorado skiers
- Makes it possible to take both weekend trips close to home and longer destination trips on one pass

Season Passes: Colorado vs. Northeast



West: Uncompetitive with EPIC Passes

- **EPIC Pass: \$809**
 - Unlimited access to Vail, Beaver Creek, Breckenridge, Keystone, Park City, Heavenly, Northstar, Kirkwood, Afton Alps, Mt. Brighton, and Arapahoe Basin
- **Steamboat season pass: \$1376**

Solution: The M.A.X. Pass

- Introduced in 2015/16 Ski Season
- Five days at each of the 22 resorts for a total of 110 days on the slopes with no blackout dates (5 days at each resort)
- Cost: \$739 for adults, \$289 add-on season pass
- Offering 11 renowned mountains within driving distance of the major cities in the Northeast, but also 11 destinations in the West
- 6 SNOW resorts and partnership with Boyne and Powder



2. Development of Real Estate Assets

Real Estate Segment Overview

Real Estate Revenue Streams

- Operate a real estate business, generating revenues from three subsidiaries:
 - 1. Intrawest Resort Club Group (IRCG)**
 - Vacation club business
 - 2. Intrawest Hospitality Management (IHM)**
 - Manages condominium hotel properties
 - 3. Playground**
 - Residential real estate sales and marketing
- Intrawest also holds 50% interest in Mammoth Hospitality Management (MHM) and 57.1% interest in Chateau M.T

2. Intrawest Hospitality Management (IHM)

- Hospitality management business was established in 1998
- Focused on providing management services to properties owned by third parties
 - Clients include resorts in Hawaii and California

1. Intrawest Resort Club Group (IRCG)

- Revenue is derived from four core IRCG activities
 - Selling vacation club points to Club Intrawest
 - Providing financing for the purchase by consumers of vacation club points
 - Managing Club Intrawest's nine properties
 - Running a private exchange company for Club Intrawest's members
- As of June, Club Intrawest had over 22,000 members

3. Playground

- Residential real estate sales and marketing business was established as a stand-alone business in 2001.
- Playground brand is used in certain resale and brokerage operations at the mountain resorts.
- Playground is expected to provide sales and marketing expertise for the properties surrounding their mountain resorts in which they plan to develop.
- Prior to the crash, they were actively engaged in the development of resort real estate, but have ceased new development activities since the crash. They are waiting to build on 1,130 acres of land surrounding the base of their resorts

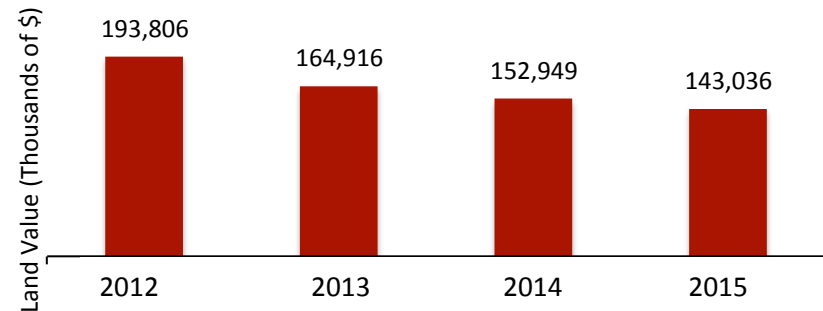
2. Development of Real Estate Assets

Real Estate Segment Overview

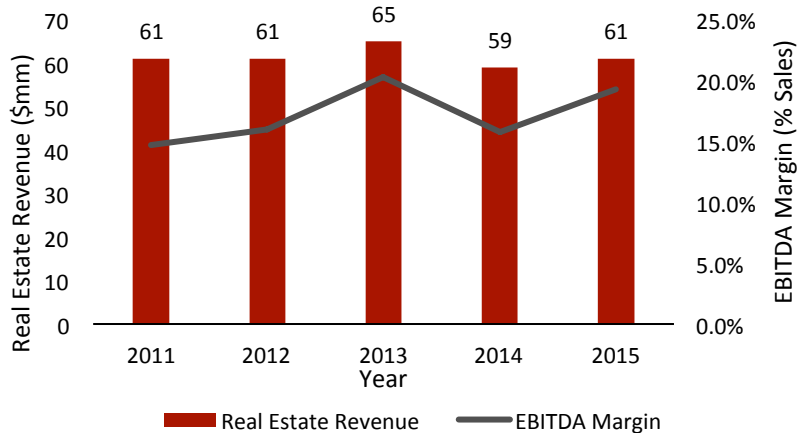
Significance Of Real Estate Business

- Before 2010, Intrawest was actively engaged in the development of real estate, and the company was originally a real estate developer.
- Company exited the business in 2009 in response to the poor economy environment for real estate, and wrote down their properties from their acquisition value.

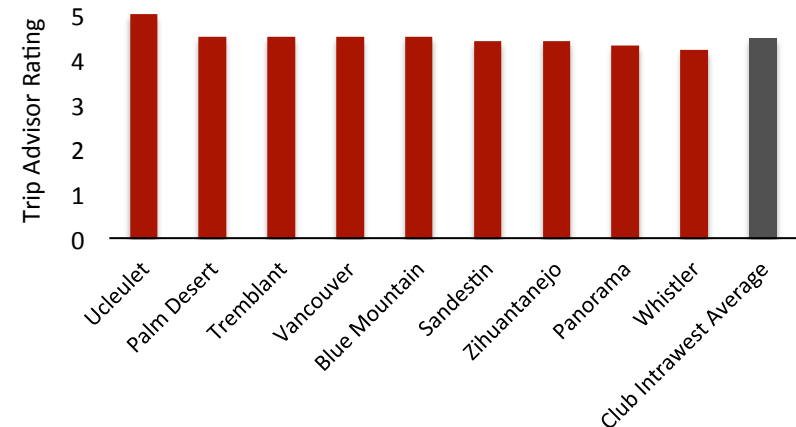
Book Value of Land



Flat growth over last 5 years



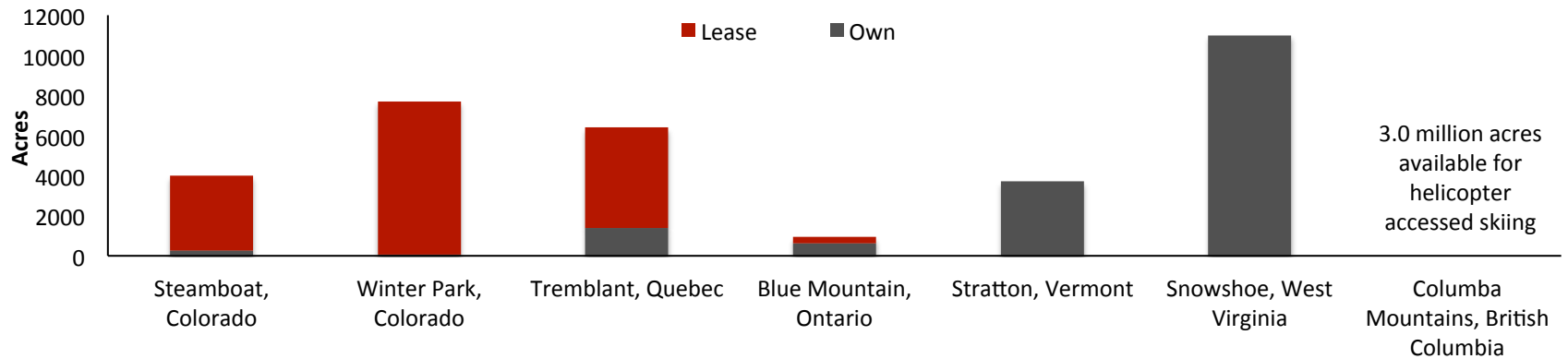
Stellar Consumer Ratings Across The Board



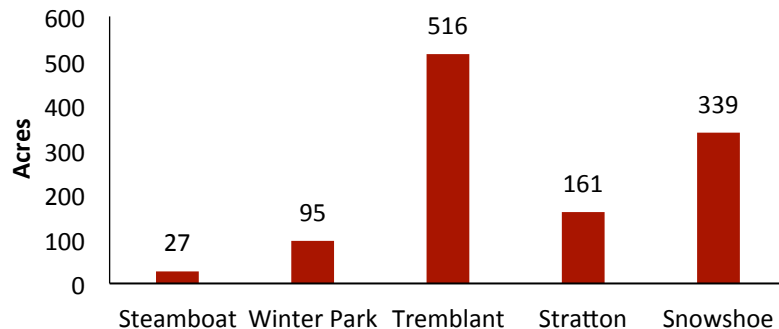
2. Development of Real Estate Assets

Properties – Owned & Leased

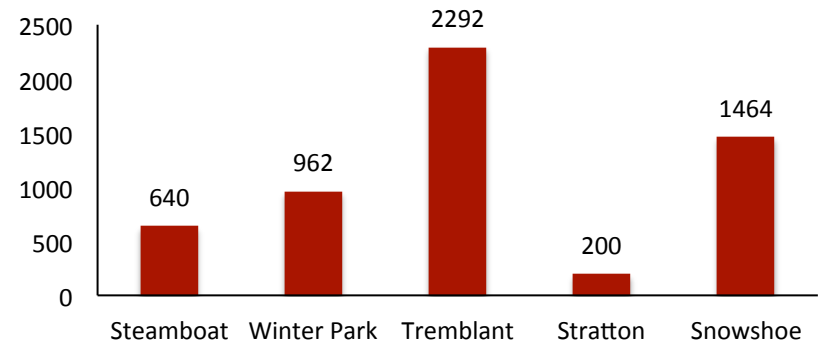
Intrawest Skiable Acreage by Location



Intrawest Land – To Be Developed



Property Development - Entitled Units



2. Development of Real Estate Assets

Real Estate Segment Overview

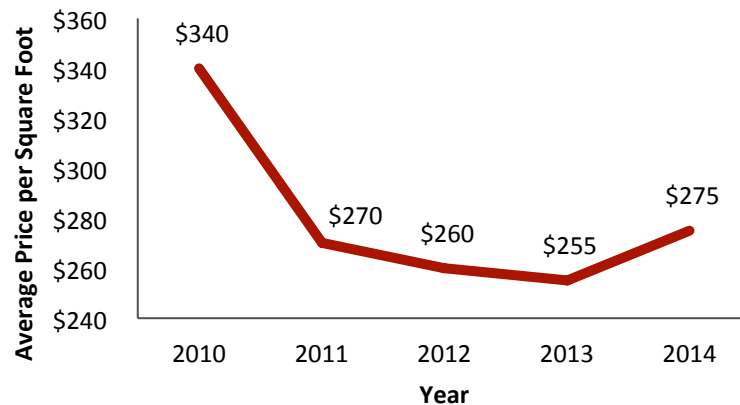
Plan To Develop Real Estate...

- The real estate available for development consists of parcels surrounding the bases of SNOW's resorts.
- Much of the land is located near ski trails at their resorts, including ski-in and ski-out parcels
- Management believe they can generate significant profits from the development of their real estate holdings
 - An increase in the number of units and beds near their resorts will add extra lodging and support incremental growth in skier visits and revenues.

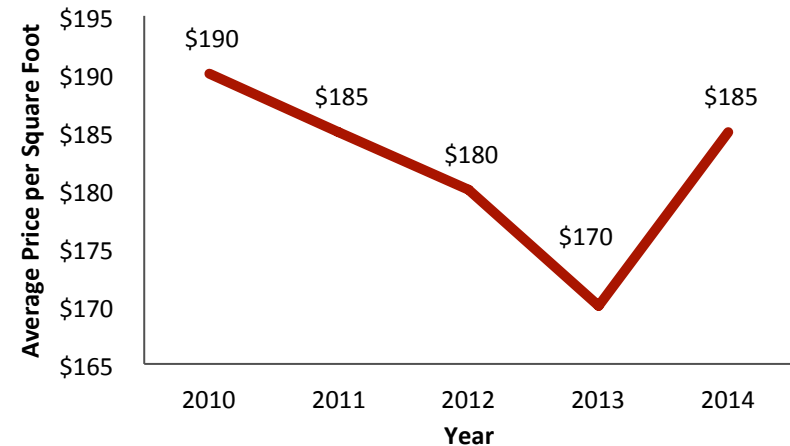
...Starting With Colorado

- The initial focus is likely to be the two Colorado resorts: Steamboat and Winter Park
- Intrawest has hired two designers to begin exploring opportunities at these two resorts
- Initial focus on dining and retail; Residential development to follow
- Intrawest hopes that an increase in residential developments will spur growth in their other revenue streams

Steamboat Condo Sales



Winter Park Condo Sales



3. Valuation

Comparable Company Analysis

November 23, 2015

USD\$ unless otherwise noted

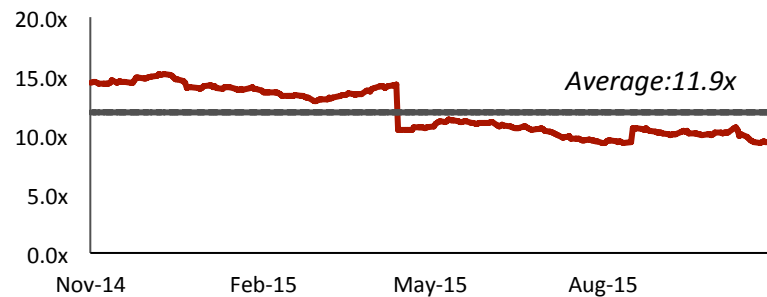
Company	Market Cap.	Balance Sheet		EV/Sales				EV/EBITDA			Debt/EBITDA		Sales Growth		
		Debt	EV												
	(\$ mm)	(\$ mm)	(\$ mm)	LTM	2015E	2016E	2017E	2015E	2016E	2017E	2015E	2016E	2015E	2016E	2017E
Ski Resorts															
Peak Resorts, Inc.	96	104	188	1.8x	1.8x	1.7x	1.6x	7.4x	6.6x	5.9x	4.1x	3.6x	0%	6%	6%
Whistler Blackcomb Holdings Inc.	600	238	879	4.2x	4.5x	4.0x	3.8x	12.7x	10.6x	9.5x	3.4x	2.9x	-6%	12%	8%
Vail Resorts Inc.	4,319	817	5,114	3.7x	3.7x	3.3x	3.2x	14.9x	12.3x	11.2x	2.4x	2.0x	-1%	11%	5%
Mean	1,672	386	2,060	3.2x	3.3x	3.0x	2.8x	11.7x	9.8x	8.9x	3.3x	2.8x	-2%	10%	6%
Median	600	238	879	3.7x	3.7x	3.3x	3.2x	12.7x	10.6x	9.5x	3.4x	2.9x	-1%	11%	6%
Adventure															
Cedar Fair, L.P.	3,190	1,587	4,580	3.7x	3.7x	3.6x	3.5x	9.9x	9.5x	9.1x	3.4x	3.3x	0%	3%	4%
CHC Group Ltd.	22	1,289	1,829	1.1x	1.0x	1.2x	1.2x	4.0x	9.6x	8.6x	2.8x	6.8x	9%	-15%	4%
Six Flags Entertainment Corporation	4,848	1,527	6,619	5.4x	5.3x	5.1x	4.8x	14.1x	13.0x	11.8x	3.2x	3.0x	1%	5%	6%
Mean	2,687	1,468	4,343	3.4x	3.4x	3.3x	3.1x	9.3x	10.7x	9.8x	3.2x	4.4x	4%	-2%	5%
Median	3,190	1,527	4,580	3.7x	3.7x	3.6x	3.5x	9.9x	9.6x	9.1x	3.2x	3.3x	1%	3%	4%
Vacation Clubs															
Diamond Resorts International, Inc.	1,932	1,027	2,633	3.4x	2.9x	2.6x	2.4x	7.2x	6.4x	5.8x	2.8x	2.5x	19%	10%	9%
Hyatt Hotels Corporation	6,984	1,377	7,796	3.1x	1.8x	1.7x	1.6x	10.8x	9.8x	9.1x	1.9x	1.7x	71%	8%	7%
Marriott International, Inc.	18,595	4,304	22,804	8.0x	1.6x	1.5x	1.4x	13.1x	11.9x	10.9x	2.5x	2.2x	412%	7%	7%
Mean	9,170	2,236	11,078	4.8x	2.1x	1.9x	1.8x	10.4x	9.4x	8.6x	2.4x	2.2x	168%	8%	8%
Median	6,984	1,377	7,796	3.4x	1.8x	1.7x	1.6x	10.8x	9.8x	9.1x	2.5x	2.2x	71%	8%	7%
Property Management															
Avalonbay Communities Inc.	24,843	6,307	30,842	17.0x	16.7x	15.5x	14.5x	25.9x	23.8x	22.2x	5.3x	4.9x	2%	8%	7%
Equity Residential	29,064	10,804	40,620	15.0x	14.8x	15.0x	14.1x	22.9x	24.0x	22.8x	6.1x	6.4x	1%	-1%	6%
Mid-America Apartment Communities	6,669	3,443	10,235	10.9x	9.8x	9.4x	9.0x	17.6x	16.6x	15.8x	32.8x	29.0x	11%	4%	5%
Mean	20,192	6,851	27,232	14.3x	13.8x	13.3x	12.5x	22.1x	21.5x	20.3x	14.7x	13.4x	5%	4%	6%
Median	24,843	6,307	30,842	15.0x	14.8x	15.0x	14.1x	22.9x	23.8x	22.2x	6.1x	6.4x	2%	4%	6%
Intrawest Resorts Holdings, Inc.															
Intrawest Resorts Holdings, Inc.	388	612	911	1.5x	1.6x	1.5x	1.5x	8.7x	7.7x	7.3x	5.8x	5.2x	31%	4%	2%



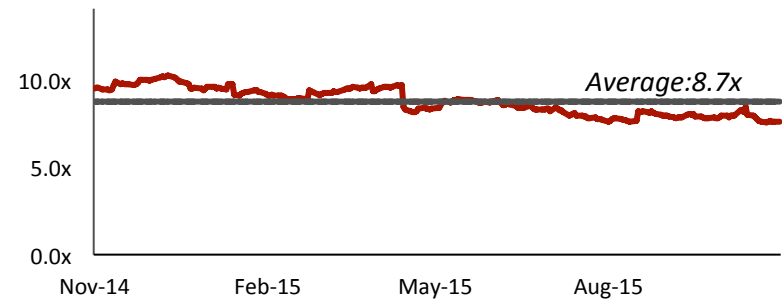
3. Valuation

Comparable Company Analysis

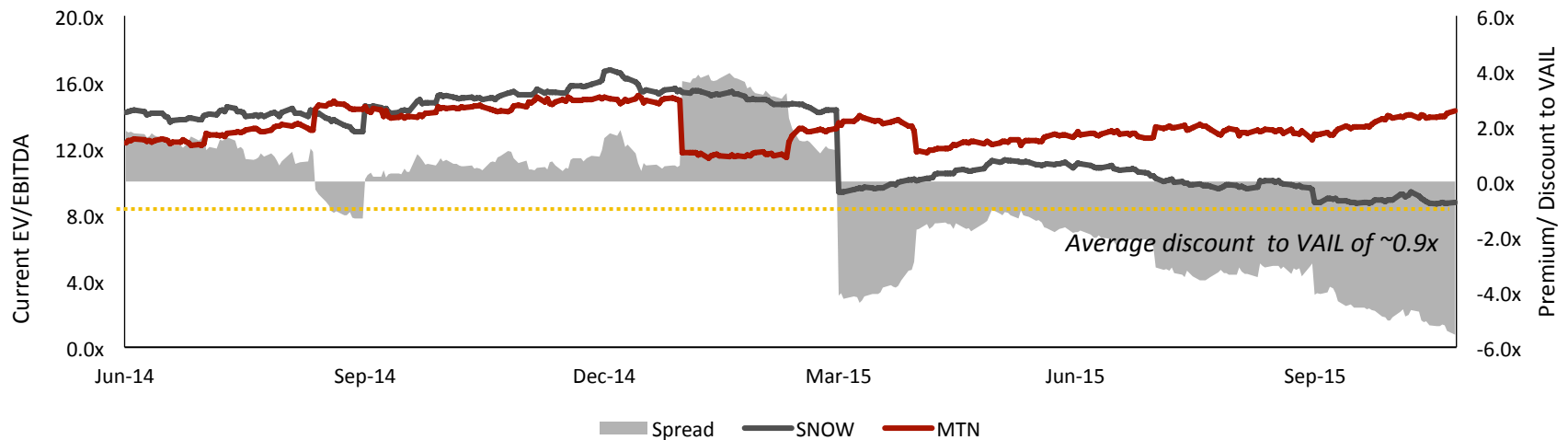
Historical TTM Current EV/EBITDA



Historical NTM EV/EBITDA Trading



Historical SNOW Current EV/EBITDA vs. VAIL



3. Valuation

Income Statement Assumptions

Bear Case

Purpose: Effect of extremely poor weather on mountain and adventure revenues; based on historical declines seen in 2012, worst weather season for SNOW in past 20 years.

Revenue Growth

- Mountain: (2-4%) until 2017, despite pricing efforts
- Adventure: (5%) until 2017
- Real estate: no growth

EBTIDA Margins

- Mountain margins below 2012 by 300bps
- Adventure margins flat
- Real estate margins at 14.0% (vs. historical avg. of 16.9%)

Price Target: **\$5.45**

Downside: **(35%)**

Base Case

Purpose: Reasonable growth based on management guidance, historical growth and street expectations

Revenue Growth

- Mountain: 3% until 2017
- Adventure: 1% until 2017
- Real estate: 1% until 2017

EBITDA Margins

- Mountain margins flat YoY
- Adventure margins flat YoY
- Real estate margins at 15.5% (vs. historical avg. of 16.9%)

Price Target: **\$12.28**

Upside: **46%**

Bull Case

Purpose: Greater than expected growth, with full effect of pricing gains, new product offerings.

Revenue Growth

- Mountain: 4-6% until 2017
- Adventure: 3% until 2017
- Real estate: 3% until 2017

EBITDA Margins

- Mountain margins +200bps
- Adventure margins +150bps
- Real estate margins +50bps

Price Target: **\$18.02**

Upside: **118%**

WACC Assumptions

Risk-free rate

2.25%

Beta

1.9

MRP

6.0%

Cost of Equity

13.7%

Cost of Debt

6.0%

WACC

8.4%



3. Valuation

Did Christmas Come Early This Year?

SOTP Valuation- Core Operations

Base on FY2017E

	Scenario		
	Bear	Base	Bull
Mountain Segment			
Mountain Revenues	\$417	\$452	\$479
EBITDA Margin	18%	21%	23%
Mountain EBITDA	\$75	\$95	\$110
x EV/EBITDA	7.5x	8.5x	9.5x
Value of Mountain Segment	\$564	\$807	\$1,046
Adventure Segment			
Adventure Revenues	\$87	\$99	\$103
EBITDA Margin	18%	16%	18%
Adventure EBITDA	\$16	\$15	\$18
x EV/EBITDA	5.5x	6.5x	7.5x
Value of Adventure Segment	\$86	\$99	\$139
Real Estate Segment			
Real Estate Revenues	\$59	\$60	\$63
EBITDA Margin	14%	16%	18%
Real Estate EBITDA	\$8	\$9	\$11
x EV/EBITDA	7.0x	8.0x	9.0x
Value of Real Estate Segment	\$58	\$75	\$102
2017E EV of Core Operations	\$708	\$981	\$1,286
PV of Core Operations	\$603	\$835	\$1,095

SOTP Valuation- Real Estate Operations

Base on FY2017E

	Scenario		
	Bear	Base	Bull
Value of Real Estate			
Core Real Estate On Balance Sheet	\$144	\$144	\$144
15% Interest in Mammoth	\$23	\$23	\$23
x Price to Book	1.0x	1.0x	1.0x
Value of Core Real Estate	\$167	\$167	\$167
Total Enterprise Value	\$770	\$1,002	\$1,262
EV To Equity Value			
Less: Net Debt	\$520	\$520	\$520
Less: Minority Interest	\$3	\$3	\$3
Equity Value	\$246	\$479	\$738
Equity Value Per Share	\$5.45	\$10.59	\$16.34
Equity Value of NOLs per share	\$0.00	\$1.69	\$1.69
Equity Value Per Share with NOLs	\$5.45	\$12.28	\$18.02
Implied Upside/Downside	-35%	46%	114%

EV/EBITDA multiples were sensitized by +/-1.0x in bear and bull cases.

We assign a low probability to the bear case; if it does occur, we believe it will largely be a seasonal effect.

High leverage exaggerates the asymmetrical return profile.



Bonus: Incentivized Management

Shaking Things Up with New Management

New CEO – “Wall Street guy”

- November 2014: New CEO Thomas Marano appointed
- Marano left Residential Capital after serving 5 years as Chairman and CEO up to 2013
- Previous positions: MD at Cerberus Capital Management (PE firm), Chief Mortgage Officer at Ally Financial; Head of Global Mortgage and ABS at Bear Stearns (1983-2008)⁽¹⁾

Aligned Compensation Structure

- Base comp of ~\$700K, with 2.7mm in options with an average strike price of \$11.25
- Personal bonus derived from 25% of value created in new business ventures shows potential for future M&A and/or monetization of real estate holdings

Additional Management Changes

- Jan 2015: New CFO, Travis Mayer
- Jan 2015: New CMO, Matt Bowers



⁽¹⁾ At least he's not Dick Fuld

1. Valuable portfolio with room for strategic and operational improvement

- Improving operating results with consistent margin expansion and revenue growth
- High-quality asset portfolio in a high barriers to entry industry
 - Has room to raise prices given their lack of pricing increase vs. VAIL resorts; price increases and new product offerings act as a capital-light sources of growth
- Strong CF growth has aided in substantial deleveraging from 41x EBITDA in 2012 to 4.8x currently

2. Additional Growth Through Development of Real Estate Assets

- Owns book value of \$154m and \$5.5m in core and non-core real estate, respectively
 - Some properties have already been sold for above book value
- Development operations were stopped in 2009, but company is looking at new opportunities, especially in Colorado

3. SOTP Valuation with Multiple Value-Creating Levers Yield Significant Upside

- Trading at around 7.5x 2016E EV/EBITDA vs. 10.4x median
- Unjustified 6x NTM EV/EBITDA discount to best comparable VAIL, vs. historical ~1x
- SOTP valuation from operations + real estate + NOLs through DCF yields 35% upside

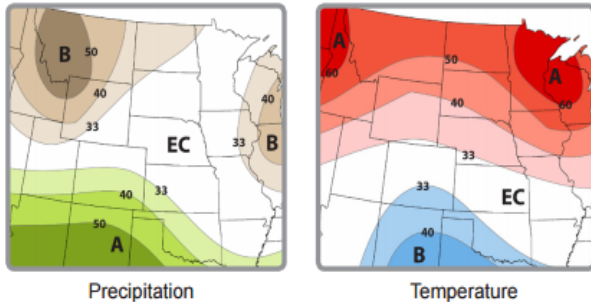
Bonus: New & Incentivized Management and PE Sponsor Involvement



What Is The Market Missing?

Intrawest Well Placed Despite Expectations of Warmer Winter

El Niño to Bring Bifurcation



EC: Equal chances of above, near or below normal, A: Above normal, B: Below normal

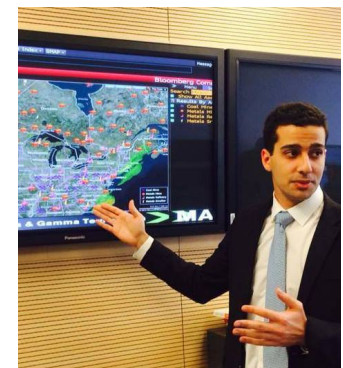
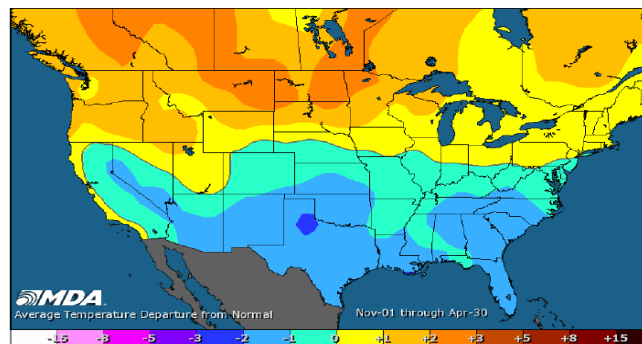
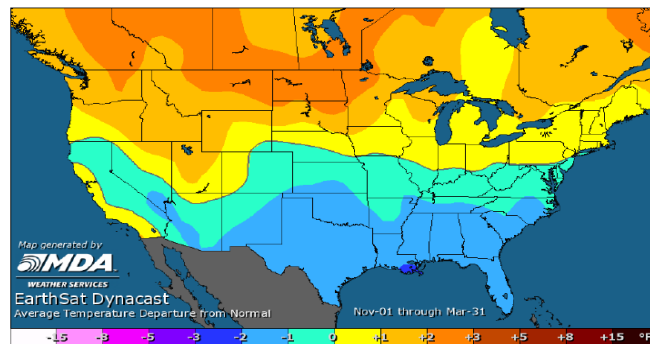
What does this mean for Intrawest?

- **Colorado** resorts to benefit from extra snowfall
- **Northeast** worst positioned, especially Stratton
 - Hard to predict weather in the Northeast during El Nino, but usually warmer-than-average
- **BC** has seen most snow in N.A. so far this year

CEO Q1 2016 Earnings Call:

“Actually, no impact from concerns on the weather with pass sales on the northeast. So, I think a lot of people on the northeast are probably mentally still recovering from last winter, which is a plus from us. The passionate skiers are expecting possibly some repeat of last year.”

2015/16 Winter Precipitation and Temperature Outlook



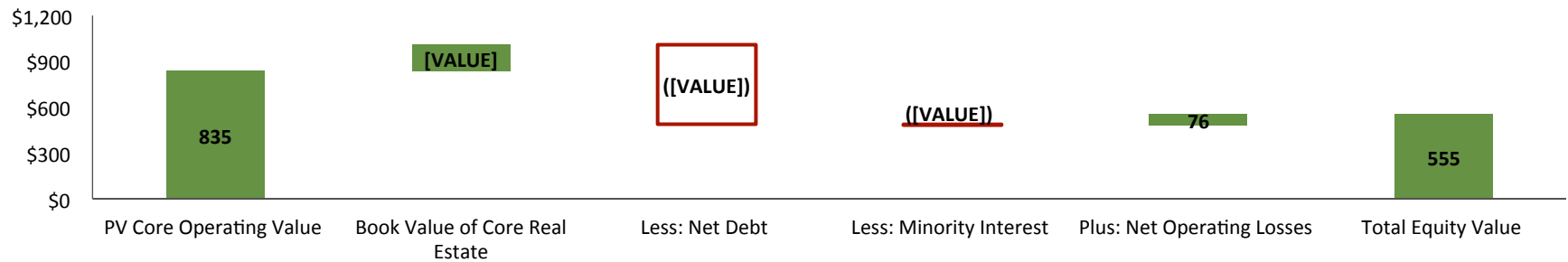
NAOO Climate predictions have been shifting colder

Source: Macquarie Research, NOAA Climate Predictions, US Drought Portal

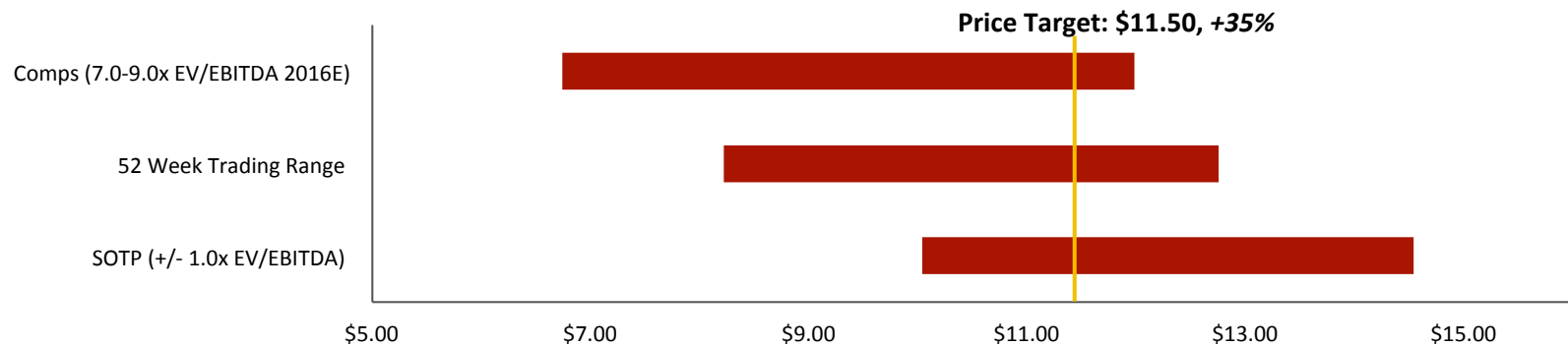
Recommendation

Don't Wait – Buy Your Tickets Now

Equity Value Build Up



Football Field



High end of comparable valuation at 9.0x (\$12.00 PT) is still implying a 3.0x discount to Vail.
Recommendation: Initiate a 2.5% allocation in SNOW with a price target of \$11.50, or upside of ~35%.

Risks

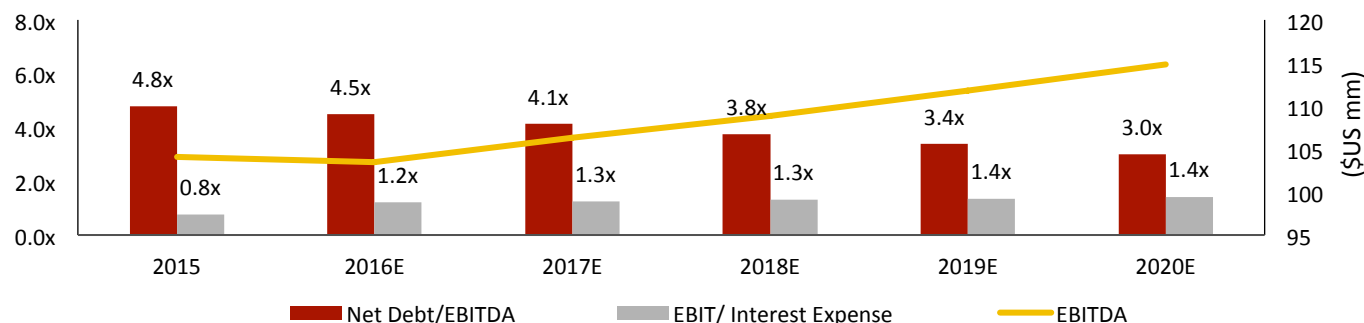
What Would Raptor Say?

Risks

Analysis & Mitigant

High leverage
compared to peers
with history of
missing debt
repayment

- Covenant-light loans, will only default if they fail to pay mandatory principal and interest expense
- Strong , capital-light FCF growth will help drive down leverage levels
 - has already delevered from 6.4x in 2014 to 4.8x in 2015 (much faster than projections in original pitch)



PE Sponsor Sell-down and illiquidity risk,
given that Fortress Investment Group owns ~60% equity.

- Post-2006 purchase, FIG has put in additional \$500mm of equity cures (2009-2010); only proceeds received were ~\$150mm from IPO
- Undertaking multiple strategic initiatives to increase share price and realize a positive return on their investment
- Have held investment for 9 years and did not sell when shares nearly reached \$13
 - Overall, Consumers team believes that potential of sell-down is low at a share price below our target price of \$11.50

More Risks & Some Catalysts

Upside With A Chance Of Hail

Short-term Risks

- Foreign exchange
 - Impact of low CAD might be worse than expected
- Limited visibility of weather
- Highly cyclical sector

Long-term Risks

- Maturing industry with unfavourable demographic trends
 - Gen X and Y are skiing less than previous generation
 - Decline in baby boomer population may lead to decrease in ski visits
- Global Warming
 - Increasing number of bad ski seasons

Catalysts

- Positive earnings and SSS
- Real estate development update
 - Management has pointed towards Spring 2016 for substantial updates
- Less Likely: M&A
 - Research estimates there are ~75 M&A targets available to SNOW
 - Can be bolt-on acquisition or larger scale expansion of Western portfolio

With the exception of leverage, PE risk, and FX risk, Intrawest faces risks that are experienced by all ski resort peers. We reiterate that these 3 unique risks should not yield more than a ~1-2x EV/EBITDA discount to closest peer VAIL, inline with the historical trading range.

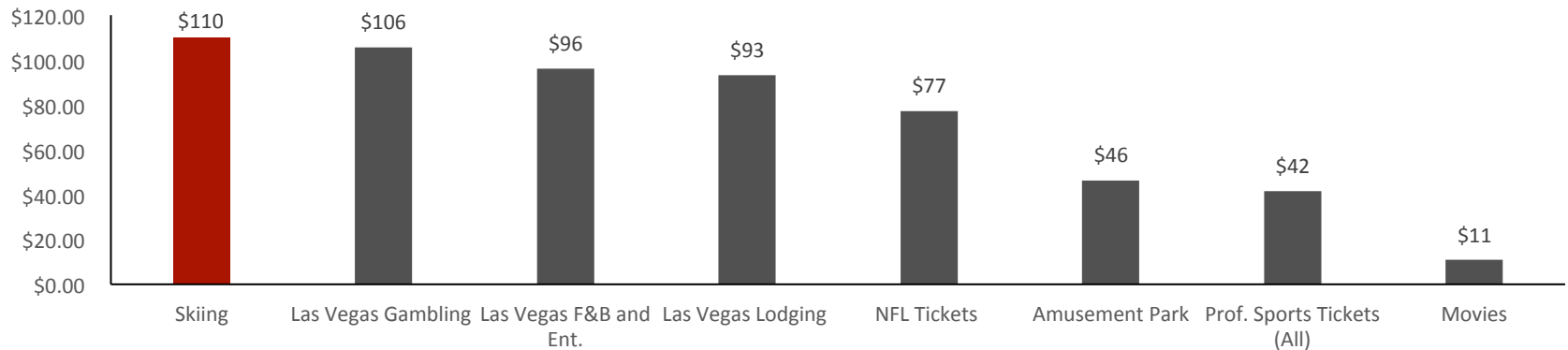
SNOW Appendix



Mountain Resort Industry

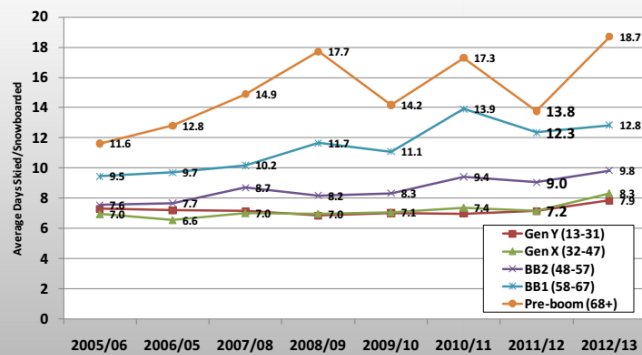
Broad Market Overview

Skiing is Generates Relatively Higher Revenue per Visit



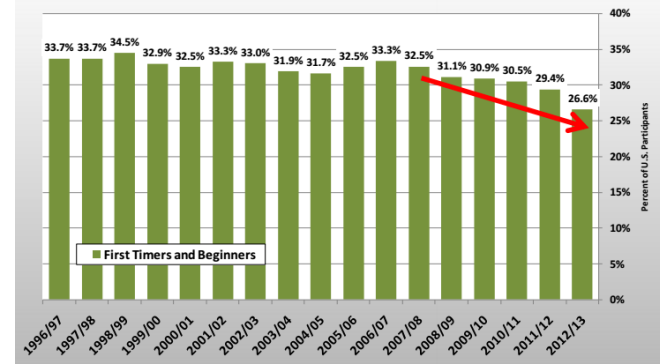
Although It Attracts Older Demographics...

Average Days Skied/Snowboarded by Cohort:
2005/06 to 2012/13



...Creating Possible Structural Declines

First Timers and Beginners as a Percent of Total U.S. Participants:
1996/97 to 2012/13



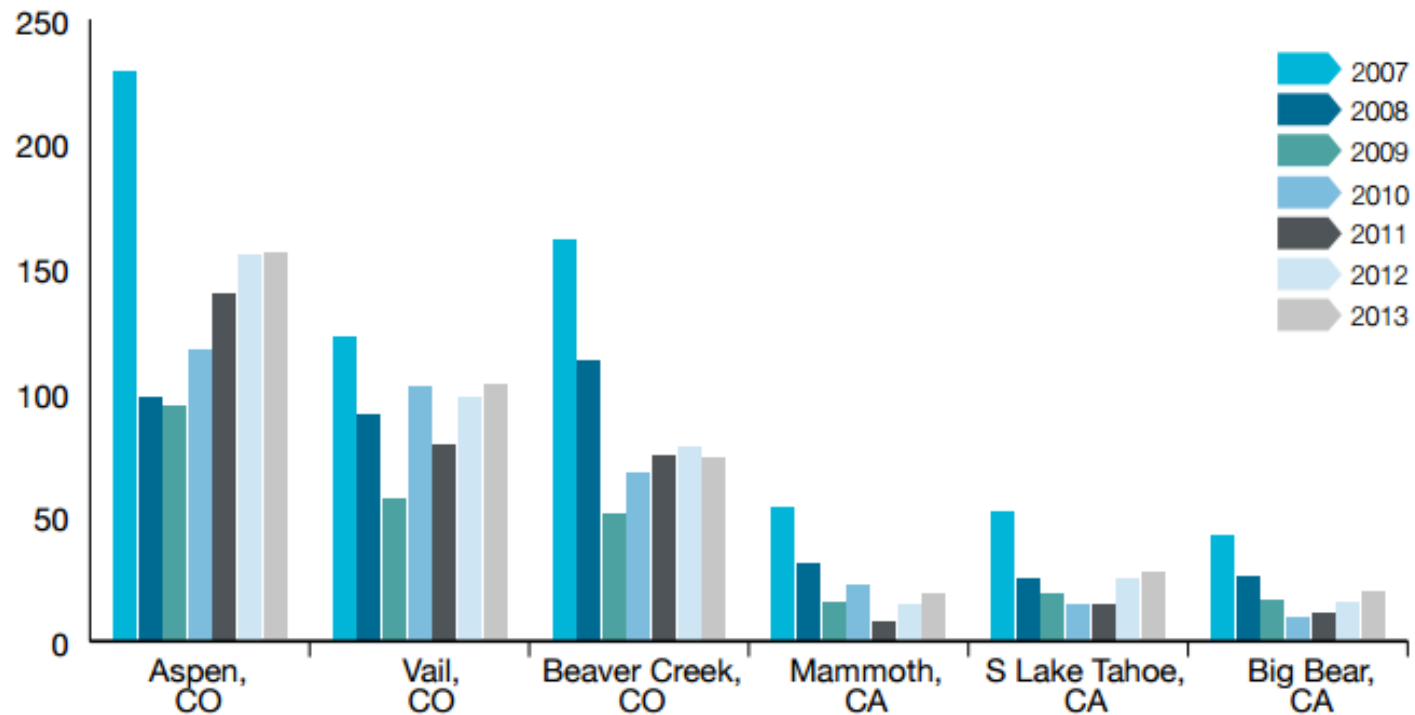
Source: RRC Associates and Canadian Ski Council



Mountain Resort Industry

Sales Tend to Be Very Cyclical

Recovering Sales Volume Post 2008/9 Financial Crisis



Source: DataQ News



Ski Resorts

Key Metrics by Country

Country	Number of ski areas ¹³	Number of areas > 4 lifts	Number of major resorts (>1 mio SV)	Number of lifts	Skier visits ¹⁴ (SV)	SV/lift	National participation rate (in % population)	Number of skiers (national)	Proportion foreign skiers	SV per inhabitant ¹⁵	SV per foreign visitor ¹⁶
Afghanistan	0	0	0	0	0	0	0.0%	3'111	1.0%	0.00	#N/A
Albania	10	0	0	1	10'000	10'000	1.0%	30'114	10.0%	0.00	0.00
Algeria	2	0	0	20	0	0	0.5%	190'439	5.0%	0.00	0.00
Andorra	3	3	1	140	2'184'806	15'606	20.0%	17'059	92.0%	2.05	1.10
Argentina	22	10	0	145	1'500'000	10'345	2.5%	1'065'275	25.0%	0.03	0.09
Armenia	3	1	0	8	50'000	6'250	2.0%	59'484	2.0%	0.02	0.00
Australia	10	7	0	158	2'082'600	13'181	2.0%	445'250	1.5%	0.09	0.01
Austria	254	199	14	3'028	53'155'600	17'555	36.0%	2'959'793	66.0%	2.20	1.64
Azerbaijan	2	0	0	6	50'000	8'333	0.5%	47'951	0.0%	0.01	0.00
Belarus	6	0	0	11	150'000	13'636	2.0%	192'518	25.0%	0.01	0.32
Bosnia and Herzegovina	18	4	0	50	400'000	8'000	5.0%	193'786	50.0%	0.05	0.64
Bulgaria	32	7	0	110	1'200'000	10'909	5.0%	349'082	25.0%	0.13	0.05
Canada	288	73	1	922	18'700'400	20'282	12.5%	4'307'199	12.0%	0.48	0.14
Chile	21	9	0	122	1'250'000	10'246	3.0%	516'508	15.0%	0.06	0.07
China	350	77	0	869	6'880'000	7'917	0.4%	5'128'426	0.5%	0.01	0.00
Cyprus	1	0	0	5	20'000	4'000	1.0%	11'554	0.0%	0.02	0.00
Czech Republic	176	70	0	816	8'700'000	10'662	20.0%	2'032'584	35.0%	0.56	0.50
Estonia	9	1	0	17	125'000	7'353	5.0%	63'319	5.0%	0.09	0.00
Finland	76	30	0	374	2'846'000	7'610	24.0%	1'263'867	17.0%	0.45	0.14
France	325	233	14	3'595	56'226'000	15'640	13.0%	8'573'709	32.0%	0.58	0.24
Georgia	5	2	0	14	100'000	7'143	2.0%	91'118	10.0%	0.02	0.01
Germany	498	82	0	1'827	14'922'000	8'167	18.0%	14'606'508	10.0%	0.17	0.06
Greece	22	6	0	111	800'000	7'207	2.0%	215'459	10.0%	0.07	0.01
Hungary	34	5	0	70	500'000	7'143	5.0%	496'974	10.0%	0.05	0.01
Iceland	13	2	0	49	250'000	5'102	20.0%	63'056	5.0%	0.75	0.01
India	15	1	0	22	200'000	9'091	0.1%	1'220'800	1.0%	0.00	0.00
Iran	19	4	0	51	500'000	9'804	1.0%	798'539	1.0%	0.01	0.00
Italy	349	216	5	2'127	28'100'000	13'211	8.0%	4'918'584	15.0%	0.39	0.10

¹³ The number of ski areas includes some very small ones, for instance in France, only 233 areas have more than 4 lifts and concentrate most of the activity

¹⁴ Average last 5 seasons or estimate

¹⁵ Ratio of domestic skier visits divided by the population.

¹⁶ Ratio of skier visits of foreign visitors divided by the total number of foreign visitors.

Ski Resorts

Key Metrics by Country

Country	Number of ski areas ¹³	Number of areas > 4 lifts	Number of major resorts (>1 mio SV)	Number of lifts	Skier visits ¹⁴ (SV)	SV/lift	National participation rate (in % population)	Number of skiers (national)	Proportion foreign skiers	SV per inhabitant ¹⁵	SV per foreign visitor ¹⁶
Japan	547	280	0	2'422	34'432'389	14'217	9.0%	11'452'777	3.0%	0.26	0.15
Kazakhstan	19	2	0	25	250'000	10'000	1.5%	266'053	2.0%	0.01	0.00
Korea, North	4	0	0	9	25'000	2'778	0.1%	12'360	0.0%	0.00	#N/A
Korea, South	18	16	0	150	6'531'832	43'546	6.0%	2'937'312	10.0%	0.12	0.08
Kyrgyzstan	16	1	0	24	200'000	8'333	1.0%	55'480	20.0%	0.03	0.02
Latvia	26	5	0	77	800'000	10'390	10.0%	217'844	15.0%	0.31	0.07
Lesotho	1	0	0	1	12'000	12'000	0.1%	1'936	90.0%	0.00	0.03
Lithuania	11	0	0	19	200'000	10'526	5.0%	175'793	10.0%	0.05	0.01
Macedonia	8	2	0	34	300'000	8'824	7.5%	156'538	10.0%	0.13	0.12
Montenegro	4	2	0	23	250'000	10'870	10.0%	65'347	25.0%	0.29	0.06
Morocco	5	1	0	10	100'000	10'000	0.2%	65'298	10.0%	0.00	0.00
New Zealand	25	10	0	100	1'413'552	14'136	7.0%	305'558	36.0%	0.21	0.21
Norway	213	40	0	667	6'390'000	9'580	25.0%	1'180'675	8.0%	1.24	0.12
Poland	182	20	0	832	5'000'000	6'010	13.0%	4'989'895	10.0%	0.12	0.04
Romania	45	6	0	141	1'200'000	8'511	3.0%	653'714	5.0%	0.05	0.05
Russia	220	31	0	414	3'653'870	8'826	2.5%	3'562'512	2.0%	0.03	0.00
Serbia	31	3	0	77	750'000	9'740	3.0%	217'290	20.0%	0.08	0.22
Slovakia	91	47	0	547	5'000'000	9'141	18.0%	987'901	25.0%	0.68	0.96
Slovenia	44	24	0	217	1'357'128	6'254	15.0%	298'904	17.0%	0.57	0.14
South Africa	1	0	0	4	25'000	6'250	0.2%	97'202	0.0%	0.00	0.00
Spain	34	30	0	360	5'677'571	15'771	5.0%	2'368'527	10.0%	0.11	0.01
Sweden	228	69	1	820	8'070'800	9'842	20.0%	1'823'885	8.0%	0.81	0.13
Switzerland	240	102	6	1'749	26'538'264	15'173	37.0%	2'958'530	50.0%	1.66	1.60
Turkey	43	8	0	145	1'200'000	8'276	1.0%	806'945	15.0%	0.01	0.01
Ukraine	54	9	0	141	1'400'000	9'929	2.5%	1'114'330	5.0%	0.03	0.00
United Kingdom	10	5	0	124	249'311	2'011	10.0%	6'339'557	1.0%	0.00	0.00
United States	481	354	5	2'970	57'092'127	19'223	4.3%	13'616'748	5.6%	0.17	0.06
Uzbekistan	2	1	0	8	80'000	10'000	0.2%	57'323	15.0%	0.00	0.01

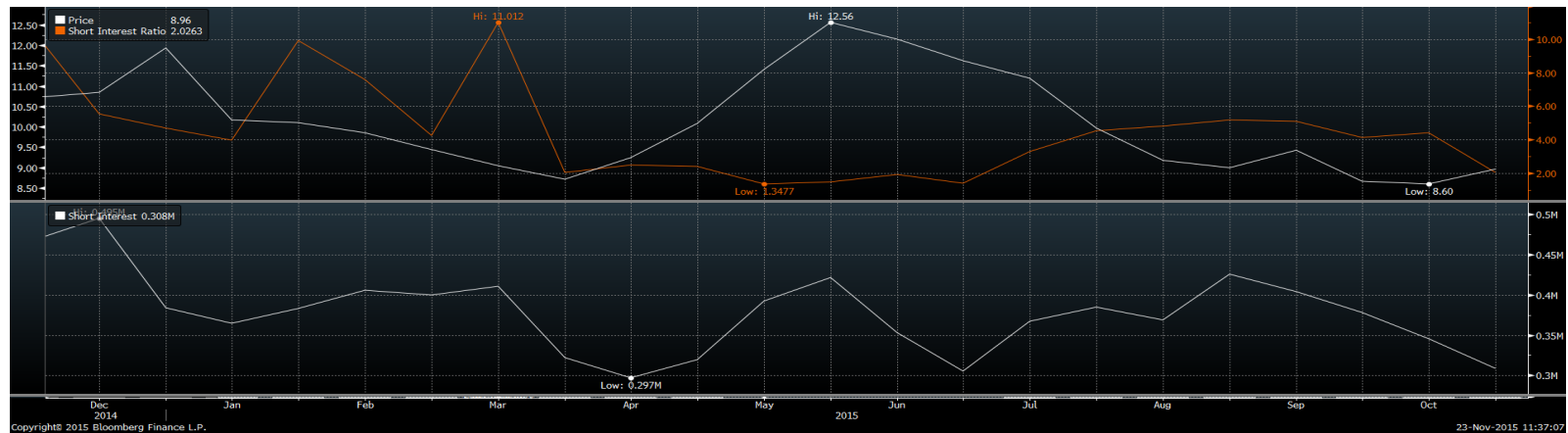
Source: International Ski Instructors Association



Risk Management

Short Interest and Insider Transactions

No significant Short Interest



Not much insider trading either



Comparison of Mountain Resorts

Key metrics for resorts owned by SNOW, MTN, SKIS and WB

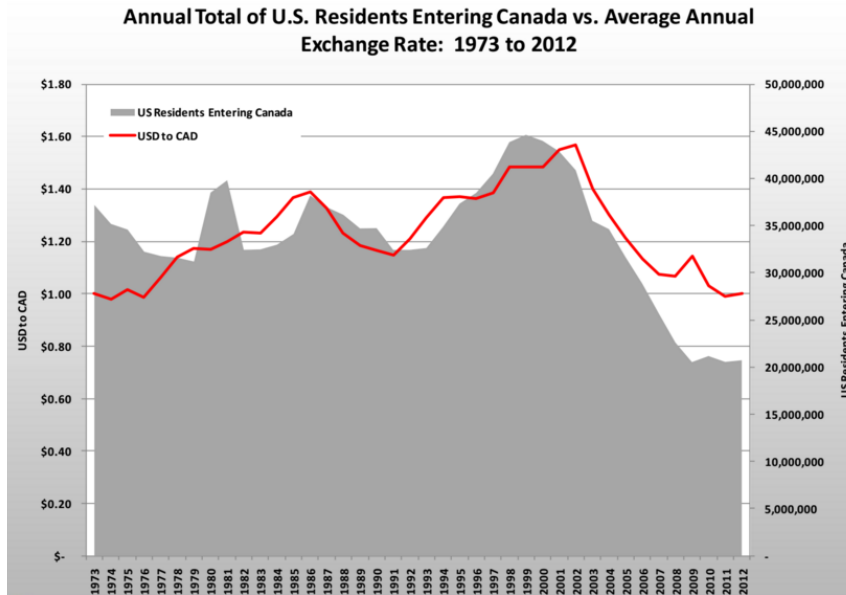
Region / Resort		Snowfall		Vertical	Beg/Int. Runs	Tripadvisor	Ticket Price	Skiable	Snowmaking		Years	Days Open	
Owner	Average	Variation	Drop (ft)	%total	Rating	2015	Terrain	Acres	%Total	Open	2014		
West	Colorado Rockies												
	Beaver Creek, CO	Vail	271	27%	3,339	62	4.7	159	1,832	680	37%	35	145
	Vail, CO	Vail	318	22%	3,450	47	4.7	159	5,289	390	7%	53	157
	Breckenridge, CO	Vail	318	23%	3,397	42	4.5	118	2,908	540	19%	54	182
	Winter Park, CO	IntraWest	298	21%	3,060	45	4.4	119	3,081	299	10%	75	158
	Steamboat, CO	IntraWest	307	19%	3,668	58	4.5	124	2,965	375	13%	52	135
	Keystone, CO	Vail	204	27%	3,127	43	4.4	99	3,148	662	21%	45	184
	Central Rockies												
	Park City, UT	Vail	290	35%	3,100	69	4.3	90	3,300	500	15%	52	142
	Canyons, UT	Vail	239	42%	3,190	54	4.3	90	4,000	160	4%	47	150
	Canada West												
	Whistler / Blackcomb	WB	304	31%	5,278	73	4.6	101	8,171	565	7%	49	250
Sierra Mountains													
Heavenly, CA	Vail	277	49%	3,502	65	4.1	98	4,800	3,360	70%	60	155	
Northstar, CA	Vail	253	51%	2,280	73	4.3	120	3,170	1,500	47%	43	135	
Kirkwood, CA	Vail	392	41%	2,000	65	4.4	80	2,300	200	9%	43	200	
East	New England												
	Wildcat, NH	Peak	144	27%	2,112	100	4.3	75	225	200	89%	57	156
	Stratton, VT	IntraWest	140	17%	2,002	72	4.0	98	670	570	85%	54	155
	Attitash, NH	Peak	104	48%	1,750	73	3.8	75	310	240	77%	50	120
	Mount Snow, VT	Peak	147	21%	1,700	87	4.2	90	588	480	82%	61	135
	Crotched Mountain, NH	Peak	84	38%	1,016	68	4.6	62	100	100	100%	46	105
	Mid Atlantic												
	Jack Frost, PA	Peak	44	56%	600	100	4.0	55	100	100	100%	43	96
	Big Boulder, PA	Peak	45	50%	600	100	3.8	55	55	55	100%	68	76
	Southeast												
	Snowshoe, WV	IntraWest	119	27%	1,500	57	3.8	89	251	251	100%	42	125
	Canada East												
Tremblant	IntraWest	148	24%	2,116	50	4.3	70	654	481	74%	76	140	
Midwest	Midwest												
	Afton Alps, MN	Vail	54	37%	350	80	3.6	54	250	250	100%	52	135
	Mt Brighton, MI	Vail	43	68%	230	70	4.2	42	130	130	100%	55	111
	Hidden Valley, MO	Peak	15	116%	310	65	3.9	47	30	30	100%	33	65
	Paoli Peaks, IN	Peak	36	62%	300	90	3.7	42	65	65	100%	37	75
	Snow Creek, MO	Peak	36	73%	300	60	4.2	44	30	30	100%	29	82
	Mad River, OH	Peak	45	35%	300	52	4.0	45	144	144	100%	53	99
	Brandywine, OH	Peak	73	56%	240	54	3.2	43	85	85	100%	52	92
	Boston Mills, OH	Peak	77	58%	264	60	3.2	43	40	40	100%	52	92
	Alpine Valley, OH	Peak	43	60%	230	67	3.0	43	72	72	100%	49	105
	Canada Midwest												
	Blue Mountain, Canada	IntraWest	88	49%	721	54	4.1	54	364	339	93%	74	135
Overseas													
Perisher, Australia	Vail	61	88%	1,164	82	4.1	87	3,076	132	4%	19	119	
Averages	Vail	191	40%	2,627	62	4.4	89	55,847	16,856	30%	50	146	
	IntraWest	183	26%	2,178	56	4.3	92	7,985	2,315	29%	62	141	
	Peak	69	54%	748	75	4.0	55	1,844	1,641	89%	48	100	
	Whistler-Blackcomb	304	31%	5,278	73	4.6	101	8,171	565	7%	49	250	

Foreign Exchange Risks

What's the net effect?

FX Tailwinds

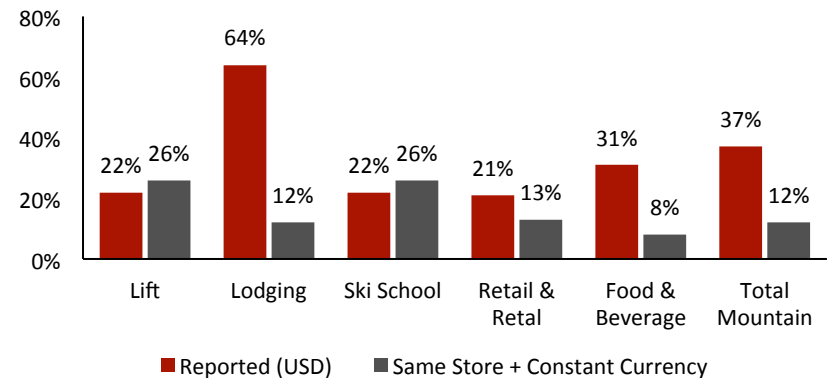
- Cheap CAD benefits heli-skiing business and Canadian mountains
- Hedged by the fact that the currency of revenues and expenses are matched



FX Headwinds

- Report in USD leads to volatile reported revenues
- FX negatively impacted revenue by 4.3% (\$25.5mm) relative to the prior year in 2015

Reported USD numbers show much higher volatility than constant currency numbers



Valuation

Model Output

	FY 2015	FY 2016E	FY 2017E	FY 2018E	FY 2019E	FY 2020E
Income Statement						
Mountain Revenues	\$425.9	\$438.7	\$451.9	\$465.4	\$479.4	\$493.8
% Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Adventure Revenues	97	98	99	100	101	102
% Growth	1.0%	1.00%	1.00%	1.00%	1.00%	1.00%
Real Estate Revenues	59	60	60	61	62	62
% Growth	3.0%	1.00%	1.00%	1.00%	1.00%	1.00%
Total Segment Revenues	582	596	611	626	642	658
%Growth	13.79%	2.46%	2.47%	2.48%	2.49%	2.49%
Legacy, non-core and other revenues	6	0	0	0	0	0
Total Revenues	588	596	611	626	642	658
Total Operating Expenses	483.50	492.88	504.81	517.36	530.05	542.99
Total EBITDA	104.1	103.5	106.3	108.9	111.7	114.8
Total EBITDA Margin	18%	17%	17%	17%	17%	17%
Depreciation and Amortization	59.1	60.7	62.3	63.8	65.3	66.9
Income (Loss) from operations	45.0	42.8	44.0	45.1	46.4	47.9
Non-operating income (expense)	(0.20)	0.00	0.00	0.00	0.00	0.00
Equity in associates	3.00	0.00	0.00	0.00	0.00	0.00
Unusual income (expense)	(14.30)	0.00	0.00	0.00	0.00	0.00
Total EBIT	33.51	42.76	44.01	45.10	46.44	47.93
Interest Income	1.2	0.00	0.00	0.00	0.00	0.00
Interest Expense on third party debt	43.89	35.54	35.02	34.54	34.09	33.64
Interest Expense on notes payable to affiliates	0	0.00	0.00	0.00	0.00	0.00
Pretax Income (GAAP)	(9.18)	7.23	8.99	10.56	12.35	14.30
Income Tax (benefit)	0.07	0.00	0.00	0.00	0.00	0.00
Effective Tax Rate	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Share of Profit (Loss)	2.3	0	0	0	0	0
Net Income (GAAP)	(6.95)	7.23	8.99	10.56	12.35	14.30
GAAP EPS	(\$0.15)	\$0.16	\$0.20	\$0.23	\$0.27	\$0.32
Basic Shares	45.20	45.20	45.20	45.20	45.20	45.20



Valuation

Model Output

Debt Schedule

				FY 2015	FY 2016E	FY 2017E	FY 2018E	FY 2019E	FY 2020E
	Max (\$m)	Maturity	Rate						
Total Senior Debt				571.75	561.13	552.69	545.06	537.42	529.77
Other Debt Obligations				9.02	2.10	2.10	2.10	2.10	2.10
Credit Facility	\$55.00	Dec-18	5.4%						
Beginning Balance				47.60	45.40	43.90	42.40	40.90	39.40
(-) repayment				2.20	1.50	1.50	1.50	1.50	1.50
(+) draw down				0.00	0.00	0.00	0.00	0.00	0.00
Ending balance				45.40	43.90	42.40	40.90	39.40	37.90
Term Loan	Variable	Dec-20	6.5%						
Beginning Balance					524.15	517.23	510.29	504.16	498.02
(-) scheduled repayment					6.92	6.93	6.13	6.14	6.15
(+) optional repayment					0.00	0.00	0.00	0.00	0.00
Ending balance				524.15	517.23	510.29	504.16	498.02	491.87
Revolver	\$25.00	Dec-18	5.4%						
Beginning Balance				0.00	0.00	0.00	0.00	0.00	0.00

Key Credit Metrics

	FY 2015	FY 2016E	FY 2017E	FY 2018E	FY 2019E	FY 2020E
Cash (less restricted)	82.30	98.20	116.20	138.80	161.75	188.14
Net Debt/EBITDA	4.8x	4.5x	4.1x	3.8x	3.4x	3.0x
EBITDA/Interest Expense	2.4x	2.9x	3.0x	3.2x	3.3x	3.4x
EBIT/Interest Expense	0.8x	1.2x	1.3x	1.3x	1.4x	1.4x

