

VAIL RESORTS INC
Form 10-Q
June 06, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended April 30, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____
Commission File Number: 001-09614

Vail Resorts, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

51-0291762
(I.R.S. Employer
Identification No.)

390 Interlocken Crescent
Broomfield, Colorado
(Address of Principal Executive Offices)
(303) 404-1800
(Registrant's Telephone Number, Including Area Code)

80021
(Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 3, 2013, 35,913,960 shares of the registrant's common stock were outstanding.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements — Unaudited

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Vail Resorts, Inc.
Consolidated Condensed Balance Sheets
(In thousands, except share and per share amounts)

	April 30, 2013 (Unaudited)	July 31, 2012	April 30, 2012 (Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	\$237,735	\$46,053	\$147,110
Restricted cash	11,991	14,284	13,666
Trade receivables, net	73,733	65,743	65,133
Inventories, net	61,201	65,873	56,237
Other current assets	50,478	40,417	55,671
Total current assets	435,138	232,370	337,817
Property, plant and equipment, net (Note 6)	1,039,907	1,049,207	1,056,243
Real estate held for sale and investment	201,861	237,668	248,262
Goodwill, net	271,855	269,769	269,678
Intangible assets, net	92,039	92,070	93,715
Other assets	38,869	46,530	44,024
Total assets	\$2,079,669	\$1,927,614	\$2,049,739
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities (Note 6)	\$246,352	\$227,538	\$224,047
Income taxes payable	13,173	20,721	19,005
Long-term debt due within one year (Note 4)	518	990	1,119
Total current liabilities	260,043	249,249	244,171
Long-term debt (Note 4)	489,240	489,775	489,757
Other long-term liabilities (Note 6)	226,145	232,869	233,923
Deferred income taxes	201,511	139,393	185,160
Commitments and contingencies (Note 9)			
Stockholders' equity:			
Preferred stock, \$0.01 par value, 25,000,000 shares authorized, no shares issued and outstanding	—	—	—
Common stock, \$0.01 par value, 100,000,000 shares authorized, 40,861,919 (unaudited), 40,531,204 and 40,516,476 (unaudited) shares issued, respectively	409	405	405
Additional paid-in capital	596,167	586,691	583,818
Accumulated other comprehensive (loss) income	(4	) (255	) 61
Retained earnings	485,368	408,662	469,148
Treasury stock, at cost; 4,949,111 (unaudited), 4,949,111 and 4,468,181 (unaudited) shares, respectively (Note 11)	(193,192	) (193,192	) (170,696
Total Vail Resorts, Inc. stockholders' equity	888,748	802,311	882,736
Noncontrolling interests	13,982	14,017	13,992
Total stockholders' equity (Note 2)	902,730	816,328	896,728
Total liabilities and stockholders' equity	\$2,079,669	\$1,927,614	\$2,049,739

The accompanying Notes are an integral part of these consolidated condensed financial statements.

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Vail Resorts, Inc.
 Consolidated Condensed Statements of Operations
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2013	2012	2013	2012
Net revenue:				
Mountain	\$402,017	\$354,586	\$815,670	\$720,194
Lodging	53,834	53,972	152,885	155,872
Real estate	13,840	12,587	39,937	34,784
Total net revenue	469,691	421,145	1,008,492	910,850
Segment operating expense (exclusive of depreciation and amortization shown separately below):				
Mountain	207,953	184,211	536,498	478,256
Lodging	45,446	47,103	142,055	149,497
Real estate	16,996	16,069	49,349	46,479
Total segment operating expense	270,395	247,383	727,902	674,232
Other operating expense:				
Depreciation and amortization	(33,730)	(33,266)	(98,827)	(95,245)
Loss on disposal of fixed assets, net	(224)	(90)	(757)	(1,123)
Income from operations	165,342	140,406	181,006	140,250
Mountain equity investment income, net	266	336	799	944
Investment income (loss), net	153	(18)	306	356
Interest expense, net	(8,359)	(8,443)	(25,268)	(25,226)
Income before provision for income taxes	157,402	132,281	156,843	116,324
Provision for income taxes	(59,814)	(52,753)	(59,329)	(46,108)
Net income	97,588	79,528	97,514	70,216
Net loss attributable to noncontrolling interests	52	41	97	34
Net income attributable to Vail Resorts, Inc.	\$97,640	\$79,569	\$97,611	\$70,250
Per share amounts (Note 3):				
Basic net income per share attributable to Vail Resorts, Inc.	\$2.72	\$2.21	\$2.72	\$1.95
Diluted net income per share attributable to Vail Resorts, Inc.	\$2.66	\$2.17	\$2.66	\$1.92
Cash dividends declared per share	\$0.2075	\$0.1875	\$0.5825	\$0.4875

The accompanying Notes are an integral part of these consolidated condensed financial statements.

Vail Resorts, Inc.
 Consolidated Condensed Statements of Comprehensive Income
 (In thousands)
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	April 30,		April 30,	
	2013	2012	2013	2012
Net income	\$97,588	\$79,528	\$97,514	\$70,216
Foreign currency translation adjustments, net of tax	(202	) 61	251	61
Comprehensive income	97,386	79,589	97,765	70,277
Comprehensive loss attributable to noncontrolling interests	52	41	97	34
Comprehensive income attributable to Vail Resorts, Inc.	\$97,438	\$79,630	\$97,862	\$70,311

The accompanying Notes are an integral part of these consolidated condensed financial statements.

Vail Resorts, Inc.
 Consolidated Condensed Statements of Cash Flows
 (In thousands)
 (Unaudited)

	Nine Months Ended April 30,	
	2013	2012
Cash flows from operating activities:		
Net income	\$97,514	\$70,216
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	98,827	95,245
Cost of real estate sales	30,282	25,357
Stock-based compensation expense	9,544	9,349
Deferred income taxes, net	59,329	46,108
Other non-cash income, net	(5,697)	) (4,548)
Changes in assets and liabilities:		
Restricted cash	2,292	) (1,109)
Trade receivables, net	(7,354)	) (1,890)
Inventories, net	5,944	) (1,494)
Investments in real estate	(1,662)	) (2,005)
Accounts payable and accrued liabilities	12,231	) (6,596)
Other assets and liabilities, net	(9,905)	) 5,412
Net cash provided by operating activities	291,345	234,045
Cash flows from investing activities:		
Capital expenditures	(65,461)	) (107,999)
Acquisition of businesses	(19,958)	) (23,479)
Other investing activities, net	861	) (944)