

VAIL RESORTS INC
Form 10-Q
June 06, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

April 30, 2012 For the quarterly period ended April 30, 2012

.. **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)

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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)

80021
(Zip Code)

(303) 404-1800

(Registrant's Telephone Number, Including Area 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 May 30, 2012, 36,049,566 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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Table of Contents**Vail Resorts, Inc.****Consolidated Condensed Balance Sheets**

(In thousands, except share and per share amounts)

	April 30, 2012 (Unaudited)	July 31, 2011	April 30, 2011 (Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	\$ 147,110	\$ 70,143	\$ 168,596
Restricted cash	13,666	12,438	13,002
Trade receivables, net	65,133	58,529	46,417
Inventories, net	56,237	54,007	45,237
Other current assets	55,671	50,507	49,989
Total current assets	337,817	245,624	323,241
Property, plant and equipment, net (Note 6)	1,056,243	1,021,736	1,027,304
Real estate held for sale and investment	248,262	273,663	282,162
Goodwill, net	269,678	268,058	267,569
Intangible assets, net	93,715	91,098	91,285
Other assets	44,024	46,057	47,377
Total assets	\$ 2,049,739	\$ 1,946,236	\$ 2,038,938
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities (Note 6)	\$ 224,047	\$ 221,359	\$ 180,068
Income taxes payable	19,005	20,778	1,296
Long-term debt due within one year (Note 4)	1,119	1,045	45,357
Total current liabilities	244,171	243,182	226,721
Long-term debt (Note 4)	489,757	490,698	490,479
Other long-term liabilities (Note 6)	233,923	235,429	237,504
Deferred income taxes	185,160	133,208	184,373
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, 40,516,476 (unaudited), 40,334,973 and 40,332,251 (unaudited) shares issued, respectively	405	403	403
Additional paid-in capital	583,818	575,689	572,558
Retained earnings	469,148	416,458	475,775
Treasury stock, at cost; 4,468,181 (unaudited), 4,264,804 and 4,264,804 (unaudited) shares, respectively (Note 11)	(170,696)	(162,827)	(162,827)
Accumulated other comprehensive income	61		
Total Vail Resorts, Inc. stockholders' equity	882,736	829,723	885,909
Noncontrolling interests	13,992	13,996	13,952
Total stockholders' equity (Note 2)	896,728	843,719	899,861
Total liabilities and stockholders' equity	\$ 2,049,739	\$ 1,946,236	\$ 2,038,938

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

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

	Three months ended April 30,	
	2012	2011
Net revenue:		
Mountain	\$ 354,586	\$ 351,418
Lodging	53,972	57,477
Real estate	12,587	13,221
Total net revenue	421,145	422,116
Segment operating expense (exclusive of depreciation and amortization shown separately below):		
Mountain	184,211	182,136
Lodging	47,103	48,643
Real estate	16,069	18,309
Total segment operating expense	247,383	249,088
Other operating expense:		
Depreciation and amortization	(33,266)	(30,937)
Loss on disposal of fixed assets, net	(90)	(35)
Asset impairment charge		(2,561)
Income from operations	140,406	139,495
Mountain equity investment income, net	336	406
Investment (loss) income	(18)	114
Interest expense, net	(8,443)	(8,515)
Loss on extinguishment of debt		(6,615)
Income before provision for income taxes	132,281	124,885
Provision for income taxes	(52,753)	(48,045)
Net income	79,528	76,840
Net loss attributable to noncontrolling interests	41	27
Net income attributable to Vail Resorts, Inc.	\$ 79,569	\$ 76,867
Per share amounts (Note 3):		
Basic net income per share attributable to Vail Resorts, Inc.	\$ 2.21	\$ 2.13
Diluted net income per share attributable to Vail Resorts, Inc.	\$ 2.17	\$ 2.08
Cash dividends declared per share	\$ 0.1875	\$

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

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

	Nine months ended April 30,	
	2012	2011
Net revenue:		
Mountain	\$ 720,194	\$ 710,474
Lodging	155,872	160,270
Real estate	34,784	187,629
Total net revenue	910,850	1,058,373
Segment operating expense (exclusive of depreciation and amortization shown separately below):		
Mountain	478,256	456,496
Lodging	149,497	149,012
Real estate	46,479	188,716
Total segment operating expense	674,232	794,224
Other operating expense:		
Depreciation and amortization	(95,245)	(88,945)
Loss on disposal of fixed assets, net	(1,123)	(343)
Asset impairment charge		(2,561)
Income from operations	140,250	172,300
Mountain equity investment income, net	944	1,324
Investment income	356	578
Interest expense, net	(25,226)	(25,110)
Loss on extinguishment of debt		(6,615)
Income before provision for income taxes	116,324	142,477
Provision for income taxes	(46,108)	(54,140)
Net income	70,216	88,337
Net loss attributable to noncontrolling interests	34	58
Net income attributable to Vail Resorts, Inc.	\$ 70,250	\$ 88,395
Per share amounts (Note 3):		
Basic net income per share attributable to Vail Resorts, Inc.	\$ 1.95	\$ 2.46