WESTPEAK RESEARCH

March 11th, 2017

Intrawest Resort Holdings Inc. (NYSE:SNOW)

Consumer Services – Consumer Discretionary

Will Shareholders Be Left in The Cold?

Company Profile

Intrawest is a mountain resort and adventure company operating in North America. Their business includes three segments: mountain, adventure, and real estate. The mountain segment operates various resorts throughout Canada and the United States. Their adventure arm provides heli skiing experiences throughout Alberta and British Columbia, whereas the real estate segment consists of real estate management and development operations. In total the company owns and operates 8000 skiable acres in addition to 1120 acres available for real estate development.

Uncertain Future Growth from Summer Operations

While Intrawest has successful winter operations - from their mountain and adventure segment - their yearly performance is regularly depleted due to the seasonality of their business. However, Intrawest is well positioned to invest more in their summer operations due to the recent sale of Intrawest Resort Club Group, which unlocked capital for the company. If Intrawest could successfully implement an established summer business, they would have the opportunity to reduce seasonality, and increase their summer earnings. However, due to stiff competition during the summer, climate change, and the capital intensity, it could be a hard task for company, which provides uncertainty for consistent future growth.

Valuation & Recommendation

We determined a weighted target share price of $25.50 on Intrawest Resort Holdings. Using our implied DCF share price and our average EV/EBITDA multiple we decided to weight the stock 70% and 30% respectively. Due to significant risks within the industry such as climate change, competition, and capital intensity verses the ability for the company to grow its summer operations, we think the market is pricing the stock fairly, therefore we decided to place a hold rating.

Please see legal disclaimer at bottom.

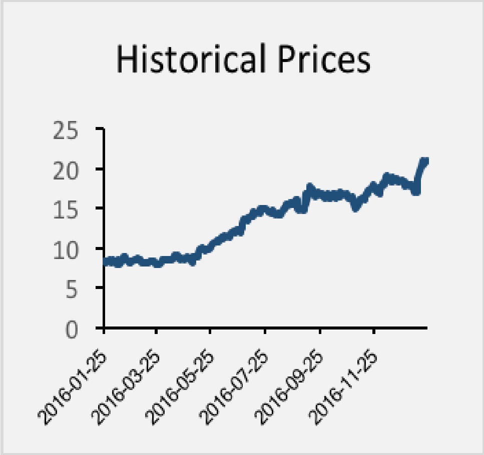
Analyst: Adam Velji, BCom '19
Contact@westpeakresearch.com

Equity Research	Canada
Price Target	**USD$ 25.50**
Rating	Hold
Current Share Price, close	USD$ 22.95
Total Return	11.1%

Key Statistics	
52 week H/L	$25.30/$7.80
Market Capitalization	$912.5M
Net Debt	$539.1M
Enterprise Value	$1296.5M
Net Debt/Enterprise Value	41.6%
Diluted Shares Outstanding	39.8M
Free Float %	99.7%
Dividend Yield	N/A
LTM P/E	54.6x
LTM EV/EBITDA	11.9x

WestPeak's Forecast

	2017E	2018E	2019E
Revenue	$583M	$578M	$584M
EBITDA	$116M	$104M	$111M
EBIT	$51.0M	$35.2M	$41.7M
Net Income	$9.8M	-$1.3M	$4.9M
EV/EBITDA	11.9x	13.3x	12.4x



Source: Bloomberg, CapIQ, WestPeak Research

Business Overview/Fundamentals

Business Overview

Intrawest is a mountain resort, adventure, and real estate development company. The company operates within these three segments with mountain resorts making up most of their business. This segment operates and maintains six wholly owned mountain resorts throughout North America. The adventure segment focuses on the operation of Canadian Mountain Holidays (CMH) which provides heli-skiing services, while the real estate division consists of development and real estate operations.

Intrawest is based out of Delaware, Colorado and was previously known as Intrawest Caymans L.P, before going public on January 30th, 2014. The company provides customers with over 8000 skiable acres from the mountain segment, approximately 3.0 million tenured acres from the adventure segment, and 1120 acres of land held for real estate development.

Mountain Segment

Intrawests mountain segment includes the operations of their ski resorts and lodges located throughout several cities in North America. They wholly own and operate six of their four-season resorts which include a total of 8000 skiable acres of land which are geographically diversified across major ski regions which include the Eastern United States, the Rocky Mountains, and Eastern Canada. Intrawest has located their ski resorts with an average proximity of 160 miles (257 kilometers) around major urban markets which include high concentrations of beginner to affluent snowboarders and skiers. These major areas include: New York City, Boston, Washington, Denver, Pittsburgh, Montreal, and Toronto.

Steamboat Ski Resort is located in the Rocky Mountains 157 miles west from Denver, Colorado and has been operating since 1963. The town of Steamboat Springs has a long heritage of winter sports and is known for its powder snow. As of January 6th, 2017 the total accumulated snowfall at Steamboat is 411cm (162in). This is an increase compared to approximately 309cm (122in) during the same period last year. Steamboat has 2965 skiable acres with a maximum vertical drop of 3668 feet. During the summer, Steamboat also has a golf course, mountain bike trail, and an adventure zone.

Steamboat

Winter Park Resort is located in the Rocky Mountains 67 miles west from Denver, Colorado and has been operating since 1939. Winter Park is one of the closest resorts to Denver 3.0 million urban population. As of January 6th, 2017 the total cumulative snowfall at Winter Park is 381cm (150in), this is slightly more compared to approximately 363cm (142in) during the same time last year. Winter Park Resort has more than 3000 skiable acres and a maximum vertical drop of 3060 feet. Winter Park also offers a range of summer amenities which include a rock climbing wall, putting green, spas, and adventure zones.

WINTER PARK

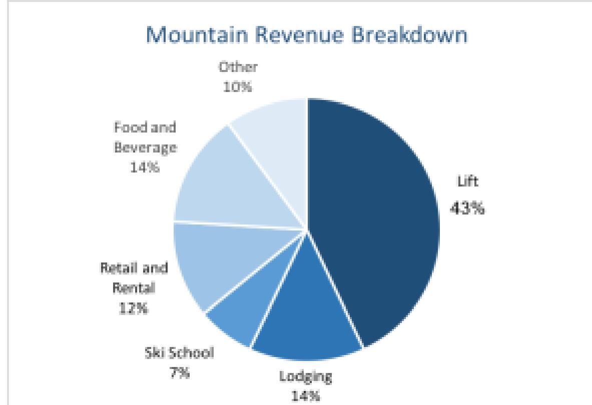
Mont Tremblant Resort is located in Quebec, Canada within a few hours' drive from Montreal and Ottawa and has been operating since 1939. As of January 6th, 2017 Mont Tremblant has a cumulative snowfall of 286cm (112in), this is compared to 120cm (47in) at approximately the same time last year. Mont Tremblant has a total of 600 skiable acres of land with a vertical drop of 2116 feet and snowmaking on 70% of trails. In the summer, Mont Tremblant plays host to an 18-hole golf course and mountain bike trails.

Blue Mountain Ski Resort is located in Ontario, Canada which is 90 miles' (144km) northeast of Toronto's 6.0 million urban population and has been operating since 1941. As of January 6th, 2017 Blue Mountain has a cumulative snowfall 146cm (57in) compared to 35cm (14in) at approximately the same time last year. The resort contains 360 skiable acres of land with 93% of its trails operating snowmaking machines. Blue mountain Resort operates a conference center in addition to summer amenities which include an 18-hole golf course, an adventure and water park, and mountain bike trails.

Stratton Mountain Resort has been operating since 1961 and is located in Southern Vermont with a close proximity to New York City and Boston. Two months into the season, Stratton has 216cm (85in) of snowfall compared to 84cm (33in) during approximately the same time last year. They also have 333 acres of skiable terrain of which 93% has operating snowmaking machines. Stratton summer amenities include a 27-hole golf course, golf school, and sports and tennis complex.

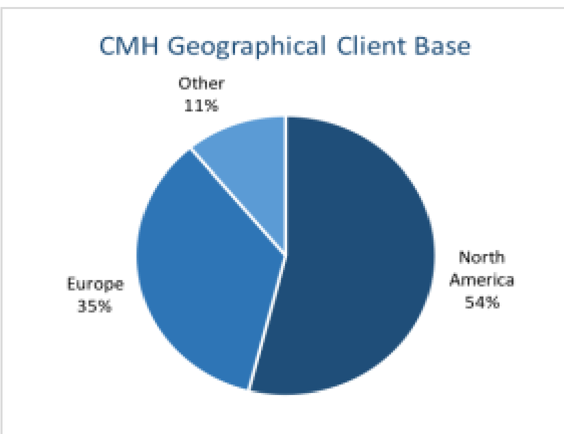
Snowshoe Mountain Resort has been operating since 1974 and is located in West Virginia and primarily attracts visitors from Pittsburgh, Baltimore, and the Washington D.C area. As of January 6th, 2017, Snowshoe has a cumulative snowfall of 76cm (30in) compared to approximately 23cm (9in) during the same time last year. Snowshoe has 155 skiable acres with a vertical drop of 1500 feet. The resort contains a village which offers guests with a variety of dining, nightlife, and retail options.

On a yearly average, close to 75% of Intrawests revenue comes from their mountain operations. This revenue comprises of many elements which may include items such as lift, lodging, and ski school revenues. In Intrawests 2016 fiscal year it was reported that 43% of the $421M in revenue derived from mountain operations came from lift activities. This includes the sale of lift tickets, season passes, and other items and packages.



Adventure Segment

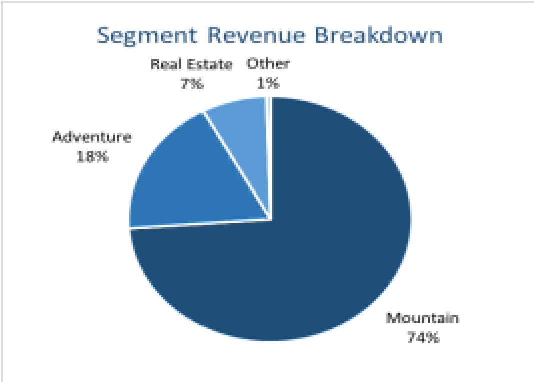
The adventure segment is mainly focused on the operations of Canadian Mountain Holiday (CMH), which is a heli-skiing adventure company based out of Canada. The business currently operates in the Purcell, Selkirk, Monashee, and Cariboo mountains in eastern British Columbia from 11 lodges, 9 of which Intrawest owns. The company also plans on building another lodge to increase their capacity in order to meet demands. The lodges provide visitors with approximately 3.0 million skiable acres which is granted under 10 and 30 year renewable licenses from British Columbia. Historically, most of CMH customers are repeat customers mainly coming from Canada and the United States. However, customers also come from Europe and other countries throughout the world. During off peak seasons, CMH offers a variety of summer adventure packages which include heli hiking, rock climbing, and other lodging experiences. Intrawest also owns 36 helicopters in addition to operating Alpine Aerotech L.P which is a helicopter repair, maintenance, and overhaul business. In addition to servicing Intrawest's own fleet of helicopters, Alpine Aerotech also caters their business to 500 customers throughout the world. Intrawest also leases their helicopters during the summer period in order to combat against wildfire disasters. As a whole, the adventure segment has contributed a total of 18% of Intrawests revenue during the 2016 fiscal year.



Real Estate Segment

Intrawest's real estate segment includes the operations of real estate management, marketing and sales, in addition to real estate development activities. The segment includes Intrawest Hospitality Management (IHM), Playground, and Intrawest Resort Club Group (IRCG) before the sale of that business on January 29th, 2016.

IHM manages hotel condominium properties throughout North America and focuses on providing management services to properties owned by third parties. Those third party resorts include Honua Kai Resort and Spa in Maui, Hawaii and the Westin Monache Resort at Mammoth Lakes, California. Playground acts as a real estate sales and marketing business for Intrawest's development projects. The brand is used in resale and brokerage operations at Intrawest resorts. Intrawest hopes to use playground to provide sales and marketing expertise for the properties they develop surrounding the land of their resorts. IRCG develops, sells, and manages a points based timeshare vacation club called Club Intrawest. Club Intrawest was sold to Diamond Resorts International in which Intrawest profited from a $40.4 million gain. The transaction included all of nine Club Intrawest sites



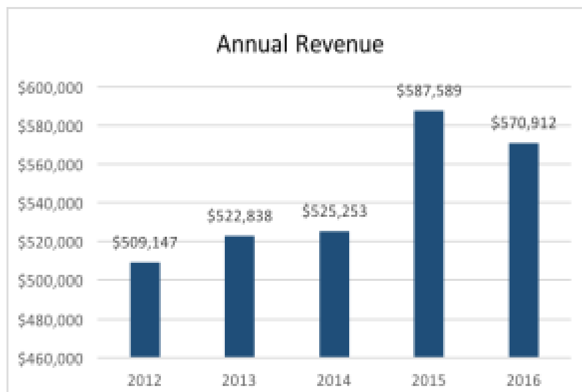
which are located throughout Canada, the United States, and Mexico. Without having to spend capital on operating IRCG, we think Intrawest can now allocate more funds towards their mountain and adventure segment in the future. In the 2016 fiscal year, the real estate segment accounted for 7% of Intrawest's total revenue.

M.A.X Pass Multi Resort Product

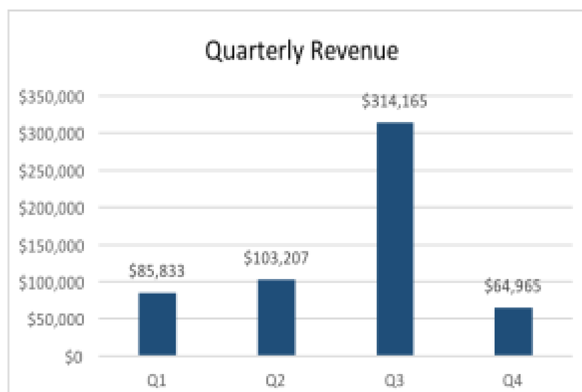
The M.A.X pass is a season pass created by Intrawest, Powdr, and Boyne Resorts that provides pass holders with the opportunity to gain access to 39 different resorts across North America. Pass holders will obtain 5 days at each of those resorts and will not be limited to any blackout periods. The pass costs $749 for adults, $549 for teenagers, $449 for youth, and $59 for children. Intrawest's credits the pass with providing strong growth towards lift revenues as all of Intrawest's six resorts can be accessed with the pass. The M.A.X pass also helps to reduce risk as a majority of sales occur before the start of the ski season which protect Intrawest from uncertain weather conditions.

Growth Strategy

Historically, Intrawest has experienced stagnant growth over the last five years. On average, the company has achieved 3% annual growth in revenues, with the 11% increase between the 2014 and 2015 fiscal years contributing significantly to that figure. This was mostly caused by good weather conditions at Intrawest resorts, which caused visitation rates to increase from 3.41M visitors to 4.19M visitors. However, Intrawest felt a slight decrease in revenue during their 2016 fiscal year mostly contributed from a third quarter decrease in revenue from their mountain segment compared to 2015 fiscal figures.



Looking into the fiscal 2016 quarters, Intrawest experiences most of their earnings during Q3. This is mainly because of optimal weather conditions that attract customers to Intrawests mountain resorts and CMH. Conversely, due to poor ski conditions during Q1 and Q4, Intrawest often produces lower earnings during those seasons of the year. Historically, this has been the case for Intrawest and has forced the company to think beyond just winter operations.

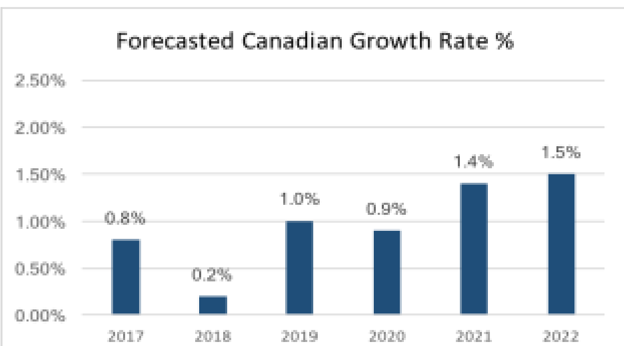


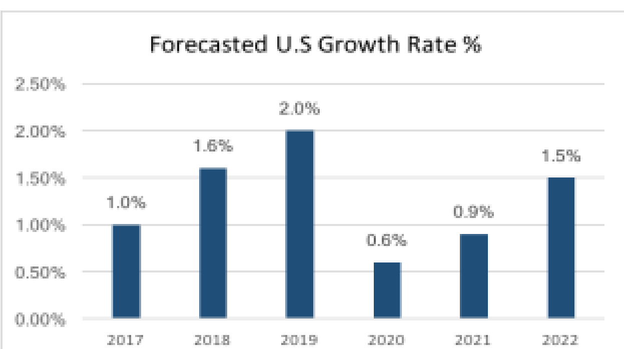
In the future, Intrawest expects to grow their operations and increase their earnings during off snow seasons by growing the amount of summer amenities available at their resorts. They have integrated this strategy at both Steamboat and Winter Park Resorts. Both resorts accompanied with adventure zones, golfing, mountain biking, water sports, rock climbing, villages, and other experiences and activities. Most recently, Intrawest has developed their blue mountain summer amenities and plans to expand their Mont Tremblant resort. Because Intrawest has seen success with the new integration of summer amenities, their plan to grow their summer operations organically could reduce to seasonality of the business, however they do face significant competition.

We believe Intrawest's investment into their summer operations is vital for the growth of the business as the threat of climate change and unpredictable weather conditions will continue to provide volatility for their winter operations. A lack of snowfall could significantly hurt Intrawest winter operations, which could hurt their future growth as that is when the company earnings most of their revenue. However, aside from investment into summer operations, we think Intrawest could grow their earnings with inorganic growth through acquisitions, and investment into their snow making capabilities. A future acquisition could help geographically diversify Intrawests resort portfolio which would protect it from poor regional weather conditions, while greater snow making capabilities will produce snow for less optimal conditions. We feel that for this season, the number of visitation rates will increase due to optimal conditions that have been experienced at Intrawest resorts. However, due to risks such at climate change, competition, and the seasonality of the business, we feel that future revenues could be volatile in the few years after this season. Nevertheless, we do believe Intrawest management will adapt to the effects of climate change and competition by increasing investment into summer and winter operations which in turn could increase future revenues.

The Macro Environment

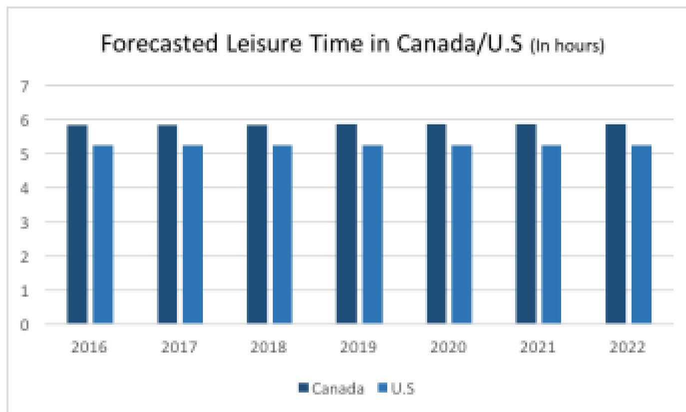
Industry Overview





Intrawest operates in a mature, highly competitive industry with a significant level of capital intensity. Historically, mountain resorts have felt modest growth in the last five years, despite unpredictable weather conditions. According to IBISWorld, the North American ski and snowboard industry has generated $3.56B in revenue and has grown at a rate 1.3% and 2.2% in Canada and the United States respectively. The North American industry is expected to grow at an annualized rate of 1.2% in the next five years until 2021. This is mainly due to the threat of climate change that may have a negative impact on the industry as a whole. In Canada, a lower growth rate could be expected as the Canadian dollar is in a volatile state. Although many domestic travelers may be attracted to visit mountain resorts, international travelers may be less inclined to come overseas into Canada because the Canadian dollar may be unstable against their currency. However, an expected increase in per capita disposable income and the ability of large corporations such as Intrawest and Vail to enjoy greater economies of scale will help the industry grow at a steady rate. Demand for ski and snowboard services are seasonal and greatly dependent on weather conditions. Resorts earn a significant portion of their annual revenue during the periods between November to April. Unfavourable weather conditions would cause the demand for these services to decrease which could have a severe impact on annual revenue. The present state of economic conditions in addition to the amount of available leisure time are also demand determinants for the industry. Concentration in the industry is also very high with only four firms making up 69.4% of the U.S market. With that being said, we think these companies will be able to expand their operations as they will have the capability to acquire many of the smaller companies that make up the rest of the market. There are also significant barriers to entry for the industry due to land and government restrictions. The amount of private land there is to successfully build a ski resort is often limited and secluded from large towns and main travel roads. For public land, getting provincial/state or federal approval is difficult although it is possible to lease land in the form of renewable permits or licenses from the government. However, these permits often come with many environmental regulations and supervision of development of the resort. Developing mountain resorts also requires vast capital investments, with the probability that it may take a few years to make a return. Small firms looking to enter this market may not be able to withstand the capital requirements compared with larger firms who have access to more financing and the capital markets.

External Drivers



The mountain resort industry is led by certain external economic scenarios that drive revenue for the company. These drivers include: leisure time, per capita disposable income, and international travel. The amount of leisure time available is an important factor because it provides an illustration of how much time an individual can allocate towards vacations and time off. When the amount of leisure time increases, the more likely an individual would take time off to go ski. Historically, the hours per day per capita has remained steady in Canada and the United States at approximately 5.8 hours and 5.2 hours per day per capita respectively. Forecasts for the future indicate that these levels will remain the same due to low unemployment rates and more leisure time allocated towards the elderly.

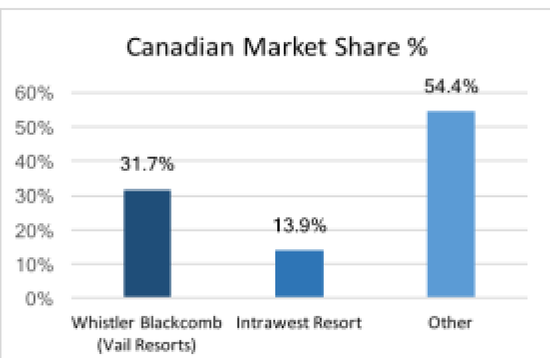
Per capita disposable income is also an important measure in the mountain resort industry as it determines an individual's ability to purchase goods and services. The more income an individual has after tax and other dues the more they have to spend on other items such as holidays, which could translate into more spending at a ski resort. In the United States, per capita disposable income is expected to grow at an average of 1.96% per year until 2021, whereas in Canada it is expected to increase at an average rate of 2.64% per year until 2021. This is slightly higher than their 1.6% and 2.1% historical averages respectively.

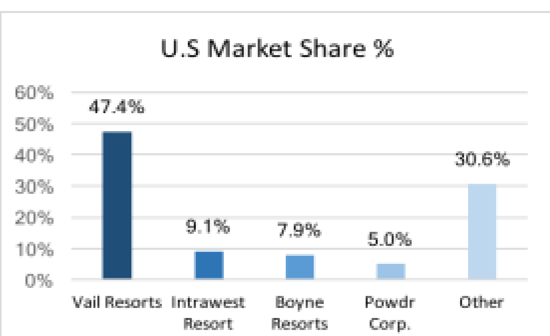
The amount of inbound travel made by international individuals is also a key driver for mountain resorts as many visitors often live overseas. In Canada, this number of inbound trips has been increasing at an annualized rate of 3.4%. However, this number is expected to decrease at an annualized rate of -1.7% for the next five years. This is due to the strength of the Canadian dollar against other major currencies which make it more expensive for international travelers to visit Canada. In the United States, inbound travel by internationals has been increasing at an annualized rate of 4.5% over the last five years, and will continue to grow at an annualized rate of rate of 4.0% over the next five years.

Climate Change

Climate change is continuing to be a major threat to the planet as there is increasing evidence that human emitted greenhouse gas emissions are the core reason for rising temperatures and unpredictable weather conditions. The effects of global climate change are causing temperatures to rise, sea levels to increase, declining arctic ice, warming oceans, glacier retreat, decreasing snow coverage, and more. Historically, over the period of 1948 to 2013, the average temperature in Canada has risen by 1.6 degrees Celsius. According to the United States Environmental Protection Agency (EPA), the average temperature is expected to increase by 5 degrees Celsius by 2100. The agency also states that temperatures are expected to rise more on land, rather than over the ocean, and the level of precipitation is expected to decrease which would impact the level of snowfall. We believe this would have an extremely negative impact to the mountain resort industry, as a significant portion of their revenues are derived from their lift operations. In the past, seasons without significant snowfall generated losses for mountain resorts and often make customers skeptical on future conditions which have delayed them from buying season passes. If temperatures continue to increase, the level of snowfall is expected to decrease, which in turn would cause mountain resorts to earn less revenue. Mountain resorts are taking part in many initiatives to reduce their greenhouse gas emissions, in addition to educating their customers on more sustainable environmental practices. Many resorts have set goals to make renewable energy purchases in the future, in addition to using biofuels and renewable energy sources as well as promoting public transportation and recycling. In the future, we feel that Intrawest should be increasing their capital expenditures to include a higher percentage of snowmaking machines. This will enable Intrawest to produce an adequate amount of snow during seasons with unpredictable snowfall. New integrations of renewable energy sources will also allow Intrawest to reduce their operating expenses in the long term, while also reducing their carbon footprint.

Competitors





The industry in which Intrawest operates in is highly competitive, and is forecasted to continue being competitive into the future. In Canada, the main competitors Intrawest faces are Whistler Blackcomb, which was recently acquired by Vail Resorts, as well as other smaller and local resorts which include Revelstoke, Banff, Big White, and others. In the United States, the competition is fiercer with four of the largest operators controlling approximately 70% of the market. Those operators include, Vail Resorts, Boyne Resorts, Intrawest, Powdr, and other small operators.

As there are strong barriers to entry for the industry, the likelihood that new operators will join the market is highly unlikely. However, competitors have to pay close attention to the moves of each other to gain a competitive advantage. Resorts can do this by having effective cost control measures, obtaining economies of scale, being located close to major urban cities, and increasing the number of snowmaking machines throughout their resort trails. As the industry typically has high fixed costs, a resort that can conduct a more efficient way of doing business, and lower their costs could increase margins. Keeping these factors in mind, Intrawest fares particularly well against their competitors. This is because the company is located to many key markets such as Denver, New York, Boston, and Toronto. They also have snowmaking machines on 93% of their trails at their resorts with more risk to unpredictable weather changes. However, we think that Intrawest could be more competitive in the industry by decreasing their costs as approximately 80% of the company's revenue is used towards operating expenses. We believe this could be done by further investment into renewable energy resources which would be more cost efficient in the future. Furthermore, Intrawest's investment into their technology and data analytics capabilities could also prove to decrease the amount of SG&A used to obtain and handle clients of the resorts. Intrawest should also increase the coverage of their snowmaking capabilities at all of their resorts as a precaution towards unpredictable weather conditions and climate change.

Because it is harder for companies to build new resorts from the ground up due to regulation and high capital commitments, firms usually try to gain an advantage by acquiring small operators that are close to key markets to achieve economies of scale. Also, due to the risk of climate change or unpredictable weather conditions, firms that invest more in snow making capabilities will be able to operate more efficiently during these periods. Although mountain resorts face aggressive competition within their own industry, they also have external competitors which reside in other industries. This is because there is a variety of other leisure activities individuals can decide to take part in besides visiting a mountain resort. These competitors include but are not limited to: casinos, golf clubs, adventure parks, movie theaters, cruise lines, and hotels.

Economic Moats

The most significant economic moat for the industry is a barrier to entry. This is due to the intense regulation and capital commitments required to develop a new resort. The amount of private land available for development is often away from major key markets, and secluded from main roads. Furthermore, gaining approval for resort development by the government is extremely difficult and comes with strict supervision, and environmental regulation. For new entrants, the amount of capital required to start developing a resort can also be overwhelming, especially due to the continuous cost of having to fund capital expenditures which could include maintenance and restoration. Smaller operators could potentially enter the market by acquiring resorts that have already been developed. However, they may not be able to withstand the length of time it takes to make a profitable return on a resort. They also face fierce competition from larger operators that have allocated funds towards acquisitions, and have other resorts in their portfolio to help them withstand the time it takes to earn a return. Resorts like Intrawest can also fund the amount of capital expenditures required to maintain a new resort, in addition to achieve and economies of scale due to their network of mountains.

Because of this barrier to entry, we think this would give Intrawest the opportunity to make an acquisition of another resort in the future. Because no new smaller entrants are expected to be a major threat in the industry, this leaves smaller operators to be acquired by the larger corporations looking to gain a competitive advantage. With a new resort, Intrawest will be able to geographically diversify their portfolio even more, which could potentially increase the number of visitors at their resorts. However, although larger resorts have more capital, the risk of capital intensity and an increase in capital expenditures is still a threat. Another economic moat Intrawest has is in their adventure segment with the vertical integration of Alpine Aerotech L.P. Because Intrawest owns their own fleet of 36 helicopters used CMH, having this subsidiary will benefit Intrawest if they acquire more helicopters, in addition to keeping costs low when doing repairs and maintenance work on their current fleet. We believe that the use of Alpine Aerotech could contribute to the growth of the adventure segment as the fleet of helicopters will be readily available to service CMH clients.

Catalysts

Earnings Report

Intrawest is expected to release Q3 2017 earnings during may 2017. The company usually has volatile earnings due to the seasonality of their business. The last time Intrawest reported positive earnings per share was during Q3 2016 because of the revenue they generate during the ski season. However, the other three quarters reported negative earnings. Last quarter, Intrawest reported -\$0.47 earnings per share which beat analyst expectations of -\$0.54. This could be due to positive winter earnings which caused the stock to rise approximately 10%. Depending on what kind of earnings Intrawest reports could have dramatic impact on the performance of the stock. Due to positive snow conditions that will take place over the second half of the 2017 ski season, we expect that visitation rates to increase for Intrawest which will contribute to stronger earnings for their third quarter.

Weather Conditions

A good indicator of Intrawest's future earnings to investors could be the amount of snowfall received at their resorts. Typically, seasons with good snowfall tend to be good quarters for the company, because more customers visit their resorts. This relationship is also true with seasons with bad snowfall, which tend to be the worst quarters for the business. Because Intrawest earns approximately 75% of their annual revenues during their Q3 earnings, it is extremely important to the company and their stock that the weather participates with them. In the short term, we think Intrawest stock could become overvalued due to positive snow conditions compared to previous seasons which have experienced poor conditions. We believe that this is the reason that the stock has had a 30% run up from the beginning of November 2016 to mid-January 2017. However, in the long term due to various external reasons that could harm revenue such as climate change, we think that this could have a negative effect on stock performance if the value of the stock keeps increasing.

Acquisitions

Because it is difficult for companies that operate within the mountain resort industry to gain the approval or raise the funds to build a new resort, they often look to grow inorganically by acquisitions of fully functioning ones. For Intrawest to make another acquisition could mean that they have put themselves in a position to grow as purchasing a resort is a big commitment. We think that the likely hood that Intrawest will make a future acquisition of another resort in the United States or Canada is positive. This would be a strategic acquisition to further geographically diversify their resorts, which would reduce the effect that climate change and unpredictable weather conditions may have. However, an acquisition could also have an inverse effect and cause the company to perform poorly because of the additional expenses the business has to take on in order to maintain the resort. We think that an acquisition would decrease the value of Intrawest stock in the short term due to this reason. However, if executed correctly, an acquisition that could diversify Intrawest's portfolio could increase total revenues for the company.

Deal Rumors

In recent months, Intrawest has been included in many reports which have stated that the company may be looking for a possible sale of its business. We believe that buyers could include other private equity firms, as well as buyout firms and real estate holding companies. Although the management of Intrawest has stated that they would not comment on any market speculation, we do have reason to believe that Intrawest could realistically be involved in a future acquisition. One reason could be that Intrawest's stock price has nearly doubled since Fortress Investment Group (Intrawest majority stake holder) took it public in early 2014. The company's IPO price was initially $12 and has increased by approximately 100% to $23.49 during February 2017. Because of this, we believe that Fortress would be looking for an exit opportunity as the company has made a significant profit on its investment in Intrawest.

Another reason why Fortress may want to sell Intrawest could be because Fortress was recently acquired by Softbank, which is a Japanese telecommunications company. The reason we believe that this could be a possible motivator for the sale of Intrawest, is because Softbank has recently been acquiring many firms to diversify its reach into technology, and Fortress could be a potential gateway to acquiring more firms.

Lastly, another reason why Intrawests management could be looking for a potential sale could be to free itself from having a company with a majority stake in it. This could provide more flexibility to management in the way they conduct their business. Conversely, they could also be looking for a potential sale of the entire business, to a company that is more aligned with Intrawests strategic goal of becoming a geographically diversified four season vacation resort. Any sale of Intrawest would potentially increase the stock price, as a buyer would usually have to pay a price of above the current market price as goodwill. However, a sale could also delist Intrawest from the NYSE, and possibly make it a private company once again.

Management Team

Mr. Thomas Marano – CEO, Director

Thomas Marano is the Chief Executive officer (CEO) of Intrawest, and acquired the positon on November 21st, 2014. Prior to Intrawest, Mr. Marano has held various executive positons with a number of financial institutions. Most significantly, Mr. Marano was the Senior Managing Director of Mortgage and Asset Backed Securities at Bear Stearns & Co. Mr. Marano's fiscal 2016 annual compensation was $1,394,228 which is composed of a base salary of $732,638, a bonus of $627,200, and other compensation of $ 34,390. Mr. Marano owns 10,000 shares of Intrawest common stock, with the option to buy 1,350,000 more. Because both Mr. Mayer and Mr. Foulkes own more stock then Mr. Marano, we feel as though Mr. Marano should exercise his options to make his goals and responsibilities more aligned with the company. Although we feel confident in Mr. Marano's leadership ability, - which is demonstrated through his various executive roles - we think that he may be lacking the necessary knowledge and expertise that may be required to operating a mountain resort.

Travis Mayer – CFO, Executive Vice President, Treasurer

Travis Mayer is the Chief Financial Officer (CFO) of Intrawest, and joined the firm in January 2008 as a financial analyst. Prior to Intrawest, Mr. Mayer was a world class Olympic Skier winning the Olympic Silver medal, in addition to various other awards. Mr. Mayer also obtained a Masters of Business Administration (MBA) from Harvard Business School. Mr. Mayer's fiscal 2016 annual compensation was $540,591 which is composed of a base salary of $302,308, a bonus of $233,100, and other compensation of $5,183. Mr. Mayer owns 36,890 shares of Intrawest common stock, which is 0.09% of all shares outstanding. From the many skiing competitions that Mr. Mayer has taken part in during his time as a professional skier, we see that he has an obvious passion and commitment to the industry. Paired with his education, we feel that Mr. Mayer has the required drive and knowledge that may be required to continue the growth of Intrawest into the future.

Sky Foulkes – COO, Executive Vice President

Sky Foulkes is the Chief Operating Officer (COO) of Intrawest, and obtained the position on November 21st, 2014. Prior to Intrawest, Mr. Foulkes was the Vice President of Operations at Stratton Mountain Resorts where he started as a professional ski patrol officer in 1982 - years before the resort was acquired by Intrawest. Mr. Foulkes fiscal 2016 annual compensation was $642,547 which is composed of a base salary of $333,872, a bonus of 303,225, and other compensation of $5,450. Mr. Foulkes owns 17,950 shares of Intrawest common stock, which is 0.04% of all shares outstanding. Due to Mr. Foulkes long time history in the mountain resort industry, we feel extremely confident is his ability to draw upon his past experience when making key decisions regarding resort operations.

Risks

Climate Change Risks

There has been an increasing amount of evidence that the emission of greenhouse gases is contributing to global warming and irregular climate change. A core part of Intrawest's business relies on participating future weather conditions. Warm weather could result in rain, melting snow, and inadequate snowfall which may affect the seasonal operations of a resort. Obviously, without snow customers will not be able to ski or snowboard thus rendering Intrawest's services as useless. Conversely, having weather that is too cold or extreme may also effect business at the mountain resorts, as it may make access to the resort and lift operations more difficult.

Seasonality Risks

Intrawest wholly owns and operates six four-season mountain resorts. However, a significant amount of revenue is derived from their second and third fiscal quarters during peak ski season due to optimal weather conditions. Because of the seasonality of their business, some of the mountain resorts and CMH could experience operating losses or insignificant profits during the first and fourth fiscal quarters. This is because of warmer weather that occurs during those quarters that alter the ability to ski, in addition to lack of business towards Intrawest summer amenities.

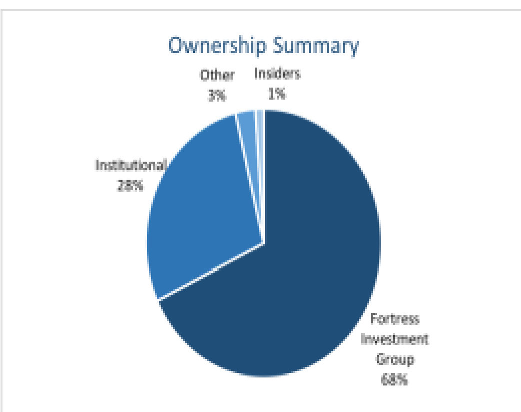
Operating Leverage Risks

The industry in which Intrawest operates in has extremely high fixed costs with little variable costs, and is capital intensive as equipment and property must always be operated, maintained, and eventually restored. Intrawest regularly has to spend on its fixed costs which include the construction, maintenance, and renovation of its equipment and property in order to operate and remain competitive and safe with global competitors and regulations respectively. However, these capital expenditures can be costly and unpredictable in nature due to forces outside of the companies control. High fixed costs also pose high significant operating leverage risk in quarters with slow earnings because Intrawest must still keep its resort operational which could cause major losses for the company. The fixed costs and capital expenditures can include a variety of expenses such as operations of lifts, facilities, snowmobiles, helicopters etc.

Foreign Exchange Risks

Intrawest is exposed to currency fluctuation risk as a significant portion of their revenues and operating expenses are derived from their Canadian operations. During the fiscal 2016 year, 41% of the revenue earned by Intrawest was denominated in Canadian dollars. The Canadian operations that Intrawest earn revenue from include Blue Mountain and Mont Tremblant Resorts, in addition to CMH. Volatile movements in the Canada/US exchange rate could have a significant impact on net income after converting Canadian operations into US dollars. However, Canadian dominated operating expenses would naturally hedge any negative impact the exchange rate would have on revenue. Foreign exchange risk could also affect Intrawest sales revenue at their Canadian mountain resorts and CMH. Volatility in the exchange rate could impact the willingness international customers have of purchasing lift tickets or packages. For example, increase in the Canadian dollar compared to the Euro may make Intrawest's Canadian attractions less attractive to European customers.

Shareholder Base, Liquidity, Market Depth



Intrawest had their IPO on January 31st, 2014 at a price of $12 per share and is listed on the New York Stock Exchange (NYSE) under SNOW. Today they have 39,770,271 common shares outstanding. The company has no restricted or preferred shares, and no debt instruments other than a loan of $539.1 million. The average three month trading volume for SNOW is approximately around 76.19 thousand shares a day which shows that the stock is generally liquid. 68% of Intrawest is owned by Fortress Investment Group which is a diversified asset management company based out of New York. Fortress purchased all of Intrawest's stock in a leveraged buyout during August 2006 at a price of $2.8B. However, because of the rise in demand for leisure activities, Fortress took Intrawest public but still holds a majority stake in the company.

Valuation

Trading Comparable Analysis

For our trading comparable analysis, it was difficult to find companies that we could compare against Intrawest. This is because the only public mountain resort operator in the United States and Canada is Vail Resorts. Thus, we included alternative businesses that provide customers with a service that they would use during their leisure time that are also seasonal. This included companies such as Six Flags Entertainment, Cedar Fair, Club Corp Holdings, and others. We used these companies because we felt they provided us with a reasonable representation of the alternatives consumers had besides visiting a mountain resort during both winter and summer operations.

Intrawests EV/EBITDA multiple of 11.9x could be seen as slightly undervalued compared to the comparable average of 13.4x providing an implied share price of $27.51. Additionally, Intrawest's PE ratio of 54.6x could also be looked at as overvalued compared against the comparable average of 37.6x which gave us an implied share price of $15.81. Due to the similar environment and consumer of the comparable companies, we feel that they still provide a reasonable valuation of Intrawest. We therefore decided to place a total of 30% weighting on our comparable analysis, utilizing our average EV/EBITDA multiple.

Discounted Cash Flow Analysis

For most of our analysis, we assumed consistent operating conditions that have happened historically. This is because of the competitive nature of the industry, in addition to the uncertainty of what the threat of climate change will do to the business. However, because of Intrawests investment into their summer operations we assumed steady long term growth for Intrawest.

Assumptions:

Revenues

For the current year, we forecasted an increase in revenue as we expect the number of visitors to increase due to positive weather conditions. However, because we factored in a number of risks into our revenue analysis, such as: competition, climate change, and the overall seasonality of the business, we assumed that Intrawest revenue will experience future volatility. Furthermore, we believe that Intrawest's management will increase their investment into both winter and summer operations, which will help them adapt to unpredictable weather conditions and competition. This will start increasing revenue 2019 to 2022.

Operating Margin

We expect Intrawest operating margin to decrease at a slow rate from 82% to 78% of revenue from 2018 to 2022 respectively. For the current season we assumed an operation margin of 80% due to positive weather conditions. As the industry is typically faced with high fixed costs, we assume that the companies within it will find ways to become more cost effective in order increase their margins. We believe this will be done through investment into renewable energy sources, which will reduce Intrawests carbon footprint and overall operating expenses.

Depreciation and Amortization

Because the industry has a high rate of capital intensity, we expected depreciation and amortization to increase as the company continues to grow. As Intrawest will have to make further expenditures on new operating machinery, their depreciation and amortization expense will increase alongside this growth.

Taxes

Although Intrawest does defer their tax payments, we assumed a flat tax rate of 27.5% which is equivalent to their statutory rate.

Capital Expenditures

As competition within the industry increases, Intrawest will have to increase their spending on capital expenditures. This will include upgrades to lifts, facilities, snowmobiles, helicopters, and other assets that may be used when operating a mountain resort. Intrawest will also have to purchase new snowmaking machines and renewable energy resources in the future to deal with climate change and unpredictable weather conditions.

Weighted Average Cost of Capital (WACC)

To determine Intrawest's cost of debt we used the interest rate they currently have on their long term debt which is 4.2% which we found on Bloomberg. We also used Intrawest's last statutory tax rate of 27.5%. To calculate their cost of equity we used a market risk premium of 5%. Next we used the risk free rate of 1.75% which can be found on a 10-year US government bond as of February 6thth, 2017. Finally, we used a LTM beta of 1.13 which was found on Bloomberg. Using all these numbers within our calculation, we calculated a WACC of 5.86%

Conclusion:

Our discounted cash flow analysis generated an implied share price of $25.03/share. We believe that we used conservative and realistic assumptions going into the future, due to the competitive and uncertain nature of the industry. It is unlikely that Intrawest will deviate from their current course of business, and therefore think the valuation provides us with a reasonable intrinsic value.

Weighted Price Target

Because Intrawest operates in a volatile and highly competitive industry, we felt that taking a slightly more intrinsic approach when valuing Intrawest will provide us with a more reasonable share price. We also believe there has been a sharp increase in the value of Intrawest stock by 16% in January 2017. This could be because of a variety of reasons which include recent weather conditions and deal rumors. For this reason, we decided to weight our implied share price of $25.03/share calculated from our discounted cash flow and our EV/EBITDA implied share price of $27.51/share from our comparable model 70% and 30% respectively. This gave us a share price of $25.50.

Conclusion & Recommendation

Overall, Intrawest Resort Holdings is a stable company with successful winter operations within their mountain and adventure segment. However, there are various factors that could potentially stunt growth for the business. These factors include: capital intensity, regulation, competition, and climate change. The business is exposed to high capital intensity which could make it difficult for Intrawest to grow their operations. Due to government and environmental regulation for developing mountain resorts, Intrawest would have to growing by acquisitions and/or investment into their summer operations which could be costly. The industry is also highly competitive with there being many choices on how individuals spend their disposable income and leisure time, in addition to fierce competitors in Canada, the United States, and overseas.

With temperatures projected to continue rising, this could have a negative impact on Intrawest winter revenues. The company would have to increase their capital expenditures in order to spread their snowmaking capability and reduce their carbon footprint. However, Intrawest has plans to further develop their summer operations which could prove to have many benefits for the company. Although there is more competition and uncertainty in this area, if Intrawest is able to increase their summer revenues to reduce their exposure to seasonality and achieve consistent returns, they could potentially have opportunity for further future growth.

However, based on our current assumptions of the future of the business, we have decided to place a Hold rating and a target share price of $25.50/share for Intrawest Resort Holdings.

Appendix 1:

Income Statement:

WestPeak Research

Income Statement

	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	2018	2019	2020	2021	2022
Revenue	**524.4**	**527.1**	**587.6**	**570.9**	**80.5**	**121.2**	**312.4**	**68.5**	**582.5**	**578.3**	**583.7**	**594.9**	**607.6**	**626.4**
Gross Profit	**524.4**	**527.1**	**587.6**	**570.9**	**80.5**	**121.2**	**312.4**	**68.5**	**582.5**	**578.3**	**583.7**	**594.9**	**607.6**	**626.4**
Operating expenses	448.6	450.8	488.8	470.6	98.1	119.9	153.1	95.2	466.2	474.2	472.8	475.9	480.0	488.6
EBITDA	**75.8**	**76.3**	**98.8**	**100.3**	**-17.6**	**1.2**	**159.3**	**-26.7**	**116.3**	**104.1**	**110.9**	**119.0**	**127.6**	**137.8**
D&A	58.3	56.6	59.1	60.1	15.2	14.2	17.1	16.8	63.3	66.4	67.1	63.6	67.8	69.6
SBC	0.3	1.3	4.1	3.9	0.0	0.0	1.0	1.0	2.0	2.5	2.1	2.2	2.5	3.0
EBIT	**17.1**	**18.5**	**35.6**	**36.3**	**-32.8**	**-13.0**	**141.3**	**-44.5**	**51.0**	**35.2**	**41.7**	**53.1**	**57.3**	**65.2**
Interest expense	335.0	173.0	43.9	40.4	9.8	9.0	10.0	10.0	38.8	37.0	35.0	33.0	31.0	29.0
Other items	2.4	33.0	0.7	-48.9	0.6	-1.6			-1.0					
Income Before Income Tax	**-320.3**	**-187.5**	**-9.0**	**44.8**	**-43.2**	**-20.4**	**131.3**	**-54.5**	**13.2**	**-1.8**	**6.7**	**20.1**	**26.3**	**36.2**
Income Tax	-23.6	0.7	-3.9	1.8	0.9	-0.6	5.3	-2.2	3.4	-0.5	1.8	5.5	7.2	10.0
Net Income	**-296.7**	**-188.2**	**-5.1**	**43.1**	**-44.1**	**-19.7**	**126.0**	**-52.3**	**9.8**	**-1.3**	**4.9**	**14.6**	**19.1**	**26.2**
Loss attributable to noncontrolling interest	0.8	-0.4	-1.8	-2.2	-0.3	1.0								
Net Income Attribitulable to Intrawest	**-296.0**	**-188.6**	**-6.9**	**40.9**	**-44.4**	**-18.7**								
Shares Outstanding, Basic	41.9	43.1	45.1	43.2	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8
Shares Outstanding, Diluted	41.9	43.1	45.1	43.3	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8
Earnings Per Share, Basic	-$ 7.07	-$ 4.37	-$ 0.15	$ 0.95	-$ 1.12	-$ 0.47	$ 3.17	-$ 1.32	$ 0.25	-$ 0.03	$ 0.12	$ 0.37	$ 0.48	$ 0.66
Earnings Per Share, Diluted	-$ 7.07	-$ 4.37	-$ 0.15	$ 0.94	-$ 1.12	-$ 0.47	$ 3.17	-$ 1.32	$ 0.25	-$ 0.03	$ 0.12	$ 0.37	$ 0.48	$ 0.66

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Appendix 2:

Cash Flow Statement:

WestPeak Research

Cashflow Statement

	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	2018	2019	2020	2021	2022
Net Income	**-296.7**	**-188.2**	**-5.1**	**43.1**	**-44.1**	**-19.7**	**126.0**	**-52.3**	**9.8**	**-1.3**	**4.9**	**14.6**	**19.1**	**26.2**
Depreciation and Amortization	58.3	56.6	59.1	60.1	15.2	14.2	17.1	16.8	63.3	66.4	67.1	63.6	67.8	69.6
Stock based compensation	0.3	1.3	4.1	3.9	0.0	0.0	1.0	1.0	2.0	2.5	2.1	2.2	2.5	3.0
Deferred income taxes	-26.2	0.1	-3.8	0.1	0.0	0.0			0.0					
Amortization of investment premium	29.9	9.7	3.2	3.6	0.0	0.0			0.0					
Provision for doubtful accounts receivable	2.4	1.6	0.2	0.4	0.0	0.0			0.0					
Issuance of common stock for services	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Provision for excess and obsolete inventory	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Loss on disposal and write-down of PP&E	1.1	0.9	0.0	0.0	0.0	0.0			0.0					
Gain on foreign currency exchange rates	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Gain on sale of IRCG	0.0	0.0	0.0	-40.4	0.0	0.0			0.0					
Costs Transaction Related to sale of IRCG	0.0	0.0	0.0	-4.7	0.0	0.0			0.0					
Loss on extinguishment of debt	11.2	35.5	0.7	0.0	0.0	0.8			0.8					
Accrued interest on notes payable	236.5	119.9	0.0	0.0	0.0	0.0			0.0					
Funding of pension plans	-0.8	-1.1	-3.0	-3.1	0.0	-2.3			-2.3					
Distributions of earnings from equity method	6.3	1.7	0.0	0.0	0.0	0.0			0.0					
Other non-cash expense, net	0.0	0.0	2.3	-1.4	1.7	1.3			3.0					
Goodwill Impairment	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Impairment of Long Lived	0.1	0.0	0.0	0.0	0.0	0.0			0.0					
(Earnings) Loss on equity method investing	5.1	0.3	3.8	-1.9	1.4	-1.4			0.0					
loss on remeasurement on equity method inv	0.0	0.0	1.5	0.0	0.0	0.0			0.0					
Gain on disposal equity method investing	0.0	0.4	-2.3	-1.9	0.0	0.0			0.0					
Dividends from equity method investing	0.0	0.0	0.0	1.2	0.0	2.0			2.0					
Amounts due to related parties	-1.5	0.0	0.0	0.0	0.0	0.0			0.0					
Amount due from related parties	0.4	0.0	0.0	0.0	0.0	0.0			0.0					
Gain on Disposal of Assets	-6.5	-0.1	0.0	0.0	0.0	0.0			0.0					
Cash Flows before Working Capital	**19.9**	**38.4**	**60.6**	**58.9**	**-25.8**	**-5.0**	**144.1**	**-34.5**	**78.7**	**67.6**	**74.1**	**80.4**	**89.4**	**98.8**
Accounts receivable	2.4	-0.4	1.1	2.2	10.7	-0.7	-4.8	-3.0	2.1	-2.6	-3.5	-2.4	-2.6	-3.1
Inventory	5.1	-5.9	-1.1	-3.2	-3.9	-3.9	-1.1	-4.6	-13.5	-2.4	-1.2	-1.6	-1.7	-2.1
Prepaid expenses and other assets	-0.7	-1.8	2.3	-0.1	-0.1	-1.8	-3.6	-2.7	-8.2	-1.0	-1.8	-2.1	-2.3	-2.7
Deferred revenue	7.5	2.6	11.7	5.6	27.2	61.3			88.5					
Accrued Liabilities					12.9	0.0	0.0	0.0	12.9	0.0	0.0	0.0	0.0	0.0
Accounts payable, accrued and other liabilitie	8.9	-1.5	-0.6	3.3	0.0	0.9	3.8	-0.5	4.3	13.8	-1.6	4.5	3.5	1.9
Real Estate Held for Development	3.4	10.5	2.7	1.0		0.0			0.0					
Ristricted Cash	-4.8	2.2	2.4	-2.5		-11.4			-11.4					
Cash Provided By Operating Activities	**41.77**	**44.1**	**79.1**	**65.2**	**21.0**	**39.3**	**138.4**	**-45.3**	**153.4**	**75.4**	**66.0**	**78.9**	**86.3**	**92.7**
Purchase of investments	-0.8	-3.8	-4.1	-0.4	0.0	0.0			0.0					
Proceeds from sales of investments	117.9	0.0	3.4	84.6	0.0	0.0			0.0					
Proceeds from maturity of investments	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of PP&E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures	-29.7	-45.2	-41.9	-51.1	-10.3	-21.6	-10.0	-10.0	-51.9	-55.0	-58.0	-61.0	-63.0	-66.0
Change in restricted cash	0.0	-2.5	-41.5	0.0	0.0	0.0			0.0					
Purchase of land for development	0.0	-2.9	0.0	0.0	0.0	0.0			0.0					
Proceeds from sale of assets	0.0	0.8	0.0	4.3	0.0	0.0			0.0					
Proceeds from insurance reimburesement	18.0	0.0	1.4	2.0	0.0	0.0			0.0					
Other Investing Activites	0.0	0.0	0.0	0.0	0.6	0.0			0.6					
Cash Used In Investing Activities	**105.4**	**-53.7**	**-82.6**	**39.4**	**-9.8**	**-21.5**	**-10.0**	**-10.0**	**-51.3**	**-55.0**	**-58.0**	**-61.0**	**-63.0**	**-66.0**
Principal payments on capital lease obligatior	0.0	534.6	59.9	0.0	0.0	0.0			0.0					
Repayment of notes payable	-744.2	-588.3	-11.3	-42.3	-1.3	-1.8			-3.1					
Proceeds from repayment of note receivable	565.1	0.0	0.0	0.0	0.0	0.0			0.0					
IPO	0.0	28.5	0.0	0.0	0.0	0.0			0.0					
Tax payments related to shares withheld for	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax effect of employee stock plans	0.0	0.0	0.0	0.0	0.0	0.0			0.0					
Purchase of stock for treasury	0.0	0.0	0.0	-50.6	0.0	0.0			0.0					
Financings costs paid	-21.9	-17.0	-2.8	-1.6	-0.2	0.0			-0.3					
Contributions from affiliates	6.7	50.0	0.0	0.0	0.0	0.0			0.0					
Proceeds from restricted cash	60.7	0.0	0.0	0.0	0.0	0.0			0.0					
Cash Provided By (Used In) Financing Activitie	**-133.7**	**7.9**	**45.8**	**-94.6**	**-1.6**	**-1.8**	**0.0**	**0.0**	**-3.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Foreign Exchange Impact	**-0.6**	**-2.0**	**-7.8**	**6.5**	**-0.4**	**-0.9**	**0.0**	**0.0**	**-1.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Beginning Cash Balance	46.9	59.8	56.0	90.6	107.1	116.3	131.3	259.7	107.1	204.4	224.8	232.8	250.7	274.0
Net Change in Cash	**12.9**	**-3.8**	**34.6**	**16.5**	**9.2**	**15.0**	**128.4**	**-55.3**	**97.4**	**20.4**	**8.0**	**17.9**	**23.3**	**26.7**
Ending Cash Balance	59.8	56.0	90.6	107.1	116.3	131.3	259.7	204.4	204.4	224.8	232.8	250.7	274.0	300.8

Appendix 3:

Balance Sheet:

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Balance Sheet

	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	2018	2019	2020	2021	2022
ASSETS														
Cash and Cash Equivalents	59.8	56.0	90.6	107.1	116.3	131.3	259.7	204.4	204.4	224.8	232.8	250.7	274.0	300.8
Short term investments	13.7	12.2	10.2	12.5	12.3	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
Accounts receivable	38.4	40.4	42.8	36.7	25.8	26.0	30.9	33.9	33.9	36.4	40.0	42.4	44.9	48.1
Inventory	29.2	37.3	37.2	23.6	27.4	30.9	32.0	36.6	36.6	39.0	40.2	41.7	43.4	45.5
Other Current Assets	20.8	23.5	23.7	21.1	21.2	24.5	28.1	30.8	30.8	31.8	33.6	35.7	38.0	40.7
Current Assets Held for Sale														
Total Current Assets	**161.7**	**169.4**	**204.5**	**200.9**	**202.9**	**236.5**	**374.4**	**329.5**	**329.5**	**355.8**	**370.3**	**394.3**	**424.1**	**458.8**
Long Term Recievable	37.8	34.0	25.3											
Amounts Due	6.3													
Goodwill	94.6	94.6	106.5	106.0	105.9	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6
Real Estate Held For Development	164.9	152.9	143.0	137.3	137.0	135.8	135.8	135.8	135.8	135.8	135.8	135.8	135.8	135.8
Long term investments	86.3	87.3	25.4	26.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property and equipment	475.9	490.1	529.3	511.5	510.7	511.6	504.5	497.7	497.7	486.3	477.3	474.6	469.8	466.2
Intangible assets	65.5	58.5	56.5	50.2	48.7	46.9	46.9	46.9	46.9	46.9	46.9	46.9	46.9	46.9
Long term deferred tax assets	28.6	24.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets			4.5	5.5	30.2	33.1	33.1	33.1	33.1	33.1	33.1	33.1	33.1	33.1
Total Non-Current Assets	**959.9**	**942.1**	**890.5**	**836.9**	**832.5**	**833.0**	**825.9**	**819.1**	**819.1**	**807.7**	**798.7**	**796.0**	**791.2**	**787.6**
Total Assets	**1121.6**	**1111.5**	**1095.0**	**1037.8**	**1035.4**	**1069.5**	**1200.4**	**1148.6**	**1148.6**	**1163.6**	**1169.0**	**1190.3**	**1215.4**	**1246.5**
LIABILITIES														
Accounts payable	62.2	62.3	67.2	64.9	80.5	80.3	84.1	83.7	83.7	97.4	95.9	100.4	103.9	105.7
Accrued and other current liabilities					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue	52.1	55.2	68.1	67.9	95.2	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1
Current portion of capital lease obligations		3.9	3.9	3.3	3.6	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Long Term Debt within 1 year	8.2	6.6	6.9	0.5	2.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Current Liabilities Held for Sale														
Total Current Liabilities	**122.5**	**128.1**	**146.1**	**136.6**	**181.2**	**241.1**	**244.9**	**244.5**	**244.5**	**258.2**	**256.7**	**261.2**	**264.7**	**266.5**
Notes Payable to Affiliates	1358.7													
Deffered Income Taxes	0.0													
Long Term Debt		529.3	566.9	537.3	536.7	536.8	536.8	536.8	536.8	536.8	536.8	536.8	536.8	536.8
Long term deferred revenue	22.1	8.3	8.9	8.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term capital lease obligation	580.7	35.6	35.2	35.1	34.7	34.5	34.5	34.5	34.5	34.5	34.5	34.5	34.5	34.5
Other non-current liability	56.3	69.4	60.1	60.7	67.9	66.6	66.6	66.6	66.6	66.6	66.6	66.6	66.6	66.6
Total Non-Current Liabilities	**2017.8**	**642.6**	**671.1**	**641.1**	**639.2**	**637.9**	**637.9**	**637.9**	**637.9**	**637.9**	**637.9**	**637.9**	**637.9**	**637.9**
Total Liabilities	**2140.3**	**770.7**	**817.3**	**777.8**	**820.4**	**879.0**	**882.8**	**882.4**	**882.4**	**896.2**	**894.6**	**899.1**	**902.6**	**904.5**
SHAREHOLDER'S EQUITY														
Treasury Stock				-50.6	-50.6	-50.6	-50.6	-50.6	-50.6	-50.6	-50.6	-50.6	-50.6	-50.6
Common equity		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Additional paid-in capital		2894.1	2897.3	2900.7	2901.5	2902.3	2903.3	2904.3	2904.3	2906.8	2908.9	2911.1	2913.6	2916.6
Accumulated other comprehensive loss	148.8	197.7	145.4	-2726.1	-2770.5	-2789.2	-2789.2	-2789.2	-2789.2	-2789.2	-2789.2	-2789.2	-2789.2	-2789.2
Accumulated deficit	-1166.8	-2751.2	-2766.9	131.9	130.1	124.7	250.8	198.4	198.4	197.1	202.0	216.6	235.7	261.9
Noncontrolling interest	-0.8	-0.3	1.5	3.7	3.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Shareholder's Equity	**-1018.7**	**340.8**	**277.7**	**260.0**	**214.9**	**190.5**	**317.6**	**266.2**	**266.2**	**267.4**	**274.4**	**291.2**	**312.8**	**342.0**

Appendix 4:

Trading Comparable Analysis:

Comparables Analysis

	Cash	Debt	Market Capitalization	EV	TTM EBITDA	Share Price	TTM EPS	EV/EBITDA	P/E
Vail Resorts	73.9	700.3	6826.0	7452.3	443.4	$183.96	$3.83	16.8 x	48.0 x
Six Flags	141.3	1653.6	5648.8	5754.0	428.6	$59.84	$1.27	13.4 x	47.1 x
SkiStar	10.5	201.5	682.2	873.2	64.9	$16.85	$0.82	13.4 x	20.5 x
EPR Properties	7.3	2248.6	4362.9	6604.2	406.8	$74.80	$3.10	16.2 x	24.1 x
Club Corp Holdings	84.6	1086.1	1097.9	2099.4	211.1	$17.00	$0.26	9.9 x	65.4 x
Cedar Fair	187.3	1535.9	3782.1	5130.7	487.1	$67.60	$3.28	10.5 x	20.6 x
Intrawest	155.1	539.1	912.5	1296.5	110.3	$22.95	$0.42	11.8 x	54.6 x

	HIGH	AVERAGE	LOW	IMPLIED TARGET EV	IMPLIED TARGET SHARE PRICE		
EV/EBITDA	16.8 x	13.4 x	9.9 x	1,477.83	AVERAGE	$	27.51
				1,853.79	HIGH	$	36.96
				1,096.89	LOW	$	17.93
	HIGH	**AVERAGE**	**LOW**	**IMPLIED P/E**	**IMPLIED TARGET SHARE PRICE**		
P/E	65.4 x	37.6 x	20.5 x	37.6 x	AVERAGE	$	15.81
				65.4 x	HIGH	$	27.46
				20.5 x	LOW	$	8.63

Appendix 5:

Discounted Cash Flow Analysis:

WestPeak Research

DCF Analysis

WACC Calculation

Book Value of Debt	539.1
Market Value of Equity	912.5
Totel Capitalization	1451.69
Debt	
Pre-Tax Cost of Debt	4%
Effective Tax Rate	27.5%
After-Tax Cost of Debt	**3.0%**
Capital Asset Pricing Model	
Risk-Free Rate	2%
Equity Market Risk Premium	5%
Beta	1.13
Cost of Equity	**7.5%**
Debt Weight	37.1%
Equity Weight	62.9%
WACC	**5.86%**

Growth Rate **2.0%**

Free Cash Flow Analysis	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	2018	2019	2020	2021	2022
EBIT	17.1	18.5	35.6	36.3	-32.8	-13.0	141.3	-44.5		35.2	41.7	53.1	57.3	65.2
Tax Rate	7.4%	-0.4%	43.4%	4.0%	-2.2%	3.1%	4.0%	4.0%		27.5%	27.5%	27.5%	27.5%	27.5%
D&A	58.3	56.6	59.1	60.1	15.2	14.2	17.1	16.8		66.4	67.1	63.6	67.8	69.6
Change in NWC	23.3	-7.0	13.5	7.8	46.8	55.7	-5.7	-10.7		7.8	-8.1	-1.6	-3.0	-6.1
Capital Expenditures	-29.7	-45.2	-41.9	-51.1	-10.3	-21.6	-10.0	-10.0		-55.0	-58.0	-61.0	-63.0	-66.0
Free Cash Flow	**21.3**	**36.8**	**23.9**	**36.1**	**-75.5**	**-75.6**	**148.4**	**-25.2**		**29.1**	**47.4**	**42.7**	**49.4**	**57.0**
Discount Period							*0.25*	*0.5*		*1.5*	*2.5*	*3.5*	*4.5*	*5.5*
Discounted Free Cash Flow							**146.3**	**-24.5**		**26.7**	**41.1**	**35.0**	**38.2**	**41.7**

Share Price Calculation

Free Cash Flow Sum	304.5
Terminal Value	1078.9
Enterprise Value	**1383.3**
Less: Debt	539.1
Less: Minority Interest	3.9
Add: Cash	155.1
Equity	**995.4**
Shares Outstanding	39.8
Implied Share Value	**$ 25.03**

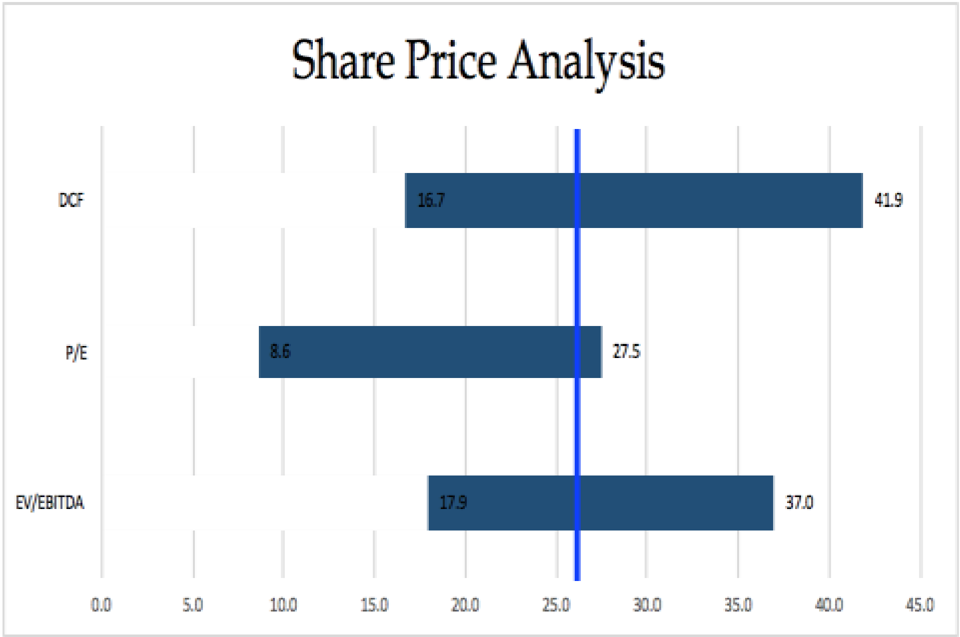
GROWTH \ WACC	5.0%	5.5%	6.0%	6.5%	7.0%
1.8%	$ 32.28	$ 26.81	$ 22.64	$ 19.36	$ 16.71
2.0%	$ 34.57	$ 28.46	$ 23.88	$ 20.32	$ 17.47
2.2%	$ 37.17	$ 30.31	$ 25.25	$ 21.36	$ 18.29
2.4%	$ 40.18	$ 32.39	$ 26.77	$ 22.51	$ 19.19
2.5%	$ 41.87	$ 33.54	$ 27.59	$ 23.13	$ 19.67

Appendix 6:

Valuation:

Intrawest Resort Holdings Valuation Summary

	MIN	MAX
EV/EBITDA	17.9	37.0
P/E	8.6	27.5
DCF	16.7	41.9



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