



FEATURED OPTIONS RADAR REPORT



Unusual Call Buy in Leading Consumer Destination Provider

Ticker/Price: MTN (\$285.30)

Analysis:

Vail Resorts (MTN) with an unusual large trade on 8/19 as 1000 September \$290 calls opened for \$5.40, a long-time high quality name that has pulled back 10% over the past month and does not see a lot of options trades but does have some short puts in October \$320, \$310, \$290 and \$280 strikes. MTN found some support yesterday re-testing a key flag breakout from earlier in 2021 that is a high volume node zone and could put in a bottom here which is also the 61.8% retracement from the gap-higher move in November. MTN operates in three business segments: Mountain, Lodging and Real Estate, which represent approximately 87%, 13% and 0% of revenues, respectively. The Mountain segment operates thirty-seven world-class destination mountain resorts and regional ski areas and includes ancillary services, primarily including ski school, dining and retail/rental operations. The Lodging segment manages a collection of luxury hotels and condominiums under our RockResorts brand. The Mountain segment derives revenue through the sale of lift tickets, including pass products, as well as a comprehensive offering of amenities available to guests, including ski and snowboard lessons, equipment rentals and retail merchandise sales, a variety of dining venues, private club operations and other winter and summer recreational activities. MTN has a market cap of \$11.44B and currently trades 36X Earnings, 6.4X Sales and 24X EBITDA with revenues expected to rise 36.5% in FY22 (next year) and EBITDA to rise 51.7%. MTN will next report in September. MTN has a very strong moat and has been transitioning to more of a subscription model, a source of future upside. Its Pass revenues have grown at a 17.8% CAGR since 2008. MTN recently announced its Chief Marketing Officer will be appointed CEO in November. Analysts have an average target of \$340 with short interest low at 2.8% of the float. BAML raised its target to \$375 in June positive on the new pricing strategy and early pass sale indications. BAML is also positive on the customer loyalty and retention efforts with MTN's enhanced data analytics and marketing strategy. BAMCO has a \$1.4B stake in MTN as its 4th largest position.

Hawk Vision:



Hawk's Perspective: MTN is a solid long-term own, the options liquidity is poor, but a potential bottoming base worth looking for as a company that should see a strong bounce-back with travel the next few years.

Confidence Ranking: \$\$