VAIL RESORTS®

EXPERIENCE OF A LIFETIME™

UNIVERSITY OF SOUTH FLORIDA
MUMA COLLEGE OF BUSINESS
STUDENT-MANAGED INVESTMENT FUND

NYSE: MTN | **Current Price: $120** | **Intrinsic Value: $147** | **Target Price: $169** | **February 18, 2016**

Recommendation

BUY

Company Overview

Vail Resorts, Inc. is a U.S. premier mountain resort company and a leader in luxury, destination-based travel at iconic locations. Vail Resorts operates in three highly integrated segments: Mountain, Lodging, and Real Estate. Vail Resorts' share price is 22% undervalued because it does not fully incorporate the megatrend of Millennials spending more money on experiences.

Key Statistics

Sector: Services

Industry: Resorts & Casinos

Market Cap: $4.35 B

52 Week High: $133.59

52 Week Low: $84.56

Trailing P/E: 38.84x

Forward P/E: 27.54x

P/S: 3.01x

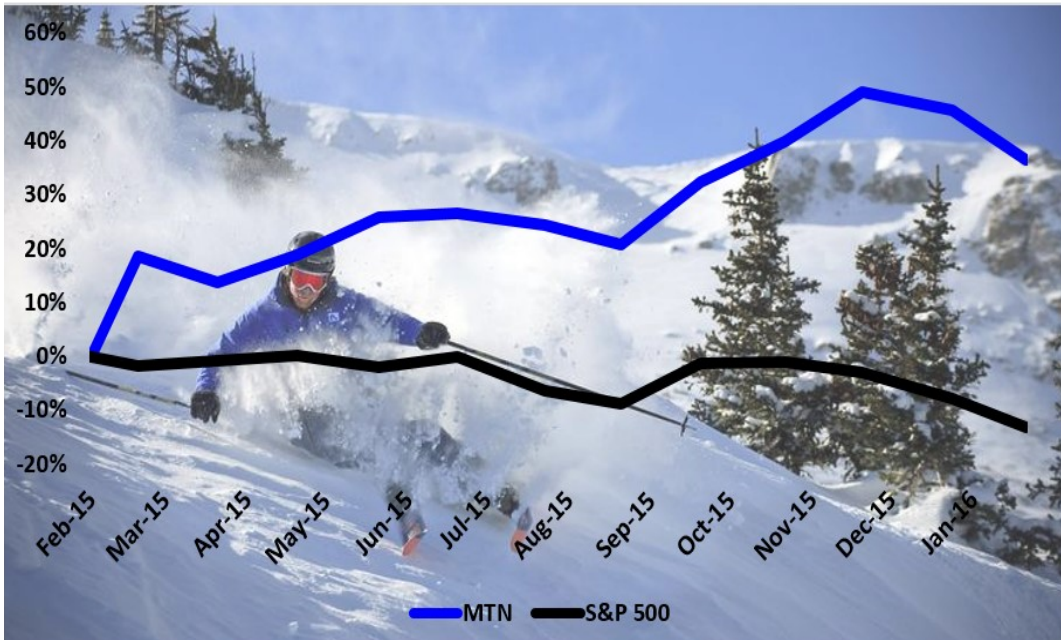
EV/EBITDA: 13.85x

Beta: 0.83

ROE: 15.74%

Dividend Yield: 2.07%

Price Performance



Investment Thesis

- Megatrend of Millennials spending more money on experiences
- High-end demographic to withstand economic downturns
- Inelastic demand and increasing prices driving profit margins
- Maturing company with a wide competitive moat

Growth Catalysts

- Brand loyalty
- Expanding national footprint
- Population increase

Risks

- Unfavorable weather conditions
- High fixed cost structure in a seasonal industry

Analysts: Rick Eldee, Zoe Knapke, Brandon Moore, Brandon Reagan

Investment Thesis

Megatrend of Millennials spending more money on experiences

Based on our research, 78% of Millennials would choose to spend their money on an experience over buying a product and 55% are more willing to spend more on experiences than ever before. Skiing, snowboarding, mountain biking, hiking, golfing, rafting and kayaking are among the most popular experiences Vail Resorts has to offer. The megatrend should continue into our investment horizon because approximately 72% of Millennials admitted that they will increase their spending on experiences next year.

High-end demographic to withstand economic downturns

Approximately 59% of Vail Resort guests are destination guests and 41% are in-state guests. Destination guests are those who travel long distances and stay at the resorts for longer periods of time. These guests are not sensitive to adverse economic conditions because 85% of them are in the upper-income bracket and their demand for vacationing is inelastic. This is advantageous for Vail Resorts given its ability to raise prices without losing a significant volume of revenue from its mountain operations. Given the possibility of negative economic events during our investment horizon, Vail Resorts will continue to attract destination guests that seek the big mountain vacation experience regardless of economic uncertainty.

Inelastic demand and increasing prices driving profit margins

Since 2005, lift-ticket prices have increased 65% at the majority of big mountain resorts in the U.S. while the demand for skier visits at Vail Resorts has increased 27% since 2012. Larger U.S. mountain resorts have more pricing power and fewer inelastic offerings compared to smaller U.S. mountain resorts that can only attract customers through lower price offerings. Avid big mountain skiers are not affected by price inflation because Vail Resorts continues to offer a high quality skiing experience in the U.S.

Maturing company with a wide competitive moat

As of 2015, Vail Resorts has a payout ratio of 71.6%. This suggests that the company is mature and is focused on returning wealth to shareholders through dividends and re-investment into positive net present value projects. Vail Resorts has a wide competitive moat and competes in an industry that is difficult for new entrants to break into. The top 10% of U.S. ski resorts serve approximately 40% of the total addressable ski market, suggesting that the top players like Vail Resorts have a secure competitive moat. Vail, Breckenridge, Park City, and other mountains under the Vail Resorts portfolio are consistently among the top ranked U.S. ski resorts.

Growth Catalysts

Brand loyalty

Vail Resorts sells season passes that allow guests unrestricted access to either a single, multiple, or all of the company's resorts during a single ski season. This feature of the season pass program provides a compelling value proposition to guests while Vail Resorts can strengthen customer loyalty, mitigate exposure for weather-sensitive guests, and generate a stable cash flow. The season pass program also allows Vail Resorts to increase its lift revenues and cross-sell ancillary services such as lodging, dining, ski school, and equipment rentals. During FY15, FY14, and FY13, 40%, 40%, and 38% of total lift revenue was derived from the sale of season passes, respectively.

Expanding national footprint

Vail Resorts has the experience of expanding its national footprint through strategic acquisitions of mountains and resorts at prices below the market value. These acquisitions range in size and value, collectively maximize shareholder wealth and expand the national footprint.

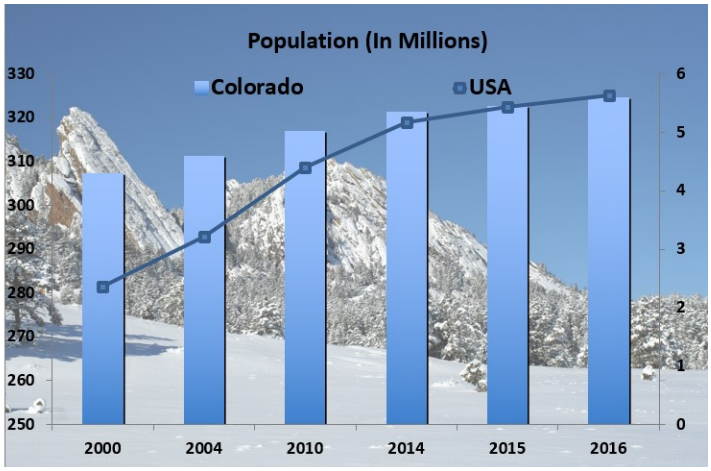
Vail Resorts recently acquired Wilmot Mountain, Inc. Wilmot is a small ski resort 30 miles outside of Chicago that had been under severe financial pressure over the last few seasons. Vail Resorts hopes to transform it into a profitable resort. Vail Resorts has proven experience in acquiring and operating small mountain resorts. Vail Resorts plans to upgrade Wilmot Mountain's terrain park, racing program, ski instruction, snowmaking infrastructure, dining and entertainment.

Vail Resorts management has the ability to revamp smaller mountain resorts in the U.S. through using experienced big mountain staffing, management, and ski professionals to attract new Millennial consumers.

Population increase

Colorado's population growth has been the highest among all U.S. states over the past several years. In 2015, Colorado's population increased by 1.89% and generated the second strongest population growth among all states in the country. The net migration accounted for two-thirds of the population increase in Colorado.

Many of those who moved into Colorado were below the age of 35. Colorado's population growth has led most states in the country over the past several years. These trends and statistics will continue and drive future demand to mountain resorts.

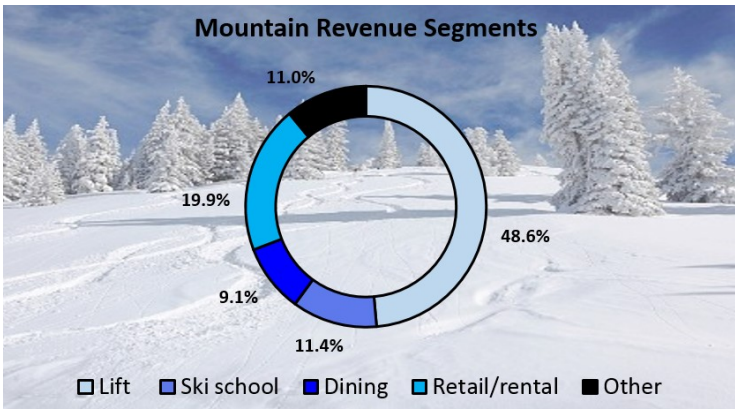


Segments

Vail Resorts generates its revenues from three segments: Mountain, Lodging, and Real Estate. Each of these segments in 2015 made up 79%, 18%, and 3% of total revenues, respectively.

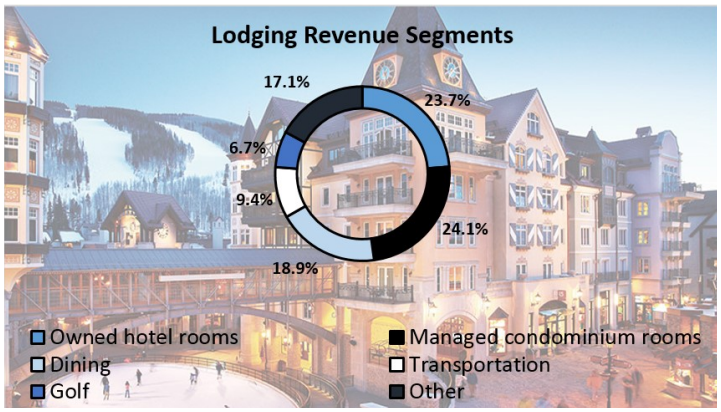
Mountain

The Mountain segment is broken into several different categories: lift, retail/rental, ski school, dining, and other. The single largest source of Mountain segment revenue is the sale of lift tickets, representing 49%, 46% and 45% of Mountain segment net revenue for FY15, FY14 and FY13, respectively. Lift revenue is driven by volume and pricing. Lift pricing is impacted by absolute pricing and the demographic mix of guests, which impacts the price points of various products and services purchased. Vail Resorts offers a variety of season pass products for its mountain resorts and urban ski areas to its guests.



Lodging

The Lodging segment is broken into several different categories: owned hotel rooms, managed condominium rooms, dining, transportation, golf, and other. Vail Resorts has approximately 5,000 owned and managed hotel rooms and condo units.



Lodging operations include:

- Six luxury hotels under the RockResorts brand
- Five company-owned hotels and mountain resort golf courses
- Several condominium management operations
- Colorado Mountain Express, a resort ground transportation company
- Two National Park Services concessionaire properties, Grand Teton Lodge Company, a summer resort with properties in Grand Teton National Park, and Headwaters Lodge & Cabins at Flagg Ranch.

Real Estate

The Real Estate segment includes extensive holdings of real property at its mountain resorts. Aside from the cash flows generated from its real estate development activities, Vail Resorts is able to cross-sell products and services from its Mountain and Lodging segment, control the architectural themes of the resorts, and expand its property management and commercial leasing operations.

Mountain Resort Portfolio

Breckenridge Ski Resort - the most visited mountain resort in the U.S. during the last ski season with five interconnected peaks offering an expansive variety of terrain for every skill level.

Vail Mountain - the second most visited mountain resort in the U.S. during last year's ski season. Vail Mountain offers some of the most expansive and varied terrain in North America with approximately 5,300 skiable acres.

Keystone Resort - the third most visited mountain resort in the U.S. last ski season, home to the well-known A51 Terrain Park, and the largest area of night skiing in Colorado. Keystone is a popular attraction for families with its 'Kidtopia' program focused on providing activities for children.

Beaver Creek Resort - the fifth most visited mountain resort in the U.S. last ski season. Beaver Creek is a European-style resort with multiple villages and includes a world renowned children's ski school program. Each year, Beaver Creek hosts the only North American men's World Cup downhill races.

Park City - In Fiscal 2015, Vail Resorts began a transformation plan to connect Park City and Canyons which will create the largest ski resort by acreage in the U.S. with more than 7,300 acres of skiable terrain. The two resorts now operate as one unified branded mountain resort. The Canyons base area will now be known as "Canyons Village" at Park City.

Mountain Portfolio

Heavenly Mountain Resort - located near South Shore of Lake Tahoe with over 4,800 skiable acres, offers spectacular views of Lake Tahoe, and claims to have the largest snowmaking capacity in the Lake Tahoe region.

Northstar Resort - the premier luxury mountain resort destination near Lake Tahoe, it offers premium lodging, a lively base area, and over 3,000 skiable acres.

Kirkwood Mountain Resort - located southwest of Lake Tahoe, Kirkwood is recognized for offering some of the best high alpine advanced terrain in North America with 2,000 feet of vertical drop, and over 2,300 acres of terrain.

Perisher Ski Resort - acquired on June 30, 2015, Perisher is located in New South Wales, Australia, and is the largest and most visited ski resort in Australia and the Southern Hemisphere. Perisher offers over 3,000 skiable acres on seven peaks and includes the resort areas known as Perisher Valley, Smiggin Holes, Blue Cow and Guthega.

Afton Alps Ski Area - the largest ski area near the Minneapolis-St. Paul metropolitan area, Afton Alps offers 48 trails on 300 skiable acres, with night skiing, riding and tubing.

Mount Brighton Ski Area - located 43 miles from Detroit it has 26 trails on 130 skiable acres offering night skiing and riding.

Wilmot Mountain - acquired in 2016, Wilmot is 65 miles from Chicago. The Chicago area is one of the top geographies for Vail Resorts and is estimated to have approximately 800,000 skiers.

Industry

Seasonality

Ski resorts are highly seasonal in nature and generate most of their revenues from November to April. These expectations have been priced into mountain resort stocks because analysts typically compare revenues year-over-year for mountain resorts.

Vail Resorts offers several non-ski related activities to take advantage of the summer season. These activities include sightseeing, mountain biking, guided hiking, Jeep touring, and golfing. All of these activities help Vail Resorts attract destination conferences and group businesses to its resorts during the summer . Vail Resorts launched an Epic Discovery Program, an alternative to summer camps for children, which includes zip lines, challenging ropes courses, an alpine slide and coaster, activities for children, tubing, and mountain excursions.

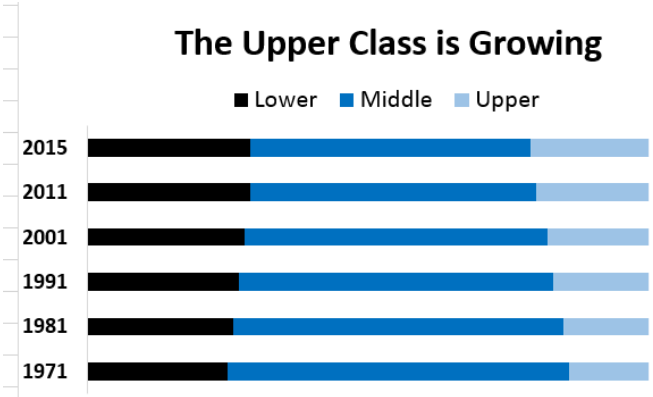
To help diversify the concentration of revenues during the non-ski season in the U.S., Vail Resorts recently acquired Perisher Ski Resort in June 2015. Perisher's ski season runs from about June through October.

Demographics

Vail Resorts serves a high-end demographic, is resilient to fluctuations in the economy, and has a target market of adults under the age of 35. The average destination guest's annual income is about $295,000. About 25% of Beaver Creek and Vail destination guests have annual incomes of about $500,000. Vail Resorts consistently sees a young mix: about 50% of the guests under are the age of 35. About 10% of guests are first time skiers.

The largest customer market for U.S. ski resorts is guests around 18-24 to years old. While this age group typically makes a lower level of income, they spend a substantial portion of their income on recreational activities and have a large amount of leisure time available.

The number of wealthy Americans has increased from 14% of the U.S. population in 1971 to 21% today. Over that same time period, incomes for wealthy Americans have increased by 47%.



Industry

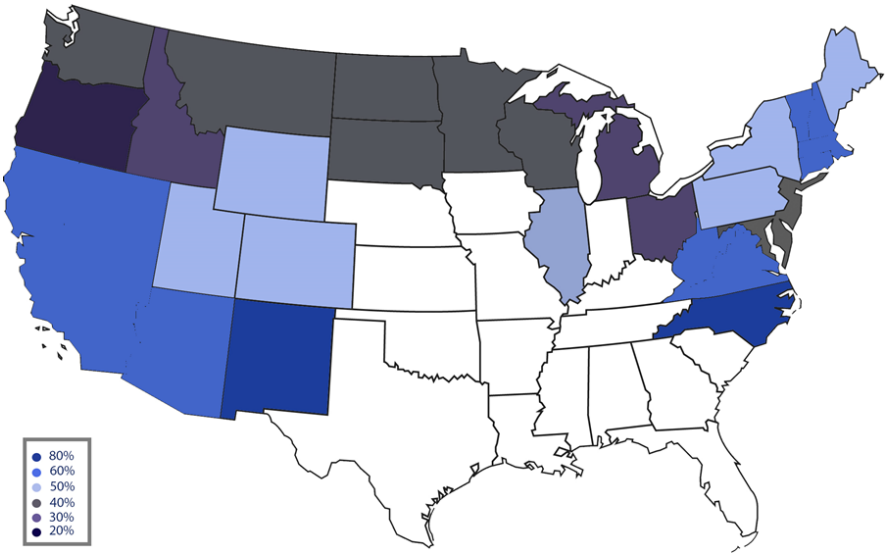
Snow and weather

Weather can drastically alter the success of a ski season and the potential revenues mountain resorts can earn. Weather has become increasingly unpredictable in the last decade with the violent temperature swings in normal U.S. ski resorts geographic location. December-February temperatures in the U.S. have increased an average of 0.55 degrees per decade since 1970, resulting in not so surprising disappointing ski seasons in recent years.

This year, Sierra Nevada is receiving above average snowfall and the Eastern U.S. is receiving below average snowfall due to a strong El Niño event.

Based on our research, weather this year will be the warmest on record due to a large build-up of carbon dioxide in the atmosphere. There is a possibility that warmer temperatures may shorten the U.S. ski season this year.

To the right is a projection for U.S. snowfalls in the 2015/2016 ski season.



Probability of above average snowfall in the U.S.

Consumer spending

Based on our research, skiing resort spending is expected to grow at 2% annually over the next five years. Spending growth will be driven by expanding disposable income. Spending on ski slope ticket sales, amenities designed for families, and lower cost equipment are expected to drive the growth in skiing resort revenue.

The Outdoor Industry Association reports spending on outdoor recreation totaling $646 billion in 2012. Consumer spending in this category represented the third most after financial services and healthcare.

Millennial spending

There are currently 15.8 million affluent Millennials with annual incomes over $100,000. Spending power for affluent Millennials is expected to increase because they'll receive a generational transfer of $59 trillion in wealth over the next several years. By 2018 to 2020, this group will become the largest generational segment in the U.S. luxury consumer market. Although affluent Millennials may not have many assets and do have some debt, they still spend a high proportion of their disposable income on technology, travel, and entertainment. Affluent Millennials are spending more on traveling because they see more validation in experiences compared to purchasing an expensive item. Iconic, branded resorts operated by Vail Resorts are well-positioned to benefit from this trend because affluent Millennials tend to pay more to get posh treatments. Six in 10 affluent Millennials read user-generated product reviews before they spend their money.

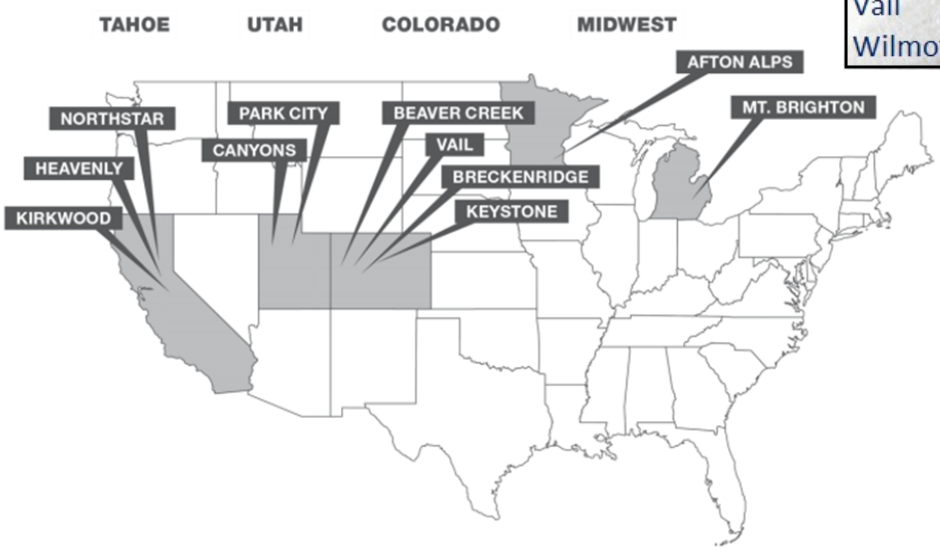
Industry

Geography

Vail Resorts is geographically diversified across California Colorado, Utah, Minnesota, Illinois, Michigan, and Australia.

Within the ski industry, geography is one of the most important factors. Vail Resorts has a geographical advantage over its competition because it has a strong presence in thriving Colorado and Utah ski resorts and no exposure to struggling Eastern U.S. ski resorts that have received below average snowfall in the past several years.

Resort	Location
Afton Alps	Minnesota
Beaver Creek	Colorado
Breckenridge	Colorado
Canyons	Utah
Heavenly	California
Keystone	Colorado
Kirkwood	California
Mt. Brighton	Michigan
Northstar	California
Park City	Utah
Perisher	Perisher Valley, AUS
Vail	Colorado
Wilmot Mountain	Illinois



U.S. ski industry

The U.S. ski industry includes 470 ski resorts. The industry is highly fragmented since only 13% of these ski resorts are owned by companies with more than 4 resorts. Although the industry is fragmented, 45 ski resorts account for almost 40% of all U.S. ski businesses and are the only resorts with climbing revenues. In the next 5 to 10 years, 31% of U.S. ski resorts may close because these resorts are generally small and poorly capitalized and are facing declining revenues that limit their ability to invest in their facilities and make their facilities more attractive to ski guests.

Competitive Advantage

No major ski resort has been built in North America for more than 30 years because there are limited private lands that can be developed for a ski area. It's difficult to obtain approval from the government to build on public lands, and significant capital is required to construct the necessary infrastructure for a ski area. These advantages will protect Vail Resorts from the threat of new entrants because there is limited opportunity to develop new ski areas in the Rocky Mountains and Sierra Nevada.

Compared to other ski resorts in the Rocky Mountains and Sierra Nevada, Vail Resorts invests more in capital improvements enhancing the quality and experience for its ski visitors. Vail Resorts also receives more snowfall than its competitors because of its location in the Rocky Mountains and Sierra Nevada and the elevation of the terrain. These two advantages will encourage more ski visitors to choose a Vail Resorts' ski resort over a competitor.

Competition

Intrawest Resorts Holdings Inc. (SNOW)

- Market capitalization: $362.7 million
- Current share price: $8.02
- P/E ratio: 72.9x
- Revenues: $588 million

SNOW owns six ski resorts in North America with 8,000 acres for skiing and 1,130 acres for real estate development. Compared to Vail Resorts, the geographical distribution for SNOW's customers is more diverse with 49% from North America, 43% from Europe, and 8% from Australia, Asia, and South America. SNOW's most critical market is Canada because it generates 40% of its revenues in the country. Our analysis indicates that SNOW is a less attractive investment than Vail Resorts because relatively weaker currencies and economies overseas are likely to reduce foreigner demand for skiing services and generate an adverse foreign currency translation adjustment for SNOW's cash flows.

Peak Resorts Inc. (SKIS)

- Market capitalization: $56.8 million
- Current share price: $4.06
- P/E ratio: 11.3x
- Revenues: $105 million

SKIS owns and leases 13 ski resorts in the U.S. with 1,650 acres for skiing. A particular ski resort's growth is largely driven by the ability to attract skiers away from other resorts, generating more revenue per skier visit, and generating more visits from each skier. SNOW has invested in capital improvements to improve its facilities over the past five years, but has provided little upside for skier visits and revenue per skier growth. Based on our research, there is not enough compelling evidence to indicate that SNOW's future capital improvements will attract more skier visitors.

Risks

Unfavorable weather conditions

Vail Resorts may attract fewer ski visitors and generate higher snowmaking expenses if unseasonably warm weather in the Rocky Mountains and Sierra Nevada results in inadequate snowfall and reduced skiable terrain. The number of skier visits at Vail resorts in Sierra Nevada has declined over the past two years because events in the tropical Pacific trended towards a La Niña event which contributed to unseasonably warm temperatures and low snowfall in the area. However the number of skier visits at Vail resorts in Sierra Nevada will increase this year because events in the tropical Pacific are currently trending towards a very strong El Niño event, which contributes to colder temperatures and more snowfall in the Rocky Mountains and Sierra Nevada. Based on our research, Vail Resorts in the Rocky Mountains and Sierra Nevada receive average yearly snowfall between 20 and 39 feet and abnormally low snowfall in these geographic terrains is an anomaly.

High fixed cost structure in a seasonal industry

Ski season is typically from November to April and Vail Resorts generates 80% of its revenues during that time period. Throughout the year, Vail Resorts has a high fixed cost structure relative to its variable expenses and may generate lower margins if revenues decrease during the ski season. Based on our analysis of Vail Resorts' future cash flows, Vail Resorts' performance during the ski season and upside from summer-season recreational opportunities will allow Vail Resorts to generate more than enough revenues to cover its fixed costs and drive shareholder value.

Valuation

We arrived at a $147 intrinsic value discounted at 7.18%. Our valuation methodology for Vail Resorts uses a 4-stage FCFE with a terminal value EV/EBIDTA Multiple of 13.0x.

Tailwinds from increased spending on mountain lift tickets and related experiences to premier Vail Resort destinations will drive revenues to grow at a CAGR of 8.64% over our growth stage. This revenue growth flows into the EBITDA CAGR of 10.21% due to margin expansion from Vail Resorts' reliance on fixed costs.

We conducted a Monte Carlo sensitivity analysis on our 2019 price target (-1) standard deviation of $162 and a (+1) standard deviation of $173.

Free Cash Flows to Equity					
	2016	2017	2018	2019	Terminal Value
EPS	$4.76	$5.64	$6.26	$6.89	$168.59
Depreciation / Shares	$3.14	$3.41	$3.52	$3.63	
CapEx / Shares	-$2.63	-$2.76	-$2.76	-$2.76	
Net Working Capital / Shares	-$1.60	-$0.11	-$0.10	-$0.09	
Net Borrowing / Shares	-$0.27	-$0.37	-$0.37	-$0.37	
FCFE / Share	$3.41	$5.81	$6.55	$7.31	
PV of FCFE	$3.18	$5.06	$5.32	$133.31	
Intrinsic Value	**$146.87**				
Current Price	$120.00				
% to Fair Value	22%				

Valuation

All figures in millions, except per share data

P/E 2019 Price Target Sensitivity								
		EPS						
		6.74	6.79	6.84	6.89	6.94	6.99	7.04
Price / Earnings Multiple	21	138.3	139.3	140.3	141.3	142.4	143.4	144.4
	22	148.4	149.5	150.6	151.7	152.8	153.9	155.0
	24	158.5	159.6	160.8	162.0	163.2	164.4	165.5
	25	168.6	169.8	171.1	172.3	173.6	174.8	176.1
	27	178.7	180.0	181.3	182.7	184.0	185.3	186.6
	28	188.8	190.2	191.6	193.0	194.4	195.8	197.2
	30	198.9	200.4	201.8	203.3	204.8	206.3	207.7

All figures in millions, except per share data

EV / EBITDA Multiple 2019 Price Target								
		EBITDA						
		466	496	526	556	586	616	646
EV / EBITDA Multiple	8.5	96.4	103.4	110.4	117.5	124.5	131.6	138.6
	10.0	115.6	123.9	132.2	140.5	148.8	157.0	165.3
	11.5	134.9	144.4	154.0	163.5	173.0	182.5	192.0
	13.0	154.2	164.9	175.7	186.5	197.2	208.0	218.8
	14.5	173.4	185.4	197.5	209.5	221.5	233.5	245.5
	16.0	192.7	206.0	219.2	232.5	245.7	258.9	272.2
	17.5	212.0	226.5	241.0	255.4	269.9	284.4	298.9

Enterprise Value / EBITDA Multiple Analysis												
All figures in millions, except per share data		2016			2017			2018			2019	
	Bear	Base	Bull	Bear	Base	Bull	Bear	Base	Bull	Bear	Base	Bull
Total Revenue	**$1,594**	**$1,613**	**$1,627**	**$1,663**	**$1,722**	**$1,750**	**$1,758**	**$1,828**	**$1,874**	**$1,850**	**$1,941**	**$1,994**
Operating Income	$313	$319	$322	$337	$354	$357	$372	$389	$391	$406	$424	$425
Margin	19.6%	19.8%	19.8%	20.3%	20.6%	20.4%	21.2%	21.3%	20.9%	22.0%	21.8%	21.3%
Depreciation and Amortization	$119	$120	$122	$123	$124	$128	$126	$128	$134	$130	$132	$140
EBITDA	**$432**	**$438**	**$444**	**$460**	**$478**	**$485**	**$498**	**$517**	**$525**	**$536**	**$556**	**$565**
EV / EBITDA Multiple	13.5x	14.3x	15.5x	13.0x	13.9x	15.1x	12.6x	13.5x	14.7x	12.2x	13.0x	14.2x
Enterprise Value	$5,834	$6,275	$6,896	$5,990	$6,656	$7,338	$6,287	$6,964	$7,711	$6,529	$7,231	$8,014
Less: Debt and Non-controlling Interest	$831	$831	$831	$821	$821	$821	$807	$807	$807	$794	$794	$794
Plus: Cash	$48	$48	$48	$73	$82	$60	$183	$198	$143	$305	$324	$239
Market Capitalization	$4,955	$5,396	$6,017	$5,096	$5,754	$6,457	$5,297	$5,958	$6,760	$5,430	$6,113	$6,982
Shares Outstanding	38	38	38	36	36	36	36	36	36	36	36	36
										0		
Equity Value / Shares	**$130.25**	**$141.83**	**$158.17**	**$140.52**	**$158.67**	**$178.09**	**$146.07**	**$164.32**	**$186.47**	**$149.75**	**$168.59**	**$192.62**

Valuation

Income Statement							
All figures in millions, except per share data	2013	2014	2015	2016E	2017E	2018E	2019E
Net revenues	**$1,121**	**$1,255**	**$1,400**	**$1,613**	**$1,722**	**$1,828**	**$1,941**
Mountain	$868	$964	$1,104	$1,285	$1,392	$1,494	$1,595
Lodging	$211	$242	$255	$285	$287	$292	$303
Real Estate	$42	$49	$41	$42	$42	$43	$43
Operating expenses:							
Segmented operating expenses	$897	$994	$1,058	$1,174	$1,244	$1,312	$1,385
D&A	$133	$141	$149	$120	$124	$128	$132
Other expense	$5	$3	$18	$0	$0	$0	$0
Operating income	$97	$117	$211	$319	$354	$389	$424
Operating margin	9%	9%	15%	20%	21%	21%	22%
Non-operating (income) expense:							
Interest income	$1	$2	$1	$1	$1	$1	$1
Interest expense	$39	$64	$51	$36	$36	$35	$35
Other income	$0	$11	$11	$0	$0	$0	$0
EBT	$137	$200	$149	$283	$319	$354	$390
Income tax expense	$22	$16	$35	$102	$115	$128	$140
Net income	$38	$28	$115	$181	$204	$227	$250
Earnings per common share:							
Basic (in dollars per share)	$1.05	$0.79	$3.16	$4.77	$5.38	$5.97	$6.57
Diluted (in dollars per share)	$1.03	$0.77	$3.07	$4.76	$5.64	$6.26	$6.89
Weighted average number of common shares:							
Basic (in shares)	36	36	36	38	38	38	38
Diluted (in shares)	37	37	37	38	36	36	36
Cash dividends declared:							
Dividends	$28.36	$45.02	$75.51	$96.13	$112.42	$129.31	$147.31
Dividends Per Share	$0.79	$1.26	$2.08	$2.53	$2.96	$3.40	$3.88

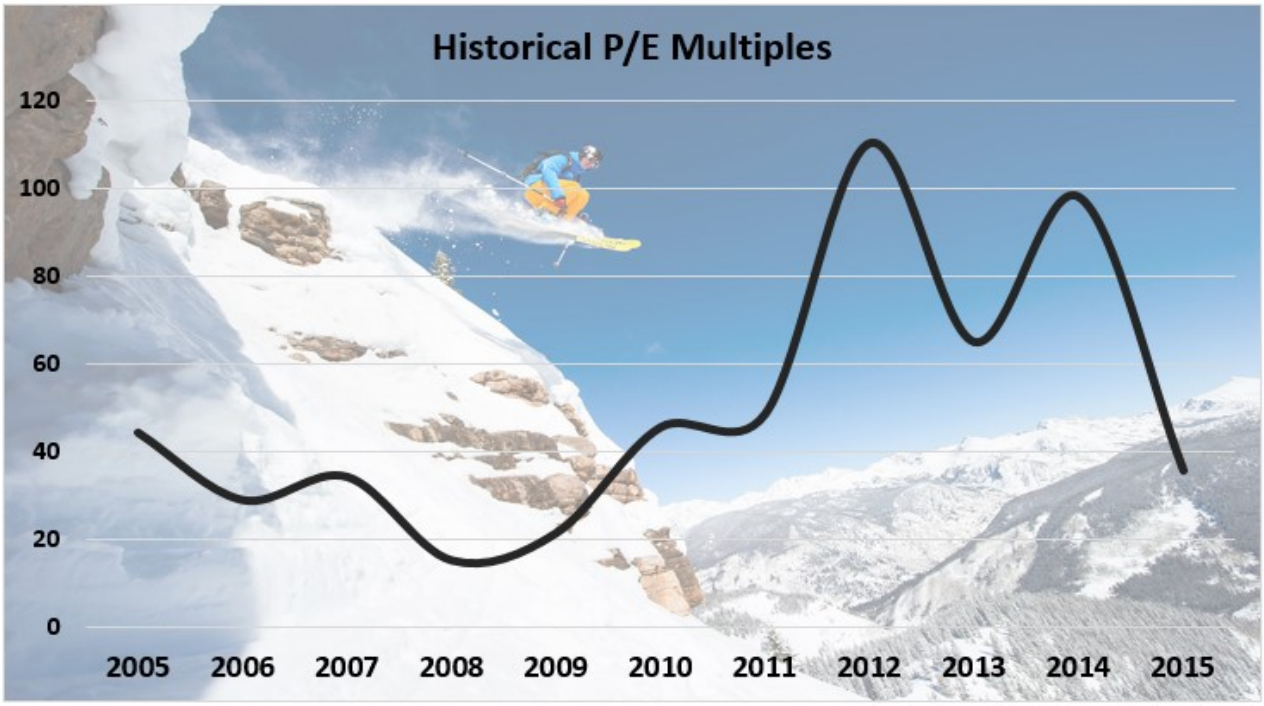
Valuation

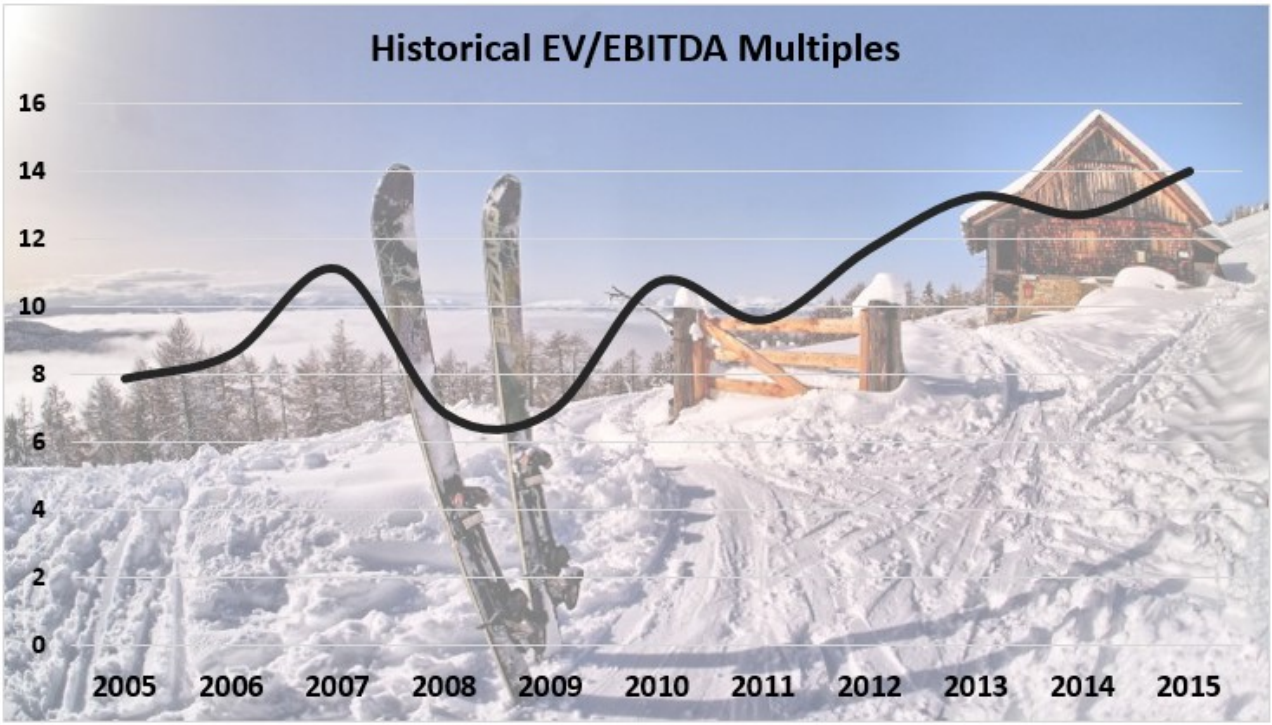
Balance Sheet

All figures in millions, except per share data

	2014	2015	2016E	2017E	2018E	2019E
Cash and Cash Equivalents	$58	$48	$82	$198	$324	$460
Trade Receivables, Net of Allowances	$96	$114	$126	$134	$141	$149
Inventories, Net of Reserves	$67	$73	$82	$86	$91	$96
Other Current Assets	$25	$24	$24	$24	$24	$24
Deferred Income Taxes, Current	$29	$28	$105	$118	$131	$144
Property, Plant, and Equipment	$1,148	$1,386	$1,370	$1,349	$1,325	$1,296
Real Estate Held for Sale and Investment	$158	$130	$130	$130	$130	$130
Deferred Charges and Other Assets	$97	$41	$41	$41	$41	$41
Intangible Assets, Net	$118	$144	$141	$138	$135	$132
Goodwill	$378	$500	$500	$500	$500	$500
Total Assets	**$2,174**	**$2,490**	**$2,600**	**$2,719**	**$2,842**	**$2,973**
Accounts Payable and Accrued Liabilities	$289	$331	$368	$389	$411	$434
Income Taxes Payable	$34	$57	$57	$57	$57	$57
Current Portion of Long-Term Debt	$1	$10	$13	$13	$13	$13
Long-Term Debt, Net of Current Maturies	$626	$807	$793	$780	$767	$753
Deferred Income Taxes, Long-Term	$129	$148	$148	$167	$185	$204
Other Long-Term Liabilities	$261	$256	$256	$256	$256	$256
Total Liabilities	**$1,339**	**$1,609**	**$1,635**	**$1,662**	**$1,689**	**$1,717**
Common Stock	$613	$624	$624	$624	$624	$624
Retained Earnings	$402	$441	$526	$618	$715	$818
Accumulated Other Comprehensive (Loss) Income	$0	$5	$5	$5	$5	$5
Treasury Stock	$193	$193	$194	$194	$195	$195
Redeemable Noncontrolling Interests	$14	$14	$14	$14	$14	$14
Total Stockholders' Equity	$835	$881	$965	$1,057	$1,154	$1,256
Total Liabilities and Stockholders' Equity	$2,174	$2,490	$2,600	$2,719	$2,842	$2,973

Valuation


Historical P/E Multiples
120
100
80
60
40
20
0
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015


Historical EV/EBITDA Multiples
16
14
12
10
8
6
4
2
0
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015