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BUSINESS

Vail Resorts Has an Epic Problem

From Stowe to Switzerland, Vail Resorts transformed skiing. Now, on one of the busiest ski weekends of the year, customers are pushing back.



There were long lines during the recent ski-patrol strike at Vail's ski resort in Park City, Utah. PHOTO:

ADAM SHAY

By [Allison Pohle](#) [Follow](#)

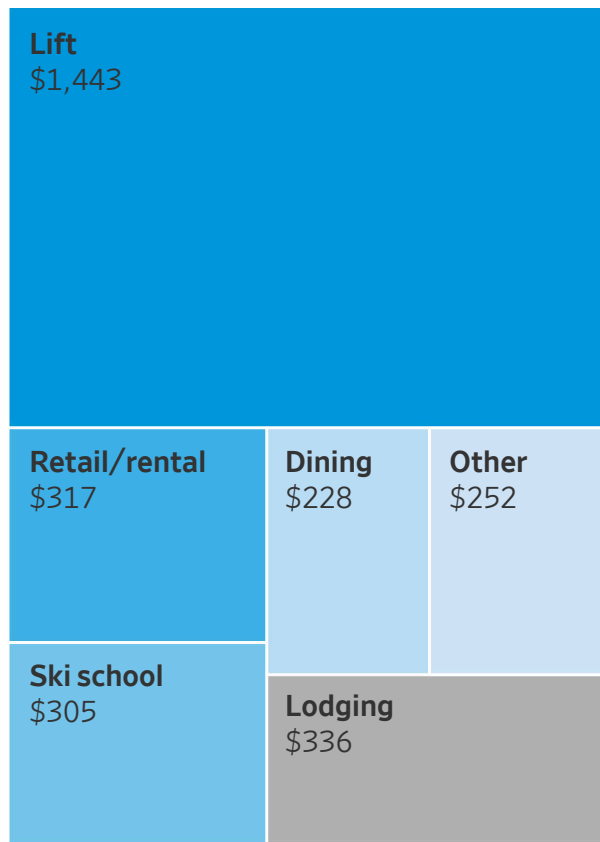
Jan. 17, 2025 9:00 pm ET

Vail Resorts **MTN -1.58% ▼** became the biggest name in skiing by snapping up mountain destinations and transforming the lift ticket into an all-access pass. Now the company that reinvented the sport is facing big problems.

For the first time, the company recently disclosed, it sold fewer season lift tickets, known as Epic Passes, than it did the year before. The Epic Pass, which costs around \$1,000 this season, offers unlimited access to 42 Vail properties around the world, from Stowe, Vt., to Whistler in Canada, to Andermatt in the Swiss Alps. The whole business model rests on the pass, and any diminished interest in it could spell trouble, compounding other issues the company has been grappling with. Chief among them: Growth in skiers has been muted for nearly 20 years.

The Vail method is to lock in customers with season passes and then charge for a growing number of extras like premium parking lots. The three-day Martin Luther King Jr. Day weekend is among the busiest of the year.

Vail 2024 revenue, in millions



Note: Doesn't include Vail's Real Estate segment which amounted to \$4.7 million in 2024.
Source: company filings

Its problems came to the fore over the recent holidays. A 12-day ski-patrol strike closed most runs at Park City, Utah, the company's largest U.S. resort, leaving hundreds waiting on long lift lines, unable to ski most of the mountain and fuming on social media about ruined vacations. In recent years, its Whistler Blackcomb property in Canada was plagued by operational challenges, which Vail says it has been addressing, and by low snowfall. Referring to wait times as "epic" has become a running joke for frustrated Epic Pass holders.

Now, competitors have introduced rival multiresort megapasses.

More skiers are forgoing lift passes in favor of backcountry skiing. Vail's stock, which peaked in November 2021 amid a pandemic boom in outdoor sports, has fallen by half in the three years since.

Vail changed the ski industry when it introduced the Epic Pass in 2008, at \$579 for full access to six resorts. The price has increased almost every year to its current level. At the same time the company has raised the price of traditional lift tickets steeply, to around \$300 a day in some cases.

The company kept acquiring resorts and adding them to the Epic Pass. In addition to securing skiers' loyalty, the arrangement boosted revenue for Vail by creating a steady supply of customers for the company's stable of hotels, restaurants, equipment shops and other slopeside amenities.



Whistler, in Canada, was plagued in recent years by challenges that Vail says it's addressing. PHOTO: JAMES MACDONALD/BLOOMBERG NEWS

And the passes helped the company spread risk to customers. The Epic Pass, which is nonrefundable, must be purchased before the season kicks into high gear, letting Vail enter winter with a healthy cash hoard. And if any of its resorts runs into a strike or a stretch without snow, the financial blow to Vail is cushioned.

Vail increasingly pushes customers to its passes, and passholders now account for 75% of skier visits to its resorts. But on the company's most recent conference call discussing earnings, Chief Executive Kirsten Lynch said the number of passes the company sold in North America, its biggest and most important market, declined by 2%—the first decline since the pass was introduced. Revenue from pass sales nonetheless rose, thanks to an 8% price increase.

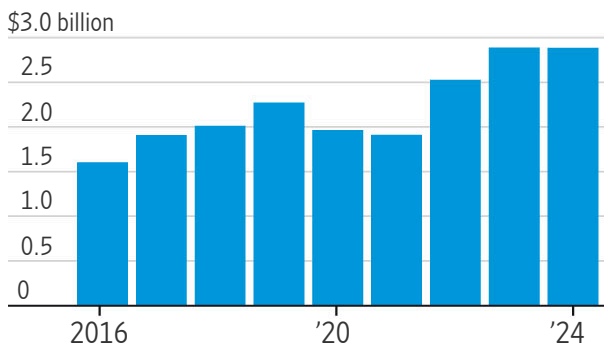
The company said it expects to sell 2.3 million Epic Passes globally. Lynch said during the call that she was pleased with the pass sales results.

Before the Epic Pass, Lynch said in an interview, feast-or-famine ruled the ski industry. Resorts depended primarily on traditional lift tickets for revenue. In years of poor conditions, ski areas couldn't reinvest in workers or equipment. Getting skiers to commit in advance gives stability to the industry and allows the company the room to innovate, in much the same way annual Amazon Prime subscriptions have juiced the online retailer's bottom line.

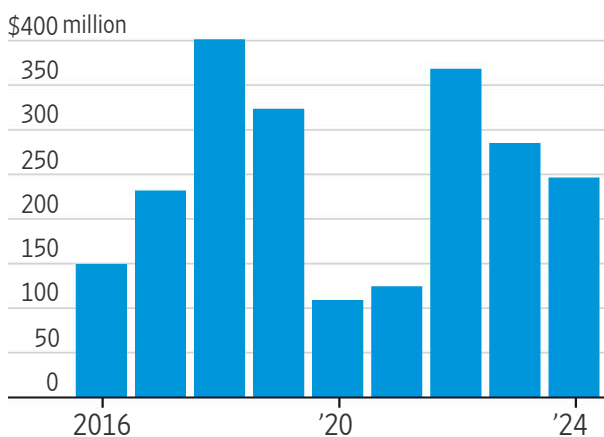
The driving force behind everything Vail does is the "guest experience," a phrase Lynch repeated 11 times in the 30-minute interview.

Vail financials

Revenue



Net profit



Source: FactSet

“We’re not always perfect, but we do listen and we do take action and we do try to make investments back to improve the guest experience,” said Lynch, who has been Vail’s CEO for three years, after 10 years as its chief marketing officer. A lifelong skier, she previously worked in marketing at PepsiCo and Kraft Foods.

The decline in pass sales, Lynch said, was due to continued effects of “a post-Covid normalization” in travel patterns. Challenging weather last season, including light snowfall in some areas, also dampened this season’s sales, she said.

Vail had something distinctive with the Epic Pass but now faces growing competitive threats. The rival Ikon Pass, which costs closer to \$1,500, is sold by the privately held Alterra Mountain Co. and offers skiers access to Steamboat, Deer Valley and Alterra’s 17 other resorts and more than 50 mountains around

the world through partnerships. The Epic Pass offers access to more than 80 resorts worldwide, a mix of Vail-owned properties and partners. There is also the smaller Indy Pass, which offers access to many resorts, often locally owned, and the Mountain Collective Pass.

Vail and Alterra sell as many megapasses as they can, leading skiers to complain about overcrowding on the slopes. The rise of the megapass has also drawn more people to the marquee resorts since skiers can go to places like Vail in Colorado and Utah’s Snowbird using the same passes that get them on the lifts at smaller mountains far from the Rockies, like Hunter Mountain in New York, or Michigan’s Boyne Mountain.



Colorado's Vail Ski Resort in the mid-1980s. PHOTO: S&G/PA IMAGES/GETTY IMAGES

Vail Mountain opened in 1962. In 1992, Apollo Global Management, the private-equity firm, took over Gillett Holdings, the company that owned Vail and had gone bankrupt. Apollo restructured the company into Vail Resorts and took it public in 1997. By 2004, Apollo sold its stake in Vail. But Rob Katz, an Apollo employee who worked on forming Vail Resorts, stayed on the board, eventually becoming CEO. He is now executive chairman.

In the past decade, the company spent more than \$1.9 billion to acquire 33 resorts. It looked for small resorts within driving distance of metropolitan areas in the hopes that skiers will also travel to its big, flagship resorts, where they'll spend on lodging and dining.

Park City Mountain is the largest ski resort in the U.S., the result of the 2015 combination of Park City Mountain Resort and neighboring Canyons Resort. The resort has more than 7,300 acres of skiable terrain, with upwards of 300 trails, spanning many snowcapped peaks.

On Dec. 27, about 190 Park City ski patrollers walked off the job, striking for better pay and other improvements to deal with the high cost of living in a resort town.

Vail brought in managers and patrollers from other resorts. About 30 patrollers staffed the mountain during strike days, union members say, versus typical staffing of around 120. Vail said more than 30 patrollers were on duty during the strike but didn't elaborate because it doesn't publicly disclose staffing figures. With fewer patrollers available to evacuate injured skiers and head off potential avalanches, up to 85% of the skiable trails were closed during the strike.

The Tombstone Express, a six-person chairlift that serves as a major access point for the resort, closed during much of the strike, leaving limited terrain on much of the Canyons side of the mountain. Patrollers opened only as much terrain as was safe given limited staffing levels, Vail said, with priority for the most popular beginner and intermediate terrain.

Adam Shay with his wife and two teenage sons traveled to Park City from Wilmington, N.C., on New Year's Eve for a five-night vacation. Shay knew the ski patrol was on strike, but hoped it would be resolved.



The Park City ski-patrol strike was resolved with raises and other benefits for patrollers. PHOTO: DANIEL CARDE/ZUMA PRESS

On Jan. 2 at 8:20 a.m., the Shays got in line for the orange bubble chairlift on the Canyons side of the mountain. The lift was scheduled to open at 9 a.m. At 9:14, with snow softly falling, skiers in line began chanting: “Pay ski patrol.” The lift didn’t start ferrying skiers until 9:45 due to avalanche mitigation, he says, which was slowed by the strike.

Shay and his family spent \$9,700 on the trip, including airfare, rooms at the Silverado Lodge, managed by Vail, and ski rentals from a Vail-operated gear store.

The long lines and limited terrain were due to mismanagement, he says, adding that Vail should have been prepared for the strike. “If this is how they’re going to treat people, it shows they don’t care about anything but selling passes to them and lodging to them, and not about their experience.”

The strike ended after 12 days on Jan. 8, with Vail agreeing to an average pay increase of \$4 an hour for workers whose hourly wage now ranges from about \$23 to \$40, according to a union

representative, and added benefits, including access to parental leave.

The company said this week that it will give passholders a credit for each day skied or snowboarded at Park City Mountain during the strike period to apply toward the purchase of an Epic Pass of equal or greater value next year

For years, Vail delivered the kind of growth Wall Street prizes by acquiring new resorts and convincing more skiers to purchase Epic Passes.

After Vail's run of domestic acquisitions, growth is now harder to come by, said Chris Woronka, a Deutsche Bank analyst. The company has its sights on Europe, but it's expensive to break into markets outside the U.S. Ski-resort operators are competing with any other way people can spend a vacation, he said, and also need to get younger people involved in the sport.

The rate for a beginner, full-day group ski lesson for kids aged 7 to 15 without Epic Passes at Vail Mountain this weekend was listed online as \$409, plus \$54 for equipment rental and \$23 for a helmet. Epic passholders get a 20% discount.

Vail said it is working to build customer loyalty by investing in workers and technology, to acquire new resorts and to get customers to spend more on rentals and ski school. The company is also trying to sell more passes and become more efficient, it said.



Vail acquired Vermont's Stowe Mountain in 2017. PHOTO: SCOTT BRAATEN/STOWE MOUNTAIN RESORT/ASSOCIATED PRESS

Vail will spend up to \$254 million this year to make upgrades at its resorts, including installing a new gondola at Park City, which is to host Olympic events in 2034, and making changes at the newly acquired Crans-Montana resort in Switzerland.

In September, Vail Resorts announced a plan to save \$100 million over the next two years. The company will lay off 14% of its corporate workforce and 0.2% of its front-line staff, and make changes like outsourcing call centers.

Vail acquired Stowe Mountain in 2017, a destination resort in a quintessential Vermont town. It was the company's first East Coast acquisition. Vail invested in more efficient snow-making equipment and higher-speed chairlifts. Vail's Epic Pass brought many more people to the resort, which is accessible by a winding mountain road.

Vail also did away with some local touches. Vail made unpopular changes to a once-free ski program for local schoolkids. In exchange for volunteering to teach during the Friday afternoon program, area residents could get a free lift ticket for the day, and one to use on a future day. The program now costs \$68 for the season. Chaperones now get a ticket for the day, the company says, and another single-day ticket for every two days spent volunteering.

Deb Martin has skied at Stowe since the 1960s, and lived in the area since the '70s. She can get to the mountain in 10 minutes from her house. In recent years, the traffic backup has prevented her from reaching the mountain on powder days. Her husband just bought his first set of backcountry equipment. "If it gets so bad," she said, "we won't buy a pass and will start backcountry skiing as our primary way to ski."

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