

Edgar Filing: Intrawest Resorts Holdings, Inc. - Form 10-Q

Intrawest Resorts Holdings, Inc.  
Form 10-Q  
November 03, 2016  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

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

For the quarterly period ended September 30, 2016

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-36286

Intrawest Resorts Holdings, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware	46-3681098
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1621 18th Street, Suite 300	
Denver, Colorado	80202
(Address of Principal Executive Offices) (Zip Code)	
(303) 749-8200	
(Registrant's Telephone Number, Including Area Code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of November 1, 2016, 39,770,271 shares of the registrant's common stock were outstanding.



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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, without limitation:

- weakness in general economic conditions;
- lack of adequate snowfall and unfavorable weather conditions;
- lack of access to adequate supplies of water to make snow and otherwise conduct our operations;
- adverse events that occur during our peak operating periods;
- our failure to achieve the expected benefits of our strategic alliance, real estate development, acquisition and other growth strategies;
- Steamboat Ski & Resort’s dependence on contracted direct air service;
- risks related to information technology;
- our potential failure to maintain the integrity of our customer or employee data;
- adverse consequences of ongoing legacy litigation or future legal claims;
- our ability to monetize real estate assets;
- a partial or complete loss of Alpine Helicopters Inc.’s services;
- the effects of climate change on our business operations;
- our ability to maintain effective internal control over financial reporting;
- risks of foreign currency fluctuations which could reduce the U.S. dollar value of our Canadian earnings;
- risks associated with the ownership of a majority of our outstanding common stock by entities managed or controlled by Fortress Investment Group, LLC (collectively “Fortress”), including potential sales of shares held by Fortress, governance rights in our stockholders’ agreement with Fortress and potential conflicts of interests;
- our leverage, which could adversely affect our ability to raise additional capital to support our growth strategy; and
- our limited public float and therefore trading volume.

You should carefully consider the risks described in Part I - Item 1A, Risk Factors, of our Annual Report on Form 10-K for the year ended June 30, 2016 filed with the Securities and Exchange Commission (the “SEC”) on September 8, 2016. Moreover, we operate in a competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in any forward-looking statements.

We undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.



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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## INTRAWEST RESORTS HOLDINGS, INC.

## Condensed Consolidated Balance Sheets

(In thousands, except per share data)

(Unaudited)

	September 30, 2016	June 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 116,280	\$107,066
Restricted cash	12,288	12,475
Receivables, net of allowances of \$931 and \$831	25,791	36,660
Inventories	27,355	23,620
Other current assets	21,169	21,081
Total current assets	202,883	200,902
Property, plant and equipment, net of accumulated depreciation of \$450,241 and \$438,991	510,700	511,486
Real estate held for development	136,972	137,283
Intangible assets, net of accumulated amortization of \$64,305 and \$63,304	48,732	50,226
Goodwill	105,887	105,981
Other long-term assets, net of accumulated amortization of \$1,594 and \$1,560	30,185	31,927
Total assets	\$ 1,035,359	\$ 1,037,805
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 80,462	\$64,869
Deferred revenue and deposits	95,152	67,937
Capital lease obligations due within one year	3,573	3,345
Long-term debt due within one year	1,998	497
Total current liabilities	181,185	136,648
Long-term capital lease obligations	34,705	35,061
Long-term debt	536,671	537,295
Other long-term liabilities	67,870	68,766
Total liabilities	820,431	777,770
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 300,000 shares authorized; 0 issued and outstanding, respectively	—	—
Common stock, \$0.01 par value; 2,000,000 shares authorized; 39,762 and 39,736 shares outstanding, respectively	453	453
Treasury stock, at cost; 5,556 shares and 5,556 shares, respectively	(50,643 )	(50,643 )
Additional paid-in capital	2,901,516	2,900,696
Accumulated deficit	(2,770,470 )	(2,726,074 )
Accumulated other comprehensive income	130,134	131,920
Total Intrawest Resorts Holdings, Inc. stockholders' equity	210,990	256,352
Noncontrolling interest	3,938	3,683
Total stockholders' equity	214,928	260,035

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Total liabilities and stockholders' equity	\$ 1,035,359	\$ 1,037,805
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See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Operations and

Comprehensive Income (Loss)

(In thousands, except per share data)

(Unaudited)

Three Months  
Ended September  
30,  
2016      2015

Statements of Operations

Revenue	\$80,479	\$86,204
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Operating expenses	98,069	103,248
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