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## How Vail Resorts Could Wipe Out

Investors who think [Vail Resorts](#)' business will be anything close to normal in the coming ski season risk mistaking a mountain of trouble for a molehill.

True, hitting the slopes this winter carries even more allure than usual. After spending so much time cooped up at home, plenty of people already have more than a touch of cabin fever. Time spent on the mountain seems like a good way to dispel it. Safe, too—it is an outdoor activity, after all. To judge by the rebound in Vail's shares since this spring, that is what many investors are thinking.

But the chances are [that coronavirus](#) will still be circulating for most of the coming ski season. Even optimistic forecasts, such as the one from [Goldman Sachs](#) economists, who expect the Food and Drug Administration to approve a Covid-19 vaccine by the end of the year, don't predict enough people will be inoculated for the U.S. to achieve herd immunity until the end of next year's second quarter.

That makes logistics of pulling off a ski trip dicier for vacationers and more problematic for resorts like the ones that Vail runs. First you have to get to the mountain, and for one of Vail's marquee areas, such as Vail Ski Resort in Colorado or Whistler Blackcomb in British Columbia, that often [entails getting on a plane](#). You have to stay someplace, and if it is an inn or hotel, that carries additional concerns in the time of Covid-19. Getting on chair lifts and gondolas with strangers could be risky, as could grabbing a bite in the lodge or engaging in any après-ski socializing. One of the worst outbreaks early in the U.S. epidemic was at a [festival for Black skiers in Idaho this past winter](#), where more than 100 people became infected.

That Idaho incident didn't occur at one of Vail's hills, but it underscores an additional risk: If another outbreak at a ski area occurs, it could cast a pall over the entire industry. Nor are health authorities about to give skiers a free pass—especially considering the limited hospital capacity in many ski towns. So capacity restrictions on lifts and restaurants are likely, and that will place limits on revenue. Vail says it plans to update guests on its plans for the season in the weeks ahead.

Moreover, it is by no means a given that Canada will have lifted its strict restrictions on international travelers by the time ski season begins, putting business at Whistler Blackcomb—the largest ski resort in North America—at risk.

Investors hoping to catch some air on Vail's stock could be in for a hard landing.