

# Jackson Hole Mountain Resort

## Jackson Hole Mountain Resort Corporation



Credit  
Rating  
Agency

Corporates

June 13, 2025

A NRSRO Rating\*

Jackson Hole  
Mountain Resort  
HR A+ (G)  
Stable Outlook

US\$125.0m Term  
Loan  
HR A+ (G)  
Stable Outlook  
46820@AA7

US\$30.0m  
Revolver  
HR A+ (G)  
Stable Outlook  
46820@AB5



**Mirthala Alarcon**

Associate  
Lead Analyst

[mirthala.alarcon@hrratings.com](mailto:mirthala.alarcon@hrratings.com)



**Guillermo Casavecchia**

Analyst

[guillermo.casavecchia@hrratings.com](mailto:guillermo.casavecchia@hrratings.com)



**Jesus Pineda**

Corporates Manager

[jesus.pineda@hrratings.com](mailto:jesus.pineda@hrratings.com)



**Heinz Cederborg**

Corporates/ABS Sr. Executive Director

[heinz.cederborg@hrratings.com](mailto:heinz.cederborg@hrratings.com)

## Information Disclosure Form

### Rule 17g-7

*The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.*

1. Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:

Entity/Instrument	Rating Action	Rating Type	Rating Code
Jackson Hole Mountain Resort Corporation	Ratified	Long Term Rating	<a href="#">HR A+ (G) / Stable Outlook</a>
US\$125.0m Term Loan	Ratified	Long Term Rating	<a href="#">HR A+ (G) / Stable Outlook</a>
US\$30.0m Revolver	Ratified	Long Term Rating	<a href="#">HR A+ (G) / Stable Outlook</a>

2. Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:

The rating ratified by HR Ratings to the entity and its associated debt is based in accordance with the following methodologies established by the rating agency:

- Corporate Debt Credit Risk Evaluation, February 2024.



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**3. Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7**

The methodology describes the process used to assess the ability and willingness to meet corporate debt payment obligations in a timely manner and as originally agreed, including dependent structured debt and real estate investment trusts. The process consists of a quantitative analysis based on four financial metrics (three for structured debt) and an analysis allowing for qualitative adjustments, including adjustments related to ESG factors.

The corporate methodology involves the creation of financial models based on HR Ratings projections and when relevant historical performance data. The projections are made under a Base and Stress scenario, both incorporating the relevant historical data. The formal rating period generally incorporates five years of information. The four metrics used in this analysis are: (i) debt service coverage; (ii) debt service coverage including end of previous period cash (iii) years to payment, which measures the ratio between annual free cash flow and net debt; and (iv) the ratio between a market value estimate of corporate assets and its total liabilities. For real estate companies, the fourth metric is replaced by the loan to value ratio.

For both the Base and Stress scenarios the annual weighted average of each metric value is calculated. These annual averages are converted into a numerical rating scale, which is the same for each metric. Subsequently, and for each scenario, the weighted average of the metric numerical ratings is calculated. The final quantitative score is the weighted average of the two scenarios. If historical information is available, this process generally considers two reported and three projected years. However, the methodology considers the possibility of using different rating or time periods, with fewer reported years, and in the case of real estate leasing companies with seven instead of five years.

The rating obtained through this quantitative analysis can be adjusted positively or negatively by applying qualitative notches, which are divided into two categories: general and ESG. General adjustments refer to factors that could over time affect the quantitative rating especially when HR Ratings concludes that these factors cannot be adequately incorporated into the quantitative models. This includes ESG factors that are analyzed to determine their significance for and potential influence on credit risk. The environmental factor analyzes the corporate's environmental approach and policies, considering its lines of business and daily operations, as well as exposure to natural phenomena and environmental regulations. For the social factor, the business approach is evaluated first then the corporate policies regarding all levels of employee benefits, career plans and ability to retain talent and inclusion are evaluated.

Finally, the corporate governance analysis considers five aspects: (i) internal regulations of the corporation, considering their scope, formality and mechanisms for continuous adaptation, (ii) quality of senior management and administration, considering their financial strategies and history of crisis management, (iii) transparency and quality of the information provided, as well as history of non-compliance, (iv) risk associated with the regulatory framework to which each corporation is susceptible and the



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risk associated with the macroeconomic environment, and (v) management and mitigation strategies associated with the entity's operational risk, as well as the technological tools available for performing daily operations.

The rating incorporates two negative notches; one is associated with the metrics deterioration once the maturity of the Term Loan gains a higher weight within our rating period (Refinancing Risk). The amortization scheme of the Term Loan considers to be fully paid at its maturity date in February 2031. The other is related to ESG due to the ski resort industry can be significantly affected by climate change, since it directly impacts the environmental conditions necessary for skiing and resorts to operate. This situation could affect the EBITDA levels and FCF generation.

**4. Potential Limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7**

- HR Ratings does not validate, guarantee, or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue, or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer's securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.
- The credit ratings are not an opinion of the market value of any issuer's securities or stock, or the possibility that this value suffer a deterioration.

**5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7**

The Analysis Committee noted no material limitations on the reliability, accuracy and quality on the data relied on in determining the credit rating.

The Analysis Committee noted no lack of information on the scope of historical data that would have better informed any credit rating listed in this disclosure form.

**6. Use of third-party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7**

HR Ratings did not use third party due diligence services for the rating.

**7. Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7**

HR Ratings did not use Servicer or Remittance Reports for the rating.



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**8. Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7**

Among the main information used for the rating is:

- Annual Audited Financial Statements for Jackson Hole Mountain Resort Corporation and Subsidiaries 2023-2024 by KPMG LLP, provided by a third party.
- Internal Financial Information from June 2023 to February 2025 provided by a third party.
- Financial Model provided by a third party.
- Credit Facility Agreement provided by a third party.
- Company Memo presentation, provided by a third party.
- Sponsor Memo presentation, provided by a third party.
- Stock Purchase Agreement 2024, provided by a third party.
- Equity Commitment Letter 2024, provided by a third party.

**9. Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7**

The quality of the information provided by the third party is considered to be consistent with the quality observed in the ratings that use a similar methodology.

**10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7**

The aforementioned rating was not requested by the entity or issuer, or on its behalf. However, the rating was requested by an investor whose identity is kept confidential to the general public, therefore, HR Ratings has received from the investor the corresponding fees for the provision of its rating services. The following information can be found on our website <https://www.hrratings.com/>: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

HR Ratings was paid for services other than determining credit ratings during the most recently ended fiscal year by the person that paid to determine this credit rating.

**11. Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule17g-7**

1. Factors that are reasonably likely to lead to a change in the credit rating:

- **Lower Years of Payment.** In the event that the Company is able achieve higher operational efficiencies through their Salaries & Wages as the Company is able to automatize these functions through technological advancements and this results in an accumulated (from 2026 to 2028) FCF generation of US\$141.6m (vs. US\$81.2m in our base scenario) and



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this leads to a lower average years of payment of 1.7 years vs. 3.9 years in our base, the rating could have a minimum positive impact.

- **FCF decrease.** Under a scenario where the Company is unable to expand operations due to a decrease in the ski market, reaching an accumulated FCF of US\$46.4m from 2026 to 2028 (vs. US\$81.2m in our baseline scenario) and this leads to average DSCR levels of 1.7x compared to 2.6x in our base scenario, the rating could have a negative minimum impact.
- **Higher Years of Payment.** In the scenario where the Company could not reach the expected FCF levels due to higher working capital requirements, resulting in an average years of payment for the projected periods (from 2026 to 2028) of 7.0 years vs 3.6 years in our baseline scenario, the rating could have a negative minimum impact.

2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:

- **Inflationary Pressures.** Under a scenario of high inflationary pressures in the US, which cause an increase in the wages of the ski resorts employees, being the main operational cost of the Company, margins could be impacted, resulting in lower EBITDA levels, and the rating could present a minimum negative impact.
- **Market Competition.** Under a scenario in where the US ski and snowboard resorts major players, such as Vail Resorts, Alterra Mountain Company and Boyne Resorts absorb the competitive market, decreasing the Company's revenues and affecting its metrics, the rating could present a minimum negative impact.

NOTE: The Credit Analysis Committee must convene to review and discuss the changes that could occur under different market conditions. All the ratings issued by HR Ratings must be approved by the Credit Analysis Committee in accordance with the applicable methodology and the information available at the time. However, the magnitude of a potential change in the rating that could reasonably occur as a result of the impact of the factors listed above are characterized by the following summary chart:

Rating change impact	Number of notches
Minimum	(0-1)
Moderate	(2 - 3)
Strong	>3

## 12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

For historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page.

Our credit ratings need to be understood as rankings of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.



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As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. However, HR Ratings provides the market participants with the default rate for historical default and loss statistics for the class or subclass of the credit rating. Although the default rate is not the expected probability of default or loss given default, we consider it the ratio that could be interpreted by market participants as such. The default rate for each of the asset classes in which HR Ratings provides ratings and for each rating category is publicly available for each calendar year at: [https://www.hrratings.com/regulatory\\_disclosure/transition\\_matrix.xhtml](https://www.hrratings.com/regulatory_disclosure/transition_matrix.xhtml)

### **13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7**

1. Assumptions made in the ratings process that, without accounting for any other factor, would have the greatest impact on the credit rating if proven false or inaccurate:

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. The assumption is that the information provided is reliable and credible, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.

- In our baseline scenario we expect the Company's revenue to reach US\$158.8m in 2028 vs. US\$144.5m in 2025, which represents a CAGR<sub>25-28</sub> of 3.2%. This growth will be mainly driven by an increase in the operations derived from an increase in ticket prices, as well as an increase in the volume of the skiers' days in the resort.
- For the projected periods, we expect an EBITDA of US\$58.9m in 2028 compared to US\$50.7m in 2025, this represents a CAGR<sub>25-28</sub> of 5.1%. This will be driven by improved cost absorption through Salaries & Wages and Cost of Goods Sold as the Company achieves operational efficiencies.
- In our baseline scenario, we expect an FCF of US\$29.2m in 2028 compared to US\$22.7m in 2025. This will be driven by the increase in the operating results, which would be enough to cover working capital requirements and maintenance CAPEX. We expect the maintenance CAPEX provision to be 100% of the depreciation of plant, property and equipment recorded in the income statement for the projected periods.
- We expect the Company to reach a total debt of US\$125.0m in 2028 (vs. US\$125.0m in 2024), due to no mandatory installments in the credit facility or additional dispositions projected. The debt is comprised by US\$125.0m of Term Loan (TL) with a fixed rate of 8.0%. The amortization scheme of the Term Loan considers to be fully paid at its maturity date in February 2031. This will lead to an average years of payment of 3.6 years throughout the projected period 2026-2028.
- For the DSCR and the DSCR with cash metrics, given the FCF generation and the net debt service levels, we expect average metrics for the period 2026 to 2028 of 2.7x and 5.8x respectively.



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2. Analysis, using specific examples, of how each of the assumptions identified in the preceding paragraph impacts the credit rating:

- Under a scenario where JHMR could not reach the expected revenue levels, due to a slower economic growth or a decrease in the ski resort market, reaching accumulated revenue of US\$405.5m from 2026 to 2028, compared to US\$461.9m in our baseline scenario, the rating could be negatively affected.
- In terms of EBITDA, if the Company cannot maintain its operational efficiencies as a consequence of a decrease in sales. Also supported by inflationary pressures that affect the operational costs of JHMR, mainly in the ski-resort employees' wages, reaching accumulated EBITDA levels of US\$123.6m in 2026-2028 (vs. US\$168.4m in our baseline scenario), the rating could be negatively affected.
- In the scenario where the FCF generation is negatively affected due to a lower EBITDA and higher working capital requirements, leading to an accumulated FCF of US\$46.4m in 2026-2028 compared to US\$81.2m in our baseline scenario, the rating could be downgraded.
- If the Company is under a scenario where FCF generation reached accumulated levels of US\$141.6m (vs. US\$81.2m in our base scenario) due to a higher EBITDA margin as a result of operational efficiencies and this results in an average years of payment of 1.7 years vs. 3.6 years in our base scenario, the rating could be upgraded.
- Under the scenario where the FCF generation is negatively affected, leading to an average DSCR for the period from 2026 to 2028 of 1.5x vs. 2.7x in the baseline scenario, the rating could be revised downwards.

**14. Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7**

The reporting of representations, warranties, and enforcement mechanisms does not apply to any of the credit ratings listed in this disclosure form.



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## Credit Rating Attestation

I, Jesús Pineda, Corporates Manager have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities;
- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Mexico City, June 13, 2025

/s/ Jesus Pineda, Corporates Manager  
HR Ratings de México, S.A. de C.V.



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The aforementioned rating was not requested by the entity or issuer, or on its behalf. However, the rating was requested by an investor whose identity is kept confidential to the general public, therefore, HR Ratings has received from the investor the corresponding fees for the provision of its rating services. The following information can be found on our website <https://www.hrratings.com/>: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

The ratings and/or opinions of HR Ratings de México S.A. de C.V. (HR Ratings) are opinions regarding the credit quality and/or the asset management capacity, or relative to the performance of the tasks aimed at the fulfillment of the corporate purpose, by issuing companies and other entities or sectors, and are based on exclusively in the characteristics of the entity, issue and/or operation, regardless of any business activity between HR Ratings and the entity or issuer. The ratings and/or opinions granted are issued on behalf of HR Ratings and not of its management or technical personnel and do not constitute recommendations to buy, sell or maintain any instrument, or to carry out any type of business, investment or operation, and may be subject to updates at any time, in accordance with the rating methodologies of HR Ratings.

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the [www.hrratings.com](https://www.hrratings.com) rating agency webpage. HR Ratings' Code of Conduct, rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The fees HR Ratings receives from issuers generally range from US\$1,000 to \$1,000,000 (one million dollars, legal tender in the United States of America) (or the equivalent in another currency) per offering. In some cases, HR Ratings will rate all or some of a particular issuer's offerings for an annual fee. Annual fees are estimated to vary between \$5,000 and US\$2,000,000 (five thousand to two million dollars, legal tender in the United States of America) (or the equivalent in another currency).

## Media Contact

[comunicaciones@hrratings.com](mailto:comunicaciones@hrratings.com)



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