

VIAD CORP

Form 10-K

March 11, 2016

As filed with the Securities and Exchange Commission on March 11, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2015

or

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: 001-11015

Viad Corp

(Exact name of registrant as specified in its charter)

Delaware	36-1169950
State or other jurisdiction of	(I.R.S. Employer
incorporation or organization	Identification No.)

1850 North Central Avenue, Suite 1900

Phoenix, Arizona	85004-4565
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(Address of principal executive offices) (Zip Code)  
Registrant's telephone number, including area code:

(602) 207-1000

Securities registered pursuant to Section 12(b) of the Act:

	Name of each exchange
Title of each class	on which registered
Common Stock, \$1.50 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

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

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The aggregate market value of the Common Stock (based on its closing price per share on such date) held by non-affiliates on the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2015) was approximately \$534 million.

Registrant had 20,173,803 shares of Common Stock (\$1.50 par value) outstanding as of January 31, 2016.

### Documents Incorporated by Reference

A portion of the Proxy Statement for the Annual Meeting of Shareholders of Viad Corp, which is scheduled to be held on May 19, 2016, is incorporated by reference into Part III of this Annual Report.

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## PART I

### Item 1. Business

Viad Corp (“Viad” or the “Company”) is in the business of creating experiences with operations in the United States, Canada, the United Kingdom, continental Europe, and the United Arab Emirates. Viad is committed to providing best in class experiences to its clients, customers, and guests by offering products and services designed to meet their current and future needs. Viad operates through two main business groups: the Marketing & Events Group and the Travel & Recreation Group.

The Marketing & Events Group is a world-class live event service provider to some of the most visible and influential events and global brands. The Travel & Recreation Group provides experiential travel services in iconic locations which enjoy perennial demand.

The Marketing & Events Group accounted for 90 percent of Viad’s 2015 consolidated revenue and 60 percent of Viad’s 2015 consolidated Adjusted Segment EBITDA. The Travel & Recreation Group accounted for 10 percent of Viad’s 2015 consolidated revenue and 40 percent of Viad’s 2015 consolidated Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined as segment operating income before non-cash depreciation and amortization and integration costs, if any. For further information on this forward-looking, non-GAAP financial measure, see the “Non-GAAP Measures,” included in Management’s Discussion and Analysis of Financial Condition and Results of Operations (Part II, Item 7 of this Annual Report on Form 10-K).

### MARKETING & EVENTS GROUP

The Marketing & Events Group, comprised of Global Experience Specialists, Inc. and affiliates (“GES”), is a global, full-service provider for live events that produces exhibitions, congresses and conferences, corporate events, consumer events, exhibits, and entertainment experiences. GES provides a comprehensive range of live event services, including official show services, audio-visual services, cutting-edge creative and design, strategic marketing and measurement services, registration, and event accommodations – all with a global reach. GES’ National Servicenter® has been recognized with certification under the J.D. Power and Associates Certified Call Center Program for the past seven years, and GES was named one of the “World’s 50 Largest Agency Companies” for the sixth year in a row by Ad Age.

GES’ clients include event organizers and corporate brand marketers. Corporate brand marketers include exhibitors and domestic and international corporations that want to promote their brands, services and innovations, feature new products, and build business relationships. GES serves corporate brand marketers when they exhibit at shows and when GES is engaged to manage their global exhibit program or produce their proprietary corporate events. See “Item 1A - Risk Factors - The failure of a large client to renew its services contract or the loss of business from exhibition facilities could adversely

impact revenue” for a discussion of the risks related to the Marketing & Events Group’s client relationships, which is incorporated herein by reference.

The Marketing & Events Group is divided into two reportable segments based on geography: The Marketing & Events U.S. Segment (the “U.S. Segment”) and the Marketing & Events International Segment (the “International Segment”).

·The U.S. Segment holds a leading position in the U.S. with full-service operations in every major exhibition market in the U.S., including Las Vegas, Nevada; Chicago, Illinois; Orlando, Florida; New York, New York; and Los Angeles, California.

·The International Segment holds leading positions in Canada, Europe, and the Middle East. The International Segment has full-service operations at many of the most active and popular destinations and venues, including seven cities in Canada, six cities in the United Kingdom, one city in Germany, two cities in the United Arab Emirates, and two cities in the Netherlands.

As described in further detail in the following table, the U.S. Segment and the International Segment both provide a full suite of services for event organizers and exhibitors across four categories of live events: (i) Exhibitions; (ii) Congresses and Conferences; (iii) Corporate Events; and (iv) Consumer Events (collectively, “Live Events”):

LIVE EVENTS	DEFINITION	% GES 2015 REVENUE
Exhibitions	Expo/trade show/exhibition with the primary purpose of facilitating business-to-business and business-to-consumer sales and marketing.	63%
Congresses and Conferences	Convention/meeting with the primary purpose of facilitating attendee education. An expo or trade show may be held in conjunction to further facilitate attendee education.	25%
Corporate Events	Expo/trade show/event/meeting with the primary purpose of engaging, educating, and informing key audiences.	7%
Consumer Events	Event with the primary purpose of entertaining, educating, or creating a marketing experience targeting end consumers.	5%

Within each of the above four Live Events categories, the Marketing & Events Group delivers variations of four types of services to event organizers and exhibitors: (i) Core Services; (ii) Event Accommodations; (iii) Audio-Visual; and (iv) Registration and Data.

**Core Services**

GES provides official contracting services and products to event organizers and exhibitors during Live Events in both the U.S. Segment and the International Segment. Contracting services and products are provided primarily to Exhibitions and to a lesser degree to Congresses and Conferences, Corporate Events, and Consumer Events. For the U.S. Segment, Core Services accounted for 63 percent of Viad’s 2015 consolidated revenue, as compared to 66 percent in both 2014 and 2013. For the International Segment, Core Services accounted for 23 percent of Viad’s 2015 consolidated revenue, as compared to 23 percent and 25 percent in 2014 and 2013, respectively.

The U.S Segment and the International Segment generally provide the same services and products. The following is a list of services and products provided to Live Event organizers and exhibitors that are generally exclusive or discretionary:

Services/Products Provided to Event Organizers	Services/Products Provided to Exhibitors
<b>Exclusive Services:</b>	<b>Exclusive Services:</b>
General event management	Material handling
Planning and consultation	Overhead and booth rigging
Concept design and layout	Temporary electrical, lighting and plumbing
Carpeting and flooring	Cleaning
Online management tools	
Show traffic analysis	
Marketing and strategy	
Overhead and booth rigging	
Temporary electrical, lighting, and plumbing	
Cleaning	
	<b>Discretionary Services:</b>
	Creative design and strategy
	Integrated marketing, including pre- and post-event communications
	Event surveys
	Return on investment analysis
	Online management tools
	Attendee and exhibit booth traffic analysis
	Staff training
	Logistics and freight-forwarding
	Storage and refurbishment of exhibits
	Booth furnishings, carpeting
	In-house installation and dismantling
	Tradeshow program management
<b>Exclusive Products:</b>	<b>Discretionary Products:</b>
Graphics and signage	Custom exhibit design and construction
Common area structures	Portable and modular exhibits and design
	Graphics and signage

Under various agreements with event organizers of Live Events, GES serves as the official services contractor and provides the services and products listed above under “Services/Products Provided to Event Organizers.” As the official services contractor, GES is designated as the exclusive provider of certain services to exhibitors participating in a Live Event. This designation provides exhibitors with a single point of contact to facilitate a timely, safe, and efficient move-in and move-out of a Live Event and to facilitate an organized, professional, during-show experience. Whether or not GES is the official services contractor of a Live Event, GES competes with other service providers to sell discretionary services to exhibitors. GES also offers discretionary services, combined with complete event program management, including creative design, strategy, and planning to corporate brand marketers across all Live Events in which they participate.

Event Accommodations

With the acquisition of onPeak LLC and Travel Planners, Inc. (collectively, “onPeak”) in October 2014, and Travel Planners, Inc.’s subsequent merger into onPeak LLC, the U.S. Segment of GES positioned itself as the leading provider of Event Accommodations services in North America. As the distributor of exclusive accommodations services for a Live Event, GES is responsible for researching and recommending local hotels, securing room blocks, marketing reserved room blocks to event attendees and exhibitors, managing attendee and exhibitor reservations, and addressing any accommodations concerns during the show. Event Accommodations offer GES the unique potential to serve multiple Live Event participants through a single integrated service network. Event attendees and exhibitors benefit from GES’ accommodations services by receiving convenient and affordable hotel accommodations. Additionally, event organizers benefit from GES’ management of complex hotel booking administration before, during, and after the event. GES also helps drive revenue per available room for hotels by acting as a direct sales channel to high-value, professional guests. For the U.S. Segment, Event Accommodations accounted for 3 percent of Viad’s 2015 consolidated revenue, as compared to 1 percent in 2014 and none in 2013.

Audio-Visual

In both the U.S. Segment and the International Segment, GES offers a variety of audio-visual (“AV”) and digital services for Live Events and corporate brand marketers. GES combines the science of innovative digital solutions with the latest AV technology and superior service to create award-winning attendee engagements. Services provided include digital design and content, media production, content testing, equipment rental, staging, and creative services. With the acquisition of Blitz Communications Group Limited and its affiliates (collectively, “Blitz”) in September 2014, GES obtained a prominent position in the United Kingdom AV market and delivery services in continental Europe. For the U.S. Segment, AV accounted for 1 percent of Viad’s 2015 consolidated revenue, as compared to less than 1 percent in 2014 and none in 2013. For the International Segment, AV accounted for 2 percent of Viad’s 2015 consolidated revenue, as compared to 1 percent in 2014 and none in 2013.

Registration and Data

In the International Segment, GES provides event registration and data services. GES positioned itself as a leading provider of registration services for a Live Event with the acquisition of N200 Limited and its affiliates (collectively, “N200”) in November 2014. As Europe’s leading software-as-a-service event registration and data intelligence service provider, N200’s Visit Registration platform is used by 258 clients to stage over 1,100 events across 41 countries. N200 also supports 57,000 exhibitors who use its Connect platform to capture and manage sales leads at events. The N200 acquisition enables GES to expand and cross-sell its service and technology offering globally, reaching new markets, clients, and customers. For the International Segment, registration and data accounted for 1 percent of Viad’s 2015 consolidated revenue, as compared to less than 1 percent in 2014 and none in 2013.



### Seasonality and Show Rotation

For both the U.S. Segment and the International Segment, exhibition and event activity can vary significantly from quarter to quarter and year to year depending on the frequency and timing of shows, as some shows are not held each year and some may shift between quarters. The U.S. Segment generally reports its highest revenue during the first and second quarters. The International Segment generally reports its highest revenue during the second and fourth quarters. The show rotation metric refers to the net change in revenue from 2014 to 2015 due to show movement between quarters and years. Show rotation refers to shows that occur less frequently than annually, as well as annual shows that shift quarters from one year to the next. See “Item 1A – Risk Factors – Viad’s businesses are seasonal, which causes results of operations to fluctuate and makes results of operations particularly sensitive to adverse events during peak periods” and “Item 1A – Risk Factors - Show rotation impacts overall profitability and makes comparisons between periods difficult,” which are incorporated herein by reference.

### Competition

For both the U.S. Segment and the International Segment, GES generally competes across all classes of services and all markets in the Live Events industry on the basis of discernible differences, value, quality, price, convenience, and service. GES has a competitive advantage through its worldwide network of resources, experienced personnel, pioneering service programs and offerings, first class execution, proprietary technology platforms, and financial strength. All known U.S. competitors and most international competitors are privately held companies that provide limited public information regarding their operations. The primary competitor for GES within its Core Services is The Freeman Company (a privately held company); however, there is substantial competition from a large number of service providers in the other categories of service offerings.

### Growth Strategy

GES is committed to becoming the preferred global, full-service provider for Live Events, with further reach to Exhibitions, Congresses and Conferences, Corporate Events, and Consumer Events. GES has uniquely combined the art of high-impact creativity, service, and expertise with the science of easy-to-use technology, strategy, and worldwide logistics to help clients gain a greater return at their events and enhance the exhibitor experience.

- Global Reach. Leverage global capabilities and large customer base to drive continued growth in new services and other Live Events;
- Full-Service Provider. Growth of adjacent services to create a unique and integrated offering to deepen client relationships, expand client base, and increase share of total event spend; and
- Live Events. Growth of exhibition business and penetration into new events to extend industry leadership and leverage capabilities.

With its strategic acquisitions in 2014, GES made significant progress creating the most comprehensive suite of services for the Live Events industry. GES extended its AV services beyond North America with the acquisition of Blitz, positioned itself as a leading event registration and data intelligence services provider in Europe with the acquisition of N200, and acquired a leading event accommodations company, onPeak. In 2015, these acquisitions enhanced overall competitiveness, facilitated growth in under-penetrated areas, and formed a basis for a data platform. The Company continues to pursue opportunities to acquire businesses with proven products and services that complement, enhance, or expand current businesses or offer growth opportunities.

#### Recent Developments of the Marketing & Events Group

- Successful integration of 2014 acquisitions. Successful integration of Blitz, N200, and onPeak.
- Cross-selling opportunities. Effectively positioned to cross-sell an increasingly comprehensive suite of service offerings with a convenient approach to service delivery that differentiates GES from its competition.
- Registration and data services planned entrance in U.S. market. Planned entrance of registration and data services in the U.S market in 2016.

#### TRAVEL & RECREATION GROUP

The Travel & Recreation Group offers guests distinctive and world renowned experiences in iconic natural and cultural destinations in North America through its collection of unique hotels, lodges, recreational attractions, and transportation services. It draws its customers from major markets, including Canada, the United States, the United Kingdom, Australia/New Zealand, Asia, and Europe. It markets directly to consumers, as well as through distribution channels that include tour operators, tour wholesalers, destination management companies, and retail travel agencies and organizations.

The Travel & Recreation Group is comprised of four lines of business: (i) Hospitality; (ii) Attractions; (iii) Package Tours; and (iv) Transportation. These four lines of business work together, driving economies of scope and meaningful scale in and around the iconic destinations of Banff, Jasper and Waterton Lakes National Parks in Canada, and Glacier and Denali National Parks in the United States. The Travel & Recreation Group is composed of Brewster Inc. (“Brewster”), Glacier Park, Inc. (“Glacier Park”), and Alaskan Park Properties, Inc. (“Alaska Denali Travel”).

Brewster, a wholly-owned subsidiary of Viad, is a leading travel and tourism provider in the Canadian Rockies in Alberta and in other areas of Western Canada.

Glacier Park, an 80 percent owned subsidiary of Viad, is an owner and operator of lodging properties located in and around Glacier National Park in Montana and Waterton Lakes National Park in Alberta, Canada, with a leading share of rooms in that market.

Alaska Denali Travel, a wholly-owned subsidiary of Viad, is a travel and tourism provider in Denali National Park and Preserve in Alaska.

Brewster, Glacier Park, and Alaska Denali Travel have the following lines of business:

	Hospitality (# of rooms)	Attractions <sup>(1)</sup>	Package Tours <sup>(2)</sup>	Transportation <sup>(2)</sup>
Brewster	Mount Royal Hotel (135)	Banff Gondola	Inbound package tours	Sightseeing tours
	Banff International Hotel (162)	Columbia Icefield	Corporate event management services	Airporter services
	Glacier View Inn (32)	Glacier Adventure		Charter motorcoach services
		Glacier Skywalk		
		Banff Lake Cruise		
Glacier Park	St. Mary Lodge (116)			
	Glacier Park Lodge (162)			
	Grouse Mountain Lodge (144)			
	Prince of Wales Hotel (86)			
	West Glacier Motel & Cabins (32)			
	Motel Lake McDonald (27)			
	Apgar Village Lodge (48)			
Alaska Denali Travel	Denali Backcountry Lodge (42)		Inbound package tours	Denali Backcountry Adventure
	Denali Cabins (46)			

<sup>(1)</sup>On January 4, 2016, Brewster acquired the business of Maligne Tours Ltd. (“Maligne Lake Tours”), which offers sightseeing boat tours on Maligne Lake in Jasper National Park.

<sup>(2)</sup>During 2016, Brewster will begin exiting third party tour and travel products and summer season charter transportation services.

**Hospitality** The Travel & Recreation Group provides lodging accommodations, food and beverage services, and retail operations through its collection of unique hotels and lodges varying from hikers’ cabins to hotel suites.

•Mount Royal Hotel and the Banff International Hotel are located in the heart of Banff National Park in downtown Banff, Alberta, Canada.

•Glacier View Inn is located on the Columbia Icefield between Lake Louise and Jasper National Park.

- St. Mary Lodge is located outside the east entrance of Glacier National Park in St. Mary, Montana.
- Glacier Park Lodge is located in East Glacier, Montana.
- Grouse Mountain Lodge is located near Glacier National Park in Whitefish, Montana.
- Prince of Wales Hotel is located in Waterton Lakes National Park, Alberta, Canada.
- West Glacier Motel & Cabins are located in West Glacier, Montana.
- Motel Lake McDonald and the Apgar Village Lodge are located inside Glacier National Park.
- Denali Backcountry Lodge is located in the heart of the Denali National Park.
- Denali Cabins are located near the entrance to the Denali National Park.

Attractions

Brewster  
owns and  
operates the  
following  
four  
attractions  
in the  
Canadian  
Rocky  
Mountains:

The Banff Gondola transports visitors to an elevation of over 7,000 feet above sea level to the top of Sulphur Mountain in Banff, Alberta, Canada, offering an unobstructed view of the Canadian Rockies and overlooking the town of Banff and the Bow Valley. Brewster began an upper terminal redevelopment project in September 2015, which will result in 25 percent more square footage, an improved layout, optimized food and beverage and retail space, and new interpretive experiences. It is scheduled to reopen in phases from May 2016 through August 2016. The Columbia Icefield Glacier Adventure is a tour of the Athabasca Glacier on the Columbia Icefield, and provides customers the experience to view one of the largest accumulations of ice

and snow south of the Arctic Circle. Icefield customers ride in an “Ice Explorer,” a unique vehicle specially designed for glacier travel.

The Glacier Skywalk is a 1,312-foot guided interpretive walkway with a 98-foot glass-floored observation area overlooking the Sunwapta Valley, in close proximity to the Company’s Columbia Icefield Glacier Adventure attraction in Jasper National Park, Alberta, Canada. The Glacier Skywalk attraction, which opened in May 2014, has experienced robust visitor traffic and continues to win awards and receive international recognition for its innovative design and environmentally sound architecture.

The Banff Lake Cruise provides customers a unique sightseeing tour experience through interpretive boat cruises on Lake Minnewanka and the scenic Canadian Rockies. The Banff Lake Cruise operations are located adjacent to the town of Banff and include boat tours, small boat rentals, and charter fishing.

Package  
Tours

Brewster's inbound package tour operations currently offer package tours that feature Brewster's attractions, transportation services, and hotels. Brewster also offers a full suite of corporate and event management services for meetings, conferences, incentive travel, sports, and special events. Event-related service offerings include staffing, off-site events, tours/activities, team building, accommodations, event management, theme development, production, and AV services. During 2015, Brewster's package tours offered third party tour and travel products; however, to align with its goal of delivering premium experiences and improving overall profit margin, Brewster will begin phasing out these products in 2016. Alaska Denali Travel provides complete travel planning services and vacation packages throughout Alaska.

## Transportation

Brewster's transportation operations currently include sightseeing tours, airport shuttle services, and charter motorcoach services. Brewster's sightseeing services and airport express shuttle services include seasonal half- and full-day tours from Calgary, Banff, Lake Louise, and Jasper, Canada. Brewster's charter business operates a fleet of luxury motorcoaches, available for groups of any size, for travel throughout the Canadian provinces of Alberta and British Columbia. During 2015, Brewster operated the charter business year-round. Beginning in 2016, Brewster will begin exiting certain low-margin, capital-intensive charter businesses in the summer season to improve overall profitability and return on invested capital. Alaska Denali Travel offers unique sightseeing tours in and around Denali National Park.

## Seasonality

The Travel & Recreation Group experiences peak activity during the summer months. During 2015, 87 percent of the Travel & Recreation Group's revenue was earned in the second and third quarters. See "Item 1A – Risk Factors – Viad's businesses are seasonal, which causes results of operations to fluctuate and makes results of operations particularly sensitive to adverse events during peak periods," which is incorporated herein by reference.

## Competition

The Travel & Recreation Group generally competes on the basis of location, uniqueness of facilities, service, quality, and price. Competition exists both locally and regionally across all four lines of business. The hospitality business has a large number of competitors and competes for leisure travelers (both individual and tour groups) across the United States and Canada. The Travel & Recreation Group has a competitive advantage through its distinctive attractions and the iconic destinations of its assets.

## Growth Strategy

The Travel & Recreation Group remains focused on delivering powerful experiences while growing and enhancing its unique portfolio of integrated tourism assets through its Refresh-Build-Buy growth initiatives.

- Refresh. Refresh assets to optimize market position and maximize returns;
- Build. Build new assets that create new revenue streams with economies of scale and scope; and
- Buy. Buy strategic assets that drive economies of scale and scope with strong returns.

The Travel & Recreation Group continued to make progress with its Refresh-Build-Buy growth initiatives by commencing a major renovation of the Banff Gondola and upgrades of the Banff International Hotel, both of which are scheduled for completion in 2016. The Glacier Skywalk continues to win awards and receive international recognition for its innovative design and environmentally sound architecture. The Travel & Recreation Group also complemented its existing assets and reinforced its position as the Gateway to Glacier National Park with the acquisition of the West Glacier Motel &



Cabins, the Apgar Village Lodge and related land, food and beverage services, and retail operations (collectively, the “West Glacier Properties”) in 2014. The Company continues to search for opportunities to acquire high return tourism assets in iconic natural destinations that enjoy perennial demand, bring meaningful scale and market share, and offer cross-selling advantages with a combination of attractions and hotels.

#### Recent Developments of the Travel & Recreation Group

- Successful integration of the West Glacier Properties. The West Glacier Properties acquisition was successfully integrated, positioning the Company to deliver long-term value to its shareholders.
- Renovation of the Banff Gondola. The Travel & Recreation Group began the redevelopment project of the Banff Gondola in September 2015. This renovation will feature 25 percent more square footage, including an 8,000 square foot rooftop viewing deck and an exterior climbing wall. The renovation will also include enhanced retail and dining offerings, a state of the art interpretive area including new experiential areas such as a high definition theater. It is scheduled to reopen in phases from May 2016 through August 2016.
- Acquisition of Maligne Lake Tours. On January 4, 2016, Brewster acquired the business of Maligne Lake Tours, which offers sightseeing boat tours on a picturesque glacial lake. The Maligne Lake Tours acquisition strengthens the Travel & Recreation Group’s presence in the Jasper National Park area and adds another world-class attraction to its portfolio of services.

Financial information on Viad’s reportable segments and geographic areas is contained in Note 22 – Segment Information of the Notes to Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K).

#### Intellectual Property

Viad and its subsidiaries own or have the right to use registered trademarks and trademarks pending registration, used in their businesses, including Global Experience Specialists & design<sup>®</sup>, GES<sup>®</sup>, GES Servicenter<sup>®</sup>, GES National Servicenter<sup>®</sup>, GES MarketWorks<sup>®</sup>, The Art and Science of Engagement<sup>®</sup>, Trade Show Rigging TSR<sup>®</sup>, TSE Trade Show Electrical & design<sup>®</sup>, Earth Explorers<sup>®</sup>, Compass Direct<sup>®</sup>, ethnoMetrics<sup>®</sup>, eXPRESSO<sup>®</sup>, FIT<sup>®</sup>, eco-sense<sup>®</sup>, Alaska Denali Travel<sup>®</sup>, Alaska Denali Escapes<sup>®</sup>, Denali Backcountry Adventure<sup>®</sup>, Denali Backcountry Lodge<sup>®</sup>, and Denali Cabins<sup>®</sup>. Viad and its subsidiaries also own or have the right to use many registered trademarks and trademarks pending registration outside of the United States, including GES<sup>®</sup>, ShowTech<sup>®</sup>, Brewster Travel Canada & design<sup>®</sup>, Brewster Attractions Explore & design<sup>®</sup>, Brewster Hospitality Refresh & design<sup>®</sup>, Glacier Skywalk<sup>®</sup> and escape.connect.refresh.explore<sup>®</sup>. United States trademark registrations are for a term of 10 years and are renewable every 10 years as long as the trademarks are used in the regular course of business.

The Company owns patents that it believes provide competitive advantages in the marketplace for its exhibit and exhibition services. Its patented technology relating to a modular structure having a load-bearing surface provides efficiencies and cost savings in the design, manufacture, assembly, take down, and maintenance of displays and exhibitions. Its patented invention relating to a surface-covering installation tool and method not only reduces direct labor costs, but provides improved worker safety. The Company also owns a number of design patents for its retail merchandising units. United States utility patents are currently granted for a term of 20 years from the date a patent application is filed and United States design patents are currently granted for a term of 14 years from the date granted. The Marketing & Events Group has extensive design libraries with copyright protections and owns copyright registrations for a number of the designs within its design libraries. Copyright protection for such work is 95 years from the date of publication or 120 years from creation, whichever is shorter.

Although Viad believes that certain of its patents, trademarks, and copyrights have substantial value, it does not believe that the loss of any one of those patents, trademarks, or copyrights would have a material adverse effect on its financial condition or results of operations, or the financial condition or results of operations of any of its reporting segments.

## Government Regulation and Compliance

Compliance with legal requirements and government regulations represents a normal cost of doing business. The principal regulations affecting the day-to-day businesses are rules and regulations relating to transportation (such as regulations promulgated by the U.S. Department of Transportation and its state counterparts), employees (such as regulations implemented by the Occupational Safety and Health Administration, equal employment opportunity laws, guidelines implemented pursuant to the Americans with Disabilities Act, and general federal and state employment laws), unionized labor (such as guidelines imposed by the National Labor Relations Act), and U.S. and Canadian regulations relating to national parks (such as regulations established by Parks Canada, the U.S. Department of the Interior, and the U.S. National Park Service).

Some of Viad’s current and former businesses are subject to U.S. federal and state environmental regulations, including laws enacted under the Comprehensive Environmental Response, Compensation and Liability Act, or its state law counterparts. Compliance with federal, state and local environmental, health and safety provisions, including, but not limited to, those regulating the discharge of materials into the environment and other actions relating to the environment, have not had, and are not expected to have, a material effect on Viad’s capital expenditures, competitive position, financial condition or results of operations. See “Item 1A - Risk Factors - Liabilities relating to prior and discontinued operations may adversely affect results of operations” and Note 21 – Litigation, Claims, Contingencies, and Other of the Notes to the Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K) for a discussion of the risks related to liabilities arising from the Company’s compliance with federal, state, and local environmental laws, which are incorporated herein by reference.

## Employees

Viad’s businesses had 4,285 employees as of December 31, 2015 as follows:

	Regular Full-Time	
	Employees Covered by	
	Number of	Collective Bargaining
	Employees	Agreements
Marketing & Events Group	3,634	1,113
Travel & Recreation Group	513	109
Viad Corporate and Shared Services Group	138	—
Total	4,285	1,222

Viad believes that relations with its employees are good and that collective-bargaining agreements expiring in 2016 will be renegotiated in the ordinary course of business without a material adverse effect on Viad’s operations.

Viad is governed by a Board of Directors comprised of seven non-employee directors and one employee director, and has an executive management team consisting of six executive officers.

## Financial Information about Restructuring Charges

Refer to Note 19 - Restructuring Charges of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K) for information regarding restructuring charges.

## Financial Information about Segments

Refer to Note 22 - Segment Information of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K) for segment financial information.

## Financial Information about Geographic Areas

Refer to Note 22 - Segment Information of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K) for geographic area financial information.

Available Information

Viad's website address is [www.viad.com](http://www.viad.com). All of Viad's filings with the Securities and Exchange Commission ("SEC"), including Viad's Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, are available free of charge on Viad's website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in Viad's website is neither a part of, nor incorporated by reference into, this Annual Report on Form 10-K. In addition, the public may read and copy materials that Viad filed with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the public reference room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC's website address is [www.sec.gov](http://www.sec.gov).

Viad's investor relations website is <http://viad.investorroom.com/> and includes key information about the Company's corporate governance initiatives, including its Corporate Governance Guidelines, charters of the committees of the Board of Directors, Code of Ethics, and information concerning Viad's Board of Directors and methods for communicating with directors.

## Item 1A. Risk Factors

Viad's results of operations are subject to known and unknown risks. As a result, past financial performance and historical trends may not be reliable indicators of future performance.

Completed acquisitions may not perform as anticipated or be integrated as planned. Viad has acquired businesses and intends to continue to pursue opportunities to acquire businesses that complement, enhance or expand Viad's current businesses, or offer growth opportunities to Viad. Acquisitions can involve a number of risks, including the failure to achieve the financial and strategic goals and other benefits from the acquisition; the inability to successfully integrate the acquired business into Viad's ongoing businesses; the inability to retain key personnel or customers of the acquired business; the inability to successfully integrate financial reporting and internal control systems; increased debt; new regulatory requirements; the disruption of Viad's ongoing businesses and distraction of senior management and employees of Viad from other opportunities and challenges due to the integration of the acquired business; and the potential existence of unknown liabilities or contingencies not disclosed to or known by Viad prior to closing the acquisition or not otherwise provided for through the purchase agreement. If Viad makes changes to its business strategy or if external conditions adversely affect its business operations, the Company may also be required to record an impairment charge to goodwill or intangible assets.

Viad's businesses and results of operations are adversely affected by deterioration in general economic conditions. Viad's businesses are sensitive to fluctuations in general economic conditions and are impacted by changes in the cost of materials and operating supplies. The results of operations for the U.S. Segment and the International Segment depends largely on the number of exhibitions held and on the size of exhibitors' marketing expenditures, which in turn depend partly on the strength of particular industries in which exhibitors operate. The number and size of exhibitions generally decrease when the economy weakens.

Further, many exhibitors' marketing budgets are partly discretionary, and are frequently among the first expenditures reduced by exhibitors when economic conditions deteriorate, resulting in reduced spending by exhibitors for the Company's services. Marketing expenditures often are not increased until economic conditions improve. As a result, during periods of general economic weakness, the results of operations for the Marketing & Events Group are adversely affected.

Revenue from the Travel & Recreation Group depends largely on the amount of disposable income that consumers have available for travel and vacations. This amount decreases during periods of weak general economic conditions.

Viad's results of operations are impacted by changes in foreign currency exchange rates. Viad conducts foreign operations primarily in Canada, the United Kingdom, Germany, and to a lesser extent, in certain other countries. The functional currency of Viad's foreign subsidiaries is their local currency. Accordingly, for purposes of consolidation, Viad translates the assets and liabilities of its foreign subsidiaries into U.S. dollars at the foreign exchange rates in effect at the balance sheet date. The unrealized gains or losses resulting from the translation of those foreign denominated assets and liabilities are included as a component of accumulated other comprehensive income in Viad's consolidated balance sheets. As a result, significant fluctuations in foreign exchange rates, relative to the U.S. dollar, may result in material changes to Viad's net equity position reported in its consolidated balance sheets. Viad does not currently hedge its equity risk arising from the translation of foreign denominated assets and liabilities.

In addition, for purposes of consolidation, revenue, expenses, gains, and losses related to Viad's foreign operations are translated into U.S. dollars at the average foreign exchange rates for the period. As a result, Viad's consolidated results of operations are exposed to fluctuations in foreign exchange rates, even when the functional currency amounts have not changed. Accordingly, fluctuations in the exchange rates affect overall profitability and historical period-to-period comparisons. Viad has not hedged its net earnings exposure arising from the translation of its foreign results of operations.

During 2015, the Marketing & Events Group derived approximately 28 percent of its revenue and 46 percent of its segment operating income from its International Segment. The Travel & Recreation Group derived approximately 73 percent of its 2015 revenue and 89 percent of its 2015 segment operating income from its Canadian operations, which are largely dependent on foreign customer visitation. Accordingly, the strengthening or weakening of the Canadian dollar, relative to other currencies, could affect customer volumes and the results of operations in the Travel & Recreation Group.

Show rotation impacts overall profitability and makes comparisons between periods difficult. The business activities of the Marketing & Events Group are largely dependent upon the frequency, timing, and location of exhibitions and events. Some large exhibitions are not held annually (they may be held once every two or three years or longer) or may be held at a

different time of year than when previously held. In addition, the same exhibition may be held in different locations in different years, and may result in Viad generating lower margins if the exhibition shifts to a higher-cost city. The factors described above may cause the results of operations for those businesses to fluctuate significantly from quarter to quarter or from year to year, making periodic comparisons difficult.

Viad's businesses are adversely affected by disruptions in the travel industry, particularly those adversely affecting the hotel and airline industries. The success of Viad's businesses depends largely on the ability and willingness of people, whether exhibitors, exhibition attendees, or others, to travel. Factors adversely affecting the travel industry as a whole, and particularly the airline and hotel industries, generally also adversely affect Viad's businesses and results of operations. Factors that could adversely affect the travel industry as a whole include high or rising fuel prices, increased security and passport requirements, weather conditions, airline accidents, and international political instability and hostilities. Unexpected events of this nature, or other events that may have an impact on the availability and pricing of air travel and accommodations, could have a material adverse effect on Viad's businesses and results of operations.

The failure of a large client to renew its services contract or the loss of business from exhibition facilities could adversely impact revenue. Although no single client accounted for more than 6.3 percent of Viad's consolidated revenue in 2015, the U.S. Segment and the International Segment have a relatively small number of large exhibition event organizers and large customer accounts. Consistent with industry practice, and only after a favorable review of credit worthiness, some of those larger clients have also been granted extended payment terms. The loss of any of these large clients, or the failure of such clients to pay in accordance with any extended payment terms, could have a material adverse effect on the results of operations of the U.S Segment and the International Segment.

In addition, revenue of the Marketing & Events Group may be significantly impacted if certain exhibition facilities choose to in-source electrical, plumbing, or other services. When the Marketing & Events Group is hired as the official services contractor for an exhibition, the event organizer contractually grants an exclusive right to perform those electrical and plumbing services, subject to the exhibition facility's option to in-source the services (either by performing the services themselves or by hiring a separate service provider). Many exhibition facilities are under financial pressure as a result of conditions generally affecting their industry, including an increased supply of exhibition space. As a result, some of those facilities have sought to in-source all or a large portion of those services. If a large number of facilities with which the Marketing & Events Group has those relationships choose to in-source those services, such a decision could have a material adverse effect on Viad's results of operations.

Viad's key businesses are relationship driven. The business activities of the U.S. Segment and the International Segment are heavily focused on client relationships, and, specifically, on the close collaboration and interaction with the client. Those relationships require the account team to become attuned to the client's desires and expectations in order to provide top-quality service. Viad has in the past lost, and may in the future lose, important clients (and corresponding revenue) if a key member of the account team were to cease employment with the Company and take those customers to a competitor.

Viad's future payment of special dividends should not be relied upon as a way to realize any future gains on an investment. The Board of Directors generally declares and pays regular dividends to Viad's shareholders on a quarterly basis and also has paid special dividends, most recently in February 2014. The decision to declare a special dividend and the amount, timing, and payment of any such dividend are at the sole discretion of the Board. Factors in any decision to declare a dividend would include the amount of funds legally available and an evaluation of the Company's financial condition, capital requirements, future prospects, and other factors deemed relevant by the Board. Accordingly, investors should not rely on the future payment of special dividends as a way to realize gains on their investment.

Viad's businesses are seasonal, which causes results of operations to fluctuate and makes results of operations particularly sensitive to adverse events during peak periods. Exhibition and event activity for the U.S. Segment and the International Segment varies significantly depending on the frequency and timing of shows, as some shows are not held each year and some may shift between quarters. The Travel & Recreation Group experiences peak activity during the summer months. During 2015, 87 percent of the Travel & Recreation Group's revenue was earned in the second and third quarters. Because of the seasonal nature of Viad's businesses, adverse events or conditions occurring during peak periods could have a material adverse effect on Viad's results of operations.



New capital projects may not be commercially successful. From time to time, in an effort to seize opportunities that complement, enhance, and expand its businesses, Viad pursues new capital projects. Capital projects are subject to a number of risks, including unanticipated delays, cost overruns, and the failure to achieve established financial and strategic goals, as well as additional risks specific to a project. The occurrence of any of the events described above could prevent a new capital project from performing in accordance with Viad's commercial expectations and could have a material adverse effect on its businesses and results of operations.

Transportation disruptions and increases in transportation costs could adversely affect Viad's businesses and results of operations. The U.S. Segment and the International Segment rely on independent transportation carriers to send materials and exhibits to and from exhibitions, warehouse facilities, and customer facilities. If Viad's customers and suppliers were unable to secure the services of those independent transportation carriers at favorable rates, it could have a material adverse effect on Viad's businesses and results of operations. In addition, disruption of transportation services because of weather-related problems, strikes, lockouts, or other events could adversely affect their ability to supply services to customers and could cause the cancellation of exhibitions, which may have a material adverse effect on the businesses and results of operations.

Union-represented labor creates an increased risk of work stoppages and higher labor costs. A significant portion of Viad's employees are unionized and Viad's businesses are party to approximately 100 collective-bargaining agreements, with approximately one-third requiring renegotiation each year. If the results of labor negotiations caused the Company to increase wages or benefits, which increases total labor costs, the increased costs could either be absorbed (which would adversely affect operating margins) or passed on to customers, which may lead customers to turn to other vendors in response to higher prices. Either event could have a material adverse effect on Viad's businesses and results of operations.

Additionally, if the Company were unable to reach an agreement with a union during the collective-bargaining process, the union may strike or carry out other types of work stoppages. In such a circumstance, Viad might be unable to find substitute workers with the necessary skills to perform many of the services, or may incur additional costs to do so, which could have a material adverse effect on the Company's businesses and results of operations.

Obligations to fund multi-employer pension plans, to which Viad contributes, may have an adverse impact on its results of operations. Viad's businesses contribute to various multi-employer pension plans based on obligations arising under collective-bargaining agreements covering its union-represented employees. Viad's contributions to those multi-employer plans in 2015 and 2014 totaled \$22.0 million and \$23.2 million, respectively. Viad does not directly manage those multi-employer plans, which are generally managed by boards of trustees. Based upon the information available to Viad from plan administrators, management believes that several of those multi-employer plans are underfunded. The Pension Protection Act of 2006 requires pension plans underfunded at certain levels to reduce, over defined time periods, the underfunded status. In addition, under current laws, the termination of a plan, or a voluntary withdrawal from a plan by Viad, or a shrinking contribution base to a plan as a result of the insolvency or withdrawal of other contributing employers to such plan, would require Viad to make payments to such plan for its proportionate share of the plan's unfunded vested liabilities. Viad cannot determine at this time the amount of additional funding, if any, it may be required to make to those plans. However, plan contribution increases, if any, could have a material adverse effect on Viad's consolidated financial condition, results of operations, and cash flows. Refer to Note 18 – Pension and Postretirement Benefits of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K) for further information.

Viad competes in competitive industries and increased competition could negatively impact its results of operations. Viad is engaged in a number of highly competitive industries. Competition in the Live Events industry and the exhibits and experiential environments industries is driven by price and service quality, among other factors. To the extent competitors seek to gain or retain their market presence through aggressive underpricing strategies, Viad may

be required to lower its prices and rates to avoid loss of related business, thereby adversely affecting its results of operations. In addition, if Viad is unable to anticipate and respond as effectively as competitors to changing business conditions, including new technologies and business models, Viad could lose market share to its competitors. Viad's inability to meet the challenges presented by the competitive environment could have a material adverse effect on its results of operations.

Liabilities relating to prior and discontinued operations may adversely affect results of operations. Viad and its predecessors have a corporate history spanning over eight decades and involving approximately 2,400 previous subsidiaries in diverse businesses, such as the manufacturing of locomotives, buses, industrial chemicals, fertilizers, pharmaceuticals, leather, textiles, food, and fresh meats. Some of those businesses used raw materials that have been, and may continue to be, subject to litigation. Moreover, some of the raw materials used and the waste produced by those businesses have been and are the subject of U.S. federal and state environmental regulations, including laws enacted under the Comprehensive Environmental Response, Compensation and Liability Act, or its state law counterparts. In addition, Viad may incur other liabilities, resulting from indemnification claims involving previously sold subsidiaries, as well as from past operations of predecessors or their subsidiaries. Although the Company believes it has adequate reserves and sufficient insurance coverage to cover those future liabilities, future events or proceedings could contradict with current assumptions, which could cause reserves or insurance to become inadequate and, ultimately, have a material adverse effect on Viad's results of operations.

Terrorist attacks, natural disasters or other catastrophic events may have a negative effect on Viad's business. The occurrence of catastrophic events ranging from natural disasters (such as hurricanes and floods), health epidemics or pandemics, acts of war or terrorism, or the prospect of these events could disrupt Viad's businesses. Such catastrophic events could impact the Marketing & Events Group's production facilities, preventing the Company from timely completing exhibit fabrication and other projects for customers, and could also cause a cancellation of exhibitions and other events held in public venues or a disruption in the services the Company provides to its customers at convention centers, exhibition halls, hotels, and other public venues. Such catastrophic events could also adversely impact the Travel & Recreation Group businesses, which are heavily dependent on the ability and willingness of its guests to travel. The guests serviced by the Travel & Recreation Group tend to delay or postpone vacations if natural conditions differ from those that typically prevail at competing lodges, resorts and attractions during a given season, and catastrophic events could impede the guests' ability to travel, interrupt the Company's business operations, and/or cause damage to the Company's properties. If the conditions arising from such events persist or worsen, they could have a material adverse effect on Viad's results of operations and financial condition.

Improper disclosure of personal data could result in liability and harm the Company's reputation. Viad's businesses store and process a significant amount of personally identifiable information in connection with the services they provide to customers. If the Company's security controls over personal data, training of employees and vendors on data security, and other practices and procedures do not prevent the improper disclosure of personally identifiable information, the Company's reputation could be harmed, and the Company could face legal exposure to customers and other liabilities under laws that protect personal data, resulting in increased costs or loss of revenue. Certain of the Company's services also enable its customers to store and process personal data. Perceptions that the Company's services do not adequately protect the privacy of personal information could have a material adverse effect on Viad's businesses and results of operations.

#### Item 1B. Unresolved Staff Comments

None.

#### Item 2. Properties

Viad's businesses operate service or production facilities and maintain sales and service offices in the United States, Canada, the United Kingdom, Germany, the United Arab Emirates, and the Netherlands. The principal properties of Viad are operated by the Marketing & Events Group, the Travel & Recreation Group, and Viad Corporate and Shared Services as follows:

#### Marketing & Events U.S. Segment

The U.S. Segment operates 20 offices and 25 multi-use facilities (manufacturing, sales and design, office, storage and/or warehouse, and truck marshaling yards). The multi-use facilities vary in size up to approximately 677,800 square feet. Two of the multi-use facilities are owned; all other properties are leased.

#### Marketing & Events International Segment

The International Segment operates 11 offices and 21 multi-use facilities, with three offices and eight multi-use facilities in Canada, four offices and six multi-use facilities in the United Kingdom, one office and two multi-use facilities in Germany, two offices and three multi-use facilities in the United Arab Emirates, and one office and two multi-use facilities in the Netherlands. The multi-use facilities vary in size up to approximately 133,600 square feet. All properties are leased or licensed.

### Travel & Recreation Group

The Travel & Recreation Group operates four offices, 22 retail stores, one bus terminal, five garages, an icefield attraction, an observation platform attraction, a gondola lift attraction, a boat tour attraction, and 12 hotels/lodges (including ancillary food service and recreational facilities). All of the facilities are in the United States or Canada. The bus terminal, all of the hotels/lodges, one office, four garages, the icefield attraction, the gondola lift attraction, the observation platform attraction, and the boat tour attraction are owned. One garage and three offices are leased, and four hotels/lodges, an office and all of the owned garages and attractions are situated on land subject to multiple long-term ground leases with the Canadian government.

### Viad Headquarters

The Company's headquarters are leased and approximate 19,900 square feet, and are located at 1850 North Central Avenue, Suite 1900 in Phoenix, Arizona 85004-4565.

Management believes that the Company's facilities are adequate and suitable for its business operations and that capacity is sufficient for current needs.

### Item 3. Legal Proceedings

Refer to Note 21 - Litigation, Claims, Contingencies, and Other of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K) for information regarding legal proceedings for which the Company is involved.

### Item 4. Mine Safety Disclosures.

Not applicable.

Other. Executive Officers of the Registrant

The executive officers of Viad as of March 11, 2016 were as follows:

Name	Age	Business Experience During the Past Five Years and Other Information
Steven W. Moster	46	President and Chief Executive Officer of Viad since 2014; President of the Marketing & Events Group since 2011; President of GES, a wholly-owned subsidiary of Viad, since 2010; prior thereto, independent consultant providing marketing and sales consultation services to 3 Day Blinds Corporation, a manufacturer and retailer of custom window coverings, from April 2010 to August 2010; prior thereto, Executive Vice President-Chief Sales & Marketing Officer of GES from 2008 to 2010; prior thereto, Executive Vice President-Products and Services of GES from 2006 to 2008; prior thereto Vice President-Products & Services Business of GES from 2005 to 2006; and prior thereto, Engagement Manager, Management Strategy Consulting for McKinsey & Company, a multinational management consulting firm, from 2000 to 2004.
Ellen M. Ingersoll	51	Chief Financial Officer since July 2002; prior thereto, Vice President-Controller or similar position since 2002; prior thereto, Controller of CashX, Inc., a service provider of stored value internet cards, from June 2001 through October 2001; prior thereto, Operations Finance Director of LeapSource, Inc., a provider of business process outsourcing, from 2000 to June 2001; and prior thereto, Vice President and Controller of Franchise Finance Corporation of America since 1992.
David W. Barry	53	President of the Travel & Recreation Group since June 2015; prior thereto, Chief Executive Officer and President of Trust Company of America, the largest independent registered investment adviser custodian in the United States, from 2011 to June 2015; prior thereto, Chief Executive Officer of The Alpine Group of Companies, the largest helicopter skiing company in the world and a division of Intrawest Resorts Holdings, Inc., a public company, from 2004 to 2011; prior thereto, Chief Executive Officer of The Alpine Group of Companies and President and Chief Operating Officer of Intrawest USA, a \$500 million division of Intrawest Holdings Resorts, Inc. with 13,000 employees, from 2004 to 2007.
Deborah J. DePaoli	51	General Counsel and Secretary since 2011; prior thereto, Deputy General Counsel and Assistant Secretary from 2009 to 2011; prior thereto, Assistant General Counsel and Assistant Secretary from 2004 to 2009; prior thereto, held other attorney positions since joining Viad in 2000; prior thereto, Vice President and General Counsel, Outings on the Links, Inc. from 1996 to 2000; and prior thereto, Senior Associate and various legal positions with Gallagher & Kennedy, P.A. from 1991 to 1996.
Thomas M. Kuczynski	51	Chief Corporate Development & Strategy Officer since 2008; prior thereto, Senior Vice President, Corporate Development & Planning of The Nielsen Company, a media and marketing information company, from 2006 to 2008; prior thereto, Managing Director of The Pareto Group, a provider of strategic and investment advisory services, from 2004 to 2008; and prior thereto, Vice President of Penton Media, Inc., a business media firm producing magazines, trade shows, conferences and electronic media, from 1999 to 2003.
Leslie S. Striedel	53	Chief Accounting Officer since 2014; prior thereto, Vice President of Finance from March 2014 to April 2014; prior thereto, Vice President of Finance and Administration or similar positions with Colt Defense LLC, a designer, developer and manufacturer of firearms for military, personal

defense and recreational purposes, from 2010 to 2013; prior thereto, Vice President of Finance, Director of Financial Reporting and Compliance and Corporate Controller of White Electronics Designs Corp. (now a subsidiary of Microsemi Corporation), a public company manufacturing circuits and semiconductors, from 2004 to 2010; and prior thereto, Corporate Controller of MD Helicopters, an international helicopter manufacturer, Corporate Controller of Fluke Networks (formerly Microtest, Inc.), a publicly-traded manufacturing and technology company, and Senior Tax Manager of KPMG LLP.

The term of office of the executive officers is until the next annual organization meeting of the Board of Directors of Viad, which is scheduled for May 19, 2016.

## PART II

## Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

## Market Information

Viad's common stock is traded on the New York Stock Exchange under the symbol VVI. The high and low common stock market prices per share are as follows:

	2015		2014	
	High	Low	High	Low
First Quarter	\$28.82	\$24.73	\$28.62	\$23.27
Second Quarter	\$28.53	\$26.21	\$25.52	\$21.95
Third Quarter	\$29.75	\$25.01	\$23.27	\$20.22
Fourth Quarter	\$32.89	\$28.22	\$27.41	\$19.92

## Holders

As of January 31, 2016, there were a total of 6,311 shareholders of record of Viad's common stock, including 406 shareholders that had not converted their shares following a stock split effective on July 1, 2004.

## Dividends

For the year ended December 31, 2015, Viad's Board of Directors declared the following dividends:

	Dividend		
	Per		
Declaration Date	Share	Record Date	Payable Date
December 3, 2015	\$ 0.10	December 18, 2015	January 4, 2016
August 26, 2015	\$ 0.10	September 11, 2015	October 1, 2015
May 21, 2015	\$ 0.10	June 5, 2015	July 1, 2015
February 25, 2015	\$ 0.10	March 13, 2015	April 1, 2015

For the year ended December 31, 2014, Viad's Board of Directors declared the following dividends:

	Dividend		
	Per		
Declaration Date	Share	Record Date	Payable Date
December 4, 2014	\$ 0.10	December 19, 2014	January 2, 2015
August 27, 2014	\$ 0.10	September 12, 2014	October 1, 2014
May 22, 2014	\$ 0.10	June 6, 2014	July 1, 2014
February 26, 2014	\$ 0.10	March 14, 2014	April 1, 2014



January 24, 2014 \$ 1.50 February 7, 2014 February 14, 2014  
 Issuer Purchases of Equity Securities

The following table is the total number of shares of Viad's common stock that were repurchased during the fourth quarter of 2015 by Viad pursuant to publicly announced plans or programs, as well as from employees, former employees, and non-employee directors surrendering previously owned Viad common stock (outstanding shares) to pay the taxes in connection with the vesting of restricted stock awards.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2015 - October 31, 2015	—	\$ —	—	440,540
November 1, 2015 - November 30, 2015	1,285	\$ 31.15	—	440,540
December 1, 2015 - December 31, 2015	—	\$ —	—	440,540
Total	1,285	\$ 31.15	—	440,540

The Board of Directors authorized the Company to repurchase shares of its common stock from time to time at prevailing market prices. No shares were repurchased on the open market during the three months ended December 31, 2015. The authorization of the Board of Directors does not have an expiration date.

Effective February 24, 2016, Viad executed an amendment (the “Credit Agreement Amendment”) to its \$300 million Amended and Restated Credit Agreement (the “Credit Agreement”). The terms of the Credit Agreement allowed Viad to make dividends, distributions, and repurchases with respect to the Company’s common stock in an amount of up to \$20 million per calendar year, but restricted Viad from making any further stock dividends, distributions, or repurchases above such an amount unless the Company’s leverage ratio was less than or equal to 2.00 to 1.00, no default or unmatured default, as defined in the Credit Agreement, existed, and the liquidity amount (defined as cash in the U.S. and Canada, plus available revolver borrowings on a pro forma basis) was at least \$100 million. Under the Credit Agreement Amendment, stock dividends, distributions, and repurchases above \$20 million per calendar year are no longer subject to a liquidity covenant, and are permitted as long as the Company’s pro forma leverage ratio is less than or equal to 2.50 to 1.00 and no default or unmatured default, as defined in the Credit Agreement, exists. The Credit Agreement Amendment does not affect Viad’s right under the Credit Agreement to repurchase stock and pay dividends up to \$20 million per calendar year. For additional information on the Credit Agreement and the Credit Agreement Amendment, refer to Note 11 – Debt and Capital Lease Obligations and Note 26 – Subsequent Events of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K).

#### Performance Graph

The following graph compares the change from January 1, 2011 to December 31, 2015 in the cumulative total shareholder return on Viad’s common stock, the Standard & Poor’s SmallCap 600 Media Index, the Standard & Poor’s SmallCap 600 Commercial Services & Supplies Index, the Standard & Poor’s SmallCap 600 Index, the Russell 2000 Index, and Standard & Poor’s 500 Index (assuming reinvestment of dividends, as applicable). The graph assumes \$100 was invested on January 1, 2011.

	Year Ended December 31,					
	2010	2011	2012	2013	2014	2015
Viad Corp	\$100.00	\$69.17	\$108.93	\$124.36	\$129.00	\$138.57
S&P 500	\$100.00	\$102.11	\$118.44	\$156.79	\$178.21	\$180.65
Russell 2000	\$100.00	\$95.82	\$111.51	\$154.79	\$162.39	\$155.23
S&P SmallCap 600	\$100.00	\$101.01	\$117.47	\$166.00	\$175.53	\$172.00
S&P 600 Comm. Services & Supplies	\$100.00	\$87.44	\$114.35	\$163.98	\$162.86	\$158.94
S&P 600 Media Index	\$100.00	\$77.26	\$87.85	\$142.89	\$167.63	\$176.61

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## Item 6. Selected Financial Data.

(in thousands, except per share data)	Year Ended December 31,				
	2015	2014	2013	2012	2011
<b>Summary Statement of Operations Data <sup>(1)</sup></b>					
Revenue <sup>(2)</sup> :					
Exhibition and event services	\$799,752	\$772,770	\$685,350	\$726,429	\$670,054
Exhibits and environments	177,126	171,698	159,554	175,611	170,496
Travel and recreation services <sup>(3),(4)</sup>	112,170	120,519	108,443	104,604	87,219
Total revenue	\$1,089,048	\$1,064,987	\$953,347	\$1,006,644	\$927,769
Income from continuing operations <sup>(5)</sup>	\$27,442	\$41,178	\$19,320	\$3,553	\$7,544
Income from continuing operations attributable to Viad common					
stockholders	\$27,000	\$40,790	\$19,437	\$3,348	\$7,361
Basic and diluted income from continuing operations attributable to					
Viad common stockholders per share <sup>(5)</sup>	\$1.34	\$2.02	\$0.96	\$0.17	\$0.36
Dividends declared per common share	\$0.40	\$1.90	\$2.90	\$0.28	\$0.16
<b>Other Data</b>					
Adjusted EBITDA <sup>(6)</sup>	\$76,801	\$73,954	\$59,157	\$53,971	\$40,527
(in thousands)	December 31,				
	2015	2014	2013	2012	2011
<b>Summary Balance Sheet Data</b>					
Cash and cash equivalents	\$56,531	\$56,990	\$45,821	\$114,171	\$100,376
Total assets	\$692,295	\$714,943	\$561,932	\$650,577	\$617,828
Total debt and capital lease obligations	\$128,975	\$141,020	\$11,668	\$2,226	\$3,239
Total stockholders' equity	\$335,338	\$347,702	\$356,543	\$397,032	\$386,179
Noncontrolling interest	\$12,757	\$12,315	\$9,102	\$8,971	\$8,285

<sup>(1)</sup>The 2013 amounts and prior years have been adjusted for discontinued operations related to the expiration of Glacier Park's concession contract with the Park Service on December 31, 2013.

<sup>(2)</sup>The 2014 amounts include an aggregate \$21.2 million in revenue from the acquisitions of the West Glacier Properties, Blitz, onPeak, and N200. Refer to Note 3 - Acquisition of Businesses of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K).

<sup>(3)</sup>The 2012 amounts include \$5.2 million in revenue from the acquisition of the Banff International Hotel.

<sup>(4)</sup>The 2011 amounts include an aggregate \$9.7 million in revenue from the acquisitions of Grouse Mountain Lodge, St. Mary Lodge, Denali Backcountry Lodge, and Denali Cabins.

<sup>(5)</sup>Income from continuing operations includes the following items:

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Restructuring charges, net of tax, of \$1.9 million, \$1.0 million, \$2.6 million, \$3.3 million, and \$2.5 million in 2015, 2014, 2013, 2012, and 2011, respectively. Refer to Note 19 - Restructuring Charges of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K).

· Impairment charges, net of tax, of \$0.1 million, \$0.5 million, and \$1.6 million in 2015, 2014 and 2013, respectively. Refer to Note 6 - Property and Equipment and Note 8 - Goodwill and Other Intangible Assets of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K).

· Income tax expense in 2015 included a \$1.6 million non-cash tax benefit related to deferred taxes associated with certain foreign intangibles. Income tax expense in 2014 included the release of \$11.7 million of the valuation allowance related to the Company's foreign tax credit and state NOL carryforwards. Income tax expense in 2012 included a \$13.4 million valuation allowance for certain deferred assets associated with foreign tax credit carryforwards. Refer to Note 17 - Income Taxes of the Notes to Consolidated Financial Statements (Part II, Item 8 of this Annual Report on Form 10-K).

<sup>(6)</sup> Refer to Management's Discussion and Analysis of Financial Condition and Results of Operations (Part II, Item 7 of this Annual Report on Form 10-K) for a discussion of the "Non-GAAP Measures."

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the consolidated financial statements and related notes of Viad Corp (“Viad” or the “Company”). The MD&A is intended to assist in providing an understanding of the Company’s financial condition and results of operations. This discussion contains forward-looking statements that involve risks and uncertainties. Viad Corp’s actual results could differ materially from those anticipated due to various factors discussed under “Risk Factors,” “Forward-Looking Statements,” and elsewhere in this Annual Report on Form 10-K.

Overview

Viad is an international experiential services company with operations in the United States, Canada, the United Kingdom, continental Europe, and the United Arab Emirates. Viad is committed to providing best in class experiences to its clients, customers, and guests by offering products and services designed to meet their current and future needs. Viad operates through three reportable business segments: the Marketing & Events U.S. Segment (the “U.S. Segment”), the Marketing & Events International Segment (the “International Segment”) (collectively, the “Marketing & Events Group”), and the Travel & Recreation Group.

The Marketing & Events Group, comprised of Global Experience Specialists, Inc. and affiliates (“GES”), is a global, full-service provider for live events. GES uniquely combines the art of high-impact creativity, service, and expertise with the science of easy-to-use technology, strategy, and worldwide logistics to help clients gain a greater return at their events and enhance the exhibitor experience.

The Travel & Recreation Group provides experiential travel services in iconic locations which enjoy perennial demand. The Travel & Recreation Group offers guests distinctive and world renowned experiences through its collection of unique hotels, lodges, recreational attractions, and transportation services. The Company remains focused on building powerful new experiences and enhancing a unique portfolio of integrated tourism assets.

Non-GAAP Measures

In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company also discloses the following non-GAAP financial measures:

- “Adjusted EBITDA” is defined by Viad as net income attributable to Viad before the Company’s portion of interest expense, income taxes, depreciation and amortization, impairment charges and recoveries, changes in accounting principles, and the effects of discontinued operations. Adjusted EBITDA is utilized by management to measure the profit and performance of Viad’s operations and to facilitate period-to-period comparisons. Refer to the table below for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, net income attributable to Viad.
- “Adjusted Segment EBITDA” is defined by Viad as segment operating income before non-cash depreciation and amortization and integration costs, if any. Segment operating income is a GAAP measure defined as income from continuing operations before corporate activities, interest expense and interest income, income taxes, restructuring charges, impairment losses and recoveries, and the reduction for income attributable to non-controlling interest. Adjusted Segment EBITDA is utilized by management to measure the profit and performance of Viad’s operating segments and acquisitions to facilitate period-to-period comparisons. For a discussion of how this metric is used in connection with 2016 full year acquisition performance expectations, refer to the “Forward Looking Non-GAAP Financial Measures” section of this MD&A. Management believes that Adjusted Segment EBITDA for acquisitions enables investors to assess how effectively management is investing capital into major corporate

development projects, both from a valuation and return perspective.

· “Organic revenue” and “organic segment operating income” are defined by Viad as revenue and segment operating income, respectively, without the impact of exchange rate variances and acquisitions, if any, until such acquisitions are included in the entirety of both comparable periods. The impact of exchange rate variances is calculated as the difference between current period activity translated at the current period’s exchange rates and the comparable prior period’s exchange rates. Management believes that the presentation of “organic” results permits investors to better understand Viad’s performance without the effects of exchange rate variances or acquisitions. Refer to the “Results of Operations” section of this MD&A for reconciliations of organic revenue and organic segment operating income to the most directly comparable GAAP measures, revenue and segment operating income.

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Management believes that the presentation of Adjusted EBITDA, Adjusted Segment EBITDA, organic revenue, and organic segment operating income (collectively, the “Non-GAAP Measures”) provides useful information to investors regarding Viad’s results of operations for trending, analyzing, and benchmarking the performance and value of Viad’s business. The presentation of the Non-GAAP Measures is supplemental to results presented under GAAP and may not be comparable to similarly titled measures used by other companies. The Non-GAAP Measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP.

The Non-GAAP Measures are considered useful operating metrics as potential variations arising from taxes, depreciation and amortization, debt service costs, impairment charges and recoveries, changes in accounting principles, and the effects of discontinued operations are eliminated, thus resulting in additional measures considered to be indicative of Viad’s ongoing operations and segment performance. Although the Non-GAAP Measures are used as financial measures to assess the performance of the business, the use of these measures is limited because these measures do not consider material costs, expenses, and other items necessary to operate the business. These items include debt service costs, non-cash depreciation and amortization expense associated with long-lived assets, expenses related to U.S. federal, state, local and foreign income taxes, impairment charges or recoveries, and the effects of accounting changes and discontinued operations. Since the Non-GAAP Measures do not consider the above items, a user of Viad’s financial information should consider net income attributable to Viad and organic segment operating income as important measures of financial performance because both provide a more complete measure of the Company’s performance.

A reconciliation of net income attributable to Viad to Adjusted EBITDA is as follows:

(in thousands)	2015	2014	2013
Net income attributable to Viad	\$26,606	\$52,354	\$21,555
Depreciation and amortization	35,231	30,792	27,967
Interest expense	4,535	2,015	1,234
Income tax expense	10,493	109	8,310
Impairment charges	96	884	3,049
(Income) loss from discontinued operations	394	(11,564)	(2,118)
Noncontrolling interest	(554 )	(636 )	(840 )
Adjusted EBITDA	\$76,801	\$73,954	\$59,157

Adjusted EBITDA increased \$2.8 million in 2015 primarily due to lower corporate costs, offset in part by higher restructuring charges. Adjusted EBITDA increased \$14.8 million in 2014 primarily due to higher segment operating income at both the Marketing & Events Group and Travel & Recreation Group and lower restructuring charges, partially offset by higher corporate costs. Refer to the Results of Operations section of this MD&A for a discussion of fluctuations.

#### Forward-Looking Non-GAAP Financial Measures

The Company has also provided Adjusted Segment EBITDA, formerly referred to as “segment EBITDA,” as a forward-looking Non-GAAP Measure within the Results of Operations section of this MD&A. The Company does not provide a reconciliation of this forward-looking Non-GAAP Measure to the most directly comparable GAAP financial measure because, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible, not all of the information necessary for quantitative reconciliation of this forward-looking Non-GAAP Measure to the most directly comparable GAAP financial measure is available to the Company without unreasonable efforts. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. It is probable that the forward-looking

Non-GAAP Measure provided without the directly comparable GAAP financial measure may be materially different from the corresponding Non-GAAP Measure.



## Results of Operations

## Financial Highlights

(in thousands, except per share data)	Year Ended December 31,			Percentage		Percentage	
	2015	2014	2013	Change		Change	
				2015 vs.		2014 vs.	
Revenue	\$1,089,048	\$1,064,987	\$953,347	2.3	%	11.7	%
Segment operating income	\$54,584	\$59,866	\$41,911	(8.8	)%	42.8	%
Income (loss) from discontinued operations attributable to Viad common stockholders	\$(394)	\$11,564	\$2,118	**		**	
Net income attributable to Viad	\$26,606	\$52,354	\$21,555	(49.2	)%	**	
Diluted income per common share from continuing operations attributable to Viad common stockholders	\$1.34	\$2.02	\$0.96	(33.7	)%	**	

\*\* Change is greater than +/- 100 percent.

## 2015 compared with 2014

- Total revenue increased \$24.1 million or 2.3 percent, primarily due to incremental revenue from the acquisitions of onPeak, Blitz, N200, and the West Glacier Properties of \$49.1 million, U.S. base same-show revenue growth of 8 percent, and new business wins in the Marketing & Events Group as well as revenue growth in attractions in the Travel & Recreation Group, offset in part by negative show rotation of approximately \$71 million and an unfavorable foreign exchange impact of \$39.7 million. Management defines base same-show revenue as revenue derived from shows that the Company produced out of the same city during the same quarter in each year.
- Total segment operating income decreased \$5.3 million or 8.8 percent, primarily due to higher performance-based incentives, non-cash depreciation and amortization from acquisitions completed in 2014 of \$7.3 million, and an unfavorable foreign exchange impact of \$5.7 million, offset in part by flow through from higher revenue.
- Income (loss) from discontinued operations attributable to Viad decreased \$12.0 million due to the income in 2014 related to the expiration of Glacier Park's concession contract with the Park Service.
- Net income attributable to Viad decreased \$25.7 million or 49.2 percent, primarily due to decreased segment operating income, the discontinued operations income in 2014 related to the expiration of Glacier Park's concession contract with the Park Service, and the \$11.7 million reversal of a valuation allowance in 2014 in connection with the Company's analysis of its deferred tax assets.

## 2014 compared with 2013

- Total revenue increased \$111.6 million or 11.7 percent, primarily due to positive show rotation of approximately \$69 million, U.S. base same-show revenue growth of 6.4 percent, and incremental revenue from the acquisitions of

onPeak, Blitz, N200, and the West Glacier Properties of \$21.3 million, as well as revenue growth in attractions in the Travel & Recreation Group largely due to the Glacier Skywalk (opened May 2014).

- Total segment operating income increased \$18.0 million or 42.8 percent, primarily due to flow through from higher revenue and increased margins in all three reportable segments.
- Income from discontinued operations attributable to Viad increased \$9.4 million due to the income in 2014 related to the expiration of Glacier Park's concession contract with the Park Service on December 31, 2013. The Company's 2013 results related to the operations of Glacier Park's concession contract business were reclassified as discontinued operations.
- Net income attributable to Viad increased \$30.8 million primarily due to an \$11.7 million reversal of a valuation allowance in 2014 in connection with the Company's analysis of its deferred tax assets, income in 2014 related to the expiration of Glacier Park's concession contract with the Park Service, and increased segment operating income.

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## Foreign Exchange Rate Variances

Viad conducts its foreign operations primarily in Canada, the United Kingdom, Germany, and to a lesser extent, in certain other countries.

The following tables summarize the effects of foreign exchange rate variances on revenue and segment operating results (or “FX Impact”) from Viad’s significant international operations for the years ended December 31, 2015, 2014, and 2013, excluding the effect of 2014 acquisitions:

	Revenue		FX Impact		Segment Operating Results		FX Impact	
	Weighted-Average				Weighted-Average			
	Exchange Rates		(in thousands)		Exchange Rates		(in thousands)	
	2015	2014			2015	2014		
<b>Marketing &amp; Events Group:</b>								
Canada	\$0.78	\$0.90	\$ (9,420 )		\$0.80	\$0.88	\$ (336 )	
United Kingdom	\$1.53	\$1.65	(13,380 )		\$1.52	\$1.66	(652 )	
Germany	\$1.11	\$1.32	(3,200 )		\$1.10	\$1.35	(56 )	
			(26,000 )				(1,044 )	
<b>Travel &amp; Recreation Group:</b>								
Canada	\$0.78	\$0.92	(13,705 )		\$0.78	\$0.93	(4,638 )	
			\$ (39,705 )				\$ (5,682 )	

	Revenue		FX Impact		Segment Operating Results		FX Impact	
	Weighted-Average				Weighted-Average			
	Exchange Rates		(in thousands)		Exchange Rates		(in thousands)	
	2014	2013			2014	2013		
<b>Marketing &amp; Events Group:</b>								
Canada	\$0.90	\$0.97	\$ (4,635 )		\$0.88	\$0.99	\$ (211 )	
United Kingdom	\$1.65	\$1.56	9,105		\$1.66	\$1.57	460	
Germany	\$1.32	\$1.33	(58 )		\$1.35	\$1.33	2	
			4,412				251	
<b>Travel &amp; Recreation Group:</b>								
Canada	\$0.92	\$0.96	(4,735 )		\$0.93	\$0.96	(877 )	
			\$ (323 )				\$ (626 )	

Viad’s 2015 operating results were primarily impacted by the weakening of the British pound and the Canadian dollar relative to the U.S. dollar. Viad’s 2014 operating results were primarily impacted by the weakening of the Canadian dollar and the strengthening of the British pound relative to the U.S. dollar. Future changes in the exchange rates may impact overall expected profitability and historical period-to-period comparisons when operating results are translated

into U.S. dollars.

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## Analysis of Operating Results by Reportable Segment

## Marketing &amp; Events Group

2015 compared with 2014

The following table provides a comparison of the Marketing & Events Group's reported operating results to organic operating results for the years ended December 31, 2015 and 2014 in order to better understand the underlying performance of the segment without the effects of acquisitions or FX Impact.

(in thousands)	Year Ended December 31, 2015				Year Ended December 31, 2014			Change	
	As Reported	Acquisition (1)	FX Impact	Organic (2)	As Reported	Acquisition (1)	Organic (2)	As Reported	Organic (2)
Revenue:									
Marketing & Events									
Group:									
U.S. Segment	\$720,882	\$30,916	\$—	\$689,966	\$710,835	\$6,123	\$704,712	1.4 %	(2.1) %
International									
Segment	272,634	34,066	(26,000)	264,568	249,649	10,589	239,060	9.2 %	10.7 %
Intersegment									
eliminations	(16,638)	—	—	(16,638)	(16,016)	—	(16,016)	(3.9) %	(3.9) %
Total									
Marketing & Events									
Group:									
U.S. Segment	\$976,878	\$64,982	\$(26,000)	\$937,896	\$944,468	\$16,712	\$927,756	3.4 %	1.1 %
International									
Segment									
operating									
income									
(loss):									
Marketing & Events									
Group:									
U.S. Segment	\$14,563	\$6,419	\$—	\$8,144	\$21,400	\$(252)	\$21,652	(31.9) %	(62.4) %
International									
Segment	12,211	1,132	(1,044)	12,123	10,339	186	10,153	18.1 %	19.4 %
Total	\$26,774	\$7,551	\$(1,044)	\$20,267	\$31,739	\$(66)	\$31,805	(15.6) %	(36.3) %
Marketing & Events									

Events  
Group

(1) Acquisitions for the U.S Segment include onPeak (acquired in October 2014). Acquisitions for the International Segment include Blitz (acquired in September 2014) and N200 (acquired in November 2014).

(2) Organic operating results are non-GAAP financial measures that adjust for the impacts of exchange rate variances and acquisitions, if any, until such acquisitions are included in the entirety of both comparable periods presented. For more information about organic operating results, see the “Non-GAAP Measures” section of this MD&A.

U.S. Segment

U.S. Segment revenue increased \$10.0 million or 1.4 percent, primarily due to incremental revenue of \$24.8 million from the acquisition of onPeak, base same-show revenue growth of 8.0 percent, new business wins, and increased sales to corporate clients, offset in part by negative show rotation of approximately \$75 million. Base same-shows represented 44.7 percent of the 2015 U.S. Segment organic revenue. Organic revenue decreased \$14.7 million or 2.1 percent.

U.S. Segment operating income decreased \$6.8 million or 31.9 percent, primarily due to negative show rotation revenue and higher performance-based incentives, offset in part by incremental segment operating income of \$6.7 million from the acquisition of onPeak. Organic operating income decreased \$13.5 million or 62.4 percent.

International Segment

International Segment revenue increased \$23.0 million or 9.2 percent, primarily driven by incremental revenue of \$23.5 million from the acquisitions of Blitz and N200, new business wins, increased client spending, and positive show rotation revenue of approximately \$4 million, offset in part by an unfavorable FX Impact of \$26.0 million. Organic revenue increased \$25.5 million or 10.7 percent.

International Segment operating income increased \$1.9 million or 18.1 percent, primarily due to higher organic revenue and incremental segment operating income from the acquisitions of Blitz and N200 of \$0.9 million, offset in part by higher performance-based incentives and an unfavorable FX Impact of \$1.0 million. Organic operating income increased \$2.0 million or 19.4 percent.

#### 2016 Outlook

Although the Marketing & Events Group has a diversified revenue base and long-term contracts for future shows, its revenue is affected by general economic and industry-specific conditions. The prospects for individual shows tend to be driven by the success of the industry related to those shows. In general, the exhibition and event industry is experiencing modest growth.

For the 2016 full year, management expects the Marketing & Events Group's revenue to be up high-single digits from 2015 driven by positive show rotation of approximately \$50 million to \$55 million, new business wins, and continued same-show growth, partially offset by an unfavorable FX Impact. Management anticipates an unfavorable FX Impact on the Marketing & Events Group's 2016 full year revenue and segment operating income of approximately \$17 million and \$1 million, respectively. Management expects U.S. base same-show revenue to increase at a mid-single digit rate.

Management is executing a strategic growth plan to position the Marketing & Events Group as the preferred, global full-service provider of live events, with further reach to exhibitions, congresses and conferences, corporate events, and consumer events. In support of this strategy, the Company acquired Blitz, onPeak, and N200 during 2014. The Company continues to pursue opportunities to acquire businesses with proven products and services that complement, enhance, or expand the current business or offer growth opportunities to create the most comprehensive suite of services for the Live Events industry.

Additionally, management remains focused on improving the profitability of the U.S. Segment through continued efforts to more effectively manage labor costs by driving productivity gains through rigorous and strategic pre-show planning that reduces the ratio of labor costs to revenue. Improving this metric is a top priority of management and the Company continues to develop and enhance tools to support and systematize show site labor planning, measurement and benchmarking.

#### 2014 compared with 2013

The following table provides a comparison of the Marketing & Events Group's reported operating results to organic operating results for the years ended December 31, 2014 and 2013 in order to better understand the underlying performance of the segment without the effects of acquisitions or FX Impact.

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(in thousands)	Year Ended December 31, 2014				Year Ended December 31, 2013			Change	
	As Reported	Acquisitions (1)	FX Impact	Organic (2)	As Reported	Acquisitions (3)	Organic (3)	As Reported	Organic (2)
Revenue:									
Marketing & Events									
Group:									
U.S. Segment	\$710,835	\$6,123	\$—	\$704,712	\$628,856	\$—	\$628,856	13.0 %	12.1 %
International Segment	249,649	10,589	4,412	234,648	229,312	—	229,312	8.9 %	2.3 %
Intersegment eliminations	(16,016)	—	—	(16,016)	(13,264)	—	(13,264)	(20.7)%	(20.7)%
Total Marketing & Events									
Group operating income (loss):									
Marketing & Events	\$944,468	\$16,712	\$4,412	\$923,344	\$844,904	\$—	\$844,904	11.8 %	9.3 %
Group:									