



# CHURCHILL DOWNS

INCORPORATED

Investor Presentation

November 2021

# Forward-Looking Statements

Certain statements made in this presentation contain various “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by the use of terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “predict,” “project,” “seek,” “should,” “will,” and similar words or similar expressions (or negative versions of such words or expressions).

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors, among others, that may materially affect actual results or outcomes include the following:

- the impact of the novel coronavirus (COVID-19) pandemic, including the emergence of variant strains, and related economic matters on our results of operations, financial conditions and prospects;
- the occurrence of extraordinary events, such as terrorist attacks, public health threats, civil unrest, and inclement weather;
- the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit;
- additional or increased taxes and fees;
- the impact of significant competition, and the expectation the competition levels will increase;
- changes in consumer preferences, attendance, wagering, and sponsorships;
- loss of key or highly skilled personnel;
- lack of confidence in the integrity of our core businesses or any deterioration in our reputation;
- risks associated with equity investments, strategic alliances and other third-party agreements;
- inability to respond to rapid technological changes in a timely manner;
- concentration and evolution of slot machine manufacturing and other technology conditions that could impose additional costs;
- inability to negotiate agreements with industry constituents, including horsemen and other racetracks;
- inability to successfully expand our TwinSpires Sports and Casino business and effectively compete;
- inability to identify and complete expansion, acquisition or divestiture projects, on time, on budget or as planned;
- difficulty in integrating recent or future acquisitions into our operations;
- costs and uncertainties relating to the development of new venues and expansion of existing facilities;
- general risks related to real estate ownership and significant expenditures, including fluctuations in market values and environmental regulations;
- reliance on our technology services and catastrophic events and system failures disrupting our operations;
- online security risk, including cyber-security breaches, or loss or misuse of our stored information as a result of a breach, including customers' personal information, could lead to government enforcement actions or other litigation;
- personal injury litigation related to injuries occurring at our racetracks;
- compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations;
- payment-related risks, such as risk associated with fraudulent credit card and debit card use;
- work stoppages and labor issues;
- risks related to pending or future legal proceedings and other actions;
- highly regulated operations and changes in the regulatory environment could adversely affect our business;
- restrictions in our debt facilities limiting our flexibility to operate our business;
- failure to comply with the financial ratios and other covenants in our debt facilities and other indebtedness;
- and increase in our insurance costs, or obtain similar insurance coverage in the future, and inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events.

We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Table of Contents

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- Business Overview and Case for Investing
- Segment Overviews:
  - Live and Historical Racing
  - TwinSpires
  - Gaming
- Capital Management
- ESG
- Appendix



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# **Business Overview and Case for Investing**

# Churchill Downs Incorporated (“CDI”)

We are an industry-leading racing, online wagering and gaming entertainment company



**Churchill Downs Racetrack (“CDRT”)** ... hosts the longest continuously held annual sporting event in the U.S., the **Kentucky Derby**



**Historical Racing Machines** ... three pari-mutuel gaming entertainment venues with ~3,100 historical racing machines (HRMs) in Kentucky



**TwinSpires** ... one of the largest and most profitable U.S. online wagering platforms for horse racing, sports and casino



**Casino Gaming** ... ten casinos<sup>1</sup> with ~11,000 slot machines and video lottery terminals and 200 table games in eight states

<sup>1</sup> Includes Miami Valley Gaming, 50% owned Ohio joint venture, and Midwest Gaming Holdings, LLC, 61% owned joint venture (Rivers Casino Des Plaines)

## Financial Overview

**We have a diversified portfolio of assets that generate strong Adjusted EBITDA and Free Cash Flow with significant long-term organic growth opportunities**

\$ in millions	Adjusted EBITDA					
	2019		2020		YTD 3Q '21	
Segment	\$	% of total	\$	% of total	\$	% of total
Live and Historical Racing	\$135	30%	\$39	14%	\$145	29%
TwinSpires	\$69	15%	\$113	39%	\$66	13%
Gaming	\$278	62%	\$173	60%	\$313	63%
All Other	\$(31)	(7)%	\$(38)	(13)%	\$(24)	(5)%
<b>Total</b>	<b>\$451</b>	<b>100%</b>	<b>\$287</b>	<b>100%</b>	<b>\$500</b>	<b>100%</b>

## Case for Investing

### The Kentucky Derby

- Iconic and irreplaceable asset
- Consistent high margin growth and significant free cash flow over the long-term
  - Organic growth from unique and evolving guest experiences and expanded offerings
  - Long-term sustainable growth from capital investments in marquee asset
- Growing international engagement through Japan and European Roads to the Derby

### Diverse organic growth

- Expansion of historical racing machine properties
- Diverse portfolio of wholly-owned regional gaming properties and strategic equity investments
- One of the most profitable, industry-leading online wagering platform for horse racing driven by access to best-in-class racing content and linkage to the Kentucky Derby
- Disciplined expansion into sports and online casino wagering

### Significant capacity for growth

- Strong free cash flow generation with disciplined maintenance capital spending
- Ability to pursue strategic reinvestment in organic growth, M&A, dividends, and share repurchases
- Conservative balance sheet with low leverage and significant access to capital

### Proven management team

- Proven record of disciplined capital allocation and earnings growth
- Successful track record of integrating new businesses
- Diverse backgrounds with multi-industry, technology, and international experience

## Summary of Planned Project Capital Investments

Project	Target Completion	\$ millions
<b>The Kentucky Derby</b>		
▪ Turf Course	Spring 2022	\$10
▪ Homestretch Club	May 2022	\$45
▪ Turn I Experience	May 2023	\$90
▪ Paddock / Under the Spires	May 2024	TBD
<b>Historical Racing Machines</b>		
▪ Newport Annex Expansion	November 2021	\$6
▪ Louisiana HRMs in OTBs	Early 2022	\$35
▪ Turfway Park HRM Facility <sup>1</sup>	Early July 2022	\$148
▪ Derby City Gaming Expansion and Hotel	Late 2022 / Spring 2023	\$76
▪ Derby City Gaming Downtown	Mid-2023	\$80
▪ Oak Grove Annex	TBD	TBD
<b>Gaming</b>		
▪ Rivers Des Plaines Expansion <sup>2</sup>	Spring 2022	\$87
▪ Miami Valley Smoking Patio Expansion <sup>2</sup>	TBD	\$12

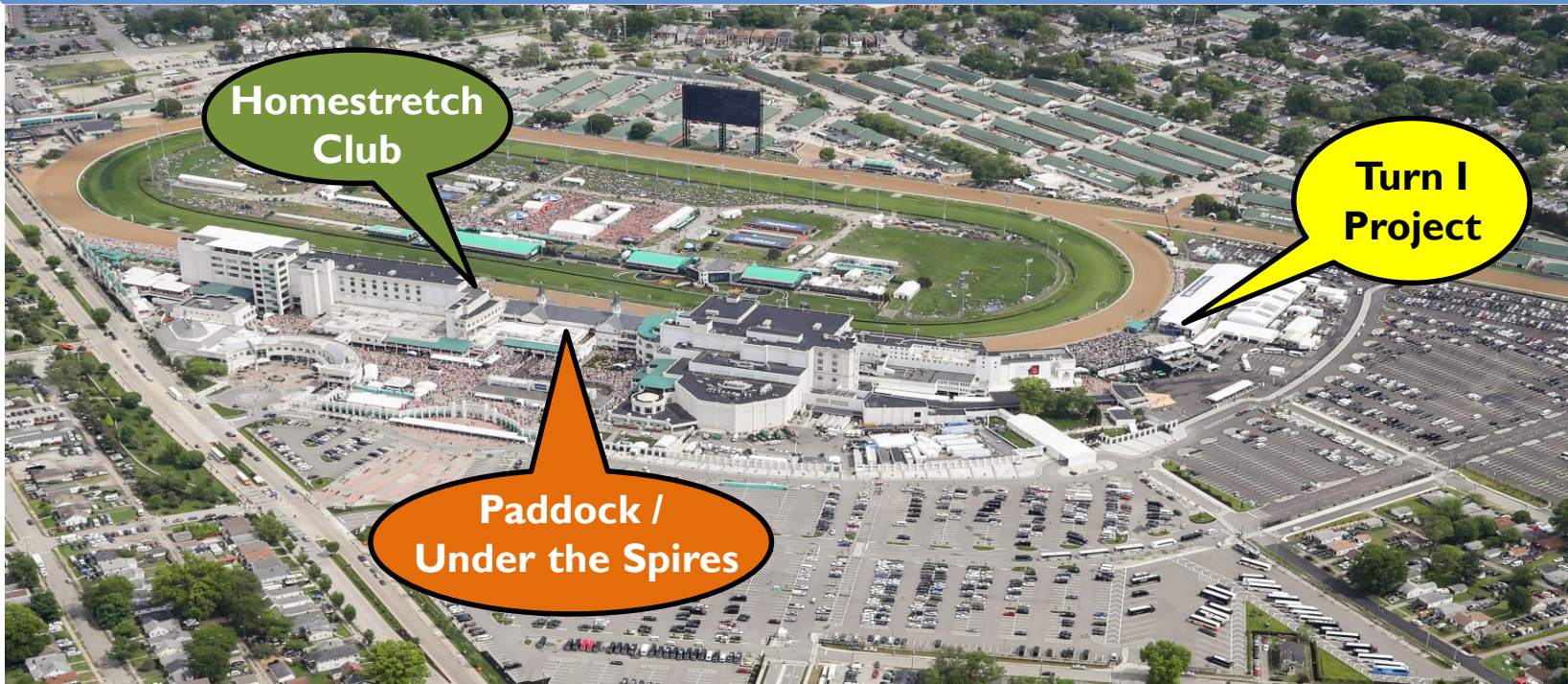
<sup>1</sup> Reflects only capital for planned HRM facility at Turfway Park

<sup>2</sup> Capital investments at Rivers Des Plaines and Miami Valley Gaming are funded through operating cash flow and debt facilities for joint venture and are not funded by CDI



Project Capital Investments at Churchill Downs Racetrack

Multi-year Announced Capital Investments



Potential Major Future Projects



- Infield seating
- Renovate additional reserved seating areas
- Hotel

## Homestretch Club at Churchill Downs Racetrack

### Homestretch Club planned to debut in May 2022 for 148<sup>th</sup> Kentucky Derby

- \$45 million renovation of the grandstand area along the homestretch
  - Below the jockey club suites and adjacent to the Winner’s Circle suites
  - Will include an 18,600 square-foot indoor hospitality space with grand staircase and 100 foot feature bar
- Converting 5,200 outdoor bleacher seats into 3,250 premium reserved seats with all-inclusive amenities:
  - 2,610 stadium club seats
  - 66 covered terraced dining tables for up to 440 guests
  - 30 Trackside Lounges for up to 200 guests offering a “courtside seat” experience
  - 5 private 60-person VIP Hospitality Lounges available as upgrades



Type of Seating	Seats
Stadium	2,610
Terraced Dining	440
Trackside Lounges	200
<b>Total Seats</b>	<b>3,250</b>
<b>Net Change</b>	<b>(1,950)</b>



## Turn I Experience at Churchill Downs Racetrack

### New Turn I experience planned for May 2023 for the 149<sup>th</sup> Kentucky Derby

- \$90 million project providing additional permanent stadium seating and new track-level hospitality club replacing current temporary Oaks and Derby seating at the first turn:
  - 5,100 covered stadium seats (+1,700 additional seats)
  - Up to 2,000 guests will enjoy a new 50,000 square-foot climate-controlled hospitality venue with reserved dining room tables, a trackside viewing terrace, and two new seating concourses to allow for better guest circulation and amenities (+2,000 additional seats)
  - New hospitality venue will provide opportunities for special events outside of the race meets



<u>Type of Seating</u>	<u>Seats</u>	<u>Net Change</u>
Covered Stadium	5,100	+1,700
Indoor	2,000	+2,000
<b>Total Seats</b>	<b>7,100</b>	<b>+3,700</b>

### Paddock and Under the Spires at Churchill Downs Racetrack

**Developing newly designed Paddock and Under the Spires area to enhance the experience for nearly every guest for the May 2024 running of the 150<sup>th</sup> Kentucky Derby**

- Vision for redesign will improve the flow of guests throughout the Paddock
  - Larger paddock walking ring for viewing the horses prior to the races
  - New Paddock Club in the area on the first floor under the Twin Spires that will provide views of the paddock and views of the tunnel that the horses walk through
  - New hospitality and other amenities for guests in certain areas of the 3<sup>rd</sup> floor clubhouse seats
  - New terraces including a new Turf Club balcony overlooking the Paddock



## Louisiana Update and HRM Opportunity

### Hurricane Ida Impact

**Hurricane Ida made landfall in Louisiana on August 29<sup>th</sup>**

**Fair Grounds Race Course & Slots and 13 of our 15 OTB properties have reopened**

- Working to reopen remaining two OTBs as soon as possible

**Insurance coverage in place for all properties above deductibles and includes business interruption**

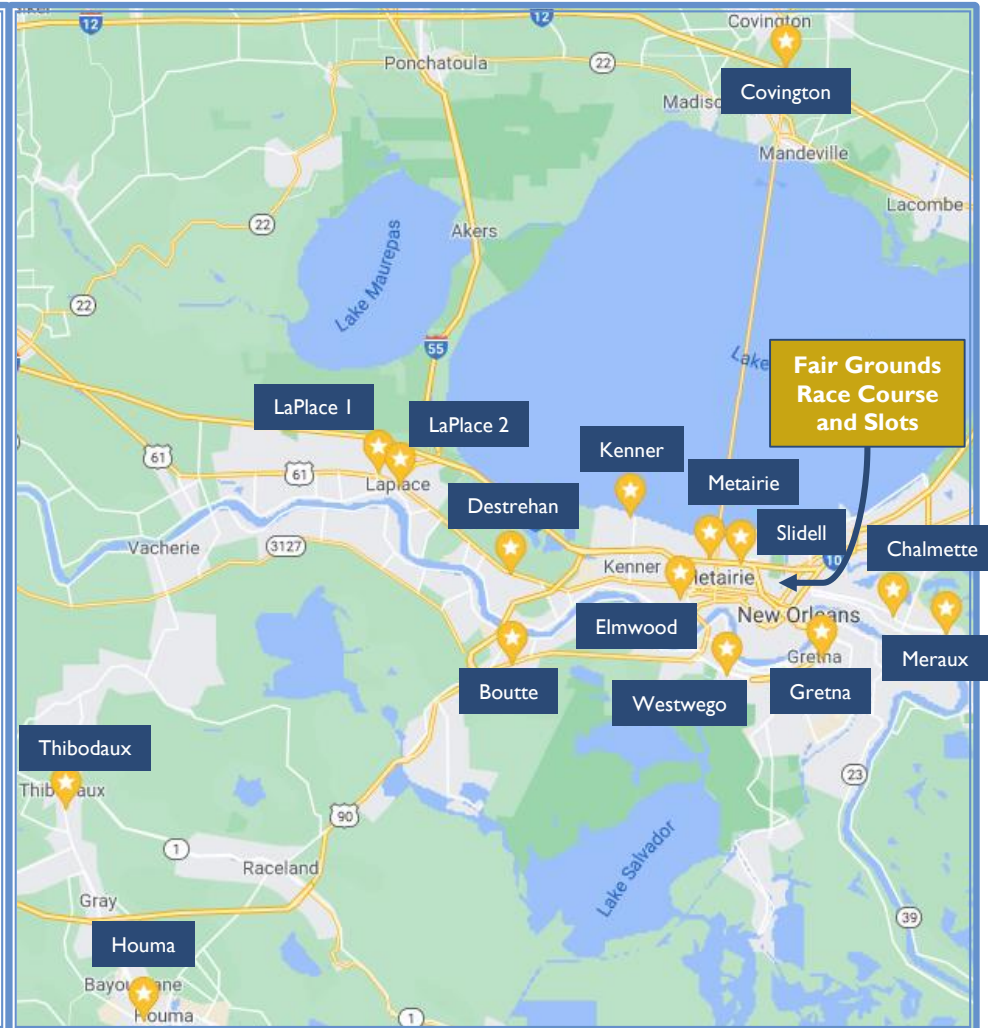
### HRM Opportunity

**New Louisiana legislation (SB 209) signed by Governor on June 21, 2021 allows HRMs at off-track wagering facilities (“OTBs”)**

- Regulators are working on finalizing the regulations

**Fair Grounds opportunity:**

- Fair Grounds planning to add 605 HRMs across its 15 OTBs
- Plan to add HRMs to three OTBs every month starting in 1Q'22
- Up to \$35 million investment



## Derby City Gaming Expansion

### Expanding gaming floor and constructing hotel

- \$76 million investment that will add 135,000 square feet of new space to the facility
- 41,000 square-foot gaming floor expansion expected to be completed by 4Q'22
  - Increases HRM capacity by 450 HRMs (will open with 200 additional machines)
  - VIP gaming space, new sports bar, and new stage
  - Upscale restaurant and bar
- Five-story, 123-room hotel expected to be completed by April 2023



## Derby City Gaming Downtown

### Announced plans to open a Derby City Gaming annex in Downtown Louisville

- \$80 million, 43,000 square-foot entertainment venue
- Annex of Churchill Downs Racetrack
- Located in the heart of Downtown Louisville, diagonally from the Kentucky International Convention Center
- Redesigning the interior and exterior of the building with Kentucky Derby theme
- Entertainment amenities include:
  - 500 HRMs initially
  - Fresh-air gaming area
  - 200 onsite parking spaces
  - Three unique bar concepts: a main-level sports bar with stage for live music and entertainment, a premium bourbon library, and an elegant wine and charcuterie lounge
- Construction to begin late 2021 with anticipated completion by mid-2023



## Turfway Park Renovation

### Build out of new facility underway, with up to \$148 million<sup>1</sup> additional investment

- Located in Florence, Kentucky
- State-of-the-art live and historical Thoroughbred racing facility
- Plan to open with ~850 – 1,000<sup>2</sup> HRMs
- Amenities include sports bar, VIP gaming area, high-end lounge and simulcast theater



<sup>1</sup> Total investment of \$200 million, inclusive of \$46 million purchase price and \$6 million Tapeta track  
<sup>2</sup> CDI has approval for 2,500 machines under the Turfway license, including the Newport Gaming annex



## Rivers Casino Des Plaines Expansion

### Rivers Casino Des Plaines expansion is underway

- \$87 million investment<sup>1</sup> in 78,000 square-foot expansion between existing casino building and the recently enlarged parking garage on the north side of the property
- Two-story addition
  - First floor will house a new restaurant and an expanded gaming floor
  - Second floor will feature a 24-table poker room, a 10,000 square-foot ballroom for private events and live entertainment, and a slot machine gaming area
- Expansion will add ~725 additional gaming positions, making Rivers Des Plaines the first casino in Illinois to reach the maximum of 2,000 positions
  - Expansion to add ~270 table game positions (+73%) and ~428 slot game positions (+48%)
  - ~30 additional positions to be added in the future
- Construction underway with expected completion of the first floor expansion in 1Q'22 and second floor expansion in 2Q'22



<sup>1</sup> Investment funded from Rivers Des Plaines operating cash flow and debt facilities for joint venture and are not funded by CDI

## Illinois and Florida Land Sale Opportunities

### Illinois

- On September 29, 2021, we announced an agreement with the Chicago Bears to purchase our 326-acre property in Arlington Heights, IL for \$197.2 million
- Anticipate closing the sale by late 2022 / early 2023 subject to the satisfaction of various closing conditions
- CDI plans to use the proceeds of the sale to purchase or invest in replacement property that qualifies as an Internal Revenue Code §1031 transaction

### Florida

- Calder Race Course – 170 acres of land with casino and racetrack in Miami Gardens, Florida; near the Hard Rock Stadium, home of the Miami Dolphins
- Launched the process to sell the excess 116 acres around Calder Casino in 3Q'21





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# **Live and Historical Racing Segment**

## Overview

### Live Racing

### Historical Racing Facilities

#### Churchill Downs Racetrack

- Louisville, Kentucky
- Thoroughbred Racing
- Home of the Kentucky Derby

- Derby City Gaming (Louisville, KY)
- Building CDRT annex in Downtown Louisville (Derby City Gaming Downtown)

#### Turfway Park

- Northern Kentucky
- Thoroughbred Racing

- Newport Racing and Gaming (Newport, KY)
- Building new facility at Turfway Park with up to 1,200 machines

#### Oak Grove

- Southwestern Kentucky near Nashville, TN
- Standardbred Racing / Harness Racing

- Oak Grove Gaming (Oak Grove, KY)
- Potential future annex

**Three racetracks in Kentucky with 3,050 HRMs currently and approval for up to 7,000 HRMs**

The Kentucky Derby utilizes the mystique and magic of Churchill Downs to create unique experiences for our guests

Historic Americana



Sophisticated Luxury



Contagious Excitement



The Kentucky Derby - By The Numbers

- The economic impact made on the Louisville area over Derby Weekend ➡ \$356 million<sup>1</sup>
- Mint Juleps served over Derby Weekend ➡ 120,000
- Traditionally the first leg of the Triple Crown ➡ only 13 Triple Crown winners since inception

<sup>1</sup> From the Destination International and Tourism Economics Event Impact Calculator (EII)

## The Lead Up to the Kentucky Derby

### Month Long Celebration Leading Up to Derby Week

Through various non-affiliated organizations, spring kicks off with a month of events celebrating the Kentucky Derby

#### Thunder Over Louisville

The largest annual fireworks display in North America



#### Kentucky Derby Festival Marathon

A Boston Marathon qualifying race which runs through CDRT



#### Great Balloon Race

A beloved family tradition, color fills the Louisville sky to signal that Derby is near



#### Kentucky Museum of Art & Craft Couture

The fashion kickoff attracts worldwide artist participation

#### The Fillies Derby Ball

The spin of a wheel determines who will preside as Queen among the festivities



#### Derby Divas

The Kentucky Oaks charitable partner event has raised over \$1.5 million for breast health



## The Lead Up to the Kentucky Derby

### Unique Derby Week Experiences

#### Experiences at the Track:

- Tours of the Paddock area
- Backstretch Tour at Dawn at Churchill Downs



**Derby Week Nightlife:**  
Celebrities & guests attend charitable events featuring performances by top artists

#### 3<sup>rd</sup> Party Experiences:

- Private Horse Farm Tours
- Bourbon Distillery Tours
- Mint Julep Sunset Social



#### Corporate Engagement: Partner with Derby Diversity & Business Summit

- Goal is to connect leaders in diverse owned businesses and the supply chain
- Elite business leaders participate in executive development seminars, panel discussions, and networking opportunities while enjoying Derby Week



### Derby Week

#### Saturday: Opening Night

Celebrate local artists and performances during the first night of racing



#### Tuesday: Champions for Change

Celebrate Black Horsemen in Thoroughbred racing and features partner organizations who support equitable opportunities in racing

#### Thursday: Thurby

Celebrate the best of Kentucky including culture, fare, and racing



#### Friday: Kentucky Oaks

America's premier race for 3-year old fillies that raises funding, awareness and equitable access for women's health resources

#### Saturday: Kentucky Derby

The most prestigious event in racing crowns a new Triple Crown hopeful each year

# The Kentucky Derby Growth Strategy

## *A Premier International Sporting / Entertainment Event*

### **Leverage unique experiences and make strategic capital investments**

- Enhance guest experience to enable pricing differentiation for ~60,000 reserved seats
- Expand Derby Week offerings and attractions
- Execute capital investments to enable segmentation of ~110,000 guests who do not have a reserved seat

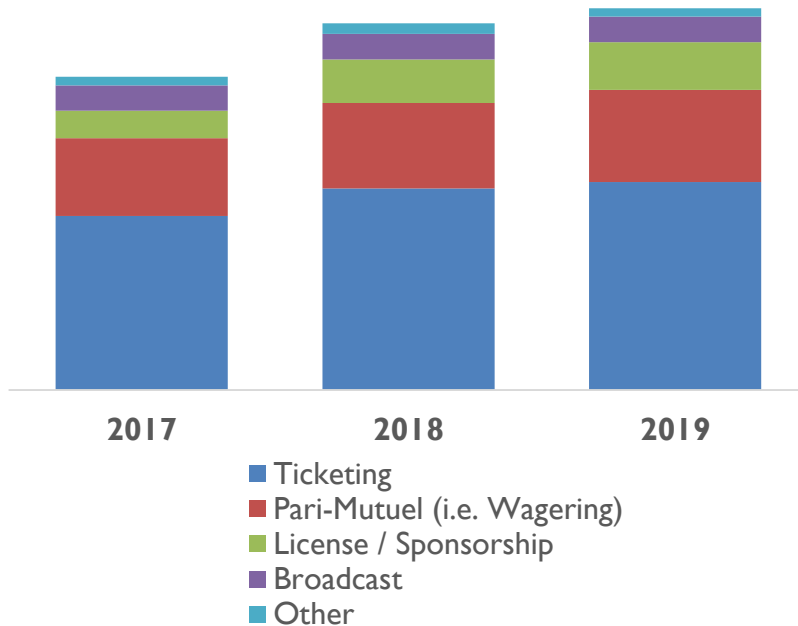
### **Attract additional sponsorships**

### **Expand European Road to Derby and Japan Road to Derby**

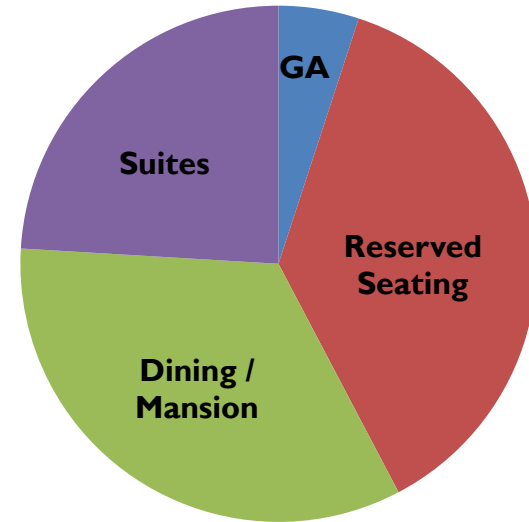


## The Kentucky Derby – Typical Sources of Growth and Profitability

**Derby Week Revenue**  
5-year CAGR for Revenue Growth → 10.4%



**Ticketing Revenue**



### Premium seats (~60,000) are largest contributor to revenue

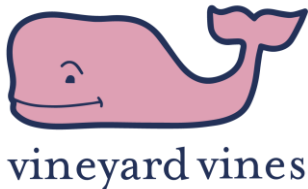
- Over a third of reserved seats are under non-cancellable contracts with staggered expirations of typically 3-7 years through personal seat licenses, suite contracts, and other agreements
- Remaining reserved seats are sold in advance of the event, typically early in the year
- Demand for premium tickets continues to exceed supply

## Multi-year sponsorships with staggered renewals support long-term growth strategy

### Sponsorship Economics and Growth

- Vast majority of sponsorship revenue dollars are typically contractually committed six months in advance of Derby Week
- Building relationships with new sponsors to further grow sponsorship revenue

### Examples of Partnerships



Humana



KENDALL-JACKSON®

## Three unique Roads to the Derby for a horse to qualify in one of 20 coveted Derby starting positions

United States	Japan	European
<p>Horses compete for a Derby starting position through 35 races from September through April</p>	<p>Started in 2016 Horses compete for one Derby starting position through four Japanese races starting in November</p>	<p>Started in 2018 Horses compete for one Derby starting position through seven European races from September to April</p>
<h3>Growth Potential</h3>		
<p><b>New customers for the Derby</b> <b>Additional wagering</b> <b>Provides extended marketing opportunity for sponsors</b></p>		

## Historical Racing Machine Overview

### Historical Racing Machine (“HRM”) background:

- A historical horse racing machine is a gaming device that uses the results of previously run horse races to approximate the gaming experience of Class II and Class III machines
- In Kentucky, nine racing licenses are available to be awarded by the Kentucky Horse Racing Commission (“KHRC”) (8 have been awarded) and are each allowed to have a main facility and one “annex” facility within a 60 mile radius of the licensed racetrack
- Potential future expansion opportunities in other states

### Purse contributions from the HRM facilities support the horse racing industry in Kentucky

- A portion of HRM handle contributes to horse racing purse money in Kentucky
- Higher purses attract more and better-quality horses resulting in better quality racing content which strengthens the foundation of the entire horse industry in Kentucky and benefits TwinSpires

### Early stage growth model

- CDI’s HRM business is still in relatively early days, with recently opened properties like Oak Grove and Newport ramping up and new properties yet to open, like Turfway Park and Derby City Gaming Downtown
- Consumer education on HRMs is still developing, especially in our newest markets
- Opportunity remains for innovation in HRM products that can be offered to consumers
- CDI has the option to pursue an additional annex under the Oak Grove license in Kentucky and may have the opportunity to expand into other states
- HRMs include top game titles / themes from Ainsworth Game Technology, Scientific Games, International Game Technology, Konami Gaming, and Aristocrat

## Churchill Downs Racetrack and Derby City Gaming

	DERBY CITY GAMING	DCG Downtown	CHURCHILL DOWNS
<b>Opened</b>	<b>Sep. 2018</b>	<b>Mid-2023<sup>4</sup></b>	<i>Future Organic Growth Opportunity</i>
<b>Total investment<sup>1</sup> (\$ millions)</b>	<b>\$78</b>	<b>\$80</b>	
<b>Property size (sq. ft.)</b>	<b>~85,000</b>	<b>~43,000</b>	
<b>Proximity to major market</b>	<b>8 mi. to Downtown Louisville</b>	<b>In Downtown Louisville</b>	
<b>Win/Unit/Day<sup>2</sup></b>	<b>\$486</b>		
<b>Actual HRMs<sup>3</sup></b>	<b>1,225</b>	<b>500<sup>4</sup></b>	
<b>HRM capacity approval to date</b>		<b>3,000</b>	

### Derby City Gaming

- Operates at Churchill Downs Racetrack's ancillary training facility in Louisville, Kentucky
  - Décor pays homage to our deep history in horse racing
  - Center bar with large format televisions, two food venues, and outdoor gaming patio on the north side of the facility
  - \$13 million south side gaming patio opened with a net addition of 225 HRMs in September 2020
- Announced plans for \$76 million gaming floor expansion and hotel


### Derby City Gaming Downtown (Annex)

- Announced plans to open \$80 million HRM facility in Downtown Louisville in mid-2023



<sup>1</sup> Reflects total approved project investment for completed projects  
<sup>2</sup> For the month of October 2021 – 1,000 avg. HRMs operational  
<sup>3</sup> As of 12/31/20  
<sup>4</sup> Plan to open Derby City Gaming Downtown in mid-2023 with 500 HRMs

## Oak Grove Racing, Gaming & Hotel

		Annex
Opened	Sep. 2020	<i>Future Organic Growth Opportunity</i>
Total investment <sup>1</sup> (\$ millions)	\$200	
Property size (sq. ft.)	~275,000	
Proximity to major market	~55 mi. to Nashville	
Win/Unit/Day <sup>2</sup>	\$281	
Actual HRMs <sup>3</sup>	1,325	
HRM capacity approval to date	1,500	

### Located off of Hwy 24 on the KY / TN border

- ~55 miles from Nashville, Tennessee (pop. ~670,000)
- Across the street from Fort Campbell, the second largest military base in the U.S. (pop. ~200,000)
- ~11 miles from Clarksville, Tennessee (pop. ~150,000)

### Facility includes:

- Harness racetrack opened Oct. 2019
- HRM facility opened Sept. 2020
- 128-room hotel with event center and dining areas opened Oct. 2020
- 3,000 person capacity amphitheater, RV park, and equestrian center opened late spring 2021





<sup>1</sup> Reflects total approved project investment for announced projects

<sup>2</sup> For the month of October 2021 – 1,229 avg. HRMs operational

<sup>3</sup> As of 12/31/20

## Turfway Park Racing & Gaming and Newport Racing & Gaming

		
<b>Opened</b>	<b>July 2022</b>	<b>Oct. 2020</b>
<b>Total investment<sup>1</sup> (\$ millions)</b>	<b>Up to \$200</b>	<b>\$37</b>
<b>Property size (sq. ft.)</b>	<b>~85,000</b>	<b>~17,000</b>
<b>Proximity to major market</b>	<b>~10 mi. to Cincinnati</b>	<b>~3 mi. to Cincinnati</b>
<b>Win/Unit/Day<sup>2</sup></b>		<b>\$151</b>
<b>Actual HRMs<sup>3</sup></b>	<b>850<sup>4</sup></b>	<b>500</b>
<b>HRM capacity approval to date</b>	<b>2,500</b>	

### Turfway Park Racing & Gaming Renovation

- Resumed buildout of new HRM facility in 1Q'21
- Investment up to \$148 million
- Will support purse funding for Turfway Park race meets

### Newport Racing & Gaming (Annex)

- Located in Newport, Kentucky
- Includes simulcast area and feature bar
- Investing up to \$6 million in expansion to be completed by late November 2021
- Supports purse funding for Turfway Park race meets



<sup>1</sup> Reflects total approved project investment for announced projects and inclusive of \$46 million purchase price

<sup>2</sup> For the month of October 2021 – 378 avg. HRMs operational

<sup>3</sup> As of 12/31/20

<sup>4</sup> Plan to open Turfway Park Racing & Gaming with 850 HRMs and the ability to expand to up to 1,200 HRMs



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# **TwinSpires Segment**



## Overview

### Horse Racing

- Operational since 2007
- One of the largest and most profitable online pari-mutuel wagering platforms for horse racing in the U.S.
- Active in significant majority of states - available to more than 75% of U.S. adult population<sup>1</sup>
- Linkage to the Kentucky Derby is a key advantage



### Sports and Casino

- Includes retail and online operations of wholly-owned properties
- Leveraging the TwinSpires brand to lower customer acquisition costs and cross selling to TwinSpires horse racing customers
- Active in Colorado, Indiana, Michigan, Mississippi, New Jersey, Pennsylvania, Tennessee, and Arizona
- Strong geographic footprint in key states for further expansion



<sup>1</sup> Adult population per July 2018 U.S. Census data (253.8 million total persons over the age of 18 in the U.S.)

## TwinSpires Horse Racing

**TwinSpires Horse Racing business is a well-proven, profitable, and growing platform built on pari-mutual wagering economics and is benefiting from significant shift to online wagering**

### Strategic Advantages

#### Linkage to the Kentucky Derby

- Inexpensively acquire new customers each year with an affinity for horse racing
- Access to premier content because of ownership of the Kentucky Derby

#### Customer relationships

- Highly engaged and growing database
- Differentiate VIP relationships to build loyalty and retention
- Unique ability to create once in a lifetime experiences at the Kentucky Derby

#### Technology platform and analytics

- Own technology platform and have in-house development team
- Utilize analytics on customer behavior to drive efficient customer acquisition, retention, and activation

#### Management team

- Significant online wagering and technology experience

Key metrics			
\$ in millions	2019	2020	3Q'21 YTD
<b>TwinSpires Handle<sup>1</sup></b>	<b>\$1,456</b>	<b>\$1,977</b>	<b>\$1,545</b>
<b>V'19</b>		<b>+36%</b>	<b>+35%<sup>2</sup></b>
<b>Revenue</b>	<b>\$291</b>	<b>\$405</b>	<b>\$314</b>
<b>V'19</b>		<b>+39%</b>	<b>+37%<sup>2</sup></b>
<b>Adj. EBITDA</b>	<b>\$78</b>	<b>\$127</b>	<b>\$95</b>
<b>V'19</b>		<b>+63%</b>	<b>+54%<sup>2</sup></b>
<b>Margin</b>	<b>27%</b>	<b>31%</b>	<b>30%</b>
<b>V'19</b>		<b>+4pts</b>	<b>+3pts<sup>2</sup></b>

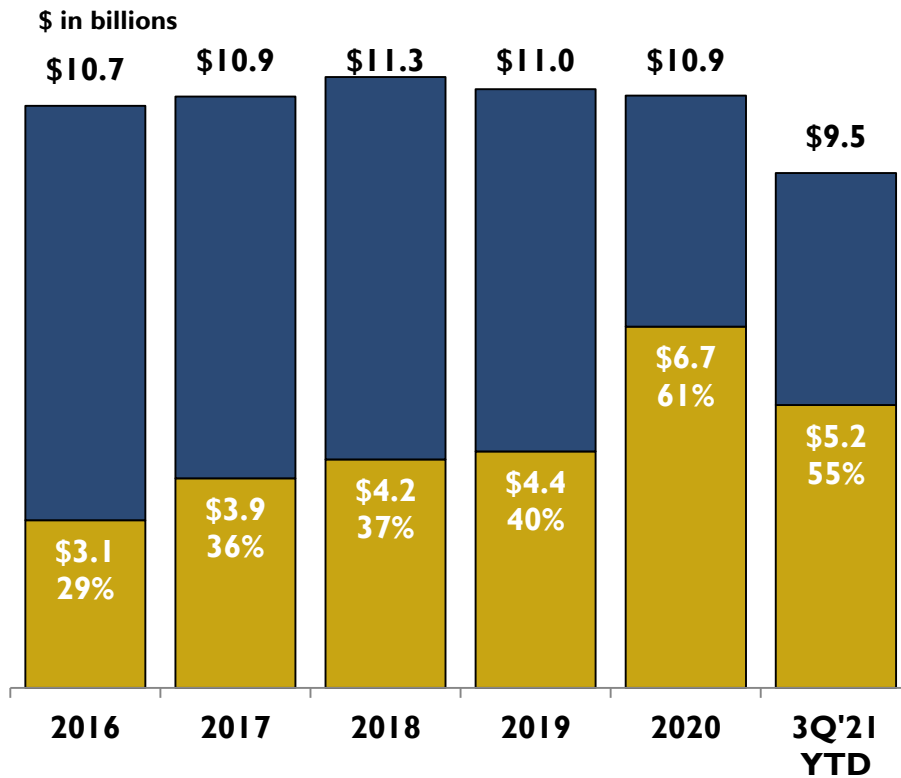
<sup>1</sup> TwinSpires handle excludes Velocity

<sup>2</sup> 3Q'21 YTD versus 3Q'19 YTD

## Industry Growth - Horse Racing Wagering

Increased wagering on horse races and shift to online wagering fueling significant growth

Wagering on U.S. Thoroughbred Horse Racing<sup>1</sup>



■ Other Horse Racing Wagering    ■ U.S. Online Wagering<sup>2</sup>

<sup>1</sup> Total wagering represents wagering on U.S. Thoroughbred Horse Racing as reported by Equibase

<sup>2</sup> All U.S. Online Wagering as reported by the Oregon Racing Commission, including Velocity

### Significant Growth

\$ in billions

#### Increased wagering

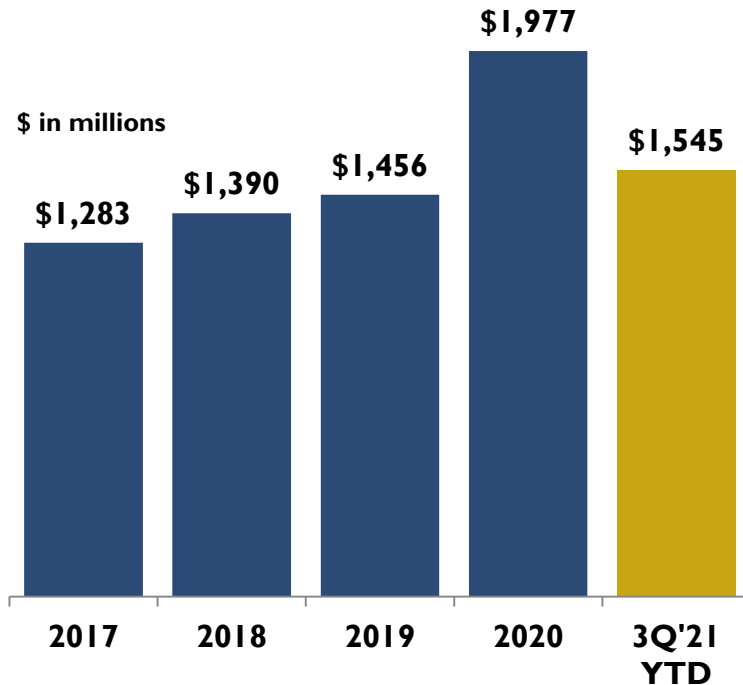
3Q '19 YTD	3Q'21 YTD	% Change
\$8.6	\$9.5	11%

#### Significant shift to online wagering

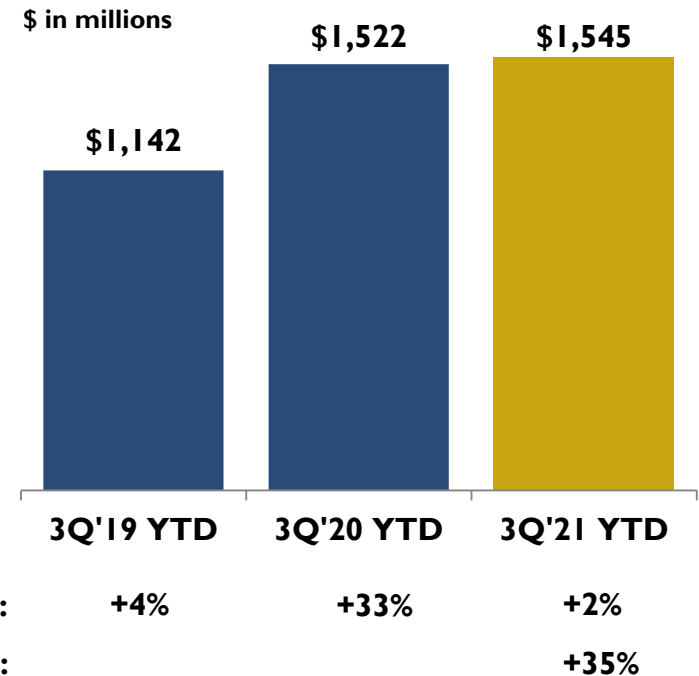
3Q '19 YTD	3Q'21 YTD	% Change
\$3.4	\$5.2	53%

## TwinSpires Horse Racing growth

TwinSpires Horse Racing handle<sup>1</sup> has grown significantly



TwinSpires Horse Racing handle<sup>1</sup> grew 2% in YTD 3Q'21 compared to YTD 3Q'20 and 35% compared to YTD 3Q'19



<sup>1</sup> All TwinSpires Horse Racing handle except for Velocity

TwinSpires offers betting on ~190,000 races at 352 racetracks 365 days a year

Road to the Derby



Triple Crown

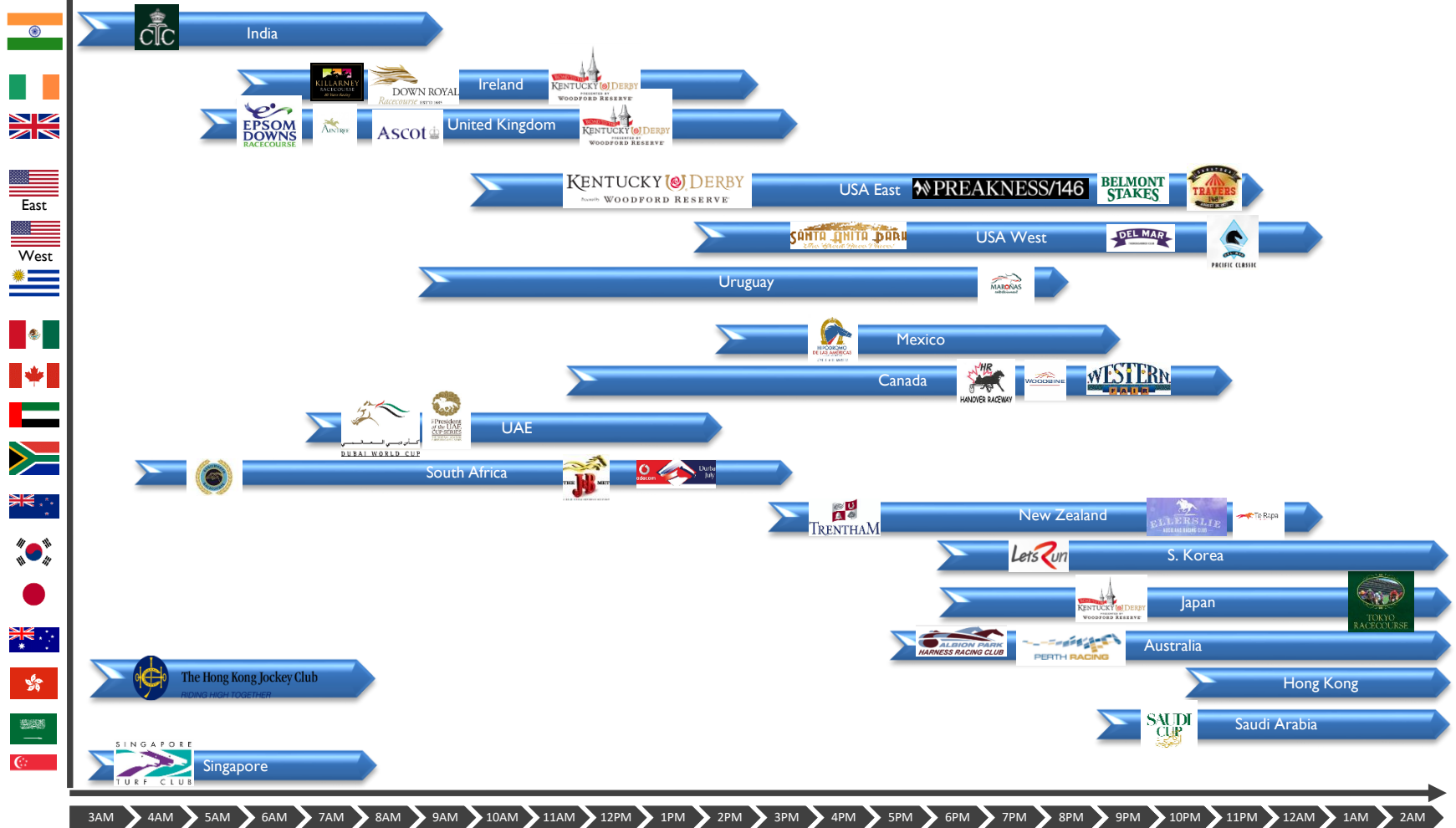


Breeder's Cup Challenge Series & World Championships



\* Not all events are listed

## TwinSpires typically offers wagering 24/7 from 16 countries



## Sports and Casino Growth Opportunities

**CDI is operational or has approval to operate in 11 states representing ~26% of U.S. Population**

Jurisdiction	% of U.S. Population <sup>1</sup>	CDI Property or 3 <sup>rd</sup> Party Agreement	Horse Racing	Retail Sports	Online Sports	Casino
Mississippi	0.9%	Harlow's and Riverwalk Casinos	✓	3Q'18		
New Jersey	2.7%	3 <sup>rd</sup> Party - Golden Nugget Atlantic City			1Q'19	1Q'19
Pennsylvania	4.0%	Presque Isle Downs & Casino in Erie, PA	✓	3Q'19	4Q'19	1Q'20
Indiana	2.0%	3 <sup>rd</sup> Party - Rising Star Casino Resort for Sports Betting	✓	4Q'19	4Q'19	
Illinois	3.9%	Rivers Des Plaines Joint Venture <sup>2</sup>	✓	1Q'20	2Q'20	
Michigan	3.1%	3 <sup>rd</sup> Party - Hannahville Indian Community	✓	3Q'20	1Q'21	1Q'21
Colorado	1.7%	3 <sup>rd</sup> Party - Full House Resorts for Sports Betting	✓	3Q'20	2Q'21	
Tennessee	2.1%	Open market access	✓		2Q'21	
Arizona	2.2%	3 <sup>rd</sup> Party - Tonto Apache Tribe	✓	3Q'21	3Q'21	
Louisiana	1.4%	Fair Grounds Slots/VSI and Race Course	✓	TBD	TBD	
Maryland	1.9%	The Casino at Ocean Downs	✓	TBD	TBD	
<b>Total</b>	<b>25.9%</b>					

<sup>1</sup> Adult population per July 2018 U.S. Census data (253.8 million total persons over the age of 18 in the U.S.)

<sup>2</sup> Rivers Des Plaines operates sports betting under the brand BetRivers and is recorded in the Gaming segment

**CDI is well positioned with market access through owned licenses or existing third party agreements in additional jurisdictions**



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# **Gaming Segment**



## Regional Gaming Properties



**Ten casinos and three hotels in eight states**

- Seven wholly owned, two joint ventures, and one management agreement
- Three retail sportsbooks<sup>1</sup>

**We are a leader in brick-and-mortar casino gaming with ~11,000 slot machines and VLTs and ~200 table games**

<sup>1</sup> Results of retail sports betting are reported in the TwinSpires segment

## Regional Gaming Properties

### Diverse portfolio of gaming properties

#### Strategic advantages

##### Local Approach

- Unique Brands and marketing strategies
- Menus and offerings reflect local tastes
- Promotions catered to local customer base
- Loyal player base

##### Business intelligence analytics

- Utilize analytics on customer behavior to optimize customer trips and casino / food & beverage offerings

##### Leverage corporate gaming expertise

- Gaming floor layout and game mix optimized
- Centralized slot purchasing to leverage size
- Disciplined reporting and communication strategy
- Centralized marketing resource facilities shared best practices

##### Regional property gaming leaders

- Significant overall gaming experience
- Stable executive leadership maintains local market focus

#### Key metrics

\$ in millions

	2019	2020	YTD 3Q '21
<b>Revenue<sup>1</sup></b>	<b>\$687</b>	<b>\$435</b>	<b>\$526</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$278</b>	<b>\$173</b>	<b>\$313</b>

- In 2020, our Gaming properties were affected by temporary closures and operating restrictions as a result of COVID-19
- All Gaming properties have been open since January 19, 2021

<sup>1</sup> Revenue does not include revenue from our equity investments

<sup>2</sup> Adjusted EBITDA includes our portion of EBITDA from our equity investments

## Wholly-Owned Gaming Properties

### Seven wholly-owned regional gaming properties and one management contract

Property	State	Acres	Slots <sup>1</sup> & Video Poker / VLTs <sup>1</sup>	Tables <sup>1</sup>	Racetrack	Hotel
Calder Casino	FL	170	1,100	-	✓	-
Fair Grounds Slots and VSI <sup>2</sup>	LA	145	1,600	-	✓	-
Oxford	ME	97	950	30	-	✓
The Casino at Ocean Downs	MD	167	900	18	✓	-
Harlow's Casino Resort & Spa	MS	85 <sup>3</sup>	690	15	-	✓
Riverwalk Casino Hotel	MS	22	650	15	-	✓
Presque Isle Casino	PA	270	1,550	34	✓	-
Lady Luck Nemaacolin <sup>4</sup>	PA	-	600	27	-	-

<sup>1</sup> Units as of 12/31/20

<sup>2</sup> Fair Grounds operates 15 OTB's across southeast Louisiana

<sup>3</sup> Leased land

<sup>4</sup> Management agreement to operate casino until July 2023

## Casino Joint Ventures

### Miami Valley Gaming (50% Equity Investment)

- Located on 120 acres in Lebanon, OH (North of Cincinnati, south of Dayton)
- ~1,950 video lottery terminals<sup>1</sup> and four dining facilities
- Joint venture (50/50) with Delaware North



### Rivers Casino Des Plaines (61% Equity Investment)

- The premier casino in the Chicagoland market
- Located on 21 acres in Des Plaines, Illinois (~17 miles from Chicago)
- CDI invested \$407 million for 61% equity investment on March 5, 2019
- Joint venture with Rush Street Gaming, LLC
- 1,277 positions<sup>1,2</sup> (1,008 slot machines and 69 table games)
- Seven food and beverage outlets plus a VIP lounge
- Lower table games privilege tax effective July 1, 2020
- Completed new ~3,000 space parking lot and garage expansion in 3Q'20
- BetRivers Sports Betting:
  - Launched retail BetRivers Sportsbook in March 2020
  - First to launch online sports betting in Illinois in June 2020



<sup>1</sup> Units as of 12/31/20

<sup>2</sup> For purposes of statutory requirements, slot machines are counted as 0.9 positions and table games are determined based on type of game (Craps tables have 10 positions, all others have 5 positions).



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# Capital Management

### **Capital management philosophy based on creating long-term shareholder value**

#### **Maintain broad and expedient access to the capital markets**

- Ideal target is 3.0x-4.0x net leverage - willing to go higher for a strategic investment

#### **Engage in open and active dialogue with rating agencies and institutional investors**

#### **Investments focused on creating long-term shareholder value**

- Invest in organic investments to expand offerings in high growth areas with returns above cost of capital
- Pursue strategic acquisitions
- Dividends are considered annually by the Board of Directors based on the health of the Company
- Opportunistic share repurchases dependent upon free cash flow generation, leverage levels and other investment opportunities to grow the business

Capital Projects

Projected Capital Investments

	<u>3Q'21 YTD Actuals</u>	<u>2021 Forecast as of 9/30/21</u>
Maintenance Capital	\$22 million	\$45 - 55 million
Project Capital	<p>\$30 million</p> <ul style="list-style-type: none"> <li>▪ Oak Grove</li> <li>▪ Newport</li> <li>▪ Churchill Downs Racetrack</li> <li>▪ Turfway Park</li> </ul>	<p>\$75 - 85 million</p> <ul style="list-style-type: none"> <li>▪ Turfway Park</li> <li>▪ Oak Grove</li> <li>▪ Newport</li> <li>▪ Churchill Downs Racetrack</li> <li>▪ Louisiana HRMs</li> </ul>

Capacity for Future Investments

- 2.9x TTM Net Leverage as of September 30, 2021
- Significant balance sheet flexibility
- \$700 million undrawn credit facility<sup>1</sup>
- Demonstrated ability to access debt markets with attractive rates / terms

<sup>1</sup> \$695 million available, net of \$5 million outstanding letters of credit

## Our investments have provided strong returns creating long-term shareholder value

Property	Year	Investment (\$ millions)	Payback Period
Winner's Circle Suites and Courtyard	2015	\$4	< 5 years
Turf Club / Stakes Room	2016	\$18	< 5 years
Ocean Downs Slot Floor Purchase	Aug. 2017	\$13	< 2 years
Miami Valley Expansion	Oct. 2017	\$5	< 2 years
Oxford Hotel & Floor Expansion	Nov. 2017	\$27	< 6 years
Ocean Downs Expansion	Dec. 2017	\$18	< 3 years
Derby City Gaming	Sep. 2018	\$65	< 2 years





**We have demonstrated M&A is a core discipline of our team**

**Typical M&A Target Screen**

**Regional casino assets with future growth potential**  
**Well positioned competitively – existing gaming and future gaming expansion**  
**Strategic growth potential into sports betting and iGaming**  
**Accretive to free cash flow and earnings per share with returns above cost of capital**

**And, we have shown our ability to be a disciplined seller of assets**

**Calder Race Course  
Land Sale**

**Sold 61 acres of excess land for \$26.5 million or \$434k per acre<sup>1</sup>**  
**Used like-kind-exchange to permanently defer \$14 million of gain on sale through purchase of property at Churchill Downs**

**Big Fish Games**

**Purchased for \$835 million<sup>2</sup> Dec. 2014**  
**Sold for \$990 million<sup>2</sup> Jan. 2018**  
**> 50% levered IRR**

**Saratoga – New York  
and Colorado**

**Swapped 25% equity ownership in Saratoga – New York and Colorado for remaining 50% equity ownership in Ocean Downs Casino in Aug. 2018**  
**Retained rights to online sports betting and iGaming if regulation allows in the future**

<sup>1</sup> Excluding real estate commissions paid

<sup>2</sup> Gross, prior to settlement of working capital adjustments and transaction costs

### **CDI has returned \$1.3 billion of capital to shareholders over the last 6 years**

#### **Dividends**

- **2022 will be the 11<sup>th</sup> consecutive increase in the dividend per share**
- **\$127 million paid to shareholders in dividends over the last 6 years**

#### **Share Repurchases**

- **Returned \$1.2 billion to shareholders through share repurchases over the last 6 years**
  - Repurchased ~15.2 million shares at an average price of ~\$81 per share<sup>1</sup>
- **\$500 million share repurchase program authorized on September 29, 2021**
  - Replaces \$300 million program authorized in October 2018
  - Includes \$97.9 million of capacity remaining under the prior program<sup>1</sup>

**Reflects our long-term commitment to effectively return capital to shareholders unless there are more attractive growth opportunities**

<sup>1</sup> Through September 29, 2021



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# **Environmental, Social, and Governance**

## CDI Approach to Environment, Social and Governance

### Environment, Social and Governance (“ESG”) Committee established to lead ESG initiatives

- Cross-functional team led by CFO
- CDI leadership team and CDI’s Board of Directors including CDI’s Nominating & Governance Committee providing oversight
- Leads CDI’s efforts and commitment to environment health and safety, sustainability, corporate social responsibility, corporate governance and other public policy matters relevant to CDI

### Environment

- CDI is committed to environmental responsibility in the communities in which we operate
- Initiatives at CDI properties to lessen energy and water usage and to decrease carbon emissions are ongoing

### Social

- CDI is increasing investment in our team members and the communities in which we operate
- Team members are encouraged to pursue growth externally and assist in funding of continuing education, various leadership programs, and the pursuit of professional licenses and designations
- Ensure all client-facing employees are trained in responsible gaming annually

### Governance

- We strive to attract a diverse Board with diversity of financial, industry, and risk experience along with diversity of gender and race
- Each member of the Board brings unique skills and experiences to the team and plays a vital role in the direction of CDI

## Social - Community Involvement

### Monetary Contributions

- CDI contributes over \$1.5 million annually via grants and in-kind donations to over 600 organizations
- Donated \$150,000 on Giving Tuesday in 2020 across 15 nonprofits, primarily focused on the advancement of minorities at school and in the workplace

### Derby Day

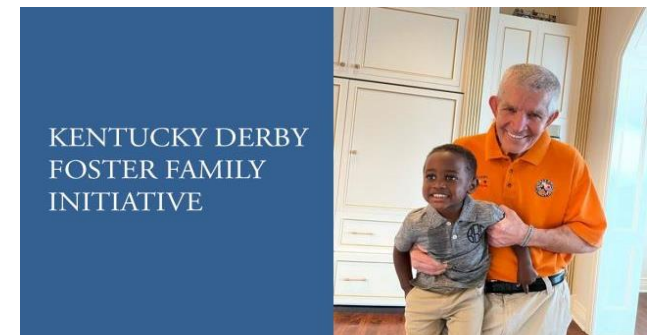
- CDI hosted nearly 300 representatives from Kentucky's Foster Care sector as guests in the first ever Kentucky Derby Foster Family
- Hosted a naturalization ceremony in the Winner's Circle as five individuals from five different countries took the Oath of Allegiance

### CDI Employee Giving

- Our team members demonstrate their commitment to our communities throughout the year through toy and food drives, preparation of meals for those in need, and assisting nonprofits

### Survivors Parade

- CDI helps to raise awareness for women's breast and ovarian cancer as attendees dress in pink and over 100 breast and ovarian cancer survivors march in the Survivors Parade on the Kentucky Oaks day
  - We continued the tradition in 2021 with a virtual Survivors Parade including a moving video montage and honorary lap around the track by the Norton Healthcare Mobile Prevention Unit
  - More than \$225,000 has been raised for breast health since 2019



## Social - Diversity, Equity and Inclusion

### Corporate Approach – Committed to building a diverse and inclusive environment

- CDI has hired a VP of Culture (Diversity, Equity, and Inclusion)
- CDI has established an internal Diversity Advisory Committee

### Diversity throughout the Company

- 2 of 8 independent directors are a woman or diverse
- 1 of 4 NEOs is a woman
- 39% of senior leadership team (Director level and above) are women and / or diverse
- 50% of wholly-owned gaming property leaders are women and / or diverse

### Support for Diversity in our Communities

- Champions Day during Derby Week celebrated Black Horsemen in Thoroughbred racing and featured partner organizations whose mission supports equitable opportunities in racing
- The Kentucky Derby Festival, with support from CDI and Humana, launched the Derby Equity and Community Initiative, which vows to create Derby traditions that invite diverse participation through economically impactful programs with a focus on educational elements and multi-generational programming





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# *Appendix*

## 2021 Financial Reporting Segments

### 2021 financial reporting segments updated to reflect:

- Changed Churchill Downs segment to Live and Historical Racing segment to facilitate realignment of new HRM facilities – Oak Grove, Turfway Park, and Newport from Other to this segment
- Renamed Online Wagering segment to TwinSpires segment to reflect branding and facilitate realignment of retail sports betting within TwinSpires Sports and Casino

### 2020 Segments

#### Churchill Downs

- Churchill Downs Racetrack
- Derby City Gaming

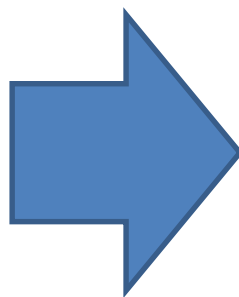
#### Online Wagering

- TwinSpires
- Sports and Casino

#### Gaming

#### All Other<sup>1</sup>

- Corporate
- Turfway Park
- Oak Grove
- Newport Gaming
- United Tote
- Arlington



### 2021 Segments

#### Live and Historical Racing

- Churchill Downs Racetrack
- Derby City Gaming
- Oak Grove
- Turfway Park
- Newport Gaming

#### TwinSpires

- Horse Racing
- Sports and Casino

#### Gaming

#### All Other<sup>1</sup>

- Corporate
- United Tote
- Arlington

<sup>1</sup> All Other is not a financial reporting segment



# Completed Projects at CDRT



## Management Team



**Bill Carstanjen**  
**Chief Executive Officer**

- Chief Executive Officer since Aug. 2014; Director since 2015
- President and COO, Mar. 2011 – Aug. 2014; COO, Jan. 2009 – Mar. 2011
- EVP, General Counsel & Chief Development Officer, July 2005 – Dec. 2008
- Former Executive of GE
- Began career as attorney with Cravath, Swaine, & Moore LLP in NYC
- Columbia Law School



**Bill Mudd**  
**President and Chief Operating Officer**

- Chief Operating Officer since Oct. 2015
- President and Chief Financial Officer, Aug. 2014 – Oct. 2015
- Chief Financial Officer from Oct. 2007 to Aug. 2014
- 15-year multi-industry, multi-business background with GE
- Former Captain in the U.S. Army Reserves
- B.A. in Mathematics from Bellarmine University; MBA



**Marcia Dall**  
**Executive Vice President and Chief Financial Officer**

- Chief Financial Officer since Oct. 2015
- Public company Chief Financial Officer for Erie Insurance Group / Erie Indemnity (Nasdaq: ERIE), Mar. 2009 to Oct. 2015
- 20+ year tenure with GE / GE Capital in finance / operational / executive roles
- B.S. in Accounting – Indiana University; MBA – Kellogg School of Management at Northwestern University; CPA

## Board of Directors



**Alex Rankin**  
Chairman of the Board

- Independent Chairman since 2018
- Director since 2008
- Chairman of the Board of Sterling G. Thompson Company, LLC
- President of Upson Downs Farm, Inc.
- Chairman of James Graham Brown Foundation



**Bill Carstanjen**

- CEO since 2014; Director since 2015
- CDI President and COO, 2011 – 2014; COO, 2009 - 2011
- CDI EVP, General Counsel & Chief Development Officer, 2005 - 2008
- Former Executive of GE
- Began career as attorney with Cravath, Swaine, & Moore LLP in NYC



**Ulysses Bridgeman, Jr.**

- Director since 2012
- Owner and CEO of Heartland Coca-Cola Bottling Company
- Previously owner & CEO of various companies operating over 450 restaurants in 20 states
- From 1975 – 1987 played professional basketball for the Milwaukee Bucks and Los Angeles Clippers



**Robert Fealy**

- Director since 2000
- Chair of Nominating and Governance Committee
- Managing Director of Limerick Investments, LLC
- Previously President, COO, and Director of The Duchossois Group

## Board of Directors (continued)



### Doug Grissom

- Director since 2017
- Managing Director of Madison Dearborn Partners' Business & Government Software and Services team
- Previously with Bain Capital, McKinsey & Company and Goldman Sachs



### Daniel Harrington

- Director since 1998
- Chair of Compensation Committee
- President and CEO of HTV Industries, Inc.
- Extensive financial, accounting, and Chief Executive experience



### Karole Lloyd

- Director since 2018
- Chair of Audit Committee and serves on the Nominating & Governance Committee
- Retired Vice Chair and Southeast Regional Managing Partner for Ernst & Young LLP
- Serves on the Board of Directors of Aflac Inc.
- Handled mergers, IPOs, acquisitions, and divestures for EY



### Paul Varga

- Director since 2020
- Former Chairman and CEO of Brown-Forman Corporation
- Serves on the Board of Directors of Macy's Inc.
- Considerable experience and expertise in corporate finance, building brand awareness, product development, marketing, and sales

## Definition of Non-GAAP Financial Measures

Churchill Downs Incorporated (the “Company”, “we”, “our”) uses non-GAAP measures as a key performance measure of the results of operations for purposes of evaluating performance internally. These measures facilitate comparison of operating performance between periods and help investors to better understand the operating results of the Company by excluding certain items that may not be indicative of the Company’s core business or operating results. The Company believes the use of these measures enables management and investors to evaluate and compare, from period to period, the Company’s operating performance in a meaningful and consistent manner. The non-GAAP measures are a supplemental measure of our performance that is not required by, or presented in accordance with, GAAP, and should not be considered as an alternative to, or more meaningful than, net income or diluted EPS (as determined in accordance with GAAP) as a measure of our operating results. We use Adjusted EBITDA to evaluate segment performance, develop strategy and allocate resources. We utilize the Adjusted EBITDA metric to provide a more accurate measure of our core operating results and enable management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure provided in accordance with GAAP. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and, therefore, comparability may be limited.

**Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted for the following:  
Adjusted EBITDA includes our portion of the EBITDA from our equity investments.**

**Adjusted EBITDA excludes:**

- Transaction expense, net which includes:
  - Acquisition and disposition related charges; and
  - Other transaction expense, including legal, accounting, and other deal-related expense;
- Stock-based compensation expense;
- Rivers Des Plaines’ impact on our investments in unconsolidated affiliates from:
  - The impact of changes in fair value of interest rate swaps; and
  - Legal reserves and transaction costs;
- Asset impairments;
- Legal reserves;
- Pre-opening expense; and
- Other charges, recoveries and expenses

## Reconciliation from GAAP to Non-GAAP Financial Measures

### Reconciliation of Comprehensive Income to Adjusted EBITDA

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,		Years Ended December 31,	
	2021	2020	2021	2020	2020	2019
<b>Net income (loss) attributable to CDI</b>	61.4	43.2	205.8	(99.0)	(81.9)	137.5
Net loss attributable to noncontrolling interest	-	0.1	-	0.2	0.2	0.3
<b>Net Income (loss) before noncontrolling interest</b>	<u>61.4</u>	<u>43.1</u>	<u>205.8</u>	<u>(99.2)</u>	<u>(82.1)</u>	<u>137.2</u>
Loss from discontinued operations, net of tax	-	-	-	96.1	95.4	2.4
<b>Income (loss) from continuing operations, net of tax</b>	<u>61.4</u>	<u>43.1</u>	<u>205.8</u>	<u>(3.1)</u>	<u>13.3</u>	<u>139.6</u>
<b>Additions:</b>						
Depreciation and amortization	25.9	22.4	77.9	66.5	92.9	96.4
Interest expense	21.7	19.7	63.1	59.3	80.0	70.9
Income tax provision (benefit)	26.3	13.9	84.1	(5.6)	(5.3)	56.8
<b>EBITDA</b>	<u>\$ 135.3</u>	<u>\$ 99.1</u>	<u>\$ 430.9</u>	<u>\$ 117.1</u>	<u>\$ 180.9</u>	<u>\$ 363.7</u>
<b>Adjustments to EBITDA:</b>						
Selling, general and administrative:						
Stock-based compensation expense	\$ 7.8	\$ 6.9	\$ 20.4	\$ 17.3	\$ 23.7	\$ 23.8
Legal reserves	-	-	-	-	-	3.6
Other, net	-	0.8	0.2	0.7	0.8	0.4
Pre-opening expense	1.7	6.2	3.8	9.8	11.2	5.1
Impairment of intangible assets	-	-	11.2	17.5	17.5	-
Transaction expense, net	2.0	0.5	2.1	1.0	1.0	5.3
Other income, expense:						
Interest, depreciation and amortization expense related to equity investments	10.7	9.9	30.8	29.2	38.5	32.6
Changes in fair value of Rivers Des Plaines' interest rate swaps	(2.0)	(1.5)	(8.0)	14.7	12.9	12.4
Rivers Des Plaines' legal reserves and transactions costs	0.6	-	8.6	-	-	4.7
Other charges and recoveries, net	-	-	-	-	-	(0.2)
<b>Total adjustments to EBITDA</b>	<u>20.8</u>	<u>22.8</u>	<u>69.1</u>	<u>90.2</u>	<u>105.6</u>	<u>87.7</u>
<b>Adjusted EBITDA</b>	<u>\$ 156.1</u>	<u>\$ 121.9</u>	<u>\$ 500.0</u>	<u>\$ 207.3</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>
<b>Adjusted EBITDA by segment:</b>						
Live and Historical Racing	\$ 27.7	\$ 24.1	\$ 144.4	\$ 28.7	\$ 39.1	\$ 135.6
TwinSpires	20.7	32.6	66.3	87.3	112.9	69.3
Gaming	110.7	74.7	312.9	120.8	173.1	277.9
<b>Total segment Adjusted EBITDA</b>	<u>159.1</u>	<u>131.4</u>	<u>523.6</u>	<u>236.8</u>	<u>325.1</u>	<u>482.8</u>
All Other	(3.0)	(9.5)	(23.6)	(29.5)	(38.6)	(31.4)
<b>Total Adjusted EBITDA</b>	<u>\$ 156.1</u>	<u>\$ 121.9</u>	<u>\$ 500.0</u>	<u>\$ 207.3</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>