



CHURCHILL DOWNS

INCORPORATED

Investor Presentation

September 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

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





Business Overview and Case for Investing

Churchill Downs Incorporated

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 casinos¹ with ~11,000 slot machines and video lottery terminals and 200 table games in eight states

¹ 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 Segment	Adjusted EBITDA					
	2019		2020		1H '21	
	\$	% of total	\$	% of total	\$	% of total
Live and Historical Racing	\$135	30%	\$39	14%	\$117	34%
TwinSpires	\$69	15%	\$113	39%	\$46	13%
Gaming	\$278	62%	\$173	60%	\$202	59%
All Other	\$(31)	(7)%	\$(38)	(13)%	\$(21)	(6)%
Total	\$451	100%	\$287	100%	\$344	100%

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
The Kentucky Derby	▪ Turf Course	Spring 2022	\$10
	▪ Homestretch Club	May 2022	\$45
	▪ Turn I Experience	May 2023	\$90
	▪ Paddock / Under the Spires	May 2024	TBD
Historical Racing Machines	▪ Newport Annex Expansion	November 2021	\$6
	▪ Louisiana HRMs in OTBs	Early 2022	\$35
	▪ Turfway Park HRM Facility ¹	Summer 2022	\$148
	▪ Derby City Gaming Expansion and Hotel	Late 2022 / Spring 2023	\$76
	▪ Downtown Louisville Annex	Early 2023	TBD
	▪ Oak Grove Annex	TBD	TBD
Gaming	▪ Rivers Des Plaines Expansion ²	Spring 2022	\$87

¹ Reflects only capital for planned HRM facility at Turfway Park

² Capital investments at Rivers Des Plaines are funded through operating cash flow and debt facilities for joint venture and are not funded by Churchill Downs Incorporated

Homestretch Club at Churchill Downs Racetrack

Homestretch Club planned to debut in May 2022 for 148th 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
- 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
- Will include an 18,600 square-foot indoor hospitality space with grand staircase and 100 foot feature bar to enhance the experience for our guests



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



Turn I Experience at Churchill Downs Racetrack

New Turn I experience planned for May 2023 for the 149th 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



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

Paddock and Under the Spires at Churchill Downs Racetrack

Redesigned Paddock and Under the Spires area planned to debut in May 2024 for the 150th Kentucky Derby

- Developing newly designed Paddock and Under the Spires area to enhance the experience for nearly every guest
- Redesign will reduce congestion by significantly improving the flow of guests throughout the Paddock and Plaza areas
- Will introduce new and innovative experiences with new reserved seating for guests and views of the Paddock area and the historic racetrack



Louisiana Update and HRM Opportunity

Hurricane Ida Impact

Hurricane Ida made landfall in Louisiana on August 29th

12 of our properties have reopened as of September 26th

- Reopening dates for our remaining properties still pending

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

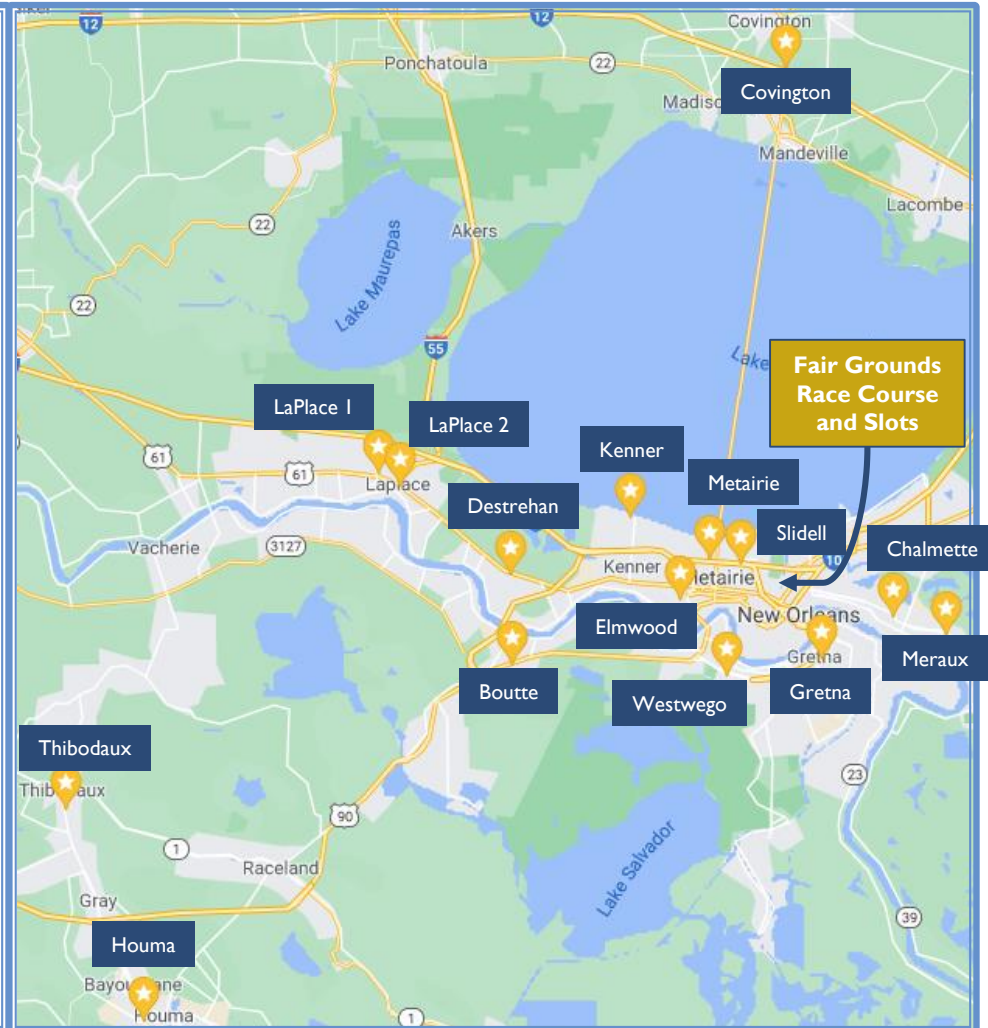
HRM Opportunity

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

- Regulators are working on finalizing the regulations

Fair Grounds opportunity:

- Fair Grounds is allowed to have up to 50 HRMs at each of its 15 OTBs
- Up to \$35 million investment
- Completion expected in early 2022



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 late 2022
 - Increases HRM capacity by 400 HRMs (will open with 200 additional machines)
 - VIP gaming space, new sports bar, and new stage
 - Upscale casual restaurant and bar
- Five-story, 123-room hotel expected to be completed by Spring 2023



Rivers Casino Des Plaines Expansion

Rivers Casino Des Plaines expansion is underway

- \$87 million, 78,000 square-foot expansion to be built 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
 - Initial expansion to add 260 table game positions (+70%) and 439 slot game positions (+48%)
 - 26 additional positions to be added in the future
- Construction began in Spring 2021 with expected completion in Spring 2022



Illinois and Florida Land Sale Opportunities

Illinois

- 326 acres with Metra commuter train stop on property
- Attractive location – Arlington Heights is a suburb of Chicago, the commercial hub of the Midwest and 3rd largest metro area in U.S. (population of 2.7 million)
- Launched the auction process to sell the land at Arlington Park in 1Q'21
- We have received numerous bids and are working through the process of selecting the final winning bid

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 land around Calder Casino in 3Q'21







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)

Turfway Park

- Northern Kentucky
- Thoroughbred Racing

- Newport Racing and Gaming (Newport, KY)
- Building new facility at Turfway Park with up to 1,000 machines

Oak Grove

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

- Oak Grove Gaming (Oak Grove, KY)

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 million¹
- Mint Juleps served over Derby Weekend ➡ 120,000
- Traditionally the first leg of the Triple Crown ➡ only 13 Triple Crown winners since inception

¹ 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

3rd 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

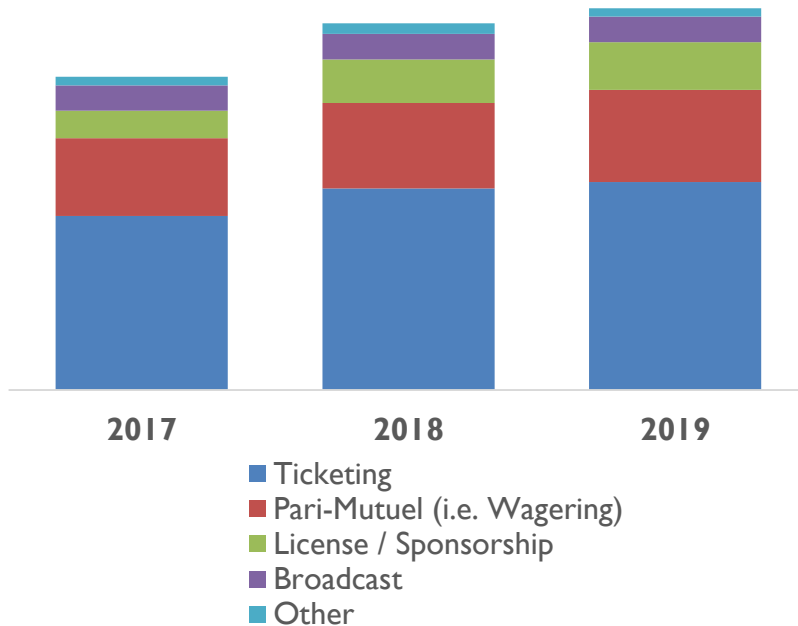
- Enhance guest experience to enable pricing differentiation for ~60,000 reserved seats
- Expand Derby Week offerings and attractions
- Execute capital investments to enable segmentation of ~110,000 guests who do not have a reserved seat

Attract additional sponsorships

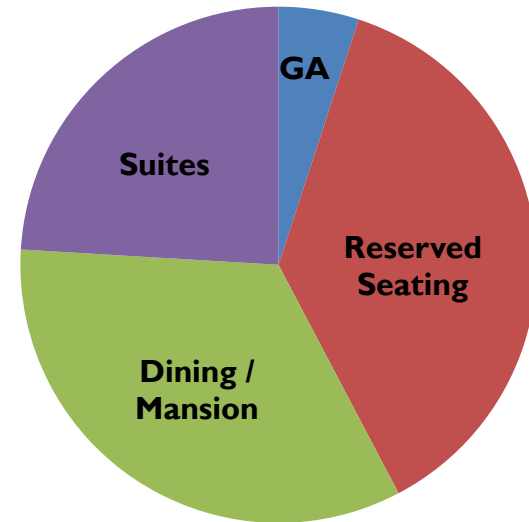
Expand European Road to Derby and Japan Road to Derby

The Kentucky Derby – Typical Sources of Growth and Profitability

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



Ticketing Revenue

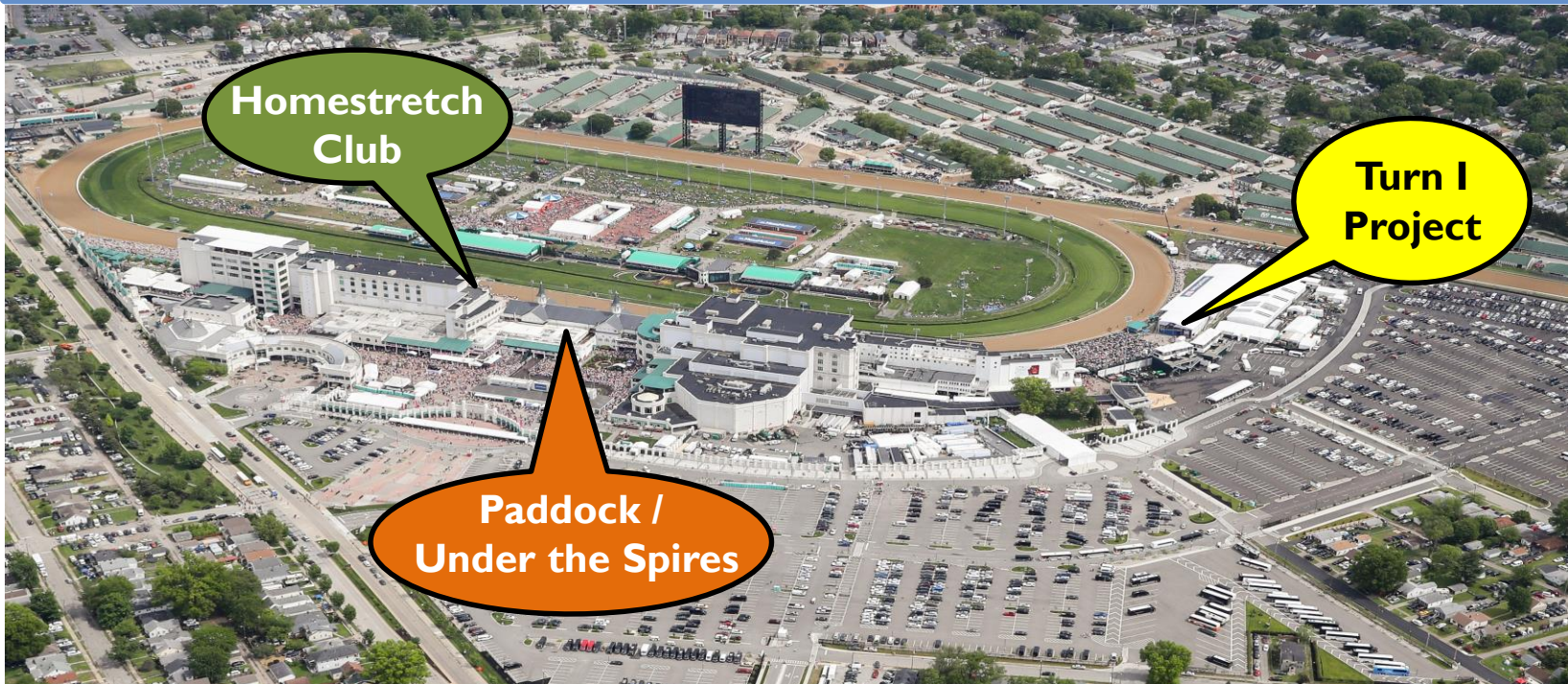


Premium seats (~60,000) are largest contributor to revenue

- 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

Project Capital Investments at Churchill Downs Racetrack

Multi-year Announced Capital Investments



Potential Major Future Projects



- Infield seating
- Renovate additional reserved seating areas
- Hotel

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>New customers for the Derby Additional wagering Provides extended marketing opportunity for sponsors</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
- 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 additional annexes under both the Churchill Downs Racetrack and Oak Grove licenses 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

  Annex		
Opened	Sep. 2018	<i>Future Organic Growth Opportunities</i>
Total investment¹ (\$ millions)	\$78	
Property size (sq. ft.)	~85,000	
Proximity to major market	8 mi. to Downtown Louisville	
Win/Unit/Day²	\$504	
Actual HRMs³	1,225	
HRM capacity approval to date	3,000	

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


Downtown Louisville Annex

- Developing plans to open HRM facility in downtown Louisville



¹ Reflects total approved project investment for completed projects
² For the month of July 2021 – 993 avg. HRMs operational
³ As of 12/31/20

Oak Grove Racing, Gaming & Hotel

		Annex
Opened	Sep. 2020	<i>Future Organic Growth Opportunity</i>
Total investment¹ (\$ millions)	\$200	
Property size (sq. ft.)	~275,000	
Proximity to major market	~55 mi. to Nashville	
Win/Unit/Day²	\$276	
Actual HRMs³	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





¹ Reflects total approved project investment for announced projects

² For the month of July 2021 – 1,198 avg. HRMs operational

³ As of 12/31/20

Turfway Park Racing & Gaming and Newport Racing & Gaming

		
Opened	Summer 2022	Oct. 2020
Total investment¹ (\$ millions)	Up to \$200	\$37
Property size (sq. ft.)	~85,000	~17,000
Proximity to major market	~10 mi. to Cincinnati	~3 mi. to Cincinnati
Win/Unit/Day²		\$120
Actual HRMs³	Up to 1,000	500
HRM capacity approval to date	2,500	

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 2021
- Supports purse funding for Turfway Park race meets



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

² For the month of July 2021 – 489 avg. HRMs operational

³ As of 12/31/20





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 population¹
- 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, and Tennessee
- Strong geographic footprint in key states for further expansion



¹ 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

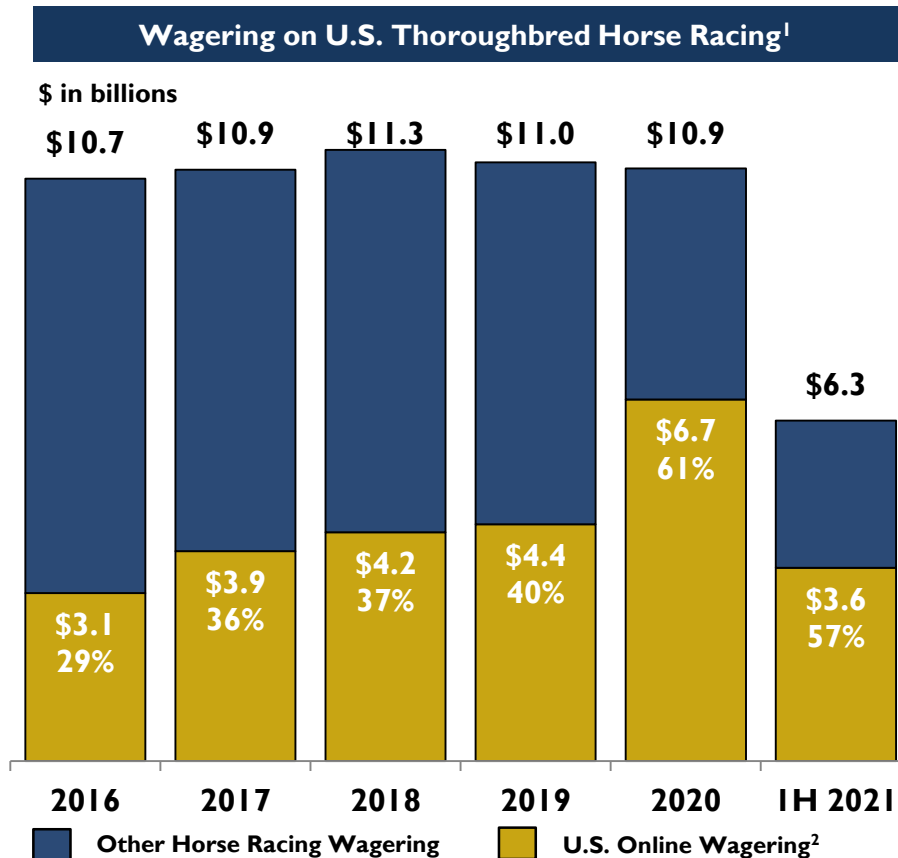
Key metrics

\$ in millions	2019	2020	IH '21
TwinSpires Handle¹	\$1,456	\$1,977	\$1,064
Revenue	\$291	\$405	\$221
Adj. EBITDA	\$78	\$127	\$64
Margin	27%	31%	29%

¹ TwinSpires handle excludes Velocity

Industry Growth - Horse Racing Wagering

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



Significant Growth

\$ in billions

Increased wagering

IH '19	IH '21	% Change
\$5.7	\$6.3	11%

Significant shift to online wagering

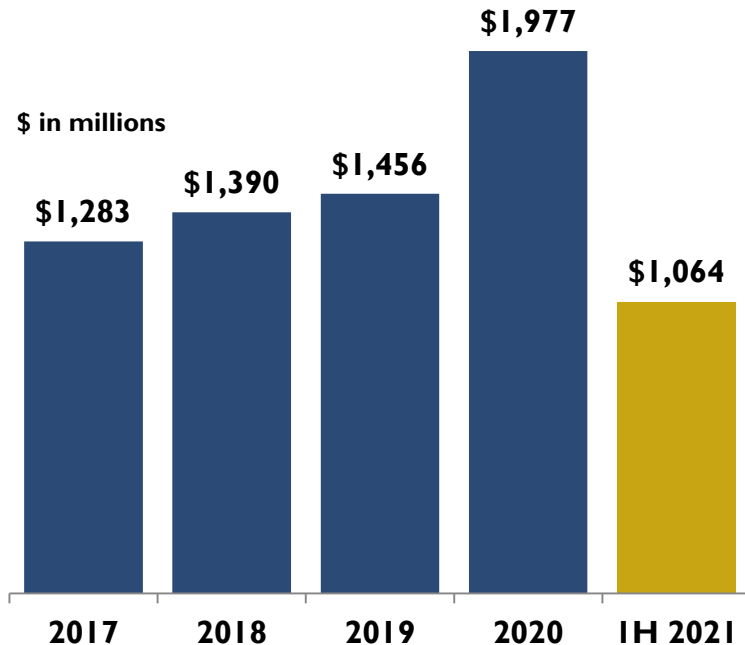
IH '19	IH '21	% Change
\$2.3	\$3.6	57%

¹ Total wagering represents wagering on U.S. Thoroughbred Horse Racing as reported by Equibase

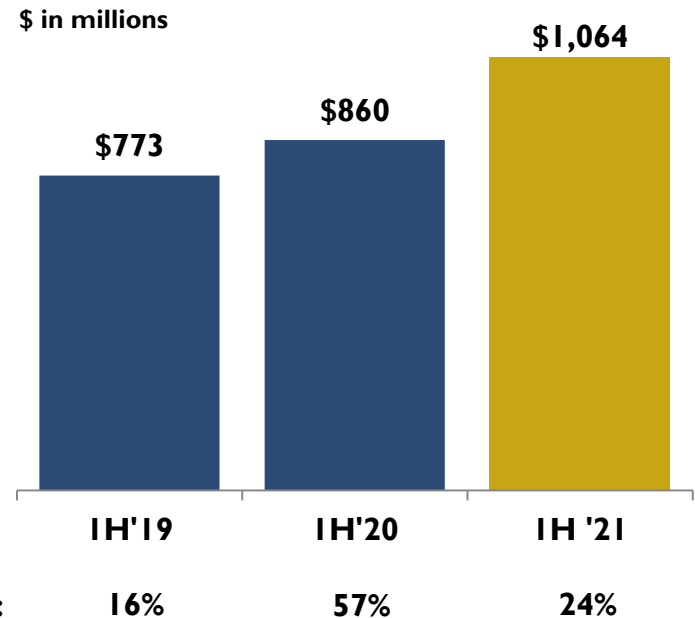
² All U.S. Online Wagering as reported by the Oregon Racing Commission, including Velocity

TwinSpires Horse Racing growth

TwinSpires Horse Racing handle¹ has grown significantly



TwinSpires Horse Racing handle grew 24% in IH'21 compared to IH'20² and 38% compared to IH'19



¹ All TwinSpires Horse Racing handle except for Velocity

² The 146th Kentucky Derby and Oaks were ran in the third quarter of 2020 vs. its traditional running in the second quarter

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

Road to the Derby



Triple Crown

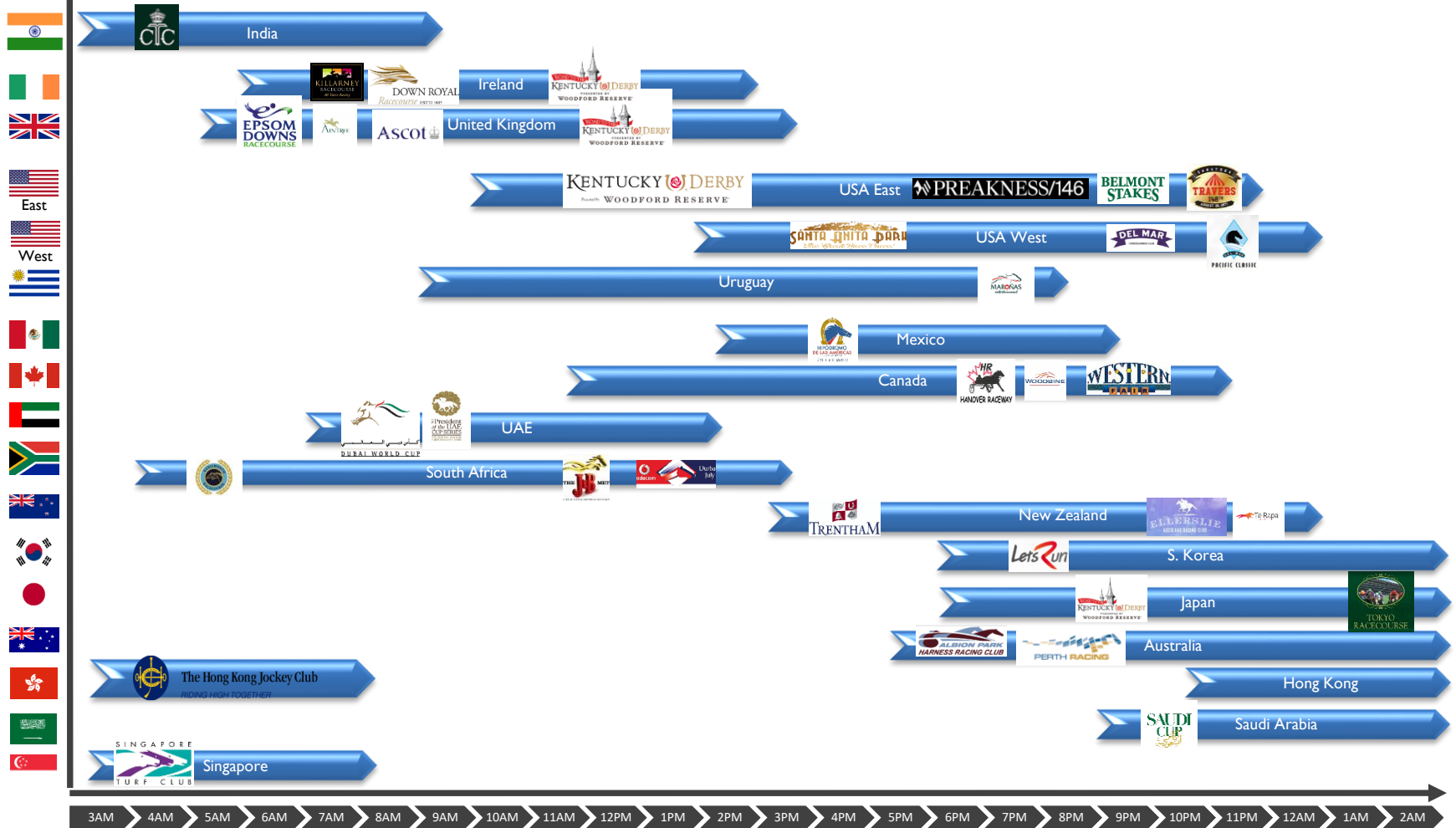


Breeder's Cup Challenge Series & World Championships



* 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 ¹	CDI Property or 3 rd Party Agreement	Horse Racing	Retail Sports	Online Sports	Casino
Mississippi	0.9%	Harlow's and Riverwalk Casinos	✓	3Q'18		
New Jersey	2.7%	3 rd 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 rd Party - Rising Star Casino Resort for Sports Betting	✓	4Q'19	4Q'19	
Illinois	3.9%	Rivers Des Plaines Joint Venture ²	✓	1Q'20	2Q'20	
Michigan	3.1%	3 rd Party - Hannahville Indian Community	✓	3Q'20	1Q'21	1Q'21
Colorado	1.7%	3 rd Party - Full House Resorts for Sports Betting	✓	3Q'20	2Q'21	
Tennessee	2.1%	Open market access	✓		2Q'21	
Louisiana	1.4%	Fair Grounds Slots/VSI and Race Course	✓	TBD	TBD	
Maryland	1.9%	The Casino at Ocean Downs	✓	TBD	TBD	
Arizona	2.2%	3 rd Party - Tonto Apache Tribe	✓	TBD	TBD	
Total	25.9%					

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

² 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





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 sportsbooks¹

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

¹ 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	1H '21
Revenue¹	\$687	\$435	\$340
Adjusted EBITDA²	\$278	\$173	\$202

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

¹ Revenue does not include revenue from our equity investments

² 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 ¹ & Video Poker / VLTs ¹	Tables ¹	Racetrack	Hotel
Calder Casino	FL	170	1,100	-	✓	-
Fair Grounds Slots and VSI ²	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 ³	690	15	-	✓
Riverwalk Casino Hotel	MS	22	650	15	-	✓
Presque Isle Casino	PA	270	1,550	34	✓	-
Lady Luck Nemaacolin ⁴	PA	-	600	27	-	-

¹ Units as of 12/31/20

² Fair Grounds operates 15 OTB's across southeast Louisiana

³ Leased land

⁴ 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 terminals¹ 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^{1,2} (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



¹ Units as of 12/31/20

² 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).





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>2Q'21 YTD Actuals</u>	<u>2021 Forecast as of 6/30/21</u>
Maintenance Capital	\$14 million	\$45 - 55 million
Project Capital	\$16 million <ul style="list-style-type: none"> ▪ Oak Grove ▪ Churchill Downs Racetrack ▪ Turfway Park 	\$130 - 140 million <ul style="list-style-type: none"> ▪ Turfway Park ▪ Oak Grove ▪ Newport ▪ Churchill Downs Racetrack ▪ Louisiana HRMs

Capacity for Future Investments

- **3.0x Pro forma TTM Net Leverage as of June 30, 2021**
- **Significant balance sheet flexibility**
- **\$700 million undrawn credit facility¹**
- **Demonstrated ability to access debt markets with attractive rates / terms**

¹ \$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 acre¹
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 million² Dec. 2014
Sold for \$990 million² 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

¹ Excluding real estate commissions paid

² 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

- **2021 was the 10th 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**
 - Includes \$500 million repurchased with a portion of the Big Fish Games sale proceeds through a Dutch Auction in February 2018 and the \$194 million repurchased from privately negotiated transaction in February 2021
- **\$300 million share repurchase program authorized on October 30, 2018**
 - \$23 million repurchased in 2020 and \$93 million repurchased in 2019
 - \$147 million of capacity remaining at June 30, 2021

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





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
- Oversight of CDI leadership team and CDI’s Board of Directors including CDI’s Nominating & Governance Committee
- 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

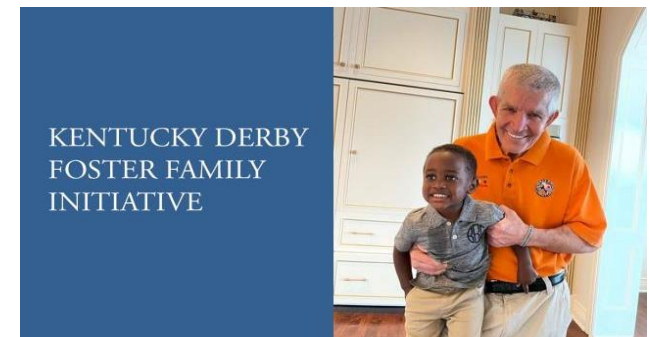
- CDI hosted nearly 300 representatives from Kentucky's Foster Care sector as guests in the first ever Kentucky Derby Foster Family
- Hosted a naturalization ceremony in the Winner's Circle as five individuals from five different countries took the Oath of Allegiance

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







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

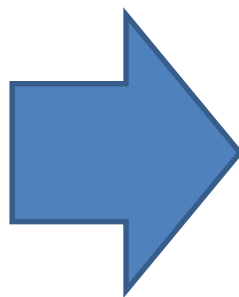
Online Wagering

- TwinSpires
- Sports and Casino

Gaming

All Other¹

- 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 Other¹

- Corporate
- United Tote
- Arlington

¹ 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 June 30,		Six Months Ended June 30,		Years Ended December 31,	
	2021	2020	2021	2020	2020	2019
Net income (loss) attributable to CDI	108.3	(118.8)	144.4	(142.2)	(81.9)	137.5
Net loss attributable to noncontrolling interest	-	-	-	0.1	0.2	0.3
Net Income (loss) before noncontrolling interest	108.3	(118.8)	144.4	(142.3)	(82.1)	137.2
Loss from discontinued operations, net of tax	-	95.2	-	96.1	95.4	2.4
Income (loss) from continuing operations, net of tax	108.3	(23.6)	144.4	(46.2)	13.3	139.6
Additions:						
Depreciation and amortization	26.0	22.1	52.0	44.1	92.9	96.4
Interest expense	22.0	20.3	41.4	39.6	80.0	70.9
Income tax provision (benefit)	41.6	(7.9)	57.8	(19.5)	(5.3)	56.8
EBITDA	<u>\$ 197.9</u>	<u>\$ 10.9</u>	<u>\$ 295.6</u>	<u>\$ 18.0</u>	<u>\$ 180.9</u>	<u>\$ 363.7</u>
Adjustments to EBITDA:						
Selling, general and administrative:						
Stock-based compensation expense	\$ 7.1	\$ 6.1	\$ 12.6	\$ 10.4	\$ 23.7	\$ 23.8
Legal reserves	-	-	-	-	-	3.6
Other, net	0.2	(0.1)	0.2	(0.1)	0.8	0.4
Pre-opening expense	1.5	1.9	2.1	3.6	11.2	5.1
Impairment of intangible assets	11.2	-	11.2	17.5	17.5	-
Transaction expense, net	-	0.2	0.1	0.5	1.0	5.3
Other income, expense:						
Interest, depreciation and amortization expense related to equity investments	10.5	9.8	20.1	19.3	38.5	32.6
Changes in fair value of Rivers Des Plaines' interest rate swaps	(1.8)	1.3	(6.0)	16.2	12.9	12.4
Rivers Des Plaines' legal reserves and transactions costs	6.7	-	8.0	-	-	4.7
Other charges and recoveries, net	-	-	-	-	-	(0.2)
Total adjustments to EBITDA	<u>35.4</u>	<u>19.2</u>	<u>48.3</u>	<u>67.4</u>	<u>105.6</u>	<u>87.7</u>
Adjusted EBITDA	<u>\$ 233.3</u>	<u>\$ 30.1</u>	<u>\$ 343.9</u>	<u>\$ 85.4</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>
Adjusted EBITDA by segment:						
Live and Historical Racing	\$ 98.4	\$ 3.6	\$ 116.7	\$ 4.6	\$ 39.1	\$ 135.6
TwinSpires	23.1	38.7	45.6	54.7	112.9	69.3
Gaming	119.8	(1.8)	202.2	46.1	173.1	277.9
Total segment Adjusted EBITDA	241.3	40.5	364.5	105.4	325.1	482.8
All Other	(8.0)	(10.4)	(20.6)	(20.0)	(38.6)	(31.4)
Total Adjusted EBITDA	<u>\$ 233.3</u>	<u>\$ 30.1</u>	<u>\$ 343.9</u>	<u>\$ 85.4</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>