



CHURCHILL DOWNS

INCORPORATED

Investor Presentation

February 25, 2025

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,” “scheduled,” and similar words or similar expressions (or negative versions of such words or expressions), although some forward-looking statements are expressed differently.

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, that could cause actual results to differ materially from expectations include the following:

- The occurrence of extraordinary events, such as terrorist attacks, public health threats, civil unrest, and inclement weather, including as a result of climate change;
- The effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit, including the impact of inflation;
- Changes in, or new interpretations of, applicable tax laws or rulings that could result in additional tax liabilities;
- The impact of any pandemics, epidemics, or outbreaks of infectious diseases, and related economic matters on our results of operations, financial conditions and prospects;
- Lack of confidence in the integrity of our core businesses or any deterioration in our reputation;
- Negative shifts in public opinion regarding gambling that could result in increased regulation of, or new restrictions on, the gaming industry;
- Loss of key or highly skilled personnel, as well as general disruptions in the general labor market; the impact of significant competition, and the expectation that competition levels will increase;
- Changes in consumer preferences, attendance, wagering, and sponsorships;
- 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 and historical racing machine (HRM) manufacturing and other technology conditions that could impose additional costs;
- Failure to enter into or maintain agreements with industry constituents, including horsemen and other racetracks;
- Inability to successfully focus on market access and retail operations for our sports betting business and effectively compete;
- 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;
- Costs of compliance with increasingly complex laws and regulations regarding data privacy and protection of personal information;
- Reliance on our technology services and catastrophic events and system failures disrupting our operations;
- Inability to identify, complete, or fully realize the benefits of our proposed acquisitions, divestitures, development of new venues or the expansion of existing facilities on time, on budget, or as planned;
- Difficulty in integrating recent or future acquisitions into our operations;
- Cost overruns and other uncertainties associated with the development of new venues and the expansion of existing facilities;
- General risks related to real estate ownership and significant expenditures, including risks related to environmental liabilities;
- Personal injury litigation related to injuries occurring at our racetracks;
- Compliance with the Foreign Corrupt Practices Act or other similar laws and regulations, or applicable anti-money laundering regulations;
- Payment-related risks, such as risk associated with fraudulent credit card or debit card use;
- Work stoppages and labor problems; 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;
- Increases to interest rates (due to inflation or otherwise), disruption in the credit markets or changes to our credit ratings may adversely affect our business;
- Increase in our insurance costs, or inability to obtain similar insurance coverage in the future, and any inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events; and
- Other factors described under the heading “Risk Factors” in our most recent Annual Report on Form 10-K and in other filings we make with the Securities and Exchange Commission.

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.



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Business Overview and Case for Investing

Churchill Downs Incorporated (“CDI”) Overview

We have a unique and diverse collection of entertainment assets that generate high margins with significant Adjusted EBITDA and Free Cash Flow

Churchill Downs Racetrack (“CDRT”)

Hosts the longest continuously held annual sporting event in the U.S., the Kentucky Derby

KENTUCKY  DERBY



Historical Racing Machines (“HRMs”)

Kentucky

Seven entertainment venues with ~5,130 HRMs and one new HRM venue under construction

Virginia

Eight entertainment venues ~4,400 HRMs and two new HRM venues under construction

New Hampshire

Chasers Poker Room in Salem with significant HRM and table game expansion opportunity

Wagering Services and Solutions

One of the largest and most profitable U.S. online wagering platforms for horse racing

Expanding pari-mutuel content and technology services to B2C sports betting platforms

Exacta provides HRM technology in our Virginia & Kentucky venues and to third parties in the U.S. and globally



Gaming

Twelve gaming properties¹ with ~14,860 slot machines and video lottery terminals² and ~360 table games in eleven states



1. Includes Miami Valley Gaming, 50% owned Ohio joint venture, and Rivers Casino Des Plaines, 61% owned Illinois joint venture.
 2. Includes HRMs at Fair Grounds off-track betting facilities (“OTBs”).

Case for Investing

The Kentucky Derby

- Iconic and irreplaceable asset
- Consistent high margin growth and significant free cash flow over the long-term from marquee asset
- Growing international engagement through Japan and European Roads to the Derby

Diverse Organic Growth

- Expansion of HRM entertainment venues in Kentucky, Virginia, New Hampshire, and other states
- Provider of HRM technology to existing and future central determinant system businesses
- 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
- Diverse portfolio of wholly-owned regional gaming properties and strategic equity investments

Strong Financial Profile

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

With a Proven Management Team and Organizational Depth for Execution

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

The Kentucky Derby is Only the Beginning

Live and Historical Racing

Gaming

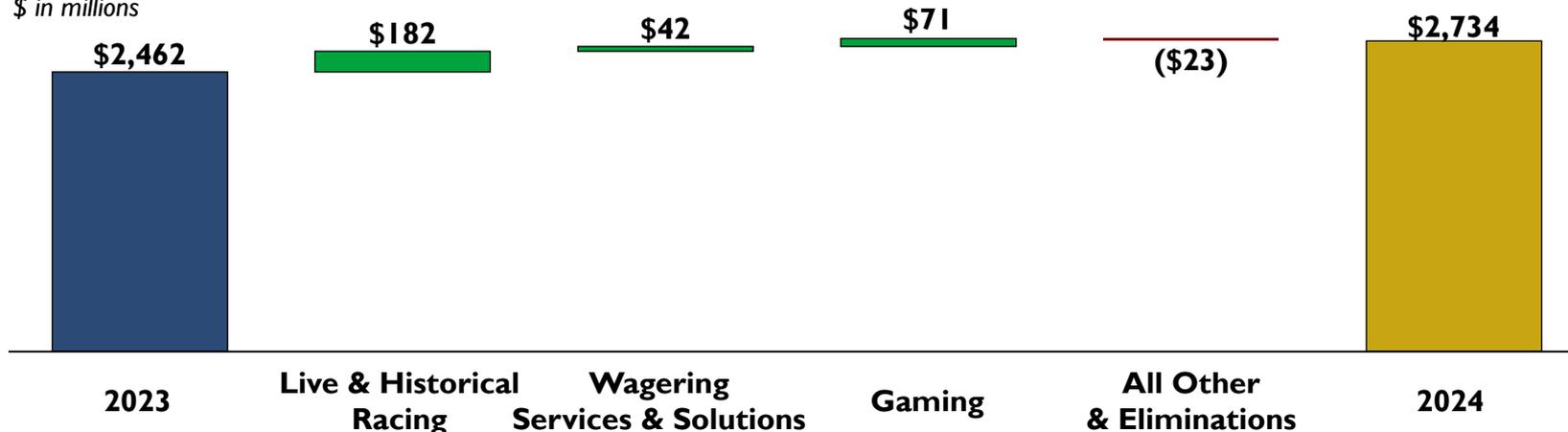


1. Marshall Yards Racing & Gaming in Kentucky is expected to open in 1Q'26.
2. Roseshire HRM venue in Virginia is expected to open in 4Q'25.

Strong 2024 Growth & Performance

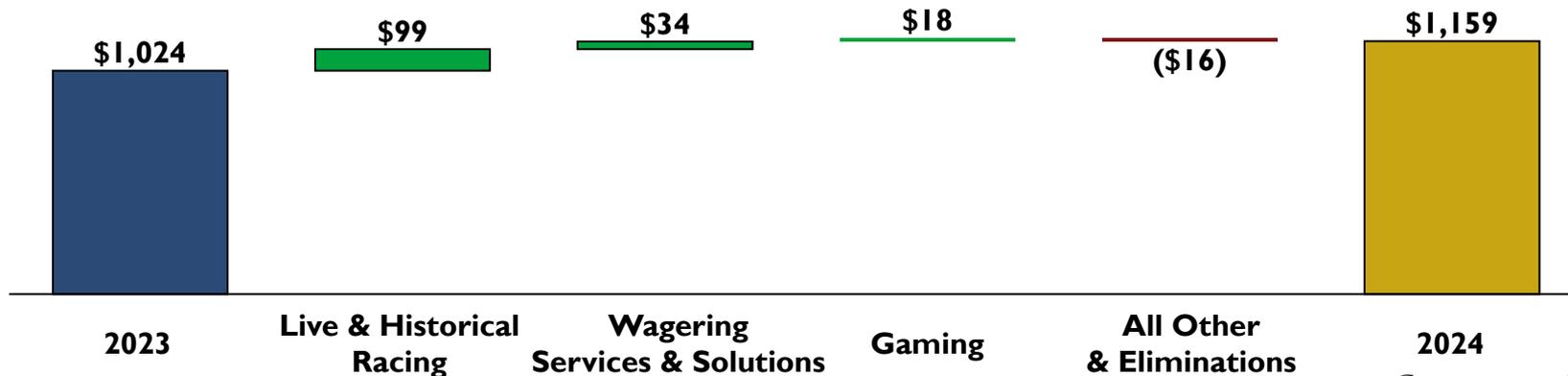
11% Annual Revenue Growth from 2023 to 2024

\$ in millions

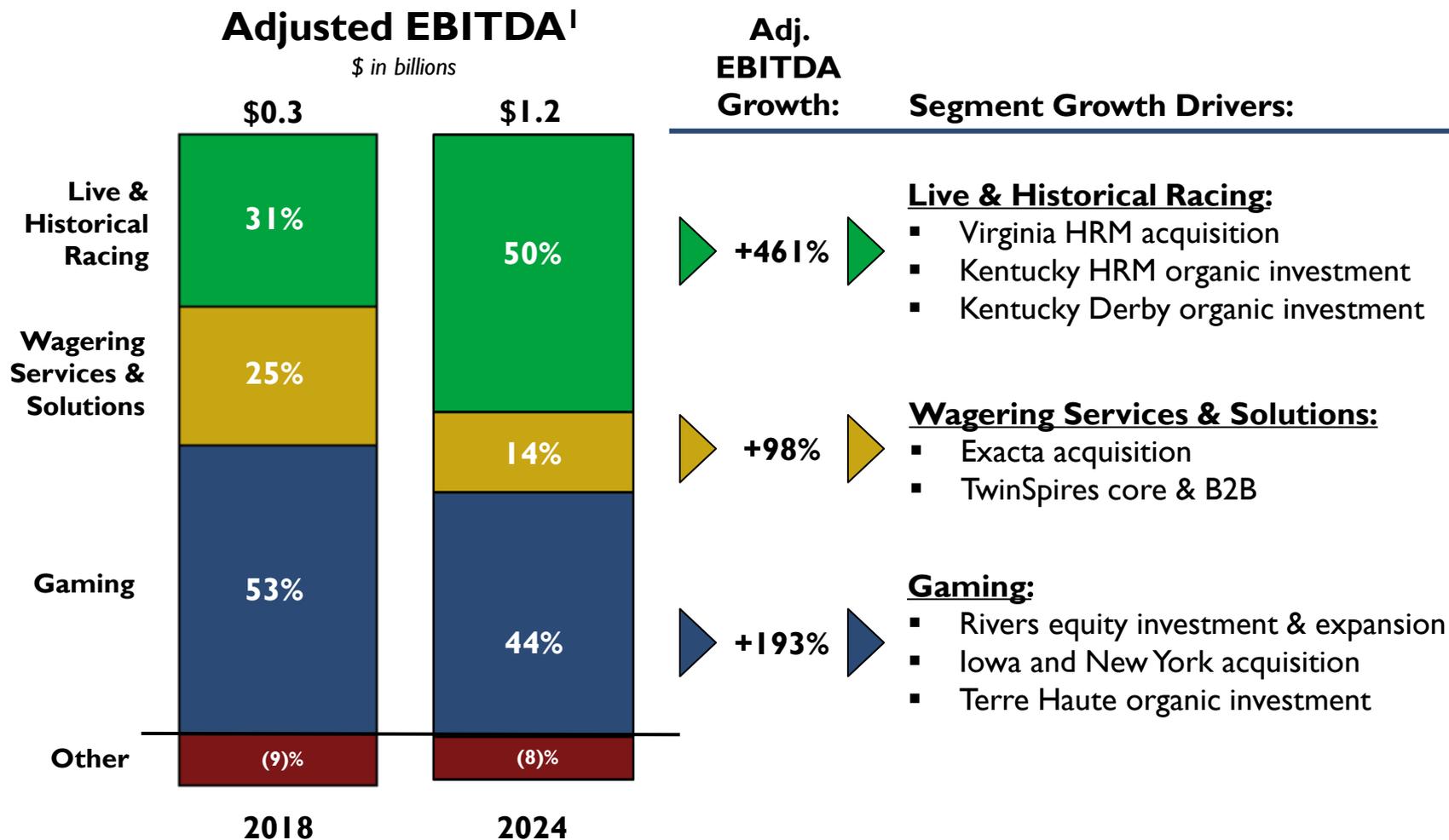


13% Annual Adj. EBITDA Growth from 2023 to 2024

\$ in millions



One of a Kind Portfolio



1. Continuing operations; 2018 reflects current segmentation

Summary of Project Capital Investments

	Location – Project	Target Completion	2025 Planned Spend (\$ Millions)
The Kentucky Derby	CDRT – Starting Gate Pavilion & Courtyard	April 2025	\$75-85
	CDRT – Skye Terrace Reconstruction & Expansion, Conservatory, and Infield General Admission Projects	2026-2028	\$120-130
Historical Racing Machines	Virginia – Richmond (HRM Expansion)	3Q'25	\$30-35
	Virginia – Henrico (Roseshire – HRM Venue)	4Q'25	\$30-35
	Southwestern Kentucky – Calvert City (Marshall Yards Racing & Gaming – HRM Venue)	1Q'26	\$30-35
	New Hampshire – Salem (HRM Venue)	TBD	TBD
All Other	All Other	TBD	\$65-80

2025 Project Capital Forecast: \$350-400 million

Proven Track Record of Generating Strong Returns on Capital Projects

Property ¹	Initial Year of Investment	Cumulative Investment (\$ millions)	Projected Unlevered IRR
Derby City Gaming	2018	\$154	> 65%
Newport Racing & Gaming	2020	\$36	> 25%
Oak Grove	2020	\$196	> 30%
Turfway Park ²	2022	\$179	Low-teens
Homestretch Club	2022	\$37	> 30%
First Turn	2023	\$87	> 20%

- 1. Properties with greater than 2 years of actual performance included using an unlevered DCF analysis.
- 2. Investment represents capital spend and acquisition costs.

Our capital investments provide strong returns and drive long term shareholder value

Disciplined Acquirer & Seller of Strategic Assets

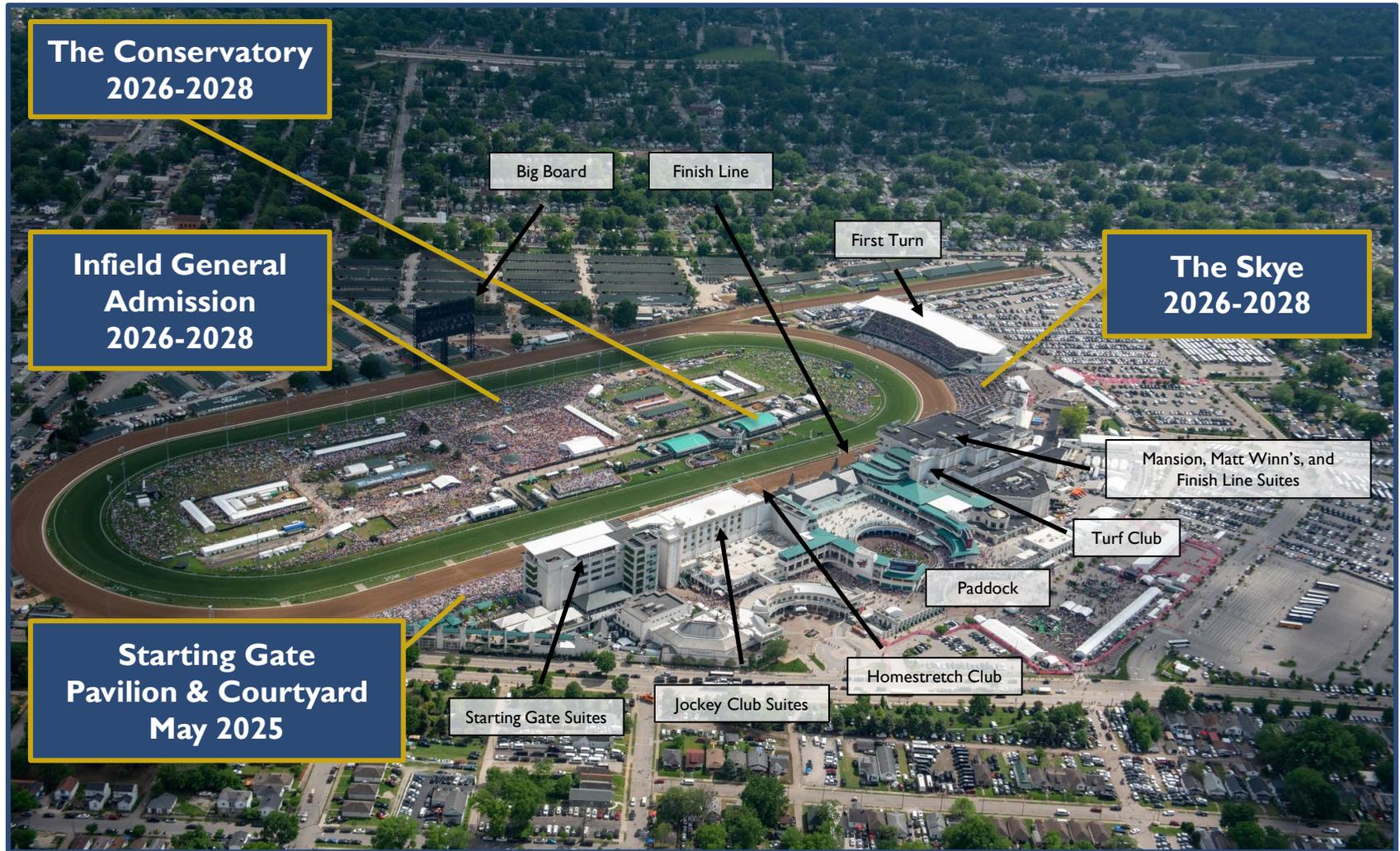
Disciplined Acquisitions			
<i>\$ in millions</i> Asset	Initial Year of Investment	Purchase Price	Implied Multiple ¹
Rivers Casino Des Plaines	2019	\$407	< 5x
P2E & Exacta ²	2022 & 2023	\$3,000	7-8x

1. Based on purchase price and 2024 Adjusted EBITDA.

2. Excludes the investment in and Adjusted EBITDA from Emporia, The Rose, Richmond expansion, and Henrico County.

Strategic Seller of Assets			
<i>\$ in millions</i> Asset	Year of Sale	Sale Price	After-Tax Gain on Sale
Big Fish Games	2018	\$990	\$168
Calder Land Sales	2016 & 2022	\$318	\$298
Arlington Property Sale	2023	\$197	\$86

Churchill Downs Racetrack Capital Investments



Churchill Downs Racetrack - Starting Gate Pavilion & Courtyard

Replacing the existing grandstand and improving amenities for the 151st Kentucky Derby in May 2025

- **Transforms existing outdoor bleachers into a combination of 8,300 new comfortable seating varieties**
 - Stadium-style seats and rail boxes along the dirt track's outer rail will offer "trackside" seating experience where guests will be able to watch horses break from the Kentucky Derby Starting Gate
- **New amenities for 2,800 guests in the existing third floor box seats under the Starting Gate Suites**
 - Provides a more upscale social environment by converting existing second floor amenity area into a covered outdoor courtyard environment with new concessions, bars, and wagering windows
 - Creates additional space for overall guest circulation and adds an outdoor balcony for added dining seats



Kentucky Derby Investment Strategy

2026-2028 Planned Projects

- **The Skye Reconstruction & Expansion**
- **The Conservatory**
- **Infield General Admission**
- **Infrastructure Enhancements**



Value Proposition

- **Significantly improved guest experience for 20% of existing tickets**
- **New premium seat experiences and hospitality**

20,300	New premium seats
(13,600)	Seats replaced
6,700	Net new reserved seats

- **Additional sponsorship opportunities**
- **Structural enhancements for longevity of iconic asset**

**Foundation for growth of
The Kentucky Derby
over the next decade**

**Expect to create significant
shareholder value with
> 20% unlevered IRR**

The Skye Reconstruction & Expansion Project

The Skye

- **New 5-story structure will transform the iconic Clubhouse turn just past the finish line**
- **Replacing 11,500 existing seats with 13,300 seats providing a variety of premium hospitality experiences**
- **Creating upgraded and premium amenities and dining**
- **Project timing:**
 - First 3 floors to be completed for the 153rd Derby in May 2027
 - Full project to be completed for the 154th Derby in May 2028



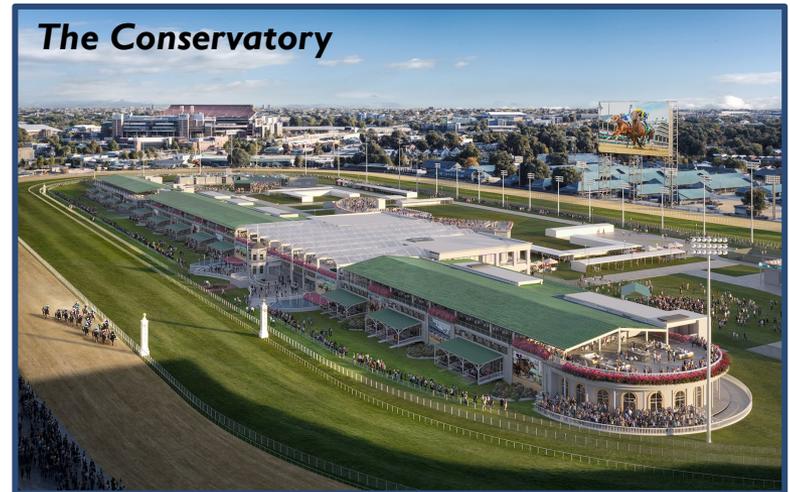
Exterior of The Skye



The Conservatory Project

The Conservatory

- **New permanent structure in the infield providing premium ticketing experiences along the homestretch of the racetrack**
- **Replaces 2,100 seats in temporary structures with over 7,000 premium experiences in new venue**
- **Phase I - May 2026:**
 - Conservatory #1 with 9 premium suites and covered rooftop seating
 - The Pagoda Club & Terrace with intimate views of the Kentucky Derby Winner's Circle
 - The Stargazer Lounge along the first turn for VIP guests
- **Phase II - May 2027:**
 - Conservatory #2 with additional premium suites and covered rooftop seating
- **Phase III - May 2028:**
 - Conservatory #3 with additional premium suites and covered rooftop seating



Infield General Admission Project

Infield General Admission Project

- Enhanced amenities including mutuels, concessions, restrooms, and entertainment stages
- Ticket upgrade opportunities with additional entertainment and rooftop viewing options
- Additional sponsorship activation opportunities
- Project timing:
 - Phase I - 152nd Derby in May 2026
 - Phase II - 153rd Derby in May 2027
 - Phase III - 154th Derby in May 2028



Virginia Development Rights

Richmond HRM Expansion

Expansion of existing Richmond HRM entertainment venue in Central Virginia

- Addition of 400 HRMs in 2Q'25
- Total of 1,200 HRMs upon completion of project

Planned to open in 3Q'25



The Roseshire – Henrico HRM Venue

New HRM entertainment venue in Henrico County in Central Virginia

- 175 HRMs
- Refined wine bar
- Live entertainment
- Simulcast

Planned to open in 4Q'25

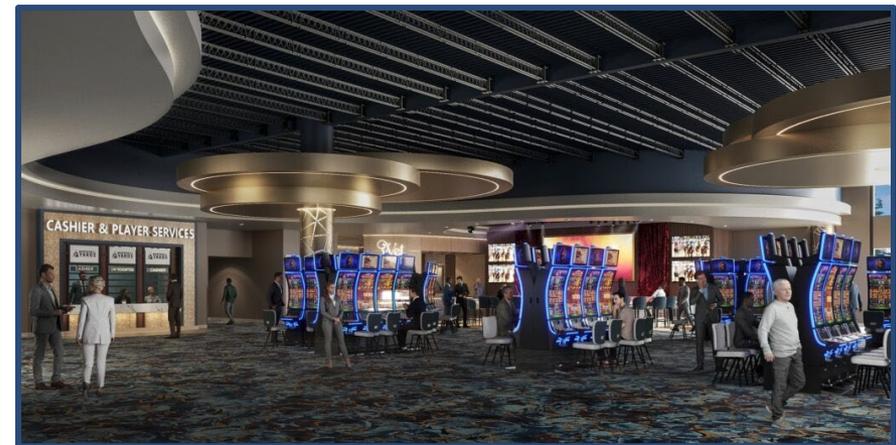


Marshall Yards Racing & Gaming

Marshall Yards Racing & Gaming

- New HRM entertainment venue located in Southwestern Kentucky in Calvert City at the intersection of I-69 and I-24
- Annex of Oak Grove Racing & Gaming
- HRM entertainment venue will include:
 - 250 HRMs
 - Sports bar
 - Retail sports book
 - Simulcast wagering
 - Food & beverage offerings
- Planned to open in IQ'26

**MARSHALL
YARDS**
RACING • GAMING







Live and Historical Racing Segment

Kentucky Live and Historical Racing Overview

Live Racing	KY Historical Racing Facilities	Total Segment Key Metrics		
Churchill Downs <i>Home of the Kentucky Derby</i>	Derby City Gaming	\$ in millions	2024	4Q'24
	Derby City Gaming Downtown			
Turfway Park	Turfway Park Racing & Gaming	Revenue	\$1,267	\$276
	Newport Racing & Gaming	VPY / VPQ	+17%	+17%
Oak Grove	Oak Grove Racing, Gaming & Hotel	Adjusted EBITDA	\$575	\$102
	<i>Marshall Yards Racing & Gaming (1Q'26)</i>	VPY / VPQ	+21%	+14%
Ellis Park	Ellis Park Racing & Gaming			
	Owensboro Racing & Gaming			

Properties in italics are not yet open.

Four racetracks in Kentucky with ~5,130 HRMs at eight properties currently with approval for up to 9,000 HRMs

The Kentucky Derby Overview

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



Historic
Americana



Contagious
Excitement



Sophisticated
Luxury



Living
Traditions

The Kentucky Derby - By The Numbers

Significant broadcast interest creates long-term support for iconic entertainment event

Most Widely Distributed Derby in History on a Global Scale

- 20.1 million peak viewership, highest since 1989 (13% growth YoY)
- 16.7 million average viewership
- NBC broadcast on 16 networks in 174 territories (33% growth YoY)
- Social media engagements saw 60% growth YoY with over 177 million impressions
- Television lead-up coverage included: Today Show, Tonight Show with Jimmy Fallon, The Kelly Clarkson Show, The Players, Access, and E! News
- Lifestyle lead-up coverage included: At Home Menu with Martha Stewart and the first official Kentucky Derby Style Guide with Zanna Roberts Rassi
- Kentucky Derby to be presented on NBC & Peacock through 2032



Comparable Viewership	2024 Date	Network	Avg. Viewers ¹
150th Kentucky Derby	May 4th	NBC	16.7
Masters Final Round	Apr 14 th	CBS	9.6
Daytona 500	Feb 19 th	Fox	6.0
Indy 500	May 26 th	NBC	5.3
Formula One Miami Grand Prix	May 5 th	ABC	3.1

1. Viewership in millions

The Celebration Leading Up to the Kentucky Derby

Various non-affiliated organizations celebrate the Kentucky Derby

Kentucky Derby Museum

An all-day party to kick off the countdown to the Run for the Roses



Fillies Derby Ball

An evening of dinner, dancing, and live entertainment



Thunder Over Louisville

The largest annual fireworks display in North America



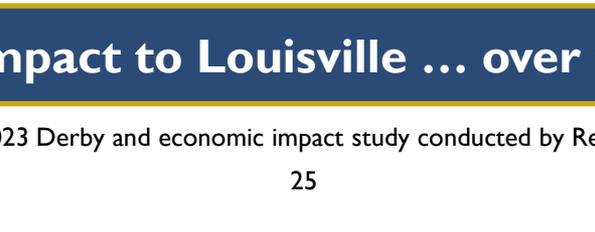
Great Balloon Race

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



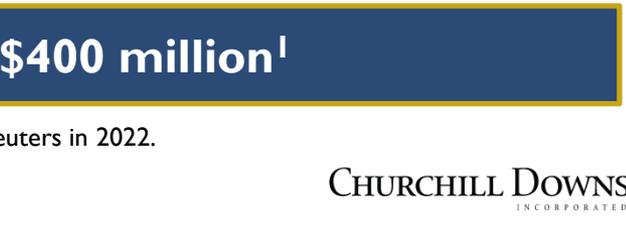
Kentucky Derby Festival Marathon

A Boston Marathon qualifying race which runs through Churchill Downs



Pegasus Parade

A family-friendly parade through Downtown Louisville featuring marching bands & floats



Economic Impact to Louisville ... over \$400 million¹

1. According to most recent local reports following 2023 Derby and economic impact study conducted by Reuters in 2022.

The Lead Up to the Kentucky Derby



CELEBRITY GALAS

FASHION SHOWS



ENTERTAINMENT & NIGHT RACING UNDER THE LIGHTS



WATCH TOP CONTENDERS TRAIN FOR THE BIG RACES



APPRECIATE & HONOR THE BEST OF LOUISVILLE



BOURBON & HORSE TOURS



CONCERT PERFORMANCES



CELEBRATE THE THOROUGHBRED INDUSTRY



ENJOY KENTUCKY HERITAGE, BOURBON & BLUEGRASS



PREMIERE RACE FOR FILLIES, FASHION AND FUNDRAISING



CULINARY EVENTS



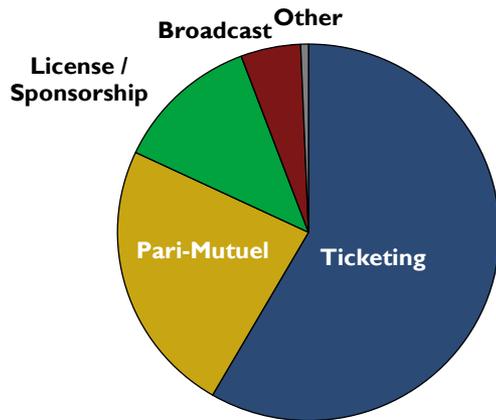
INDUSTRY PARTIES



THE MOST PRESTIGIOUS EVENT IN RACING

A Premier International Sporting & Entertainment Event

Derby Week Revenue



Premium tickets are largest contributor to revenue

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

Kentucky Derby Growth Strategy

Leverage unique experiences and make strategic capital investments

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

Attract additional sponsorships

Expand European Road to Derby and Japan Road to Derby



Investing Capital in Unique Experiences

		Enhance Guest Experience	Enable Price Differentiation	Capital Investments to Enable Segmentation
2022	Homestretch Club	✓	✓	✓
2023	First Turn Experience	✓	✓	✓
2024	Paddock Project	✓	✓	✓
2025	Starting Gate Pavilion & Courtyard	✓	✓	✓
2025-2028	Skye Reconstruction & Expansion, Conservatory, and Infield General Admission	✓	✓	✓

Enhances Long-Term Shareholder Value

Sponsorship Strategy

Building relationships with sponsors targeting luxury, lifestyle and technology categories for both onsite experiences and Derby parties around the globe

- Partners include Woodford Reserve, SAP, Longines, Ford, Accenture, FanDuel, Sports Illustrated, and White Claw
- Woodford Reserve will be the presenting sponsor of the Kentucky Derby through 2027
- Longines returned as the presenting sponsor of the Kentucky Oaks in 2024 and will continue through 2028



International Growth Strategy

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

United States

Horses compete for a Derby starting position through 36 races from September through April

Japan

Horses compete for one Derby starting position through four Japanese races from November to March

Euro / Mideast

Horses compete for one Derby starting position through seven European and UAE races from September to April

Growth Potential

- New international customers for the Derby
- Additional wagering
- Provides extended marketing opportunity for sponsors



HRM Business

A historical horse racing machine (“HRM”) 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

- Top game titles / themes are from Aristocrat, Light and Wonder, International Game Technology, Konami Gaming, Ainsworth Game Technology, AGS, and Everi

Unique early stage growth model

- CDI’s HRM business is still in relatively early days, with recently opened properties ramping up and new properties yet to open
- Consumer education on HRMs is still developing in all of our markets
- Opportunity remains for innovation in HRM products that can be offered to consumers
- CDI has the opportunity to expand into other states

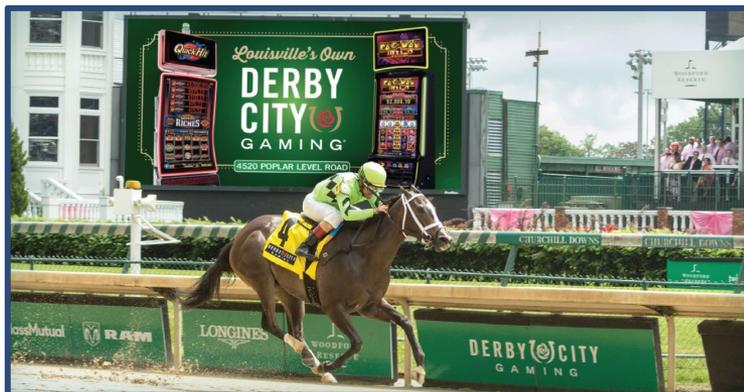


HRM Entertainment Venues - Kentucky

Nine racing licenses have been awarded by the Kentucky Horse Racing and Gaming Corporation and are each allowed to have a main facility and one “annex” facility with HRMs within a 60-mile radius of the licensed racetrack

- CDI holds four racing licenses – Churchill Downs Racetrack, Oak Grove, Turfway Park, and Ellis Park
 - Churchill Downs Racetrack is permitted to have Derby City Gaming¹ & Derby City Gaming Downtown as an annex
 - Turfway Park has Newport Racing and Gaming as an annex
 - Ellis Park has Owensboro Racing and Gaming as an annex
 - CDI has announced Marshall Yards Racing and Gaming as an annex for Oak Grove in Calvert City, Kentucky
- Purse contributions from the HRM facilities 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

Keeping Kentucky Strong



1. Derby City Gaming operates at Churchill Downs Racetrack’s ancillary training facility in Louisville, Kentucky

Purses Paid to Horse Owners at CDRT 20% Average Annual Growth Rate



Churchill Downs Racetrack and Derby City Gaming

	DERBY CITY GAMING HOTEL	DERBY CITY GAMING Downtown	CHURCHILL DOWNS
Opened	Sep. 2018	Dec. 2023	Future Organic Growth Opportunity
Total investment (\$ millions)	\$154¹	\$90²	
Proximity to major market	8 mi. to Downtown Louisville	Downtown Louisville	
Retail sports betting	Sept. 2023	Dec. 2023	
Win/Unit/Day³	\$447⁴	\$107⁵	
HRMs	1,270	450	
HRM capacity approval to date	3,000		

Derby City Gaming & Hotel

- Operates as Churchill Downs Racetrack’s ancillary training facility in Louisville, Kentucky
- HRM entertainment venue includes:
 - Center bar with large format televisions, two food venues, open-air gaming patio, and retail sports betting
- Opened expanded gaming floor late 2022 and a new hotel and restaurant Oliver’s Chop House & Bourbon Bar in June 2023
- Supports purse funding for Churchill Downs Racetrack meets

Derby City Gaming Downtown

- Opened in Downtown Louisville in December 2023
 - Targets tourism, “Bourbonism,” and convention attendees
- HRM entertainment venue includes:
 - Open-air gaming patio, three unique bar concepts with stages for live music and entertainment, on-site parking, and retail sports betting
- Supports purse funding for Churchill Downs Racetrack meets



1. Reflects total investment for property, including expanded gaming floor & hotel.
 2. Reflects total investment for completed project.
 3. Based on the pari-mutuel wagering data from the Kentucky Horse Racing and Gaming Corporation.
 4. Based on average of 1,283 operational HRMs for twelve months ended January 31, 2025.
 5. Derby City Gaming Downtown opened December 6, 2023; Win/Unit/Day reflects the average of 461 operational HRMs for December 6, 2023 through January 31, 2025.

Oak Grove Racing, Gaming & Hotel and Marshall Yards Racing & Gaming

		
Opened	Sep. 2020	1Q'26
Total investment (\$ millions)	\$196¹	\$40-50
Proximity to major market	~55 mi. to Nashville	~18 mi. to Paducah
Retail sports betting	Sept. 2023	1Q'26
Win/Unit/Day²	\$371³	-
HRMs	1,240	250
HRM capacity approval to date	1,500	

Oak Grove Racing, Gaming & Hotel

- Located off of Hwy 24 on the KY / TN border
- ~55 miles from Nashville, Tennessee (MSA pop. ~2.1 million)
- Near Fort Campbell, the second largest military base in the U.S. (MSA pop. ~200,000)
- HRM entertainment venue includes:
 - Harness racetrack
 - 128-room hotel with event center and dining areas

Marshall Yards Racing & Gaming

- Located at the intersection of I-69 and I-24 in Calvert City
- HRM entertainment venue will include:
 - Sports bar
 - Retail sportsbook
 - Simulcast wagering
 - Several food & beverage offerings



1. Reflects total investment for completed project.
 2. Based on the pari-mutuel wagering data from the Kentucky Horse Racing and Gaming Corporation.
 3. Based on average of 1,224 operational HRMs for twelve months ended January 31, 2025.

Turfway Park Racing & Gaming and Newport Racing & Gaming

		
Opened	Sept. 2022	Oct. 2020
Total investment (\$ millions)	\$179	\$36
Proximity to major market	~10 mi. to Cincinnati	~3 mi. to Cincinnati
Retail sports betting	Sept. 2023	Sept. 2023
Win/Unit/Day¹	\$234²	\$200³
HRMs	810	460
HRM capacity approval to date	2,500	

Turfway Park Racing & Gaming

- Located in Northern Kentucky
- ~10 miles to Cincinnati, OH (MSA pop. ~2.3 million)
- Opened September 1, 2022
- HRM entertainment venue includes:
 - Thoroughbred racetrack, food and beverage offerings, event center, simulcast wagering, and retail sports betting
- Supports purse funding for Turfway Park race meets

Newport Racing & Gaming

- Located in Newport, Kentucky
- ~3 miles to Cincinnati, OH
- HRM entertainment venue includes:
 - Simulcast wagering and retail sports betting
- Supports purse funding for Turfway Park race meets



1. Based on the pari-mutuel wagering data from the Kentucky Horse Racing Commission.

2. Based on average of 795 operational HRMs for twelve months ended January 31, 2025; can expand up to 1,200 HRMs.

3. Based on average of 450 operational HRMs for twelve months ended January 31, 2025.

¹ Total investment of \$200 million, inclusive of \$46 million purchase price and \$6 million Tapeta track

Ellis Park Racing & Gaming and Owensboro Racing & Gaming

	 ELLIS PARK RACING & GAMING	 OWENSBORO RACING & GAMING
Opened	1922	Feb. 2025
Total investment (\$ millions)	\$79	\$100
Proximity to major market	~5 mi. to Evansville, IN	~6 miles to Owensboro, KY
Retail sports betting	Sept. 2023	Feb. 2025
Win/Unit/Day¹	\$232²	-
HRMs	300	600
HRM capacity approval to date	2,500	

Ellis Park Racing & Gaming

- Located off Interstate 69 on the KY / IN border
- ~5 miles from Evansville, Indiana
- Facility includes:
 - Thoroughbred racetrack
 - Retail sports betting

Owensboro Racing & Gaming

- Located off US Highway 60 and Wrights Landing Rd.
- ~6 miles east of the City of Owensboro
 - Owensboro, Kentucky is the 4th largest city in Kentucky
- HRM entertainment venue includes:
 - Food and beverage offerings
 - Simulcast wagering area
 - Retail sports betting
- Supports purse funding for Ellis Park race meets

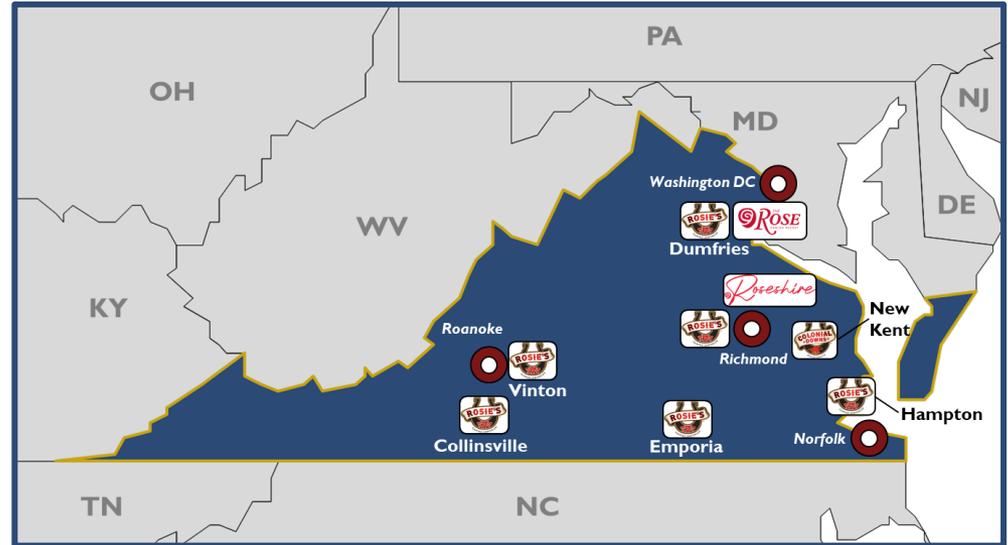


1. Based on the pari-mutuel wagering data from the Kentucky Horse Racing and Gaming Corporation.
 2. Based on average of 293 operational HRMs for twelve months ended January 31, 2025.

HRM Entertainment Venues - Virginia

Virginia statute permits 5,000 HRMs through CDI's ownership and operation of Colonial Downs Racetrack

- Colonial Downs hosts one race day per 100 HRM machines deployed in Virginia with the number of race days increasing as the number of HRMs deployed increases
 - 27 race days in 2024
 - 44 race days in 2025
- CDI has created The Virginia Derby as a Kentucky Derby qualifying race in a newly added March race meet in addition to the August race meet
- Purse contributions from the HRM facilities attract more and better-quality horses resulting in better-quality racing content which strengthens the foundation of the entire horse industry in Virginia and benefits TwinSpires



HRM Entertainment Venues – Virginia

									
Region	Northern Virginia		Central Virginia			Southern Virginia			Western Virginia
Location	Rosie's	The Rose	Richmond	Colonial Downs New Kent	Henrico County	Hampton	Emporia	Collinsville	Vinton
Opened	Jan. 2021	Nov. 2024	Jun. 2019	Apr. 2019	4Q'25	Oct. 2019	Sept. 2023	Jul. 2021	May 2019
Win/Unit/Day ¹	\$756	\$188 ²	\$524	\$296	-	\$406	\$415	\$339	\$334
HRMs	150	1,650	750	490	~175	700	150	40	470

1. Based on the historical horse racing reports from the Virginia Racing Commission using the average number of operational HRMs at each facility for the twelve months ended January 31, 2025. Number of units reported for each property in November 2024 is used for December 2024 and January 2025 since the Virginia Racing Commission is not yet reporting number of units for these periods.

2. The Rose opened November 7, 2024; Win/Unit/Day reflects the average of 1,650 operational HRMs for November 7, 2024 through January 31, 2025.

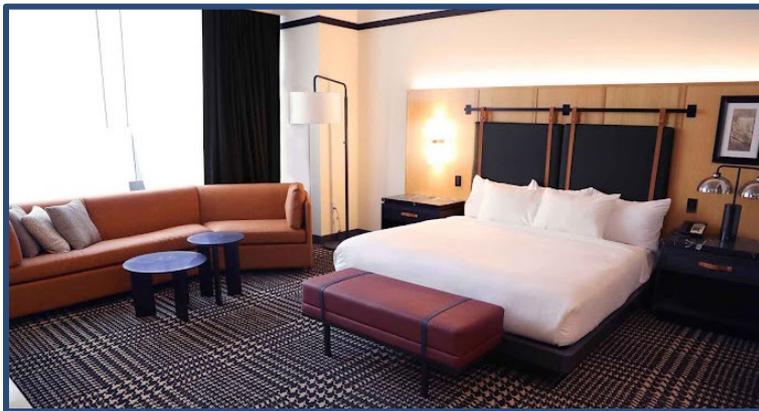
The Rose Gaming Resort

The Rose Gaming Resort is located ~30 miles south of Washington DC off I-95

- ~170K average daily traffic volume¹
- ~6.3 million people in the Northern Virginia & Washington DC metropolitan market²

HRM venue continues to ramp

- Marketing efforts focused on raising awareness, education, and building customer database
- Executing weekly marketing offers to attract high value customers



1. Based on 2022 Virginia Department of Transportation bidirectional traffic volume.

2. Per the U.S. Census Bureau 2023 population estimate.





Wagering Services & Solutions Segment

Wagering Services & Solutions Overview

TwinSpires Horse Racing

- The largest and most profitable legal online horse racing platforms in the US¹
 - Business to consumer offering through TwinSpires
 - Business to business offering for sports betting platforms
- 24/7/365 online wagering on ~165,000 races at 360 racetracks around the world
- Provides horse racing statistical data, live streaming of racing, and handicapping information
- Provides wagering settlement services for CDI owned properties and third parties through United Tote

Exacta

- Provides central determinant system technology (“HRM technology”) for HRMs at CDI properties
- Provides HRM technology for third parties in Kentucky, Wyoming, and New Hampshire
- Opportunity to expand HRM technology internationally

Retail & Online Sport Betting

- Provide retail sports betting services to customers at wholly-owned CDI properties
- Monetize online sports betting market access in select states (e.g., Indiana, Kentucky, and Pennsylvania) with third parties



KENTUCKY DERBY

PREAKNESS



BELMONT STAKES

Key Metrics		
<i>\$ in millions</i>	2024	4Q'24
Revenue	\$501	\$108
VPY / VPQ	+9%	(2)%
Adjusted EBITDA	\$166	\$37
VPY / VPQ	25%	+7%

CDI is the premier pari-mutuel content and technology provider

1. Based on U.S. Online Wagering as reported by the Oregon Racing Commission for 2024.

TwinSpires Horse Racing Growth Strategy

TwinSpires Horse Racing Growth Strategy

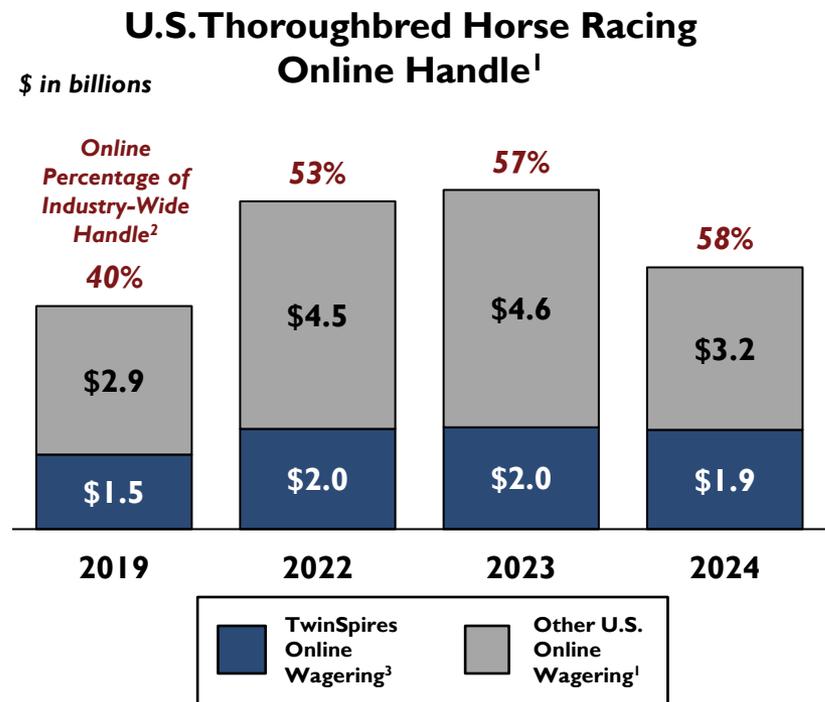
Grow core TwinSpires horse racing customers

- Leverage linkage to Kentucky Derby to efficiently acquire customers
- Utilize in-house development team to continue to enhance superior technology platform
- Utilize analytics on customer behavior to drive efficient customer acquisition, retention, and activation

Grow B2B horse racing relationships

- Provide technology platform, settlement services, and analytics for sports betting platforms (e.g., FanDuel and DraftKings)
- Seamless delivery of a casual betting pari-mutuel platform with single wallet integration

TwinSpires Horse Racing and U.S. Online Wagering have grown significantly since 2019



1. U.S. Online Wagering as reported by the Oregon Racing Commission less TwinSpires Handle as reported in corresponding quarterly earnings releases.
2. Online percentage of industry-wide handle represents the ratio of U.S. Online Wagering as reported by the Oregon Racing Commission to U.S. Thoroughbred Horse Racing wagering data as reported by Equibase.
3. TwinSpires handle excludes Velocity.

Exacta Growth Strategy

Exacta Growth Strategy

Vertical integration enables significant cost saving synergies and game content diversification at CDI HRM properties

- Diversify HRM game content to improve customer experience
- Integrate the Exacta technology selectively within Kentucky

Provide HRM technology to third-party HRM operators in Kentucky, Wyoming, New Hampshire, and new states

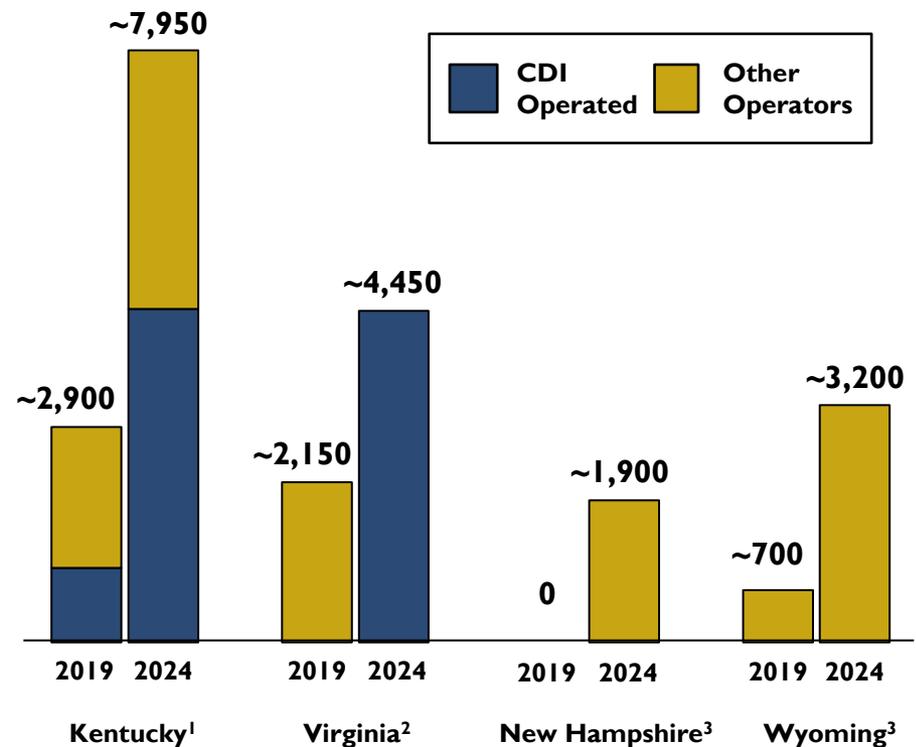
Enhance the HRM technology and product offering

Expand Exacta technology and the HRM product into international markets

1. Based on the pari-mutuel wagering data from the Kentucky Horse Racing and Gaming Corporation through December 2024.
2. Based on the historical horse racing reports from the Virginia Racing Commission through November 2024. The 2024 count includes 1,650 HRMs at The Rose.
3. Internal estimate based on information from the Wyoming Gaming Commission and the New Hampshire Lottery Commission. Exacta technology utilized in both states.

HRM Expansion

HRM Unit Counts



New Hampshire HRM Strategy

Chasers

Located in Salem, New Hampshire

- Approximately 30 minutes from downtown Boston
- The Boston Metro Area (Boston-Cambridge-Newton) has a population of ~4.9 million people

Chasers is one of the leading New Hampshire charitable gaming operators

- Under New Hampshire law, a portion of revenue from charitable gaming operations is allocated to nonprofit organizations licensed in the state

CDI plans to construct a new HRM venue with HRMs and table games

Exacta Opportunity in New Hampshire

CDI owns one of 14 HRM active licenses in New Hampshire

New Hampshire statute requires every HRM property to utilize two HRM technology system providers

Exacta is a provider of HRM technology that can be marketed to other HRM license holders in New Hampshire





Gaming 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 and beverage offerings

Leverage corporate gaming expertise

- Return on invested capital focused
- Gaming floor layout and game mix optimization focus
- Centralized slot purchasing to leverage size
- Centralized business intelligence analytics and slot purchasing

Regional property gaming leaders

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

Key Metrics		
<i>\$ in millions</i>	2024	4Q'24
Revenue¹	\$1,045	\$258
VPY / VPQ	+7%	+12%
Adjusted EBITDA²	\$507	\$120
VPY / VPQ	+4%	+6%

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

Ten wholly-owned regional gaming properties

State	Property	Acres	Slots ¹ & Video Poker / VLTs ¹	Tables ¹	Racetrack	Hotel Rooms	Retail Sportsbook
FL	Calder Casino	54	1,070	6	-	-	-
IA	Hard Rock Hotel & Casino Sioux City	15	670	16	-	54	✓
IN	Terre Haute Casino Resort	48	1,040	36	-	122	✓
LA	Fair Grounds Slots and VSI ²	145	2,040 ³	-	✓	-	✓
ME	Oxford Casino and Hotel	97	970	23	-	107	-
MD	The Casino at Ocean Downs	167	900	19	✓	-	✓
MS	Harlow's Casino Resort & Spa	85 ⁴	660	13	-	105	✓
MS	Riverwalk Casino Hotel	22	560	11	-	76	✓
NY	del Lago Resort & Casino	83	1,670	80	-	205	✓
PA	Presque Isle Casino	270	1,540	34	✓	-	✓

1. Units as of December 31, 2024.

2. Fair Grounds operates 15 OTBs across southeast Louisiana.

3. Includes slots, video poker, and HRMs as of December 2024. Fair Grounds's HRMs (approximately 500) are subject to pending litigation.

Please see our Form 10-K filed on February 20, 2025 for more details.

4. Leased land.

Equity Investments

Rivers Casino Des Plaines (61% Ownership)

- Premier location on 21 acres in Des Plaines, IL (~17 mi. from Chicago)
- ~2,000 positions^{1,2} (1,520 slot machines and 120 table games)
- Eight food and beverage outlets plus a VIP lounge
- Retail and online BetRivers sportsbook



Miami Valley Gaming (50% Ownership)

- Located on 120 acres in Lebanon, OH (North of Cincinnati, south of Dayton)
- ~2,220 video lottery terminals¹ and four dining facilities
- Joint venture (50/50) with Delaware North



1. Units as of December 31, 2024.

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 bank covenant 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

Capital Investments

Capital:	2024 Actuals	2025 Forecast
Maintenance:	\$84 million	\$100 - \$110 million
Project:	\$463 million <ul style="list-style-type: none"> ▪ Paddock Project ▪ Terre Haute ▪ The Rose ▪ Owensboro Racing & Gaming 	\$350 - \$400 million <ul style="list-style-type: none"> ▪ Starting Gate Pavilion & Courtyard ▪ Skye Reconstruction & Expansion, Conservatory, and Infield General Admission ▪ Ellis / Owensboro ▪ Roseshire & Richmond Expansion ▪ Marshall Yards Racing & Gaming

Capacity for Future Investments

- 4.0x Bank Net Leverage as of December 31, 2024
- Significant balance sheet flexibility
- \$1.2 billion revolving credit facility
- Demonstrated ability to access debt markets with attractive rates / terms

CDI has returned over \$1.9 billion of capital to shareholders since 2015

Dividends

- **January 2025 was the 14th consecutive increase in dividend per share**
- **Over \$260 million paid to shareholders in dividends since 2015¹**

Share Repurchases

- **Returned over \$1.7 billion to shareholders through share repurchases since 2015²**
 - Repurchased ~34.6 million shares at an average price of ~\$50 per share^{2,3}
- **\$149.6 million remaining under the 2021 Stock Repurchase Plan on December 31, 2024**

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

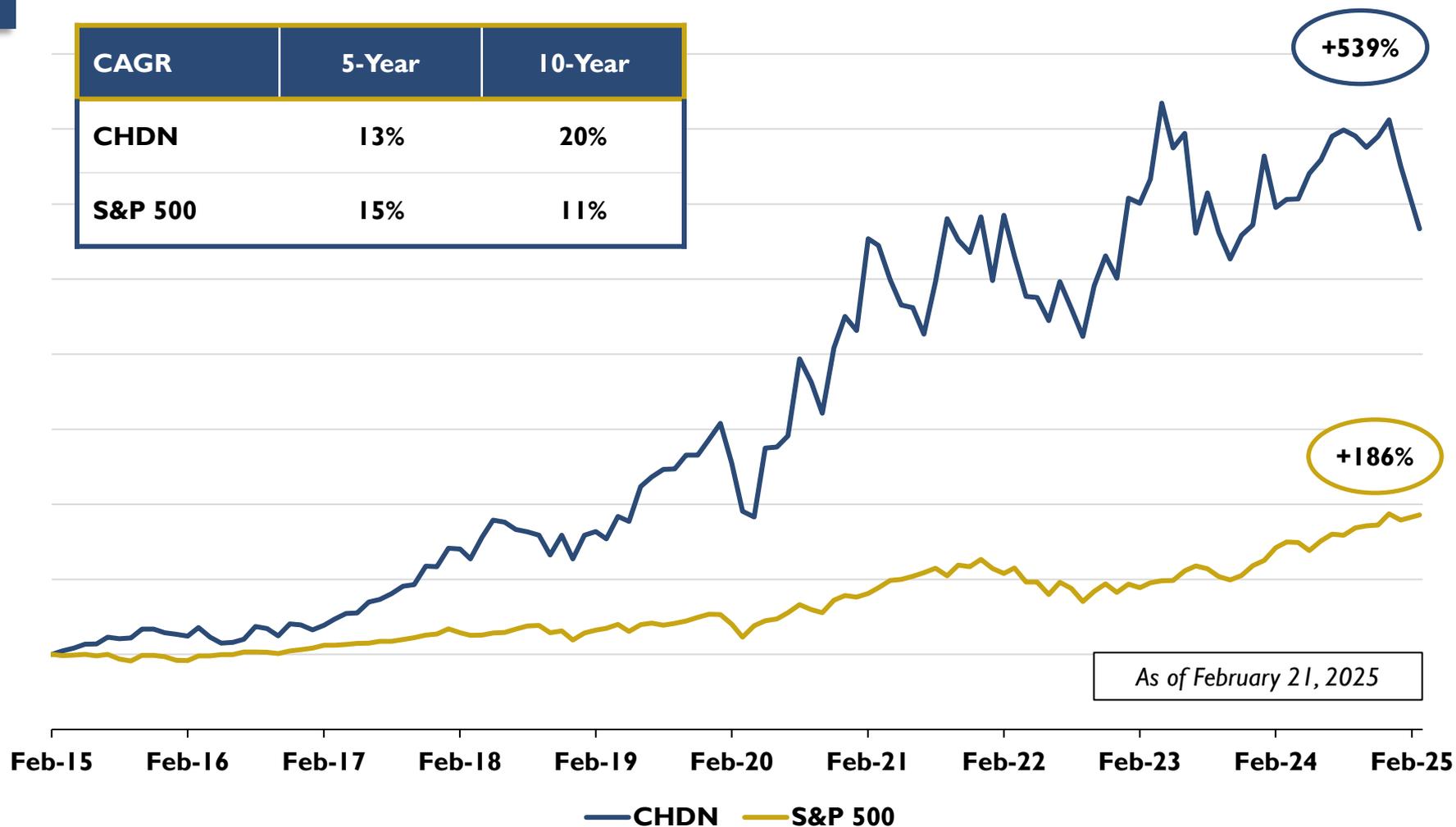
1. Through January 3, 2025.

2. Through December 31, 2024, based on trade date.

3. Split adjusted shares.

Churchill Downs Incorporated vs. S&P 500 10-Year Relative Growth

CAGR	5-Year	10-Year
CHDN	13%	20%
S&P 500	15%	11%







Environmental, Social, and Governance

CDI Approach to Environment, Social and Governance (“ESG”)

ESG Committee established to lead ESG initiatives

- Cross-functional team led by CFO
- CDI’s Nominating & Governance Committee provides oversight to the Committee and CDI leadership regarding CDI’s ESG strategy
- Oversight of CDI’s responsible gaming, compliance, environmental, health and safety, sustainability, corporate social responsibility, corporate governance, and other efforts regarding public policy matters and commitments

Responsible Gaming

- CDI only operates in regulated gaming markets
- CDI promotes responsible gaming at all of our properties and online, for all of our products and services
- CDI’s leadership team and CDI’s Audit Committee of the Board of Directors provide oversight

Environment

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

Social

- CDI is investing in the communities in which we operate
- CDI supports its team members by assisting with funding of continuing education and pursuit of professional licenses and designations, various leadership programs, and programs to help those in need

Governance

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

CDI Approach to Responsible Gaming

CDI is committed to promoting responsible gaming at all of our properties and online, for all of our products and services

Team Members

We provide the knowledge and skills regarding:

- Importance of responsible gaming
- CDI policies related to responsible gaming
- CDI policies regarding advertising and direct marketing
- How to actively recognize and respond to requests for information and to incidents

Customers and Guests

We provide information regarding:

- Self-restriction and self-exclusion programs to not receive direct marketing and to be denied access to any CDI property
- Education on how the games work, tips on how to play responsibly, and to provide referrals and support for problem gambling treatment

Monitoring

CDI's Audit Committee oversees compliance with responsible gaming regulations:

- Quarterly self reporting of property incidents by CDI Leadership Team
- Periodic internal audits reported to CDI's Audit Committee and state gaming regulators

Periodic state gaming regulator audits

CDI Approach to Equine and Jockey Health and Safety

CDI is committed to protecting and furthering equine and jockey health and safety at all of our racetracks

Horseracing Integrity and Safety Act (HISA)

- Independent body responsible for implementing national standards for medication usage and racetrack safety
- The Anti-Doping and Medication Control (ADMC) Program was implemented in May 2023 and the Racetrack Safety Program was implemented in July 2022
 - The ADMC creates a national set of rules and standards for the treatment of horses
 - This was a welcome change from the prior model where states had their own independent medication programs
 - HISA contracted veterinarians perform pre-race veterinary examinations of each horse competing prior to each and every race

Equine Safety and Welfare

- “Safety from Start to Finish” Program
- All horses competing undergo veterinary reviews before each race or timed high-speed workout
- Equine medical center and on-site equine PET scan at CDRT to help detect and prevent injuries
- CDI is investing in new technologies to monitor and assess equine athletes (e.g., StrideSAFE)

Racing Integrity

- Barn security and contact logs
- Escorts and horse identification prior to races
- Increased out-of-competition testing
- HISA has hired a 23-year FBI veteran as their Director of Intelligence and Strategy with an extensive team that will use intelligence gathering, data analysis, and investigations to further strengthen the integrity of the industry

Jockey Health and Safety

- CDI tracks have numerous emergency medical technicians onsite during racing and training to provide care to jockeys



CDI Approach to the Environment

We have ongoing initiatives at our properties:

- To lessen energy and water usage
- To decrease our carbon emissions
- To responsibly manage waste



Examples of these initiatives include:

- We are committed to installing LED lighting in all of our newly constructed properties and converting to LED lighting at our existing properties
- Our properties are implementing a wide range of recycling initiatives
- Our teams have enhanced the efficiency of our heating and cooling systems, including nightly setbacks, high efficiency compressors on HVAC equipment, and demand controlled ventilation at our properties
- We installed large pipes at Churchill Downs Racetrack to act as storage basins during heavy rainfalls, reducing an estimated 12 million gallons of wastewater overflows into the neighboring communities
- Eight of our properties have worked with Restaurant Technologies to utilize cooking oil recycling; we reduced used cooking oil by 90,624 pounds annually

We are committed to reducing our impact on the environment in the communities in which we operate.

CDI Approach to Social

CDI is investing in the communities in which we operate

- CDI contributes over \$5.0 million annually via grants and in-kind donations to over 750 organizations
- Each year, CDI donates tickets and experiences to nonprofit fundraising auctions, resulting in > \$2.5 million raised to benefit various charitable causes
- Our team members demonstrate their commitment to our communities through toy and food drives, neighborhood beautification projects, mentorship projects, and assisting nonprofits with a variety of volunteer initiatives like our Repair Affair Project with New Directions
- Our Kentucky Oaks charitable initiative fundraises for women's health advocacy, primarily focused on breast and ovarian cancer
 - More than \$1.5 million raised for women's health advocacy since its inception
 - Partnerships with Norton Cancer Institute and Horse & Hopes help to provide preventative access to underserved women, including those that work in the equine industry
 - Attendees are encouraged to incorporate pink or teal into their outfit and 150 breast and ovarian cancer fighters and survivors march in the Survivors Parade



CDI supports its team members by assisting with funding of continuing education and pursuit of professional licenses and designations, various leadership programs, and programs to help those in need

- Our Business & Technology Rotational Program is a 2-year development track that provides a unique professional development and mentorship opportunity for young professionals to work with senior-level leaders
- CDI supports and encourages its team members to continue their academic growth by offering tuition reimbursement following one year of service
- The Helping Others Receive Support in Emergencies (HORSE) Program is a nonprofit charitable organization established by CDI to provide confidential emergency financial assistance to team members and their families in situations caused by unforeseeable and uncontrolled hardships



CDI Approach to Governance

Strong Board of Directors – eight highly qualified members that play a vital role in the direction of CDI

- 7 of 8 directors are independent
- Fully independent Audit and Compensation committees
- 3 of 7 independent directors are women or diverse
- Board includes financial, industry and risk management experts

Oversight by Board of Directors regarding critical governance responsibilities

- Risk Management
- Responsible Gaming
- Cybersecurity
- Sustainability
- Code of Conduct

Single-class capital structure protects investor rights

Mandatory Board of Director retirement age of 72

Significant shareholder engagement throughout the year

Policies and practices in place to protect the integrity of our business

- Anti-money laundering policy
- Mandatory ethics and cybersecurity training for all full-time employees
- Anti-corruption policy





Appendix

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
- Columbia Law School



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

Board of Directors (continued)



Andréa Carter

- Director since 2022
- Senior Executive Vice President and Chief Human Resources Officer for Global Payments, Inc. in Atlanta
- Extensive human resources executive experience with Habitat for Humanity, Ralph Lauren, Newell Rubbermaid, and The Home Depot



Doug Grissom

- Director since 2017
- Chair of Nominating and Governance Committee
- 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

Board of Directors (continued)



Karole Lloyd

- Director since 2018
- Chair of Audit Committee
- Former 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 divestitures 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

CDI Racetrack Overview

Racetrack	Churchill Downs	Ellis Park	Colonial Downs	Presque Isle Downs	Turfway Park	Fair Grounds	Miami Valley Gaming	Oak Grove	Ocean Downs
Location	Louisville, Kentucky	Henderson, Kentucky	New Kent, Virginia	Erie, Pennsylvania	Florence, Kentucky	New Orleans, Louisiana	Lebanon, Ohio	Oak Grove, Kentucky	Berlin, Maryland
2025 Race Season	Apr.-Jun. & Sept. & Nov.	Jul.-Aug.	Mar. & Jul.-Sept.	May-Oct.	Jan.-Mar. & Dec	Jan.-Mar. & Nov.-Dec.	Jan.-May	Mar.-Jul.	May-Sept.
Type of Racing	Thoroughbred	Thoroughbred	Thoroughbred	Thoroughbred	Thoroughbred	Thoroughbred	Standardbred (Harness)	Standardbred (Harness)	Standardbred (Harness)

Definition of Non-GAAP Financial Measures

Churchill Downs Incorporated (the “Company,” “we,” “our”) management monitors a variety of key indicators to evaluate our business results and financial condition. These indicators include changes in net revenue, operating expense, operating income, earnings per share, outstanding debt balance, operating cash flow and capital spend.

Our consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”). We also use non-GAAP measures, including EBITDA (earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA. We believe that the use of Adjusted EBITDA as a key performance measure of results of operations enables management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Our chief operating decision maker utilizes Adjusted EBITDA to evaluate segment performance, develop strategy, and allocate resources. Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, GAAP. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (as determined in accordance with GAAP) as a measure of our operating results.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted for the following:

Adjusted EBITDA includes our portion of EBITDA from our equity investments and the portion of EBITDA attributable to a noncontrolling interest.

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition, disposition, and property sale related charges;
 - 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:
 - Legal reserves and transaction costs;
- Asset impairments;
- Gain on property sales;
- Legal reserves;
- Pre-opening expense;
- Other charges, recoveries and expenses; and
- Arlington International Racecourse results and exit costs in 2023.

For segment reporting, Adjusted EBITDA includes intercompany revenue and expense totals that are eliminated in accordance with GAAP in the Consolidated Statements of Comprehensive Income.

Further information relevant to the interpretation of non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most comparable GAAP measures, including reconciliations for the periods other than the three and twelve months ended December 31, 2023 and 2024, respectively, is available on the reports we file from time to time with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Copies of reports we file with the SEC are posted on our website.

Reconciliation from GAAP to Non-GAAP Financial Measures

Reconciliation of Comprehensive Income to Adjusted EBITDA

(in millions)	Three Months Ended December 31,		Years Ended December 31,	
	2024	2023	2024	2023
Net income attributable to Churchill Downs Incorporated	\$ 71.7	\$ 57.6	\$ 426.8	\$ 417.3
Net income attributable to noncontrolling interest	0.6	-	2.3	-
Net income	72.3	57.6	429.1	417.3
Adjustments:				
Depreciation and amortization	53.4	47.2	199.1	169.0
Interest expense	72.8	70.6	289.8	268.4
Income tax provision	18.7	14.3	144.1	144.5
Stock-based compensation expense	12.9	8.1	36.1	32.9
Legal reserves	-	(1.2)	-	(1.2)
Arlington exit costs	-	-	-	9.4
Pre-opening expense	6.0	7.2	29.6	18.6
Other expenses, net	2.9	(0.6)	4.2	7.0
Asset impairments	-	0.1	3.9	24.6
Transaction (benefit) expense, net	(12.8)	3.0	(12.1)	4.8
Other income, expense:				
Interest, depreciation and amortization expense related to equity investments	10.6	10.4	42.0	40.2
Rivers Des Plaines' legal reserves and transaction costs	-	-	0.3	-
Other charges and recoveries, net	(0.2)	2.4	(6.9)	2.4
Gain on sale of Arlington	-	-	-	(114.0)
Total adjustments	164.3	161.5	730.1	606.6
Adjusted EBITDA	\$ 236.6	\$ 219.1	\$1,159.2	\$1,023.9
Adjusted EBITDA by segment:				
Live and Historical Racing	\$ 101.6	\$ 88.9	\$ 574.6	\$ 475.4
Wagering Services and Solutions	37.3	34.9	165.6	132.1
Gaming	120.1	113.4	506.9	488.6
Total segment Adjusted EBITDA	259.0	237.2	1,247.1	1,096.1
All Other	(22.4)	(18.1)	(87.9)	(72.2)
Total Adjusted EBITDA	\$ 236.6	\$ 219.1	\$1,159.2	\$1,023.9