



CHURCHILL DOWNS

INCORPORATED

Bank of America Merrill Lynch
Leveraged Finance Conference
Boca Raton, FL
December 4, 2018

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This presentation includes certain “non-GAAP financial measures” as defined in the Securities and Exchange Commission’s Regulation G. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is included in the appendix of this presentation.





Company Overview and the Case for Investing

The Kentucky Derby



**The longest continuously held
annual sporting event in the United States**

TwinSpires.com

BET ANYWHERE, ANYTIME
Bet on racetracks all around the world.



TOP RACING DATA
Leading source of online data



SIMPLE, FAST WAGERING
Place multiple bets at a time



LIVE STREAMING
Be a part of the action



BET LIKE A PRO
Get the inside edge with leading handicapping information



EARN CASH
Earn cash bonuses to bet on the races



The largest, legal online wagering platform in the U.S.

Regional Casino Properties



**Seven casinos located in six states
with ~8,000 gaming positions and three hotels
14 off-track betting facilities (OTBs) with 12 offering video poker**

Iconic asset - *The Kentucky Derby*

Industry leading, diversified business platforms

Continuous organic growth opportunities

Ongoing expansion opportunities

Strong balance sheet and financial performance

Proven management team

Iconic asset - *The Kentucky Derby*



***The magic and mystique of The Kentucky Derby is irreplicable
– creating once-in-a-lifetime experiences for our guests***

Industry leading, diversified business platforms

The Kentucky Derby



First of three Triple Crown events delivering:

- highest attendance
- highest wagering
- consistent profitable growth over the past nine years

TwinSpires



Largest legal online wagering platform in the U.S.

Multiple brands providing best in class betting experience

Casino Properties



Local focus provides growth delivering industry leading regional casino margins

Diverse regional portfolio in six states providing market access for sports betting and iGaming opportunities

Continuous organic growth opportunities

The Kentucky Derby



Create and enhance guest experiences to enable greater pricing differentiation
Capital investments to convert general admission guests to reserved seating
Expand Derby Week offerings and attractions
Leverage “Roads to the Derby” to attract additional sponsorships
Expand Japan Road to the Derby and European Road to the Derby

TwinSpires



Best in class racing content access and data driven marketing strategy capitalizes on major race dates, including *The Kentucky Derby*

Casino Properties



Modest, disciplined capital investments to expand facilities and optimize return on invested capital

Ongoing expansion opportunities

Historical Racing Machines



Derby City Gaming – 900 machine facility opened in Louisville, KY on Sept. 14, 2018
Oak Grove – Awarded racing license with plans to build up to 1,500 machine facility in Oak Grove, KY (~1 hour north of Nashville, TN)
Potential to add 1,100+ additional machines at Derby City Gaming or Churchill Downs

M&A



Targeting to close Presque Isle and Nemaquin acquisitions in 1Q'19
Announced joint venture to acquire at least 50.1% of Rivers Casino Des Plaines in Chicago, Illinois
Disciplined buyer of strategic brick-and-mortar gaming assets

Sports Betting and iGaming



BetAmerica self service Sportsbooks opened Aug. 2018 at Riverwalk and Harlow's Casinos in Mississippi
Targeting to launch mobile BetAmerica Sportsbook in New Jersey in 4Q'18
Plan to launch mobile BetAmerica Sportsbook and iGaming in Pennsylvania in 2019

Strong balance sheet and financial performance

Low leverage provides financial flexibility

Consistent growth in Adjusted EBITDA from continuing operations

Strong free cash flow

Disciplined project capital investment to generate industry leading return on invested capital

Proven management team

Proven, results driven leadership team focused on creating shareholder value over the long-term

CDI team has unique combination of diverse, yet complementary strengths and talents

- Average tenure at CDI is ~10 years
- Racing site leaders have an average of ~21 years of racing experience
- Gaming site leaders have an average of ~19 years of gaming industry experience
- Online gaming leaders have an average of ~13 years of real-money mobile and online gaming and sports betting experience





The Kentucky Derby

***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 Guest Profile

Attracts guests from across the U.S. and internationally
Attracts all demographics

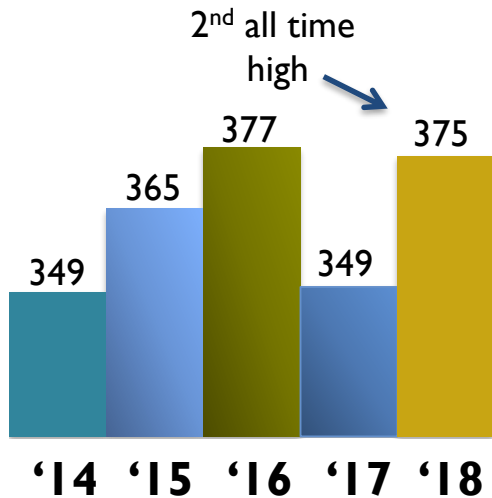
	Reserved Seating	General Admission	Instagram and Facebook Followers
Average Age	53	35	Most Significant Age Cohort 25-44
Other Demographics	Household income ~\$140K/year Net Worth ~\$1.4 million	45% college degree 49% traveled >200 miles	~70% female

Source: 2018 Kentucky Derby Survey

The Kentucky Derby Week continues to set records

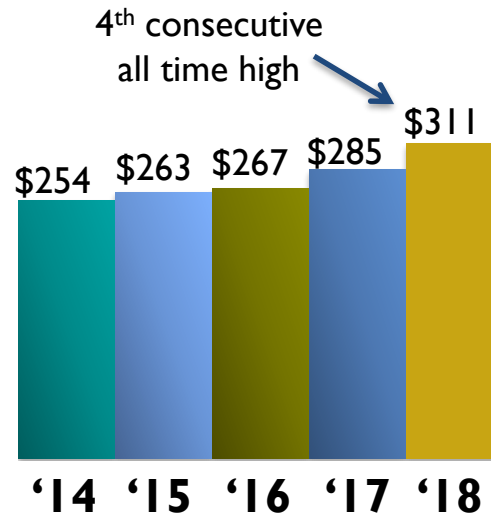
Derby Week Attendance

In thousands



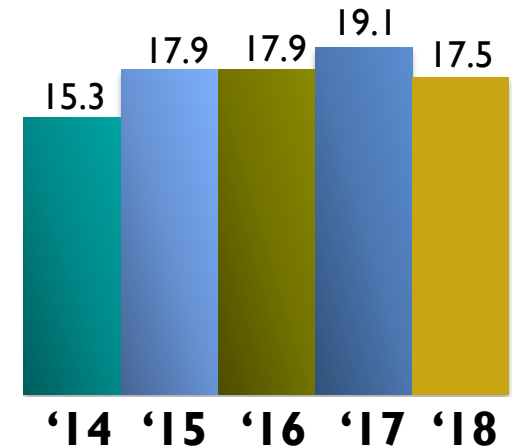
All Sources Wagering

\$ in millions



NBC Viewership During Derby Race

In millions of viewers at Peak



The Kentucky Derby Growth Strategy

Leverage unique experiences and make strategic capital investments

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

Attract additional sponsorships

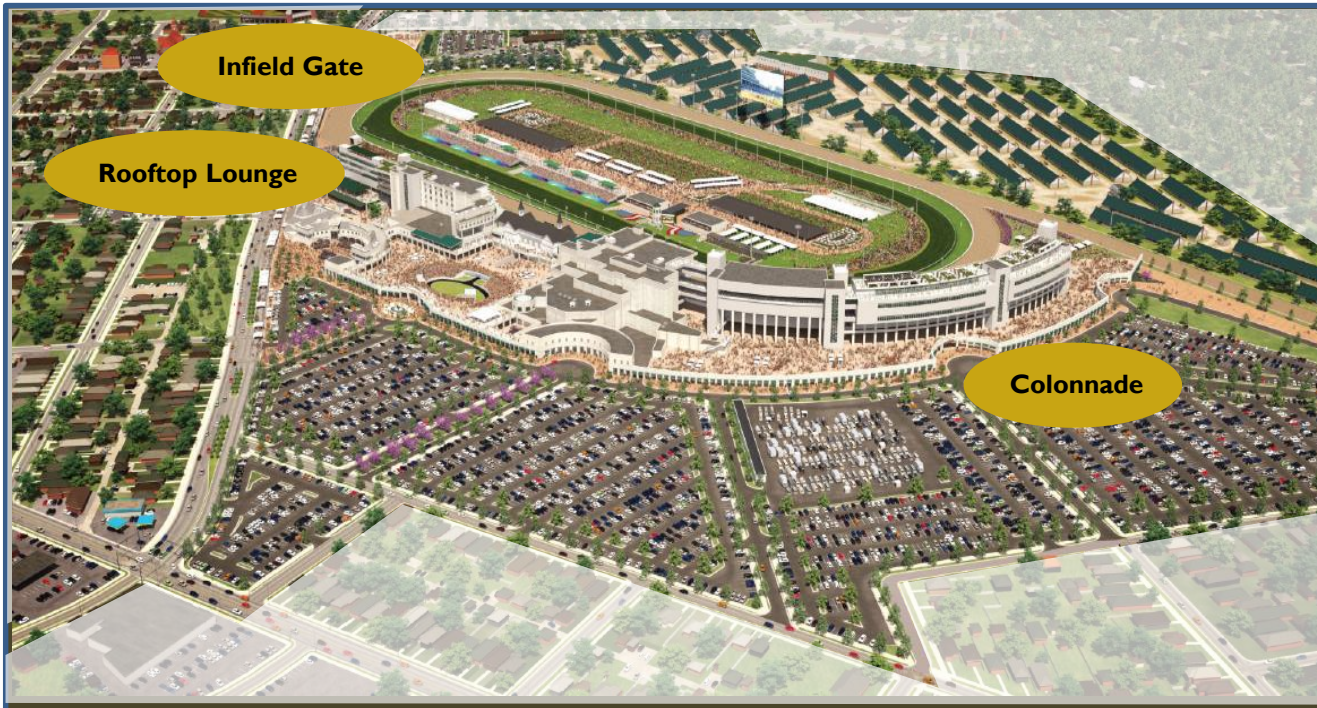
Expand European Road to Derby and Japan Road to Derby

Nearly \$170 million in major capital improvements at Churchill Downs in past nine years

Major Capital Improvements at Churchill Downs Since 2010

2010	Permanent Lighting for Track
2013	Paddock Plaza and The Mansion
2014	Big Board and Grandstand Pavilion
2015	Winners Circle Suites and The Courtyard
2016	Stakes Room and Turf Club
2017	Loft at Aristides Lounge and 2 nd Floor Clubhouse
2018	Starting Gate Suites and Colonnade, Parking, and Transportation Project

Future build-out of facility supports long-term growth of *The Kentucky Derby*



2019

- Rooftop Lounge
- Infield Gate
- Colonnade

Future Concepts

- Hotel
- Premium renovations
- 1st Turn building
- Paddock
- Grandstand amenities
- Infield seating

Building relationships with new sponsors in the pipeline to grow sponsorship revenue for 2019



RAM

INSPIRATO®

SENTIENT
JET



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

United States	Japan	European
<p>Started in 2012</p> <p>Horses compete for a Derby starting position through 35 races from September through April</p>	<p>Started in 2016</p> <p>Horses compete for one Derby starting position through four Japanese races</p>	<p>Announced in 3Q'17</p> <p>Horses compete for one Derby starting position through seven European races</p>
Growth Potential		
<p>New customers for the Derby</p> <p>Additional wagering</p> <p>Provides extended marketing opportunity for sponsors</p>		





TwinSpires

TwinSpires delivers handicapping data, live race video, and best in class betting

Overview

Launched in 2007

Official mobile betting partner of the Kentucky Derby, the Breeders' Cup World Championships, and Churchill Downs Racetrack

Benefits from CDI ownership of United Tote and Brisnet



Key metrics¹

\$ in millions

Wagering	\$1,386
Revenue	\$287
Adj. EBITDA	\$72

¹ 2018 TTM actuals as of 9/30/18; Includes BetAmerica and Velocity

Multiple brands leverage infrastructure

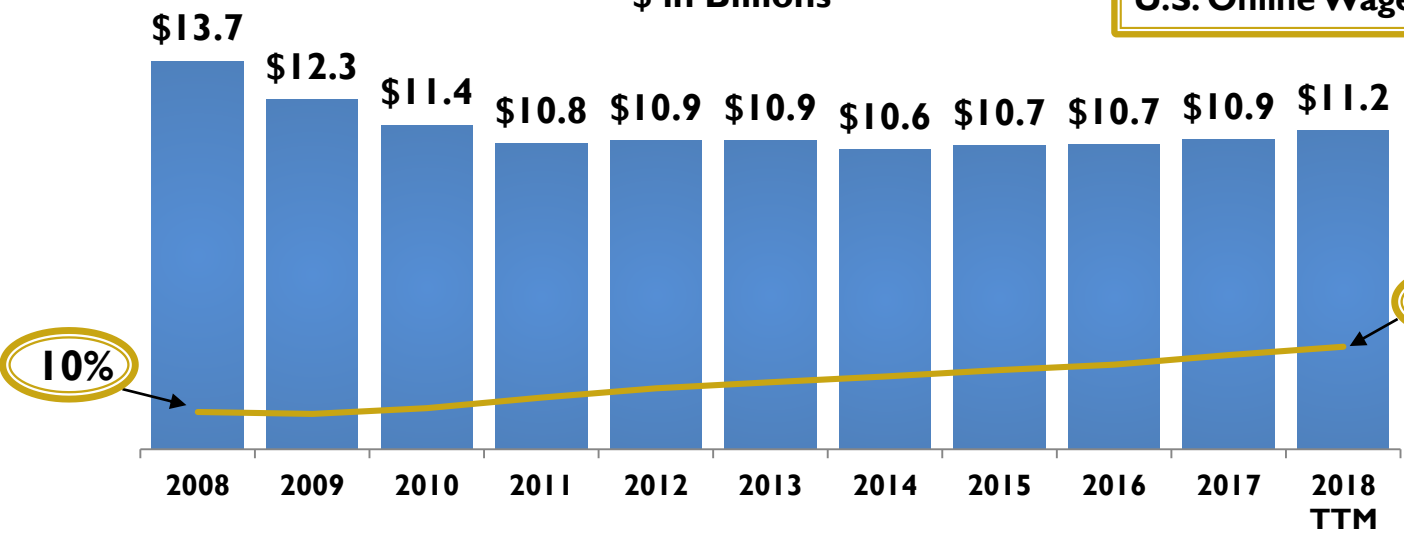


White label brands



Online horseracing wagering has potential for additional market penetration

Total Horseracing Wagers in the United States
\$ in Billions

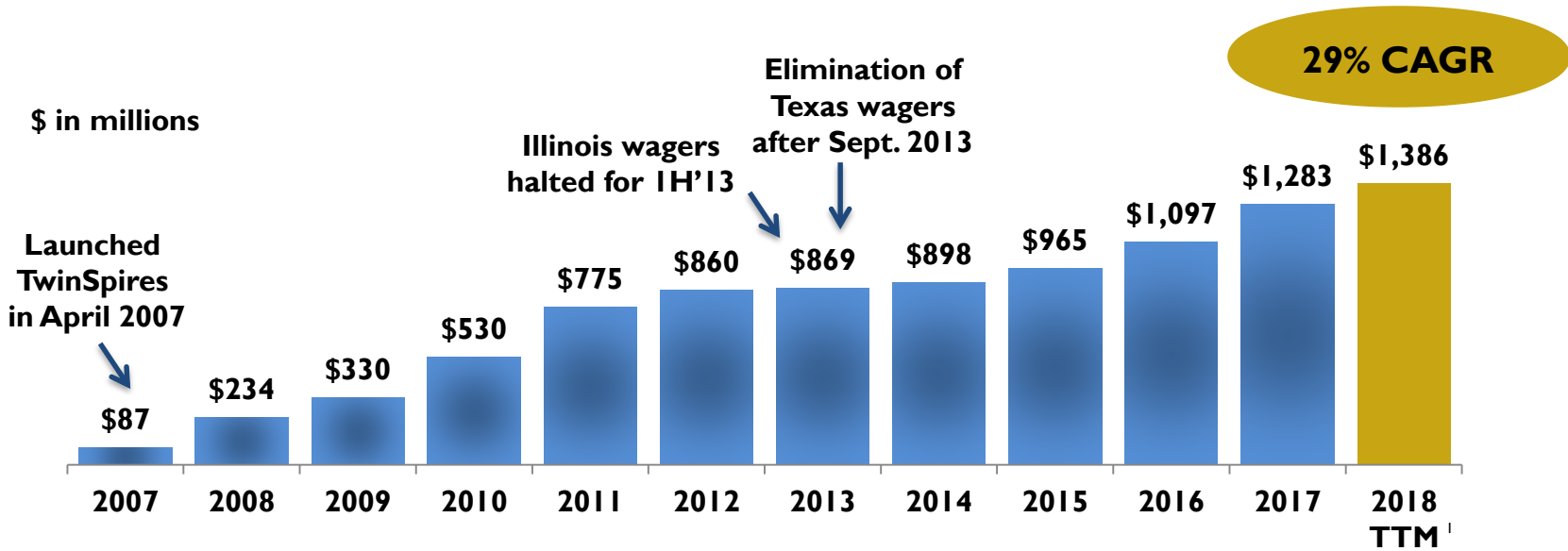


U.S Horseracing	CAGR	
	2008-18	2016-18
Total Wagering	(2.0)%	2.3%
U.S. Online Wagering	10.7%	10.0%

Online Wagering¹ As % of Total Horseracing Wagers

¹ ADW excludes Velocity wagering

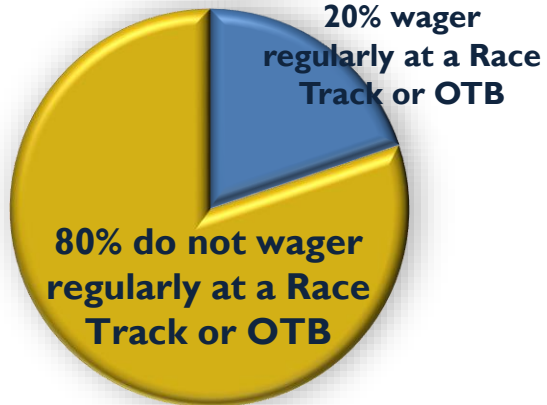
TwinSpires handle has grown significantly over the past decade



¹ Based on trailing twelve months ended September 30, 2018

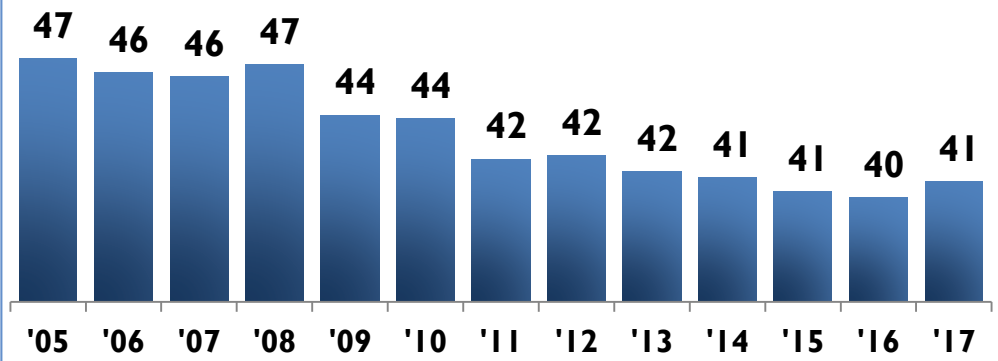
We are attracting new fans and younger fans to horseracing

New Fans



Based on survey of August 2017 new customers

Median New Player Age



Registration Year

TwinSpires' strategic advantages

Linkage to *The Kentucky Derby* and the other Triple Crown / Breeders' Cup events



- Inexpensively acquire new customers each year with an affinity for horseracing
- Leverage premier content from *The Kentucky Derby* to acquire other horseracing content

Business intelligence analytics



- Utilize analytics on customer behavior to drive efficient customer acquisition, retention and activation

Customer relationships



- Differentiate VIP relationships to build loyalty and retention
- Unique ability to create once in a lifetime experiences at *The Kentucky Derby*

Management team



- Significant online wagering experience in Europe and the U.S.
- Deep technology expertise throughout core team

TwinSpires offers betting on 132,000 races at 330 racetracks 365 days a year



Road to Kentucky Derby

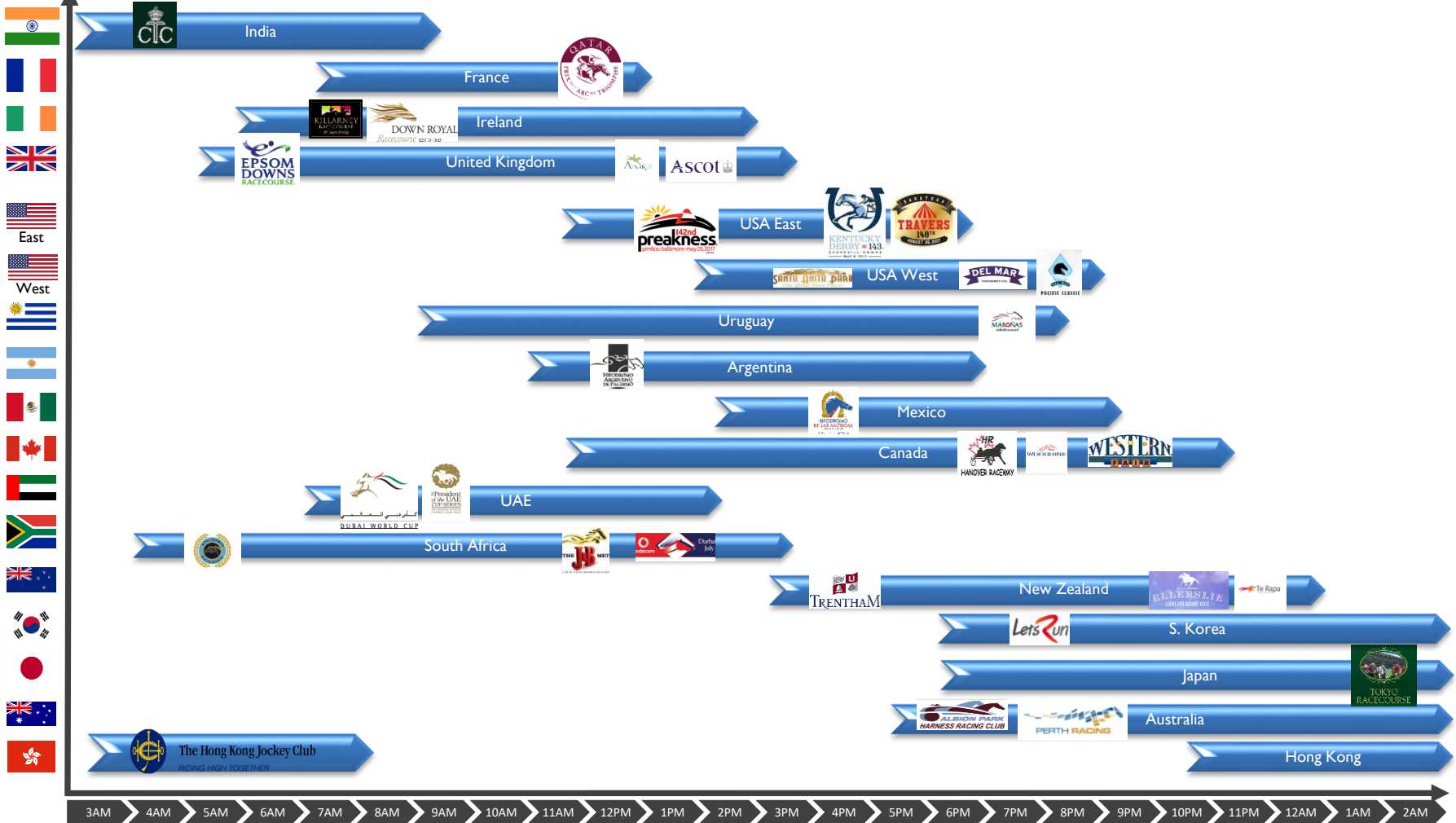
Triple Crown

Summer Season

Breeders' Cup Challenge Series & World Championships

* Not all events are listed

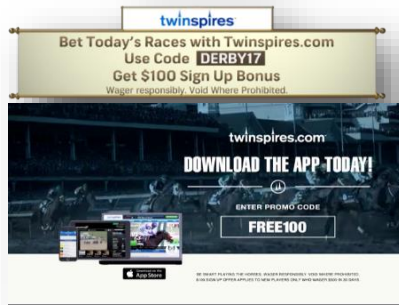
TwinSpires offers betting 24/7 from 16 countries



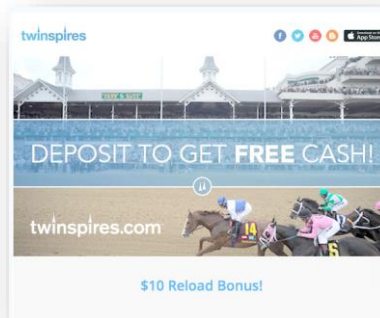
Hours in EST

We leverage data to drive user acquisition, retention, and activation

User Acquisition



User Retention

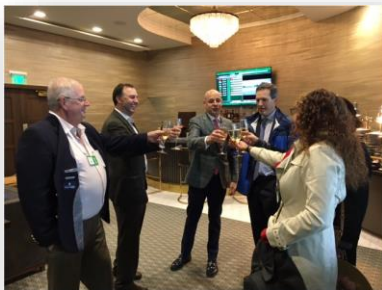


User Activation



We have the unique ability to create once in a lifetime experiences at *The Kentucky Derby*

Winner's Toasts



Trophy Presentations



VIP Events



Behind-the-Scene Tours







Casino Properties

Diverse portfolio of gaming properties

Overview

Seven casinos and three hotels in six states

- Six wholly owned and one joint venture
- Local brands and community connection
- Smaller bets in diverse geographic and economic environments

BetAmerica Sportbooks opened at two Mississippi properties in August 2018

Key metrics¹

\$ in millions

Gaming Positions	~8,000
Revenue	\$389
Adj. EBITDA	\$168
Wholly owned casino margin	30.5%

Industry leading margins for wholly owned casinos

¹ 2018 TTM actuals as of 9/30/18

Florida and Louisiana Casinos & Video Poker

Calder Casino – Miami Gardens, Florida

- **Property:**
 - Located in Miami Gardens, FL, near Hard Rock Stadium (home of the Miami Dolphins)
 - Facility opened in Jan. 2010
 - 170 acres of land with casino and racetrack
 - Approximately 1,090 slot machines
- Agreement with The Stronach Group to operate and manage Calder’s racetrack and live horseracing under Calder’s racing permits until Dec. 31, 2020
- In Nov. 2016, we sold 61 acres of excess real estate at Calder for \$434k per acre¹
- Expanded smoking patio opened May 2018
- Received jai alai permit in Feb. 2018 with event dates beginning in May 2019



Fair Grounds Slots & Video Poker - Louisiana

- **Property:**
 - Racetrack and slots facility located in New Orleans, LA
 - Slots facility opened in Oct. 2008
 - ~620 slot machines
 - Fair Grounds operates 14 OTB’s across southeast LA of which 12 have ~940 video poker machines
- **Opened Destrehan OTB in May 2018**
 - 65 video poker machines
 - Pari-mutuel horseracing self-service
 - 16 large screen 4K high-definition televisions
- **Opened Meraux OTB in Aug. 2018**
 - 60 video poker machines
 - Pari-mutuel horseracing self-service
 - 8 large screen 4K high-definition televisions



¹ Excluding real estate commissions paid

Maine and Maryland Casinos

Oxford Casino – Oxford, Maine

- Property:
 - Located in Oxford, Maine
 - ~970 slot machines, 28 table games and 3 dining facilities
 - 97 acres of land
- Purchased in July 2013
- In Nov. 2017, opened new \$25 million expansion
 - Attached 107-room hotel
 - Expanded gaming floor to add 100 slot machines
 - Added new pub restaurant



The Casino at Ocean Downs – Berlin, Maryland

- Property:
 - Located near Ocean City
 - Harness racetrack opened in 1949
 - Casino opened in 2010
 - ~880 video lottery terminals and 18 table games
- Ownership history
 - Purchased 50% equity stake in Jan. 2017
 - Acquired remaining 50% equity stake in Aug. 2018 through swap of 25% ownership interest in Saratoga New York and Colorado with Saratoga Casino Holdings
- Realized an effective 10 percentage point tax reduction starting Aug. 2017 by purchasing 800 slot machines from the state of Maryland
- Added 10 table games and 100VLTs in Dec. 2017 and an additional 8 tables in July 2018



Mississippi Casinos

Harlow's Casino Resort & Spa

- **Property:**
 - Located in Greenville, Mississippi
 - Facility opened in 2007
 - ~730 slot machines, 15 table games
 - 4 dining facilities
 - 105-room attached hotel
 - Located on ~85 acres of leased land
- **Purchased in Dec. 2010**
- **Opened BetAmerica Sportsbook in Aug. 2018**
 - 25 self-service betting terminals
 - 16 big screen displays broadcasting over 100 different HD channels of sporting events and information

Harlow's
Casino Resort & Spa



Riverwalk Casino Hotel

- **Property:**
 - Located in Vicksburg, Mississippi
 - Facility opened in 2008
 - ~650 slot machines, 15 table games
 - 2 dining areas
 - 5-story, 80-room attached hotel
 - 22 acres of land
- **Purchased in Oct. 2012**
- **Opened BetAmerica Sportsbook in Aug. 2018**
 - 24 self-service betting terminals
 - 50 big screen displays broadcasting over 100 different HD channels of sporting events and information



Guests can bet on major professional sports including NFL, NBA, NHL, MLB and collegiate sports as well as sporting events happening all over the world

Ohio Casino

Miami Valley Gaming (50% Equity Investment)

- Property:
 - Located in Lebanon, Ohio (North of Cincinnati, Ohio; South of Dayton)
 - Facility opened in Dec. 2013
 - ~1,830 video lottery terminals and racing simulcast center
 - 5/8-mile harness racetrack
 - 4 dining facilities
 - 120 acres
- CDI joint venture (50/50) with Delaware North
- Added smoking patio, high limit area, and expanded gaming in 4Q'17



Our casino properties' strategic advantages

Local approach



- Unique brands and marketing strategies
- Menus and offerings reflect local tastes
- Promotions catered to 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
- Central slot purchasing to leverage size
- Disciplined reporting and communication strategy
- Central marketing resource facilitates shared best practices

Regional property gaming leaders



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





Additional Growth Opportunities

Organic Growth Opportunities

***The Kentucky Derby* strategic capital investments**

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

Historical Racing Machines

- Derby City Gaming
- Oak Grove, Kentucky facility

Sports Betting and iGaming

- Existing brick-and-mortar casino properties and mobile
- Strategic market access deals

Background on Historical Racing Machines in Kentucky

In 2010, Kentucky’s Horse Racing Commission enacted regulations to permit wagering on historical horse races on historical racing machine (“HRM”) terminals in Kentucky

- Permitted to have an HRM facility if awarded one of 9 horseracing licenses in Kentucky

In October 2018, Kentucky state circuit court judge ruled that Exacta Systems historical racing machines qualify as pari-mutuel wagering and are legal in Kentucky

Four HRM facilities currently exist in Kentucky

- Kentucky Downs opened the state’s first HRM facility in Sept. 2011
- Ellis Park opened an HRM facility in 2012
- Red Mile, a joint venture owned by Keeneland and Red Mile, opened an HRM facility in 2015
- Derby City Gaming, owned by Churchill Downs, opened on Sept. 14, 2018 in Louisville, KY

What is a Historical Racing Machine?

A historical horse racing machine is a gaming device that uses a pari-mutuel math model to approximate the gaming experience of Class II and Class III machines

Existing Kentucky HRM facilities utilize HRM machines produced by PariMax Holdings and Exacta

Gross Commission / Day / Machine ¹				
Kentucky Historical Racing Machine Facilities	Avg. 2017	Avg. Oct. YTD 2018	% Change	# of Machines as of Oct. '18
Ellis Park	\$ 85	\$ 105	23.5%	179
Red Mile	\$ 64	\$ 65	1.6%	902
Kentucky Downs	\$ 211	\$ 233	10.4%	753

Nearest casino to Derby City Gaming is Horseshoe Indiana

- ~ 30 to 40 minutes away from Derby City Gaming
- ~1,587 Class III slot machines
- Avg. Oct. YTD 2018 Gross Commission / Day / Machine² of \$316



¹ Based on Kentucky Horse Racing Commission Monthly Wagering Report for October 2018

² Based on Indiana Gaming Commission Monthly Gaming Revenue Report for October 2018

Derby City Gaming

\$65 million 85,000 square foot historical racing machine (“HRM”) facility

900 historical racing machines at opening

Décor pays homage to Churchill Downs Racetrack’s deep history in horse racing

Center bar with large format televisions, two food venues, and outdoor gaming patio

CDI partnered with Ainsworth Game Technology to build world’s most advanced HRM machines



Approved for 2nd HRM license for Oak Grove, Kentucky facility

Kentucky Horse Racing Commission awarded racing license on Nov. 16, 2018 for Standardbred racing dates beginning in Oct. 2019

Up to \$150 million investment in a joint venture owned by CDI (95% owner) and Keeneland Association Inc. (5% owner)

- **Land**
- **Racetrack and enclosed grandstand / multi-purpose space**
- **HRM facility with up to 1,500 machines**
- **3,000 person capacity amphitheater and state-of-the art equestrian center**
- **125-room hotel with event center and dining options**

Sport Betting and iGaming Opportunity

In May 2018, the Supreme Court repealed the Professional and Amateur Sports Protection Act of 1992 (“PASPA”) – effectively allowing sports betting in the U.S. on professional and amateur sports, subject to state regulation

Six states having enacted sports betting regulations since the repeal¹

States	Est. Adult Population ²	Sports Betting Went Live In	iGaming Went Live in
Pennsylvania	~9.7 million	Nov. 2018	TBD
New Jersey	~ 6.8 million	June 2018	Nov. 2013
Mississippi	~ 2.2 million	Aug. 2018	N/A
New Mexico	~1.5 million	Oct. 2018	N/A
West Virginia	~1.4 million	Sept. 2018	N/A
Rhode Island ³	~ 0.8 million	Nov. 2018	N/A

We expect a number of additional states to enact legislation to allow sports betting

¹ As of Nov. 19, 2018; New Mexico agreement is a tribal pact; Delaware and Nevada previously allowed sports betting

² Population Distribution by Age by The Henry J. Kaiser Family Foundation, 2016

³ State has awarded license to single operator

CDI is well positioned in key states

State	Adult Population ¹ (million)	CDI Property or 3 rd Party Agreement	CDI Sports Betting	CDI iGaming
California	~29.5	Card room agreement to offer online poker if legislation is approved	TBD	TBD
Florida	~16.1	Calder Casino	TBD	TBD
New York	~15.1	Agreement with Saratoga Casino Holdings for rights to online sports betting & iGaming until 2033	TBD	TBD
Pennsylvania	~9.7	Acquisition of Presque Isle Downs & Casino in Erie, PA and Nemaquin management agreement from Eldorado expected to close in 1Q'19	TBD	TBD
Illinois	~9.6	Arlington International Race Course and OTBs	TBD	TBD
Ohio	~8.7	Miami Valley Gaming Joint Venture	TBD	TBD
New Jersey	~6.8	Agreement with Golden Nugget Atlantic City for Sports Betting & iGaming skin	Target 4Q'18	Target 4Q'18
Maryland	~4.5	The Casino at Ocean Downs	TBD	TBD
Colorado	~4.2	Agreement with Saratoga Casino Holdings for rights to online sports betting & iGaming until 2033	TBD	TBD
Louisiana	~3.4	Fair Grounds Slots and VSI and Fair Grounds Race Course	TBD	TBD
Kentucky	~3.3	Churchill Downs Racetrack	TBD	TBD
Mississippi	~2.2	Harlow's and Riverwalk Casinos opened BetAmerica Sportsbooks in Aug. 2018	Aug. 2018	N/A
Maine	~1.1	Oxford Casino	TBD	TBD

¹ Population Distribution by Age by The Henry J. Kaiser Family Foundation, 2016 46

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
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

Targeting 1Q'19 close pending PA Gaming Commission Approval

Presque Isle Casino

Purchase price of \$179 million

- 8.8x property TTM EBITDA¹, net of cash acquired
- Immediately accretive to EPS

On a 272 acre site in Erie, Pennsylvania

- Opened in Feb. 2007
- Operates ~1,600 slot machines, 32 table games and a 7 table poker room in 153,400 sq. ft. facility
- Conducts ~100 live thoroughbred race dates each year

Potential sports betting / iGaming upside

- Applied for interactive gaming license on August 10, 2018

Nemacolin

Agreed to pay \$100,000 for:

- Management agreement to operate casino until July 2023
- All fixed assets (e.g. slot machines and table games)

Located ~1 mile from Nemacolin Woodlands Resort's main entrance in Farmington, PA

- Opened in July 2013
- Operates ~600 slot machines, 29 table games and a casual dining restaurant and lounge

¹ Based on TTM EBITDA as of June 30, 2018

Rivers Casino Transaction Transaction Summary

Will acquire at least 50.1% of Midwest Gaming Holdings, LLC (“Midwest Gaming”), the parent company of Rivers Casino Des Plaines (“Rivers Casino”), in Des Plaines, Illinois

- Property includes 44,000-square-foot single-level gaming floor with 1,000 slot machines and 55 table games (1,200 positions total); seven dining and entertainment options; and a multi-functional event center
- Favorably positioned for online sports betting / iGaming upside should Illinois permit those activities
- CDI and High Plains Gaming, LLC (“High Plains”), an affiliate of Rush Street Gaming, LLC, will share equally in the governance of Midwest Gaming

Purchase price of ~\$326 million for 50.1% ownership

- Based on enterprise-wide valuation of Midwest Gaming of \$1.45 billion
- Reflects a multiple of ~11.25x on the property’s trailing 12 months Adjusted EBITDA
- Transaction will be funded through CDI’s existing credit facility and / or additional Term Loan B or notes issuance in early 2019

CDI will receive periodic distributions from Midwest Gaming

- Annual priority distributions of 2% of Midwest Gaming’s annual gross revenue split 50/50 between CDI and High Plains
- Quarterly pro rata tax distributions at highest applicable U.S. individual federal tax rate plus the higher of California or New York individual state tax rates
- Other distributions (to extent allowed under new credit facility covenants) made pro rata based on ownership

Expect to close in the 1st half of 2019

Rivers Casino Transaction

Transaction Summary of Execution Steps

CDI will purchase Clairvest Group Inc. (“Clairvest”) interests in Midwest Gaming for ~\$291 million. Equity holders of Casino Investors, LLC (“Casino Investors”) and High Plains have tag-along rights to sell their interests to CDI on the same terms between signing and closing, with CDI’s obligation to purchase capped at \$500 million.

Immediately after closing Midwest Gaming will use ~\$300 million of proceeds of new debt funding to redeem interests held by Casino Investors and High Plains.

- New debt funding will be executed subject to Illinois Gaming Board approval
 - \$650 million amended and extended Revolving Credit and Term Loan Agreement (“Senior Credit Facility”) signed at announcement of transaction
 - \$200 million mezzanine debt placed between signing and closing
- Existing debt of ~\$500 million will be paid off and \$50 million of Senior Credit facility will remain unfunded
- ~\$300 million less new credit facility transaction costs will be used to redeem non-CDI interests and therefore increase CDI’s ownership interest

If the interests purchased from Clairvest and interests purchased from other equity holders through the tag-along rights does not provide CDI at least 50.1% ownership of Midwest Gaming after giving proforma effect to the redemption, then High Plains and Casino Investors will sell CDI additional interests to get CDI to at least 50.1% ownership of Midwest Gaming.

Rivers Casino Transaction Strategic Rationale

Investment in premier gaming property

- With stable, predictable cash flows
- In unparalleled location in the Chicagoland market

Attractive return on investment and accretive to free cash flow and EPS

Potential upside if Illinois ultimately grants access to online casino gaming and sports betting to brick-and-mortar casino license holders

Strategic partner with successful track record of profitably investing in and managing gaming assets

Calder Race Course and Casino Opportunity

170 acres of land remaining in Miami Gardens, Florida with casino and racetrack

- Near the Hard Rock Stadium, home of the Miami Dolphins
- In Nov. 2016, we closed the sale of 61 acres of excess real estate at Calder Race Course for \$26.5 million or \$434k per acre¹

Agreement with The Stronach Group to operate and manage Calder’s racetrack and live horseracing under Calder’s racing permits until Dec. 31, 2020

Obtained Jai Alai license and 2019 event dates and are in process of building a Jai Alai facility on the property

In Oct. 2018, the Florida Department of Business and Professional Regulation’s Division of Pari-Mutuel Wagering granted Calder’s petition for a declaratory statement that it can maintain its “eligible facility” status to operate slot machine gaming by operating a full schedule of jai alai performances

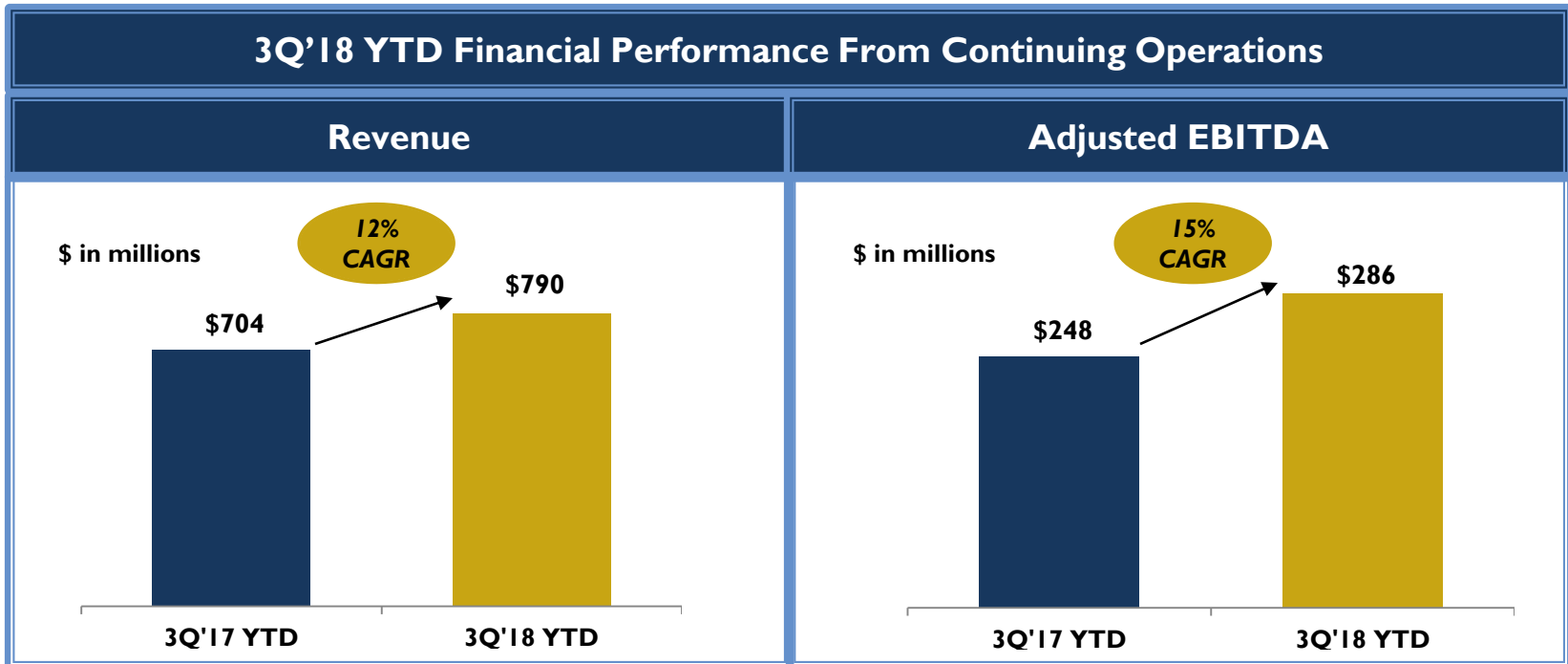
¹ Excluding real estate commissions paid





Financial Highlights and Insights

Double-digit growth driven by organic investments and strategic acquisitions



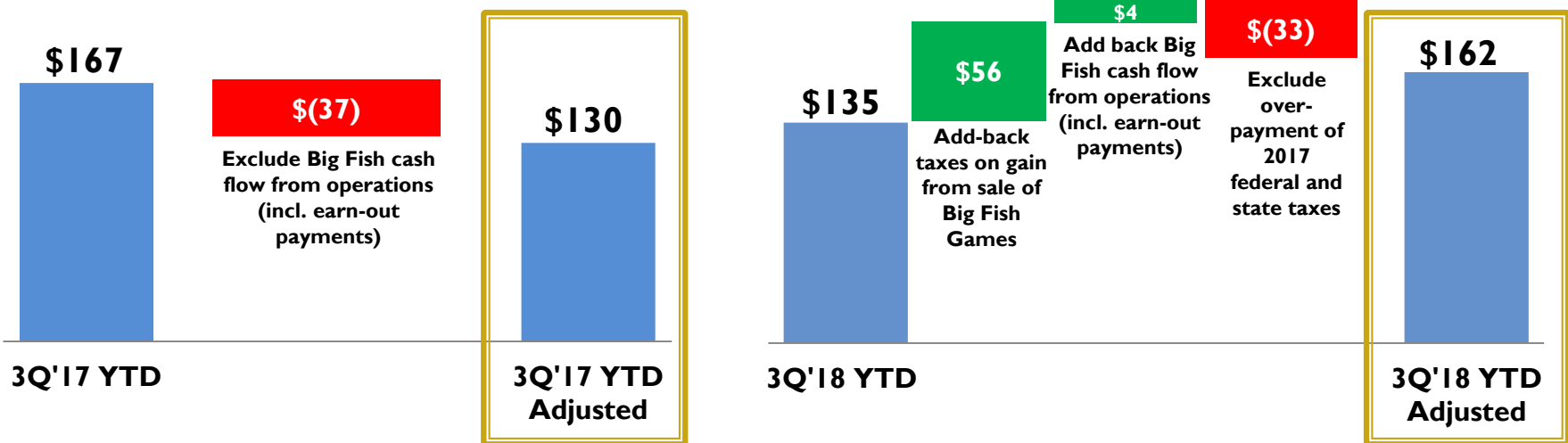
Note: Audited financials excluding Big Fish Games. Revenues from Casino JV's excluded from total CDI Revenues.

CDI has generated \$32 million of growth in cash flow from operations excluding Big Fish / unusu-als year-to-date 2018

Cash Flow From Operations

2017

2018



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 acquisition

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

Derby investments provide strong returns creating long-term shareholder value

The Mansion



Return Profile

Built in 2013
\$4.6 million investment
< 3 year payback

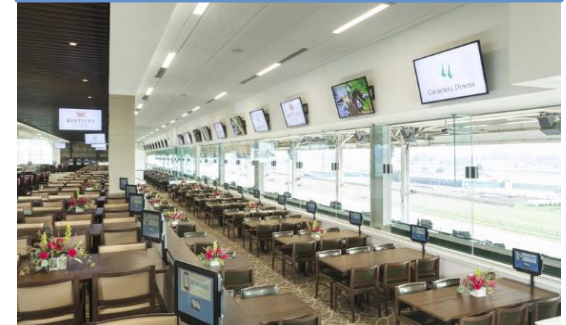
Winners' Circle Suites and Courtyard



Return Profile

Built in 2015
\$4.3 million investment
< 5 year payback

Turf Club / Stakes Room



Return Profile

Renovated in 2016
\$18.4 million investment
< 5 year payback

Targeted casino investments enhance existing properties and provide favorable returns

Ocean Downs Expansion



Return Profile

Opened Dec. 2017
 \$18 million investment
 < 3 year payback

Ocean Downs Slot Floor Purchase



Return Profile

Purchased Aug. 2017
 \$13 million investment
 < 2 year payback

Oxford Hotel & Floor Expansion



Return Profile

Opened Nov. 2017
 \$27 million investment
 < 6 year payback

Miami Valley Gaming Expansion



Return Profile

Opened Oct. 2017
 \$5 million investment
 < 2 year payback

CDI has returned nearly \$1 billion of capital to shareholders over the last 5 years

Dividends

- **2019 will be the 8th consecutive increase in the dividend per share**
- **\$97 million paid to shareholders in dividends over the last 5 years**

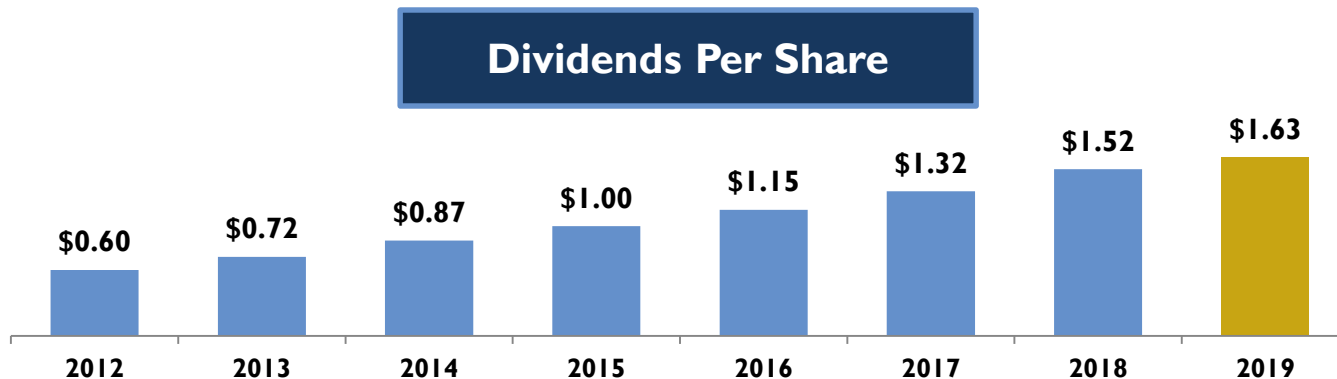
Share Repurchases

- **Returned \$899 million to shareholders through share repurchases over the last 5 years**
 - Includes \$500 million repurchased with a portion of the Big Fish Games sale proceeds through a Dutch Auction in February 2018

Eighth consecutive year of growth in dividends

Board of Directors declared dividend of \$1.63 per share (+ 7.2%) on October 30, 2018

- Record date of December 7, 2018
- Payment date of January 4, 2019



Note there were no dividends paid during fiscal year 2013 as there were 2 payments made in 2012 (1/23/2012 and 12/21/2012). The second dividend payment has been included in 2013 for comparability

Reauthorized \$300 million share repurchase program

Includes \$78 million remaining on prior \$150 million share repurchase program from April 2017

Rationale:

- We believe in CDI's long term growth prospects and ability to finance its growth initiatives
- Viewed as tax efficient way to return capital to our shareholders
- Accretive to earnings per share
- Offsets dilution from equity compensation plans

Reflects our commitment to efficiently return capital to shareholders unless there are other more attractive growth opportunities

Board of Directors has approved a 3-for-1 Stock Split and proportionate increase in the number of authorized shares

Key Dates

Record Date – January 11, 2019

Distribution Date – January 25, 2019

Trade at new post-split price – January 28, 2019

Rationale

- **Enable CDI's stock to be more accessible to investors**
- **Potentially increase the transparency and liquidity of CDI's stock**
- **We believe in CDI's long-term growth prospects**





Appendix

Bill Carstanjen
Chief Executive
Officer

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

Bill Mudd
President & Chief
Operating Officer

- Chief Operating Officer since Sept. 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; M.B.A

Marcia Dall
EVP & 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 leadership roles
- B.S. in Accounting – Indiana University; Masters of Management – Kellogg School of Management at Northwestern University; CPA

The Company uses 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 the EBITDA from our equity investments.

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition and disposition related charges, including fair value adjustments related to earnouts and deferred payments; and
 - Other transaction expense, including legal, accounting and other deal-related expense;
- Stock-based compensation expense;
- Asset impairments;
- Gain on Ocean Downs/Saratoga Transaction;
- Gain on Calder land sale;
- Calder exit costs;
- Loss on extinguishment of debt;
- Pre-opening expense; and
- Other charges, recoveries and expenses

Reconciliation of Comprehensive Income to Adjusted EBITDA

<i>(in millions)</i>	Nine months ended September 30, 2018
Comprehensive income	\$ 341.8
Foreign currency translation, net of tax	(0.4)
Net change in pension benefits, net of tax	-
Net income	<u>341.4</u>
Income from discontinued operations, net of tax	<u>(166.1)</u>
Income from continuing operations, net of tax	175.3
Additions - continuing operations:	
Depreciation and amortization	45.8
Interest expense	29.2
Loss on extinguishment of debt	-
Income tax (benefit) provision	52.1
EBITDA	<u><u>\$ 302.4</u></u>
Adjustments to EBITDA - continuing operations:	
Selling, general and administrative:	
Stock-based compensation expense	13.1
Other charges	0.2
Pre-opening expense	3.9
Other income, expense:	
Interest, depreciation and amortization expense related to equity investments	12.2
Other charges and recoveries, net	-
Gain on Ocean Downs/ Saratoga transaction	(54.9)
Impairment of tangible and other intangible assets	-
Transaction expense, net	8.9
Other, net	-
Total adjustments to EBITDA	<u>(16.6)</u>
Adjusted EBITDA from continuing operations	<u><u>\$ 285.8</u></u>

<i>(in millions)</i>	Nine months ended September 30, 2018
Adjusted EBITDA by Segment	
Racing	98.5
TwinSpires	58.9
Casino	133.9
Other Investments	2.5
Corporate	(8.0)
Adjusted EBITDA from continuing operations	<u><u>\$ 285.8</u></u>

Reconciliation of Comprehensive Income to Adjusted EBITDA

	LTM			LTM
<i>(in millions)</i>	<u>September 30, 2018</u>	<i>(in millions)</i>		<u>September 30, 2018</u>
Comprehensive income	\$ 379.7	Adjusted EBITDA by Segment		
Foreign currency translation, net of tax	(0.2)	Racing		92.3
Net change in pension benefits, net of tax	0.1	TwinSpires		72.0
Net income	<u>379.6</u>	Casino		167.6
Income from discontinued operations, net of tax	<u>(169.9)</u>	Other Investments		3.2
Income from continuing operations, net of tax	209.7	Corporate		<u>(11.7)</u>
Additions - continuing operations:		Adjusted EBITDA from continuing operations		<u>\$ 323.4</u>
Depreciation and amortization	59.8			
Interest expense	42.5			
Loss on extinguishment of debt	20.7			
Income tax (benefit) provision	<u>(25.7)</u>			
EBITDA	<u>\$ 307.0</u>			
Adjustments to EBITDA - continuing operations:				
Selling, general and administrative:				
Stock-based compensation expense	17.4			
Other charges	0.9			
Pre-opening expense	3.9			
Other income, expense:				
Interest, depreciation and amortization expense related to equity investments	18.3			
Other charges and recoveries, net	-			
Gain on Ocean Downs/ Saratoga transaction	(54.9)			
Impairment of tangible and other intangible assets	21.7			
Transaction expense, net	8.9			
Other, net	0.2			
Total adjustments to EBITDA	<u>16.4</u>			
Adjusted EBITDA from continuing operations	<u>\$ 323.4</u>			

Reconciliation from GAAP to Non-GAAP Financial Measures

Reconciliation of Comprehensive Income to Adjusted EBITDA

	Nine Months Ended September 30, 2017		Nine Months Ended September 30, 2017
<i>(in millions)</i>		<i>(in millions)</i>	
Comprehensive income	\$ 102.5	Adjusted EBITDA by segment:	
Foreign currency translation, net of tax	(0.1)	Racing	90.7
Change in pension benefits, net of tax	(0.1)	TwinSpires	51.3
Net income	<u>102.3</u>	Casino	112.3
Income from discontinued operations, net of tax	(14.3)	Other Investments	3.0
Income from continuing operations, net of tax	<u>88.0</u>	Corporate(a)	<u>(8.9)</u>
Additions:		Adjusted EBITDA from continuing operations	<u><u>\$ 248.4</u></u>
Depreciation and amortization	42.0		
Interest expense	36.0		
Income tax provision	57.9		
EBITDA	<u><u>\$ 223.9</u></u>		
Adjustments to EBITDA - continuing operations:			
Selling, general and administrative:			
Stock-based compensation expense	11.7		
Other charges	-		
Pre-opening expense	0.3		
Other income, expense:			
Interest, depreciation and amortization expense related to	10.6		
Other charges and recoveries, net	-		
Gain on Calder land sale	-		
Transaction expense, net	1.1		
Calder exit costs	0.8		
Other, net	-		
Total adjustments to EBITDA	<u>24.5</u>		
Adjusted EBITDA from continuing operations	<u><u>\$ 248.4</u></u>		

Reconciliation of Comprehensive Income to Adjusted EBITDA

	LTM		LTM
<i>(in millions)</i>	<u>September 30, 2017</u>	<i>(in millions)</i>	<u>September 30, 2017</u>
Comprehensive income	\$ 128.5	Adjusted EBITDA by segment:	
Foreign currency translation, net of tax	(0.1)	Racing	86.1
Change in pension benefits, net of tax	<u>0.7</u>	TwinSpires	61.9
Net income	129.1	Casino	140.1
Income from discontinued operations, net of tax	<u>(19.4)</u>	Other Investments	2.8
Income from continuing operations, net of tax	109.7	Corporate(a)	<u>(12.0)</u>
Additions:		Adjusted EBITDA from continuing operations	<u><u>\$ 278.9</u></u>
Depreciation and amortization	56.8		
Interest expense	46.9		
Income tax provision	<u>62.1</u>		
EBITDA	<u><u>\$ 275.5</u></u>		
Adjustments to EBITDA - continuing operations:			
Selling, general and administrative:			
Stock-based compensation expense	14.9		
Other charges	(0.9)		
Pre-opening expense	0.3		
Other income, expense:			
Interest, depreciation and amortization expense related to	13.1		
Other charges and recoveries, net	0.1		
Gain on Calder land sale	(23.7)		
Transaction expense, net	1.1		
Calder exit costs	0.9		
Other, net	(2.4)		
Total adjustments to EBITDA	3.4		
Adjusted EBITDA from continuing operations	<u><u>\$ 278.9</u></u>		