

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-33998

**Churchill Downs Incorporated**

(Exact name of registrant as specified in its charter)

**Kentucky**

(State or other jurisdiction of incorporation or organization)

**600 North Hurstbourne Parkway, Suite 400**

**Louisville, Kentucky**

(Address of Principal Executive Offices)

**61-0156015**

(I.R.S. Employer Identification No.)

**40222**

(Zip Code)

**(502) 636-4400**

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, No Par Value	CHDN	The Nasdaq Global Select Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares outstanding of registrant's common stock at July 16, 2025 was 70,124,315 shares.

**CHURCHILL DOWNS INCORPORATED**  
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**For the Quarter Ended June 30, 2025**

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**CHURCHILL DOWNS INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in millions, except per common share data)</i>				
<b>Net revenue:</b>				
Live and Historical Racing	\$ 509.9	\$ 464.7	\$ 782.4	\$ 709.8
Wagering Services and Solutions	158.4	151.7	265.3	258.3
Gaming	266.0	274.2	529.2	513.4
All Other	0.1	0.1	0.1	0.1
<b>Total net revenue</b>	<u>934.4</u>	<u>890.7</u>	<u>1,577.0</u>	<u>1,481.6</u>
<b>Operating expense:</b>				
Live and Historical Racing	256.1	221.4	445.8	378.6
Wagering Services and Solutions	90.8	89.3	158.0	157.2
Gaming	191.3	188.4	383.4	366.9
All Other	4.1	3.6	8.2	5.7
Selling, general and administrative expense	60.9	57.4	115.4	112.2
Asset impairments	2.4	—	2.4	—
Transaction expense, net	1.1	0.6	1.5	4.7
<b>Total operating expense</b>	<u>606.7</u>	<u>560.7</u>	<u>1,114.7</u>	<u>1,025.3</u>
<b>Operating income</b>	<u>327.7</u>	<u>330.0</u>	<u>462.3</u>	<u>456.3</u>
<b>Other (expense) income:</b>				
Interest expense, net	(74.2)	(73.5)	(146.5)	(143.9)
Equity in income of unconsolidated affiliates	37.1	37.7	70.4	75.5
Miscellaneous, net	1.4	0.1	1.7	8.2
<b>Total other (expense) income</b>	<u>(35.7)</u>	<u>(35.7)</u>	<u>(74.4)</u>	<u>(60.2)</u>
Income from operations before provision for income taxes	292.0	294.3	387.9	396.1
Income tax provision	(74.4)	(84.1)	(93.1)	(105.5)
Net income	<u>217.6</u>	<u>210.2</u>	<u>294.8</u>	<u>290.6</u>
Net income attributable to noncontrolling interest	0.7	0.9	1.2	0.9
<b>Net income attributable to Churchill Downs Incorporated</b>	<u>\$ 216.9</u>	<u>\$ 209.3</u>	<u>\$ 293.6</u>	<u>\$ 289.7</u>
<b>Net income attributable to Churchill Downs Incorporated per common share data:</b>				
Basic net income	<u>\$ 3.02</u>	<u>\$ 2.82</u>	<u>\$ 4.02</u>	<u>\$ 3.90</u>
Diluted net income	<u>\$ 2.99</u>	<u>\$ 2.79</u>	<u>\$ 3.98</u>	<u>\$ 3.87</u>
Weighted average shares outstanding:				
Basic	71.7	73.9	72.7	74.0
Diluted	72.3	74.6	73.3	74.6

The accompanying notes are an integral part of the condensed consolidated financial statements.

**CHURCHILL DOWNS INCORPORATED**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(in millions)

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 182.4	\$ 175.5
Restricted cash	103.2	77.2
Accounts receivable, net	118.4	98.7
Income taxes receivable	—	14.5
Other current assets	60.0	46.4
Total current assets	464.0	412.3
Property and equipment, net	2,917.4	2,874.9
Investment in and advances to unconsolidated affiliates	668.8	661.2
Goodwill	900.2	900.2
Other intangible assets, net	2,406.0	2,409.0
Other assets	19.3	18.3
Total assets	\$ 7,375.7	\$ 7,275.9
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 231.0	\$ 180.3
Accrued expenses and other current liabilities	392.2	402.0
Income taxes payable	67.6	—
Current deferred revenue	17.5	52.9
Current maturities of long-term debt	63.1	63.1
Dividends payable	0.7	31.0
Total current liabilities	772.1	729.3
Long-term debt, net of current maturities and loan origination fees	1,863.5	1,767.9
Notes payable, net of debt issuance costs	3,078.7	3,076.2
Non-current deferred revenue	18.4	20.0
Deferred income taxes	436.2	432.7
Other liabilities	142.7	146.5
Total liabilities	6,311.6	6,172.6
Commitments and contingencies		
Redeemable noncontrolling interest	22.5	19.7
Shareholders' equity:		
Preferred stock	—	—
Common stock	—	—
Retained earnings	1,042.6	1,084.6
Accumulated other comprehensive loss	(1.0)	(1.0)
Total Churchill Downs Incorporated shareholders' equity	1,041.6	1,083.6
Total liabilities and shareholders' equity	\$ 7,375.7	\$ 7,275.9

The accompanying notes are an integral part of the condensed consolidated financial statements.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025

**CHURCHILL DOWNS INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(Unaudited)

<i>(in millions)</i>	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount			
<b>Balance, December 31, 2024</b>	73.5	\$ —	\$ 1,084.6	\$ (1.0)	\$ 1,083.6
Net income attributable to Churchill Downs Incorporated			76.7		76.7
Issuance of common stock	0.1				—
Repurchase of common stock	(0.8)	(1.0)	(88.4)		(89.4)
Taxes paid related to net share settlement of stock awards		(3.9)			(3.9)
Stock-based compensation		4.9			4.9
Other			(0.2)		(0.2)
<b>Balance, March 31, 2025</b>	72.8	—	1,072.7	(1.0)	1,071.7
Net income attributable to Churchill Downs Incorporated			216.9		216.9
Repurchase of common stock	(2.6)	(5.3)	(245.1)		(250.4)
Taxes paid related to net share settlement of stock awards		(0.1)			(0.1)
Stock-based compensation		5.4			5.4
Other			(1.9)		(1.9)
<b>Balance, June 30, 2025</b>	70.2	\$ —	\$ 1,042.6	\$ (1.0)	\$ 1,041.6

The accompanying notes are an integral part of the condensed consolidated financial statements.

**CHURCHILL DOWNS INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(Unaudited)

<i>(in millions)</i>	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount			
<b>Balance, December 31, 2023</b>	74.5	\$ —	\$ 894.5	\$ (0.9)	\$ 893.6
Net income attributable to Churchill Downs Incorporated			80.4		80.4
Issuance of common stock	0.3				—
Repurchase of common stock	(1.2)	(7.2)	(138.5)		(145.7)
Taxes paid related to net share settlement of stock awards	(0.1)		(7.6)		(7.6)
Stock-based compensation		7.2			7.2
Other			(1.0)		(1.0)
<b>Balance, March 31, 2024</b>	73.5	—	827.8	(0.9)	826.9
Net income attributable to Churchill Downs Incorporated			209.3		209.3
Repurchase of common stock	(0.1)	(8.9)	(4.1)		(13.0)
Taxes paid related to net share settlement of stock awards			(0.2)		(0.2)
Stock-based compensation		8.9			8.9
Other			(0.9)	(0.1)	(1.0)
<b>Balance, June 30, 2024</b>	73.4	\$ —	\$ 1,031.9	\$ (1.0)	\$ 1,030.9

The accompanying notes are an integral part of the condensed consolidated financial statements.

**CHURCHILL DOWNS INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(in millions)</i>	Six Months Ended June 30,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net income	\$ 294.8	\$ 290.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	117.0	96.1
Distributions from unconsolidated affiliates	62.8	81.7
Equity in income of unconsolidated affiliates	(70.4)	(75.5)
Stock-based compensation	10.8	16.1
Deferred income taxes	3.5	19.7
Asset impairments	2.4	—
Amortization of operating lease assets	3.2	2.7
Other	4.0	4.8
Changes in operating assets and liabilities:		
Income taxes	81.2	52.9
Deferred revenue	(37.0)	(45.7)
Other assets and liabilities	13.8	28.3
Net cash provided by operating activities	486.1	471.7
<b>Cash flows from investing activities:</b>		
Capital maintenance expenditures	(31.5)	(34.8)
Capital project expenditures	(133.3)	(257.2)
Other	(1.3)	1.9
Net cash used in investing activities	(166.1)	(290.1)
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings under long-term debt obligations	641.5	617.4
Repayments of borrowings under long-term debt obligations	(546.7)	(598.3)
Payment of dividends	(30.2)	(28.8)
Repurchase of common stock	(340.9)	(154.7)
Taxes paid related to net share settlement of stock awards	(4.0)	(10.5)
Change in bank overdraft	(5.0)	2.6
Other	(1.8)	(1.2)
Net cash used in financing activities	(287.1)	(173.5)
<b>Cash flows from discontinued operations:</b>		
Operating activities of discontinued operations	—	1.0
<b>Net increase in cash, cash equivalents and restricted cash</b>	32.9	9.1
Cash, cash equivalents and restricted cash, beginning of period	252.7	221.8
<b>Cash, cash equivalents and restricted cash, end of period</b>	\$ 285.6	\$ 230.9

The accompanying notes are an integral part of the condensed consolidated financial statements.

**CHURCHILL DOWNS INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**  
**(Unaudited)**

<i>(in millions)</i>	Six Months Ended June 30,			
	2025		2024	
<b>Supplemental disclosures of cash flow information:</b>				
Cash paid for interest	\$	145.0	\$	155.4
Cash paid for income taxes		10.0		33.1
Cash received from income tax refunds		1.4		1.2
<b>Schedule of non-cash operating, investing and financing activities:</b>				
Property and equipment additions included in accounts payable and accrued expenses	\$	28.0	\$	78.8
Right-of-use assets obtained in exchange for lease obligations in operating leases		9.2		3.2
Right-of-use assets obtained in exchange for lease obligations in finance leases		—		3.6
Repurchase of common stock included in accrued expense and other current liabilities		1.9		4.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

## 1. DESCRIPTION OF BUSINESS

### *Basis of Presentation*

Churchill Downs Incorporated (the "Company" or "CDI") financial statements are presented in conformity with the requirements of this Quarterly Report on Form 10-Q and consequently do not include all of the disclosures normally required by U.S. generally accepted accounting principles ("GAAP") or those normally made in our Annual Report on Form 10-K. The December 31, 2024 Condensed Consolidated Balance Sheet data was derived from audited financial statements but does not include all disclosures required by GAAP.

The following information is unaudited. All per share amounts assume dilution unless otherwise noted. This report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024.

In the opinion of management, all adjustments necessary for a fair statement of this information have been made, and all such adjustments are of a normal, recurring nature.

In April 2024, the Company closed on the sale of 49% of the United Tote Company ("United Tote"), a wholly-owned subsidiary of CDI, to NYRA Content Management Solutions, LLC ("NYRA"), a subsidiary of the New York Racing Association, Inc. Refer to Note 10, Redeemable Noncontrolling Interest, for further information on the transaction.

We conduct our business through three reportable segments: Live and Historical Racing, Wagering Services and Solutions, and Gaming. The Wagering Services and Solutions segment was previously known as the TwinSpires segment. We aggregate our other businesses as well as certain corporate operations in All Other. We report net revenue and operating expense associated with these reportable segments in the accompanying Condensed Consolidated Statements of Comprehensive Income.

## 2. RECENT ACCOUNTING PRONOUNCEMENTS

### *Recent Accounting Pronouncements - effective in 2025 or thereafter*

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, Disclosure Improvements: Codification Amendments in Response to the Securities and Exchange Commission's ("SEC") Disclosure Update and Simplification Initiative, to amend certain disclosure and presentation requirements for a variety of topics within FASB's Accounting Standards Codification ("ASC"). These amendments align the requirements in the ASC regarding the removal of certain disclosure requirements set out in Regulation S-X and Regulation S-K, announced by the SEC. The effective date for each amended topic in the ASC is either the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or on June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited. The Company is currently evaluating the impact of this standard on the consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. Early adoption is permitted. The additional disclosure requirements from this ASU will be incorporated into the Company's 2025 Annual Report on Form 10-K. The Company is currently evaluating the impact of this standard on the consolidated financial statements and related disclosures.

In November 2024, FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. Under ASU 2024-03, a public entity would be required to disclose information about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. This standard is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently assessing the impact of this standard on the consolidated financial statements and related disclosures.

**3. GOODWILL AND OTHER INTANGIBLE ASSETS**

Goodwill was \$900.2 million as of June 30, 2025 and December 31, 2024.

We performed our annual goodwill impairment analysis as of April 1, 2025, and no adjustment to the carrying value of goodwill was required. We assessed goodwill for impairment by performing qualitative or quantitative analyses for each reporting unit. We concluded that the fair values of our reporting units exceeded their carrying values, and therefore no impairments were identified.

Other intangible assets are comprised of the following:

<i>(in millions)</i>	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets	\$ 95.9	\$ (37.2)	\$ 58.7	\$ 95.9	\$ (34.2)	\$ 61.7
Indefinite-lived intangible assets			2,347.3			2,347.3
Total			\$ 2,406.0			\$ 2,409.0

The Company is continuing to monitor the current economic conditions and the impacts on the results of operations of Presque Isle Downs and Casino due to historical impairments recorded in prior periods related to the gaming rights and trademark. Future economic conditions could have a negative impact on the estimates and assumptions utilized in our asset impairment assessments. These potential impacts could increase the risk of a future impairment of assets at Presque Isle.

We performed our annual indefinite-lived intangible assets impairment analysis as of April 1, 2025. We assessed our indefinite-lived intangible assets for impairment by performing qualitative or quantitative analyses for each asset. Based on the results of these analyses, no indefinite-lived intangible asset impairments were identified in connection with our annual impairment testing.

**4. INCOME TAXES**

The Company's effective income tax rates of 25.5% and 28.6% for the three months ended June 30, 2025 and June 30, 2024, respectively, were higher than the U.S. federal statutory rate of 21.0% primarily resulting from state income taxes and non-deductible officer's compensation. The Company's effective income tax rates of 24.0% and 26.6% for the six months ended June 30, 2025 and June 30, 2024, respectively, were higher than the U.S. federal statutory rate of 21.0% primarily resulting from state income taxes and non-deductible officer's compensation, partially offset by tax benefits from the remeasurement of deferred income tax liabilities, as a result of certain entity classification elections that were made in the first quarters of 2025 and 2024, which decreased income attributable to states with higher tax rates compared to prior year.

**5. SHAREHOLDERS' EQUITY**

***Stock Repurchase Programs***

On March 12, 2025, the Board of Directors of the Company approved a new common stock repurchase program of up to \$500.0 million (the "2025 Stock Repurchase Program"). The 2025 Stock Repurchase Program includes and is not in addition to the \$125.6 million remaining under the 2021 Stock Repurchase Program. Share repurchases may be made at management's discretion from time to time in the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The repurchase program has no time limit and may be suspended or discontinued at any time. We had approximately \$184.2 million of repurchase authority remaining under the 2025 Stock Repurchase Program at June 30, 2025, based on trade date. See Note 16, "Subsequent Events", for information on an updated stock repurchase program approved by the Board of Directors in July 2025.

**Churchill Downs Incorporated**  
**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

During the three and six months ended March 31, 2025 and 2024, we repurchased the following shares under our stock repurchase programs:

<i>(in millions, except share data)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Shares	Aggregate Purchase Price	Shares	Aggregate Purchase Price	Shares	Aggregate Purchase Price	Shares	Aggregate Purchase Price
<b>Repurchase Program</b>								
2025 Stock Repurchase Program	2,565,964	\$ 250.4	—	\$ —	3,152,202	\$ 315.8	—	\$ —
2021 Stock Repurchase Program	—	—	93,874	13.0	212,012	24.0	278,695	35.0
<b>Total</b>	<b>2,565,964</b>	<b>\$ 250.4</b>	<b>93,874</b>	<b>\$ 13.0</b>	<b>3,364,214</b>	<b>\$ 339.8</b>	<b>278,695</b>	<b>\$ 35.0</b>

***The Duchossois Group Share Repurchase***

On January 2, 2024, the Company closed on an agreement, dated December 18, 2023, with an affiliate of The Duchossois Group ("TDG") to repurchase 1,000,000 shares of the Company's common stock, for \$123.75 per share in a privately negotiated transaction for an aggregate purchase price of \$123.8 million. This represented a discount of 4.03% to the closing price on December 15, 2023 of \$128.95. The repurchase of shares of common stock from TDG was approved by the Company's Board of Directors separately from and did not reduce the authorized amount remaining under any existing common stock repurchase programs. The repurchase of the shares was funded using available cash and borrowings under the Company's senior secured credit facility.

As of June 30, 2025 and December 31, 2024, we had \$1.9 million and \$3.0 million, respectively, accrued for the future cash settlement of executed repurchases of our common stock.

**6. STOCK-BASED COMPENSATION PLANS**

On February 18, 2025, our Board of Directors approved the replacement of the Churchill Downs Incorporated 2016 Omnibus Stock Incentive Plan (the "2016 Plan") with a new plan, the Churchill Downs Incorporated 2025 Omnibus Stock and Incentive Plan (the "2025 Plan"). The 2025 Plan was approved by shareholders at the Company's 2025 Annual Meeting of Shareholders held on April 22, 2025, and no further awards will be granted under the 2016 Plan. We have stock-based employee compensation plans with awards outstanding under the 2016 Plan, the 2025 Plan, and the Executive Long-Term Incentive Compensation Plan, which was adopted pursuant to the 2016 Plan. Our total stock-based compensation expense, which includes expenses related to restricted stock awards ("RSAs"), restricted stock unit awards ("RSUs"), performance share unit awards ("PSUs"), and stock options associated with our employee stock purchase plan was \$7.2 million and \$10.8 million for the three months and six months ended June 30, 2025 and \$8.9 million and \$16.1 million for the three months and six months ended June 30, 2024, respectively. At June 30, 2025 and December 31, 2024, the Company had \$9.5 million and \$25.0 million, respectively, recorded as liability-classified awards, which are included in accrued expense and other liabilities in the accompanying Condensed Consolidated Balance Sheets.

During the six months ended June 30, 2025, the Company awarded RSUs to employees, as well as RSUs and PSUs to certain named executive officers ("NEOs"), and RSAs and RSUs to directors. The vesting criteria for the PSU awards granted in 2025 were based on a three-year service period with two performance conditions and a market condition related to relative total shareholder return ("TSR") consistent with prior year grants. The total compensation cost we will recognize under the PSUs is determined using the Monte Carlo valuation methodology, which factors in the value of the TSR market condition when determining the grant date fair value of the PSU. Compensation cost for each PSU is recognized during the performance and service period based on the probable achievement of the two performance criteria. The PSUs can be converted into shares of our common stock at the time the PSU award value is finalized.

**Churchill Downs Incorporated**  
**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

A summary of the RSAs, RSUs and PSUs granted during 2025 is presented below (units in thousands):

Grant Year	Award Type	Number of Units Awarded <sup>(1)</sup>	Vesting Terms
2025	RSU	161	Vest equally over three service periods ending in 2027
2025	PSU	87	Three-year performance and service period ending in 2027
2025	RSU	12	One-year service period ending in 2025
2025	RSA	2	One-year service period ending in 2025

<sup>(1)</sup> PSUs reflect the target number of units for the original PSU grant.

**7. DEBT**

The following table presents our total debt outstanding:

*(in millions)*

	June 30, 2025	December 31, 2024
Term Loan B-1 due 2028	\$ 287.2	\$ 288.8
Term Loan A due 2029	1,142.4	1,172.4
Revolver	504.0	377.5
2027 Senior Notes	600.0	600.0
2028 Senior Notes	700.0	700.0
2030 Senior Notes	1,200.0	1,200.0
2031 Senior Notes	600.0	600.0
Total debt	5,033.6	4,938.7
Current maturities of long-term debt	(63.1)	(63.1)
Unamortized premium and deferred finance charges	(28.3)	(31.5)
Total debt, net of current maturities and costs	\$ 4,942.2	\$ 4,844.1

**Credit Agreement**

At June 30, 2025, the Company's senior secured credit facility (as amended from time to time, the "Credit Agreement") consisted of a \$1.2 billion revolving credit facility (the "Revolver"), \$287.2 million senior secured term loan B-1 (the "Term Loan B-1"), \$1.1 billion senior secured term loan A (the "Term Loan A"), and \$100.0 million swing line commitment. On July 3, 2024, the Company closed an amendment of the Credit Agreement to (i) extend the maturity date of the Revolver and Term Loan A from 2027 to 2029 subject to an earlier "springing maturity" if certain indebtedness in respect of outstanding notes or other material indebtedness having a maturity date prior to July 3, 2029, is not refinanced or extended to a date after July 3, 2029, at least 91 days prior to such other debt's stated maturity date, and (ii) amend certain other provisions of the Credit Agreement.

On February 14, 2025, the Company announced that it closed the seventh amendment of the Credit Agreement. The seventh amendment to the Credit Agreement (i) reduced the interest rate margin applicable to the Term Loan B-1 by 0.25% from Secured Overnight Financing Rate ("SOFR") plus 200 basis points to SOFR plus 175 basis points, (ii) eliminated the 0.10% credit spread adjustment previously applicable to the Term Loan B-1, and (iii) made certain other amendments to the Credit Agreement.

The Term Loan B-1 requires quarterly payments of 0.25% of the original \$300.0 million balance and may be subject to additional mandatory prepayment from excess cash flow on an annual basis per the provisions of the Credit Agreement.

The Revolver and Term Loan A bear interest at SOFR plus 10 basis points, plus a variable applicable margin which is determined by the Company's net leverage ratio. As of June 30, 2025, that applicable margin was 150 basis points which was based on the pricing grid in the Credit Agreement. The Company had \$686.9 million available borrowing capacity, after consideration of \$9.1 million in outstanding letters of credit, under the Revolver as of June 30, 2025.

The Company is required to pay a commitment fee on the unused portion of the Revolver as determined by a pricing grid based on the consolidated total net secured leverage ratio of the Company. For the period ended June 30, 2025, the Company's commitment fee rate was 0.25%.

**2027 Senior Notes**

As of June 30, 2025, we had \$600.0 million in aggregate principal amount of 5.500% senior unsecured notes that mature on April 1, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on April 1st and October 1st of each year, commencing on October 1st, 2019. The Company may redeem some or all of the 2027 Senior Notes at redemption prices set forth in the Indenture.

**2028 Senior Notes**

As of June 30, 2025, we had a total of \$700.0 million in aggregate principal amount of 4.750% senior unsecured notes (the "2028 Senior Notes") maturing on January 15, 2028. The 2028 Senior Notes consist of \$500.0 million notes issued at par and \$200.0 million notes issued at 103.25%. The 2028 Senior Notes were issued in a private offering to qualified institutional buyers, with interest payable in arrears on January 15th and July 15th of each year, commencing on July 15th, 2018. The 3.25% premium is being amortized through interest expense, net over the term of the notes. The Company may redeem some or all the 2028 Senior Notes at redemption prices set forth in the Indenture.

**2030 Senior Notes**

As of June 30, 2025, we had \$1.2 billion in aggregate principal amount of 5.750% senior unsecured notes that mature on April 13, 2030 (the "2030 Senior Notes"). The 2030 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on April 1st and October 1st of each year, commencing on October 1st, 2022. The Company may redeem some or all the 2030 Senior Notes at redemption prices set forth in the Indenture.

**2031 Senior Notes**

As of June 30, 2025, we had \$600.0 million in aggregate principal amount of 6.750% senior unsecured notes that mature on April 25, 2031 (the "2031 Senior Notes"). The 2031 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on May 1st and November 1st of each year, commencing on November 1st, 2023. The Company may redeem some or all of the 2031 Senior Notes at redemption prices set forth in the Indenture.

**8. REVENUE FROM CONTRACTS WITH CUSTOMERS**

***Performance Obligations***

As of June 30, 2025, our Live and Historical Racing segment had remaining performance obligations on contracts with a duration greater than one year relating to television rights, sponsorships, personal seat licenses, and admissions, with an aggregate transaction price of \$233.9 million. The revenue we expect to recognize on these remaining performance obligations is \$1.8 million for the remainder of 2025, \$66.9 million in 2026, \$52.6 million in 2027, and the remainder thereafter.

As of June 30, 2025, our remaining performance obligations on contracts with a duration greater than one year in segments other than Live and Historical Racing were not material.

***Contract Assets and Contract Liabilities***

As of June 30, 2025 and December 31, 2024, contract assets were not material.

As of June 30, 2025 and December 31, 2024, contract liabilities were \$44.8 million and \$81.5 million, respectively, which are included in current deferred revenue, non-current deferred revenue, and accrued expense in the accompanying Condensed Consolidated Balance Sheets. Contract liabilities primarily relate to the Live and Historical Racing segment and the decrease was primarily due to the recognition of previously deferred revenue related to the 151st Kentucky Derby. We recognized \$47.9 million and \$53.9 million of revenue during the three months and six months ended June 30, 2025, respectively, which was included in the contract liabilities balance at December 31, 2024. We recognized \$67.2 million and \$73.0 million of revenue during the three months and six months ended June 30, 2024, respectively, which was included in the contract liabilities balance at December 31, 2023.

***Disaggregation of Revenue***

The Company has included its disaggregated revenue disclosures as follows:

- For the Live and Historical Racing segment, revenue is disaggregated between Churchill Downs Racetrack and historical racing properties given that Churchill Downs Racetrack revenue primarily revolves around live racing events, while our other Live and Historical Racing properties' revenues primarily revolve around historical racing. This segment is also disaggregated by location given the geographic economic factors that affect the revenue of service offerings. Within the Live and Historical Racing segment, revenue is further disaggregated between live and simulcast racing, historical racing, racing event-related services, gaming, and other services.
- For the Wagering Services and Solutions segment, revenue is disaggregated between live and simulcast racing, gaming, and other services.
- For the Gaming segment, revenue is disaggregated by location given the geographic economic factors that affect the revenue of Gaming service offerings. Within the Gaming segment, revenue is further disaggregated between live and simulcast racing, historical racing, racing event-related services, gaming, and other services.

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We believe that these disclosures depict how the amount, nature, timing, and uncertainty of cash flows are affected by economic factors. The tables below present net revenue from external customers and intercompany revenue from each of our segments:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Net revenue from external customers:</b>				
<b>Live and Historical Racing:</b>				
Churchill Downs Racetrack	\$ 227.5	\$ 228.0	\$ 231.1	\$ 231.1
Louisville	57.2	53.1	109.4	106.8
Northern Kentucky	26.7	22.0	57.9	50.5
Southwestern Kentucky	43.4	40.2	83.9	78.8
Western Kentucky	16.0	6.1	28.4	12.9
Virginia	136.0	111.9	265.3	223.1
New Hampshire	3.1	3.4	6.4	6.6
Total Live and Historical Racing	\$ 509.9	\$ 464.7	\$ 782.4	\$ 709.8
<b>Wagering Services and Solutions:</b>	\$ 158.4	\$ 151.7	\$ 265.3	\$ 258.3
<b>Gaming:</b>				
Florida	\$ 25.3	\$ 26.5	\$ 50.6	\$ 52.6
Iowa	23.7	23.5	47.2	46.9
Indiana	32.6	33.9	64.2	33.9
Louisiana	31.9	37.1	76.5	81.4
Maine	27.0	26.8	52.0	53.6
Maryland	25.6	26.2	46.4	47.8
Mississippi	24.0	24.5	49.1	50.5
New York	47.6	46.5	91.0	91.5
Pennsylvania	28.3	29.2	52.2	55.2
Total Gaming	\$ 266.0	\$ 274.2	\$ 529.2	\$ 513.4
All Other	0.1	0.1	0.1	0.1
Net revenue from external customers	\$ 934.4	\$ 890.7	\$ 1,577.0	\$ 1,481.6
<b>Intercompany net revenues:</b>				
Live and Historical Racing	\$ 31.0	\$ 25.5	\$ 34.9	\$ 29.3
Wagering Services and Solutions	10.0	8.2	18.9	15.7
Gaming	0.3	0.2	4.3	4.2
All Other	2.2	1.8	4.2	1.8
Eliminations	(43.5)	(35.7)	(62.3)	(51.0)
Intercompany net revenue	\$ —	\$ —	\$ —	\$ —

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**Three Months Ended June 30, 2025**

<i>(in millions)</i>	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>	<b>Total Segments</b>	<b>All Other</b>	<b>Total</b>
<b>Net revenue from external customers</b>						
Pari-mutuel:						
Live and simulcast racing	\$ 53.6	\$ 125.3	\$ 4.3	\$ 183.2	\$ —	\$ 183.2
Historical racing <sup>(a)</sup>	252.5	—	4.0	256.5	—	256.5
Racing event-related services	172.3	—	0.2	172.5	—	172.5
Gaming <sup>(a)</sup>	3.0	4.0	225.8	232.8	—	232.8
Other <sup>(a)</sup>	28.5	29.1	31.7	89.3	0.1	89.4
<b>Total</b>	<b>\$ 509.9</b>	<b>\$ 158.4</b>	<b>\$ 266.0</b>	<b>\$ 934.3</b>	<b>\$ 0.1</b>	<b>\$ 934.4</b>

**Three Months Ended June 30, 2024**

<i>(in millions)</i>	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>	<b>Total Segments</b>	<b>All Other</b>	<b>Total</b>
<b>Net revenue from external customers</b>						
Pari-mutuel:						
Live and simulcast racing	\$ 50.4	\$ 115.4	\$ 4.5	\$ 170.3	\$ —	\$ 170.3
Historical racing <sup>(a)</sup>	212.1	—	9.3	221.4	—	221.4
Racing event-related services	176.0	—	1.4	177.4	—	177.4
Gaming <sup>(a)</sup>	3.3	4.3	228.1	235.7	—	235.7
Other <sup>(a)</sup>	22.9	32.0	30.9	85.8	0.1	85.9
<b>Total</b>	<b>\$ 464.7</b>	<b>\$ 151.7</b>	<b>\$ 274.2</b>	<b>\$ 890.6</b>	<b>\$ 0.1</b>	<b>\$ 890.7</b>

(a) Food and beverage, hotel, and other services furnished to customers for free as an inducement to wager or through the redemption of our customers' loyalty points are recorded at the estimated standalone selling prices in other revenue with a corresponding offset recorded as a reduction in historical racing pari-mutuel revenue for HRMs or gaming revenue for our casino properties. These amounts were \$15.6 million for the three months ended June 30, 2025 and \$14.2 million for the three months ended June 30, 2024.

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**Six Months Ended June 30, 2025**

(in millions)

**Net revenue from external customers**

	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>	<b>Total Segments</b>	<b>All Other</b>	<b>Total</b>
Pari-mutuel:						
Live and simulcast racing	\$ 64.8	\$ 205.4	\$ 15.0	\$ 285.2	\$ —	\$ 285.2
Historical racing <sup>(a)</sup>	488.9	—	13.7	502.6	—	502.6
Racing event-related services	173.7	—	0.9	174.6	—	174.6
Gaming <sup>(a)</sup>	6.3	7.9	439.5	453.7	—	453.7
Other <sup>(a)</sup>	48.7	52.0	60.1	160.8	0.1	160.9
<b>Total</b>	<b>\$ 782.4</b>	<b>\$ 265.3</b>	<b>\$ 529.2</b>	<b>\$ 1,576.9</b>	<b>\$ 0.1</b>	<b>\$ 1,577.0</b>

**Six Months Ended June 30, 2024**

(in millions)

**Net revenue from external customers**

	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>	<b>Total Segments</b>	<b>All Other</b>	<b>Total</b>
Pari-mutuel:						
Live and simulcast racing	\$ 61.4	\$ 195.2	\$ 15.1	\$ 271.7	\$ —	\$ 271.7
Historical racing <sup>(a)</sup>	424.2	—	18.1	442.3	—	442.3
Racing event-related services	177.1	—	3.6	180.7	—	180.7
Gaming <sup>(a)</sup>	6.4	10.0	421.2	437.6	—	437.6
Other <sup>(a)</sup>	40.7	53.1	55.4	149.2	0.1	149.3
<b>Total</b>	<b>\$ 709.8</b>	<b>\$ 258.3</b>	<b>\$ 513.4</b>	<b>\$ 1,481.5</b>	<b>\$ 0.1</b>	<b>\$ 1,481.6</b>

- (a) Food and beverage, hotel, and other services furnished to customers for free as an inducement to wager or through the redemption of our customers' loyalty points are recorded at the estimated standalone selling prices in other revenue with a corresponding offset recorded as a reduction in historical racing pari-mutuel revenue for HRMs or gaming revenue for our casino properties. These amounts were \$30.0 million for the six months ended June 30, 2025 and \$27.6 million for the six months ended June 30, 2024.

**9. SUPPLEMENTAL BALANCE SHEET INFORMATION**

***Accounts receivable, net***

Accounts receivable is comprised of the following:

*(in millions)*

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Trade receivables	\$ 49.1	\$ 37.3
Simulcast and online wagering receivables	50.0	40.2
Other receivables	25.0	26.1
	124.1	103.6
Allowance for credit losses	(5.7)	(4.9)
Total	<u>\$ 118.4</u>	<u>\$ 98.7</u>

***Other current assets***

*(in millions)*

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Inventory	\$ 12.6	\$ 11.6
Prepaid technology costs	10.8	6.4
Prepaid insurance and taxes	16.2	7.7
Other prepaid costs	17.3	16.0
Insurance deposits and other	3.1	4.7
Total	<u>\$ 60.0</u>	<u>\$ 46.4</u>

***Accrued expenses and other current liabilities***

Accrued expenses and other current liabilities consisted of the following:

*(in millions)*

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Account wagering deposits liability	\$ 79.2	\$ 63.1
Accrued salaries and related benefits	34.6	57.7
Purses payable	40.5	35.4
Accrued interest	48.2	48.2
Accrued fixed assets	26.6	42.7
Accrued gaming liabilities	35.1	35.3
Accrued insurance	12.6	13.1
Accrued property taxes	14.8	9.7
Current lease liabilities	8.8	8.7
Other	91.8	88.1
Total	<u>\$ 392.2</u>	<u>\$ 402.0</u>

**10. REDEEMABLE NONCONTROLLING INTEREST**

In April 2024, the Company closed on the sale of 49% of United Tote, a wholly-owned subsidiary of CDI, to NYRA. NYRA's interest includes certain embedded redemption features, such as a put right, that are not exclusively within the Company's control. NYRA's interest is treated as redeemable noncontrolling interest and is presented outside of permanent equity on the Company's Condensed Consolidated Balance Sheets.

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The redeemable noncontrolling interest is initially accounted for at fair value and subsequently adjusted to the greater of the redemption value or the carrying value. Redeemable noncontrolling interest adjustments of carrying value to redemption value are reflected in retained earnings and are also included as an adjustment to income available to the Company's shareholders in the calculation of earnings per share (See Note 14, Net Income Per Common Share Computations). The table below depicts changes in the Company's redeemable noncontrolling interest balance.

(in millions)

Balance, December 31, 2024	\$	19.7
Net income attributable to redeemable noncontrolling interest		1.2
Redemption value adjustment		1.6
Balance, June 30, 2025	\$	22.5

**11. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES**

Investments in and advances to unconsolidated affiliates as of June 30, 2025 and December 31, 2024 primarily consisted of interests in Rivers Casino Des Plaines ("Rivers Des Plaines") and Miami Valley Gaming and Racing ("MVG").

***Rivers Casino Des Plaines***

The ownership of Rivers Des Plaines is comprised of the following: (1) the Company owns 61.3%, (2) High Plains Gaming, LLC ("High Plains"), an affiliate of Rush Street Gaming, LLC, owns 36.0%, and (3) Casino Investors, LLC owns 2.7%. Both the Company and High Plains have participating rights over Rivers Des Plaines, and both must consent to certain operating, investing and financing decisions. As a result, we account for Rivers Des Plaines using the equity method. As of June 30, 2025, the net aggregate basis difference between the Company's investment in Rivers Des Plaines and the amounts of the underlying equity in net assets was \$833.1 million.

Our investment in Rivers Des Plaines was \$554.7 million and \$547.1 million as of June 30, 2025 and December 31, 2024, respectively. The Company received distributions from Rivers Des Plaines of \$39.8 million and \$58.7 million for the six months ended June 30, 2025 and 2024, respectively.

***Miami Valley Gaming and Racing***

The Company owns a 50% interest in MVG and Delaware North Companies Gaming & Entertainment Inc. ("DNC") owns the remaining 50% interest in MVG. Since both the Company and DNC have participating rights over MVG, and both must consent to certain operating, investing and financing decisions, we account for MVG using the equity method.

Our investment in MVG was \$114.1 million as of June 30, 2025 and December 31, 2024. The Company received distributions from MVG of \$23.0 million for the six months ended June 30, 2025 and 2024.

***Summarized Financial Results for our Unconsolidated Affiliates***

Summarized below are the financial results for our unconsolidated affiliates.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(in millions)				
Net revenue	\$ 216.0	\$ 215.9	\$ 421.3	\$ 432.8
Operating and SG&A expense	134.8	132.2	265.1	267.1
Depreciation and amortization	5.9	7.0	12.1	13.3
<b>Operating income</b>	75.3	76.7	144.1	152.4
Interest and other, net	(10.3)	(11.4)	(20.9)	(22.4)
<b>Net income</b>	\$ 65.0	\$ 65.3	\$ 123.2	\$ 130.0

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(in millions)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>Assets</b>		
Current assets	\$ 100.1	\$ 100.5
Property and equipment, net	321.8	325.6
Other assets, net	265.3	267.5
Total assets	<u>\$ 687.2</u>	<u>\$ 693.6</u>
<b>Liabilities and Members' Deficit</b>		
Current liabilities	\$ 107.6	\$ 89.9
Long-term debt	805.7	839.8
Other liabilities	0.8	1.7
Members' deficit	(226.9)	(237.8)
Total liabilities and members' deficit	<u>\$ 687.2</u>	<u>\$ 693.6</u>

**12. FAIR VALUE OF ASSETS AND LIABILITIES**

We endeavor to utilize the best available information in measuring fair value. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate.

**Restricted Cash**

Our restricted cash accounts held in money market and interest-bearing accounts qualify for Level 1 in the fair value hierarchy, which includes unadjusted quoted market prices in active markets for identical assets.

**Debt**

The fair value of the Company's 2031 Senior Notes, 2030 Senior Notes, 2028 Senior Notes, and 2027 Senior Notes are estimated based on unadjusted quoted prices for identical or similar liabilities in markets that are not active and as such are Level 2 measurements. The fair values of the Company's Term Loan B-1, Term Loan A, and Revolver under the Credit Agreement approximate the gross carrying value of the variable rate debt and as such are Level 2 measurements.

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The carrying amounts and estimated fair values by input level of the Company's financial instruments are as follows:

<i>(in millions)</i>	<b>June 30, 2025</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets:					
Restricted cash	\$ 103.2	\$ 103.2	\$ 103.2	\$ —	\$ —
Financial liabilities:					
Term Loan B-1	285.3	287.2	—	287.2	—
Term Loan A	1,137.3	1,142.4	—	1,142.4	—
Revolver	504.0	504.0	—	504.0	—
2027 Senior Notes	598.1	597.7	—	597.7	—
2028 Senior Notes	699.2	689.8	—	689.8	—
2030 Senior Notes	1,189.0	1,200.2	—	1,200.2	—
2031 Senior Notes	592.4	615.4	—	615.4	—

<i>(in millions)</i>	<b>December 31, 2024</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets:					
Restricted cash	\$ 77.2	\$ 77.2	\$ 77.2	\$ —	\$ —
Financial liabilities:					
Term Loan B-1	286.8	288.8	—	288.8	—
Term Loan A	1,166.7	1,172.4	—	1,172.4	—
Revolver	377.5	377.5	—	377.5	—
2027 Senior Notes	597.6	593.2	—	593.2	—
2028 Senior Notes	699.0	675.2	—	675.2	—
2030 Senior Notes	1,187.9	1,172.6	—	1,172.6	—
2031 Senior Notes	591.7	605.2	—	605.2	—

### 13. CONTINGENCIES

We are involved in litigation arising in the ordinary course of conducting business. We carry insurance for workers' compensation claims from our employees and general liability for claims from independent contractors, customers, and guests. We are self-insured up to an aggregate stop loss for our general liability and workers' compensation coverages.

We review all litigation on an ongoing basis when making accrual and disclosure decisions. For certain legal proceedings, we cannot reasonably estimate losses or a range of loss, if any, particularly for proceedings that are in the early stages of development or where the plaintiffs seek indeterminate damages. Various factors, including but not limited to, the outcome of potentially lengthy discovery and the resolution of important factual questions, may need to be determined before probability can be established or before a loss or range of loss can be reasonably estimated. In accordance with current accounting standards for loss contingencies and based upon information currently known to us, we establish reserves for litigation when it is probable that a loss associated with a claim or proceeding has been incurred and the amount of the loss or range of loss can be reasonably estimated. When no amount within the range of loss is a better estimate than any other amount, we accrue the minimum amount of the estimable loss. To the extent that such litigation against us may have an exposure to a loss in excess of the amount we have accrued, we believe that such excess would not be material to our consolidated financial condition, results of operations, or cash flows. Legal fees are expensed as incurred.

If the loss contingency in question is not both probable and reasonably estimable, we do not establish an accrual and the matter will continue to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. In the event that a legal proceeding results in a substantial judgment against us, or settlement by us, there can be no assurance that any resulting liability or financial commitment would not have a material adverse impact on our business.

**14. NET INCOME PER COMMON SHARE COMPUTATIONS**

The following is a reconciliation of the numerator and denominator of the net income per common share computations:

<i>(in millions, except per share data)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Numerator for basic and diluted net income per common share:				
Net income attributable to Churchill Downs Incorporated	\$ 216.9	\$ 209.3	\$ 293.6	\$ 289.7
Adjustments related to redeemable noncontrolling interest	(0.4)	(0.8)	(1.6)	(0.8)
Net income attributable to common shareholders	\$ 216.5	\$ 208.5	\$ 292.0	\$ 288.9
Denominator for net income per common share:				
Basic	71.7	73.9	72.7	74.0
Plus dilutive effect of stock awards	0.6	0.7	0.6	0.6
Diluted	72.3	74.6	73.3	74.6
Net income per common share data:				
Basic net income	\$ 3.02	\$ 2.82	\$ 4.02	\$ 3.90
Diluted net income	\$ 2.99	\$ 2.79	\$ 3.98	\$ 3.87

**15. SEGMENT INFORMATION**

We manage our operations through three reportable segments: Live and Historical Racing, Wagering Services and Solutions, and Gaming. Our operating segments reflect the internal management reporting used by our chief operating decision maker, our Chief Executive Officer, to evaluate results of operations and to assess performance and allocate resources.

Eliminations include the elimination of intersegment transactions. We utilize non-GAAP measures, including EBITDA (earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA. Our chief operating decision maker utilizes Adjusted EBITDA to evaluate segment performance, develop strategy, and allocate resources. Adjusted EBITDA includes the following adjustments:

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

Adjusted EBITDA excludes, as applicable:

- 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; and
- Other charges, recoveries and expenses

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We utilize the Adjusted EBITDA metric to provide a more accurate measure of our core operating results and enable management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure provided in accordance with GAAP. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and, therefore, comparability may be limited. For segment reporting, Adjusted EBITDA includes intercompany revenue and expense totals that are eliminated in the accompanying Condensed Consolidated Statements of Comprehensive Income.

The tables below present net revenue from external customers, Adjusted EBITDA by segment and reconciles comprehensive income to Adjusted EBITDA:

Net revenue by segment is comprised of the following:

<i>(in millions)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Live and Historical Racing	\$ 509.9	\$ 464.7	\$ 782.4	\$ 709.8
Wagering Services and Solutions	158.4	151.7	265.3	258.3
Gaming	266.0	274.2	529.2	513.4
All Other	0.1	0.1	0.1	0.1
<b>Net Revenue</b>	<b>\$ 934.4</b>	<b>\$ 890.7</b>	<b>\$ 1,577.0</b>	<b>\$ 1,481.6</b>

**Churchill Downs Incorporated**  
**Notes to Condensed Consolidated Financial Statements**  
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Adjusted EBITDA by segment is comprised of the following:

<i>(in millions)</i>	<b>Three Months Ended June 30, 2025</b>		
	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>
Revenues	\$ 540.9	\$ 168.4	\$ 266.3
Pari-mutuel taxes and purses	(115.8)	(7.7)	(7.5)
Gaming taxes	(1.4)	(0.5)	(80.0)
Marketing and advertising	(15.7)	(5.2)	(8.8)
Salaries and benefits	(37.0)	(9.0)	(42.7)
Content expense	(1.9)	(76.9)	(2.6)
Selling, general and administrative expense	(10.8)	(4.7)	(10.6)
Maintenance, insurance and utilities	(11.2)	(1.1)	(9.7)
Gaming equipment rental and technology costs	(12.6)	(0.8)	(4.4)
Food and beverage costs	(3.9)	—	(4.1)
Other operating expense	(34.1)	(14.5)	(15.7)
Equity in income of unconsolidated affiliates	—	—	46.7
Other income	—	—	0.4
Adjusted EBITDA	<u>\$ 296.5</u>	<u>\$ 48.0</u>	<u>\$ 127.3</u>

<i>(in millions)</i>	<b>Three Months Ended June 30, 2024</b>		
	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>
Revenues	\$ 490.2	\$ 159.9	\$ 274.4
Pari-mutuel taxes and purses	(98.4)	(6.8)	(9.5)
Gaming taxes	(1.6)	(0.5)	(74.0)
Marketing and advertising	(12.5)	(4.9)	(9.2)
Salaries and benefits	(36.5)	(8.0)	(40.3)
Content expense	(2.1)	(73.3)	(2.6)
Selling, general and administrative expense	(8.5)	(4.3)	(11.8)
Maintenance, insurance and utilities	(11.5)	(1.0)	(11.1)
Gaming equipment rental and technology costs	(10.5)	(0.7)	(4.2)
Food and beverage costs	(3.3)	—	(4.3)
Other operating expense	(26.3)	(14.2)	(15.0)
Equity in income of unconsolidated affiliates	—	—	48.2
Other income	0.2	—	0.1
Adjusted EBITDA	<u>\$ 279.2</u>	<u>\$ 46.2</u>	<u>\$ 140.7</u>

**Churchill Downs Incorporated**  
**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

<i>(in millions)</i>	<b>Six Months Ended June 30, 2025</b>		
	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>
Revenues	\$ 817.3	\$ 284.2	\$ 533.5
Pari-mutuel taxes and purses	(187.7)	(12.1)	(22.1)
Gaming taxes	(2.9)	(0.9)	(152.4)
Marketing and advertising	(29.5)	(6.6)	(17.0)
Salaries and benefits	(69.7)	(17.1)	(87.0)
Content expense	(3.3)	(120.6)	(4.4)
Selling, general and administrative expense	(21.3)	(9.9)	(21.7)
Maintenance, insurance and utilities	(21.6)	(2.0)	(19.2)
Gaming equipment rental and technology costs	(24.4)	(1.5)	(8.6)
Food and beverage costs	(7.5)	—	(8.3)
Other operating expense	(51.0)	(24.2)	(32.5)
Equity in income of unconsolidated affiliates	—	—	89.9
Other income	0.1	—	0.6
Adjusted EBITDA	<u>\$ 398.5</u>	<u>\$ 89.3</u>	<u>\$ 250.8</u>

<i>(in millions)</i>	<b>Six Months Ended June 30, 2024</b>		
	<b>Live and Historical Racing</b>	<b>Wagering Services and Solutions</b>	<b>Gaming</b>
Revenues	\$ 739.1	\$ 274.0	\$ 517.6
Pari-mutuel taxes and purses	(162.0)	(10.9)	(23.7)
Gaming taxes	(3.0)	(1.3)	(140.3)
Marketing and advertising	(21.8)	(6.1)	(17.0)
Salaries and benefits	(63.3)	(15.9)	(78.3)
Content expense	(3.4)	(117.3)	(4.4)
Selling, general and administrative expense	(17.3)	(8.8)	(22.0)
Maintenance, insurance and utilities	(21.8)	(2.0)	(20.7)
Gaming equipment rental and technology costs	(20.6)	(1.7)	(7.5)
Food and beverage costs	(6.4)	—	(8.1)
Other operating expense	(39.7)	(24.2)	(29.6)
Equity in income of unconsolidated affiliates	—	—	95.7
Other income	0.2	—	1.8
Adjusted EBITDA	<u>\$ 380.0</u>	<u>\$ 85.8</u>	<u>\$ 263.5</u>

**Churchill Downs Incorporated**  
**Notes to Condensed Consolidated Financial Statements**  
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Adjusted EBITDA by segment is comprised of the following:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Reconciliation of Comprehensive Income to Adjusted EBITDA:</b>				
Net income and comprehensive income attributable to Churchill Downs Incorporated	\$ 216.9	\$ 209.3	\$ 293.6	\$ 289.7
Net income attributable to noncontrolling interest	0.7	0.9	1.2	0.9
<b>Net income</b>	<b>217.6</b>	<b>210.2</b>	<b>294.8</b>	<b>290.6</b>
Adjustments				
Depreciation and amortization	57.8	49.2	117.0	96.1
Interest expense	74.2	73.5	146.5	143.9
Income tax provision	74.4	84.1	93.1	105.5
Stock-based compensation expense	7.2	8.9	10.8	16.1
Pre-opening expense	2.4	7.5	6.6	15.8
Other expenses, net	5.2	0.1	4.8	0.3
Asset impairments	2.4	—	2.4	—
Transaction expense, net	1.1	0.6	1.5	4.7
Other income, expense:				
Interest, depreciation and amortization expense related to equity investments	9.6	10.5	19.5	20.8
Rivers Des Plaines' legal reserves and transaction costs	—	0.3	—	0.3
Other charges and recoveries, net	(1.0)	(0.1)	(1.0)	(6.8)
Total adjustments	233.3	234.6	401.2	396.7
<b>Adjusted EBITDA</b>	<b>\$ 450.9</b>	<b>\$ 444.8</b>	<b>\$ 696.0</b>	<b>\$ 687.3</b>
<b>Adjusted EBITDA by segment:</b>				
Live and Historical Racing	\$ 296.5	\$ 279.2	\$ 398.5	\$ 380.0
Wagering Services and Solutions	48.0	46.2	89.3	85.8
Gaming	127.3	140.7	250.8	263.5
Total segment Adjusted EBITDA	471.8	466.1	738.6	729.3
All Other	(20.9)	(21.3)	(42.6)	(42.0)
<b>Total Adjusted EBITDA</b>	<b>\$ 450.9</b>	<b>\$ 444.8</b>	<b>\$ 696.0</b>	<b>\$ 687.3</b>

**Churchill Downs Incorporated**  
**Notes to Condensed Consolidated Financial Statements**  
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The table below presents total asset information for each of our segments:

<i>(in millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Total assets:</b>		
Live and Historical Racing	\$ 4,237.9	\$ 4,143.3
Wagering Services and Solutions	483.5	460.6
Gaming	1,931.0	1,953.7
Total segment assets	6,652.4	6,557.6
All Other	723.3	718.3
<b>Total assets</b>	<b>\$ 7,375.7</b>	<b>\$ 7,275.9</b>

The table below presents total capital expenditures for each of our segments:

<i>(in millions)</i>	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Capital expenditures:</b>		
Live and Historical Racing	\$ 135.2	\$ 188.3
Wagering Services and Solutions	11.7	7.2
Gaming	14.4	88.5
Total segment capital expenditures	161.3	284.0
All Other	3.5	8.0
<b>Total capital expenditures</b>	<b>\$ 164.8</b>	<b>\$ 292.0</b>

**16. SUBSEQUENT EVENTS**

On July 4, 2025, the United States enacted H.R. 1, a new federal tax and spending bill. Many of the tax provisions included in the bill are retroactive and will have a significant favorable impact on the Company's current year cash tax expense, primarily due to the permanent reinstatements of 100% bonus depreciation rules and a 30% of EBITDA-based interest expense deduction limitation. As a result of this change, the Company will begin utilizing the \$91.2 million deferred tax asset related to interest expense previously subject to limitation. The expected reduction in cash paid taxes as a result of these new tax provisions will increase cash flow from operating activities.

On July 14, 2025, the Company announced that it had entered into definitive agreements to acquire 90% of the outstanding equity interests of PPE Casino Resorts NH Holdings, LLC in Salem, New Hampshire ("Casino Salem"), for total consideration of \$180.0 million in cash (the "Salem Transaction"), subject to certain working capital and other purchase price adjustments. Casino Salem is located at The Mall at Rockingham Park, which is approximately 30 minutes from downtown Boston. Pursuant to the Salem Transaction, the Company will assume responsibility for the development of a charitable gaming, entertainment and dining destination. The Company will continue to operate Chasers Poker Room in Salem and is still evaluating the impact, if any, to the existing operations.

On July 22, 2025, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million ("July 2025 Stock Repurchase Program"). The July 2025 Stock Repurchase Program includes and is not in addition to any repurchase authority remaining under the prior 2025 Stock Repurchase Program.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains various "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), which provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made in this report are made pursuant to the Act. The reader is cautioned that such forward-looking statements are based on information available at the time and / or management's good faith belief with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements speak only as of the date that the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. 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 law 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.

*The following information is unaudited. Tabular dollars are in millions, except per share amounts. All per share amounts assume dilution unless otherwise noted. This report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024, including Part I - Item 1A, "Risk Factors" of our Form 10-K for a discussion regarding some of the reasons that actual results may be materially different from those we anticipate.*

## Our Business

Churchill Downs Incorporated ("CDI" or the "Company") has been creating extraordinary entertainment experiences for over 150 years, beginning with the Company's most iconic and enduring asset, the Kentucky Derby. Headquartered in Louisville, Kentucky, CDI has expanded through the development of live and historical racing entertainment venues, the growth of the horse racing online wagering business, expanded pari-mutuel content and technology services to B2C platforms, and the operation and development of regional casino gaming properties.

We conduct our business through three reportable segments: Live and Historical Racing, Wagering Services and Solutions, and Gaming. We aggregate our other businesses as well as certain corporate operations in All Other.

### Key Indicators to Evaluate Business Results and Financial Condition

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, as applicable:

- 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; and
- Other charges, recoveries and expenses

For segment reporting, Adjusted EBITDA includes intercompany revenue and expense totals that are eliminated in the Condensed Consolidated Statements of Comprehensive Income. See the Reconciliation of Comprehensive Income to Adjusted EBITDA included in this section for additional information.

### Governmental Regulations and Legislative Changes

We are subject to various federal, state, and international laws and regulations that affect our businesses. The ownership, operation, and management of our Live and Historical Racing, Wagering Services and Solutions, and Gaming segments, as well as our other operations, are subject to regulation under the laws and regulations of each of the jurisdictions in which we operate. The ownership, operation, and management of our businesses and properties are also subject to legislative actions at both the federal and state level. The following update on our regulatory and legislative actions should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024, including Part I - Item 1, "Business" for a discussion of regulatory and legislative changes.

## Specific State Gaming Regulations

### Louisiana

In Louisiana, the 2021 Historical Horse Racing Act (the "2021 HHR Act") allowed off-track betting facilities ("OTBs") to have up to 50 HRMs. On October 25, 2022, a number of individual plaintiffs associated with video poker and truck stops, filed a lawsuit in the 19th Judicial District Court in East Baton Rouge, Louisiana against certain racetracks in Louisiana, including our Fair Grounds Racecourse and Slots property, alleging that the 2021 HHR Act is unconstitutional to the extent it purports to permit historical racing in a parish without a referendum. On June 8, 2023, plaintiffs filed a motion for summary judgment on the constitutional issues raised in their complaint and a hearing was conducted on September 11, 2023.

On February 23, 2024, the judge issued a ruling in favor of plaintiffs granting summary judgment stating that: (i) historical horseracing is a new form of gaming not specifically authorized by law prior to 1996; (ii) historical horseracing may not be conducted in any parish of the state unless voters approve it through referendum; and (iii) the 2021 HHR Act that authorized historical horseracing is unconstitutional. The summary judgment, which was certified as final for purposes of appeal, was entered on March 18, 2024, and the Company, along with other interested parties including the Louisiana Racing Commission, filed a joint motion for a suspensive appeal, which was entered on March 26, 2024. The suspensive appeal allows the continued operation of HHR during the pendency of the appeal before the Louisiana Supreme Court. Oral arguments took place before the Louisiana Supreme Court on January 27, 2025, and an opinion was issued on March 21, 2025. The opinion affirmed the ruling of the District Court, which stated the 2021 HHR Act is unconstitutional, and that before historical horse racing is licensed or permitted to be conducted in a parish it first requires a voter referendum in an affected parish. The Company submitted an Application for Rehearing to the Louisiana Supreme Court, which was denied on May 8, 2025. The opinion became final and enforceable as of this date, at which time the Company discontinued its HRM operations in Louisiana.

Subsequent to this decision, the Company moved the majority of the approximate 500 HRMs previously located in the Louisiana OTBs to other HRM venues, primarily located in Virginia. The reduction in revenues resulting from the removal of the HRMs from our OTBs will negatively impact the comparability of the 2025 results of our Louisiana operations to prior year. The results of our Louisiana operations are reported in our Gaming segment.

### Consolidated Financial Results

The following table reflects our net revenue, operating income, net income attributable to Churchill Downs Incorporated, Adjusted EBITDA, and certain other financial information:

(in millions)	Three Months Ended June 30,			Change	Six Months Ended June 30,			Change
	2025	2024			2025	2024		
Net revenue	\$ 934.4	\$ 890.7	\$ 43.7	\$ 1,577.0	\$ 1,481.6	\$ 95.4		
Operating income	327.7	330.0	(2.3)	462.3	456.3	6.0		
Operating income margin	35 %	37 %		29 %	31 %			
Net income attributable to Churchill Downs Incorporated	216.9	209.3	7.6	293.6	289.7	3.9		
Adjusted EBITDA	450.9	444.8	6.1	696.0	687.3	8.7		

### Three Months Ended June 30, 2025, Compared to Three Months Ended June 30, 2024

- Net revenue increased \$43.7 million driven by a \$45.2 million increase from the Live and Historical Racing segment primarily due to the opening of The Rose Gaming Resort in November 2024 and the opening of Owensboro Racing and Gaming in February 2025 and a \$6.7 million increase from the Wagering Services and Solutions segment primarily due to Exakta, partially offset by an \$8.2 million decrease from the Gaming segment due to the cessation of HRM operations in Louisiana and net decreases at our other wholly owned gaming properties.
- Operating income decreased \$2.3 million driven by an \$11.1 million decrease from the Gaming segment and a \$6.9 million decrease primarily due to increased SG&A expenses and the asset impairment charge for the Virginia HRMs. These decreases were partially offset by a \$10.5 million increase from the Live and Historical Racing segment primarily due to the opening of The Rose Gaming Resort in Northern Virginia and growth at our other HRM properties, and a \$5.2 million increase in the Wagering Services and Solutions segment primarily due to Exakta.

- Net income attributable to Churchill Downs Incorporated increased \$7.6 million. The following impacted the comparability of the Company's net income for the three months ended June 30, 2025 compared to the three months ended June 30, 2024: a \$1.8 million after-tax impairment charge in the current year quarter related to a write-off of obsolete HRMs in Virginia, partially offset by a \$0.4 million after-tax decrease in transaction, pre-open and other expenses. Excluding these items, net income increased \$9.0 million due to an \$11.4 million after-tax increase primarily driven by lower state tax expense and the results of our operations and a \$0.3 million after-tax increase in equity income from our unconsolidated affiliates, partially offset by a \$2.0 million after-tax increase in interest expense associated primarily with higher outstanding debt balances and a \$0.7 million after-tax increase due to a portion of the Company's income from United Tote being recognized as income attributable to a noncontrolling interest.
- Adjusted EBITDA increased \$6.1 million driven by a \$17.3 million increase from the Live and Historical Racing segment primarily due to the opening of The Rose Gaming Resort in November 2024 in Northern Virginia and growth at our Kentucky HRM properties, a \$1.8 million increase from the Wagering Services and Solutions segment primarily due to Exakta, and a \$0.4 million increase from All Other. These increases were partially offset by a \$13.4 million decrease from the Gaming segment driven by a higher effective state gaming tax rate at Terre Haute Casino Resort, the elimination of HRMs in Louisiana, net decreases at our other wholly owned gaming properties, and net decreases from our equity investments.

***Six Months Ended June 30, 2025, Compared to Six Months Ended June 30, 2024***

- Net revenue increased \$95.4 million driven by a \$72.6 million increase from the Live and Historical Racing segment primarily due to the opening of The Rose Gaming Resort in November 2024 and the opening of Owensboro Racing and Gaming in February 2025 and growth at our other HRM properties, a \$15.8 million increase from the Gaming segment primarily driven by the opening of the Terre Haute Casino Resort in April 2024, partially offset by net decreases at our other wholly owned gaming properties, and a \$7.0 million increase from the Wagering Services and Solutions segment primarily due to Exakta.
- Operating income increased \$6.0 million driven by a \$5.4 million increase from the Live and Historical Racing segment primarily due to the opening of The Rose Gaming Resort in Northern Virginia and growth at our other HRM properties, a \$6.2 million increase in the Wagering Services and Solutions segment primarily due to Exakta, and a \$0.7 million decrease from the Gaming segment primarily due to net decreases at our wholly owned gaming properties, offset by the opening of the Terre Haute Casino Resort in April 2024. Further offsetting operating income was a \$3.2 million increase in selling, general and administrative expenses, a \$2.4 million impairment of HRMs in Virginia, and a \$2.5 million decrease in All Other operating income, partially offset by a \$3.2 million decrease in transaction expense, net.
- Net income attributable to Churchill Downs Incorporated increased \$3.9 million. The following impacted the comparability of the Company's net income for the six months ended June 30, 2025 compared to the six months ended June 30, 2024: a \$5.5 million after-tax decrease in transaction, pre-open and other expenses and a \$1.8 million after-tax impairment charge in the current year quarter related to a write-off of obsolete HRMs in Virginia. These were partially offset by a \$6.3 million after-tax decrease in other recoveries, net primarily driven by insurance claim proceeds recorded in the prior year. Excluding these items, net income increased \$4.9 million due to a \$13.1 million after-tax increase primarily driven by lower state tax expense and the results of our operations, partially offset by a \$4.8 million after-tax increase in interest expense associated primarily with higher outstanding debt balances, a \$2.2 million after-tax decrease in equity income from our unconsolidated affiliates, and a \$1.2 million after-tax increase due to a portion of the Company's income from United Tote being recognized as income attributable to a noncontrolling interest.
- Adjusted EBITDA increased \$8.7 million driven by an \$18.5 million increase from the Live and Historical Racing segment primarily due to the opening of The Rose Gaming Resort in Northern Virginia in November 2024, and a \$3.5 million increase from the Wagering Services and Solutions segment primarily due to Exakta. These increases were partially offset by a \$12.7 million decrease from the Gaming segment driven by net decreases at our wholly owned gaming properties and equity investments, offset by the opening of the Terre Haute Casino Resort in April 2024, and a \$0.6 million decrease from All other.

## Revenue by Segment

The following table presents net revenue for our segments, including intercompany revenue:

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Live and Historical Racing	\$ 540.9	\$ 490.2	\$ 50.7	\$ 817.3	\$ 739.1	\$ 78.2
Wagering Services and Solutions	168.4	159.9	8.5	284.2	274.0	10.2
Gaming	266.3	274.4	(8.1)	533.5	517.6	15.9
All Other	2.3	1.9	0.4	4.3	1.9	2.4
Eliminations	(43.5)	(35.7)	(7.8)	(62.3)	(51.0)	(11.3)
<b>Net Revenue</b>	<b>\$ 934.4</b>	<b>\$ 890.7</b>	<b>\$ 43.7</b>	<b>\$ 1,577.0</b>	<b>\$ 1,481.6</b>	<b>\$ 95.4</b>

### Three Months Ended June 30, 2025, Compared to Three Months Ended June 30, 2024

- Live and Historical Racing revenue increased \$50.7 million due to a \$23.8 million increase from our Virginia HRM venues, a \$22.0 million increase from our Kentucky HRM venues, and a \$4.9 million increase from Churchill Downs Racetrack. The Virginia HRM increase was primarily due to a \$24.4 million net increase from our Northern Virginia venues from the November 2024 opening of The Rose and a \$3.4 million increase from our May 2025 expansion at our Richmond venue, partially offset by a \$4.0 million net decrease from our five other Virginia venues. The Kentucky HRM increase was primarily due to a \$10.0 million net increase from our Western Kentucky venues, a \$4.7 million net increase from our Northern Kentucky venues, a \$4.1 million net increase from our Louisville venues, and a \$3.2 million net increase from our Southwestern venue. The Churchill Downs Racetrack increase was primarily due to record-breaking 2025 Spring Meet wagering and growth in Derby Week wagering and licensing/sponsorship revenue that was partially offset by lower Derby Week ticketing revenue.
- Wagering Services and Solutions revenue increased \$8.5 million primarily due to a \$5.1 million increase from TwinSpires Horse Racing primarily due to higher Derby Week wagering and a \$3.4 million increase from Exakta attributable to incremental HRMs in Virginia and New Hampshire.
- Gaming revenue decreased \$8.1 million due to a \$5.2 million decrease from the cessation of HRM operations in Louisiana and a \$2.9 million net decrease at our nine other wholly owned gaming properties.
- All Other revenue increased \$0.4 million primarily due to intercompany revenue related to the captive insurance company. All captive revenue is eliminated in consolidation.

### Six Months Ended June 30, 2025, Compared to Six Months Ended June 30, 2024

- Live and Historical Racing revenue increased \$78.2 million due to a \$42.1 million increase from our Virginia HRM venues, a \$30.9 million increase from our Kentucky HRM venues, and \$5.2 million increase primarily at Churchill Downs Racetrack. The Virginia HRM increase was primarily due to a \$46.8 million net increase from our Northern Virginia venues from the November 2024 opening of The Rose and a \$2.8 million increase from our May 2025 expansion at our Richmond venue, partially offset by a \$7.5 million net decrease from our five other Virginia venues. The Kentucky HRM increase was primarily due to a \$15.7 million net increase from our Western Kentucky venues, a \$7.4 million net increase from our Northern Kentucky venues, a \$2.7 million net increase from our Louisville venues, and a \$5.1 million net increase from our Southwestern venue. The Churchill Downs Racetrack increase was primarily due to recording-breaking 2025 Spring Meet wagering and growth in Derby Week wagering and licensing/sponsorship revenue that was partially offset by lower Derby Week ticketing revenue.
- Wagering Services and Solutions revenue increased \$10.2 million due to a \$6.4 million increase from Exakta attributable to incremental HRMs in Virginia and New Hampshire and a \$5.8 million increase in TwinSpires Horse Racing primarily due to Derby Week wagering. These increases were partially offset by a \$2.0 million decrease from our sports betting business.
- Gaming revenue increased \$15.9 million due to a \$30.3 million increase primarily attributable to the opening of the Terre Haute Casino Resort in April 2024, partially offset by a \$14.6 million net decrease at our nine other wholly owned gaming properties.

- All Other revenue increased due to intercompany revenue related to the captive insurance company that was established in April 2024. All captive revenue is eliminated in consolidation.

### Consolidated Operating Expense

The following table is a summary of our consolidated operating expense:

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Gaming taxes and purses	\$ 212.9	\$ 190.7	\$ 22.2	\$ 378.1	\$ 341.1	\$ 37.0
Salaries and benefits	88.6	85.7	2.9	174.3	160.6	13.7
Content expense	48.7	50.8	(2.1)	86.6	89.0	(2.4)
Selling, general and administrative expense	60.9	57.4	3.5	115.4	112.2	3.2
Depreciation and amortization	57.8	49.2	8.6	117.0	96.1	20.9
Marketing and advertising	29.7	27.5	2.2	53.6	46.7	6.9
Maintenance, insurance and utilities	22.2	22.3	(0.1)	43.2	43.2	—
Property and other taxes	6.2	5.2	1.0	13.0	11.6	1.4
Transaction expense, net	1.1	0.6	0.5	1.5	4.7	(3.2)
Asset impairments	2.4	—	2.4	2.4	—	2.4
Other operating expense	76.2	71.3	4.9	129.6	120.1	9.5
Total expense	\$ 606.7	\$ 560.7	\$ 46.0	\$ 1,114.7	\$ 1,025.3	\$ 89.4

### Three and Six Months Ended June 30, 2025, Compared to Three and Six Months Ended June 30, 2024

Operating expenses increased \$46.0 million and \$89.4 million for the three and six months ended June 30, 2025 compared to June 30, 2024 primarily due to the opening of Terre Haute Casino Resort in Indiana in April 2024 and the hotel in May 2024, The Rose Gaming Resort in Virginia in November 2024, and Owensboro Racing and Gaming in February 2025. Asset impairments for the three and six months ended June 30, 2025 include a \$2.4 million write-off in the second quarter of 2025 of HRMs in Virginia that are no longer in use.

### Adjusted EBITDA

We believe that the use of Adjusted EBITDA as a key performance measure of the results of operations enables management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. 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 operating income as an indicator of performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure provided in accordance with GAAP.

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Live and Historical Racing	\$ 296.5	\$ 279.2	\$ 17.3	\$ 398.5	\$ 380.0	\$ 18.5
Wagering Services and Solutions	48.0	46.2	1.8	89.3	85.8	3.5
Gaming	127.3	140.7	(13.4)	250.8	263.5	(12.7)
Total Segment Adjusted EBITDA	471.8	466.1	5.7	738.6	729.3	9.3
All Other	(20.9)	(21.3)	0.4	(42.6)	(42.0)	(0.6)
Total Adjusted EBITDA	\$ 450.9	\$ 444.8	\$ 6.1	\$ 696.0	\$ 687.3	\$ 8.7

***Three Months Ended June 30, 2025, Compared to Three Months Ended June 30, 2024***

- Live and Historical Racing Adjusted EBITDA increased \$17.3 million primarily due to a \$15.3 million increase from our Kentucky HRM venues and a \$3.0 million increase from our Virginia HRM venues, partially offset by a \$1.0 million decrease at Churchill Downs Racetrack. The Kentucky HRM increase was primarily due to a \$5.2 million net increase from our Louisville venues, a \$4.3 million net increase from our Northern Kentucky venues, a \$3.6 million net increase from our Western Kentucky venues, and a \$2.2 million net increase from our Southwestern venue. The Virginia HRM increase was primarily due to a \$5.6 million net increase from our Northern Virginia venues and a \$1.8 million increase from our May 2025 expansion at our Richmond venue, partially offset by a \$3.0 million net decrease from our five other Virginia venues and a \$1.4 million decrease from increased handle tax. The Churchill Downs Racetrack decrease was primarily due to lower Derby Week ticketing revenue and higher pari-mutuel taxes that were partially offset by increased wagering and licensing/sponsorship revenue.
- Wagering Services and Solutions Adjusted EBITDA increased \$1.8 million due to a \$3.4 million increase from Exakta attributable to incremental HRMs in Virginia and New Hampshire and a \$0.8 million increase from our sports betting business, partially offset by a \$2.4 million decrease from TwinSpires Horse Racing due to the increased legal expenses and increased marketing related to Derby Week.
- Gaming Adjusted EBITDA decreased \$13.4 million due to a \$11.6 million decrease from our wholly owned gaming properties and a \$1.8 million decrease from our equity investments. The decrease from our eight wholly owned gaming properties was due to a \$7.0 million decrease at Terre Haute Casino Resort primarily from a higher effective state gaming tax rate in the current year as expected, a \$1.4 million net decrease from the elimination of HRMs in Louisiana, and a \$3.2 million net decrease at our other wholly owned gaming properties. The decrease from our equity investments was due to a \$2.6 million decrease from Rivers Des Plaines, partially offset by a \$0.8 million increase from Miami Valley Gaming.
- All Other Adjusted EBITDA increased \$0.4 million primarily due to the reduction of corporate legal-related fees in the current quarter, partially offset by increased all other corporate-related expenses.

***Six Months Ended June 30, 2025, Compared to Six Months Ended June 30, 2024***

- Live and Historical Racing Adjusted EBITDA increased \$18.5 million due to a \$18.5 million increase from our Kentucky HRM venues and a \$1.0 million increase from our Virginia HRM venues, partially offset by a \$1.0 million decrease primarily from Churchill Downs Racetrack. The Kentucky HRM increase was primarily due to a \$5.0 million net increase from our Louisville venues, a \$5.8 million net increase from our Northern Kentucky venues, a \$4.1 million net increase from our Western Kentucky venues, and a \$3.6 million net increase from our Southwestern venues. The Virginia HRM increase was primarily due to a \$9.2 million net increase from our Northern Virginia venues and a \$1.0 million increase from our May 2025 expansion at our Richmond venue, partially offset by a \$9.2 million net decrease from our five other Virginia venues. The Churchill Downs Racetrack decrease was primarily due to lower Derby Week ticketing revenue and higher pari-mutuel taxes that were partially offset by increased wagering and licensing/sponsorship revenue.
- Wagering Services and Solutions Adjusted EBITDA increased \$3.5 million due to a \$7.1 million increase from Exakta attributable to incremental HRMs in Virginia and New Hampshire, partially offset by a \$3.4 million decrease attributable to TwinSpires Horse Racing and a \$0.2 million decrease from our sports betting business.
- Gaming Adjusted EBITDA decreased \$12.7 million due to a \$6.6 million decrease from our wholly owned gaming properties and a \$6.1 million decrease from our equity investments. The decrease from our wholly owned gaming properties was due to a \$11.1 million decrease from nine of our properties, partially offset by a \$4.5 million increase from the opening of the Terre Haute Casino Resort in April 2024. The decrease from our equity investments was due to a \$6.8 million decrease from Rivers Des Plaines, partially offset by a \$0.7 million increase from Miami Valley Gaming.
- All Other Adjusted EBITDA decreased \$0.6 million driven primarily by increased corporate administrative expenses, offset by a reduction in corporate legal-related fees.

## Reconciliation of Comprehensive Income to Adjusted EBITDA

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Net income and comprehensive income attributable to Churchill Downs Incorporated	\$ 216.9	\$ 209.3	\$ 7.6	\$ 293.6	\$ 289.7	\$ 3.9
Net income attributable to noncontrolling interest	0.7	0.9	(0.2)	1.2	0.9	0.3
<b>Net income</b>	<u>217.6</u>	<u>210.2</u>	<u>7.4</u>	<u>294.8</u>	<u>290.6</u>	<u>4.2</u>
Adjustments						
Depreciation and amortization	57.8	49.2	8.6	117.0	96.1	20.9
Interest expense	74.2	73.5	0.7	146.5	143.9	2.6
Income tax provision	74.4	84.1	(9.7)	93.1	105.5	(12.4)
Stock-based compensation expense	7.2	8.9	(1.7)	10.8	16.1	(5.3)
Pre-opening expense	2.4	7.5	(5.1)	6.6	15.8	(9.2)
Other expense, net	5.2	0.1	5.1	4.8	0.3	4.5
Asset impairments	2.4	—	2.4	2.4	—	2.4
Transaction expense, net	1.1	0.6	0.5	1.5	4.7	(3.2)
Other income, expense:						
Interest, depreciation and amortization expense related to equity investments	9.6	10.5	(0.9)	19.5	20.8	(1.3)
Rivers Des Plaines' legal reserves and transactions costs	—	0.3	(0.3)	—	0.3	(0.3)
Other charges and recoveries, net	(1.0)	(0.1)	(0.9)	(1.0)	(6.8)	5.8
Total adjustments	<u>233.3</u>	<u>234.6</u>	<u>(1.3)</u>	<u>401.2</u>	<u>396.7</u>	<u>4.5</u>
<b>Adjusted EBITDA</b>	<u>\$ 450.9</u>	<u>\$ 444.8</u>	<u>\$ 6.1</u>	<u>\$ 696.0</u>	<u>\$ 687.3</u>	<u>\$ 8.7</u>

## Consolidated Balance Sheet

The following is a summary of our overall financial position:

<i>(in millions)</i>	June 30, 2025	December 31, 2024	Change
Total assets	\$ 7,375.7	\$ 7,275.9	\$ 99.8
Total liabilities	6,311.6	6,172.6	139.0
Total equity	1,041.6	1,083.6	(42.0)

Significant items affecting the comparability of our Condensed Consolidated Balance Sheets include:

- Total assets increased \$99.8 million driven by increased capital expenditures primarily at Churchill Downs Racetrack, Owensboro Racing and Gaming, and at our Richmond and Henrico Virginia HRM locations. Current assets also increased, driven by restricted cash and accounts receivable.
- Total liabilities increased \$139.0 million driven primarily by an increase in the outstanding balance on the Revolver, which is included in long-term debt, and increases in income taxes payable and accounts payable. These increases were partially offset by decreased current deferred revenue due to the recognition of revenue related to the 151st Kentucky Derby, and a decrease in dividends payable due to the payment of the annual dividend.
- Total equity decreased \$42.0 million driven by share repurchases, partially offset by net income.

## Liquidity and Capital Resources

The following table is a summary of our liquidity and cash flows:

(in millions)

Cash flows from:	Six Months Ended June 30,		Change
	2025	2024	
Operating activities	\$ 486.1	\$ 471.7	\$ 14.4
Investing activities	(166.1)	(290.1)	124.0
Financing activities	(287.1)	(173.5)	(113.6)

### Six Months Ended June 30, 2025, Compared to the Six Months Ended June 30, 2024

- Cash flows provided by operating activities increased \$14.4 million driven by a decrease in cash paid income taxes and interest, partially offset by decreased distributions from our unconsolidated affiliates. We anticipate that cash flows from operations and availability of borrowings under our credit facility over the next twelve months will be adequate to fund our business operations and capital expenditures.
- Cash flows used in investing activities decreased \$124.0 million driven by a decrease in capital expenditures in 2025.
- Cash flows used in financing activities increased \$113.6 million primarily driven by share repurchases in 2025.

We have announced several project capital investments, including the following: Starting Gate Pavilion and Courtyard (completed in April 2025) as well as enhancements to The Mansion and Finish Line Suites at Churchill Downs Racetrack; Marshall Yards Racing and Gaming in Southwestern Kentucky; expansion of the Richmond, Virginia HRM venue; and the Roseshire HRM entertainment venue in Henrico County, Virginia. We currently expect our project capital to be approximately \$250.0 to \$290.0 million in 2025, although this amount may vary significantly based on the timing of work completed, unanticipated delays, and timing of payments to third parties.

### Common Stock Repurchase Program

On March 12, 2025, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million (the "2025 Stock Repurchase Program"). The 2025 Stock Repurchase Program includes and is not in addition to any unspent amount remaining under the prior authorization. Share repurchases may be made at management's discretion from time to time in the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The repurchase program has no time limit and may be suspended or discontinued at any time. We had approximately \$184.2 million of repurchase authority remaining under the 2025 Stock Repurchase Program at June 30, 2025, based on trade date.

On January 2, 2024, the Company closed on an agreement, dated December 18, 2023, with an affiliate of The Duchossois Group ("TDG") to repurchase 1,000,000 shares of the Company's common stock, for \$123.75 per share in a privately negotiated transaction for an aggregate purchase price of \$123.8 million. This represented a discount of 4.03% to the closing price on December 15, 2023 of \$128.95. The repurchase of shares of common stock from TDG was approved by the Company's Board of Directors separately from and did not reduce the authorized amount remaining under the existing common stock repurchase program. The repurchase of the shares was funded using available cash and borrowings under the Company's senior secured credit facility.

### Credit Facilities and Indebtedness

The following table presents our debt outstanding:

(in millions)

	June 30, 2025	December 31, 2024	Change
Revolver	\$ 504.0	\$ 377.5	\$ 126.5
Term Loan B-1 due 2028	287.2	288.8	(1.6)
Term Loan A due 2029	1,142.4	1,172.4	(30.0)
2027 Senior Notes	600.0	600.0	—
2028 Senior Notes	700.0	700.0	—
2030 Senior Notes	1,200.0	1,200.0	—
2031 Senior Notes	600.0	600.0	—
Total debt	5,033.6	4,938.7	94.9
Current maturities of long-term debt	(63.1)	(63.1)	—
Total debt, net of current maturities	4,970.5	4,875.6	94.9
Issuance costs, net of premiums and discounts	(28.3)	(31.5)	3.2
Net debt	\$ 4,942.2	\$ 4,844.1	\$ 98.1

### Credit Agreement

At June 30, 2025, the Company's senior secured credit facility (as amended from time to time, the "Credit Agreement") consisted of a \$1.2 billion revolving credit facility (the "Revolver"), \$287.2 million senior secured term loan B-1 (the "Term Loan B-1"), \$1.2 billion senior secured term loan A (the "Term Loan A"), and \$100.0 million swing line commitment. On July 3, 2024, the Company closed an amendment of the Credit Agreement to (i) extend the maturity date of the Revolver and Term Loan A from 2027 to 2029 and (ii) amend certain other provisions to the Credit Agreement.

On February 14, 2025, the Company announced that it closed the seventh amendment of the Credit Agreement. The seventh amendment to the Credit Agreement (i) reduced the interest rate margin applicable to the Term Loan B-1 by 0.25%, from Secured Overnight Financing Rate ("SOFR") plus 200 basis points to SOFR plus 175 basis points, (ii) eliminated the 0.10% credit spread adjustment previously applicable to the Term Loan B-1, and (iii) made certain other amendments to the Credit Agreement, as set forth therein.

Term Loan B-1 requires quarterly payments of 0.25% of the original \$300.0 million balance. The Term Loan B-1 may be subject to additional mandatory prepayment from excess cash flow on an annual basis per the provisions of the Credit Agreement.

The Revolver and Term Loan A bear interest at SOFR plus 10 basis points, plus a variable applicable margin which is determined by the Company's net leverage ratio. As of June 30, 2025, that applicable margin was 150 basis points which was based on the pricing grid in the Credit Agreement. The Company had \$686.9 million available borrowing capacity, after consideration of \$9.1 million in outstanding letters of credit, under the Revolver as of June 30, 2025.

The Company is required to pay a commitment fee on the unused portion of the Revolver as determined by a pricing grid based on the consolidated total net secured leverage ratio of the Company. For the period ended June 30, 2025, the Company's commitment fee rate was 0.25%.

The estimated contractual payments, including interest, under the Credit Agreement for the next twelve months are estimated to be \$178.0 million assuming no change in the weighted average borrowing rate of 6.0%, which was in place as of June 30, 2025. During the six months ended June 30, 2025, we had repayments of principal and interest on the Credit Agreement of \$603.8 million.

### 2027 Senior Notes

As of June 30, 2025, we had \$600.0 million in aggregate principal amount of 5.500% senior unsecured notes that mature on April 1, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on April 1st and October 1st of each year, commencing on October 1st, 2019. The Company may redeem some or all of the 2027 Senior Notes at redemption prices set forth in the Indenture.

**2028 Senior Notes**

As of June 30, 2025, we had a total of \$700.0 million in aggregate principal amount of 4.750% senior unsecured notes (the "2028 Senior Notes") maturing on January 15, 2028. The 2028 Senior Notes consist of \$500.0 million notes issued at par and \$200.0 million notes issued at 103.25%. The 2028 Senior Notes were issued in a private offering to qualified institutional buyers, with interest payable in arrears on January 15th and July 15th of each year, commencing on July 15th, 2018. The 3.25% premium is being amortized through interest expense, net over the term of the notes. The Company may redeem some or all the 2028 Senior Notes at redemption prices set forth in the Indenture.

**2030 Senior Notes**

As of June 30, 2025, we had \$1.2 billion in aggregate principal amount of 5.750% senior unsecured notes that mature on April 13, 2030 (the "2030 Senior Notes"). The 2030 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on April 1st and October 1st of each year, commencing on October 1st, 2022. The Company may redeem some or all the 2030 Senior Notes at redemption prices set forth in the Indenture.

**2031 Senior Notes**

As of June 30, 2025, we had \$600.0 million in aggregate principal amount of 6.750% senior unsecured notes that mature on April 25, 2031 (the "2031 Senior Notes"). The 2031 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on May 1st and November 1st of each year, commencing on November 1st, 2023. The Company may redeem some or all of the 2031 Senior Notes at redemption prices set forth in the Indenture.

**Leases**

The Company leases certain real estate and other property. Most of our building and land leases have terms of 2 to 10 years and include one or more options to renew, with renewal terms that can extend the lease term from 1 to 5 years or more. Certain of our lease agreements include lease payments based on a percentage of net gaming revenue and others include rental payment adjustments periodically for inflation. As of June 30, 2025, minimum rent payable under operating leases was \$36.4 million, with \$7.1 million due in the next twelve months. As of June 30, 2025, minimum rent payable accounted for as financing obligations was \$52.5 million, with \$5.1 million due in the next twelve months.

**Other Contractual Obligations**

The Company has other contractual obligations with commitments of \$10.9 million, \$1.5 million of which is due within the next twelve months.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to market risks arising from adverse changes in:

- general economic trends; and
- interest rate and credit risk.

**General economic trends**

Our business is sensitive to consumer confidence and reductions in consumers' discretionary spending, which may result from challenging economic conditions, inflation, unemployment levels and other changes in the economy. Demand for entertainment and leisure activities is sensitive to consumers' disposable incomes, which can be adversely affected by economic conditions and unemployment levels. This could result in fewer patrons visiting our racetracks, HRM entertainment venues, online wagering sites, and gaming facilities, and/or may impact our customers' ability to wager with the same frequency and to maintain wagering levels.

**Interest rate and credit risk**

Our primary exposure to market risk relates to changes in interest rates. On June 30, 2025, we had \$1.9 billion outstanding under our Credit Agreement, which bears interest at SOFR based variable rates. We are exposed to market risk on variable rate debt due to potential adverse changes in these rates. Assuming the outstanding balance of the debt facility remains constant, a one-percentage point increase in the SOFR rate would reduce net income and cash flows from operating activities by \$14.4 million.

#### **ITEM 4. CONTROLS AND PROCEDURES**

##### ***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our reports that we file under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

As required by the Securities and Exchange Commission Rule 13a-15(e), we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2025. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

##### ***Changes in Internal Control over Financial Reporting***

There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Our process for evaluating controls and procedures is continuous and encompasses constant improvement of the design and effectiveness of established controls and procedures.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are involved in ordinary routine litigation matters which are incidental to our business. Refer to Note 13, Contingencies, in the notes to our condensed consolidated financial statements, for further information.

### ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Issuer Purchases of Common Stock

The following table provides information with respect to shares of common stock that we repurchased during the quarter ended June 30, 2025:

Period	Total Number of Shares Purchased <sup>(1)(2)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions) <sup>(1)</sup>
April 2025	986,217	\$ 100.20	986,058	\$ 335.8
May 2025	1,042,032	94.90	1,041,654	236.9
June 2025	538,573	97.88	538,252	184.2
Total	2,566,822	\$ 97.56	2,565,964	

(1) On March 12, 2025, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million (the "2025 Stock Repurchase Program"). The 2025 Stock Repurchase Program includes and is not in addition to the \$125.6 million remaining under the prior 2021 Stock Repurchase Program authorization. Share repurchases may be made at management's discretion from time to time in the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The repurchase program has no time limit and may be suspended or discontinued at any time.

(2) Includes shares withheld to pay taxes on the vesting of restricted stock and restricted stock units or to pay taxes on the exercise of stock options granted to employees.

On July 22, 2025, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million ("July 2025 Stock Repurchase Program"). The July 2025 Stock Repurchase Program includes and is not in addition to the \$184.2 million of repurchase authority remaining under the 2025 Stock Repurchase as of June 30, 2025.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

During the fiscal quarter ended June 30, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1 or any non-Rule 10b5-1 trading arrangement.

**ITEM 6. EXHIBITS**

<u>Number</u>	<u>Description</u>	<u>By reference to:</u>
10.01	Churchill Downs Incorporated 2025 Omnibus Stock and Incentive Plan.	Exhibit 4.1 to the Registration Statement on Form S-8 dated April 24, 2025.
10.02	Form of Churchill Downs Incorporated Non-Employee Director Restricted Share Agreement*	
10.03	Form of Churchill Downs Incorporated Non-Employee Director Restricted Share Unit Agreement*	
10.04	Memorandum of Understanding by and between Maureen Adams and Churchill Downs Incorporated†	Exhibit 10.1 to the Current Report on Form 8-K dated June 26, 2025.
31(a)	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*	
31(b)	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*	
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished pursuant to Rule 13a – 14(b))**	
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	
101.SCH	Inline XBRL Taxonomy Extension Schema Document*	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*	
104	Cover Page Interactive Data File (embedded as Inline XBRL and contained in Exhibit 101)	

† Management contract or compensatory plan or arrangement.  
\*filed herewith  
\*\*furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CHURCHILL DOWNS INCORPORATED**

July 23, 2025

/s/ William C. Carstanjen

William C. Carstanjen  
Chief Executive Officer  
(Principal Executive Officer)

July 23, 2025

/s/ Marcia A. Dall

Marcia A. Dall  
Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CHURCHILL DOWNS INCORPORATED  
NON-EMPLOYEE DIRECTOR**

**RESTRICTED SHARE AGREEMENT**

THIS RESTRICTED SHARE AGREEMENT (the "Agreement") is made as of the \_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_ (the "Participant"), who resides at \_\_\_\_\_, and Churchill Downs Incorporated (the "Company"), a Kentucky corporation with its principal place of business at 600 North Hurstbourne Parkway, Suite 400, Louisville, KY 40222, pursuant to the provisions of the Churchill Downs Incorporated 2025 Omnibus Stock and Incentive Plan (the "Plan"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

WITNESSETH:

WHEREAS, the Board has determined that part of the annual retainer compensation for the service of non-employee members of the Board ("Director") shall be paid in the form of restricted shares of the Company's common stock, no par value per share ("Common Stock");

WHEREAS, on February 18, 2025, the Board adopted the Plan, which was approved by the shareholders of the Company at the 2025 Annual Meeting of Shareholders on April 22, 2025;

WHEREAS, the Plan provides for the granting of restricted shares of the Common Stock in accordance with the terms and provisions thereof; and

WHEREAS, Participant is a non-employee Director who the Committee considers to be a person eligible for grants of restricted shares of the Common Stock and has determined that it would be in the best interest of the Company to grant the Participant the restricted Shares of the Common Stock documented herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings herein contained, and for other good and valuable consideration, the mutuality, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Stock. In accordance with the terms of the Plan and subject to the further terms, conditions and restrictions contained in this Agreement, the Company hereby grants to the Participant \_\_ shares (the "Shares") of the Company's Common Stock on the date first above written, in consideration for services to be performed by the Participant as Director of the Company. As long as the Shares are subject to the Restrictions set forth in Section 4 of this Agreement, such shares shall be deemed to be, and are referred to in this Agreement as, the "Restricted Shares".

2. Certificates for Shares/Book Entry. Certificates (or alternatively, where applicable and permitted by applicable law and the rules of an applicable stock exchange, book entries) evidencing Restricted Shares shall be deposited (or recorded) with the Company to be held in escrow until such Shares are released to the Participant or forfeited in accordance with this

Agreement. The Participant shall, simultaneously with the execution and delivery of this Agreement, execute and deliver to the Company a stock power in blank with respect to the Restricted Shares. If any Restricted Shares are forfeited, the Company shall direct the transfer agent of the Common Stock to make the appropriate entries in its records showing the cancellation of the certificate or certificates (or, as applicable, the book entries) for such Restricted Shares.

3. Adjustments in Restricted Shares. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation, or any successor or replacement accounting standard) that causes the per share value of Shares to change, such as a share dividend, share split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the terms of each outstanding Restricted Share shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence shall be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

4. Restrictions. During applicable period of restriction determined in accordance with Section 6 of this Agreement, Restricted Shares, and all rights with respect to such Shares, may not be sold, assigned, transferred, exchanged, pledged, hypothecated or otherwise encumbered or disposed of (other than by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company) and shall be subject to the risk of forfeiture contained in Section 5 of this Agreement (such limitations on transferability and risk of forfeiture being herein referred to as the “Restrictions”), but the Participant shall have all other rights of a shareholder; provided, however, that, until such time as the Restrictions lapse, the Participant shall receive dividends thereon (dividends shall accrue and vest and be paid in the same form as the underlying dividend and at the same time as the Restrictions lapse).

5. Forfeiture of Restricted Shares. Subject to Section 6 below, in the event that the Participant ceases to serve as a Director for any reason, such event shall constitute an “Event of Forfeiture” and all Shares which at that time are Restricted Shares shall thereupon be forfeited by the Participant to the Company without payment of any consideration by the Company, and neither the Participant nor any heir, personal representative, successor or assign of the Participant shall have any right, title or interest in or to such Restricted Shares or any certificates (or book entries) evidencing the same.

6. Lapse of Restrictions. The Restrictions on the Restricted Shares shall lapse upon the earlier of (i) the twelve (12) month anniversary of the date of this Agreement and (ii) the day immediately preceding the annual meeting of shareholders of the Company next occurring after the date of this Agreement, provided that Participant is a Director on such date, or upon an earlier Change in Control, death or Disability. For purposes of this Agreement, “Disability” means that Participant becomes “disabled” within the meaning of Section 409A(a)(2)(C) of the Code or any successor provision and the applicable regulations thereunder. Upon the lapse of the Restrictions in accordance with this Section, the Company shall, as soon as practicable thereafter, deliver to the Participant a certificate (or record as a book entry and deliver evidence of same to the

Participant) (without any restrictive endorsement referring to such Restrictions) for the Shares that are no longer subject to such Restrictions.

7. Nature of Grant. In accepting the Restricted Shares, Participant acknowledges that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated at any time, unless otherwise provided in this Agreement; (ii) the grant of the Restricted Shares does not create any contractual or other right to receive future grants of Restricted Shares, or benefits in lieu of Restricted Shares; (iii) all decisions with respect to future Restricted Share grants, if any, will be at the sole discretion of the Committee; (iv) Participant is voluntarily entering into this Agreement; and (v) the value of Restricted Shares may increase or decrease in value, and no claim or entitlement to compensation or damages shall arise from forfeiture of Restricted Shares or from any diminution in value of the Restricted Shares.

8. Withholding Requirements. Whenever Restrictions lapse with respect to Restricted Shares, the Company shall have the right to (i) withhold from sums due to the Participant; (ii) require the Participant to remit to the Company; or (iii) retain Shares otherwise deliverable to the Participant in an amount sufficient to satisfy any Federal, state or local withholding tax requirements prior to making such payments or delivering any such Shares to the Participant.

9. Effect Upon Position as a Director. Nothing contained in this Agreement shall confer upon Participant the right to continue in his or her position as a Director or affect any right that the Company may have to remove Participant as a Director.

10. Captions. The captions and section headings used herein are for convenience only, shall not be deemed part of this Agreement and shall not in any way restrict or modify the context and substance of any section or paragraph of this Agreement.

11. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns. The Participant accepts the award of Shares hereunder subject to all of the terms and conditions of this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all reasonable decisions and interpretations of the Committee upon any questions arising under this Agreement, including without limitation, the interpretation of the Restrictions imposed upon the Shares.

12. Notices. Notices shall be deemed delivered if delivered personally or three days after being deposited in the United States mail to the Company in care of its Secretary at its executive offices at 600 North Hurstbourne Parkway, Suite 400, Louisville, KY 40222, and to Participant at the current address shown on the payroll records of the Company, or at such other address as either party may hereafter designate in writing to the other.

13. Investment Representation. If the Shares awarded to the Participant under this Agreement are not registered under the Securities Act of 1933, as amended, pursuant to an effective registration statements, the Participant, if the Committee shall reasonably deem it advisable, may be required to represent and agree in writing (i) that any Shares acquired by the Participant under this Agreement will not be sold except pursuant to an effective registration statement under the Securities Act of 1933, as amended, or pursuant to an exemption from

registration under such Act, and (ii) that the Participant has acquired such Shares for his own account and not with a view to the distribution thereof.

14. Compliance with Section 16(b). This Agreement and the grant of Shares hereunder are intended to comply with all applicable conditions of Rule 16(b)-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. All transactions involving the Company's Directors and employees are subject to such conditions, regardless of whether the conditions are expressly set forth in this Agreement. Any provision of this Agreement that is contrary to a condition of Rule 16b-3 shall not apply.

15. Compliance With Other Laws And Regulations. The rights of the Participant and the obligations of the Company under this Agreement shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Company shall not be required to issue or deliver certificates for shares of Common Stock before (i) the listing of such shares on any stock exchange or over-the-counter market, such as NASDAQ, on which the Common Stock may then be listed or traded, and (ii) the completion of any registration or qualification of any governmental body which the Company shall, in its sole discretion, determines to be necessary or advisable. The Company agrees to use its best efforts to procure any such listing, registration or qualification.

16. Severability. The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of the remaining provisions of the Agreement, and such invalid or unenforceable provision shall be stricken to the extent necessary to preserve the validity and enforceability of the Agreement.

17. Incorporation of Plan. The Restricted Shares are granted pursuant to the terms of the Plan and this Agreement, and the Restricted Shares shall in all respects be interpreted in accordance with the Plan and this Agreement.

18. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. Participant consents to the exclusive jurisdiction of the courts of the Commonwealth of Kentucky and of any federal court located in Jefferson County, Kentucky in connection with any action or proceeding arising out of or relating to this Agreement, any document or instrument delivered pursuant to or in connection with this Agreement, or any breach of this Agreement or any such document or instrument.

19. Entire Agreement. This Agreement and the Plan contain the entire agreement between the parties hereto with respect to the subject matter hereof. It supersedes all prior written or contemporaneous oral agreements related thereto.

IN WITNESS WHEREOF, the Company and Participant have executed and delivered this Agreement as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: \_\_\_\_\_

Title: \_\_\_\_\_

PARTICIPANT:

By: \_\_\_\_\_

[INSERT NAME]

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**EXHIBIT A**

IRREVOCABLE STOCK POWER

FOR VALUE RECEIVED, the sufficiency of which is hereby acknowledged, the undersigned, does hereby sell, convey, assign and transfer unto CHURCHILL DOWNS INCORPORATED, a Kentucky corporation (the "Company"), shares of Common Stock of the Company registered in the undersigned's name on the books of the Company as evidence by book entry position, which shares of Common Stock were issued to the undersigned by the Company under, and are subject to the terms and conditions of, the Churchill Downs Incorporated 2025 Omnibus Stock and Incentive Plan and that certain Restricted Share Agreement by and between the Company and the undersigned. The undersigned does hereby irrevocably constitute and appoint the Secretary of the Company as the undersigned's true and lawful attorney-in-fact to transfer the said capital stock on the books of the Company.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed: \_\_\_\_\_

**EXHIBIT B**

**CHURCHILL DOWNS INCORPORATED**

**PROXY**

With respect to all Restricted Shares issued to the undersigned (the “Shares”) under the Churchill Downs Incorporation 2025 Omnibus Stock and Incentive Plan (the “Plan”) and that certain Restricted Share Agreement by and between the Company and the undersigned (the “Agreement”), the undersigned hereby appoints Churchill Downs Incorporated, a Kentucky corporation, as the undersigned’s true and lawful agent and proxy, with full power of substitution, to represent the undersigned in all matters submitted to a vote of the shareholders of Churchill Downs Incorporated at any time after the date hereof and to vote all Shares in the proxy’s sole and absolute discretion.

**This proxy is coupled with an interest and may not be revoked. This proxy shall continue until the lapse of the restrictions set forth in Section 6 of the Agreement.**

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed: \_\_\_\_\_

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**CHURCHILL DOWNS INCORPORATED**  
**NON-EMPLOYEE DIRECTOR**

**RESTRICTED SHARE UNIT AGREEMENT**

THIS RESTRICTED SHARE UNIT AGREEMENT (the "Agreement") is made as of the \_\_\_ day of \_\_\_\_, 20\_\_ by and between \_\_\_\_\_ ("Participant"), who resides at \_\_\_\_\_, and Churchill Downs Incorporated (the "Company"), a Kentucky corporation with its principal place of business at 600 North Hurstbourne Parkway, Suite 400, Louisville, KY 40222, pursuant to the provisions of the Churchill Downs Incorporated 2025 Omnibus Stock and Incentive Plan (the "Plan"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

WITNESSETH:

WHEREAS, the Board has determined that part of the annual retainer compensation for the service of non-employee members of the Board ("Director") shall be deferred and paid at the conclusion of the Director's service in the form of Common Stock of the Company, no par value ("Common Stock");

WHEREAS, on February 18, 2025, the Board adopted the Plan, which was approved by the shareholders of the Company at the 2025 Annual Meeting of Shareholders on April 22, 2025;

WHEREAS, the Plan provides for the granting of Restricted Share Units, in accordance with the terms and provisions thereof;

WHEREAS, Participant is a non-employee Director who the Committee considers to be a person eligible for grants of Restricted Share Units under the Plan and has determined that it would be in the best interest of the Company to grant the Participant the Restricted Share Units documented herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings herein contained, and for other good and valuable consideration, the mutuality, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Restricted Share Units. In accordance with the terms of the Plan and subject to the further terms, conditions and restrictions contained in this Agreement, the Company hereby grants to Participant on the date first above written Restricted Share Units (the "Units"), calculated using the closing share price as of the date of the most recent Annual Meeting of Shareholders, whereby the Company shall issue or transfer shares of Common Stock to Participant in the future, in consideration for services to be performed by Participant as a Director, subject to the fulfillment during the deferral period of such terms, conditions and restrictions contained in this Agreement. The number of Units granted to Participant pursuant to this Agreement shall be \_\_\_\_, being equivalent to that number of whole shares, and a fraction thereof, of Common Stock the value of which as of the date of the most recent Annual Meeting of Shareholders equals \_\_\_\_\_ (\$ \_\_\_\_\_).

2. Restricted Share Unit Account. Restricted Share Units represent hypothetical shares of Common Stock, and not actual shares. The Company shall establish and maintain a Restricted Share Unit account (“Unit Account”), as a bookkeeping account on its records, for the Participant and shall record in such account the number of Units granted to Participant. No shares of Common Stock shall be issued to Participant at the time any grant is made, and the Participant shall not be, nor have any of the rights or privileges of, a shareholder of the Company with respect to any Units recorded in the Unit Account. Participant shall not have any interest in any fund or specific assets of the Company by reason of this award or the Unit Account established for Participant.

3. Adjustments in Units. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation, or any successor or replacement accounting standard) that causes the per share value of the Common Stock to change, such as a share dividend, share split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the terms of each outstanding Unit shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence shall be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

4. Dividend Equivalents. Participant’s Unit Account referred to in Section 2 shall be credited with additional Units equivalent to the value of any dividends declared and paid on Common Stock (“Dividend Equivalents”) determined as if the Units credited to the Participant’s Unit Account were an equivalent number of shares of Common Stock, with the number of additional Units to be credited determined by the number of whole shares, and a fraction thereof, of Common Stock having a value on the date such dividend is declared equal to such dividend amount.

5. Vesting. The Units granted on the date of this Agreement, and any Units granted hereafter, shall be subject to forfeiture until the Units vest. The units shall vest in full upon the earlier of (i) the twelve (12) month anniversary of the date of this Agreement and (ii) the day immediately preceding the annual meeting of shareholders of the Company next occurring after the date of this Agreement, provided that Participant is a Director on such date, or upon an earlier Change in Control, death or Disability. For purposes of this Agreement, “Disability” means that Participant becomes “disabled” within the meaning of Section 409A(a)(2)(C) of the Code or any successor provision and the applicable regulations thereunder. Any Dividend Equivalents credited with respect to such Units shall vest at the same time as such Units vest.

6. Forfeiture of Unvested Restricted Units. If Participant ceases to serve as a Director of the Company for any reason, any Units (including Dividend Equivalents) that shall not have vested in accordance with Section 5 shall automatically terminate and be forfeited to the Company without payment of any consideration by the Company, and neither Participant nor any heir, personal representative, successor or assign of Participant shall have any right, title or interest in or to such forfeited Units.

7. Payment of Unit Account. Subject to Participant's valid election to defer receipt and settlement of vested Units, at such time as Participant ceases to serve as a Director of the Company, or upon an earlier Change in Control that constitutes a "change in control event" within the meaning of Section 409A of the Code, the Company shall issue to Participant, within thirty (30) days thereafter, one share of Common Stock for each vested Unit credited to Participant's Unit Account. The issuance of Common Stock to Participant pursuant to this Agreement is subject to all applicable foreign, federal, state, local and other taxes. Notwithstanding any provision of this Agreement to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, if Participant is a "specified employee" (as defined in said Section 409A) on his or her date of "separation from service" (as defined in said Section 409A), any distribution may not be made earlier than the date which is six (6) months after the date of Participant's separation from service (or, if earlier, the date of death of Participant), and any amount to be so delayed shall be paid on the earlier of the first business day following the expiration of such six (6) month period or as soon as practical following Participant's death.

8. Nature of Grant. In accepting the Units, Participant acknowledges that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated at any time, unless otherwise provided in this Agreement; (ii) the grant of the Units does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted repeatedly in the past; (iii) all decisions with respect to future Restricted Share Unit grants, if any, will be at the sole discretion of the Committee; (iv) Participant is voluntarily entering into this Agreement; and (v) the value of Units acquired upon vesting may increase or decrease in value, and no claim or entitlement to compensation or damages shall arise from termination of Units or from any diminution in value of the Units.

9. No Shareholder Rights. Neither Participant, nor any person entitled to receive payment in the event of Participant's death, shall have any of the rights and privileges of a shareholder of the Company unless and until certificates (or alternatively, where applicable and permitted by applicable law and the rules of an applicable stock exchange, book entries) for Common Stock have been issued to Participant (or recorded in book entry form).

10. Restrictions. The Units, and all rights with respect to such Units, may not be sold, assigned, transferred, exchanged, pledged, hypothecated or otherwise encumbered or disposed of other than by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Units, the Units and all rights hereunder shall immediately become null and void.

11. Investment Representation. If the shares of Common Stock acquired upon vesting of the Units under this Agreement are not registered under the Securities Act of 1933, as amended, pursuant to an effective registration statements, the Participant, if the Committee shall reasonably deem it advisable, may be required to represent and agree in writing (i) that any Shares acquired by the Participant under this Agreement will not be sold except pursuant to an effective registration statement under the Securities Act of 1933, as amended, or pursuant to an exemption from registration under such Act, and (ii) that the Participant has acquired such Shares for his own account and not with a view to the distribution thereof.

12. Compliance with Applicable Law. The rights of the Participant and the obligations of the Company under this Agreement shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Company shall not be required to issue or deliver certificates for shares of Common Stock before (i) the listing of such shares on any stock exchange or over-the-counter market, such as NASDAQ, on which the Common Stock may then be listed or traded, and (ii) the completion of any registration or qualification of any governmental body which the Company shall, in its sole discretion, determine to be necessary or advisable. The Company agrees to use its best efforts to procure any such listing, registration or qualification.

13. Withholding Requirements. The Company shall have the right to (i) withhold from sums due to Participant, (ii) require Participant to remit to the Company, or (iii) retain shares of Common Stock otherwise deliverable to Participant in an amount sufficient to satisfy any Federal, state or local withholding tax requirements prior to making such payments or delivering any such shares of Common Stock to Participant.

14. Effect Upon Position as a Director. Nothing contained in this Agreement shall confer upon Participant the right to continue in his or her position as a Director or affect any right that the Company may have to remove Participant as a Director.

15. Captions. The captions and section headings used herein are for convenience only, shall not be deemed part of this Agreement and shall not in any way restrict or modify the context and substance of any section or paragraph of this Agreement.

16. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns. Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee upon any questions arising under this Agreement.

17. Notices. Notices shall be deemed delivered if delivered personally or three days after being deposited in the United States mail to the Company in care of its Secretary at its executive offices at 600 North Hurstbourne Parkway, Suite 400, Louisville, KY 40222, and to Participant at the current address shown on the payroll records of the Company, or at such other address as either party may hereafter designate in writing to the other.

18. Severability. The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of the remaining provisions of the Agreement, and such invalid or unenforceable provision shall be stricken to the extent necessary to preserve the validity and enforceability of the Agreement.

19. Incorporation of Plan. The Units are granted pursuant to the terms of the Plan and this Agreement, and the Units shall in all respects be interpreted in accordance with the Plan and this Agreement.

20. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. Participant consents to the exclusive jurisdiction of the courts of the Commonwealth of Kentucky and of any federal court located in Jefferson County, Kentucky in connection with any action or proceeding arising out of

or relating to this Agreement, any document or instrument delivered pursuant to or in connection with this Agreement, or any breach of this Agreement or any such document or instrument.

21. Entire Agreement. This Agreement and the Plan contain the entire agreement between the parties hereto with respect to the subject matter hereof. It supersedes all prior written or contemporaneous oral agreements related thereto.

22. Compliance With Section 409A of the Code. The Units are intended to comply with Section 409A of the Code, and shall be interpreted and construed accordingly.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company and Participant have executed and delivered this Agreement as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: \_\_\_\_\_

Title: \_\_\_\_\_

PARTICIPANT:

By: \_\_\_\_\_

[INSERT NAME]



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, William C. Carstanjen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Churchill Downs Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2025

/s/ William C. Carstanjen  
William C. Carstanjen  
Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Marcia A. Dall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Churchill Downs Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2025

/s/ Marcia A. Dall

Marcia A. Dall  
Executive Vice President and Chief Financial Officer  
(Principal Financial & Accounting Officer)

**Certification of Chief Executive Officer and Chief Financial Officer Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Churchill Downs Incorporated (the "Company") for the quarterly period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William C. Carstanjen, as Chief Executive Officer (Principal Executive Officer) of the Company, and Marcia A. Dall, as Executive Vice President and Chief Financial Officer (Principal Financial & Accounting Officer) of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his or her knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William C. Carstanjen

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William C. Carstanjen  
Chief Executive Officer  
(Principal Executive Officer)  
July 23, 2025

/s/ Marcia A. Dall

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Marcia A. Dall  
Executive Vice President and Chief Financial Officer  
(Principal Financial & Accounting Officer)  
July 23, 2025

This certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Churchill Downs Incorporated and will be retained by Churchill Downs Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.