



# CHURCHILL DOWNS

INCORPORATED

Bank of America Merrill Lynch  
Leveraged Finance Conference

November 30 – December 1, 2020

# Forward-Looking Statements

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

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

- the impact of the novel coronavirus (COVID-19) pandemic and related economic matters on our results of operations, financial conditions and prospects;
- the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit;
- additional or increased taxes and fees;
- public perceptions or lack of confidence in the integrity of our business or any deterioration in our reputation;
- loss of key or highly skilled personnel;
- restrictions in our debt facilities limiting our flexibility to operate our business;
- general risks related to real estate ownership, including fluctuations in market values and environmental regulations;
- catastrophic events and system failures disrupting our operations;
- online security risk, including cyber-security breaches;
- inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events;
- increases in insurance costs and inability to obtain similar insurance coverage in the future;
- inability to identify and complete acquisition, expansion or divestiture projects, on time, on budget or as planned;
- difficulty in integrating recent or future acquisitions into our operations;
- costs and uncertainties relating to the development of new venues and expansion of existing facilities;
- risks associated with equity investments, strategic alliances and other third-party agreements;
- inability to respond to rapid technological changes in a timely manner;
- inadvertent infringement of the intellectual property of others;
- inability to protect our own intellectual property rights;
- payment-related risks, such as risk associated with fraudulent credit card and debit card use;
- compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations;
- risks related to pending or future legal proceedings and other actions;
- inability to negotiate agreements with industry constituents, including horsemen and other racetracks;
- work stoppages and labor issues;
- changes in consumer preferences, attendance, wagering, and sponsorship with respect to Churchill Downs Racetrack and the Kentucky Derby;
- personal injury litigation related to injuries occurring at our racetracks;
- weather and other conditions affecting our ability to conduct live racing;
- the occurrence of extraordinary events, such as terrorist attacks, public health threats and civil unrest;
- changes in the regulatory environment of our racing operations;
- increased competition in the horseracing business;
- difficulty in attracting a sufficient number of horses and trainers for full field horseraces;
- our inability to utilize and provide totalizator services;
- changes in regulatory environment of our online horseracing wagering business;
- a reduction in the number of people wagering on live horse races;
- increased competition in our online horseracing wagering business;
- uncertainty and changes in the legal landscape relating to our online horseracing wagering business;
- continued legalization of online sports betting and iGaming in the United States and our ability to predict and capitalize on any such legalization;
- inability to expand our sports betting operations and effectively compete;
- failure to manage risks associated with sports betting;
- failure to comply with laws requiring us to block access to certain individuals could result in penalties or impairment with respect to our mobile and online wagering products;
- increased competition in our casino business;
- changes in regulatory environment of our casino business;
- concentration and evolution of slot machine manufacturing and other technology conditions that could impose additional costs; and
- inability to collect gaming receivables from the customers to whom we extend credit.



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# **Case for Investing and Company Update**

## Case for Investing

### The Kentucky Derby

- An iconic and irreplaceable asset delivering consistent high margin growth and generating significant free cash flow over the long-term
- Unique and evolving guest experiences and expanded offerings provide consistent organic growth
- Future capital investments provide significant ongoing growth of our marquee asset
- Growing international engagement through our Japan and European Roads to the Derby

### Diverse organic growth opportunities with disciplined investment spending

- The Kentucky Derby – capital investments enhance already unparalleled guest experience
- Online Wagering:
  - TwinSpires organic growth driven by best-in-class racing content access and data driven marketing strategy that capitalizes on major race dates including the Kentucky Derby
  - Sports Betting / iGaming expansion as states pass new laws
- Gaming – multiple, smaller bets in various geographies provide for solid growth
- Expansion into historical racing machines provides new organic growth

### Strong balance sheet and financial performance

- Strong free cash flow generation with disciplined maintenance capital spending
- Conservative balance sheet with capacity to pursue strategic options including reinvestment in organic growth, M&A activity, dividends, and share repurchases over the long-term

### Proven management team

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

## 146<sup>th</sup> Kentucky Derby

**Successfully ran the 146<sup>th</sup> Kentucky Oaks and Derby for the first time on Labor Day weekend and the first time ever “spectator-free”**

**We achieved our goals in a challenging environment**

- Ran a safe 146<sup>th</sup> Kentucky Oaks and Derby in 2020
- Protected our community from additional COVID-19 exposure
- Preserved and enhanced the value of our brand and iconic asset
- Maintained our loyal relationships with our fans, sponsors, and participants



**Wagering from all-sources during Derby Week totaled \$175.3 million compared to \$343.0 million during Derby Week 2019 driven by:**

- The movement of the race week from May to late August / September
- Lack of on-track wagering
- Fewer horses per race and heavy favorites in many of the races

**NBC Sports presentation of the 2020 Kentucky Derby on NBC and NBC Sports Digital**

- Was the most watched sporting event since the Super Bowl in February 2020
  - Nearly 10 million watched Authentic cross the finish line in upset of Tiz the Law
- Most watched sporting event on Labor Day weekend since 2017
  - The 2020 Kentucky Derby on NBC (TV-only) topped by 20% the most-watched sporting event on last year's Labor Day Weekend with 8.3 million viewers

### Matt Winn's Steakhouse

#### **\$10 million project to create a premium upscale experience on the 6<sup>th</sup> floor next to The Mansion**

- Creates another one-of-a-kind experience for ~350 guests including tiered balcony views of the finish line at the Kentucky Oaks and Derby
- Upscale offerings include an exclusive, finely-curated culinary menu and an extensive bourbon, wine and champagne service
- Project completed in 2Q'20 – opened July 17<sup>th</sup> for year-round dining



## Churchill Downs Racetrack

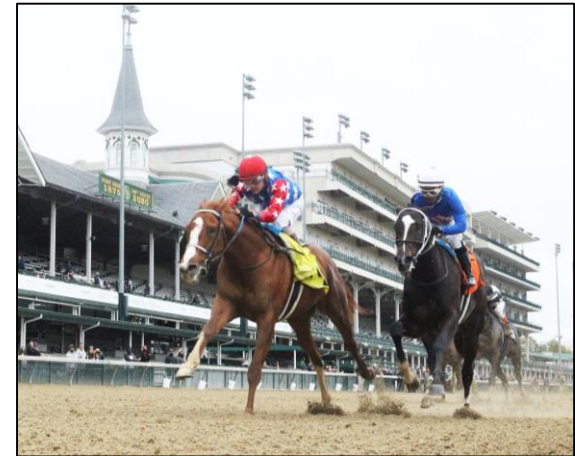
### Currently running the 2020 Fall Meet with spectators

- All sources average daily handle through November 22<sup>nd</sup> of the Fall Meet (19 days) is up 6%

### Plan to invest \$10 million to install new turf course

- The new course will widen the running surface and increase the durability to allow increased turf racing throughout the year
- Project will begin after the 2021 Spring Meet and be ready by the 2022 Spring Meet

### We plan to run the 147<sup>th</sup> Kentucky Derby on May 1, 2021



### We will begin sale of tickets for the 147<sup>th</sup> Kentucky Derby with limited capacity

- Will begin selling 40 – 50% of reserved seating
- We will delay selling general admission tickets until we are closer to the date of the Derby
- If the circumstances surrounding the pandemic improve, we will sell more reserved seats and general admission tickets



## New Derby City Gaming Patio

### Opened new \$13 million outdoor gaming patio on the south side of Derby City Gaming on September 3, 2020

- Net addition of 225 HRMs which include some of the best titles available from IGT, SciGames, and Ainsworth
- Compliments the current gaming patio on the north side of the facility which currently has 113 HRMs
- Derby City Gaming now has 1,225<sup>1</sup> HRMs

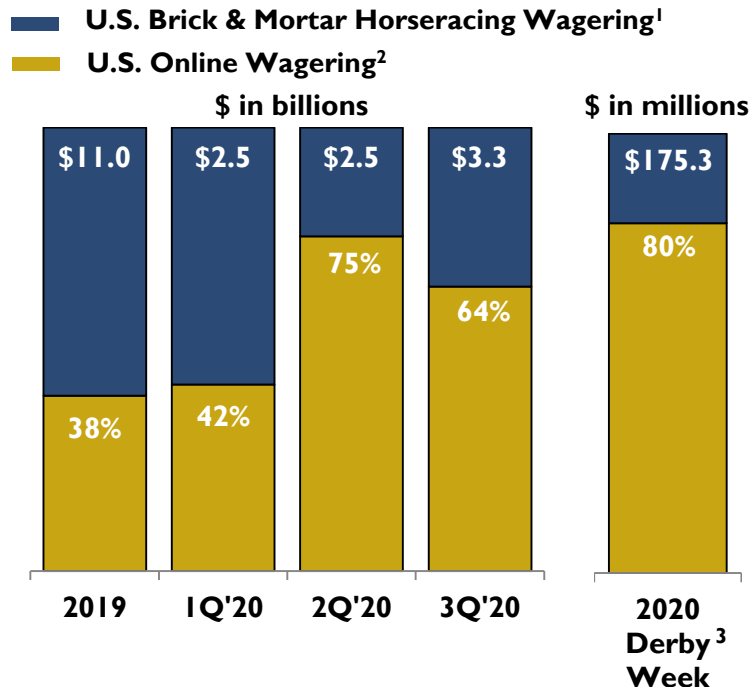


<sup>1</sup> CDI has approval for 3,000 machines under the CDRT license to be used between CDRT and Derby City Gaming

# TwinSpires

Migration of horseracing wagering online rapidly accelerated starting in 2Q'20

TwinSpires well positioned to capitalize on unique opportunity from market disruption



- 3Q'20 handle growth of 69%
- 40% increase in active players during 3Q'20 excluding Derby week
- Efficiently acquire new customers through exclusive partnership with the Kentucky Derby
- Established nationwide database of significant sports players
- Pari-mutuel economics provide profitable growth model with stable and scalable operating margins

TwinSpires

Annualized Revenue of \$489 million and Adjusted EBITDA of \$158 million<sup>4</sup>

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

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

<sup>3</sup> Derby week handle shown for Churchill Downs Racetrack only

<sup>4</sup> Calculated using the 6 month period beginning April 1, 2020 and ending September 30, 2020

## Sports Betting / iGaming Opportunity

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

- PASPA had effectively outlawed sports betting in the U.S. except for in Nevada, Oregon, Delaware, and Montana

### Typical State process to enable sports wagering:

- Enact state legislation
- State governing body implements regulations
- Eligible companies and key suppliers obtain state gaming licenses and technology certifications, as required

Current Jurisdictions <sup>1</sup>	Sports Betting <sup>2,3</sup>		iGaming <sup>4,5</sup>	
	Jurisdictions	% US Population	Jurisdictions	% US Population
Authorized But Not Yet Operational	6	11.6%	1	3.1%
Operational	20	33.3%	5	8.5%

<sup>1</sup>Per Eilers & Krejcik Gaming U.S Online Casino Tracker for October 2020

<sup>2</sup>Authorized but not yet operational: Louisiana, Maryland, North Carolina, South Dakota, Virginia, Washington

<sup>3</sup>Operational: Arkansas, Colorado, Delaware, Illinois, Indiana, Iowa, Michigan, Mississippi, Montana, Nevada, New Hampshire, New Mexico, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Tennessee, Washington D.C., West Virginia

<sup>4</sup>Authorized but not yet operational: Michigan

<sup>5</sup>Operational: Delaware, Nevada, New Jersey, Pennsylvania, West Virginia

## Sports Betting / iGaming Opportunity

### CDI leveraging BetAmerica brand for sports betting and iGaming



- Leverage our expertise as the largest and most profitable online horseracing wagering business in the U.S. with operations in 39 states
- Integrated sports betting and iGaming products
- Potential for single sign in between TwinSpire and BetAmerica

<sup>1</sup> Results for Retail Sports Betting at our Pennsylvania and Mississippi properties are included in the Gaming Segment

## Sports Betting and iGaming – Near-term Opportunities

### Near-term retail and online BetAmerica sports betting and iGaming operations

Jurisdiction	% of U.S. Population <sup>1</sup>	CDI Property or 3 <sup>rd</sup> Party Agreement	CDI Retail Sports Betting <sup>2</sup>	CDI Online Sports Betting	CDI iGaming
Mississippi	0.9%	Harlow's and Riverwalk Casinos	Launched 3Q'18		
New Jersey	2.7%	Agreement with Golden Nugget Atlantic City for Sports Betting & iGaming skin		Launched 1Q'19	Launched 1Q'19
Pennsylvania	4.0%	Presque Isle Downs & Casino in Erie, PA	Launched 3Q'19	Launched 4Q'19	Launched 1Q'20
Indiana	2.0%	Agreement with Rising Star Casino Resort for Sports Betting	Launched 4Q'19	Launched 4Q'19	
Illinois	3.9%	Rivers Des Plaines Joint Venture <sup>3</sup>	Launched 1Q'20	Launched 2Q'20	
Michigan	3.1%	Agreement with Hannahville Indian Community	Launched 3Q'20	Expected 1Q'21	Expected 1Q'21
Colorado	1.7%	Agreement with Full House Resorts for Sports Betting	Launched 3Q'20	Expected 1H'21	
Tennessee	2.1%	Open market access		Expected 1Q'21	
Louisiana	1.4%	Fair Grounds Slots/VSI and Race Course	TBD	TBD	
Maryland	1.9%	The Casino at Ocean Downs	TBD	TBD	
<b>Total</b>	<b>20.6%</b>				

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

<sup>2</sup> Retail betting results at our Pennsylvania and Mississippi properties are reported in the Gaming Segment

<sup>3</sup> Rivers Des Plaines operates sports betting under their brand BetRivers and is recorded in the Gaming segment

## Future Expansion of Sports Betting and iGaming

**CDI is well positioned in key jurisdictions if sports betting and iGaming are approved**

Jurisdiction	% of U.S. Adult Population <sup>1</sup>	CDI Property or 3 <sup>rd</sup> Party Agreement
California	12.0%	Card room agreement to offer internet real money gaming if legislation is approved
Florida	6.7%	Calder Casino
New York <sup>2</sup>	6.1%	Agreement with Saratoga Casino Holdings for rights to online sports betting & iGaming until 2033
Ohio	3.6%	Miami Valley Gaming Joint Venture
Kentucky	1.4%	Churchill Downs Racetrack and Derby City Gaming, Turfway Park, Turfway Park annex, and Oak Grove
Maine	0.4%	Oxford Casino
Total	30.2%	

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

<sup>2</sup> New York retail sports wagering operational in commercial and tribal casinos but not racetracks

## New Technology Service Providers

**CDI announced in 3Q'20 multi-year agreements with GAN and Kambi to be the new technology service providers for BetAmerica**

- GAN to provide account management and online casino platform
- Kambi to provide sports trading and risk management service

**Both operators have a proven and successful footprint in US market**

- Provide us with faster speed to market
- Allow us to provide a better product to our customers
- BetAmerica launched retail sports betting on the new platform in Michigan on September 10 and in Colorado on September 24
- Early priorities are to launch mobile in Michigan, Colorado, Tennessee, Pennsylvania, and Indiana



## Status of Operations

	2020 Date of Closure	2020 Date of Reopening	Regulatory Restrictions: Patron Capacity	Social Distancing Limitations: Slots/HRMs/ VLTs	Table Games
<b>Churchill Downs Segment</b>					
Derby City Gaming <sup>(a)</sup>	Mar 15	Jun 8	33%	61%	N/A
<b>Gaming Segment</b>					
<i>Wholly-Owned Properties</i>					
Calder Casino and Racing <sup>(b)</sup>	Mar 16 / Jul 2 <sup>(c)</sup>	Jun 12 / Aug 31 <sup>(c)</sup>	N/A	56%	N/A
Fair Grounds Slots	Mar 16	Jun 13	25%	50%	N/A
Video Services, LLC	Mar 16	May 18	50%	50%	N/A
Harlow's Casino Resort and Spa	Mar 16	May 21	50%	66%	60%
Ocean Downs Casino and Racetrack	Mar 15	Jun 19	50%	70%	60%
Oxford Casino and Hotel <sup>(b)</sup>	Mar 16	Jul 9	200 People <sup>(d)</sup>	N/A	N/A
Presque Isle Downs and Casino <sup>(a)</sup>	Mar 16	Jun 26	50%	60%	60%
Riverwalk Casino Hotel	Mar 16	May 21	50%	66%	60%
<i>Managed Properties</i>					
Lady Luck Nemaacolin <sup>(a)</sup>	Mar 16	Jun 12	50%	50%	60%
<i>Equity Investments</i>					
Miami Valley Gaming and Racing <sup>(b)</sup>	Mar 14	Jun 19	63%	50%	N/A
Rivers Casino Des Plaines	Mar 15 / Nov 20 <sup>(e)</sup>	Jul 1 / TBD	N/A	N/A	N/A
<i>All Other Segment</i>					
Oak Grove Racing, Gaming, and Hotel <sup>(a)</sup>	N/A	Sep 18 <sup>(f)</sup>	33%	77%	N/A
Newport Racing and Gaming <sup>(a)</sup>	N/A	Oct 2 <sup>(f)</sup>	33%	100%	N/A

<sup>(a)</sup> Property has temporary ban on alcohol and smoking on the gaming floor

<sup>(b)</sup> Property has certain operating hour restrictions

<sup>(c)</sup> CDI initially reopened Calder on June 12, 2020, but temporarily suspended operations a second time at Calder on July 2, 2020 following an emergency order issued by the mayor of Miami-Dade County to close entertainment venues in an effort to control the rise in COVID-19 cases; Calder reopened again on August 31, 2020

<sup>(d)</sup> In compliance with state requirements, Oxford Casino is currently operating under a total capacity limit of 200 people

<sup>(e)</sup> Rivers Casino Des Plaines temporarily suspended operations a second time on November 20, 2020 in accordance with the Illinois Department of Public Health in an effort to control the rise in COVID-19

<sup>(f)</sup> Dates provided for Oak Grove and Newport Racing and Gaming are grand opening dates



## Illinois Gaming Expansion

### Rivers Casino Des Plaines

- Approved for 2,000 gaming positions<sup>2</sup>
  - As of 9/30/20, have 1,279 positions (1,015 slot machines and 68 table games)
  - Plan to add 450-500 additional positions by the end of next year
- Lower table games privilege tax effective July 1, 2020
- Completed new parking garage expansion in 3Q'20

### Rush Street Gaming and CDI have jointly submitted a bid for the new Waukegan casino

- Proposed 1,625-gaming-seat facility that will also operate retail and online sports betting
- Bid was one of 3 bids submitted by the City of Waukegan to the Illinois Gaming Board (“IGB”)
- IGB pushed back decision date from original date of October 28, 2020 to ~ mid 2021



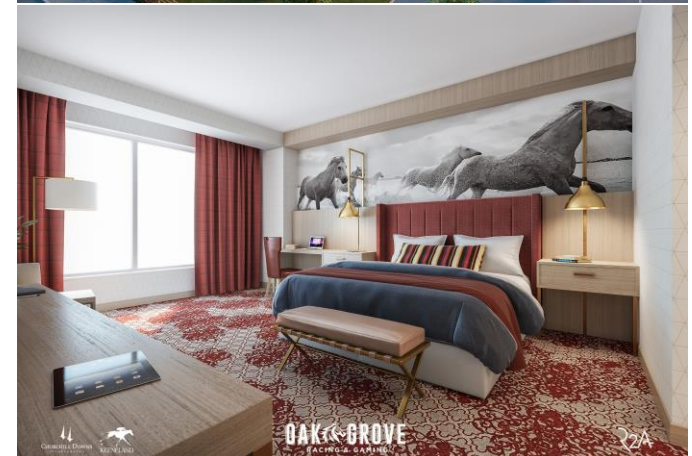
### Rush Street Gaming has submitted a response to a request for information regarding the new Downtown Chicago casino

- The city of Chicago has not yet issued a request for proposal (“RFP”); however Rush Street Gaming and Related Midwest submitted a response to a request for information made by the city of Chicago in September
- Should Rush Street Gaming and Related respond to an RFP when issued, CDI may be a minority equity partner in the proposed casino

## Oak Grove Racing & Gaming

### Grand Opening of HRM facility on September 18<sup>th</sup>

- \$200 million dollar project includes HRM facility, hotel, racetrack, and equestrian center
- CDI purchased Keeneland's ~4% interest<sup>1</sup> in the property for \$3 million in September 2020
- Located off of Highway 24 on the Kentucky – Tennessee state border
  - ~55 miles from Nashville, Tennessee
  - ~3 miles from Fort Campbell, the second largest military base in the U.S. with population > 200,000
- Completed harness racetrack and currently running the second annual meet
- Grand opening of HRM facility with ~1,325 HRMs on September 18, 2020
  - October win/unit/day of \$161
  - Have approval to increase to 1,500 machines
  - Gaming titles include Ainsworth, Scientific Games and IGT
- Second phase planned to open in 2020
  - 128-room hotel with event center and dining options opened on October 15, 2020
  - 3,000 person capacity amphitheater and state-of-the art equestrian center including indoor arena planned to open 4Q'20



<sup>1</sup> Ownership percentage as of June 30, 2020 prior to netting additional capital spend

## Newport Racing & Gaming

### Opened Newport Racing & Gaming for HRMs and simulcasting on October 2, 2020

- Annex of Turfway Park
- ~\$38 million HRM facility with a simulcast area including a separate VIP simulcast room, a 17,000 sq. ft. gaming floor with 500 HRMs and a feature bar
- Leasing existing retail space in Newport, Kentucky
- Will support the purse funding for future Turfway Park live race meets while Turfway Park is under renovation
- October win/unit/day of \$104



### Financial Strength

#### **On March 16, 2020, CDI announced the extension and reduction in funding costs for its \$700 million revolving credit facility**

- Extension of maturity from December 2022 to March 2025<sup>1</sup>
- Lowered the upper limit of the applied spreads for loans under the Revolving Credit Facility from 2.25% to 1.75% and for the commitment fees from 0.35% to 0.30%
- The amendment also offers a reduced pricing schedule for outstanding borrowings and commitment fees across all leverage pricing levels

#### **On April 28, we entered into an amendment to our Credit Agreement:**

- Provides for a financial covenant relief period through June 30, 2021
- Maintained ability to:
  - Invest in capital expenditures
  - Make acquisitions
  - Pay \$26 million annual dividend
- During the relief period, will not have to comply with existing consolidated total secured net leverage ratio financial covenant and the interest coverage ratio financial covenant
- Required to maintain liquidity of at least \$150 million during the relief period
- No share repurchases during the relief period

**Company has been in compliance with original covenants each of the past three quarters**

<sup>1</sup> Maturity is five years from closing (March 2025), springing 91 days inside CDI's Term Loan B if not refinanced



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# **Company Overview**

## CDI is an industry-leading entertainment company with iconic, diversified assets

\$ in millions	TTM Adjusted EBITDA		Description
	December 31, 2019		
Segment	\$	% of total	
Churchill Downs	\$138	31%	Churchill Downs Racetrack (“CDRT”) <ul style="list-style-type: none"> <li>Home of the Kentucky Derby</li> </ul> Derby City Gaming (“DCG”)
Online Wagering	\$66	15%	TwinSpires <ul style="list-style-type: none"> <li>Largest<sup>1</sup> online wagering platform for horseracing in U.S.</li> </ul> Online Sports Betting and iGaming
Gaming	\$281	62%	7 owned casinos with 3 hotels 2 casino joint ventures Located in 8 states ~11,000 slot machines/VLTs ~200 table games
All Other	\$(34)	(7)%	Arlington, Oak Grove, Turfway Park, United Tote, Corporate
<b>Total</b>	<b>\$451</b>	<b>100%</b>	

<sup>1</sup> Based on a trailing twelve month basis per figures released by Oregon Racing Commission for 9/30/20 22



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# **Churchill Downs Segment**

Overview

**Churchill Downs Racetrack**



- **Home of the Kentucky Derby**
- **Longest continuously held annual sporting event in the United States**



- **HRM facility**
- **1,225 machines**
- **Operates under CDRT's pari-mutuel racing license at its ancillary training facility in Louisville, KY**



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

Historic Americana



Sophisticated Luxury



Contagious Excitement



The Kentucky Derby - By The Numbers

- The economic impact made on the Louisville area over Derby Weekend ➡ \$356 million<sup>1</sup>
- Mint Juleps served over Derby Weekend ➡ 127,000
- Traditionally the first leg of the Triple Crown ➡ only 13 Triple Crown winners since inception

<sup>1</sup> From the Destination International and Tourism Economics Event Impact Calculator (EEl) 25

## The Lead Up to the Kentucky Derby

### Month Long Celebration Leading Up to Derby Week

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

#### Thunder Over Louisville

The largest annual fireworks display in North America



#### Kentucky Derby Festival Marathon

A Boston Marathon qualifying race which runs through CDRT



#### Great Balloon Race

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



#### Kentucky Museum of Art & Craft Couture

The fashion kickoff attracts worldwide artist participation

#### The Fillies Derby Ball

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



#### Derby Divas

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



## Unique Derby Week Experiences

### Experiences at CDRT



**Derby attendees have the opportunity to include unique experiences at CDRT with their ticket packages, such as:**

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

### Derby Week Nightlife

#### Taste of Derby

An evening of fine cuisine served by chefs from stops along the Road to the Kentucky Derby; the event raises funds for Dare to Care Food Bank

#### Official Derby Events

Celebrities and other notable guests attend the many charitable nightlife events Derby Week has to offer; these events benefit local charities and feature performances by top artists

- The Trifecta Gala
- Barnstable Brown Gala
- Unbridled Eve
- Fillies & Lillies



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



**Guests have the opportunity to package other 3<sup>rd</sup> party tours with their official Derby ticket packages, including:**

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



## The Lead Up to the Kentucky Derby

### Derby Week

#### Saturday: Opening Night

Derby Week kicks off with artistic displays and performances during the first night of racing



#### Tuesday: Champions Day

Fans can meet legendary jockeys and trainers, gain industry expert insights into Derby Week betting, and support thoroughbred aftercare

#### Thursday: Thurby

A day celebrating the best of Kentucky including culture, fare, and racing with attendance of ~40,000



#### Friday: Kentucky Oaks

America's premier race for 3-year old fillies and the fourth highest attended horse race in the United States at ~115,000

#### Saturday: The Kentucky Derby

The most prestigious event in racing draws attendance of ~150,000-170,000 and crowns a new Triple Crown hopeful each year

### Corporate Engagement

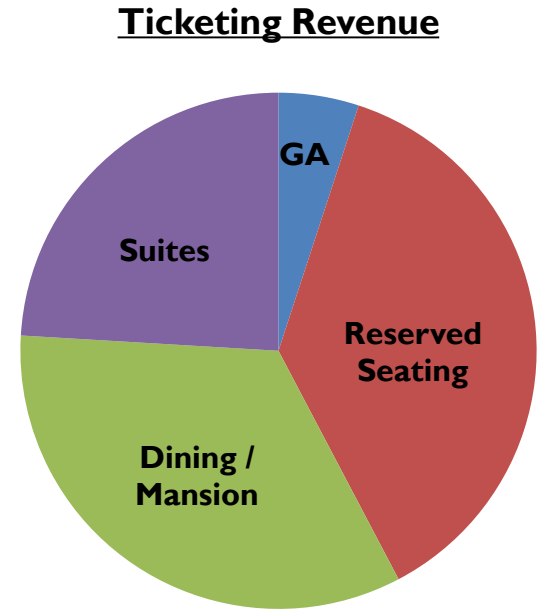
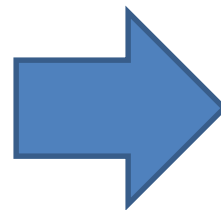
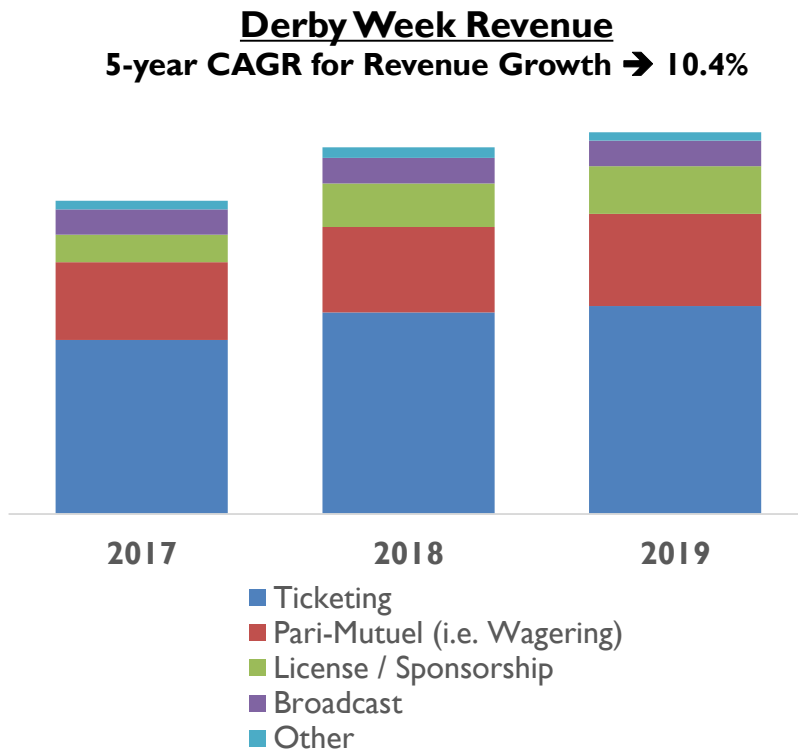
#### CDI partnered with the Derby Diversity & Business Summit (DDBS)

The goal is to connect diverse owned businesses and promote diversity within the executive workforce and supply chain

- Elite business leaders participated in executive development seminars, panel discussions, and networking opportunities while enjoying Derby Week



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



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

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

# The Kentucky Derby Growth Strategy

## *A Premier International Sporting / Entertainment Event*

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

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

### **Attract additional sponsorships**

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

## Future Build-Out of Facility Supports Long-Term Growth

### Completed Projects



### Projects on Hold

- Hotel & HRM Facility
- Replace temporary seating with permanent seating

### Potential Future Projects

- Additional 1<sup>st</sup> Turn seating
- Premium renovations
- Improved paddock
- Grandstand amenities
- Infield seating

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

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



## Derby City Gaming

**HRM Facility that operates under the CDRT pari-mutual racing license at its ancillary training facility in Louisville, Kentucky**

**\$65 million initial investment opened in September 2018**

- Décor pays homage to Churchill Downs Racetrack's deep history in horseracing
- Center bar with large format televisions, two food venues, and outdoor gaming patio on the north side of the facility with 113 HRMs
- \$13 million south side gaming patio opened with a net addition of 225 HRMs in September 2020

### **1,225<sup>1</sup> HRMs**

- Initially partnered with Ainsworth Game Technology
- Added Scientific Games themes and cabinets in 1Q and 2Q'20
- Added International Game Technology ("IGT") themes and cabinets in 3Q'20



<sup>1</sup> CDI has approval for 3,000 machines under the CDRT license to be used between CDRT and Derby City Gaming



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# **Online Wagering Segment**

Overview

# TwinSpires



- Largest<sup>1</sup> online horseracing wagering platform in the U.S.
- Linkage to the Kentucky Derby is a key advantage

## Online Sports Betting and iGaming



- Active in New Jersey, Pennsylvania, and Indiana
- Strong geographic footprint in key states for expansion
- Linkage to TwinSpires platform

<sup>1</sup> Based on a trailing twelve month basis per figures released by Oregon Racing Commission for 9/30/20

# TwinSpires.com



**EARN CASH**  
Earn cash bonuses to bet on the races



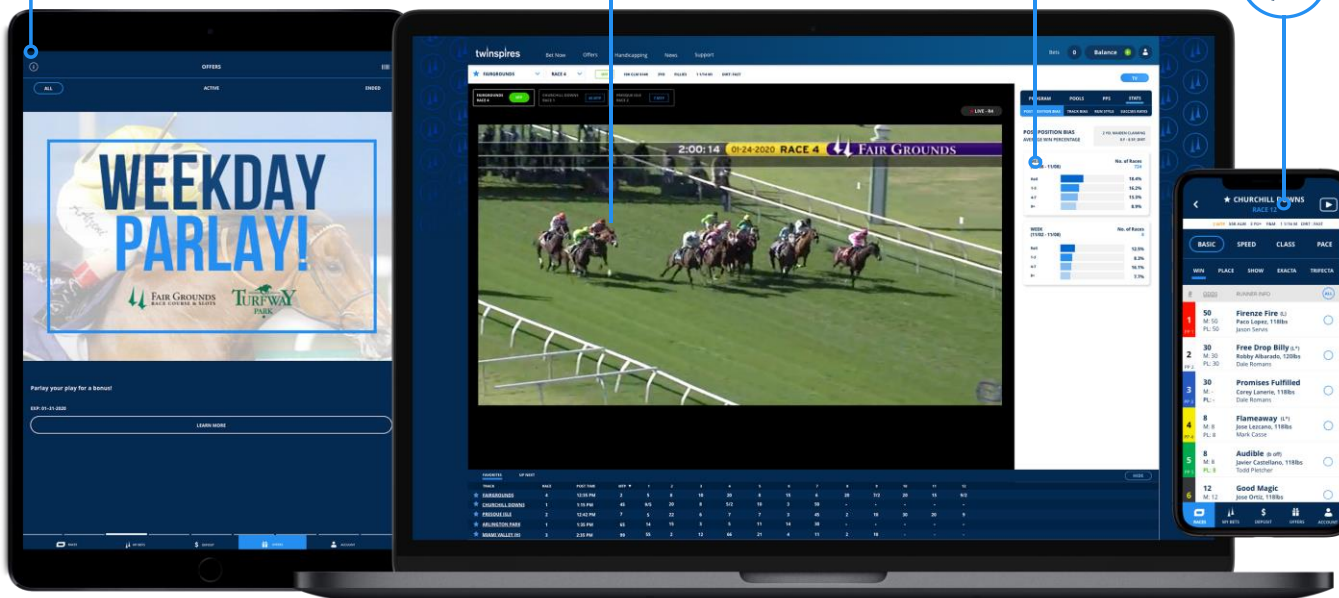
**LIVE STREAMING**



**TOP RACING DATA**  
Leading source of online data



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



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

### Overview

Launched in 2007

Official mobile betting partner of:

- The Kentucky Derby
- Churchill Downs Racetrack

Benefits from CDI ownership of:

- United Tote - provides totalisator services
- Brisnet - provides historical handicapping data



### 2019 Key metrics

\$ in millions	2019	VPY%
<b>TwinSpires Handle<sup>1</sup></b>	<b>\$1,456</b>	<b>5%</b>
<b>Revenue</b>	<b>\$290</b>	<b>0%</b>
<b>Adjusted EBITDA</b>	<b>\$78</b>	<b>(1)%</b>

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

### Multiple brands leverage infrastructure



## TwinSpires' strategic advantages

### Linkage to the Kentucky Derby →

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

### Business intelligence analytics →

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

### Customer relationships →

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

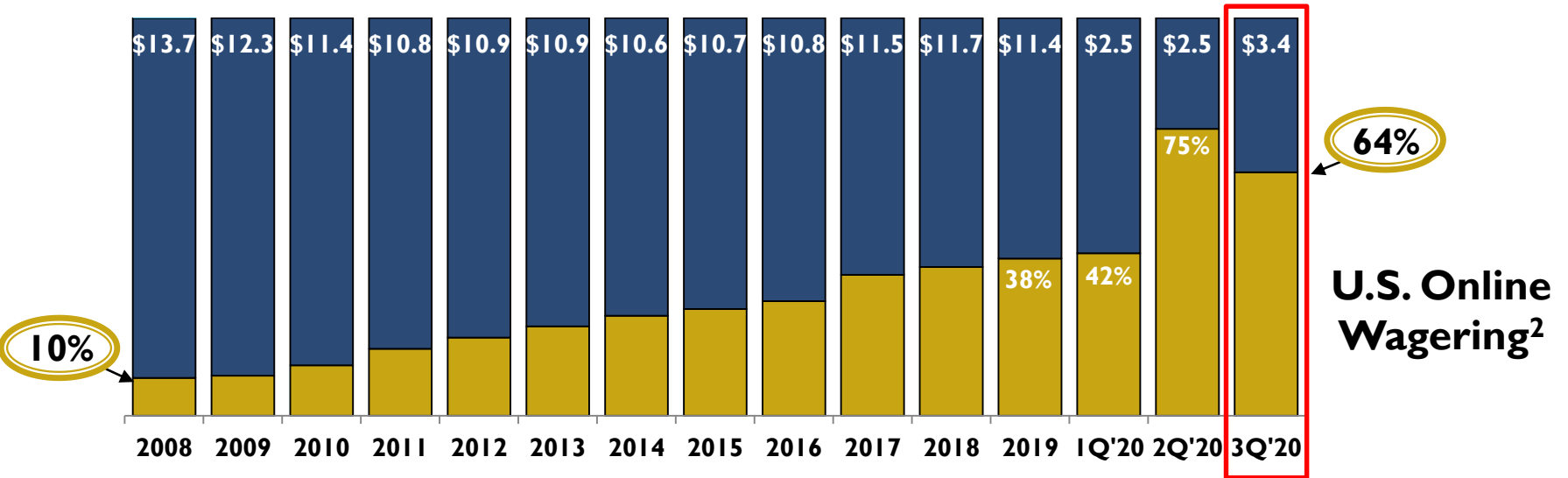
### Management team →

- Significant online wagering experience in Europe and U.S.
- Deep technology expertise throughout core team
- Team's experience positions us well for growth in online sports betting and iGaming markets

# Online horseracing wagering has potential for additional market penetration

U.S Horseracing	CAGR	
	2008-16	2017-19
Total Wagering <sup>1</sup>	(3.0)%	0.6%
U.S. Online Wagering <sup>2</sup>	11.4%	6.3%

**U.S. Horseracing Wagering<sup>1</sup>**  
\$ in Billions

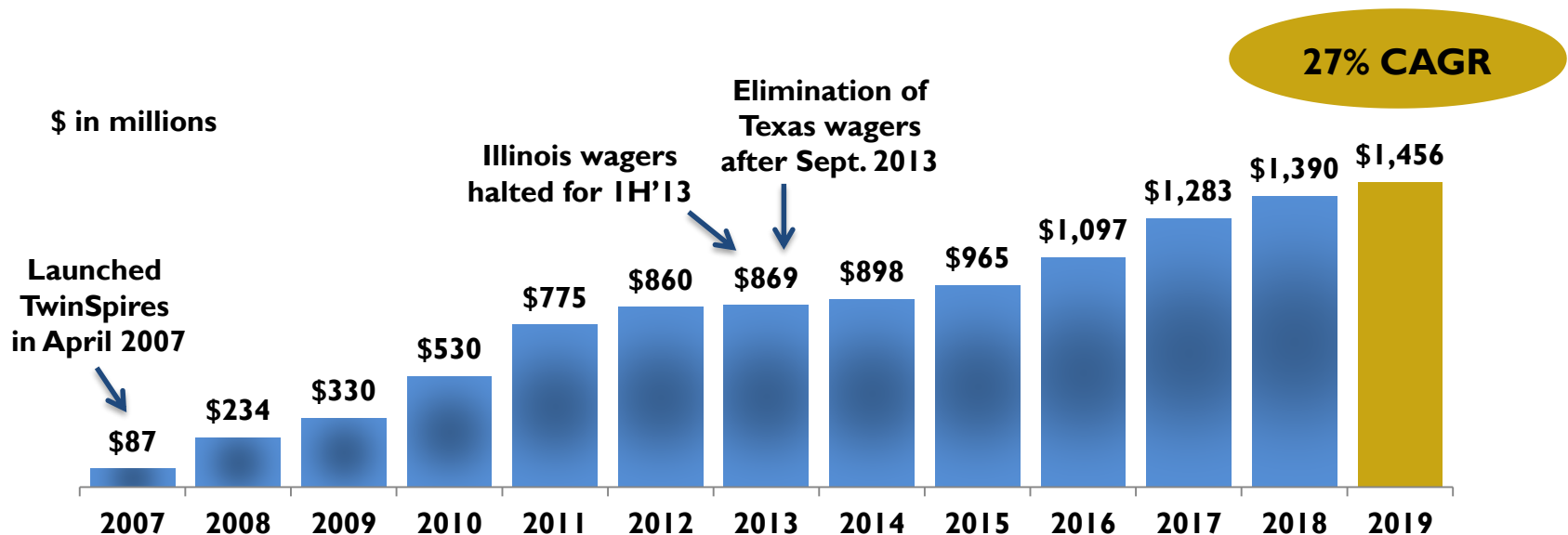


**Online wagering market penetration increasing**

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

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

# TwinSpires handle<sup>1</sup> has grown significantly over the past decade

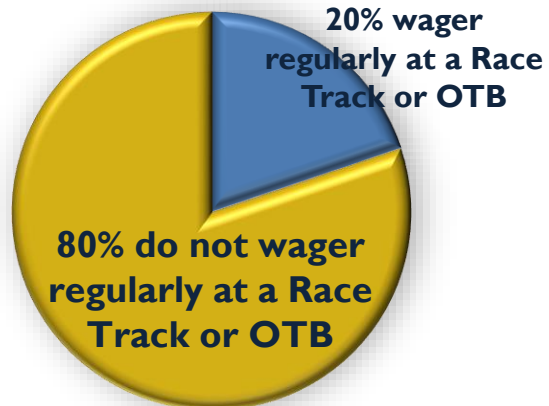


<sup>1</sup> All TwinSpires handle except for Velocity



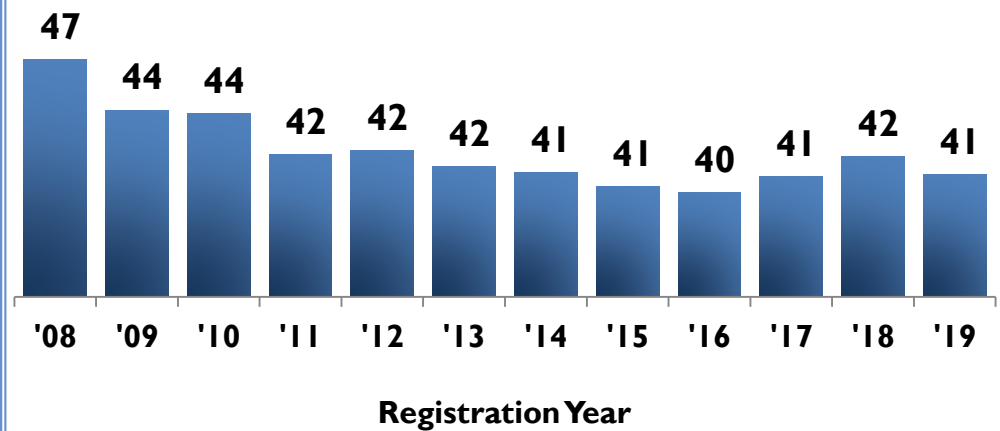
## We are attracting new fans and younger fans to horseracing

### New Fans

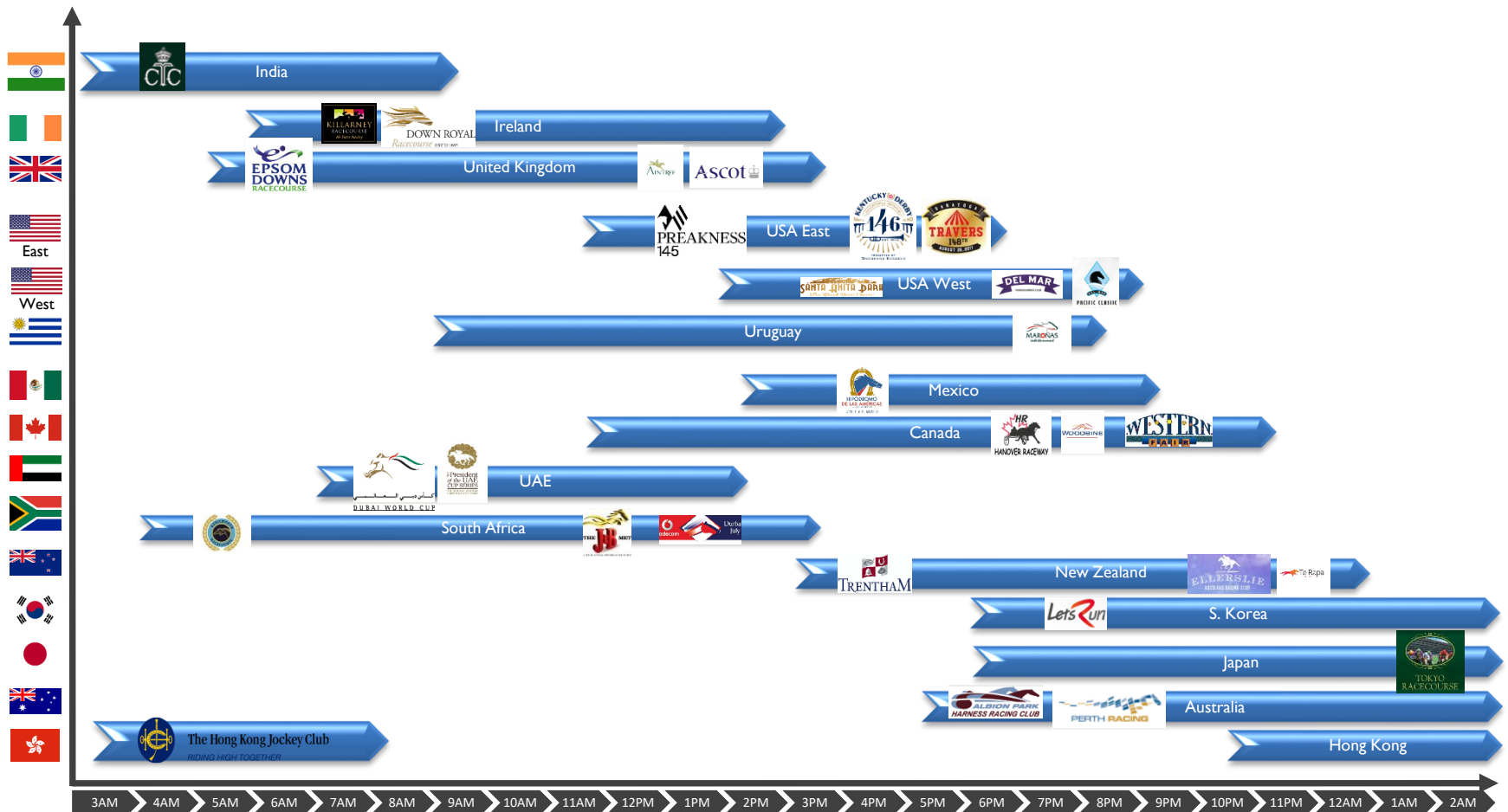


Based on survey of August 2017 new customers

### Median New Player Age



# TwinSpires typically offers betting 24/7 from 14 countries



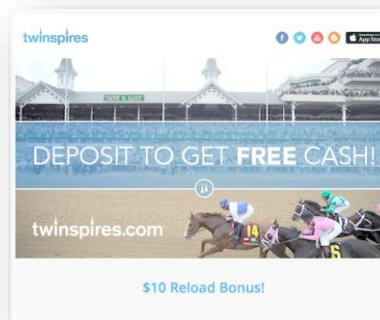
Hours in EST

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

**User Acquisition**



**User Retention**



**User Activation**



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

**Winner's Toasts**



**Trophy Presentations**



**VIP Events**



**Behind-the-Scene Tours**



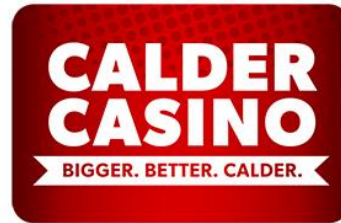


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# **Gaming Segment**

## Regional Gaming Properties



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

## Diverse portfolio of gaming properties

### Overview

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

- Seven wholly owned, two joint ventures, and one management contract
- Local brands and community connection
- Smaller bets in diverse geographic and economic environments

**Retail self service BetAmerica Sportbooks opened at two Mississippi properties in August 2018 as well as Presque Isle Downs & Casino in July 2019**

### 2019 Key metrics

\$ in millions

	2019	VPY%
<b>Revenue</b>	<b>\$695</b>	<b>54%</b>
<b>Adjusted EBITDA</b>	<b>\$281</b>	<b>61%</b>
<b>Wholly owned casino margin<sup>1</sup></b>	<b>33.9%</b>	<b>70 pts</b>

**Industry leading margins for wholly owned casinos**

<sup>1</sup> Excludes corporate overhead, Ocean Downs, Presque Isle, Lady Luck Nemacolin, joint ventures, and racetracks

## Our gaming properties' strategic advantages

### Local approach



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

### Business intelligence analytics



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

### Leverage corporate gaming expertise



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

### Regional property gaming leaders



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

## Florida and Louisiana Casinos & Video Poker

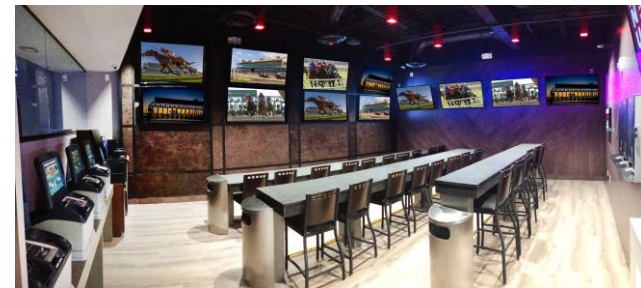
### Calder Casino – Miami Gardens, Florida

- Property:
  - Located on 170 acres with casino and racetrack in Miami Gardens, FL, near Hard Rock Stadium (home of the Miami Dolphins)
  - Gaming facility opened in Jan. 2010
  - ~1,150 slot machines<sup>1</sup>
- Agreement with The Stronach Group to operate and manage Calder’s racetrack and live horseracing under Calder’s racing permits until Apr. 15, 2021
- In Nov. 2016, we sold 61 acres of excess real estate at Calder for \$434k per acre<sup>2</sup>
- Jai Alai permit received in Feb. 2018 and began play in May 2019



### Fair Grounds Slots & Video Poker - Louisiana

- Property:
  - Located on 145 acres with racetrack and slots facility located in New Orleans, LA
  - Slots facility opened in Oct. 2008
  - ~600 slot machines<sup>3</sup>
- Fair Grounds operates 12 OTB’s across southeast LA of which 12 have ~1,000 video poker machines<sup>3</sup>



<sup>1</sup> Units as of 3/31/20

<sup>2</sup> Excluding real estate commissions paid

<sup>3</sup> Units as of 12/31/19



## Maine and Maryland Casinos

### Oxford Casino – Oxford, Maine

- Property:
  - Located on 97 acres in Oxford, Maine
  - Casino opened in 2012
  - ~950 slot machines, 30 table games and 3 dining facilities<sup>1</sup>
  - Attached 107-room hotel opened in 2017
  - Expanded gaming floor with additional 100 slot machines in 2017
- Purchased in July 2013



### The Casino at Ocean Downs – Berlin, Maryland

- Property:
  - Located on 167 acres near Ocean City
  - Casino opened in 2010
  - Harness racetrack opened in 1949
  - ~900 VLTs and 18 table games<sup>2</sup>
- Ownership history
  - Purchased 50% equity stake in Jan. 2017
  - Acquired remaining 50% equity stake in Aug. 2018 through swap of 25% ownership interest in Saratoga New York and Colorado with Saratoga Casino Holdings
- Realized an effective 10 percentage point tax reduction starting Aug. 2017 by purchasing VLTs from the State of Maryland
- Added 10 table games and 100 VLTs in Dec. 2017 and an additional 8 tables in July 2018



<sup>1</sup> Units as of 3/31/20

<sup>2</sup> Units as of 12/31/19

## Mississippi Casinos

### Harlow's Casino Resort & Spa

#### Property:

- Located on 85 acres of leased land in Greenville, Mississippi
- Facility opened in 2007
- ~750 slot machines, 15 table games<sup>1</sup>
- 4 dining facilities
- 105-room attached hotel

#### Purchased in Dec. 2010

#### Opened retail BetAmerica Sportsbook in Aug. 2018

- 39 self-service betting terminals
- 21 big screen displays broadcasting over 100 different HD channels of sporting events and information

*Harlow's*  
Casino Resort & Spa



### Riverwalk Casino Hotel

#### Property:

- Located on 22 acres in Vicksburg, Mississippi
- Facility opened in 2008
- ~650 slot machines, 15 table games<sup>1</sup>
- 2 dining areas
- 80-room attached hotel

#### Purchased in Oct. 2012

#### Opened retail BetAmerica Sportsbook in Aug. 2018

- 38 self-service betting terminals
- 55 big screen displays broadcasting over 100 different HD channels of sporting events and information

**RIVERWALK**  
CASINO • HOTEL



<sup>1</sup> Units as of 3/31/20

## Pennsylvania Casinos

### Presque Isle Casino

- Property:
  - Located on 270 acres in Erie, Pennsylvania
  - Casino opened in 2007
  - ~1,550 slot machines, 34 table games and a 7 table poker room in 153,000 sq. ft. facility<sup>1</sup>
  - ~100 live thoroughbred race dates each year
- Purchased in January 2019 for \$179 million
- Opened retail BetAmerica Sportsbook in July 2019
  - 50 state-of-the-art self-service betting terminals located throughout the casino floor



### Lady Luck Nemacolin

- Property:
  - Located in Farmington, PA  
~1 mile from Nemacolin Woodlands Resort's main entrance
  - Casino opened in 2013
  - ~ 600 slot machines, 27 table games and a casual dining restaurant and lounge<sup>1</sup>
- Paid \$100,000 in March 2019 for:
  - Management agreement to operate casino until July 2023
  - All fixed assets (e.g. slot machines and table games)
  - Paid a \$1 million payment in 2Q'19 to the PA Gaming Control Board to lift the \$10 per visit access fee for customers



<sup>1</sup> Units as of 3/31/20

## Casino Joint Ventures

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

- Located on 120 acres in Lebanon, OH (North of Cincinnati, south of Dayton)
- Opened in December 2013
- ~2,000 video lottery terminals<sup>1</sup>
- Joint venture (50/50) with Delaware North



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

- CDI invested \$407 million for 61% equity investment on March 5, 2019
- Joint venture with Rush Street Gaming, LLC
- Opened in July 2011
- Approved for 2,000 gaming positions<sup>2</sup>
  - As of 9/30/20, have 1,279 positions (1,015 slot machines and 68 table games)
  - Plan to add 450-500 additional positions by the end of next year
- Lower table games privilege tax effective July 1, 2020
- Completed new parking garage expansion in 3Q'20
- BetRivers Sports Betting:
  - Launched retail BetRivers Sportsbook in March 2020
  - First to launch online sports betting in Illinois in June 2020



<sup>1</sup> Units as of 3/31/20

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



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# Capital Management

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

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

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

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

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

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

Capital Projects

**Projected Capital Investments**

	<u>2019 Actuals</u>	<u>3Q'20 YTD Actuals</u>	<u>4Q'20 Forecast as of 9/30/20</u>
<b>Maintenance Capital</b>	\$48 million	\$18 million	\$10 - \$15 million
<b>Project Capital</b>	\$83 million	\$192 million	\$40 - \$50 million
	<ul style="list-style-type: none"> <li>▪ Oak Grove</li> <li>▪ CDRT</li> <li>▪ Calder Jai Alai</li> </ul>	<ul style="list-style-type: none"> <li>▪ Oak Grove</li> <li>▪ CDRT</li> <li>▪ DCG</li> <li>▪ Newport Racing &amp; Gaming</li> <li>▪ Turfway Park</li> </ul>	<ul style="list-style-type: none"> <li>▪ Oak Grove</li> <li>▪ DCG</li> <li>▪ Newport Racing &amp; Gaming</li> <li>▪ Turfway Park</li> </ul>

**We have elected to temporarily pause the following capital projects:**

- Churchill Downs Racetrack Hotel and HRM Facility
- Turfway Park Grandstand and HRM Facility

**These projects remain long-term growth opportunities for CDI**

## Churchill Downs investments provide strong returns creating long-term shareholder value

### The Mansion



#### Return Profile

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

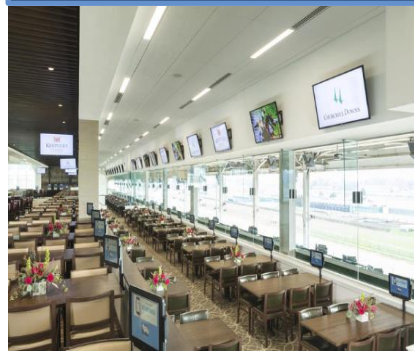
### Winner's Circle Suites and Courtyard



#### Return Profile

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

### Turf Club / Stakes Room



#### Return Profile

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

### Derby City Gaming



#### Return Profile

**Opened Sep. 2018**  
**\$65 million investment**  
**< 2 year payback**



# Targeted casino investments enhance existing properties and provide favorable returns

**Ocean Downs Expansion**



**Return Profile**

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

**Ocean Downs Slot Floor Purchase**



**Return Profile**

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

**Oxford Hotel & Floor Expansion**



**Return Profile**

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

**Miami Valley Gaming Expansion**



**Return Profile**

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

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

**Typical M&A Target Screen**

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

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

**Calder Race Course  
Land Sale**

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

**Big Fish Games**

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

**Saratoga – New York  
and Colorado**

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

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

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

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

### Dividends

- 2021 will be the 10<sup>th</sup> consecutive increase in the dividend per share
- \$104 million paid to shareholders in dividends over the last 5 years

### Share Repurchases

- **Returned \$956 million to shareholders through share repurchases over the last 5 years**
  - Includes \$500 million repurchased with a portion of the Big Fish Games sale proceeds through a Dutch Auction in February 2018
- **\$300 million share repurchase program authorized on October 30, 2018**
  - \$93 million repurchased in 2019
  - \$147 million of capacity remaining at September 30, 2020

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



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# *Appendix*

## Proven Management Team

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

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

### **Bill Mudd President & Chief Operating Officer**

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

### **Marcia Dall EVP & Chief Financial Officer**

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

## Strong Board of Directors

### Churchill Downs Incorporated Board of Directors

#### Alex Rankin

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

#### Bill Carstanjen

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

#### Ulysses Bridgeman, Jr.

- Director since 2012
- Owner and CEO of Heartland Coca-Cola Bottling Company
- Previously owner & CEO of various companies operating over 450 restaurants in 20 states

#### Robert Fealy

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

#### Doug Grissom

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

#### Daniel Harrington

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

#### Karole Lloyd

- Director since 2018
- Chair of Audit Committee
- Retired Vice Chair and Southeast Regional Managing Partner for Ernst & Young LLP
- Handled mergers, IPOs, acquisitions, and divestitures for EY

#### Paul Varga

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

## Definition of Non-GAAP Financial Measures

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

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

**Adjusted EBITDA excludes:**

- Transaction expense, net which includes:
  - Acquisition and disposition related charges;
  - Calder Racing exit costs; and
  - Other transaction expense, including legal, accounting and other deal-related expense;
- Stock-based compensation expense;
- Midwest Gaming's impact on our investments in unconsolidated affiliates from:
  - The impact of changes in fair value of interest rate swaps; and
  - Recapitalization and transaction costs;
- Asset impairments;
- Gain on Ocean Downs/Saratoga Transaction;
- Legal reserves;
- Pre-opening expense; and
- Other charges, recoveries and expenses

## Reconciliation from GAAP to Non-GAAP Financial Measures

### Reconciliation of Comprehensive Income to Adjusted EBITDA

	Year Ended December 31,	3 Months Ended September 30,		9 Months Ended September 30,	
	2019	2020	2019	2020	2019
(in millions)					
<b>Net (loss) income attributable to CDI</b>	\$ 137.5	43.2	14.8	(99.0)	133.5
Net loss attributable to noncontrolling interest	0.3	0.1	-	0.2	-
Net Income before noncontrolling interest	137.2	43.1	14.8	(99.2)	133.5
Loss from discontinued operations, net of tax	2.4	-	0.4	96.1	1.9
(Loss) income from continuing operations, net of tax	139.6	43.1	15.2	(3.1)	135.4
<b>Additions:</b>					
Depreciation and amortization	96.4	22.4	22.0	66.5	64.3
Interest expense	70.9	19.7	18.9	59.3	52.0
Income tax provision (benefit)	56.8	13.9	8.0	(5.6)	53.1
<b>EBITDA</b>	<u>\$ 363.7</u>	<u>\$ 99.1</u>	<u>\$ 64.1</u>	<u>\$117.1</u>	<u>\$304.8</u>
<b>Adjustments to EBITDA:</b>					
Selling, general and administrative:					
Stock-based compensation expense	\$ 23.8	\$ 6.9	\$ 5.5	\$ 17.3	\$ 17.6
Legal reserves	3.6	-	3.3	-	3.6
Other charges	0.4	0.8	-	0.7	-
Pre-opening expense	5.1	6.2	1.2	9.8	3.6
Impairment of intangible assets	-	-	-	17.5	-
Transaction expense, net	5.3	0.5	0.9	1.0	5.0
Other income, expense:					
Interest, depreciation and amortization expense related to equity investments	32.6	9.9	9.7	29.2	22.9
Changes in fair value of Midwest Gaming's interest rate swaps	12.4	(1.5)	3.2	14.7	15.4
Midwest Gaming's recapitalization and transactions costs	4.7	-	-	-	4.7
Other	(0.2)	-	0.1	-	-
Total adjustments to EBITDA	87.7	22.8	23.9	90.2	72.8
<b>Adjusted EBITDA</b>	<u>\$ 451.4</u>	<u>\$121.9</u>	<u>\$ 88.0</u>	<u>\$207.3</u>	<u>\$377.6</u>
<b>Adjusted EBITDA by segment:</b>					
Churchill Downs	\$ 137.7	\$ 23.9	\$ 5.2	\$ 30.3	\$128.5
Online Wagering	66.3	31.9	15.0	85.7	54.1
Gaming	280.9	75.4	71.7	122.4	212.6
Total segment Adjusted EBITDA	484.9	131.2	91.9	238.4	395.2
All Other	(33.5)	(9.3)	(3.9)	(31.1)	(17.6)
<b>Total Adjusted EBITDA</b>	<u>\$ 451.4</u>	<u>\$121.9</u>	<u>\$ 88.0</u>	<u>\$207.3</u>	<u>\$377.6</u>