



CHURCHILL DOWNS

INCORPORATED

Investor Presentation

July 2023

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 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;
- additional or increased taxes and fees;
- the impact of the novel coronavirus (COVID-19) pandemic, including the emergence of variant strains, and related economic matters on our results of operations, financial conditions and prospects;
- lack of confidence in the integrity of our core businesses or any deterioration in our reputation;
- loss of key or highly skilled personnel, as well as disruptions in the general labor market;
- the impact of significant competition, and the expectation the 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 HRM manufacturing or 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 TwinSpires Sports and Casino 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;
- reliance on our technology services and catastrophic events and system failures disrupting our operations;
- inability to identify and / or complete, or fully realize the benefits of 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 other filings we make with the Securities and Exchange Commission.

We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



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Business Overview and Case for Investing

Churchill Downs Incorporated (“CDI”) Overview

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

Churchill Downs Racetrack (“CDRT”)

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

KENTUCKY  DERBY



Historical Racing Machines (“HRMs”)

Kentucky

Five gaming entertainment venues with ~4,200 HRMs

Virginia

Six HRM properties with ~2,600 HRMs with two HRM expansion projects underway

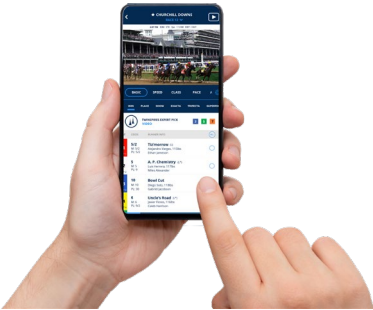
New Hampshire

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

TwinSpires

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

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



Casino Gaming

Eleven casinos¹ with ~14,000 slot machines and video lottery terminals and 300 table games in ten states

Building a new casino in Terre Haute, Indiana



¹ Includes Miami Valley Gaming, 50% owned Ohio joint venture, and Midwest Gaming Holdings, LLC, 61% owned joint venture (Rivers Casino Des Plaines)

Case for Investing

The Kentucky Derby

- Iconic and irreplaceable asset
- Consistent high margin growth and significant free cash flow over the long-term
 - Organic growth from unique and evolving guest experiences and expanded offerings
 - Long-term sustainable growth from capital investments in marquee asset
- Growing international engagement through Japan and European Roads to the Derby

Diverse Organic Growth

- Expansion of HRM properties in Kentucky, Virginia, New Hampshire, Louisiana and other states
- One of the most profitable, industry-leading online wagering platforms for horse racing driven by access to best-in-class racing content and linkage to the Kentucky Derby
- Diverse portfolio of wholly-owned regional gaming properties and strategic equity investments

Strong Financial Profile

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

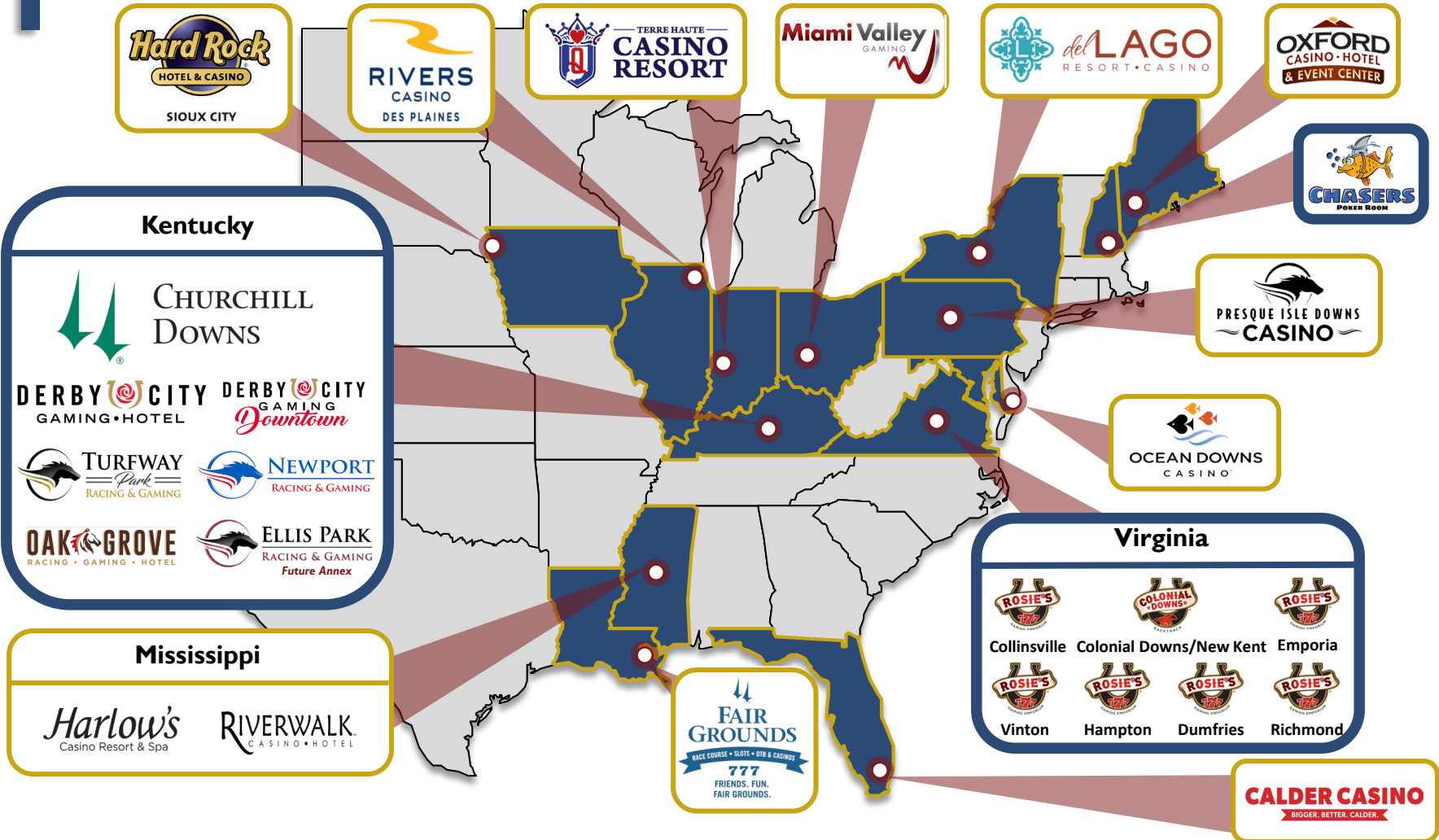
With a Proven Management Team and Organizational Depth for Execution

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

The Kentucky Derby is Only the Beginning

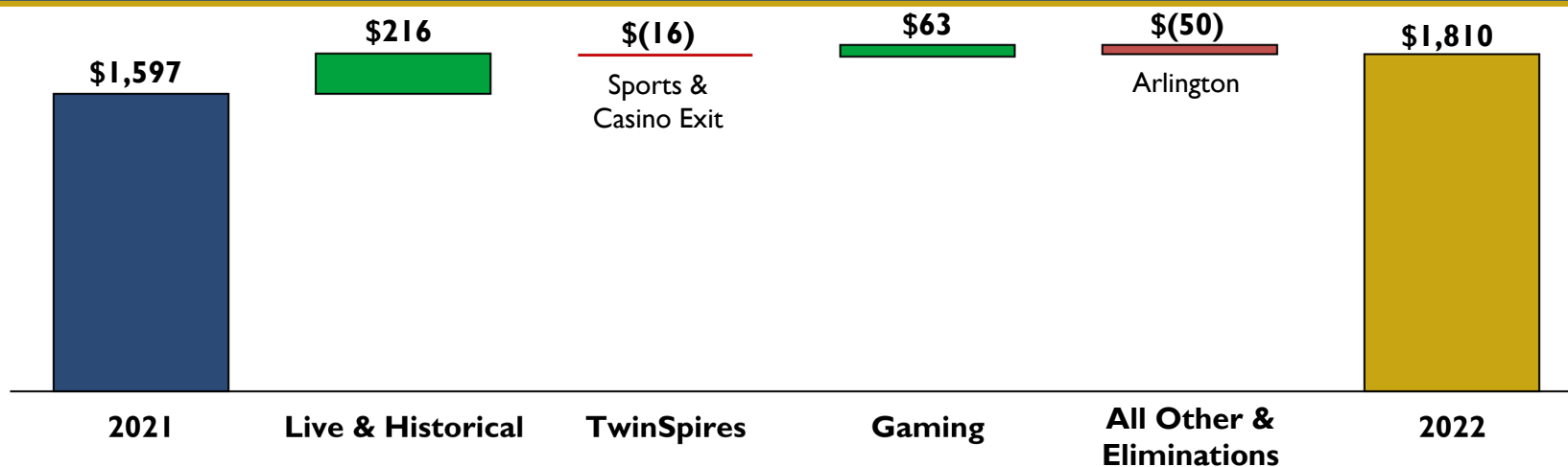
Live and Historical Racing

Gaming

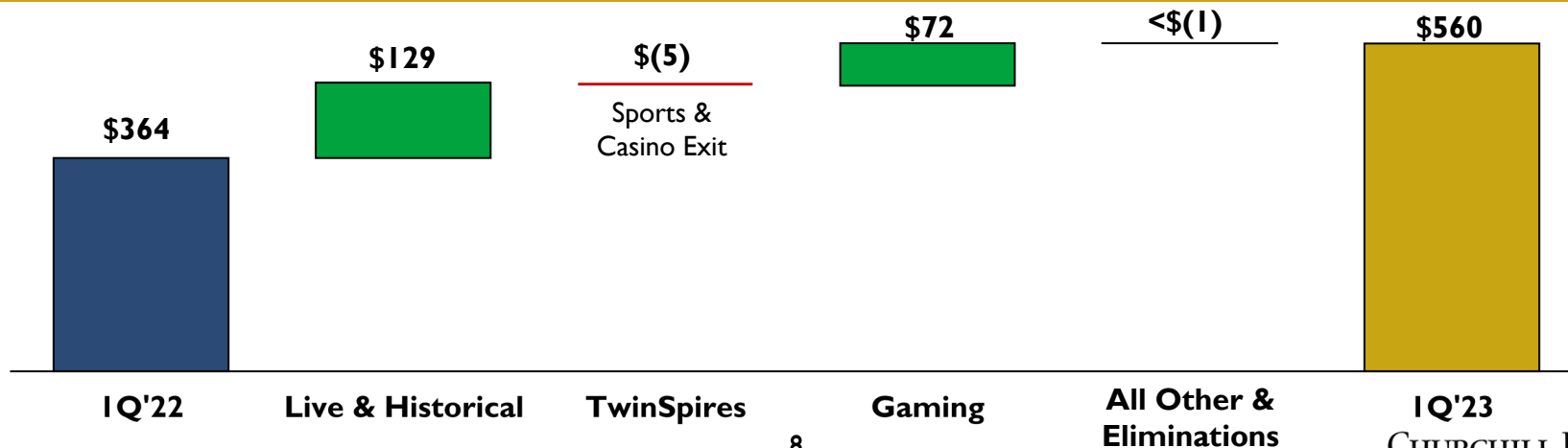


Consistent Double-Digit Revenue Growth

13% Annual Revenue Growth from 2021 to 2022

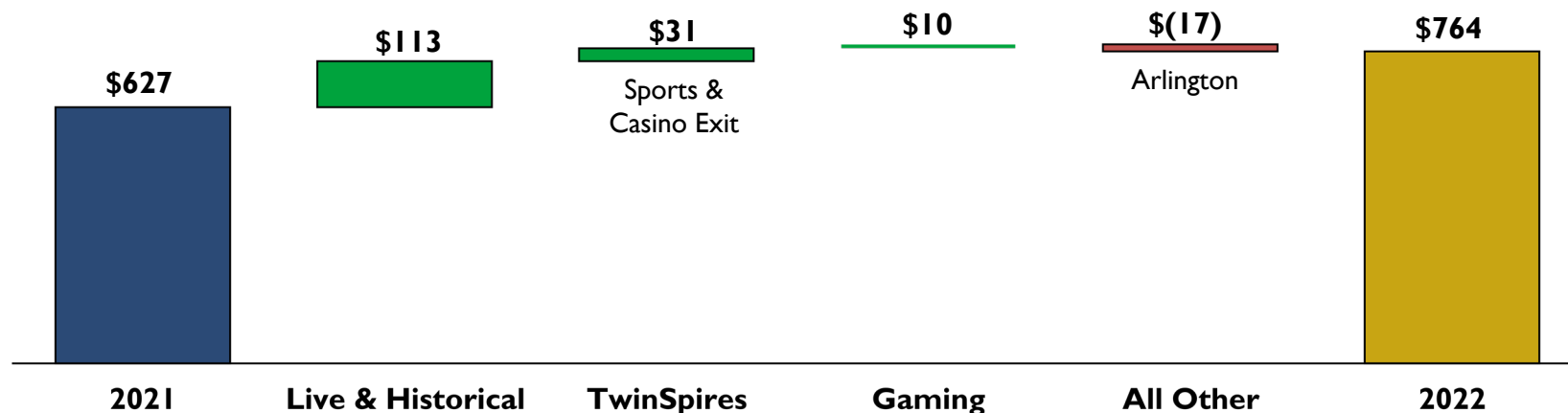


54% Quarterly Revenue Growth from IQ'22 to IQ'23

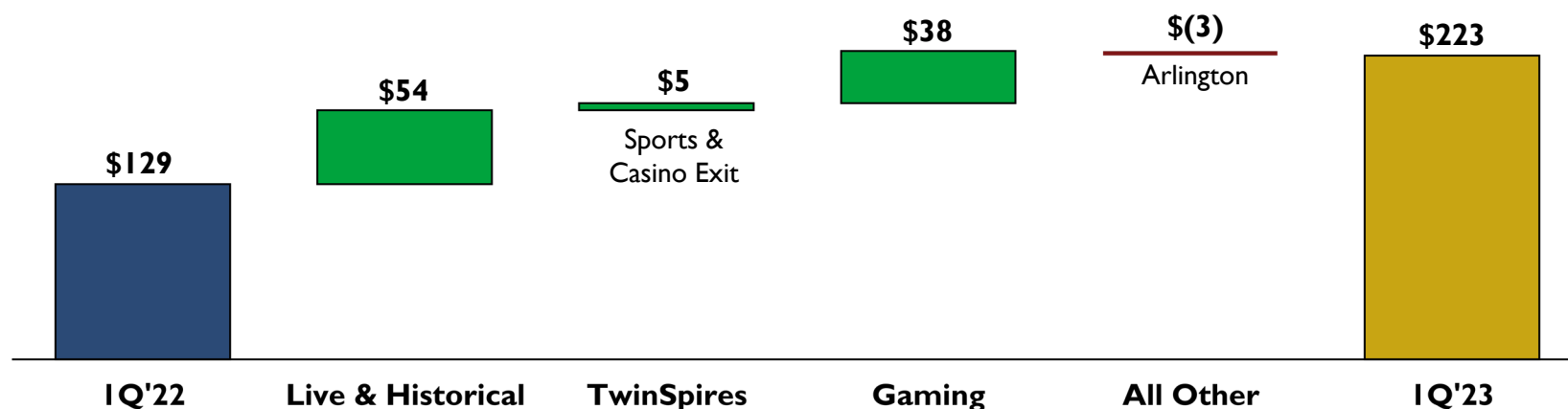


Consistent Double-Digit Adjusted EBITDA Growth

22% Annual Adj. EBITDA Growth



73% Quarterly Adj. EBITDA Growth



Project Capital Investments and Acquisitions

Summary of Project Capital Investments and Acquisitions

	Project	Target Completion	Planned Spend (\$ Millions)
The Kentucky Derby	Paddock Project	May 2024	\$185-\$200
Historical Racing Machines	Kentucky - Derby City Gaming Hotel	2Q'23	\$80 ¹
	Kentucky - Derby City Gaming Downtown	2H'23	\$90
	Virginia - Rosie's Emporia	3Q'23	\$30
	Acquisition of Exacta Systems	2023	\$250
	Virginia - Dumfries Project	2024	\$400
	Kentucky - Ellis Park & Future Annex Oppy.	2024	\$75
	New Hampshire - HRM Facility	2024	Up to \$150 ²
Gaming	Louisiana - HRMs in OTBs	2023	\$35
	Indiana - Terre Haute Casino Resort	Early 2024	Up to \$290

¹ Includes cost of gaming floor expansion with first phase opened in December 2022

² Includes purchase price of Chasers Poker Room

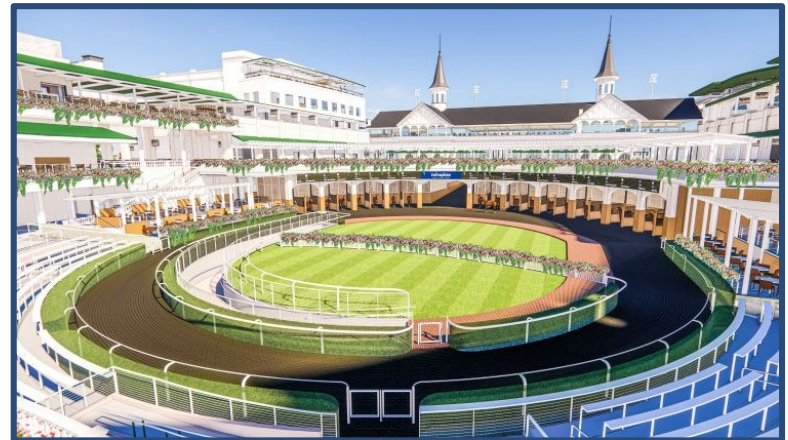
Multi-Year Capital Investments at Churchill Downs Racetrack



Paddock Project at Churchill Downs Racetrack

Enhancing the Paddock experience for nearly every guest for the 150th Kentucky Derby in May 2024

- \$185 - \$200 million with a payback period of < 8 years
- 3,600 new premium reserved seats and 3,250 new standing room only premium tickets
 - Will remove ~2,200 existing seats resulting in a net addition of ~1,400 new premium reserved seats
- Upgrading over 3,700 existing premium reserved seats
- Vision for redesign will improve the flow of guests throughout the Paddock
 - Larger paddock walking ring for viewing the horses prior to the races
 - New Paddock Club in the area on the first floor under the Twin Spires that will provide views of the paddock and views of the tunnel that the horses walk through
 - New hospitality and other amenities for guests in certain areas of the 3rd floor clubhouse seats
 - New terraces including a new Turf Club balcony overlooking the Paddock



Derby City Gaming Downtown

Creating a Derby City Gaming annex in Downtown Louisville

- \$90 million, 43,000 square-foot entertainment venue
- Annex of Churchill Downs Racetrack
- Located in the heart of Downtown Louisville, diagonal from the Kentucky International Convention Center
- Redesigning the interior and exterior of the building with Kentucky Derby theme
- Entertainment amenities include:
 - 500 HRMs initially
 - Fresh-air gaming area
 - 208 onsite parking spaces
 - Three unique bar concepts: a main-level sports bar with stage for live music and entertainment, a premium bourbon library, and an elegant wine and charcuterie lounge
- Construction underway with anticipated completion by 2H'23



Virginia Development Rights

Rosie's Emporia

- CDI is also developing Rosie's Gaming Emporium in Emporia with 150 HRMs
 - \$30 million investment
 - 7th historical racing entertainment venue under Colonial Downs license
 - ~80 miles to Norfolk, Virginia
 - Expected to open in 3Q'23

Dumfries Project

- CDI is constructing a large gaming resort and hotel, the Dumfries Project, with up to 1,150 HRMs in Northern Virginia and potential for expansion up to 1,800 HRMs after initial build out
 - \$400 million investment
 - Gaming facility and 102-room hotel
 - ~30 miles to Washington DC
 - Expected to open in 2024

Future Expansion

- Colonial Downs will race 27 days in 2023 (1 race day per 100 HRM machines)
 - The number of race days will increase as the number of HRMs deployed in Virginia increases

Virginia HRMs	
Existing HRMs:	~2,600
Future HRMs:	
Rosie's Emporia	150
Dumfries Project	1,000 ¹
Additional HRMs ²	~1,250
Total HRMs:	5,000



¹ Represents incremental machines to the existing Dumfries location which currently has 150 HRMs

² Represents incremental machines that can be placed at existing locations or at new locations

Acquisitions and New HRM Venue Build Outs

Ellis Park Racing & Gaming

- Up to \$154 million investment in acquisition and expansion of racing and gaming facilities
 - \$79 million purchase price
 - ~\$75 million investment in Ellis Park and future HRM facility
- Henderson, Kentucky is approximately 10 minutes from downtown Evansville, Indiana
- Ellis Park improvements since acquisition in September 2022:
 - Enhanced customer racing experience
 - Safety and environmental compliance
 - Increased purse money
 - Added stakes races
- Ellis Park traditionally runs a ~25-day Thoroughbred race meet from early July to late August and has ~300 HRMs in its grandstand facility
- CDI is developing plans for a new HRM facility in Eastern Daviess County

New Hampshire Charitable Gaming Facility

- Up to \$150 million investment in acquisition and build-out of a new venue
- Located in Salem, New Hampshire approximately 30 minutes from downtown Boston
- Chasers is one of the leading New Hampshire Charitable Gaming Operators
 - Led all New Hampshire charitable gaming operators in both gaming revenue and local charitable contributions since opening in 2017
 - Under New Hampshire law, a portion of revenue from charitable gaming operations is allocated to nonprofit organizations licensed in the state
- CDI plans to begin construction on new HRM venue with up to 800 gaming positions including HRMs and table games with potential to add more units
- Expected to open in 2024

Terre Haute Casino Resort

Building the new Terre Haute Casino Resort

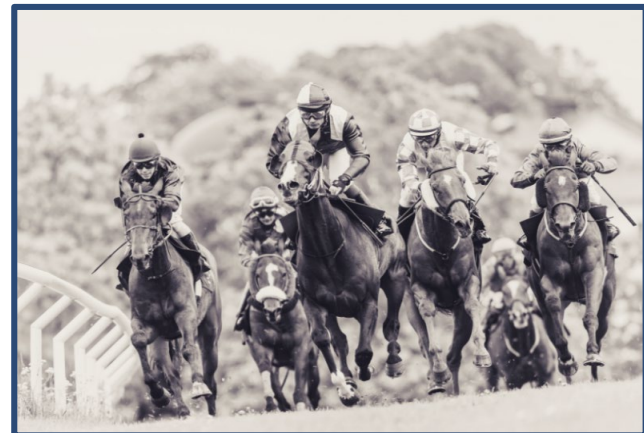
- Awarded Vigo County, Indiana casino license in January 2022
- Up to \$290 million investment
- 50-acre parcel of land off I-70 at the State Road 46 exit on the far-east side of Terre Haute
- Entertainment amenities include:
 - Up to 1,000 slot machines
 - 34 table games
 - High-limit gaming lounge
 - 122-room luxury hotel
 - Signature sports bar with TwinSpires retail sports betting offering
 - Several food and beverage offerings
- Expected to open in early 2024



Acquisition of Exacta Systems

CDI has entered into a definitive agreement to acquire Exacta Systems, LLC (“Exacta”)

- Exacta
 - Provider of technology to support historical horse racing (“HHR”) operations
 - Integrated a diverse set of leading HRM gaming manufacturers into its HHR platform, including: AGS, IGT, Light & Wonder, Everi, Konami, and Incredible Technologies
 - Supports HHR operations in Virginia, Kentucky, Wyoming, and New Hampshire
- Total consideration of \$250 million in cash
- Transaction will allow CDI the opportunity to realize synergies related to the Company’s recent acquisition of Colonial Downs Racetrack and the Rosie’s Gaming Emporium HRM facilities in Virginia
- For tax purposes, the acquisition will be treated as an asset purchase allowing CDI to realize incremental tax benefits, which will provide additional cash flow and will enhance the overall economics of the transaction
- Transaction expected to close in 2023







Live and Historical Racing Segment

Kentucky Live and Historical Racing Overview

Four racetracks in Kentucky with five HRM facilities

Live Racing	Historical Racing Facilities	Key Metrics		
Churchill Downs <i>Home of the Kentucky Derby</i>	Derby City Gaming <i>Derby City Gaming Downtown (2H'23)</i>	\$ in millions	2022	1Q'23
Turfway Park	Turfway Park Racing & Gaming Newport Racing, Gaming & Hotel	Revenue	\$646	\$216
Oak Grove	Oak Grove Racing, Gaming & Hotel <i>Future Annex Oppy.</i>	VPY / VPQ	+50%	+147%
Ellis Park	Ellis Park Racing & Gaming <i>Eastern Daviess County Annex (TBD)</i>	Adjusted EBITDA	\$288	\$82
		VPY / VPQ	+64%	+194%

Properties in red italics are not yet open.

Four racetracks in Kentucky with ~4,200 HRMs at five properties currently and approval for up to 9,000 HRMs

The Kentucky Derby Overview

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



Historic
Americana



Contagious
Excitement



Sophisticated
Luxury



Living
Traditions

The Kentucky Derby - By The Numbers

Broad ranging in-person appeal and significant broadcast interest creates long-term support for iconic entertainment event

NBC's Most Watched Program Since Super Bowl LVII

- 16.6 million peak viewership
- 14.8 million average viewership
- Lead-up coverage included: TODAY Show, Access, E! News, The Kelly Clarkson Show, Universal Pictures' Fast X Promos, The Players, WWE Raw World

Appeals to all ages¹

Age Range of Derby Attendees

- 42% 18 to 34
- 26% 35 to 49
- 26% 50 to 64
- 6% > 65

Appeals to all income levels¹

Average annual income of ticket buyer

- 42% <\$100K
- 40% \$100K - \$250K
- 18% over \$250K

\$1.2 million Average Net Worth

Comparable Viewership	2023 Date	Network	Avg. Viewers ¹
149th Kentucky Derby	May 6th	NBC	14.8
Masters Final Round	Apr 9 th	CBS	12.1
Daytona 500	Feb 19 th	ABC/ESPN	8.2
Indy 500	May 28 th	NBC	4.9
Formula One Miami Grand Prix	May 7 th	ABC/ESPN	2.0

¹ Viewership in millions



¹ Demographic data from 2022

The Month Long Celebration Leading Up to the Kentucky Derby

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



Fillies Derby Ball
It's the Derby Ball that starts it all!
Experience an evening of dinner, dancing, and live entertainment

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



Kentucky Derby Festival Marathon
A Boston Marathon qualifying race which runs through Churchill Downs



Thunder Over Louisville
The largest annual fireworks display in North America

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

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

The Lead Up to the Kentucky Derby



CELEBRITY GALAS



FASHION SHOWS



ENTERTAINMENT & NIGHT RACING UNDER THE LIGHTS



WATCH TOP CONTENDERS TRAIN FOR THE BIG RACES



APPRECIATE & HONOR THE BEST OF LOUISVILLE



BOURBON & HORSE TOURS



CONCERT PERFORMANCES



CELEBRATE THE THOROUGHBRED INDUSTRY



ENJOY KENTUCKY HERITAGE, BOURBON & BLUEGRASS



PREMIERE RACE FOR FILLIES, FASHION AND FUNDRAISING



CULINARY EVENTS



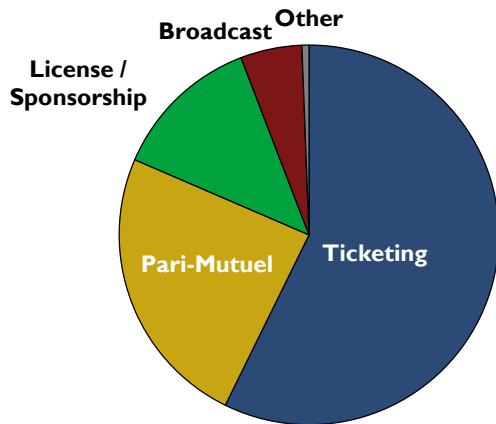
INDUSTRY PARTIES



THE MOST PRESTIGIOUS EVENT IN RACING

A Premier International Sporting & Entertainment Event

Derby Week Revenue



Premium seats (~62,000) are largest contributor to revenue

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

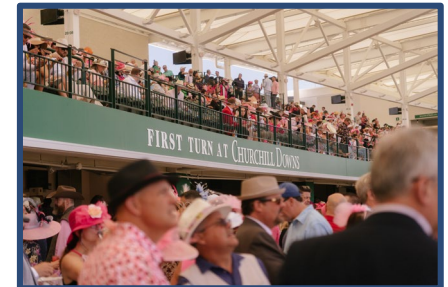
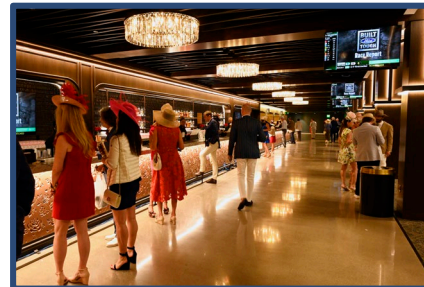
Kentucky Derby Growth Strategy

Leverage unique experiences and make strategic capital investments

- Enhance guest experience to enable pricing differentiation for ~62,000 reserved seats
- Expand Derby Week offerings and attractions
- Execute capital investments to enable segmentation of guests who do not have a reserved seat

Attract additional sponsorships

Expand European Road to Derby and Japan Road to Derby



First Turn Experience at Churchill Downs Racetrack

Created a new First Turn Experience for the 149th Kentucky Derby in May 2023

- \$90 million project provided additional permanent stadium seating and new track-level hospitality club, which replaced the temporary Oaks and Derby seating at the first turn:
 - 5,100 covered stadium seats (+1,700 additional seats)
 - Up to 2,000 guests can enjoy a new 50,000 square-foot climate-controlled hospitality venue with reserved dining room tables, a trackside viewing terrace, and two new seating concourses to allow for better guest circulation and amenities (+2,000 additional seats)
 - New hospitality venue provides opportunities for special events outside of the race meets



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

Sponsorship Strategy

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

- Official partners include Woodford Reserve, Longines, Ford, FanDuel, and BMW
- Majority of sponsorship revenue dollars are multi-year deals that include Kentucky Derby, Kentucky Oaks, and Churchill Downs assets
- Recently announced an agreement with Woodford Reserve to be the presenting sponsor of the Kentucky Derby through 2027



Investing Capital in Unique Experiences

		Enhance Guest Experience	Enable Price Differentiation	Capital Investments to Enable Segmentation
2021	Conversion to all-inclusive experience for all reserved seating	✓	✓	✓
2022	Homestretch Club	✓	✓	✓
2023	First Turn Experience	✓	✓	✓
2024	Paddock Project	✓	✓	✓

Enhances Long-Term Shareholder Value

International Growth Strategy

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

United States

Horses compete for a Derby starting position through 37 races from September through April

Japan

Horses compete for one Derby starting position through four Japanese races starting in November

European

Horses compete for one Derby starting position through seven European races from September to March

Growth Potential

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



Historical Racing Machine Overview

A historical horse racing machine is a gaming device that uses the results of previously run horse races to approximate the gaming experience of Class II and Class III machines

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

Unique early stage growth model

- CDI's HRM business is still in relatively early days, with recently opened properties like Oak Grove, Turfway Park, and Newport, Kentucky ramping up and new properties yet to open, like Derby City Gaming Downtown, future Annex for Ellis Park, and the Dumfries and Emporia Projects
- Consumer education on HRMs is still developing in all of our markets
- Opportunity remains for innovation in HRM products that can be offered to consumers
- CDI has the opportunity to expand into other states



Historical Racing Machine Overview

In Virginia, Colonial Downs is the only entity eligible to operate HRMs in the state and is permitted to operate HRMs at up to 10 “satellite facilities” with a statewide limit of 5,000 HRMs

- Six P2E facilities currently with ~2,600 HRMs
- Purse contributions from HRM facilities support horse racing at Colonial Downs and the agricultural industry in Virginia

In New Hampshire, each of the existing 15 charitable gaming operators is allowed to offer HRMs at its facility and may relocate its facility within its current city of operation

- New Hampshire is the first state to allow the combination of HRMs and table games at facilities
- A portion of gross gaming revenue is donated to local charities

In Louisiana, each racing license operator is allowed to offer up to 50 HRMs at each of its OTBs

- CDI expects to have up to ~400 HRMs at 12 of its Fair Grounds OTBs¹ in 2023
- Purse contributions from HRM revenue support horse racing at Fair Grounds and the horse racing industry in Louisiana

Future expansion opportunities exist in other states

¹ Results of HRMs at Fair Grounds OTBs are reported in the Gaming segment

Historical Racing Machine Overview - Kentucky

Nine racing licenses have been awarded by the Kentucky Horse Racing Commission (“KHRC”) and are each allowed to have a main facility and one “annex” facility within a 60 mile radius of the licensed racetrack

- CDI holds four racing licenses – Churchill Downs Racetrack, Oak Grove, Turfway Park, and Ellis Park
 - Churchill Downs Racetrack is permitted to have Derby City Gaming¹ and Derby City Gaming Downtown as an annex
 - Turfway Park has Newport Racing and Gaming as an annex
 - CDI has announced an annex for Ellis Park in the Owensboro, Kentucky area
 - CDI has the option to pursue an additional annex under the Oak Grove license in Kentucky
- Purse contributions from the HRM facilities attract more and better-quality horses resulting in better-quality racing content which strengthens the foundation of the entire horse industry in Kentucky and benefits TwinSpires

Keeping Kentucky Strong



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



Churchill Downs Racetrack and Derby City Gaming

	DERBY CITY GAMING HOTEL	DERBY CITY GAMING Downtown	CHURCHILL DOWNS
Opened	Sep. 2018	2H'23	Future Organic Growth Opportunity
Total investment (\$ millions)	\$78¹	\$90²	
Property size (sq-ft)	~85,000	~43,000	
Proximity to major market	8 mi. to Downtown Louisville	Downtown Louisville	
Win/Unit/Day³	\$452		
Actual HRMs⁴	1,170	500	
HRM capacity approval to date	3,000		

¹ Reflects total investment for completed project

² Reflects total anticipated investment for project

³ Based on average of 1,149 operational HRMs for twelve months ended May 31, 2023, 1,293 operational HRMs at May 31, 2023

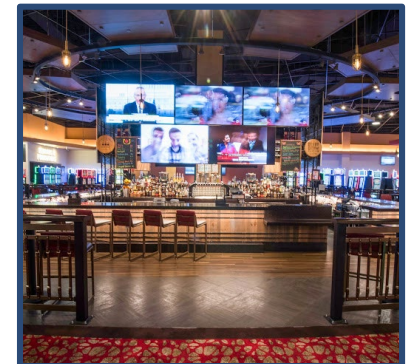
⁴ As of December 31, 2022

Derby City Gaming


- Operates at Churchill Downs Racetrack's ancillary training facility in Louisville, Kentucky
 - Décor pays homage to our deep history in horse racing
 - Center bar with large format televisions, two food venues, and outdoor gaming patio on the north side of the facility
 - \$13 million south side gaming patio opened with a net addition of 225 HRMs in September 2020
- Opened expanded gaming floor late 2022 and opening a new hotel by end of 2Q'23
- Supports purse funding for Churchill Downs Racetrack meets

Derby City Gaming Downtown

- Opening a new \$90 million HRM entertainment venue in Downtown Louisville in 2H'23
- Will support purse funding for Churchill Downs Racetrack meets



Oak Grove Racing, Gaming & Hotel

		Annex
Opened	Sep. 2020	<i>Future Organic Growth Opportunity</i>
Total investment (\$ millions)	\$200 ¹	
Property size (sq-ft)	~275,000	
Proximity to major market	~55 mi. to Nashville	
Win/Unit/Day ²	\$303	
Actual HRMs ³	1,360	
HRM capacity approval to date	1,500	

Located off of Hwy 24 on the KY / TN border

- ~55 miles from Nashville, Tennessee (MSA pop. ~1.3 million)
- Across the street from Fort Campbell, the second largest military base in the U.S. (MSA pop. ~200,000)
- ~11 miles from Clarksville, Tennessee (MSA pop. ~150,000)

Facility includes:

- Harness racetrack opened Oct. 2019
- HRM facility opened Sept. 2020
- 128-room hotel with event center and dining areas opened October 2020
- 3,000 person capacity amphitheater, RV park, and equestrian center opened late spring 2021





¹ Reflects total investment for completed project

² Based on average of 1,297 operational HRMs for twelve months ended May 31, 2023

³ As of December 31, 2022

Turfway Park Racing & Gaming and Newport Racing & Gaming

		
Opened	Sept. 2022	Oct. 2020
Total investment (\$ millions)	\$200¹	\$37²
Property size (sq-ft)	~85,000	~17,000
Proximity to major market	~10 mi. to Cincinnati	~3 mi. to Cincinnati
Win/Unit/Day	\$171³	\$183⁴
Actual HRMs⁵	850⁶	500
HRM capacity approval to date	2,500	

Turfway Park Racing & Gaming Renovation

- Located in Northern Kentucky (~10 miles to Cincinnati, OH)
- Opened September 1, 2022
- Supports purse funding for Turfway Park race meets

Newport Racing & Gaming

- Located in Newport, Kentucky
- \$37 million total investment including \$6 million expansion in November 2021
- Supports purse funding for Turfway Park race meets



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

¹ Reflects total investment for completed project and inclusive of \$46 million purchase price

² Reflects total investment for completed project


³ Turfway opened September 1, 2022; Win/Unit/Day reflects the average of 829 operational HRMs for September 1, 2022 through May 31, 2023

⁴ Based on average of 453 operational HRMs for twelve months ended May 31, 2023 for Newport

⁵ As of December 31, 2022

⁶ Can expand to up to 1,200 HRMs

Ellis Park Racing & Gaming and Future HRM Facility

		Annex
Opened	1922	TBD
Total investment (\$ millions)	\$154 ¹	
Property size (sq-ft)	~100,000	TBD
Proximity to major market	~5 mi. to Evansville, Indiana	TBD
Win/Unit/Day ²	\$175	TBD
Actual HRMs ⁵	320	~600
HRM capacity approval to date	2,500	

Ellis Park located off of Interstate 69 on the KY / IN border

- ~5 miles from Evansville, Indiana (MSA pop. ~315,000)
- ~30 miles from Owensboro, Kentucky (MSA pop. ~125,000)
- Owensboro, Kentucky is the 4th largest city in Kentucky

Owensboro-Area HRM Facility will include:

- ~600 HRMs
- A simulcast wagering area
- Multiple food and beverage offerings
- Will support purse funding for Ellis Park race meets

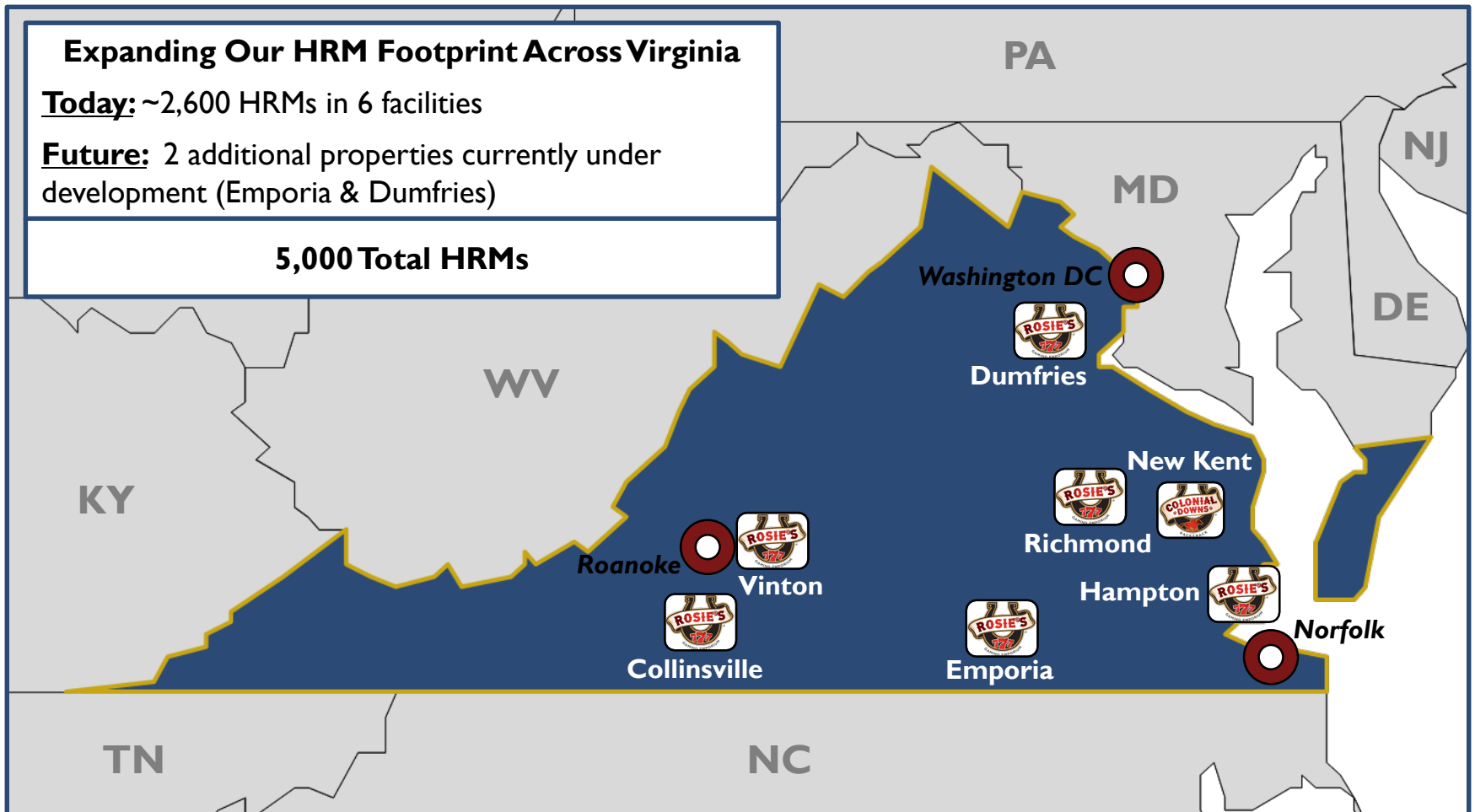


¹ Reflects total anticipated investment for Ellis Park and future annex projects and inclusive of \$79 million purchase price







² Based on average of 308 operational HRMs for twelve months ended May 31, 2023

³ As of December 31, 2022

Virginia Live and Historical Racing Properties

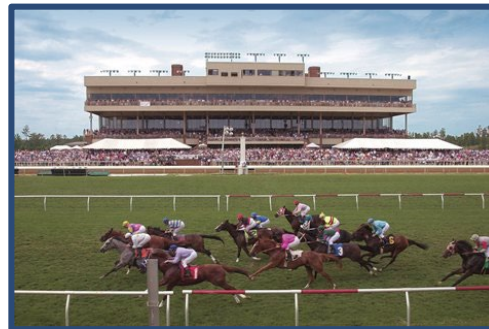


Existing Virginia Assets

						
Opened	Apr. 2019	May 2019	Jun. 2019	Oct. 2019	Jan. 2021	Jul. 2021
Location	New Kent (Colonial Downs)	Vinton	Richmond	Hampton	Dumfries	Collinsville
Property size (sq-ft)	127,000	15,000	54,000	38,000	19,000	2,000
Win/Unit/Day¹	\$265	\$262	\$497	\$405	\$685	\$519
Actual HRMs²	550	470	700	700	150	37

Colonial Downs Racetrack

- Located in New Kent, Virginia
- Colonial Downs will race 27 days per year (1 race day per 100 HRM machines) in 2023
- The number of race days will increase as the number of HRMs deployed in Virginia increases



¹ Based on average number of operational HRMs at each facility for the twelve months ended May 31, 2023

² As of December 31, 2022





TwinSpires Segment

TwinSpires Growth Strategy

Grow core TwinSpires horse racing customers

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

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

- Seamless delivery of casual betting pari-mutuel platform with single wallet integration
- Provide technology interfaces and ancillary services necessary to accept and settle pari-mutuel wagers via United Tote
- Provide services necessary to acquire pari-mutuel racing content
- Potential for sports wagering sponsorships of the Kentucky Derby
- Will generate incremental content fees for CDI racetracks

Regarding sports betting, CDI will

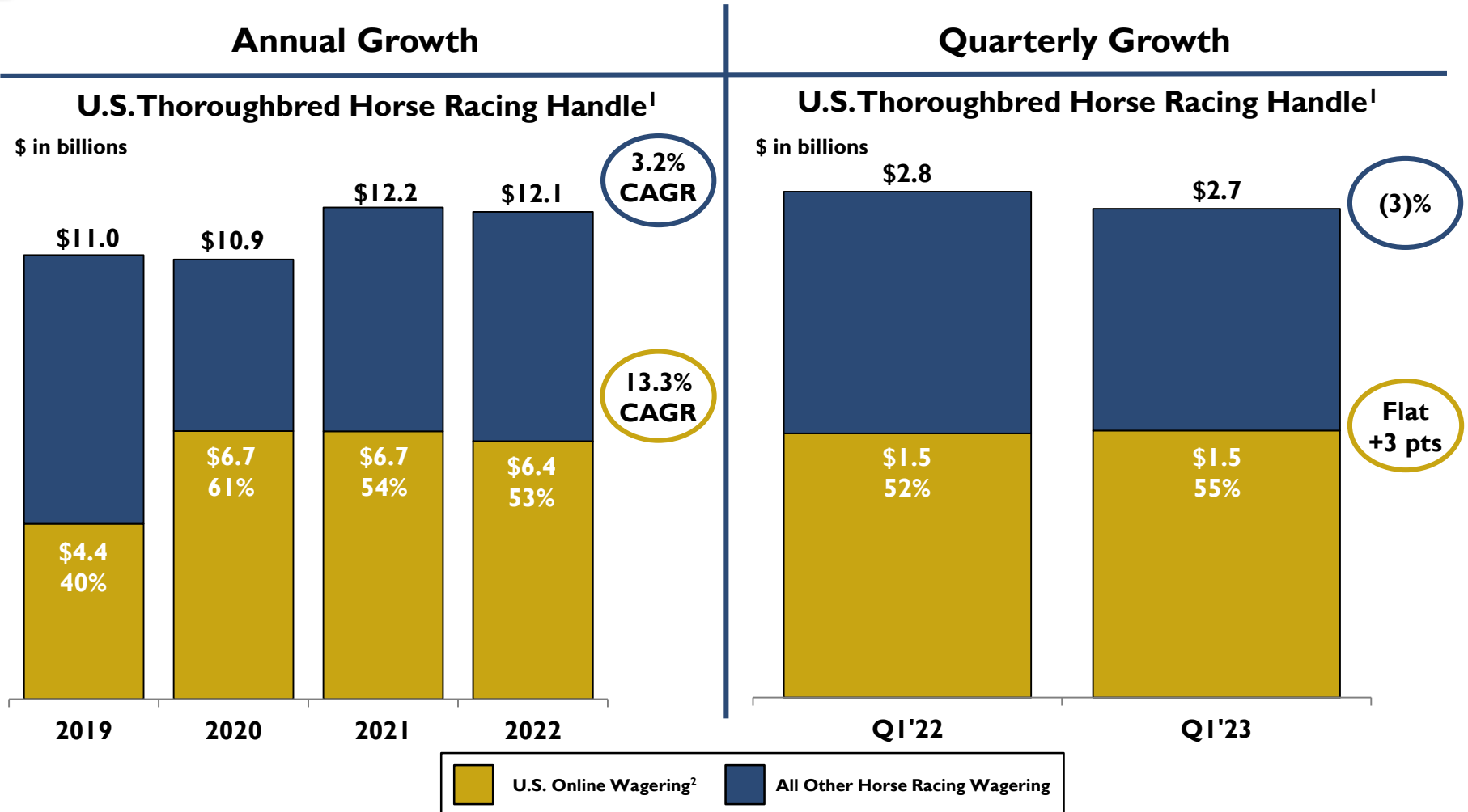
- Maintain its retail sportsbooks
- Exit B2C online sports betting and casino business
- Monetize online sports betting market access rights

Key Metrics		
<i>\$ in millions</i>	2022	1Q'23
Revenue	\$442	\$93
VPY / VPQ	(4)%	(5)%
Adjusted EBITDA	\$114	\$29
VPY / VPQ	+38%	+22%

TwinSpires is the premier pari-mutuel content and online technology provider

Horse Racing Industry Handle and Online Wagering

Online wagering on horse racing has grown significantly since 2019



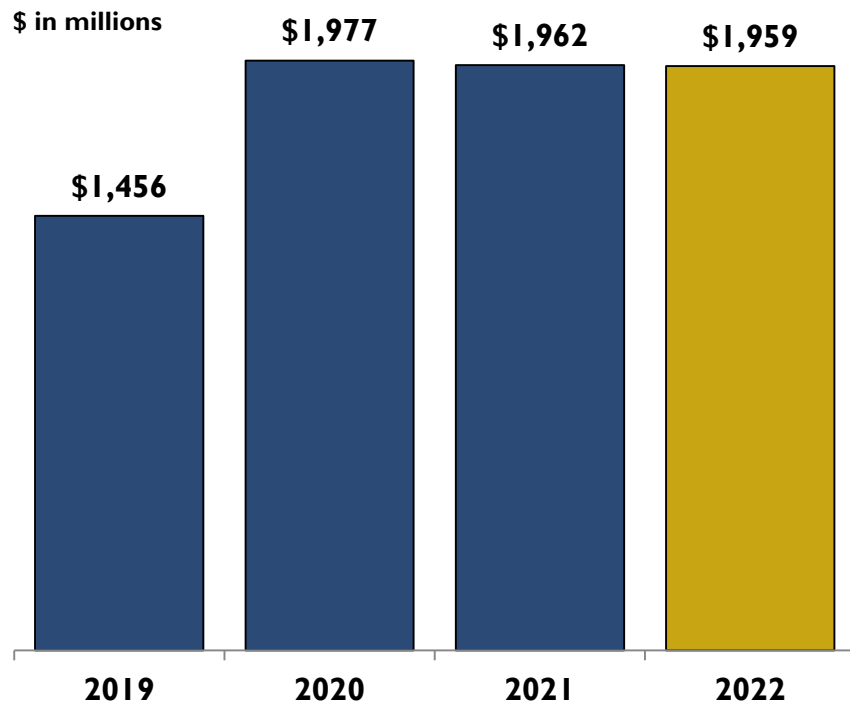
¹ Represents wagering on U.S. Thoroughbred Horse Racing as reported by Equibase

² U.S. Online Wagering as reported by the Oregon Racing Commission

TwinSpires Handle Growth

TwinSpires Horse Racing handle¹ has also grown significantly since 2019

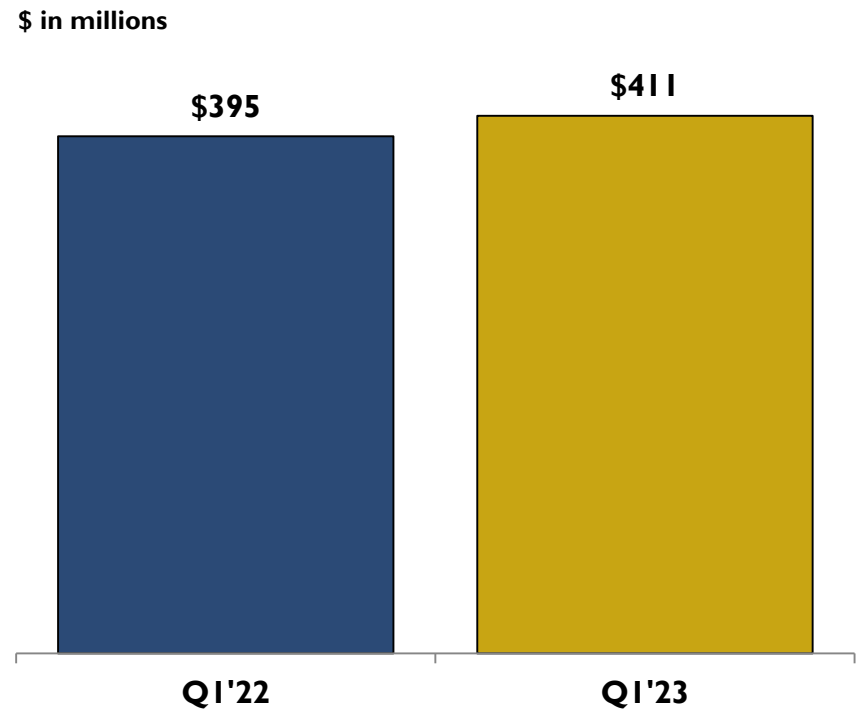
Annual Growth



VPY:	+36%	(1)%	(0)%
-------------	-------------	-------------	-------------

V'19:	+36%	+35%	+35%
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Quarterly Growth



VPY:	+4%
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V'19:	+35%
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¹ TwinSpires handle excludes Velocity

TwinSpires Horse Racing

TwinSpires Horse Racing business is a well-proven, profitable, and growing platform built on pari-mutuel wagering economics

Strategic Advantages

**24/7/365 Wagering in 16 Countries with
~165,000 Races at 360 Racetracks**

Linkage to the Kentucky Derby

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

Customer relationships

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

Technology platform and analytics

- Own technology platform with in-house development team
- Utilize analytics on customer behavior to drive efficient customer acquisition, retention, and activation

Management team

- Significant online wagering and technology experience



KENTUCKY DERBY

BELMONT STAKES

PREAKNESS

SARATOGA



TwinSpires B2B Growth Strategy – FanDuel and DraftKings Agreements

FanDuel

- Agreement began in January 2023
- FanDuel created a fully integrated and seamless wagering experience with a single wallet for their customers who want to bet on sports and on horse racing with FanDuel TV driving ongoing engagement
- Key components of agreement:
 - Non-exclusive Kentucky Derby sponsorship rights for sports wagering
 - Content fees for wagers that FanDuel accepts on CDI's owned or controlled horse racing content, including the Kentucky Derby
 - Exclusive TV rights to racing content at all CDI Thoroughbred racetracks excluding specified content such as Kentucky Derby Week once CDI's existing non-Derby media rights deal expires in 2023
 - Utilization of CDI's United Tote business to facilitate pari-mutuel wagering on its platforms in the U.S. including FanDuel Sportsbook and TVG



DraftKings

- DraftKings launched DK HORSE in March 2023 ahead of the 149th running of the Kentucky Derby in May 2023
- DK HORSE allows DraftKings' eligible customers to bet on horse racing using a standalone branded app
- Key components of agreement:
 - TwinSpires provides advanced deposit wagering ("ADW") technology to DraftKings for a full end-to-end label ADW solution
 - CDI provides DraftKings pari-mutuel wagering rights to horse racing content owned or controlled by CDI, including the Kentucky Oaks and Kentucky Derby
 - CDI also secures, on behalf of DraftKings, additional horse racing content for use on DK HORSE



TwinSpires Sports and Casino Strategy

CDI will maintain its retail sportsbooks and monetize online market access rights

Jurisdiction	CDI Property
Mississippi	Harlow’s and Riverwalk Casinos
Pennsylvania	Presque Isle Downs & Casino in Erie, PA
Indiana	Terre Haute Casino Resort¹
Kentucky	Derby City Gaming, Turfway Park, Newport Racing & Gaming, Oak Grove, Ellis Park^{2,3}
Louisiana	Fair Grounds Slots/VSI and Race Course
Maryland	The Casino at Ocean Downs
Illinois	Rivers Des Plaines Joint Venture⁴
Ohio	Miami Valley Gaming
Maine	Oxford Casino and Hotel²
New York	del Lago Resort & Casino
Iowa	Hard Rock Hotel and Casino Sioux City

Nominal loss in 2022 and expected to be positive in 2023 and beyond

¹ Terre Haute Casino Resort is under development and will include a TwinSpires retail sportsbook with two additional online skins

² State sports betting not yet live

³ Retail sports wagering only

⁴ Rivers Des Plaines operates retail and online sports betting under the brand BetRivers and is recorded in the Gaming segment





Gaming Segment

Regional Gaming Properties

Diverse portfolio of gaming properties

Strategic Advantages

Local approach

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

Business intelligence analytics

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

Leverage corporate gaming expertise

- Return on invested capital focused
- Gaming floor layout and game mix optimization focus
- Centralized slot purchasing to leverage size
- Centralized marketing resources facilitate shared best practices

Regional property gaming leaders

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

Key Metrics		
<i>\$ in millions</i>	2022	1Q'23
Revenue¹	\$762	\$252
VPY / VPQ	+9%	+40%
Adjusted EBITDA²	\$422	\$130
VPY / VPQ	+2%	+42%

¹ Revenue does not include revenue from our equity investments

² Adjusted EBITDA includes our portion of EBITDA from our equity investments

Wholly-Owned Gaming Properties

Nine wholly-owned regional gaming properties

State	Property	Acres	Slots ¹ & Video Poker / VLTs ¹	Tables ¹	Racetrack	Hotel Rooms	Retail Sportsbook
FL	Calder Casino	54	1,090	6	-	-	-
IA	Hard Rock Hotel & Casino Sioux City	15	660	20	-	54	✓
LA	Fair Grounds Slots and VSI ²	145	1,620 ³	-	✓	-	✓
ME	Oxford Casino and Hotel ⁴	97	960	28	-	100	✓
MD	The Casino at Ocean Downs	167	850	18	✓	-	✓
MS	Harlow's Casino Resort & Spa	85 ⁵	670	18	-	105	✓
MS	Riverwalk Casino Hotel	22	600	11	-	80	✓
NY	del Lago Resort & Casino	83	1,670	76	-	205	✓
PA	Presque Isle Casino	270	1,550	35	✓	-	✓

¹ Units as of December 31, 2022

² Fair Grounds operates 15 OTBs across southeast Louisiana

³ Excludes 341 HRM units as of December 2022

⁴ Oxford retail sportsbook is approved but pending final regulations

⁵ Leased land

Equity Investments

Rivers Casino Des Plaines (61% Ownership)

Property

- Premier location on 21 acres in Des Plaines, IL (~17 mi. from Chicago)
- ~2,000 positions^{1,2} (1,516 slot machines and 120 table games)
- Eight food and beverage outlets plus a VIP lounge
- Retail and online BetRivers sportsbook

Completed \$90MM investment³ in 78,000 sq-ft expansion in 2022

- First phase of expansion added ~725 gaming positions and new restaurant in January 2022
- Second phase of expansion added poker room, new casino bar, and expanded gaming floor in April 2022
- 10,000 sq-ft ballroom added in May 2022



Miami Valley Gaming (50% Ownership)

Property

- Located on 120 acres in Lebanon, OH (North of Cincinnati, south of Dayton)
- ~2,250 video lottery terminals¹ and four dining facilities
- Joint venture (50/50) with Delaware North

Completed two growth projects in 2022

- Expanded the outdoor gaming patio in June 2022 to allow for 196 more machines and to add an outdoor bar
- Converted existing buffet space into two new food venues and added incremental gaming space in July 2022



¹ Units as of December 31, 2022

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

³ Investment funded from Rivers Des Plaines operating cash flow and debt facilities for joint venture and not funded by CDI





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

Capital	2023 Forecast	2024 Outlook
Maintenance	\$75 - 95 million	TBD
Projects	\$575 - 675 million	TBD
	<ul style="list-style-type: none"> ▪ Churchill Downs ▪ DCG ▪ DCG Downtown ▪ Ellis / Future Annex ▪ Terre Haute ▪ Louisiana HRMs ▪ Virginia ▪ New Hampshire 	<ul style="list-style-type: none"> ▪ Churchill Downs ▪ Ellis / Future Annex ▪ Terre Haute ▪ Virginia ▪ New Hampshire

Capacity for Future Investments

- 3.9x TTM Bank Net Leverage as of March 31, 2023
- Significant balance sheet flexibility
- \$1.2 billion revolving credit facility
- Demonstrated ability to access debt markets with attractive rates / terms

M&A and Organic Capital Investments are a Core Discipline of Our Team

Disciplined M&A

- Rivers Casino Des Plaines
- P2E: ~7.8x multiple including tax benefits, < 7.8x after realizing synergies from the Exacta transaction
 - Provides substantial scale and expands historical racing geographic diversification
 - Future development rights and opportunities

Focused Capital Investments

- Target unique, high cash generating assets
- Churchill Downs Racetrack
 - Homestretch Club
 - First Turn Experience
 - Paddock Project
- Kentucky HRMs
- Virginia and New Hampshire HRMs

Strategic Seller of Assets

- Big Fish Games
 - Purchased for \$835 million¹ Dec. 2014
 - Sold for \$990 million¹ in Jan. 2018
 - > 50% levered IRR
- Calder land sales in 2016 and 2022
 - 176.7 total acres, \$317.5 million total
- Arlington property sale in 2023
 - 326 acres, \$197.2 million total

¹ Gross, prior to settlement of working capital adjustments and transaction costs

CDI has returned over \$1.6 billion of capital to shareholders over the last 8 years

Dividends

- **January 2023 was the 12th consecutive increase in the dividend per share**
- **\$185.6 million paid to shareholders in dividends over the last 8 years¹**

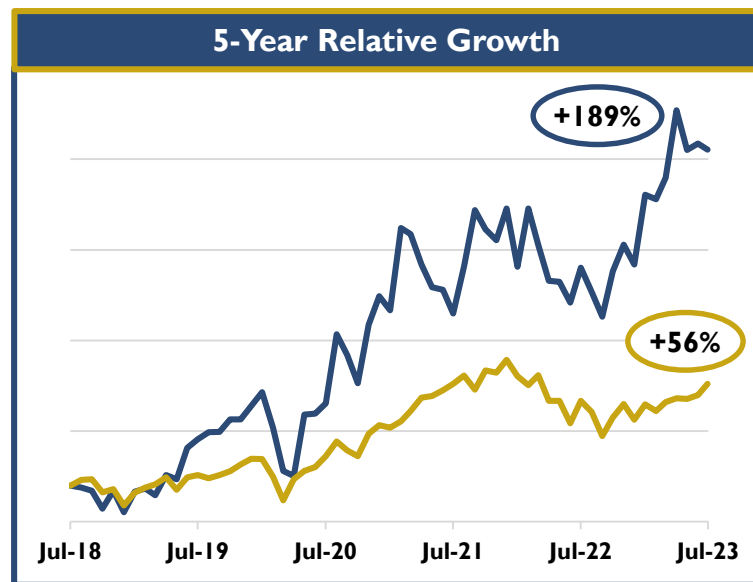
Share Repurchases

- **Returned \$1.5 billion to shareholders through share repurchases over the last 8 years**
 - Repurchased ~16.3 million shares at an average price of ~\$90 per share¹
- **\$270.2 million remaining under the 2021 Stock Repurchase Plan on March 31, 2023**

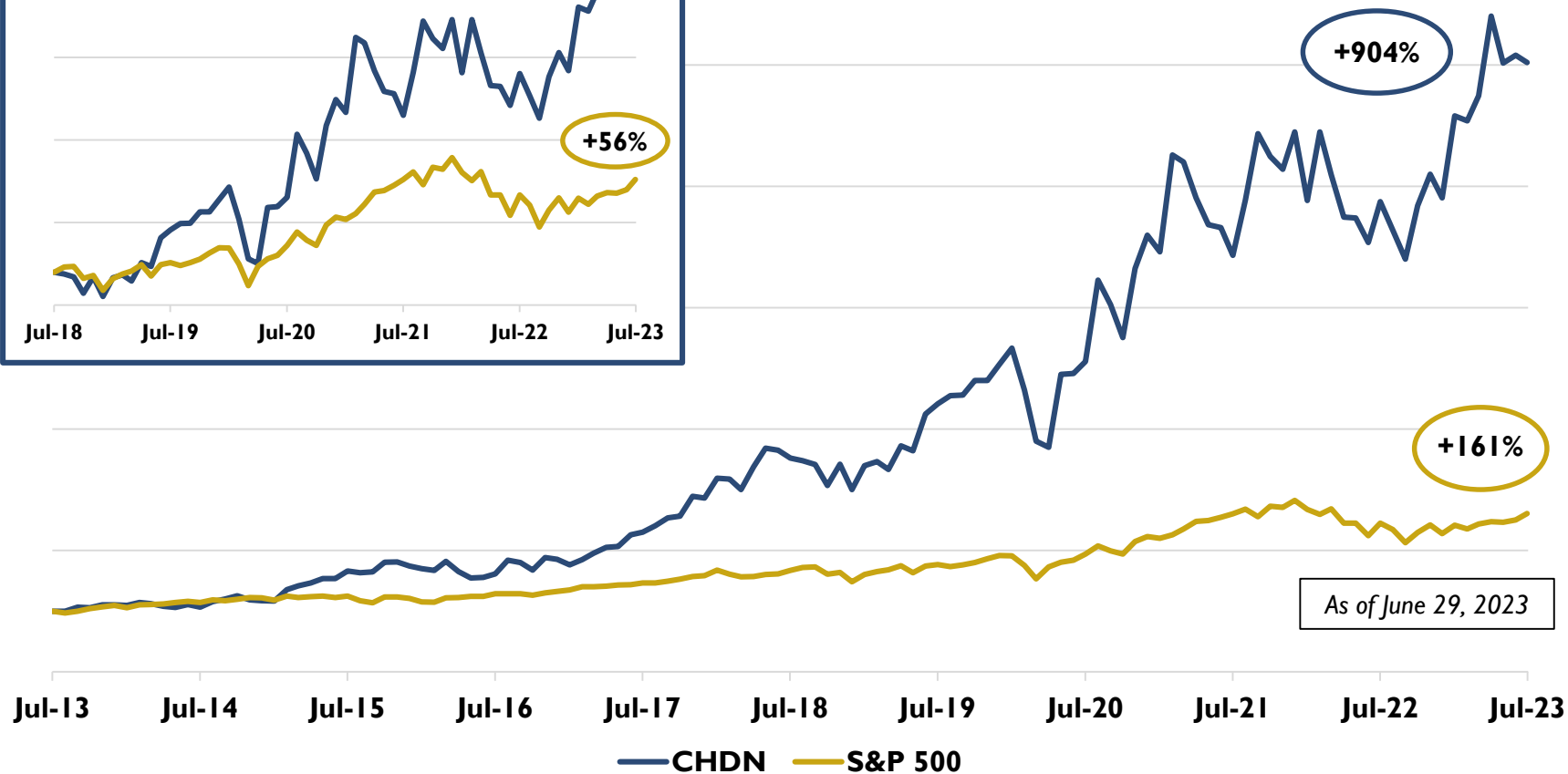
Reflects our long-term commitment to effectively return capital to shareholders unless there are more attractive growth opportunities

¹Through March 31, 2023

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



CAGR	5-Year	10-Year
CHDN	23%	26%
S&P 500	9%	10%







Environmental, Social, and Governance

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

ESG Committee established to lead ESG initiatives

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

Responsible Gaming

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

Environment

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

Social

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

Governance

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

CDI Approach to Responsible Gaming

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

Team Members

We provide the knowledge and skills regarding:

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

Customers and Guests

We provide information regarding:

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

Monitoring

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

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

Periodic state gaming regulator audits

CDI Approach to Equine and Jockey Health and Safety

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

Horseracing Integrity and Safety Act (HISA)

- Passed in 2020 to create an independent body to implement national standards for medication usage and racetrack safety
- Result of CDI and racing industry efforts
- The Anti-Doping and Medication Control (ADMC) Program was implemented in May 2023 and the Racetrack Safety Program was implemented in July 2022
 - The ADMC creates a national set of rules and standards for the treatment of horses
 - This is a welcome change from the prior model where states had their own independent medication programs
 - HISA contracted veterinarians perform pre-race veterinary examinations of each horse competing prior to each and every race

Equine Safety and Welfare

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

Racing Integrity

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

Jockey Health and Safety

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



CDI Approach to the Environment

We have ongoing initiatives at our properties:

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



Examples of these initiatives include:

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

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

CDI Approach to Social

CDI is investing in the communities in which we operate

- CDI contributes over \$6.3 million annually via grants and in-kind donations to over 750 organizations
- Each year, CDI donates Derby Week tickets and experiences to nonprofit fundraising auctions, resulting in > \$2.5 million raised to benefit various charitable causes
- Our team members demonstrate their commitment to our communities through toy and food drives, preparation of meals for those in need, and assisting nonprofits with a variety of volunteer initiatives like our School to Work Mentorship Program with Big Brothers Big Sisters of Kentuckiana
- Our Kentucky Oaks charitable initiative fundraises for women's health advocacy, primarily focused on breast and ovarian cancer
 - More than \$1 million raised for women's health advocacy since its inception
 - Partnerships with Norton Cancer Institute and Horse & Hope help to provide preventative access to underserved women, including those that work in the equine industry
 - Attendees are encouraged to incorporate pink or teal into their outfit and nearly 150 breast and ovarian cancer survivors march in the Survivors Parade



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

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



CDI Approach to Governance

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

- 8 of 9 directors are independent
- Fully independent Audit and Compensation committees
- 3 of 9 independent directors are a woman or diverse
- Board includes financial, industry and risk management experts

Oversight by Board of Directors regarding critical governance responsibilities

- Risk Management
- Responsible Gaming
- Cyber Security
- ESG
- Code of Conduct

Single-class capital structure protects investor rights

Mandatory Board of Director retirement age of 72

Significant shareholder engagement throughout the year

- Institutional Investor's 2023 All-America Executive Team Ranking for mid-cap gaming and lodging:
 - #1 Best Company Board
 - #2 Best CEO, Best CFO
 - #2 Best ESG

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

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





Appendix

Management Team



Bill Carstanjen
Chief Executive Officer

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



Bill Mudd
President and Chief Operating Officer

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



Marcia Dall
Executive Vice President and Chief Financial Officer

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

Board of Directors



Alex Rankin **Chairman of the Board**

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



Bill Carstanjen

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



Ulysses Bridgeman, Jr.

- Director since 2012
- Owner and CEO of Heartland Coca-Cola Bottling Company
- Previously owner & CEO of various companies operating over 450 restaurants in 20 states
- From 1975 – 1987 played professional basketball for the Milwaukee Bucks and Los Angeles Clippers

Board of Directors (continued)



Andréa Carter

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



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

Board of Directors (continued)



Daniel Harrington

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



Karole Lloyd

- Director since 2018
- Chair of Audit Committee and serves on the Nominating & Governance Committee
- Former Vice Chair and Southeast Regional Managing Partner for Ernst & Young LLP
- Serves on the Board of Directors of Aflac Inc.
- Handled mergers, IPOs, acquisitions, and divestures for EY



Paul Varga

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

Definition of Non-GAAP Financial Measures

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

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

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition, disposition, and land sale related charges;
 - Direct online Sports and Casino business exit costs; and
 - Other transaction expense, including legal, accounting, and other deal-related expense;
- Stock-based compensation expense;
- Rivers Des Plaines' impact on our investments in unconsolidated affiliates from:
 - The impact of changes in fair value of interest rate swaps; and
 - Legal reserves and transaction costs;
- Asset impairments;
- Gain on Calder land sale;
- Legal reserves;
- Pre-opening expense; and
- Other charges, recoveries and expenses

Reconciliation from GAAP to Non-GAAP Financial Measures

Reconciliation of Comprehensive Income to Adjusted EBITDA

(in millions)	Three Months Ended March 31,		Years Ended December 31,	
	2023	2022	2022	2021
Net income and comprehensive income attributable to CDI	155.7	42.1	439.4	249.1
Net loss attributable to noncontrolling interest	-	-	-	-
Net Income (loss) before noncontrolling interest	155.7	42.1	439.4	249.1
(Income) Loss from discontinued operations, net of tax	-	-	-	-
Income from continuing operations, net of tax	155.7	42.1	439.4	249.1
Additions:				
Depreciation and amortization	37.9	25.1	113.7	103.2
Interest expense	64.7	21.3	147.3	84.7
Income tax provision (benefit)	53.2	16.5	169.4	94.5
EBITDA	\$ 311.5	\$ 105.0	\$ 869.8	\$ 531.5
Adjustments to EBITDA:				
Selling, general and administrative:				
Stock-based compensation expense	\$ 8.6	\$ 7.0	\$ 31.8	\$ 27.8
Legal reserves	-	-	3.8	-
Other charges	-	-	7.4	0.2
Pre-opening expense and other expense	6.9	4.6	13.2	5.8
Other income, expense:				
Interest, depreciation and amortization expense related to equity investments	9.8	11.1	42.8	41.5
Changes in fair value of Rivers Des Plaines' interest rate swaps	-	(10.4)	(12.6)	(12.9)
Rivers Des Plaines' recapitalization and transactions costs	-	0.3	0.6	9.9
Other charges and recoveries, net	0.3	1.0	1.0	-
Gain on Calder land sale	-	-	(274.6)	-
Gain on sale of Arlington	(114.0)	-	-	-
Transaction expense, net	(0.2)	5.0	42.1	7.9
Asset Impairments	-	4.9	38.3	15.3
Total adjustments to EBITDA	(88.6)	23.5	(106.2)	95.5
Adjusted EBITDA	\$ 222.9	\$ 128.5	\$ 763.6	\$ 627.0
Adjusted EBITDA by segment:				
Live and Historical Racing	\$ 82.1	\$ 27.9	\$ 287.5	\$ 175.0
TwinSpires	29.4	24.1	114.1	82.7
Gaming	129.5	91.1	421.9	411.9
Total segment Adjusted EBITDA	241.0	143.1	823.5	669.6
All Other	(18.1)	(14.6)	(59.9)	(42.6)
Total Adjusted EBITDA	\$ 222.9	\$ 128.5	\$ 763.6	\$ 627.0