



CHURCHILL DOWNS

INCORPORATED

Investor Presentation

May 2021

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 occurrence of extraordinary events, such as terrorist attacks, public health threats, civil unrest, and inclement weather;
- the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit;
- additional or increased taxes and fees;
- the impact of significant competition, and the expectation the competition levels will increase;
- changes in consumer preferences, attendance, wagering, and sponsorships;
- loss of key or highly skilled personnel;
- lack of confidence in the integrity of our core businesses or any deterioration in our reputation;
- 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 manufacturing and other technology conditions that could impose additional costs;
- inability to negotiate agreements with industry constituents, including horsemen and other racetracks;
- inability to successfully expand our TwinSpires Sports and Casino business and effectively compete;
- inability to identify and complete expansion, acquisition 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;
- general risks related to real estate ownership and significant expenditures, including fluctuations in market values and environmental regulations;
- reliance on our technology services and catastrophic events and system failures disrupting our operations;
- online security risk, including cyber-security breaches, or loss or misuse of our stored information as a result of a breach, including customers' personal information, could lead to government enforcement actions or other litigation;
- personal injury litigation related to injuries occurring at our racetracks;
- compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations;
- payment-related risks, such as risk associated with fraudulent credit card and debit card use;
- work stoppages and labor issues;
- 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; and
- increase in our insurance costs, or obtain similar insurance coverage in the future, and inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events.

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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Case for Investing

Case for Investing

The Kentucky Derby

- Iconic and irreplaceable asset with consistent high margin growth and 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 marquee asset
- Growing international engagement through our Japan and European Roads to the Derby

Diverse organic growth opportunities

- Further expansion of historical racing machine properties
- TwinSpires Horse Racing data driven marketing strategy and best-in-class racing content access including the Kentucky Derby
- TwinSpires Sports and Casino expansion as states pass new laws
- Multiple, smaller regional gaming bets

Strong financial performance with capacity for growth

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

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





Live and Historical Racing Segment

Overview

Live Racing

Churchill Downs Racetrack (“CDRT”)

- **Thoroughbred Racing**
- **Home of the Kentucky Derby**
 - Longest continuously held annual sporting event in the United States
- **Receives purse money from Derby City Gaming and potential future annex**

Turfway Park

- **Thoroughbred Racing**
 - ~50 days per year (Dec. to March)
- **Receives purse money from Newport HRM facility and future Turfway Park HRM facility**

Oak Grove

- **Standardbred Racing / Harness Racing**
 - ~10 days per year (Sept. / Oct)
- **Receives purse money from Oak Grove HRM facility and potential future annex**

Historical Racing

- **Three HRM facilities in Kentucky**
 - Derby City Gaming
 - Oak Grove Racing, Gaming & Hotel
 - Newport Racing & Gaming
- **Construction has begun for a fourth HRM facility at Turfway Park in Northern Kentucky**
- **Currently have 3,050 machines**
- **Game titles and machines provided by Ainsworth, Scientific Games, IGT, and Konami**



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 million¹
- Mint Juleps served over Derby Weekend ➡ 127,000
- Traditionally the first leg of the Triple Crown ➡ only 13 Triple Crown winners since inception

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



The Lead Up to the Kentucky Derby

Unique Derby Week Experiences

Experiences at the Track:

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



Derby Week Nightlife:

Celebrities & guests attend charitable events featuring performances by top artists

3rd Party Experiences:

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



Corporate Engagement: Partnered with Derby Diversity & Business Summit

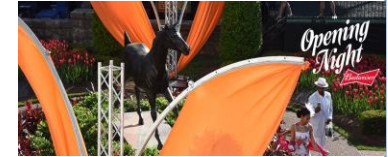
- Goal is to connect leaders in diverse owned businesses and the supply chain
- Elite business leaders participate in executive development seminars, panel discussions, and networking opportunities while enjoying Derby Week



Derby Week

Saturday: Opening Night

Celebrates local artists and performances during the first night of racing



Tuesday: Champions for Change

Celebrates Black Horsemen in Thoroughbred racing and features partner organizations who support equitable opportunities in racing

Thursday: Thurby

A day celebrating the best of Kentucky including culture, fare, and racing



Friday: Kentucky Oaks

America's premier race for 3-year old fillies that raises funding, awareness and equitable access for women's health resources

Saturday: The Kentucky Derby
The most prestigious event in racing crowns a new Triple Crown hopeful each year

147th Kentucky Derby Results

We welcomed 51,838 spectators on May 1, 2021 to celebrate the 147th Kentucky Derby under sunny cloudless skies

- Sold 40 - 60% of reserved seating in each seating area, in compliance with Kentucky venue limitations
- Tested "all-inclusive" concept for all reserved seats – cashless, more enjoyable experience for our guests
- General admission guests celebrated in infield with separate food and beverage purchase options

Delivered strong NBC television ratings for the 147th Kentucky Derby

- 15.7 million peak viewership and 14.5 million average viewers

Handle

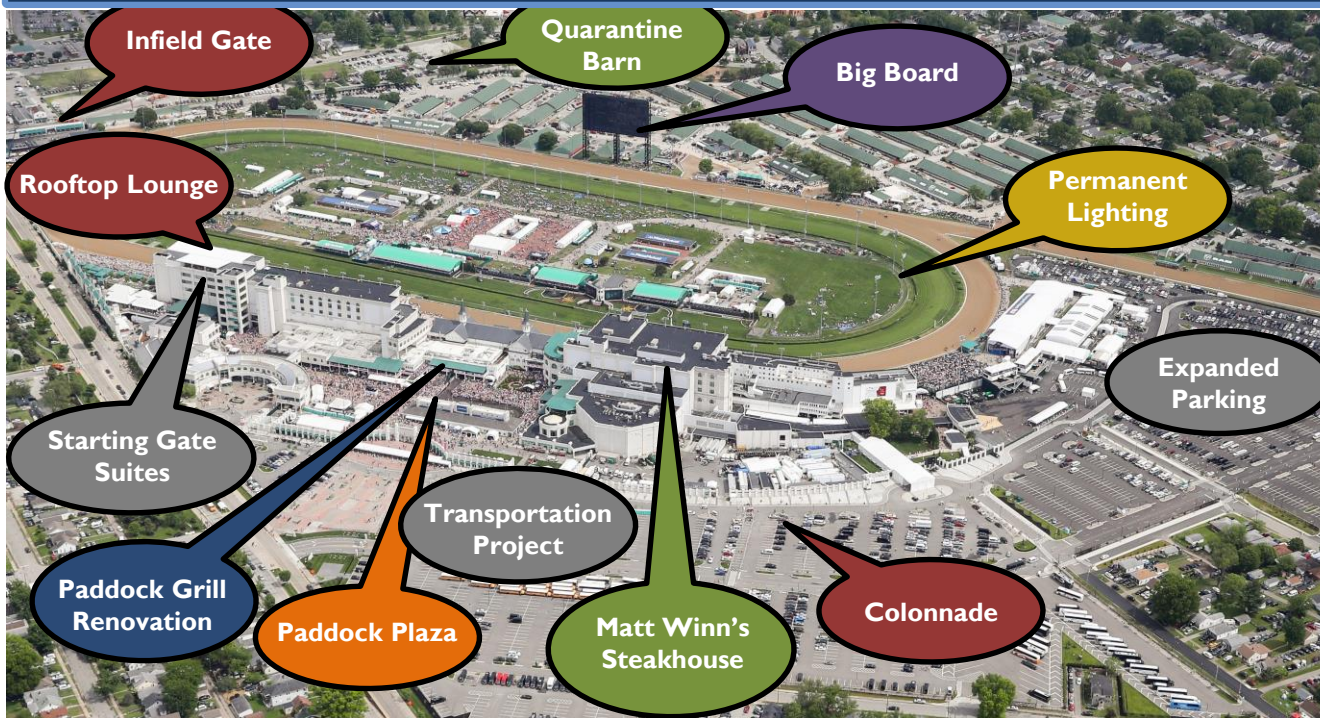
- Derby Week all-sources wagering was \$314.6 million, up 79% versus 2020
- 147th Kentucky Derby Day program all-sources wagering was \$233.0 million, up 85% versus 2020
 - Kentucky Derby race all-sources wagering was \$155.4 million, up 96% versus 2020
- TwinSpires Derby Day wagering was a record \$62.7 million, up 66% versus 2020
 - TwinSpires Kentucky Derby race wagering was a record \$40.8 million, up 75% over 2020



We were very pleased with the overall results of the 147th Kentucky Derby

Completed Projects at CDRT

Completed Projects



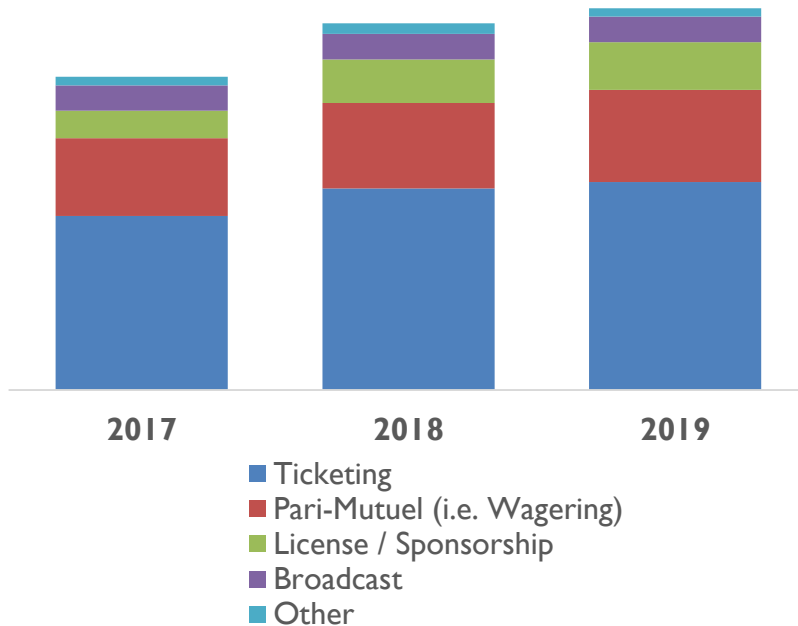
■ - 2010
 ■ - 2013
 ■ - 2014
 ■ - 2018
 ■ - 2019
 ■ - 2020
 ■ - 2021

Potential Future Projects

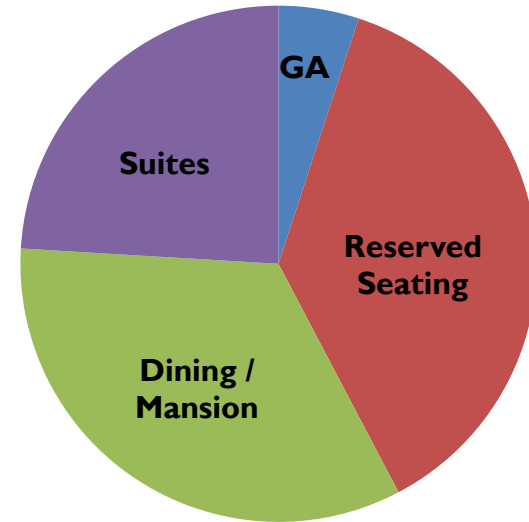
- Additional 1st Turn seating
- Premium renovations
- Grandstand amenities
- Improved paddock
- Infield seating
- Replace temporary seating with permanent seating
- Hotel

The Kentucky Derby – Typical Sources of Growth and Profitability

Derby Week Revenue
5-year CAGR for Revenue Growth → 10.4%



Ticketing Revenue



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

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

United States	Japan	European
<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>
Growth Potential		
<p>New customers for the Derby Additional wagering Provides extended marketing opportunity for sponsors</p>		

HRM Overview

Historical Racing Machine background:

- 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
- HRM facilities are coupled with Kentucky racing licenses and awarded by the Kentucky Horse Racing Commission (“KHRC”)
 - 9 licenses in Kentucky (8 have been awarded) with each license allowed a main facility and one “annex” facility within 60 mile radius of the licensed racetrack


Purse contributions increase the quality of racing at our Kentucky racetracks

- A portion of HRM handle contributes to horse racing purse money in Kentucky
 - Higher purses 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

Early stage growth model

- CDI’s HRM business is still in relatively early days, with recently opened properties like Oak Grove and Newport ramping up and new properties yet to open, like Turfway Park
- Consumer education on HRMs is still developing, especially in our newest markets
- Opportunity remains for innovation in HRM products that can be offered to consumers
- CDI still has the option to pursue annexes under both the Churchill Downs Racetrack and Oak Grove licenses
- HRMs include top game titles / themes from Ainsworth Game Technology, Scientific Games, International Game Technology and Konami Gaming with other suppliers possible for the future

Derby City Gaming

Main Facility:		Annex:
		
Opened	Sep. 2018	<i>Future Organic Growth Opportunity</i>
Total investment ¹ (\$ millions)	\$78	
Property size (sq. ft.)	~85,000	
Proximity to major market	8 mi. to Downtown Louisville	
Win/Unit/Day ²	\$537	
Actual HRMs ³	1,225	
HRM capacity approval to date	3,000	

Derby City Gaming

- Operates at CDRT's ancillary training facility in Louisville, Kentucky
- Décor pays homage to CDRT's 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 with 113 HRMs
- \$13 million south side gaming patio opened with a net addition of 225 HRMs in September 2020




¹ Reflects total approved project investment for announced projects

² For the month of April 2021 – 913 avg. HRMs operational due to restrictions

³ As of 12/31/20

Oak Grove Racing, Gaming & Hotel

Main Facility:		Annex:
		
Opened	Sep. 2020	<i>Future Organic Growth Opportunity</i>
Total investment ¹ (\$ millions)	\$200	
Property size (sq. ft.)	~275,000	
Proximity to major market	~55 mi. to Nashville	
Win/Unit/Day ²	\$302	
Actual HRMs ³	1,325	
HRM capacity approval to date	1,500	

Located off of Hwy 24 on the KY/TN border

- ~55 miles from Nashville, Tennessee (pop. ~670,000)
- Across the street from Fort Campbell, the second largest military base in the U.S. (pop. ~200,000)
- ~11 miles from Clarksville, Tennessee (pop. ~150,000)

Project includes HRM facility, hotel, harness racetrack, and equestrian center

- 128-room hotel with event center and dining options opened on Oct. 15, 2020
- Amphitheater with 3,000 person capacity, RV park, and equestrian center planned to open in 1H'21





¹ Reflects total approved project investment for announced projects

² For the month of April 2021 – 985 avg. HRMs operational due to restrictions

³ As of 12/31/20

Turfway Park Racing & Gaming and Newport Racing & Gaming

	Main Facility:	Annex:
		
Opened	Summer 2022	Oct. 2020
Total investment¹ (\$ millions)	Up to \$200	\$37
Property size (sq. ft.)	~85,000	~17,000
Proximity to major market	~10 mi. to Cincinnati	~3 mi. to Cincinnati
Win/Unit/Day²		\$121
Actual HRMs³	Up to 1,000	500
HRM capacity approval to date	2,500	

Turfway Park Racing & Gaming Renovation

- CDI purchased Turfway for \$46 million in October 2019
- Invested \$5.6 million to replace track with new Tapeta synthetic track
- Remediation and demolition of existing grandstand completed in 2020
- Resumed buildout of new facility in 1Q'21 with up to \$148 million additional investment
 - Broke ground Mar. 19, 2021

Newport Racing & Gaming

- Located in Newport, Kentucky
- Includes simulcast area and feature bar
- Will support purse funding for Turfway Park race meets



¹ Reflects total approved project investment for announced projects

² For the month of April 2021

³ As of 12/31/20





TwinSpires Segment

Overview

**Horse Racing**

- **Operational since 2007**
- **One of the largest and most profitable online pari-mutuel wagering platforms for horse racing in the U.S.**
- **Linkage to the Kentucky Derby is a key advantage**

Sports and Casino

- **Includes retail and online operations of wholly-owned properties**
- **Leveraging the TwinSpires brand to lower customer acquisition costs and cross selling to TwinSpires horse racing customers**
- **Active in Colorado, Indiana, Michigan, Mississippi, New Jersey, Pennsylvania, and Tennessee**
- **Strong geographic footprint in key states for further expansion**



Strategic Advantages

TwinSpires has unique and differentiated strategic advantages:

-
- | | |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Linkage to the Kentucky Derby → | <ul style="list-style-type: none">▪ Inexpensively acquire new customers each year with an affinity for horse racing▪ Access to premier content because of ownership of the Kentucky Derby |
| Business intelligence analytics → | <ul style="list-style-type: none">▪ Utilize analytics on customer behavior to drive efficient customer acquisition, retention and activation |
| Customer relationships → | <ul style="list-style-type: none">▪ Differentiate VIP relationships to build loyalty and retention▪ Unique ability to create once in a lifetime experiences at the Kentucky Derby |
| Management team → | <ul style="list-style-type: none">▪ 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 |
-

TwinSpires Horse Racing

Delivers handicapping data, live race video, and best in class betting

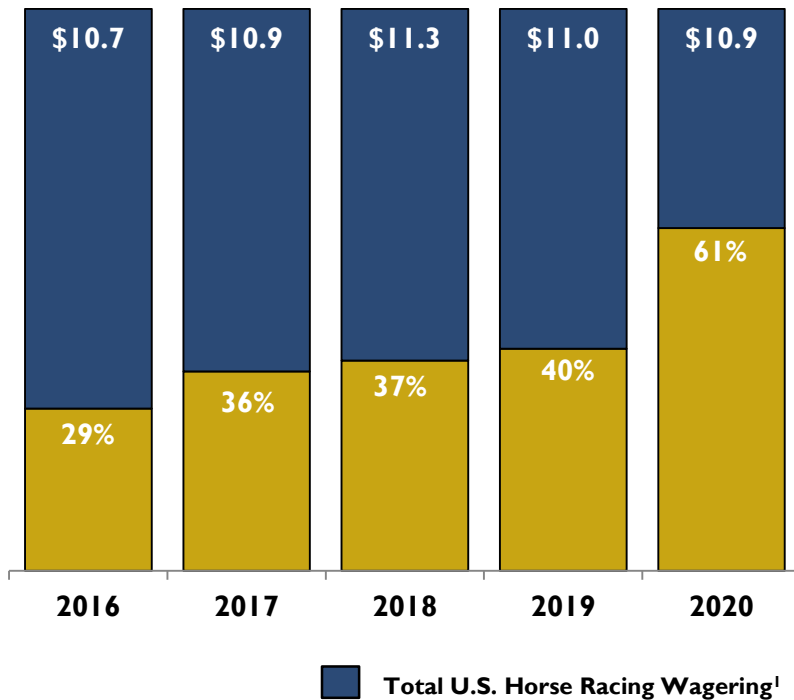
Horse Racing				
Overview	Key Metrics			
<p>Launched in 2007</p> <p>Official mobile betting partner of:</p> <ul style="list-style-type: none"> ▪ The Kentucky Derby ▪ Churchill Downs Racetrack <p>Benefits from CDI ownership of:</p> <ul style="list-style-type: none"> ▪ United Tote - provides totalisator services ▪ Brisnet - provides historical handicapping data <p>   </p>	\$ in millions	2019	2020	VPY%
	TwinSpires Handle¹	\$1,456	\$1,977	36%
	Revenue	\$291	\$405	39%
	Adj. EBITDA	\$78	\$127	62%
	Margin	26.8%	31.4%	+4.6 pts.

¹ TwinSpires handle excludes Velocity

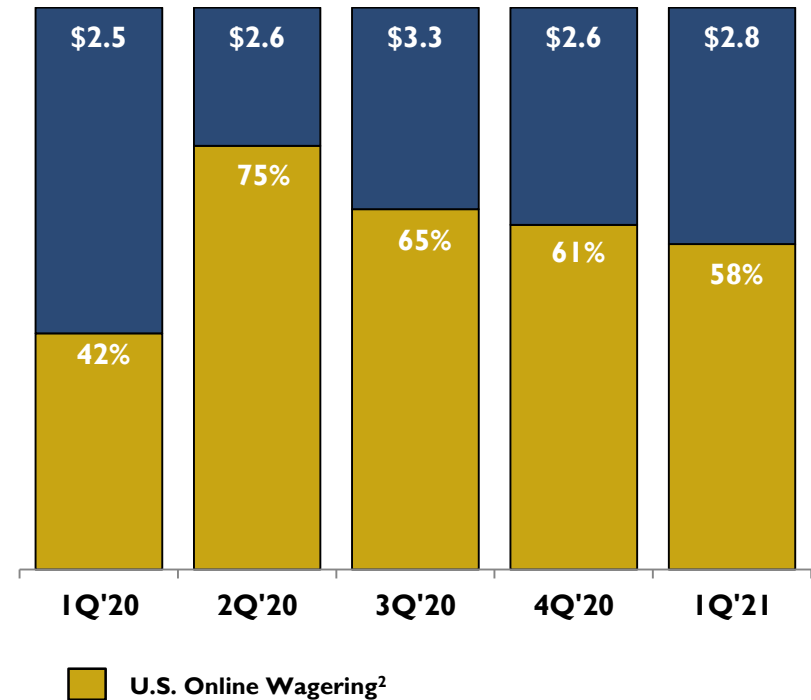
2020 COVID Disruption Materially Accelerated Shift of Wagering Online

\$ in billions

	CAGR
U.S Horse Racing	2016-20
Total Wagering ¹	0.4%
U.S. Online Wagering ²	21.1%



A portion of the shift to online caused by the pandemic has remained online a year later despite the reopening of brick and mortar facilities



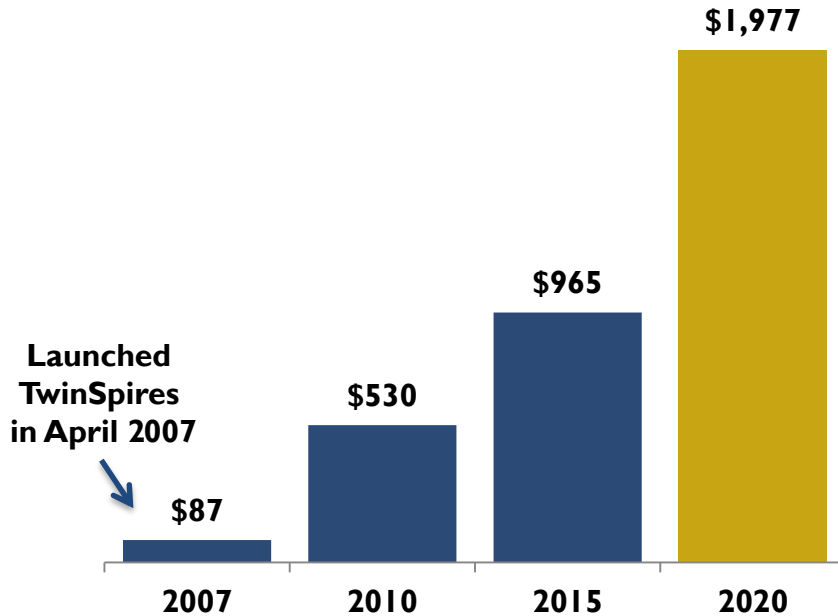
¹ Total wagering represents wagering on U.S. Thoroughbred Horse Racing as reported by Equibase

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

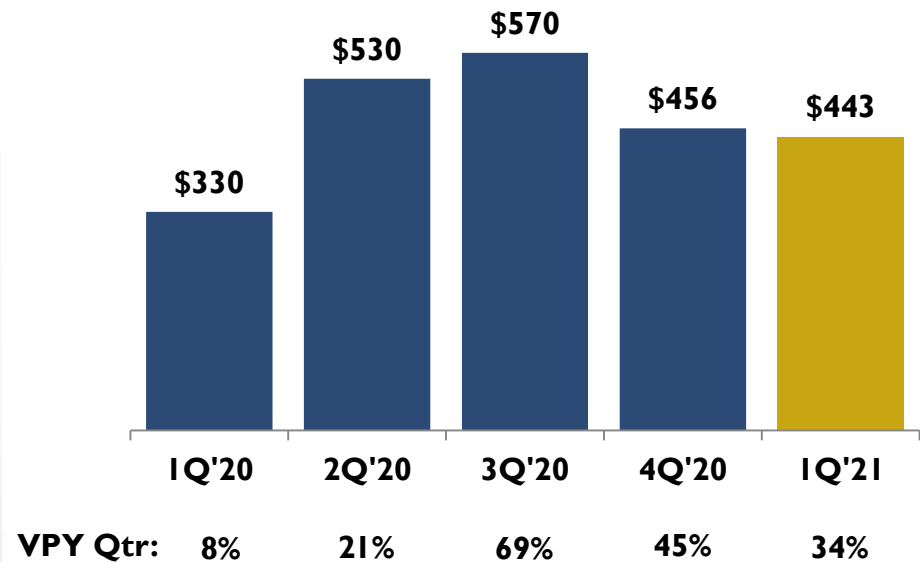
TwinSpires Horse Racing growth

\$ in millions

TwinSpires Horse Racing handle¹ has grown significantly since inception



TwinSpires Horse Racing handle grew 34% in 1Q'21 compared to prior year²



¹ All TwinSpires Horse Racing handle except for Velocity

² The 146th Kentucky Derby and Oaks were ran in the third quarter of 2020 vs. its traditional running in the second quarter

TwinSpires offers betting on ~190,000 races at 352 racetracks 365 days a year

Road to the Derby



Triple Crown

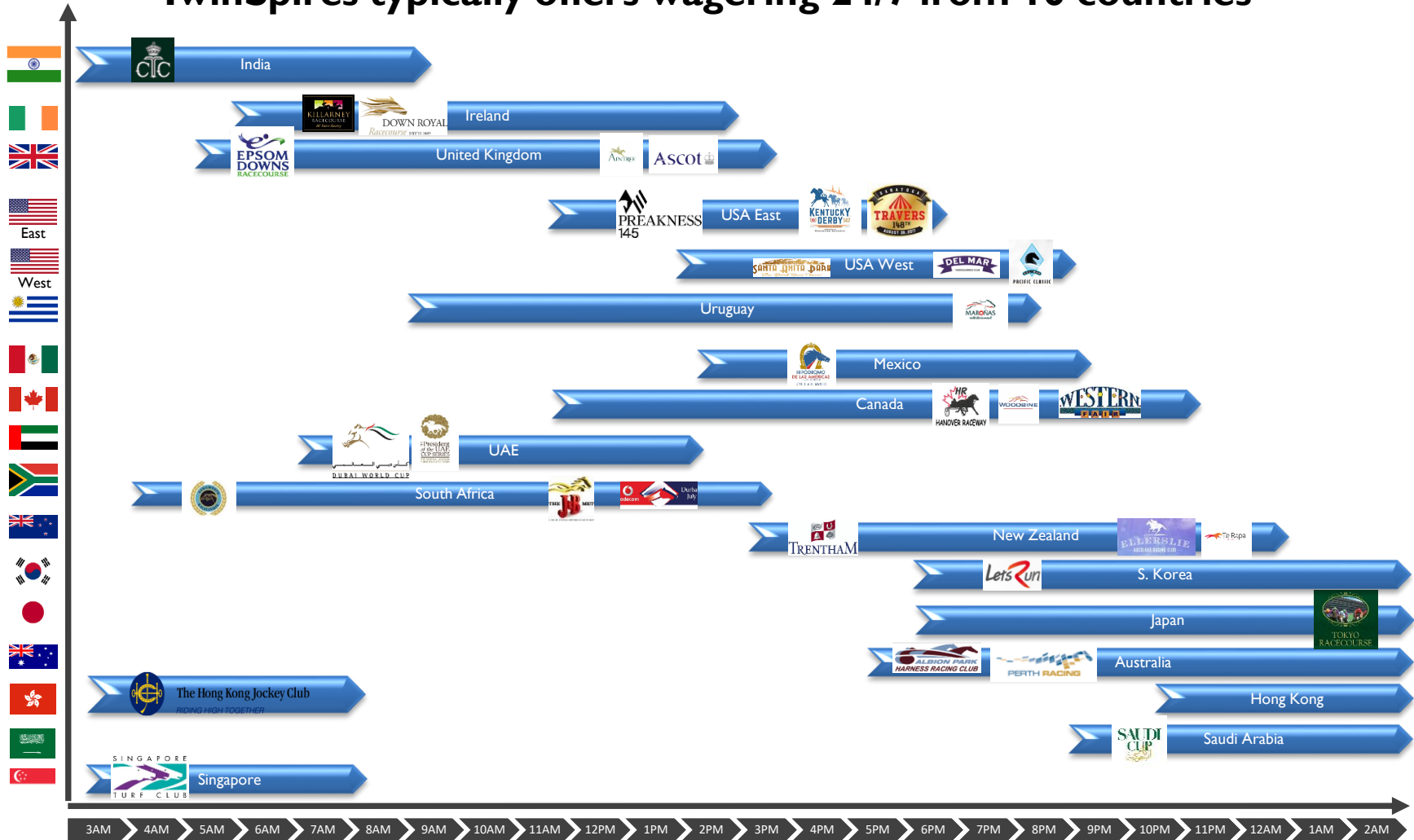


Breeder's Cup Challenge Series & World Championships



* Not all events are listed

TwinSpires typically offers wagering 24/7 from 16 countries



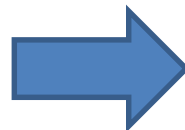
Hours in EST

Sports and Casino Growth Opportunities

CDI is operational in all states where licensed for online sports and/or casino

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

CDI is well positioned if additional states approve sports betting and iGaming



Jurisdiction	% of U.S. Population ¹	CDI Property or 3 rd Party Agreement
California	12.0%	Card room agreement
Florida	6.7%	Calder Casino
Ohio	3.6%	Miami Valley Gaming Joint Venture
Kentucky	1.4%	CDRT, DCG, Turfway Park, Newport, and Oak Grove
Maine	0.4%	Oxford Casino
Total	24.1%	

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

² Rivers Des Plaines operates sports betting under the brand BetRivers and is recorded in the Gaming segment





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

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
- Centralized slot purchasing to leverage size
- Disciplined reporting and communication strategy
- Centralized marketing resource facilitates shared best practices

Regional property gaming leaders



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

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 sportsbooks opened at two Mississippi properties in August 2018 as well as Presque Isle Downs & Casino in July 2019

Key metrics

\$ in millions

	2019	2020	VPY%
Revenue¹	\$687	\$435	(38)%
Adjusted EBITDA²	\$278	\$173	(37)%

- In 2020, our Gaming properties were affected by temporary closures and operating restrictions as a result of COVID-19
- All Gaming properties are open with certain restrictions as of January 2021

¹ Revenue does not include revenue from our equity investments

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

Florida and Louisiana Casinos & Video Poker

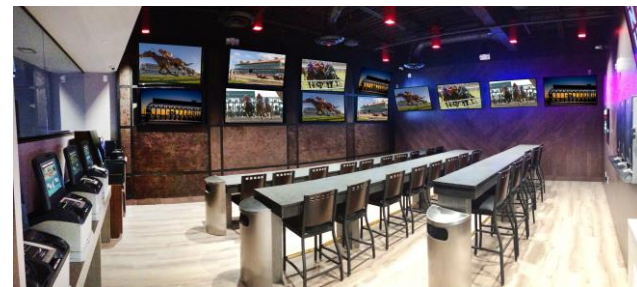
Calder Casino – Miami Gardens, Florida

- 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
 - Card room opened Feb. 2021
 - ~1,100 slot machines¹
- Agreement with The Stronach Group to lease Calder's racetrack ended Apr. 15, 2021
- In Nov. 2016, we sold 61 acres of excess real estate at Calder for \$434k per acre²
- 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 machines¹
- Fair Grounds operates 13 OTB's across southeast LA of which 12 have ~1,000 video poker machines¹



¹ Units as of 12/31/20

² Excluding real estate commissions paid

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 facilities¹
 - 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 games¹; first added table games in 2017
- Purchased 50% equity stake in January 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



¹ Units as of 12/31/20

Mississippi Casinos

Harlow's Casino Resort & Spa

Property:

- Located on 85 acres of leased land in Greenville, Mississippi
- Facility opened in 2007
- ~690 slot machines, 15 table games¹
- 4 dining facilities
- 105-room attached hotel

Purchased in Dec. 2010

Opened retail 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 games¹
- 2 dining areas
- 80-room attached hotel

Purchased in Oct. 2012

Opened retail sportsbook in Aug. 2018

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

RIVERWALK
CASINO • HOTEL



¹ Units as of 12/31/20

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 poker room in 153,000 sq. ft. facility¹
 - ~100 live thoroughbred race dates each year
- Purchased in January 2019 for \$179 million
- Opened retail 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 games¹
- 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



¹ Units as of 12/31/20

Rivers Casino Des Plaines

Rivers Casino Des Plaines (61% Equity Investment)

- Located on 21 acres in Des Plaines, Illinois (~17 miles from Chicago)
- CDI invested \$407 million for 61% equity investment on March 5, 2019
- Joint venture with Rush Street Gaming, LLC
- Opened in July 2011
- 1,277 positions^{1,2} (1,008 slot machines and 69 table games)
- 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



Rivers Expansion

Rivers Casino Des Plaines has begun facility expansion to open in Spring 2022

- \$87 million 78,000 square-foot expansion to be built between existing casino building and the recently enlarged parking garage on the north side of the property
- Two-story addition
 - First floor will house a new restaurant and an expanded gaming floor
 - Second floor will feature a 24-table poker room, a 10,000 square-foot ballroom for private events and live entertainment, and a slot machine gaming area
- Expansion will add ~725 additional gaming positions², making Rivers Des Plaines the first casino in Illinois to reach the maximum of 2,000 positions
 - Initial expansion to add 260 table game positions (+70%) and 439 slot game positions (+48%)
 - 26 additional positions to be added in the future
- Construction began in Spring 2021 with expected completion in Spring 2022



¹ Units as of 12/31/2020

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)

MVG and Other Expansion Opportunities

Miami Valley Gaming (50% Equity Investment)

- Located on 120 acres in Lebanon, OH (North of Cincinnati, south of Dayton)
- Opened in December 2013
- ~1,950 video lottery terminals¹
- Joint venture (50/50) with Delaware North



Potential Expansion Opportunities

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 a date to be determined

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

- The city of Chicago issued a request for proposal (“RFP”) in April 2021 with responses due in August
- Should Rush Street Gaming and Related respond to an RFP, CDI may be a minority equity partner in the proposed casino





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>1Q'21 YTD Actuals</u>	<u>2021 Forecast as of 3/31/21</u>
Maintenance Capital	\$5 million	\$50 - 60 million
Project Capital	\$8 million	\$150 - 160 million
	<ul style="list-style-type: none"> ▪ Oak Grove ▪ CDRT ▪ Turfway Park 	<ul style="list-style-type: none"> ▪ Turfway Park ▪ Oak Grove ▪ Newport ▪ Gaming Properties ▪ CDRT

Capacity for Future Investments

- **5.3x Pro forma TTM Net Leverage as of March 31, 2021**
- **Significant balance sheet flexibility**
- **\$700 million undrawn credit facility¹**
- **Demonstrated ability to access debt markets with attractive rates / terms**

¹ \$694 million available, net of \$6 million outstanding letters of credit

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

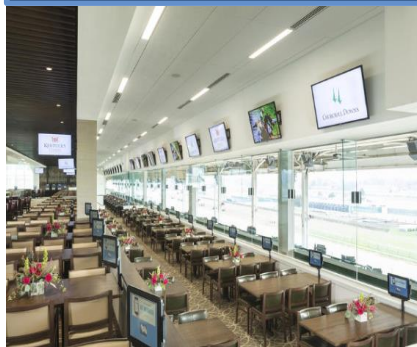
Winner's Circle Suites and Courtyard



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 acre¹
Used like-kind-exchange to permanently defer \$14 million of gain on sale through purchase of property at Churchill Downs

Big Fish Games

Purchased for \$835 million² Dec. 2014
Sold for \$990 million² Jan. 2018
> 50% levered IRR

**Saratoga – New York
and Colorado**

Swapped 25% equity ownership in Saratoga – New York and Colorado for remaining 50% equity ownership in Ocean Downs Casino in Aug. 2018
Retained rights to online sports betting and iGaming if regulation allows in the future

¹ Excluding real estate commissions paid

² Gross, prior to settlement of working capital adjustments and transaction costs

CDI has returned \$1.3 billion of capital to shareholders over the last 6 years

Dividends

- 2021 was the 10th consecutive increase in the dividend per share
- \$127 million paid to shareholders in dividends over the last 6 years

Share Repurchases

- **Returned \$1.2 billion to shareholders through share repurchases over the last 6 years**
 - Includes \$500 million repurchased with a portion of the Big Fish Games sale proceeds through a Dutch Auction in February 2018 and the \$194 million repurchased from privately negotiated transaction in February 2021
- **\$300 million share repurchase program authorized on October 30, 2018**
 - \$23 million repurchased in 2020 and \$93 million repurchased in 2019
 - \$147 million of capacity remaining at March 31, 2021

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





Environmental, Social, and Governance

CDI Approach to ESG

Commitment to our stakeholders

- CDI understands the impact our company has on our customers, employees, local communities, and shareholders and we continue to work towards strengthening these relationships

Environment

- CDI believes that corporations have an environmental responsibility in the communities in which they operate
- Initiatives at our properties are ongoing to lessen energy and water usage and to decrease carbon emissions

Social Impact

- CDI continues to increase its investment in its team members and the communities in which it operates
- We encourage our team members to pursue growth externally and assist in funding of continuing education, various leadership programs, and the pursuit of professional licenses and designations
- As a result of our commitment to building and nurturing a diverse and inclusive environment, CDI has designated an internal Diversity Advisory Committee and hired a VP of Culture to advise the Company on its diversity, equity, and inclusion plan
- Through CDI's corporate giving, over \$1.5 million in charitable grants and in-kind donations is contributed annually to over 600 organizations

Experienced Board of Directors

- Our diverse eight member, majority independent Board consists of financial, industry, and risk experts
- Each member of the Board brings unique skills and experiences to the team and plays a vital role in the direction of CDI

Community Involvement

Monetary Contributions

- CDI contributes over \$1.5 million annually via grants and in-kind donations to over 600 organizations
- Donated \$150,000 on Giving Tuesday in 2020 across 15 nonprofits, most of which primarily focus on the advancement of minorities at school and in the workplace

CDI Employee Giving

- Our team members join in CDI's commitment to our communities in many ways throughout the year, including toy and food drives, preparation of meals for those in need, and assisting nonprofits with landscaping and other labor

Survivors Parade

- Each year on Kentucky Oaks Day, CDI helps to raise awareness for women's breast and ovarian cancer as attendees dress in pink and over 100 breast and ovarian cancer survivors march in the Survivors Parade
- Since 2019, more than \$225,000 has been raised for breast health on Oaks Day



Derby Week 2021 Initiatives

Derby Day

- CDI hosted nearly 300 representatives from Kentucky's Foster Care sector as guests in the first ever Kentucky Derby Foster Family initiative in partnership with Jim "Mattress Mack" McIngvale and in cooperation with Louisville nonprofits
- Hosted a naturalization ceremony in the Winner's Circle as five individuals from five different countries took the Oath of Allegiance



Oaks Day

- Continued the tradition of hosting the Survivors Parade virtually with a moving video montage and honorary lap around the track by the Norton Healthcare Mobile Prevention Unit



Champions Day

- This year's Champions Day celebrated Black Horsemen in Thoroughbred racing and featured partner organizations whose mission supports equitable opportunities in racing

Derby Equity and Community Initiative

- The Kentucky Derby Festival, with support from CDI and Humana, launched the Derby Equity and Community Initiative, which vows to create Derby traditions that invite diverse participation through economically impactful programs with a focus on educational elements and multi-generational programming







Appendix

2021 Financial Reporting Segments

2021 financial reporting segments updated to reflect:

- Changed Churchill Downs segment to Live and Historical Racing segment to facilitate realignment of new HRM facilities – Oak Grove, Turfway Park, and Newport from Other to this segment
- Renamed Online Wagering segment to TwinSpires segment to reflect branding and facilitate realignment of retail sports betting within TwinSpires Sports and Casino

2020 Segments

Churchill Downs

- Churchill Downs Racetrack
- Derby City Gaming

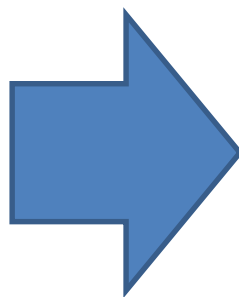
Online Wagering

- TwinSpires
- Sports and Casino

Gaming

All Other¹

- Corporate
- Turfway Park
- Oak Grove
- Newport Gaming
- United Tote
- Arlington



2021 Segments

Live and Historical Racing

- Churchill Downs Racetrack
- Derby City Gaming
- Oak Grove
- Turfway Park
- Newport Gaming

TwinSpires

- Horse Racing
- Sports and Casino

Gaming

All Other¹

- Corporate
- United Tote
- Arlington

¹ All Other is not a financial reporting segment

Financial Overview

\$ in millions	Full Year Adjusted EBITDA				Quarter Adjusted EBITDA	
	2019		2020		IQ 2021	
Segment	\$	% of total	\$	% of total	\$	% of total
Live and Historical Racing	\$135	30%	\$39	14%	\$18	16%
TwinSpires	\$69	15%	\$113	39%	\$23	21%
Gaming	\$278	62%	\$173	60%	\$82	74%
All Other	\$(31)	(7)%	\$(38)	(13)%	\$(12)	(11)%
Total	\$451	100%	\$287	100%	\$111	100%

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



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

Board of Directors (continued)



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



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; 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;
- 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,	
	2021	2020	2020	2019
Net income (loss) attributable to CDI	36.1	(23.4)	(81.9)	137.5
Net loss attributable to noncontrolling interest	-	0.1	0.2	0.3
Net Income (loss) before noncontrolling interest	36.1	(23.5)	(82.1)	137.2
Loss from discontinued operations, net of tax	-	0.9	95.4	2.4
Income (loss) from continuing operations, net of tax	36.1	(22.6)	13.3	139.6
Additions:				
Depreciation and amortization	26.0	22.0	92.9	96.4
Interest expense	19.4	19.3	80.0	70.9
Income tax provision (benefit)	16.2	(11.6)	(5.3)	56.8
EBITDA	<u>\$ 97.7</u>	<u>\$ 7.1</u>	<u>\$ 180.9</u>	<u>\$ 363.7</u>
Adjustments to EBITDA:				
Selling, general and administrative:				
Stock-based compensation expense	\$ 5.5	\$ 4.3	\$ 23.7	\$ 23.8
Legal reserves	-	-	-	3.6
Other, net	-	-	0.8	0.4
Pre-opening expense	0.6	1.7	11.2	5.1
Impairment of intangible assets	-	17.5	17.5	-
Transaction expense, net	0.1	0.3	1.0	5.3
Other income, expense:				
Interest, depreciation and amortization expense related to equity investments	9.6	9.5	38.5	32.6
Changes in fair value of Rivers Des Plaines' interest rate swaps	(4.2)	14.9	12.9	12.4
Rivers Des Plaines' legal reserves and transactions costs	1.3	-	-	4.7
Other charges and recoveries, net	-	-	-	(0.2)
Total adjustments to EBITDA	<u>12.9</u>	<u>48.2</u>	<u>105.6</u>	<u>87.7</u>
Adjusted EBITDA	<u>\$ 110.6</u>	<u>\$ 55.3</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>
Adjusted EBITDA by segment:				
Live and Historical Racing	\$ 18.3	\$ 1.0	\$ 39.1	\$ 135.6
TwinSpires	22.5	16.0	112.9	69.3
Gaming	82.4	47.9	173.1	277.9
Total segment Adjusted EBITDA	<u>123.2</u>	<u>64.9</u>	<u>325.1</u>	<u>482.8</u>
All Other	(12.6)	(9.6)	(38.6)	(31.4)
Total Adjusted EBITDA	<u>\$ 110.6</u>	<u>\$ 55.3</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>