

Project Flush - Gain or Gamble?

Saru Aggarwal, Alternative Assets
January 10, 2025



Overview of Opportunity

Transaction Summary

Project Name	Project Flush
Sector	Casino and Gaming (Consumer Discretionary)
Region Focus	United States
Transaction Type	Take-private
Target Signing	June 23-27, 2025

Investment Summary

Enterprise Value	\$14.7B
Total Equity	\$7.3B
WP Equity	\$6.2B
Leverage	6.1x
EBITDA (Organic)	\$1.3B ('24E)
Entry Multiple	11.3x NTM EBITDA
Returns (Base Case)	IRR: 21.4%; MOIC: 3.2x

Background

- **Business Overview:** Flush is one of the largest casino and gaming companies in the US operating 28 gaming properties across ten states: Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania
 - Diversified business in gaming operation, food and beverage, room and board and online segments
 - Asset-rich business: Majority ownership in 24 out of a total of 28 properties⁽¹⁾
- **Take-private** transactions in casino and gaming sector are gaining steam with the PE firms capitalizing on depressed valuations, challenges faced by mid-size casinos in adopting new technology and new revenue streams such as online gaming
- **Base Case:** Diligence suggests that our plan for a 5.1% organic revenue growth is achievable vs Flush’s historical growth at 6.4% ('16-'23) and global casino market growth at 4.6% CAGR ('23-'30)⁽²⁾
- **Value Creation Plan:** Aligns the best practices from management and the industry to
 - Pivot the company towards high margin segments like online gaming while outsourcing non-core operations
 - Improve data analysis capabilities to optimize slot machine payout rates with a view to improving customer experience
 - Expand operations to fast-growing markets in South America, Asia and Africa
- **Current Trading:** Flush exceeded street estimates in Q3 2024 results with revenue up 4.8% to \$961M and Adjusted EBITDA up 7.4% to \$308M⁽³⁾
 - Industry players on average are trading at lower forward PE multiples due to high costs, challenges in adopting new technologies and a slower-than expected economic recovery cycle
- **Investment Thesis:** (1) resilient business model with good topline and EBITDA growth (2) asset-based company with potential for sale-leaseback transactions (3) repeatable M&A playbook (4) expansion opportunities in international markets (5) experienced management with 100+ combined years of industry experience and (6) attractive timing with depressed public market valuation

Next Steps

- Legal and Tax due diligence is ongoing and is set to be completed by month-end of February
- Investment vehicle closing date is the week of June 23, 2025
- Take-private expected closing date is September 2025

Note: All numbers in million-dollar USD unless noted otherwise

(1) Each property offers a diverse range of casino gaming, accommodations, dining, entertainment, and recreation options. The other four properties were leased from GLPI in 2018 when Flush purchased operation rights in Penn Entertainment’s purchase of Pinnacle Entertainment – [Boyd has no interest in selling casinos to REITs](#)

(2) Casino Market Industry Report from ResearchandMarkets.com - [Global Casino Market growth](#)

(3) Source: *Capital IQ, Bloomberg*

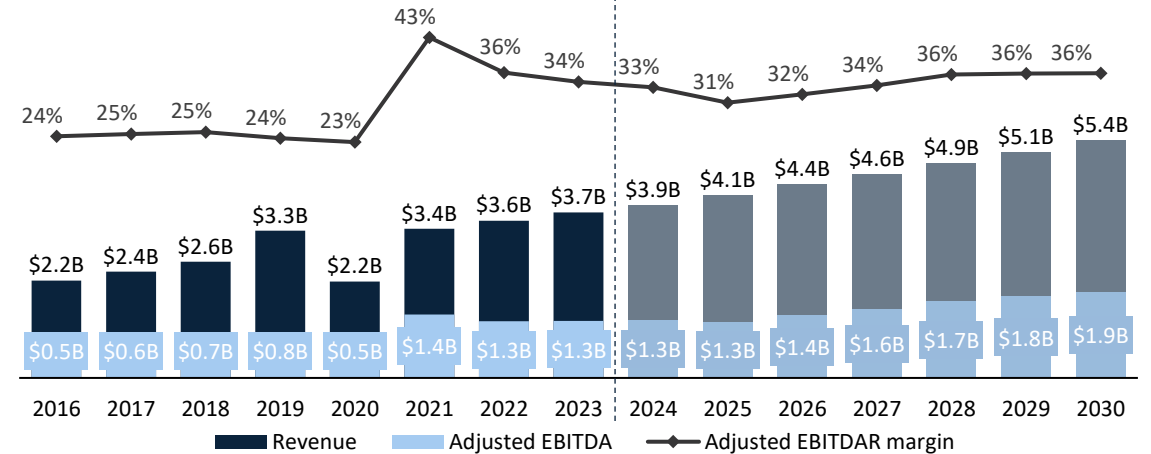
Company Overview

Strong operating performance coupled with multiple actionable growth opportunities and industry tailwinds

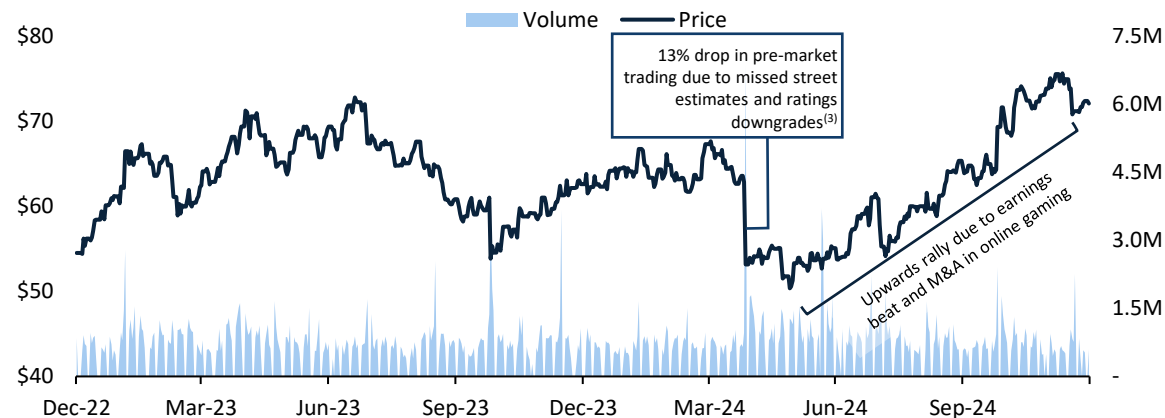
Overview

- Flush is a leading American gaming and hospitality company based in Nevada, offering a diverse range of services dominated by gaming operations (70% of '24E revenue)
- The Company is uniquely positioned to benefit from industry tailwinds such as the rebound of gaming industry demand (4.6% CAGR '23-'30) post-pandemic, economic recovery in Nevada, buoyed cross-border and Hawaiian tourism and expansion of sports-betting markets
- We believe Flush is an attractive take-private target due to its depressed public market valuation in line with the industry, strong operational efficiency at 52% gross profit margin, undervalued real estate and the inorganic growth opportunities
- On the base case, the Company is expected to generate **21.4% IRR** and **3.2x MOIC** throughout the holding period with a **platform entry multiple of 11.3x** and **flat exit multiple**
- **Key risks:** (1) ability to execute M&A roll-up strategy and to ensure successful integration (2) slow economic recovery with the probability of a recession which would drastically impact revenues and solvency and (3) shift towards online gaming from brick-and-mortar casinos

Robust Financial Performance with Premium Margins⁽¹⁾

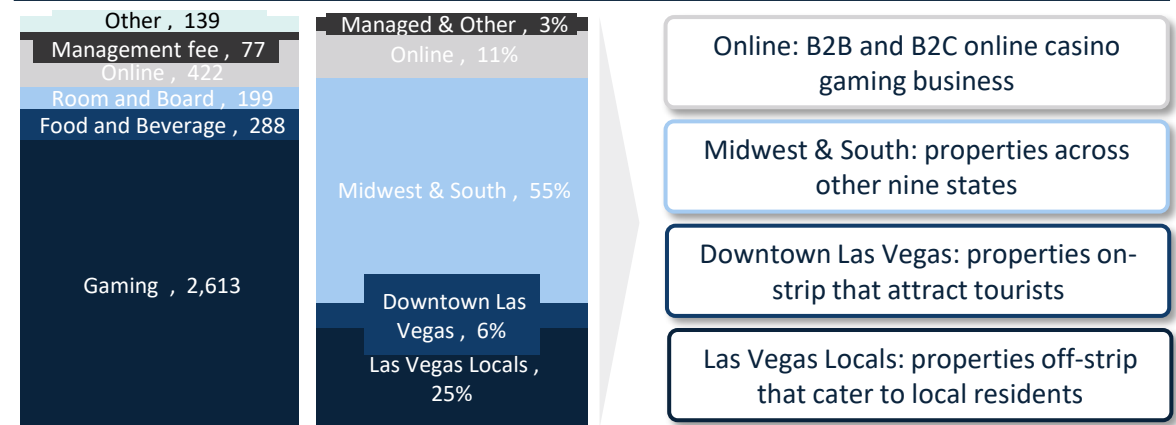


Share Price Performance⁽²⁾



Note: All numbers in million-dollar USD unless noted
 (1) BAMSEC, as of November 25, 2024
 (2) As of December 31, 2024

Business Segments (Revenue '24E)



- Online: B2B and B2C online casino gaming business
- Midwest & South: properties across other nine states
- Downtown Las Vegas: properties on-strip that attract tourists
- Las Vegas Locals: properties off-strip that cater to local residents

(3) Severe winter weather impacted the Midwest and South segment and the Las Vegas Locals market faced increased competitive pressures

Company Comparable & Multiple Trends

Flush is trading at 28% discount from industry median (7.3x '24E EBITDA)

Comparable Companies

In US\$ Million	2024 December GAAP Adj.		TEV / EBITDA			Revenue CAGR		EBITDA Margin		Cash Conversion Ratio ⁽²⁾			Leverage Ratio ⁽³⁾			Interest Coverage ⁽⁴⁾		
	Market Cap	TEV ⁽¹⁾	LTM	24E	25E	19A-23A	24E-26E	24E	25E	LTM	24E	25E	LTM	24E	25E	LTM	24E	25E
Casinos and Gaming																		
Churchill Downs Incorporated	\$9,815	\$14,570	16.4x	12.6x	11.9x	16.6%	6.7%	42.4%	41.5%	53.8%	52.1%	68.9%	5.4x	4.0x	3.6x	3.1x	4.0x	4.4x
MGM Resorts International	\$10,317	\$15,229	6.1x	3.3x	3.3x	6.7%	1.2%	27.1%	27.0%	53.9%	81.0%	79.3%	11.8x	0.8x	0.8x	5.6x	10.5x	11.1x
PENN Entertainment, Inc.	\$2,966	\$9,418	22.7x	7.3x	5.5x	4.7%	5.1%	19.6%	24.6%	0.5%	65.7%	66.2%	25.2x	n.a.	n.a.	0.9x	2.9x	3.7x
Caesars Entertainment, Inc.	\$7,101	\$31,905	8.7x	8.5x	8.1x	43.4%	3.1%	33.4%	33.8%	62.0%	71.3%	83.2%	7.0x	n.a.	n.a.	1.5x	1.6x	1.8x
Bally's Corporation	\$751	\$4,284	17.4x	6.8x	6.4x	47.1%	3.1%	25.5%	27.2%	18.1%	n.a.	n.a.	20.0x	5.6x	5.9x	0.8x	n.a.	n.a.
Red Rock Resorts, Inc.	\$2,733	\$6,131	8.0x	7.7x	7.7x	(1.8%)	2.4%	41.2%	40.6%	60.0%	63.8%	49.3%	4.3x	4.1x	4.1x	3.3x	3.5x	3.8x
Average	\$5,614	\$13,590	13.2x	7.7x	7.1x	19.5%	3.6%	31.5%	32.5%	41.4%	66.8%	69.4%	12.3x	3.6x	3.6x	2.5x	4.5x	4.9x
Median	\$5,033	\$11,994	12.6x	7.5x	7.1x	11.7%	3.1%	30.2%	30.5%	53.8%	65.7%	68.9%	9.4x	4.0x	3.8x	2.3x	3.5x	3.8x
Hotels and Motels																		
Wynn Resorts, Limited	\$9,377	\$17,973	10.0x	7.6x	7.8x	(0.3%)	1.9%	33.4%	32.3%	76.7%	78.5%	48.9%	5.5x	3.4x	3.6x	2.6x	3.4x	3.4x
Hyatt Hotels Corporation	\$15,076	\$17,087	22.9x	15.6x	15.0x	8.0%	5.7%	16.3%	16.1%	77.2%	84.8%	86.3%	3.6x	2.0x	2.4x	4.1x	6.3x	5.6x
Wyndham Hotels & Resorts, Inc.	\$7,840	\$10,255	16.3x	14.8x	13.6x	(1.2%)	6.5%	49.0%	50.1%	92.2%	94.6%	94.3%	3.8x	3.5x	3.1x	5.1x	5.5x	5.7x
Average	\$25,273	\$37,251	14.6x	12.3x	11.5x	2.7%	5.6%	31.9%	32.3%	62.6%	66.5%	61.3%	4.2x	3.4x	3.1x	4.1x	4.6x	5.2x
Median	\$15,076	\$17,973	14.5x	13.8x	12.3x	0.9%	5.7%	33.4%	32.3%	76.7%	78.5%	50.5%	3.8x	3.4x	3.1x	4.1x	4.5x	5.6x
Project Flush	\$6,412	\$9,194	7.6x	7.2x	7.3x	3.2%	6.3%	32.9%	31.0%	67.1%	67.6%	52.4%	3.0x	2.2x	2.5x	6.9x	7.3x	6.9x
Entertainment Industry Average	\$14,550	\$24,345	13.9x	9.8x	9.1x	11.8%	4.5%	31.7%	32.4%	51.0%	66.6%	65.4%	8.6x	3.5x	3.3x	3.2x	4.6x	5.1x
Entertainment Industry Median	\$9,377	\$15,229	14.5x	10.1x	8.1x	6.1%	4.0%	33.4%	32.3%	53.9%	68.5%	67.6%	5.4x	3.5x	3.6x	3.3x	3.8x	4.4x
North American Entertainment Industry Median			10.1x															

Highlights

- Comparable companies are selected based on the following criteria:

- Geography: United States
- Size: \$4bn < TEV < \$35bn
- Strategy: Highly Acquisitive
- Business Model: Casino and Gaming or Resorts owners and operators

1 Flush (7.3x 2024E EBITDA) is relatively undervalued compared to industry peers (10.2x Median 2024E EBITDA)

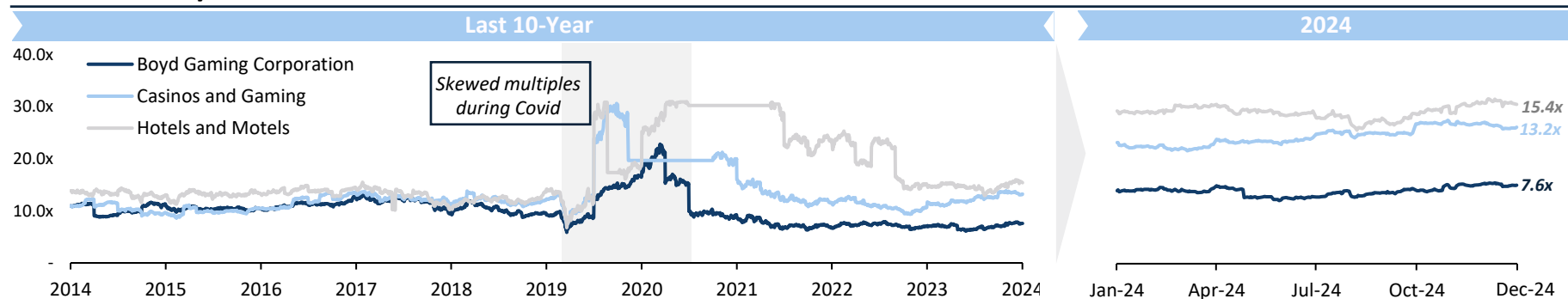
- However, 28% discount from the industry median is typical for L2Y
- We still consider Flush to be undervalued as its revenues are steadily increasing above the industry average and are not domiciled in China

- Flush outshines the industry in terms of EBITDA margin

2 Flush's entry leverage at 6.1x is higher than its publicly traded peers at 4.0x ('24E EBITDA) supported by its asset-rich business model

- However, base case is forecasted to slash leverage aggressively to 4.0x within 3.5 years

Historical EV / LTM EBITDA Trend



Source: Company Filings; S&P Capital IQ

(1) Total Enterprise Value before IFRS 16 lease adjustment; EBITDA adjusted on the same basis

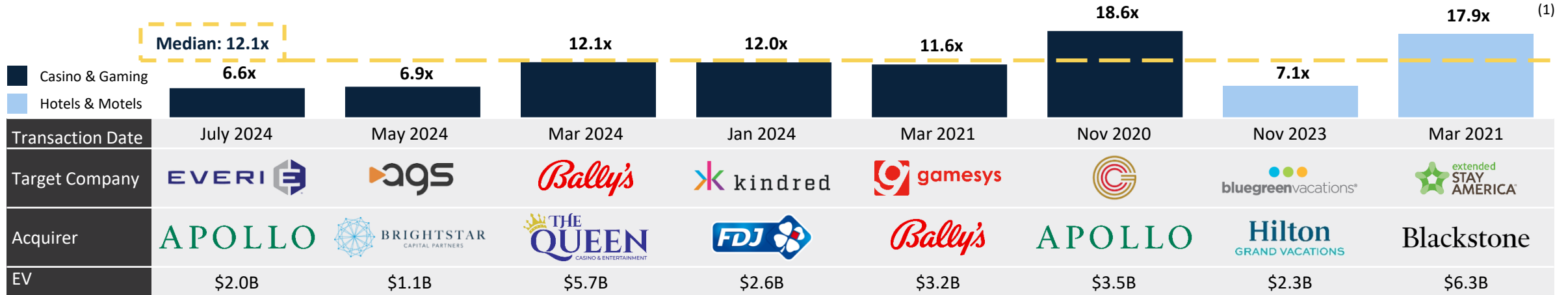
(2) Cash Conversion defined as (EBITDA – CAPEX) / EBITDA

(3) Leverage Ratio defined as Net Debt / EBITDA

(4) Interest coverage Ratio is defined as EBITDA / Interest

Precedent Transactions & Case Studies

Rising PE demand for casinos driven by increasing income streams and product/geographic diversification



Selected Case Studies



Transaction Overview: All-cash announced agreement for 100% ownership at \$14.25/share by Apollo

- Apollo will facilitate merger of Everi and IGT Gaming, a spin-off from IGT

Transaction Rationales

- Apollo has a history of success in the gaming sector
- Combined entity to become a leading FinTech solutions provider to casino, sport and entertainment industries

Premium Analysis

- 56% premium to last trading day closing price



Transaction Overview: All-cash consideration agreement for 100% ownership at \$12.50/share by Brightstar Capital

Transaction Rationales

- Strong pipeline of new innovative products, stable revenue streams and high gross margin
- Focus on expanding global footprint and investing in R&D and innovation to secure in new niche markets

Premium Analysis

- 40% premium to the last day closing price



Transaction Overview: All-cash consideration agreement for 100% ownership at \$45.00/share by Apollo

Transaction Rationales

- Cash and CapEx starved business sold during COVID
- High quality asset with leading portfolio of assets and non-gaming facilities, established presence in Canada and expanded loyalty program

Premium Analysis

- 59% premium to the last day closing price

Investment Highlights

Flush offers strong growth potential with minimal downside risks

Investment Thesis

- | | |
|---|--|
| <p>1 Resilient business model with strong market and economic adaptability</p> | <ul style="list-style-type: none"> Flush delivers strong topline growth and EBITDA with a resilient 6.4% revenue CAGR (2016–2023) and rising EBITDA margins (23%–40%) Performance is set to soar with tailwinds from employment, real estate and tourism recovery, driving higher local and tourist demand |
| <p>2 Asset-backed model enables sale-leaseback opportunities to unlock additional value</p> | <ul style="list-style-type: none"> Flush holds majority stakes, sometimes up to 100%, in 24 of 28 properties. Unexplored potential for sale-leaseback with third-party investors to ease balance sheet pressure and fund distributions to partners not baked in any scenario analysis We can continue the \$500M+ investment plan for property upgrades through 2026 |
| <p>3 Proven M&A playbook to drive market expansion and boost efficiency</p> | <ul style="list-style-type: none"> The company has executed 8+ tuck-in acquisitions, adding top-performing casinos and resorts, vertically integrating operations and expanding into new markets like online gaming Further consolidation opportunities due to highly fragmented nature of the industry which is dominated by family-owned businesses |
| <p>4 Looser U.S. restrictions and global gambling reforms create key expansion opportunities</p> | <ul style="list-style-type: none"> Liberal US markets with more states legalizing online gaming (23 so far) and online casino operations (7 states so far)⁽¹⁾ Opportunity to capture 7.25% upward growth in the eSports industry for the next five years Significant international growth opportunities. For instance, regulated gambling markets in Brazil and Argentina and modern gambling regulations in the Philippines⁽²⁾ |
| <p>5 Experienced Management with Deep Industry Knowledge to Execute and Deliver Growth</p> | <ul style="list-style-type: none"> Management has over 100 years of combined experience in the industry with multiple senior members having prior experience working at several publicly-traded gaming companies and various Gaming Authorities |
| <p>6 Attractive public market valuation creates a prime market timing opportunity</p> | <ul style="list-style-type: none"> The Company is currently trading at 7.3x EV / 2024E EBITDA multiple which is significantly less than entertainment industry peers at a median of 10.1x EV / 2024E EBITDA and precedent transactions at a median of 12.1x EV / EBITDA |

(1) [Status of Online Betting regulations](#)

(2) Casino Reviews blog - [Top Gambling trends for 2025](#)

Value Creation and Investment Risks

Base case VCP focuses on enhanced customer experience, market expansion and improved capital efficiency

Value Creation Levers

	Description
Revenue Initiatives	<ul style="list-style-type: none"> Deploy advanced AI and analytics to optimize slot machine payout rates and enhance customer experience Expand market share in online gaming through strategic partnerships and invest in proprietary gaming technology to increase control over the segment Expand into markets in South America, Asia and Africa to diversify geographical risk Invest in eSports tournaments, live table games and betting lounges to encourage customers to play online while being in-person
Cost Initiatives	<ul style="list-style-type: none"> Improve operational efficiency through consolidating regional and corporate management and automating back-office functions Explore sale-leaseback transactions to conserve capital Outsource non-core functions such as facilities management, administration and HR

Investment Risks

1. Ability to successfully self-fund and complete M&A transactions at appropriate valuations
2. High sensitivity to macroeconomic cycles that affect spending on gaming, hotel and dining
3. Shift towards online gaming and other alternative entertainment over traditional B&M casinos
4. Casino companies are classified as sin stocks so they cannot be a part of any ESG strategy fund
5. Highly regulated industry with profits dependent on licensing, taxation and gaming laws

M&A Strategy

- Given the high fragmentation of casino and gaming industry with several local players, Flush and its peers have active M&A programs
- We believe that Flush should continue its strategy of roll-up M&A to
 - Expand market share in fast growing segments such as online gaming and sports betting
 - Expand to new markets in South America (Brazil and Colombia) and Asia (Philippines)
 - Acquiring technology for improving online gaming and personalized gaming experience
 - Realize operational efficiencies in its food and beverage and accommodations segment
- Base case assumes that M&A adds **10-30% of Adjusted EBITDAR** with a contribution of **5.5%** to total investment IRR of 21.4%

Rationale for M&A		
<ul style="list-style-type: none"> Entering the online gaming market 	<ul style="list-style-type: none"> Market expansion in states with favorable regulation  	<ul style="list-style-type: none"> Buying well-priced assets 

What We Need To Believe

1. Mgmt. has extensive experience in identifying and integrating M&As in the fragmented market
2. Flush is diversifying its revenue streams to focus on online gaming and non-gaming segments
3. Brand repositioning in progress to focus on experiences like betting lounges, live table games
4. Flush needs to go beyond government regulation to promote responsible gaming and invest in local communities
5. Geographical diversification and expansion in jurisdictions with favorable regulatory environments

LBO Analysis

Flush is expected to generate 21.4% IRR and 3.2x MOIC through projected exit at the end of 2030

Financial Summary (Base Case)

Financial Summary	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	\$3,899.9	\$4,339.8	\$4,907.4	\$5,470.8	\$5,748.5	\$6,041.1	\$6,349.5
<i>Growth %</i>	4.3%	11.3%	13.1%	11.5%	5.1%	5.1%	5.1%
Adjusted EBITDA	\$1,303	\$1,399	\$1,734	\$2,101	\$2,301	\$2,424	\$2,549
<i>Margin %</i>	33.4%	32.2%	35.3%	38.4%	40.0%	40.1%	40.1%
Less: D&A	(\$248)	(\$277)	(\$268)	(\$278)	(\$279)	(\$285)	(\$288)
Less: Interest	(\$713)	(\$686)	(\$686)	(\$659)	(\$577)	(\$504)	(\$423)
Less: Other Misc Items	(\$27)	-	-	-	-	-	-
Less: Tax (25%)	(\$70)	(\$110)	(\$196)	(\$292)	(\$361)	(\$409)	(\$459)
NOPAT	\$245	\$326	\$584	\$872	\$1,083	\$1,227	\$1,379
Plus: D&A	\$248	\$277	\$268	\$278	\$279	\$285	\$288
Less: CapEx	(\$307)	(\$343)	(\$332)	(\$345)	(\$346)	(\$353)	(\$357)
Less: M&A	-	(\$800)	(\$1,190)	(\$750)	-	-	-
Plus: M&A Financing	-	\$792	\$1,178	\$743	-	-	-
Less: Change in NWC	(\$2)	(\$17)	(\$25)	(\$51)	(\$30)	(\$44)	(\$20)
Free Cash Flow	\$185	\$234	\$483	\$748	\$987	\$1,114	\$1,289
Less: Debt Payment	\$184	\$234	\$484	\$748	\$987	\$1,114	\$1,289
Ownership Adjustment: 85% equity							
Free Cash Flow to Equity	-	-	-	-	-	-	-
Entry Exit Equity Ticket	(\$6,178.5)						\$19,757.3
Equity IRR							21.4%
Equity MOIC							3.2x

Sensitivity Analysis

		Exit Multiple				
		9.3x	10.3x	11.3x	12.3x	13.3x
Entry Multiple	9.3x	25.6%	28.4%	30.9%	33.2%	35.3%
	10.3x	20.4%	23.1%	25.5%	27.7%	29.7%
	11.3x	16.5%	19.0%	21.4%	23.5%	25.4%
	12.3x	13.3%	15.8%	18.0%	20.1%	22.0%
	13.3x	10.6%	13.0%	15.2%	17.2%	19.1%

		Exit Multiple				
		9.3x	10.3x	11.3x	12.3x	13.3x
Entry Multiple	9.3x	3.9x	4.5x	5.0x	5.6x	6.1x
	10.3x	3.1x	3.5x	3.9x	4.3x	4.8x
	11.3x	2.5x	2.8x	3.2x	3.5x	3.9x
	12.3x	2.1x	2.4x	2.7x	3.0x	3.3x
	13.3x	1.8x	2.1x	2.3x	2.6x	2.9x

Note: All numbers in million-dollar USD unless noted otherwise

Input & Key Assumptions

Financial Forecast

- Revenue is broken down by business segments, reflecting our perspective on the dynamics of each market
- Roll-up M&A in years 2025-2027 is anticipated to contribute 10-30% to proforma Adjusted EBITDA with 15% COGS synergies and 30% SG&A synergies

Free Cash Flow

- Assumes ~5% of annual maintenance and growth capital expenditure as a percentage of net assets and a depreciation rate based on historical CapEx
- Assumes decreasing net working capital needs due to a more efficient business model with minimal inventories and longer days payable outstanding

Other Assumptions

- Platform entry multiple of 11.3x with flat exit
- Capital structure consists of 48% equity and 52% debt with a 6.1x gross leverage ratio based on 2023A leverageable EBITDA

Sources and Uses

Sources	EBITDA x	Value \$B	Entry Analysis	Weight %	EBITDA x	Value \$B
Equity Value		\$6.18	Comps Val.	40%	10.1x	\$13.21
Seller Rollover		\$1.09	Precedent Val.	60%	12.1x	\$15.73
Senior Debt	4.1x	\$5.27	Implied EV	100%	11.3x	\$14.72
Junior Debt	2.0x	\$2.57				
Total Sources		\$15.12	Multiple Analysis		EBITDA x	
			EV / 2025 EBITDA			10.5x
			EV / 2026 EBITDA			8.5x
Uses	EBITDA x	Value \$B				
EV	11.3x	\$14.72				
Transaction fee		\$0.29				
Financing Fee		\$0.10				
Total Sources		\$15.12				



Appendix

Project Flush



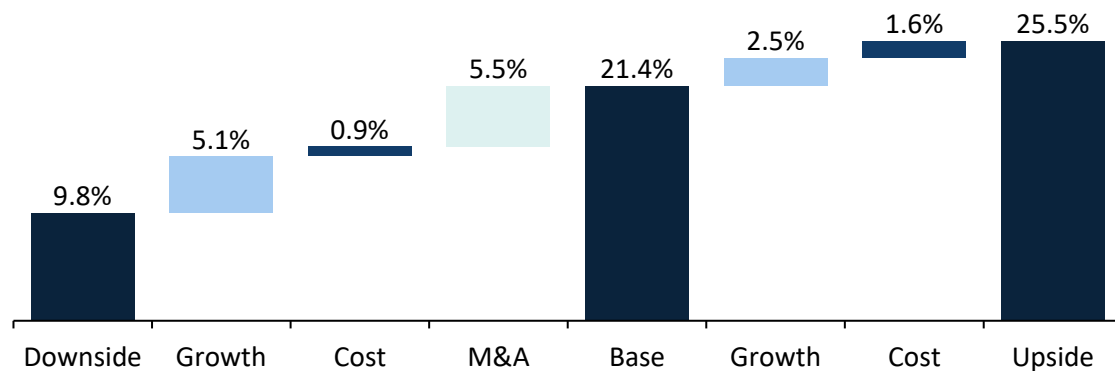
Appendix A - Sensitivity Analysis

Return is sensitive to M&A, entry/exit multiples, exit timing, and leverage

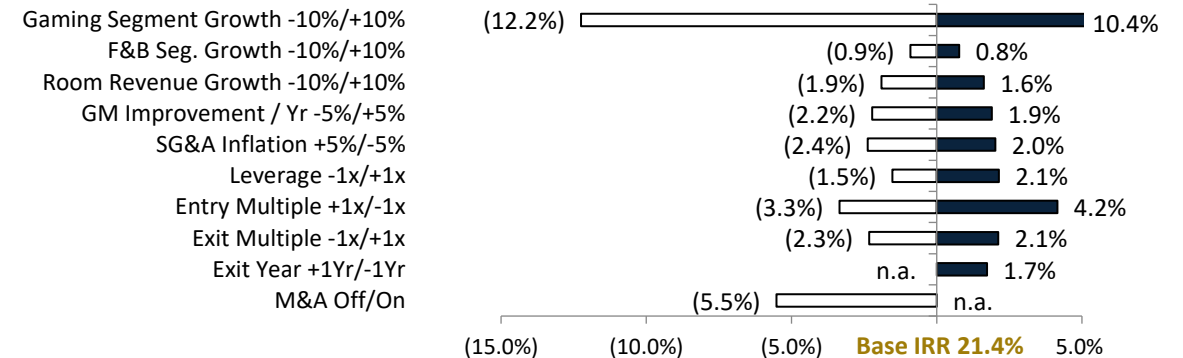
Illustrative Bidding Continuum

	Preferred Bidding Range				Pass On Range		
	Current	(20%)	(15%)	(10%)	10%	15%	20%
Share Price	\$123.1	\$98.5	\$104.6	\$110.8	\$135.4	\$141.6	\$147.7
<i>Implied Premium to Share Price</i>	<i>69.7%</i>	<i>35.8%</i>	<i>44.3%</i>	<i>52.8%</i>	<i>86.7%</i>	<i>95.2%</i>	<i>103.7%</i>
FD Shares Outstanding	88.4	88.4	88.4	88.4	88.4	88.4	88.4
Market Capitalization	\$10,882.2	\$8,705.8	\$9,249.9	\$9,794.0	\$11,970.4	\$12,514.5	\$13,058.6
Plus: Net Debt	\$3,835.1	\$3,835.1	\$3,835.1	\$3,835.1	\$3,835.1	\$3,835.1	\$3,835.1
Enterprise Value	\$14,717.3	\$12,540.8	\$13,084.9	\$13,629.0	\$15,805.5	\$16,349.6	\$16,893.7
IRR	21.4%	29.9%	27.7%	25.7%	19.4%	18.1%	17.0%
MOIC	3.2x	4.8x	4.3x	3.9x	2.9x	2.7x	2.6x
EV / 2024E EBITDA	11.3x	9.6x	10.0x	10.5x	12.1x	12.5x	13.0x
EV / 2025E EBITDA	10.5x	9.0x	9.4x	9.7x	11.3x	11.7x	12.1x

IRR Bridge



Return Sensitivities



Appendix B - Due Diligence Overview

Ongoing due diligence with the remaining workstreams to be completed by Legal and Tax

Due Diligence Workstreams

Financial Due Diligence	Legal / Structuring	Organic Growth / Industry	Inorganic Growth	Cost Structure	Reputation Management
<ul style="list-style-type: none"> Engage advisors to perform diligence on the quality of earnings, including sell-side adjustments and various one-time expenses and add-backs Compare the company financial statements with journal vouchers and customer invoices to formulate a view on the reporting integrity Perform diligence on the working capital items to determine normal level of NWC and the corresponding cash compensation /reimbursement 	<ul style="list-style-type: none"> Engage the in-house legal team to ensure compliance with government reporting and filing requirements Engage legal advisor on tax structuring to prevent double taxation and to minimize seller’s capital gains tax Develop an earn-out and break fee to incentivize the management support throughout the transaction and integration phase Negotiate and communicate with the management on the potential equity roll-over in the form of common equity / preferred equity 	<ul style="list-style-type: none"> Leverage the prior subsector deep dive materials and expert network to formulate a view on the industry status including TAM, growth and market segments Engage consultants to initiate a commercial study to understand key growth drivers Study the feasibility of dynamic pricing model in developing a consumer experience enhancement strategy Analyze potential exit route with secular trend of softening IPO market 	<ul style="list-style-type: none"> Analyze the targeted geography, local demographics and regional sizable players to identify potential acquisition targets Conduct interviews with partnered casino businesses to evaluate the quality of relationships 	<ul style="list-style-type: none"> Identify how AI can support and potentially replace certain functions within frontline sales roles and customer service centers Review operations, software, IT, legal and insurance vendor agreements to assess cost alignment with business needs Collect the employee directory and asset ledger to identify opportunities for headcount consolidation and the sale of redundant assets 	<ul style="list-style-type: none"> Initiate customer surveys and expert calls to assess the current Net Promoter Score (NPS) and evaluate the potential impact of this transaction on franchise reputation Create a decentralized model and local operating strategy to manage reputation risks and maintain customer trust on a small, community-focused scale

Next Steps

- Legal Team is finalizing legal due diligence and negotiating key transaction documents
- Tax team is finalizing tax due diligence and negotiating a beneficial tax structure

Appendix C - Trading Comps

Comparable Companies

In US\$ Million	2024 December GAAP Adj.		TEV / EBITDA			Revenue CAGR		EBITDA Margin		Cash Conversion Ratio ⁽²⁾			Leverage Ratio ⁽³⁾			Interest Coverage ⁽⁴⁾		
	Market Cap	TEV ⁽¹⁾	LTM	24E	25E	19A-23A	24E-26E	24E	25E	LTM	24E	25E	LTM	24E	25E	LTM	24E	25E
Casinos and Gaming 1																		
Churchill Downs Incorporated	\$9,815	\$14,570	16.4x	12.6x	11.9x	16.6%	6.7%	42.4%	41.5%	53.8%	52.1%	68.9%	5.4x	4.0x	3.6x	3.1x	4.0x	4.4x
MGM Resorts International	\$10,317	\$15,229	6.1x	6.3x	3.3x	6.7%	1.2%	14.0%	27.0%	53.9%	63.3%	79.3%	11.8x	1.6x	0.8x	5.6x	5.4x	11.1x
PENN Entertainment, Inc.	\$2,966	\$9,418	22.7x	7.3x	5.5x	4.7%	5.1%	19.6%	24.6%	0.5%	65.7%	66.2%	25.2x	n.a.	n.a.	0.9x	2.9x	3.7x
Caesars Entertainment, Inc.	\$7,101	\$31,905	8.7x	8.5x	8.1x	43.4%	3.1%	33.4%	33.8%	62.0%	71.3%	83.2%	7.0x	n.a.	n.a.	1.5x	1.6x	1.8x
Bally's Corporation	\$751	\$4,284	17.4x	6.8x	6.4x	47.1%	3.1%	25.5%	27.2%	18.1%	n.a.	n.a.	20.0x	5.6x	5.9x	0.8x	n.a.	n.a.
Red Rock Resorts, Inc.	\$2,733	\$6,131	8.0x	7.7x	7.7x	(1.8%)	2.4%	41.2%	40.6%	60.0%	63.8%	49.3%	4.3x	4.1x	4.1x	3.3x	3.5x	3.8x
Average	\$5,614	\$13,590	13.2x	8.2x	7.1x	19.5%	3.6%	29.4%	32.5%	41.4%	63.2%	69.4%	12.3x	3.8x	3.6x	2.5x	3.5x	4.9x
Median	\$5,033	\$11,994	12.6x	7.5x	7.1x	11.7%	3.1%	29.5%	30.5%	53.8%	63.8%	68.9%	9.4x	4.0x	3.8x	2.3x	3.5x	3.8x
Hotels and Motels 1																		
Carnival Corporation & plc	\$32,047	\$58,311	9.6x	9.5x	8.7x	0.9%	4.0%	24.4%	25.6%	23.9%	31.9%	50.5%	4.6x	4.5x	3.7x	3.5x	3.5x	4.5x
Royal Caribbean Cruises Ltd.	\$62,027	\$82,628	14.5x	13.8x	12.3x	6.1%	10.0%	36.2%	37.1%	42.8%	42.6%	26.7%	3.6x	3.4x	2.8x	5.1x	4.5x	6.9x
Wynn Resorts, Limited	\$9,377	\$17,973	10.0x	7.6x	7.8x	(0.3%)	1.9%	33.4%	32.3%	76.7%	78.5%	48.9%	5.5x	3.4x	3.6x	2.6x	3.4x	3.4x
Hyatt Hotels Corporation	\$15,076	\$17,087	22.9x	15.6x	15.0x	8.0%	5.6%	16.3%	16.1%	77.2%	84.8%	86.4%	3.6x	2.0x	2.4x	4.1x	6.3x	5.6x
Wyndham Hotels & Resorts, Inc.	\$7,840	\$10,255	16.3x	14.8x	13.6x	(1.2%)	6.5%	49.0%	50.1%	92.2%	94.6%	94.2%	3.8x	3.5x	3.1x	5.1x	5.5x	5.6x
Average	\$25,273	\$37,251	14.6x	12.3x	11.5x	2.7%	5.6%	31.9%	32.3%	62.6%	66.5%	61.3%	4.2x	3.4x	3.1x	4.1x	4.6x	5.2x
Median	\$15,076	\$17,973	14.5x	13.8x	12.3x	0.9%	5.6%	33.4%	32.3%	76.7%	78.5%	50.5%	3.8x	3.4x	3.1x	4.1x	4.5x	5.6x
Project Flush	\$6,412	\$9,194	7.6x	7.2x	7.3x	3.2%	6.3%	32.9%	31.0%	67.1%	67.6%	52.4%	3.0x	2.2x	2.5x	6.9x	7.3x	6.9x
Entertainment Industry Average	\$14,550	\$24,345	13.9x	10.0x	9.1x	11.8%	4.5%	30.5%	32.4%	51.0%	64.9%	65.4%	8.6x	3.6x	3.3x	3.2x	4.1x	5.1x
Entertainment Industry Median	\$9,377	\$15,229	14.5x	10.1x	8.1x	6.1%	4.0%	33.4%	32.3%	53.9%	64.8%	67.6%	5.4x	3.5x	3.6x	3.3x	3.8x	4.4x
North American Entertainment Industry Median			10.1x															

Further Insights

- 1 Flush's comparable companies segregated into two groups to reflect different business models – Casinos and Gaming and Hotels and Motels. However, Casino and Gaming companies are closer in revenue composition to the company
- 2 Flush's consensus organic revenue CAGR at 5.8% matches the industry peer median but the Base case Revenue CAGR is conservative still at 5.1%.
- 3 Flush EBITDA margin is considerably higher than the Casino and Gaming group median but quite similar to the Entertainment industry median

Source: Company Filings; S&P Capital IQ

(1) Total Enterprise Value before IFRS 16 lease adjustment; EBITDA adjusted on the same basis

(2) Cash Conversion defined as (EBITDA – CAPEX) / EBITDA

(3) Leverage Ratio defined as Net Debt / EBITDA

(4) Interest coverage Ratio is defined as EBITDA / Interest

Appendix D - Precedent Transactions



Transactions Summary

Casinos and Gaming

Announced Date	Target	Acquirer	Deal Type	TEV	TEV / LTM EBITDA
Jul/2024	Everi Holdings	Apollo Global Management	Sponsor	2,005	6.6x
May/2024	PlayAGS	Brightstar Capital Partners	Sponsor	1,060	6.9x
Mar/2024	Bally's Corporation	The Queen Casino & Entertainment	Strategic	5,694	12.1x
Jan/2024	Kindred Group	La Française des Jeux Société anonyme	Strategic	2,603	12.0x
Jun/2023	STS Holding S.A.	Entain Plc	Strategic	892	14.5x
May/2023	NeoGames S.A.	Aristocrat Leisure Limited	Strategic	1,215	30.5x
May/2022	LeoVegas AB	Mgm Casino Next Lion	Strategic	630	15.1x
Sep/2021	International	Evoke plc	Strategic	2,677	7.5x
Mar/2021	Gamesys Group	Bally's Corporation	Strategic	3,154	11.6x
Nov/2020	Great Canadian Gaming	Apollo Global Management	Sponsor	3,477	18.6x
Sep/2020	William Hill Limited	Caesars Entertainment	Strategic	4,180	24.9x
Average				2,508	14.6x
Median				2,603	12.1x

Hotels and Motels

Announced Date	Target	Acquirer	Deal Type	TEV	TEV / LTM EBITDA
Nov/2023	Bluegreen Vacations Holding	Hilton Grand Vacations	Strategic	2,305	7.1x
Mar/2021	Extended Stay America	Blackstone	Sponsor	6,340	17.9x
Jul/2019	Peak Resorts, Inc.	Vail Holdings, Inc.	Sponsor, Strategic	494	9.9x
Apr/2018	ILG, Inc.	Marriott Vacations Worldwide	Strategic	5,824	19.7x
Average				3,741	13.7x
Median				4,064	13.9x

Implied Precedent Transaction Valuation

Median 12.1x

Highlights

- Precedent transactions are selected based on the following criteria:
 - Industry: Casinos and Gaming; Hotels and Motels
 - Size: TEV > \$500M
 - Period: Last 5Y (November 1, 2019 – November 1, 2024)
 - Geography: North American
- Most transactions have strategic buyers. PE has only recently begun exploring this industry as many mid-large companies are either family-owned or family-run businesses

Appendix E – LBO Model (1/8)



Assumptions

Financial Projection Assumptions										
Growth and Margin Profile					Debt					
	Select	Upside	Sponsor	Downside						
Gaming Segment Growth	6%	8%	6%	3%	Total Leverage	6.1x	\$	Rate	Fee	Paydown
F&B Segment Growth	3%	4%	3%	2%	Senior Debt	4.1x	\$5,274	S + 425	1%	2%
Room Revenue Growth	2%	3%	2%	2%	Junior Debt	2.0x	\$2,573	S + 550	2%	0%
Other Revenue Growth	2%	2%	2%	1%	Revolver		\$200	S + 150	0%	N/A
Tax Rate	25%	25%	25%	25%	Acquisition Debt			S + 325	1%	0%
					Cash Balance		\$281			

Transaction Assumptions									
Sources					Uses				
	xEBITDA	\$	% Total	% Equity		xEBITDA	\$	% Total	
Equity Value		\$6,178	41%	85%	Enterprise Value	11.3x	\$14,717	97%	
Seller Rollover		\$1,090	7%	15%	Transaction fee @2%	0.0x	\$294	2%	
Senior Debt	4.1x	\$5,274	35%		Financing Fee: Senior Debt	0.0x	\$53	0%	
Junior Debt	2.0x	\$2,573	17%		Financing Fee: Junior Debt	0.0x	\$51	0%	
Total		\$15,116	100%		Total	11.6x	\$15,116	100%	

Key Stats Memo

Acquisition EBITDA	\$1,303	<- 24E EBITDA
Leverageable EBITDA	\$1,286	<- 23A EBITDA
Entry Multiple (including bolt-ons)	11.3x	<- Blended Entry Multiple
Exit Multiple	11.3x	<- Assume No Multiple Expansion

Valuation Memo

	Multiple	Weight	\$
Comps Valuation	10.1x	40%	\$13,205
Precedent Valuation	12.1x	60%	\$15,725
Implied Enterprise Value	11.3x	100%	\$14,717

	Premium	# Share	\$
Implied Premium			
Current Share Out. / Stock Price		88.4	\$73
Net Debt			\$3,835
Premium / Share Out. / Offer Price	69.7%	88.4	\$123.1

Appendix E – LBO Model (2/8)



Consolidated Income Statement (1/2)

Consolidated Income Statement																	
# of Year	-7	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	7	16A-23A	23A-30E
Year	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E	CAGR	CAGR
Organic Revenue Build																	
Gaming Revenue	\$1,820	\$1,740	\$1,925	\$2,483	\$1,775	\$2,706	\$2,675	\$2,613	\$2,611	\$2,768	\$2,933	\$3,109	\$3,295	\$3,492	\$3,701	5.3%	5.1%
Growth %		-4%	11%	29%	-29%	52%	-1%	-2%	0%	6%	6%	6%	6%	6%	6%		
Food and Beverages Revenue	\$306	\$346	\$368	\$448	\$179	\$230	\$276	\$288	\$300	\$309	\$318	\$328	\$338	\$348	\$358	-0.8%	3.1%
Growth %		13%	6%	22%	-60%	29%	20%	5%	4%	3%	3%	3%	3%	3%	3%		
Room Revenue	\$171	\$187	\$200	\$237	\$105	\$154	\$189	\$199	\$203	\$208	\$213	\$217	\$222	\$226	\$231	2.2%	2.2%
Growth %		9%	7%	19%	-56%	47%	23%	5%	2%	2%	2%	2%	2%	2%	2%		
Online Revenue	--	--	--	--	--	\$173	\$254	\$422	\$554	\$609	\$670	\$704	\$739	\$776	\$815	56.4%	9.8%
Growth %		--	--	--	--	--	47%	66%	31%	10%	10%	5%	5%	5%	5%		
Management Revenue	--	--	--	--	--	--	\$27	\$77	\$88	\$92	\$97	\$102	\$107	\$112	\$118	69.1%	6.3%
Growth %		--	--	--	--	--	--	186%	14%	5%	5%	5%	5%	5%	5%		
Other Revenue	\$122	\$127	\$134	\$158	\$119	\$280	\$135	\$139	\$143	\$146	\$148	\$150	\$153	\$155	\$158	1.8%	1.9%
Growth %		4%	5%	18%	-24%	135%	-52%	3%	3%	2%	2%	2%	2%	2%	2%		
Net Sales	\$2,420	\$2,401	\$2,627	\$3,326	\$2,178	\$3,542	\$3,555	\$3,738	\$3,900	\$4,132	\$4,379	\$4,609	\$4,853	\$5,109	\$5,381	6.4%	5.3%
Revenue Growth %		-0.8%	9.4%	26.6%	-34.5%	62.6%	0.4%	5.2%	4.3%	5.9%	6.0%	5.3%	5.3%	5.3%	5.3%		
Acquired Revenue	--	--	--	--	--	--	--	--	--	\$208	\$528	\$861	\$896	\$932	\$969		
Pro Forma Net Sales	\$2,420	\$2,401	\$2,627	\$3,326	\$2,178	\$3,542	\$3,555	\$3,738	\$3,900	\$4,340	\$4,907	\$5,471	\$5,748	\$6,041	\$6,350	6.4%	7.9%
Revenue Growth %		-0.8%	9.4%	26.6%	-34.5%	62.6%	0.4%	5.2%	4.3%	11.3%	13.1%	11.5%	5.1%	5.1%	5.1%		
Promotional Allowances	\$236	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
COGS	\$1,172	\$1,264	\$1,371	\$1,736	\$1,037	\$1,432	\$1,565	\$1,720	\$1,877	\$2,008	\$2,052	\$2,098	\$2,144	\$2,249	\$2,364	5.6%	4.7%
Gross Profit	\$1,012	\$1,137	\$1,255	\$1,590	\$1,141	\$2,110	\$1,990	\$2,019	\$2,023	\$2,124	\$2,327	\$2,512	\$2,708	\$2,861	\$3,016	10.4%	5.9%
Margin %	42%	47%	48%	48%	52%	60%	56%	54%	52%	51%	53%	54%	56%	56%	56%		

Appendix E – LBO Model (3/8)



Consolidated Income Statement (2/2)

Acquired Gross Profit	--	--	--	--	--	--	--	--	--	\$144	\$365	\$594	\$618	\$643	\$669		
Pro Forma Gross Profit	\$1,012	\$1,137	\$1,255	\$1,590	\$1,141	\$2,110	\$1,990	\$2,019	\$2,023	\$2,268	\$2,692	\$3,106	\$3,326	\$3,504	\$3,685	10.4%	9.0%
<i>Pro Forma Margin %</i>	42%	47%	48%	48%	52%	60%	56%	54%	52%	52%	55%	57%	58%	58%	58%		
SG&A	\$322	\$362	\$369	\$460	\$350	\$366	\$374	\$390	\$452	\$563	\$616	\$651	\$660	\$695	\$732	2.8%	9.4%
Maintenance and Utilities Expense	\$100	\$109	\$127	\$155	\$115	\$126	\$144	\$151	\$155	\$174	\$175	\$167	\$170	\$179	\$188	6.1%	3.2%
Corporate Expense	\$73	\$88	\$104	\$105	\$76	\$118	\$117	\$116	--	--	--	--	--	--	--	6.9%	
Add back: Share-based Compensation	(\$16)	(\$17)	(\$25)	(\$25)	(\$9)	(\$38)	(\$34)	(\$32)	--	--	--	--	--	--	--	11.1%	
EBITDAR	\$533	\$595	\$680	\$896	\$609	\$1,538	\$1,390	\$1,394	\$1,416	\$1,387	\$1,536	\$1,694	\$1,879	\$1,987	\$2,096	14.7%	6.0%
Acquired EBITDAR	--	--	--	--	--	--	--	--	--	\$135	\$330	\$546	\$568	\$590	\$614		
Pro Forma EBITDAR	\$533	\$595	\$680	\$896	\$609	\$1,538	\$1,390	\$1,394	\$1,416	\$1,523	\$1,866	\$2,240	\$2,446	\$2,577	\$2,710	14.7%	10.0%
<i>Growth%</i>		12%	14%	32%	-32%	152%	-10%	0%	2%	7%	23%	20%	9%	5%	5%		
<i>Margin %</i>	22%	25%	26%	27%	28%	43%	39%	37%	36%	35%	38%	41%	43%	43%	43%		
Add back: Deferred Rent expense	(\$3)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	--	--	--	--	--	--	--		
Master Lease Rent expense	--	--	\$21	\$98	\$102	\$105	\$107	\$108	\$114	\$124	\$131	\$138	\$146	\$153	\$161		
Total Adjusted EBITDA	\$536	\$596	\$661	\$799	\$508	\$1,434	\$1,284	\$1,286	\$1,303	\$1,399	\$1,734	\$2,101	\$2,301	\$2,424	\$2,549	13.3%	10.3%
<i>Growth%</i>		11%	11%	21%	-36%	182%	-10%	0%	1%	7%	24%	21%	9%	5%	5%		
<i>Margin %</i>	22%	25%	25%	24%	23%	40%	36%	34%	33%	32%	35%	38%	40%	40%	40%		
Deferred rent	\$3	\$1	\$1	\$1	\$1	\$1	\$1	\$1	--	--	--	--	--	--	--		
Depreciation and amortization	\$196	\$218	\$230	\$277	\$281	\$268	\$258	\$257	\$248	\$277	\$268	\$278	\$279	\$285	\$288		
Share-based compensation expense	\$16	\$17	\$25	\$25	\$9	\$38	\$34	\$32	\$25	--	--	--	--	--	--		
Project development	\$22	\$14	\$46	\$22	(\$1)	\$32	(\$19)	(\$9)	\$22	--	--	--	--	--	--		
Impairment of assets	\$38	(\$0)	\$1	--	\$175	\$8	\$41	\$108	\$11	--	--	--	--	--	--		
Other operating items	\$0	\$2	\$2	\$2	\$29	\$15	(\$12)	(\$4)	\$5	--	--	--	--	--	--		
EBIT	\$260	\$344	\$355	\$473	\$14	\$1,073	\$981	\$902	\$993	\$1,122	\$1,466	\$1,823	\$2,021	\$2,139	\$2,260	19.4%	14.0%
Interest Payment	\$213	\$173	\$204	\$237	\$230	\$199	\$151	\$171	\$713	\$686	\$686	\$659	\$577	\$504	\$423		
Interest Income	(\$3)	(\$2)	(\$4)	(\$2)	(\$2)	(\$2)	(\$22)	(\$24)	(\$1)	(\$3)	(\$4)	(\$1)	\$1	\$1	\$1		
Other Non-Operating Expenses/(Income)	\$43	\$1	(\$0)	\$35	(\$43)	\$99	\$23	\$2	--	--	--	--	--	--	--		
EBT	\$8	\$171	\$155	\$202	(\$171)	\$776	\$829	\$753	\$281	\$439	\$784	\$1,165	\$1,443	\$1,634	\$1,836	92.6%	13.6%

Appendix E – LBO Model (4/8)



Bolt-on Acquisitions

Bolt-on Acquisitions								
# of Year Year	0 2023A	1 2024E	2 2025E	3 2026E	4 2027E	5 2028E	6 2029E	7 2030E
M&A Summary								
Target 1 Flag	--	--	1	--	--	--	--	--
Target 2 Flag	--	--	--	1	--	--	--	--
Target 3 Flag	--	--	--	--	1	--	--	--
Acquisition Capex	--	--	\$800	\$1,190	\$750	--	--	--
Revenue	--	--	\$208	\$528	\$861	\$896	\$932	\$969
COGS	--	--	\$64	\$164	\$267	\$278	\$289	\$300
Gross Profit	-	-	\$144	\$365	\$594	\$618	\$643	\$669
Margin %	0%	0%	69%	69%	69%	69%	69%	69%
SG&A	--	--	\$8	\$35	\$49	\$50	\$52	\$55
EBITDA	--	--	\$135	\$330	\$546	\$568	\$590	\$614
Margin %	0%	0%	65%	62%	63%	63%	63%	63%

Appendix E – LBO Model (5/8)



EBITDA to LFCF Bridge

EBITDA FCF Bridge																	
# of Year	-7	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	7	20E-23E	23E-30E
Year	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E	CAGR	CAGR
EBITDA	\$536	\$596	\$661	\$799	\$508	\$1,434	\$1,284	\$1,286	\$1,303	\$1,399	\$1,734	\$2,101	\$2,301	\$2,424	\$2,549	13.7%	10.3%
(-) Tax		\$3	\$40	\$44	(\$36)	\$140	\$189	\$133	\$70	\$110	\$196	\$291	\$361	\$409	\$459		
(-) Project development		\$14	\$46	\$22	(\$1)	\$32	(\$19)	(\$9)	\$22	--	--	--	--	--	--		
(-) Other operating items		\$2	\$2	\$2	\$29	\$15	(\$12)	(\$4)	\$5	--	--	--	--	--	--		
(-) Capex		\$190	\$166	\$205	\$175	\$203	\$272	\$387	\$307	\$343	\$332	\$345	\$346	\$353	\$357		
(-) M&A		--	--	--	--	--	--	--	--	\$800	\$1,190	\$750	--	--	--		
(+) Acquisition Debt		--	--	--	--	--	--	--	--	(\$800)	(\$1,190)	(\$750)	--	--	--		
(-) Acquisition Debt Financing Fee		--	--	--	--	--	--	--	--	\$8	\$12	\$8	--	--	--		
(-) Increase in NWC		(\$10)	(\$65)	(\$85)	\$19	\$2	\$3	\$28	\$2	\$17	\$25	\$51	\$30	\$44	\$20		
Unlevered FCF		\$396	\$472	\$611	\$323	\$1,042	\$851	\$752	\$897	\$920	\$1,169	\$1,407	\$1,564	\$1,618	\$1,712	11.3%	12.5%
(-) Interest		\$173	\$204	\$237	\$230	\$199	\$151	\$171	\$713	\$686	\$686	\$659	\$577	\$504	\$423		
FCF (Before Debt Paydown)		\$223	\$268	\$373	\$92	\$843	\$699	\$581	\$184	\$234	\$484	\$748	\$987	\$1,114	\$1,289	17.3%	12.1%
(-) Mandatory Repayment									\$105	\$105	\$105	\$105	\$105	\$105	\$105		
FCF (Before Revolver)		\$223	\$268	\$373	\$92	\$843	\$699	\$581	\$79	\$129	\$378	\$643	\$882	\$1,009	\$1,184	17.3%	10.7%
(-) Revolver Repayment (Borrowing)		--	--	--	--	--	--	--	--	--	--	--	--	--	--		
FCF (Before Optional Repayment)		\$223	\$268	\$373	\$92	\$843	\$699	\$581	\$79	\$129	\$378	\$643	\$882	\$1,009	\$1,184		
(-) Optional Repayment		--	--	--	--	--	--	--	\$79	\$129	\$378	\$642	\$881	\$1,009	\$1,184		
Levered FCF		\$223	\$268	\$373	\$92	\$843	\$699	\$581	--	--	--	--	--	--	--	17.3%	n.a.
Cash Balance								\$281	\$281	\$281	\$281	\$281	\$281	\$281	\$281		

Appendix E – LBO Model (6/8)



Debt Schedule (1/2)

Debt Schedule																
# of Year		-3	-3	-2	-3	-3	-2	-1	0	1	2	3	4	5	6	7
Year		2020A	2020A	2021A	2020A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
	<u>Rate Cut</u>															
	<u>LT Rate</u>															
SOFR	-50bps	1.6%	1.6%	0.1%	1.6%	1.6%	0.1%	1.5%	4.8%	4.5%	4.0%	3.5%	3.0%	2.5%	2.5%	2.5%
Cash Available for Revolver Paydown										\$79	\$129	\$378	\$643	\$882	\$1,009	\$1,184
Revolver BB										--	--	--	--	--	--	--
(+) Revolver Repayment / (Drawn)										--	--	--	--	--	--	--
Revolver EB										--	--	--	--	--	--	--
Revolver Capacity										\$200	\$200	\$200	\$200	\$200	\$200	\$200
Remaining Capacity										\$200	\$200	\$200	\$200	\$200	\$200	\$200
Revolver Interest Rate										6.0%	5.5%	5.0%	4.5%	4.0%	4.0%	4.0%
Revolver Interest										--	--	--	--	--	--	--
Cash Available for Senior Debt (Optional Paydown)										\$79	\$129	\$378	\$643	\$882	\$1,009	\$1,184
Senior Debt BB										\$5,274	\$5,090	\$4,855	\$4,372	\$3,624	\$2,637	\$1,523
(-) Debt Paydown										\$105	\$105	\$105	\$105	\$105	\$105	\$105
(-) Optional Debt Paydown										\$79	\$129	\$378	\$643	\$882	\$1,009	\$1,184
Senior Debt EB										\$5,090	\$4,855	\$4,372	\$3,624	\$2,637	\$1,523	\$233
Senior Interest Rate										8.8%	8.3%	7.8%	7.3%	6.8%	6.8%	6.8%
Senior Debt Interest										\$455	\$412	\$359	\$291	\$212	\$140	\$59

Appendix E – LBO Model (7/8)



Debt Schedule (2/2)

Cash Available for Junior Paydown		--	--	--	--	--	--	--
Junior Debt BB	<u>Cash Sweep</u>	\$2,573	\$2,573	\$2,573	\$2,573	\$2,573	\$2,573	\$2,573
(-) Debt Paydown	0%	--	--	--	--	--	--	--
(-) Optional Debt Paydown	Max 7%	--	--	--	--	--	--	--
Junior Debt EB		\$2,573	\$2,573	\$2,573	\$2,573	\$2,573	\$2,573	\$2,573
	<u>Rate</u>							
Junior Interest Rate	S + 550	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%
Junior Debt Interest		\$258	\$245	\$232	\$219	\$207	\$206	\$206
Cash Available for Acquisition Debt Paydown		--	--	--	--	--	--	--
Acquisition Debt BB	<u>Cash Sweep</u>	--	--	\$800	\$1,990	\$2,740	\$2,740	\$2,740
(-) Debt Paydown	0%	--	(\$800)	(\$1,190)	(\$750)	--	--	--
Acquisition Debt EB		--	\$800	\$1,990	\$2,740	\$2,740	\$2,740	\$2,740
	<u>Rate</u>							
Acquisition Debt Interest Rate	S + 325	7.8%	7.3%	6.8%	6.3%	5.8%	5.8%	5.8%
Acquisition Debt Interest		--	\$29	\$95	\$149	\$158	\$158	\$158
Levered Free Cash Flow		--	\$800	\$1,190	\$750	--	--	--
Total Debt Repayment / (Borrowing)		\$184	(\$566)	(\$706)	(\$2)	\$987	\$1,114	\$1,289
Total Interest		\$171	\$713	\$686	\$686	\$659	\$577	\$423
Total Debt Outstanding		\$3,835	\$7,663	\$8,228	\$8,935	\$8,937	\$7,950	\$6,835
Credit Stats								
Debt / EBITDA		3.0x	5.9x	5.9x	5.2x	4.3x	3.5x	2.8x
EBITDA / Interest Payment		7.5x	1.8x	2.0x	2.5x	3.2x	4.0x	6.0x
UFCF / Interest Payment		4.4x	1.3x	1.3x	1.7x	2.1x	2.7x	4.1x
Memo: EBITDA		\$1,286	\$1,303	\$1,399	\$1,734	\$2,101	\$2,301	\$2,424
Memo: UFCF		\$752	\$897	\$920	\$1,169	\$1,407	\$1,564	\$1,712

Appendix E – LBO Model (8/8)



Return Calculation

Return Calculation								
# of Year	0	1	2	3	4	5	6	7
Year	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Exit EBITDA		\$1,303	\$1,399	\$1,734	\$2,101	\$2,301	\$2,424	\$2,549
(x) Exit Multiple		11.3x	11.3x	11.3x	11.3x	11.3x	11.3x	11.3x
Total Exit Proceed		\$14,717	\$15,799	\$19,592	\$23,738	\$25,989	\$27,384	\$28,790
(-) Existing Debt		\$7,663	\$8,228	\$8,935	\$8,937	\$7,950	\$6,835	\$5,546
Equity Value		\$7,055	\$7,571	\$10,658	\$14,802	\$18,039	\$20,548	\$23,244
(-) Seller Stake		\$1,058	\$1,136	\$1,599	\$2,220	\$2,706	\$3,082	\$3,487
Investor Equity Value		\$5,996	\$6,436	\$9,059	\$12,581	\$15,333	\$17,466	\$19,757
			<i>Entry Equity Ticket</i>					
			\$6,178					
LFCF		--	--	--	--	--	--	--
(x) Investor Stake		85%	85%	85%	85%	85%	85%	85%
Cash Attributable to Investors		--	--	--	--	--	--	--
Exit Timing	12-31-23	12-31-24	12-31-25	12-31-26	12-31-27	12-31-28	12-31-29	12-31-30
2024		(\$182)						
2025		(\$6,178)	\$6,436					
2026		(\$6,178)	--	\$9,059				
2027		(\$6,178)	--	--	\$12,581			
2028		(\$6,178)	--	--	--	\$15,333		
2029		(\$6,178)	--	--	--	--	\$17,466	
2030		(\$6,178)	--	--	--	--	--	\$19,757
IRR		N/A	4.2%	21.1%	26.8%	25.5%	23.1%	21.4%
MOIC		0.0x	1.0x	1.5x	2.0x	2.5x	2.8x	3.2x