

Boyd Gaming Corporation (BYD)

April 10, 2023

Consumer Discretionary – Casino Hotel Operators

Stock Rating

BUY

Investment Thesis

We are recommending a **BUY** for Boyd Gaming Corporation with a target price of \$82, which represents an upside of 26.5%. When the Federal Government legalized sports betting nearly four years ago, many states passed laws to legalize it at the state level. There is still a largely untapped market with online gambling. Although there are attractive prospects, there is heavy competition in the industry as well as legal challenges.

Drivers of Thesis

- Illegal gambling is three times as big as the legal gambling market⁸. As more states continue to legalize various forms of gambling, Boyd's strategic positioning is poised to benefit.
- China allowing international travel again will likely increase visits to Las Vegas. It is projected that there will be 170-180 million outbound trips from China in 2024⁸.
- Online gaming and sports betting provides consumers the thrill of winning money without the hassle of leaving their home.

Risks to Thesis

- Gambling is federally legal. However, each state has different laws in place. Only 35 states have legalized sports betting in some form¹¹, and only seven have legal iCasinos. State legality is a major risk.
- States have not been benefitting from tax revenue as much as thought, which might make states focus on other initiatives to boost revenues.
- If consumers pullback spending and have less cash to gamble, in-person casinos could be adversely impacted.

Earnings Estimates

Year	2020	2021	2022	2023E	2024E	2025E
EPS	\$-1.19	\$4.07	\$5.87	\$6.01	\$6.31	\$6.61
HF est.				\$5.73	\$6.07	\$6.54
Growth	-185.6%	242%	44.2%	-2.39%	6%	7.61%

12 Month Performance



Target Price

\$75-85

Henry Fund DCF	\$82
Henry Fund DDM	\$45
Relative Multiple	\$75

Price Data

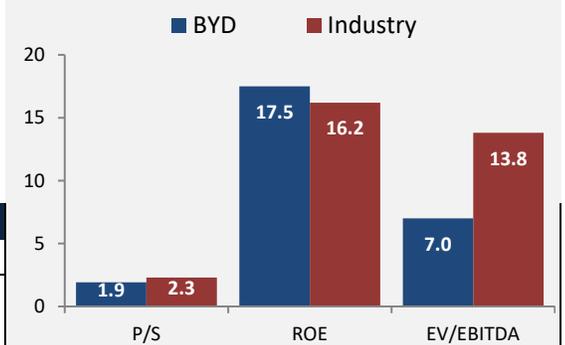
Current Price	\$64
52wk Range	\$46 – 68
Consensus 1yr Target	\$74

Key Statistics (FactSet)

Market Cap (B)	\$6.34
Shares Outstanding (M)	\$102
Institutional Ownership	69.3%
Beta	1.13
Dividend Yield	1.06%
Est. 5yr Growth	7.50%
Price/Earnings (TTM)	9
Price/Earnings (FY1)	10
Price/Sales (TTM)	1.92

Profitability

Operating Margin	32.2%
Profit Margin	27.6%
Return on Assets (TTM)	10.1%
Return on Equity (TTM)	41.6%



Company Description

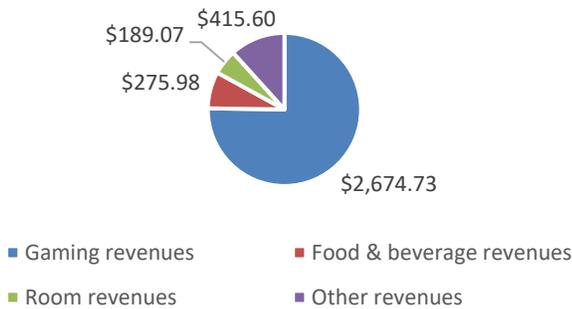
Boyd Gaming is a casino operator founded in 1975 headquartered in Las Vegas, Nevada that operates 28 gaming properties. These 28 properties are geographically diverse, operating in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio, and Pennsylvania. Along with physical locations, the Company is a 5% equity owner in one of the largest online sportsbooks, FanDuel. Boyd Gaming also provides management services to the Sky River Casino in California¹.

COMPANY DESCRIPTION

Boyd Gaming Corporation is a multi-jurisdictional gaming company that has been in operation since 1975. The Company is headquartered in Las Vegas, Nevada and operates 28 gaming entertainment properties. Boyd is geographically diverse, having operations in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio, and Pennsylvania. Boyd has formed a strategic relationship with FanDuel, one of the largest sportsbooks in America, that includes a 5% equity stake. Along with FanDuel, there is a management agreement with Wilton Rancheria where Boyd manages a casino property in California. The Company also owns a travel agency and insurance underwriter in Hawaii. This is important because Boyd targets Hawaiians to stay in the Downtown Las Vegas hotels.

In 2022, Boyd reported recorded revenues at \$3.56 billion and EBITDAR, representing increases of 5.5% and 1.8%, respectively year-over-year. EBITDAR is EBITDA and restructuring or rental costs. This measure is beneficial for casinos due to non-recurring or variable rent or restructuring costs¹³. Revenue is comprised of four main segments, gaming, food & beverage, room, and other. Gaming revenues comprised about 75% of total revenues in 2022. Boyd also has strong margins, coming in at 38%¹.

'22 Revenue Breakdown



Source: 10k

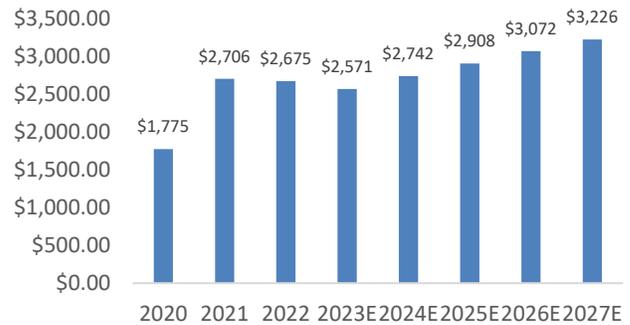
Gaming Revenues

Gaming revenues consist primarily of net wins from slot machines as well as table game revenues. Gaming revenues fell about 1% year-over-year, primarily due to decreases in slot handles and slot wins. Slot handles refers to the amount wagered at slot machines and slot wins are wins by customers. Although gaming revenues fell year

over year, the Company saw growth in the core customer base. Unrated play, which is play from members that are not loyalty members, fell year-over-year. This makes sense considering government stimulus was given in 2020 and that money had begun to run out, leading to less discretionary funds. Margins for gaming remained strong at 62.4%, although it was a slight decrease from 63.1% in 2021. We forecasted that gaming revenues will fall by 3.9% in 2023 as consumers will likely be watching discretionary spending due to high inflation and a potential recession. After the tumultuous economic environment passes, we expect that consumer spending will begin picking up again and gaming revenues will increase by 6.7% in 2024, 6% in 2025, then level off in growth until the eventual 4.4% continual growth rate. This represents a compound annual growth rate (CAGR) of 4.8% in the forecast period.

As public perception of gambling continues to improve to be viewed as entertainment, more consumers might be more willing to spend money at casinos in search of earning potential. An aging population that will be beginning to retire and have more time for leisure activity will also likely increase gaming revenue. Gaming revenues have historically been about 75% of revenue, and this is forecasted to remain roughly the same.

Gaming Revenue Forecast



Source: HF Model

Food & Beverage Revenues

Food and beverage revenues saw a 20% increase year-over-year to come in at \$276 million in 2022. This increase came from an increase of 11% in food covers and a 4.4% increase in average checks. Food covers refer to one meal, or one customer served. Despite high food inflation in 2022, food and beverage margins remained essentially unchanged at 16%. We forecasted that food and beverage revenues will decrease by 5.7% in 2023. Increased inflation

mixed with lower spending might force consumers to eat at home before going out to casinos. We forecast that in 2024 food and beverage revenues will increase by 6.5%, 5.8% in 2025, 5.5% in 2026 then leveling off and reaching 3.7% growth after 2027. The CAGR for the forecast period is 4.6%.

This forecast comes from pent-up demand and cooling inflation prompting consumers to eat out more. Food and beverages are not a huge part of Boyd’s revenue, and these revenues could fall a little bit and the Company would likely be able to weather it.

Food & beverage Revenue Forecast



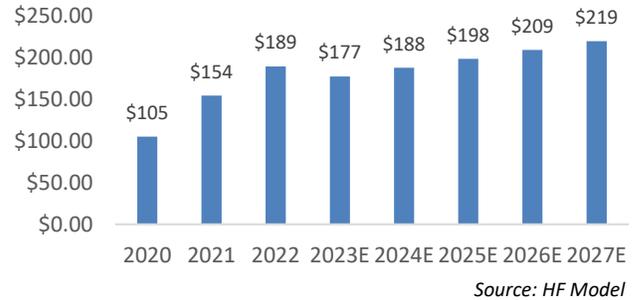
Room Revenues

Room revenues also saw a substantial increase year-over-year, growing 22.6% to \$68.4 million. This large increase was due to increased Las Vegas business conventions and Hawaiian travel restrictions being removed. The Company also benefitted from a 4.4% increase in occupancy and a 4.1% increase in average daily rates. As convention business continues to pick back up in Las Vegas, room revenues will likely follow as well. It could be reasonable to assume that food and beverage might increase as well. Hawaii removing travel restrictions will also likely continue to boost room revenues due to the Company’s unique strategy of targeting Hawaiian consumers via ownership of a travel agency.

Margins improved 1.2% in the room sector year-over-year. We forecasted that room revenues will fall 6.3% in 2023 despite the removal of Hawaii’s travel ban and increasing Las Vegas conventions. This fall is due to consumers being less willing to stay in hotels to save money. After 2023, we forecasted that revenues would rise 5.9% in 2024, 5.7% in 2025, and reaching a constant growth of 4% after 2027 of

3.5%. This growth represents a CAGR of 4.6%. Room revenues do not make up a large portion of total revenues, and that trend is expected to continue in the forecast period.

Room Revenue Forecast

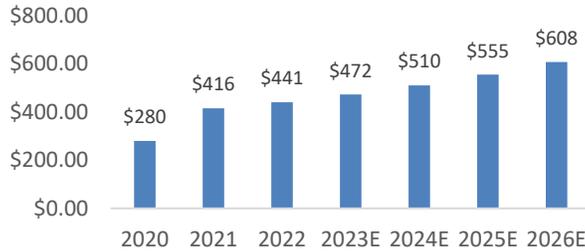


Other Revenues

Other revenues relate to online gaming initiatives including revenue from Pala Interactive, other amenities at properties, and management fees from Sky River. Pala Interactive was acquired in November and management fees from Sky River began in Q3 in 2022¹. This segment was forecasted to be the largest growing revenue stream for the Company. As Pala Interactive revenues grow as more states legalize online gaming, revenues for Boyd will follow. Being able to collect management fees for every quarter in 2023 and beyond, revenues will benefit. Other amenities at properties include entertainment revenue, retail sales, and theater tickets. As hotels experience an influx of visitors, it is reasonable to assume these amenities will also increase.

In 2023, we forecasted revenues to increase 6%, which might even be on the conservative side. Revenue growth is forecasted to peak in 2027 at 9.5% then reach constant growth of 5.5% in 2028. This portion of revenues might be the largest catalyst for the Company as segments with the largest growth potential are included in this segment. Margins are relatively strong at 37.6%, a 2.9% increase from 2021, and are expected to stay strong.

Other Revenue Forecast



Source: HF Model

Cost Structure Analysis

Boyd reports eight different cost categories, with four main categories, gaming, food & beverage, room, and other. Margins are expected to decline over the forecast period to 31% as input costs rise and are harder to pass on to consumers.

Gaming Costs & Expenses

Gaming costs made up the majority of costs, which makes sense due to gaming revenues being the highest revenue stream. In 2022, gaming had a margin of 62.4%, and this is expected to stay relatively consistent throughout the forecast period. There is not a lot of cost cutting opportunity because these costs relate to paying dealers and from losses, or gains, in gross gaming revenue (GGR). GGR is simply amount wagered minus amount won. This is one of the few areas that might not benefit from automation. Consumers like to have human interaction while being entertained, and dealers fit into that category. Perhaps some casinos will take a gamble with robo-dealers, but that might deter consumers.

Food & Beverage Expenses

In 2022, food & beverage margin declined 0.2% despite an uptick in sales and covers. Rampant food inflation forced restaurants to pay a premium for goods and in turn attempt to pass these costs on to consumers. We forecasted that margins will improve to 17.5% in 2023 then fall to 17% in 2024, and 16% 2025-2027 before reaching a constant margin of 17%. As the Russia-Ukraine war continues with no favorable outcome in the foreseeable future, food costs might be more elevated due to shortages. If the war is ended soon, restaurants might

see price decreases and continue to charge elevated prices, which would boost margins.

Room Costs & Expenses

Rooms costs were the lowest component of revenue and costs in 2022. Although it is a small component of revenue, rooms had a good margin of 63.8% in 2022. As more rooms are being occupied, BYD needs more staff to clean the rooms and run other various parts of the hotel. We forecasted margins to fall as room revenues rise due to the increase in occupancy. This cost could be offset by charging higher room rates, which could also offset lower vacancies. Room expenses could be lowered by utilizing automation, but this technology still needs time to be developed before it can be utilized. We forecasted margins to fall to 60.5% in 2027 before stabilizing at 62%. There is potential cost saving but is dependent on if the Company is able to utilize it.

Other Costs & Expenses

Other costs made up the second highest cost of the four main costs. As these revenues have gone up, the costs have as well. The revenue that is in this category primarily relates to Boyd's online activities. There is potential for cost synergies between FanDuel and Pala which could lower BYD's costs. Management has not said anything about this, but if it were to happen margins would likely increase. We forecasted that margins would remain relatively the same over time and level out at 39% after 2027.

Additional Company Analysis

Hawaiian Targets

Boyd targets an interesting niche, Hawaiian consumers. The Company owns a travel agency and a company that underwrites travel-related insurance, both located in Hawaii. Downtown Las Vegas properties focus on marketing to gaming customers from Hawaii. The Company also has strong relationships with tour and travel agencies in Hawaii and offer affordable all-inclusive packages to these travelers. In 2022, Hawaiian travelers accounted for 73% of occupied room nights at the California Hotel and Casino, 42% at Fremont Hotel & Casino, and 51% at Main Street Station Hotel and Casino¹. Having this high of a percentage making up the occupancy of downtown Las Vegas casinos could be a risk. If agencies

aren't performing as well as they could or if Hawaiian consumers face hard times, this occupancy could drop, which can potentially hurt revenues.

Pala Interactive

In November 2022, Boyd acquired an innovative online gaming technology company, Pala Interactive. The acquisition cost recorded was \$175 million in cash as well as borrowing \$320 million on a revolving credit facility. It should be noted that some of the \$320 million was to finance share repurchases. Pala interactive provides proprietary solutions on a business-to-business and a business-to-consumer basis in the United States and Canada. This acquisition allows BYD to begin building out the infrastructure for online gaming regionally. While online casinos are not yet legal everywhere, Boyd believes that this acquisition will help with online gaming strategies. Pala Interactive has an extensive customer base and being able to utilize this will allow Boyd to grow their nationwide portfolio and increase revenues¹.

FanDuel

FanDuel is one of the nation's leading sports-betting operators, and BYD has a 5% equity stake. In 2022, Flutter, the Company that owns a majority of FanDuel, won an arbitration case that valued FanDuel at \$20 billion¹⁵. This valuation was as of 2020. Flutter owns 95% of FanDuel, but the arbitration ruled that FOX would be able to acquire 18.6% of FanDuel at a \$20 billion valuation. In 2022, FanDuel had a 50% market share in the American sports betting industry¹⁶. It is reasonable to assume that the \$20 billion valuation has increased over the last three years.

BYD and FanDuel have a strategic partnership that allows the two companies to pursue sports-betting opportunities in-person and online. As of right now, BYD operates a FanDuel sportsbook in 16 properties. With the recent launch of FanDuel in Ohio, BYD now has sports-betting in every state that properties are in, apart from Mississippi and Missouri due to illegality. As FanDuel and sports betting continues to grow and become legal, BYD will receive more revenue from this arrangement. Acquiring Pala could also benefit this relationship. With BYD now owning an online casino operator, there is more opportunity for collaboration between FanDuel and Pala, which could increase revenue and potentially lower costs¹. Sports betting revenue is expected to grow to \$15 billion by 2026, representing a CAGR of 17.1%. This expected

growth will greatly benefit FanDuel which in turn helps Boyd.



Sky River Casino

In August 2022, Sky River Casino fully opened to the public. Sky River is the first Native American tribal casino on tribal land in downtown Sacramento and is owned by the Wilton Rancheria tribe. Boyd has a unique deal with the tribe and has entered into an agreement to operate the casino. 2022 was the first year with the agreement, and the Company generated \$21 million in revenue from August to year end. Boyd expects that this partnership will generate \$50 million in revenues in 2023, which can help offset potential slowdowns in company owned casinos¹. If the Company finds success in this market and expands management services specializing in tribal owned casinos, revenue streams will become more diversified and could help the Company weather uncertainty better.

Leases and Debt

Being a casino operator requires a large plot of land and a generally a large building that has the casino, bar/restaurant, and hotel, if applicable. As of December 2022, BYD leased four large properties that are owned by Gaming and Leisure Properties Inc (GLPI). The four leases include both Ameristar properties, Belterra Resort and Belterra Park. These four properties total 965 acres of leased land and building. An additional nine properties were located on owned and leased land but have far less acres leased.

BYD is subject to certain provisions such as rent escalations, variable rent, and a pooled lease restriction. The rent escalations stipulate that BYD must pay base rent and is subject to an annual escalation of up to 2%. Variable rent requires the Company to pay percentage rent under

the Master Leases and is recalculated every two years. This figure is calculated as 4% of the change in average net revenues for the trailing 2-year period and 50% of the trailing 12 months net revenues. The pooled lease pools the two Ameristar properties together and the two Belterra properties together. BYD is prohibited from divesting any property without GLPI’s consent.

In addition to leasing, the Company has roughly \$3 billion in long-term debt. About \$1.2 billion was outstanding under a credit facility. Due to a heavy debt load, BYD relies on cash flows from the business and is subject to certain restrictive covenants that ensure solvency.

Debt Maturity Analysis

Boyd has \$44 million of debt becoming mature in each of the next four years at an average interest rate of 6.2%. In 2027, a large sum of \$2.01 billion becomes mature¹. The Company is very reliant on consumers visiting casinos to generate cash flow, and if consumers begin to not visit as much, it could materially impact the Company. Although the Company is reliant on cash flow, there is a sufficient cash balance to pay the upcoming maturities. Included in this debt is a credit facility that has been utilized for dividends and share buybacks. This credit facility might be needed to roll over into the future due to the high sum that is due. Boyd has announced a \$400 million share buyback plan for 2023. If the Company decides to buy back less in the future, more cash could go to paying off the credit facility. Based on 2022 debt levels, a 100-bps interest rate increase would cause interest costs to change by about \$11.9 million. Rates could potentially reach this increase, or at least very close to it. Moody’s rated BYD Ba3, which is considered junk debt¹⁴. Boyd was given a stable outlook. As the Company continues to pay down debt and increase cash flows, this rating could be upgraded to investment grade. Boyd is in a good position to continue to provide returns to shareholders by dividends and share repurchases while being able to continue keeping up with debt payments. The increase of \$11.9 million should not materially impact the Company.

Five-Year Debt Maturity Schedule (Source: 10k)

Fiscal Year	Interest Rate (%)	Payment (\$mil)
2023	6.2%	\$44
2024	6.2%	\$44
2025	6.2%	\$44
2026	6.2%	\$44
2027	6.2%	\$2,012
Thereafter		\$900
Total		\$3,088

Source: 10K

ESG Analysis

Ticker	Score	Risk Rating
BYD	24.7	Medium
CZR	25.9	Medium
MGM	25.5	Medium
GDEN	37.3	High
LVS	18.1	Low
RRR	36.6	High
PENN	28.1	Medium
DKNG	N/A	N/A
WYNN	26	Medium

Source: Sustainalytics

Gambling used to be seen as a degenerate activity, or a vice. Over the last few years, it has shifted from being considered a vice to being considered entertainment. As gambling continues to be viewed more positively and more states legalize gambling, the ESG risk rating of 24.7 should decrease. When comparing scores, BYD has the second lowest score, trailing only LVS. The Company also received a five-star rating in Newsweek Magazine’s Annual Listing of America’s Greatest Workplaces for Diversity, the only gaming company to achieve this.

RECENT DEVELOPMENTS

Recent Earnings Announcement

Boyd reported, and beat, earnings on February 2, 2023. Consensus EPS for the quarter was \$1.45, and BYD reported EPS of \$1.72, a surprise of 18.6%. The Company reported record yearly revenues yet again at \$3.6 billion. EBITDAR was also a record, coming in at \$1.4 billion with operating margins of 39%. The Company’s geographic diversity helped counter a slowdown in the Midwest and South by delivering strong performance from Las Vegas, online gaming, and management fees. Convention business in Las Vegas showed a strong recovery by more than doubling 2021 levels.

Online gaming showed tremendous growth in EBITDAR coming in at \$17 million, a 100% increase year-over-year. The relationship with FanDuel has continued by the launch

of mobile and retail sports betting in Ohio and Kansas casinos. Continuing this beneficial relationship will likely lead to an increased revenue stream in the future, especially as more states legalize sports betting. Management fees from the Sky River agreement yielded about \$21 million in revenue in 2022 and is expected to increase to \$50 million in 2023.

In Q4 2022, Boyd repurchased 1.8 million shares at an average price of \$57.48 totaling \$107 million. Share repurchases remain important to the Company, as they repurchased a total of 9.4 million shares at an average price of \$57.48, totaling \$542 million. Management stated that the plan is to buy back \$100 million in stock per quarter in 2023. At year end, management feels that the Company is a solid position balance sheet wise and is confident in the long-term growth strategies that have been initiated over the last 1.5 years⁵. This will allow Boyd to continue to return capital to shareholders and grow operations⁵. The market responded well to this, and BYD rose 6.9% to close at \$66.48¹⁹.

COVID-19 Impact

COVID-19 eviscerated some discretionary sectors, with casino operators being no exception. When the pandemic struck and restrictions were put in place, people stopped visiting casinos and revenues subsequently fell largely. The United States was largely fully reopened by the mid-to-end of 2021. Consumers were flush with cash and pent-up demand, and what better way to burn excess cash and demand than gambling with the allure of outsized returns? Casino operators have largely rebounded in 2022. In 2019, the market size of the gambling industry worldwide was \$271.6 billion, this plummeted 34% to \$178.7 billion in 2020. In 2022, the market size is expected to be \$261.8 billion, which is still below 2019 levels. The market size was \$308.6 billion in 2013 and has remained relatively steady since 2015.

Market Size of WW Gambling Industry



Source: Statista

China Reopening

China outbound travel is very large and was decimated the last few years due to COVID-19. In 2023, China removed the zero-COVID policy that had been in place. Before the pandemic in 2019, Chinese outbound travel totaled \$277 billion compared to the total in United States of \$157 billion⁸. Chinese consumers likely have lots of pent-up demand from the last two years as well as increased savings, which could lead to more outbound travel to key destinations such as Las Vegas. The China Outbound Tourism Research Institute (COTRI) expects that there will be 110 million outbound trips in 2023 and 170-180 million in 2024. This is roughly 10 times the number of outbound trips in 2020, which came in at 18 million. 2021 presented an even worse year for outbound Chinese travel, with only 8.5 million trips logged. Despite this, Las Vegas casinos saw a great rebound in the latter half of 2021 and FY 2022. It is reasonable to assume that an influx of wealthy Chinese tourists to Las Vegas would boost revenues as more room stays and table game revenues are being recorded.

INDUSTRY TRENDS

Sports betting has only been legal in the United States for a little over three years but is not legal everywhere yet. iGaming is still largely outlawed in the United States, but more states could look to legalize it and increase tax revenues. This mixed with gambling being viewed as a form of entertainment rather than a degenerate vice will likely be a catalyst for the industry.

Online Gaming

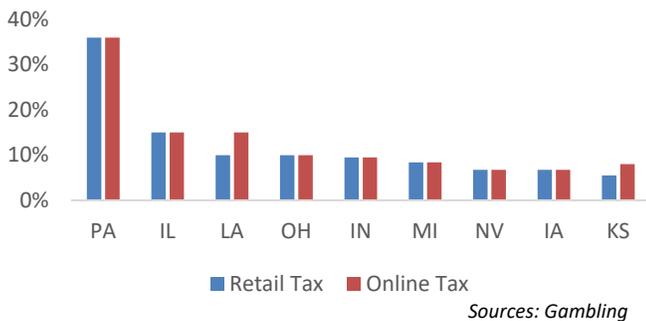
Online gaming can provide bettors the opportunity to play table games and the potential to win money without

having to leave their home. This is very enticing to some consumers; however, online gaming is still largely outlawed in the United States. Only seven states have legalized online casinos. With only seven states legalizing online gaming, there is a large (legal) market that states could tap into. Legalizing online casinos would not only boost revenues for companies targeting the space, but it would also lead to an increase of tax revenues for the state.

We believe that as the public’s view on gambling continues to improve and states begin to put this issue on the ballot that more states will eventually legalize it. Boyd would be very well positioned to take advantage of this large, underserved market. The acquisition of Pala Interactive and strategic partnership with FanDuel provide two ways for the Company to profit from the legalization of gaming. Sports betting becoming legal was the first step in legalizing online casinos, especially as the younger generation begins to sports bet and make the transition to in-person and/or online casinos.

gambling sites likely will not care if a person is under 21, as they are already engaging in illegal activity. Illegal sites being able to generate revenue from both underage and of age consumers directly leads to the increased market size compared to legal gambling. Along with more consumers being able to use illegal sites, they do not have to leave the comfort of their home. Being able to gamble whilst lounging at home might take away some of the excitement, but that is made up for in terms of convenience. As more states move to legalize both sports betting and online casinos, revenues should follow as well, and Boyd is well positioned to take advantage of both of avenues. The strategic partnership and equity stake in FanDuel and the acquisition of Pala Interactive will likely be large factors in the future growth of Boyd.

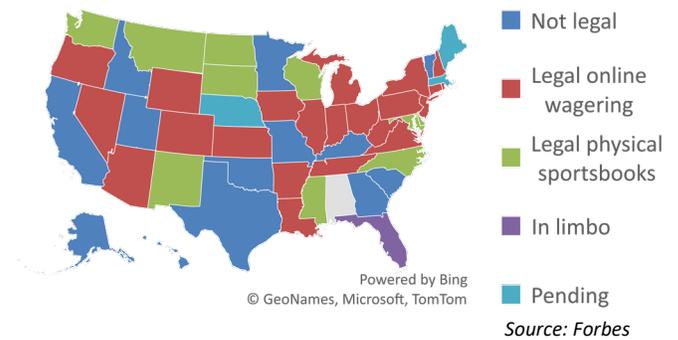
Sports Betting Tax Rates



Illegal Gambling

Although gambling at casinos is legal in 48 states (Hawaii and Utah have an all-out ban), illegal gambling is still very prevalent. Sports betting and iGaming is still not legal in every state. Due to this, bettors have sought after ways to still take place in the action. This is done illegally, however. It is estimated that the illegal iGaming industry is about 3 times the size of legal iGaming. Sports betting is legal in 35 states with 8 more states having it on the ballot to legalize. Legal sports betting is still in its infancy, having been legal only since September 2019. States have been slower to accept online casinos, however. There are only seven states that have legal online casinos. Given this information, it is obvious how the illegal market is so large. The minimum age to gamble in America is 21, illegal

Sports Betting Legality



Aging Population

The population in the United States is aging as Boomers have begun reaching retirement age. As workers retire, they generally tend to find their final living destinations. Las Vegas has quite attractive prospects regarding retirement destinations and is the 5th fastest growing state in America, coming in at 19.45%. As retirees migrate to Las Vegas and they have much more free time, it is quite reasonable to assume that retirees will head to casinos more. As well as a greater number of retirees going to Las Vegas, they have a greater propensity to gamble as they have more disposable income as well as time than younger consumers. An increase in population in Las Vegas would likely lead to an increase in revenues as retirees go to casinos more. As well as having more leisure time, retirees

likely will have more disposable income and could afford to lose some money.

Legality and Regulations

One of the biggest obstacles the gaming industry faces is legality and regulations. As of 2022, 48 states allowed casino gambling. Only 35 have legal sports betting, and only seven states have legal iGaming casinos¹¹. Admittedly, I cannot give a sufficient reason as to why gambling is still not legal in all 50 states. I believe that gambling in person and online will boost state revenue for every single state in the United States. The illegal iGaming industry being three times larger than the legal iGaming industry provides very clear benefits for legality. 48 states (except for Hawaii and Utah) have potential revenues boosts by taxing gambling profits. With the de-dollarization campaign that is going on, states will likely need more revenues in-state than before, which could be a catalyst for legalizing sports and iGaming betting.

Every state is different, however, which will likely pose challenges in legalization. If states were to legalize and tax all online gambling, there would be an increased stream of revenue from taxes. If illegal online gambling offered roughly the same games and payouts as in person casinos, there should be no reason that online gambling should be outlawed in 86% of the United States. iGaming would likely increase tax revenues for states, but the gain could be offset by consumers who still prefer in-person gambling. Older consumers might not be as tech savvy and would prefer in person gambling, but this presents a perfect opportunity for states. Being able to capitalize on in person and online gambling would likely boost revenues for states and satisfy residents.

Each state calculates taxable revenue differently. States might also charge a licensing fee, which can vary wildly. Differences in taxable revenue stems from allowing promotional deductions and loss-carryovers, which can lead to discrepancies in the tax rate and the rate that is actually paid¹⁸. Promotional deductions refer to free bets that the operator gives to consumers, something that companies use to draw in more customers. Pennsylvania has imposed a 36% tax on both retail and online sports betting, but the effective rate that was paid was only 23.6%. This can very likely be attributed to Pennsylvania allowing promotional deductions. Not all states experience these write-offs, however. Retail and online revenues are taxed at 6.75% in Iowa, but operators paid

7.3% in taxes, which could be attributed to initial fees being paid.

Initial license fees are a way for states to get an instant revenue boost, regardless of how the operators perform. These fees range wildly from state to state. Once again, Pennsylvania has the highest fee at \$10 million. Nevada comes in at a much lower \$500 rate. With every state charging different tax rates and licensing fees, existing operators are in a better spot than entrants due to the familiarity within the state and the licensing fees already being paid.

2021 Tax Revenue (M)



Source: Statista

MARKETS AND COMPETITION

The casino industry is highly competitive due to a lack of differentiated products and lots of competition. Although there is competition and low differentiation, there are high barriers to entry due to legal requirements and capital requirements.

Ticker	EPS '23	EPS '24	Market Cap. (b)
BYD	5.82	6.26	\$ 6.38
CZR	0.96	2.14	\$ 9.86
MGM	0.63	1.14	\$ 16.10
GDEN	2.14	2.19	\$ 1.19
LVS	1.69	3.01	\$ 43.22
RRR	1.88	2.09	\$ 2.55
PENN	1.61	1.93	\$ 4.64
DKNG	-2.14	-1.09	\$ 8.31
WYNN	0.94	4.16	\$ 12.35

Source: FactSet

Boyd demolishes the competition when it comes to EPS. Of the peer set, BYD was one of the only companies to report a positive EPS in 2022. This trend carries into the forecasts for 2023 and 2024 EPS. BYD has the 4th largest market cap, yet the highest EPS, which could show that the

Company is being undervalued by the market. As BYD continues to buy back stock and boost revenues, EPS compared to competitors will likely continue to look appealing.

Avg. 5-year Margins

Ticker	5Yr Avg Gross Margin
BYD	43.30%
CZR	39.30%
MGM	26.10%
GDEN	29.70%
LVS	21.40%
RRR	46.00%
PENN	36.90%
DKNG	38.70%
WYNN	14.60%

Source: FactSet

When comparing average 5-year margins, Boyd has the second-best figure. When operating in a business that heavily relies on cash flow, having the ability to maintain strong margins to get through tough times is pivotal. With BYD now in the online gaming industry, margins could increase in the coming years. MGM and CZR are seen as the leaders in the casino industry and have a large market share. If Boyd can continue to have strong margins and continue to expand, the Company might capture more market share.

Geographic Breakdown

Ticker	US Rev. %	Int. Rev %
BYD	100.00%	0.00%
CZR	100.00%	0.00%
MGM	94.87%	5.13%
GDEN	100.00%	0.00%
LVS	0.00%	100.00%
RRR	100.00%	0.00%
PENN	100.00%	0.00%
DKNG	98.05%	1.95%
WYNN	80.79%	19.21%

Source: 10K's

International markets present ample opportunity for casinos. Although there is opportunity, the majority of BYD's competitors derive about 95% of revenues from the United States, except for LVS. Each company has potential

to move into international markets by way of sports betting. Sports are played and watched all over the world, companies could tailor sports betting to the more popular sports in a specific region. This might take some overhaul but could pay off by diversifying revenue streams.

Peer Comparisons

CZR

Caesars Entertainment is one of the most recognized names in the gambling industry. Caesars was founded in 1973 with the opening of the Eldorado Hotel Casino in Reno, Nevada, where it is headquartered. In 2005, the Company began to expand by making acquisitions. These acquisitions included MTR Gaming Group, Isle of Capri Casinos, Tropicana Entertainment, and William Hill PLC. In 2020, the Company merged with Former Caesars and the ticker changed from ERI to CZR. At year-end 2022, CZR owned, operated, or managed 51 properties across 16 states. Within those 51 properties, CZR owns about 52,800 slot machines, video terminals and e-tables, 2,800 table games, and about 47,200 hotel rooms. Caesars is also in the sports betting industry, operating in 28 jurisdictions. Gaming operations is the Company's primary revenue source. In 2021, CZR acquired William Hill PLC and divested the non-U.S. operations, keeping all the existing operations and revenue in the United States. Assets held for sale had an impairment charge in \$503 million in 2022 relating to this transaction. Caesars is one of the largest brands, and this has helped the Company to form high-profile partnerships with the NFL and other various sports teams. This brand name strength sets the Company up well for success and poses a threat to BYD²⁰.

MGM

MGM is another one of the most recognized names in the gambling industry. At the end of 2022, MGM operated 17 domestic casino resorts, had a 56% controlling interest in MGM China Holdings, and had a 50% owned venture, BetMGM. MGM China operates two casino resorts in Macau. The Company has made lots of changes in the last few years including launching BetMGM, acquiring Empire City for \$850 million, and selling the Bellagio's real estate assets to Blackstone's Real Estate Investment Trust (BREIT) then re-leased it. MGM has made even more changes over the past few years that have arguably made them more attractive. Although MGM only has two Macau casinos, this is exposure to China's economy reopening and the

pent-up demand that is likely present. As well as having Chinese exposure, MGM and venture partner (ORIX), were selected to be Osaka's regional integrated resort partner. This is important because gaining exposure to Japan's aging population would likely boost revenues and helps diversify geographic risk. MGM Growth Properties (MGP) works closely with Vici to ensure that properties are being utilized as best as possible²⁰.

GDEN

Golden Entertainment is a gaming company that operates casinos, taverns, and distributed gaming. The Company operates 10 casinos, three in Las Vegas, Pahrump, NV and Laughlin, NV. The 10th casino is in Flinstone, Maryland. Along with 10 casinos, GDEN operates 16,790 slot machines/amusement devices, primarily in Nevada. These slot machines/amusement devices are located in over 1,000 third-party non-casino locations, such as restaurants, bars, taverns, convenience, liquor, and grocery stores. The Company is responsible for the installation, maintenance, and removal of these machines. The contracts that are entered into are either space lease or participation agreements. Space lease contracts require the Company to pay a fixed monthly rental fee and are the only party holding a gaming license. Participation agreements allow the business location to retain a portion of gaming revenues, both companies must hold a gaming license under this model. GDEN is a unique company that has an interesting mix of revenues and could potentially weather an economic slowdown slightly better than competitors²⁰.

LVS

Las Vegas Sands is a company that operates integrated resorts in Macao and Singapore. There is no United States exposure. Revenues are split into five categories, casino, rooms, food and beverage, mall, convention, retail and other. Year-over-year revenues fell 2.9%, largely due to Macao COVID restrictions. Although Macao revenue fell, there was an increase in revenue of \$1.15 billion at Marina Bay Sands, which was attributed to reopening borders and most pandemic restrictions being removed. LVS is in a great position to capture the influx of wealthy Asian consumers visiting casinos post opening in China. With LVS operating completely outside of America, there is not a

substantial threat to Boyd. LVS did have U.S operations until February 2022²⁰.

RRR

Red Rock Resorts is a holding company that owns an indirect equity interest in and manages Station Casinos LLC. The Company's operations are conducted through this entity. RRR owns and operates 12 casinos and has 50% ownership in three additional properties. These properties are very well located, 90% of the Las Vegas population is within five miles of one of the properties. One risk that RRR has with casino revenues are that 80-85% of revenue is comprised of slot play. Revenues rose 2.8% year-over-year in 2022 and net income rose 39.8%²⁰.

PENN

Penn National Gaming offers integrated entertainment, sports content, and casino gaming experiences. At the end of 2022, PENN operated 43 properties in 20 states, online sports betting in 15 jurisdictions, and iCasino's in five jurisdictions. These brands include Hollywood Casino, Barstool Sportsbook, theScore Bet Sportsbook and Casino. Penn is also geographically diverse with five different reportable segments, Northeast, South, West, Midwest and Interactive. This can help when there are slowdowns in one region. PENN is a direct competitor of BYD as both companies are in the process of strengthening the presence in the iGaming industry. Boyd's relationship with FanDuel is also in direct competition with Penn's sports betting initiatives²⁰.

DKNG

DraftKings provides users with online sports betting, online casino, and daily fantasy sports. As of 2022, DKNG operates in 20 of the 34 legal sports-betting jurisdictions, and only in New Jersey for iGaming. Daily fantasy sports are available in 44 states, certain provinces in Canada and the United Kingdom. Diversifying into international by way of licensing gaming technology helps diversify risk away from only the United States. The Company has seen an increase of over 50% in average monthly unique payers (MUPs), going from 0.9 million in 2020 to 1.9 million in 2022. One-way DraftKings has been able to drive an increase in MUPs is by entering into agreements with the NFL, NBA, MLB, NHL, and UFC to improve brand awareness. In September, Amazon selected DKNG as a sponsor and official pre-game odds provider for Thursday

Night Football. DKNB is in direct competition with BYD by being a competitor of FanDuel as well as partnering with other casinos to offer branded sportsbook services within the hotel casino²⁰.

WYNN

Wynn Resorts is preeminent designer, developer, and operator of integration resorts featuring luxury hotel rooms, high-end retail space, dining & entertainment, meeting & convention facilities, and gaming. The Company has 72% ownership in Wynn Macau, which operates two integrated resorts in Macau. WYNN also operates Wynn Las Vegas, Encore at Wynn Las Vegas, Encore Boston Harbor, and hold an approximately 97% interest in Wynn Interactive. Wynn Interactive operates WynnBet, an online sports betting and casino gaming business. The Company also recently announced plans for the development and management of a destination resort property in the United Arab Emirates. This is a very interest move due to the wealth that is the area, as well as high spending tourists coming to the area. WYNN is a director to BYD as they operate a sportsbook and are in the iGaming industry. The Company also has solid geographic diversity, providing more room for slowdowns in certain regions²⁰.

ECONOMIC OUTLOOK

The United States is still battling high inflation, rising rates, and increasing geopolitical risks. This is leading to an uncertain outlook for 2023. If the Federal Reserve can accomplish a soft landing and perhaps does pivot at the end of 2023, consumers might feel more confident and help lead an economic recovery.

Rising Interest Rates

The Federal Reserve has risen interest in each of the last 9 meetings to 475-500 bps. One major impact that this has on Boyd would be the higher cost of borrowing which might limit the opportunity to expand and build on to current properties. As the higher rates continue to work through the economy, more jobs will likely be lost potentially leading to a decrease in casino visits. If the United States goes into a recession and the stock market sells off, people might look elsewhere for uncorrelated returns. This could lead consumers to going to casinos more or use sports betting apps.

Consumer Spending

The United States is still wrestling with a looming recession. Consumer spending has remained resilient over the past year, but this strength might come to an end. As consumers are running out of COVID savings due to high inflation and pent-up demand and might need to begin saving again. Consumers have been using credit for purchases more than ever before, which is not a good sign for the casino industry. Cash must be used at casinos and debit cards are used for sports betting, using credit to gamble is not allowed. As more and more consumers cut spending and are forced to save and use income to pay off debt, visits to casinos by these consumers would likely deteriorate. If the United States avoids a recession and consumers begin to get strong again, it could be reasonable to assume that trips to the casino and online sports books would increase as well.

Unemployment

The United States is currently running at 3.5% unemployment⁴, which is the lowest it has been for half of a century. As the Fed is attempting to cool the economy, more jobs will likely be lost throughout the year. This could be either good or bad for casinos. On one hand, unemployed workers have a lot more time to spend on doing other stuff due to not having a job. If they are also receiving government assistance, there might be a propensity to spend that and potentially earn a return at the casino. If consumers decide to be more conservative and save their assistance, visits to the casino would likely decrease. With an increasingly aging work force, employers might force these workers into retiring earlier than anticipated and giving them severance pay. This combined with lots of leisure time could be a catalyst for casino visits, especially due to older consumers gambling more than younger people.

VALUATION

Revenue Decomposition

Boyd breaks revenues into three different categories, Las Vegas Locals, Downtown Las Vegas, and Midwest and South. Within those three categories, revenues are broken into gaming revenue, food & beverage revenue, room revenue, and other revenue. To forecast revenue for the

gaming and room segments, revenue per casino space and total room were calculated for each segment then a growth rate was attached. The Las Vegas segments were both forecasted to have gaming, food & beverage, and room revenues fall. In 2023, declines of 2.5%, 7%, and 5.5% were forecasted, respectively. A decline in 2023 was forecasted due to a potential recession and American consumers potentially taking less leisure trips. Some of this decline will be offset by China opening the economy and relaxing travel restrictions as well as Hawaii removing travel restrictions. Gaming, food & beverage, and room revenues for the Midwest and South segment were forecasted to fall 4.5%, 5.5%, and 7.5% respectively. This segment is forecasted to fall more than Las Vegas because the Midwest and South generally is not as sought after for consumers who are travelling to gamble. These markets are not as large and will likely see a higher decrease in traffic than Las Vegas. Other revenues were forecasted to grow 6% in 2023, due to an entire year of management fees from Sky River and revenues from Pala Interactive. Other revenues were forecasted to grow at the same rate in Las Vegas and the Midwest and South. Looking past 2023, revenue growth is expected to grow each year, peaking in 2026 then to reach a steady state growth rate.

Revenue 2023E - 2027E (M)

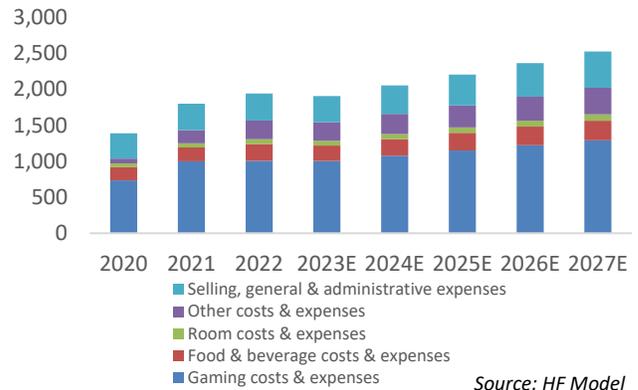


Cost Structure

Operating expenses are broken down into eight different categories, gaming, food & beverage, room, other, SG&A, master lease rent, maintenance & utilities, and corporate. These categories were forecasted as a percentage of sales except for master lease rent, which was projected to grow by inflation + 2%. Each category is projected to increase every year until 2027 then increase by a rate of 1% for the

remaining forecast years. Gaming expenses make up the largest portion of expenses, which makes sense as this is the largest revenue segment. Gaming is and is projected to be the largest segment of revenue for the Company, gaming costs are projected to remain the highest as well. SG&A and other costs are the next two largest costs, and they are projected to rise as other revenues rise. The costs associated with other revenues would likely fall into SG&A or other expenses. Margins are forecasted to fall over the forecast period as some growth might taper off, but costs keep rising. In 2022, the Company had a record net margin of 38.1%. This is forecasted to fall to 30.5% in 2032 as growth had reached a steady state. The Company could improve costs and margins by utilizing AI in hotels and restaurants. AI might not be able to replace table dealers due to consumers wanting human interaction whilst gambling.

Costs Forecast



WACC

The WACC was found to be 8.91%. The assumptions used in the WACC were an equity weight of 63.10% and a debt weight of 36.90%. The cost of equity was found using the CAPM and was calculated to be 11.30%. This was found by assuming a risk-free rate of 3.43%, a beta of 1.43, and an equity risk premium of 5.5%. The risk-free rate is the current yield on a 10-year treasury and the equity risk premium was agreed on within the Henry Fund team based on Aswath Damodaran’s calculation. The after-tax cost of debt was found to be 4.83% and was calculated by multiplying the pre-tax cost of debt by 1 minus the marginal tax rate.

Relative Valuation

The relative valuation method included each of the companies in the peer set except for DKNG. DKNG was excluded due to negative expected EPS & P/E in 2023 and 2024. For the most part, these companies have a similar structure and offering as BYD. Each competitor offers gaming services, room rentals, and food and beverage. A sports betting app is also something that most companies have begun offering. The P/S ratio is beneficial to value a casino operator because it takes total revenues and compares them to market cap. The lower the ratio, the better.

The average expected P/E ratio in 2023 was 44.92, indicating that these competitors are trading at high multiples. This number is expected to fall roughly 50% in 2024 to 21.9. When using the relative P/E method and the expected EPS of \$6.35 in 2023, the target price was \$285.23. This figure becomes more reasonable in 2024 at \$139.65. These numbers are so large due to competitors having EPS estimates primarily below 2 and BYD having an EPS of \$6.38. This can be attributed to BYD having less shares outstanding as well as the aggressive share buyback plan that will continue to lower share count. Another reason BYD might be trading at an attractive multiple is due to the risk already being factored in by the market. If this is the case, BYD might have more downside than upside.

Another relative method used was P/S. This method returned a much more reasonable price of \$75. BYD and the competitor set have similar P/S ratios, with BYD coming in at 1.98 and the competitors coming in at 2.12. LVS was removed from this peer set because of a 10.10 P/S ratio.

DCF/EP

The DCF/EP methods yielded a price of \$106, representing an upside of 64%. With the DCF model, the free cash flows were calculated then discounted back to present day and the value of the operating assets was calculated, which came out to be \$13,365. After adjusting for debt, PV of ESOP, accrued liabilities, other liabilities, normal cash and intangibles, the value of equity was found to be \$10,601.94. Dividing this number by shares outstanding of 102.8 gave a price of \$103. Adjusting this for the implied price as of today yielded a price \$106. A similar method was used for the EP model, except used the PV of EP and a different CV formula. The PV of EP was found to be \$8,712 and when last FYE invested capital was added to this, the

value of operating assets was found. The same adjustments were made and divided by shares outstanding. The DCF is a fair way to value BYD because it adjusts for debt, intangibles, and accrued liabilities. These three components make up a large portion of the total in each respective balance sheet placement.

KEYS TO MONITOR

Positives:

- China reopening the economy and removing travel bans will allow more consumers to leave the country. Las Vegas would likely see an influx of wealthy Chinese consumers and revenues will be benefitted as a result.
- As the population continues to age and have more leisure time, casino visits might increase as a result. The economy worsening might force retirement age people to retire sooner than expected, whether by choice or not.
- Online gaming is only legal in seven states. As more states legalize this form of gambling, revenues to states and operators will benefit. BYD is positioned very well to take advantage of this inevitable legalization.

Negatives:

- The United States still has a recession looming over the economy. Consumers have remained resilient thus far, but if things continue to get worse, leisure spending might decrease. Falling discretionary spending likely means that casinos will also be receiving fewer visits.
- Casinos offer largely the same games. There is little differentiation in games and payout, forcing each casino to find a niche or differentiate enough.
- Legal reasons clearly pose a risk to the industry. If states do not end up legalizing online casinos, revenues will be benefit as much as forecasted. Legalizing betting is up to each individual state, if residents continue to view gambling as a vice, there is likely a lower chance it will be legalized.

Conclusion:

Boyd Gaming has intriguing growth prospects in place. As sports betting and online casinos continue to be

legalized, Boyd's existing infrastructure is positioned very well to capture market share in each space. With China and Hawaii both recently removing travel bans, Las Vegas will likely see an influx of visitors in the upcoming year. Even if Las Vegas does not, Boyd's geographic diversity can help protect against slowdowns in different regions. To reiterate, we are issuing a BUY rating with a target price of \$82.

From time to time, the University of Iowa, its faculty, staff, students, or the Henry Fund may hold an investment position in the companies mentioned in this report.

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Boyd Gaming Corporation
Revenue Decomposition

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Gaming revenues	1,775.36	2,705.52	2,674.73	2,571.16	2,742.38	2,907.57	3,072.15	3,225.76	3,354.79	3,488.98	3,628.54	3,773.68	3,924.62
Growth Rate	-28.51%	52.39%	-1.14%	-3.87%	6.66%	6.02%	5.66%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Food & beverage revenues	178.88	230.05	275.98	260.32	277.24	293.19	309.31	324.78	336.64	348.94	361.69	374.92	388.63
Growth Rate	-60.06%	28.60%	19.97%	-5.68%	6.50%	5.75%	5.50%	5.00%	3.65%	3.65%	3.66%	3.66%	3.66%
Room revenues	104.97	154.18	189.07	177.15	187.61	198.21	208.91	219.36	227.03	234.98	243.20	251.72	260.53
Growth Rate	-55.74%	46.88%	22.63%	-6.30%	5.90%	5.65%	5.40%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%
Other revenues	119.29	280.06	415.60	440.54	472.47	510.27	554.92	607.64	641.06	676.32	713.52	752.76	794.16
Growth Rate	-24.40%	134.78%	48.39%	6.00%	7.25%	8.00%	8.75%	9.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Total revenues	2,178.49	3,369.81	3,555.38	3,449.17	3,679.70	3,909.23	4,145.29	4,377.53	4,559.52	4,749.21	4,946.95	5,153.07	5,367.94
Revenue Growth	-34.5%	54.7%	5.5%	-3.0%	6.7%	6.2%	6.0%	5.6%	4.2%	4.2%	4.2%	4.2%	4.2%

Las Vegas Locals

Gaming Revenue	430.3	695.64	700.23	\$ 682.72	\$ 730.51	\$ 778.00	\$ 824.68	\$ 865.91	\$ 900.55	\$ 936.57	\$ 974.03	\$ 1,012.99	\$ 1,053.51
Food & Beverage Revenue	59.56	74.77	88.22	\$ 82.04	\$ 87.38	\$ 92.36	\$ 97.44	\$ 102.31	\$ 105.63	\$ 109.07	\$ 112.61	\$ 116.27	\$ 120.05
Room Revenue	45.45	71.59	87.73	\$ 82.90	\$ 87.88	\$ 92.93	\$ 98.04	\$ 102.95	\$ 106.55	\$ 110.28	\$ 114.14	\$ 118.13	\$ 122.27
Other Revenue	26.68	44.06	54.56	\$ 57.83	\$ 62.03	\$ 66.99	\$ 72.85	\$ 79.77	\$ 84.16	\$ 88.79	\$ 93.67	\$ 98.82	\$ 104.26
Total Revenue	561.99	886.06	930.74	\$ 905.51	\$ 967.80	\$ 1,030.28	\$ 1,093.01	\$ 1,150.94	\$ 1,196.89	\$ 1,244.70	\$ 1,294.45	\$ 1,346.22	\$ 1,400.09
Revenue Growth	-36.20%	57.66%	5.04%	-2.71%	6.88%	6.46%	6.09%	5.30%	3.99%	3.99%	4.00%	4.00%	4.00%

Downtown Las Vegas

Gaming Revenue	58.47	105.54	139.12	135.64	145.14	154.57	163.85	172.04	178.92	186.08	193.52	201.26	209.31
Food & Beverage Revenue	18.65	28.15	41.58	38.67	41.18	43.53	45.92	48.22	49.79	51.41	53.08	54.80	56.58
Room Revenue	9.37	15.04	24.95	23.58	24.99	26.43	27.88	29.28	30.30	31.36	32.46	33.60	34.77
Other Revenue	8.02	7.07	9.69	10.27	11.02	11.90	12.94	14.17	14.95	15.77	16.64	17.55	18.52
Total Revenue	94.51	155.8	215.34	208.16	222.33	236.43	250.59	263.70	273.96	284.61	295.69	307.21	319.18
Revenue Growth	-63.32%	64.85%	38.22%	-3.33%	6.81%	6.34%	5.99%	5.23%	3.89%	3.89%	3.89%	3.89%	3.90%

Midwest and South

Gaming Revenue	1286.59	1904.35	1835.39	1752.80	1866.73	1975.00	2083.62	2187.81	2275.32	2366.33	2460.98	2559.42	2661.80
Food & Beverage Revenue	100.67	127.13	146.18	139.60	148.68	157.30	165.95	174.25	181.22	188.47	196.01	203.85	212.00
Room Revenue	50.15	67.55	76.4	70.67	74.73	78.84	82.98	87.13	90.18	93.34	96.61	99.99	103.49
Other Revenue	84.59	228.92	351.35	372.43	399.43	431.39	469.13	513.70	541.95	571.76	603.21	636.39	671.39
Total Revenue	1522	2327.95	2409.32	2335.50	2489.57	2642.53	2801.69	2962.89	3088.67	3219.90	3356.80	3499.64	3648.67
Revenue Growth	-30.42%	52.95%	3.50%	-3.06%	6.60%	6.14%	6.02%	5.75%	4.25%	4.25%	4.25%	4.26%	4.26%

Boyd Gaming Corporation
Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Gaming revenues	1,775.36	2,705.52	2,674.73	2571.16	2742.38	2907.57	3072.15	3225.76	3354.79	3488.98	3628.54	3773.68	3924.62
Food & beverage revenues	178.88	230.05	275.98	260.32	277.24	293.19	309.31	324.78	336.64	348.94	361.69	374.92	388.63
Room revenues	104.97	154.18	189.07	177.15	187.61	198.21	208.91	219.36	227.03	234.98	243.20	251.72	260.53
Other revenues	119.29	280.06	415.60	440.54	472.47	510.27	554.92	607.64	641.06	676.32	713.52	752.76	794.16
Total revenues	2,178.49	3,369.81	3,555.38	3449.17	3679.70	3909.23	4145.29	4377.53	4559.52	4749.21	4946.95	5153.07	5367.94
			38.12%	35.45%	34.48%	33.51%	32.54%	31.47%	30.57%	30.66%	30.76%	30.88%	31.00%
Gaming costs & expenses	734.25	999.53	1,005.83	1002.75	1076.38	1148.49	1221.18	1290.30	1341.91	1395.59	1451.41	1509.47	1569.85
Food & beverage costs & expenses	182.67	192.33	231.45	214.76	230.11	244.81	259.82	272.81	279.41	289.62	300.21	311.18	322.57
Room costs & expenses	53.21	57.63	68.38	66.43	71.29	76.31	81.47	86.65	86.27	89.29	92.42	95.65	99.00
Other costs & expenses	66.96	182.99	259.54	257.71	278.76	303.61	332.95	370.66	391.05	412.55	435.24	459.18	484.44
Selling, general & administrative expenses	350.36	366.16	373.96	362.16	395.57	430.02	466.35	503.42	524.34	546.16	568.90	592.60	617.31
Master lease rent expense	101.91	104.70	106.62	111.41	116.43	121.67	127.14	132.86	138.84	145.09	151.62	158.44	165.57
Maintenance & utilities expenses	115.10	126.12	143.53	137.97	154.55	172.01	190.68	210.12	250.77	261.21	272.08	283.42	295.24
Depreciation & amortization expenses	281.03	267.79	258.18	251.89	262.22	270.72	277.60	283.05	287.24	290.30	292.38	293.58	294.02
Corporate expense	76.14	117.68	117.01	137.97	147.19	156.37	165.81	175.10	186.94	199.59	213.09	227.52	242.93
Other operating items, net	28.56	14.78	-12.18	3.45	3.77	4.11	4.46	4.83	5.16	5.51	5.88	6.28	6.70
Total operating costs & expenses	2,164.23	2,469.71	2,574.15	2546.51	2736.26	2928.10	3127.47	3329.80	3491.94	3634.91	3783.23	3937.34	4097.64
Operating income (loss)	14.26	900.10	981.22	902.65	943.44	981.13	1017.82	1047.72	1067.58	1114.31	1163.72	1215.73	1270.31
Interest income	1.90	1.82	21.53	10.13	5.99	18.52	34.04	49.75	75.99	88.86	106.08	123.91	166.92
Interest expense, net of amounts capitalized	230.48	199.44	151.25	193.48	197.60	202.76	207.55	231.60	230.06	234.53	239.63	292.64	250.18
Income (loss) before income taxes	-171.01	603.94	828.81	719.31	751.83	796.89	844.31	865.86	913.51	968.64	1030.17	1047.00	1187.04
Income tax provision (benefit)	-36.31	140.09	189.43	165.44	172.92	183.29	194.19	199.15	210.11	222.79	236.94	240.81	273.02
Net income (loss)	-134.70	463.85	639.38	553.87	578.91	613.61	650.12	666.72	703.40	745.85	793.23	806.19	914.02
Year end shares outstanding	111.83	111.30	102.82	96.66	95.32	93.89	92.38	90.82	89.19	87.50	85.74	83.91	82.00
Net income (loss) per common share - basic	-1.19	4.07	5.87	5.73	6.07	6.54	7.04	7.34	7.89	8.52	9.25	9.61	11.15
Dividends per share	0.07	0	0.64	\$ 0.67	\$ 0.69	\$ 0.72	\$ 0.75	\$ 0.78	\$ 0.81	\$ 0.84	\$ 0.88	\$ 0.91	\$ 0.95

Boyd Gaming Corporation

Balance Sheet

<i>Fiscal Years Ending Dec. 31</i>	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Cash & cash equivalents	519.18	344.56	283.47	162.30	527.17	979.18	1,436.60	2,201.21	2,576.01	3,077.66	3,596.72	4,850.09	4,671.02
Restricted cash	15.82	12.57	11.59	11.99	12.40	12.83	13.27	13.72	14.19	14.68	15.18	15.70	16.24
Accounts receivable, net	53.46	89.48	109.05	103.48	119.59	130.96	132.65	126.95	113.99	118.73	123.67	128.83	134.20
Inventories	22.62	20.09	22.17	17.25	20.24	23.46	26.94	30.64	31.92	33.24	34.63	36.07	37.58
Prepaid expenses & other current as	39.20	41.10	49.38	55.19	64.39	74.28	82.91	98.49	79.79	71.24	74.20	77.30	80.52
Income taxes receivable	0.01	0.00	2.56	0.13	0.16	0.18	0.23	0.24	0.25	0.27	0.28	0.29	0.33
Total current assets	650.28	507.80	478.23	350.33	743.95	1220.88	1692.60	2471.26	2816.15	3315.82	3844.69	5108.27	4939.88
Property & equipment, net	2525.89	2394.18	2394.24	2492.34	2573.13	2638.55	2690.37	2730.15	2759.29	2779.03	2790.50	2794.68	2792.47
Operating lease right-of-use assets	928.81	884.24	830.35	864.37	892.39	915.08	933.05	946.84	956.95	963.80	967.77	969.22	968.46
Other assets, net	100.51	98.23	147.44	137.97	150.87	164.19	165.81	142.27	148.18	154.35	160.78	167.47	174.46
Intangible assets, net	1382.17	1368.42	1427.14	1410.59	1394.94	1379.33	1363.72	1355.35	1346.99	1338.62	1330.26	1321.89	1313.53
Goodwill, net	971.29	971.29	1033.74	1033.74	1033.74	1033.74	1033.74	1033.74	1033.74	1033.74	1033.74	1033.74	1033.74
Total assets	6558.95	6224.17	6311.13	6289.34	6789.01	7351.76	7879.29	8679.61	9061.30	9585.36	10127.74	11395.29	11222.53
Accounts payable	96.86	102.03	129.95	124.17	128.79	146.60	165.81	183.86	170.98	178.10	185.51	193.24	201.30
Current maturities of long-term debt	30.74	41.67	44.28	44.30	44.40	44.00	44.00	1188.00	237.60	237.60	237.60	1000.00	237.60
Accrued liabilities	396.42	412.95	411.91	431.15	441.56	474.97	476.71	459.64	478.75	498.67	519.43	541.07	563.63
Total current liabilities	524.02	557.04	586.13	599.62	614.75	665.57	686.52	1831.50	887.33	914.36	942.54	1734.31	1002.53
Long-term debt, net of current maturi	3866.74	2989.92	3005.13	2972.50	3041.29	3096.33	3133.22	2323.54	3191.72	3198.28	3207.43	3211.49	3211.16
Operating lease liabilities, net of curr	848.83	815.97	758.44	789.52	815.11	835.83	852.25	864.85	874.08	880.33	883.97	885.29	884.59
Deferred income taxes	131.05	264.91	318.61	181.99	172.92	174.12	174.77	179.23	168.09	178.23	189.55	192.65	218.42
Other liabilities	64.36	57.57	52.19	68.98	54.73	58.56	62.55	66.60	69.84	72.70	75.66	78.75	81.95
Total long-term liabilities	4910.98	4128.38	4134.37	4012.98	4084.04	4164.85	4222.79	3434.22	4303.72	4329.54	4356.61	4368.17	4396.12
Common stock	877.55	828.84	306.18	306.86	307.53	307.76	307.76	307.76	307.76	307.76	307.76	307.76	307.76
Retained earnings (accumulated defi	246.242	710.088	1285.827	1,371.26	1,784.06	2,214.97	2,663.60	3,107.51	3,563.86	4,035.07	4,522.21	4,986.42	5,517.50
Accumulated other comprehensive ir	0.15	-0.18	-1.382	-1.382	-1.382	-1.382	-1.382	-1.382	-1.382	-1.382	-1.382	-1.382	-1.382
Total stockholders' equity	1123.943	1538.746	1590.625	1676.74	2090.21	2521.35	2969.98	3413.89	3870.25	4341.45	4828.59	5292.80	5823.88

Boyd Gaming Corporation
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2020	2021	2022
Net income (loss)	-134.70	463.85	639.38
Loss (income) on discontinued opera	0.00	0.00	0.00
Depreciation & amortization	281.03	267.79	258.18
Amortization of debt financing costs	12.10	11.17	8.55
Non-cash operating lease expense	55.58	45.60	65.20
Non-cash expected credit loss (incorr	0.00	0.00	-35.10
Share-based compensation expense	9.20	37.77	34.07
Deferred income taxes	-31.64	133.86	51.03
Non-cash impairment of assets	174.70	8.20	40.78
Loss (gain) on sale of assets	-13.89	0.00	-13.41
Loss (gain) on early extinguishments	1.79	95.16	19.82
Other operating activities	4.18	10.36	9.52
Accounts receivable, net	1.34	-36.03	-16.76
Inventories	-0.52	2.53	-2.08
Prepaid expenses & other current as:	5.89	-2.09	-8.48
Income taxes payable (receivable), n	5.59	0.40	-2.95
Other long-term tax assets, net	0.00	0.00	0.00
Other assets, net	-3.11	-5.73	-7.86
Accounts payable & accrued liabilities:	-29.64	14.82	0.89
Operating lease liabilities	-55.58	-45.60	-65.20
Other long-term tax liabilities	-3.84	0.00	0.00
Other liabilities	10.54	8.36	0.55
Net cash flows from operating acti	289.03	1010.41	976.11
Capital expenditures	-175.03	-199.45	-269.16
Cash paid for acquisitions, net of cas	-11.20	0.00	-167.86
Insurance proceeds received from hu	0.00	63.20	0.59
Proceeds received from disposition o	15.05	0.00	21.95
Other investing activities	0.00	6.67	-7.83
Net cash flows from investing acti	-171.18	-129.58	-422.31
Borrowings under credit facilities	0.00	0.00	2122.10
Payments under credit facilities	0.00	0.00	-1802.20
Borrowings under bank credit facility	965.10	0.00	0.00
Payments under bank credit facility	-1374.55	-28.29	0.00
Borrowings under Peninsula bank cre	0.00	0.00	0.00
Payments under Peninsula bank crec	0.00	0.00	0.00
Proceeds from issuance of senior not	600.00	900.00	0.00
Retirements of senior notes	0.00	-1750.00	-300.00
Premium & consent fees	0.00	-77.74	0.00
Premium fees	0.00	0.00	-12.94
Debt financing costs	-17.39	-14.46	-16.68
Share-based compensation activities	-5.36	-5.70	-15.08
Shares repurchased & retired	-11.12	-80.78	-541.64
Dividends paid	-7.81	0.00	-48.16
Other financing activities	-2.17	-1.74	-1.25
Net cash flows from financing acti	146.70	-1058.70	-615.85

Boyd Gaming Corporation
Forecasted Cash Flow Statement

<i>Fiscal Years Ending Dec. 31</i>	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Net Income	553.87	578.91	613.61	650.12	666.72	703.40	745.85	793.23	806.19	914.02
Restricted cash	-0.40	-0.41	-0.43	-0.44	-0.46	-0.47	-0.49	-0.50	-0.52	-0.54
Depreciation & Amortization	251.89	262.22	270.72	277.60	283.05	287.24	290.30	292.38	293.58	294.02
Accounts receivable	5.58	-16.12	-11.37	-1.69	5.70	12.96	-4.74	-4.94	-5.15	-5.37
Inventories	4.93	-2.99	-3.22	-3.49	-3.70	-1.27	-1.33	-1.38	-1.44	-1.50
Prepaid expenses & other current as	-5.81	-9.21	-9.88	-8.63	-15.59	18.70	8.55	-2.97	-3.09	-3.22
Accounts payable	-5.78	4.62	17.81	19.22	18.04	-12.87	7.11	7.42	7.73	8.06
Accrued liabilities	19.23	10.42	33.41	1.74	-17.07	19.11	19.92	20.76	21.64	22.56
Deferred income taxes	-136.62	-9.06	1.20	0.65	4.46	-11.15	10.14	11.32	3.10	25.77
Other assets, net	9.47	-12.90	-13.32	-1.62	23.54	-5.91	-6.17	-6.43	-6.70	-6.98
Intangible assets	16.55	15.65	15.61	15.61	8.36	8.36	8.36	8.36	8.36	8.36
Income taxes receivable	2.43	-0.02	-0.03	-0.05	-0.01	-0.01	-0.02	-0.02	0.00	-0.04
Net cash flows from operating activiti	715.35	821.10	914.11	949.01	973.06	1018.08	1077.51	1117.23	1123.69	1255.14
Capital Expenditures	-350.00	-343.00	-336.14	-329.42	-322.83	-316.37	-310.04	-303.84	-297.77	-291.81
Lease right-of-use asset	-34.02	-28.02	-22.69	-17.97	-13.80	-10.11	-6.85	-3.98	-1.45	0.77
Net cash flows from investing activitie	-384.02	-371.02	-358.83	-347.39	-336.62	-326.48	-316.89	-307.82	-299.22	-291.04
Common Stock	0.68	0.68	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stock purchases	-400.00	-99.20	-114.08	-131.19	-150.87	-173.50	-199.53	-229.46	-263.87	-303.46
Dividends	-68.43	-66.91	-68.62	-70.29	-71.94	-73.55	-75.12	-76.64	-78.10	-79.49
Current maturities of long-term debt	0.02	0.10	-0.40	0.00	1144.00	-950.40	0.00	0.00	762.40	-762.40
Other liabilities	16.80	-14.26	3.84	3.99	4.05	3.24	2.86	2.97	3.08	3.21
Long-term debt, net of current maturi	-32.64	68.79	55.04	36.89	-809.67	868.17	6.57	9.14	4.06	-0.32
Operating lease liabilities, net of curr	31.08	25.59	20.73	16.42	12.60	9.23	6.25	3.63	1.33	-0.70
Net cash flows from financing activiti	\$ (452.49)	\$ (85.21)	\$ (103.27)	\$ (144.20)	\$ 128.17	\$ (316.80)	\$ (258.96)	\$ (290.35)	\$ 428.89	\$ (1,143.16)
Cash & equivalents increase (decrea	\$ (121.17)	\$ 364.87	\$ 452.01	\$ 457.42	\$ 764.61	\$ 374.80	\$ 501.65	\$ 519.06	\$ 1,253.37	\$ (179.07)
Cash & equivalents at beginning of y	283.47	\$ 162.30	\$ 527.17	\$ 979.18	\$ 1,436.60	\$ 2,201.21	\$ 2,576.01	\$ 3,077.66	\$ 3,596.72	\$ 4,850.09
Cash & equivalents at end of year	\$ 162.30	\$ 527.17	\$ 979.18	\$ 1,436.60	\$ 2,201.21	\$ 2,576.01	\$ 3,077.66	\$ 3,596.72	\$ 4,850.09	\$ 4,671.02
	\$ 897.32	\$ 1,542.94	\$ 2,289.46	\$ 3,098.21	\$ 5,816.88	\$ 5,185.30	\$ 6,529.08	\$ 7,921.95	\$ 9,412.78	\$ 11,017.74

Boyd Gaming Corporation
Common Size Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Gaming revenues	81.49%	80.29%	75.23%	74.54%	74.53%	74.38%	74.11%	73.69%	73.58%	73.46%	73.35%	73.23%	73.11%
Food & beverage revenues	8.21%	6.83%	7.76%	7.55%	7.53%	7.50%	7.46%	7.42%	7.38%	7.35%	7.31%	7.28%	7.24%
Room revenues	4.82%	4.58%	5.32%	5.14%	5.10%	5.07%	5.04%	5.01%	4.98%	4.95%	4.92%	4.88%	4.85%
Other revenues	5.48%	8.31%	11.69%	12.77%	12.84%	13.05%	13.39%	13.88%	14.06%	14.24%	14.42%	14.61%	14.79%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gaming costs & expenses	33.70%	29.66%	28.29%	39.00%	39.25%	39.50%	39.75%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Food & beverage costs & expenses	8.38%	5.71%	6.51%	82.50%	83.00%	83.50%	84.00%	84.00%	83.00%	83.00%	83.00%	83.00%	83.00%
Room costs & expenses	2.44%	1.71%	1.92%	37.50%	38.00%	38.50%	39.00%	39.50%	38.00%	38.00%	38.00%	38.00%	38.00%
Other costs & expenses	3.07%	5.43%	7.30%	58.50%	59.00%	59.50%	60.00%	61.00%	61.00%	61.00%	61.00%	61.00%	61.00%
Selling, general & administrative expenses	16.08%	10.87%	10.52%	10.50%	10.75%	11.00%	11.25%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Master lease rent expense	4.68%	3.11%	3.00%	3.23%	3.16%	3.11%	3.07%	3.04%	3.05%	3.06%	3.06%	3.07%	3.08%
Maintenance & utilities expenses	5.28%	3.74%	4.04%	4.00%	4.20%	4.40%	4.60%	4.80%	5.50%	5.50%	5.50%	5.50%	5.50%
Depreciation & amortization expenses	12.90%	7.95%	7.26%	7.30%	7.13%	6.93%	6.70%	6.47%	6.30%	6.11%	5.91%	5.70%	5.48%
Corporate expense	3.50%	3.49%	3.29%	4.00%	4.00%	4.00%	4.00%	4.00%	4.10%	4.20%	4.31%	4.42%	4.53%
Other operating items, net	1.31%	0.44%	-0.34%	0.10%	0.10%	0.11%	0.11%	0.11%	0.11%	0.12%	0.12%	0.12%	0.12%
Total operating costs & expenses	99.35%	73.29%	72.40%	73.83%	74.36%	74.90%	75.45%	76.07%	76.59%	76.54%	76.48%	76.41%	76.34%
Interest income	0.09%	0.05%	0.61%	0.29%	0.16%	0.47%	0.82%	1.14%	1.67%	1.87%	2.14%	2.40%	3.11%
Interest expense, net of amounts capitalized	10.58%	5.92%	4.25%	5.61%	5.37%	5.19%	5.01%	5.29%	5.05%	4.94%	4.84%	5.68%	4.66%
Income (loss) before income taxes	-7.85%	17.92%	23.31%	20.85%	20.43%	20.38%	20.37%	19.78%	20.04%	20.40%	20.82%	20.32%	22.11%
Income tax provision (benefit)	-1.67%	4.16%	5.33%	4.80%	4.70%	4.69%	4.68%	4.55%	4.61%	4.69%	4.79%	4.67%	5.09%

Boyd Gaming Corporation
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Cash & cash equivalents	23.83%	10.22%	7.97%	4.71%	14.33%	25.05%	34.66%	50.28%	56.50%	64.80%	72.71%	94.12%	87.02%
Restricted cash	0.73%	0.37%	0.33%	0.35%	0.34%	0.33%	0.32%	0.31%	0.31%	0.31%	0.31%	0.30%	0.30%
Accounts receivable, net	2.45%	2.66%	3.07%	3.00%	3.25%	3.35%	3.20%	2.90%	2.50%	2.50%	2.50%	2.50%	2.50%
Inventories	1.04%	0.60%	0.62%	0.50%	0.55%	0.60%	0.65%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Prepaid expenses & other current as	1.80%	1.22%	1.39%	1.60%	1.75%	1.90%	2.00%	2.25%	1.75%	1.50%	1.50%	1.50%	1.50%
Income taxes receivable	0.00%	0.00%	0.07%	0.08%	0.09%	0.10%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
Total current assets	29.85%	15.07%	13.45%	10.16%	20.22%	31.23%	40.83%	56.45%	61.76%	69.82%	77.72%	99.13%	92.03%
Property & equipment, net	115.95%	71.05%	67.34%	72.26%	69.93%	67.50%	64.90%	62.37%	60.52%	58.52%	56.41%	54.23%	52.02%
Operating lease right-of-use assets	42.64%	26.24%	23.35%	25.06%	24.25%	23.41%	22.51%	21.63%	20.99%	20.29%	19.56%	18.81%	18.04%
Other assets, net	4.61%	2.92%	4.15%	4.00%	4.10%	4.20%	4.00%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Intangible assets, net	63.45%	40.61%	40.14%	45.00%	46.00%	47.00%	48.00%	49.00%	46.50%	46.50%	46.50%	46.50%	46.50%
Goodwill, net	44.59%	28.82%	29.08%	29.97%	28.09%	26.44%	24.94%	23.61%	22.67%	21.77%	20.90%	20.06%	19.26%
Total assets	301.08%	184.70%	177.51%	182.34%	184.50%	188.06%	190.08%	198.28%	198.73%	201.83%	204.73%	221.14%	209.07%
Accounts payable	4.45%	3.03%	3.65%	3.60%	3.50%	3.75%	4.00%	4.20%	3.75%	3.75%	3.75%	3.75%	3.75%
Current maturities of long-term debt	1.41%	1.24%	1.25%	1.28%	1.21%	1.13%	1.06%	27.14%	5.21%	5.00%	4.80%	19.41%	4.43%
Accrued liabilities	18.20%	12.25%	11.59%	12.50%	12%	12.15%	11.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Total current liabilities	24.05%	16.53%	16.49%	17.38%	16.71%	17.03%	16.56%	41.84%	19.46%	19.25%	19.05%	33.66%	18.68%
Long-term debt, net of current maturi	177.50%	88.73%	84.52%	86.18%	82.65%	79.21%	75.58%	53.08%	70.00%	67.34%	64.84%	62.32%	59.82%
Operating lease liabilities, net of curr	38.96%	24.21%	21.33%	22.89%	22.15%	21.38%	20.56%	19.76%	19.17%	18.54%	17.87%	17.18%	16.48%
Deferred income taxes	6.02%	7.86%	8.96%	110%	100%	95%	90%	90%	80%	80%	80%	80%	80%
Other liabilities	2.95%	1.71%	1.47%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Debt	225.43%	122.51%	116.28%	116.35%	110.99%	106.54%	101.87%	78.45%	94.39%	91.16%	88.07%	84.77%	81.90%

Boyd Gaming Corporation
Value Driver Estimation

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
NOPLAT:	182.40	843.01	844.68	600.15	760.47	800.85	829.42	856.92	857.09	914.69	954.11	986.00	1,050.66
EBIT													
Add: Gaming revenues	1,775.36	2,705.52	2,674.73	2,571.16	2,742.38	2,907.57	3,072.15	3,225.76	3,354.79	3,488.98	3,628.54	3,773.68	3,924.62
Add: Food & beverage revenues	178.88	230.05	275.98	260.32	277.24	293.19	309.31	324.78	336.64	348.94	361.69	374.92	388.63
Add: Room revenues	104.97	154.18	189.07	177.15	187.61	198.21	208.91	219.36	227.03	234.98	243.20	251.72	260.53
Add: Other revenues	119.29	280.06	415.60	440.54	472.47	510.27	554.92	607.64	641.06	676.32	713.52	752.76	794.16
Less: Gaming costs & expenses	734.25	999.53	1,005.83	1,002.75	1,076.38	1,148.49	1,221.18	1,290.30	1,341.91	1,395.59	1,451.41	1,509.47	1,569.85
Less: Food & beverage costs & expens	182.67	192.33	231.45	214.76	230.11	244.81	259.82	272.81	279.41	289.62	300.21	311.18	322.57
Less: Room costs & expenses	53.21	57.63	68.38	66.43	71.29	76.31	81.47	86.65	86.27	89.29	92.42	95.65	99.00
Less: Other costs & expenses	66.96	182.99	259.54	257.71	278.76	303.61	332.95	370.66	391.05	412.55	435.24	459.18	484.44
Less: Selling, general & administrative	350.36	366.16	373.96	362.16	395.57	430.02	466.35	503.42	524.34	546.16	568.90	592.60	617.31
Less: Master lease rent expense	101.91	104.70	106.62	111.41	116.43	121.67	127.14	132.86	138.84	145.09	151.62	158.44	165.57
Less: Maintenance & utilities expense:	115.10	126.12	143.53	137.97	154.55	172.01	190.68	210.12	250.77	261.21	272.08	283.42	295.24
Less: Corporate expense	76.14	117.68	117.01	137.97	147.19	156.37	165.81	175.10	186.94	199.59	213.09	227.52	242.93
Less: Other operating expenses	28.56	14.78	-12.18	3.45	3.77	4.11	4.46	4.83	5.16	5.51	5.88	6.28	6.70
Less: Depreciation & Amortization Exp	281.03	267.79	258.18	251.89	262.22	270.72	277.60	283.05	287.24	290.30	292.38	293.58	294.02
Add: Implied lease interest	58.24	55.44	52.06	54.20	55.95	57.38	58.50	59.37	60.00	60.43	60.68	60.77	60.72
Total EBIT	246.54	995.56	1,055.13	956.85	999.39	1,038.51	1,076.32	1,107.09	1,127.58	1,174.74	1,224.39	1,276.50	1,331.03
Adjusted Taxes													
Income tax provision	-36.31	140.09	189.43	165.44	172.92	183.29	194.19	199.15	210.11	222.79	236.94	240.81	273.02
Add: Implied lease interest	13.39	12.75	11.97	12.47	12.87	13.20	13.46	13.65	13.80	13.90	13.96	13.98	13.97
Less: Impairment of assets	40.18	1.89	9.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Tax on Interest income	0.44	0.42	4.95	2.33	1.38	4.26	7.83	11.44	17.48	20.44	24.40	28.50	38.39
Add: Tax on Interest expense	53.01	45.87	34.79	44.50	45.45	46.64	47.74	53.27	52.91	53.94	55.11	67.31	57.54
Add: Gain (loss) on early extinguishment o	0.41	21.89	4.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Total other income (expense), net	-42.61	-68.12	-35.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Adjusted Taxes	32.50	286.42	261.47	220.08	229.86	238.86	247.55	254.63	259.34	270.19	281.61	293.60	306.14
Total Change in Deferred Taxes	-31.64	133.86	51.03	-136.62	-9.06	1.20	0.65	4.46	-11.15	10.14	11.32	3.10	25.77
Invested Capital (IC):													
Operating Current Assets:													
Normal Cash	163.73	253.26	267.21	259.22	276.55	293.80	311.54	329.00	342.67	356.93	371.79	387.28	403.43
Accounts receivable, net	53.46	89.48	109.05	103.48	119.59	130.96	132.65	126.95	113.99	118.73	123.67	128.83	134.20
Prepaid expenses & other current assets	39.20	41.10	49.38	55.19	64.39	74.28	82.91	98.49	79.79	71.24	74.20	77.30	80.52
Inventories	22.62	20.09	22.17	17.25	20.24	23.46	26.94	30.64	31.92	33.24	34.63	36.07	37.58
Total Operating CA	279.00	403.94	447.81	435.13	480.77	522.49	554.04	585.08	568.37	580.14	604.30	629.48	655.73
Operating Current Liabilities:													
Accounts payable	96.86	102.03	129.95	124.17	128.79	146.60	165.81	183.86	170.98	178.10	185.51	193.24	201.30
Accrued liabilities	396.42	412.95	411.91	431.15	441.56	474.97	476.71	459.64	478.75	498.67	519.43	541.07	563.63
Total Operating CL	493.28	514.98	541.86	555.32	570.35	621.57	642.52	643.50	649.73	676.76	704.94	734.31	764.93
Net WC	-214.29	-111.04	-94.05	-120.18	-89.58	-99.08	-88.48	-58.41	-81.36	-96.62	-100.64	-104.84	-109.21
Net PPE	2525.89	2394.18	2394.24	2492.34	2573.13	2638.55	2690.37	2730.15	2759.29	2779.03	2790.50	2794.68	2792.47
Net Other Operating Assets													
Intangible assets, net	1382.17	1368.42	1427.14	1410.59	1394.94	1379.33	1363.72	1355.35	1346.99	1338.62	1330.26	1321.89	1313.53
Operating lease right-of-use assets	928.81	884.24	830.35	864.37	892.39	915.08	933.05	946.84	956.95	963.80	967.77	969.22	968.46
Other assets, net	100.51	98.23	147.44	137.97	150.87	164.19	165.81	142.27	148.18	154.35	160.78	167.47	174.46
Total Net Other Operating Assets	2411.50	2350.90	2404.92	2412.92	2438.19	2458.59	2462.57	2444.46	2452.12	2456.77	2458.81	2458.59	2456.44
Net Other Operating Liabilities													
Other liabilities	64.36	57.57	52.19	68.98	54.73	58.56	62.55	66.60	69.84	72.70	75.66	78.75	81.95
Total Net Other Operating Liabilities	64.36	57.57	52.19	68.98	54.73	58.56	62.55	66.60	69.84	72.70	75.66	78.75	81.95
Invested Capital (IC)	4658.74	4576.46	4652.92	4716.10	4867.01	4939.50	5001.92	5049.60	5060.20	5066.48	5072.99	5069.69	5057.75
Free Cash Flow (FCF):													
NOPLAT	182.40	843.01	844.68	600.15	760.47	800.85	829.42	856.92	857.09	914.69	954.11	986.00	1,050.66
Change in IC	-269.90	-82.27	76.46	63.17	150.91	72.49	62.42	47.68	10.60	6.28	6.52	-3.31	-11.94
FCF	452.30	925.28	768.22	536.98	609.55	728.36	767.00	809.24	846.49	908.42	947.59	989.31	1,062.60
Return on Invested Capital (ROIC):													
NOPLAT	182.40	843.01	844.68	600.15	760.47	800.85	829.42	856.92	857.09	914.69	954.11	986.00	1,050.66
Beginning IC	4928.64	4658.74	4576.46	4652.92	4716.10	4867.01	4939.50	5001.92	5049.60	5060.20	5066.48	5072.99	5069.69
ROIC	3.70%	18.10%	18.46%	12.90%	16.12%	16.45%	16.79%	17.13%	16.97%	18.08%	18.83%	19.44%	20.72%
Economic Profit (EP):													
Beginning IC	4928.64	4658.74	4576.46	4652.92	4716.10	4867.01	4939.50	5001.92	5049.60	5060.20	5066.48	5072.99	5069.69
x (ROIC - WACC)	-5.42%	8.98%	9.34%	3.78%	7.01%	7.34%	7.67%	8.02%	7.86%	8.96%	9.72%	10.32%	11.61%
EP	-266.93	418.28	427.46	175.96	330.52	357.14	379.10	400.91	396.73	453.37	492.21	523.52	588.47

Boyd Gaming Corporation

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	3.43%
Beta	1.49
Equity Risk Premium	5.50%
Cost of Equity	11.63%

ASSUMPTIONS:

10-year T-bond
Average of 2, 3, 4, and 5-year weekly beta
Henry Fund teams agreed upon ERP

Cost of Debt:

Risk-Free Rate	3.43%
Implied Default Premium	2.84%
Pre-Tax Cost of Debt	6.27%
Marginal Tax Rate	23%
After-Tax Cost of Debt	4.83%

10-year Treasury bond

YTM of bond maturing in 2031

Market Value of Common Equity:

Total Shares Outstanding	102.82
Current Stock Price	\$64.52
MV of Equity	6,633.69

MV Weights

63.10%

Market Value of Debt:

Short-Term Debt	-
Current Portion of LTD	44.28
Long-Term Debt	3005.13
PV of Operating Leases	830.35
MV of Total Debt	3,879.75

36.90%

Market Value of the Firm

10,513.44

100.00%

Estimated WACC

9.12%

Boyd Gaming Corporation

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	20.72%
WACC	9.12%
Cost of Equity	11.63%

Fiscal Years Ending Dec. 31	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
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DCF Model:

Free Cash Flow (FCF)	536.98	609.55	728.36	767.00	809.24	846.49	908.42	947.59	989.31	1,062.60
Continuing Value (CV)										13,963.48
PV of FCF	492.11	511.95	560.62	541.04	523.14	501.50	493.23	471.51	451.14	6,367.56

Value of Operating Assets: 10,913.82

Non-Operating Adjustments

Less: Total debt (3,879.75)

Less: PV of ESOP (53.79)

Less: Accrued liabilities (431.15)

Less: Other liabilities (68.98)

Add: Normal Cash 259.22

Add: Intangibles 1,410.59

Value of Equity 8,149.96

Shares Outstanding 102.8

Intrinsic Value of Last FYE \$ 79.27

Implied Price as of Today \$ 81.70**EP Model:**

Economic Profit (EP)	175.96	330.52	357.14	379.10	400.91	396.73	453.37	492.21	523.52	588.47
Continuing Value (CV)										8,893.79
PV of EP	161.26	277.59	274.89	267.42	259.18	235.04	246.16	244.92	238.73	4,055.71

Total PV of EP 6,260.90

Invested Capital (last FYE) 4,652.92

Value of Operating Assets: 10,913.82

Non-Operating Adjustments

Less: Total debt (3,879.75)

Less: PV of ESOP (53.79)

Less: Accrued liabilities (431.15)

Less: Other liabilities (68.98)

Add: Normal Cash 259.22

Add: Intangibles 1,410.59

Value of Equity 8,149.96

Shares Outstanding 102.8

Intrinsic Value of Last FYE \$ 79.27

Implied Price as of Today \$ 81.70

Boyd Gaming Corporation

Relative Valuation Models

Ticker	Company	Price	EPS 2023E	EPS 2024E	P/E 23	P/E 24	Est. 5yr EPS gr.	PEG 23	PEG 24	Sales	P/S
CZR	Caesars Entertainment	\$42.40	\$0.96	\$2.14	44.17	19.81	27.5	1.61	0.72	50.57	0.84
MGM	MGM Resorts Internatic	\$41.23	\$0.63	\$1.14	65.44	36.17	65.7	1.00	0.55	31.79	1.30
GDEN	Golden Entertainment	\$41.52	\$2.14	\$2.19	19.40	18.96	15.0	1.29	1.26	35.59	1.17
LVS	Las Vegas Sands Corp	\$54.35	\$1.69	\$3.01	32.16	18.06	57.3	0.56	0.32	5.38	10.10
RRR	Red Rock Resorts	\$42.24	\$1.88	\$2.09	22.47	20.21	-3.3	(6.91)	(6.22)	15.90	2.66
PENN	PENN Entertainment	\$27.99	\$1.61	\$1.93	17.39	14.50	2.0	8.56	7.14	36.25	0.77
DKNG	DraftKings	\$17.73	(\$2.14)	(\$1.09)	(8.29)	(16.27)	35.4	(0.23)	(0.46)	5.13	3.46
WYNN	Wynn Resorts	\$106.58	\$0.94	\$4.16	113.38	25.62	-135.2	(0.84)	(0.19)	33.06	3.22
Average					44.92	21.90		2.60	2.00		2.12
BYD	Boyd Gaming Corporati	\$64.52	\$5.73	\$6.07	11.3	10.6	4.0	2.8	2.7	32.62	1.98

Implied Relative Value:

P/E (EPS23)	\$ 257.36
P/E (EPS24)	\$ 133.03
PEG (EPS23)	\$ 59.29
PEG (EPS24)	\$ 48.23
P/S	\$ 75.76
P/Tangible BV	\$ 58.44

Boyd Gaming Corporation
Key Management Ratios

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Liquidity Ratios:													
Current Ratio ((CA-Inventory)/CL)	1.20	0.88	0.78	0.56	1.18	1.80	2.43	1.33	3.14	3.59	4.04	2.92	4.89
Cash Ratio (Cash/CL)	0.99	0.62	0.48	0.27	0.86	1.47	2.09	1.20	2.90	3.37	3.82	2.80	4.66
Quick Ratio ((Cash+A/R)/CL)	1.09	0.78	0.67	0.44	1.05	1.67	2.29	1.27	3.03	3.50	3.95	2.87	4.79
Asset-Management Ratios:													
Total Asset Turnover (Net income/Avg. Total Assets)	-0.02	0.07	0.10	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.07	0.08
Fixed Asset Turnover (Net income/Avg. Fixed Assets)	-0.05	0.19	0.27	0.23	0.23	0.24	0.24	0.25	0.26	0.27	0.28	0.29	0.33
A/R Turnover	40.22	47.15	35.82	32.46	32.99	31.21	31.45	33.73	37.85	40.82	40.82	40.82	40.82
Financial Leverage Ratios:													
Debt to Equity (D/E)	4.37	2.68	2.60	2.39	1.95	1.65	1.42	1.01	1.11	1.00	0.90	0.83	0.75
Debt to Assets (D/A)	0.75	0.66	0.66	0.64	0.60	0.57	0.54	0.40	0.47	0.45	0.43	0.38	0.39
Asset to Equity (TA/TSE)	5.84	4.04	3.97	3.75	3.25	2.92	2.65	2.54	2.34	2.21	2.10	2.15	1.93
Profitability Ratios:													
Return on Equity (NI/Beg TSE)	-10.65%	41.27%	41.55%	34.82%	34.53%	29.36%	25.78%	22.45%	20.60%	19.27%	18.27%	16.70%	17.27%
Return on Assets (NI/TA)	-2.05%	7.45%	10.13%	8.81%	8.53%	8.35%	8.25%	7.68%	7.76%	7.78%	7.83%	7.07%	8.14%
Gross Profit Margin ((Sales-COGS)/Sales)	0.65%	26.71%	27.60%	26.17%	25.64%	25.10%	24.55%	23.93%	23.41%	23.46%	23.52%	23.59%	23.66%
Payout Policy Ratios:													
Dividend Payout Ratio (Dividend/EPS)	-5.87%	0.00%	10.90%	11.62%	11.40%	11.02%	10.64%	10.61%	10.27%	9.88%	9.47%	9.48%	8.50%
Total Payout Ratio ((Divs. + Repurchases)/NI)	-14.05%	17.42%	92.25%	84.57%	28.69%	29.77%	30.99%	33.42%	35.12%	36.82%	38.59%	42.42%	41.90%

Boyd Gaming Corporation*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

Fiscal Years Ending Dec. 31	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
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EPS	\$ 5.73	\$ 6.07	\$ 6.54	\$ 7.04	\$ 7.34	\$ 7.89	\$ 8.52	\$ 9.25	\$ 9.61	\$ 11.15
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Key Assumptions

CV growth of EPS	3.00%
CV Year ROE	17.27%
Cost of Equity	11.63%

Future Cash Flows

P/E Multiple (CV Year)												9.58
EPS (CV Year)												\$ 11.15
Future Stock Price												\$ 106.78
Dividends Per Share	\$ 0.67	\$ 0.69	\$ 0.72	\$ 0.75	\$ 0.78	\$ 0.81	\$ 0.84	\$ 0.88	\$ 0.91			
Discounted Cash Flows	\$ 0.60	\$ 0.56	\$ 0.52	\$ 0.48	\$ 0.45	\$ 0.42	\$ 0.39	\$ 0.36	\$ 0.34	\$ 39.69		

Intrinsic Value as of Last FYE	\$ 43.80
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Implied Price as of Today	\$ 45.14
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Boyd Gaming Corporation
Present Value of Operating Lease Obligations

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022				
Year 1	46.0	20.7	127.9	330.0	340.0	350.0	360.0	370.0	380.0	390.0	400.0
Year 2	18.5	17.8	124.9	280.0	290.0	300.0	310.0	320.0	330.0	340.0	350.0
Year 3	16.3	15.3	121.5	240.0	245.0	250.0	255.0	260.0	265.0	270.0	275.0
Year 4	14.1	14.3	114.3	190.0	195.0	200.0	205.0	210.0	215.0	220.0	225.0
Year 5	13.7	13.9	113.6	112.0	116.0	120.0	124.0	128.0	132.0	136.0	140.0
Thereafter	322.2	314.4	577.8	320.0	330.0	340.0	350.0	360.0	370.0	380.0	390.0
Total Minimum Payments	430.8	396.4	1180.0	1472.0	1516.0	1560.0	1604.0	1648.0	1692.0	1736.0	1780.0
Less: Cumulative Interest	213.7	204.7	318.7	271.7	279.8	287.8	295.9	303.9	312.0	320.1	328.1
PV of Minimum Payments	217.1	191.7	861.3	1200.3	1236.2	1272.2	1308.1	1344.1	1380.0	1415.9	1451.9
Implied Interest in Year 1 Payment		13.6	12.0	54.0	75.3	77.5	79.8	82.0	84.3	86.5	88.8
Pre-Tax Cost of Debt	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%	6.27%
Years Implied by Year 6 Payment	23.5	22.6	5.1	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Expected Obligation in Year 6 & Beyond	13.7	13.9	113.6	112	116	120	124	128	132	136	140
Present Value of Lease Payments											
PV of Year 1	43.3	19.5	120.4	310.5	319.9	329.3	338.8	348.2	357.6	367.0	376.4
PV of Year 2	16.4	15.8	110.6	247.9	256.8	265.6	274.5	283.4	292.2	301.1	309.9
PV of Year 3	13.6	12.7	101.2	200.0	204.1	208.3	212.5	216.6	220.8	225.0	229.1
PV of Year 4	11.1	11.2	89.6	149.0	152.9	156.8	160.7	164.7	168.6	172.5	176.4
PV of Year 5	10.1	10.3	83.8	82.6	85.6	88.5	91.5	94.4	97.4	100.3	103.3
PV of 6 & beyond	122.6	122.2	355.6	210.2	216.9	223.5	230.1	236.8	243.4	250.1	256.7
Capitalized PV of Payments	217.1	191.7	861.3	1200.3	1236.2	1272.2	1308.1	1344.1	1380.0	1415.9	1451.9

Boyd Gaming Corporation

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	0.11
Average Time to Maturity (years):	2.34
Expected Annual Number of Options Exercised:	0.05

Current Average Strike Price:	\$ 14.58
Cost of Equity:	11.63%
Current Stock Price:	\$64.52

<i>Fiscal Years Ending Dec. 31</i>	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Increase in Shares Outstanding:	0.05	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average Strike Price:	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58	\$ 14.58
Increase in Common Stock Account:	0.68	0.68	0.23	-	-	-	-	-	-	-
Share Repurchases (\$)	-400.00	-99.20	-114.08	-131.19	-150.87	-173.50	-199.53	-229.46	-263.87	-303.46
Expected Price of Repurchased Shares:	\$64.52	\$ 71.34	\$ 78.87	\$ 87.21	\$ 96.42	\$ 106.61	\$ 117.87	\$ 130.32	\$ 144.09	\$ 159.31
Number of Shares Repurchased:	(6.20)	(1.39)	(1.45)	(1.50)	(1.56)	(1.63)	(1.69)	(1.76)	(1.83)	(1.90)
Shares Outstanding (beginning of the year)	102.82	96.66	95.32	93.89	92.38	90.82	89.19	87.50	85.74	83.91
Plus: Shares Issued Through ESOP	0.05	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Shares Repurchased in Treasury	-6.20	-1.39	-1.45	-1.50	-1.56	-1.63	-1.69	-1.76	-1.83	-1.90
Shares Outstanding (end of the year)	96.66	95.32	93.89	92.38	90.82	89.19	87.50	85.74	83.91	82.00

Boyd Gaming Corporation
Sensitivity Tables

		WACC						
		8.30%	8.45%	8.65%	9.12%	9%	9.20%	9.40%
CV Growth of ROIC	81.70							
	18.50%	96.22	93.04	89.04	80.59	82.64	79.28	76.11
	19.00%	96.53	93.34	89.33	80.85	82.90	79.53	76.35
	19.50%	96.83	93.63	89.60	81.10	83.15	79.77	76.58
	20.72%	97.50	94.27	90.22	81.65	83.72	80.31	77.09
	20.50%	97.39	94.16	90.11	81.55	83.62	80.21	77.01
	21.00%	97.64	94.41	90.35	81.76	83.84	80.42	77.20
	22%	97.89	94.65	90.57	81.96	84.04	80.62	77.39

		Risk Free Rate						
		3%	3.10%	3.25%	3.40%	3.65%	3.80%	4%
CV Growth of NOP/AT	81.70							
	2.40%	85.62	84.53	82.94	81.40	78.92	77.49	75.64
	2.60%	87.01	85.89	84.24	82.64	80.08	78.59	76.68
	2.80%	88.50	87.33	85.62	83.96	81.30	79.77	77.79
	3.00%	90.09	88.87	87.09	85.37	82.61	81.01	78.96
	3.20%	91.79	90.52	88.66	86.87	83.99	82.34	80.21
	3.40%	93.62	92.29	90.35	88.47	85.48	83.76	81.55
	3.60%	95.58	94.19	92.16	90.19	87.07	85.27	82.97

		Beta						
		1.20	1.35	1.40	1.49	1.55	1.60	1.65
Equity Risk Premium	81.70							
	5%	110.74	99.24	95.82	90.10	86.57	83.78	80.92
	5.20%	106.84	95.55	92.20	86.59	83.14	80.41	77.61
	5.35%	104.06	92.93	89.62	84.10	80.69	78.01	75.25
	5.50%	101.39	90.41	87.14	81.70	78.35	75.71	72.99
	5.65%	98.82	87.99	84.77	79.41	76.11	73.50	70.83
	5.80%	96.36	85.66	82.49	77.21	73.96	71.39	68.76
	5.95%	93.98	83.43	80.31	75.10	71.89	69.36	66.77

		CV Growth Gaming Revenues						
		3.75%	4.00%	4.25%	4.50%	4.75%	5.00%	5%
CV Gaming Expenses	81.70							
	5.25%	81.23	81.60	81.97	82.35	82.74	83.13	83.52
	5.50%	81.33	81.70	82.08	82.46	82.84	83.23	83.62
	6%	81.54	81.92	82.29	82.67	83.06	83.44	83.83
	6.25%	81.65	82.02	82.40	82.78	83.16	83.55	83.94
	6.50%	81.76	82.13	82.51	82.89	83.27	83.66	84.05
	6.75%	81.87	82.24	82.62	83.00	83.38	83.77	84.16
	7%	81.98	82.35	82.73	83.11	83.49	83.88	84.27

		CV Growth Other Revenues						
		3%	4%	5%	6%	7%	8%	9%
CV Other Costs	81.70							
	58%	82.17	82.63	83.11	83.60	84.11	84.64	85.19
	59%	81.68	82.12	82.57	83.04	83.53	84.03	84.55
	60%	81.19	81.60	82.03	82.48	82.94	83.42	83.91
	61%	80.70	81.09	81.49	81.92	82.35	82.81	83.27
	62%	80.21	80.58	80.96	81.35	81.77	82.19	82.63
	63%	79.72	80.06	80.42	80.79	81.18	81.58	82.00
	64%	79.22	79.55	79.88	80.23	80.59	80.97	81.36