



International Speedway Corporation Reports Financial Results for the First Quarter of Fiscal 2019

April 4, 2019

~Reaffirms Full Year 2019 Guidance~

DAYTONA BEACH, Fla., April 04, 2019 (GLOBE NEWSWIRE) -- **International Speedway Corporation (NASDAQ Global Select Market: ISCA; OTC Bulletin Board: ISCB) ("ISC")** today reported financial results for its fiscal first quarter ended February 28, 2019.

"Financial results for the first quarter are in line with our 2019 outlook," stated Lesa France Kennedy, ISC Chief Executive Officer. "During the quarter, we hosted another successful Rolex 24 and NASCAR Speedweeks, culminating with the fourth consecutive sell-out of reserved grandstands for the DAYTONA 500. We continue our consumer-focused sales and marketing initiatives, providing segmented experiences desired by fans for a good value."

"In October, Talladega Superspeedway commenced construction on the redevelopment of the iconic Talladega infield. The redevelopment will immerse fans into the sport of NASCAR with a one-of-a-kind Talladega Garage Experience, featuring unprecedented access, interactive attractions and enhanced amenities for guests. While components of the redevelopment will open in the spring, the full project will be completed in the fourth quarter of fiscal 2019, in time for Talladega's 50th anniversary."

"We believe prudent reinvestment in our facilities will continue to position ISC for long-term growth and deliver shareholder value."

First Quarter Comparison

Total revenues for the three months ended February 28, 2019 were approximately \$150.6 million, compared to revenues of approximately \$148.9 million for the same period in fiscal 2018. Operating income was approximately \$25.5 million during the period compared to approximately \$32.5 million for the same period in fiscal 2018. Period-over-period comparability was impacted by:

- During the three months ended February 28, 2019, we recognized revenue and expense recorded in the respective food, beverage and merchandise accounts related to the acquisition of Racing Electronics, for which there was no comparable activity in the same period of the prior year;
- During the three months ended February 28, 2019, we received certain lease rents, and incurred operating expenses, related to ONE DAYTONA as a result of certain tenants commencing operations in the current period, for which there was no comparable activity in the same period of the prior year (see "ONE DAYTONA");
- During the three months ended February 28, 2019, we recognized approximately \$2.8 million, or \$0.05 per diluted share, of costs incurred associated with the pending non-binding proposal by NASCAR Holdings, Inc. to acquire the outstanding shares of Class A common stock and Class B common stock that are not owned by the controlling shareholders of NASCAR Holdings, Inc. ("NASCAR Offer"). There were no comparable costs for the three months ended February 28, 2018;
- During the three months ended February 28, 2019, we incurred approximately \$0.2 million, or less than \$0.01 per diluted share, of non-capitalized, non-recurring acquisition costs related to the purchase of certain assets from Racing Electronics. There were no comparable costs during the three months ended February 28, 2018;
- During the three months ended February 28, 2019, we recognized \$0.9 million, or \$0.02 per diluted share, of accelerated depreciation due to shortening of the service lives of certain assets associated with the infield project at Talladega. During the three months ended February 28, 2018, we recognized \$0.9 million, or \$0.01 per diluted share, of accelerated depreciation due to shortening the service lives of certain assets associated with The ISM Raceway Project and other capital improvements including the infield at Richmond;
- During the three months ended February 28, 2019, we recognized \$0.3 million, or less than \$0.01 per diluted share, of asset retirement losses primarily attributable to demolition and/or asset relocation costs in connection with the infield project at Talladega. During the three months ended February 28, 2018, we recognized \$1.1 million, or \$0.02 per diluted share, of asset retirement losses primarily attributable to demolition and/or asset relocation costs in connection with facility optimization initiatives and, to a lesser extent, ONE DAYTONA;
- During the three months ended February 28, 2018, we recognized approximately \$0.1 million, or less than \$0.01 per diluted share, in non-recurring costs that are included in general and administrative expense related to The ISM Raceway Project. There were no comparable costs during the three months ended February 28, 2019;
- During the three months ended February 28, 2018, we capitalized approximately \$0.8 million, or \$0.01 per diluted share, of interest, primarily relating to The ISM Raceway Project, and to a lesser extent, ONE DAYTONA. We did not capitalize any interest related to these projects for the three months ended February 28, 2019; and
- During the three months ended February 28, 2018, we recorded approximately \$143.9 million, or \$3.25 per diluted share, of a non-recurring, non-cash income tax benefit related to the Tax Cuts and Jobs Act of 2017. There were no comparable

benefits for the three months ended February 28, 2019.

Net income for the three months ended February 28, 2019, was approximately \$21.6 million, or \$0.50 per diluted share, compared to approximately \$169.3 million, or \$3.83 per diluted share, in the prior year period. Excluding non-recurring costs associated with The ISM Raceway Project, accelerated depreciation related to the infield project at Talladega, The ISM Raceway Project and other capital improvements, including the infield project at Richmond, losses associated with the retirements of certain other long-lived assets, capitalized interest associated with The ISM Raceway Project and ONE DAYTONA, costs related to the NASCAR Offer, non-recurring, non-capitalized costs related to the purchase of certain assets from Racing Electronics, and the income tax benefit related to the Tax Cuts and Jobs Act, non-GAAP net income, as defined below, was \$24.8 million, or \$0.57 per diluted share, as compared to \$26.4 million, or \$0.60 per diluted share, for the three months ended February 28, 2019 and 2018, respectively (see "GAAP to Non-GAAP Reconciliation").

GAAP to Non-GAAP Reconciliation

The following discussion and analysis of our financial condition and results of operations is presented below using financial measures other than U.S. generally accepted accounting principles ("non-GAAP"). Non-GAAP financial measures, such as Adjusted EBITDA (see below for management interpretation of Adjusted EBITDA), should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The non-GAAP financial measures disclosed herein do not have standard meaning and may vary from the non-GAAP financial measures used by other companies or how we may calculate those measures in other instances from time to time. The financial information, presented in the tables that follow, have been reconciled to comparable GAAP measures (see "Adjusted EBITDA" below).

The non-GAAP financial measures identified in the tables that follow include adjusted income before taxes, adjusted net income and adjusted diluted earnings per share. These non-GAAP financial measures are derived by adjusting amounts for certain items, presented in the accompanying selected operating statement data that have been determined in accordance with GAAP. The financial measures, income before taxes, net income and diluted earnings per share, should not be construed as an inference by us that our future results will be unaffected by those items, which have been excluded to achieve our adjusted, non-GAAP financial measures.

We believe such non-GAAP information is useful and meaningful, and is used by investors to assess the performance of our core operations, which primarily consist of the ongoing promotions of racing events at our major motorsports entertainment facilities. Such non-GAAP information separately identifies, displays, and adjusts for items that are not considered to be reflective of our continuing core operations at our motorsports entertainment facilities. We believe that such non-GAAP information improves the comparability of the operating results and provides a better understanding of the performance of our core operations for the periods presented.

We use this non-GAAP information to analyze current performance and trends, and make decisions regarding future ongoing operations. This non-GAAP financial information may not be comparable to similarly titled measures used by other entities and should not be considered as an alternative to operating income, net income or diluted earnings per share, which are determined in accordance with GAAP. The presentation of this non-GAAP financial information is not intended to be considered independent of, or as a substitute for, results prepared in accordance with GAAP. Management uses both GAAP and non-GAAP information in evaluating and operating the business and as such deemed it important to provide such information to investors.

The following financial information is reconciled to comparable information presented using GAAP. Non-GAAP net income and diluted earnings per share below are derived by adjusting amounts determined in accordance with GAAP for certain items presented in the accompanying selected operating statement data.

The adjustments for fiscal 2018 relate to non-recurring costs incurred associated with The ISM Raceway Project, losses associated with the retirements of certain other long-lived assets in connection with ONE DAYTONA and facility optimization initiatives, accelerated depreciation (associated with The ISM Raceway Project and other capital improvements including the infield project at Richmond), capitalized interest related to The ISM Raceway Project and ONE DAYTONA, and an income tax benefit, primarily related to a reduction in our deferred tax liability, as a result of the lower corporate tax rate from the Tax Cut and Jobs Act of 2017.

The adjustments for fiscal 2019 relate to losses associated with the retirements of certain other long-lived assets in connection with the infield project at Talladega, accelerated depreciation associated with the infield project at Talladega, non-recurring, non-capitalized costs related to the purchase of certain assets from Racing Electronics, and costs incurred associated with the NASCAR Offer.

Amounts are in thousands, except per share data, which is shown net of income taxes, (unaudited):

	Three Months Ended February 28, 2018			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	\$ 34,453	\$ (134,894)	) \$ 169,347	\$ 3.83
Adjustments:				
The ISM Raceway Project	105	27	78	0.00
Accelerated depreciation	853	223	630	0.01
Losses on retirements of long-lived assets	1,116	292	824	0.02
Capitalized interest	(828)	) (216)	) (612)	) (0.01)
Net tax benefit	—	143,900	(143,900)	) (3.25)
Non-GAAP	\$ 35,699	\$ 9,332	\$ 26,367	\$ 0.60
	Three Months Ended February 28, 2019			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share

GAAP	\$ 28,552	\$ 6,997	\$ 21,555	\$ 0.50
Adjustments:				
Losses on retirements of long-lived assets	275	67	208	0.00
Accelerated depreciation	943	231	712	0.02
NASCAR Offer costs	2,804	688	2,116	0.05
Non-capitalized costs related to business combination	220	54	166	0.00
Non-GAAP	\$ 32,794	\$ 8,037	\$ 24,757	\$ 0.57

Adjusted EBITDA

In an effort to enhance the comparability and understandability of certain forward looking financial guidance, we adjust for certain non-recurring items that will be included in our future GAAP reporting to provide information that we believe best represents our expectations for our business performance. We calculate Adjusted EBITDA, a non-GAAP financial measure, as GAAP operating income, plus depreciation, amortization, impairment/losses on retirements of long-lived assets, other previously stated non-GAAP adjustments, and cash distributions from equity investments. We have not reconciled the non-GAAP forward-looking measure to its most directly comparable GAAP measure, such as those of ONE DAYTONA and The ISM Raceway Project (see "External Growth, Financing-Related and Other Initiatives"). Such reconciliations would require unreasonable efforts to estimate and quantify various necessary GAAP components largely because forecasting or predicting our future operating results is subject to many factors not in our control or not readily predictable, as detailed in the Risk Factors section of the Company's previously publicly filed documents, including Forms 10-K and 10-Q, with the SEC, any or all of which can significantly impact our future results. These components, and other factors, could significantly impact the amount of future directly comparable GAAP measures, which may differ significantly from their non-GAAP counterparts.

The following schedule reconciles the Company's financial performance prepared in accordance with GAAP to the non-GAAP financial measure of Adjusted EBITDA (in thousands):

	Three Months Ended	
	February 28, 2018	February 28, 2019
Net Income (GAAP)	\$ 169,347	\$ 21,555
Adjustments:		
Income tax (benefit) expense	(134,894)	6,997
Interest income	(521)	(1,233)
Interest expense	2,885	3,722
Other	(15)	—
Equity in net income from equity investments	(4,308)	(5,512)
Operating Income (GAAP)	\$ 32,494	\$ 25,529
Adjustments:		
Depreciation and amortization	26,739	29,259
Impairments/losses on retirements of long-lived assets	1,162	381
Other Non-GAAP adjustments ⁽¹⁾	105	3,024
Cash distributions from equity investments	5,250	6,183
Adjusted EBITDA (non-GAAP)	\$ 65,750	\$ 64,376

(1) Other Non-GAAP adjustments include:

- i. 2018 adjustments for the three month period relate to costs associated with The ISM Raceway Project of approximately \$0.1 million; and
- ii. 2019 adjustments for the three month period relate to costs associated with the NASCAR Offer of approximately \$2.8 million and non-capitalized, non-recurring acquisition costs of Racing Electronics of approximately \$0.2 million.

Corporate Sales

NASCAR is a powerful brand with a loyal fan base that we believe is aware of, appreciates and supports corporate participation to a greater extent than fans of any other sports property. The combination of brand power and fan loyalty provides an attractive platform for robust corporate partnerships. The number of FORTUNE 500 companies invested in NASCAR remains higher than any other sport. More than one in four FORTUNE 500 companies and nearly half of the FORTUNE 100 companies use NASCAR as part of their marketing strategy.

For fiscal 2019, we have corporate partnership agreements in place for approximately 86.0 percent of our gross marketing partnership revenue target and open race entitlements for two Monster Energy NASCAR Cup series events. This compares to approximately 87.0 percent for the same period in fiscal 2018.

External Growth, Financing-Related and Other Initiatives

Capital Allocation

We have established a long-term capital allocation plan to ensure we generate sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, return of capital through payments of an annual cash dividend, and repurchase of our shares under our Stock Purchase Plan. In addition, we have used the proceeds from offerings of our Class A Common Stock, the net proceeds from the issuance of long-term debt, borrowings under our credit facilities, and state and local mechanisms to fund acquisitions and development projects.

We continue to operate under a five-year capital allocation plan adopted by the Board of Directors, covering fiscal years 2017 through 2021.

Components of this plan include:

- Capital expenditures for existing facilities up to \$500.0 million from fiscal 2017 through fiscal 2021. This allocation will fund reinvestments for impact capital projects, (see "The ISM Raceway Project", "Richmond Raceway" and "Talladega Infield Project"), as well as all other maintenance and guest experience capital expenditures for the remaining existing facilities. While many components of these expected projects will exceed weighted average cost of capital, considerable maintenance capital expenditures of approximately \$40.0 million to \$60.0 million annually, will likely result in a blended return of this invested capital in the low-to-mid single digits;
- In addition to the aforementioned \$500.0 million in capital expenditures for existing facilities, we expect we will have an additional approximate \$111.0 million of capital expenditures, exclusive of capitalized interest and net of public incentives, related to phase one of ONE DAYTONA and the Shoppes at ONE DAYTONA (see "ONE DAYTONA"). We expect the returns of this investment to exceed our weighted average cost of capital; and
- Approximately \$280.0 million return of capital to shareholders through dividends and share repurchases. In fiscal 2018, we increased our dividend approximately 9.3 percent to \$0.47 per share. We expect dividends to increase in 2019 and beyond, by approximately four to five percent annually. Concerning share repurchases, for the three months ended February 28, 2019, we did not repurchase any shares of ISCA on the open market. At February 28, 2019, we had approximately \$138.7 million remaining repurchase authority under the current \$530.0 million Stock Purchase Plan. Transactions occur in open market purchases made pursuant to a trading plan under Rule 10b5-1. We terminated our active Rule 10b5-1 plans immediately upon receipt of the aforementioned NASCAR Offer.

Our cash position and future liquidity has been further enhanced by the Tax Cut and Jobs Act of 2017 ("Tax Act") passed by Congress in December 2017. We expect the Tax Act to favorably impact our future liquidity, primarily a result of the lower single corporate tax rate from 35.0 percent to 21.0 percent, which will lower our effective tax rate and annual tax liability. Additionally, Tax Act provides for 100.0 percent expensing of certain capital investments through 2022.

We will continue to explore development and/or acquisition opportunities beyond the initiatives discussed above that build shareholder value and exceed our weighted average cost of capital. Should additional development and/or acquisitions be pursued, we will provide discrete information on timing, scope, cost and expected returns of such opportunities.

The aforementioned represents certain components of our capital allocation plan for fiscal years 2017 through 2021. This capital allocation plan is reviewed annually, or more frequently if necessary, based on changes in business conditions.

Capital Expenditures

An important strategy for our future growth will come from investing in our major motorsports facilities to enhance the live event experience and better enable us to effectively compete with other entertainment venues for consumer and corporate spending. To better meet our customers' expectations, we are committed to improving the guest experience at our facilities through on-going capital improvements that position us for long-term growth.

Capital expenditures for projects were approximately \$25.0 million for the three months ended February 28, 2019. In comparison, we spent approximately \$8.3 million on capital expenditures for projects for the same period in fiscal 2018. For fiscal 2019, we expect capital expenditures associated with the aforementioned capital allocation plan to range between approximately \$95.0 million and \$115.0 million for existing facilities, which includes the Talladega Infield Project described below, and remaining capital expenditures related to the completion of projects at ISM Raceway, Richmond Raceway and ONE DAYTONA and the Shoppes.

We review the capital expenditure program periodically and modify it as required to meet current business needs.

ONE DAYTONA

ONE DAYTONA, a premier mixed-use and entertainment destination across from Daytona International Speedway, has crafted a strategy that will create synergy with Daytona International Speedway, enhance customer and partner experiences and monetize our real estate on a year-round basis. Complementing ONE DAYTONA is the retail property adjacent to the development, known as the Shoppes at ONE DAYTONA.

We have approved land use entitlements for ONE DAYTONA to allow for up to 1.4 million square feet of retail, dining, and entertainment, a 2,500-seat movie theater, 660 hotel rooms, 1,350 residential units, 567,000 square feet of additional office space and 500,000 square feet of commercial/industrial space.

The design for the first phase of ONE DAYTONA is comprised of three components: retail, dining and entertainment ("RD&E"), hotels, and residential.

The RD&E component of phase one is owned 100.0 percent by ISC. The expected total square footage for the RD&E first phase is approximately 300,000 square feet. We expect cash spent to be approximately \$95.0 million, net of public incentives, in fiscal 2016 through 2019 on the RD&E component of ONE DAYTONA's first phase. Other sources of funding towards the overall ONE DAYTONA project will include the public incentives discussed below and land contributed to the joint ventures associated with the project.

Shaner Hotels and Prime Hospitality Group ("PHG") have been selected as hotel partners. They have executed a franchise agreement with Marriott International for an exclusive 144-room full service Autograph Collection hotel at ONE DAYTONA that will be known as "The DAYTONA", as well as a 105-room select-service Fairfield Inn & Suites by Marriott. The Fairfield Inn and Suites opened in December 2017, while The DAYTONA is scheduled to open in April 2019. As part of the partnership agreement, our portion of equity is limited to our land contribution and we will share proportionately in the profits from the joint ventures.

Prime Group has been selected as the partner for ONE DAYTONA's residential development. Following an extensive request for proposal process, ONE DAYTONA chose the Florida developer based on their command of market demographics, development experience and expert property management systems. Prime Group is proceeding with the development in ONE DAYTONA for approximately 282 luxury apartment rental units that

will add critical mass to the overall ONE DAYTONA campus. Similar to the hotel partnership, our portion of equity will be limited to our land contribution and we will share proportionately in the profits from the joint venture. Construction for the apartments commenced in early fiscal 2019.

In April 2017, our Board approved an additional approximate \$12.0 million of capital expenditures to further develop the Shoppes at ONE DAYTONA. Several new tenants have executed lease agreements in the Shoppes as a result of the revitalization.

Several new-to-market tenants have already commenced operations at ONE DAYTONA with additional tenants commencing operations throughout fiscal 2019. Bass Pro Shops®, America's most popular outdoor store, and Cobb Theatres, the highly respected Southeastern-based exhibitor, are anchor tenants of ONE DAYTONA. Leasing remains strong as we progress toward stabilization.

In fiscal 2018, our Board approved the purchase of property and an office building adjacent to ONE DAYTONA strategically located with roadside frontage to Bill France Boulevard. The purchase price was \$3.6 million and was completed in the first quarter of fiscal 2019. Simultaneous to the purchase, we executed a long-term lease for the commercial office space located on the property.

A Community Development District ("CDD") has been established for the purpose of installing and maintaining public infrastructure at ONE DAYTONA. The CDD is a local, special purpose government framework authorized by Chapter 190 of the Florida Statutes for managing and financing infrastructure to support community development. The CDD has negotiated agreements with the City of Daytona Beach and Volusia County for a total of up to \$40.0 million in incentives to finance a portion of the infrastructure required for the ONE DAYTONA project. The CDD purchased certain infrastructure assets, and specific easement rights, from ONE DAYTONA, and in October 2018, ONE DAYTONA received approximately \$20.0 million of the total incentive amount in cash, with \$10.5 million to be received in annual payments derived from a long-term note receivable issued by the CDD. The first payment of the note receivable is expected in fiscal 2019 with maturity no later than fiscal 2046. The remainder of the incentives can be received based on certain criteria met by the project through fiscal 2046.

Total capital expenditures for ONE DAYTONA and the Shoppes, excluding capitalized interest and net of public incentives, are expected to be approximately \$111.0 million. From inception, through February 28, 2019, capital expenditures totaled approximately \$83.5 million, exclusive of capitalized interest and labor. At this time, there is no project specific financing in place for ONE DAYTONA. Ultimately, we may secure financing for the project upon stabilization. We expect returns for ONE DAYTONA to exceed our weighted average cost of capital as we progress to stabilization.

Any future phases will be subject to prudent business considerations for which we will provide discrete cost and return disclosures.

The ISM Raceway Project

On November 30, 2016, we announced the approval of a multi-year redevelopment project ("The ISM Raceway Project") to elevate the guest experience at ISM Raceway, our 54-year-old motorsports venue. The redevelopment was focused on new and upgraded seating areas, vertical transportation options, new concourses, enhanced hospitality offerings, and a re-worked infield experience with a brand-new Fan Zone that offers greater accessibility to pre-race activities.

The ISM Raceway Project is included in our aforementioned \$500.0 million capital allocation plan covering fiscal years 2017 through 2021. The ISM Raceway Project cost is approximately \$178.0 million, including maintenance capital, before capitalized interest. Construction commenced in early fiscal 2017 and was completed in fall of 2018.

From inception, through February 28, 2019, we have incurred total capital expenditures related to The ISM Raceway Project, exclusive of capitalized interest and labor, of approximately \$160.9 million. Despite not anticipating the need for additional long-term debt to fund this project, accounting rules dictate that we capitalize a portion of the interest on existing outstanding debt during the construction period. From inception, through substantial completion of the project in the fall of 2018, we recorded approximately \$5.1 million of capitalized interest related to The ISM Raceway Project. The ISM Raceway Project will contribute incrementally to our net revenue. Financial projections are included in our 2019 full fiscal year non-GAAP guidance.

Richmond Raceway

In June 2017, the Board of Directors approved a capital project for the redevelopment of the infield of Richmond Raceway ("Richmond Reimagined"). The new infield offers a variety of enhanced amenities for fans, teams, sponsors and other stakeholders. Fan access was the focus of Richmond Reimagined, which showcases new Monster Energy NASCAR Cup Series garages with a fan-viewing walkway. The new infield continues the track's mission of being the most fan-friendly track on NASCAR's schedule.

Richmond Reimagined is included in our aforementioned \$500.0 million capital allocation plan covering fiscal years 2017 through 2021. The project cost was approximately \$30.0 million, which included maintenance capital, before capitalized interest. Richmond Reimagined was completed in September 2018. Richmond Reimagined will contribute incrementally to our net revenue. Financial projections are included in our 2019 full fiscal year non-GAAP guidance.

Talladega Superspeedway

In June 2018, the Board of Directors approved a capital project for the redevelopment of the infield of Talladega Superspeedway (known as "Transformation - the Talladega Superspeedway Infield Project"). The infield redevelopment project will offer new attractions and enhanced amenities for fans, sponsors, teams and stakeholders in the famous, historic Talladega infield. The infield redevelopment project will include a new interactive Garage Fan Zone Experience, a paddock club to enhance the experience for fans and corporate guests, new Gatorade Victory Lane with up-close fan views, expanded premium RV camping located near the Alabama Gang Superstretch and by the start-finish line. A new turn 3 vehicle tunnel will provide unobstructed ingress/egress access to the infield for haulers and RV's.

The infield redevelopment project is included in our aforementioned \$500.0 million capital allocation plan covering fiscal years 2017 through 2021. The project is expected to cost approximately \$50.0 million, which includes maintenance capital, before capitalized interest. Construction commenced in the fall of 2018 and will be completed by fall of 2019. Talladega infield redevelopment will contribute incrementally to our net revenue. Financial projections are included in our 2019 full fiscal year non-GAAP guidance.

Hollywood Casino at Kansas Speedway

Kansas Entertainment, LLC, ("Kansas Entertainment") a 50/50 joint venture of Penn Hollywood Kansas, Inc. ("Penn"), a subsidiary of Penn National Gaming, Inc. and Kansas Speedway Development Corporation ("KSDC"), a wholly owned indirect subsidiary of ISC, operates the Hollywood-themed casino and branded destination entertainment facility, overlooking turn two at Kansas Speedway. Penn is the managing member of Kansas Entertainment and is responsible for the operations of the casino.

We have accounted for Kansas Entertainment as an equity investment in the consolidated financial statements as of February 28, 2018 and 2019. Our 50.0 percent portion of Kansas Entertainment's net income, which is before income taxes as the joint venture is a disregarded entity for income tax purposes, was approximately \$4.3 million and \$5.5 million for the three months ended February 28, 2018 and 2019, respectively, and is included in Equity in net income from equity investments in the consolidated statements of operations.

Pre-tax distributions from Kansas Entertainment for the three months ended February 28, 2019, totaling approximately \$6.2 million, consists of approximately \$5.8 million received as a distribution from its profits, included in net cash provided by operating activities on our consolidated statement of cash flows, with the remaining approximate \$0.4 million received, recognized as a return of capital from investing activities on our consolidated statement of cash flows. Pre-tax distributions from Kansas Entertainment for the three months ended February 28, 2018, totaling \$5.3 million, consisted of approximately \$4.6 million received as a distribution from its profits, included in net cash provided by operating activities on our consolidated statement of cash flows, with the remaining approximate \$0.6 million received, recognized as a return of capital from investing activities on our consolidated statement of cash flows.

For fiscal 2019, cash distributions from Kansas Entertainment are estimated to be approximately \$27.0 million.

Fiscal 2019 Financial Outlook

Our reported quarterly and year to date earnings are presented under GAAP. In an effort to enhance the comparability and understandability of our forward looking financial guidance, we adjust for certain non-recurring items that will be included in our future GAAP reporting to provide information that we believe best represents our expectations for our core business performance.

For fiscal 2019, our non-GAAP guidance excludes:

- costs incurred related to the NASCAR Offer;
- non-recurring, non-capitalized costs related to the purchase of certain assets from Racing Electronics;
- accelerated depreciation and future loss on retirements, mostly non-cash, or relocation of certain long-lived assets, which could be recorded as part of capital improvements resulting in removal of assets prior to the end of their actual useful life, partially offset by capitalized interest;
- start up and/or financing costs should our Hollywood Casino at Kansas Speedway joint venture pursue construction of an adjacent hotel;
- any costs or income related to legal settlements; and
- gain or loss on sale of other assets.

We are reaffirming our 2019 full fiscal year non-GAAP guidance as follows:

- Revenue: \$685.0 million to \$705.0 million;
- Operating margin: 13.5% to 16.0%;
- Effective tax rate: 25.0% to 26.0%; and
- Diluted earnings per share: \$1.85 to \$2.15.

The Company's guidance for Adjusted EBITDA is estimated to range between \$230.0 million and \$250.0 million, which includes pre-tax cash distributions of approximately \$27.0 million from equity investments in the Hollywood Casino (see "GAAP to Non-GAAP Reconciliation").

In closing, Ms. France Kennedy stated, "We maintain a solid financial position, developed over many years, that affords us the ability to follow our disciplined capital allocation strategy and maintain our leadership position in the motorsports industry. We have a long-term capital allocation plan that extends through fiscal 2021, demonstrating our ongoing commitment to building long-term value. For the future, we are well positioned to balance the strategic capital needs of our business with returning capital to our shareholders."

Conference Call Details

The management of ISC will host a conference call with investors at 9:00 a.m. Eastern Time. To participate, dial toll free (888) 694-4641 five to ten minutes prior to the scheduled start time and request to be connected to the ISC earnings call, ID number 7548358.

A live Webcast will also be available at that time on our website, www.internationalspeedwaycorporation.com, under the "Investor Relations" section. A replay will be available two hours after the end of the call through midnight Thursday, April 18, 2019. To access, dial (855) 859-2056 and enter the code 7548358, or visit the "Investor Relations" section of our website.

International Speedway Corporation is a leading promoter of motorsports activities, currently promoting more than 100 racing events annually as well as numerous other motorsports-related activities. We own and/or operate 13 of the nation's major motorsports entertainment facilities, including Daytona International Speedway® in Florida (home of the DAYTONA 500®); Talladega Superspeedway® in Alabama; Michigan International Speedway® located outside Detroit; Richmond Raceway® in Virginia; Auto Club Speedway of Southern CaliforniaSM near Los Angeles; Kansas Speedway® in Kansas City, Kansas; ISM Raceway near Phoenix, Arizona; Chicagoland Speedway® and Route 66 RacewaySM near Chicago, Illinois; Homestead-Miami SpeedwaySM in Florida; Martinsville Speedway® in Virginia; Darlington Raceway® in South Carolina; and Watkins Glen International® in New York.

We also own and operate Motor Racing NetworkSM, the nation's largest independent sports radio network, Racing Electronics, the leader in

motorsports communication technology and equipment and Americrown Service CorporationSM, a subsidiary that provides catering services, and food and beverage concessions. In addition, we own ONE DAYTONA, the retail, dining and entertainment development across from Daytona International Speedway, and have a 50.0 percent interest in the Hollywood Casino at Kansas Speedway. For more information, visit our website at www.internationalspeedwaycorporation.com.

Statements made in this release that express ISC's or management's beliefs or expectations and which are not historical facts or which are applied prospectively are forward-looking statements. It is important to note that ISC's actual results could differ materially from those contained in or implied by such forward-looking statements. ISC's results could be impacted by risk factors, including, but not limited to, weather surrounding racing events, government regulations, economic conditions, consumer and corporate spending, military actions, air travel and national or local catastrophic events. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in ISC's SEC filings including, but not limited to, the 10-K and subsequent 10-Qs. Copies of those filings are available from ISC and the SEC. ISC undertakes no obligation to release publicly any revisions to these forward-looking statements that may be needed to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by International Speedway or any other person that the events or circumstances described in such statement are material.

FOR: International Speedway Corporation

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(Tables Follow)

Consolidated Statements of Operations
(In Thousands, Except Share and Per Share Amounts)

	Three Months Ended February 28, 2018 (Unaudited)	February 28, 2019
REVENUES:		
Admissions, net	\$ 30,562	\$ 29,334
Motorsports and other event related	105,786	106,641
Food, beverage and merchandise	7,950	9,252
Other	4,577	5,324
	148,875	150,551
EXPENSES:		
Direct:		
NASCAR event management fees	29,865	30,900
Motorsports and other event related	26,035	26,388
Food, beverage and merchandise	5,629	6,578
Other operating expenses	1,209	1,908
General and administrative	25,742	29,608
Depreciation and amortization	26,739	29,259
Losses on asset retirements	1,162	381
	116,381	125,022
Operating income	32,494	25,529
Interest income	521	1,233
Interest expense	(2,885	) (3,722
Equity in net income from equity investments	4,308	5,512
Other	15	—
Income before income taxes	34,453	28,552
Income tax (benefit) expense	(134,894	) 6,997
Net income	\$ 169,347	\$ 21,555
Earnings per share:		
Basic and diluted	\$ 3.83	\$ 0.50
Basic weighted average shares outstanding	44,196,489	43,420,992
Diluted weighted average shares outstanding	44,210,102	43,427,255
Comprehensive income	\$ 169,536	\$ 21,759

Consolidated Balance Sheets
(In Thousands, Except Share and Per Share Amounts)

	November 30, 2018	February 28, 2018 (Unaudited)	February 28, 2019
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 269,011	\$ 283,726	\$ 273,193
Receivables, less allowance	42,833	104,317	86,367
Income taxes receivable	—	18,716	—
Prepaid expenses and other current assets	10,611	22,682	26,528
Total Current Assets	322,455	429,441	386,088
Property and Equipment, net	1,515,041	1,481,454	1,512,289
Other Assets:			
Equity investments	81,225	85,257	80,554
Intangible assets, net	178,563	178,564	179,832
Goodwill	118,331	118,331	118,872
Other	33,745	25,919	30,497
	411,864	408,071	409,755
Total Assets	\$ 2,249,360	\$ 2,318,966	\$ 2,308,132
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Current portion of long-term debt	\$ 4,284	\$ 3,869	\$ 4,402
Accounts payable	31,508	46,101	28,152
Deferred income	36,801	97,794	71,272
Income taxes payable	2,535	—	9,655
Other current liabilities	15,551	16,266	14,318
Total Current Liabilities	90,679	164,030	127,799
Long-Term Debt	251,381	255,435	251,086
Deferred Income Taxes	260,666	258,071	260,615
Long-Term Deferred Income	7,575	7,996	7,428
Other Long-Term Liabilities	3,101	2,483	2,679
Commitments and Contingencies	—	—	—
Shareholders' Equity:			
Class A Common Stock, \$.01 par value, 80,000,000 shares authorized	234	242	234
Class B Common Stock, \$.01 par value, 40,000,000 shares authorized	196	197	196
Additional paid-in capital	425,233	431,606	426,041
Retained earnings	1,211,499	1,200,708	1,233,054
Accumulated other comprehensive loss	(1,204)	(1,802)	(1,000)
Total Shareholders' Equity	1,635,958	1,630,951	1,658,525
Total Liabilities and Shareholders' Equity	\$ 2,249,360	\$ 2,318,966	\$ 2,308,132

Consolidated Statements of Cash Flows
(In Thousands)

	Three Months Ended	
	February 28, 2018	February 28, 2019
	(Unaudited)	
OPERATING ACTIVITIES		
Net income	\$ 169,347	\$ 21,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,739	29,259
Stock-based compensation	775	808
Amortization of financing costs	403	414
Deferred income taxes	(138,055)	(118)
Income from equity investments	(4,308)	(5,512)
Distribution from equity investee	4,621	5,800
Loss on retirements of long-lived assets, non-cash	1,162	381
Other, net	(517)	(126)
Changes in operating assets and liabilities:		
Receivables, net	(67,048)	(43,534)
Prepaid expenses and other assets	(18,803)	(14,668)
Accounts payable and other liabilities	(2,601)	1,575

Deferred income	59,018		34,324	
Income taxes	3,150		7,120	
Net cash provided by operating activities	33,883		37,278	
INVESTING ACTIVITIES				
Capital expenditures	(8,282	)	(25,009)
Distribution from equity investee	629		382	
Proceeds from sale of assets	311		30	
Acquisition of assets	—		(7,969)
Other, net	—		(280)
Net cash used in investing activities	(7,342	)	(32,846)
FINANCING ACTIVITIES				
Payment of long-term debt	(235	)	(250)
Exercise of Class A common stock options	718		—	
Net cash provided by (used in) financing activities	483		(250)
Net increase in cash and cash equivalents	27,024		4,182	
Cash and cash equivalents at beginning of period	256,702		269,011	
Cash and cash equivalents at end of period	\$ 283,726		\$ 273,193	



International Speedway Corporation