UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended August 31, 2019

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from______to______
Commission file number: 000-02384

INTERNATIONAL SPEEDWAY CORPORATION

(Exact name of registrant as specified in its charter)

FLORIDA	**59-0709342**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**
ONE DAYTONA BOULEVARD, DAYTONA BEACH, FLORIDA	**32114**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: (386) 254-2700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock - $.01 par value	ISCA	NASDAQ /National Market System

Securities registered pursuant to Section 12 (g) of the Act:
Common Stock — $.10 par value
Class B Common Stock — $.01 par value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

Class A Common Stock	23,874,277	shares	As of August 31, 2019
Class B Common Stock	19,610,940	shares	As of August 31, 2019

INTERNATIONAL SPEEDWAY CORPORATION
FORM 10-Q
FOR THE QUARTER ENDED August 31, 2019

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Balance Sheets

	November 30, 2018	August 31, 2019 (Unaudited)
	(In Thousands, Except Share and Per Share Amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 269,011	$ 335,079
Receivables, less allowance of $1,000 in 2018 and 2019, respectively	42,833	49,191
Income taxes receivable	—	17,428
Prepaid expenses and other current assets	10,611	22,202
Total Current Assets	322,455	423,900
Property and Equipment, net of accumulated depreciation of $1,129,378 and $1,215,037, respectively	1,515,041	1,502,432
Other Assets:		
Equity investments	81,225	80,524
Intangible assets, net	178,563	179,826
Goodwill	118,331	118,872
Other	33,745	30,113
	411,864	409,335
Total Assets	$ 2,249,360	$ 2,335,667
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 4,284	$ 4,644
Accounts payable	31,508	33,877
Deferred income	36,801	71,420
Income taxes payable	2,535	—
Other current liabilities	15,551	19,206
Total Current Liabilities	90,679	129,147
Long-Term Debt	251,381	250,477
Deferred Income Taxes	260,666	279,542
Long-Term Deferred Income	7,575	6,858
Other Long-Term Liabilities	3,101	3,088
Commitments and Contingencies	—	—
Shareholders' Equity:		
Class A Common Stock, $.01 par value, 80,000,000 shares authorized; 23,408,516 and 23,513,811 issued and outstanding in 2018 and 2019, respectively	234	235
Class B Common Stock, $.01 par value, 40,000,000 shares authorized; 19,644,581 and 19,610,940 issued and outstanding in 2018 and 2019, respectively	196	196
Additional paid-in capital	425,233	426,787
Retained earnings	1,211,499	1,239,927
Accumulated other comprehensive loss	(1,204)	(590)
Total Shareholders' Equity	1,635,958	1,666,555
Total Liabilities and Shareholders' Equity	$ 2,249,360	$ 2,335,667

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION

Consolidated Statements of Operations

	Three Months Ended	
	August 31, 2018	August 31, 2019
	(Unaudited)	
	(In Thousands, Except Share and Per Share Amounts)	
REVENUES:		
Admissions, net	$ 24,365	$ 23,712
Motorsports and other event related	117,405	119,158
Food, beverage and merchandise	12,185	15,622
Other	5,323	6,571
	159,278	165,063
EXPENSES:		
Direct:		
NASCAR event management fees	44,265	47,450
Motorsports and other event related	37,290	35,165
Food, beverage and merchandise	9,930	12,747
Other operating expenses	2,523	1,340
General and administrative	26,791	29,108
Depreciation and amortization	26,027	28,386
Losses on asset retirements	2,181	760
	149,007	154,956
Operating income	10,271	10,107
Interest income	979	1,568
Interest expense	(2,551)	(3,647)
Equity in net income from equity investments	5,790	7,032
Other	11	429
Income before income taxes	14,500	15,489
Income tax expense	2,469	2,383
Net income	$ 12,031	$ 13,106
Earnings per share:		
Basic	$ 0.27	$ 0.30
Diluted	$ 0.27	$ 0.30
Basic weighted average shares outstanding	44,110,349	43,483,743
Diluted weighted average shares outstanding	44,118,767	43,488,776

	Nine Months Ended	
	August 31, 2018	August 31, 2019
	(Unaudited)	
	(In Thousands, Except Share and Per Share Amounts)	
REVENUES:		
Admissions, net	$ 80,604	$ 77,434
Motorsports and other event related	356,519	352,582
Food, beverage and merchandise	27,041	36,238
Other	15,668	17,444
	479,832	483,698
EXPENSES:		
Direct:		
NASCAR event management fees	124,310	130,630
Motorsports and other event related	107,932	93,546
Food, beverage and merchandise	20,757	27,442
Other operating expenses	4,770	5,110
General and administrative	78,878	87,596
Depreciation and amortization	79,625	86,454
Losses on asset retirements	3,538	1,781
	419,810	432,559
Operating income	60,022	51,139
Interest income	2,232	4,140
Interest expense	(8,336)	(11,085)
Equity in net income from equity investments	16,449	18,969
Other	26	429
Income before income taxes	70,393	63,592
Income tax (benefit) expense	(127,654)	13,858
Net income	$ 198,047	$ 49,734
Dividends per share	$ 0.47	$ 0.49
Earnings per share:		
Basic	$ 4.49	$ 1.14
Diluted	$ 4.48	$ 1.14
Basic weighted average shares outstanding	44,154,848	43,448,897
Diluted weighted average shares outstanding	44,165,955	43,455,750

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Comprehensive Income

	Three Months Ended	
	August 31, 2018	August 31, 2019
	(Unaudited)	
	(In Thousands)	
Net income	$ 12,031	$ 13,106
Other comprehensive income:		
Amortization of terminated interest rate swap, net of tax benefit of $70 and $65, respectively	200	205
Comprehensive income	$ 12,231	$ 13,311

	Nine Months Ended	
	August 31, 2018	August 31, 2019
	(Unaudited)	
	(In Thousands)	
Net income	$ 198,047	$ 49,734
Other comprehensive income:		
Amortization of terminated interest rate swap, net of tax benefit of $223 and $198, respectively	589	614
Comprehensive income	$ 198,636	$ 50,348

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statement of Shareholders' Equity

(Unaudited)
(In Thousands)

	Class A Common Stock $.01 Par Value	Class B Common Stock $.01 Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at November 30, 2018	$ 234	$ 196	$ 425,233	$ 1,211,499	$ (1,204)	$ 1,635,958
Activity 12/1/18 — 8/31/19:						
Net income	—	—	—	49,734	—	49,734
Comprehensive income	—	—	—	—	614	614
Cash dividend ($0.49 per share)	—	—	—	(21,306)	—	(21,306)
Other	1	—	(1,010)	—	—	(1,009)
Stock-based compensation	—	—	2,564	—	—	2,564
Balance at August 31, 2019	$ 235	$ 196	$ 426,787	$ 1,239,927	$ (590)	$ 1,666,555

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Cash Flows

	Nine Months Ended	
	August 31, 2018	August 31, 2019
	(Unaudited)	
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 198,047	$ 49,734
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79,625	86,454
Stock-based compensation	2,443	2,564
Amortization of financing costs	996	1,240
Deferred income taxes	(132,800)	18,678
Income from equity investments	(16,449)	(18,969)
Distribution from equity investee	17,323	19,844
Loss on retirements of long-lived assets, non-cash	3,538	1,781
Other, net	(339)	(724)
Changes in operating assets and liabilities:		
Receivables, net	(13,096)	(6,358)
Prepaid expenses and other assets	(13,516)	(10,050)
Accounts payable and other liabilities	(2,697)	3,320
Deferred income	33,572	33,902
Income taxes	12,811	(19,963)
Net cash provided by operating activities	169,458	161,453
INVESTING ACTIVITIES		
Capital expenditures	(122,180)	(65,545)
Distribution from equity investee	2,679	1,454
Proceeds from sale of assets	430	30
Acquisition of assets	—	(7,968)
Other, net	—	(280)
Net cash used in investing activities	(119,071)	(72,309)
FINANCING ACTIVITIES		
Payment of long-term debt	(715)	(761)
Exercise of Class A common stock options	992	—
Cash dividend paid	(20,738)	(21,306)
Reacquisition of previously issued common stock	(8,230)	(1,009)
Net cash used in financing activities	(28,691)	(23,076)
Net increase in cash and cash equivalents	21,696	66,068
Cash and cash equivalents at beginning of period	256,702	269,011
Cash and cash equivalents at end of period	$ 278,398	$ 335,079

See accompanying notes

International Speedway Corporation

Notes to Consolidated Financial Statements

August 31, 2019

(Unaudited)

1. Basis of Presentation

The accompanying consolidated interim financial statements have been prepared in compliance with Rule 10-01 of Regulation S-X and accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information but do not include all of the information and disclosures required for complete financial statements. The consolidated balance sheet at November 30, 2018, has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The statements should be read in conjunction with the consolidated financial statements and notes thereto included in the latest Annual Report on Form 10-K for International Speedway Corporation and its wholly owned subsidiaries (the "Company" or "ISC"). In management's opinion, the statements include all adjustments which are necessary for a fair presentation of the results for the interim periods. All such adjustments are of a normal recurring nature.

Because of the seasonal concentration of racing events, the results of operations for thethree and nine months ended August 31, 2018, and 2019, are not indicative of the results to be expected for the year.

RECENT DEVELOPMENT

On May 22, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with NASCAR Holdings, Inc. ("NASCAR") and Nova Merger Sub, Inc. ("Merger Sub"), a wholly owned subsidiary of NASCAR, providing for the merger of Merger Sub with and into the Company (the "Merger"), with the Company surviving the merger as a wholly owned subsidiary of NASCAR. NASCAR, which sanctions many of the Company's principal racing events, is wholly owned by certain members of the France Family Group, which also holds shares of ISC's Class A common stock, par value $.01 par value per share ("Class A Common Stock"), and Class B common stock, par value $.01 par value per share ("Class B Common Stock," and, collectively with the Class A Common Stock, the "Company Common Stock") representing over 74.7 percent of the combined voting power of the Company's outstanding stock. The France Family Group consists of James C. France (the Company's Chairman of the Board), Lesa France Kennedy (the Company's Vice Chairwoman and Chief Executive Officer) and Brian Z. France (a director of the Company), and members of their respective families and entities controlled by the natural person members of the group.

At the effective time of the Merger (the "Effective Time"), subject to the satisfaction of the conditions set forth in the Merger Agreement, holders of Company Common Stock (other than holders who have elected to dissent from the Merger and seek appraisal rights under the Florida Business Corporations Act and holders of the Rollover Shares (as defined below)) will be entitled to receive $45.00 in cash for each share held, without interest (the "Merger Consideration"), subject to applicable withholding taxes. Prior to the Effective Time, the members of the France Family Group (other than Brian Z. France, his children, and certain related entities) (such members of the France Family Group, the "Rollover Shareholders") will cause to be contributed pursuant to a rollover letter agreement between such shareholders and NASCAR, shares of Company Common Stock (the "Rollover Shares") to NASCAR or a related entity and, as a result, such Rollover Shareholders will not receive the Merger Consideration. After the closing of the Merger, the Company will be a private company and wholly-owned subsidiary of NASCAR.

The Merger is subject to the approval of the Merger Agreement by (i) the holders of at least a majority of the aggregate voting power of shares of Class A Common Stock and Class B Common Stock, voting together as a single class, and (ii) the holders of at least a majority of the aggregate voting power of all outstanding shares of Company Common Stock not held by NASCAR and its affiliates, the France Family Group and certain officers and directors of the Company. NASCAR has agreed in the Merger Agreement to cause the Rollover Shareholders to vote all of their shares of Company Common Stock in favor of the Merger. The Board of Directors of the Company (the "Board"), based upon the unanimous recommendation of a special committee of the Board, has unanimously approved and adopted the Merger Agreement, the Merger and the other transactions contemplated thereby and recommended to the shareholders of the Company that they approve the Merger Agreement. The Merger is also conditioned upon the satisfaction or waiver of certain customary closing conditions, including, among others, the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1986, as amended.

If the Merger Agreement is terminated under certain specified circumstances, the Company could be required to pay NASCAR a termination fee of$78,000,000 or to reimburse certain expenses of NASCAR up to $15,000,000, and under other specified circumstances, NASCAR could be required to pay the Company a termination fee of $117,000,000. Subject to certain limitations, either party may terminate the Merger Agreement if the Merger has not been consummated by February 22, 2020.

The foregoing description of the Merger Agreement and the transactions contemplated thereby is only a summary and does not purport to be complete. It is qualified in its entirety by reference to the full text of the Merger Agreement, which was filed as Exhibit 2.1 to the Company's Report on Form 8-K filed on May 22, 2019.

The Company subsequently set the close of business on September 10, 2019 as the record date for shareholders to receive the Company's notice of, and vote at, the special meeting of the shareholders regarding the approval of the Merger Agreement. The special meeting of shareholders has been set for October 16, 2019.

The Company's definitive Schedule 14A and NASCAR's definitive Schedule 13-E were filed with the SEC on September 16, 2019.

2. New Accounting Pronouncements

On January 5, 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-01, Clarifying the Definition of a Business (ASC 805). Under ASC 805, a business is defined as having a set of assets along with 3 elements or activities—inputs, processes, and outputs. However, confusion occurs when a business does not always have outputs. In addition, all the inputs and processes that a seller uses in operating a set are not required if market participants can acquire the set and continue to produce outputs, for example, by integrating the acquired set with their own inputs and processes. As a result, this definition of a business under ASC 805 led some transactions to be accounted for as a business combination (see Note 5). The update has refined the definition of a business. Now, to be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. Public business entities should apply the amendments in this update to annual periods beginning after December 15, 2017, including interim periods within those periods. The amendments in this update were adopted in the first quarter of fiscal 2019.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. For public business entities that are U.S. Securities and Exchange Commission (SEC) filers, the amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is currently evaluating the impact of adopting this new guidance on its financial position, results of operations, statement of comprehensive income, and cash flows, and will adopt the provisions of this statement in the first quarter of fiscal 2021.

In May 2014, the FASB, in conjunction with the International Accounting Standards Board ("IASB"), issued ASU No. 2014-09, "Revenue from Contracts with Customers" (ASC 606), which supersedes the existing revenue recognition requirements under U.S. GAAP and eliminates industry-specific guidance. The new revenue recognition standard provides a five step analysis of transactions to determine when and how revenue is recognized. The new model requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. The new guidance includes updated disclosure requirements regarding the qualitative and quantitative information of ISC's nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

During 2016, the FASB issued additional interpretive guidance relating to the standard which covered the topics of principal versus agent considerations and identifying performance obligations and licensing. The standard, along with the subsequent clarifications issued, are effective for reporting periods beginning after December 15, 2017, including interim reporting periods, making it effective for our fiscal year beginning December 1, 2018. The guidance permits two methods of adoption: the full retrospective method, which applies to each prior reporting period presented, and the modified retrospective method, in which the cumulative effect of initially applying the new guidance is recognized as of the date of initial application as an adjustment to the opening balance of retained earnings. The Company has adopted ASC 606 and the related modifications as of December 1, 2018 using the

modified retrospective transition and the impact of adopting this new guidance did not result in a material difference in its consolidated financial statements (see Note 3).

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842): Leases". The objective of this update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. To meet that objective, the FASB is amending the FASB Accounting Standards Codification and creating Topic 842, Leases. This update, along with International Financial Reporting Standards 16, Leases, are the result of the FASB's and the IASB's efforts to meet that objective and improve financial reporting. For a public business entity, the amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of the amendments in this update is permitted for all entities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of adopting this new guidance on its financial position, results of operations, and cash flows, and will adopt the provisions of this statement in the first quarter of fiscal 2020.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments". The objective of this update is to provide specific guidance on eight cash flow classification issues and reduce the existing diversity in practice. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The amendments in this update should be applied using a retrospective transition method to each period presented. If it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Company adopted the provisions of this statement in the first quarter of fiscal 2019 and the impact of adopting this new guidance did not result in a material difference in its consolidated statement of cash flows.

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment". The objective of this update is to simplify the subsequent measurement of goodwill, eliminating Step 2 from the goodwill impairment test, which test is measuring goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill to the carrying amount of that goodwill. Instead, under the amendments in this update, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. An entity should apply the amendments in this update on a prospective basis. An entity is required to disclose the nature of and reason for the change in accounting principle upon transition. That disclosure should be provided in the first annual period and in the interim period within the first annual period when the entity initially adopts the amendments in this update. A public business entity that is an SEC filer should adopt the amendments in this update for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating the impact of adopting this new guidance on its financial position, results of operations, and cash flows, and will adopt the provisions of this statement in the first quarter of fiscal 2021.

In December 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 118 (as further clarified by FASB ASU 2018-05, "Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118)" to provide guidance for companies that may not have completed their accounting for the income tax effects of the Tax Cuts and Jobs Act of 2017 (Tax Act) in the period of enactment, which is the period that includes December 22, 2017. SAB No. 118 provides for a provisional one year measurement period for entities to finalize their accounting for certain income tax effects related to the Tax Act. SAB No. 118 provides guidance where: (i) the accounting for the income tax effect of the Tax Act is complete and reported in the Tax Act's enactment period, (ii) the accounting for the income tax effect of the Tax Act is incomplete and reported as provisional amounts based on reasonable estimates (to the extent determinable) subject to adjustments during a limited measurement period until complete, and (iii) accounting for the income tax effect of the Tax Act is not reasonably estimable (no related provisional amounts are reported in the enactment period) and entities would continue to apply accounting based on tax law provisions in effect prior to the Tax Act enactment until provisional amounts are reasonably estimable. SAB No. 118 requires disclosure of the reasons for incomplete accounting additional information or analysis needed, among other relevant information. The Company finalized its provisional amounts in the fourth quarter of fiscal 2018 (see Note 12 - Income Taxes).

In February 2018, the FASB issued ASU No. 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income". The amendments in this update allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve

the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this update also require certain disclosures about stranded tax effects. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption of the amendments in this update is permitted, including adoption in any interim period: (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance. The amendments in this update should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Act is recognized. The Company is currently evaluating the impact of adopting this new guidance on its financial position, results of operations, statement of comprehensive income, and cash flows, and will adopt the provisions of this statement in the first quarter of fiscal 2020.

3. Revenues with Customers

The Company has applied the provisions of ASC 606 and all related appropriate guidance based on the modified retrospective method, which was applied only to the contracts which were not completed as of the date of initial application. As per the new guidance, the Company recognizes revenue under the core principle to depict the transfer of control to its customers in an amount reflecting the consideration to which it expects to be entitled. In order to achieve that core principle, the Company has applied the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

The Company's contracts with customers provide for multiple promised goods and services, including admissions, food, beverage and merchandise, corporate partnerships, television broadcast and radio programming content. The Company typically analyzes the contract and identifies the performance obligations by evaluating whether the promised goods and services are capable of being distinct within the context of the contract at contract inception. Promised goods and services that are not distinct at contract inception are combined. The next step after identifying the performance obligations is determining the transaction price, which includes the impact of variable consideration, based on contractually fixed amounts and an estimation of variable consideration. The Company allocates the transaction price to each performance obligation based on relative stand-alone selling price. Judgment is exercised to determine the stand-alone selling price of each distinct performance obligation. The Company estimates the standalone selling price by reference to the total transaction price less the sum of the observable stand-alone selling prices of other goods or services promised in the contract. In general, transaction price is determined by estimating the fixed amount of consideration to which we are entitled for transfer of goods and services and all relevant sources and components of variable consideration. Variable consideration is estimated by the Company based on the expected value approach. The Company will then estimate variable consideration for a particular type of performance obligation, such method is consistently applied. The Company will constrain estimates of variable consideration based on its expectation of recovery from the customer. Revenues are generally recognized when control of the promised goods or services is transferred to their customers either at a point in time or over time, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

Most of the Company's contracts have one performance obligation, the promotion of a unique motorsport event, and all consideration is allocated to that performance obligation and recognized at a point in time contemporaneous with the date of the event.

For advertising, revenue is recognized when the advertisement is broadcasted and the customer simultaneously receives and consumes benefits as the advertisements are broadcasted.

The Company may enter into multiple contracts with a single counter party at or near the same time. The Company will combine contracts and account for them as a single contract when one or more of the following criteria are met: (i) the contracts are negotiated as a package with a single commercial objective, (ii) consideration to be paid in one contract depends on the price or performance of the other contract, and (iii) goods or services promised are a single performance obligation.

Under ASC 606, the transaction price of a non-monetary exchange that has commercial substance is based on the fair value of the non-cash consideration received.

Under ASC 606, consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. Consideration payable to a customer also includes credit or other items that can be applied against amounts owed to the entity. The Company accounts for consideration payable to a customer as a reduction of the transaction price and,

therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

The Company may have contracts where there is a significant timing difference between payment and the time when control of the goods or services is transferred to the customer. The Company has adopted the practical expedient and does not adjust for the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Nature of Goods and Services

The following is a description of principal activities from which the Company generates its revenue:

Event-related revenue
The Company's business consists principally of promoting racing events at its major motorsports entertainment facilities. The Company derives revenues primarily from (i) admissions to motorsports events and motorsports themed amusement activities held at our facilities, (ii) revenue generated in conjunction with or as a result of motorsports events and motorsports themed amusement activities conducted at our facilities, and (iii) catering, concession and merchandising services during or as a result of these events and amusement activities.

"Admissions" revenue includes ticket sales for all of our racing events and other motorsports activities and amusements, net of any applicable taxes. Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted.

"Motorsports and other event related" revenue primarily includes television and ancillary media rights fees, promotion and sponsorship fees, royalties from licenses of our trademarks, fees paid by third party promoters for management of non-motorsport events, hospitality rentals (including luxury suites, chalets and the hospitality portion of club seating), advertising revenues, parking and camping revenues, track rental fees, syndication of numerous racing events, and programs through our own radio network, MRN.

"Food, beverage and merchandise" revenue includes revenues from concession stands, direct sales of souvenirs, hospitality catering, programs and other merchandise, and fees paid by third party vendors for the right to occupy space to sell souvenirs and concessions at our motorsports entertainment facilities.

The delivery of MRN services is recognized utilizing the output method and the measure of progress is when the advertisements are aired over the MRN network.

The delivery of all other event related services mentioned above are not considered as a separate performance obligation because our customers cannot receive the relevant benefits unless we also fulfill our obligation to deliver the event. Event related revenue is recognized on an event by event basis based on the fees allocated to the performance obligation within the underlying contractual arrangement.

Other revenue
Other revenue primarily includes revenues derived from leasing commercial space in our office and retail operations, including those at ONE DAYTONA and the Shoppes at ONE DAYTONA.

Disaggregation of revenue

In the following table, revenue is disaggregated by product line and timing of transfer of products and services. The table is in line with our reportable segments (see Note 15 - Segment Reporting).

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2019	August 31, 2018	August 31, 2019
	(In thousands)			
Admissions	24,365	23,712	$ 80,604	$ 77,434
NASCAR Broadcasting	79,706	84,428	237,888	249,156
Corporate Sales and Other Event Related	37,699	34,730	118,631	103,426
Food, Beverage and Merchandise	12,185	15,622	27,041	36,238
Other	5,323	6,571	15,668	17,444
Total Revenues	$ 159,278	$ 165,063	$ 479,832	$ 483,698

Contract Balances

The Company's rights to consideration for work completed, but not billed at the reporting date, is classified as a receivable, as it has an unconditional right to payment or only conditional for the passage of time. The Company has no recorded contract assets as of August 31, 2019.

Consideration received in advance from customers is recorded as a contract liability, if a contract exists under ASC 606, until services are delivered or obligations are met and revenue is earned. Contract liability represents the excess of amounts invoiced over amounts recognized as revenues. Contract liabilities to be recognized in the succeeding twelve-month period are classified as current contract liabilities and the remaining amounts, if any, are classified as non-current contract liabilities. Contract liabilities are predominately related to motorsports and other event related revenues, and to a lesser extent, Admissions and Food, Beverage and Merchandise revenues. Contract liabilities of approximately $70.4 million and $6.9 million are included in current and long-term deferred revenues, respectively, on the Consolidated Balance Sheets as of August 31, 2019. For the period ended August 31, 2019, we recognized revenue associated with contract liabilities of approximately $38.8 million that were included in the contract liabilities balance at the beginning of the period.

Significant changes in the contract liabilities balances during the period are discussed below.

Transaction price allocated to the remaining performance obligations

The Company applies the optional exemptions and does not disclose: a) information about remaining performance obligations that have an original expected duration of one year or less or b) transaction price allocated to unsatisfied performance obligations for which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with the series guidance.

The typical duration of all event related and other contracts is one year or less and, as a result, the Company applies the optional exemptions and does not disclose information about remaining performance obligations that have an original expected duration of one year or less.

The Company has also elected to not disclose transaction price allocated to unsatisfied performance obligations for which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service for event related promises for those contracts that contain percentage of the sales. The fees are variable for this type of contract, and the uncertainty related to the final fee, is resolved within the current year.

Changes in Accounting Policies

The Company adopted ASC 606 with an initial application as of the first quarter of fiscal year 2019, using the Modified Retrospective transition method, and applied ASC 606 to contracts with customers that were not completed as of the date of initial application. Comparative information has not been adjusted as the application of ASC 606 resulted in similar reportable

activity as under ASC 605, "Revenue Recognition - Multiple-Deliverable Revenue Arrangements", except for that disclosed below.

Unbilled Income and Deferred Income Recognition for Sponsorship Agreements
The Company previously recognized a receivable for unbilled revenue and a liability in deferred income for an amount equal to the remaining performance obligation at any reporting period. Under ASC 606, the Company will recognize a receivable and a contract liability prior to performance by either party, only if the entity has an unconditional right to payment. The Company has determined it does not have an unconditional right to receive unbilled revenue for remaining performance obligations. Accordingly, the Company will net the amount of unbilled revenue and associated deferred income at any reporting date.

Impact on the Consolidated Balance Sheet as of August 31, 2019:

Balance sheet accounts impacted by changes in accounting policies:			
	As reported	Adjustments	Balances without adoption of ASC 606
		(In thousands)	
Trade Receivables	49,191	1,740	50,931
Impact of Total Assets	49,191	1,740	50,931
Contract liability	70,440	1,735	72,175
Other Liabilities	19,206	5	19,211
Impact of Total Liabilities and Stockholders' equity	89,646	1,740	91,386

There was no impact on the Consolidated Statement of Comprehensive Income.

Impact on the Consolidated Statement of Cash Flows for the nine months ended August 31, 2019:

Cash flow items impacted by changes in accounting policies:			
	As reported	Adjustments	Balances without adoption of ASC 606
		(In thousands)	
Operating activities			
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Receivables, net	(6,358)	(1,740)	(8,098)
Accounts payable and other liabilities	3,320	5	3,325
Deferred income	33,902	1,735	35,637
Impact of net adjustments to cash (used in) provided by operating activities	30,864	—	30,864

4. Earnings Per Share

Basic earnings per share is calculated using the Company's weighted-average outstanding common shares. Diluted earnings per share is calculated using the Company's weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method. In periods when the Company recognizes a net loss, it excludes the impact of outstanding stock awards from the diluted loss per share calculation as their inclusion would have an anti-dilutive effect.

The following table sets forth the computation of basic and diluted earnings per share for thethree and nine months ended August 31, 2018 and 2019, respectively (in thousands, except share and per share amounts):

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2019	August 31, 2018	August 31, 2019
Numerator:				
Net income	$ 12,031	$ 13,106	$ 198,047	$ 49,734
Denominator:				
Weighted average shares outstanding	44,110,349	43,483,743	44,154,848	43,448,897
Effect of dilutive securities	8,418	5,033	11,107	6,853
Diluted weighted average shares outstanding	44,118,767	43,488,776	44,165,955	43,455,750
Basic earnings per share	$ 0.27	$ 0.30	$ 4.49	$ 1.14
Diluted earnings per share	$ 0.27	$ 0.30	$ 4.48	$ 1.14
Anti-dilutive shares excluded in the computation of diluted earnings per share	26,849	11,698	40,715	16,410

5. Equity and Other Investments

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, as the managing member of Kansas Entertainment, is responsible for the operations of the casino.

The Company has accounted for Kansas Entertainment as an equity investment in the consolidated financial statements as ofAugust 31, 2018 and 2019. The Company's 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 $5.7 million and $6.5 million for the three months ended August 31, 2018 and 2019, respectively, and approximately $16.3 million and $19.0 million for the nine months ended August 31, 2018 and 2019, respectively, and is included in Equity in net income from equity investments in the Consolidated Statements of Operations.

Pre-tax cash distributions from Kansas Entertainment for the nine months ended August 31, 2018 and 2019, are recognized on the Company's Consolidated Statement of Cash Flows as follows (in thousands):

	Nine Months Ended	
	August 31, 2018	August 31, 2019
Distribution from profits	$ 17,158	$ 19,844
Distribution in excess of profits	2,642	1,306
Total Distributions	$ 19,800	$ 21,150

Fairfield Inn Hotel at ONE DAYTONA

Daytona Hotel Two, LLC ("Fairfield"), a joint venture of Daytona Hospitality Group II, LLC ("DHGII"), a subsidiary of Prime-Shaner Groups, and Daytona Beach Property Holdings Retail, LLC ("DBR"), a wholly owned indirect subsidiary of ISC, was formed to own, construct and operate a Fairfield Inn hotel. The hotel is situated within the ONE DAYTONA development. In June 2016, DBR contributed land to the joint venture as per the agreement. Construction of the hotel was completed and operations commenced in December 2017. DHGII is the managing member of Fairfield. DHGII was responsible for the development of Fairfield and manages ongoing operations of the hotel.

As per the partnership agreement, our33.25 percent share of equity is limited to the Company's non-cash land contribution and it shares in the profits from the joint venture proportionately to its equity ownership. The Company has accounted for the joint venture in Fairfield as an equity investment in its consolidated financial statements as of August 31, 2019. The Company's 33.25 percent portion of Fairfield's net income, which is before income taxes as the joint venture is a disregarded entity for income tax purposes. As of August 31, 2019, the equity investment had losses in excess of its carrying value of approximately$0.2 million. The Company will resume application of the equity method only after its share of unrecognized net income equals the share of net losses not recognized during the period the equity method was suspended. For the three and nine months ended August 31, 2018, the Company's share of net income was$0.1 million and $0.2 million, respectively, and is included in net income from equity investments in the Company's Consolidated Statements of Operations.

Pre-tax cash distributions from Fairfield for the nine months ended August 31, 2018 and 2019, totaled approximately $0.2 million and $0.1 million, respectively.

The DAYTONA Marriott Autograph Collection Hotel at ONE DAYTONA

Daytona Hotel One, LLC ("The DAYTONA"), a joint venture of Daytona Hospitality Group, LLC ("DHG"), a subsidiary of Prime-Shaner Groups, and DBR, was formed to own, construct and operate The DAYTONA. The hotel is situated within the ONE DAYTONA development. DHG is the managing member of The DAYTONA. DHG was responsible for the development of The DAYTONA and manages ongoing operations of the hotel.

As per the partnership agreement, our34.0 percent share of equity is limited to the Company's non-cash land contribution and it shares in the profits from the joint venture proportionately to its equity ownership. The Company has accounted for the joint venture in The DAYTONA as an equity investment in the Company's consolidated financial statements as of August 31, 2019. The Company's 34.0 percent portion of The DAYTONA's net loss, which is before income taxes as the joint venture is a disregarded entity for income tax purposes. As of August 31, 2019, the equity investment had losses in excess of its carrying value of approximately $0.2 million. The Company will resume application of the equity method only after its share of unrecognized net income equals the share of net losses not recognized during the period the equity method was suspended. There were no comparable amounts for the three and nine months ended August 31, 2018 as the hotel commenced operations in April 2019.

Residential Project at ONE DAYTONA

Daytona Apartment Holdings, LLC, a joint venture of Daytona Residential Group, LLC, a subsidiary of Prime Group, and DBR, was formed to own, construct, and operate the residential component of the ONE DAYTONA project. The joint venture is structured similarly to the Fairfield and The DAYTONA joint ventures, where the Company's share of equity will be limited to the Company's non-cash land contribution and it will share in the profits from the joint venture proportionately to its equity ownership. In March 2019, the Company's land contribution of approximately $3.7 million towards the residential component was finalized. Vertical construction of the residential project has commenced and some units are expected to open in the fourth quarter of fiscal 2019. As per the partnership agreement, the Company's 31.0 percent share of equity will be limited to its non-cash land contribution and it will share in the profits from the joint venture proportionately to its equity ownership, which is before income taxes as the joint venture is a disregarded entity for income tax purposes. For the three and nine months ended August 31, 2019 and August 31, 2018, the Company had recorded de minimis and no costs, respectively, which are included in net income from equity investments in the Company's Consolidated Statements of Operations.

Other Investments

A Community Development District ("CDD") has been established for the purpose of installing and maintaining public infrastructure at ONE DAYTONA (see "Future Liquidity - 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. In October 2018, the CDD purchased certain infrastructure assets and specific easement rights from ONE DAYTONA. 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 was received in fiscal 2019 with maturity no later than fiscal 2046. As of, and for the three and nine months ended, August 31, 2019, approximately $0.2 million of payments have been received. The remainder of the incentives can be received based on certain criteria met by the project through fiscal 2046.

The ISC Board of Directors approved the purchase of certain assets, including trademarks and certain other intellectual property, from Racing Electronics and certain other assets required to support the business services of Racing Electronics. The asset acquisitions were completed in January 2019 for a total cost of approximately $8.2 million in cash. The acquisition meets the criteria of a business combination in accordance with ASC 805, "Business Combinations".

The following table summarizes the Company's preliminary acquisition accounting based on the fair values of the assets acquired (in thousands):

	As of January 4, 2019
Inventory	$ 2,340
Property and equipment	4,097
Trade names and trademarks	1,010
Track access rights	260
Goodwill	541
Purchase price consideration	$ 8,248

Acquisition accounting and valuation processes with respect to inventory (included in prepaid expenses and other current assets in the Consolidated Balance Sheets), property and equipment, intangible assets, and goodwill, related to the acquisition completed, are preliminary and subject to adjustments within the required one year period. The preliminary track access rights will be amortized over thirty years. The trade names and trademarks is an indefinite-lived intangible asset and is not amortized.

The results of operations of Racing Electronics are included in the Company's unaudited condensed consolidated statements of operations subsequent to the closing date of the acquisition and included in the Motorsports Event segment. For the three and nine months ended August 31, 2019, net revenues generated from the acquisition were approximately $4.2 million and $11.1 million, respectively, and operating loss generated from the acquisition was approximately$0.5 million and $0.3 million, respectively. Included in the nine months endedAugust 31, 2019 was approximately $0.3 million of non-recurring, non-capitalizable acquisition costs, recognized as an expense in general and administrative costs on the Consolidated Statement of Operations.

6. Goodwill and Intangible Assets

The gross carrying value, accumulated amortization and net carrying value of the major classes of intangible assets relating to the Motorsports Event segment are as follows (in thousands):

	November 30, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Other	120	100	20
Total amortized intangible assets	120	100	20
Non-amortized intangible assets:			
NASCAR — sanction agreements	177,813	—	177,813
Other	730	—	730
Total non-amortized intangible assets	178,543	—	178,543
Total intangible assets	$ 178,663	$ 100	$ 178,563

	August 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Other	288	15	273
Total amortized intangible assets	288	15	273
Non-amortized intangible assets:			
NASCAR — sanction agreements	177,813	—	177,813
Other	1,740	—	1,740
Total non-amortized intangible assets	179,553	—	179,553
Total intangible assets	$ 179,841	$ 15	$ 179,826

The increase of approximately $1.0 million in the net carrying amount of non-amortized intangible assets and$0.3 million in net carrying amount of amortized intangible assets, for the nine months ended August 31, 2019, as compared to the fiscal year endedNovember 30, 2018, is primarily due to the acquisition of certain assets, including trademarks and other intellectual property from Racing Electronics.

The following table presents current and expected amortization expense of the existing intangible assets for each of the following periods (in thousands):

Amortization expense for the nine months ended August 31, 2019	$ 7
Remaining estimated amortization expense for the year ending November 30:	
2019	$ 3
2020	10
2021	10
2022	11
2023 and thereafter	239

The increase of approximately $0.5 million in the carrying value of goodwill during thenine months ended August 31, 2019, relates to the acquisition of certain assets from Racing Electronics.

7. Long-Term Debt

Long-term debt consists of the following (in thousands):

	November 30, 2018		August 31, 2019	
	Principal	Unamortized Discount and Debt Issuance Costs	Principal	Unamortized Discount and Debt Issuance Costs
4.63 percent Senior Notes	$ 65,000	$ (108)	$ 65,000	$ (70)
3.95 percent Senior Notes	100,000	(244)	100,000	(212)
6.25 percent Term Loan	46,014	—	45,253	—
TIF bond debt service funding commitment	46,291	(1,288)	46,329	(1,179)
Revolving Credit Facility	—	—	—	—
	257,305	(1,640)	256,582	(1,461)
Less: current portion	4,521	(237)	4,881	(237)
	$ 252,784	$ (1,403)	$ 251,701	$ (1,224)

The Company's $65.0 million principal amount of senior unsecured notes (“4.63 percent Senior Notes”) bear interest at 4.63 percent and are due January 2021. The 4.63 percent Senior Notes require semi-annual interest payments on January 18 and July 18 through their maturity. The 4.63 percent Senior Notes may be redeemed in whole or in part, at the Company’s option, at any time or from time to time at redemption prices as defined in the indenture. Certain of the Company’s wholly owned domestic subsidiaries are guarantors of the 4.63 percent Senior Notes. Certain restrictive covenants of the 4.63 percent Senior Notes require that the Company's ratio of its Consolidated Funded Indebtedness to its Consolidated EBITDA ("leverage ratio") does not exceed 3.50 to 1.0, and its Consolidated EBITDA to Consolidated Interest Expense ("interest coverage ratio") is not less than 2.0 to 1.0. In addition, the Company may not permit the aggregate of certain Priority Debt to exceed 15.0 percent of its Consolidated Net Worth. The 4.63 percent Senior Notes contain various other affirmative and negative restrictive covenants including, among others, limitations on liens, sales of assets, mergers and consolidations and certain transactions with affiliates. As of August 31, 2019, the Company was in compliance with its various restrictive covenants. At August 31, 2019, outstanding principal on the 4.63 percent Senior Notes was approximately $65.0 million.

The Company's $100.0 million principal amount of senior unsecured notes (“3.95 percent Senior Notes”) bear interest at 3.95 percent and are due September 2024. The 3.95 percent Senior Notes require semi-annual interest payments on March 13 and September 13 through their maturity. The 3.95 percent Senior Notes may be redeemed in whole or in part, at the Company's option, at any time or from time to time at redemption prices as defined in the indenture. Certain of the Company's wholly owned domestic subsidiaries are guarantors of the 3.95 percent Senior Notes. Certain restrictive covenants of the 3.95 percent Senior Notes require that the Company's leverage ratio does not exceed 3.50 to 1.0, and its interest coverage ratio is not less than 2.0 to 1.0. In addition, the Company may not permit the aggregate of certain Priority Debt to exceed 15.0 percent of its Consolidated Net Worth. The 3.95 percent Senior Notes contain various other affirmative and negative restrictive covenants including, among others, limitations on liens, sales of assets, mergers and consolidations and certain transactions with affiliates. As of August 31, 2019, the Company was in compliance with its various restrictive covenants. At August 31, 2019, outstanding principal on the 3.95 percent Senior Notes was approximately $100.0 million.

The term loan (“6.25 percent Term Loan”), related to the Company’s International Motorsports Center, has a 25 year term due October 2034, an interest rate of 6.25 percent, and a current monthly payment of approximately $323,000. At August 31, 2019, the outstanding principal on the 6.25 percent Term Loan was approximately $45.3 million.

At August 31, 2019, the outstanding taxable special obligation revenue (“TIF”) bond, in connection with the financing of Kansas Speedway, totaled approximately $46.3 million, net of the unamortized discount, which is comprised of a $46.6 million principal amount, 6.75 percent term bond due December 1, 2027. The TIF bond is repaid by the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”) with payments made in lieu of property taxes (“Funding Commitment”) by the Company’s wholly owned subsidiary, Kansas Speedway Corporation (“KSC”). Principal (mandatory redemption) payments per the Funding Commitment are payable by KSC on October 1 of each year. The semi-annual interest component of the Funding Commitment is payable on April 1 and October 1 of each year. KSC granted a mortgage and security interest in the Kansas project for its Funding Commitment obligation.

The Company's $300.0 million revolving credit facility (“2016 Credit Facility”) contains a feature that allows the Company to increase the credit facility to a total of $500.0 million, subject to certain conditions and provides for separate sub-limits of $25.0 million for standby letters of credit and $10.0 million for swing line loans. The 2016 Credit Facility is scheduled to mature five years from the date of inception, with two 1-year extension options, extending the maturity to September 2023. Interest accrues, at the Company's option, at either LIBOR plus 100.0 — 162.5 basis points or a base rate loan at the highest of:

i) Wells Fargo Bank's prime lending rate, ii) the Federal Funds rate, as in effect from time to time, plus0.5 percent, and iii) one month LIBOR plus 1.0 percent. The 2016 Credit Facility also contains a commitment fee ranging from 0.125 percent to 0.225 percent of unused amounts available for borrowing. The interest rate margin on the LIBOR borrowings and commitment fee are variable depending on the better of the Company's debt rating as determined by specified rating agencies or its leverage ratio. Certain of the Company's wholly owned domestic subsidiaries are guarantors on the 2016 Credit Facility. The 2016 Credit Facility requires that the Company's leverage ratio does not exceed 3.50 to 1.0 (4.0 to 1.0 for the four quarters ending after any Permitted Acquisition), and its interest coverage ratio is not less than 2.5 to 1.0. The 2016 Credit Facility also contains various other affirmative and negative restrictive covenants including, among others, limitations on indebtedness, investments, sales of assets, certain transactions with affiliates, entering into certain restrictive agreements and making certain restricted payments as detailed in the agreement. As of August 31, 2019, the Company was in compliance with its various restrictive covenants. AtAugust 31, 2019, the Company had no outstanding borrowings under its credit facility. Financing costs related to the credit facility, net of accumulated amortization, of approximately $1.1 million, have been deferred and are included in other assets as of August 31, 2019.

Financing costs are being amortized on a straight-line method, which approximates the effective yield method, over the life of the related financing. At November 30, 2018 and August 31, 2019, the Company recorded deferred financing costs of approximately$3.0 million and $2.6 million, respectively, net of accumulated amortization.

Total interest expense incurred by the Company for thethree and nine months ended August 31, 2018 and 2019, respectively, is as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2019	August 31, 2018	August 31, 2019
Interest expense	$ 3,848	$ 3,773	$ 11,550	$ 11,339
Less: capitalized interest	1,297	126	3,214	254
Net interest expense	$ 2,551	$ 3,647	$ 8,336	$ 11,085

8. Financial Instruments

In accordance with the “Financial Instruments” Topic, ASC 825-10, and in accordance with the “Fair Value Measurements and Disclosures” Topic, ASC 820-10, additional clarification and disclosure is required about the use of fair value measurements. These topics discuss key considerations in determining fair value in such markets and expanding disclosures on recurring fair value measurements, using unobservable inputs (Level 3).

Various inputs are considered when determining the carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. These items approximate fair value due to the short-term maturities of these assets and liabilities. The Company's note receivable is a variable-based financial instrument and, therefore, its carrying value approximates its fair value. The Company’s credit facilities approximate fair value as they bear interest rates that approximate market. Fair values of long-term debt are based on quoted market prices at the date of measurement and determined by quotes from financial institutions. There have been no changes or transfers between category levels or classes.

These inputs are summarized in the three broad levels and two classes listed below:

- Level 1 — observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Company’s own assumptions in determining the fair value of investments)
- Recurring (R) - measured at fair value on recurring basis, subsequent to initial recognition.
- Non-recurring (NR) - measured at fair value on nonrecurring basis, subsequent to initial recognition.

The following table presents estimated fair values and categorization levels of the Company's financial instruments as ofNovember 30, 2018 and August 31, 2019, respectively (in thousands):

			November 30, 2018		August 31, 2019	
Assets	Level	Class	Carrying Value	Fair Value	Carrying Value	Fair Value
Money market funds	1	R	$ 219,229	$ 219,229	$ 278,331	$ 278,331
Note Receivable	2	R	10,500	10,500	10,300	10,300
Liabilities (principal)						
Senior Notes	2	NR	257,305	260,778	256,582	273,315

The Company had no level 3 inputs as of August 31, 2019.

9. Capital Stock

Stock Purchase Plan

The Company has a share repurchase program (“Stock Purchase Plan”), under which it is authorized to purchase up to $530.0 million of its outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan may be suspended or discontinued at any time without prior notice. The Company currently has no active 10b5-1 plans. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Since inception of the Stock Purchase Plan, throughAugust 31, 2019, the Company has purchased 10,566,002 shares of its Class A common shares, for a total of approximately $391.3 million. The Company did not purchase any shares of its Class A common shares during thenine months ended August 31, 2019. At August 31, 2019, the Company had approximately $138.7 million remaining repurchase authority under the current Stock Purchase Plan.

In April 2019, the Company's Board of Directors approved an annual dividend of$0.49 per share, for a total of approximately $21.3 million, paid on June 28, 2019, to common stockholders of record on May 31, 2019.

10. Long-Term Stock Incentive Plan

In April 2017, the Company's Board of Directors approved the 2017 Long Term Incentive Plan (the "2017 Plan"), as its 2006 Long Term Incentive Plan had expired in 2016. The Company has reserved an aggregate of 1,500,000 shares (subject to adjustment for stock splits and similar capital changes) of Class A Common Stock for grants under the 2017 Plan. Awards under the 2017 Plan will contain such terms and conditions not inconsistent with the 2006 Long Term Incentive Plan.

In May 2019, the Company awarded and issued a total of83,298 restricted shares of the Company’s Class A common shares to certain officers and managers under the 2017 Plan. The shares of restricted stock awarded in May 2019, vest at the rate of50.0 percent on the third anniversary of the award date and the remaining 50.0 percent on the fifth anniversary of the award date. The weighted average grant date fair value of these restricted share awards was$44.12 per share. In accordance with ASC 718, “Compensation — Stock Compensation” the Company is recognizing stock-based compensation on these restricted shares awarded on the accelerated method over the requisite service period.

In July 2019, the Company awarded and issued a total of6,012 restricted shares of the Company’s Class A common shares to certain non-employee directors, under the 2017 Plan. The shares of restricted stock awarded in July 2019, vest at the rate of100.0 percent on the one year anniversary of the award date. The weighted average grant date fair value of these restricted share awards was $44.89 per share. In accordance with ASC 718, “Compensation — Stock Compensation” the Company is recognizing this stock-based compensation on these restricted shares awarded on the straight-line method over the requisite service period.

11. Comprehensive Income

Comprehensive income is the change in equity of an enterprise except those resulting from shareholder transactions. Accumulated other comprehensive loss consists of the following (in thousands):

	November 30, 2018	August 31, 2019
Terminated interest rate swap, net of tax benefit of $1,050 and $852, respectively	$ (1,204)	$ (590)

12. Income Taxes

On December 22, 2017, new tax legislation, commonly referred to as the Tax Cuts and Jobs Act of 2017, was enacted, which significantly changed the existing U.S. tax laws. The Tax Act reduced the corporate Federal income tax rate from 35.0 percent to 21.0 percent, eliminated the corporate alternative minimum tax, allowed 100.0 percent expensing of certain qualified capital investments through 2022 (retroactive to September 27, 2017), and further limited the deductibility of certain executive compensation, among other provisions. Under current accounting guidance, the Company recognized the effects of the Tax Act as of the enactment date.

During the first quarter of fiscal 2018, as a result of the Tax Act, the Company incurred a material, non-cash reduction of our deferred income tax liabilities and a corresponding material income tax benefit of approximately $143.9 million primarily due to the Federal income tax rate reduction from 35.0 percent to 21.0 percent. In the third quarter of fiscal 2018, the Company recorded an additional approximately $1.2 million reduction of its deferred income tax liabilities and income tax benefit as a result of the aforementioned Federal income tax rate reduction. For fiscal 2018, the Company incurred total non-cash reductions of its

deferred income tax liabilities and a corresponding material income tax benefit of approximately $145.1 million due to the aforementioned Federal income tax rate reduction.

The Company's effective income tax rate was approximately15.4 percent and 21.8 percent for the three and nine months ended August 31, 2019, respectively, and approximately 17.0 percent and (181.3) percent for the three and nine months ended August 31, 2018, respectively.

The slight decrease in the three months ended August 31, 2019, as compared to the same period in the prior year, is predominately due to changes in state income tax rates and changes due to tax reform based on final regulations being issued by the IRS. The increase in the effective income tax rate for the nine months ended August 31, 2019, as compared to the same period in the prior year, is substantially due to the material income tax benefit and income tax rate reduction associated with the Tax Act, including the aforementioned reduction in deferred income tax liability, in the first quarter of fiscal 2018.

In March 2018, the Company was notified that its 2014 federal income tax return is under examination by the Internal Revenue Service.

13. Related Party Disclosures and Transactions

All of the racing events that take place during the Company's fiscal year are sanctioned by various racing organizations such as National Association for Stock Car Auto Racing ("NASCAR"), the American Historic Racing Motorcycle Association, the American Motorcyclist Association, the Automobile Racing Club of America ("ARCA"), the American Sportbike Racing Association — Championship Cup Series, the Federation Internationale de L'Automobile, the Federation Internationale Motocycliste, International Motor Sports Association ("IMSA") - a wholly owned subsidiary of NASCAR, Historic Sportscar Racing, IndyCar Series, National Hot Rod Association, the Porsche Club of America, the Sports Car Club of America, the Sportscar Vintage Racing Association, the United States Auto Club and the World Karting Association.

NASCAR and IMSA, which sanction many of the Company's principal racing events, are members of the France Family Group, which controls approximately 74.7 percent of the combined voting power of the outstanding stock of the Company as ofAugust 31, 2019, and some members of which serve as directors and officers of the Company.

Under current agreements, NASCAR contracts directly with certain network providers for television rights to the entire Monster Energy NASCAR Cup, Xfinity and Gander Outdoors Truck series schedules. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each Monster Energy NASCAR Cup, Xfinity and Gander Outdoors Truck series event as a component of its sanction fees. The Company, as the promoter, records 90.0 percent of the gross broadcast rights fees as revenue and then records25.0 percent of the gross broadcast rights fees as part of its awards to the competitors, included in NASCAR event management fees (discussed below). Ultimately, the promoter retains 65.0 percent of the net cash proceeds from the gross broadcast rights fees allocated to the event. The Company's television broadcast and ancillary rights fees received from NASCAR for the Monster Energy NASCAR Cup, Xfinity, and Gander Outdoors Truck series events conducted at its wholly owned facilities, and recorded as part of motorsports related revenue, were approximately $80.1 million and $84.8 million for the three months ended August 31, 2018 and 2019, respectively, and approximately

$240.3 million and $250.5 million for the nine months ended August 31, 2018 and 2019, respectively. The Company recorded prize money of approximately $22.1 million and $23.5 million for the three months ended August 31, 2018 and 2019, respectively, and approximately $66.1 million and $69.2 million for the nine months ended August 31, 2018 and 2019, respectively, included in NASCAR event management fees (discussed below) related to the aforementioned 25.0 percent of gross broadcast rights fees ultimately paid to competitors.

Standard NASCAR and IMSA sanction agreements require racetrack operators to pay event management fees (collectively "NASCAR event management or NEM fees"), which include prize and point fund monies for each sanctioned event conducted, as well as fees paid to NASCAR for sanctioning and officiating of the events. The prize and point fund monies are distributed by NASCAR to participants in the events. Total NEM fees paid by the Company were approximately $44.3 million and $47.5 million for the three months ended August 31, 2018 and 2019, respectively, and approximately $124.3 million and $130.6 million for the nine months ended August 31, 2018 and 2019, respectively.

14. Commitments and Contingencies

In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds ("2002 STAR Bonds") totaling approximately $6.3 million to reimburse the Company for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within Kansas Speedway's boundaries and are not the Company's obligation. KSC has agreed to guarantee the payment of principal and any required premium and interest on the 2002 STAR Bonds. At August 31, 2019, the Unified Government had approximately $0.5 million outstanding on 2002 STAR Bonds. Under a keepwell agreement, the Company has agreed to provide financial assistance to KSC, if necessary, to support KSC's guarantee of the 2002 STAR Bonds.

In connection with the Company's automobile and workers' compensation insurance coverages and certain construction contracts, the Company has standby letter of credit agreements in favor of third parties totaling approximately $3.1 million at August 31, 2019. At August 31, 2019, there were no amounts drawn on the standby letters of credit.

In September 2018, the Company announced a Comprehensive Ticket and Travel Protection Program that allows guests who purchase a grandstand ticket the ability to exchange tickets for a rescheduled NASCAR event at an ISC facility for a future NASCAR event within the ISC portfolio, certain restrictions apply. Should an event be rescheduled to a different date due to inclement weather, and a guest chooses to take advantage of ISC's Weather Protection Program, revenue related to that grandstand ticket would be deferred until earned, which is when the guest's selected event is conducted. In June and July 2019, the NASCAR Monster Energy Cup events at Michigan International Speedway and Daytona International Speedway, respectively, were postponed to the following day due to inclement weather. As a result, the events qualify for the Weather Protection Program. Grandstand tickets that were deemed eligible under this program were not significant for the three or nine months ended August 31, 2019.

Current Litigation

The Company is from time to time a party to routine litigation incidental to its business. Management does not believe that the resolution of any or all of such litigation will have a material adverse effect on the Company's financial condition or results of operations.

Mergers, such as the one proposed in the Merger Agreement, which the Company previously discussed in its report on Form 10-K for the fiscal year ended November 30, 2018, often attract litigation from minority shareholders. On December 14, 2018 a putative class-action shareholder lawsuit was filed in the Seventh Judicial Circuit of Volusia County, Florida the Firemen's Retirement System of St. Louis. The complaint names as defendants: the Company, its directors, its CFO, NASCAR Holdings, and certain of the Family Stockholders, and alleges breach of fiduciary duty in connection with the Merger Agreement and for aiding and abetting those alleged breaches. The parties to the litigation have executed a memorandum of understanding related to a settlement in principle of the litigation, subject to applicable court approval. The Company currently maintains Directors & Officers Insurance. Applicable insurance policies contain certain customary limitations, conditions and exclusions and are subject to a self-insured retention amount.

On August 22, 2019, SunTrust Equipment and Finance Leasing Corp. ("STEFL") filed a complaint against the Company in the Middle District of Florida for Declaratory Judgment and Breach of Contract. STEFL had previously filed a similar claim in the Northern District of Georgia, but has voluntarily withdrawn the claim with the Georgia court. The Florida complaint relates to subleases the Company entered into with DC Solar Distribution, Inc., which has subsequently filed for bankruptcy. ISC has filed a motion to dismiss the complaint, which has not yet been fully briefed and remains pending.

15. Segment Reporting

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports event operations consist principally of racing events at its major motorsports entertainment facilities. The reporting units within the motorsports segment portfolio are reviewed together as the nature of the products and services, the production processes used, the type or class of customer using our products and services, and the methods used to distribute our products or provide their services are consistent in objectives and principles, and predominately uniform and centralized throughout the Company. The consolidated industry domestic media rights contract, which continues through the 2024 NASCAR season, continues to be the single-largest contributor to the Company's earnings. These media rights are allocated to specific events, are not facility based, and are derived through a corporate contract, which affects all of the motorsports event facilities within the motorsports event segment. Similarly, corporate sponsorship partnership revenue is primarily derived from corporate contracts, negotiated by the Company's corporate sales team, and allocated to multiple, or all, motorsports entertainment facilities depending on the specific arrangement. Thus, the disclosure of these revenue streams, as they relate to each reporting unit, is not practical.

The Company's remaining business units, which are comprised of the radio network production and syndication of numerous racing events and programs, non-motorsports events, certain souvenir merchandising operations not associated with the promotion of motorsports events at the Company's facilities, construction management services, financing and licensing operations, equity investments and retail and commercial leasing operations are included in the "All Other" segment.

The Company evaluates financial performance of the business units on operating profit after allocation of corporate general and administrative ("G&A") expenses. Corporate G&A expenses are allocated to business units based on each business unit's net revenues to total net revenues.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Intersegment sales are accounted for at prices comparable to unaffiliated customers. The following tables provide segment reporting of the Company for the three and nine months ended August 31, 2018 and 2019, respectively (in thousands):

	Three Months Ended August 31, 2018		
	Motorsports Event	All Other	Total
Revenues	$ 144,960	$ 14,824	$ 159,784
Depreciation and amortization	24,275	1,752	26,027
Operating income (loss)	9,461	810	10,271
Capital expenditures	50,568	6,593	57,161
Total assets	1,693,446	601,280	2,294,726
Equity investments	—	82,647	82,647

	Three Months Ended August 31, 2019		
	Motorsports Event	All Other	Total
Revenues	$ 151,395	$ 14,138	$ 165,533
Depreciation and amortization	26,382	2,004	28,386
Operating income (loss)	8,763	1,344	10,107
Capital expenditures	21,556	1,427	22,983
Total assets	1,701,319	634,348	2,335,667
Equity investments	—	80,524	80,524

	Nine Months Ended August 31, 2018		
	Motorsports Event	All Other	Total
Revenues	$ 447,412	$ 33,834	$ 481,246
Depreciation and amortization	74,505	5,120	79,625
Operating income (loss)	63,445	(3,423)	60,022
Capital expenditures	101,249	20,931	122,180

	Nine Months Ended August 31, 2019		
	Motorsports Event	All Other	Total
Revenues	$ 456,797	$ 28,306	$ 485,103
Depreciation and amortization	80,448	6,006	86,454
Operating income (loss)	52,440	(1,301)	51,139
Capital expenditures	54,000	11,545	65,545

Intersegment revenues were approximately $0.5 million for the three months ended August 31, 2018 and 2019, and approximately $1.4 million for the nine months ended August 31, 2018 and 2019.

During the three and nine months ended August 31, 2019, revenues in the Motorsports Event segment included approximately $4.2 million and $11.1 million, respectively related to Racing Electronics, for which there was no comparable activity in the same periods of the prior year.

During the three and nine months ended August 31, 2019, revenues in the All Other segment have decreased by approximately $0.7 million and $5.5 million, respectively, as compared to the same periods in the prior year. The decrease in the current three and nine month periods is predominantly related to the Country 500 music festival at Daytona event not occurring in fiscal 2019 offset by lease revenue from ONE DAYTONA, as new tenants opened during fiscal 2019.

Capital expenditures related to the All Other segment decreased approximately $5.2 million for the three months ended August 31, 2019, and approximately $9.4 million for the nine months ended August 31, 2019, as compared to the same periods in the prior year. The decrease is substantially related to the construction activity at The Shoppes at ONE DAYTONA.

During the nine months ended August 31, 2019, the Company recognized approximately $0.9 million, of accelerated depreciation, due to shortening the service lives of certain assets associated with the infield project at Talladega. The Company did not recognize any accelerated depreciation during the three months ended August 31, 2019. During the nine months ended August 31, 2018, the Company recognized approximately $1.2 million, respectively of accelerated depreciation due to shortening the service lives of certain assets, associated with The ISM Raceway Project and the infield project at Richmond. The Company did not recognize any accelerated depreciation during the three months ended August 31, 2018.

During the three and nine months ended August 31, 2019, the Company recognized approximately $0.6 million and $1.4 million, respectively, of asset retirement losses attributable to demolition and/or asset relocation costs in connection with ONE DAYTONA and the infield project at Talladega. During the three and nine months ended August 31, 2018, the Company recognized approximately $2.2 million and $3.4 million, respectively, of similar costs associated with ONE DAYTONA, facility optimization initiatives, and other capital improvements including The ISM Raceway Project and the infield project at Richmond.

PART I. FINANCIAL INFORMATION

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

General

The general nature of our business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. We derive revenues primarily from (i) admissions to motorsports events and motorsports themed amusement activities held at our facilities, (ii) revenue generated in conjunction with, or as a result of, motorsports events and motorsports themed amusement activities conducted at our facilities, and (iii) catering, concession and merchandising services during, or as a result of, these events and amusement activities.

“Admissions, net” revenue includes ticket sales for all of our racing events and other motorsports activities and amusements, net of any applicable taxes.

“Motorsports and other event related” revenue primarily includes television and ancillary media rights fees, promotion and sponsorship fees, hospitality rentals (including luxury suites, chalets and the hospitality portion of club seating), advertising revenues, royalties from licenses of our trademarks, parking and camping revenues, track rental fees and fees paid by third party promoters for management of non-motorsports events.

“Food, beverage and merchandise” revenue includes revenues from concession stands, direct sales of souvenirs, hospitality catering, programs and other merchandise and fees paid by third party vendors for the right to occupy space to sell souvenirs and concessions at our motorsports entertainment facilities.

Revenues derived from leasing space in our retail operations, including those at ONE DAYTONA, leasing office space in our headquarters building, and facility rentals, are included in "Other" revenues.

Direct expenses include (i) NASCAR event management fees, (ii) motorsports and other event related expenses, which include labor, advertising, costs of competition paid to sanctioning bodies other than NASCAR and other expenses associated with the promotion of all of our motorsports and other events and activities, and (iii) food, beverage and merchandise expenses, consisting primarily of labor and costs of goods sold.

Costs related to leasing space in our retail operations, including those at ONE DAYTONA, are included in "Other operating expenses."

We receive distributions from the operations of our joint ventures (see "Equity and Other Investments")

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While our estimates and assumptions are based on conditions existing at and trends leading up to the time the estimates and assumptions are made, actual results could differ materially from those estimates and assumptions. We continually review our accounting policies, how they are applied and how they are reported and disclosed in the consolidated financial statements.

The following is a summary of our critical accounting policies and estimates and how they are applied in the preparation of the consolidated financial statements.

Basis of Presentation and Consolidation. We consolidate all entities we control by ownership of a majority voting interest and variable interest entities, for which we have the power to direct activities and the obligation to absorb losses. Our judgment in determining if we consolidate a variable interest entity includes assessing which party, if any, has the power and benefits. Therefore, we evaluate which activities most significantly affect the variable interest entities' economic performance and determine whether we, or another party, have the power to direct these activities.

We apply the equity method of accounting for our investments in joint ventures and other investees whenever we can exert significant influence on the investee but do not have effective control over the investee. Our consolidated net income includes our share of the net earnings or losses from these investees. Our judgment regarding the level of influence over each equity investee includes considering factors such as our ownership interest, board representation and policy making decisions. We periodically evaluate these equity investments for potential impairment where a decline in value is determined to be other than temporary. We eliminate all significant intercompany transactions from financial results.

Revenue Recognition. Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted. Should an event be rescheduled to a different date due to inclement weather, and a guest choose to take advantage of our Weather Protection Program, revenue related to that grandstand ticket will be deferred until earned, which is when the guest's selected event is conducted. The recognition of event-related expenses is matched with the recognition of event-related revenues.

We have adopted Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" (ASC 606) and the related modifications as of December 1, 2018 using the modified retrospective transition. The adoption did not result in a cumulative adjustment or materially impact future timing or classification of revenue recognition (see Note 3). We have in place, associated accounting policies, processes and system requirements, to enable timely and accurate reporting for required presentation and disclosures.

NASCAR contracts directly with certain network providers for television rights to the entire Monster Energy NASCAR Cup, Xfinity and Gander Outdoors Truck series schedules. Event promoters share in the television rights fees in accordance with the provision of the sanction agreement for each Monster Energy NASCAR Cup, Xfinity and Gander Outdoors Truck series event. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each Monster Energy NASCAR Cup, Xfinity and Gander Outdoors Truck series event as a component of its event management fees. We, as the promoter, record 90.0 percent of the gross broadcast rights fees as revenue and then record25.0 percent of the gross broadcast rights fees as part of the awards to the competitors. Ultimately, the promoter retains 65.0 percent of the net cash proceeds from the gross broadcast rights fees allocated to the event.

Our revenues from marketing partnerships are paid in accordance with negotiated contracts, with the identities of partners and the terms of sponsorship changing from time to time. Some of our marketing partnership agreements are for multiple facilities and/or events and include multiple specified elements, such as tickets, hospitality chalets, suites, display space and signage for each included event. The allocation of such marketing partnership revenues between the multiple elements, events and facilities is based on relative selling price. The sponsorship revenue allocated to an event is recognized when the event is conducted.

Revenues and related costs from the sale of concessions and merchandise for motorsports and non-motorsports events are recognized at the time of sale.

Minimum rental revenue from operating leases is recognized on a straight-line basis over the initial terms of the related leases. Certain tenants are required to pay percentage rent if their sales volumes exceed thresholds specified in their lease agreements. Percentage rent is recognized as revenue when the thresholds are achieved and the amounts become determinable.

We receive reimbursements from tenants for real estate taxes, insurance, common area maintenance and other recoverable operating expenses as provided in the lease agreements. Tenant reimbursements are recognized when earned in accordance with the tenant lease agreements. Tenant reimbursements related to certain capital expenditures are billed to tenants over periods of 5 to 20 years and are recognized as revenue in accordance with the underlying lease terms.

Business Combinations. All business combinations are accounted for in accordance with ASC 805 - Business Combinations. Whether net assets or common stock is acquired, fair values are determined and assigned to the purchased assets and assumed liabilities of the acquired entity. The excess of the cost of the acquisition over fair value of the net assets acquired (including recognized intangibles) is recorded as goodwill. Business combinations involving existing motorsports entertainment facilities commonly result in a significant portion of the purchase price being allocated to the fair value of the contract-based intangible asset associated with long-term relationships manifest in the sanction agreements with sanctioning bodies, such as NASCAR. The continuity of sanction agreements with these bodies has historically enabled the facility operator to host motorsports events year after year. While individual sanction agreements may be of terms as short as one year, a significant portion of the purchase price in excess of the fair value of acquired tangible assets is commonly paid to acquire anticipated future cash flows from events promoted pursuant to these agreements which are expected to continue for the foreseeable future and therefore, in accordance with ASC 805-50, “Business Combinations,” are recorded as indefinite-lived intangible assets recognized apart from goodwill.

Capitalization and Depreciation Policies. Property and equipment are stated at cost. Maintenance and repairs that neither materially add to the value of the property, nor appreciably prolong its life, are charged to expense as incurred. Depreciation and amortization for financial statement purposes are provided on a straight-line basis over the estimated useful lives of the assets. When we construct assets, we capitalize costs of the project, including, but not limited to, certain pre-acquisition costs, permitting costs, fees paid to architects and contractors, certain costs of our design and construction subsidiary, property taxes and interest.

We must make estimates and assumptions when accounting for capital expenditures. Whether an expenditure is considered an operating expense or a capital asset is a matter of judgment. When constructing or purchasing assets, we must determine whether existing assets are being replaced or otherwise impaired, which also is a matter of judgment. Our depreciation expense for financial statement purposes is highly dependent on the assumptions we make about our assets’ estimated useful lives. We

determine the estimated useful lives based upon our experience with similar assets, industry, legal and regulatory factors and our expectations of the usage of the asset. Whenever events or circumstances occur, which change the estimated useful life of an asset, we account for the change prospectively.

During the three months ended August 31, 2018, and 2019, we recorded approximately $2.2 million and $0.8 million, respectively of before-tax charges of losses associated with asset retirements, primarily attributable to the removal of assets not fully depreciated, located at our motorsports facilities. During the nine months ended August 31, 2018, and 2019, we recorded approximately $3.5 million and $1.8 million, respectively, of similar losses.

Interest costs associated with major development and construction projects are capitalized as part of the cost of the project. Interest is typically capitalized on amounts expended using the weighted-average cost of our outstanding borrowings, since we typically do not borrow funds directly related to a development or construction project. We capitalize interest on a project when development or construction activities begin, and cease when such activities are substantially complete or are suspended for more than a brief period.

Impairment of Long-lived Assets, Goodwill and Other Intangible Assets. Our consolidated balance sheets include significant amounts of long-lived assets, goodwill and other intangible assets which could be subject to impairment.

As of August 31, 2019, goodwill and other intangible assets and property and equipment accounts for approximately $1.8 billion, or 77.1 percent of our total assets. We account for our goodwill and other intangible assets in accordance with ASC 350, “Intangibles — Goodwill and Other”, and for our long-lived assets in accordance with ASC 360, “Property, Plant and Equipment.”

We follow applicable authoritative guidance on accounting for goodwill and other intangible assets, which specifies, among other things, non-amortization of goodwill and other intangible assets with indefinite useful lives, and requires testing for possible impairment, either upon the occurrence of an impairment indicator or at least annually. We complete our annual testing in our fiscal fourth quarter based on assumptions regarding our future business outlook and expected future discounted cash flows attributable to such assets (using the fair value assessment provision of applicable authoritative guidance), supported by quoted market prices or comparable transactions where available or applicable.

While we continue to review and analyze many factors that can impact our business prospects in the future (as further described in “Risk Factors”), our analysis is subjective and is based on conditions existing at, and trends leading up to, the time the estimates and assumptions are made. Different conditions or assumptions, or changes in cash flows or profitability, if significant, could have a material adverse effect on the outcome of the impairment evaluation and our future condition or results of operations.

In connection with our fiscal 2018 assessment of goodwill and intangible assets for possible impairment we used the methodology described above. We believe our methods used to determine fair value and evaluate possible impairment were appropriate, relevant and represent methods customarily available and used for such purposes. Our latest annual assessment of goodwill and other intangible assets in the fourth quarter of fiscal 2018 indicated there had been no impairment and the fair value exceeded the carrying value for the respective reporting units.

In addition, our growth strategy includes investing in certain joint venture opportunities. In these equity investments, we exert significant influence on the investee, but do not have effective control over the investee, which adds an additional element of risk that can adversely impact our financial position and results of operations. The carrying value of our equity investments was $80.5 million at August 31, 2019.

Income Taxes. The tax law requires that certain items be included in our tax return at different times than when these items are reflected in our consolidated financial statements. Some of these differences are permanent, such as expenses not deductible on our tax return. However, some differences reverse over time, such as depreciation expense, and these temporary differences create deferred tax assets and liabilities. Our estimates of deferred income taxes and the significant items giving rise to deferred tax assets and liabilities, reflect our assessment of actual future taxes to be paid on items reflected in our financial statements, giving consideration to both timing and probability of realization. Actual income taxes could vary significantly from these estimates due to future changes in income tax law or changes or adjustments resulting from final review of our tax returns by taxing authorities, which could also adversely impact our cash flow.

In the ordinary course of business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Accruals for uncertain tax positions are provided for in accordance with the requirements of ASC 740, “Income Taxes.” Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50.0 percent likelihood of being realized upon the ultimate settlement. This interpretation also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities,

accounting for interest and penalties associated with tax positions and income tax disclosures. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. Although we believe the estimates are reasonable, no assurance can be given that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals. Such differences could have a material impact on the income tax provision and operating results in the period in which such determination is made.

Contingent Liabilities. Our determination of the treatment of contingent liabilities in the consolidated financial statements is based on our view of the expected outcome of the applicable contingency. In the ordinary course of business, we consult with legal counsel on matters related to litigation and other experts both within and outside our Company. We accrue a liability if the likelihood of an adverse outcome is probable and the amount of loss is reasonably estimable. We disclose the matter but do not accrue a liability if the likelihood of an adverse outcome is reasonably possible and an estimate of loss is not determinable. Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

Equity and Other Investments

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, as managing member of Kansas Entertainment, is responsible for the operations of the casino.

We have accounted for Kansas Entertainment as an equity investment in the consolidated financial statements as ofAugust 31, 2018 and 2019. Our 50.0 percent portion of Kansas Entertainment’s net income, before income taxes, was approximately $5.7 million and $6.5 million, for the three months endedAugust 31, 2018 and 2019, respectively, and approximately $16.3 million and $19.0 million for the nine months ended August 31, 2018 and 2019, respectively, and is included in income from equity investments in the Consolidated Statements of Operations.

Pre-tax cash distributions from Kansas Entertainment for the nine months ended August 31, 2018 and 2019, are recognized on the Company's Consolidated Statement of Cash Flows as follows (in thousands):

	Nine Months Ended	
	August 31, 2018	August 31, 2019
Distribution from profits	$ 17,158	$ 19,844
Distribution in excess of profits	2,642	1,306
Total Distributions	$ 19,800	$ 21,150

Fairfield Inn Hotel at ONE DAYTONA

Since June 2013, we have pursued development of ONE DAYTONA, a premier mixed use and entertainment destination across from Daytona International Speedway. Daytona Hotel Two, LLC ("Fairfield"), a joint venture of Daytona Hospitality Group II, LLC ("DHGII"), a subsidiary of Prime-Shaner Groups, and Daytona Beach Property Holdings Retail, LLC ("DBR"), a wholly owned indirect subsidiary of ISC, was formed to own, construct and operate a Fairfield Inn hotel. The hotel is situated within the ONE DAYTONA development. In June 2016, DBR contributed land to the joint venture as per the agreement. Construction of the hotel was completed and operations commenced in December 2017. DHGII is the managing member of Fairfield. DGHII was responsible for the development of Fairfield and manages ongoing operations of the hotel.

As per the partnership agreement, our 33.25 percent share of equity is limited to our non-cash land contribution, and we share in the profits from the joint venture proportionately to our equity ownership. We have accounted for the joint venture in Fairfield as an equity investment in our consolidated financial statements as of August 31, 2019. Our 33.25 percent portion of Fairfield’s net income, which is before income taxes as the joint venture is a disregarded entity for income tax purposes, was approximately $0.1 million and $0.1 million for the three months endedAugust 31, 2018 and 2019, respectively. As ofAugust 31, 2019, the equity investment had losses in excess of its carrying value of approximately $0.2 million. We will resume application of the equity method only after its share of unrecognized net income equals the share of net losses not recognized during the period the equity method was suspended. For the three and nine months ended August 31, 2018, our share of net income was$0.1 million and $0.2 million, respectively, and is included in net income from equity investments in our Consolidated Statements of Operations.

Pre-tax cash distributions from Fairfield for the nine months ended August 31, 2018 and 2019, totaled approximately $0.2 million and $0.1 million, respectively.

The DAYTONA, a Marriott Autograph Collection Hotel at ONE DAYTONA

Daytona Hotel One, LLC ("The DAYTONA"), a joint venture of Daytona Hospitality Group, LLC ("DHG"), a subsidiary of Prime-Shaner Groups, and DBR, was formed to own, construct and operate The DAYTONA. The hotel is situated within the ONE DAYTONA development. DHG is the managing member of The DAYTONA. DHG was responsible for the development of The DAYTONA and manages ongoing operations of the hotel.

As per the partnership agreement, our 34.0 percent share of equity is limited to our non-cash land contribution and we share in the profits from the joint venture proportionately to our equity ownership. We have accounted for the joint venture in The DAYTONA as an equity investment in our consolidated financial statements as of August 31, 2019. Our 34.0 percent portion of The DAYTONA's net loss, which is before income taxes as the joint venture is a disregarded entity for income tax purposes. As of August 31, 2019, the equity investment had losses in excess of its carrying value of approximately $0.2 million. The Company will resume application of the equity method only after its share of unrecognized net income equals the share of net losses not recognized during the period the equity method was suspended. There were no comparable amounts for the three and nine months ended August 31, 2018 as the hotel commenced operations in April 2019.

Residential Project at ONE DAYTONA

Daytona Apartment Holdings, LLC, a joint venture of Daytona Residential Group, LLC, a subsidiary of Prime Group, and DBR, was formed to own, construct and operate the residential project at ONE DAYTONA. The joint venture is structured similarly to the Fairfield and The DAYTONA joint ventures, where our share of equity will be limited to our non-cash land contribution and it will share in the profits from the joint venture proportionately to its equity ownership. In March 2019, our land contribution of approximately $3.7 million towards the residential component was finalized. Vertical construction of the residential project has commenced and some units are expected to open in the fourth quarter of fiscal 2019. As per the partnership agreement, our 31.0 percent share of equity will be limited to our non-cash land contribution and we will share in the profits from the joint venture proportionately to our equity ownership, which is before income taxes as the joint venture is a disregarded entity for income tax purposes. For the three and nine months ended August 31, 2019 and August 31, 2018, we had recorded de minimis and no costs, respectively, which are included in net income from equity investments in the Company's Consolidated Statements of Operations.

Income Taxes

On December 22, 2017, new tax legislation, commonly referred to as the Tax Cuts and Jobs Act of 2017, was enacted, which significantly changed the existing U.S. tax laws. The Tax Act reduced the corporate Federal income tax rate from 35.0 percent to 21.0 percent, eliminated the corporate alternative minimum tax, allowed 100.0 percent expensing of certain qualified capital investments through 2022 (retroactive to September 27, 2017), and further limited the deductibility of certain executive compensation, among other provisions. Under current accounting guidance, we recognized the effects of the Tax Act as of the enactment date.

During the first quarter of fiscal 2018, as a result of the Tax Act, the Company incurred a material, non-cash reduction of our deferred income tax liabilities and a corresponding material income tax benefit of approximately $143.9 million primarily due to the Federal income tax rate reduction from 35.0 percent to 21.0 percent. In the third quarter of fiscal 2018, the Company recorded an additional approximately $1.2 million reduction of its deferred income tax liabilities and income tax benefit as a result of the aforementioned Federal income tax rate reduction. For fiscal 2018, the Company incurred total non-cash reductions of its deferred income tax liabilities and a corresponding material income tax benefit of approximately $145.1 million due to the aforementioned Federal income tax rate reduction.

Our effective income tax rate was approximately15.4 percent and 21.8 percent for the three and nine months ended August 31, 2019, respectively, and approximately 17.0 percent and (181.3) percent for the three and nine months ended August 31, 2018, respectively.

The slight decrease in the three months ended August 31, 2019, as compared to the same period in the prior year, is predominately due to changes in state income tax rates and changes due to tax reform based on final regulations being issued by the IRS. The increase in the effective income tax rate for the nine months ended August 31, 2019, as compared to the same period in the prior year, is substantially due to the material income tax benefit and income tax rate reduction associated with the Tax Act, including the aforementioned reduction in deferred income tax liability, in the first quarter of fiscal 2018.

In March 2018, we were notified that our 2014 federal income tax return is under examination by the Internal Revenue Service.

Future Trends in Operating Results

International Speedway Corporation ("ISC" or the "Company") is the leading owner of major motorsports entertainment facilities and promoter of motorsports-themed entertainment activities in the United States. We compete for discretionary spending and leisure time with many other entertainment alternatives and are subject to factors that generally affect the recreation, leisure and sports industry, including general economic conditions. Our operations are also sensitive to factors that affect corporate budgets. Such factors include, but are not limited to, general economic conditions, employment and wage levels, business conditions, interest and taxation rates, relative commodity prices, and changes in consumer tastes and spending habits.

Looking to the future, we believe a healthy, broader U.S. economy, aided by the Tax Act and coupled with ISC's and the industry's long-term strategies, will provide an environment for improved profitability. NASCAR has secured its broadcast rights through the 2024 season, which benefits our entire industry. Consistent with major sports properties throughout the world, broadcast rights represent our Company's largest revenue segment. Expanding and extending this contracted revenue will provide us long-term cash flow visibility. Management believes the strategic initiatives and investments our Company and the motorsports industry have undertaken will slow recent trends, grow the sport and strengthen the long-term health of our Company.

The industry has committed to growing the sport by implementing growth initiatives that support NASCAR's industry-wide strategic plan. NASCAR's stated objective is to broaden NASCAR's appeal with current fans and attract new demographics to the sport with the following focused industry initiatives:

- Attract and retain new fans including young adults, youth and growth demographics;
- Grow fan engagement with richer content, consumption channels and memorable live-event experiences;
- Elevate/cultivate driver star power; and
- Maximize utilization of industry marketing assets and participation.

As part of the industry plan, NASCAR implemented several innovations focused on improving the on-track product and increasing its appeal to our fans. These include the following:

- Enhancements to NASCAR's playoffs, including elimination rounds leading up to the championship event for the three national touring series;
- Three stage racing format, similar to quarters or halves in other sports;
- Overtime rules to address races that previously ended while under caution; and
- Refined aerodynamic and downforce specifications that provide the driver greater control of the car.

In January 2014, NASCAR announced a new championship format that puts greater emphasis on winning races throughout the season and expanded the playoff field to 16 drivers. For fiscal 2016, the playoff format was expanded to both Xfinity and Gander Outdoors Truck series events, qualifying 12 drivers and 8 drivers, respectively. The playoff implements a round-by-round advancement format that ultimately rewards a battle-tested, worthy champion. The format makes each race matter even more, de-emphasizes points racing, puts a premium on winning races and concludes with a best-of-the-best, first-to-the-finish line showdown race.

For the 2017 NASCAR season, the stage based racing format, which breaks the race approximately into thirds, was announced with several goals in mind. First, it provides three periods of racing with natural breaks during the race for fans. Second, the stages are scored independently, with points awarded for finishing in each stage, that contribute toward the championship. While the greatest amount of points are awarded for ultimately winning the race, the format provides a strong incentive for the drivers to compete throughout the race, rather than waiting until later in the race, which raises the level of excitement throughout for the viewing audience.

Industry and fan feedback continues to be positive regarding these changes, with a vast majority of fans embracing the format enhancements. We anticipate continued favorable momentum at our future playoff related events as we move forward.

In March 2019, NASCAR announced significant, dynamic changes to the 2020 NASCAR Cup Series schedule, with intriguing shifts during both the regular season and the Playoffs. The changes reflect NASCAR response to fan and industry stakeholder feedback for sweeping changes to the schedule. The changes to the 2020 NASCAR Cup Series schedule are a result of unprecedented consensus-building between NASCAR, race tracks operators, and broadcast partners.

We support NASCAR's industry strategy on a number of fronts. We have committed to improving our major motorsports facilities to enhance guest experiences and strengthen fan engagement. Specifically, one of the most ambitious and important projects in our history was the redevelopment of the frontstretch of Daytona International Speedway, our 61-year-old flagship

motorsports facility. The new Daytona International Speedway is the world's first and only motorsports complex featuring unique experiences for our guests and new innovative marketing platforms for our corporate partners, broadcasters and industry stakeholders. Fan and stakeholder feedback continues to be overwhelmingly positive. We believe that Daytona International Speedway's elevated customer experiences will continue to drive further growth for the DAYTONA 500 brand, our 12 other major motorsports facilities' brands and NASCAR's brand. We also believe that this strategic investment will positively influence consumer and corporate involvement in the sport, and drive long-term value for our broadcast partners.

In early fiscal 2017, we announced as part of our strategic plan and capital allocation strategy (See "Capital Improvements" and "Growth Strategies"), that the ISC Board of Directors approved a project for the redevelopment of the grandstands and infield for Phoenix Raceway, now known as ISM Raceway. The modernization project, known as The ISM Raceway Project (see "Liquidity and Capital Resources - The ISM Raceway Project "), cost approximately $178.0 million and addressed critical facility maintenance, and other improvements to enhance the fan experience, provide valuable marketing assets for new sponsorship opportunities and create updated infield amenities, including the 'ultimate race day INfield fan experience', where fans can view firsthand drivers and crews setting up their cars before the race. ISM Raceway is an attractive asset in our portfolio of tracks with a number of key attributes that include two major NASCAR Cup Series weekends, including the championship races for all three NASCAR national series events to be held in 2020. The track is a fan-favorite with a unique racetrack configuration in the eleventh largest major media market of the United States. ISM Raceway is located near Phoenix, Arizona, an attractive but competitive marketplace with an exciting opportunity to grow its brand, enhance the facility and guest experience and provide a sustainable financial return. In late September 2017, ISM Raceway and ISM Connect, a pioneer in smart venue technology, announced a multi-year partnership that includes naming rights for the Raceway's modernized venue, as well as the installation of a groundbreaking digital fan engagement experience. Beginning in fiscal 2018, the venue was re-named ISM Raceway. The ISM Raceway Project was completed in November 2018.

Admissions

Generating excess demand to attend our live events while providing the optimal supply of high-quality seating inventory, is an important principle of our operating strategy. By effectively managing both ticket prices and seating capacity across customer segments and price points, we have historically driven early ticket renewals and greater advance ticket sales. Greater advance ticket sales provide us many benefits, such as earlier cash inflow, and reduces the potential negative impact of actual or forecasted inclement weather as event-day approaches.

When evaluating ticketing initiatives, we first examine our ticket pricing structure for each segmented seating area and/or offering within our major motorsports entertainment facilities to ensure prices are congruent with market demand. When determined necessary, we adjust ticket pricing. We believe our ticket pricing philosophy appropriately factors current demand and provides attractive price points for all income levels and desired fan experiences. We maintain the integrity of our ticket pricing model by ensuring our customers who purchase tickets during the renewal period get preferred pricing. We do not adjust pricing downward inside of the sales cycle to avoid rewarding last-minute ticket buyers by discounting tickets. Further, we closely monitor and manage the availability of promotional tickets. Encouraging late cycle buying and offering excess promotional tickets could have a detrimental effect on our ticket pricing model and the long-term value of our business. We believe it is more important to encourage advance ticket sales and maintain price integrity to achieve long-term growth, rather than to capture short-term incremental revenue at the expense of our customers who purchased tickets during the renewal period. We continue to implement innovative ticket pricing strategies to capture incremental admissions revenue including ticket price increases over time as the event nears and adjusting pricing of specific seats within a section or row with desirable attributes and greater demand.

In September 2018, we announced a Comprehensive Ticket and Travel Protection Program that allows guests who purchase a grandstand ticket the ability to exchange tickets for a rescheduled NASCAR event at an ISC facility for a future NASCAR event within the ISC portfolio. The ISC Weather Protection Program applies to all paid consumer grandstand tickets to NASCAR races at any ISC facility rescheduled to a different date due to inclement weather. The aforementioned unused grandstand ticket can be exchanged for a same-series ticket of equal or lesser face value based on event and seating location availability, with the exception of the DAYTONA 500. The DAYTONA 500 is the most prestigious event in NASCAR. If the DAYTONA 500 is postponed, DAYTONA 500 ticket holders may exchange their tickets for any ISC event or the following year's DAYTONA 500 event. We believe this initiative will encourage fans to purchase tickets earlier in the sales cycle, providing assurance when planning a ticket purchase. Supplementing the ISC Weather Protection Program, ticket purchasers can take advantage of TicketGuardian's FanShield insurance technology, which offers fans additional protection, for a low additional cost, if unable to attend an event.

In June and July 2019, the NASCAR Monster Energy Cup events at Michigan International Speedway and Daytona International Speedway, respectively were postponed to the following day due to inclement weather. As a result, the events qualify for the Weather Protection Program. Grandstand tickets that were deemed eligible under this program were not significant for the three or nine months ended August 31, 2019.

To provide our guests with the best fan experience possible, we continue adding fan amenities such as wider seating and social/party zones, which provide greater fan interaction/engagement and improved sight lines for better viewing. Rising customer expectations from modern sports facilities means that sustaining ticket demand relies strongly on creating a more unique and memorable experience for the fans. Enhancing the live event experience to differentiate it from the at-home television viewing experience is a critical strategy for our future growth. Further, benefits from our facility enhancement/optimization strategy include:

- improved pricing power for our events;
- enticing more customers to renew or purchase tickets earlier in the sales cycle;
- increasing customer retention;
- driving greater attendance to our lead-in events, such as NASCAR's Xfinity and Gander Outdoors Truck Series events;
- ability to re-purpose and monetize certain areas of the facility to their highest and best use;
- generating stronger interest from corporate sponsors; and
- creating a more visually compelling event for the television audience.

Additional facility enhancements implemented include providing greater wireless connectivity, enhanced at-track audio and visual experiences (e.g. video boards), additional and upgraded concession and merchandise points-of-sale, and creating more interactive social zones including in-grandstand 'party-deck' viewing areas. We continuously monitor market demand, evaluate customer feedback, and explore next generation live-sports entertainment fan amenities, all of which could further impact how we manage capacity and spend capital at our major motorsports facilities.

In recent years, attendance at NASCAR events has faced headwinds. Through the 28th NASCAR Cup Series event at Richmond Raceway during fiscal 2019, grandstand admissions revenue for all NASCAR Cup series events held at our facilities declined approximately 3.0 percent on average versus the same time frame in 2018. In fiscal 2018, grandstand admissions revenue for NASCAR Cup series events declined approximately 10.7 percent. Recent retirements of fan favorite drivers, inclement weather causing delay and/or postponement of events, and a general declining trend in attendance at live sporting events affecting many sports, among others, have attributed to this decline. Partially offsetting the overall fiscal 2019 declines in admissions revenue were sell outs of reserved grandstands at the Daytona 500, Watkins Glen, and Darlington. Stabilizing capacity utilization metrics are providing greater confidence that our aforementioned customer-focused strategies are yielding positive results.

Corporate Partnerships

The power of the NASCAR brand, along with its brand/product loyal fan base, creates a highly attractive platform for corporate partnership. In 2018, the participation of FORTUNE 500 companies in NASCAR was greater than in any other sports property, with more than one in four FORTUNE 500 companies investing in NASCAR, and nearly half of the FORTUNE 100 listed companies leveraging NASCAR within their marketing strategy. Big brand sponsors such as Coca-Cola, Mars, FedEx, Anheuser-Busch, McDonald's, PepsiCo, Miller Coors, Mobil 1 and Shell Pennzoil, among others, continue to align themselves with NASCAR. We anticipate this high-level of corporate interest will continue considering the appealing characteristics of our sport, such as presence in key metropolitan statistical areas, the near year-round event schedule, our impressive portfolio of major motorsports events and attractive NASCAR fan demographics.

Even as companies demand more return on their marketing dollar, we are focused on delivering an enhanced value proposition through our strategic initiatives. This includes enhanced facilities with more visible sponsor elements, more frequent event activity and diverse content at our facilities, and deeper understanding of, and integration with, our corporate partners' business.

In fiscal 2017, Monster Energy replaced Sprint as only the third sponsor of NASCAR's premiere "Cup" series. The partnership established a new brand identity for NASCAR's premiere racing series that is modern, yet embraces the heritage of NASCAR racing. Monster Energy's first year as NASCAR premiere series entitlement partner was a rousing success and exceeded sponsorship metrics across the board. Subsequently, Monster extended its title sponsorship of NASCAR's premiere Cup Series through the end of the 2019 season.

For fiscal 2018 our gross marketing partnerships grew approximately 1.7 percent and we sold all Monster Energy NASCAR Cup and NASCAR Xfinity Series entitlements.

For fiscal 2019, we have sold all Monster Energy NASCAR Cup and NASCAR Xfinity Series entitlements, and have agreements in place for approximately 94.0 percent of our gross marketing partnership revenue target. This is compared to last year at this time when we had approximately 95.0 percent of our gross marketing partnership revenue target sold. With all of our major event entitlements secured, we can focus more resources on official status categories, positioning us to meet our gross marketing partnership revenue target for fiscal 2019.

Television Broadcast and Ancillary Media Rights

Domestic broadcast and ancillary media rights fees are ISC's largest revenue source, accounting for approximately 52.0 percent of 2018 total revenues.

In August 2013, NASCAR finalized multi-platform broadcast rights agreements with NBCUniversal ("NBC") and FOX Broadcasting Company ("FOX") for 10 years, beginning in 2015 through the 2024 season, for the broadcast and related rights for NASCAR's three national touring series. Financial terms were not disclosed, but leading industry sources estimate the combined agreements value at approximately $8.2 billion over the life of the agreement. The agreements include Spanish-language rights and the rights to stream authenticated NASCAR content over the broadcasters' affiliated digital platforms. These rights are important to the broadcasters, who can monetize alternative digital delivery methods of NASCAR content and address the shifting ways people consume live sports content. NASCAR's solid ratings, the strong demand for live sports programming, and the proliferation of on-demand content, were significant factors leading up to the broadcast rights agreement.

FOX has exclusive rights to the first 16 Monster Energy NASCAR Cup Series point races beginning each year with the prestigious DAYTONA 500. In addition, FOX retains the rights to the NASCAR Cup Series All-Star Race, The Clash and The Duel at Daytona, 14 NASCAR Xfinity Series events and the entire NASCAR Gander Outdoors Truck Series. NBC has exclusive rights to the final 20 Monster Energy NASCAR Cup Series point races including NASCAR's playoffs, final 19 NASCAR Xfinity Series events, select NASCAR Regional & Touring Series events and other live content beginning in fiscal 2015. In fiscal 2018, NASCAR had 17 Monster Energy NASCAR Cup races on network television, the same as fiscal 2017. In fiscal 2019, NASCAR will have 16 Monster Energy NASCAR Cup races on network television.

NBC Sports Network ("NBCSN") and Fox Sports 1 have become staples in most cable packages since their launch in 2012 and 2013, respectively, appearing in approximately 80 million households each. Both channels rely on NASCAR content hosting eight and thirteen live NASCAR Cup points events respectively in 2019. NASCAR content is among the highest rated programming for both channels.

NASCAR continues to deliver strong audiences in a changing media consumption environment. Even as fans of all sporting events choose to consume content through digital and social media alternatives in addition to television viewing, NASCAR's live television draw is powerful.

At the beginning of the 2019 NASCAR season, the DAYTONA 500 proved once again why it is the premiere and most significant motorsports event in the world. The race coverage and consumption garnered an average national rating of 5.31 on FOX with viewership peaking at 11.4 million, outperforming head-to-head competition with the NBA All-Star Game by 35.0 percent. The television broadcast consumption was augmented with strong performance in digital and social consumption metrics (see "Digital Media Content").

Through 28 NASCAR Cup Series events of 2019, broadcast races experienced a 3.0 percent increase in year-over-year viewership; and NASCAR Cup Series share of audience, which factors the time spent watching, is up 8.0 percent versus prior year. During this time frame, the NASCAR Cup Series has been the number one or two sport on television over the weekend thirteen times. These metrics are especially positive in light of tepid television year-over-year to date performance across other sports programming.

Domestic broadcast rights fees provide significant cash flow visibility to us, race teams and NASCAR over the contract term. Television broadcast rights fees received from NASCAR for the Monster Energy NASCAR Cup, Xfinity and Gander Outdoors Truck series events conducted at our wholly owned facilities under these agreements, and recorded as part of motorsports related revenue, were approximately $79.7 million and $84.4 million, for the three months ended August 31, 2018 and 2019, respectively, and approximately $237.9 million and $249.2 million for the nine months ended August 31, 2018 and 2019, respectively. Operating income generated by these media rights was approximately $69.6 million and $71.3 million, for the three months ended August 31, 2018 and 2019, respectively, and approximately $175.3 million and $182.6 million for the nine months ended August 31, 2018 and 2019, respectively.

As media rights revenues fluctuate, so do the variable costs tied to the percentage of broadcast rights fees required to be paid to competitors as part of NASCAR Cup, Xfinity and Gander Outdoors Truck series sanction agreements. NASCAR event management fees ("NEM" or "NASCAR direct expenses") are outlined in the sanction agreement for each event and are negotiated in advance of an event. As previously discussed, included in these NASCAR direct expenses are amounts equal to 25.0 percent of the gross domestic television broadcast rights fees allocated to our NASCAR Cup, Xfinity and Gander Outdoors Truck series events, as part of NASCAR event management fees (See "Critical Accounting Policies and Estimates - Revenue Recognition"). The NASCAR event management fees are contracted from 2016 through 2020 under the five-year sanction agreements (see "Sanctioning Bodies") and paid to NASCAR to contribute to the support and growth of the sport of

NASCAR stock car racing, through payments to the teams and sanction fees paid to NASCAR. As such, we do not expect these costs to materially decrease in the future as a percentage of admissions and motorsports related income.

Digital Media Content

The evolution of the global media landscape continues as media consumption habits adjust to the proliferation of alternative content distribution channels. Media companies have worked quickly establishing new technology platforms and partnering with new content providers. The sports media market has been affected as well. A September 2017 PricewaterhouseCoopers Sports survey identified three sports media market 'disruptors' to be as follows:

- new content delivery platforms such as 'OTT' (over the top), digital media and applications;
- growth in use of mobile described as "ubiquitous access to sports content"; and
- rights holders establishing direct fan relationships via proprietary TV channels, social media, etc.

NASCAR's media strategy aims to create dynamic and engaging content that is uniquely distributed through the linear television broadcast, online/mobile sites such as NASCAR.com, and/or through social media outlets. This balanced approach helps NASCAR reach the largest audience and maximize fan engagement. Consistent with this approach, NASCAR evaluates the 'total audience engaged' by aggregating metrics for television, digital and social media consumption. Additionally, NASCAR leverages their Fan and Media Engagement Center; a powerful analytical resource used to better understand digital conversations and optimize engagement with the social community.

The 2019 DAYTONA 500 further demonstrated the importance of digital and social channels as a way fans consume NASCAR. A few key digital/social performance highlights from that race were as follows:

- Digital sites generated approximately 2.4 million race day visits, up approximately 54.0 percent compared to 2018 representing the highest product engagement digital has ever had on a race day
- On social channels, 1.2 million people engaged with content on race-day, with approximately 5.3 million video views generated by NASCAR Social content.

Through 28 NASCAR Cup Series events in the 2019 season, aggregate digital metrics show a continuing positive trend toward greater fan engagement with high single digit growth over prior year for consumption rate, user return frequency, and average time spent on digital platforms. This strong growth in digital consumption and on social platforms illustrates the higher and deeper level of engagement by NASCAR's audience with its content.

We are encouraged by the growing reach and engagement that is a direct result of our industry's strategic initiatives. We expect these digital and social channels to continue to grow, and believe the industry is well positioned to monetize these channels as our fans (mirroring society-at-large) consume more content in non-traditional ways.

As the media landscape continues to evolve, we believe we are well positioned to navigate the changes because of our long-term partnerships with industry leaders FOX and NBC, who own the rights to digital distribution of NASCAR content via the current broadcast rights agreement through 2024. Collectively, we view the shifts in media consumption as positives for consumers and these shifts provide our sport the opportunity to develop and deliver compelling content in rich and diverse ways to interact with our fans. Along with NASCAR, we closely monitor changes in the television and media landscape, including positive trends with recent contracted sports rights deals. During 2018, several major sports and entertainment media rights deals were announced including with the NFL, NBA, MLB, WWE, UFC and the PGA Tour. The deals reflect the continuing demand to own and broadcast sports entertainment content, the value of digital rights in the new media paradigm and the affect that gaming will potentially have on future sports media rights. As such, NASCAR continuously monitors the broadcast environment and seeks to maximize its return on content with our partners and for the industry stakeholders.

Sanctioning Bodies

Our success has been, and is expected to remain, dependent on maintaining good working relationships with the organizations that sanction events at our facilities, particularly with NASCAR, whose sanctioned events at our wholly owned facilities accounted for approximately 88.9 percent of our revenues in fiscal 2018. NASCAR continues to entertain and discuss proposals from track operators regarding potential realignment of their portfolio of NASCAR Cup series dates to more geographically diverse and potentially more desirable markets, where there may be greater demand, resulting in an opportunity for increased revenues to the track operators. We believe that realignments have provided, and will continue to provide, incremental net positive revenue and earnings as well as further enhance the sport's exposure in highly desirable markets, which we believe benefit the sport's fans, teams, sponsors and television broadcast partners, as well as promoters.

In October 2015, we entered into five-year sanction agreements with NEM, an affiliate of NASCAR, for the promotion of our inventory of NASCAR Cup, Xfinity and Gander Outdoors Truck Series events. In fiscal 2019, we will conduct 21 NASCAR Cup Series events, 14 NASCAR Xfinity Series events, and 9 NASCAR Gander Outdoors Truck Series events. Each sanction

agreement is for a term of five years, which commenced in 2016 and contracted through 2020. Other than the term, the sanction agreements are substantially similar to those entered into in previous years. The sanction agreements contain annual increases of between 3.0 percent and 4.0 percent in media rights fees for each sanctioned event conducted, and provide a specific percentage of media rights fees to be paid to competitors. The sanction agreements also provide for annual increases in sanction fees and non-media rights related prize and point fund monies (to be paid to competitors) of approximately 4.0 percent annually over the term of the sanction agreements. NASCAR and NEM are controlled by members of the France Family Group, which controls approximately 74.7 percent of the combined voting power of the outstanding stock of the Company, as of August 31, 2019, and some members of which serve as directors and officers of International Speedway Corporation. We strive to ensure, and management believes that, the terms of the sanction agreements transactions are reasonable. Collectively, the media rights fees, sanction fees and non-media prize and point fund fees that we pay are referred to as NASCAR Event Management fees.

Capital Improvements

We compete for the consumer's discretionary dollar with other entertainment options, such as concerts and other major sporting events. As such, enhancing the live event experience for our guests is a key strategic pillar to drive future growth. In addition, fans continue to demonstrate willingness to pay for more unique, immersive, and segmented experiences that cannot be duplicated at home. Today's consumer wants improved traffic flow, comfortable and wider seating, clean and available restroom facilities, more points of sale, enhanced audio and visual engagement, social zones and greater mobile-device connectivity. Providing these enhancements often requires capital reinvestment.

We are confident that our prudent facility reinvestment strategy will generate incremental earnings and grow enterprise value in the following ways:

- Improve the fan experience to drive increased ticket sales;
- Match supply and demand and optimize our ticket pricing model;
- Strengthen our marketing partners' value proposition to grow sponsorship and hospitality sales, achieve longer contracted terms, and increase renewal rates;
- Solidify prospects for long-term growth in broadcast media rights fees agreements

We remain confident that by continuing to smartly reinvest to create memorable guest experiences, provide attractive pricing and fantastic racing, we will generate increased revenues and bottom-line results. This has most recently been evident in the success of our redevelopment projects, including the frontstretch at Daytona International Speedway, ISM Raceway, the infield at Richmond Raceway and Talladega Superspeedway.

While we focus on allocating our capital to generate returns in excess of our cost of capital, certain of our capital improvement investments may not provide immediate, directly traceable near term positive returns on invested capital, but over the longer term, we believe these improvements will better enable us to effectively compete with other entertainment venues for consumer and corporate spending. See "Capital Allocation in Liquidity and Capital Resources" section of Management's Discussion and Analysis for a complete discussion of how capital improvements at existing facilities integrates into our overall capital allocation.

Growth Strategies

Our growth strategies continuously explore ways to grow our businesses through acquisitions and external developments that offer attractive financial returns and leverage our core competencies. A prime example is our partnering with Penn National Gaming, Inc. in a 50/50 joint venture to develop and operate a Hollywood-themed and branded entertainment destination facility overlooking turn two of Kansas Speedway (see “Hollywood Casino at Kansas Speedway”).

We expect for our 2019 fiscal year that our share of the pre-tax cash flow from the casino's operations will be approximately $28.0 million.

Since June 2013, we have pursued development of ONE DAYTONA, a premier mixed use and entertainment destination across from Daytona International Speedway, which has crafted a strategy that will create synergy with Daytona International Speedway, enhance customer and partner experiences, monetize real estate on International Speedway Blvd. and leverage our real estate on a year-round basis. Several new-to-market tenants have already commenced operations at ONE DAYTONA. We substantially completed the remaining RD&E with additional tenants commencing operations throughout the remainder of fiscal 2019. The DAYTONA hotel was completed in April 2019 (see “Liquidity and Capital Resources - ONE DAYTONA”).

We remain interested in pursuing further ancillary developments at certain of our other motorsports facilities, which enhance our core business, are market-driven, and provide a prudent return on investment.

Postponement and/or Cancellation of Major Motorsports Events

We promote outdoor motorsports entertainment events. Weather conditions affect sales of, among other things, tickets, food, drinks and merchandise at these events. Poor weather conditions prior to an event, or even the forecast of poor weather conditions, could have a negative impact on us, particularly for walk-up ticket sales to events, which are not sold out in advance. If an event scheduled for one of our facilities is delayed or postponed because of weather, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, food, drinks and merchandise at the rescheduled event. If a rescheduled event meets the criteria for the previously discussed Weather Protection Program, we would defer revenue associated with ticket sales from customers who elect to apply their purchase from the rescheduled event to a future event. Moreover, the forecast of poor weather conditions and/or the delay or postponement of an event due to weather conditions could have a negative impact on renewals for the following year. If such an event is canceled, we would incur the expenses associated with preparing to conduct the event, as well as losing the revenues, including any live broadcast revenues associated with the event.

If a canceled event is part of the Monster Energy NASCAR Cup, Xfinity or Gander Outdoors Truck series, in the year of cancellation we could experience a reduction in the amount of money we expect to receive from television revenues for all of our NASCAR-sanctioned events in the series that experienced the cancellation. This would occur if, as a result of the cancellation, and without regard to whether the canceled event was scheduled for one of our facilities, NASCAR experienced a reduction in television revenues greater than the amount scheduled to be paid to the promoter of the canceled event.

Acts of terrorism or violence at mass gatherings or sporting events, prospects of war, global economic uncertainty, or a widespread outbreak of a severe epidemiological crisis, resulting in public fears regarding attendance at sporting events or mass gatherings, could negatively impact attendance at our events. Any one of these items could increase our expenses related to insurance, security and other related matters.

Seasonality and Quarterly Results

We derive most of our income from a limited number of NASCAR-sanctioned races. As a result, our business has been, and is expected to remain, highly seasonal based on the timing of major racing events. Future schedule changes as determined by NASCAR or other sanctioning bodies, as well as the acquisition of additional, or divestiture of existing, motorsports entertainment facilities could impact the timing of our major events in comparison to prior or future periods. Because of the seasonal concentration of racing events, the results of operations for the three and nine month periods ended August 31, 2018 and 2019, are not indicative of the results to be expected for the year.

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 continuing operations, which primarily consist of the ongoing promotions of racing and other 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 non-GAAP financial information is reconciled to comparable information presented using GAAP, 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, The ISM Raceway Project, the infield project at Richmond and facility optimization initiatives, accelerated depreciation (associated with The ISM Raceway Project and 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 (see "Note 12 - Income Taxes").

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 and ONE DAYTONA, accelerated depreciation associated with the infield project at Talladega, non-recurring, non-capitalized costs related to the purchase of certain assets from Racing Electronics, one-time, non-cash charges related to terminated agreements associated with non-motorsports operations, gain on certain assets related to non-motorsports operations, and any costs incurred associated with the aforementioned Merger Agreement.

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

	Three Months Ended August 31, 2018			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 14,500	$ 2,469	$ 12,031	$ 0.27
Adjustments:				
The ISM Raceway Project	50	13	37	0.00
Losses on retirements of long-lived assets	2,166	567	1,599	0.04
Capitalized interest	(1,185)	(310)	(875)	(0.02)
Benefit of income tax law change	—	1,168	(1,168)	(0.03)
Non-GAAP	$ 15,531	$ 3,907	$ 11,624	$ 0.26

	Three Months Ended August 31, 2019			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 15,489	$ 2,383	$ 13,106	$ 0.30
Adjustments:				
Losses on retirements of long-lived assets	613	148	465	0.01
Merger Agreement costs	472	114	358	0.01
Non-capitalized costs related to business combination	48	12	36	0.00
Net gain on certain assets	(429)	(104)	(325)	(0.01)
Non-GAAP	$ 16,193	$ 2,553	$ 13,640	$ 0.31

	Nine Months Ended August 31, 2018			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 70,393	$ (127,654)	$ 198,047	$ 4.48
Adjustments:				
The ISM Raceway Project	266	70	196	0.00
Accelerated depreciation	1,154	302	852	0.02
Losses on retirements of long-lived assets	3,414	895	2,519	0.06
Capitalized interest	(2,857)	(751)	(2,106)	(0.05)
Net tax benefit	—	145,068	(145,068)	(3.28)
Non-GAAP	$ 72,370	$ 17,930	$ 54,440	$ 1.23

	Nine Months Ended August 31, 2019			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 63,592	$ 13,858	$ 49,734	$ 1.14
Adjustments:				
Losses on retirements of long-lived assets	1,395	341	1,054	0.02
Accelerated depreciation	943	231	712	0.02
Merger Agreement costs	3,375	824	2,551	0.06
Non-capitalized costs related to business combination	304	74	230	0.01
Terminated agreements	389	94	295	0.01
Net gain on certain assets	(429)	(104)	(325)	(0.01)
Non-GAAP	$ 69,569	$ 15,318	$ 54,251	$ 1.25

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 non-GAAP forward-looking measures to their most directly comparable GAAP measure as 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 our 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 the future directly comparable GAAP measures, which may differ significantly from their non-GAAP counterparts.

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

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2019	August 31, 2018	August 31, 2019
	(Unaudited)			
Net Income (GAAP)	$ 12,031	$ 13,106	$ 198,047	$ 49,734
Adjustments:				
Income tax (benefit) expense	2,469	2,383	(127,654)	13,858
Interest income	(979)	(1,568)	(2,232)	(4,140)
Interest expense	2,551	3,647	8,336	11,085
Other	(11)	(429)	(26)	(429)
Equity in net income from equity investments	(5,790)	(7,032)	(16,449)	(18,969)
Operating Income (GAAP)	$ 10,271	$ 10,107	$ 60,022	$ 51,139
Adjustments:				
Depreciation and amortization	26,027	28,386	79,625	86,454
Impairments/losses on retirements of long-lived assets	2,181	760	3,538	1,781
Other Non-GAAP adjustments [(1)]	50	520	266	4,068
Cash distributions from equity investments	8,377	8,526	20,002	21,298
Adjusted EBITDA (non-GAAP)	$ 46,906	$ 48,299	$ 163,453	$ 164,740

(1) Other Non-GAAP adjustments include:

i. 2018 adjustments for the three and nine month periods relate to costs associated with The ISM Raceway Project of approximately $0.1 million and $0.3 million, respectively; and

ii. 2019 adjustments for the three month period relate to costs associated the Merger Agreement and non-capitalized costs non-recurring acquisition costs of Racing Electronics of approximately $0.5 million and $48.0 thousand, respectively. For the nine month period relate to costs associated with terminated agreements of approximately $0.4 million, the Merger Agreement of approximately $3.4 million and non-capitalized, non-recurring acquisition costs of Racing Electronics of approximately $0.3 million.

Comparison of the Results for the Three and Nine Months Ended August 31, 2019 to the Results for the Three and Nine Months Ended August 31, 2018.

The following table sets forth, for each of the indicated periods, certain selected statement of operations data as a percentage of total revenues:

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2019	August 31, 2018	August 31, 2019
	(Unaudited)			
REVENUES:				
Admissions, net	15.3 %	14.4 %	16.8 %	16.0 %
Motorsports and other event related	73.7	72.2	74.3	72.9
Food, beverage and merchandise	7.7	9.4	5.6	7.5
Other	3.3	4.0	3.3	3.6
Total revenues	100.0	100.0	100.0	100.0
EXPENSES:				
Direct:				
NASCAR event management fees	27.8	28.8	25.9	27.0
Motorsports and other event related	23.5	21.3	22.5	19.3
Food, beverage and merchandise	6.2	7.7	4.3	5.7
Other operating expenses	1.6	0.8	1.0	1.0
General and administrative	16.8	17.6	16.5	18.1
Depreciation and amortization	16.3	17.2	16.6	17.9
Losses on asset retirements	1.4	0.5	0.7	0.4
Total expenses	93.6	93.9	87.5	89.4
Operating income	6.4	6.1	12.5	10.6
Interest income	0.6	0.9	0.5	0.8
Interest expense	(1.6)	(2.2)	(1.7)	(2.3)
Equity in net income from equity investments	3.7	4.3	3.4	4.0
Other	0.0	0.3	0.0	0.1
Income before income taxes	9.1	9.4	14.7	13.2
Income tax (benefit) expense	1.5	1.4	(26.6)	2.9
Net income	7.6 %	8.0 %	41.3 %	10.3 %

Comparability of results for the three and nine months ended August 31, 2019 to the same period in fiscal 2018 was impacted by the following:

- In the first quarter of fiscal 2019, we were informed of a bankruptcy proceeding related to one of our marketing partners. During our second quarter of fiscal 2019, in accordance with our contracts, we terminated the sponsorship agreements and related sublease agreements with this entity. As a result, we experienced lower admissions and sponsorship revenues related to the sponsorship agreements and lower rental expense related to the sublease agreements during the nine months ended August 31, 2019 as compared to the same period in fiscal 2018;
- In the second quarter of fiscal 2018, we hosted the Country 500 music festival at Daytona and an IndyCar event at ISM Raceway, for which there was no comparable events in fiscal 2019;
- In the third quarter of fiscal 2019, we hosted a NASCAR Xfinity series event at Darlington which was held in the fourth quarter of fiscal 2018;
- For the three and nine months ended August 31, 2019, we recognized revenue and expenses recorded in the respective food, beverage and merchandise accounts related to the acquisition of Racing Electronics. There were no comparable revenue or costs for the three and nine months ended August 31, 2018;
- For the three and nine months ended August 31, 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 and nine months ended August 31, 2019, we recognized approximately $0.5 million and $3.4 million, or $0.01 per diluted share and $0.06 per diluted share, respectively, of costs associated with the Merger Agreement (See Note 1). There were no comparable costs for the three and nine months ended August 31, 2018;
- During the three and nine months ended August 31, 2019, we incurred approximately $48.0 thousand and $0.3 million, or less than $0.01 per diluted share for both periods, respectively, 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 and nine months ended August 31, 2018;
- In the second fiscal quarter of 2019, we incurred approximately $0.4 million, or $0.01 per diluted share, of one-time, non-cash charges related to terminated agreements associated with non-motorsports operations;
- During the nine months ended August 31, 2019, we recognized approximately $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 nine months ended August 31, 2018, we recognized approximately $1.2 million, or $0.02 per diluted share, of accelerated depreciation due to shortening the service lives of certain assets associated with The ISM Raceway Project and the infield project at Richmond. There were no costs associated with accelerated depreciation in the three month periods ending August 31, 2019 or August 31, 2018;
- During the three and nine months ended August 31, 2019, we recognized approximately $0.6 million and $1.4 million, or $0.01 per diluted share and $0.02 per diluted share, respectively, of asset retirement losses primarily attributable to demolition and/or asset relocation costs in connection with the infield project at Talladega. During the three and nine months ended August 31, 2018, we recognized approximately $2.2 million and $3.4 million, or $0.04 per diluted share and $0.06 per diluted share, respectively, of asset retirement losses primarily attributable to demolition and/or asset relocation costs in connection with ONE DAYTONA, facility optimization initiatives, and other capital improvements, including the infield project at Richmond;
- During the three and nine months ended August 31, 2018, we recognized approximately $0.1 million and $0.3 million, respectively, or less than $0.01 per diluted share for both periods, 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 and nine months ended August 31, 2019;
- During the three and nine months ended August 31, 2018, we capitalized approximately $1.2 million and $2.9 million, respectively, or $0.02 and $0.05 per diluted share, respectively, 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 and nine months ended August 31, 2019;
- In the third quarter of fiscal 2019, we recognized a gain of approximately $0.4 million or $0.01 per diluted share, related to certain assets associated with non-motorsports operations; and,
- For the three and nine months ended August 31, 2018, we recorded approximately $1.2 million and $145.1 million, respectively, or $0.03 and $3.28 per diluted share, respectively, of a non-recurring, non-cash income tax benefit related to the Tax Cuts and Jobs Act (see "Note 12 - Income Taxes). There were no comparable benefits recorded in fiscal 2019.

Admissions revenue decreased approximately $0.7 million and $3.2 million, or approximately 2.7 percent and 3.9 percent, during the three and nine months ended August 31, 2019, respectively, as compared to the same periods of the prior year.

- The decrease in the current three month period is substantially due to events at Michigan and Daytona impacted by inclement weather and promotional pricing for certain NASCAR and other events held during the period. Partially offsetting the reduction on admissions revenue was the aforementioned NASCAR Xfinity series race held at Darlington and increased admissions for NASCAR events held at Watkins Glen; and
- The decrease in the nine month period is substantially due to lower attendance and admissions for NASCAR and other events held during fiscal 2019, some of which were impacted by inclement weather, the aforementioned IndyCar event and sponsor tickets related to the aforementioned bankruptcy. Partially offsetting the reduction on admissions revenue was the aforementioned NASCAR Xfinity series race held at Darlington, certain NASCAR events including the Cup weekend at ISM Raceway and consecutive sold-out reserved grandstands at the Daytona 500 and Watkins Glen, and increased admissions for the Rolex 24 At DAYTONA, bike week events held at Daytona.

Motorsports and other event related revenue increased approximately $1.8 million, or approximately 1.5 percent, and decreased approximately $3.9 million, or approximately 1.1 percent, respectively, during the three and nine months ended August 31, 2019, as compared to the same period of the prior year.

- The increase in the current three month period is predominately due to television broadcast revenues of approximately $4.7 million related to events held during the period, including the aforementioned NASCAR Xfinity series event held

at Darlington. Partially offsetting the increase were lower sponsorship, hospitality and advertising revenues of approximately $2.9 million, including approximately $1.8 million of revenues related to the aforementioned bankruptcy; and

- The decrease in the current nine month period is predominately due to the aforementioned Country 500 music festival at Daytona and IndyCar event at ISM Raceway not occurring in fiscal 2019 resulting in reductions of approximately $4.1 million and $1.1 million, respectively. Also contributing to the decrease were reductions in sponsorship, hospitality, advertising and other revenues of approximately $9.1 million, of which approximately $6.9 million is related to the aforementioned bankruptcy, and ancillary rights fees of approximately $1.0 million. Partially offsetting the decrease was an increase in television broadcast revenue of approximately $11.2 million, including the aforementioned NASCAR event held at Darlington, as well as increases of approximately $0.4 million related to various event revenues.

Food, beverage and merchandise revenue increased approximately $3.4 million and $9.2 million, or 28.2 percent and 34.0 percent, respectively,during the three and nine months ended August 31, 2019, as compared to the same period of the prior year.

- The increase in the three month period is substantially due to the aforementioned acquisition of assets from Racing Electronics contributing approximately $4.0 million of revenue and approximately $0.1 million related to off-site catering. Partially offsetting the increase were were approximately $0.5 million of concessions and catering revenues for certain NASCAR and other events held during the period; and
- The increase in the nine month period is substantially due to the aforementioned acquisition of assets from Racing Electronics contributing approximately $10.9 million of revenue. Also contributing to the increase were approximately $0.4 million related to off-site catering. Partially offsetting the increase were the aforementioned Country 500 music festival and IndyCar event at ISM Raceway not occurring in fiscal 2019 resulting in reductions of approximately $0.8 million and lower concessions and catering revenues of approximately $1.3 million from the aforementioned lower attendance for certain NASCAR, and other events held during the period.

Other revenue increased approximately $1.2 million and $1.8 million, or 23.4 percent and 11.3 percent, during the three and nine months ended August 31, 2019, respectively, as compared to the same period of the prior year.

- The increase in the three month period is predominately due to miscellaneous revenues of approximately $1.3 million; and
- The increase in the nine month period is predominately due to lease revenue from ONE DAYTONA of approximately $1.7 million, as well as miscellaneous revenues of approximately $2.3 million. Partially offsetting the increase was the receipt of insurance proceeds of approximately $1.8 million in fiscal 2018 for which there was no comparable event in fiscal 2019 and the reduction of revenue of approximately $0.4 million due to the sale of revenue generating assets in the first quarter of fiscal 2018 by a business unit for which there was no comparable event in fiscal 2019.

NASCAR Event Management ("NEM") fees increased approximately $3.2 million and $6.3 million, or 7.2 percent and 5.1 percent, for the three and nine months ended August 31, 2019, as compared to the same period of the prior year. The increase is due to the aforementioned NASCAR event held at Darlington and contracted NEM fees associated with NASCAR event sanction agreements.

Motorsports and other event related expenses decreased approximately $2.1 million and $14.4 million, or 5.7 percent and 13.3 percent, for the three and nine months ended August 31, 2019, as compared to the same period of the prior year.

- The decrease in the three month period is predominately due to approximately $1.9 million of costs for equipment rentals related to the aforementioned terminated sublease agreements and approximately $0.5 million of labor and purchased services for event related expenses associated with certain NASCAR events held during the period. Partially offsetting the decrease were approximately $0.3 labor and purchased services for event related expenses associated with the aforementioned NASCAR event held at Darlington;
- The decrease in the nine month period is predominately due to the aforementioned Country 500 music festival at Daytona and IndyCar event at ISM Raceway not occurring in fiscal 2019 resulting in reductions of approximately $6.9 million and $1.6 million, respectively. Also contributing to the decrease were approximately $4.8 million related to the aforementioned terminated sublease agreements and approximately $1.9 million of labor and purchased services for event related expenses associated with certain NASCAR events held during the period. Partially offsetting the decrease was approximately $0.5 million of costs related to non-motorsports events held during the period, which drove increased other event revenues and approximately $0.3 labor and purchased services for event related expenses associated with the aforementioned NASCAR event held at Darlington; and
- Motorsports related expenses as a percentage of combined admissions and motorsports related revenue decreased for thethree and nine months ended August 31, 2019 to approximately 24.6 percent and 21.8 percent, as compared to 26.3

percent and 24.7 percent, respectively, for the same period in the prior year. The margin for the three month period is comparable to the same period in the prior year. The increase in margin for the nine month period is predominately due to the aforementioned Country 500 music festival at Daytona and IndyCar event at ISM Raceway not occurring in fiscal 2019.

Food, beverage and merchandise expense increased approximately $2.8 million and $6.7 million, or 28.4 percent and 32.2 percent, during the three and nine months ended August 31, 2019, as compared to the same period of the prior year.

- The increase in the current three month period is primarily due to increased expenses of approximately $3.4 million associated with the revenues generated during the quarter from the aforementioned acquisition of assets from Racing Electronics. Partially offsetting the increase were concessions and catering expenses for certain NASCAR and other events held during the period of approximately $0.6 million;
- The increase in the nine month period is primarily due to increased expenses of approximately $8.0 million associated with the revenues generated during the quarter from the aforementioned acquisition of assets from Racing Electronics. Partially offsetting the increase were concessions and catering to the aforementioned Country 500 music festival and IndyCar event at ISM Raceway not occurring in fiscal 2019 resulting in reductions of approximately $0.4 million and approximately $0.9 million of concessions and catering expenses for certain NASCAR and other events held during the period; and
- Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue remained consistent for the three months ended August 31, 2019 at approximately 81.6 percent, as compared to 81.5 percent, for the same period in the prior year. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue decreased for the nine months ended May 31, 2019 to approximately 75.7 percent, as compared to 76.8 percent, for the same period in the prior year. The increase in margin for thenine month period is predominately due to the aforementioned Country 500 music festival at Daytona and IndyCar event at ISM Raceway not occurring in fiscal 2019.

Other operating expense decreased approximately $1.2 million, or 46.9 percent and increased approximately $0.3 million, or 7.1 percent, respectively, during the three and nine months ended August 31, 2019, as compared to the same period of the prior year. The decrease in the three month period is predominately due to decreased operational expenses related to ONE DAYTONA. The increase in the nine month period is predominately related to one-time, non-cash charges related to terminated agreements associated with non-motorsports operations of approximately $0.4 million.

General and administrative expenses increased approximately $2.3 million and $8.7 million, or 8.6 percent and 11.1 percent, during the three and nine months ended August 31, 2019, as compared to the same period of the prior year.

- The increase in the current three month period is primarily due to approximately $0.9 million related to certain employee-related costs, approximately $1.0 million related to certain purchased services, and approximately $0.5 million of one-time costs related to the aforementioned Merger Agreement;
- The increase in the nine month period is primarily due to approximately $3.4 million of one-time costs related to the aforementioned Merger Agreement, approximately $3.0 million related to certain employee-related costs, approximately $1.0 million on increased property taxes, approximately $1.3 million related to certain purchased services and approximately $0.3 million related to the aforementioned acquisition of assets of Racing Electronics. Partially offsetting the increase were approximately $0.3 million related to the reduction of expenses from the sale of revenue generating assets by a business unit in the first quarter of fiscal 2018; and
- General and administrative expenses as a percentage of total revenues increased for thethree and nine months ended August 31, 2019, to 17.6 percent and 18.1 percent, as compared to 16.8 percent and 16.4 percent, for the same period in the prior year. The decreased margins for the periods are predominately due to the one-time costs associated with the aforementioned Merger Agreement.

Depreciation and amortization expense increased approximately $2.4 million and $6.8 million, or 9.1 percent and 8.6 percent, during the three and nine months ended August 31, 2019.

- The increase in the three and nine month period is primarily due to assets placed in service related to projects at ISM Raceway, Richmond Raceway and ONE DAYTONA. Also contributing to the nine month period increase is the aforementioned accelerated depreciation associated with the infield project at Talladega. Partially offsetting the increases were assets that have been fully depreciated, or removed from service, as compared to the same period in the prior year.

Losses on retirements of long-lived assetsdecreased approximately $1.4 million and decreased approximately $1.8 million, for the three and nine months ended August 31, 2019, respectively, as compared to the same period of the prior year.

- The variances in the three and nine months ended August 31, 2019 is predominately related to the timing of facility optimization initiatives incurred in the current and prior periods.

Interest income increased for the three and nine months ended August 31, 2019 by approximately $0.6 million and $1.9 million, respectively, as compared to the same period of the prior year. The increase is primarily due to higher interest rates received on cash deposits, and to a lesser extent, a slightly higher average cash balance for the comparable periods.

Interest expense during the three and nine months ended August 31, 2019, increased approximately $1.1 million and $2.7 million, as compared to the same period of the prior year, primarily related to lower capitalized interest related to The ISM Raceway Project and ONE DAYTONA.

Equity in net income from equity investments substantially represents our 50.0 percent equity investment in Hollywood Casino at Kansas Speedway, and to a lesser extent, our 33.25 percent equity investment in the Fairfield Inn Hotel at ONE DAYTONA (see “Equity and Other Investments”). During the three and nine months ended August 31, 2019, equity in net income from equity investmentsincreased approximately $1.2 million and $2.5 million, or 21.5 percent and 15.3 percent, respectively, as compared to the same period of the prior year.

- The increase in the three and nine months ended August 31, 2019 is substantially related to higher operating profits from the Hollywood Casino at Kansas Speedway and to a lesser extent, operations in the Company's other equity investments.

Our effective income tax rate was approximately15.4 percent and 21.8 percent for the three and nine months ended August 31, 2019, as compared to 17.0 percent and (181.3) percent, for the same period of the prior year. The increase in thenine month period primarily relates to one-time non-cash material reduction in our deferred income tax liability associated with new tax legislation in the first quarter of fiscal 2018, the reduction in the corporate Federal income tax rate, and to a lesser extent, one-time cumulative reductions in certain state tax liabilities (see “Note 12 - Income Taxes”).

As a result of the foregoing, net income for thethree and nine month period ending August 31, 2019, as compared to the same period in prior year, increased by approximately $1.1 million, or $0.03 per diluted share, and decreased by approximately $148.3 million, or $3.34 per diluted share, respectively.

Liquidity and Capital Resources

General

We have historically generated sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, and 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. The following table sets forth, for each of the indicated periods, certain selected financial information (in thousands):

	November 30, 2018	August 31, 2019
		(Unaudited)
Cash and cash equivalents	$ 269,011	$ 335,079
Working capital	231,776	294,753
Total debt	255,665	255,121

At August 31, 2019, our working capital was primarily supported by our cash and cash equivalents totaling approximately$335.1 million, an increase of approximately $66.1 million from November 30, 2018, which is predominately due to lower capital expenditures in fiscal 2019 and the amount and timing of payments for income taxes (see "Income Taxes").

Significant cash flow items during the nine months ended August 31, 2018 and 2019, respectively, are as follows (in thousands):

	August 31, 2018	August 31, 2019
	(Unaudited)	
Net cash provided by operating activities [1]	$ 169,458	$ 161,453
Capital expenditures [2]	(122,180)	(65,545)
Distribution from equity investee [3]	20,002	21,298
Acquisition of assets [4]	—	(7,968)
Net payments related to long-term debt	(715)	(761)
Dividends paid and reacquisition of previously issued common stock[5]	(28,968)	(22,315)

(1) The decrease in net cash provided by operating activities, during the nine months ended August 31, 2019, as compared to the same period in the prior year, is substantially due to timing of income tax payments (see "Income Taxes").

(2) Capital expenditures are predominately due to The ISM Raceway Project, ONE DAYTONA, and the infield project at Talladega for fiscal years 2018 and 2019 (see "Capital Expenditures").

(3) Distributions from equity investee, consist of amounts received as distribution from their profits, included in net cash provided by operating activities, and returns of capital, included in net cash used from investing activities, as detailed in our statement of cash flows.

(4) Acquisition of assets relates to the purchase of certain assets, including trademarks and certain other intellectual property, from Racing Electronics.

(5) Amount relates to dividends paid and reacquisition of previously issued common stock (see "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds").

Our liquidity is primarily generated from our ongoing motorsports operations and, to a lesser extent, our equity investment in Kansas Entertainment. We expect our strong operating cash flow to continue in the future. In addition, as of August 31, 2019, we have approximately $296.9 million available to draw upon under our 2016 Credit Facility, if needed. See "Future Liquidity" for additional disclosures relating certain risks that may affect our near term operating results and liquidity.

Allocation of capital is driven by our long-term strategic planning and initiatives that encompass our mission, vision and values. Our primary uses of capital are to maintain modest debt levels that are consistent with our current investment grade debt rating from Standard and Poor's. We will invest in our facilities to improve the guest experience and we will make investments in strategic projects that complement our core business, all of which are balanced with returning capital to our shareholders through share repurchases and dividends.

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, and 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 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, approximately $40.0 million to $60.0 million annually, will likely result in a blended return on 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 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 2019 we increased our dividend approximately 4.3 percent to $0.49 per share. There were no share repurchases, for

the nine months ended August 31, 2019. At August 31, 2019, we had approximately $138.7 million remaining repurchase authority under the current $530.0 million Stock Purchase Plan. We currently have no active Rule 10b5-1 plans.

We will continue to explore development and/or acquisition opportunities beyond the initiatives discussed above that generate returns that 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, and can be revised, if necessary, based on changes in business conditions.

Capital Expenditures

As discussed in "Future Trends in Operating Results," 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.

Capital expenditures for projects were approximately $65.5 million for the nine months ended August 31, 2019. In comparison, we spent approximately $122.2 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 $90.0 million and $100.0 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.

Future Liquidity

General

As discussed in "Future Trends in Operating Results," we compete for discretionary spending and leisure time with many other entertainment alternatives and are subject to factors that generally affect the recreation, leisure and sports industry, including general economic conditions. Our operations are also sensitive to factors that affect corporate budgets. Such factors include, but are not limited to, general economic conditions, employment levels, business conditions, interest and taxation rates, relative commodity prices, and changes in consumer tastes and spending habits. These factors may negatively impact year-over-year comparability for our revenue categories for the full year, with the exception of domestic broadcast media rights fees.

Our cash flow from operations consists primarily of ticket, hospitality, merchandise, catering and concession sales, contracted revenues arising from television broadcast rights and marketing partnerships. We believe that cash flows from operations, along with existing cash, cash equivalents and available borrowings under our credit facility, will be sufficient to fund:

- operations of our major motorsports facilities for the foreseeable future;
- ONE DAYTONA and the Shoppes at ONE DAYTONA ("Shoppes") (see "ONE DAYTONA");
- the previously discussed capital allocation plans for our existing facilities;
- payments required in connection with the funding of the Unified Government's debt service requirements related to the TIF bonds;
- payments related to our other existing debt service commitments;
- contributions in connection with any future expansion of the Hollywood Casino at Kansas Speedway; and
- our annual dividend.

Our cash position and future liquidity has been further enhanced by the 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, the Tax Act provides for 100.0 percent expensing of certain capital investments through 2022 (see "Note 12 - Income Taxes"). We will continue to evaluate the details of the Tax Act and the impact on ISC.

Since November 30, 2018, there have been no material changes to our contractual cash obligations to repay debt or to make payments under operating agreements, leases or commercial commitments in the form of guarantees and unused lines of credit.

We remain interested in pursuing acquisition and/or development opportunities that would increase returns of capital to our shareholders, of which the timing, size, success and associated potential capital commitments, are unknown at this time. Accordingly, a material acceleration of our growth strategy could require us to obtain additional capital through debt and/or

equity financings. Although there can be no assurance, we believe that adequate debt and equity financing will be available on satisfactory terms.

While we expect our strong cash flows to continue in the future, our financial results depend significantly on a number of factors. In addition to local, national, and global economic and financial market conditions, consumer and corporate spending could be adversely affected by security and other lifestyle conditions resulting in lower than expected future cash flows. See "Future Trends in Operating Results - Postponement and/or Cancellation of Major Motorsports Events" for further discussion of items that could have a singular or compounded material adverse effect on our financial success and future cash flow.

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 ("RD&E"), 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 RD&E component of phase one is owned 100.0 percent by us. 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 any 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 included 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, 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 opened 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. Prime Group is proceeding with the development in ONE DAYTONA for approximately 282 luxury apartment rental units, that will add additional activity to the overall ONE DAYTONA campus. Similar to the hotel partnership, our portion of equity is limited to our land contribution and we will share proportionately in the profits from the joint venture. In March 2019, our land contribution of approximately $3.7 million, was finalized. Vertical construction of the residential project has commenced and some units are expected to open in the fourth quarter of fiscal 2019.

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 a portion of 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 with maturity no later than fiscal 2046. In the third quarter of fiscal 2019, we received the first payment on the note receivable of approximately $0.2 million. 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 August 31, 2019, capital expenditures totaled approximately $100.8 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 in Phoenix, Arizona. 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 was estimated at 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 August 31, 2019, we have incurred total capital expenditures related to The ISM Raceway Project, exclusive of capitalized interest and labor, of approximately $169.2 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 ISC's 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 ISC's 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, and 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 ISC's 2019 full fiscal year non-GAAP guidance.

Speedway Developments

In light of NASCAR's publicly announced position regarding additional potential realignment of the Monster Energy NASCAR Cup Series schedule, we believe there may be potential development opportunities for public/private partnerships in new, underserved markets across the country that would create returns of capital to our shareholders. However, we are not currently pursuing any new speedway development opportunities.

Inflation

We do not believe that inflation has had a material impact on our operating costs and earnings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the year ended November 30, 2018. During the nine months ended August 31, 2019, there have been no material changes in our market risk exposures.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision of, and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of August 31, 2019. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of August 31, 2019.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our third quarter of fiscal 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to routine litigation incidental to our business. We do not believe that the resolution of any or all of such litigation will have a material adverse effect on our financial condition or results of operations.

Mergers, such as the one proposed in the Merger Agreement, which we previously discussed in our Annual Report on Form 10-K for the fiscal year ended November 30, 2018, often attract litigation from minority shareholders. On December 14, 2018 a putative class-action shareholder lawsuit was filed in the Seventh Judicial Circuit of Volusia County, Florida the Firemen's Retirement System of St. Louis. The complaint names as defendants: the Company, its directors, its CFO, NASCAR Holdings and certain of the Family Stockholders, and it alleges claims for breach of fiduciary duty in connection with the Merger Agreement and for aiding and abetting those alleged breaches. The parties to the litigation have executed a memorandum of understanding related to a settlement in principle of the litigation, subject to applicable court approval. The Company currently maintains Directors & Officers Insurance. Applicable insurance policies contain certain customary limitations, conditions and exclusions and are subject to a self-insured retention amount.

On August 22, 2019, SunTrust Equipment and Finance Leasing Corp. (STEFL") filed a complaint against the Company in the Middle District of Florida for Declaratory Judgment and Breach of Contract (STEFL had previously filed a similar claim in the Northern District of Georgia, but has voluntarily withdrawn the claim with the Georgia court). The complaint relates to subleases the Company entered into with DC Solar Distribution, Inc., which has subsequently filed for bankruptcy. ISC has filed a motion to dismiss the complaint, which has not yet been fully briefed and remains pending.

ITEM 1A. RISK FACTORS

This report and the documents incorporated by reference may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify a forward-looking statement by our use of the words "anticipate," "estimate," "expect," "may," "believe," "objective," "projection," "forecast," "goal," and similar expressions. These forward-looking statements include our statements regarding the timing of future events, our anticipated future operations and our anticipated future financial position and cash requirements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. We previously disclosed in response to Item 1A to Part I of our Annual Report on Form 10-K for the fiscal year ended November 30, 2018 the important factors that could cause our actual results to differ from our expectations. There have been no material changes to those risk factors.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Period	Total number of shares purchased		Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs		Maximum number of shares (or approximate dollar value of shares) that may yet be purchased under the plans or programs (in thousands)
June 1, 2019— June 30, 2019						
Repurchase program (1)	—	$	—	—	$	138,725
July 1, 2019 — July 31, 2019						
Repurchase program (1)	—	$	—	—	$	138,725
August 1, 2019 — August 31, 2019						
Repurchase program (1)	—	$	—	—	$	138,725
	—			—		

(1) We have a share repurchase program ("Stock Purchase Plan") under which we are authorized to purchase up to $530.0 million of our outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan may be suspended or discontinued at any time without prior notice. We have no active 10b5-1 plans as of August 31, 2019. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Since inception of the Plan through August 31, 2019, we have purchased 10,566,002 shares of our Class A common shares, for a total of approximately $391.3 million. We did not purchase any shares of our Class A common shares during the nine months ended August 31, 2019. At August 31, 2019, we had approximately $138.7 million remaining repurchase authority under the current Stock Purchase Plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Articles of Amendment of the Restated and Amended Articles of Incorporation of the Company, as filed with the Florida Department of State on July 26, 1999 (incorporated by reference from exhibit 3.1 of the Company’s Report on Form 8-K dated July 26, 1999)
3.2	Conformed copy of Amended and Restated Articles of Incorporation of the Company, as amended as of July 26, 1999 (incorporated by reference from exhibit 3.2 of the Company’s Report on Form 8-K dated July 26, 1999)
3.3	Amended and Restated By-Laws of the Company, as amended as of May 22, 2019 (incorporated by reference from exhibit 3.1 of the Company’s Report on Form 8-K dated May 22, 2019)
31.1	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer — filed herewith
31.2	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer — filed herewith
32	Section 1350 Certification — filed herewith
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		INTERNATIONAL SPEEDWAY CORPORATION **(Registrant)**
Date:	October 3, 2019	/s/ Gregory S. Motto
		Gregory S. Motto
		Chief Financial Officer

Exhibit 31.1

Certification of Lesa France Kennedy

I, Lesa France Kennedy, certify that:

I have reviewed this quarterly report on Form 10-Q of International Speedway Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 10/1/2019

/s/ Lesa France Kennedy

Lesa France Kennedy
Chief Executive Officer

Exhibit 31.2

Certification of Gregory S. Motto

I, Gregory S. Motto, certify that:

I have reviewed this quarterly report on Form 10-Q of International Speedway Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: 10/1/2019

/s/ Gregory S. Motto

Gregory S. Motto
Chief Financial Officer

Exhibit 32

Certification

This certification accompanies and references the Quarterly Report on Form 10-Q for International Speedway Corporation for the period ended August 31, 2019 (the "Report").

The undersigned certify the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 for quarterly reports and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of International Speedway Corporation.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers deem reasonably appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. §1350 (Section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

Dated: October 1, 2019

/s/ Lesa France Kennedy

Lesa France Kennedy
Chief Executive Officer

/s/ Gregory S. Motto

Gregory S. Motto
Chief Financial Officer

"A signed original of this written statement has been provided to International Speedway Corporation and will be retained by International Speedway Corporation and furnished to the Securities and Exchange Commission or its staff upon request."