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PRESENTATION

Operator

Good morning, and welcome to the International Speedway Corporation 2017 First Quarter Earnings Conference Call. (Operator Instructions) As a reminder, this conference is being recorded on Tuesday, April 4, 2017.

With us on this morning's call are John Saunders, President; and Greg Motto, Vice President and Chief Financial Officer. After formal remarks, John Saunders and Greg Motto will conduct a question-and-answer period. I will instruct you on procedures at that time.

Before we start, the company would like to address forward-looking statements that may be addressed on the call. Forward-looking statements involve risks, uncertainties and assumptions. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements. Please refer to the documents filed by the International Speedway Corporation with the SEC, specifically the most recent reports on Form 10-K and 10-Q, which identify important risk factors which could cause actual results to differ from those contained in these forward-looking statements.

So with these formalities out of the way, I will turn the call over to John Saunders. Mr. Saunders?

John R. Saunders - *International Speedway Corporation - President*

Good morning, everyone, and thanks for joining us on today's -- our first quarter call. Financial results for our first quarter exceeded expectations. Speedweeks at Daytona was a huge success, driven by corporate partnerships and broadcast revenues reaching historic levels and culminating with a consecutive sold-out DAYTONA 500. These achievements demonstrate the sustained value generated by our investment in Daytona International Speedway.

During the quarter, we hosted the Ferrari World Finals, the first time this event was held in North America. This international event brought enthusiasts from around the world, featuring over 800 Ferraris touring the historic Daytona International Speedway and a Formula One exhibition that included drivers Sebastian Vettel and Kimi Räikkönen. The Rolex 24 Hours of Daytona continues to grow and exceed expectations. This year's event included a record 17 manufacturers. The Rolex 24 produces some of the most exciting finishes, and this year was no exception. After 24 hours of racing, 2 classes had first and second places separated by less than 1 second.

In February, we hosted NASCAR Speedweeks at Daytona. All 3 NASCAR series showcased the new segment format. Monster Energy began its activation as the new series sponsor, demonstrating their commitment to strengthening its partnership with NASCAR and integrating its position with other forms of on- and off-road motorsports. The DAYTONA 500 experienced, an increase in both attendance and admissions revenue. Fans and corporate guests continued to rave about the improvements from our investment in Daytona International Speedway. We have sustained the

incremental EBITDA of over $15 million that was realized in 2016 from the initial opening of DAYTONA Rising through attendance-related revenues, an increase in average ticket price and our long-term partnerships.

Looking into the second quarter. We have seen mixed results, with attendance down approximately 7% on average for the 3 Monster Energy NASCAR Cup events at Phoenix, California and Martinsville. Advance ticket sales are currently down approximately 7% for the remaining Cup events to be held in the second quarter. We remain optimistic that our consumer-focused marketing initiatives are working to slow the declining trend from the prior year.

Our initiatives will continue to target new and lapsed customers through all traditional media, social and digital channels. The objective here is to reignite and protect the base, grow casuals into avids and spark interest and demand with the next generation of fans. Our strategies are focused on value-added options that enhance the live motorsports experience for our fans, including exclusive VIP hospitality experiences with driver appearances and Q&A sessions. We have included ticket packages aimed at youth and younger demographics with kid pricing and family-targeted promotions. We are pleased with the year-over-year to date increases in younger demographics attending events.

Corporate sales remained strong. To date, we have secured approximately 89% of our gross corporate sales goal for 2017. We currently have 3 open entitlements for Monster Energy Series events in the third and fourth quarters. This compares to 92% and 1 open Cup entitlement at this time last year. We remain confident we will secure sponsors for all of event entitlements and achieve our gross corporate sales goal for the year.

TV viewership for the DAYTONA 500 increased approximately 5% from 2016 and notably up 16% for males ages 18 to 34. Viewership for the first 5 events through Auto Club Speedway is down approximately 10%. Contributing to this were events at Phoenix and Auto Club that were competing against the broadcast of the NCAA Tournament, which in 2016, only Auto Club experienced such competition. NASCAR continues to draw a large viewership, averaging over 5.2 million viewers per weekend and is ranked as the #1 or #2 sports broadcast every weekend for all events run to date in the 2017 season. ISC continues to support NASCAR and our broadcast partners' strategy to remain competitive and relevant with compelling content.

Industry collaboration has resulted in many improvements to on-track competition, formats and schedules that will continue to grow interest and demand in the sport. The enhanced stage format maintains key principles of a successful championship platform married with segment-style racing. This format, which has been positively welcomed by all industry stakeholders, provides for established breaks after stage-winning moments for fans in attendance and commercial windows for broadcasters that minimize green flag interruptions. We believe these improvements, in addition to the success of previously implemented changes like elimination rounds in NASCAR's playoffs, improvements to the aero packages and pit road rules, will further enhance competition and product relevance. Additionally, we are seeing NASCAR's younger drivers experience success in the sport's top series. Kyle Larson, Daniel Suárez, Ryan Blaney and Chase Elliott are great examples of NASCAR's initiative to develop younger and diverse drivers to resonate with younger audiences.

Our Hollywood Casino at Kansas Speedway joint venture continues to be a strong contributor to earnings and cash flow. Cash distributions from the casino to ISC during the first quarter totaled $5.3 million compared to $4.5 million in the prior year. For 2017, we expect cash distributions from the casino to be approximately $25 million to $26 million. Construction continues on budget for ONE DAYTONA. As noted previously, during the first quarter, our anchor tenants Cobb Theatres and Bass Pro Shops opened with great success. The remaining components of the project are expected to open in late 2017 into early 2018.

Construction has commenced at Phoenix. The redevelopment will focus on new and upgraded seating areas, vertical transportation options, new concourses, enhanced hospitality offerings and an intimate infield fan experience with greater accessibility to prerace activities. The cost of the project will be approximately $178 million and is part of ISC's capital allocation plan 2017 through '21. Following completion in November of 2018, we expect Phoenix to contribute $8.5 million to $9 million in incremental EBITDA.

ISC maintains strong visibility of future cash flow with over half of its revenue secured through the industry's 10-year broadcast agreement and multiyear partnership agreements. We will continue our strategic focus on consumer marketing initiatives to deliver growth through our core business. We will seek opportunities for increased utilization of our facilities through ancillary events. And investments in qualified developments like the casino and ONE DAYTONA will provide for further growth and accretive shareholder value.

I will now turn the call over to Greg to give you a financial review and the outlook for 2017. Greg?

Gregory S. Motto - *International Speedway Corporation - CFO, EVP and Treasurer*

Thanks, John, and good morning, everyone. Before reviewing the financial results, it's important to note several items impacting fiscal year-over-year first quarter comparability. These include, in 2017, we hosted the Ferrari World Finals at Daytona International Speedway for which there was no comparable event in 2016. In 2017, we incurred approximately $800,000 of certain costs associated with the Phoenix Redevelopment project which are not capitalized, including marketing and consulting and accelerated depreciation.

Comparatively, in 2016, we incurred approximately $800,000 of preopening costs associated with DAYTONA Rising which were not capitalized. In 2017, we capitalized interest of approximately $600,000 related to ONE DAYTONA and the Phoenix Redevelopment project. Comparatively, in 2016, we capitalized a similar amount of interest related to DAYTONA Rising and ONE DAYTONA. And in 2016, we recognized losses on retirements of long-lived assets of approximately $900,000 in connection with capacity management initiatives at Richmond International Raceway. All of these are outlined in the earnings news release and are included in the GAAP to non-GAAP reconciliation, where appropriate.

Now looking at the income statement. Admissions revenue for the first quarter was $31.3 million, a decrease of approximately $500,000 compared to the same period in 2016. The approximate 1.6% decrease is primarily related to lower attendance at certain events held during Daytona Speedweeks, partially offset by increased admissions revenue for the DAYTONA 500 and the Ferrari World Finals. The average ticket price for Monster Energy NASCAR Cup Series events held during the quarter increased approximately 3.5% to $165.

The increase in motorsports-related revenues to $103.5 million was primarily due to increased TV broadcast rights and to a lesser extent, corporate partnerships, track rentals and the Ferrari World Finals. ISC's domestic television broadcast and ancillary revenues were $62.7 million for the quarter. The increase in food, beverage and merchandise revenues to $9.1 million is primarily due to catering revenues for the Ferrari World Finals. Partially offsetting was a decrease in concessions and merchandise, primarily a result of lower attendance.

NASCAR Event Management fees increased to $29 million. The increase is due to variable costs, driven by higher television broadcast rights fees for NASCAR's Monster Energy Cup, XFINITY and Camping World Truck Series events and contracted increases in non-TV NASCAR Event Management fees. Motorsports-related expense increased to $26.1 million. The increase is primarily related to an increase in track rentals, certain operating cost for Speedweeks and the Ferrari World Finals.

Food, beverage and merchandise expense decreased to $6 million. The decrease is primarily due to efficiencies created in operating the new stadium at Daytona International Speedway, partially offset by expenses associated with the Ferrari World Finals. Food, beverage and merchandise expense as a percentage of associated revenues improved to approximately 65.9%.

General and administrative expense increased to $26.3 million. The increase is primarily due to certain administrative costs, maintenance and other operating expenses during the first quarter and increases related to the Phoenix Redevelopment project. Partially offsetting the increase were expenses associated with the opening of ONE DAYTONA or of DAYTONA Rising in 2016, which were not comparable in the first quarter of 2017.

Depreciation and amortization expense increased to $26.5 million for the quarter largely due to the full year impact of assets placed in service associated with DAYTONA Rising, assets placed in service for ONE DAYTONA in 2017 and accelerated depreciation related to the new Phoenix Redevelopment project. Losses on asset retirements decreased to $30,000, primarily related to losses recognized in the first quarter of 2016 related to capacity management initiatives at Richmond International Raceway for which are there were no comparable costs in the first quarter of 2017.

Interest income is comparable to the prior year. And interest expense increased to $3.3 million primarily related to lower capitalized interest in 2017. Equity and net income from equity investments of approximately $3.6 million represents our 50% interest in the Hollywood Casino at Kansas Speedway. This compares to approximately $4 million in the first quarter of 2016.

Net income for the 3 months ended February 28, 2017, was $21.3 million or $0.47 per diluted share on approximately 45.1 million shares outstanding. However, when you exclude certain costs and accelerated depreciation incurred in connection with the Phoenix Redevelopment project and

capitalized interest related to ONE DAYTONA and Phoenix Redevelopment, we posted earnings of $0.47 per diluted share for the first quarter of fiscal 2017 compared to non-GAAP net income for the first quarter of 2016 of $0.44 per diluted share.

As for the balance sheet and future liquidity, at quarter-end, our combined cash and cash equivalents totaled $278.7 million and shareholders' equity was $1.4 billion. Our deferred income was approximately $95.1 million, down approximately $5.3 million as compared to the same period in the prior year. The decrease is primarily related to lower advance ticket sales and to a lesser extent, sponsorships. At the end of the quarter, total principal outstanding on debt was approximately $264.8 million, which includes $165 million in senior notes, $52.1 million in TIF bonds associated with Kansas Speedway and $47.7 million for our term loan on our headquarters office building.

As it relates to capital spending, for the 3 months ending February 28, 2017, we spent approximately $21.6 million, including capitalized interest and labor primarily related to ONE DAYTONA and Phoenix Redevelopment. We have established a long-term capital allocation plan to ensure we generate sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, return of capital through payment of an annual cash dividend and repurchase of our shares under our stock purchase plan.

We operate under a 5-year capital allocation plan adopted by the Board of Directors, covering fiscal years 2017 through 2021. Components of this plan include capital expenditures at existing facilities, the ONE DAYTONA development and return of capital to shareholders. Our plan anticipates capital expenditures for existing facilities up to $500 million from fiscal 2017 through fiscal 2021. This allocation will fund an estimated $178 million reinvestment at Phoenix, the first phase of redevelopment at Richmond as well as all other maintenance and guest experience capital expenditures for the remaining existing facilities.

In 2017, we began redevelopment of Phoenix Raceway with completion targeted in late 2018. Therefore, we expect spending under this plan to be somewhat front-loaded. While many components of these expected projects will exceed the weighted average cost of capital, considerable maintenance capital expenditures, estimated at approximately $40 million to $60 million annually, will likely result in a blended return of invested capital in the mid-single digits. Upon completion, Phoenix Redevelopment is expected to provide a full fiscal year incremental EBITDA lift of approximately $8.5 million to $9 million.

In addition to the $500 million in capital expenditures for existing facilities, we expect to have an additional $95 million of capital expenditures related to Phase 1 of ONE DAYTONA. Construction for ONE DAYTONA commenced in fiscal 2016. Approximately $22 million of capital expenditures were spent as of November 30, 2016. The remaining $73 million for ONE DAYTONA will be spent in fiscal years 2017 and 2018. At stabilization, we expect ONE DAYTONA to deliver annual revenue and EBITDA of approximately $12 million and $9 million, respectively, and deliver an unlevered return above our weighted average cost of capital. We expect to add leverage to ONE DAYTONA post stabilization.

For fiscal 2017, we expect total capital expenditures associated with our capital allocation plan to range between $150 million and $175 million, which includes $100 million to $115 million for existing facilities, including $75 million to $80 million for the Phoenix Redevelopment project and an additional $50 million to $60 million in capital expenditures related to the construction for ONE DAYTONA. Based on our current plans for Phoenix, we have identified existing assets that are expected to be impacted by the redevelopment and will require accelerated depreciation for losses on asset retirements totaling approximately $3.4 million in noncash charges over the approximate 22-month project span.

Despite not issuing specific debt to fund our projects, accounting rules dictate that the company capitalize a portion of the interest on existing outstanding debt during the construction period. For fiscal years 2017 through 2018, we estimate to record approximately $7.5 million to $8 million and $3.5 million to $4 million of capitalized interest for Phoenix and ONE DAYTONA, respectively. During the first quarter of 2017, we recorded total capitalized interest of $600,000 for these projects and expect a total of approximately $5 million in fiscal 2017.

Return of capital to shareholders through dividends and share repurchases is a significant pillar of our capital allocation. In fiscal 2016, we increased our dividend approximately 58% to $0.41 per share. We expect dividends to increase in 2017 and beyond by approximately 4% to 5% annually. For the first quarter of 2017, we repurchased 80,900 shares of ISCA on the open market at a weighted average price of $37.23, for a total of approximately $3 million. At February 28, 2017, we had approximately $203.6 million remaining repurchase authority under the current $530 million stock purchase plan.

For 2017 through 2021, we expect our return to capital program to be approximately $280 million, comprised of close to $100 million in total annual dividends and approximately $180 million open market repurchase of ISCA shares over the 5-year period. At this time, we expect this spending to be evenly allocated per year, although we will scale the repurchase program to buy opportunistically.

In summary, we have built a capital allocation plan based on conservative estimates that will maintain a strong financial position, prudently and disciplined reinvestment in the business and provide stable and growing returns to shareholders. This includes $500 million capital expenditures for reinvestment in our existing facilities, $95 million for development of ONE DAYTONA and $280 million in dividends and share repurchases. We will continue to explore development and/or acquisition opportunities beyond these initiatives that build shareholder value and exceed our weighted average cost of capital. Should such initiatives be pursued, we will provide discrete information on the timing, scope, financing and expected returns of such opportunities.

And now for our outlook for 2017. In an effort to enhance the comparability and understandability for our forward-looking financial guidance, we adjust for certain nonrecurring items that will be included in our future GAAP reporting. We believe this adjusted information best represents our expectations for our 2017 core business performance.

For fiscal 2017, our non-GAAP guidance excludes any nonrecurring preopening income statement impact attributable to the construction of Phoenix Redevelopment project, including uncapitalized costs and losses associated with retirements of certain other long-lived assets, partially offset by capitalized interest expense; any nonrecurring non-capitalized costs or charges that could be recognized related to our ONE DAYTONA development, partially offset by capitalized interest expense; start-up and our financing costs should our Hollywood Casino at Kansas Speedway joint venture pursue construction of an adjacent hotel; any costs or income related to legal settlements; gain or loss on sale of other assets; and accelerated depreciation of future loss on retirements, mostly noncash or relocation of certain long-lived assets which could be recorded as part of capital improvements other than Phoenix Redevelopment, resulting from the removal of assets prior to the end of their actual useful life.

For fiscal 2017, we are reiterating our previous guidance, which includes total revenues to range between $660 million and $670 million, EBITDA margin between 31.5% and 32.5% with EBITDA ranging between $208 million to $218 million. Incremental to this EBITDA is approximately $25 million to $26 million in pretax cash distributions from the Hollywood Casino. Operating margin is estimated between 15.5% and 17%. Net interest expense on a non-GAAP basis will be between $15 million to $15.5 million. Our non-GAAP effective tax rate is forecasted at 38% to 38.5% and non-GAAP earnings of $1.50 to $1.65 per diluted share. From an earnings perspective, the fourth quarter will be our most significant followed by the first, second and third quarters, respectively.

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

We look forward to speaking with you on our next earnings conference call in July. And with that, I'll turn it back over to the operator, who will lead us through the Q&A portion of the call. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from Jaime Katz of Morningstar.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

First, I'm curious, I think you guys maybe have some insight now into Cobb and Bass Pro and how the economics of the openings have been and whether they've performed ahead or behind your expectations. And was there some construction that maybe pushed back a little bit? Because I

think this is the first time we've heard you say 2018. I think in the past, you guys had anticipated that everything would open by the end of the year this year, but perhaps I'm mistaken.

John R. Saunders - *International Speedway Corporation - President*

Jaime, with respect to Cobb Theatre and Bass Pro, in both cases, the openings have exceeded their expectations. Cobb Theatre continues to grow in market share in the area. They're very pleased with that. And the information that we're receiving from management at Bass Pro is that opening to date has exceeded their expectations. So good news on that front. With respect to the timing of certain businesses coming online with ONE DAYTONA. I wouldn't call them delays, it's just construction, syncing up the construction of the Marriott Autograph hotel. And the retail dining and entertainment entities that are part of that footprint are just taking a little bit longer. But we expect, as I said in my comments, that early to mid-2018 for those components to come online. But there's no concern there from a budgetary standpoint or a return standpoint.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

Okay. And then for entitlements, you guys are obviously a little bit behind last year, just slightly. And I'm curious if there's been any change to corporate behavior, willingness to either renew and either increase those prices. Or has there been maybe some pressure around that in recent periods?

John R. Saunders - *International Speedway Corporation - President*

No, we're not seeing that. The sales and marketing team are actively engaged in conversations as we speak. We're not seeing any kind of diminished interest in those entitlements. We fully expect them to be entitled. They're in the third and fourth quarter. And it's more of just when these particular entitlements mature versus what's occurred in 2016.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

Okay. And then for the attendance, you guys talked about it being down a bit, ahead for the second quarter and advance ticket sales were down. What do you think is making that happen or is causing consumers to sort of come in, in a more delayed fashion?

John R. Saunders - *International Speedway Corporation - President*

Well, I would say, first of all, we're seeing the -- when you look at the -- our outlook for this Q, for the second quarter versus the second quarter of last year, we're seeing the rate of decline slow, which is good news. And the -- we're just in with this transition with new drivers coming online, younger drivers resonating with younger audiences. But we're very committed to the initiatives. We're starting to see them bear fruit, particularly in the younger demographics. And I would also point out both in venue and on broadcast, for the first time, we're seeing double-digit increases on the 18 to 34. That bodes extremely well for us in growing casuals into avids. And it bodes extremely well for the broadcasters. So some real bright spots there, a lot of work to do. But the team is on it, and we remain optimistic that we're going to stabilize it and grow it from there.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

Excellent. And then lastly, do you have any early commentary from either fans or drivers or any of the teams on the new race format and their thoughts on that?

John R. Saunders - *International Speedway Corporation - President*

Yes. We have -- I would characterize the feedback so far as positive. Certainly, with the broadcasters, it's creating a lot of in-broadcast moments. And they don't have to break during green flag runs as much as they had in the past. As we go through the season, I believe the storylines will improve as fans come to really understand what these playoff points will mean. And then I believe that once we get to the Chase or the playoffs, I should say, that they'll clearly resonate. So when you look at past changes in the sport, a lot of them have been negatively received. This is the first time that we really have seen something that has been positively received, not just by the fans and broadcast but the race teams. And it is causing the drivers to get up on that wheel, and every stage, every lap of every race means something. And so we think we're on to something great here.

Operator

Your next question comes from Matthew Brooks of Macquarie.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Could you say anything about how much Ferrari World Finals contributed to attendance in terms of visits or revenue?

Gregory S. Motto - *International Speedway Corporation - CFO, EVP and Treasurer*

Well, we, as you know, don't give specific guidance on any events. But we were pleased with the results that did come in from the Ferrari. I wouldn't say that it was a significant contributor to the first quarter. We'll point to the strength of the DAYTONA 500 and the sellout that increased admissions year-over-year more so.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

So the weakness was mainly Speedweeks, I think you said before?

Gregory S. Motto - *International Speedway Corporation - CFO, EVP and Treasurer*

We did have some contraction in attendance for some of the events leading up to the DAYTONA 500. There was -- as you're aware, the delayed event for the Advance Auto Parts Clash from Saturday prior to the DAYTONA 500 was moved to Sunday of qualifying as well as we had some inclement weather in the forecast for the Can-Am Duels on the Thursday. Both of those impacted attendance, and they're heavily walked-up events.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Okay. And I think, John, you mentioned a couple of times, some data points about younger demographics. Can you say whether the younger people are attending the NASCAR races or whether they're going to like the Rolex event, the Ferrari event? Any data there would be great.

John R. Saunders - *International Speedway Corporation - President*

I would say overwhelmingly, they're -- these are NASCAR -- the metrics that I cited were relative to NASCAR. You get a slightly different kind of demographic for the Rolex and certainly for Ferrari, different brand attributes there. But this is -- we were up year-over-year at the DAYTONA 500, about 5% on youth attendance at the event. That's significant. And I cannot emphasize enough the double-digit increase that we talked about for the broadcast for the DAYTONA 500 for that 18 to 34 age demographic, male demographic. And that trend has continued through the first 5 races of the season. It started with DAYTONA and has continued on. That's significant, and we're going to continue to be laser-focused on that development.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Can you pinpoint like which one of your initiatives helped to drive that increase in attendance among younger people?

John R. Saunders - *International Speedway Corporation - President*

What I would say at this point, it's early on and -- between the surveys and research, I'd say 2 things is that on the youth side, the entire industry has come together, relative to the XFINITY Series and the Camping World Series, that kids 12 and under are free. And then many of the track operators, if not all the track operators, have some sort of discounted ticket for the Cup event. I would say on the 18 to 34, I think that is a factor of Monster coming into the sport. And they're just getting grounded. They're just getting their feet planted. Each and every event that they attend so far has gotten more and more. Their footprint is increasing. They're very active. They're very engaging, very edgy, very exciting content for the event. And clearly, their product speaks to that demographic. And so we believe that's a big -- and we were hoping for that when they came onboard back at the beginning of the year. So I would point to the series entitlement as a big driver of that.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Right. And last one for me. I'm sure you've seen, Speedway Motorsports switched the schedule to get a second race at Las Vegas. Is that something that you guys would look at, maybe would make sense to have another race in Miami, for example?

John R. Saunders - *International Speedway Corporation - President*

Yes, we look at -- we have been -- over the years, we have done what they call realignment. We continue to look at those opportunities, where they make sense. And currently, we don't have any plans to realign a date from one facility to another. But we certainly have benefited from that in the past. And if we see the opportunity, we would talk to NASCAR going forward.

Operator

(Operator Instructions) Your next question comes from Barry Lucas of Gabelli.

Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

John, I don't want to beat this to death, but you had up attendance for the 500. Everybody, including the broadcast announcers, the drivers, like or certainly seem to like the format change. The racing has really been exciting throughout the race for each of the stages. And yet you have this -- a fairly significant falloff post DAYTONA in attendance and looking forward into advance sales. So what do you think the issue is when the product is better, people are enthusiastic, and yet it's not showing up in the physical presence?

John R. Saunders - *International Speedway Corporation - President*

Good question, Barry. All I can tell you is that I think it's going to take time for these initiatives to resonate. We went through a period of changes in the sport, not to mention the Great Recession that really impacted our core demographic. But then when you look at the changes that went on, and you're well aware whether it was the Car of Tomorrow, retiring drivers, we're just -- there are a number of things that we're transitioning through. But we are deeply committed to funding these consumer initiatives that I spoke to with the goal of reigniting and protecting what base we have and growing our casual fans into avids and sparking interest and demand in the next generation of fans. That's not an overnight fix. It's going to take time. It's going to take a strong collaboration with not just NASCAR but our broadcast partners and the race teams. And we are now creating a culture where that exists. And we continue to see wins here along the way, but -- as I mentioned, the rate of decline is slowing compared to what we saw and experienced in Q2 versus what our outlook currently is for 2017 Q2. So it's going to take time.

Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

Okay, let me ask it perhaps a different way. Do you think the emphasis on youth -- which is great, and putting the younger people in the stands and getting them interested early is terrific. But is that impacting your average ticket prices looking forward? Or maybe another factor, the importance of the, I don't call it the Chase, the playoffs, is that cannibalizing -- or how much do you think cannibalization is taking place from regular season events?

John R. Saunders - *International Speedway Corporation - President*

We don't see any evidence of cannibalization from the regular season to the playoffs. In fact, the stage formats took that into consideration. And that was one of the things we wanted to make sure that every single race, whether it's in the playoffs or not in the playoffs, meant something. And that it's compelling competition. To your question about average ticket price, no, we're not seeing that. We saw the average ticket price increase for the DAYTONA 500 and we have price points for all different kinds of experiences at our events across our entire portfolio. So we don't see youth initiatives as sort of discounting our way to the future. We were very, very methodical going back the last 4, 5, 6 years in matching up our capacity with demand and understanding that youth had to be a component of that. That's a future fan base. And so we're not seeing any of these things to the detriment of average ticket price and so forth. And I would also add that, yes, we see deterioration, but other sports have as well. And so I think we're on a pretty good track. There's a lot of competition out there for live sports, both the live gate and broadcast. And I think we're faring better than we were a year ago.

Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

Okay. Last area, and this is a small one. But regarding the Hollywood Casino because your equity income was down a tiny bit and I know it's small, but I think the guidance on the cash distribution from the fourth quarter call to this quarter's call is down about $1 million. I'm just wondering, what, if anything, is going in Kansas.

Gregory S. Motto - *International Speedway Corporation - CFO, EVP and Treasurer*

Yes. Barry, this is Greg. We did have some inclement weather there this past winter during peak times, some freezing conditions, which saw a decline in the attendance, participation at the casino. The management at the casino continues to do a great job in managing the margins there, and again continues to be a strong contributor to cash. For the first quarter, we've got $4.3 million of cash contributed. And we're still in range. $25 million to $26 million is still a great contribution to the cash flow of the business.

Operator

Your next question comes from Greg Pendy of Sidoti.

Gregory R. Pendy - *Sidoti & Company, LLC - Research Analyst*

Just wondering, you're reiterating your guidance on the top line. How should we be thinking about the composition, I guess, relative when you issued guidance last quarter? I mean, should we be thinking about maybe the mix being, just given what you're seeing in attendance, are you thinking you could still meet those numbers? I think you were guiding for attendance to be up 1%. I might be mistaken. Should we be thinking about maybe the mix of the revenue is changing a little bit there?

Gregory S. Motto - *International Speedway Corporation - CFO, EVP and Treasurer*

Yes, Greg, this is Greg. When we provided that guidance, we -- our upper end was looking at an approximate 1% increase in attendance. But we also noted that there was consideration, should we have some further erosion in the business. In addition to that, our corporate sales continues to be strong. And I feel that from a standpoint, our guidance is still relevant for the year. You probably should be looking at a little bit of a decline on your top line for admissions and strength in the motorsports-related revenue, where we record our corporate partnerships.

Gregory R. Pendy - *Sidoti & Company, LLC - Research Analyst*

Okay, great. That's very helpful. And then I guess just one more. As you're starting to see, I guess, some green shoots with the younger demographic, I mean, are you seeing anything in their sort of price sensitivity? And who do you think you're competing most with in that demographic? Are you competing with a different sport that you see you're competing with in the sort of the older demographic? I mean, where do you think your share might be coming from?

John R. Saunders - *International Speedway Corporation - President*

Well, we're still a pretty good price value when you compare ourselves to other sports. I do think that, that's the challenge is other sports. Youth pricing is a big differential that they don't have, we do. And so I think that's the challenge before us is to just continue the chase with the initiatives we have in place, with the value-added programs. But it's going to come from the sporting audience.

Operator

This concludes the question-and-answer session for today's program. I will now turn the floor back over to Mr. John Saunders for any additional or closing remarks.

John R. Saunders - *International Speedway Corporation - President*

Well, I just want to say thank you to everybody for joining us on our first quarter call. And we look forward to seeing you on the second quarter call in early July. Thanks, everyone.

Gregory S. Motto - *International Speedway Corporation - CFO, EVP and Treasurer*

Thank you.

Operator

Thank you. This concludes today's conference. You may now disconnect.
