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PRESENTATION

Operator

Good morning, and welcome to the International Speedway Corporation 2017 Fourth Quarter Earnings Conference Call. (Operator Instructions) As a reminder, this conference is being recorded on Thursday, January 25, 2018. With us on this morning's call are Lesa France Kennedy, Chief Executive Officer; John Saunders, President; and Greg Motto, Senior Vice President and Chief Financial Officer. After formal remarks, John Saunders and Greg Motto will conduct a question-and-answer period. (Operator Instructions)

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 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 Lesa Kennedy. Lesa?

Lesa France Kennedy - *International Speedway Corporation - Vice Chairwoman and CEO*

Yes, good morning, everyone. And we're pleased to report solid financial results for 2017. Our revenue increased to the highest level since 2010, driven by the strength of our corporate and broadcast partnerships. Growth in our earnings per share is a result of successful integration of our strategic investments in our facilities and our development projects. Consumer sales strategies continue to take root, resulting in increased admissions for our fourth quarter and sold-out grandstands for 4 of our Cup events in 2017. The on-track competition for the 2017 season was highlighted with action-packed racing from the new racing stage format.

The Fairfield Inn and Suites -- I apologize. Here we go. The Furniture Row Racing team and Martin Truex Jr. accumulated the most stage wins and playoff points. Martin had 8 event wins during the season and ultimately secured its first Monster Energy NASCAR Cup Series championship. As we bid farewell to Dale Jr., NASCAR's fan favorite for the past 15 years, we're excited to see some of our rising stars that will provide for great excitement and thrilling competition entering the 2018 season.

On our development front, ONE DAYTONA has become the entertainment destination that it was designed to be. Several tenants have opened for business and exceeded sales expectations as they were embraced by the Daytona Beach community.

The Fairfield Inn and Suites, our joint venture partnership, recently opened with great success. All of the rooms have been sold for the upcoming Rolex 24 and the Daytona 500 events. We will see more tenants opening throughout early 2018 and expect the DAYTONA Hotel to open by the end of the year.

Construction at ISM Raceway in Phoenix is progressing. The New ISM Raceway will feature a reconfigured track design, new amenities for our guests and unmatched access to garage areas, getting our fans the up close experience as teams prepare for the competition. The project will be completed in time for the playoff race at ISM Raceway in November.

We believe these projects will continue to position ISC for long-term growth and continue to deliver shareholder value.

I will now turn the call over to John Saunders, and he's going to tell you a little bit more about our successful third quarter. John?

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

Thank you, Lesa, and good morning, everyone. The results of the fourth quarter were in line with previously communicated expectations. Our non-GAAP earnings improved to $0.77 per share from $0.72 per share in the fourth quarter of 2016. Key to this improved performance are strong contracted revenues; admissions driven by year-over-year growth at Talladega along with sellouts at ISM Raceway and Homestead-Miami Speedway; increases from the Hollywood Casino; and contributions from ONE DAYTONA for those portions of the project that are now online.

During the quarter, we hosted 8 Monster Energy NASCAR Cup events, 6 NASCAR Xfinity events, 5 NASCAR Camping World Truck Series events and 2 ARCA races. We also hosted an IndyCar event at Watkins Glen.

Admissions for Cup events were up versus the prior year quarter. In addition to the strong performances at Talladega, ISM Raceway and Homestead-Miami Speedway, results at Darlington, Richmond and Chicago were in line with expectations. We did experience some softness at Kansas and Martinsville.

The Cup average ticket price for the quarter was up less than 1%. For the full year, average ticket price for Cup events increased to $92.19 or 1.2% versus 2016.

Looking ahead to the first quarter of 2018, this weekend marks the 56th running of the Rolex 24 hours at Daytona. Advanced sales for the event are trending ahead of the prior year. Speedweeks and the NASCAR season will commence in February, where we are trending for another consecutive sellout for the 60th running of the DAYTONA 500.

We remain confident our consumer-focused marketing strategies are working to bring ticket sales in line to drive -- deliver stronger admission and admission-related results. Our initiatives will continue to target new and lapsed customers through all traditional media, social and digital channels. The overall objective here is to spark interest and demand to drive growth in fan engagement.

Our strategies are focused on value-added options that enhance the live motorsports experience, 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 experienced year-over-year increases in younger demographics attending events, and research has shown the vast majority of 18- to 34-year-old fans favor the new stage racing format, a format where every lap matters.

We remain sharply focused on facility optimization. Matching supply with demand improves yield, and as importantly, compromised or outdated inventory is removed, allowing our tracks to repurpose such areas that elevate the guest experience with innovative offerings that generate more revenue. In 2018, we plan to again execute on this strategy at several of our tracks. We'll have more to say about this on our next earnings call.

Our financial position is strengthened by our contracted corporate sales and broadcast agreements that provide long-term visibility. From a corporate sales perspective, we achieved over 99% of our marketing partnership revenue target, which was approximately equal to 2016. It's worth noting the 2017 target, including replacing Sprint's exit from the sport which the sales team essentially accomplished. For fiscal 2018, we have agreements in place for approximately 75% of our gross marketing partnership revenue target. This compared to the same time last year when we had approximately 76% of our target revenues sold. We are projecting a mid-single-digit increase in our gross marketing partnership revenue for 2018. Contributing to this increase are sponsorships that accompany our projects at ISM Raceway and Richmond as well as other innovative sponsorship platforms.

Corporate sales continue to be a bright spot in our business. The number of Fortune 500 companies has either grown or sustained for the last 5 consecutive years and is currently up nearly 30% since 2008.

TV viewership for NASCAR events remain among the strongest of all sports properties. For 2017, Monster Energy Cup Series was the #2 sports property on television with an average of 4.1 million viewers tuned in per minute with approximately 58 million total unique viewers, which, among sports properties, was behind only the NFL. NASCAR also ranked the #1 or #2 most watched sport of the weekend 22 times during the 2017 season, an increase compared to 2016.

It's important to look at NASCAR or any sports property by cross-platform consumption, as TV viewership in general has been experiencing a decline in Households Using Television or HUT levels. Our web and mobile apps have seen strong demand for consumption of written and video content. Social media is an important and growing channel for content distribution. Of note, NASCAR's digital platforms have experienced a 25% increase year (inaudible) in the 18 to 34 age demographic.

ISC continues to support NASCAR and our broadcast partners' strategy to remain competitive, relevant and compelling with content generation. Our Hollywood Casino at Kansas Speedway joint venture continues to be a strong contributor to earnings and cash flow. Cash distributions to ISC for fiscal 2017 totaled $25.5 million. For 2018, we expect cash distributions from the casino to be approximately $26 million to $27 million.

Construction for ONE DAYTONA is progressing. Anchored tenants, Cobb Theatres and Bass Pro Shops continue to experience results exceeding expectations since opening in the first quarter of 2017. The Fairfield Inn and Suites is now open along with P.F. Chang’s and other first-to-market brands. Leasing activity is ongoing, seeking to add to a lengthy list of previously announced tenants. Construction continues on the second hotel, a Marriott Autograph Collection property to view ONE DAYTONA with an anticipated opening in late 2018.

Construction has commenced at Volusia Point, which is adjacent to ONE DAYTONA and recently rebranded the Shoppes at ONE DAYTONA. We expect the improvements of the Shoppes will generate an incremental EBITDA of approximately $1 million to the ONE DAYTONA pro forma through increased square footage and securing tenants for currently vacant spaces. Completion of the Shoppes is targeted for 2018.

Upon completion and stabilization of operations for ONE DAYTONA and the Shoppes, we expect the combined projects to contribute approximately $10 million of incremental EBITDA.

As Lesa mentioned, construction at ISM Raceway is well underway and on schedule. 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, which includes approximately $60 million of critical maintenance.

As previously announced, our partnership with ISM Connect is a multi-year agreement that includes naming rights for the Raceway. As part of the partnership, ISM Connect will also receive naming rights for one of the Canyons, providing over 20,000 square feet of fan engagement and brand activation that vertically spans multiple concourses.

As mentioned in our earnings release, the redevelopment of Richmond Raceway Infield is well underway. The scope of the project will offer a variety of enhanced amenities for our fans, sponsors, teams and other stakeholders. As we previously communicated on our last quarter call, the costs of the project are fully covered in the fiscal 2017 CapEx guidance and our 5-year capital allocation plan.

ISC maintains strong visibility of future cash flow with over half of its revenue secured through the industry's 10-year broadcast agreement and multi-year partnership agreements. We will continue to -- we will continue our strategic focus on consumer marketing initiatives to deliver growth through our core business. We will continue to 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 future growth and shareholder value.

I will now turn the call over to Greg to give you the financial review and the outlook for 2018.

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 year-over-year fourth quarter comparability. These include certain marketing and consulting costs recognized in general and administrative expense that were not capitalized associated with the redevelopment project at ISM Raceway; accelerated depreciation and removal of assets not fully depreciated related to the redevelopment project at ISM Raceway and facility optimization projects at certain tracks; capitalized interest associated with ONE DAYTONA and ISM Raceway; equity earnings from the Hollywood Casino joint venture reflect certain assets being fully depreciated; in 2016, a noncash gain related to the transition of merchandised operations; and in 2017, a tax benefit related to the worthlessness of our investment in Motorsports Authentics.

Concerning this tax benefit, in our fiscal third quarter of 2017, we recorded a deferred tax asset of $48.2 million as a result of the worthlessness of our investment in MA. In our fiscal fourth quarter of 2017, we completed our analysis and determined the loss qualifies as an ordinary loss for federal income tax purposes. As a result of the worthlessness of MA stock and this analysis, we recognized an income tax benefit of approximately $48.2 million for the period ending November 30, 2017. 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 fourth quarter was $38.7 million, an increase of approximately 1%, which is primarily related to a mix of attendance and average ticket prices at NASCAR Cup weekends. The increase in motorsports-related revenue to $178.8 million was primarily due to increased TV broadcast rights and, to a lesser extent, other track and facility rentals. ISC's domestic television broadcast and ancillary revenues were $124.4 million for the quarter and $337.4 million for the year. The decrease in food, beverage and merchandise revenue to $11.5 million is primarily a result of strategic restructuring of food and beverage operations at one of our facilities and catering provided during disaster relief efforts related to Hurricane Matthew in 2016. NASCAR event management fees increased to $68.6 million. The increase is due to variable costs, driven by higher television broadcast rights fees for the NASCAR Cup, Xfinity and Camping World Truck Series events and contracted increases in non-TV NASCAR event management fees. Motorsports-related expense increased to $41.1 million. The increase is primarily related to an increase in track rentals during the quarter. Food, beverage and merchandise expense decreased to $7.2 million, primarily a result of the aforementioned strategic restructuring of food and beverage operations and 2016 hurricane. Food, beverage and merchandise expense as a percentage of associated revenue declined slightly to approximately 62.6%. Other operating expenses of $430,000 represents operating costs associated with ONE Daytona and the Shoppes. General and administrative expense increased slightly to $29.9 million. The increase is primarily due to certain professional services and property taxes. Depreciation and amortization expense increased to $27.1 million for the quarter, largely due to the full year impact of assets placed in service during 2016 associated with DAYTONA Rising; assets placed in service in 2017 related to ONE DAYTONA; and accelerated depreciation associated with the redevelopment projects at Richmond and ISM Raceway.

Losses on asset retirements increased to $10 million, primarily related to facility optimization projects at certain tracks. Interest income increased to $521,000, primarily a result of higher yield on cash deposits. Interest expense decreased to $2.5 million due to higher capitalized interest related to ONE DAYTONA and the ISM Raceway redevelopment. Equity and net income from equity investments of approximately $5 million represents our 50% interest in the Hollywood Casino at Kansas Speedway. For the full year fiscal 2017, equity and net income was $19.1 million compared to $14.9 million fiscal 2016. The increase is primarily related to lower depreciation expense, as certain assets have been fully depreciated. During fiscal 2017, cash distributions from the casino to ISC totaled $25.5 million compared to $25.9 million in fiscal 2016.

Income taxes reflect the previously discussed tax benefit of $48.2 million related to our investment in MA. Excluding this tax benefit, the effective tax rate for the quarter was 37.8%. Net income for the 3 months ended November 30, 2017, was $76.1 million or $1.72 per diluted share on approximately 44.2 million shares outstanding. However, when you exclude certain costs in connection with the ISM Raceway redevelopment project, accelerated depreciation, removal of assets not fully depreciated at certain facilities, capitalized interests related to ONE DAYTONA and

ISM Raceway redevelopment and a tax benefit associated with our investment in MA, we posted earnings of $0.77 per diluted share for fiscal fourth quarter 2017 compared to a non-GAAP net income for the 2016 fourth quarter of $0.72 per diluted share.

Now as for the balance sheet and future liquidity, at November 30, our combined cash and cash equivalents totaled $256.7 million, and shareholders' equity was $1.5 billion. Our deferred income was approximately $38.5 million, down slightly from the prior year.

At the end of the quarter, total debt was approximately $261.3 million, which includes approximately $165 million in senior notes, $49.3 million in TIF bonds associated with the Kansas Speedway and $47 million of our term loan on our headquarters' office building.

As it relates to capital expenditures for fiscal year 2017, we spent approximately $145.1 million, including capitalized interest in labor. We have established a long-term capital allocation plan to ensure we generate sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, return of capital through payments of an annual cash dividend and repurchase of our shares under our stock purchase plan. 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 project and return of capital to shareholders. Our plan anticipates capital expenditures for existing facilities up to $500 million from fiscal 2017 through 2021. This allocation will fund an estimated $178 million reinvestment at ISM Raceway, the previously discussed project at Richmond as well as other maintenance and guest experience capital expenditures for the remaining facilities. While many components of these expected projects will exceed 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 on invested capital in the low to mid-single digits.

In 2017, we began the redevelopment of ISM Raceway with completion targeted in fall of fiscal '18. Upon completion, the ISM Raceway Project is expected to provide a full fiscal year incremental EBITDA lift of approximately $8.5 million to $9 million. However, as accounting rules dictate, we will recognize revenue and expense related to components of the project placed in service and benefits provided to partners beginning in 2017 prior to full completion in November of 2018.

In addition to the $500 million in capital expenditures for existing facilities, we expect an additional $107 million net cash investment related to ONE DAYTONA, including the Shoppes. Since commencement of construction for ONE DAYTONA in fiscal 2016, capital expenditures totaled $80.3 million. We expect remaining capital expenditures for ONE DAYTONA and the Shoppes to be approximately $27 million to be spent in fiscal years 2018 and 2019. At stabilization, we expect this phase of ONE DAYTONA and the Shoppes to deliver incremental annual EBITDA of approximately $10 million and an unlevered return above our weighted average cost of capital.

For fiscal 2018, we expect total capital expenditures associated with our capital allocation plan to range between approximately $140 million and $150 million. This includes between $120 million to $130 million for existing facilities, including the ISM Raceway, and an additional approximate $20 million in capital expenditures related to the construction for ONE DAYTONA.

Based on our current plans for ISM Raceway, we have identified the existing assets that are expected to be impacted by the redevelopment and will require accelerated depreciation or losses on asset retirements totaling approximately $6.1 million in mostly noncash charges over the 22-month project span. Despite not issuing specific debt to fund our projects, accounting rules dictate the company capitalize a portion of interest on existing outstanding debt during the construction period. For fiscal years '17 through '18, we estimate to record approximately $6 million to $6.5 million and $4 million to $4.5 million of capitalized interest for ISM Raceway and ONE DAYTONA projects, respectively. Through the fourth quarter of fiscal '17, we recorded total capitalized interest of approximately $4.7 million related to these projects.

Return of capital to shareholders through dividends and share repurchases is a significant pillar of our capital allocation. In fiscal '17, we increased our dividend approximately 5% to $0.43 per share. We expect dividends to increase in '18 and beyond by approximately 4% to 5% annually. In fiscal 2017, we repurchased approximately 979,000 shares of ISCA on the open market at an average price of $35.76 for a total of approximately $35 million. At November 30, 2017, we had approximately $171.6 million remaining repurchase authority under the current $530 million stock purchase plan.

For 2017 through '21, we expect our return to capital program to be approximately $280 million comprised of close to $100 million in total annual dividends and $180 million open-market repurchase of ISC 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.

So in summary, we have built the 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 return to shareholders. This includes the $500 million capital expenditures for reinvestment in our existing facilities, $107 million net cash for development of ONE DAYTONA and $280 million in dividends and share repurchases.

Our financial and liquidity position has been enhanced by the previously discussed tax benefit related to the worthlessness of our investment in MA. As a result, our cash position improved $24 million as of November 30, 2017. And in the first quarter of 2018, we expect to receive a refund of estimated payments made during 2017 of approximately $20 million. The balance of the benefit will be received in subsequent periods.

In December 2017, Congress passed the Tax Cuts and Jobs Act. We expect this tax reform to favorably impact our future liquidity, primarily a result of the lower single corporate tax rate from 35% to 21%. We will continue to explore development or acquisition opportunities beyond the previously discussed initiatives that build shareholder value and exceed our weighted average cost of capital. Should such initiatives be pursued, we will provide discrete information, including the timing, scope, cost, financing and expected returns of such opportunities.

And now for our outlook for 2018. In an effort to enhance the comparability and understandability of 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 2018 core business performance.

For fiscal 2018, our non-GAAP guidance excludes any nonrecurring preopening income statement impact attributable to the construction of ISM Raceway redevelopment project, including noncapitalized costs and losses associated with the retirements of certain other long-lived assets, partially offset by capitalized interest; potential nonrecurring and noncapitalized costs or charges that could be recognized related to our ONE DAYTONA development, partially offset by capitalized interest; accelerated depreciation and future loss on retirements, mostly noncash, or relocation of certain long-lived assets, which could be recorded as part of capital improvements other than ISM Raceway redevelopment and ONE DAYTONA projects resulting from the removal of assets prior to the end of their actual useful life; startup or financing costs should our Hollywood Casino at Kansas Speedway joint venture pursue construction of an adjacent hotel; any costs or income related to legal settlements; gain or loss on sale of other assets; and any onetime nonrecurring costs or benefits related to the Tax Cuts and Jobs Act of 2017.

So for fiscal 2018, our guidance includes the phase-in opening of ONE DAYTONA, partial year recognition from completion of ISM Raceway and Richmond redevelopment projects and the impact of lower corporate tax rates from the tax reform. Total revenues are expected to range between $680 million and $695 million. The increase is primarily attributable to contracted broadcast rights for NASCAR's top 3 national touring series. We expect attendance-related revenue and corporate sales to increase approximately 2.5%. EBITDA will range between $241 million to $252 million, included in EBITDA is between $26 million to $27 million in pretax cash distributions from Hollywood Casino. For ONE Daytona and the Shoppes, we expect revenue to range between $8 million and $9 million and expense, excluding depreciation, to range between $4.3 million and $4.8 million. These amounts will be reported in other revenue and other operating expense, respectively.

Operating margin is estimated between 15.5% and 16.5%. We expect certain expense increases during the year, including approximately 3.8% in NASCAR event management fees related to the variable component of broadcast rights and other sanctioned and prize money contracted in our 5-year sanction agreements. Other event-related and general and administrative operating expenses will increase approximately 3%. Depreciation on a non-GAAP basis is estimated to be approximately $109 million. Net interest expense on a non-GAAP basis will be between $15 million and $15.5 million. Equity earnings from the Hollywood Casino are estimated between $21 million and $22 million, and our non-GAAP effective tax rate is forecasted between 26% to 27%. This compares to 38.4% in 2017. We expect the lower tax rate will reduce income tax expense between $13 million and $15 million. And we expect non-GAAP earnings of $1.90 to $2.10 per diluted share. This includes approximately $0.30 to $0.35 per share resulting from the lower effective tax rate.

From an earnings perspective, the fourth quarter will be our most significant, followed by the first, second and third quarters, respectively. As for the schedule of major events, in 2018, the Monster Energy NASCAR Cup Series weekend at Chicagoland Speedway will move to the third quarter from the fourth quarter in 2017. Also, the IndyCar event at Watkins Glen, which occurred in the fourth quarter of 2017, will not return in 2018.

In closing, we continue to generate increased revenue and earnings as a result of our focused strategies and strategic investments. 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 shareholders. We look forward to speaking with you on our next earnings call in April.

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 the line of Jaime Katz of MorningStar.

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

First, I am curious about the tax rate that you guys are putting out there. It's obviously a bit higher than the 21%. So can you sort of try to triangulate the difference between the 21% and where you are, and if we should anticipate long term that your tax rate will be closer to the 26% to 27% rather than that corporate 21% that was mentioned?

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

Yes, sure, Jaime. This is Greg. So first off, you have to compare that to more of effective tax rate, which includes our taxes to local states, et cetera, that increases the corporate rate from previously 35% to about 38% to 38.5%, which we've been averaging at. So that would be in addition to the 21%. The other contributor is legislation passed in December about a month after our fiscal year-end. Therefore, we will only get 11 months of the 21% corporate tax rate as opposed to a full year. So we would expect that it should drop a little more when we get into fiscal 2018 -- or 2019 and beyond.

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

Okay. And then I think you had alluded that there was a timing shift on one of the races. Are there any other timing changes that we should be aware of besides that race between the third and fourth quarter?

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

No. For the most part, the schedule will remain the same as from a fiscal quarter perspective. The only other event that will not return is the IndyCar event at Watkins Glen that occurred in the fourth quarter of 2017.

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

Okay. And then I just have a clarification. I think you guys said the EBITDA number would be between $241 million and $252 million and that includes the casino income. And so ex casino, that's closer to around $225 million. Is that -- am I thinking about that the right way?

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

Yes, you would take the $241 million less $26 million roughly, yes.

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

Okay. And lastly...

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

It wouldn't be $225 million. I think it would be closer to $215 million, right?

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

Well, I didn't know if there was some tax implication before the actual equity income got to you, and it would be closer to -- I think you said it was closer to $21 million to $22 million that was coming into you for that.

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

Yes, so Jaime, let me clarify that. So $241 million to $252 million is our range for EBITDA. It includes the pretax cash distributions from the casino of $26 million to $27 million. So there's not a direct cash tax impact related to the casino. The roughly $21 million and $22 million is what we would record in equity earnings for the casino. So cash distributions will exceed equity earnings slightly.

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

Okay. And then lastly, you'd mentioned acquisition opportunity as a way to allocate capital. And I'm curious if you are finding particular areas of interest that you think could be sort of an adjacent market to what you're looking at now, and if you have any comment on that?

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

Well, Jaime, when it comes to acquisition, we've always said on these calls that we are certainly open to further consolidation in the sport. But I caveat that, as I have in the past, at the right price. And so that remains a strategic priority for the company, but I can tell you there's -- nothing is being contemplated at this time.

Operator

Your next question comes from the line of Matthew Brooks of Macquarie.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

I've got a couple here first on ONE DAYTONA, then maybe I'll jump back into queue. So first, can you talk a little bit about how ONE DAYTONA is going to be recorded in your account? For example, is it right that the revenues are going to include -- included in your guidance of revenue of $680 million to $695 million?

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

That's correct, Matt.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Right. And so the expenses as well, so your EBITDA will include the racetracks and ONE DAYTONA?

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

That's correct.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Right. And in terms of the stabilization you referred to for ONE DAYTONA, what do you think that'll be? Do you think 2019, 2020?

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

It'll probably carry into 2020.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Right. Even though that was pretty quick, I'll just ask another one on the capital allocation. Are you getting an extra bit of free cash flow there from the tax benefit? Do you think that this was going to change -- and also, there's some change in terms of deductions for CapEx. Do you think this will change how you're going allocate capital compared to your plan? Or is the benefit really just too small?

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

We are -- we will be evaluating it further, Matt, and we'll meet with our board. Right now, we have a pretty well-defined capital allocation plan that has a prudent reinvestment in our -- back into our existing facilities. We feel confident that this plan directly addresses the strategies for the business and is contributing to the growth. So as we go -- as we move forward and we -- if we find opportunities to invest further, we'll look at those opportunities and communicate them back.

Operator

Your next question comes from the line of Tim Conder of Wells Fargo.

Karen Tan - *Wells Fargo Securities, LLC, Research Division - Associate Analyst*

This is Karen calling in for Tim. And I just wanted to dig in a little more on the tax question, especially as it relates to your 2018 guidance. You have $1.90 to $2.10 guidance. I am just wondering how much of that might be attributed to the tax benefit?

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

Sure, Karen. This is Greg. So the -- as we said in the remarks, the tax benefit will contribute about $0.30 to $0.35 earnings per share. That's included in the $1.90 to $2.10.

Karen Tan - *Wells Fargo Securities, LLC, Research Division - Associate Analyst*

Okay. And next, on the revenue guidance for 2018, it just seems like there's a nice bump up heading into 2018 as compared to previous years, and it seems like a lot of it's maybe from the ONE DAYTONA benefit. Could you also maybe parse out the kind of some of the other positives or key points or assumptions that you have for the higher guidance on top line for '18?

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

Sure, yes. I think we're pretty descriptive in what we talk about. We're expecting about a 3 -- a little over 3.5% increase in the broadcast rights. We have about 2.5% increase in our attendance-related and corporate sales as well as the $8 million to $9 million that'll be contributed from the ONE DAYTONA. Now included in here also is a partial year for -- related to the completion of our projects at ISM Raceway and Richmond Raceway.

Karen Tan - *Wells Fargo Securities, LLC, Research Division - Associate Analyst*

Okay, great. And my last question is really on the new hotel JV. Can you maybe share what the timing and scaling of the new JV is? I assume that's going to be accounted for very similar to the Kansas JV, though maybe it doesn't seem like it's going to be as large of a partnership or contribution. Can you maybe share kind of what the scaling and timing of the benefit is to the income statement?

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

Yes. Well, we won't quite get into any of the specifics of that as we're beginning the opening of the Fairfield Inn in 2018. And the DAYTONA, the Marriott Autograph Collection Hotel won't open until later this year. So from an impact standpoint, we don't expect to recognize a significant lift until later years. But the way the JVs are structured is our contribution is the land that are being -- that the hotels are being constructed on. And we'll own between 33% and 34%, depending on the hotel of the equity. So two big differences in there obvious -- then the casino is -- obviously, the casino is a very cash-driven business and is much more mature at this point in time, and we own 50% of that with the hotels that they're starting up now, and we own about 1/3 interest in that. So it'll have -- it'll be recorded in our equity income where the casino is recorded, but it's not going to have the same impact as the casino is.

Operator

Your next question comes from the line of Barry Lucas of Gabelli & Company.

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

Just a couple. Given the comments and the guidance on attendance, maybe you could just give us a little look, John, at what advanced ticket sales are doing and how -- in particular, how the DAYTONA 500 is shaping up?

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

Sure, Barry. As we mentioned earlier, we kick off this weekend with the Rolex 24. And the Rolex 24, over the last 4, 5 years, and particularly since the merger of the American LeMans series with Grand-Am, has been a growing and material event to our portfolio. And sales are trending. Sales are trending ahead of last year, so we expect a good outcome with that event. And as we go into Speedweeks, we are trending again to a sellout of the DAYTONA 500. Beyond the first quarter, I'd be hesitant to give any further outlook, but we're feeling pretty good about the first quarter.

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

Good. And maybe somewhat similar vein, when Monster signed on last year, there was relatively little time, I think, for them to activate sponsorships and whatever their plans were in the early part of the season. So maybe you could talk a little bit about what's different this year.

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

Well, you're right. Their activation at venue is a big footprint. And so some of the facilities, not just ISC facilities, but some of the facilities could not host that activation. It was very entertaining. They call it The Smoke Show. But by all accounts, and by all measures, their sponsorship has been a tremendous success, the exposure value, the brand awareness among NASCAR fans, the purchasing consideration and the massive amount of social and digital activation. So we believe it's been a -- in spite of a short period of time to ramp up, we believe they have significantly achieved value in the first year. So we're pleased with it, and they're pleased with it.

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

Great. Last one for me, and it's really maybe a bit more towards Greg. As you sort of get into the more completed part of ONE DAYTONA, what would your thoughts be in terms of putting some permanent financing on the project? Or given the liquidity that you have today, is that necessary at all?

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

Well, we're evaluating it. We'll look at it probably more as we get closer towards stabilization. Project still has construction phases under it. And so the financing is -- becomes more favorable once you complete construction. So we're discussing that with our financing partners. And should we decide to do it, we'll share that.

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

Just to expand on that a bit, Greg. Given the relatively low return on capital, would it make sense to put a little leverage? And I am not saying overleverage, but put a little leverage on the project?

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

We'll, like I said, Barry, we'll evaluate that in totality with our total capital allocation plan and our total cost of capital (inaudible).

Operator

At this time, there are no further questions. I will now return the call to management for any additional or closing remarks.

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

Well, I just like to thank everybody for joining us on our fourth quarter call. It's been a good year with the revenue and earnings growth. We've got the most competitive racing on the planet. Stage racing has been a huge success. We've got great young talent coming along to challenge our potentially future Hall of Famers. So we think we're in a pretty good position for the sport to grow. So with that, we look forward to seeing you on our next earnings call in 2018. Thank you.

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

Thank you.

Operator

Thank you for your participation in today's conference call. You may now disconnect your lines, and have a wonderful day.