



**ELDORADO**  
RESORTS

APRIL 2018

# Acquisition of Tropicana Entertainment and Grand Victoria Casino





# Forward Looking Statements

## Forward-Looking Statements

This presentation includes “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. Forward-looking statements include statements regarding our strategies, objectives and plans for future development or acquisitions of properties or operations, as well as expectations, future operating results and other information that is not historical information. When used in this presentation, the terms or phrases such as “anticipates,” “believes,” “projects,” “plans,” “intends,” “expects,” “might,” “may,” “estimates,” “could,” “should,” “would,” “will likely continue,” and variations of such words or similar expressions are intended to identify forward-looking statements. Although our expectations, beliefs and projections are expressed in good faith and with what we believe is a reasonable basis, there can be no assurance that these expectations, beliefs and projections will be realized. There are a number of risks and uncertainties that could cause our actual results to differ materially from those expressed in the forward-looking statements which are included elsewhere in this presentation. Such risks, uncertainties and other important factors include, but are not limited to: (a) our ability to obtain required regulatory approvals (including approval from gaming regulators and expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976) and satisfy or waive other closing conditions to consummate the acquisitions on a timely basis; (b) the possibility that the acquisition of Tropicana or the Grand Victoria does not close on the terms described herein or that we are required to modify aspects of the proposed acquisitions to obtain regulatory approval; (c) our ability to promptly and effectively implement our operating strategies at the acquired properties and integrate the business of Eldorado, Tropicana and the Grand Victoria to realize the synergies contemplated by the proposed acquisitions; (d) our ability to obtain debt financing on the terms expected, or at all, and timely receive proceeds from asset sales to fund the acquisitions; (e) the possibility that the business of Tropicana or the Grand Victoria may suffer as a result of the announcement of the transaction; (f) the ability to retain key employees of Tropicana and the Grand Victoria; (g) the outcome of legal proceedings that may be instituted as a result of the proposed transactions; and (h) other risks and uncertainties described in our reports on Form 10-K, Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.

In light of these and other risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur. These forward-looking statements speak only as of the date of this presentation, even if subsequently made available on our website or otherwise, and we do not intend to update publicly any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as may be required by law.

## Non-GAAP Measures

Adjusted EBITDA, a non GAAP financial measure, has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry and we believe that this non GAAP supplemental information will be helpful in understanding the Company’s ongoing operating results. Adjusted EBITDA represents operating income (loss) before depreciation and amortization, stock based compensation, transaction expenses, S-I expenses, severance expenses, income related to the termination of the Lake Charles sale, costs associated with the terminated Lake Charles sale, impairment charges, equity in income of unconsolidated affiliates, (gain) loss on the sale or disposal of property and equipment, and other regulatory gaming assessments, including the impact of the change in regulatory reporting requirements, to the extent that such items existed in the periods presented. Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with U.S. GAAP, is unaudited and should not be considered an alternative to, or more meaningful than, net income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in Adjusted EBITDA include capital expenditures, interest payments, income taxes, debt principal repayments and certain regulatory gaming assessments, which can be significant. As a result, Adjusted EBITDA should not be considered as a measure of our liquidity. Other companies that provide EBITDA information may calculate EBITDA differently than we do. The definition of Adjusted EBITDA may not be the same as the definitions used in any of our debt agreements.



# Transaction Overview





# Overview of Transactions

	Tropicana Entertainment Acquisition	Grand Victoria Casino Acquisition
Assets	<ul style="list-style-type: none"> <li>7 High-quality assets in attractive markets               <ul style="list-style-type: none"> <li>Tropicana Atlantic City, New Jersey</li> <li>Tropicana Evansville, Indiana</li> <li>Lumière Place, Missouri</li> <li>Tropicana Laughlin, Nevada</li> <li>Trop Casino Greenville, Mississippi</li> <li>The Belle of Baton Rouge, Louisiana</li> <li>Montbleu (Tahoe), Nevada</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Riverboat casino located in Elgin, IL</li> <li>Premier gaming, dining and entertainment destination in Chicagoland</li> </ul>
Ownership structure	<ul style="list-style-type: none"> <li>Eldorado to acquire the Tropicana operations (excl. Aruba) for \$640mm</li> <li>Gaming &amp; Leisure Properties, Inc. (“GLPI”) to acquire the underlying real estate of six of the seven assets for ~\$1.2bn</li> <li>Eldorado will enter into a master lease agreement with GLPI at an estimated 1.8x rent coverage (annual rent: \$110mm)</li> </ul>	<ul style="list-style-type: none"> <li>Eldorado to acquire the asset for \$328mm from MGM and Hyatt</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>Eldorado is purchasing the Tropicana operations, adjusted for the GLPI transaction, for \$640mm in cash and will assume Tropicana’s debt and cash at anticipated close in 4Q’18</li> <li>After the application of Tropicana’s expected cash on hand and cash flow generated from operations, the purchase price represents a trailing twelve months EBITDA multiple of 6.6x at close</li> <li>The purchase price multiple declines below 5.0x at closing adjusted for estimated cost synergies of \$40mm</li> </ul>	<ul style="list-style-type: none"> <li>Multiple of 9.0x 2017 EBITDA               <ul style="list-style-type: none"> <li>Synergies adjusted multiple of 6.0x or less</li> </ul> </li> </ul>
Financing	<ul style="list-style-type: none"> <li>J.P. Morgan has provided \$600mm in committed financing</li> <li>Pending asset sales<sup>1</sup> and cash to fund remaining purchase consideration</li> </ul>	<ul style="list-style-type: none"> <li>Expected to be financed with proceeds from pending asset sales<sup>1</sup>, existing credit facility and cash</li> </ul>
Approval process and timing	<ul style="list-style-type: none"> <li>Subject to regulatory approval in New Jersey, Indiana, Missouri, Nevada, Mississippi and Louisiana</li> <li>Expected to close in 4Q’18</li> </ul>	<ul style="list-style-type: none"> <li>Subject to regulatory approval in Illinois</li> <li>Expected to close in 4Q’18</li> </ul>

1) On 2/28/18, ERI announced that the Company entered into definitive agreements to sell Presque Isle Downs & Casino and Lady Luck Casino Vicksburg for a cash consideration of \$178.9mm and \$50.6mm, respectively

# Strategic and Financial Rationale

Further enhance scale and diversification

- Addition of 8 properties across 7 new markets with minimal overlap with existing assets and markets
- Pro forma Eldorado will own and operate ~28,000 slots, +850 table games, ~1.3mm sq. ft. of casino space and ~12,500 hotel rooms across 26 properties<sup>1</sup>

High quality assets

- Recent renovations within the Tropicana portfolio have improved operating performance
  - Tropicana Atlantic City saw a 15% increase YoY in 2017 gaming revenue compared to Atlantic City average of 7%
  - Tropicana Evansville saw an 8% YoY GGR increase compared to Indiana state average of 1%

Opportunities for operational efficiencies

- Eldorado has identified cost synergies across both acquisitions
- Potential for further revenue and profitability upside

FCF accretion and OpCo platform for future growth

- Transaction is expected to be accretive to Free Cash Flow (“FCF”)<sup>2</sup> in 2018 and beyond
- New OpCo platform and gaming REIT relationship creates avenues for future growth

In-line with Company’s capital structure strategy

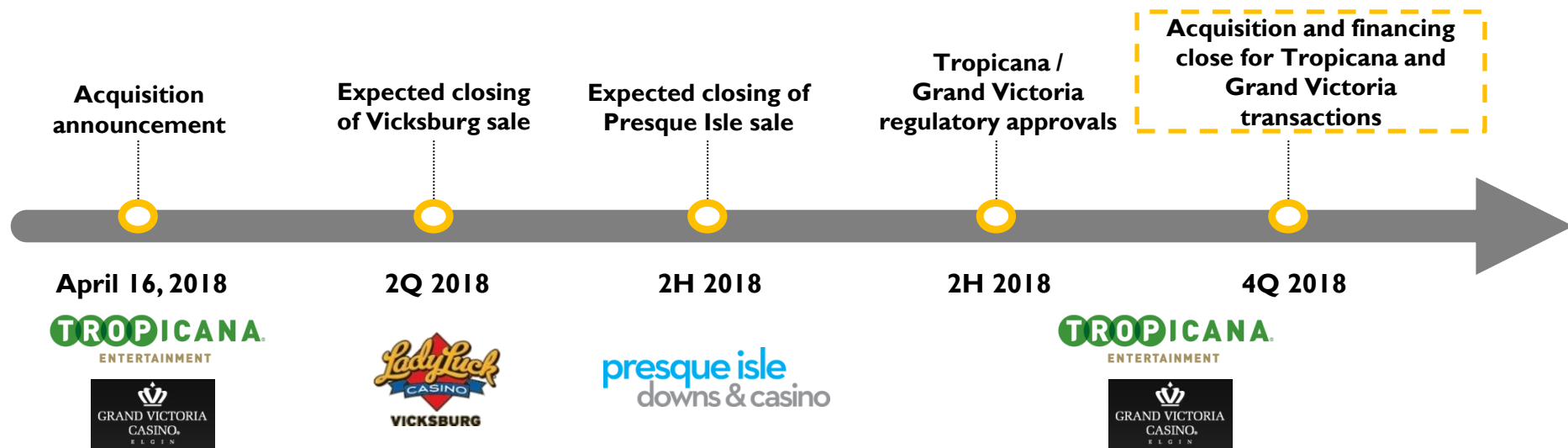
- Expected PF 4Q’18 post-closing net debt / EBITDA of ~4.4x and rent adjusted net debt / EBITDAR of ~4.9x<sup>3</sup>



1) Excludes Presque Isle Downs & Casino and Lady Luck Casino Vicksburg; on 2/28/18, ERI announced that the Company entered into definitive agreements to sell Presque Isle Downs & Casino and Lady Luck Casino Vicksburg  
 2) Free Cash Flow is defined as Adj. EBITDAR less rent expense less maintenance capex less interest expense  
 3) Assumes rent is capitalized at 8.0x


# Timeline for Proposed Transactions

- April 16, 2018: Tropicana Entertainment and Grand Victoria acquisition announcement
- 2Q 2018: Expected closing of Vicksburg sale (expected proceeds of \$50.6mm)
- 2H 2018
  - Expected closing of Presque Isle sale (expected proceeds of \$178.9mm)
  - Regulatory approvals from all jurisdictions for the Tropicana Entertainment and Grand Victoria transactions
- Acquisition and financing close for both transactions



# Tropicana Entertainment Overview

**5 MontBleu**




Area (acres)	21
Hotel rooms	438
Gaming Space (sq.ft.)	45,000

**4 Tropicana Laughlin**




Area (acres)	31
Hotel rooms	1,487
Gaming Space (sq.ft.)	53,700

**3 Lumière Place**




Area (acres)	20
Hotel rooms	494
Gaming Space (sq.ft.)	75,000

**2 Tropicana Evansville**




Area (acres)	20
Hotel rooms	338
Gaming Space (sq.ft.)	45,400

**1 Tropicana AC**



Area (acres)	15
Hotel rooms	2,346
Gaming Space (sq.ft.)	124,800

**6 Trop Greenville**

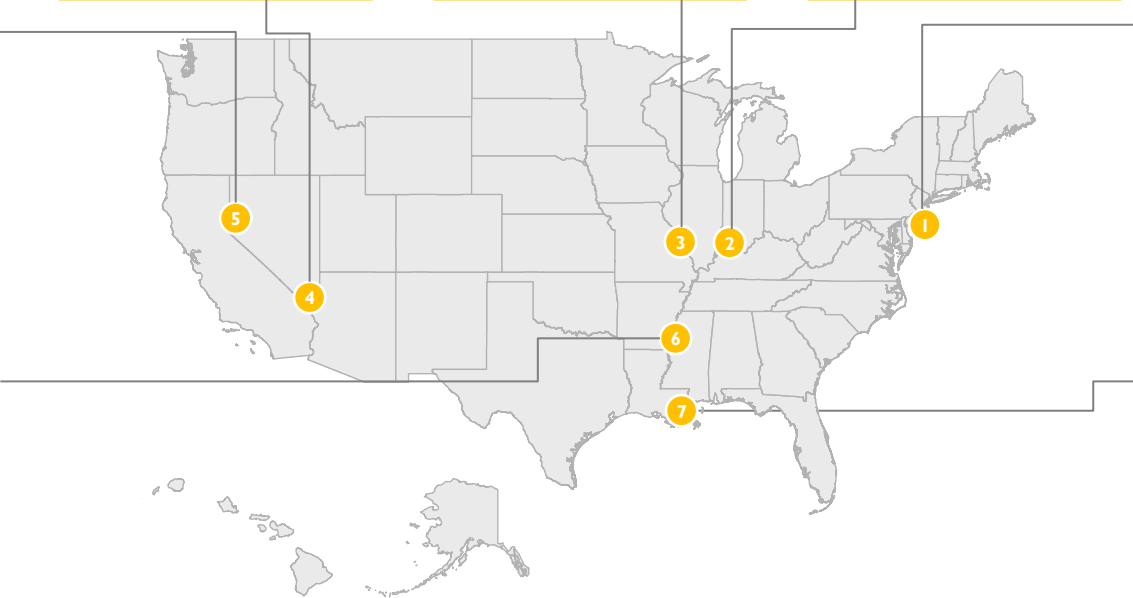


Area (acres)	6
Hotel rooms	40
Gaming Space (sq.ft.)	22,800

**7 Belle of Baton Rouge**



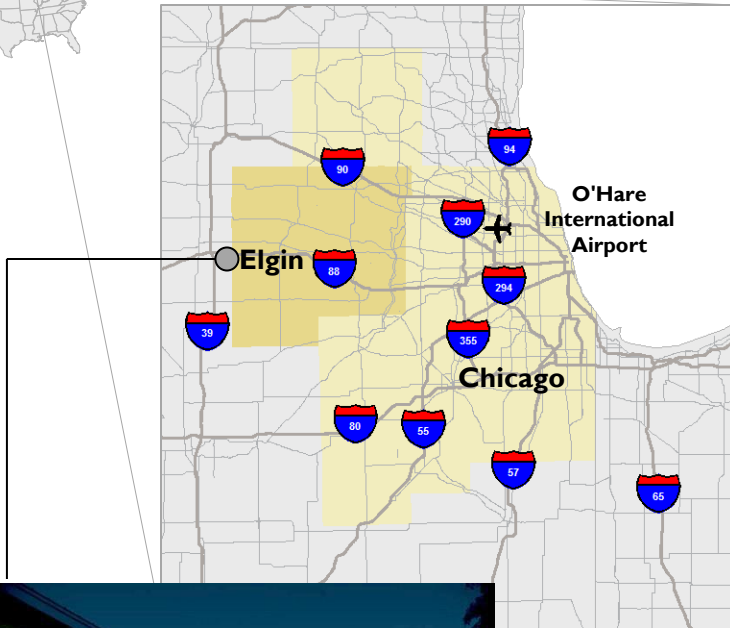
Area (acres)	23
Hotel rooms	288
Gaming Space (sq.ft.)	28,500



**Diversified regional gaming operator that has committed significant capex to its properties over the past several years**

Note: Figures exclude Aruba operations

# Grand Victoria Casino, Elgin Overview



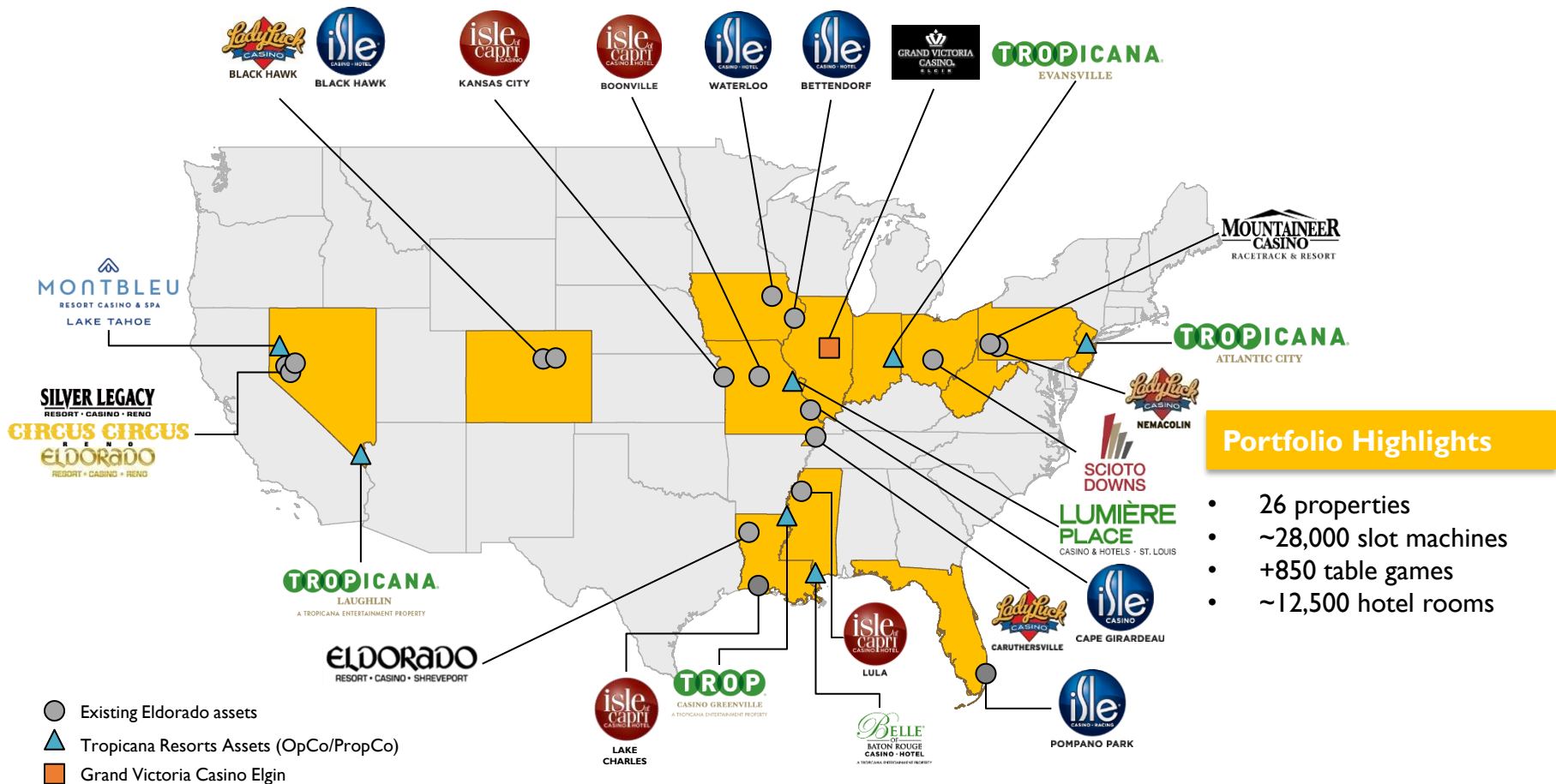
- Situated in Elgin, atop the Fox River
  - 30 minutes from O'Hare International Airport and 45 minutes from Chicago
- One of ten casinos in Illinois, Grand Victoria is a dockside riverboat and the third largest casino in Illinois by gaming revenue<sup>1</sup>
  - Gaming space: 29,850 sq. ft.
  - Slots: 1,088
  - Table games: 30
  - Table poker rooms: 12
- Property features four restaurants, including award-winning Buckingham's Steakhouse



1) Per Illinois Gaming Board 2017 Annual Report



# Diversified Pro Forma Geographic Presence






## Portfolio Highlights

- 26 properties
- ~28,000 slot machines
- +850 table games
- ~12,500 hotel rooms

Note: Excludes Presque Isle Downs & Casino and Lady Luck Casino Vicksburg; on 2/28/18, ERI announced that the Company entered into a definitive agreements to sell Presque Isle Downs & Casino and Lady Luck Casino Vicksburg

# Increased Operational Scale

				<i>Pro forma<sup>1</sup></i>
# of properties	18 properties	7 properties	1 property	26 properties
# of slot machines	18,920	7,893	1,088	27,901
# of table games	549	265	42	856
# of hotel rooms	7,080	5,431	-	12,511



1) Excludes Presque Isle Downs & Casino and Lady Luck Casino Vicksburg; on 2/28/18, ERI announced that the Company entered into definitive agreements to sell Presque Isle Downs & Casino and Lady Luck Casino Vicksburg

# Financial Policy

- Balance sheet management
  - Maintain significant liquidity to operate existing properties and pursue accretive expansion opportunities
  - Limit near-term debt maturities
  - Track record of using free cash flow to reduce leverage between transactions
- Investment and expansion criteria
  - Return-focused reinvestment in existing properties to upgrade and/or refresh amenities
  - Prudent use of capital for potential opportunistic development and acquisition opportunities
    - Near-term focus will be on disposition of Vicksburg and Presque Isle and integration of Tropicana and Elgin assets
- Free cash flow and leverage
  - Cash from operations used for leverage reduction, accretive investments
  - Disciplined maintenance and investment capital spending
  - Maintain leverage below 5x



# Key Investment Highlights

**High quality gaming assets**

**Geographic diversification in attractive markets**

**Strong financial portfolio**

**Disciplined acquisition and strategic capex**

**Track record of margin growth across legacy and acquired assets**



# Tropicana Property Level Details

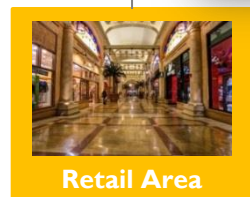


# Tropicana AC

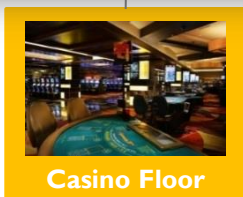


The Chelsea

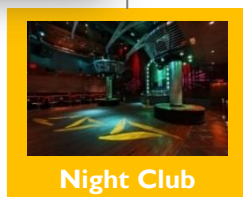
Tropicana AC



Retail Area



Casino Floor



Night Club

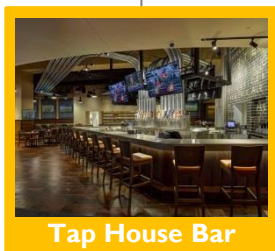
- Situated in Atlantic City, which generated \$2.7bn gaming revenues in 2017
  - Atlantic City is the 5th largest gaming market in the US
- Driving distance from New York-Washington corridor
- Tropicana AC is a leading property with:
  - Property area: 31 acres
  - Hotel rooms: 2,346 across 5 hotel towers
  - Gaming area: 124,800 sq. ft.
  - Retail space: 200,000 sq. ft.
  - Meeting and convention space: 99,000 sq. ft.
- Tropicana AC market share improved from 8% in 2013 to 15% in 2017
- Property features themed restaurants, nightclubs, shops, a 2,000-seat showroom, an up-scale Disco themed nightclub, a full service spa and salon, a health club and indoor pool, a beach and pool bar and an IMAX theatre
- In 2017, Tropicana AC acquired The Chelsea Hotel and is currently renovating it, while constructing a skywalk bridge to connect it with Tropicana AC
- Also operates 24-hour online gaming site, [www.TropicanaCasino.com](http://www.TropicanaCasino.com)

# Tropicana Evansville

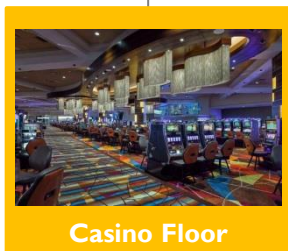


Tropicana Evansville

- Situated in Evansville, the third largest city in Indiana
  - Only full service casino within 85-mile radius
  - 57% of revenues from 50-mile radius
- Indiana is the 7<sup>th</sup> largest gaming market in the US with \$2.1bn in 2017 casino gaming revenue
  - No additional gaming / racing licenses permitted by law
- Relocated from a three deck riverboat to landside gaming facility in October 2017, Tropicana Evansville has
  - Property area: 20 acres
  - Hotel rooms: 338 across 2 hotels
  - Gaming area: 45,400 sq. ft.
  - Total cost to build: \$50mm
- Property features 79,000 sq. ft. of enclosed space which includes the casino floor, two food and beverage outlets, an entertainment lounge
- The District at Tropicana Evansville, a \$33mm entertainment complex, has the Le Merigot Hotel and banquet / event space
- Tropicana Evansville also features seven-story parking garage as well as surface parking



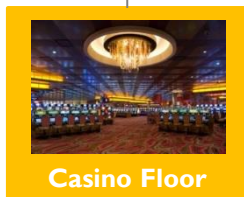
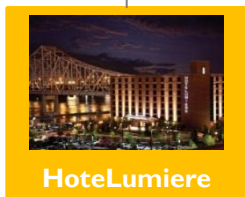
Tap House Bar



Casino Floor

Source: Tropicana Filings as of 12/31/2017; Indiana Gaming Commission

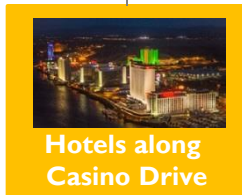
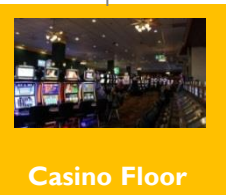
# Lumière Place Casino



- Located in historic downtown St. Louis, Missouri near business and entertainment districts
  - Derives significant foot traffic from The Dome at America’s Center, a multi-purpose stadium
- Missouri is the 10<sup>th</sup> largest gaming market in the US with \$1.7bn in 2017 casino gaming revenue
- Lumière Place Casino property features:
  - Property area: 20 acres
  - Hotel rooms: 494 across 2 hotels
  - Gaming area: 7,500 sq. ft.
  - Meeting and convention space: 28,000 sq. ft.
- Property includes the HotelLumière and Four Season’s St. Louis featuring 3 full service restaurants, retail shops, indoor pool and fitness center and a full service spa
- The suites in HotelLumière were completely renovated in a project which commenced in July 2016 and was completed in early 2017, at a cost of \$15mm



# Tropicana Laughlin



- Situated on Laughlin’s principal thoroughfare
  - Opportunity to expand on 57 acres of undeveloped real estate adjacent to Tropicana Laughlin
- Laughlin is one of the largest regional gaming markets with \$493mm in 2017 casino gaming revenue
  - Laughlin experienced 4.1% growth in gaming revenue in 2017 compared to a state average of 2.8%
- Tropicana Laughlin property features:
  - Property area: 31 acres
  - Hotel rooms: 1,487
  - Gaming area: 53,700 sq. ft.
- Property includes a heated outdoor swimming pool, seven restaurants, three full service bars, several lounges, an 800-seat multi-purpose showroom and concert hall, meeting and convention space, retail stores, an arcade and a covered parking structure
- In 2017, 496 suites in Tropicana Laughlin were renovated at a total cost of \$47mm

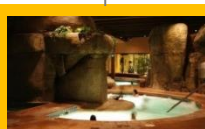
# MontBleu Casino Resort & Spa



MontBleu



Casino Room



Indoor lagoon style pool

- Situated in South Lake Tahoe, Nevada surrounded by the Sierra Nevada Mountains
  - Caters to guests primarily from northern CA and NV
  - Attracts customers interested in outdoor recreational activities
- South Lake Tahoe experienced 2.4% growth in 2017 gaming revenue compared to a state average of 2.8%
- MontBleu Casino Resort & Spa property features:
  - Property area: 21 acres
  - Hotel rooms: 438
  - Gaming area: 45,000 sq. ft.
  - Meeting and convention space: 14,000 sq. ft.
- Property includes three restaurants, retail shops, two nightclubs, a 1,300-seat showroom, a parking garage, a full service health spa and workout area, an indoor heated lagoon-style pool with whirlpool and a 110-seat wedding chapel
- MontBleu underwent a \$25mm remodelling of most of its public areas in 2015

# Trop Greenville



- Situated in Greenville, MS; Trop Greenville is the one of two gaming facilities in the Greenville market
  - Also caters to customers from Little Rock, Vicksburg and Tunica
- Mississippi is the 8<sup>th</sup> largest gambling market in the US with \$2.1bn in 2017 casino gaming revenue
- Trop Greenville property features:
  - Property area: 6 acres
  - Hotel rooms: 40
  - Gaming area: 22,800 sq. ft.
  - Parking spaces: 734
- Property features two restaurants and a bar. The newly-renovated property offers Max & Erma's, a popular full-service casual dining restaurant chain and a two-level underground parking garage for premium players
- Trop Greenville also leases and operates the nearby Greenville Inn & Suites, located less than a mile from the Casino

# Belle of Baton Rouge



River Center

Belle of Baton Rouge

Steam boat



Entertainment venue



Casino Floor

- Situated in downtown historic district of Baton Rouge, Louisiana
  - Next to River Center, a 70,000 sq. ft. convention center
  - 75 miles from New Orleans, the largest city in Louisiana
  - 90% of the casino's customer base is within a 50 mile radius
- Louisiana is the 3<sup>rd</sup> largest gaming market in the US with \$3.1bn in 2017 casino gaming revenue
- One of three casino facilities in Baton Rouge, the casino is a dockside riverboat and features:
  - Property area: 23 acres
  - Hotel rooms: 288
  - Gaming area: 28,500 sq. ft.
  - Meeting space : 25,000 sq. ft.
- Property features an outdoor pool, a fitness center, one restaurant, a deli, a buffet and an entertainment venue