

March 30, 2020 05:41 AM GMT

## US Gaming, Lodging, &amp; Cruise lines | North America

## Pricing COVID-19; Roll the Dice on Gaming

Our leisure companies are at the epicenter of COVID-19 impact, and we don't expect fundamentals to recover to 2019 levels for years. We have run through liquidity analyses, cut numbers, and assessed risk-rewards to highlight stock ideas.

**We cut our base case mkt estimates to assume 20-45% rev declines in '20.** This builds in Morgan Stanley economists' and Biotech analysts' base case assumptions that COVID-19 cases in the US peak in April/May, and our view that as a result, the majority of casinos, cruise ships, and hotels will halt operations for a period of 30-60 days. We assume that the recovery will be relatively slow thereafter, with continued social distancing headwinds.

**We expect the magnitude of '20 revenue declines to be, in descending order, 1) cruise, 2) Macau casinos, 3) US hotels, 4) Las Vegas, and 5) regional casinos.**

Cruise companies have been the focus of heavy negative media on the virus, and our channel checks have highlighted further cancellations and weak bookings, which we reflect in a 45% '20e rev decline for NCLH. We forecast Macau gaming revenue to fall 35% in '20, with revs already down 88% in Feb and tracking to fall 80% in March, with travel restrictions limiting Macau's main feeder mkts having a meaningful impact. We expect US hotels RevPAR to fall 32% in '20, affected by cancelled conventions, corp travel restrictions, and less leisure travel. We forecast Vegas revenue down 30%, with actually a slightly worse monthly trajectory than US hotels, but the pandemic is hitting hotels at seasonally busier times. We expect regional US casinos revenue to fall 20% in '20, with a large short-term impact but a quicker recovery given mostly drive-to properties & stickier customers.

**Forecast some pent-up demand support in late '20, but revs still 10-20% below '19 peak levels in '21.** A recent STR study found that 57% of upcoming conventions have been postponed to 2H20, 38% are cancelled, and 5% turned virtual.

We think this suggests there will be some support to revenues in 2H20, but also cyclical and structural risks. In addition, MS economists forecast US unemployment to be 6.3% in '21 vs. 3.7% in '19, and business spending to fall 11% in '20 before rebounding just 2.4%. Employment and business spending are the largest macro contributors to our Lodging forecasts. **We expect Macau to see the most significant demand rebound in '21 given structural demand drivers (China penetration/economic growth, and infrastructure).**

**Valuation and bull/bear cases.** Our price targets are based on '21e EBITDA/EPS, and fall 40% on avg, driven by 20% lower '21 earnings ests and 10% lower multiples. Given the high level of uncertainty, in general we apply somewhere between trough and avg historical multiples. Our bull cases assume business

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## Gaming &amp; Lodging

North America

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In-Line

## Cruise Lines

North America

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## Exhibit 2: Price Target, Estimate, and Valuation Changes

Stock	Price Target			2021e EBITDA/AFFO/EPS*			Valuation Multiple		
	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg
ERI	\$68	\$21	-69%	\$3,953	\$3,164	-20%	7.6x	7.3x	-4%
PENN	39	19	-51%	1,760	1,593	-10%	6.9x	6.0x	-13%
BYD	37	20	-46%	944	797	-16%	8.3x	7.7x	-8%
GLPI*	52	35	-33%	3.59	3.46	-3%	14.3x	10.0x	-30%
VICI*	30	20	-33%	1.87	1.87	0%	15.0x	11.0x	-27%
MGP*	35	26	-26%	2.49	2.48	0%	13.8x	10.5x	-24%
MGM	34	18	-47%	3,249	2,521	-22%	9.1x	8.3x	-9%
WYNN	144	95	-41%	1,952	1,462	-25%	13.0x	12.5x	-4%
CZR**	13	10	-23%	2,701	2,050	-24%	NA	NA	NA
LVS	69	50	-28%	5,271	4,227	-20%	13.9x	13.4x	-4%
CHH	100	67	-33%	404	355	-12%	15.4x	12.9x	-16%
MAR	136	77	-43%	3,973	2,969	-25%	14.7x	12.8x	-13%
H	89	47	-47%	808	551	-32%	13.2x	11.9x	-10%
STAY	13	9	-31%	527	479	-9%	9.1x	8.6x	-6%
HLT	112	62	-45%	2,573	1,929	-25%	15.7x	13.9x	-11%
DRH	9	6	-33%	251	188	-25%	10.5x	10.0x	-5%
SHO	12	8	-33%	289	207	-28%	10.5x	10.0x	-5%
HST	16	10	-38%	1,356	1,000	-26%	10.5x	10.0x	-5%
XHR	16	9	-44%	277	161	-42%	10.5x	10.0x	-5%
NCLH***	57	14	-75%	5.66	0.94	-83%	10.0x	15.0x	50%

Source: Morgan Stanley Research \*REITs valued on AFFO, CZR on implied ERI takeout value, NCLH on EPS, rest on EBITDA

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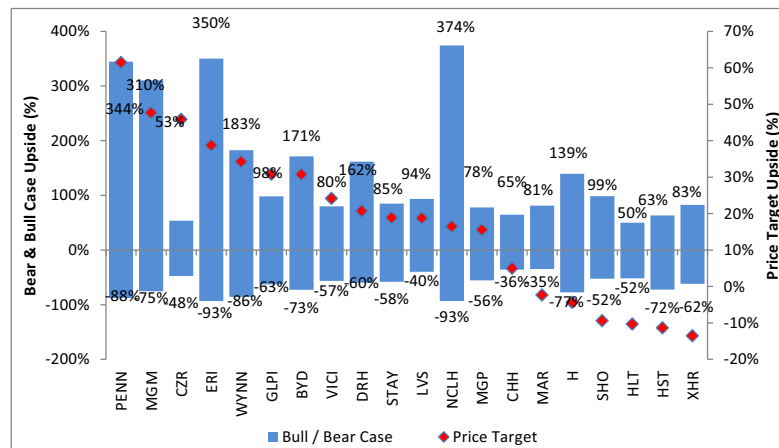
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

returns to '19 levels in '21, while our bear cases assume the fall-off in business in '20 does not recover in '21. In valuations, we credit companies with better liquidity positions, which we analyzed in depth in our recent [report](#).

**Bet on Gaming.** We expect stocks to be volatile until there's a clearer picture on how the recovery trajectory will look, both in terms of economic demand as well as continued social distancing. Gaming stocks are trading below historical avgs on our updated '21 ests, while Lodging stocks are trading above. We like the regional Gaming stocks (BYD, CZR, ERI, PENN) as they've seen some of the greatest stock declines (down 50-75% YTD) while our analysis suggests they are in better liquidity positions than perceived. Friday's announcement that PENN will sell the Tropicana real estate to GLPI highlighted other levers. We also expect regional gaming to recover faster than other covered sectors, and if they can rebound to the prior trajectory, helped by sports betting, could suggest as much as 4x upside for stocks. We like the Gaming REITs (GLPI, MGP, VICI) who at current prices, are paying 7-10% div yields, with significant liquidity buffers of their own, MGP appears to be in the safest position in terms of its/its main tenant's liquidity. We are more bullish the Macau-exposed names (LVS, MGM, WYNN) as they have strong long-term positions (both liquidity and competitive) and have seen valuations become attractive as short-term headwinds (gov't restrictions) have masked long-term structural tailwinds.

**Lodging and cruise stocks growth algorithms likely impaired medium-term.** We downgrade NCLH to EW as we believe the cruise industry will take the longest time to recover, and at the current price, see a very wide risk-reward. We value NCLH at 15x our new '21e EPS (vs. 10x prior but credit for being earlier in cruise recovery given longer booking windows), which implies \$14/share, not enough upside with the stock at \$12 to warrant the risk. For Lodging, while we think liquidity concerns are overblown, esp. with benefits from the CARES Act, we don't think current valuations (above historical avg on our '21e) are attractive enough to warrant taking the risk. The old consistent, high EPS growth algorithm driven by strong unit growth and share buybacks is impaired for the next few years. Of Lodging names, we prefer CHH as it now has the lowest leverage and has shifted from a premium to a 2-3x discount to peers.

**Exhibit 1:** Our covered stocks relative risk-reward



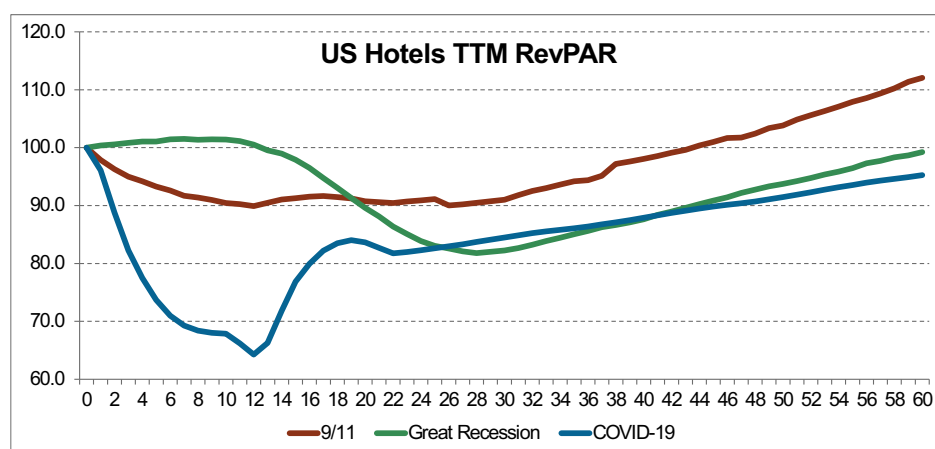
Source: Company Filings, Refinitiv, Morgan Stanley Research estimates

## Lodging Outlook

**We forecast US RevPAR to decline (32)% in 2020 before rebounding 20% in 2021 and 5% in 2022, which still implies RevPAR is 18% below 2019 levels in 2021 and 14% in 2022.** We expect RevPAR declines to be worse than where they were both post 9/11 and during the Great Recession. For context though, US RevPAR declined (24)%/(17)% in Sept/Oct 2001, and troughed at down (20)% during the Great Recession. Given that travel has now essentially come to a halt, with governments instituting stay-at-home orders and broad social distancing, we model significantly steeper near-term declines.

**We model RevPAR falling 70% in 2Q20, 30% in 3Q20, and 6% in 4Q20.** We assume 85%/75% declines in April/May. Recent weekly data from STR supports our forecasts as US RevPAR fell (69.5)% the third week of March and we believe the magnitude of these declines will increase given our Biotech analysts' and economists' forecasts for Covid-19 cases to peak in April/May. China RevPAR was down 82% in February. For our company models, we do assume lower-tier hotels outperform higher-tier given that some customers live at these hotels (especially extended stay hotels) and there is less room for price drops, which we have seen in recent weekly [data](#). For details on our monthly forecasts for RevPAR, please see the [Appendix](#).

**Exhibit 3:** TTM US hotels RevPAR fell 10% at trough post 9/11, and took 44 months to recover back to peak levels. RevPAR fell 18% in the great recession, and took 62 months to recover back to Oct 2007 levels



Source: STR; Morgan Stanley Research estimates

## Revenue Outlook

**We forecast 2020 US RevPAR growth of (32)% (vs. prior 0%) due to the impact of COVID-19 on the hotel demand environment, and don't expect RevPAR to return to peak levels for 5 years.** We see demand as a significant y/y headwind, more pronounced in the near-term but continuing for the medium-term. Our key medium-term concerns are: **1)** Our economists expect weak business investment spending and higher unemployment; **2)** The results of STR's conference tracker show cancellations and shifts to virtual conferences; **3)** Recent hotel owners' inability to drive rate despite record

occupancy highlights the limitations to a strong recovery; and **4)** Governments could potentially tighten restrictions around travel to mitigate seasonal flare-ups of the virus. For more detail:

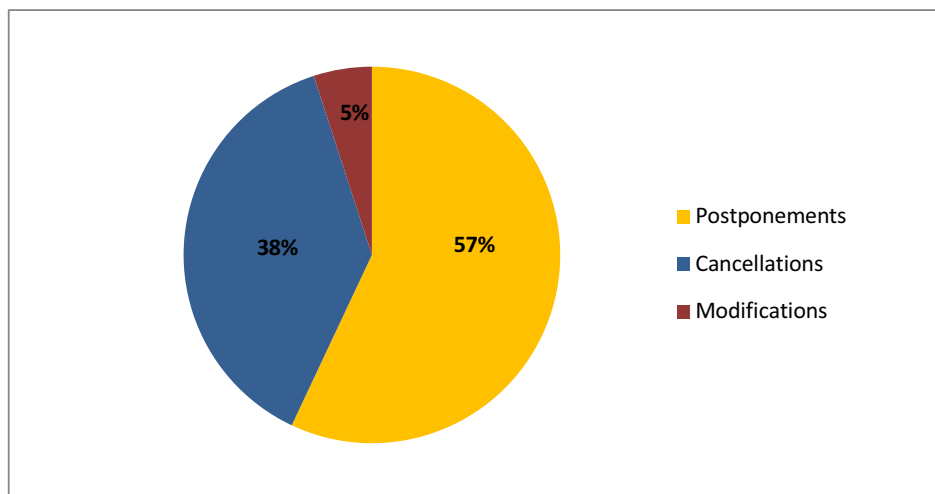
**1) Morgan Stanley economists expect key macro drivers for Lodging to decline in 2020 and only see modest improvement in 2021.**

With their recently revised [outlook](#), our economists forecast a) GDP growth falling (3.0)% in 2020e vs. growing +2.3% in 2019; b) unemployment rising to 8.4% from 3.7% in 2019; and c) fixed business investment declining (10.7)% in 2020 vs. a +2.1% increase in 2019. Taken together, these factors suggest weakness to both leisure and corporate demand in 2020. While our economists are forecasting strong 3.7% GDP growth in 2021, they are only factoring in 2.4% business investment spending growth and assume the unemployment rate stays relatively high at 6.3%.

**2) The global outbreak of coronavirus is resulting in conference delays, but also cancellations and shifts to digital.**

As of March 16, industry data provider STR had tracked >300 events that have been cancelled or postponed due to the spread of COVID-19. 57% of these events were postponed to 3Q and 4Q20, 38% were cancelled, and 5% were modified to virtual meetings from previously-planned physical gatherings. The postponements, generally for trade shows and sporting events, suggest that there may be strength for lodging in 2H20. However, there is also cyclical risks highlighted by the cancellations, and structural risk to the industry given the recent shift to virtual, a trend that may prove to be sticky.

**Exhibit 4:** Of the >300 conferences and events that STR has tracked, 57% have been postponed, 38% have been cancelled, and 5% have been modified to virtual meetings



Source: STR; Morgan Stanley Research

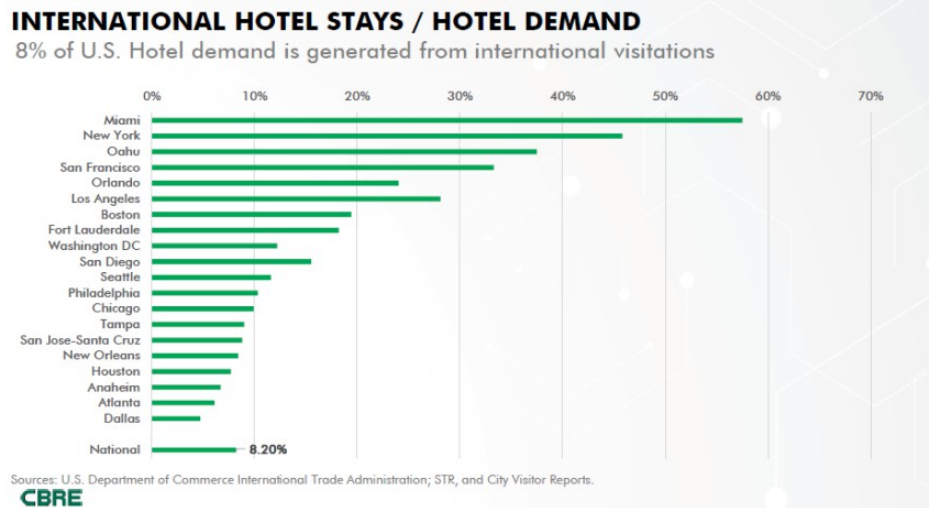
**3) Sharp occupancy declines could further erode already weak pricing power.** Despite strong economic growth and record levels of occupancy since 2015, hotel owners have been unable to drive room rate growth, with rate growth of only 1-3% in 2016-19 vs. 6-8% in 2004-07. We believe this is due to greater price transparency, higher supply growth once factoring in alternative accommodations, and lack of inflation. We believe that this pricing issue will intensify in the current environment given weakening occupancy. Last week, Hilton's mgmt said that global occupancy was running at 15%, while Hyatt's said occupancy had dropped to single-digits. These low levels of

occupancy will have a more meaningful impact on our covered REITs (DRH, HST, SHO, XHR) and our covered C-Corps with Luxury/Upper Upscale exposure (MAR, HLT, H) given higher priced hotels have the most room for rate declines, as we have seen in recent data and during the Great Recession.

**The spread of coronavirus could also increase the amount of alternative accommodations supply growth.** If unemployment remains elevated, the growth of alternative accommodations will likely accelerate as individuals look for additional avenues to generate income. However, there's also the potential that people use alternative accommodations less as they become more concerned around utilizing public spaces, but this would also impact hotel demand.

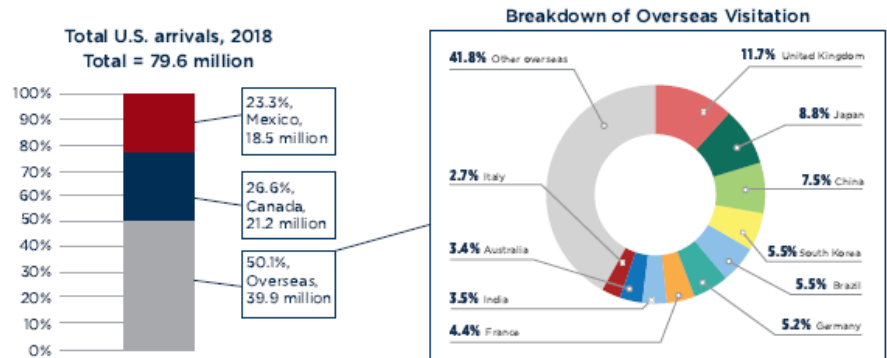
**4) Governments could restrict int'l travel as a precaution going forward.** Until a vaccine is developed, countries may put in rolling restrictions to combat seasonal flare ups of COVID-19. While only 8% of US hotel demand is from int'l customers (and it's closer to 5% for companies like Hilton and Marriott), it's much higher in certain domestic markets like Miami (>50%) and NYC (~45%), where the Lodging REITs have outsized exposure. Restrictions around Mexico and Canadian travel would have the biggest impact given they account for ~50% of US inbound travel, but the UK, Japan, and China account for another 28%.

**Exhibit 5:** 8% of US hotel demand is from int'l customers, with outsized share in certain markets



Source: US Department of Commerce International Trade Administration; STR; City Visitor Reports; CBRE; Morgan Stanley Research

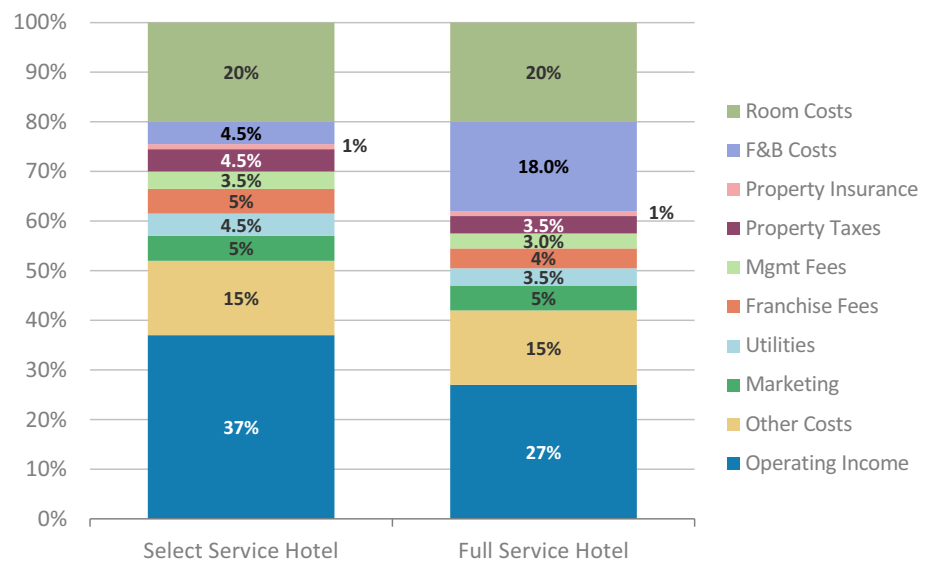
**Exhibit 6:** ~50% of US int'l inbound travelers are from Canada and Mexico, while UK, Japan, and China account for another 28%



Source: US Travel Association and Oxford Economics; Morgan Stanley Research

## Expense Outlook

**Exhibit 7:** Estimated Operating Margins Breakdown



Source: Company Reports; STR; Morgan Stanley Research Estimates

**We expect good cost mitigation, but in the context of sharply declining RevPAR, margins will fall meaningfully.** For hotels, labor typically represents ~45% of expenses, and an even higher percentage for select-service hotels. Because of very low demand and in order to significantly cut costs, Lodging companies have currently closed hotels. Based on conversations with hotel owners, we believe that 15-25% of their cost base is firmly fixed, which includes bare-bones staff (GM, security, maintenance, maybe 1-2 more), utilities, ground lease payments, insurance, and property taxes. The remainder of their expenses can and likely will be reduced until there are some signs of recovery.

**We expect costs to ramp gradually as hotels begin to reopen.** Given that it will take some time for demand to return to normal levels, we think that hotel owners' decisions to reopen properties will vary market-to-market. We also expect that owners will decide to reopen hotels only partially as a means of incurring lower costs while occupancy

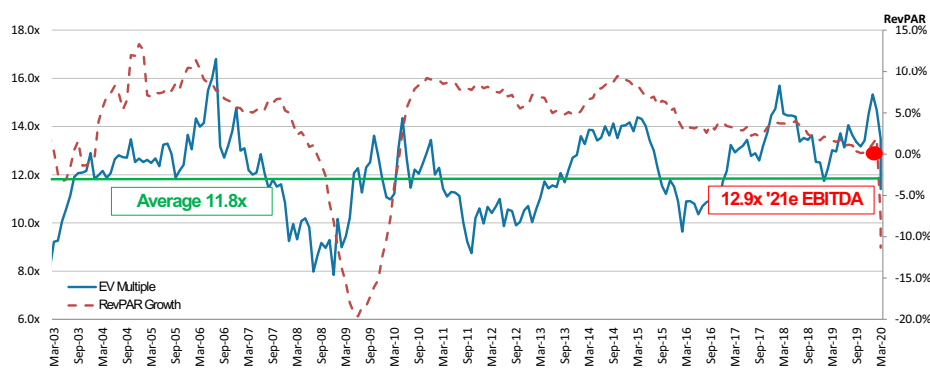
remains depressed.

**The CARES Act could change the expense trajectory somewhat but will be more impactful on demand and potentially tax credits.** The provision that single hotels <500 employees can apply for forgivable loans to cover 2.5 months payroll up to \$10 million will help keep more hotels open (beneficial to C-Corps' unit growth), and employees salaries going (which is required). However, given many hotels have closed given limited demand, it may not be clear whether to reopen and start paying staff again, especially to be given gov't loans that may have other restrictions with them. The President of the Lodging industry trade group, AHLA, noted "This limit will not allow a business owner to meet both payroll and debt service obligations beyond an estimated 4-8 weeks. Consequently, it will result in furloughing the very workers the bill seeks to protect. Since the measure reduces debt forgiveness with any reduction in payroll, hoteliers would be forced to use the entire loan amount on payroll, at the expense of debt service." One direct point of benefit of the CARES Act to the Lodging C-Corps could be the carryback of Net Operating Losses to cover past years' taxable income.

### Valuation

**We remain Equal-weight the Lodging C-Corps.** The C-Corps' are currently trading at 12.9x our 2021e EBITDA, above their long-term average multiple of 11.8x but below where they've traded in the past year. The range of comparable historical multiples has been 8x (recession) to 16x (2006, early 2018), or more recently, 10x (early 2016 growth scare) to 16x (early 2018 macro bullishness). The stocks partially have sold off on liquidity concerns, which we think are overblown, especially for MAR (see our [working capital](#) and [liquidity](#) analyses). However, the C-Corps' ability to deliver >20% EPS growth is likely impaired as unit growth slows and leverage that'll need to be taken on to weather the short-term freeze in business will limit share buybacks. We expect most of our covered C-Corps (ex CHH) leverage will increase to 5x in 2020, before returning to the 3-3.5x leverage where they've been comfortable buying back stock in late 2021. Hence, given the uncertainty in the macro outlook, 13x average for the group is not compelling enough to take the risk.

**Exhibit 8:** Covered Lodging C-Corps\* are trading above long-term average NTM consensus EBITDA multiples

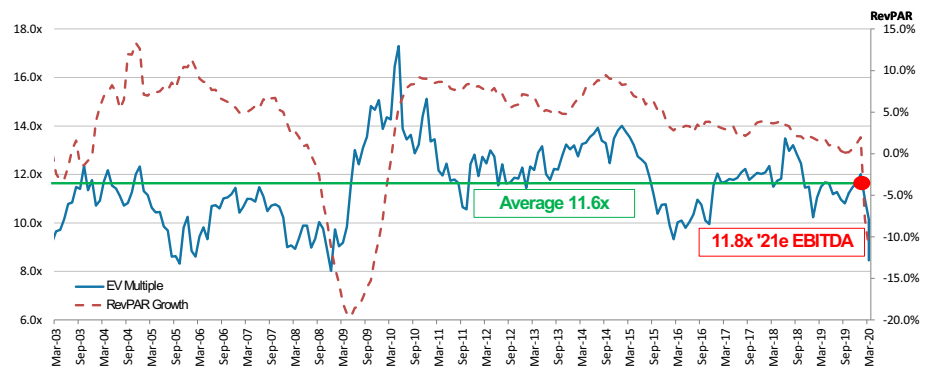


Source: Morgan Stanley Research; Refinitiv  
 \*Excludes STAY given limited trading history and much lower multiple would impact comparability

**Similar to the C-Corps, our covered Lodging REITs are trading above their long-term averages.** Based on our 2021e EBITDA, the REITs' average EBITDA multiple is 11.8x vs.

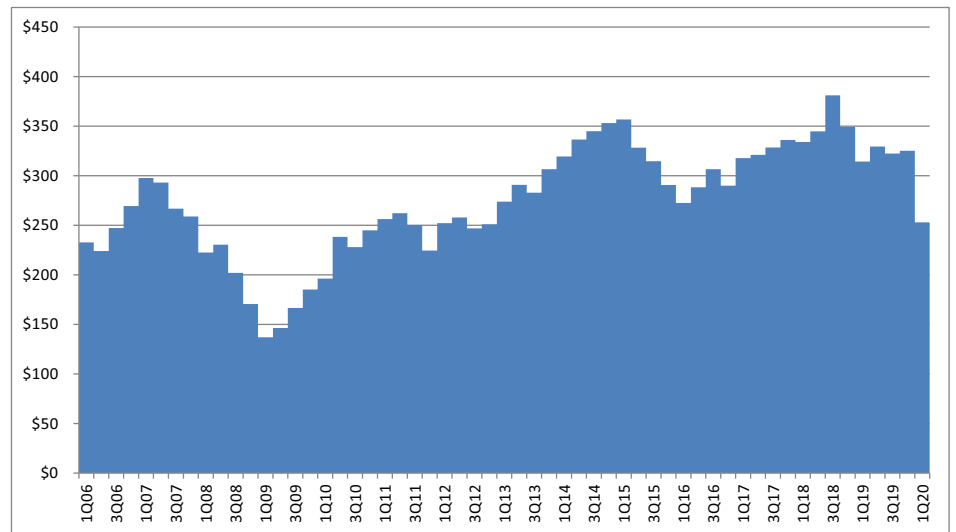
their long-term average of 11.6x. Given that the REITs have more negative operating leverage, they face greater risk if the recovery does not occur in 2021. While some argue that real estate assets at depressed asset valuations may prove to be attractive as acquisition candidates, we note that Lodging REITs' per key values are still >50% above trough levels seen in the Great Recession, while RevPAR declines and hence EBITDA weakness will be more pronounced. On a relative basis, we like DRH over XHR as both will have very high leverage, but DRH is trading at just 10.8x our 2021e, while XHR is at 12.7x, even after crediting XHR for its announced accretive Kimpton asset sales (buyers have a \$20 million deposit down but doesn't mean deal will close), while DRH has higher quality assets (~\$20 higher RevPAR).

**Exhibit 9:** Covered Lodging REITs are trading slightly above long-term average NTM consensus EBITDA multiples



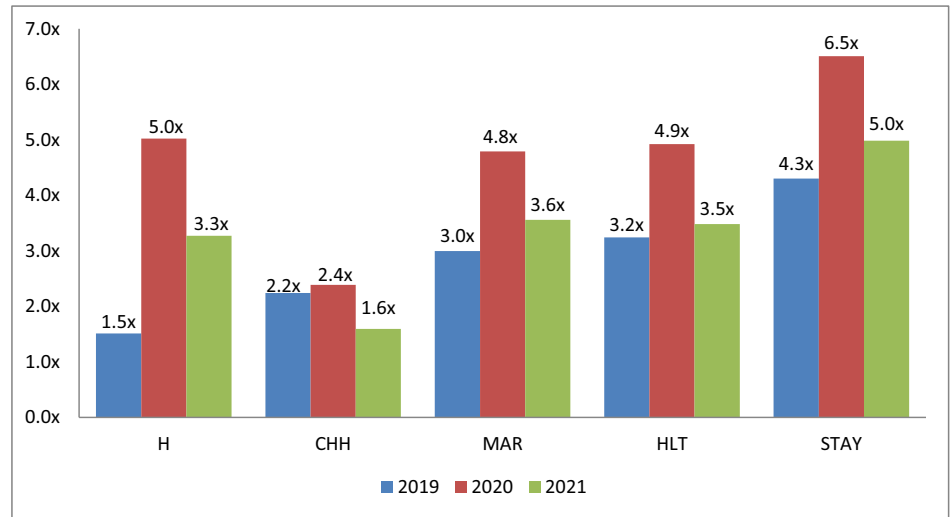
Source: : Morgan Stanley Research; Refinitiv

**Exhibit 10:** HST's price per key shows that while depressed vs. recent history, at \$250 is still well above trough levels of <\$200 in late 2008 to early 2010



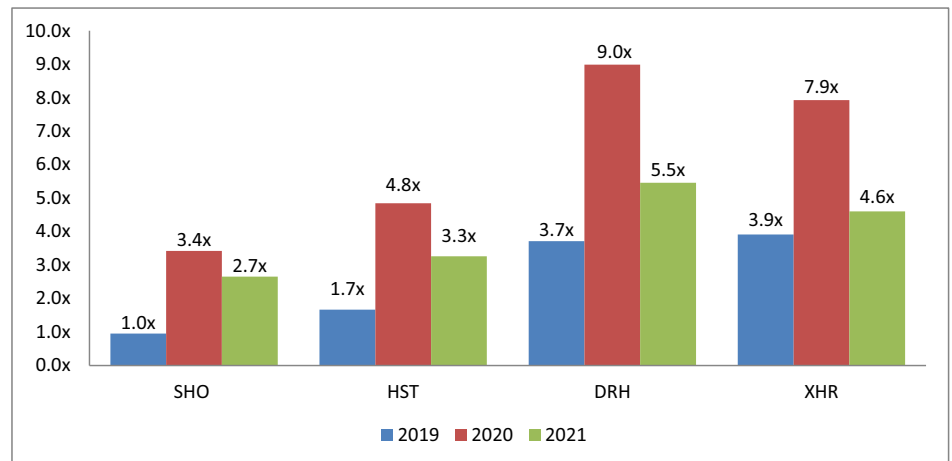
Source: Morgan Stanley Research; Company Reports; Refinitiv

**Exhibit 11:** C-Corps's leverage suggests that C-Corps are unlikely to return to buybacks until 2021 at the earliest



Source: Company Reports; Morgan Stanley Research Estimates

**Exhibit 12:** HST and SHO have both come into the year with such low leverage that significant EBITDA declines still keep them <5x, while DRH and XHR will be 9x and 8x levered in 2020

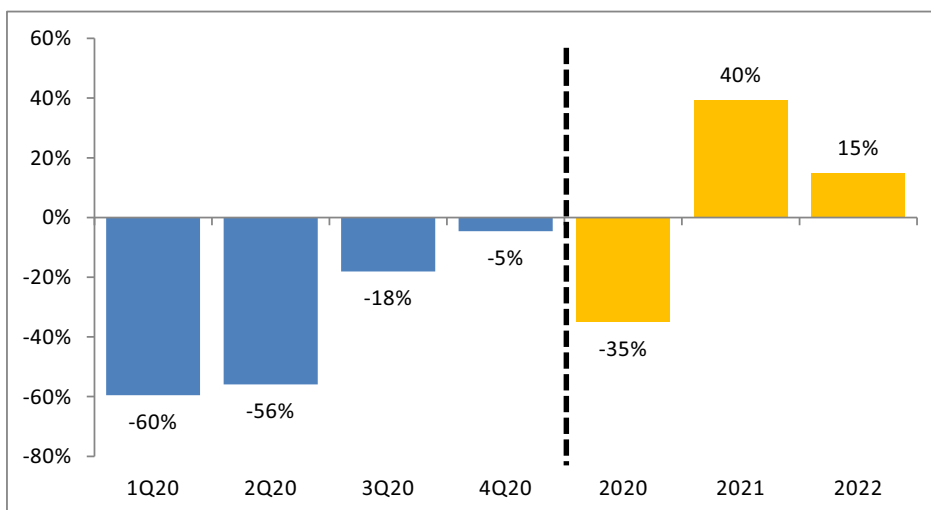


Source: Company Reports; Morgan Stanley Research Estimates

## Macau Market Outlook

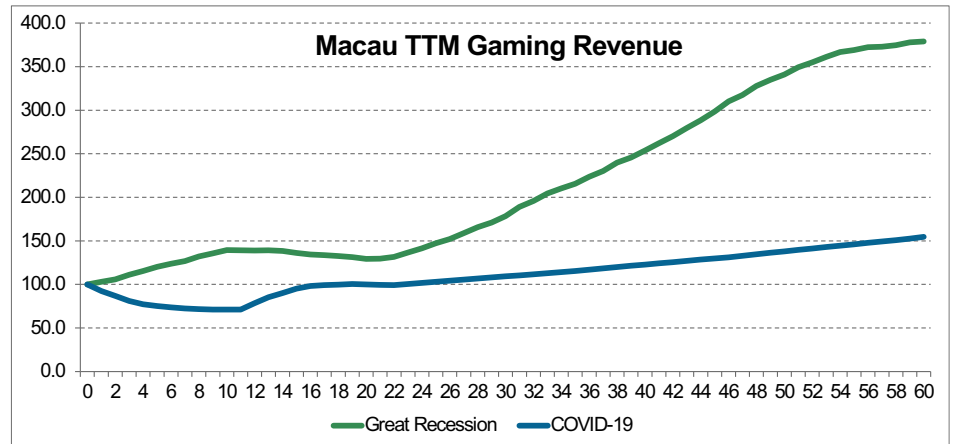
**We now forecast Macau gaming revenue to decline (35)% y/y in 2020 before increasing 40% in 2021 and 15% in 2022.** Revenue declines in 2020 should be more severe than in other sectors as government restrictions and quarantines limit travel to the market. 2021 should see a stronger rebound due to pent-up demand, new room supply/amenities driving visitation (though [construction delays are possible](#)), a stronger macro rebound in China, and generally improving mobility across China. Admittedly, our 2020 decline forecast is less bad than what the Macau gov't is [predicting](#), but the gov't has a track record of being conservative with prior forecasts. Longer-term, Macau's gaming revenue has increased at a 9% CAGR over the last 10 years, vs. Vegas's 2% growth, despite short-term declines in the market. In 2019, visitation to Macau was just 39 million, or 3% of China's population of 1.4 billion, while Las Vegas visitation was 43 million, or 13% of the US population of ~330 million.

**Exhibit 13: We forecast Macau GGR to decline 35% in 2020, and a recovery of up 40% in 2021**



Source: DICJ, DSEC, Company Filings, Morgan Stanley Research estimates

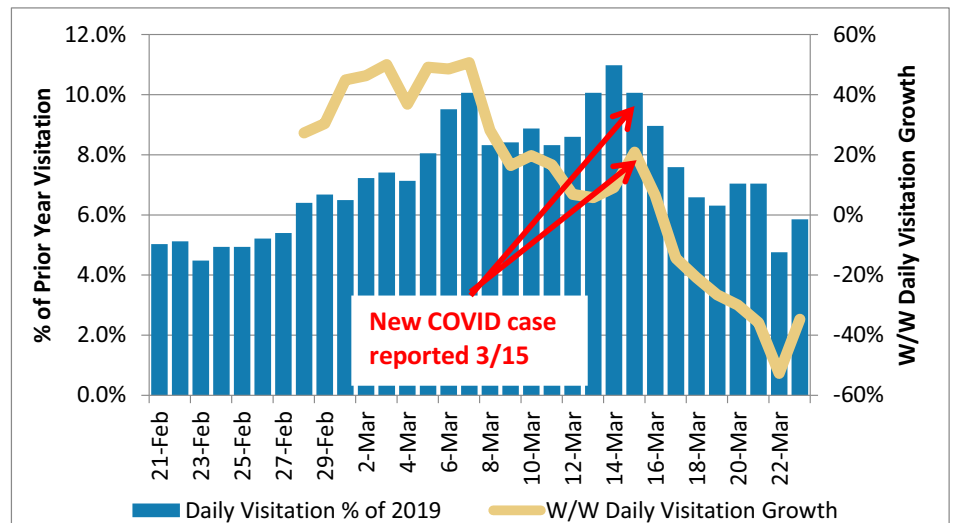
**Exhibit 14:** TTM Macau gaming revenue growth stalled in 2009 due to the Great Recession, and then accelerated due to new supply



Source: DICJ, DSEC, Morgan Stanley Research estimates

**Travel restriction currently impacting recovery.** In February (report), we assumed the Macau market would recover to flat y/y growth by July, ~6 months after the initial outbreak, relying primarily on the SARS outbreak in 2003 as our guide (when there was only a ~3 month GGR impact). Since then, while daily visitation was improving in early to mid-March, it has deteriorated over the last two weeks, primarily reflecting new COVID-19 cases in the market (first detected March 15, after a month with no new cases). This has driven tighter gov't-imposed travel restrictions/quarantines, with now any visitors who come from Hong Kong or Taiwan subject to 14-day quarantines, and neighboring Guangdong province (where 46% of Chinese visitors to Macau in 2019 came from) quarantines all travelers from Macau on arrival.

**Exhibit 15:** Daily visitation to Macau has worsened as a % of prior year visitation from an already low base since mid-March, when new COVID cases were identified in the market, due to tight travel restrictions/quarantine protocols

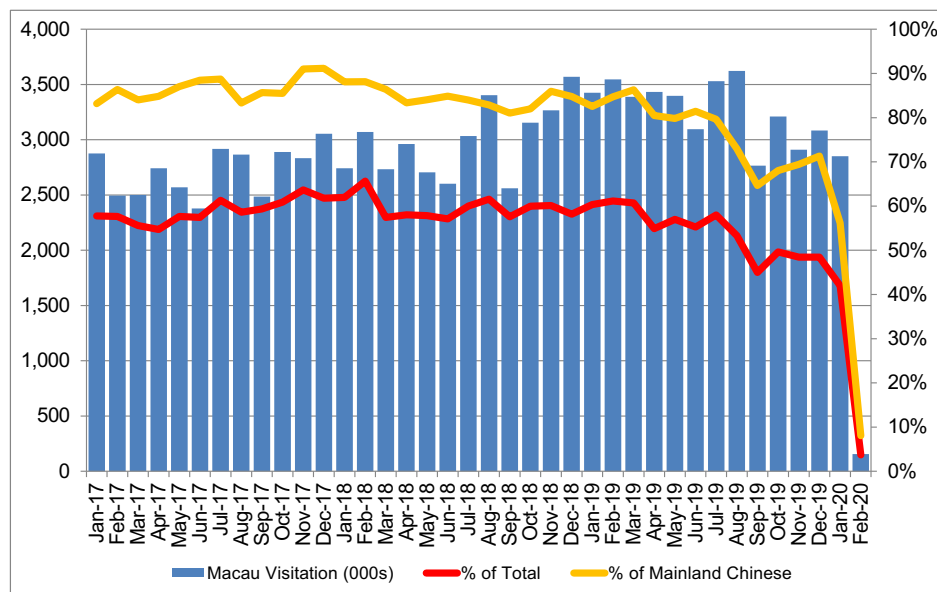


Source: DSEC, DICJ, Morgan Stanley Research estimates

**Other restrictions also in place.** As well as the quarantine restrictions, China/Macau have halted the two main visa programs Chinese visitors use to come to Macau, the Individual Visitor Scheme (IVS) and package tour program. The IVS program brought in 47% of Macau's Chinese visitation in 2019, and package tours brought in another 30%,

implying 77% of total Macau Chinese visitation, or 55% of total market visitation. In addition, the HK-Macau Ferry service (which brought in 15% of visitors in 2019) is suspended, and despite casinos being open now, they are only running at 50% capacity of tables / slots.

**Exhibit 16:** Those traveling to Macau on IVS and package tour visas accounted for 55% of total Macau visitation in 2019, 77% of Mainland Chinese visitation, and currently both programs are suspended



Source: DSEC, DICJ, Morgan Stanley Research estimates

**Once the market recovers, we expect strong growth.** History has shown that Macau can have extreme volatility, driven by lack of diversification (90% of revenues are gaming, compared to only 34% in Vegas in 2019) and pushed higher through the use of credit for a substantial amount of the gaming revenue. Examples are revenue declined 13% in 1Q16 but increased 10% in 4Q16, and increased 20% in 1Q14 only to decline 25% in 4Q14. We expect the market to see a strong recovery into 2021 as it benefits from pent-up demand among core gamblers. In addition, it should benefit from Chinese taking a greater percentage of shorter-haul trips, which our Asia duty free team recently [highlighted](#).

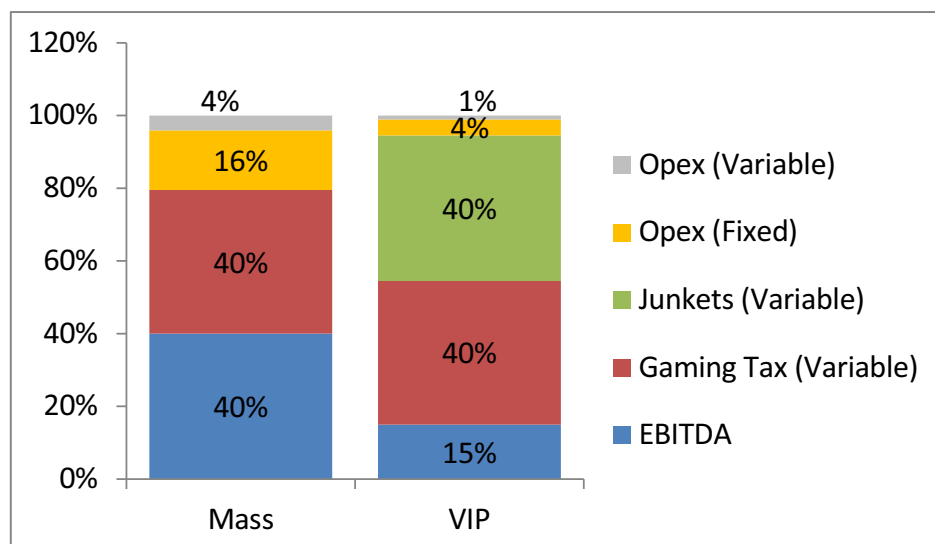
**VIP should recover faster than mass.** The Macau mass market is driven by ~40 million visitors / year, while the VIP segment is driven by thousands of visitors (that still constitute ~40% of total market revenue). Given broader social distancing / travel concerns, we expect the mass market to take longer to recover than VIP. VIPs benefit from typically both traveling and playing in isolation, while mass players have historically gone so far as gravitating to playing at the same tables (back betting). We forecast Macau VIP revenue to increase y/y in 3Q20, while mass declines all year and only turns positive in 2021. In 2020, we forecast VIP revenue decline of (27)%, and mass decline of (40)%. For the market overall, we expect revenue to decrease (60)% y/y in 1Q, (56)% y/y in 2Q, (18)% y/y in 3Q, and (5)% y/y in 4Q.

## Expense Outlook

**We estimate incremental margin on gross casino revenue in Macau is ~45%, assuming**

**80% of opex is fixed.** Operators in Macau pay a high gaming tax rate of 40%. In addition, for VIP, operators pay junkets 40% to assume the credit risk and for other services. As a result, operating leverage for the mass market is higher than VIP. Mass gaming EBITDA margins are ~40%, with variable gaming tax at 40% of gross revenue, and we estimate variable opex 4%, fixed opex 16%. Typical VIP gaming EBITDA margin is ~15%, with variable gaming tax 40% of gross revenue, variable junket commissions 40%, variable opex 1%, and fixed opex 4%. Our cost bucket estimates imply a 56% incremental margin for mass, 19% for VIP, and blended overall gross revenue flow-through of 45%.

**Exhibit 17:** We estimate EBITDA margins and cost buckets associated with mass and VIP gross revenues in Macau; mass has much higher operating leverage given junket commissions in VIP



Source: Company Filings, Morgan Stanley Research estimates

**Exhibit 18:** Based on our 2020 mass/VIP market growth forecasts, would imply incremental margins of ~45% on Macau GGR

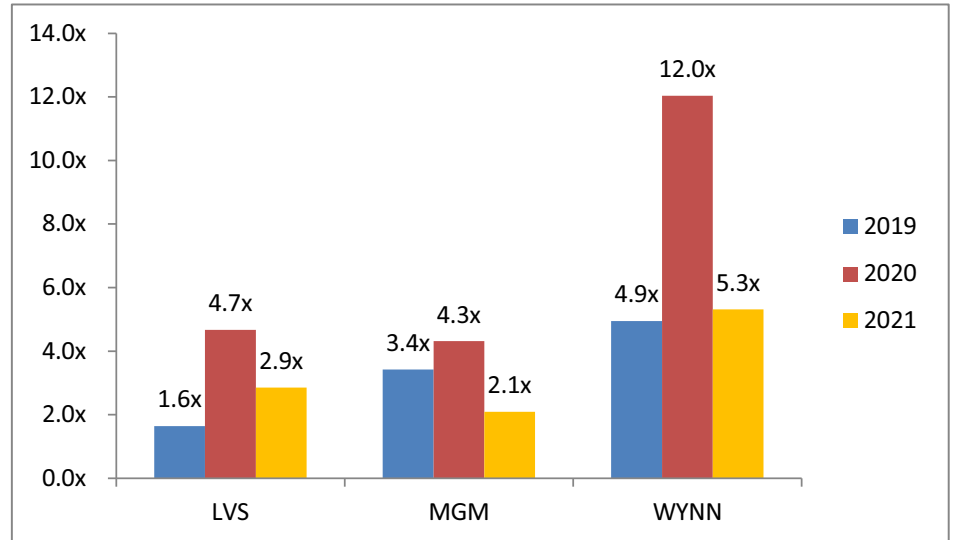
	Mass		VIP		Overall	
	Before	After	Before	After	Before	After
Gross Revenue	62	37	38	28	100	65
Change		-40%		-27%		-35%
Variable Cost	27	16	31	22	58	39
% of Gross Revenue	44%	44%	81%	81%	58%	60%
Fixed Cost	10	10	2	2	11	11
% of Gross Revenue	16%	27%	4%	5%	11%	18%
EBITDA	25	11	6	4	31	15
Margin	40%	29%	15%	14%	31%	23%
<b>Incremental Margin</b>		<b>56%</b>		<b>19%</b>		<b>45%</b>

Source: Company Filings, Morgan Stanley Research estimates

**Broadly the Macau casinos have strong enough balance sheets to survive a prolonged market recovery.** In our recent liquidity analysis, we found LVS, MGM, and WYNN could have almost no revenue on a consolidated basis in 2020 while relying on just their existing sources of liquidity. The companies all benefit from having significant cash positions, and not being in major development cycles (unlike during the great recession when their balance sheets were a problem). MGM further benefits from having recently sold the real estate of Bellagio and MGM Grand. Each company has majority stakes in Macau entities it could monetize, and if needed, MGM has additional stakes in CityCenter (50%) and MGP (61%). We see bank covenants as only a minimal concern, as MGM's and LVS's Macau entities recently received waivers, and all three operators

received waivers in the US during the Great Recession. However, our Asia team sees dividend cuts at Macau entities as inevitable ([report](#)).

**Exhibit 19:** Forecasted Macau Operators' Leverage (Consolidated Entities)



Source: Company Filings, Morgan Stanley Research estimates

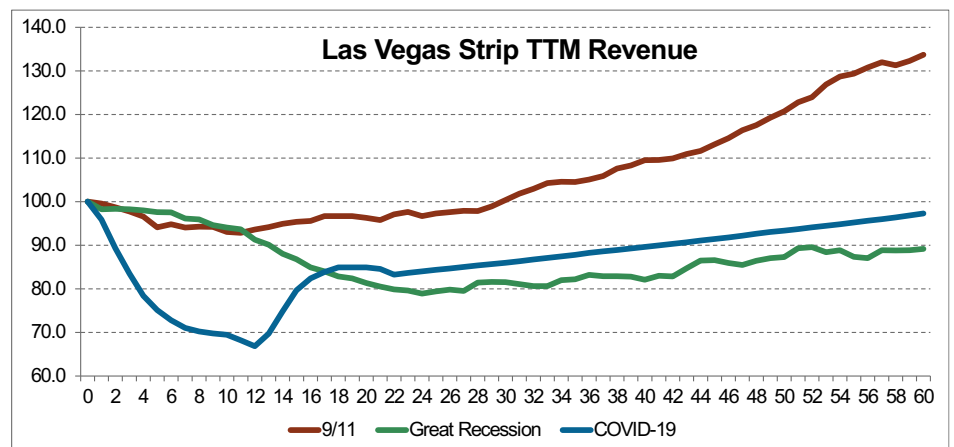
For more details on our Macau views, please see our Asia team's report, [Hong Kong/Macau Gaming: Cutting Estimates Again, Slower than Expected Recovery from COVID-19](#) (29 Mar 2020).

# Las Vegas Market Outlook

**We forecast Vegas gaming revenue to decline (30)% y/y in 2020 before increasing 20% y/y in 2021 and +5% y/y in 2022.** We forecast 1Q revenue declining (14)% y/y, with March down (50)% after having a strong start, and 2Q to be down (72)%, with April down (90)% and May down (75)%. We expect less bad results in 3Q down (30%) and 4Q down (6)% y/y. We do not expect market growth until March 2021 when Vegas comps current closures.

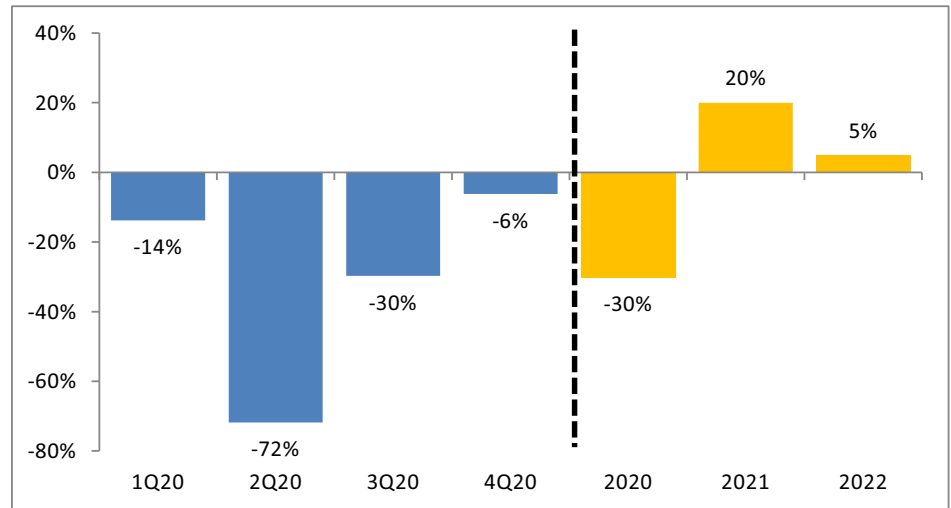
**The Las Vegas gaming market is seeing and will likely see a significant impact from COVID-19, but we expect a faster recovery compared to the Great Recession, though slower than US regional markets.** On March 17, Nevada's governor ordered all casinos in the state to close for 30 days. Prior to the closure, the market had seen strong growth, with gaming revenues up 4% y/y in Jan / Feb. While it's unclear whether the state will stick with its April 16 reopening, even when the market does reopen, Vegas's recovery may take time. We expect social distancing protocols to be implemented for a time, meaning properties won't be able to operate at peak capacity, and some players to remain cautious around traveling. In addition, convention attendees accounted for 16% of visitors in 2019, which per our earlier comments on Lodging, will see cyclical and structural headwinds. If the economy is also in worse shape, the cost to visit Las Vegas is relatively high as ~48% fly to the market (and will people want to get on planes?).

**Exhibit 20:** TTM Las Vegas Strip gaming revenue troughed 7% lower post 9/11 and recovered to Aug 2001 levels in 30 months. Revenue during the great recession fell 21% at trough, and still has not recovered back to peak



Source: State Filings, Morgan Stanley Research estimates

**Exhibit 21:** We now expect Vegas gaming revenue to decline (30%) y/y in 2020 before increasing 20% y/y in 2021, with the first positive growth qtr in 1Q21 as March laps casino closures

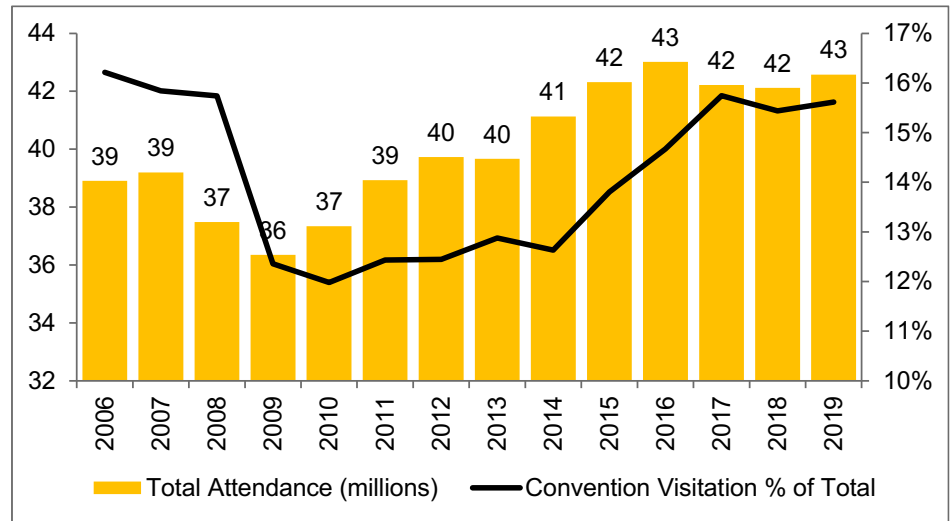


Source: LVCVA, Nevada Gaming Control Board, Company Filings, Morgan Stanley Research estimates

**We expect a stronger recovery than the great recession but a slower recovery than post 9/11.** Las Vegas gaming revenue fell only 6% in the year following 9/11, with more severe declines early on (10% decline in first 6 months), then a more tempered impact after (2% decline in 6 months after vs. the market had been growing 1% pre-9/11), before rebounding another 3% in the next 6 months. Revenue declines during the Great Recession were more significant, falling 21% over an LTM period by late 2009, while the market has yet to fully recover. Operators have suggested [political commentary](#) weighed on market recovery post-recession, while high supply growth (11%) was also a headwind.

**We expect a more prolonged recovery in Las Vegas vs. US regional markets.** We expect organic demand will come back slower than regionals given the fly-to nature of Vegas vs. regional markets. In addition, conventions are a major part of the Vegas market, while less so at regional properties which mostly just have slot machines (80% of revenue), table games, and some limited amenities. Optimists will highlight that the Con/Agg conference (happens every 3 years) still took place in March, but it ended a day early with attendance ~20% lower than expected. The NFL Draft scheduled for 2Q has been cancelled, and won't return to the market until 2022 or later, though Electric Daisy Carnival (May 15-17) has still not been cancelled yet. The Raiders' Allegiant Stadium construction had continued through last week, and it is expected to open in August, but there may be delays. A construction worker [tested positive](#) for COVID-19 last week.

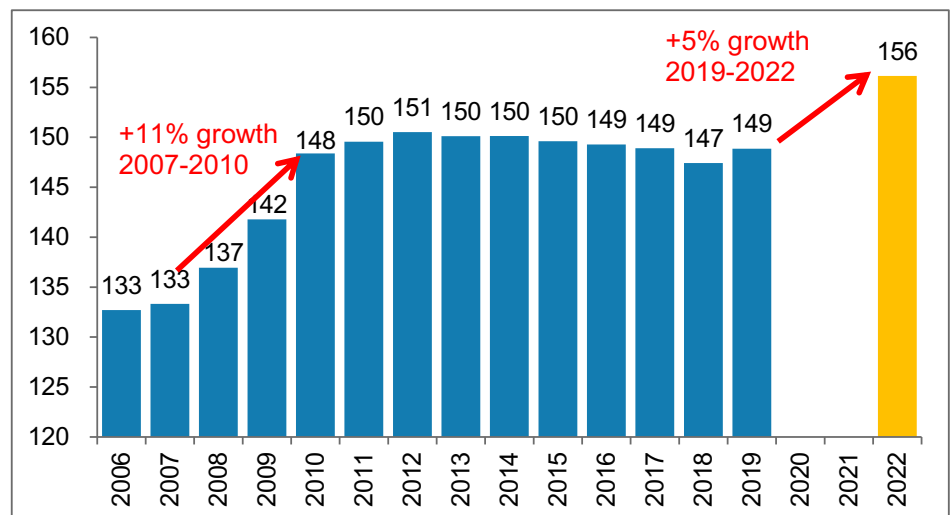
**Exhibit 22:** Las Vegas visitation increased 17% from 2009-2019, largely due to new conventions, which are now being cancelled/postponed due to COVID-19



Source: LVCVA, Morgan Stanley Research

**The market saw significant supply growth during the Great Recession, which exacerbated the loss of pricing power and revenue declines at existing casinos. If COVID-19 drives a US recession of similar magnitude, Vegas casino operators may be better off this time.** In 2007-10, Vegas room supply increased 11% to 148k rooms, with the opening of WYNN's Encore, MGM's CityCenter, and The Cosmopolitan significantly cannibalizing the pricing power of the existing luxury product in the market. If currently planned projects The Drew (~3,800 rooms) and Resorts World (~3,500 rooms) are both completed on schedule, rooms in Las Vegas would increase just 5% in 2019-22 to 156k. Last year, The Drew's expected opening was **pushed back** from 2020 to 2022, while Resorts World's was **pushed** from 2020 to 2021. Recent news suggests that Resorts World construction has continued despite COVID-19 impact, while The Drew has been halted.

**Exhibit 23:** If The Drew and Resorts World are both completed as planned, Las Vegas room supply would increase 5% in 2019-22, far less than 11% growth seen in 2007-10

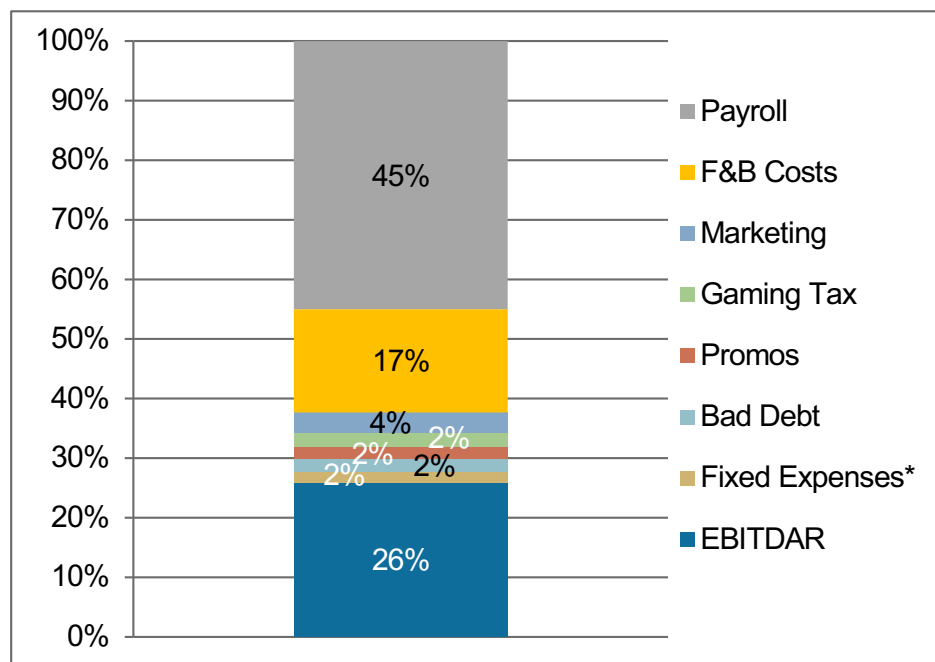


Source: LVCVA, Morgan Stanley Research estimates

## Expense Outlook

**Due to companies' cost mitigation efforts, we forecast Vegas properties to see incremental margins of ~40% in the near term.** With a gaming revenue tax rate of just 7%, much broader amenity offerings, and a reliance on hotel room revenues, operating leverage is typically higher in Vegas than it is at regional casinos. We estimate purely variable costs, including gaming tax, marketing, promotions, and F&B costs, account for ~25% of gross revenue, or ~1/3 of total costs. Payroll is a large expense at 40-50% of gross revenue or ~60% of total costs, and much of it can likely be cut while volumes are very low. Some Vegas operators have publicly suggested continued support for employees, with WYNN and LVS both for now committing to pay their employees through the state closures, and despite furloughs, MGM (see recent [memo](#)) and PENN will continue paying health benefits through June 30 for employees.

**Exhibit 24:** We estimate the average cost buckets of Vegas casinos as a % of gross casino revenue, based on state and company filings, and discussions with operators

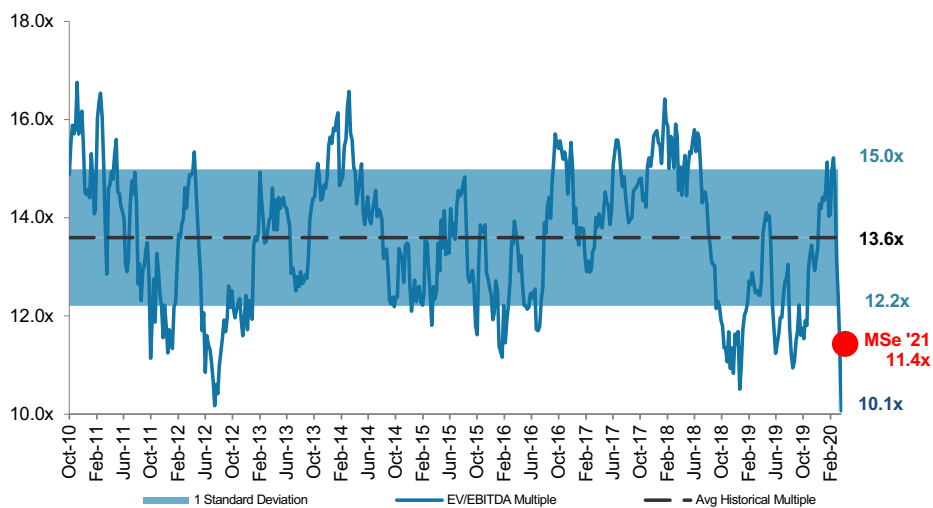


Source: Company Filings, Morgan Stanley Research estimates  
 \*Fixed Expenses includes property tax, insurance, and utilities

## Valuation

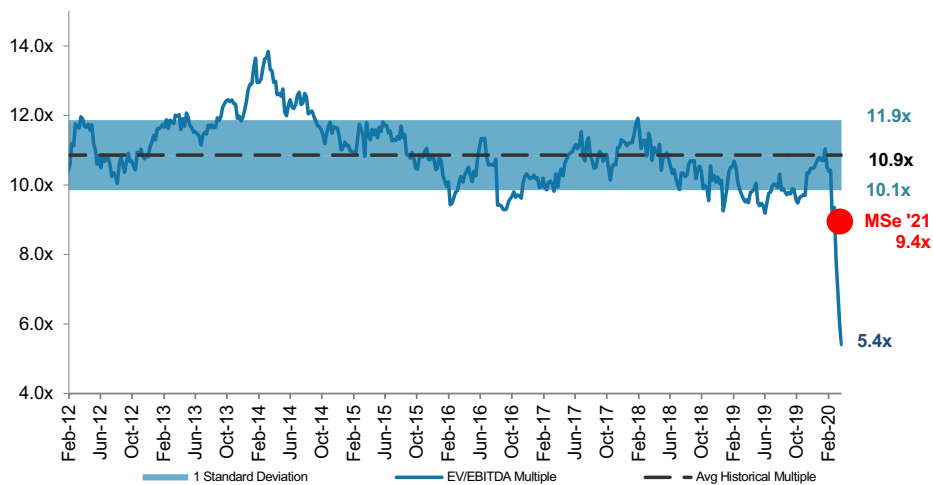
**Large cap gaming operators (LVS, MGM, WYNN, who are all exposed to both Macau and Vegas) are trading at discounts to historic averages on 2021e EV/EBITDA, based on our estimates.** Given all have strong balance sheets, we feel these moves are overdone. While admittedly it will likely take some time for revenues to return to prior peak, we expect Macau to recover faster than other segments of the industry. Vegas will take longer and likely carries greater risk, but is only 9% of LVS's EBITDA and 23% of WYNN's, making these two companies better positioned.

**Exhibit 25:** LVS is trading more than 1 std dev below its avg historic NTM/EBITDA multiple on both cons and updated MS estimates



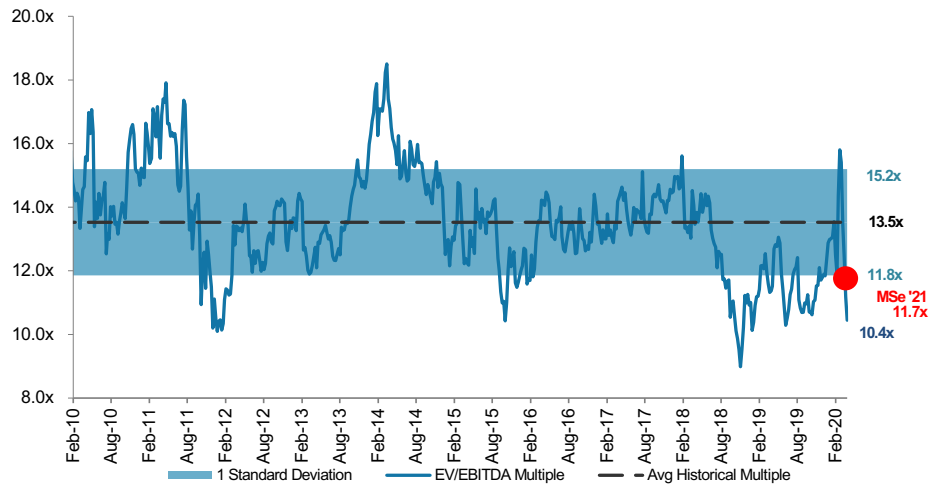
Source: Refinitiv, Morgan Stanley Research

**Exhibit 26:** MGM is trading more than 1 std dev below its avg historical NTM/EBITDA multiple on both cons and updated MS estimates



Source: Refinitiv, Morgan Stanley Research

**Exhibit 27:** WYNN is trading roughly 1 std dev below its historical NTM EV/EBITDA multiple based on MS estimates, lower on cons estimates



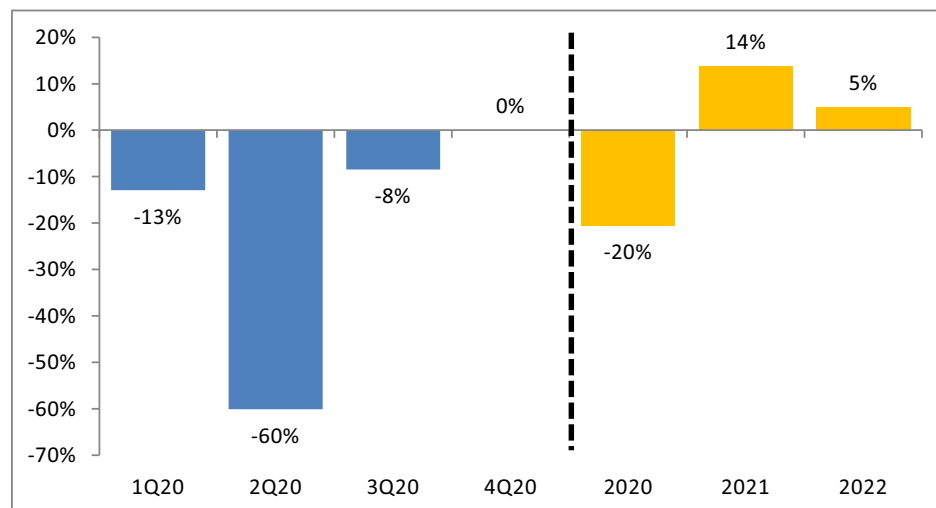
Source: Refinitiv, Morgan Stanley Research

## US Regional Gaming Market Outlook

**We forecast regional gaming revenue (GGR) to decline (20)% y/y in 2020 before increasing 14% y/y in 2021 and +5% y/y in 2022.** We expect 1Q revenue to decline (13)% y/y, with March down (45)% y/y following Jan-Feb growth of 7%. We expect 2Q GGR to decline (60)% with April down (80)% and May down (70)%, 3Q down (8)%, before 4Q recovers to flat y/y.

**After closures end, consistent with prior downturns, we expect regional casino markets to recover more quickly than Vegas.** The current environment is unprecedented with all commercial casinos in the US closed, and most (we think) will remain closed for a month (some states had originally cited 2 weeks only to increase the time). After reopening, operating headwinds will include social distancing implementation (fewer seats per table, every other slot shut off, etc.) and retirees (a key regional customer demographic) likely demonstrating more caution around entering crowded venues given disproportionate COVID-19 health risks. On the other hand, regional casinos are in local drive-to markets, so the cost of arrival is low, and we expect pent-up demand following stay-in-place orders. The continued roll-out of retail sports books at regional casinos should also provide support, provided sports games are back on.

**Exhibit 28:** We now forecast regional gaming GGR to decline (20)% y/y in 2020 before increasing 14% y/y in 2021

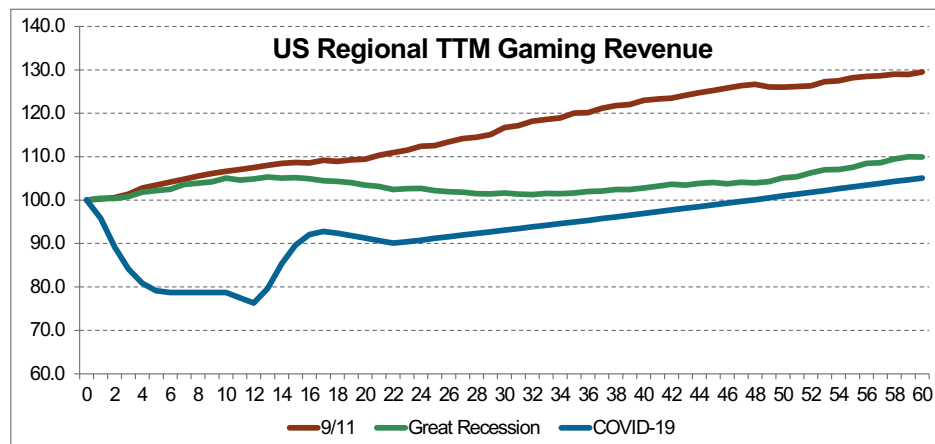


Source: State Filings, Company Filings, Morgan Stanley Research estimates

**We expect the regional recovery to be slower than prior downturns after 9/11 and the Great Recession as the industry is more mature and there will be unprecedented concerns around congregating in public.** For context, regional US gaming revenue was growing at a 6-8% rate prior to 9/11, decelerated to 3-4% in Sept-Oct 2001, before re-accelerating to prior growth rates in Nov 2001, suggesting a 3-4% impact for 2 months. During the great recession, TTM revenues declined 4%, but the industry at the time was still experiencing new market expansions. More mature markets such as MS and NJ saw ~20% declines, and same-store properties' EBITDAR declined 16% peak to trough, vs. Vegas assets' EBITDAR declined 46%. Given casinos are currently closed, which we

haven't seen in the past and social distancing concerns will likely stay in place, we model much steeper near-term declines, and though we expect a 2021 recovery, don't model TTM revenues reaching 2019 levels until early 2024.

**Exhibit 29:** TTM US Regional gaming revenue continued to grow post 9/11, decelerating just ~3.5%. During the great recession, TTM revenues declined 4%. Both periods were during expansion phases, with more mature markets like MS and NJ seeing ~20% declines

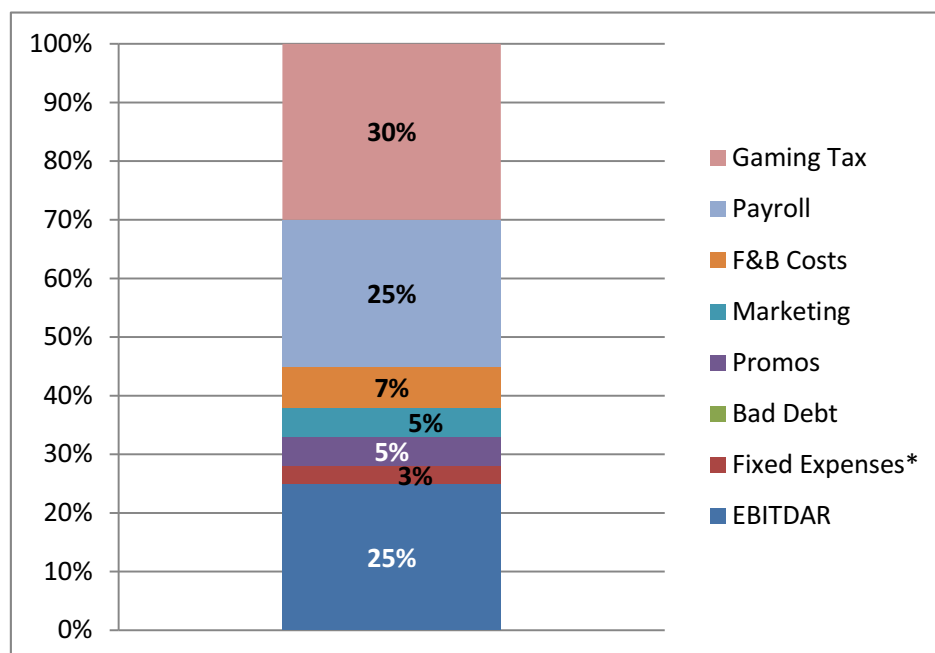


Source: State Filings, Morgan Stanley Research estimates

## Expense Outlook

**While a property's service level will dictate its cost base, we generally see ~30% average flow-through for regional casinos in the near-term due to operators' expense mitigation efforts.** With gaming taxes, promotions, marketing, and F&B costs almost purely variable, which together represented ~40% of gross revenue historically (and >50% of cost base), regional casinos should be able to limit losses. Operators have also announced significant furloughs/layoffs (e.g., PENN had to furlough 26k of 28k staff as of April 1, though health benefits are in place until June 30). Certain employees (some in security, surveillance, payroll, legal, FP&A) will likely remain on board, and unlike hotels, given much larger operations, we don't expect most casinos will be able to benefit from the CARES Act <500 employee forgivable loan program.

**Exhibit 30:** We estimate the average cost buckets of regional casinos as a % of gross casino revenue, based on state and company filings, and discussions with operators



Source: Company Filings, Morgan Stanley Research estimates  
\*Fixed Expenses includes property tax, insurance, and utilities

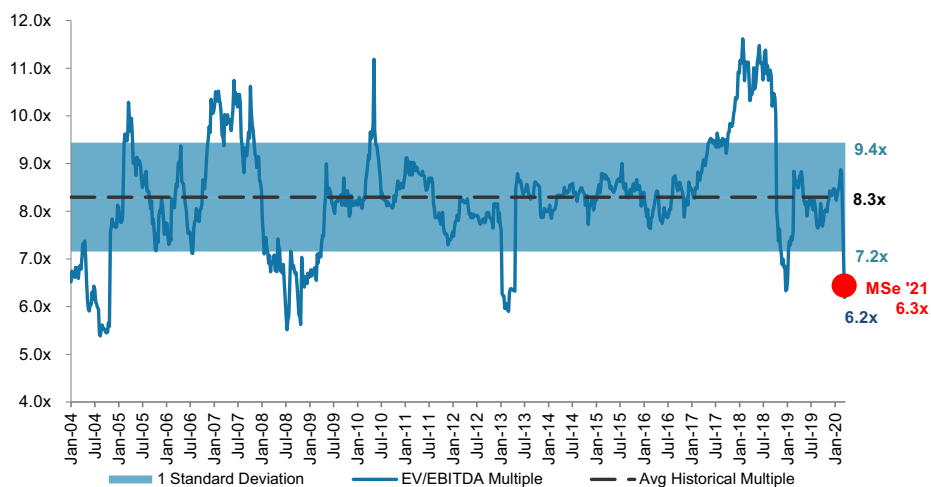
## Valuation

**We believe the pull-back in regional casino stocks is overdone, and see attractive entry points at current levels.**

The stocks have been among the hardest hit in recent weeks as investors have become more concerned around prolonged closures, high leverage, significant fixed obligations (i.e., rent, interest, brick-and-mortar operations), and limited liquidity runway. However, while regionals' liquidities are worse off than large cap gaming stocks (i.e., LVS, MGM, WYNN), we believe that through mitigation, PENN, BYD, and ERI could see revenue declines of almost 60% or greater and still be OK, even while using relatively conservative flow-through assumptions (see [Appendix](#)). To get into these positions, PENN announced on March 27 it will receive \$337.5m rent credits from GLPI in exchange for selling the real estate of Tropicana and a future casino in Morgantown, PA. BYD announced it was suspending its dividend and we expect cutting its capex to <\$50 million, similar to what it did during the great recession. News reports suggest CZR/ERI have also taken measures to cut costs. We believe all these measures will allow the gaming operators not to take government aid.

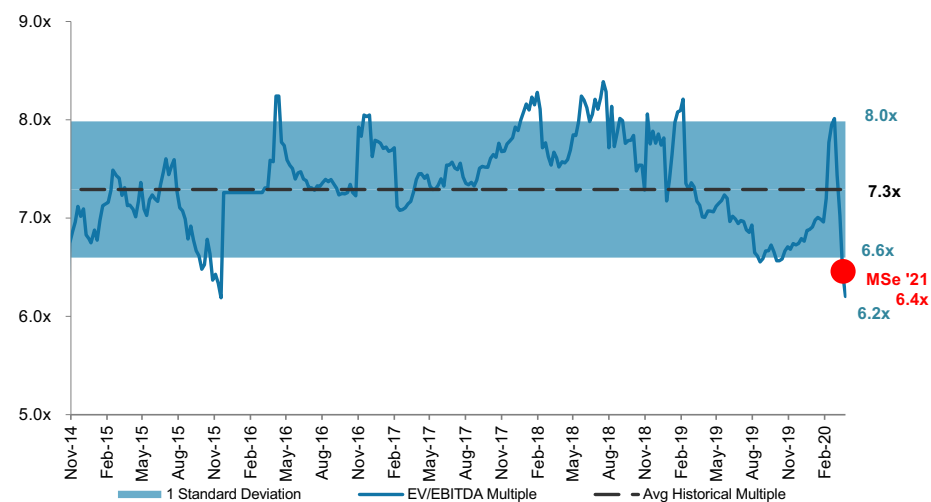
**With stocks trading more than one standard deviation below historical averages, on our lowered estimates, we see them as attractive. We reiterate our Overweight ratings on BYD, ERI, and PENN.**

**Exhibit 31:** BYD is trading near its trough historical NTM/EBITDA multiple based on consensus estimates



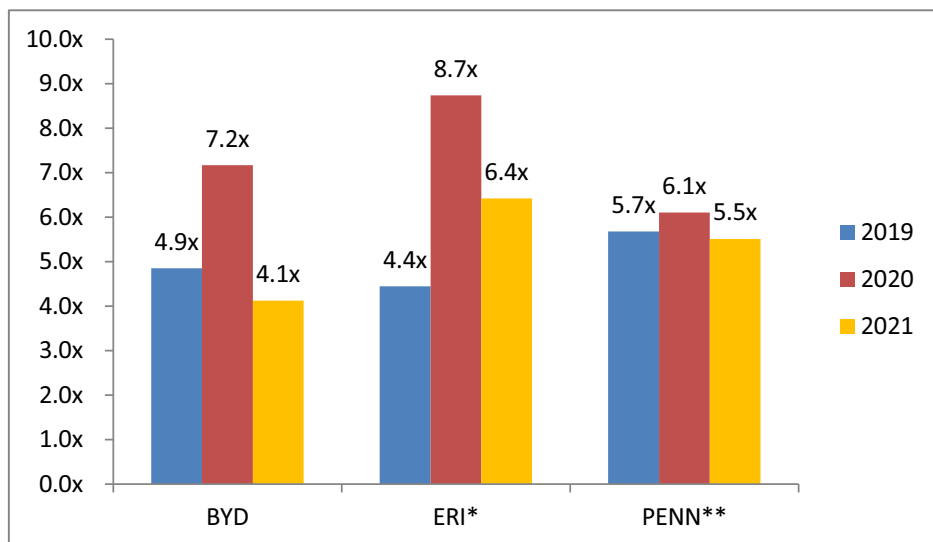
Source: Refinitiv, Morgan Stanley Research

**Exhibit 32:** PENN is trading near its trough historical NTM/EBITDA multiple based on consensus estimates



Source: Refinitiv, Morgan Stanley Research

**Exhibit 33:** Forecasted Regional Operators' lease-adj leverage to peak at 6-9x in 2020, but fall back to 4-6x levels originally expected in 2020 in 2021



Source: Company Filings, Morgan Stanley Research \*ERI includes \$500m synergies in 2020 and annualizes CZR contributions, PENN includes \$337.5m rent credits (capitalized at 8x) in 2020

**We see a potential short-term buying opportunity in CZR given we expect the pending merger with ERI to close.** CZR closed on Friday at \$6.85. Based on its agreed-upon sale to ERI, its implied value is \$10 (46% upside), including close to \$9/share in cash (with ticking fee). Based on our ERI price target of \$21, implied CZR value is \$11, suggesting 61% upside. We expect the deal may close later in 2Q vs. earlier given delays related to COVID-19; however, committed financing causes us to discount concerns that the deal won't close because of high leverage and heightened uncertainty on FCF due to COVID-19 which may [entice banks to back out of financing](#). If the deal were to break, we see CZR trading to \$4 (42% downside), which reflects a 6.8x '21 EBITDAR multiple (below the historical average 8-9x but in line with where peers are trading) and collection of \$837m termination fee from ERI. [News reports](#) indicate CZR notified NV state officials that 3,200 workers would lose their jobs four days before the state required it to close the casinos, which we believe suggests they were already implementing ERI's cost savings plan, suggesting the deal is more likely to go through. We believe mgmt at both ERI and CZR are committed to closing the pending transaction.

**Exhibit 34:** If the pending ERI/CZR merger closes June 1, we think CZR's stock is worth \$11/share based on our ERI price target and \$10 based on current ERI price. We would expect CZR to trade down to \$4 if the deal breaks

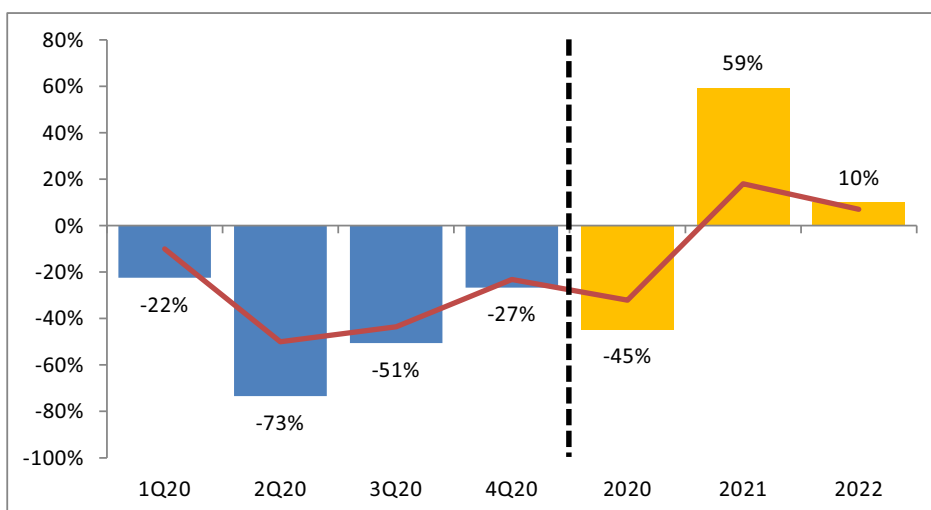
<b>Analysis of CZR Share Value</b>	
Cash per CZR share	\$8.40
Ticking Fee	\$0.23
Value of CZR shares per ERI share (PT)	\$1.89
Value of CZR shares per ERI Current Price	\$1.36
Conversion Ratio (ERI/CZR share)	0.0899
ERI Current Price Target	\$21.00
ERI Current Price	\$15.14
<b>CZR Price Based on ERI Price Target</b>	<b>\$11</b>
Accretion to CZR (Current)	61%
<b>CZR Price Based on ERI Current Price</b>	<b>\$10</b>
Accretion to CZR (Current)	46%
Base case CZR 2021e EBITDAR	\$2,050
Bear case target multiple	6.8x
EV	\$13,943
Standalone CZR 4Q20e net debt	(12,478)
Sports betting, Baltimore JV and CIP	\$729
Breakup fee	\$837
Pro forma market cap	\$3,031
<b>CZR Price Based on Deal Break</b>	<b>\$4</b>
CZR holder upside (Current)	-42%

Source: Company Filings, Refinitiv, Morgan Stanley Research estimates

## Cruise Market Outlook

**We forecast revenue for NCLH, our covered cruise stock, to fall (45)% in 2020, with 2Q20 down (73)% , 3Q down (51)% , and 4Q down (27)% , before rebounding +59% in 2021.** This includes both the impact of lower average utilization and pricing on ships, as well as reduced capacity. Just looking at organic ship revenue, we forecast net revenue yields falling (32)% in 2020 before rebounding 18% in 2021, but remaining below peak levels for at least the next 5 years.

**Exhibit 35:** We expect NCLH revenue to fall 45% in 2020, before rebounding 59% in 2021 but benefitting from supply coming back online. In terms of net revenue yields, we expect a 32% decline in 2020 followed by 18% growth in 2021



Source: Morgan Stanley Research

**In assessing our covered sectors, we expect the global coronavirus pandemic to have the most severe impact on Cruise.** The cruise industry has garnered significant negative media coverage since the outbreak of COVID-19 on the Diamond Princess in mid-February. The ship had 3,700 people in quarantine in Japan for two weeks, and >700 passengers ultimately tested positive. The press coverage that has followed has been intense, with numerous future examples of ships with COVID-19 on them and ships unable to dock at ports. This has all coincided with the industry's annual "wave season," which is the peak booking period. We believe that the spread of coronavirus will depress cruise demand more than our other covered travel sectors because: **1)** The virus has led the three major cruise operators to suspend sailings for 30+ days, the first halting in recent history; **2)** The US State Department and Centers for Disease Control has specifically warned travelers to refrain from cruising; **3)** Cruise passengers tend to skew toward an older demographic, which appears to be more vulnerable to the virus; and **4)** Recent channel checks reveal that cancellations have surged as bookings have sharply declined, despite cheaper rates. Given the severity of the impact and the uncertainty regarding the extent of federal relief, we expect a prolonged recovery.

**1) In an unprecedented step, NCLH and the cruise industry association (CLIA) announced on March 13th that all major cruise lines would halt sailings for 30 days.**

RCL's (covered by Jamie Rollo) brands have already extended their shutdowns into May, and given our Biotech analysts' and economists' base case assumptions that the virus will peak in April/May, we see a high likelihood that NCLH and CCL (also covered by Jamie Rollo) will follow suit. Canada has already suspended cruises until July. While the halts will be helpful to stop the spread of COVID-19, it will also highlight to consumers the potentially higher health risk on cruises.

**2) The US State Department and Centers for Disease Control (CDC) issued a joint statement advising travelers, especially those with underlying health conditions, to refrain from cruising.** The statement specifically mentioned that COVID-19 "appears to spread more easily between people in close quarters aboard ships." It went on to describe that countries have implemented screening procedures, denied ships port entry rights, and prevented passengers from disembarking (e.g., travelers on the *Costa Smeralda* in Rome, Royal Caribbean's *Anthem of the Seas* in Bayonne, and the *Norwegian Jewel* in Sydney). Though the statement acknowledged that the US government evacuated some cruise passengers in late February, it stated that "repatriation flights should not be relied upon as an option for US citizens under the potential risk of quarantine by local authorities."

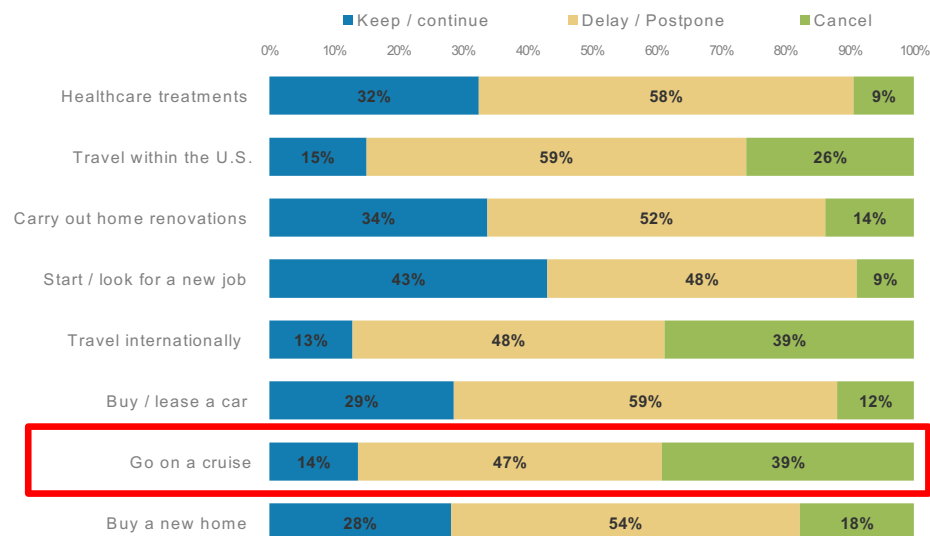
**3) Cruise passengers tend to skew towards an older demographic and COVID-19 appears to be more lethal for this segment of the population.** The average cruising age is 49 years old in the US, 56 in the UK, and 50 in Germany, but these figures include children, so the median is in fact higher. Studies have shown that ~1/3 of the industry's customers are >60. According to a study conducted by Chinese health officials, older individuals have experienced the highest fatality rate from coronavirus. Given that a typical cruise ship has several thousand passengers coming from various countries, who then interact for a couple of days or weeks, it is an environment hospitable to the transmission of disease. While guests disembark after their voyages, crews (which can number one thousand on a ship) tend to remain constant, so infected crew members could potentially spread the virus to the next group of passengers in an ongoing cycle.

**4) Recent channel checks reveal sharp upticks in cancellations as bookings sharply decline.** Comments from channel checks with travel agents in mid-March include the following: A) "Cancellations continue through the roof, because so many people are scared and now they can cancel and get a future cruise credit;" and B) "Our daily bookings year over year are down more than 50%. And since we were up 10% before the start of coronavirus, it's really a 60% drop." According to Cruise Week, cancellations have been up 35-45% over the last few weeks.

In addition, Morgan Stanley AlphaWise has been performing weekly surveys of ~2,000 US consumers, and found that 86% of travelers who had plans to go on a cruise had either cancelled (39%) or postponed (47%).

**Exhibit 36:** As of last week, 84% of survey respondents who had planned to take a cruise had either cancelled or postponed

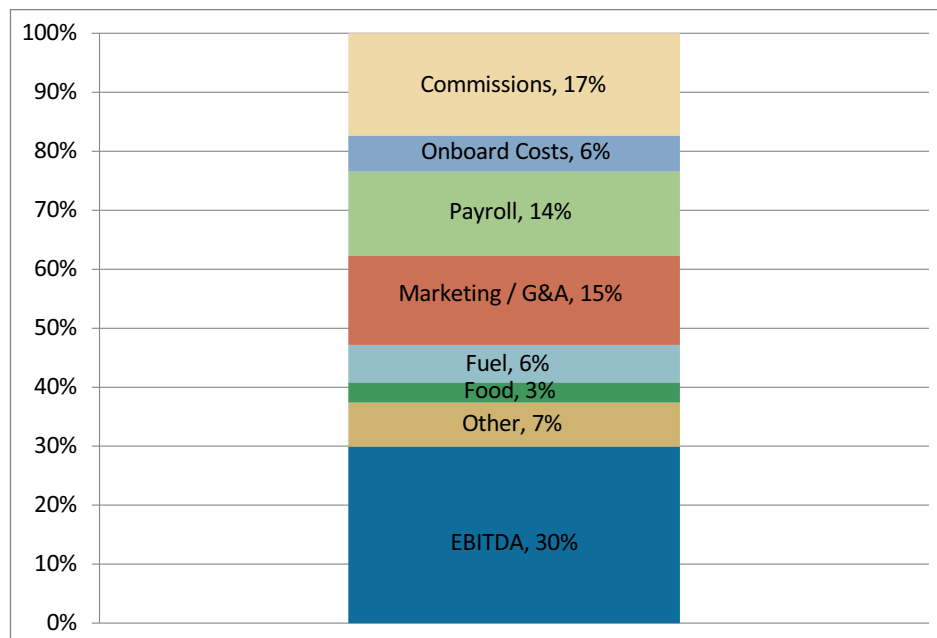
**Delay or Cancellation of Activities: Wave 2 (Among Intenders)**



Source: Morgan Stanley AlphaWise

**Expense Outlook**

**In order to mitigate the coronavirus impact, NCLH is working to reduce costs.** With cancelled sailings, certain costs will be almost all eliminated, such as food and fuel (represented ~14% of 2019 revenue). Similarly, marketing accounts for ~10% of revenue and we expect NCLH will cut it by ~50% for the year, and even more near-term. G&A (10% of revenue) likely can be cut 5-10% as well. However, Labor (~20% of revenue) and Other (~12%, includes insurance, repairs/maintenance, incl. dry docking) is more fixed given that for now the cruise lines have retained their staff on payroll. NCLH announced that through June 22, it would adopt 4-day work weeks for US shore-side teams, reduce pay by 20%, and remove 401(k) matches, which will help somewhat. On the FCF-side, we expect NCLH to lower maintenance capex for the year, likely by a couple \$100 million. As compared to peers, NCLH benefits from the lowest near-term capex needs having just received delivery of 2 ships and not expecting another delivery until 2022 (which may even give it some additional flexibility around capex).

**Exhibit 37:** NCLH's cost structure as a % of gross revenue

Source: Company Reports; Morgan Stanley Research

## Valuation

**We are downgrading NCLH to Equal-weight.** While we expect that cruise industry demand will eventually recover, as it has following previous periods of bad news (*Costa Concordia* crash, *Carnival Triumph* loss of power), we believe that the recovery will take some time and that the high operating leverage in the business model will mean significantly lower earnings for the foreseeable future. We forecast NCLH will lose \$(2.11) of adjusted EPS in 2020, compared to reported \$5.09 in 2019. We value the stock on 2021e EPS, which we expect to be \$0.94. Even putting a 15x multiple on our 2021e EPS (vs. 10x we valued the stock prior, 13x historical average, but this is the exception of us giving a higher multiple given how early cruise will be in its recovery) would imply just \$14/share when the stock is at \$12, not enough upside to warrant the risk.

**Our bull case assumes demand and pricing can recover next year, implies \$57/share, highlighting meaningful upside.** As outlined previously, the industry has bounced back from a number of high profile issues, and in fact net yields only fell ~10% after 9/11 and the great recession. Our bull case assumes yields come close to recovering back to 2019 levels in 2021, resulting in \$5.18 of EPS (NCLH originally guided 2020 to \$5.40-5.60 of EPS), using an 11x multiple (average since 2016), would imply \$57.

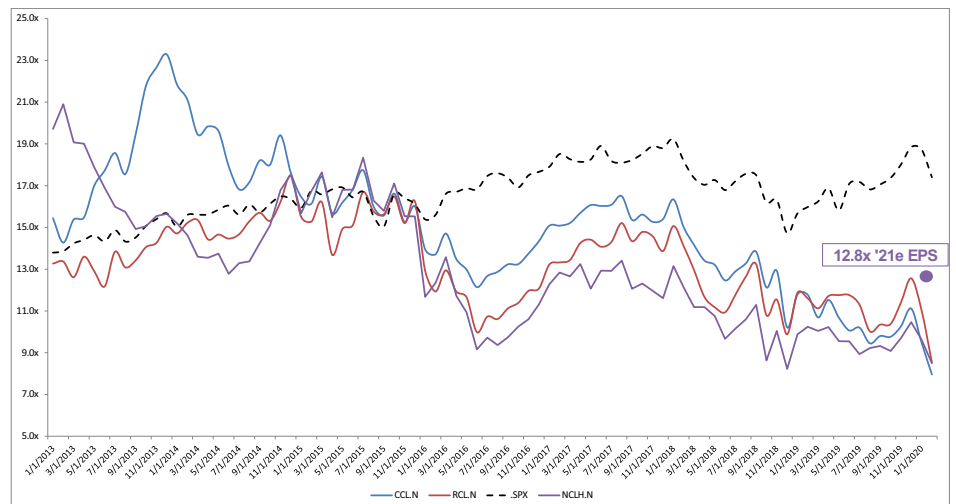
**However, our bear case which still assumes a recovery but yields 25% below 2019 peak in 2021 suggests just \$0.10 of EPS and \$1/share of value, highlighting meaningful downside.** With NCLH also in a more difficult liquidity position (which we analyzed [here](#)), given how severe the revenue declines could be, we see this as a realistic (or maybe even optimistic) downside case. There is a chance NCLH has to take funds from the gov't stimulus, which could have high interest rates or even include equity.

**NCLH's stock rose 118% from its lows on expectations of federal relief, but the \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (CARES Act) did not**

**mention the cruise industry by name.** In contrast, "air carriers" were mentioned 50 times. However, the CARES Act does include \$500 billion worth of loans, loan guarantees, and other investments for "distressed sectors," which could potentially refer to cruise. However, this issue is contentious given that cruise companies are incorporated outside the US (e.g., NCLH is incorporated in Bermuda), pay little in federal taxes, and have been criticized as environmentally hazardous. To offset the losses caused by suspended operations, working capital outflows, and refinancing needs, we estimate that the cruise companies, including NCLH, could need billions of dollars of cash.

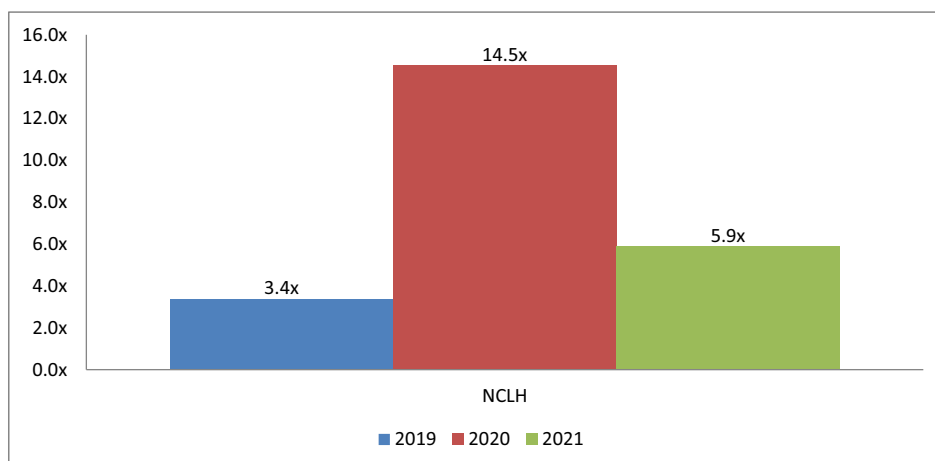
**Advance ticket sales liability could be a problem.** As of YE2019, NCLH had liabilities of \$1.96 billion related to customer deposits for future sailings. For all cancelled cruises, NCLH has offered customers the choice of either a 100% refund (paid up to 90 days after cancellation) or a 125% credit towards a future cruise. Using our AlphaWise survey as a baseline, if 39% of cruises are cancelled, would imply NCLH will have to pay out \$760 million in working capital. On March 9, NCLH changed to a cancellation policy for all sailings through September 30, 2020 where customers can cancel their cruise voyages up to 48 hours before their embarkations and receive a credit of 100% of the cruise fare paid, which can be applied to any future cruise through 2022. RCL's recent liquidity update suggested through capex spending and working capital, its liquidity position had fallen by ~\$600 million since the beginning of the year.

**Exhibit 38: NCLH is currently trading slightly below its long-term EPS average on our 2021e EPS**



Source: Refinitiv, Morgan Stanley Research

**Exhibit 39:** Our model suggests NCLH's leverage will reach 14.5x in 2020 with cancelled sailings, but revert to 6x in 2021



Source: Company Reports; Morgan Stanley Research Estimates

# Appendix

**Exhibit 40: Market Revenue Estimates Summary**

Market Estimates Summary	1Q20			2Q20			3Q20			4Q20			2020	2021	2022	2023	2024
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20					
<b>US RevPAR</b>	\$69	\$82	\$50	\$13	\$23	\$49	\$60	\$66	\$71	\$83	\$74	\$68	\$708	\$853	\$896	\$940	\$987
% Difference vs. 2019	2%	2%	-45%	-85%	-75%	-50%	-40%	-30%	-20%	-10%	-5%	-2%	-32%	-18%	-14%	-10%	-5%
YY Growth	2%	2%	-45%	-85%	-75%	-50%	-40%	-30%	-20%	-10%	-5%	-2%					
Quarterly YY Growth			-16%														
Annual YY Growth													-32%	20%	5%	5%	5%
<b>LV Strip Revenue (\$m)</b>	\$572	\$596	\$276	\$48	\$129	\$277	\$325	\$364	\$467	\$485	\$487	\$574	\$4,602	\$5,521	\$5,797	\$6,087	\$6,391
% Difference vs. 2019	7%	1%	-50%	-90%	-75%	-55%	-40%	-30%	-20%	-10%	-6%	-3%	-30%	-16%	-12%	-8%	-4%
YY Growth	7%	1%	-50%	-90%	-75%	-55%	-40%	-30%	-20%	-10%	-6%	-3%					
Quarterly YY Growth			-14%														
Annual YY Growth													-30%	20%	5%	5%	5%
<b>Regional Revenue (\$m)</b>	\$2,505	\$2,577	\$1,618	\$516	\$810	\$1,819	\$2,145	\$2,616	\$2,535	\$2,503	\$2,557	\$2,630	\$24,830	\$28,215	\$29,626	\$31,107	\$32,663
% Difference vs. 2019	8%	6%	-45%	-80%	-70%	-30%	-20%	-5%	0%	0%	0%	0%	-20%	-10%	-5%	-1%	3%
YY Growth	8%	6%	-45%	-80%	-70%	-30%	-20%	-5%	0%	0%	0%	0%					
Quarterly YY Growth			-13%														
Annual YY Growth													-20%	14%	5%	5%	5%
<b>Macau Revenue (m, MOP)</b>	\$22,124	\$3,095	\$5,581	\$8,374	\$10,900	\$13,073	\$19,611	\$20,113	\$18,281	\$24,856	\$21,459	\$22,518	\$189,986	\$265,110	\$304,876	\$350,607	\$403,199
% Difference vs. 2019	-11%	-88%	-78%	-65%	-58%	-45%	-20%	-17%	-17%	-6%	-6%	-1%	-35%	-9%	4%	21%	51%
YY Growth	-11%	-88%	-78%	-65%	-58%	-45%	-20%	-17%	-17%	-6%	-6%	-1%					
Quarterly YY Growth			-60%														
Annual YY Growth													-35%	40%	15%	15%	15%

Source: Company Filings, State Filings, DICJ, DSEC, Morgan Stanley Research Estimates

**Exhibit 41: ERI can withstand a close to 70% revenue decline in 2020, on our estimates, if it cuts its previously expected capex by 75%, crediting it for committed financing from banks and synergies**

	2019	2020e	2020e	2020e	2020e	2020e	2020e
<b>Drop in Vegas revenue @ 70% flow-through</b>		-5%	-10%	-20%	-30%	-40%	-50%
<b>Drop in NV (non-Vegas) revenue @ 60% flow-through</b>		-5%	-10%	-20%	-30%	-40%	-50%
<b>Drop in Regional revenue @ 50% flow-through</b>		-5%	-10%	-20%	-30%	-40%	-50%
<b>EBITDAR</b>	3,414	3,092	2,769	2,124	1,478	833	188
Interest		(775)	(775)	(775)	(775)	(775)	(775)
Rent		(1,159)	(1,159)	(1,159)	(1,159)	(1,159)	(1,159)
<b>FCF</b>		1,158	836	190	(455)	(1,101)	(1,746)
PF cash (\$500m sale proceeds - \$500m cage cash)		1,051	1,051	1,051	1,051	1,051	1,051
Revolver availability		2,000	2,000	2,000	2,000	2,000	2,000
<b>Liquidity</b>		3,051	3,051	3,051	3,051	3,051	3,051
<b>Total cash inc FCF</b>		4,210	3,887	3,241	2,596	1,951	1,305
Capex		(163)	(163)	(163)	(163)	(163)	(163)
Scheduled debt repayment		-	-	-	-	-	-
Dividend		-	-	-	-	-	-
<b>Total committed outflow</b>		(163)	(163)	(163)	(163)	(163)	(163)
Cash buffer		4,047	3,724	3,079	2,434	1,788	1,143
Cash buffer ex divi		4,047	3,724	3,079	2,434	1,788	1,143
<b>Min EBITDA</b>		(955)	(955)	(955)	(955)	(955)	(955)
<b>Revenue drop to cause liquidity issue</b>		-68%	-68%	-68%	-68%	-68%	-68%

Source: Company Filings, Morgan Stanley Research estimates

**Exhibit 42:** PENN can now withstand a close to 60% revenue decline in 2020 with just its existing liquidity, on our estimates

	2019	2020e	2020e	2020e	2020e	2020e	2020e
Drop in Vegas revenue @ 70% flow-through		-5%	-10%	-20%	-30%	-40%	-50%
Drop in NV (non-Vegas) revenue @ 60% flow-through		-5%	-10%	-20%	-30%	-40%	-50%
Drop in Regional revenue @ 50% flow-through		-5%	-10%	-20%	-30%	-40%	-50%
EBITDAR	1,605	1,469	1,333	1,062	790	518	246
Interest		(103)	(103)	(103)	(103)	(103)	(103)
Rent		(566)	(566)	(566)	(566)	(566)	(566)
FCF		801	665	393	121	(150)	(422)
Prior Year End Cash (-\$100m cage cash)		732	732	732	732	732	732
Revolver availability		-	-	-	-	-	-
Liquidity		732	732	732	732	732	732
Total cash inc FCF		1,533	1,397	1,125	854	582	310
Maintenance Capex		(50)	(50)	(50)	(50)	(50)	(50)
Growth Capex		(37)	(37)	(37)	(37)	(37)	(37)
Scheduled debt repayment		(63)	(63)	(63)	(63)	(63)	(63)
Dividend		-	-	-	-	-	-
Total committed outflow		(150)	(150)	(150)	(150)	(150)	(150)
Cash buffer		1,383	1,247	976	704	432	160
Cash buffer ex divi		1,383	1,247	976	704	432	160
Min EBITDAR		86	86	86	86	86	86
<b>Revenue drop to cause liquidity issue</b>		<b>-56%</b>	<b>-56%</b>	<b>-56%</b>	<b>-56%</b>	<b>-56%</b>	<b>-56%</b>

Source: Company Filings, Morgan Stanley Research estimates

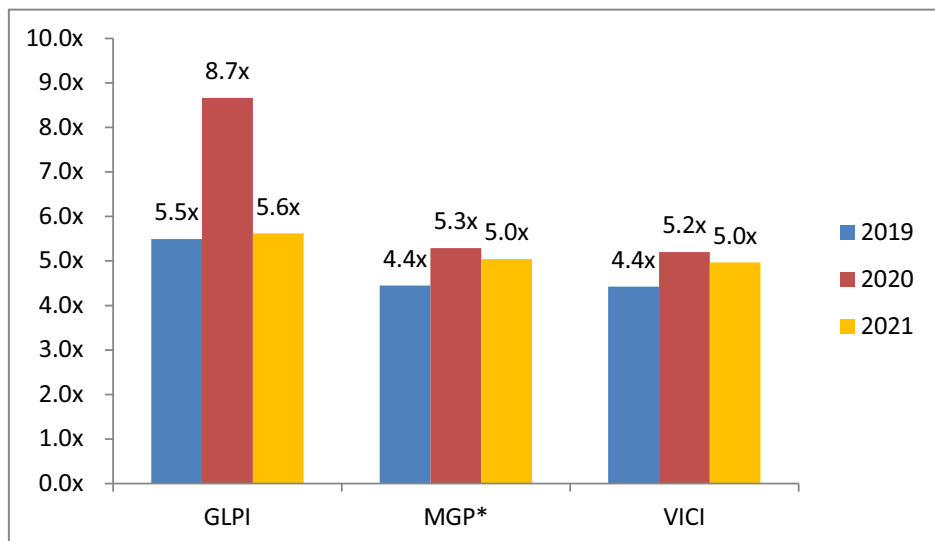
**Exhibit 43:** BYD can now withstand a close to 70% revenue decline in 2020 with just its existing liquidity, on our estimates

	2019	2020e	2020e	2020e	2020e	2020e	2020e
Drop in NV (non-Vegas) revenue @ 70% flow-through		-5%	-10%	-20%	-30%	-40%	-50%
Drop in Regional revenue @ 50% flow-through		-5%	-10%	-20%	-30%	-40%	-50%
EBITDAR	897	802	708	519	329	140	(49)
Interest		(198)	(198)	(198)	(198)	(198)	(198)
Rent		(104)	(104)	(104)	(104)	(104)	(104)
FCF		500	405	216	27	(162)	(351)
Prior Year End Cash (-\$100m cage cash)		810	810	810	810	810	810
Revolver availability		-	-	-	-	-	-
Liquidity		810	810	810	810	810	810
Total cash inc FCF		1,310	1,215	1,026	837	648	459
Maintenance Capex		(30)	(30)	(30)	(30)	(30)	(30)
Growth Capex		(80)	(80)	(80)	(80)	(80)	(80)
Scheduled debt repayment		-	-	-	-	-	-
Dividend		(8)	(8)	(8)	(8)	(8)	(8)
Total committed outflow		(118)	(118)	(118)	(118)	(118)	(118)
Cash buffer		1,192	1,097	908	719	530	341
Cash buffer ex divi		1,200	1,105	916	727	538	349
Min EBITDAR		(398)	(398)	(398)	(398)	(398)	(398)
<b>Revenue drop to cause liquidity issue</b>		<b>-68%</b>	<b>-68%</b>	<b>-68%</b>	<b>-68%</b>	<b>-68%</b>	<b>-68%</b>

Source: Company Filings, Morgan Stanley Research estimates



**Exhibit 46:** Forecasted Gaming REIT Leverage



Source: Refinitiv; Morgan Stanley Research \*GLPI 2020 calculation deducts \$337.5m in rent assuming PENN exercises credits, MGP calculations pro rata for JV Ownership and assumes \$1.4B OP unit redemption by MGM in 2020

# Boyd Gaming Corporation Model

**Exhibit 47: Income Statement**

INCOME STATEMENT	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>															
Las Vegas Locals	\$647.9	\$868.4	\$873.5	\$222.9	\$220.9	\$213.3	\$223.9	\$880.9	\$196.1	\$88.4	\$160.0	\$212.7	\$657.1	\$768.8	\$807.3
Downtown LV	236.4	244.4	248.1	63.0	64.5	60.6	69.6	257.7	55.5	25.8	45.5	73.0	199.7	233.7	245.4
Regionals (Midwest & South)	1,299.7	1,288.0	1,505.1	541.4	590.7	545.7	539.7	2,187.5	476.6	225.4	505.0	534.8	1,741.7	1,986.8	2,092.0
<b>Total Net Revenue</b>	<b>\$2,184.0</b>	<b>\$2,400.8</b>	<b>\$2,626.7</b>	<b>\$827.3</b>	<b>\$846.1</b>	<b>\$819.6</b>	<b>\$833.1</b>	<b>\$3,326.1</b>	<b>\$728.2</b>	<b>\$339.5</b>	<b>\$710.4</b>	<b>\$820.4</b>	<b>\$2,598.6</b>	<b>\$2,969.4</b>	<b>\$3,144.7</b>
<i>% y/y growth (ex Borgata)</i>	-0.7%	9.9%	9.4%	36.5%	37.2%	33.9%	3.2%	26.0%	-12.0%	-59.9%	-13.3%	-1.3%	-21.9%	15.0%	5.2%
Las Vegas Locals	\$176.4	\$249.9	\$274.3	\$74.2	\$71.4	\$64.1	\$73.3	\$283.0	\$57.9	\$21.1	\$40.6	\$68.1	\$187.7	\$252.5	\$275.4
Downtown LV	52.4	54.6	56.5	15.0	15.9	11.9	19.6	62.4	10.3	1.5	5.3	21.6	38.7	61.4	68.7
Regionals (Midwest & South)	367.4	364.5	432.4	156.5	165.1	156.2	157.4	635.2	119.9	32.4	137.5	155.4	445.1	573.4	629.0
<b>Total Property EBITDAR</b>	<b>\$618.9</b>	<b>\$669.0</b>	<b>\$763.2</b>	<b>\$245.7</b>	<b>\$252.4</b>	<b>\$232.2</b>	<b>\$250.3</b>	<b>\$980.6</b>	<b>\$188.1</b>	<b>\$55.0</b>	<b>\$183.4</b>	<b>\$245.1</b>	<b>\$671.5</b>	<b>\$887.3</b>	<b>\$973.2</b>
<i>% Margin</i>	28.3%	27.9%	29.1%	29.7%	29.8%	28.3%	30.0%	29.5%	25.8%	16.2%	25.8%	29.9%	25.8%	29.7%	30.9%
<i>% Margin - Wholly-owned</i>	27.3%	27.9%	29.1%	29.7%	29.8%	28.3%	30.0%	29.5%	25.8%	16.2%	25.8%	29.9%	25.8%	29.7%	30.9%
Corporate Expense	(59.9)	(73.0)	(61.9)	(22.7)	(19.8)	(18.7)	(22.8)	(63.9)	(28.0)	(15.0)	(17.5)	(22.8)	(63.3)	(69.9)	(92.6)
<b>Total Consolidated EBITDAR</b>	<b>\$559.0</b>	<b>\$595.9</b>	<b>\$681.3</b>	<b>\$223.0</b>	<b>\$232.6</b>	<b>\$213.5</b>	<b>\$227.6</b>	<b>\$916.7</b>	<b>\$160.1</b>	<b>\$40.0</b>	<b>\$165.9</b>	<b>\$222.3</b>	<b>\$608.3</b>	<b>\$797.3</b>	<b>\$880.6</b>
<i>% Margin</i>	25.6%	24.8%	25.9%	27.0%	27.5%	26.1%	27.3%	27.0%	22.0%	11.8%	23.3%	27.1%	22.6%	28.7%	28.0%
<i>% Growth (y-o-y)</i>	-11.2%	6.6%	14.3%	39.0%	42.3%	43.5%	9.1%	31.6%	-28.2%	-82.8%	-22.3%	-2.3%	-34.4%	35.5%	10.4%
Guidance: Adjusted EBITDAR post Borgata deconsolidation	\$530-538	\$585-605	\$660-675					\$885-910					\$915-935		
Memo: Adjusted EBITDA ex-acquisitions			\$633.0	\$163.5	\$165.8	\$151.4	\$166.3	\$647.0	\$106.1	\$13.2	\$107.9	\$160.8	\$388.0		
Stock based compensation	15.5	17.4	25.4	9.7	8.2	3.6	3.8	25.2	9.7	8.2	3.6	3.8	25.2	25.2	25.2
Operating lease			20.7	24.0	24.4	24.7	24.7	97.7	24.7	25.5	26.8	26.8	103.6	105.7	107.9
Deferred rent expense	3.3	1.3	1.1	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	1.0	1.0
Depreciation and amortization	196.2	217.5	230.0	67.3	68.1	65.1	76.2	276.6	70.3	71.1	68.1	79.2	288.6	288.6	288.6
BYD Share of Borgata opex (D&A and 1x items)	3.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Income</b>	<b>\$340.2</b>	<b>\$389.7</b>	<b>\$404.1</b>	<b>\$121.9</b>	<b>\$131.7</b>	<b>\$119.9</b>	<b>\$122.7</b>	<b>\$496.2</b>	<b>\$55.2</b>	<b>(\$64.9)</b>	<b>\$67.2</b>	<b>\$112.4</b>	<b>\$169.9</b>	<b>\$376.9</b>	<b>\$457.9</b>
<i>% Margin</i>	15.6%	15.0%	15.4%	14.7%	15.6%	14.6%	14.7%	14.9%	7.6%	-19.1%	9.5%	13.7%	6.5%	12.6%	14.6%
Interest expense	(209.7)	(171.3)	(200.5)	(61.2)	(60.4)	(59.2)	(54.7)	(235.6)	(50.0)	(47.2)	(45.2)	(45.2)	(187.6)	(193.7)	(193.4)
Operating income from Borgata															
Non-operating expenses from Borgata (interest expense)	(7.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preopening expenses & one-time items	(103.6)	(17.3)	(48.7)	(4.3)	(5.1)	(6.9)	(42.2)	(58.5)	(5.0)	(5.0)	(5.0)	(5.0)	(20.0)	(20.0)	(20.0)
<b>Pre-Tax Income</b>	<b>\$19.6</b>	<b>\$171.1</b>	<b>\$155.0</b>	<b>\$56.287</b>	<b>\$66.2</b>	<b>\$53.8</b>	<b>\$25.8</b>	<b>\$202.1</b>	<b>\$0.2</b>	<b>(\$117.1)</b>	<b>\$17.0</b>	<b>\$62.2</b>	<b>(\$37.7)</b>	<b>\$163.2</b>	<b>\$244.6</b>
Tax benefit (expense)	197.5	(3.1)	(40.3)	(10.8)	(17.7)	(14.4)	(1.5)	(44.5)	(0.0)	30.4	(4.4)	(16.2)	9.8	(42.4)	(63.6)
<b>Net Income</b>	<b>\$217.1</b>	<b>\$168.0</b>	<b>\$114.7</b>	<b>\$45.5</b>	<b>\$48.5</b>	<b>\$39.4</b>	<b>\$24.3</b>	<b>\$157.6</b>	<b>\$0.1</b>	<b>(\$86.7)</b>	<b>\$12.6</b>	<b>\$46.0</b>	<b>(\$27.9)</b>	<b>\$120.7</b>	<b>\$181.0</b>
Noncontrolling interest															
<b>Net Income to BYD</b>	<b>\$217.1</b>	<b>\$168.0</b>	<b>\$114.7</b>	<b>\$45.5</b>	<b>\$48.5</b>	<b>\$39.4</b>	<b>\$24.3</b>	<b>\$157.6</b>	<b>\$0.1</b>	<b>(\$86.7)</b>	<b>\$12.6</b>	<b>\$46.0</b>	<b>(\$27.9)</b>	<b>\$120.7</b>	<b>\$181.0</b>
Plus: Non-Recurring Items	(104.1)	(49.0)	38.2	3.4	4.0	5.4	33.1	46.0	5.0	5.0	5.0	5.0	20.0	20.0	20.0
<b>Recurring Net Income to BYD</b>	<b>\$113.0</b>	<b>\$119.0</b>	<b>\$152.9</b>	<b>\$48.9</b>	<b>\$52.5</b>	<b>\$44.8</b>	<b>\$57.4</b>	<b>\$203.6</b>	<b>\$5.1</b>	<b>(\$81.7)</b>	<b>\$17.6</b>	<b>\$51.0</b>	<b>(\$7.9)</b>	<b>\$140.7</b>	<b>\$201.0</b>
Earnings per Share - Basic	\$1.88	\$1.46	\$1.00	\$0.40	\$0.43	\$0.35	\$0.21	\$1.39	\$0.00	(\$0.76)	\$0.11	\$0.41	(\$0.25)	\$1.06	\$1.59
Earnings per Share - Diluted	\$1.88	\$1.45	\$1.00	\$0.40	\$0.43	\$0.35	\$0.21	\$1.38	\$0.00	(\$0.76)	\$0.11	\$0.40	(\$0.24)	\$1.06	\$1.59
Recurring Earnings per Share - Basic	\$0.98	\$1.03	\$1.34	\$0.43	\$0.46	\$0.40	\$0.50	\$1.79	\$0.05	(\$0.72)	\$0.15	\$0.45	(\$0.07)	\$1.24	\$1.77
Recurring Earnings per Share - Diluted	\$0.98	\$1.03	\$1.33	\$0.43	\$0.46	\$0.39	\$0.50	\$1.79	\$0.04	(\$0.72)	\$0.15	\$0.45	(\$0.07)	\$1.23	\$1.76

Source: Company Filings, Morgan Stanley Research estimates

**Exhibit 48: Cash Flow Statement**

CASH FLOW STATEMENT (\$ in millions)	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>															
Net income	205.5	\$168.0	\$114.7	\$45.5	\$48.5	\$39.4	\$24.3	\$157.6	\$0.1	(\$86.7)	\$12.6	\$46.0	(\$27.9)	\$120.7	\$181.0
Depreciation & amortization	196.2	217.5	230.0	67.3	68.1	65.1	76.2	276.6	70.3	71.1	68.1	79.2	288.6	288.6	288.6
Net loss/(income) in Borgata	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution received from Borgata	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset writedowns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Working Capital:															
Accounts receivable, net	0.0	(9.9)	(0.8)	(4.2)	(2.5)	10.4	-	3.7	-	-	-	-	-	-	-
Inventories	0.9	0.6	1.7	1.7	(1.9)	0.2	-	0.0	-	-	-	-	-	-	-
Prepaid expenses and other	1.7	5.0	4.2	(4.2)	3.6	(9.9)	1.5	(8.9)	0.0	-	4.4	16.2	20.6	42.4	63.6
Liabilities	3.9	4.0	18.3	36.4	(60.2)	10.7	-	(13.1)	-	-	-	-	-	-	-
Deferred income taxes	(177.1)	5.1	34.5	9.9	16.5	13.8	-	40.3	-	-	-	-	-	-	-
Amortization of financing fees	17.7	16.8	9.2	2.3	2.3	2.3	2.3	9.3	2.3	2.3	2.3	2.3	9.2	9.2	9.2
Stock based compensation	15.5	17.4	25.4	9.7	8.2	3.6	3.8	25.2	9.7	8.2	3.6	3.8	25.2	25.2	25.2
Restricted cash adjustment	-	-	(0.6)	(1.2)	17.6	-	-	16.5	-	-	-	-	-	-	-
Tax benefit from stock options exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	38.6	(10.1)	(1.1)	(0.3)	1.1	13.0	-	13.8	-	-	-	-	-	-	-
<b>Cash from operating activities</b>	<b>302.9</b>	<b>414.4</b>	<b>435.4</b>	<b>162.9</b>	<b>101.4</b>	<b>148.5</b>	<b>108.1</b>	<b>520.9</b>	<b>82.4</b>	<b>(5.2)</b>	<b>91.0</b>	<b>147.4</b>	<b>315.7</b>	<b>486.1</b>	<b>567.5</b>
<b>Cash Flows from Investing Activities</b>															
Acquisitions / dispositions	(592.7)	(1.2)	(934.1)	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditures	(160.4)	(190.5)	(161.5)	(89.3)	(36.8)	(40.6)	(40.5)	(207.3)	(42.5)	(5.0)	(5.0)	(55.0)	(107.5)	(235.0)	(195.0)
Investments in unconsolidated subs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	14.2	1.8	(39.7)	(11.9)	(16.9)	-	-	(28.8)	-	-	-	-	-	-	-
<b>Cash from Investing Activities</b>	<b>(738.9)</b>	<b>(189.8)</b>	<b>(1,135.3)</b>	<b>(101.2)</b>	<b>(53.7)</b>	<b>(40.6)</b>	<b>(40.5)</b>	<b>(236.1)</b>	<b>(42.5)</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>(55.0)</b>	<b>(107.5)</b>	<b>(235.0)</b>	<b>(195.0)</b>
<b>Cash from Financing Activities</b>															
Proceeds (Payments) on LT debt	660.1	(161.5)	850.3	(32.0)	(43.0)	(104.0)	29.3	(149.8)	178.1	(3.1)	(3.1)	(3.1)	168.7	(12.5)	(12.5)
Issuance / (repurchase) of stock	-	(31.9)	(59.6)	(21.7)	(6.1)	(0.3)	-	(28.0)	-	-	-	-	-	-	-
Cash dividends	-	(11.3)	(27.7)	(6.7)	(6.7)	(7.8)	(8.0)	(29.1)	(8.0)	-	-	-	(8.0)	(31.8)	(31.8)
Other	(759.3)	(10.6)	(16.7)	(3.0)	(0.1)	(0.2)	(73.9)	(77.3)	-	-	-	-	-	-	-
<b>Cash from financing activities</b>	<b>(99.2)</b>	<b>(215.3)</b>	<b>746.2</b>	<b>(63.4)</b>	<b>(56.0)</b>	<b>(112.2)</b>	<b>(52.6)</b>	<b>(284.2)</b>	<b>170.1</b>	<b>(3.1)</b>	<b>(3.1)</b>	<b>(3.1)</b>	<b>160.8</b>	<b>(44.3)</b>	<b>(44.3)</b>
Net Increase in Cash & Equivalents	35.0	9.2	46.3	(1.7)	(8.3)	(4.3)	14.9	0.6	210.1	(13.3)	82.8	89.3	368.9	206.8	328.2
Cash & Equivalents - Beginning	158.8	193.9	203.1	249.4	247.7	239.4	235.1	249.4	250.0	460.1	446.8	529.6	250.0	618.9	825.7
<b>Cash &amp; Equivalents - Ending</b>	<b>\$193.9</b>	<b>\$203.1</b>													

Exhibit 49: Balance Sheet

BALANCE SHEET (\$ in millions)	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>															
Cash and cash equivalents	\$193.9	\$203.1	\$249.4	\$247.7	\$239.4	\$235.1	\$250.0	\$250.0	\$460.1	\$446.8	\$529.6	\$618.9	\$618.9	\$825.7	\$1,153.9
Restricted cash	16.5	24.2	23.8	25.0	23.7	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4
Accounts receivable, net	30.4	40.3	54.7	58.9	61.2	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
Inventories	18.6	18.0	20.6	18.9	20.2	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1
Prepaid expenses and other	46.2	37.9	45.8	46.8	45.7	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes receivable / deferred	2.4	5.2	5.5	5.5	6.6	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
<b>Total Current Assets</b>	<b>307.9</b>	<b>328.7</b>	<b>399.8</b>	<b>402.7</b>	<b>396.8</b>	<b>393.7</b>	<b>408.6</b>	<b>408.6</b>	<b>618.6</b>	<b>605.4</b>	<b>688.2</b>	<b>777.5</b>	<b>777.5</b>	<b>984.3</b>	<b>1,312.5</b>
Gross PP&E	4,736.9	4,840.2	5,836.8	5,926.1	5,963.0	6,003.6	6,044.1	6,044.1	6,086.6	6,091.6	6,096.6	6,151.6	6,151.6	6,386.6	6,581.6
Accumulated depreciation	(2,131.8)	(2,300.5)	(3,120.7)	(3,183.2)	(3,236.4)	(3,301.8)	(3,377.9)	(3,377.9)	(3,448.2)	(3,519.2)	(3,587.3)	(3,666.5)	(3,666.5)	(3,955.1)	(4,243.6)
<b>Net PP&amp;E</b>	<b>2,605.2</b>	<b>2,539.8</b>	<b>2,716.1</b>	<b>2,742.9</b>	<b>2,726.6</b>	<b>2,701.8</b>	<b>2,666.2</b>	<b>2,666.2</b>	<b>2,638.4</b>	<b>2,572.4</b>	<b>2,509.3</b>	<b>2,485.1</b>	<b>2,485.1</b>	<b>2,431.5</b>	<b>2,338.0</b>
Investments in unconsol subs, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets, net	49.2	86.3	111.8	1,040.5	1,050.1	1,017.1	1,017.1	1,017.1	1,017.1	1,017.1	1,017.1	1,017.1	1,017.1	1,017.1	1,017.1
Intangible assets and goodwill, net	1,708.4	1,731.2	2,528.8	2,529.5	2,537.0	2,565.5	2,561.7	2,561.7	2,559.3	2,557.0	2,550.3	2,531.9	2,531.9	2,480.3	2,407.5
<b>Total Assets</b>	<b>4,670.8</b>	<b>4,685.9</b>	<b>5,756.3</b>	<b>6,715.6</b>	<b>6,710.5</b>	<b>6,678.1</b>	<b>6,653.5</b>	<b>6,653.5</b>	<b>6,833.5</b>	<b>6,751.9</b>	<b>6,764.9</b>	<b>6,811.6</b>	<b>6,811.6</b>	<b>6,913.2</b>	<b>7,075.1</b>
<b>Liabilities</b>															
Accounts payable	84.1	106.3	111.2	119.5	99.8	87.3	87.3	87.3	87.3	87.3	87.3	87.3	87.3	87.3	87.3
Construction payables	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Accrued liabilities and other	281.4	273.0	358.5	441.3	431.0	467.0	467.0	467.0	467.0	467.0	467.0	467.0	467.0	467.0	467.0
<b>Total current liabilities</b>	<b>365.5</b>	<b>379.3</b>	<b>469.7</b>	<b>560.8</b>	<b>530.8</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>	<b>554.3</b>
<b>Long-Term Debt</b>															
Revolving Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extended Revolving Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incremental Term Loan	46.1	70.1	50.3	30.0	38.6	31.3	31.3	31.3	54.9	54.9	54.9	54.9	54.9	54.9	54.9
\$775m Revolving Credit Facility	245.0	170.0	320.0	315.0	320.0	265.0	47.4	47.4	205.0	205.0	205.0	205.0	205.0	205.0	205.0
\$250m Term Loan A due 2018	222.2	210.9	248.4	244.8	241.3	237.8	234.7	234.7	231.6	228.4	225.3	222.2	222.2	209.7	197.2
\$1.0B Term Loan B due 2020	271.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1.0B Term Loan B2	997.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1.265B Term Loan B due 2023	-	1,170.0	1,152.7	1,149.5	1,096.4	1,058.2	1,058.2	1,058.2	1,058.2	1,058.2	1,058.2	1,058.2	1,058.2	1,058.2	1,058.2
6.75% Senior Subordinated Notes due 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.125% Senior Subordinated Notes due 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.125% Senior Subordinated Notes due 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.0% Senior Subordinated Notes due 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.875% Senior Notes due 2023	750.0	750.0	750.0	750.0	750.0	750.0	-	-	-	-	-	-	-	-	-
4.750% Senior Notes due 2027	-	-	-	-	-	-	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Belterra Park loan from GLPI	-	-	57.7	57.0	58.7	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4
Borgata	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized Discounts / Fees (Current maturities)	(53.7)	(45.7)	(49.7)	(46.9)	(48.6)	(42.9)	(42.9)	(42.9)	(42.9)	(42.9)	(42.9)	(42.9)	(42.9)	(42.9)	(42.9)
\$825M Peninsula Term Loan due 11/2017	(30.3)	(24.0)	(24.2)	(27.0)	(24.2)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)
\$50M Peninsula Revolver due 11/2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.375% senior notes due 2018 (acquisition financing)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.375% senior notes due 2026	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0
HoldCo Promissory Note	0.6	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-
6.000% Senior Notes Due 2026	-	-	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0
<b>Long-term debt</b>	<b>3,199.1</b>	<b>3,051.9</b>	<b>3,955.1</b>	<b>3,922.5</b>	<b>3,882.2</b>	<b>3,780.8</b>	<b>3,810.0</b>	<b>3,810.0</b>	<b>3,988.1</b>	<b>3,985.0</b>	<b>3,981.9</b>	<b>3,978.7</b>	<b>3,978.7</b>	<b>3,966.2</b>	<b>3,953.7</b>
<b>Other liabilities</b>	<b>172.0</b>	<b>153.8</b>	<b>185.8</b>	<b>1,062.2</b>	<b>1,084.7</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>	<b>1,094.9</b>
<b>Shareholders' Equity</b>															
Common Stock	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Additional Paid-In Capital	953.4	931.9	892.3	877.5	879.4	882.7	886.4	886.4	896.1	904.3	907.9	911.6	911.6	936.8	962.0
Retained Earnings	(19.9)	168.2	253.4	292.1	332.8	364.5	306.9	306.9	299.0	212.4	225.0	271.0	271.0	359.9	509.1
Accumulated other losses, net	(0.6)	(0.2)	(1.1)	(0.6)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Total Shareholders' Equity</b>	<b>934.1</b>	<b>1,101.0</b>	<b>1,145.7</b>	<b>1,170.1</b>	<b>1,212.7</b>	<b>1,248.1</b>	<b>1,194.3</b>	<b>1,194.3</b>	<b>1,196.2</b>	<b>1,117.7</b>	<b>1,133.9</b>	<b>1,183.7</b>	<b>1,183.7</b>	<b>1,297.8</b>	<b>1,472.1</b>
Noncontrolling interest	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and Equity</b>	<b>\$4,670.8</b>	<b>\$4,685.9</b>	<b>\$5,756.3</b>	<b>\$6,715.6</b>	<b>\$6,710.5</b>	<b>\$6,678.1</b>	<b>\$6,653.5</b>	<b>\$6,653.5</b>	<b>\$6,833.5</b>	<b>\$6,751.9</b>	<b>\$6,764.9</b>	<b>\$6,811.6</b>	<b>\$6,811.6</b>	<b>\$6,913.2</b>	<b>\$7,075.1</b>

Source: Company Filings, Morgan Stanley Research estimates

# Caesars Entertainment Corp Model (Standalone)

Exhibit 50: Income Statement

Income Statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>															
Las Vegas	\$3,622	\$3,661	\$3,753	\$955	\$1,002	\$973	\$989	\$3,919	\$841	\$299	\$689	\$835	\$2,764	\$3,318	\$3,426
Other US - Regional	3,846	3,882	4,047	1,010	1,064	1,119	1,032	4,225	914	413	1,016	1,024	3,367	3,838	4,030
All Other	608	623	591	150	156	144	148	598	147	140	137	147	571	605	623
<b>Total Net Revenue</b>	<b>\$8,076</b>	<b>\$8,166</b>	<b>\$8,391</b>	<b>\$2,115</b>	<b>\$2,222</b>	<b>\$2,236</b>	<b>\$2,169</b>	<b>\$8,742</b>	<b>\$1,902</b>	<b>\$852</b>	<b>\$1,842</b>	<b>\$2,106</b>	<b>\$6,702</b>	<b>\$7,761</b>	<b>\$8,079</b>
<i>y/y growth</i>		1.1%	2.8%	7.3%	4.9%	2.3%	2.6%	4.2%	-10.1%	-61.7%	-17.6%	-2.9%	-23.3%	15.8%	4.1%
<b>Hold-normalized guidance</b>															
<b>Adjusted EBITDAR</b>															
Las Vegas	\$1,260	\$1,295	\$1,362	\$360	\$389	\$356	\$363	\$1,468	\$280	\$74	\$186	\$327	\$867	\$1,194	\$1,237
US Regional	912	923	1,014	233	270	304	248	1,055	190	34	262	242	728	948	992
Other	(37)	(12)	(68)	(31)	(28)	(22)	(25)	(106)	(19)	(14)	(14)	(19)	(66)	(91)	(93)
<b>Consolidated EBITDAR</b>	<b>\$2,135</b>	<b>\$2,206</b>	<b>\$2,308</b>	<b>\$562</b>	<b>\$631</b>	<b>\$638</b>	<b>\$586</b>	<b>\$2,417</b>	<b>\$451</b>	<b>\$94</b>	<b>\$435</b>	<b>\$550</b>	<b>\$1,529</b>	<b>\$2,050</b>	<b>\$2,136</b>
<i>y/y growth</i>		3.3%	4.6%	8.5%	1.3%	6.3%	3.4%	4.7%	-19.8%	-85.1%	-31.9%	-6.2%	-36.7%	34.1%	4.2%
<i>Margin</i>	26.4%	27.0%	27.5%	26.6%	28.4%	28.5%	27.0%	27.6%	23.7%	11.0%	23.6%	26.1%	22.8%	26.4%	26.4%
<i>Flow through</i>		78.9%	45.3%	30.8%	7.8%	74.5%	35.2%	31.1%	62.2%	39.2%	51.7%	57.2%	43.5%	49.2%	26.8%
<b>Hold-normalized guidance</b>			2.32-2.37B												
Other between EBITDAR and property EBITDAR			(\$112)	(\$25)	(\$25)	(\$19)	(\$17)	(\$96)	(\$25)	(\$25)	(\$19)	(\$17)	(\$96)	(\$96)	(\$96)
Stock-based compensation expense			(79)	(21)	(22)	(19)	(26)	(88)	(13)	(13)	(13)	(13)	(50)	(50)	(50)
Depreciation and amortization		(873)	(1,145)	(247)	(241)	(255)	(278)	(1,021)	(247)	(241)	(255)	(278)	(1,021)	(1,021)	(1,021)
Rent treated as operating lease			0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense (GAAP, net, includes lease related)			(1,346)	(349)	(343)	(341)	(337)	(1,370)	(325)	(314)	(311)	(311)	(1,262)	(1,251)	(1,262)
Other operating costs			(155)	(29)	(24)	(33)	(50)	(136)	(15)	(15)	(15)	(15)	(60)	(60)	(60)
Restructuring and support expenses and other			712	(138)	(351)	(353)	(213)	(1,055)	0	0	0	0	0	0	0
<b>EBIT</b>			<b>\$183</b>	<b>(\$247)</b>	<b>(\$375)</b>	<b>(\$382)</b>	<b>(\$335)</b>	<b>(\$1,339)</b>	<b>(\$174)</b>	<b>(\$514)</b>	<b>(\$178)</b>	<b>(\$84)</b>	<b>(\$950)</b>	<b>(\$418)</b>	<b>(\$344)</b>
Income tax benefit (provision)	ND	ND	121	29	60	22	30	141	43	128	45	21	237	104	86
Net loss (income) attributable to noncontrolling interests			(1)	1	0	1	1	3	0	0	0	0	0	0	0
<b>Net income (loss) to Caesars</b>			<b>303</b>	<b>(217)</b>	<b>(315)</b>	<b>(359)</b>	<b>(304)</b>	<b>(1,195)</b>	<b>(130)</b>	<b>(385)</b>	<b>(134)</b>	<b>(63)</b>	<b>(712)</b>	<b>(313)</b>	<b>(258)</b>
<b>Diluted EPS</b>			<b>\$0.41</b>	<b>(\$0.32)</b>	<b>(\$0.47)</b>	<b>(\$0.53)</b>	<b>(\$0.45)</b>	<b>(\$1.76)</b>	<b>(\$0.19)</b>	<b>(\$0.57)</b>	<b>(\$0.20)</b>	<b>(\$0.09)</b>	<b>(\$1.05)</b>	<b>(\$0.46)</b>	<b>(\$0.38)</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 51: Cash Flow Statement

Cash flow statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>															
Net income			\$304	(\$218)	(\$315)	(\$360)	(\$305)	(\$1,198)	(\$130)	(\$385)	(\$134)	(\$63)	(\$712)	(\$313)	(\$258)
Depreciation and amortization	ND	ND	1,145	247	241	255	278	1,021	247	241	255	278	1,021	1,021	1,021
Non cash interest from financing lease			152	31	31	31	31	124	31	31	31	31	124	124	124
Stock-based compensation expense			79	21	22	19	26	88	13	13	13	13	50	50	50
Deferred tax			(145)	(29)	(60)	(22)	(30)	(141)	(43)	(128)	(45)	(21)	(237)	(52)	-
Working capital			129	44	45	(467)	462	84	-	-	-	-	-	-	-
Other operating			(878)	159	394	796	(320)	1,029	-	-	-	-	-	-	-
<b>Cash flow from operating activities</b>			<b>786</b>	<b>255</b>	<b>358</b>	<b>252</b>	<b>142</b>	<b>1,007</b>	<b>117</b>	<b>(229)</b>	<b>120</b>	<b>237</b>	<b>245</b>	<b>830</b>	<b>937</b>
<b>Cash from Investing Activities</b>															
Capital expenditures	ND	ND	(565)	(218)	(216)	(184)	(212)	(830)	(160)	(110)	(120)	(170)	(560)	(750)	(550)
Sales (Purchases)			(1,578)	-	-	-	516	516	-	13	-	-	13	-	-
Other investing			8	-	2	12	(28)	(14)	-	-	-	-	-	-	-
<b>Cash from investing activities</b>			<b>(2,135)</b>	<b>(218)</b>	<b>(214)</b>	<b>(172)</b>	<b>276</b>	<b>(328)</b>	<b>(160)</b>	<b>(98)</b>	<b>(120)</b>	<b>(170)</b>	<b>(548)</b>	<b>(750)</b>	<b>(550)</b>
<b>Cash from Financing Activities</b>															
Borrowings (repayments) - conventional debt			37	(116)	(133)	(149)	(44)	(442)	-	-	-	-	-	200	88
Financing lease repayment			(173)	(5)	(10)	-	-	(15)	-	-	-	-	-	-	-
Stock issuance (repurchase)			(311)	-	-	-	-	-	-	-	-	-	-	-	-
Pfd issuance (repurchase)			-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends			-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing			744	(7)	138	(108)	(12)	11	-	-	-	-	-	-	-
<b>Cash from financing activities</b>			<b>297</b>	<b>(128)</b>	<b>(5)</b>	<b>(257)</b>	<b>(56)</b>	<b>(446)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>88</b>
Effect of exchange rate			-	-	-	(5)	(1)	(6)	-	-	-	-	-	-	-
<b>Net Increase in cash &amp; equivalents</b>			<b>(1,052)</b>	<b>(91)</b>	<b>139</b>	<b>(177)</b>	<b>362</b>	<b>233</b>	<b>(43)</b>	<b>(327)</b>	<b>0</b>	<b>67</b>	<b>(302)</b>	<b>280</b>	<b>475</b>
Cash, beginning of period			2,709	1,657	1,566	1,701	1,523	1,657	1,884	1,841	1,514	1,514	1,884	1,582	1,861
<b>Cash &amp; equivalents - ending</b>			<b>1,657</b>	<b>1,566</b>	<b>1,705</b>	<b>1,519</b>	<b>1,884</b>	<b>1,884</b>	<b>1,841</b>	<b>1,514</b>	<b>1,514</b>	<b>1,582</b>	<b>1,582</b>	<b>1,861</b>	<b>2,336</b>

Source: Company Filings, Morgan Stanley Research estimates

## Exhibit 52: Balance Sheet

Balance sheet	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>															
Cash and cash equivalents		2,558	1,491	1,395	1,520	1,313	1,755	1,755	1,712	1,385	1,385	1,453	1,453	1,732	2,207
Restricted cash	ND	116	115	119	120	137	117	117	117	117	117	117	117	117	117
Receivables, net	ND	494	457	449	476	446	437	437	437	437	437	437	437	437	437
Inventories		11	41	39	36	38	35	35	35	35	35	35	35	35	35
Other current assets		278	161	189	251	778	265	265	265	265	265	265	265	265	265
<b>Total Current Assets</b>		<b>3,457</b>	<b>2,265</b>	<b>2,191</b>	<b>2,403</b>	<b>2,712</b>	<b>2,609</b>	<b>2,609</b>	<b>2,566</b>	<b>2,239</b>	<b>2,239</b>	<b>2,307</b>	<b>2,307</b>	<b>2,586</b>	<b>3,061</b>
Property and equipment, net		16,154	16,045	15,922	15,892	14,988	14,976	14,976	14,899	14,746	14,611	14,503	14,503	14,232	13,761
Long term restricted cash		35	51	52	61	73	12	12	12	12	12	12	12	12	12
Intangible assets other than goodwill		1,609	2,977	2,961	2,880	2,850	2,824	2,824	2,824	2,824	2,824	2,824	2,824	2,824	2,824
Goodwill		3,815	4,044	4,044	4,039	4,038	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012
Other non current assets		366	393	866	861	814	912	912	912	912	912	912	912	912	912
<b>Total Assets</b>		<b>25,436</b>	<b>25,775</b>	<b>26,036</b>	<b>26,136</b>	<b>25,475</b>	<b>25,345</b>	<b>25,345</b>	<b>25,215</b>	<b>24,744</b>	<b>24,610</b>	<b>24,569</b>	<b>24,569</b>	<b>24,578</b>	<b>24,582</b>
<b>Liabilities</b>															
Accounts payable	ND	318	399	411	416	415	444	444	444	444	444	444	444	444	444
Contract liabilities		129	144	161	184	192	178	178	178	178	178	178	178	178	178
Current debt incl. leases		73	184	85	86	86	85	85	85	85	85	85	85	85	85
Other current liabilities including accrued expenses		1,364	1,273	1,306	1,409	1,434	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356
<b>Total Current Liabilities</b>		<b>1,884</b>	<b>2,000</b>	<b>1,963</b>	<b>2,095</b>	<b>2,127</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>	<b>2,063</b>
Long term debt incl. leases		18,204	18,858	18,779	18,793	18,559	18,548	18,548	18,579	18,610	18,641	18,672	18,672	18,996	19,208
Other non-current liabilities		2,051	1,579	2,172	2,440	2,322	2,523	2,523	2,480	2,351	2,307	2,286	2,286	2,233	2,233
<b>Total Liabilities</b>		<b>22,139</b>	<b>22,437</b>	<b>22,914</b>	<b>23,328</b>	<b>23,008</b>	<b>23,134</b>	<b>23,134</b>	<b>23,122</b>	<b>23,024</b>	<b>23,011</b>	<b>23,021</b>	<b>23,021</b>	<b>23,292</b>	<b>23,504</b>
<b>Shareholders' Equity</b>															
Common equity	-	3,226	3,250	3,039	2,725	2,388	2,131	2,131	2,013	1,640	1,519	1,469	1,469	1,205	998
Pfd equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority interest		71	88	83	83	79	80	80	80	80	80	80	80	80	80
<b>Total equity</b>		<b>3,297</b>	<b>3,338</b>	<b>3,122</b>	<b>2,808</b>	<b>2,467</b>	<b>2,211</b>	<b>2,211</b>	<b>2,093</b>	<b>1,720</b>	<b>1,599</b>	<b>1,549</b>	<b>1,549</b>	<b>1,285</b>	<b>1,078</b>

Source: Company Filings, Morgan Stanley Research estimates

## Choice Hotels International Inc. Model

Exhibit 53: Income Statement

Income Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenue</b>														
Royalty fees	\$345.3	\$376.7	\$80.4	\$106.4	\$113.7	\$87.7	\$388.2	\$74.8	\$57.3	\$91.3	\$84.5	\$307.9	\$366.1	\$394.9
Initial franchise and relicensing fees	26.3	26.1	6.8	6.7	6.7	7.3	27.5	6.8	6.9	6.7	7.3	27.8	28.2	26.0
JV Hotel Revenue							20.3	10.2	3.6	8.4	11.4	33.6	39.4	41.4
Procurement Services	34.7	52.1	11.9	20.8	14.8	13.8	61.4	10.0	10.8	9.9	13.0	43.7	52.0	54.7
Marketing and reservation system	567.1	543.7	110.1	172.5	157.0	137.9	577.4	111.4	97.3	125.9	132.9	467.5	544.8	578.3
Other revenue	34.0	42.8	9.1	11.3	9.8	9.9	40.0	7.8	3.4	6.8	9.3	27.3	27.4	27.6
<b>Total revenue</b>	<b>\$1,007.4</b>	<b>\$1,041.3</b>	<b>\$218.3</b>	<b>\$317.7</b>	<b>\$310.7</b>	<b>\$268.1</b>	<b>\$1,114.8</b>	<b>\$221.0</b>	<b>\$179.2</b>	<b>\$249.1</b>	<b>\$258.3</b>	<b>\$907.7</b>	<b>\$1,057.9</b>	<b>\$1,122.9</b>
% growth (y-o-y)	8.9%	3.4%	4.3%	7.5%	6.6%	9.4%	7.1%	1.3%	-43.6%	-19.8%	-3.6%	-18.6%	16.6%	6.1%
% operating revenue growth (y-o-y)	10.4%	13.0%	5.7%	5.2%	10.5%	10.3%	8.0%	1.3%	-43.6%	-19.8%	-3.6%	-18.1%	16.6%	6.1%
SG&A expenses	163.4	170.0	39.5	47.0	38.3	44.0	168.8	37.5	30.5	32.6	37.4	138.1	147.7	149.2
JV Hotel Expenses							14.4	6.0	3.0	5.0	6.0	20.0	20.0	20.0
Marketing and reservation system	567.1	534.3	119.8	160.1	158.4	140.7	579.1	103.9	97.3	123.9	129.9	455.0	534.8	568.3
Hotel operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>\$730.5</b>	<b>\$704.3</b>	<b>\$159.4</b>	<b>\$207.1</b>	<b>\$202.8</b>	<b>\$193.2</b>	<b>\$762.4</b>	<b>\$147.5</b>	<b>\$130.8</b>	<b>\$161.4</b>	<b>\$173.3</b>	<b>\$613.0</b>	<b>\$702.6</b>	<b>\$737.5</b>
<b>Total EBITDA (not company reported)</b>	<b>\$276.9</b>	<b>\$337.0</b>	<b>\$59.0</b>	<b>\$110.6</b>	<b>\$108.0</b>	<b>\$74.9</b>	<b>\$352.4</b>	<b>\$73.6</b>	<b>\$48.4</b>	<b>\$87.7</b>	<b>\$85.1</b>	<b>\$294.7</b>	<b>\$355.4</b>	<b>\$385.4</b>
% growth (y-o-y)	10.7%	21.7%	19.6%	-1.8%	-6.1%	24.5%	4.6%	24.8%	-56.3%	-18.8%	13.6%	-16.4%	20.6%	8.4%
Margin	27.5%	32.4%	27.0%	34.8%	34.8%	27.9%	31.6%	33.3%	27.0%	35.2%	32.9%	32.5%	33.6%	34.3%
Margin on Operating Revenue	62.9%	67.7%	54.5%	76.1%	70.3%	57.5%	65.6%	67.1%	59.1%	71.1%	67.8%	66.9%	69.3%	70.8%
Depreciation and amortization	12.4	14.3	3.6	3.4	5.6	6.2	18.8	7.3	7.3	7.3	7.3	29.3	29.3	29.3
<b>Operating income</b>	<b>\$264.5</b>	<b>\$322.7</b>	<b>\$55.4</b>	<b>\$107.2</b>	<b>\$102.4</b>	<b>\$68.6</b>	<b>\$333.6</b>	<b>\$66.2</b>	<b>\$41.0</b>	<b>\$80.3</b>	<b>\$77.7</b>	<b>\$265.3</b>	<b>\$326.0</b>	<b>\$356.1</b>
Interest expense	(45.0)	(45.9)	(11.2)	(11.1)	(12.4)	(12.1)	(46.8)	(11.1)	(11.1)	(11.2)	(11.2)	(44.5)	(44.5)	(44.6)
Interest income (loss)	5.9	7.5	2.6	2.8	2.2	2.4	10.0	1.8	1.9	1.9	2.0	7.5	8.8	10.9
<b>PreTax income</b>	<b>\$225.3</b>	<b>\$284.2</b>	<b>\$46.8</b>	<b>\$98.9</b>	<b>\$92.2</b>	<b>\$58.9</b>	<b>\$296.8</b>	<b>\$56.9</b>	<b>\$31.8</b>	<b>\$71.1</b>	<b>\$68.6</b>	<b>\$228.4</b>	<b>\$290.3</b>	<b>\$322.4</b>
Tax benefit / (expense)	(69.1)	(56.9)	(6.4)	(19.8)	(9.7)	(11.2)	(47.1)	(12.8)	(7.2)	(16.0)	(15.4)	(51.4)	(65.3)	(72.5)
Equity in net income of affiliates	(4.5)	(5.3)	(2.2)	(1.0)	(6.4)	(0.0)	(9.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.4)	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	5.5	(0.5)	9.0	(11.5)	0.4	4.1	2.0	-	-	-	-	-	-	-
<b>Recurring Net Income</b>	<b>\$157.3</b>	<b>\$221.5</b>	<b>\$47.2</b>	<b>\$66.7</b>	<b>\$76.5</b>	<b>\$51.8</b>	<b>\$242.1</b>	<b>\$43.8</b>	<b>\$24.3</b>	<b>\$54.7</b>	<b>\$52.8</b>	<b>\$175.6</b>	<b>\$225.0</b>	<b>\$249.9</b>
Extraordinary Items	(42.4)	(5.2)	(17.1)	7.7	(0.2)	(9.6)	(19.2)	-	-	-	-	-	-	-
<b>Reported Net Income</b>	<b>\$114.9</b>	<b>\$216.4</b>	<b>\$30.1</b>	<b>\$74.4</b>	<b>\$76.2</b>	<b>\$42.2</b>	<b>\$222.9</b>	<b>\$43.8</b>	<b>\$24.3</b>	<b>\$54.7</b>	<b>\$52.8</b>	<b>\$175.6</b>	<b>\$225.0</b>	<b>\$249.9</b>
Average diluted shares out.	56.5	56.9	56.0	56.0	55.6	56.0	56.0	55.9	55.9	55.9	55.9	55.9	55.4	55.0
<b>Recurring Earnings per Share</b>	<b>\$2.78</b>	<b>\$3.89</b>	<b>\$0.84</b>	<b>\$1.19</b>	<b>\$1.37</b>	<b>\$0.92</b>	<b>\$4.32</b>	<b>\$0.78</b>	<b>\$0.44</b>	<b>\$0.98</b>	<b>\$0.94</b>	<b>\$3.14</b>	<b>\$4.06</b>	<b>\$4.54</b>
% growth (y-o-y)	12.7%	39.8%	25.4%	6.9%	10.4%	5.5%	11.0%	-7.1%	-63.4%	-28.8%	2.2%	-27.3%	29.3%	11.7%
Guidance	\$2.84-2.88	\$3.79-3.86	\$0.72-0.76	\$1.11-1.15	\$1.15-1.29	\$0.82-0.86	\$4.21-4.27	\$0.80-0.84	-	-	-	\$4.22-4.33	-	-
<b>Dividends</b>	<b>\$0.86</b>	<b>\$0.86</b>	<b>\$0.22</b>	<b>\$0.22</b>	<b>\$0.22</b>	<b>\$0.23</b>	<b>\$0.87</b>	<b>\$0.23</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.23</b>	<b>\$0.90</b>	<b>\$0.90</b>
Average diluted shares out.	56.5	56.9	56.0	56.0	55.6	56.0	56.0	55.9	55.9	55.9	55.9	55.9	55.4	55.0
Share Price	\$61.99	\$79.07	\$79.56	\$81.30	\$89.23	\$93.35	\$85.86	\$87.58	\$89.33	\$91.12	\$92.94	\$90.24	\$90.24	\$90.24
Cost of Equity														
<b>Company EBITDA and FCF Summary</b>	<b>2017</b>	<b>2,018.0</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
<b>EBITDA Reconciliation</b>														
Morgan Stanley EBITDA	\$276.9	\$337.0	\$59.0	\$110.6	\$108.0	\$74.9	\$352.4	\$73.6	\$48.4	\$87.7	\$85.1	\$294.7	\$355.4	\$385.4
Other	17.7	4.0	13.5	(10.1)	3.0	6.1	12.5	-	-	-	-	-	-	-
<b>Company Reported EBITDA</b>	<b>\$294.6</b>	<b>\$341.0</b>	<b>\$72.4</b>	<b>\$100.4</b>	<b>\$111.0</b>	<b>\$81.0</b>	<b>\$364.9</b>	<b>\$73.6</b>	<b>\$48.4</b>	<b>\$87.7</b>	<b>\$85.1</b>	<b>\$294.7</b>	<b>\$355.4</b>	<b>\$385.4</b>
Y/Y Change	16.5%	15.8%	8.3%	6.5%	7.1%	6.3%	7.0%	1.6%	-51.8%	-21.0%	5.0%	-19.2%	20.6%	8.4%
Margins	29.2%	32.8%	33.2%	31.6%	35.7%	30.2%	32.7%	33.3%	27.0%	35.2%	32.9%	32.5%	33.6%	34.3%
Margins (on operating revenue)	66.9%	68.5%	66.9%	69.2%	72.2%	62.2%	67.9%	67.1%	59.1%	71.1%	67.8%	66.9%	69.3%	70.8%
Guidance	\$294-298	\$335-340m	-	-	-	\$78-81m	\$362-365m	-	-	-	-	\$378-385m	-	-

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 54: Cash Flow Statement

Cash Flow Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>														
Net income / (loss)	\$114.9	\$216.4	\$30.1	\$74.4	\$76.2	\$42.2	\$222.9	\$43.8	\$24.3	\$54.7	\$52.8	\$175.6	\$225.0	\$249.9
Depreciation & amortization	12.4	14.3	3.6	3.4	5.6	6.2	18.8	7.3	7.3	7.3	7.3	29.3	29.3	29.3
Provision for bad debt	3.4	10.5	3.0	0.6	2.2	2.5	8.2	-	-	-	-	-	-	-
Stock-based compensation expense	23.3	16.0	4.0	4.2	4.3	5.2	17.6	4.0	4.2	4.3	5.2	17.6	17.6	17.6
Deferred income taxes	39.3	(3.5)	(2.3)	4.7	0.8	6.5	9.8	-	-	-	-	-	-	-
Minority equity in net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity income, net of dividends	6.6	7.4	4.0	1.4	6.9	0.3	12.6	-	-	-	-	-	-	-
Non-cash interest and other income	(0.8)	3.7	(2.5)	(0.4)	0.3	(1.4)	(4.0)	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	0.1	(86.3)	0.8	17.2	(11.2)	(28.4)	(21.6)	1.9	1.9	1.9	1.9	7.7	7.7	7.7
<b>Changes in Working Capital</b>														
Accounts receivable	(23.1)	47.6	(15.7)	(27.8)	9.7	30.2	(3.5)	-	-	-	-	-	-	-
Accounts payable	12.5	1.8	(1.4)	24.7	(12.2)	(11.1)	(0.1)	-	-	-	-	-	-	-
Accrued expenses	7.2	14.1	(25.7)	6.9	(0.2)	16.7	(2.3)	-	-	-	-	-	-	-
Other current liabilities	(0.2)	3.0	12.5	(14.4)	7.7	4.0	9.8	-	-	-	-	-	-	-
Deferred income taxes / payable	31.4	-	-	-	3.3	6.5	9.8	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	(3.2)	(3.2)
Other	30.4	(2.0)	7.5	(15.0)	-	-	(7.5)	-	(25.0)	(25.0)	-	(50.0)	-	-
<b>Cash from Operating Activities</b>	<b>\$257.4</b>	<b>\$242.9</b>	<b>\$17.9</b>	<b>\$79.8</b>	<b>\$93.2</b>	<b>\$79.6</b>	<b>\$270.6</b>	<b>\$56.2</b>	<b>\$12.0</b>	<b>\$42.4</b>	<b>\$66.4</b>	<b>\$177.0</b>	<b>\$276.4</b>	<b>\$301.3</b>
<b>Cash from Investing Activities</b>														
Capital expenditures	(23.4)	(47.7)	(14.9)	(23.3)	(8.0)	(11.2)	(57.3)	(10.0)	(5.0)	(10.0)	(15.0)	(40.0)	(60.0)	(50.0)
Investments	(2.7)	(1.8)	(2.8)	1.7	(2.6)	(3.0)	(6.7)	-	-	-	-	-	-	-
(Issuance) / collection of notes receivable	(19.1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	(231.3)	-	-	(169.0)	-	(169.0)	-	-	-	-	-	-	-
Proceeds from asset sales	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(45.9)	(40.5)	13.4	(19.4)	4.6	(16.8)	(18.2)	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>(\$90.1)</b>	<b>(\$321.3)</b>	<b>(\$4.3)</b>	<b>(\$41.0)</b>	<b>(\$174.9)</b>	<b>(\$31.0)</b>	<b>(\$251.2)</b>	<b>(\$10.0)</b>	<b>(\$5.0)</b>	<b>(\$10.0)</b>	<b>(\$15.0)</b>	<b>(\$40.0)</b>	<b>(\$60.0)</b>	<b>(\$50.0)</b>
<b>Cash from Financing Activities</b>														
Proceeds / (payments) on LT debt	(115.7)	29.0	50.8	(21.0)	91.6	(28.1)	93.2	-	-	-	-	-	-	-
Proceeds from ESO plans	14.1	41.4	-	-	-	-	-	-	-	-	-	-	-	-
Excess stock-based comp. tax benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share repurchases	(9.8)	(148.7)	(32.0)	(10.5)	(2.3)	(5.9)	(50.6)	(10.0)	-	-	-	(10.0)	(30.0)	(30.0)
Cash dividends	(48.7)	(48.7)	(12.2)	(12.2)	(11.7)	(12.0)	(48.1)	(12.4)	-	-	-	(12.4)	(49.2)	(48.9)
Other	24.2	(2.4)	(15.2)	7.5	1.5	(0.7)	(6.9)	-	-	-	-	-	-	-
<b>Cash from Financing Activities</b>	<b>(\$135.8)</b>	<b>(\$129.4)</b>	<b>(\$8.6)</b>	<b>(\$36.3)</b>	<b>\$79.1</b>	<b>(\$46.7)</b>	<b>(\$12.5)</b>	<b>(\$22.4)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$22.4)</b>	<b>(\$79.2)</b>	<b>(\$78.9)</b>
Effect of FX changes	1.4	(0.9)	0.1	0.1	(0.3)	0.3	0.2	-	-	-	-	-	-	-
<b>Net Increase in Cash &amp; Equivalents</b>	<b>\$32.9</b>	<b>(\$208.7)</b>	<b>\$5.2</b>	<b>\$2.7</b>	<b>(\$2.9)</b>	<b>\$2.2</b>	<b>\$7.1</b>	<b>\$23.9</b>	<b>\$7.0</b>	<b>\$32.4</b>	<b>\$51.4</b>	<b>\$114.7</b>	<b>\$137.2</b>	<b>\$172.4</b>
Cash & Equivalents - Beginning	202.5	235.3	26.6	31.8	34.5	31.6	26.6	33.8	57.6	64.6	97.0	33.8	148.4	285.7
<b>Cash &amp; Equivalents - Ending</b>	<b>\$235.3</b>	<b>\$26.6</b>	<b>\$31.8</b>	<b>\$34.5</b>	<b>\$31.6</b>	<b>\$33.8</b>	<b>\$33.8</b>	<b>\$57.6</b>	<b>\$64.6</b>	<b>\$97.0</b>	<b>\$148.4</b>	<b>\$148.4</b>	<b>\$285.7</b>	<b>\$458.1</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 55: Balance Sheet

Balance Sheet	2017	2,018.0	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and equivalents	\$235.3	\$26.6	\$31.8	\$34.5	\$31.6	\$33.8	\$33.8	\$57.6	\$64.6	\$97.0	\$148.4	\$148.4	\$285.7	\$458.1
Accounts receivable	125.5	138.0	153.7	181.5	171.8	141.6	141.6	141.6	141.6	141.6	141.6	141.6	141.6	141.6
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments, employee benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivables	13.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	28.2	79.1	64.9	61.0	56.9	61.3	61.3	61.3	61.3	61.3	61.3	61.3	61.3	61.3
<b>Total Current Assets</b>	<b>\$402.9</b>	<b>\$243.8</b>	<b>\$250.4</b>	<b>\$276.9</b>	<b>\$260.3</b>	<b>\$236.6</b>	<b>\$236.6</b>	<b>\$260.4</b>	<b>\$267.4</b>	<b>\$299.8</b>	<b>\$351.3</b>	<b>\$351.3</b>	<b>\$488.5</b>	<b>\$660.9</b>
Gross PP&E	280.6	339.1	350.1	367.7	571.5	581.9	581.9	591.9	596.9	606.9	621.9	621.9	681.9	731.9
Accumulated depreciation	(197.2)	(211.6)	(215.2)	(218.6)	(224.2)	(230.4)	(230.4)	(237.7)	(245.1)	(252.4)	(259.7)	(259.7)	(289.0)	(318.4)
Net PP&E	\$83.4	\$127.5	\$134.9	\$149.1	\$347.3	\$351.5	\$351.5	\$354.2	\$351.8	\$354.5	\$362.2	\$362.2	\$392.9	\$413.5
Goodwill	80.8	169.0	165.6	159.2	159.2	159.2	159.2	159.2	159.2	159.2	159.2	159.2	159.2	159.2
Franchise rights and other intangibles	14.7	271.2	264.7	272.2	279.5	290.4	290.4	290.4	290.4	290.4	290.4	290.4	290.4	290.4
Receivables - marketing fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments, employee benefit plans	20.8	19.4	22.0	23.3	23.5	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Investments in unconsolidated entities	134.2	109.0	106.8	108.8	69.2	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7
Notes receivable	148.0	83.4	83.8	86.9	93.0	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1
Deferred income taxes	13.3	30.6	32.9	28.1	27.2	20.7	20.7	20.7	20.7	20.7	20.7	20.7	20.7	20.7
Other assets	29.5	84.4	112.8	109.7	115.1	121.5	121.5	121.5	121.5	121.5	121.5	121.5	121.5	121.5
<b>Total Assets</b>	<b>\$927.6</b>	<b>\$1,138.4</b>	<b>\$1,173.8</b>	<b>\$1,214.3</b>	<b>\$1,374.3</b>	<b>\$1,386.7</b>	<b>\$1,386.7</b>	<b>\$1,413.2</b>	<b>\$1,417.8</b>	<b>\$1,452.9</b>	<b>\$1,512.0</b>	<b>\$1,512.0</b>	<b>\$1,679.9</b>	<b>\$1,873.0</b>
<b>Liabilities</b>														
Accounts payable	\$63.54	\$73.5	\$72.1	\$96.8	\$84.5	\$73.4	\$73.4	\$73.4	\$73.4	\$73.4	\$73.4	\$73.4	\$73.4	\$73.4
Current portion of LT debt	1.2	1.1	1.1	0.5	0.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Accrued expenses and other	88.6	92.7	67.0	73.9	73.7	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4
Income taxes payable	-	-	-	-	-	-	-	(25.0)	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
Deferred revenue	141.1	67.6	77.1	68.7	77.3	71.6	71.6	71.6	71.6	71.6	71.6	71.6	71.6	71.6
Deferred compensation other	-	83.6	86.7	81.2	80.3	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0
<b>Total Current Liabilities</b>	<b>\$294.50</b>	<b>\$318.4</b>	<b>\$303.9</b>	<b>\$321.0</b>	<b>\$316.3</b>	<b>\$325.9</b>	<b>\$325.9</b>	<b>\$325.9</b>	<b>\$300.9</b>	<b>\$275.9</b>	<b>\$275.9</b>	<b>\$275.9</b>	<b>\$275.9</b>	<b>\$275.9</b>
Deferred income taxes	\$0.04	-	-	-	-	-	\$0.00	-	-	-	-	-	-	-
Deferred compensation / retirement plan	25.6	24.2	26.9	28.0	28.3	29.9	29.9	29.9	29.9	29.9	29.9	29.9	29.9	29.9
Other liabilities	94.3	226.0	223.8	203.6	210.5	210.2	210.2	209.4	208.6	207.8	207.0	207.0	203.8	200.6
LT debt	725.3	753.5	804.7	784.3	875.8	844.1	844.1	844.1	844.1	844.1	844.1	844.1	844.1	844.1
<b>Shareholders' Equity</b>														
Common stock	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Additional paid-in capital	182.4	213.2	216.4	222.4	225.0	231.2	231.2	231.2	231.2	231.2	231.2	231.2	231.2	231.2
Accumulated comprehensive income	(4.7)	(5.4)	(5.4)	(5.7)	(5.7)	(4.6)	(4.6)	(0.6)	3.6	7.9	13.1	13.1	30.7	48.3
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock	(1,064.6)	(1,187.6)	(1,209.9)	(1,215.3)	(1,216.2)	(1,219.9)	(1,219.9)	(1,229.9)	(1,229.9)	(1,229.9)	(1,229.9)	(1,229.9)	(1,259.9)	(1,289.9)
Retained earnings	673.8	795.2	812.5	874.9	939.2	968.8	968.8	1,002.2	1,028.4	1,085.0	1,139.8	1,139.8	1,323.3	1,531.9
<b>Total Shareholders' Equity</b>	<b>(\$212.10)</b>	<b>(\$183.8)</b>	<b>(\$185.5)</b>	<b>(\$122.7)</b>	<b>(\$56.7)</b>	<b>(\$23.5)</b>	<b>(\$23.5)</b>	<b>\$3.8</b>	<b>\$34.2</b>	<b>\$95.1</b>	<b>\$155.0</b>	<b>\$155.0</b>	<b>\$326.1</b>	<b>\$522.4</b>
<b>Total Liabilities and Equity</b>	<b>\$927.61</b>	<b>\$1,138.4</b>	<b>\$1,173.8</b>	<b>\$1,214.3</b>	<b>\$1,374.3</b>	<b>\$1,386.7</b>	<b>\$1,386.7</b>	<b>\$1,413.2</b>	<b>\$1,417.8</b>	<b>\$1,452.9</b>	<b>\$1,512.0</b>	<b>\$1,512.0</b>	<b>\$1,679.9</b>	<b>\$1,873.0</b>

Source: Company Reports; Morgan Stanley Research Estimates

# DiamondRock Hospitality Co Model

Exhibit 56: Income Statement

Income Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenues</b>														
Room	\$635.9	\$631.0	\$136.7	\$181.6	\$174.1	\$168.8	\$661.2	\$115.6	\$51.0	\$117.5	\$167.3	\$451.4	\$575.8	\$611.0
Food and Beverage	183.0	184.1	50.5	60.7	50.6	53.5	215.3	42.7	16.5	34.2	53.0	146.4	175.2	185.9
Other	51.0	48.6	15.3	15.6	15.5	15.3	61.7	13.2	4.5	10.6	15.2	43.5	52.6	55.8
<b>Hotel Revenue</b>	<b>\$870.0</b>	<b>\$863.7</b>	<b>\$202.4</b>	<b>\$257.9</b>	<b>\$240.3</b>	<b>\$237.5</b>	<b>\$938.1</b>	<b>\$171.5</b>	<b>\$72.0</b>	<b>\$162.3</b>	<b>\$235.4</b>	<b>\$641.3</b>	<b>\$803.6</b>	<b>\$852.8</b>
Y/Y Change	-3.0%	-0.7%	11.5%	8.4%	8.8%	6.3%	8.6%	-15.2%	-72.1%	-32.4%	-0.9%	-31.6%	25.3%	6.1%
<b>Operating Expenses</b>														
Room Costs	158.5	158.1	38.8	42.9	42.8	42.4	166.9	33.7	30.6	41.1	33.6	139.1	160.1	166.8
Food and Beverage Costs	120.5	118.7	33.2	36.5	34.3	34.0	137.9	28.4	11.6	26.5	31.1	97.5	115.0	119.7
Other Hotel Expenses	302.3	322.7	81.3	88.5	92.1	98.5	360.4	73.3	39.6	66.7	97.1	276.6	321.6	334.4
Management Fees	22.0	22.2	5.3	7.3	6.1	6.7	25.5	4.8	2.0	4.5	6.6	18.0	6.4	2.6
<b>Hotel Expenses</b>	<b>\$603.2</b>	<b>\$621.7</b>	<b>\$158.6</b>	<b>\$175.2</b>	<b>\$175.2</b>	<b>\$181.7</b>	<b>\$690.8</b>	<b>\$140.2</b>	<b>\$83.7</b>	<b>\$138.9</b>	<b>\$168.4</b>	<b>\$531.2</b>	<b>\$603.1</b>	<b>\$623.5</b>
Y/Y Change	-2.4%	3.1%	13.8%	4.2%	12.6%	14.6%	11.1%	-11.6%	-52.2%	-20.7%	-7.3%	-23.1%	13.5%	3.4%
<b>Hotel Operating Income</b>	<b>\$266.8</b>	<b>\$242.0</b>	<b>\$43.7</b>	<b>\$82.7</b>	<b>\$65.0</b>	<b>\$55.9</b>	<b>\$247.3</b>	<b>\$31.4</b>	<b>(\$11.7)</b>	<b>\$23.5</b>	<b>\$67.0</b>	<b>\$110.1</b>	<b>\$200.5</b>	<b>\$229.3</b>
Corporate & Other Expenses	26.5	28.6	7.1	7.4	6.3	7.4	28.2	7.0	5.0	5.5	6.0	23.5	26.5	28.5
<b>EBITDA (Not Company-Reported)</b>	<b>\$240.3</b>	<b>\$213.5</b>	<b>\$36.7</b>	<b>\$75.3</b>	<b>\$58.7</b>	<b>\$48.4</b>	<b>\$219.1</b>	<b>\$24.4</b>	<b>(\$16.7)</b>	<b>\$18.0</b>	<b>\$61.0</b>	<b>\$86.6</b>	<b>\$174.0</b>	<b>\$200.8</b>
Margin	27.6%	24.7%	18.1%	29.2%	24.4%	20.4%	23.4%	14.2%	-23.2%	11.1%	25.9%	13.5%	21.7%	23.5%
Y/Y Change	-5.7%	-11.2%	13.2%	21.5%	-3.2%	-17.2%	2.6%	-33.6%	N.M.	-69.4%	26.1%	-60.5%	100.9%	15.4%
Depreciation and Amortization	99.1	104.5	29.0	29.3	29.5	30.3	118.1	28.3	28.3	28.3	28.3	113.0	115.3	117.6
<b>Operating Income</b>	<b>141.2</b>	<b>109.0</b>	<b>7.7</b>	<b>46.0</b>	<b>29.2</b>	<b>18.1</b>	<b>101.0</b>	<b>(3.9)</b>	<b>(45.0)</b>	<b>(10.3)</b>	<b>32.8</b>	<b>(26.4)</b>	<b>58.8</b>	<b>83.2</b>
Interest Income	1.8	1.8	0.3	0.1	0.1	(0.7)	(0.2)	0.0	0.1	0.1	0.1	0.3	0.4	0.3
Interest Expense	(38.8)	(41.0)	(11.7)	(12.4)	(14.2)	(8.3)	(46.6)	(10.1)	(9.7)	(10.0)	(10.0)	(39.8)	(39.9)	(39.9)
Net Gains on Property Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PreTax Income</b>	<b>104.3</b>	<b>69.8</b>	<b>(3.7)</b>	<b>33.6</b>	<b>15.2</b>	<b>9.1</b>	<b>54.2</b>	<b>(13.9)</b>	<b>(54.5)</b>	<b>(20.2)</b>	<b>22.8</b>	<b>(65.9)</b>	<b>19.3</b>	<b>43.6</b>
Tax Benefit (Expense)	(10.2)	(3.1)	3.8	(4.6)	(1.2)	(20.1)	(22.0)	0.6	2.2	0.8	(0.9)	2.6	(0.8)	(1.7)
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Items and Other	(2.2)	21.1	8.8	(0.1)	(2.4)	144.2	150.5	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$91.9</b>	<b>\$87.8</b>	<b>\$9.0</b>	<b>\$29.0</b>	<b>\$11.6</b>	<b>\$133.2</b>	<b>\$182.7</b>	<b>(\$13.4)</b>	<b>(\$52.4)</b>	<b>(\$19.4)</b>	<b>\$21.9</b>	<b>(\$63.2)</b>	<b>\$18.5</b>	<b>\$41.8</b>
Diluted Shares Outstanding	201.7	206.1	203.5	202.9	202.0	202.3	202.7	202.3	202.3	202.3	202.3	202.3	202.3	202.3
<b>Net Income per Share</b>	<b>\$0.46</b>	<b>\$0.43</b>	<b>\$0.04</b>	<b>\$0.14</b>	<b>\$0.06</b>	<b>\$0.66</b>	<b>\$0.90</b>	<b>(\$0.07)</b>	<b>(\$0.26)</b>	<b>(\$0.10)</b>	<b>\$0.11</b>	<b>(\$0.31)</b>	<b>\$0.09</b>	<b>\$0.21</b>
Net Margin	10.6%	10.2%	4.4%	11.2%	4.8%	56.1%	19.5%	-7.8%	-72.7%	-12.0%	9.3%	-9.9%	2.3%	4.9%
Y/Y Change	-20.0%	-6.5%	106.5%	4.2%	-61.8%	471.3%	111.7%	N.M.	N.M.	N.M.	-83.5%	-134.7%	-129.2%	126.2%
<b>Funds from Operations per Share</b>	<b>\$1.00</b>	<b>\$1.02</b>	<b>\$0.21</b>	<b>\$0.32</b>	<b>\$0.27</b>	<b>\$0.27</b>	<b>\$1.07</b>	<b>\$0.10</b>	<b>(\$0.10)</b>	<b>\$0.05</b>	<b>\$0.26</b>	<b>\$0.31</b>	<b>\$0.73</b>	<b>\$0.85</b>
Y/Y Change	-2.6%	2.2%	23.2%	0.1%	0.9%	4.7%	5.1%	-51.6%	-129.8%	-80.9%	-5.0%	-70.8%	132.6%	17.4%
<b>Free Cash Flow per Share</b>	<b>\$0.21</b>	<b>(\$0.02)</b>	<b>\$0.24</b>	<b>\$0.20</b>	<b>\$0.09</b>	<b>\$0.60</b>	<b>\$1.13</b>	<b>\$1.59</b>	<b>(\$0.16)</b>	<b>\$0.04</b>	<b>\$0.08</b>	<b>\$1.55</b>	<b>(\$0.10)</b>	<b>\$0.40</b>
Y/Y Change	-68%	-108%	-153%	8392%	-71%	374%	-6803%	562%	-181%	-53%	-86%	38%	-106%	-508%
Common Dividend	\$0.50	\$0.50	\$0.13	\$0.13	\$0.13	\$0.13	\$0.50	\$0.13	\$0.00	\$0.00	\$0.00	\$0.13	\$0.50	\$0.51
Payout Ratio (Div/AFFO)	50%	49%					47%					40%	69%	60%
Payout Ratio (Div/AFFO - 4% FFE Reserve)	61%	59%					56%					67%	89%	76%
<b>Margin Analysis</b>														
Rooms Margin	75.1%	74.9%	71.6%	76.4%	75.4%	74.9%	74.8%	70.8%	40.0%	65.0%	79.9%	69.2%	72.2%	72.7%
F&B Margin	34.2%	35.5%	34.3%	40.0%	32.3%	36.3%	35.9%	33.6%	30.0%	22.5%	41.3%	33.4%	34.4%	35.6%
Other Hotel Expenses, % of Hotel Sales	34.7%	37.4%	40.2%	34.3%	38.3%	41.5%	38.4%	42.7%	55.0%	41.1%	41.2%	43.1%	40.0%	39.2%
Management Fees, % of Hotel Sales	2.5%	2.6%	2.6%	2.8%	2.5%	2.8%	2.7%	2.8%	2.8%	2.8%	2.8%	2.8%	0.8%	0.3%
Corporate & Other Expenses, % of Sales	3.0%	3.3%	3.5%	2.9%	2.8%	3.1%	3.0%	4.1%	6.9%	3.4%	2.5%	3.7%	3.3%	3.3%
Hotel-Level Expenses	577	593	152	168	169	174	663	133	79	133	162	508	577	595
Hotel-Level EBITDA	293	271	51	90	71	63	276	38	(7)	29	73	134	227	258
<b>Property Level Margin</b>	<b>34%</b>	<b>31%</b>	<b>25%</b>	<b>35%</b>	<b>30%</b>	<b>27%</b>	<b>29%</b>	<b>22%</b>	<b>-9%</b>	<b>18%</b>	<b>31%</b>	<b>21%</b>	<b>28%</b>	<b>30%</b>
<b>Valuation Statistics</b>														
<b>EBITDA Reconciliation</b>														
Morgan Stanley EBITDA	\$240.3	\$213.5	\$36.7	\$75.3	\$58.7	\$48.4	\$219.1	\$24.4	(\$16.7)	\$18.0	\$61.0	\$86.6	\$174.0	\$200.8
Impairment of favorable lease asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on property disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Transition cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on early extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial public offering stock grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(2.4)	21.1	8.8	(2.4)	145.6	152.0	152.0	-	-	-	-	-	-	-
Interest Income	1.8	1.8	0.3	0.1	0.1	(0.7)	(0.2)	0.0	0.1	0.1	0.1	0.3	0.4	0.3
<b>Company Reported EBITDA</b>	<b>\$239.7</b>	<b>\$236.4</b>	<b>\$45.8</b>	<b>\$75.4</b>	<b>\$56.4</b>	<b>\$193.3</b>	<b>\$370.9</b>	<b>\$24.4</b>	<b>(\$16.6)</b>	<b>\$18.1</b>	<b>\$61.1</b>	<b>\$86.9</b>	<b>\$174.4</b>	<b>\$201.0</b>
Net Gains on Property Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash Ground Rent	6.3	7.3	1.7	1.8	1.8	1.8	7.0	1.8	1.8	1.8	1.8	7.1	7.1	7.1
Non-cash amortization of unfavorable contracts	(1.9)	(2.0)	-	-	-	-	-	-	-	-	-	-	-	-
Other	5.9	12.3	1.7	3.9	9.3	(132.4)	(117.5)	3.5	3.0	-	-	6.5	6.5	6.5
<b>Company Reported Adjusted EBITDA</b>	<b>\$250.0</b>	<b>\$254.1</b>	<b>\$49.2</b>	<b>\$81.1</b>	<b>\$67.5</b>	<b>\$62.7</b>	<b>\$260.4</b>	<b>\$29.7</b>	<b>(\$11.9)</b>	<b>\$19.8</b>	<b>\$62.9</b>	<b>\$100.5</b>	<b>\$188.0</b>	<b>\$214.6</b>
Y/Y Change	-3.4%	1.6%	13.2%	6.9%	-3.9%	-2.9%	2.5%	-39.7%	-114.6%	-70.6%	0.4%	-61.4%	87.0%	14.2%
Adjusted EBITDA margin	28.7%	29.4%	24.3%	31.4%	28.1%	26.4%	27.8%	17.3%	-16.5%	12.2%	26.7%	15.7%	23.4%	25.2%
Incremental Margins	33.6%	-65.2%	27.5%	26.2%	-14.1%	-13.3%	8.5%	63.2%	50.0%	61.2%	-12.0%	53.9%	53.9%	54.1%
Adjusted EBITDA (guidance)	\$239-247m	\$250-255m	\$44-51m	\$74-80m	\$63-68m	\$56-62m	\$256-260m					\$245-255m		

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 57: Cash Flow Statement

Cash Flows	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows From Operations</b>														
Net Profit (Loss)	\$91.9	\$87.8	\$9.0	\$29.0	\$11.6	\$133.2	\$182.7	(\$13.4)	(\$52.4)	(\$19.4)	\$21.9	(\$63.2)	\$18.5	\$41.8
Depreciation & Amortization	99.1	104.5	29.0	29.3	29.5	30.3	118.1	28.3	28.3	28.3	28.3	113.0	115.3	117.6
Corporate Asset Depreciation	0.1	0.2	0.1	0.1	0.1	0.1	0.2	-	-	-	-	-	-	-
Non-cash Ground Rent	6.3	7.3	1.7	1.8	1.8	1.8	7.0	1.8	1.8	1.8	1.8	7.1	7.1	7.1
Non-cash Financing Costs	2.0	1.9	0.5	0.5	0.5	0.5	1.9	-	-	-	-	-	-	-
Non-cash reversal of Penalty Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of Favorable Lease Asset	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Unfavorable Contract Liabilities	(1.9)	(2.0)	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Deferred Income	(5.8)	(5.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	-	-	-	-	-	-	-
Stock Based Comp	6.2	5.6	1.5	2.2	1.2	1.5	6.4	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	(22.3)	28.7	(5.4)	(0.8)	0.7	(1.1)	(6.7)	-	-	-	-	-	-	-
Restricted Cash	2.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to/from Hotel Managers	1.5	(5.7)	(6.9)	(13.6)	2.3	13.0	(5.1)	-	-	-	-	-	-	-
Accounts Payable and Accrued Expenses	17.0	(8.0)	(8.0)	9.6	1.8	2.4	5.9	-	-	-	-	-	-	-
Other	4.7	4.1	0.6	1.2	5.5	4.4	11.7	106.7	-	22.0	-	128.7	-	-
<b>Cash From Operating Activity</b>	<b>\$204.5</b>	<b>\$219.3</b>	<b>\$21.9</b>	<b>\$59.0</b>	<b>\$54.8</b>	<b>\$186.0</b>	<b>\$321.7</b>	<b>\$123.4</b>	<b>(\$22.3)</b>	<b>\$32.6</b>	<b>\$51.9</b>	<b>\$185.5</b>	<b>\$140.8</b>	<b>\$166.5</b>
<b>Cash From Investing Activities</b>														
Capital Expenditures	(99.6)	(115.2)	(30.3)	(59.0)	(51.5)	(58.5)	(199.3)	(25.7)	(10.8)	(24.4)	(35.3)	(96.2)	(160.7)	(85.3)
Acquisitions	(93.8)	(259.9)	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Restricted Cash	5.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable & Other	10.0	30.7	-	-	-	(7.2)	(7.2)	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>(\$178.6)</b>	<b>(\$344.3)</b>	<b>(\$30.3)</b>	<b>(\$59.0)</b>	<b>(\$51.5)</b>	<b>(\$65.7)</b>	<b>(\$206.5)</b>	<b>(\$25.7)</b>	<b>(\$10.8)</b>	<b>(\$24.4)</b>	<b>(\$35.3)</b>	<b>(\$96.2)</b>	<b>(\$160.7)</b>	<b>(\$85.3)</b>
<b>Cash From Financing Activities</b>														
Proceeds (Payments) on Long-term Debt	17.2	36.4	56.6	41.5	16.5	(3.8)	110.8	225.0	-	-	-	225.0	-	-
Issuance (Purchase) of Common Stock	(0.5)	(33.1)	(30.3)	(10.0)	(2.5)	-	(42.8)	-	-	-	-	-	-	-
Common Dividend	(100.5)	(102.7)	(26.1)	(25.4)	(25.2)	(25.8)	(102.5)	(25.2)	-	-	-	(25.2)	(102.6)	(104.7)
Payment of Financing Costs	(1.6)	(0.4)	-	-	(4.8)	(0.0)	(4.8)	-	-	-	-	-	-	-
Other	-	85.1	0.9	(0.7)	(2.5)	5.1	2.8	-	-	-	-	-	-	-
<b>Cash From Financing Activity</b>	<b>(\$85.4)</b>	<b>(\$14.7)</b>	<b>\$1.1</b>	<b>\$5.3</b>	<b>(\$18.5)</b>	<b>(\$24.5)</b>	<b>(\$36.5)</b>	<b>\$199.8</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$199.8</b>	<b>(\$102.6)</b>	<b>(\$104.7)</b>
<b>Cash &amp; Equivalents - Beginning</b>	<b>\$243.1</b>	<b>\$183.6</b>	<b>\$43.9</b>	<b>\$36.5</b>	<b>\$41.9</b>	<b>\$26.7</b>	<b>\$43.9</b>	<b>\$122.5</b>	<b>\$420.0</b>	<b>\$386.8</b>	<b>\$395.1</b>	<b>\$122.5</b>	<b>\$411.7</b>	<b>\$289.2</b>
Net Increase in Cash & Equivalents	(59.5)	(139.7)	(7.3)	5.4	(15.2)	95.8	78.7	297.4	(33.1)	8.2	16.6	289.2	(122.5)	(23.5)
<b>Cash &amp; Equivalents - Ending</b>	<b>\$183.6</b>	<b>\$43.9</b>	<b>\$36.5</b>	<b>\$41.9</b>	<b>\$26.7</b>	<b>\$122.5</b>	<b>\$122.5</b>	<b>\$420.0</b>	<b>\$386.8</b>	<b>\$395.1</b>	<b>\$411.7</b>	<b>\$411.7</b>	<b>\$289.2</b>	<b>\$265.7</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 58: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash on Hand	\$183.6	\$43.9	\$36.5	\$41.9	\$26.7	\$122.5	\$122.5	\$420.0	\$386.8	\$395.1	\$411.7	\$411.7	\$289.2	\$265.7
Restricted Cash	40.2	47.7	46.9	47.6	49.6	57.3	57.3	57.3	57.3	57.3	57.3	57.3	57.3	57.3
Notes and Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>\$223.8</b>	<b>\$91.6</b>	<b>\$83.4</b>	<b>\$89.5</b>	<b>\$76.3</b>	<b>\$179.8</b>	<b>\$179.8</b>	<b>\$477.2</b>	<b>\$444.1</b>	<b>\$452.3</b>	<b>\$469.0</b>	<b>\$469.0</b>	<b>\$346.5</b>	<b>\$323.0</b>
Gross PP&E	3,481.6	3,838.1	3,864.8	3,931.3	3,989.3	4,038.4	4,038.4	4,064.1	4,074.9	4,099.2	4,134.6	4,134.6	4,295.3	4,380.6
Accumulated Depreciation	(789.3)	(893.4)	(922.5)	(951.8)	(981.3)	(1,011.6)	(1,011.6)	(1,039.9)	(1,068.1)	(1,096.4)	(1,124.6)	(1,124.6)	(1,239.9)	(1,357.4)
Net PP&E	2,692.3	2,944.6	2,942.4	2,979.5	3,008.0	3,026.8	3,026.8	3,024.2	3,006.8	3,002.9	3,010.0	3,010.0	3,055.4	3,023.1
Favorable Lease Assets	26.7	63.9	-	-	-	-	-	-	-	-	-	-	-	-
Due from Manager	86.6	86.9	100.0	111.1	114.1	91.2	91.2	91.2	91.2	91.2	91.2	91.2	91.2	91.2
Deferred Financing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	71.5	10.5	115.2	115.4	116.7	128.0	128.0	126.2	124.5	122.7	120.9	120.9	113.8	106.8
<b>Total Assets</b>	<b>\$3,100.9</b>	<b>\$3,197.6</b>	<b>\$3,240.9</b>	<b>\$3,295.5</b>	<b>\$3,315.2</b>	<b>\$3,425.8</b>	<b>\$3,425.8</b>	<b>\$3,718.9</b>	<b>\$3,666.6</b>	<b>\$3,669.1</b>	<b>\$3,691.1</b>	<b>\$3,691.1</b>	<b>\$3,607.0</b>	<b>\$3,544.1</b>
<b>Liabilities</b>														
Deferred Income	\$14.3	\$11.7	\$11.6	\$11.5	\$11.4	\$11.3	\$11.3	\$11.3	\$11.3	\$11.3	\$11.3	\$11.3	\$11.3	\$11.3
Unfavorable Contract Liabilities	70.7	73.2	69.2	68.5	68.0	67.4	67.4	67.4	67.4	67.4	67.4	67.4	67.4	67.4
Due to Hotel Managers	74.2	72.7	78.4	77.6	81.4	72.4	72.4	72.4	72.4	72.4	72.4	72.4	72.4	72.4
Dividends Declared and Unpaid	25.7	26.3	25.7	25.7	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8
Accounts Payable and Accrued Expenses	144.5	145.1	191.1	190.5	224.6	237.6	237.6	237.6	237.6	237.6	237.6	237.6	237.6	237.6
<b>Total Current Liabilities</b>	<b>\$329.4</b>	<b>\$329.0</b>	<b>\$376.0</b>	<b>\$373.9</b>	<b>\$411.2</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>	<b>\$414.6</b>
Long-Term Debt	937.8	978.0	1,034.9	1,095.8	1,093.7	1,090.1	1,090.1	1,315.1	1,315.1	1,315.1	1,315.1	1,315.1	1,315.1	1,315.1
Debt premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Shareholders' Equity</b>														
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Additional Paid-In Capital	2,061.5	2,134.2	2,105.4	2,097.7	2,095.9	2,097.9	2,097.9	2,204.6	2,204.6	2,226.6	2,226.6	2,226.6	2,226.6	2,226.6
Accumulated Deficit	(229.8)	(245.6)	(277.4)	(273.8)	(287.6)	(178.9)	(178.9)	(217.4)	(269.8)	(289.2)	(267.3)	(267.3)	(351.3)	(414.2)
<b>Total Shareholders' Equity</b>	<b>\$1,833.6</b>	<b>\$1,890.6</b>	<b>\$1,829.9</b>	<b>\$1,825.8</b>	<b>\$1,810.4</b>	<b>\$1,921.1</b>	<b>\$1,921.1</b>	<b>\$1,989.2</b>	<b>\$1,936.9</b>	<b>\$1,939.4</b>	<b>\$1,961.3</b>	<b>\$1,961.3</b>	<b>\$1,877.3</b>	<b>\$1,814.4</b>
<b>Total Liabilities and Equity</b>	<b>\$3,100.9</b>	<b>\$3,197.6</b>	<b>\$3,240.9</b>	<b>\$3,295.5</b>	<b>\$3,315.2</b>	<b>\$3,425.8</b>	<b>\$3,425.8</b>	<b>\$3,718.9</b>	<b>\$3,666.6</b>	<b>\$3,669.1</b>	<b>\$3,691.1</b>	<b>\$3,691.1</b>	<b>\$3,607.0</b>	<b>\$3,544.1</b>

Source: Company Reports; Morgan Stanley Research Estimates

# Eldorado Resorts Inc. Model

Exhibit 59: Income Statement

Income Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>														
West	\$405.5	\$483.5	\$118.1	\$127.7	\$151.4	\$127.5	\$524.7	\$106.7	\$52.4	\$141.0	\$121.4	\$421.5	\$486.4	\$513.0
Midwest	268.4	397.0	96.8	97.2	95.9	88.7	378.6	63.8	22.3	51.6	53.6	191.3	201.5	211.5
South	292.2	461.2	132.7	116.9	108.0	105.5	463.1	114.1	34.0	67.1	73.5	288.7	301.7	339.0
East	462.7	571.3	166.2	170.5	186.6	151.5	674.8	116.7	46.8	136.3	129.2	429.0	498.1	523.0
Central	-	142.5	120.5	122.8	119.4	117.1	479.8	107.9	50.8	110.1	116.6	385.3	432.6	450.7
Caesars	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,842.4	2,110.2	3,952.6	7,760.6	8,078.9
Caesars synergy	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.4	38.4	154.3	122.2
Corporate and other	0.4	0.5	1.5	2.0	1.9	1.9	7.3	1.6	1.7	1.7	2.0	6.9	7.6	8.2
<b>Total Net Revenue</b>	<b>\$1,429.2</b>	<b>\$2,056.0</b>	<b>\$635.8</b>	<b>\$637.1</b>	<b>\$663.2</b>	<b>\$592.1</b>	<b>\$2,528.2</b>	<b>\$510.6</b>	<b>\$207.9</b>	<b>\$2,350.2</b>	<b>\$2,644.9</b>	<b>\$5,713.7</b>	<b>\$9,842.7</b>	<b>\$10,246.5</b>
<i>y/y growth actual</i>	60.1%	43.9%	44.4%	39.5%	36.1%	-11.9%	23.0%	-19.7%	-67.4%	254.4%	346.7%	126.0%	72.3%	4.1%
<b>Adjusted EBITDAR</b>														
West	\$93.9	\$126.2	\$24.0	\$34.3	\$49.5	\$33.1	\$141.0	\$20.3	\$19.0	\$45.3	\$30.1	\$114.7	\$166.0	\$184.7
Midwest	83.5	139.2	36.3	36.8	35.7	31.8	140.6	22.3	5.7	16.7	16.8	61.5	75.5	82.5
South	64.5	112.5	38.7	29.1	24.7	22.4	114.9	30.0	4.5	9.5	14.3	58.2	88.7	108.9
East	98.9	131.3	39.5	47.4	57.2	37.8	181.9	28.8	8.3	33.3	27.5	97.8	148.3	166.5
Central	0.0	39.5	38.3	39.6	37.4	37.5	152.9	33.7	24.9	33.4	38.2	130.2	151.4	160.4
Caesars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	434.7	549.8	984.5	2,050.4	2,135.9
Caesars synergy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	92.3	117.3	512.9	491.5
Corporate and other	(24.2)	(31.9)	(10.2)	(8.5)	(6.7)	(8.2)	(33.7)	(9.0)	(6.2)	(4.8)	(7.6)	(27.6)	(29.5)	(29.3)
<b>Total Adjusted EBITDAR</b>	<b>\$316.5</b>	<b>\$516.9</b>	<b>\$166.7</b>	<b>\$178.7</b>	<b>\$197.8</b>	<b>\$154.4</b>	<b>\$697.5</b>	<b>\$126.1</b>	<b>\$56.2</b>	<b>\$593.0</b>	<b>\$761.3</b>	<b>\$1,536.7</b>	<b>\$3,163.7</b>	<b>\$3,301.1</b>
<i>y/y growth actual</i>	88.1%	63.3%	60.9%	51.4%	47.5%	-4.3%	34.9%	-24.4%	-68.5%	199.8%	393.2%	120.3%	105.9%	4.3%
<i>y/y growth clean</i>	8.7%	9.8%	6.4%	2.2%	7.9%	0.4%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Margin</i>	22.1%	25.1%	26.2%	28.0%	29.8%	26.1%	27.6%	24.7%	27.1%	25.2%	28.8%	26.9%	32.1%	32.2%
<i>Flow through</i>	27.6%	32.0%	32.3%	33.6%	36.2%	8.7%	38.2%	32.4%	28.5%	23.4%	29.6%	26.3%	39.4%	34.0%
Depreciation and amortization	(\$105.0)	(\$157.4)	(\$57.8)	(\$56.5)	(\$52.6)	(\$54.6)	(\$221.5)	(\$54.6)	(\$54.6)	(\$294.6)	(\$294.6)	(\$698.6)	(\$1,178.6)	(\$1,178.6)
Stock-based compensation expense	(6.3)	(13.1)	(4.9)	(6.5)	(4.3)	(4.0)	(19.7)	(4.0)	(4.0)	(4.0)	(4.0)	(16.0)	(16.0)	(16.0)
Transaction expenses	(93.6)	(20.8)	(1.9)	(7.3)	(12.4)	(63.0)	(84.7)	(4.0)	(100.0)	(4.0)	(4.0)	(100.0)	(16.0)	(16.0)
Other operating gain (loss)	(19.8)	(15.5)	21.6	(5.8)	(3.6)	26.2	38.4	-	-	(25.0)	(25.0)	(50.0)	(50.0)	-
<b>Operating Income</b>	<b>\$90.9</b>	<b>\$310.1</b>	<b>\$123.6</b>	<b>\$102.6</b>	<b>\$124.9</b>	<b>\$58.9</b>	<b>\$410.0</b>	<b>\$67.4</b>	<b>(\$102.4)</b>	<b>\$269.4</b>	<b>\$437.7</b>	<b>\$672.2</b>	<b>\$1,919.2</b>	<b>\$2,106.6</b>
GAAP interest expense, net	(99.8)	(171.9)	(73.5)	(71.8)	(71.9)	(69.0)	(286.2)	(67.8)	(153.1)	(484.7)	(484.7)	(1,190.3)	(1,932.6)	(1,932.6)
Other non operating gain (loss)	(38.4)	(2.6)	(1.5)	(1.4)	2.1	2.0	1.3	-	-	-	-	-	-	-
<b>Pre-Tax Income</b>	<b>(\$47.3)</b>	<b>\$135.6</b>	<b>\$48.6</b>	<b>\$29.4</b>	<b>\$55.1</b>	<b>(\$8.1)</b>	<b>\$125.0</b>	<b>(\$0.4)</b>	<b>(\$255.4)</b>	<b>(\$215.3)</b>	<b>(\$47.0)</b>	<b>(\$518.2)</b>	<b>(\$13.4)</b>	<b>\$174.0</b>
Income tax (provision) benefit	118.8	(40.4)	(10.4)	(10.4)	(18.1)	(5.1)	(44.0)	0.1	53.6	45.2	9.9	108.8	2.8	(36.5)
Net income (loss) from discontinued operations	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$73.9</b>	<b>\$95.2</b>	<b>\$38.2</b>	<b>\$18.9</b>	<b>\$37.1</b>	<b>(\$13.2)</b>	<b>\$81.0</b>	<b>(\$0.3)</b>	<b>(\$201.8)</b>	<b>(\$170.1)</b>	<b>(\$37.2)</b>	<b>(\$409.4)</b>	<b>(\$10.6)</b>	<b>\$137.5</b>
<b>Earnings Per Share - Basic</b>	<b>\$1.10</b>	<b>\$1.23</b>	<b>\$0.49</b>	<b>\$0.24</b>	<b>\$0.48</b>	<b>(\$0.17)</b>	<b>\$1.04</b>	<b>(\$0.00)</b>	<b>(\$2.60)</b>	<b>(\$1.10)</b>	<b>(\$0.24)</b>	<b>(\$3.52)</b>	<b>(\$0.07)</b>	<b>\$0.89</b>
<b>Earnings Per Share - Diluted</b>	<b>\$1.09</b>	<b>\$1.22</b>	<b>\$0.49</b>	<b>\$0.24</b>	<b>\$0.47</b>	<b>(\$0.17)</b>	<b>\$1.03</b>	<b>(\$0.00)</b>	<b>(\$2.60)</b>	<b>(\$1.10)</b>	<b>(\$0.24)</b>	<b>(\$3.52)</b>	<b>(\$0.07)</b>	<b>\$0.89</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 60: Cash Flow Statement

Cash Flow Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>														
Net income	\$73.9	\$95.2	\$38.2	\$18.9	\$37.1	(\$13.2)	\$81.0	(\$0.3)	(\$201.8)	(\$170.1)	(\$37.2)	(\$409.4)	(\$10.6)	\$137.5
Depreciation and amortization	105.9	157.4	57.8	56.5	52.6	54.6	221.5	54.6	54.6	294.6	294.6	698.6	1,178.6	1,178.6
Stock-based compensation expense	6.3	13.1	4.9	6.5	4.3	4.0	19.7	4.0	4.0	4.0	4.0	16.0	16.0	16.0
Amortization of financing costs, non cash interest, etc.	6.3	8.2	4.5	4.6	4.7	4.4	18.3	4.6	4.6	4.6	1.7	15.4	(2.1)	(19.7)
Deferred tax	(113.1)	33.9	5.2	(11.9)	32.8	0.0	26.1	0.0	0.0	(45.2)	(9.9)	(55.1)	(2.8)	0.0
Working capital	(26.8)	(4.1)	(24.2)	(14.6)	1.4	60.6	23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating	77.7	19.6	(21.1)	2.3	(0.5)	(58.0)	(77.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from operating activities</b>	<b>\$130.2</b>	<b>\$323.3</b>	<b>\$65.4</b>	<b>\$62.4</b>	<b>\$132.2</b>	<b>\$52.4</b>	<b>\$312.5</b>	<b>\$62.9</b>	<b>(\$138.6)</b>	<b>\$87.9</b>	<b>\$253.3</b>	<b>\$265.5</b>	<b>\$1,179.1</b>	<b>\$1,312.3</b>
<b>Cash from Investing Activities</b>														
Capital expenditures	(83.5)	(146.4)	(38.4)	(58.8)	(37.9)	(35.8)	(170.8)	(45.0)	(30.0)	(50.0)	(100.0)	(225.0)	(650.0)	(675.0)
Sales (Purchases)	(1,343.5)	(1,113.2)	167.9	4.6	1.7	361.8	536.1	0.0	(1,467.7)	0.0	48.0	(1,419.7)	0.0	0.0
Other investing	19.1	(8.6)	(0.1)	0.1	(0.8)	5.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash from investing activities</b>	<b>(\$1,407.9)</b>	<b>(\$1,268.2)</b>	<b>\$129.5</b>	<b>(\$54.0)</b>	<b>(\$37.0)</b>	<b>\$331.0</b>	<b>\$369.5</b>	<b>(\$45.0)</b>	<b>(\$1,497.7)</b>	<b>(\$50.0)</b>	<b>(\$52.0)</b>	<b>(\$1,644.7)</b>	<b>(\$650.0)</b>	<b>(\$675.0)</b>
<b>Cash from Financing Activities</b>														
Borrowings (repayments) - conventional debt	\$1,384.1	\$1,091.1	(\$205.0)	(\$40.0)	(\$70.5)	(\$387.5)	(\$703.0)	\$465.0	\$2,851.3	\$0.0	\$0.0	\$3,316.3	\$0.0	\$0.0
Stock issuance (repurchase)	0.0	(9.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pfd issuance (repurchase)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financing	(32.9)	(40.9)	(3.8)	(2.1)	0.9	1.5	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash from financing activities</b>	<b>\$1,351.2</b>	<b>\$1,041.1</b>	<b>(\$208.8)</b>	<b>(\$42.1)</b>	<b>(\$69.5)</b>	<b>(\$386.0)</b>	<b>(\$706.5)</b>	<b>\$465.0</b>	<b>\$2,851.3</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$3,316.3</b>	<b>\$0.0</b>	<b>\$0.0</b>
Net Increase in cash & equivalents	\$73.6	\$96.2	(13.9)	(33.7)	25.7	(2.5)	(24.4)	482.9	1,215.0	37.9	201.3	\$1,937.1	\$529.1	\$637.3
Cash, beginning of period	61.0	134.6	230.8	216.9	183.1	208.8	230.8	206.3	689.2	1,904.2	1,942.1	206.3	\$2,143.4	\$2,672.5
Cash & equivalents - ending	134.6	230.8	216.9	183.1	208.8	206.3	206.3	689.2	1,904.2	1,942.1	2,143.4	2,143.4	2,672.5	3,309.8
	0.0	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company Filings, Morgan Stanley Research estimates

## Exhibit 61: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and cash equivalents	\$134.6	\$230.8	\$216.9	\$183.1	\$208.8	\$206.3	\$206.3	\$689.2	\$1,904.2	\$1,942.1	\$2,143.4	\$2,143.4	\$2,672.5	\$3,309.8
Restricted cash	3.3	24.9	25.2	24.7	22.2	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Marketable securities	17.6	17.0	16.9	22.7	20.4	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6
Receivables, net	45.8	60.2	65.6	63.1	48.2	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9
Inventories	16.9	20.6	20.8	19.0	17.7	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Prepaid expenses	32.6	48.0	32.5	40.3	37.4	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Other current assets	0.2	171.8	5.1	349.6	608.8	256.9	256.9	256.9	256.9	256.9	256.9	256.9	256.9	256.9
Total Current Assets	251.0	573.2	383.0	702.6	963.5	604.6	604.6	1,087.6	2,302.5	2,340.4	2,541.7	2,541.7	3,070.8	3,708.1
Property and equipment, net	\$1,502.8	\$2,882.6	\$2,870.1	\$2,713.8	\$2,635.1	\$2,614.5	\$2,614.5	\$2,604.9	\$12,847.9	\$12,603.3	\$12,360.7	\$12,360.7	\$11,832.1	\$11,328.5
Intangible assets other than goodwill	996.8	1,362.0	1,354.4	1,219.4	1,118.9	1,111.4	1,111.4	1,111.4	1,111.4	1,111.4	1,111.4	1,111.4	1,111.4	1,111.4
Goodwill	747.1	1,008.3	1,008.3	967.4	909.7	909.7	909.7	909.7	909.7	909.7	909.7	909.7	909.7	909.7
Other non current assets	48.7	85.3	498.7	478.8	454.0	400.3	400.3	400.3	400.3	400.3	400.3	400.3	400.3	400.3
<b>Total Assets</b>	<b>\$3,546.5</b>	<b>\$5,911.5</b>	<b>\$6,114.5</b>	<b>\$6,082.0</b>	<b>\$6,081.2</b>	<b>\$5,640.6</b>	<b>\$5,640.6</b>	<b>\$6,113.8</b>	<b>\$17,571.8</b>	<b>\$17,365.1</b>	<b>\$17,323.8</b>	<b>\$17,323.8</b>	<b>\$17,324.3</b>	<b>\$17,458.0</b>
<b>Liabilities</b>														
Accounts payable	\$34.8	\$58.5	\$89.9	\$56.4	\$50.0	\$62.0	\$62.0	\$62.0	\$62.0	\$62.0	\$62.0	\$62.0	\$62.0	\$62.0
Current debt incl. leases	0.6	0.5	0.4	0.3	0.2	246.2	246.2	246.2	246.2	246.2	246.2	246.2	246.2	246.2
Other current liabilities including accrued expenses	183.7	343.2	299.0	326.5	364.7	380.3	380.3	380.3	380.3	380.3	380.3	380.3	380.3	380.3
Total Current Liabilities	\$219.1	\$402.2	\$389.3	\$383.2	\$415.0	\$688.4	\$688.4	\$688.4	\$688.4	\$688.4	\$688.4	\$688.4	\$688.4	\$688.4
Long term debt incl. leases	\$2,189.6	\$4,221.6	\$4,019.7	\$3,983.7	\$3,918.9	\$3,295.1	\$3,295.1	\$3,764.6	\$15,420.4	\$15,425.0	\$15,426.7	\$15,426.7	\$15,424.7	\$15,404.9
Other non-current liabilities	192.7	258.6	642.3	629.6	620.6	539.8	539.8	539.8	539.8	494.6	484.7	484.7	481.9	481.9
<b>Total Liabilities</b>	<b>\$2,601.3</b>	<b>\$4,882.3</b>	<b>\$5,051.3</b>	<b>\$4,996.5</b>	<b>\$4,954.5</b>	<b>\$4,523.3</b>	<b>\$4,523.3</b>	<b>\$4,992.9</b>	<b>\$16,648.7</b>	<b>\$16,608.0</b>	<b>\$16,599.9</b>	<b>\$16,599.9</b>	<b>\$16,595.0</b>	<b>\$16,575.2</b>
<b>Shareholders' Equity</b>														
Common equity	\$945.1	\$1,029.2	\$1,063.3	\$1,085.5	\$1,126.8	\$1,117.3	\$1,117.3	\$1,121.0	\$923.2	\$757.1	\$723.9	\$723.9	\$729.3	\$882.7
Pfd equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>\$945.1</b>	<b>\$1,029.2</b>	<b>\$1,063.3</b>	<b>\$1,085.5</b>	<b>\$1,126.8</b>	<b>\$1,117.3</b>	<b>\$1,117.3</b>	<b>\$1,121.0</b>	<b>\$923.2</b>	<b>\$757.1</b>	<b>\$723.9</b>	<b>\$723.9</b>	<b>\$729.3</b>	<b>\$882.7</b>

Source: Company Filings, Morgan Stanley Research estimates

# Extended Stay America Inc Model

Exhibit 62: Income Statement

Income Statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
Owned Room revenues	\$1,250.9	\$1,260.9	\$1,237.3	\$267.0	\$311.6	\$320.7	\$272.4	\$1,171.7	\$267.3	\$149.6	\$245.1	\$259.3	\$921.4	\$1,085.9	\$1,185.0
ESA 2.0 Fees	0.0	0.0	4.7	1.2	1.4	1.4	1.4	5.4	2.3	1.4	2.1	2.3	8.2	11.2	14.9
Other hotel revenues	19.7	21.9	21.9	5.3	6.1	6.5	6.5	24.4	5.2	2.9	4.8	6.1	19.0	22.7	23.9
Management / license fees and other revenue	0.0	0.0	11.2	4.1	4.5	4.2	3.9	16.7	4.1	2.2	3.2	3.7	13.2	15.7	16.4
<b>Total Revenues</b>	<b>\$1,270.6</b>	<b>\$1,282.7</b>	<b>\$1,275.1</b>	<b>\$277.7</b>	<b>\$323.7</b>	<b>\$332.7</b>	<b>\$284.2</b>	<b>\$1,218.2</b>	<b>\$278.9</b>	<b>\$156.1</b>	<b>\$255.3</b>	<b>\$271.5</b>	<b>\$961.8</b>	<b>\$1,145.4</b>	<b>\$1,240.2</b>
% Growth Y/Y	-1.1%	1.0%	-0.6%	-6.7%	-3.8%	-5.2%	-1.9%	-4.5%	0.4%	-51.8%	-23.3%	-4.5%	-21.1%	19.1%	8.3%
Guidance	\$1,261-1,267	\$1,280-1,284	\$1,271-1,277					\$1,205-1,215					\$1,226-1,246		
Property operating expense	580.8	585.5	583.0	137.3	146.9	152.9	145.2	582.3	145.6	116.3	129.3	136.9	528.0	583.3	612.3
General and administrative expenses	98.0	94.7	92.8	23.0	22.3	22.3	27.5	95.2	25.3	11.1	17.8	25.6	79.9	82.3	88.9
Depreciation and amortization	221.3	229.2	209.3	48.8	49.0	49.7	49.9	197.4	49.3	49.3	49.3	49.4	197.1	197.1	197.1
Other expenses from franchised & managed properties	0.0	0.0	11.5	4.6	5.0	4.7	4.5	18.9	4.1	2.2	3.2	3.7	13.2	15.7	16.4
Other	9.8	25.2	1.5	0.0	0.0	2.7	0.0	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Operating Expenses</b>	<b>909.9</b>	<b>934.6</b>	<b>\$898.2</b>	<b>\$213.7</b>	<b>\$223.2</b>	<b>\$232.3</b>	<b>\$227.1</b>	<b>\$896.4</b>	<b>\$224.3</b>	<b>\$178.9</b>	<b>\$199.6</b>	<b>\$215.6</b>	<b>\$818.3</b>	<b>\$878.4</b>	<b>\$914.7</b>
<b>Operating Income</b>	<b>\$360.7</b>	<b>\$348.1</b>	<b>\$376.9</b>	<b>\$63.9</b>	<b>\$100.5</b>	<b>\$100.4</b>	<b>\$57.1</b>	<b>\$321.8</b>	<b>\$54.6</b>	<b>(\$22.7)</b>	<b>\$55.7</b>	<b>\$55.9</b>	<b>\$143.5</b>	<b>\$267.0</b>	<b>\$325.5</b>
Interest expense	(164.5)	(129.8)	(124.9)	(29.6)	(29.8)	(36.5)	(31.9)	(127.8)	(36.2)	(39.0)	(39.3)	(39.3)	(153.9)	(150.0)	(138.9)
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.6	13.3	1.8	0.2	0.2	(0.1)	0.1	0.4	(1.5)	(1.5)	(1.5)	(1.5)	(6.0)	0.0	0.0
<b>Pre-tax Income</b>	<b>\$197.7</b>	<b>\$231.7</b>	<b>\$253.8</b>	<b>\$34.5</b>	<b>\$70.9</b>	<b>\$63.7</b>	<b>\$25.3</b>	<b>\$194.5</b>	<b>\$16.9</b>	<b>(\$63.2)</b>	<b>\$14.8</b>	<b>\$15.1</b>	<b>(\$16.4)</b>	<b>\$117.0</b>	<b>\$186.6</b>
Tax benefit (expense)	(34.4)	(59.5)	(42.1)	(6.1)	(11.2)	(10.5)	(1.5)	(29.3)	(2.5)	9.5	(2.2)	(2.3)	2.5	(17.6)	(28.0)
Net income attributable to noncontrolling interests	(93.4)	(93.3)	(98.9)	(6.5)	(6.2)	(12.2)	(70.7)	(95.5)	(14.0)	(14.0)	(14.0)	(14.0)	(58.0)	(56.0)	(56.0)
Preferred stock, Dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary / other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income</b>	<b>\$69.9</b>	<b>\$78.8</b>	<b>\$112.9</b>	<b>\$21.9</b>	<b>\$53.5</b>	<b>\$41.1</b>	<b>(\$46.8)</b>	<b>\$69.7</b>	<b>\$0.4</b>	<b>(\$67.8)</b>	<b>(\$1.4)</b>	<b>(\$1.2)</b>	<b>(\$70.0)</b>	<b>\$43.5</b>	<b>\$102.6</b>
Total non-recurring items	123.1	101.7	103.5	7.6	7.7	21.5	71.8	103.5	15.5	15.5	15.5	15.5	62.0	56.0	58.0
<b>Recurring Net Income</b>	<b>\$199.0</b>	<b>\$180.6</b>	<b>\$216.4</b>	<b>\$29.5</b>	<b>\$61.2</b>	<b>\$62.6</b>	<b>\$24.9</b>	<b>\$178.2</b>	<b>\$15.9</b>	<b>(\$52.3)</b>	<b>\$14.1</b>	<b>\$14.3</b>	<b>(\$8.0)</b>	<b>\$99.5</b>	<b>\$158.6</b>
Average diluted shares outstanding	200.7	193.7	189.8	188.6	188.8	187.0	182.0	186.8	177.0	177.0	177.0	177.0	177.0	177.0	177.0
<b>Reported EPS</b>	<b>\$0.35</b>	<b>\$0.41</b>	<b>\$0.59</b>	<b>\$0.12</b>	<b>\$0.28</b>	<b>\$0.22</b>	<b>(\$0.26)</b>	<b>\$0.37</b>	<b>\$0.00</b>	<b>(\$0.38)</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>	<b>(\$0.40)</b>	<b>\$0.25</b>	<b>\$0.58</b>
<b>Recurring EPS</b>	<b>\$0.99</b>	<b>\$0.93</b>	<b>\$1.14</b>	<b>\$0.16</b>	<b>\$0.32</b>	<b>\$0.33</b>	<b>\$0.14</b>	<b>\$0.95</b>	<b>\$0.09</b>	<b>(\$0.30)</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>(\$0.05)</b>	<b>\$0.56</b>	<b>\$0.90</b>
% growth, yy	4.2%	-5.9%	22.2%	-16.8%	-85.2%	72.0%	-60.7%	-16.4%	-56.3%	-125.9%	-49.1%	-75.0%	-104.7%	-1348.5%	59.5%
Dividend	\$148.6	\$162.7	\$167.3	\$41.5	\$43.4	\$43.0	\$41.9	\$169.8	\$40.7	\$0.0	\$0.0	\$0.0	\$40.7	\$161.1	\$161.1
Dividend / share	\$0.74	\$0.84	\$0.88	\$0.22	\$0.23	\$0.23	\$0.23	\$0.91	\$0.23	\$0.00	\$0.00	\$0.00	\$0.23	\$0.91	\$0.91
Y/Y Change	-22%	10%	3%	-2%	4%	3%	1%	2%	-2%	-100%	-100%	-100%	-76%	296%	0%
Share Price	\$14.99	\$18.14	\$18.33	\$17.95	\$16.89	\$14.38	\$14.40	\$15.90	\$14.69	\$14.98	\$15.28	\$15.59	\$15.13	\$14.83	\$14.12
Cost of Equity									2.0%	2.0%	2.0%	2.0%	-4.8%	-4.8%	-4.8%
<b>Company Adjusted EBITDA</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net Income	\$163.4	\$172.2	\$211.8	\$28.4	\$59.7	\$53.2	\$23.8	\$165.1	\$14.4	(\$53.8)	\$12.6	\$12.8	(\$14.0)	\$99.5	\$158.6
Interest Expense	164.5	129.8	124.9	29.6	29.8	36.5	31.9	127.8	36.2	39.0	39.3	39.3	153.9	150.0	138.9
Income tax (benefit) expense	34.4	59.5	42.1	6.1	11.2	10.5	1.5	29.3	2.5	(9.5)	2.2	2.3	(2.5)	17.6	28.0
D&A	221.3	229.2	209.3	48.8	49.0	49.7	49.9	197.4	49.3	49.3	49.3	49.4	197.1	197.1	197.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>\$583.5</b>	<b>\$590.7</b>	<b>\$588.0</b>	<b>\$112.9</b>	<b>\$149.6</b>	<b>\$150.0</b>	<b>\$107.1</b>	<b>\$519.6</b>	<b>\$102.4</b>	<b>\$25.0</b>	<b>\$103.4</b>	<b>\$103.8</b>	<b>\$334.6</b>	<b>\$464.1</b>	<b>\$522.7</b>
Equity based compensation	12.0	7.6	7.7	2.1	2.1	1.9	0.8	6.9	2.1	2.1	2.1	2.1	8.3	8.3	8.3
Impairment of long-lived assets	9.8	24.9	43.6	0.0	0.0	2.7	0.0	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain on sale of hotel properties	0.0	(10.0)	(42.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-operating expense	(1.6)	(0.1)	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses	11.9	9.9	2.6	1.3	1.9	1.8	0.9	5.8	1.6	1.6	1.6	1.6	6.4	6.4	6.4
<b>Company Adjusted EBITDA</b>	<b>\$615.7</b>	<b>\$622.9</b>	<b>\$599.7</b>	<b>\$116.3</b>	<b>\$153.6</b>	<b>\$156.3</b>	<b>\$108.8</b>	<b>\$535.0</b>	<b>\$106.1</b>	<b>\$28.7</b>	<b>\$107.1</b>	<b>\$107.5</b>	<b>\$349.3</b>	<b>\$478.8</b>	<b>\$537.3</b>
Margin	48.5%	48.6%	47.0%	41.9%	47.5%	47.0%	38.3%	43.9%	38.0%	18.4%	41.9%	39.6%	36.3%	41.8%	43.3%
Incremental Margins	-88.8%	59.7%	302.3%	63.8%	1.4%	-49.7%	34.0%	113.8%	94.7%	11.2%	219.9%	2.5%	72.4%	-103.5%	6.2%
% growth, yy	2.1%	1.2%	-3.7%	-12.0%	-8.2%	-10.0%	-14.1%	-10.8%	-8.8%	-81.3%	-31.5%	-1.2%	-34.7%	37.1%	12.2%
Guidance	\$601-606	\$614-618	\$596-603	\$114-120	\$153-158	\$157-163	\$109-119	\$535-545		\$107-112			\$505-525		

Source: Company Reports; Morgan Stanley Research Estimates



# Gaming & Leisure Properties Inc Model

Exhibit 65: Income Statement & AFFO Build

INCOME STATEMENT	2015	2016	2017A	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>																
Rental income	\$432.1	\$684.2	\$829.2	\$923.2	\$254.9	\$255.8	\$256.0	\$258.5	\$1,025.1	\$256.4	\$101.0	\$116.5	\$233.4	\$707.2	\$1,080.6	\$1,096.1
Taxable REIT subsidiary revenue	147.9	144.1	142.1	132.5	33.0	33.2	31.6	30.5	128.4	29.1	13.4	29.1	29.4	101.0	112.6	116.4
<b>Net Revenue</b>	<b>\$580.1</b>	<b>\$828.3</b>	<b>\$971.3</b>	<b>\$1,055.7</b>	<b>\$287.9</b>	<b>\$289.0</b>	<b>\$287.6</b>	<b>\$289.0</b>	<b>\$1,153.5</b>	<b>\$285.5</b>	<b>\$114.4</b>	<b>\$145.5</b>	<b>\$262.8</b>	<b>\$808.2</b>	<b>\$1,193.3</b>	<b>\$1,212.5</b>
% Growth (y-o-y)	-1.9%	42.8%	17.3%	8.7%	18.0%	13.7%	13.2%	-4.7%	9.3%	-0.8%	-60.4%	-49.4%	-9.1%	-29.9%	47.6%	1.6%
<b>Adjusted EBITDA</b>																
Real Estate Adjusted EBITDA	\$402.9	\$684.1	\$846.3	\$893.8	\$250.1	\$252.4	\$253.0	\$253.8	\$1,009.2	\$251.0	\$92.8	\$103.0	\$215.8	\$662.6	\$1,006.9	\$1,021.6
TRS Adjusted EBITDA	37.1	37.3	38.2	32.8	8.3	8.5	7.5	6.7	31.0	6.6	2.9	6.6	6.4	22.5	26.6	28.2
<b>Total Adjusted EBITDA</b>	<b>\$440.0</b>	<b>\$721.4</b>	<b>\$884.6</b>	<b>\$926.6</b>	<b>\$258.4</b>	<b>\$260.9</b>	<b>\$260.5</b>	<b>\$260.5</b>	<b>\$1,040.3</b>	<b>\$257.6</b>	<b>\$95.7</b>	<b>\$109.5</b>	<b>\$222.2</b>	<b>\$685.0</b>	<b>\$1,033.6</b>	<b>\$1,049.8</b>
<b>Total Reported EBITDA</b>	<b>\$440.0</b>	<b>\$721.4</b>	<b>\$884.6</b>	<b>\$926.6</b>	<b>\$258.4</b>	<b>\$260.9</b>	<b>\$260.5</b>	<b>\$260.5</b>	<b>\$1,040.3</b>	<b>\$257.6</b>	<b>\$95.7</b>	<b>\$109.5</b>	<b>\$222.2</b>	<b>\$685.0</b>	<b>\$1,033.6</b>	<b>\$1,049.8</b>
% Growth (y-o-y)	4.1%	63.9%	22.6%	4.8%	16.7%	15.9%	17.2%	1.0%	12.3%	-0.3%	-63.3%	-57.9%	-14.7%	-34.1%	50.9%	1.6%
Margin	75.9%	87.1%	91.1%	87.8%	89.8%	90.3%	90.6%	90.1%	90.2%	90.2%	83.6%	75.3%	84.6%	84.8%	86.6%	86.6%
Plus: Non-recurring expenses	11.4	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Morgan Stanley Adj. EBITDA</b>	<b>\$451.4</b>	<b>\$725.9</b>	<b>\$884.6</b>	<b>\$926.6</b>	<b>\$258.4</b>	<b>\$260.9</b>	<b>\$260.5</b>	<b>\$260.5</b>	<b>\$1,040.3</b>	<b>\$257.6</b>	<b>\$95.7</b>	<b>\$109.5</b>	<b>\$222.2</b>	<b>\$685.0</b>	<b>\$1,033.6</b>	<b>\$1,049.8</b>
% Growth (y-o-y)	3.5%	60.8%	21.9%	4.8%	16.7%	15.9%	17.2%	1.0%	12.3%	-0.3%	-63.3%	-57.9%	-14.7%	-34.1%	50.9%	1.6%
Margin	77.8%	87.6%	91.1%	87.8%	89.8%	90.3%	90.6%	90.1%	90.2%	90.2%	83.6%	75.3%	84.6%	84.8%	86.6%	86.6%
Real estate depreciation	95.5	96.1	100.6	125.6	55.7	65.6	55.0	54.4	230.7	54.3	54.1	54.1	54.1	216.6	216.6	216.6
Non-real estate depreciation	14.3	13.5	12.9	11.5	2.9	2.3	2.3	2.3	9.7	2.9	1.9	1.9	1.9	8.5	8.5	8.5
PNK land lease expense		6.2	10.4	11.3	3.1	9.4	3.0	3.0	18.5	3.0	3.0	3.0	3.0	12.1	12.1	12.1
Non-cash stock-based compensation	16.8	16.3	15.6	11.2	4.3	4.2	3.8	3.8	16.2	4.4	4.2	4.2	4.2	17.0	17.0	17.0
Real estate non-cash adjustments	55.8	107.2	139.0	100.3	8.6	8.6	8.6	8.6	34.6	8.6	1.5	(2.1)	(5.3)	2.8	(21.0)	(21.0)
Other	0.2	(0.5)	0.5	76.4	13.0	0.0	21.1	0.0	34.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Operating Income</b>	<b>257.4</b>	<b>480.6</b>	<b>605.5</b>	<b>590.3</b>	<b>170.8</b>	<b>170.8</b>	<b>166.6</b>	<b>188.3</b>	<b>696.4</b>	<b>184.3</b>	<b>31.0</b>	<b>48.5</b>	<b>164.3</b>	<b>428.1</b>	<b>800.4</b>	<b>816.6</b>
Interest expense, net	(121.9)	(183.8)	(215.1)	(245.9)	(76.6)	(76.3)	(74.9)	(73.0)	(300.8)	(72.6)	(72.6)	(73.1)	(73.1)	(291.4)	(292.3)	(292.3)
Management fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Income before taxes</b>	<b>135.6</b>	<b>296.9</b>	<b>390.4</b>	<b>344.5</b>	<b>94.1</b>	<b>94.5</b>	<b>91.7</b>	<b>115.3</b>	<b>395.6</b>	<b>111.8</b>	<b>(41.6)</b>	<b>(24.6)</b>	<b>91.2</b>	<b>136.7</b>	<b>508.1</b>	<b>524.3</b>
Income tax benefit (expense)	(7.4)	(7.5)	(9.8)	(5.0)	(1.1)	(1.5)	(1.2)	(1.0)	(4.8)	(0.9)	(0.9)	(0.9)	(0.9)	(3.4)	(3.4)	(3.9)
<b>Net income</b>	<b>128.1</b>	<b>289.3</b>	<b>380.6</b>	<b>339.5</b>	<b>93.0</b>	<b>93.0</b>	<b>90.5</b>	<b>114.3</b>	<b>390.9</b>	<b>110.9</b>	<b>(42.5)</b>	<b>(25.5)</b>	<b>90.4</b>	<b>133.3</b>	<b>504.7</b>	<b>520.3</b>
Plus: Non-recurring expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Recurring Net income</b>	<b>\$128.1</b>	<b>\$289.3</b>	<b>\$380.6</b>	<b>\$339.5</b>	<b>\$93.0</b>	<b>\$93.0</b>	<b>\$90.5</b>	<b>\$114.3</b>	<b>\$390.9</b>	<b>\$110.9</b>	<b>(\$42.5)</b>	<b>(\$25.5)</b>	<b>\$90.4</b>	<b>\$133.3</b>	<b>\$504.7</b>	<b>\$520.3</b>
<b>Reported Diluted EPS</b>	<b>\$1.08</b>	<b>\$1.60</b>	<b>\$1.79</b>	<b>\$1.58</b>	<b>\$0.43</b>	<b>\$0.43</b>	<b>\$0.42</b>	<b>\$0.53</b>	<b>\$1.81</b>	<b>\$0.52</b>	<b>(\$0.20)</b>	<b>(\$0.12)</b>	<b>\$0.42</b>	<b>\$0.62</b>	<b>\$2.34</b>	<b>\$2.42</b>
<b>Recurring Diluted EPS</b>	<b>\$1.08</b>	<b>\$1.60</b>	<b>\$1.79</b>	<b>\$1.58</b>	<b>\$0.43</b>	<b>\$0.43</b>	<b>\$0.42</b>	<b>\$0.53</b>	<b>\$1.81</b>	<b>\$0.52</b>	<b>(\$0.20)</b>	<b>(\$0.12)</b>	<b>\$0.42</b>	<b>\$0.62</b>	<b>\$2.34</b>	<b>\$2.42</b>
<i>Previously Reported Prior to FASB Changes</i>																
Dividends per share	\$2.20	\$2.34	\$2.50	\$2.57	\$0.68	\$0.68	\$0.68	\$0.70	\$2.74	\$0.70	\$0.70	\$0.70	\$0.70	\$2.80	\$2.78	\$2.84
Current dividend yield	5.8%	6.1%	6.6%	6.7%	7.2%	7.3%	7.3%	7.5%	7.2%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.5%
Basic shares outstanding	114.4	179.0	211.4	213.6	214.5	215.0	214.7	214.7	214.7	214.7	214.7	214.7	214.7	214.7	214.7	214.7
Diluted shares outstanding	118.4	180.8	212.8	214.8	215.1	215.6	215.3	216.0	215.5	215.1	215.2	215.3	215.4	215.3	215.5	215.1
Diluted share count guidance	119.3	180.8	212.7	214.8	215.1	215.4	215.5	215.3	215.4	215.1	215.2	215.3	215.4	215.3	215.5	215.1
Stock Price	\$32.96	\$32.96	\$35.38	\$34.69	\$35.06	\$35.76	\$45.00	\$50.30	\$41.53	\$51.31	\$52.33	\$53.38	\$54.45	\$52.87	\$58.80	\$63.51
<b>FREE CASH FLOW SUMMARY</b>	<b>2015</b>	<b>2016</b>	<b>2017A</b>	<b>2018</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19A</b>	<b>2019A</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Recurring net income	\$128.1	\$289.3	\$380.6	\$339.5	\$93.0	\$93.0	\$90.5	\$114.3	\$390.9	\$110.9	(\$42.5)	(\$25.5)	\$90.4	\$133.3	\$504.7	\$520.3
+ Real-Estate Depreciation	95.5	96.1	100.6	125.6	55.7	65.6	55.0	54.4	230.7	54.3	54.1	54.1	54.1	216.6	216.6	216.6
+ Other	0.2	(0.5)	0.5	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FFO</b>	<b>223.8</b>	<b>384.9</b>	<b>481.7</b>	<b>465.5</b>	<b>148.7</b>	<b>158.6</b>	<b>145.6</b>	<b>168.8</b>	<b>621.7</b>	<b>165.2</b>	<b>11.6</b>	<b>28.6</b>	<b>144.5</b>	<b>349.9</b>	<b>721.3</b>	<b>736.9</b>
<i>FFO Guidance</i>	<i>224.9</i>	<i>382.5</i>	<i>482.1</i>	<i>524.4</i>	<i>161.7</i>	<i>163.3</i>	<i>162.7</i>	<i>167.6</i>	<i>620.5</i>	<i>168.2</i>				<i>706.1-712.2</i>		
+ Other depreciation	14.3	13.5	12.9	11.5	2.9	2.3	2.3	2.3	9.7	2.9	1.9	1.9	1.9	8.5	8.5	8.5
+ Real estate non-cash adjustments	55.8	107.2	139.0	100.3	8.6	8.6	8.6	8.6	34.6	8.6	1.5	(2.1)	(5.3)	2.8	(21.0)	(21.0)
+ PNK land lease rights expense		6.2	10.4	11.3	3.1	9.4	3.0	3.0	18.5	3.0	3.0	3.0	3.0	12.1	12.1	12.1
+ Deferred finance fee amortization	14.0	15.1	13.0	12.2	2.9	2.9	2.8	2.9	11.5	2.9	2.9	2.9	2.9	11.4	11.4	11.4
+ Non-cash stock-based compensation	16.8	16.3	15.6	11.2	4.3	4.2	3.8	3.8	16.2	4.4	4.2	4.2	4.2	17.0	17.0	17.0
+/- Other	0.0	0.0	0.0	76.1	13.0	0.0	21.0	0.0	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Maintenance capex	(3.4)	(3.1)	(3.2)	(4.3)	(0.5)	(1.0)	(0.7)	(0.8)	(3.0)	(1.1)	(0.3)	(0.3)	(0.5)	(2.1)	(3.0)	(3.0)
<b>AFFO</b>	<b>321.4</b>	<b>542.1</b>	<b>669.5</b>	<b>683.5</b>	<b>183.0</b>	<b>185.0</b>	<b>186.5</b>	<b>188.6</b>	<b>743.2</b>	<b>185.9</b>	<b>24.8</b>	<b>38.2</b>	<b>150.7</b>	<b>399.6</b>	<b>746.3</b>	<b>761.9</b>
<i>AFFO Guidance</i>	<i>320.6</i>	<i>539.2</i>	<i>669.5</i>	<i>683.5</i>	<i>182.0</i>	<i>183.1</i>	<i>182.6</i>	<i>186.9</i>	<i>741.5</i>	<i>188.3</i>				<i>753.4-759.5</i>		
Less: Comp expense on employee options paid by	(7.7)	(5.3)	(2.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>AFFO used for dividend calculation</b>	<b>314.1</b>	<b>536.8</b>	<b>666.6</b>	<b>683.6</b>	<b>183.0</b>	<b>185.0</b>	<b>186.5</b>	<b>188.6</b>	<b>743.2</b>	<b>185.9</b>	<b>24.8</b>	<b>38.2</b>	<b>150.7</b>	<b>399.6</b>	<b>746.3</b>	<b>761.9</b>
- Project Capex	(14.9)	(0.2)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Dividends	(249.0)	(421.8)	(528.5)	(549.0)	(145.9)	(146.2)	(146.0)	(150.3)	(588.3)	(150.3)	(150.3)	(150.3)	(150.3)	(601.1)	(597.0)	(609.5)
+/- Change in working capital & other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+/- Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Free Cash Flow</b>	<b>\$57.4</b>	<b>\$120.1</b>	<b>\$141.0</b>	<b>\$134.6</b>	<b>\$37.2</b>	<b>\$38.8</b>	<b>\$40.5</b>	<b>\$38.3</b>	<b>\$154.8</b>	<b>\$35.6</b>	<b>(\$125.5)</b>	<b>(\$112.1)</b>	<b>\$0.4</b>	<b>(\$201.6)</b>	<b>\$149.3</b>	<b>\$152.4</b>
Net FCF per share	\$0.48	\$0.66	\$0.66	\$0.63	\$0.17	\$0.18	\$0.19									



# Hilton Worldwide Holdings Inc Model

Exhibit 68: Income Statement

Income Statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenues</b>															
Owned & leased hotels	\$4,126	\$1,450	\$1,484	\$312	\$387	\$361	\$362	\$1,422	\$261	\$117	\$251	\$344	\$973	\$1,176	\$1,246
Base management fees	354	336	321	80	89	80	83	332	67	27	55	76	225	279	304
Incentive management fees	155	222	235	55	58	54	63	230	39	3	11	38	90	126	139
Franchise fees	1,237	1,382	1,530	382	444	443	412	1,681	348	146	329	401	1,224	1,564	1,727
Other managed/franchised fees	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	(85)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management and franchised fees and other	1,701	1,940	2,086	517	591	577	558	2,243	453	176	395	515	1,539	1,969	2,169
Other Revenue	105	105	98	26	26	23	26	101	27	27	24	27	106	106	106
Timeshare	1,390	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$7,217</b>	<b>\$3,495</b>	<b>\$3,668</b>	<b>\$855</b>	<b>\$1,004</b>	<b>\$961</b>	<b>\$946</b>	<b>\$3,766</b>	<b>\$741</b>	<b>\$321</b>	<b>\$670</b>	<b>\$886</b>	<b>\$2,618</b>	<b>\$3,251</b>	<b>\$3,522</b>
<i>12/8/16 Investor Day Guidance</i>								\$3,677-3,853							
Other revenues from managed and franchised properties	4,446	5,645	5,238	1,349	1,480	1,434	1,423	5,686	1,183	441	981	1,313	3,918	5,012	5,523
<b>Total Revenue</b>	<b>\$11,663</b>	<b>\$9,140</b>	<b>\$8,906</b>	<b>\$2,204</b>	<b>\$2,484</b>	<b>\$2,395</b>	<b>\$2,369</b>	<b>\$9,452</b>	<b>\$1,924</b>	<b>\$761</b>	<b>\$1,651</b>	<b>\$2,199</b>	<b>\$6,535</b>	<b>\$8,263</b>	<b>\$9,045</b>
% growth, y/y	3.5%	-21.6%	-2.6%	6.3%	8.4%	6.3%	3.5%	6.1%	-12.7%	-69.4%	-31.1%	-7.2%	-30.9%	26.4%	9.5%
<b>Consolidated Revenue (pre-spin)</b>	<b>\$13,590</b>	<b>\$13,406</b>						<b>\$13,900</b>					<b>\$6,535</b>	<b>\$8,263</b>	<b>\$9,045</b>
% growth, y/y		16.5%	-1.4%					3.7%					-53.0%	26.4%	9.5%
<b>Costs and Expenses</b>															
Owned & leased hotels	\$3,100	\$1,286	\$1,332	\$298	\$334	\$310	\$312	\$1,254	\$281	\$164	\$263	\$308	\$1,017	\$1,141	\$1,165
Timeshare	948	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG&A Costs	616	434	443	107	113	107	114	441	102	68	86	91	346	374	378
Other Expense	616	56	51	20	15	11	26	72	20	15	11	26	72	72	72
Other revenues from managed and franchised properties	4,446	5,645	5,323	1,383	1,458	1,443	1,479	5,763	1,183	441	981	1,313	3,918	5,012	5,523
<b>Total Expenses</b>	<b>9,110</b>	<b>7,421</b>	<b>7,149</b>	<b>1,808</b>	<b>1,920</b>	<b>1,871</b>	<b>1,931</b>	<b>7,530</b>	<b>1,586</b>	<b>688</b>	<b>1,341</b>	<b>1,739</b>	<b>5,353</b>	<b>6,599</b>	<b>7,138</b>
<b>Operating Profit</b>															
Owned & leased hotels	1,026	164	152	14	53	\$51	50	168	(\$21)	(\$47)	(\$13)	\$35	(45)	35	81
Management and franchised fees and other	1,701	1,940	2,086	517	591	577	558	2,243	453	176	395	515	1,539	1,969	2,169
Timeshare	442	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG&A	(616)	(434)	(443)	(107)	(113)	(107)	(114)	(441)	(102)	(68)	(86)	(91)	(346)	(374)	(378)
<b>Segment Operating Profit</b>	<b>\$2,553</b>	<b>\$1,670</b>	<b>\$1,795</b>	<b>\$424</b>	<b>\$531</b>	<b>\$521</b>	<b>\$494</b>	<b>\$1,970</b>	<b>\$331</b>	<b>\$61</b>	<b>\$297</b>	<b>\$459</b>	<b>\$1,148</b>	<b>\$1,630</b>	<b>\$1,873</b>
Depreciation and amortization	686	347	325	84	86	86	90	346	95	84	84	84	347	347	347
Impairment losses (Other)	8	-	-	-	-	(81)	-	(81)	-	-	-	-	-	-	-
<b>Operating Income</b>	<b>1,859</b>	<b>1,372</b>	<b>1,432</b>	<b>312</b>	<b>478</b>	<b>519</b>	<b>348</b>	<b>1,657</b>	<b>243</b>	<b>(10)</b>	<b>226</b>	<b>377</b>	<b>835</b>	<b>1,317</b>	<b>1,560</b>
<i>12/8/16 Investor Day Guidance</i>															
Interest income	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(587)	(408)	(371)	(98)	(101)	(105)	(110)	(414)	(112)	(122)	(129)	(120)	(482)	(450)	(425)
Equity in earnings (losses) from unconsolidated affiliates	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on foreign currency transactions	(13)	3	(11)	-	(3)	7	(6)	(2)	-	-	-	-	-	-	-
Other gain (loss), net	(24)	(37)	28	4	(12)	-	11	3	-	-	-	-	-	-	-
<b>Pretax Income</b>	<b>1,255</b>	<b>930</b>	<b>1,078</b>	<b>218</b>	<b>362</b>	<b>421</b>	<b>243</b>	<b>1,244</b>	<b>131</b>	<b>(132)</b>	<b>97</b>	<b>257</b>	<b>352</b>	<b>868</b>	<b>1,135</b>
Income tax benefit (expense)	(891)	334	(309)	(59)	(101)	(131)	(67)	(358)	(34)	38	(28)	(75)	(98)	(242)	(317)
Minority equity in net income	(16)	(4)	(5)	(1)	(1)	(2)	(1)	(5)	(1)	(1)	(1)	(1)	(4)	(3)	(2)
Extraordinary / other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Reported Net Income</b>	<b>\$348</b>	<b>\$1,260</b>	<b>\$764</b>	<b>\$158</b>	<b>\$260</b>	<b>\$288</b>	<b>\$175</b>	<b>\$881</b>	<b>\$96</b>	<b>(\$95)</b>	<b>\$68</b>	<b>\$181</b>	<b>\$250</b>	<b>\$623</b>	<b>\$816</b>
Total non-recurring items	538	(610)	89	76	50	13	109	248	46	48	48	48	190	191	191
<b>Recurring Net Income</b>	<b>\$886</b>	<b>\$650</b>	<b>\$852</b>	<b>\$234</b>	<b>\$310</b>	<b>\$301</b>	<b>\$284</b>	<b>\$1,129</b>	<b>\$142</b>	<b>(\$47)</b>	<b>\$116</b>	<b>\$229</b>	<b>\$440</b>	<b>\$814</b>	<b>\$1,007</b>
Average Diluted Shares Outstanding	991	327	305	295	292	288	284	290	283	283	283	283	283	281	275
<b>Reported EPS</b>	<b>\$0.35</b>	<b>\$3.86</b>	<b>\$2.50</b>	<b>\$0.54</b>	<b>\$0.89</b>	<b>\$1.00</b>	<b>\$0.62</b>	<b>\$3.04</b>	<b>\$0.34</b>	<b>(\$0.33)</b>	<b>\$0.24</b>	<b>\$0.64</b>	<b>\$0.88</b>	<b>\$2.21</b>	<b>\$2.96</b>
<b>Recurring EPS</b>	<b>\$0.89</b>	<b>\$1.99</b>	<b>\$2.79</b>	<b>\$0.80</b>	<b>\$1.06</b>	<b>\$1.05</b>	<b>\$1.00</b>	<b>\$3.89</b>	<b>\$0.50</b>	<b>(\$0.16)</b>	<b>\$0.41</b>	<b>\$0.81</b>	<b>\$1.55</b>	<b>\$2.89</b>	<b>\$3.66</b>
% growth, y/y	9.7%	122.7%	40.4%	45.1%	52.8%	35.1%	26.8%	39.4%	-37.2%	-115.5%	-60.8%	-19.2%	-60.1%	86.3%	26.4%
<i>Guidance</i>	\$0.86-0.89	\$1.87-1.91	\$2.67-2.72	\$0.73-0.78	\$0.98-1.03	\$0.98-1.03	\$0.91-0.96	\$3.81-3.86	\$0.85-0.91				\$4.08-4.21		
<i>12/8/16 Investor Day Guidance</i>								\$2.31-2.87							
<b>Consolidated EPS (pre-spin)</b>		<b>\$1.16</b>	<b>\$1.45</b>					<b>\$1.90</b>					<b>\$0.52</b>	<b>\$0.96</b>	<b>\$1.22</b>
% growth, y/y			25.4%					31.0%					-72.7%	86.3%	26.4%
Dividends per Share	\$0.28	\$0.60	\$0.60	\$0.15	\$0.15	\$0.15	\$0.15	\$0.60	\$0.15	\$0.00	\$0.00	\$0.00	\$0.15	\$0.60	\$0.60
% growth (y-o-y)	NA	114%	0%	0%	0%	0%	0%	0%	0%	-100%	-100%	-100%	-75%	0%	0%
Share Price	\$24.49	\$74.18	\$75.00	\$87.00	\$91.65	\$91.00	\$101.01	\$101.01	\$103.03	\$105.09	\$107.19	\$109.34	\$109.34	\$118.08	\$127.53
Cost of Equity									2.0%	2.0%	2.0%	2.0%	8.2%	8.0%	8.0%
<b>Company Adjusted EBITDA</b>															
Net Income	\$348	\$1,260	\$764	\$158	\$260	\$288	\$175	\$881	\$96	(\$95)	\$68	\$181	\$250	\$623	\$816
Interest Expense	587	408	371	98	101	105	110	414	112	122	129	120	482	450	425
Interest expense included in equity in earnings (losses) from unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax (benefit) expense	891	(334)	(309)	59	101	131	67	358	34	(38)	28	75	98	242	317
D&A	686	347	325	84	86	86	90	346	95	84	84	84	347	347	347
Depreciation and amortization included in equity in earnings (losses) from unconsolidated affiliates	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>\$2,542</b>	<b>\$1,681</b>	<b>\$1,769</b>	<b>\$399</b>	<b>\$548</b>	<b>\$610</b>	<b>\$442</b>	<b>\$1,999</b>	<b>\$337</b>	<b>\$73</b>	<b>\$309</b>	<b>\$460</b>	<b>\$1,178</b>	<b>\$1,661</b>	<b>\$1,905</b>
Net income (loss) attributable to noncontrolling interest	16	4	5	1	1	2	1	5	1	1	1	1	4	3	2
Loss (gain) on foreign currency transactions	13	(3)	11	-	-	(7)	6	2	-	-	-	-	-	-	-
Gain on debt restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FF&E replacement reserve	56	55	50	14	15	13	17	59	19	15	16	16	66	66	66
Share-based compensation expense	91	121	127	34	47	42	31	154	34	41	40	40	155	155	155
Impairment losses	8	-	-	-	-	(81)	-	(81)	-	-	-	-	-	-	-
Impairment losses included in equity in earnings (losses) from unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other gain, net	24	60	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	225	47	139	51	4	26	89	170	9	12	12	11	44	44	44
<b>Company Adjusted EBITDA</b>	<b>\$2,975</b>	<b>\$1,965</b>	<b>\$2,101</b>	<b>\$499</b>	<b>\$618</b>	<b>\$605</b>	<b>\$586</b>	<b>\$2,308</b>	<b>\$400</b>	<b>\$142</b>	<b>\$378</b>	<b>\$528</b>	<b>\$1,447</b>	<b>\$1,929</b>	<b>\$2,172</b>
Deferral of application, initiation and other fees	(56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Constrained revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Company Adjusted EBITDA post ASU 2014-09</b>		<b>\$1,909</b>	<b>\$2,101</b>	<b>\$499</b>	<b>\$618</b>	<b>\$605</b>	<b>\$586</b>	<b>\$2,308</b>	<b>\$400</b>	<b>\$142</b>	<b>\$378</b>	<b>\$528</b>	<b>\$1,447</b>	<b>\$1,929</b>	<b>\$2,172</b>
Margin	25.5%	21.5%	23.6%	22.6%	24.9%	25.3%	24.7%	24.4%	20.8%	18.6%	22.9%	24.0%	22.1%	23.3%	

## Exhibit 69: Cash Flow Statement

Cash Flow Statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows From Operations</b>															
Net Income	\$364	\$1,264	\$769	\$159	\$261	\$290	\$176	\$896	\$97	(\$94)	\$69	\$182	\$254	\$626	\$819
Impairment Losses	15	-	-	-	-	(81)	-	(81)	-	-	-	-	-	-	-
Depreciation & Amortization	686	347	325	84	86	96	90	346	95	84	84	84	347	347	347
Equity in Losses from Unconsolidated Affiliates	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss (gain) on Foreign Currency Transactions	13	(3)	11	-	3	(7)	6	2	-	-	-	-	-	-	-
Gain on Debt Restructuring	-	60	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gain, net	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based Compensation	65	74	127	34	47	42	31	154	34	41	40	40	155	155	155
Amortization of Deferred Financing Costs and Other	32	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions from Unconsolidated Affiliates	22	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	(79)	(727)	(14)	(26)	27	21	(42)	(20)	(46)	(67)	(47)	(31)	(191)	(144)	(118)
Changes in Working Capital	199	(53)	(39)	121	(117)	180	(169)	15	106	(45)	135	(165)	32	40	44
Accounts Receivable, net	-	-	-	-	-	-	-	-	-	(50)	(50)	-	(100)	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable, Accrued Expenses, and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Restricted Cash and Cash Equivalents	-	-	19	2	(2)	-	-	-	-	-	-	-	-	-	-
Change in Timeshare Notes Receivable	(54)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Liability for Guest Loyalty Program	154	29	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Other Liabilities	199	8	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(2/2)	73	11	(8)	(23)	(6)	108	71	-	-	-	-	-	-	-
<b>Cash From Operating Activity</b>	<b>\$1,350</b>	<b>\$1,090</b>	<b>\$1,274</b>	<b>\$366</b>	<b>\$282</b>	<b>\$525</b>	<b>\$200</b>	<b>\$1,373</b>	<b>\$286</b>	<b>(\$80)</b>	<b>\$280</b>	<b>\$111</b>	<b>\$597</b>	<b>\$1,024</b>	<b>\$1,247</b>
<b>Cash From Investing Activities</b>															
Capital Expenditures	(317)	(58)	(72)	(23)	(23)	(20)	(15)	(81)	(13)	(1)	(8)	(14)	(35)	(106)	(112)
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments Received on Other Financing Receivables	-	-	50	-	-	-	3	3	-	-	-	-	-	-	-
Issuance of Other Financing Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Investments in Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Asset Dispositions	11	-	-	-	-	-	120	120	-	-	-	-	-	-	-
Contract Acquisition Costs	(55)	(75)	-	-	-	-	-	-	-	-	-	-	-	-	-
Software Capitalization Costs / TS capex, net	(81)	(75)	(87)	(19)	(25)	(35)	(45)	(124)	(19)	(17)	(23)	(30)	(89)	(100)	(100)
Proceeds from settlement of derivative instruments / Other	(36)	(14)	(22)	(2)	(3)	103	(139)	(41)	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>(\$478)</b>	<b>(\$222)</b>	<b>(\$131)</b>	<b>(44)</b>	<b>(\$51)</b>	<b>\$48</b>	<b>(\$76)</b>	<b>(\$123)</b>	<b>(\$32)</b>	<b>(\$18)</b>	<b>(\$31)</b>	<b>(\$44)</b>	<b>(\$124)</b>	<b>(\$206)</b>	<b>(\$212)</b>
<b>Cash From Financing Activities</b>															
Borrowings / (Repayment) of Debt	280	(105)	671	39	439	(10)	185	653	1,555	-	(250)	(250)	1,055	(1,250)	-
Sale (Purchase) of Equity	-	(891)	(1,721)	(296)	(357)	(433)	(452)	(1,538)	(65)	-	-	-	(65)	(250)	(750)
Dividends Paid	(277)	(195)	(181)	(44)	(43)	(43)	130	(0)	(42)	-	-	-	(42)	(168)	(164)
Cash Paid in Debt Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Restructuring Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Contribution from Parent	(19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution from Noncontrolling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Noncontrolling Interests	(32)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Noncontrolling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(332)	-	(69)	(42)	(19)	1	(168)	(228)	-	-	-	-	-	-	-
<b>Cash From Financing Activity</b>	<b>(\$48)</b>	<b>(\$1,724)</b>	<b>(\$1,300)</b>	<b>(\$343)</b>	<b>\$20</b>	<b>(\$485)</b>	<b>(\$305)</b>	<b>(\$1,113)</b>	<b>\$1,448</b>	<b>\$0</b>	<b>(\$250)</b>	<b>(\$250)</b>	<b>\$948</b>	<b>(\$1,668)</b>	<b>(\$914)</b>
Effect of Exchange Rate on Cash	(15)	8	(10)	-	2	(4)	-	(2)	-	-	-	-	-	-	-
<b>Net Increase in Cash &amp; Equivalents</b>	<b>\$809</b>	<b>(\$848)</b>	<b>(\$167)</b>	<b>(\$21)</b>	<b>\$253</b>	<b>\$84</b>	<b>(\$181)</b>	<b>\$135</b>	<b>\$1,702</b>	<b>(\$98)</b>	<b>(\$0)</b>	<b>(\$183)</b>	<b>\$1,421</b>	<b>(\$849)</b>	<b>\$121</b>
Cash & Equivalents - Beginning	609	1,418	570	403	382	635	719	403	538	2,240	2,142	2,141	538	1,959	1,109
<b>Cash &amp; Equivalents - Ending</b>	<b>\$1,418</b>	<b>\$570</b>	<b>\$403</b>	<b>\$382</b>	<b>\$635</b>	<b>\$719</b>	<b>\$538</b>	<b>\$538</b>	<b>\$2,240</b>	<b>\$2,142</b>	<b>\$2,141</b>	<b>\$1,959</b>	<b>\$1,959</b>	<b>\$1,109</b>	<b>\$1,230</b>

Source: Company Reports; Morgan Stanley Research Estimates

## Exhibit 70: Balance Sheet

Balance Sheet	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>															
Cash and Equivalents	\$1,418	\$570	\$403	\$382	\$635	\$719	\$538	\$538	\$2,240	\$2,142	\$2,141	\$1,959	\$1,959	\$1,109	\$1,230
Restricted Cash and Cash Equivalents	266	100	81	79	83	90	92	92	92	92	92	92	92	92	92
Accounts Receivable, net	1,005	998	1,150	1,102	1,190	1,193	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
Inventories	541	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax Assets	136	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Portion of Financing Receivables, net	137	111	180	140	117	115	130	130	130	130	130	130	130	130	130
Prepaid Expenses	52	207	189	173	190	138	72	72	72	72	72	72	72	72	72
Other	52	207	189	173	190	138	72	72	72	72	72	72	72	72	72
<b>Total Current Assets</b>	<b>3,557</b>	<b>1,986</b>	<b>1,983</b>	<b>1,876</b>	<b>2,215</b>	<b>2,255</b>	<b>2,093</b>	<b>2,093</b>	<b>3,795</b>	<b>3,697</b>	<b>3,696</b>	<b>3,514</b>	<b>3,514</b>	<b>2,664</b>	<b>2,785</b>
Net PP&E	8,930	353	367	412	418	380	380	380	374	358	349	346	346	383	425
Financing Receivables, net	963	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in Affiliates	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	5,822	5,190	5,160	5,162	5,157	5,137	5,159	5,159	5,159	5,159	5,159	5,159	5,159	5,159	5,159
Brands	4,848	4,890	4,869	4,872	4,874	4,864	4,877	4,877	4,896	4,913	4,936	4,966	4,966	5,066	5,166
Management and Franchise Contracts, net	1,019	909	872	841	817	794	780	780	723	673	622	572	572	364	155
Other Intangible Assets, net	507	433	415	408	400	404	421	421	402	385	368	352	352	282	213
Deferred Income Tax Assets	117	113	90	146	146	146	100	100	100	100	100	100	100	100	100
Other Assets	334	434	239	1,136	1,113	1,087	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147
<b>Total Assets</b>	<b>\$26,211</b>	<b>\$14,308</b>	<b>\$13,995</b>	<b>\$14,853</b>	<b>\$15,140</b>	<b>\$15,067</b>	<b>\$14,957</b>	<b>\$14,957</b>	<b>\$16,596</b>	<b>\$16,432</b>	<b>\$16,378</b>	<b>\$16,155</b>	<b>\$16,155</b>	<b>\$15,164</b>	<b>\$15,150</b>
<b>Liabilities</b>															
Accounts Payable, Accrued Expenses, and Other	2,453	2,150	2,580	2,740	2,725	2,862	2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834
Current Maturities of Long-term Debt	98	46	16	35	37	38	37	37	37	37	37	37	37	37	37
Current Maturities of Non-recourse Debt and Capital Lease C	73	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes Payable	60	12	19	19	18	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>2,684</b>	<b>2,208</b>	<b>2,615</b>	<b>2,794</b>	<b>2,780</b>	<b>2,900</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>	<b>2,871</b>
Long-term Debt	10,020	6,556	7,266	7,330	7,772	7,767	7,956	7,956	9,511	9,511	9,261	9,011	9,011	7,761	7,761
Revolving Non-recourse Timeshare Notes Credit Facility	164	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-recourse Debt and Capital Lease Obligations of Consol	457	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority Interest	(50)	3	7	8	7	9	10	10	11	12	13	14	14	17	19
Deferred Income Tax Liabilities	4,575	1,063	898	850	861	873	795	795	749	682	635	604	604	460	342
Liability for Guest Loyalty Program	899	839	969	987	986	1,004	1,060	1,060	1,166	1,12					

# Host Hotels & Resorts, Inc Model

## Exhibit 71: Income Statement

Income Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenues</b>														
Room	\$3,490	\$3,547	\$857	\$931	\$830	\$813	\$3,431	\$635	\$305	\$532	\$743	\$2,215	\$2,689	\$2,848
Food and Beverage	1,561	1,616	433	449	341	424	1,647	354	216	243	395	1,208	1,420	1,476
Other	336	361	100	103	91	97	391	88	55	68	95	306	381	420
<b>Total Hotels Sales</b>	<b>\$5,387</b>	<b>\$5,524</b>	<b>\$1,390</b>	<b>\$1,483</b>	<b>\$1,262</b>	<b>\$1,334</b>	<b>\$5,469</b>	<b>\$1,076</b>	<b>\$576</b>	<b>\$844</b>	<b>\$1,234</b>	<b>\$3,729</b>	<b>\$4,491</b>	<b>\$4,743</b>
Rental and Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$5,387</b>	<b>\$5,524</b>	<b>\$1,390</b>	<b>\$1,483</b>	<b>\$1,262</b>	<b>\$1,334</b>	<b>\$5,469</b>	<b>\$1,076</b>	<b>\$576</b>	<b>\$844</b>	<b>\$1,234</b>	<b>\$3,729</b>	<b>\$4,491</b>	<b>\$4,743</b>
Y/Y Change Growth	-0.8%	2.5%	3.3%	-2.3%	-2.8%	-2.0%	-1.0%	-22.6%	-61.2%	-33.2%	-7.5%	-31.8%	20.4%	5.6%
Y/Y Change Growth - Total Hotel Sales	-0.8%	2.5%	3.3%	-2.3%	-2.8%	-2.0%	-1.0%	-22.6%	-61.2%	-33.2%	-7.5%	-31.8%	20.4%	5.6%
Impact of Acquired Hotels on y/y Revenue Growth														
Room Costs	899	918	217	226	221	209	873	169	106	158	201	634	730	766
Food and Beverage Costs	1,071	1,103	285	290	260	285	1,120	226	172	188	266	851	972	1,003
Hotel Department Costs and Other	1,273	1,302	327	334	320	314	1,295	302	182	281	300	1,064	1,169	1,211
Management Fees and Other	239	243	54	71	52	62	239	50	39	47	58	195	212	219
Property-Level Owner Expenses	394	387	92	91	85	97	365	83	84	85	99	352	355	355
Corporate & Other Expenses	84	97	29	25	22	26	102	26	15	20	25	86	87	89
<b>Total Expenses</b>	<b>\$3,960</b>	<b>\$4,050</b>	<b>\$1,004</b>	<b>\$1,037</b>	<b>\$960</b>	<b>\$993</b>	<b>\$3,994</b>	<b>\$855</b>	<b>\$598</b>	<b>\$779</b>	<b>\$949</b>	<b>\$3,181</b>	<b>\$3,525</b>	<b>\$3,643</b>
Y/Y Change Growth	-1.6%	2.3%	0.7%	-2.7%	-1.9%	-1.5%	-1.4%	-14.8%	-42.3%	-18.8%	-4.5%	-20.4%	10.8%	3.3%
<b>EBITDA (not adjusted)</b>	<b>\$1,427</b>	<b>\$1,474</b>	<b>\$386</b>	<b>\$446</b>	<b>\$302</b>	<b>\$341</b>	<b>\$1,475</b>	<b>\$221</b>	<b>(\$22)</b>	<b>\$64</b>	<b>\$285</b>	<b>\$548</b>	<b>\$966</b>	<b>\$1,101</b>
EBITDA Margin	26.5%	26.7%	27.8%	30.1%	23.9%	25.6%	27.0%	20.5%	-3.9%	7.6%	23.1%	14.7%	21.5%	23.2%
Depreciation and Amortization	751	844	170	166	165	175	676	169	169	169	169	676	683	690
<b>Operating Income</b>	<b>\$676</b>	<b>\$530</b>	<b>\$216</b>	<b>\$280</b>	<b>\$137</b>	<b>\$166</b>	<b>\$799</b>	<b>\$52</b>	<b>(\$191)</b>	<b>(\$105)</b>	<b>\$116</b>	<b>(\$128)</b>	<b>\$283</b>	<b>\$411</b>
Operating Margin	12.5%	9.6%	15.5%	18.9%	10.9%	12.4%	14.6%	4.8%	-33.2%	-12.4%	9.4%	-3.4%	6.3%	8.7%
Interest Income	6	15	8	7	8	9	32	2	4	3	3	12	14	4
Interest Expense	(167)	(176)	(43)	(43)	(46)	(90)	(222)	(40)	(43)	(42)	(42)	(167)	(159)	(150)
Dividends on Convertible Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gains on Property Transactions	110	902	5	57	274	4	340	-	-	-	-	-	-	-
<b>PreTax Income</b>	<b>\$625</b>	<b>\$1,271</b>	<b>\$186</b>	<b>\$301</b>	<b>\$373</b>	<b>\$89</b>	<b>\$949</b>	<b>\$14</b>	<b>(\$230)</b>	<b>(\$143)</b>	<b>\$77</b>	<b>(\$282)</b>	<b>\$138</b>	<b>\$265</b>
Tax Benefit (Expense)	(80)	(150)	(2)	(16)	(4)	(8)	(30)	(1)	12	7	(4)	14	(14)	(27)
Equity in Earnings of Affiliates	(80)	30	5	4	4	(1)	12	3	3	3	3	10	10	10
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Items and Other	(4)	-	-	1	(1)	1	1	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$571</b>	<b>\$1,151</b>	<b>\$189</b>	<b>\$290</b>	<b>\$372</b>	<b>\$81</b>	<b>\$932</b>	<b>\$16</b>	<b>(\$216)</b>	<b>(\$134)</b>	<b>\$76</b>	<b>(\$258)</b>	<b>\$134</b>	<b>\$249</b>
Minority Interest	(7)	(64)	(3)	(4)	(4)	(1)	(12)	(2)	(2)	(2)	(2)	(6)	(6)	(6)
Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance Cost of Redeemed Pref Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income to HST Common</b>	<b>\$564</b>	<b>\$1,087</b>	<b>\$186</b>	<b>\$286</b>	<b>\$368</b>	<b>\$80</b>	<b>\$920</b>	<b>\$14</b>	<b>(\$218)</b>	<b>(\$135)</b>	<b>\$74</b>	<b>(\$264)</b>	<b>\$128</b>	<b>\$243</b>
Diluted Shares Outstanding	738.9	740.3	740.8	739.4	725.8	717.1	730.7	711.9	711.9	711.9	711.9	711.9	711.9	711.9
<b>Net Income per Share</b>	<b>\$0.76</b>	<b>\$1.47</b>	<b>\$0.25</b>	<b>\$0.39</b>	<b>\$0.51</b>	<b>\$0.11</b>	<b>\$1.26</b>	<b>\$0.02</b>	<b>(\$0.31)</b>	<b>(\$0.19)</b>	<b>\$0.10</b>	<b>(\$0.37)</b>	<b>\$0.18</b>	<b>\$0.34</b>
Guidance	\$0.78-0.79	\$1.23-1.24					\$1.23-1.26					\$0.69-0.75		
<b>NAREIT FFO per Diluted Share</b>	<b>\$1.68</b>	<b>\$1.77</b>	<b>\$0.48</b>	<b>\$0.53</b>	<b>\$0.35</b>	<b>\$0.33</b>	<b>\$1.70</b>	<b>\$0.26</b>	<b>(\$0.07)</b>	<b>\$0.05</b>	<b>\$0.34</b>	<b>\$0.58</b>	<b>\$1.14</b>	<b>\$1.31</b>
Guidance	\$1.65-1.66													
<b>Free Cash Flow per Share</b>	<b>\$1.60</b>	<b>\$1.77</b>	<b>(\$0.37)</b>	<b>\$0.51</b>	<b>\$1.74</b>	<b>(\$0.32)</b>	<b>\$1.56</b>	<b>\$2.21</b>	<b>(\$0.15)</b>	<b>(\$0.07)</b>	<b>\$0.17</b>	<b>\$2.15</b>	<b>(\$1.90)</b>	<b>\$0.33</b>
Y/Y Change Growth	58.1%	10.3%	-32.0%	-20.5%	65.0%	-151.2%	-12.0%	-696.7%	-130.1%	-104.0%	-153.5%	38.5%	-188.0%	-117.4%
<b>Common Dividend</b>	<b>\$0.85</b>	<b>\$0.85</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.25</b>	<b>\$0.85</b>	<b>\$0.20</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.20</b>	<b>\$0.85</b>	<b>\$0.85</b>
Payout Ratio (Div/AFFO)	50%	48%					48%					35%	75%	65%
Payout Ratio (Div/AFFO - 4% FFE Reserve)	61%	58%					58%					55%	96%	82%
<b>Valuation Statistics</b>	<b>2017</b>	<b>2018</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
<b>Company Adjusted EBITDA Reconciliation</b>	<b>2017</b>	<b>2018</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
<b>Net Income</b>	<b>\$571</b>	<b>\$1,151</b>	<b>\$189</b>	<b>\$290</b>	<b>\$372</b>	<b>\$81</b>	<b>\$932</b>	<b>\$16</b>	<b>(\$216)</b>	<b>(\$134)</b>	<b>\$76</b>	<b>(\$258)</b>	<b>\$134</b>	<b>\$249</b>
Interest Expense	167	176	43	43	46	90	222	40	43	42	42	167	159	150
Depreciation and amortization	708	684	170	166	159	167	662	169	169	169	169	676	683	690
Income taxes	80	150	2	16	4	8	30	1	(12)	(7)	4	(14)	14	27
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>\$1,526</b>	<b>\$2,161</b>	<b>\$404</b>	<b>\$515</b>	<b>\$581</b>	<b>\$346</b>	<b>\$1,846</b>	<b>\$226</b>	<b>(\$16)</b>	<b>\$70</b>	<b>\$291</b>	<b>\$571</b>	<b>\$990</b>	<b>\$1,115</b>
Gain on dispositions	(99)	(903)	(2)	(57)	(273)	(2)	(334)	-	-	-	-	-	-	-
Acquisition costs	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash impairment charge	43	260	-	-	6	8	14	-	-	-	-	-	-	-
Amortization of deferred gains and other	-	-	-	-	(4)	-	(4)	-	-	-	-	-	-	-
Equity in losses of affiliates	(30)	(30)	(5)	(4)	(4)	(1)	(14)	(3)	(3)	(3)	(3)	(10)	(10)	(10)
Pro rata adjusted EBITDA of equity investments	70	74	9	6	6	4	25	8	2	4	4	17	21	22
Pro rata adjusted EBITDA attributable to non-controlling parties	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$1,503</b>	<b>\$1,562</b>	<b>\$406</b>	<b>\$460</b>	<b>\$312</b>	<b>\$355</b>	<b>\$1,533</b>	<b>\$231</b>	<b>(\$17)</b>	<b>\$72</b>	<b>\$292</b>	<b>\$578</b>	<b>\$1,000</b>	<b>\$1,127</b>
Y/Y Change Growth	2.2%	3.9%	9.7%	-3.4%	-9.3%	-4.6%	-1.9%	-43.2%	-103.6%	-77.0%	-17.7%	-62.3%	73.1%	12.6%
Adjusted EBITDA margin	27.9%	28.3%	29.2%	31.0%	24.7%	26.6%	28.0%	21.4%	-2.9%	8.5%	23.7%	15.5%	22.3%	23.7%
Incremental Margins	-75.0%	42.9%	81.8%	45.7%	86.5%	63.0%	52.7%	55.9%	52.5%	57.4%	62.5%	54.9%	55.5%	50.1%
Seasonality			26.5%	30.0%	20.4%	23.2%		64.9%	-1.1%	4.7%	19.1%			
Adjusted EBITDA % Guidance							39.9%							
Adjusted EBITDA Guidance	\$1,470-1,444	\$1,545-1,554	\$379-411m	\$445-480m	\$285-308m	\$327-352m	\$1,505-1,533	\$354-393m				\$1,360-1,405m		

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 72: Cash Flow Statement

Cash Flow Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows From Operations</b>														
Net Profit (Loss)	\$571	\$1,151	\$189	\$290	\$372	\$81	\$932	\$16	(\$216)	(\$134)	\$76	(\$258)	\$134	\$249
Depreciation & Amortization	751	944	170	166	165	175	676	169	169	169	169	676	683	690
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	38	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gains on Property Transactions	(108)	(902)	(5)	(57)	(274)	336	-	-	-	-	-	-	-	-
Equity in Earnings of Affiliates	(30)	(25)	(5)	3	(11)	(1)	(14)	-	-	-	-	-	-	-
Changes in Operating Accounts	11	84	(53)	19	(25)	(29)	(88)	-	-	-	-	-	-	-
Amortizations of Financing and Debt Premiums/ Discounts	7	7	2	1	2	1	6	-	-	-	-	-	-	-
Other	(10)	40	(91)	(5)	61	(227)	(262)	-	-	-	-	-	-	-
<b>Cash From Operating Activity</b>	<b>\$1,230</b>	<b>\$1,299</b>	<b>\$207</b>	<b>\$417</b>	<b>\$290</b>	<b>\$336</b>	<b>\$1,250</b>	<b>\$185</b>	<b>(\$47)</b>	<b>\$35</b>	<b>\$245</b>	<b>\$418</b>	<b>\$817</b>	<b>\$938</b>
<b>Cash From Investing Activities</b>														
Capital Expenditures														
Renewals and Replacements (Maintenance)	(\$205)	(\$274)	(\$58)	(\$60)	(\$63)	(\$41)	(\$222)	(\$48)	(\$17)	(\$30)	(\$49)	(\$145)	(\$225)	(\$213)
New Investments	(72)	(200)	(52)	(70)	(89)	(125)	(336)	(65)	(15)	(55)	(75)	(210)	(450)	(490)
Other Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	(468)	(1,025)	(593)	(9)	-	-	(602)	-	-	-	-	-	-	-
Dispositions	481	1,626	276	118	501	297	1,192	-	-	-	-	-	-	-
Investment in affiliates	(30)	(3)	(1)	(2)	(2)	(1)	(6)	-	-	-	-	-	-	-
Notes Receivable & Other	27	8	-	(9)	39	2	32	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>(\$267)</b>	<b>\$132</b>	<b>(\$428)</b>	<b>(\$32)</b>	<b>\$386</b>	<b>\$132</b>	<b>\$58</b>	<b>(\$113)</b>	<b>(\$32)</b>	<b>(\$85)</b>	<b>(\$124)</b>	<b>(\$355)</b>	<b>(\$675)</b>	<b>(\$703)</b>
<b>Cash From Financing Activities</b>														
Proceeds (Payments) on Long-term Debt	\$340	(\$107)	\$0	\$0	\$589	\$0	\$589	\$1,500	(\$29)	\$0	\$0	\$1,471	(\$1,492)	\$0
Issuance (Purchase) of Common Stock	4	-	-	(200)	(195)	(87)	(482)	(127)	-	-	-	(127)	-	-
Issuance (Purchase) of Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Dividend	(628)	(666)	(186)	(151)	(143)	(143)	(623)	(180)	-	-	-	(180)	(605)	(605)
Other	(118)	(15)	(53)	(10)	(2)	(695)	(760)	-	-	-	-	-	-	-
<b>Cash From Financing Activity</b>	<b>(\$402)</b>	<b>(\$788)</b>	<b>(\$239)</b>	<b>(\$361)</b>	<b>\$249</b>	<b>(\$925)</b>	<b>(\$1,276)</b>	<b>\$1,193</b>	<b>(\$29)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,164</b>	<b>(\$2,097)</b>	<b>(\$605)</b>
Effects of exchange rate	4	(4)	-	1	(2)	-	(1)	-	-	-	-	-	-	-
<b>Net Increase in Cash &amp; Equivalents</b>	<b>\$565</b>	<b>\$639</b>	<b>(\$460)</b>	<b>\$25</b>	<b>\$923</b>	<b>(\$457)</b>	<b>\$31</b>	<b>\$1,264</b>	<b>(\$109)</b>	<b>(\$49)</b>	<b>\$121</b>	<b>\$1,227</b>	<b>(\$1,955)</b>	<b>(\$370)</b>
Cash & Equivalents - Beginning	372	913	1,542	1,082	1,107	2,030	1,542	1,573	2,837	2,729	2,679	1,573	2,800	845
<b>Cash &amp; Equivalents - Ending</b>	<b>\$913</b>	<b>\$1,542</b>	<b>\$1,082</b>	<b>\$1,107</b>	<b>\$2,030</b>	<b>\$1,573</b>	<b>\$1,573</b>	<b>\$2,837</b>	<b>\$2,729</b>	<b>\$2,679</b>	<b>\$2,800</b>	<b>\$2,800</b>	<b>\$845</b>	<b>\$475</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 73: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash on Hand	\$913	\$1,542	\$1,082	\$1,107	\$2,030	\$1,573	\$1,573	\$2,837	\$2,729	\$2,679	\$2,800	\$2,800	\$845	\$475
Restricted Cash	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes and Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>\$914</b>	<b>\$1,542</b>	<b>\$1,082</b>	<b>\$1,107</b>	<b>\$2,030</b>	<b>\$1,573</b>	<b>\$1,573</b>	<b>\$2,837</b>	<b>\$2,729</b>	<b>\$2,679</b>	<b>\$2,800</b>	<b>\$2,800</b>	<b>\$845</b>	<b>\$475</b>
Gross PP&E	18,081.0	19,093	19,799	19,669	19,522	19,680	19,680	19,793	19,826	19,910	20,035	20,035	20,709	21,413
Accumulated Depreciation	(8,389.0)	(9,333)	(9,503)	(9,669)	(9,834)	(10,009)	(10,009)	(10,178)	(10,347)	(10,516)	(10,685)	(10,685)	(11,368)	(12,057)
Net PP&E	9,692.0	9,760	10,296	10,000	9,688	9,671	9,671	9,615	9,479	9,394	9,350	9,350	9,341	9,355
Investments in Affiliates	327	48	54	53	59	56	56	56	56	56	56	56	56	56
Due from Manager	79	71	145	163	104	63	63	63	63	63	63	63	63	63
Other	681	669	1,000	1,202	1,251	942	942	942	942	942	942	942	942	942
Deferred Financing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>11,693.0</b>	<b>\$12,090</b>	<b>\$12,577</b>	<b>\$12,525</b>	<b>\$13,132</b>	<b>\$12,305</b>	<b>\$12,305</b>	<b>\$13,514</b>	<b>\$13,268</b>	<b>\$13,135</b>	<b>\$13,211</b>	<b>\$13,211</b>	<b>\$11,248</b>	<b>\$10,891</b>
<b>Liabilities</b>														
Accounts Payable and Accrued Expenses	283	\$293	\$240	\$248	\$277	\$263	\$263	\$263	\$263	\$263	\$263	\$263	\$263	\$263
Deferred Taxes, Rent and Other	287	266	183	186	179	175	175	175	175	175	175	175	175	175
<b>Total Current Liabilities</b>	<b>\$570</b>	<b>\$559</b>	<b>\$423</b>	<b>\$434</b>	<b>\$456</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>	<b>\$438</b>
LT Debt Hardcoded (ex. Exchangeables)	\$3,954	\$3,837	\$3,862	\$3,864	\$4,442	\$3,794	\$3,794	\$5,294	\$5,265	\$5,265	\$5,265	\$5,265	\$3,773	\$3,773
Other	-	-	625	612	596	606	606	606	606	606	606	606	606	606
Minority Interest	167	128	147	141	133	142	142	142	142	142	142	142	142	142
Minority Interest Liability	29	72	7	7	6	6	6	6	6	6	6	6	6	6
<b>Shareholders' Equity</b>														
Preferred Stock (Series A, B, C, E)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Additional Paid-In Capital	8,097	8,156	8,138	7,948	7,762	7,675	7,675	7,548	7,548	7,548	7,548	7,548	7,548	7,548
Accumulated Other Comprehensive Income	(60)	(59)	(59)	(56)	(62)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)
Retained Earnings	(1,071)	(610)	(573)	(432)	(208)	(307)	(307)	(471)	(688)	(821)	(745)	(745)	(1,216)	(1,573)
<b>Total Shareholders' Equity</b>	<b>\$6,973</b>	<b>\$7,494</b>	<b>\$7,513</b>	<b>\$7,467</b>	<b>\$7,499</b>	<b>\$7,319</b>	<b>\$7,319</b>	<b>\$7,027.78</b>	<b>\$6,811</b>	<b>\$6,678</b>	<b>\$6,754</b>	<b>\$6,754</b>	<b>\$6,283</b>	<b>\$5,926</b>
<b>Total Liabilities and Equity</b>	<b>\$11,693</b>	<b>\$12,090</b>	<b>\$12,577</b>	<b>\$12,525</b>	<b>\$13,132</b>	<b>\$12,305</b>	<b>\$12,305</b>	<b>\$13,514</b>	<b>\$13,268</b>	<b>\$13,135</b>	<b>\$13,211</b>	<b>\$13,211</b>	<b>\$11,248</b>	<b>\$10,891</b>

Source: Company Reports; Morgan Stanley Research Estimates

# Hyatt Hotels Corporation Model

Exhibit 74: Income Statement

Income Statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenues</b>															
Owned & leased hotels	\$2,108	\$2,192	\$1,918	\$470	\$490	\$430	\$458	\$1,848	\$391	\$139	\$292	\$432	\$1,253	\$1,503	\$1,585
Net Management and franchise fees	448	505	532	136	152	143	155	596	112	44	89	135	380	503	559
Other revenue	40	70	48	45	28	25	27	125	46	29	26	28	128	131	135
<b>Total Operating Revenue</b>	<b>\$2,596</b>	<b>\$2,767</b>	<b>\$2,498</b>	<b>\$651</b>	<b>\$670</b>	<b>\$598</b>	<b>\$640</b>	<b>\$2,559</b>	<b>\$549</b>	<b>\$211</b>	<b>\$406</b>	<b>\$594</b>	<b>\$1,760</b>	<b>\$2,137</b>	<b>\$2,279</b>
% growth, y/y	2.1%	6.6%	-9.7%	-0.3%	6.2%	2.2%	1.7%	2.4%	-15.6%	-68.5%	-32.1%	-7.2%	-31.2%	21.4%	6.6%
Other revenues from managed properties	1,833	1,918	1,966	590	619	617	635	2,461	502	186	432	597	1,716	2,059	2,162
<b>Total Revenue</b>	<b>\$4,429</b>	<b>\$4,685</b>	<b>\$4,454</b>	<b>\$1,241</b>	<b>\$1,289</b>	<b>\$1,215</b>	<b>\$1,275</b>	<b>\$5,020</b>	<b>\$1,051</b>	<b>\$397</b>	<b>\$838</b>	<b>\$1,191</b>	<b>\$3,476</b>	<b>\$4,196</b>	<b>\$4,441</b>
% growth, y/y	2.3%	5.8%	-4.9%	11.9%	13.8%	13.1%	12.0%	12.7%	-15.3%	-69.2%	-31.0%	-6.6%	-30.7%	20.7%	5.8%
<b>Expenses</b>															
Owned & leased	1,610	1,674	1,446	357	367	346	354	1,424	339	165	294	350	1,149	1,235	1,260
Other direct	30	46	48	45	30	28	30	133	44	29	27	29	130	133	136
SG&A costs	315	379	320	128	95	83	111	417	97	60	66	75	298	319	322
Managed properties	1,833	1,918	1,981	605	633	633	649	2,520	523	207	453	618	1,800	2,059	2,162
<b>Subtotal</b>	<b>3,788</b>	<b>4,017</b>	<b>3,795</b>	<b>1,135</b>	<b>1,125</b>	<b>1,090</b>	<b>1,144</b>	<b>4,494</b>	<b>1,003</b>	<b>461</b>	<b>841</b>	<b>1,073</b>	<b>3,377</b>	<b>3,746</b>	<b>3,880</b>
<b>EBITDA</b>	<b>\$641</b>	<b>\$668</b>	<b>\$659</b>	<b>\$106</b>	<b>\$164</b>	<b>\$125</b>	<b>\$131</b>	<b>\$526</b>	<b>\$48</b>	<b>(\$64)</b>	<b>(\$3)</b>	<b>\$118</b>	<b>\$99</b>	<b>\$450</b>	<b>\$561</b>
% growth, y/y	-0.3%	4.2%	-1.3%	-34.6%	-11.8%	-12.6%	-22.0%	-20.2%	-54.6%	NM	NM	-9.8%	-81.1%	353.8%	24.7%
Margin	24.7%	24.1%	26.4%	16.3%	24.9%	20.9%	20.5%	20.6%	8.8%	-30.4%	-0.7%	19.9%	5.6%	21.1%	24.6%
Depreciation and amortization	342	366	327	80	83	85	81	329	84	83	85	81	333	336	340
<b>Operating Income</b>	<b>\$299</b>	<b>\$302</b>	<b>\$332</b>	<b>\$26</b>	<b>\$81</b>	<b>\$40</b>	<b>\$50</b>	<b>\$197</b>	<b>(\$36)</b>	<b>(\$147)</b>	<b>(\$88)</b>	<b>\$37</b>	<b>(\$234)</b>	<b>\$114</b>	<b>\$222</b>
Equity income from unconsol. JVs	68	220	8	(3)	6	(5)	(8)	(10)	(1)	(1)	(1)	(1)	(4)	(4)	(4)
Other income	(3)	121	687	79	38	389	388	894	(6)	(6)	(7)	(6)	(25)	10	10
Interest expense	(76)	(80)	(77)	(19)	(20)	(19)	(17)	(75)	(19)	(19)	(19)	(19)	(77)	(77)	(77)
Interest income	1	10	-	-	-	-	-	2	2	2	2	2	6	6	3
<b>PreTax Income</b>	<b>\$289</b>	<b>\$573</b>	<b>\$950</b>	<b>\$83</b>	<b>\$105</b>	<b>\$405</b>	<b>\$413</b>	<b>\$1,006</b>	<b>(\$61)</b>	<b>(\$172)</b>	<b>(\$114)</b>	<b>\$12</b>	<b>(\$334)</b>	<b>\$49</b>	<b>\$154</b>
Tax benefit (expense)	(85)	(323)	(182)	(20)	(19)	(109)	(92)	(240)	16	45	30	(3)	87	(13)	(40)
Net income attributed to non-control. interests	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Reported Net Income</b>	<b>\$204</b>	<b>\$249</b>	<b>\$768</b>	<b>\$63</b>	<b>\$86</b>	<b>\$296</b>	<b>\$321</b>	<b>\$766</b>	<b>(\$45)</b>	<b>(\$127)</b>	<b>(\$84)</b>	<b>\$9</b>	<b>(\$247)</b>	<b>\$36</b>	<b>\$114</b>
Extraordinary items, net of tax	17	(27)	(539)	(15)	(4)	(257)	(272)	(548)	4	4	5	4	19	(7)	(7)
<b>Recurring Net Income</b>	<b>\$221</b>	<b>\$222</b>	<b>\$229</b>	<b>\$48</b>	<b>\$82</b>	<b>\$39</b>	<b>\$49</b>	<b>\$218</b>	<b>(\$40)</b>	<b>(\$123)</b>	<b>(\$79)</b>	<b>\$14</b>	<b>(\$229)</b>	<b>\$29</b>	<b>\$106</b>
Average Diluted Shares Outstanding	134.4	126.5	115.1	107.5	107.0	105.9	104.4	106.3	100.7	100.3	100.3	101.9	100.7	100.3	98.0
<b>Reported Earnings per Share</b>	<b>\$1.52</b>	<b>\$1.97</b>	<b>\$6.67</b>	<b>\$0.59</b>	<b>\$0.80</b>	<b>\$2.80</b>	<b>\$3.08</b>	<b>\$7.20</b>	<b>(\$0.45)</b>	<b>(\$1.27)</b>	<b>(\$0.84)</b>	<b>\$0.09</b>	<b>(\$2.46)</b>	<b>\$0.36</b>	<b>\$1.16</b>
<b>Recurring Earnings per Share</b>	<b>\$1.64</b>	<b>\$1.76</b>	<b>\$1.98</b>	<b>\$0.45</b>	<b>\$0.76</b>	<b>\$0.37</b>	<b>\$0.47</b>	<b>\$2.05</b>	<b>(\$0.40)</b>	<b>(\$1.22)</b>	<b>(\$0.79)</b>	<b>\$0.13</b>	<b>(\$2.27)</b>	<b>\$0.29</b>	<b>\$1.08</b>
Dividends	-	-	\$0.60	\$0.19	\$0.19	\$0.19	\$0.19	\$0.76	\$0.20	\$0.00	\$0.00	\$0.00	\$0.20	\$0.80	\$0.80
Average Basic Shares Outstanding	133.4	125.0	113.0	106.0	105.4	104.3	102.7	103.8	100.7	100.3	100.3	100.3	100.7	98.7	96.4
Average Diluted Shares Outstanding	134.4	126.5	114.8	107.5	107.0	105.9	104.4	105.4	102.3	101.9	101.9	101.9	102.3	100.3	98.0
Cost of equity													10.0%	10.0%	10.0%

Comparable EBITDA and FCF Summary	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
Net Income	\$204	\$249	\$768	\$63	\$86	\$296	\$321	\$766	(\$45)	(\$127)	(\$84)	\$9	(\$247)	\$36	\$114
Tax benefit / (expense)	85	323	182	20	19	109	92	240	(16)	(45)	(30)	3	(87)	13	40
Interest expense	76	80	77	19	20	19	17	75	19	19	19	19	77	77	77
Depreciation and amortization	342	366	327	80	83	85	81	329	84	83	85	81	333	336	340
<b>Company-reported EBITDA</b>	<b>\$707</b>	<b>\$1,018</b>	<b>\$1,354</b>	<b>\$182</b>	<b>\$208</b>	<b>\$509</b>	<b>\$511</b>	<b>\$1,410</b>	<b>\$43</b>	<b>(\$70)</b>	<b>(\$9)</b>	<b>\$113</b>	<b>\$76</b>	<b>\$463</b>	<b>\$571</b>
Pro rata share of unconsolidated hospitality ventures	100	73	55	11	14	13	12	50	10	5	9	12	35	42	44
Stock-based Comp	25	29	29	20	4	4	7	35	9	9	9	9	36	36	36
Net Income attributed to non-control. Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income / (loss)	21	(84)	(723)	(52)	(28)	(398)	(372)	(850)	5	5	6	5	19	(16)	(13)
Asset impairments	-	-	25	3	1	9	5	18	-	-	-	-	-	-	-
Equity earnings / (losses) from unconsolidated JV	(68)	(220)	(8)	3	(6)	5	8	10	1	1	1	1	4	4	4
Revenue and Costs Incurred on Behalf of M:F Properties	-	-	25	15	14	16	14	59	21	21	21	21	84	-	-
Contra Revenue	-	-	20	5	6	5	6	22	6	6	6	6	23	23	23
<b>Company-reported Adjusted EBITDA</b>	<b>\$785</b>	<b>\$816</b>	<b>\$777</b>	<b>\$187</b>	<b>\$213</b>	<b>\$163</b>	<b>\$191</b>	<b>\$754</b>	<b>\$93</b>	<b>(\$23)</b>	<b>\$42</b>	<b>\$165</b>	<b>\$277</b>	<b>\$551</b>	<b>\$665</b>
% margins	17.7%	17.4%	17.4%	15.1%	16.5%	13.4%	15.0%	15.0%	8.9%	-5.9%	5.0%	13.9%	8.0%	13.1%	15.0%
% margins ex. cost reimbursement	30.2%	29.5%	31.1%	28.7%	31.8%	27.3%	29.6%	29.5%	17.0%	-11.1%	10.3%	27.6%	15.7%	25.8%	29.2%
Guidance:		\$805-815	\$765-775					\$730-745					\$760-780		

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 75: Cash Flow Statement

Cash Flow Statement	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows From Operations</b>															
Net Profit (Loss)	\$204	\$250	\$768	\$63	\$86	\$296	\$321	\$766	(\$45)	(\$127)	(\$84)	\$9	(\$247)	\$36	\$114
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	342	366	327	80	83	85	81	329	84	83	85	81	333	336	340
Deferred Income Taxes	(3)	47	(33)	1	3	28	(4)	28	-	-	-	-	-	-	-
Equity losses from LUVs	(33)	(220)	(8)	3	(6)	5	8	10	-	-	-	-	-	-	-
Income from Cost Method Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on Real Estate Sale	23	(51)	(772)	(1)	-	(373)	(349)	(723)	-	-	-	-	-	-	-
FX Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realized Losses From Marketable Securities	-	40	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Working Capital	(32)	126	(79)	(134)	(10)	23	113	(8)	-	(25)	(25)	-	(50)	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(12)	62	138	1	10	31	(48)	(6)	-	-	-	-	-	-	-
<b>Cash From Operating Activity</b>	<b>\$489</b>	<b>\$620</b>	<b>\$341</b>	<b>\$13</b>	<b>\$166</b>	<b>\$95</b>	<b>\$122</b>	<b>\$396</b>	<b>\$39</b>	<b>(\$69)</b>	<b>(\$24)</b>	<b>\$90</b>	<b>\$36</b>	<b>\$373</b>	<b>\$453</b>
<b>Cash From Investing Activities</b>															
Investments	-	(89)	(665)	(74)	(52)	(70)	(154)	(350)	(12)	(12)	(12)	(12)	(48)	(48)	(48)
Distributions from investments	457	480	624	123	42	90	94	349	-	-	-	-	-	-	-
Proceeds/Issuance (Purchase) Notes Receivable	(464)	(469)	-	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisitions)/Dispositions	(492)	(259)	704	(15)	(3)	461	479	922	-	-	-	-	-	-	-
Capital Expenditures	(211)	(298)	(297)	(66)	(80)	(96)	(125)	(369)	(62)	(22)	(34)	(50)	(168)	(357)	(315)
Contract Acquisition Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Asset Sales	289	663	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Restricted Cash	23	300	(10)	8	8	108	10	134	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	18	(62)	18	(7)	21	(206)	(27)	(219)	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>(\$380)</b>	<b>\$266</b>	<b>\$374</b>	<b>(\$31)</b>	<b>(\$64)</b>	<b>\$285</b>	<b>\$277</b>	<b>\$467</b>	<b>(\$74)</b>	<b>(\$34)</b>	<b>(\$46)</b>	<b>(\$62)</b>	<b>(\$216)</b>	<b>(\$405)</b>	<b>(\$363)</b>
<b>Cash From Financing Activities</b>															
Proceeds (Payments) on Long-term Debt	182	(112)	185	119	(41)	(85)	(2)	(9)	43	-	-	-	43	-	-
Change in Restricted Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Noncontrolling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Noncontrolling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock Repurchase	(272)	(743)	(946)	(102)	(45)	(133)	(141)	(421)	(50)	-	-	-	(50)	(300)	(150)
Preferred Stock Issuance/Repurchase	-	-	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividends	(6)	(3)	(68)	(20)	(20)	(20)	(20)	(80)	(20)	-	-	-	(20)	(79)	(78)
Other	(6)	(3)	(11)	(2)	(32)	1	20	(31)	-	-	-	-	-	-	-
<b>Cash From Financing Activity</b>	<b>(\$96)</b>	<b>(\$858)</b>	<b>(\$850)</b>	<b>(\$5)</b>	<b>(\$138)</b>	<b>(\$237)</b>	<b>(\$161)</b>	<b>(\$541)</b>	<b>(\$27)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$27)</b>	<b>(\$379)</b>	<b>(\$228)</b>
Effect of Exchange Rate on Cash	12	(7)	5	-	4	2	(5)	1	-	-	-	-	-	-	-
<b>Net Increase in Cash &amp; Equivalents</b>	<b>\$25</b>	<b>\$21</b>	<b>\$67</b>	<b>(\$23)</b>	<b>(\$32)</b>	<b>\$145</b>	<b>\$233</b>	<b>\$323</b>	<b>(\$62)</b>	<b>(\$104)</b>	<b>(\$70)</b>	<b>\$28</b>	<b>(\$208)</b>	<b>(\$411)</b>	<b>(\$137)</b>
Cash & Equivalents - Beginning	457	482	503	570	547	515	660	570	893	831	727	657	893	685	274
<b>Cash &amp; Equivalents - Ending</b>	<b>\$482</b>	<b>\$503</b>	<b>\$570</b>	<b>\$547</b>	<b>\$515</b>	<b>\$660</b>	<b>\$893</b>	<b>\$893</b>	<b>\$831</b>	<b>\$727</b>	<b>\$657</b>	<b>\$685</b>	<b>\$685</b>	<b>\$274</b>	<b>\$137</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 76: Balance Sheet

Balance Sheet	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>															
Cash on Hand	\$482	\$503	\$570	\$547	\$515	\$660	\$893	\$893	\$831	\$727	\$657	\$685	\$685	\$274	\$137
Restricted Cash	76	234	33	24	32	140	150	150	150	150	150	150	150	150	150
Accounts Receivable	304	350	427	472	497	434	421	421	421	446	471	471	471	471	471
Inventories	28	14	14	14	13	12	12	12	12	12	12	12	12	12	12
Prepaid Expenses and Other	153	153	149	156	147	129	134	134	134	134	134	134	134	134	134
Prepaid Income Taxes	40	24	36	35	38	21	28	28	28	28	28	28	28	28	28
Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	56	49	116	54	62	80	68	68	68	68	68	68	68	68	68
<b>Total Current Assets</b>	<b>1,139</b>	<b>1,327</b>	<b>1,345</b>	<b>1,302</b>	<b>1,304</b>	<b>1,476</b>	<b>1,706</b>	<b>1,706</b>	<b>1,644</b>	<b>1,565</b>	<b>1,520</b>	<b>1,548</b>	<b>1,548</b>	<b>1,137</b>	<b>1,000</b>
Gross PP&E	8,490	8,620	8,521	8,598	8,691	8,680	8,698	8,698	8,760	8,782	8,816	8,866	8,866	9,223	9,538
Accumulated Depreciation	(4,220)	(4,586)	(4,913)	(4,993)	(5,076)	(5,161)	(5,242)	(5,242)	(5,326)	(5,409)	(5,494)	(5,575)	(5,575)	(5,911)	(6,251)
<b>Net PP&amp;E</b>	<b>4,270</b>	<b>4,034</b>	<b>3,608</b>	<b>3,605</b>	<b>3,615</b>	<b>3,519</b>	<b>3,456</b>	<b>3,456</b>	<b>3,434</b>	<b>3,373</b>	<b>3,322</b>	<b>3,291</b>	<b>3,291</b>	<b>3,312</b>	<b>3,287</b>
Investments	186	211	233	230	222	229	232	232	244	256	268	280	280	328	376
Goodwill and Intangible Assets	724	833	911	801	793	775	763	763	763	763	763	763	763	763	763
Other Assets	1,088	1,006	1,353	1,400	1,455	1,476	2,081	2,081	2,081	2,081	2,081	2,081	2,081	2,081	2,081
Notes Receivable	19	19	13	17	16	19	35	35	35	35	35	35	35	35	35
Deferred Tax Liabilities	(313)	(242)	(180)	(88)	(77)	(53)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)
<b>Total Assets</b>	<b>7,749</b>	<b>7,672</b>	<b>7,643</b>	<b>8,035</b>	<b>8,082</b>	<b>8,129</b>	<b>8,417</b>	<b>8,417</b>	<b>8,345</b>	<b>8,218</b>	<b>8,133</b>	<b>8,142</b>	<b>8,142</b>	<b>7,800</b>	<b>7,686</b>
<b>Liabilities</b>															
Accounts Payable	162	175	151	174	149	144	150	150	150	150	150	150	150	150	150
Accrued Expenses	514	635	361	263	312	315	304	304	304	304	304	304	304	304	304
Accrued Taxes and Other	129	145	549	668	653	585	632	632	632	632	632	632	632	632	632
<b>Total Current Liabilities</b>	<b>805</b>	<b>955</b>	<b>1,061</b>	<b>1,105</b>	<b>1,114</b>	<b>1,044</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>
Long-term Debt	1,564	1,451	1,623	1,621	1,621	1,612	1,612	1,612	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Other Long Term Liabilities	1,472	1,725	1,282	1,681	1,700	1,712	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncontrolling Interest	5	16	7	6	5	5	5	5	5	5	5	5	5	5	5
<b>Shareholders' Equity</b>															
Common Stock	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Additional Paid-In Capital	1,686	967	50	-	-	-	-	-	-	-	-	-	-	-	-
Treasury Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Other Comprehensive Loss	(277)	(185)	(200)	(210)	(212)	(248)	(209)	(209)	(259)	(259)	(259)	(259)	(259)	(559)	(709)
Retained Earnings	2,493	2,742	3,819	3,831	3,853	4,003	4,170	4,170	4,105	3,978	3,893	3,902	3,902	3,800	3,896
<b>Total Shareholders' Equity</b>	<b>3,903</b>	<b>3,525</b>	<b>3,670</b>	<b>3,622</b>	<b>3,642</b>	<b>3,756</b>	<b>3,962</b>	<b>3,962</b>	<b>3,847</b>	<b>3,720</b>	<b>3,635</b>	<b>3,644</b>	<b>3,644</b>	<b>3,302</b>	<b>3,188</b>
<b>Total Liabilities and Equity</b>	<b>\$ 7,749</b>	<b>\$ 7,672</b>	<b>\$ 7,643</b>	<b>\$ 8,035</b>	<b>\$ 8,082</b>	<b>\$ 8,129</b>	<b>\$ 8,417</b>	<b>\$ 8,417</b>	<b>\$ 8,345</b>	<b>\$ 8,218</b>	<b>\$ 8,133</b>	<b>\$ 8,142</b>	<b>\$ 8,142</b>	<b>\$ 7,800</b>	<b>\$ 7,686</b>

Source: Company Reports; Morgan Stanley Research Estimates

# Las Vegas Sands Corp. Model

Exhibit 77: Income Statement

INCOME STATEMENT	2018	1Q19	2Q19	3Q19	4Q19A	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>													
Venetian / Palazzo	\$1,682.0	\$471.0	\$466.0	\$406.0	\$475.0	\$1,818.0	\$396.1	\$131.9	\$288.6	\$452.7	\$1,269.2	\$1,594.0	\$1,673.2
Sands PA	536.0	137.0	90.0	-	-	227.0	-	-	-	-	-	-	-
Sands Macao	650.0	152.0	155.0	171.0	150.0	628.0	68.6	71.3	119.4	140.9	400.1	521.4	554.2
Venetian Macao	3,474.0	897.0	854.0	851.0	908.0	3,510.0	362.4	394.2	637.9	755.0	2,149.5	2,906.1	3,290.5
Four Seasons Macao	719.0	224.0	211.0	196.0	246.0	877.0	92.3	109.3	196.6	263.8	661.9	984.2	1,104.3
Sands Cotai Central (Sites 5&6)	2,153.0	577.0	483.0	487.0	505.0	2,052.0	161.1	219.0	369.7	443.0	1,192.8	1,931.9	2,229.7
Other Asia	(87.0)	(33.0)	(27.0)	(35.0)	(29.0)	(124.0)	(34.0)	(35.0)	(30.0)	(29.9)	(128.9)	(132.7)	(136.7)
Marina Bay Sands	3,069.0	767.0	688.0	793.0	853.0	3,101.0	460.9	286.4	576.3	730.6	2,054.2	2,678.1	2,897.7
Parisian (Site 3)	1,533.0	454.0	414.0	381.0	401.0	1,650.0	169.3	192.6	313.7	360.5	1,036.1	1,417.8	1,610.6
<b>Total Net Revenue</b>	<b>\$13,729.0</b>	<b>\$3,646.0</b>	<b>\$3,334.0</b>	<b>\$3,250.0</b>	<b>\$3,509.0</b>	<b>\$13,739.0</b>	<b>\$1,676.7</b>	<b>\$1,369.7</b>	<b>\$2,472.1</b>	<b>\$3,116.5</b>	<b>\$8,635.0</b>	<b>\$11,900.8</b>	<b>\$13,223.5</b>
% growth (y-o-y)	7.9%	1.9%	0.9%	-3.6%	1.0%	0.1%	-54.0%	-58.9%	-23.9%	-11.2%	-37.2%	37.8%	11.1%
Venetian / Palazzo	\$394.0	\$138.0	\$136.0	\$93.0	\$120.0	\$487.0	\$88.0	(\$66.1)	\$22.6	\$108.3	\$152.8	\$332.4	\$373.8
Sands PA	116.0	33.0	19.0	-	-	52.0	-	-	-	-	-	-	-
Sands Macao	178.0	40.0	43.0	52.0	40.0	175.0	(3.9)	(1.3)	24.6	31.3	50.7	118.1	131.2
Venetian Macao	1,378.0	361.0	336.0	342.0	368.0	1,407.0	69.2	90.9	226.8	273.1	660.0	1,081.3	1,278.9
Four Seasons Macao	262.0	85.0	83.0	75.0	102.0	345.0	13.6	28.2	67.1	105.7	214.6	380.4	430.5
Sands Cotai Central (Sites 5&6)	759.0	212.0	165.0	169.0	180.0	726.0	(13.2)	24.6	110.5	143.3	265.2	695.5	854.5
Other Asia	18.0	(3.0)	(1.0)	(3.0)	(1.0)	(8.0)	(3.0)	(1.0)	(3.0)	(1.0)	(8.0)	(8.0)	(8.0)
Marina Bay Sands	1,690.0	423.0	346.0	435.0	457.0	1,661.0	224.0	112.1	309.8	377.1	1,023.0	1,473.8	1,547.8
Parisian (Site 3)	484.0	163.0	139.0	120.0	122.0	544.0	10.0	31.3	87.2	97.2	225.7	425.0	519.9
<b>Total Adj. Property EBITDAR</b>	<b>\$5,279.0</b>	<b>\$1,452.0</b>	<b>\$1,266.0</b>	<b>\$1,283.0</b>	<b>\$1,388.0</b>	<b>\$5,389.0</b>	<b>\$384.7</b>	<b>\$218.6</b>	<b>\$845.6</b>	<b>\$1,135.0</b>	<b>\$2,583.9</b>	<b>\$4,498.5</b>	<b>\$5,128.6</b>
Rent expense	35.0	9.0	14.0	14.0	14.0	51.0	14.0	14.0	14.0	14.0	56.0	56.0	56.0
Corporate expense	202.0	152.0	51.0	59.0	51.0	313.0	50.0	40.0	45.0	50.0	185.0	200.0	204.0
Stock-based compensation	12.0	3.0	4.0	3.0	4.0	14.0	3.2	4.2	3.2	4.2	14.7	15.4	16.2
<b>Total Adj. EBITDA</b>	<b>\$5,030.0</b>	<b>\$1,288.0</b>	<b>\$1,197.0</b>	<b>\$1,207.0</b>	<b>\$1,319.0</b>	<b>\$5,011.0</b>	<b>\$317.5</b>	<b>\$160.4</b>	<b>\$783.5</b>	<b>\$1,066.8</b>	<b>\$2,328.2</b>	<b>\$4,227.1</b>	<b>\$4,852.4</b>
Margin	36.6%	35.3%	35.9%	37.1%	37.6%	36.5%	18.9%	11.7%	31.7%	34.2%	27.0%	35.5%	36.7%
% growth (y-o-y)	7.6%	-10.0%	1.4%	-0.7%	9.6%	-0.4%	-75.3%	-86.6%	-35.1%	-19.1%	-53.5%	81.6%	14.8%
Pre-opening expenses	6.0	4.0	10.0	9.0	11.0	34.0	5.0	5.0	5.0	5.0	20.0	-	-
Depreciation and amortization	1,111.0	301.0	289.0	284.0	291.0	1,165.0	291.0	291.0	291.0	291.0	1,164.0	1,164.0	1,164.0
Other	162.0	12.0	4.0	15.0	83.0	114.0	-	-	-	-	-	-	-
<b>Operating Income</b>	<b>\$3,751.0</b>	<b>\$971.0</b>	<b>\$894.0</b>	<b>\$899.0</b>	<b>\$934.0</b>	<b>\$3,698.0</b>	<b>\$21.5</b>	<b>(\$135.6)</b>	<b>\$487.5</b>	<b>\$770.8</b>	<b>\$1,144.2</b>	<b>\$3,063.1</b>	<b>\$3,688.4</b>
Interest income	59.0	20.0	17.0	20.0	17.0	74.0	17.8	13.1	8.3	7.0	46.1	27.0	10.8
Interest expense	(446.0)	(141.0)	(143.0)	(137.0)	(134.0)	(555.0)	(121.3)	(111.0)	(107.5)	(107.5)	(447.3)	(423.5)	(452.7)
Other	(38.0)	(21.0)	576.0	(31.0)	31.0	555.0	-	-	-	-	-	-	-
<b>Pretax Income</b>	<b>\$3,326.0</b>	<b>\$829.0</b>	<b>\$1,344.0</b>	<b>\$751.0</b>	<b>\$848.0</b>	<b>\$3,772.0</b>	<b>(\$81.9)</b>	<b>(\$233.5)</b>	<b>\$388.2</b>	<b>\$670.3</b>	<b>\$743.1</b>	<b>\$2,666.6</b>	<b>\$3,246.6</b>
Tax benefit / (expense)	(375.0)	(85.0)	(236.0)	(82.0)	(65.0)	(468.0)	15.1	56.9	(29.5)	(61.2)	(18.7)	(221.8)	(249.9)
<b>Net Income</b>	<b>\$2,951.0</b>	<b>\$744.0</b>	<b>\$1,108.0</b>	<b>\$669.0</b>	<b>\$783.0</b>	<b>\$3,304.0</b>	<b>(\$66.8)</b>	<b>(\$176.6)</b>	<b>\$358.7</b>	<b>\$609.1</b>	<b>\$724.4</b>	<b>\$2,444.8</b>	<b>\$2,996.7</b>
Non-controlling interest	(538.0)	(162.0)	(154.0)	(136.0)	(154.0)	(606.0)	43.5	16.9	(68.7)	(106.3)	(114.5)	(460.9)	(582.7)
<b>Net Income to LVS</b>	<b>\$2,413.0</b>	<b>\$582.0</b>	<b>\$954.0</b>	<b>\$533.0</b>	<b>\$629.0</b>	<b>\$2,698.0</b>	<b>(\$23.3)</b>	<b>(\$159.7)</b>	<b>\$290.0</b>	<b>\$502.8</b>	<b>\$609.8</b>	<b>\$1,983.9</b>	<b>\$2,414.0</b>
Preferred dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred stock accretion	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income to common</b>	<b>\$2,413.0</b>	<b>\$582.0</b>	<b>\$954.0</b>	<b>\$533.0</b>	<b>\$629.0</b>	<b>\$2,698.0</b>	<b>(\$23.3)</b>	<b>(\$159.7)</b>	<b>\$290.0</b>	<b>\$502.8</b>	<b>\$609.8</b>	<b>\$1,983.9</b>	<b>\$2,414.0</b>
<b>Total Non-recurring items</b>	<b>198.0</b>	<b>126.0</b>	<b>(399.0)</b>	<b>40.0</b>	<b>49.0</b>	<b>(184.0)</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>20.0</b>	<b>-</b>	<b>-</b>
<b>Recurring Net income (common)</b>	<b>\$2,611.0</b>	<b>\$708.0</b>	<b>\$555.0</b>	<b>\$573.0</b>	<b>\$678.0</b>	<b>\$2,514.0</b>	<b>(\$18.3)</b>	<b>(\$154.7)</b>	<b>\$295.0</b>	<b>\$507.8</b>	<b>\$629.8</b>	<b>\$1,983.9</b>	<b>\$2,414.0</b>
% growth (y-o-y)	8.3%	-13.8%	-5.6%	-5.1%	13.4%	-3.7%	-102.6%	-127.9%	-48.5%	-25.1%	-74.9%	215.0%	21.7%
<b>Reported Diluted EPS</b>	<b>\$3.07</b>	<b>\$0.75</b>	<b>\$1.24</b>	<b>\$0.69</b>	<b>\$0.82</b>	<b>\$3.50</b>	<b>(\$0.03)</b>	<b>(\$0.21)</b>	<b>\$0.38</b>	<b>\$0.65</b>	<b>\$0.79</b>	<b>\$2.60</b>	<b>\$3.19</b>
<b>Recurring Diluted EPS</b>	<b>\$3.32</b>	<b>\$0.91</b>	<b>\$0.72</b>	<b>\$0.75</b>	<b>\$0.88</b>	<b>\$3.26</b>	<b>(\$0.02)</b>	<b>(\$0.20)</b>	<b>\$0.38</b>	<b>\$0.66</b>	<b>\$0.82</b>	<b>\$2.60</b>	<b>\$3.19</b>

Source: Company Filings, Morgan Stanley Research estimates

## Exhibit 78: Cash Flow Statement

CASH FLOW (\$ in millions)	2018	1Q19	2Q19	3Q19	4Q19A	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>													
Net income	\$2,951.0	\$744.0	\$1,108.0	\$669.0	\$783.0	\$3,304.0	(\$66.8)	(\$176.6)	\$358.7	\$609.1	\$724.4	\$2,444.8	\$2,996.7
Depreciation and amortization	1,111.0	301.0	289.0	284.0	291.0	1,165.0	291.0	291.0	291.0	291.0	1,164.0	1,164.0	1,164.0
Amortization of offering costs	70.0	16.0	20.0	25.0	31.3	92.3	25.4	25.4	25.4	25.4	101.7	101.7	101.7
Loss on disposition of fixed assets	149.0	5.0	-	6.0	-	11.0	-	-	-	-	-	-	-
Stock option compensation	30.0	9.0	9.0	8.0	4.0	30.0	3.2	4.2	3.2	4.2	14.7	15.4	16.2
Provision for doubtful accounts	5.0	4.0	7.0	4.0	10.3	25.3	10.3	10.3	10.3	10.3	41.0	41.0	41.0
Tax benefit from stock options	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash return on preferred	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in op. assets and liabilities:	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	(119.0)	(15.0)	(42.0)	1.0	-	(56.0)	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred federal income taxes	113.0	1.0	134.0	20.0	-	155.0	-	-	-	-	-	-	-
Other assets	(28.0)	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	8.0	(26.0)	29.0	(7.0)	-	(4.0)	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Other accrued liabilities	390.0	(237.0)	201.0	(215.0)	-	(251.0)	-	-	-	-	-	-	-
One-time losses/(gains)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	21.0	18.0	(1,679.0)	105.0	-	(1,556.0)	-	-	-	-	-	-	-
<b>Cash from operating activities</b>	<b>4,701.0</b>	<b>820.0</b>	<b>76.0</b>	<b>900.0</b>	<b>1,119.5</b>	<b>2,915.5</b>	<b>263.0</b>	<b>154.3</b>	<b>688.5</b>	<b>940.0</b>	<b>2,045.8</b>	<b>3,767.0</b>	<b>4,319.6</b>
<b>Cash Flows from Investing</b>													
Capital expenditures	(949.0)	(240.0)	(213.0)	(303.0)	(424.0)	(1,180.0)	(387.5)	(387.5)	(387.5)	(387.5)	(1,550.0)	(1,375.0)	(1,725.0)
Decrease in restricted cash	(2.0)	(1.0)	-	(1.0)	-	(2.0)	-	-	-	-	-	-	-
Investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable from stockholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from asset sales	19.0	-	1,160.0	-	-	1,160.0	-	-	-	-	-	-	-
Other	-	-	(51.0)	1.0	-	(50.0)	-	-	-	-	-	-	-
<b>Cash from investing activities</b>	<b>(932.0)</b>	<b>(241.0)</b>	<b>896.0</b>	<b>(303.0)</b>	<b>(424.0)</b>	<b>(72.0)</b>	<b>(387.5)</b>	<b>(387.5)</b>	<b>(387.5)</b>	<b>(387.5)</b>	<b>(1,550.0)</b>	<b>(1,375.0)</b>	<b>(1,725.0)</b>
<b>Cash Flows from Financing</b>													
Proceeds (Payments) from LT debt	2,415.0	(26.0)	(25.0)	33.0	598.0	580.0	-	-	-	-	-	225.0	1,662.5
Payments of debt offering costs	(132.0)	-	-	(127.0)	-	(127.0)	-	-	-	-	-	-	-
Preferred dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	(2,979.0)	(903.0)	(918.0)	(592.0)	(591.4)	(3,004.4)	(608.0)	(608.0)	(608.0)	(608.0)	(2,432.2)	(2,440.7)	(2,450.7)
Sale / (purchase) of common stock	(905.0)	(174.0)	(180.0)	(100.0)	(300.0)	(754.0)	(100.0)	-	-	-	(100.0)	(600.0)	(600.0)
Exercise of stock options	79.0	14.0	25.0	5.0	-	44.0	-	-	-	-	-	-	-
Contributions from shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of Palazzo mall	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	(1.0)	1.0	-	-	-	-	-	-	-	-	-
Macau distribution	-	-	-	-	-	-	(300.3)	(300.3)	-	-	(600.7)	(537.3)	(721.2)
Adjustment for pro-forma results	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow from financing acts.</b>	<b>(1,522.0)</b>	<b>(1,089.0)</b>	<b>(1,099.0)</b>	<b>(780.0)</b>	<b>(293.4)</b>	<b>(3,261.4)</b>	<b>(1,008.4)</b>	<b>(908.4)</b>	<b>(608.0)</b>	<b>(608.0)</b>	<b>(3,132.8)</b>	<b>(3,353.0)</b>	<b>(2,109.4)</b>
Effect of exchange rate on cash	(18.0)	(4.0)	10.0	(15.0)	19.9	10.9	-	-	-	-	-	-	-
<b>Increase in cash &amp; equivalents</b>	<b>2,229.0</b>	<b>(514.0)</b>	<b>(117.0)</b>	<b>(198.0)</b>	<b>422.0</b>	<b>(407.0)</b>	<b>(1,132.8)</b>	<b>(1,141.6)</b>	<b>(307.0)</b>	<b>(55.6)</b>	<b>(2,637.0)</b>	<b>(961.0)</b>	<b>485.2</b>
Cash & equivalents, BOP	2,419.0	4,648.0	4,134.0	4,017.0	3,819.0	4,648.0	4,241.0	3,108.2	1,966.6	1,659.6	4,241.0	1,604.0	643.0
<b>Cash &amp; equivalents, EOP</b>	<b>\$4,648.0</b>	<b>\$4,134.0</b>	<b>\$4,017.0</b>	<b>\$3,819.0</b>	<b>\$4,241.0</b>	<b>\$4,241.0</b>	<b>\$3,108.2</b>	<b>\$1,966.6</b>	<b>\$1,659.6</b>	<b>\$1,604.0</b>	<b>\$1,604.0</b>	<b>\$643.0</b>	<b>\$1,128.2</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 79: Balance Sheet

BALANCE SHEET (\$ in millions)	2018	1Q19	2Q19	3Q19	4Q19A	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>													
Cash and cash equivalents	\$4,648.0	\$4,134.0	\$4,017.0	\$3,819.0	\$4,241.0	\$4,241.0	\$3,108.2	\$1,966.6	\$1,659.6	\$1,604.0	\$1,604.0	\$643.0	\$1,128.2
Restricted cash and equivalents	13.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Accounts receivable, net	726.0	737.0	767.0	757.0	757.0	757.0	757.0	757.0	757.0	757.0	757.0	757.0	757.0
Inventories	35.0	35.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	144.0	135.0	126.0	186.0	186.0	186.0	186.0	186.0	186.0	186.0	186.0	186.0	186.0
Prepaid income taxes and other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>5,566.0</b>	<b>5,055.0</b>	<b>4,957.0</b>	<b>4,810.0</b>	<b>5,232.0</b>	<b>5,232.0</b>	<b>4,099.2</b>	<b>2,957.6</b>	<b>2,650.6</b>	<b>2,595.0</b>	<b>2,595.0</b>	<b>1,634.0</b>	<b>2,119.2</b>
Property and equipment:													
Gross PPE	24,409.0	24,053.0	23,834.0	24,117.0	24,541.0	24,541.0	24,928.5	25,316.0	25,703.5	26,091.0	26,091.0	27,466.0	29,191.0
Accumulated depreciation	(9,255.0)	(8,954.0)	(9,243.0)	(9,527.0)	(9,818.0)	(9,818.0)	(10,109.0)	(10,400.0)	(10,691.0)	(10,982.0)	(10,982.0)	(12,146.0)	(13,310.0)
Net PPE	15,154.0	15,099.0	14,591.0	14,590.0	14,723.0	14,723.0	14,819.5	14,916.0	15,012.5	15,109.0	15,109.0	15,320.0	15,881.0
Deferred offering costs, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in unconsolidated	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash and equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	368.0	359.0	301.0	288.0	288.0	288.0	288.0	288.0	288.0	288.0	288.0	288.0	288.0
Other assets, net	1,459.0	1,800.0	2,745.0	2,739.0	2,677.6	2,677.6	2,642.0	2,606.3	2,570.6	2,534.9	2,534.9	2,392.2	2,249.4
<b>Total Assets</b>	<b>22,547.0</b>	<b>22,313.0</b>	<b>22,594.0</b>	<b>22,427.0</b>	<b>22,920.6</b>	<b>22,920.6</b>	<b>21,848.6</b>	<b>20,767.8</b>	<b>20,521.7</b>	<b>20,526.9</b>	<b>20,526.9</b>	<b>19,634.1</b>	<b>20,537.6</b>
<b>Liabilities</b>													
Accounts payable	178.0	152.0	138.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0
Construction payables	189.0	190.0	240.0	315.0	315.0	315.0	315.0	315.0	315.0	315.0	315.0	315.0	315.0
Construction payables - contested	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Other accrued liabilities	2,790.0	2,575.0	2,653.0	2,519.0	2,519.0	2,519.0	2,519.0	2,519.0	2,519.0	2,519.0	2,519.0	2,519.0	2,519.0
<b>Total current liabilities</b>	<b>3,157.0</b>	<b>2,917.0</b>	<b>3,031.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>	<b>3,004.0</b>
Long-term debt (total)	11,874.0	11,888.0	11,909.0	11,877.0	12,475.0	12,475.0	12,475.0	12,475.0	12,475.0	12,475.0	12,475.0	12,700.0	14,362.5
Deferred gain & rent on GCS	401.0	399.0	398.0	351.0	351.0	351.0	351.0	351.0	351.0	351.0	351.0	351.0	351.0
Deferred taxes	191.0	184.0	180.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0
Other long-term liabilities	179.0	485.0	494.0	496.0	496.0	496.0	496.0	496.0	496.0	496.0	496.0	496.0	496.0
<b>Shareholders' Equity</b>													
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Additional paid-in-capital	6,680.0	6,700.0	6,541.0	6,554.0	6,254.0	6,254.0	6,154.0	6,154.0	6,154.0	6,154.0	6,154.0	5,554.0	4,954.0
Retained earnings	2,770.0	2,757.0	3,118.0	3,059.0	3,100.6	3,100.6	2,172.1	1,108.3	793.4	692.3	692.3	(286.3)	(1,028.0)
Accumulated other comp. income	(40.0)	(32.0)	(19.0)	(74.0)	(74.0)	(74.0)	(74.0)	(74.0)	(74.0)	(74.0)	(74.0)	(74.0)	(74.0)
Other	(2,666.0)	(2,986.0)	(3,059.0)	(3,025.0)	(2,871.0)	(2,871.0)	(2,914.5)	(2,931.5)	(2,862.7)	(2,756.5)	(2,756.5)	(2,295.5)	(1,712.9)
<b>Total Shareholders' Equity</b>	<b>6,745.0</b>	<b>6,440.0</b>	<b>6,582.0</b>	<b>6,515.0</b>	<b>6,410.6</b>	<b>6,410.6</b>	<b>5,338.6</b>	<b>4,257.8</b>	<b>4,011.7</b>	<b>4,016.9</b>	<b>4,016.9</b>	<b>2,899.1</b>	<b>2,140.1</b>
<b>Total Liabilities and Equity</b>	<b>22,547.0</b>	<b>22,313.0</b>	<b>22,594.0</b>	<b>22,427.0</b>	<b>22,920.6</b>	<b>22,920.6</b>	<b>21,848.6</b>	<b>20,767.8</b>	<b>20,521.7</b>	<b>20,526.9</b>	<b>20,526.9</b>	<b>19,634.1</b>	<b>20,537.6</b>

Source: Company Filings, Morgan Stanley Research estimates

# Marriott International Inc. Model

Exhibit 80: Income Statement

Income Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenues</b>														
Base management fees	\$1,102	\$1,140	\$282	\$309	\$291	\$298	\$1,180	\$221	\$116	\$215	\$287	\$839	\$1,034	\$1,123
Franchise fees	1,618	1,849	450	525	530	501	2,006	420	173	391	495	1,478	1,873	2,067
Incentive fees	607	649	163	165	134	175	637	114	8	27	105	254	356	391
Contract investment amortization	-	(58)	(14)	(15)	(16)	(17)	(62)	(18)	(19)	(19)	(19)	(75)	(70)	(70)
Total fee revenue, net	\$3,327	\$3,580	\$881	\$984	\$939	\$957	\$3,761	\$738	\$277	\$613	\$868	\$2,496	\$3,193	\$3,511
Owned, leased, and other	\$1,812	1,635	375	418	333	426	1,612	319	125	275	400	1,120	1,344	1,411
Cost reimbursements	17,765	15,475	3,756	3,903	3,952	3,988	15,599	3,145	1,100	2,580	3,617	10,443	13,359	14,690
<b>Total Revenue (Pro Forma for HOT in 4Q16)</b>	<b>\$22,894</b>	<b>\$20,690</b>	<b>\$5,012</b>	<b>\$5,305</b>	<b>\$5,284</b>	<b>\$5,371</b>	<b>\$20,972</b>	<b>\$4,202</b>	<b>\$1,503</b>	<b>\$3,469</b>	<b>\$4,885</b>	<b>\$14,059</b>	<b>\$17,896</b>	<b>\$19,613</b>
% growth fees (y-o-y)	51%	8%	7%	5%	2%	7%	5%	-16%	-72%	-35%	-5%	-34%	28%	10%
% growth total (y-o-y)	35%	-10%	0%	-1%	5%	2%	1%	-16%	-72%	-34%	-9%	-33%	27%	10%
<b>Historical Pro Forma M&amp;F Revenue</b>	<b>\$3,327</b>	<b>\$3,580</b>	<b>\$881</b>	<b>\$984</b>	<b>\$939</b>	<b>\$957</b>	<b>\$3,761</b>	<b>\$738</b>	<b>\$277</b>	<b>\$613</b>	<b>\$868</b>	<b>\$2,496</b>	<b>\$3,193</b>	<b>\$3,511</b>
% organic growth, M&F (y-o-y)	11%	8%	7%	5%	2%	7%	5%	-16%	-72%	-34%	-9%	-34%	28%	10%
<b>Historical Pro Forma Total Revenue</b>	<b>\$22,894</b>	<b>\$20,690</b>	<b>\$5,012</b>	<b>\$5,305</b>	<b>\$5,284</b>	<b>\$5,371</b>	<b>\$20,972</b>	<b>\$4,202</b>	<b>\$1,503</b>	<b>\$3,469</b>	<b>\$4,885</b>	<b>\$14,059</b>	<b>\$17,896</b>	<b>\$19,613</b>
% organic growth, total (y-o-y)	10%	-10%	0%	-1%	5%	2%	1%	-16%	-72%	-34%	-9%	-33%	27%	10%
<b>Operating expenses</b>														
Owned and leased	\$1,427	\$1,306	\$325	\$331	\$326	\$334	\$1,316	\$309	\$166	\$293	\$331	\$1,098	\$1,208	\$1,232
Reimbursed costs	17,765	15,844	3,892	4,107	4,070	4,370	16,439	3,145	1,100	2,580	3,617	10,443	13,359	14,690
General & administrative	894	927	222	229	220	267	938	211	188	198	214	810	875	884
D&A	318	226	54	56	52	179	341	53	57	57	57	225	230	235
<b>Total OpEx</b>	<b>20,404</b>	<b>18,303</b>	<b>4,493</b>	<b>4,723</b>	<b>4,668</b>	<b>5,150</b>	<b>19,034</b>	<b>3,718</b>	<b>1,511</b>	<b>3,129</b>	<b>4,219</b>	<b>\$12,577</b>	<b>\$15,672</b>	<b>\$17,041</b>
<b>Operating income</b>	<b>\$2,490</b>	<b>\$2,387</b>	<b>\$519</b>	<b>\$582</b>	<b>\$616</b>	<b>\$221</b>	<b>\$1,938</b>	<b>\$484</b>	<b>(\$8)</b>	<b>\$339</b>	<b>\$667</b>	<b>\$1,482</b>	<b>\$2,224</b>	<b>\$2,572</b>
Margin	49%	46%	41%	42%	46%	76%	36%	46%	-2%	38%	53%	41%	49%	52%
% growth (y-o-y)	46%	-4%	-3%	-23%	6%	-57%	-19%	-7%	-101%	-45%	202%	-24%	50%	16%
Gains (losses) and other income	688	194	5	1	10	138	154	2	3	3	3	10	10	10
Interest expense	(288)	(340)	(97)	(102)	(100)	(95)	(394)	(95)	(100)	(99)	(99)	(393)	(372)	(353)
Interest income	38	22	6	6	8	6	26	6	8	7	7	28	34	38
Equity in unconsolidated affiliates	39	103	8	-	2	3	13	5	3	3	3	15	30	30
Extraordinary items and other	(131)	(155)	(9)	(173)	(9)	53	(138)	-	-	-	-	-	-	-
<b>Pre-tax income</b>	<b>2,836</b>	<b>2,211</b>	<b>432</b>	<b>314</b>	<b>527</b>	<b>326</b>	<b>1,599</b>	<b>402</b>	<b>(94)</b>	<b>254</b>	<b>581</b>	<b>1,143</b>	<b>1,926</b>	<b>2,297</b>
Tax expense	(1,464)	(403)	(57)	(82)	(140)	(47)	(326)	(84)	22	(59)	(135)	(256)	(443)	(528)
Tax rate %	52%	18%	13%	26%	27%	14%	20%	21%	23%	23%	23%	22%	23%	23%
<b>Reported net income</b>	<b>\$1,372</b>	<b>\$1,808</b>	<b>\$375</b>	<b>\$232</b>	<b>\$387</b>	<b>\$279</b>	<b>\$1,273</b>	<b>\$318</b>	<b>(\$72)</b>	<b>\$195</b>	<b>\$446</b>	<b>\$886</b>	<b>\$1,483</b>	<b>\$1,769</b>
Plus: Non-recurring items	283	393	107	293	101	\$238	739	-	-	-	-	-	-	-
<b>Recurring net income</b>	<b>\$1,655</b>	<b>\$2,200</b>	<b>\$482</b>	<b>\$525</b>	<b>\$488</b>	<b>\$517</b>	<b>\$2,012</b>	<b>\$318</b>	<b>(\$72)</b>	<b>\$195</b>	<b>\$446</b>	<b>\$886</b>	<b>\$1,483</b>	<b>\$1,769</b>
% growth (y-o-y)	76%	32%	-6%	-12%	-20%	-51%	-30%	-15%	-131%	-50%	60%	-30%	67%	19%
Basic shares, avg	378	352	340	333	330	328	333	324	324	324	325	324	324	323
Basic shares, ending	365	339	333	334	330	324	324	323	324	324	325	325	324	323
Diluted shares, avg	380	354	343	336	333	330	336	329	329	329	330	329	329	328
<b>Reported EPS</b>	<b>\$3.61</b>	<b>\$5.10</b>	<b>\$1.09</b>	<b>\$0.69</b>	<b>\$1.16</b>	<b>\$0.84</b>	<b>\$3.79</b>	<b>\$0.97</b>	<b>(\$0.22)</b>	<b>\$0.59</b>	<b>\$1.35</b>	<b>\$2.69</b>	<b>\$4.50</b>	<b>\$5.39</b>
<b>Recurring EPS</b>	<b>\$4.36</b>	<b>\$6.21</b>	<b>\$1.41</b>	<b>\$1.56</b>	<b>\$1.47</b>	<b>\$1.56</b>	<b>\$6.00</b>	<b>\$0.97</b>	<b>(\$0.22)</b>	<b>\$0.59</b>	<b>\$1.35</b>	<b>\$2.69</b>	<b>\$4.50</b>	<b>\$5.39</b>
% growth (y-o-y)	37%	43%	5%	-10%	-14%	9%	-3%	-37%	-114%	-60%	-14%	-55%	67%	20%
Guidance	\$4.22-4.24	\$6.15-6.18	\$1.30-1.35	\$1.52-1.58	\$1.47-1.51	\$1.44-1.47	\$5.87-5.90	\$1.47-1.50				\$6.30-6.53	\$7.65-8.50	
Legacy HOT Net Income														
Historical Pro Forma Net Income														
Pro Forma Share Count														
<b>Historical Pro Forma EPS</b>	<b>\$4.36</b>	<b>\$6.21</b>	<b>\$1.41</b>	<b>\$1.56</b>	<b>\$1.47</b>	<b>\$1.56</b>	<b>\$6.00</b>	<b>\$0.97</b>	<b>(\$0.22)</b>	<b>\$0.59</b>	<b>\$1.35</b>	<b>\$2.69</b>	<b>\$4.50</b>	<b>\$5.39</b>
% organic growth (y-o-y)	29%	43%	5%	-10%	-14%	9%	-3%	-37%	-114%	-60%	-14%	-55%	67%	20%
<b>Dividends per Share</b>	<b>\$1.29</b>	<b>\$1.56</b>	<b>\$0.41</b>	<b>\$0.48</b>	<b>\$0.48</b>	<b>\$0.48</b>	<b>\$1.85</b>	<b>\$0.48</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.48</b>	<b>\$1.92</b>	<b>\$1.92</b>
% growth (y-o-y)	12%	21%	10%	10%	10%	10%	19%	10%	10%	10%	10%	-74%	0%	0%
<b>EBITDA Reconciliation</b>														
Net Income	1,372	\$1,808	\$375	\$232	\$387	\$279	\$1,273	\$318	(\$72)	\$195	\$446	\$886	\$1,483	\$1,769
Plus: Interest expense	288	340	97	102	100	95	394	95	100	99	99	393	372	353
Plus: Tax provision (benefit)	1,464	403	57	82	140	47	326	84	(22)	59	135	256	443	528
Plus: Depreciation and amortization	290	226	54	56	52	179	341	53	57	57	57	225	230	235
Less: Depreciation adjustment	126	147	30	29	33	29	121	30	32	32	32	125	125	125
Plus: Interest expense from unconsol. JVs	10	10	2	1	3	2	8	-	2	2	1	5	7	7
Plus: Depreciation from unconsol. JVs	42	40	7	8	5	9	29	10	7	7	7	30	36	37
Plus: Share-based comp (incl. reimbursed by 3rd parties)	155	171	40	50	47	49	186	45	50	50	50	195	203	203
Plus: Legacy HOT share-based comp	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(524)	328	159	392	134	212	897	18	19	19	19	75	70	70
<b>MIAR-Reported Adjusted EBITDA</b>	<b>\$3,223</b>	<b>\$3,473</b>	<b>\$821</b>	<b>\$952</b>	<b>\$901</b>	<b>\$901</b>	<b>\$3,575</b>	<b>\$653</b>	<b>\$173</b>	<b>\$519</b>	<b>\$846</b>	<b>\$2,190</b>	<b>\$2,969</b>	<b>\$3,326</b>
Margin	14.1%	16.8%	16.4%	17.9%	17.1%	16.8%	17.0%	15.5%	11.5%	15.0%	17.3%	15.8%	16.6%	17.0%
Margin ex. Cost Reimbursement	62.8%	66.6%	65.4%	67.9%	67.6%	65.1%	66.5%	61.8%	42.8%	58.4%	66.7%	60.6%	65.4%	67.6%
% growth (y-o-y)	8%	11%	7%	1%	0%	4%	3%	-20%	-82%	-42%	-6%	-39%	36%	12%
Guidance	\$3,177-3.71	\$3,456-3.4	\$820-845m	\$940-965m	\$896-916m	\$898-913m	\$3,572-3.5	\$653-867m				\$3,700-3.8	\$4,190-4.485	

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 81: Cash Flow Statement

Cash Flow Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows From Operations</b>														
Net profit (Loss)	\$1,372	\$1,808	\$375	\$232	\$387	\$279	\$1,273	\$318	(\$72)	\$195	\$446	\$886	\$1,483	\$1,769
Depreciation & amortization	290	226	54	56	52	179	341	53	57	57	57	225	230	235
Depreciation & amortization, disc. ops	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based compensation	155	171	40	50	47	49	186	45	50	50	50	195	203	203
Income taxes and other	673	356	(40)	(42)	(42)	(42)	(165)	(50)	(50)	(50)	(50)	(200)	(200)	52
Timeshare activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in working capital & other	(54)	(204)	(278)	291	-	37	50	-	(150)	(150)	-	(300)	-	-
<b>Cash From Operating Activity</b>	<b>\$2,436</b>	<b>\$2,357</b>	<b>\$151</b>	<b>\$587</b>	<b>\$444</b>	<b>\$503</b>	<b>\$1,685</b>	<b>\$366</b>	<b>(\$165)</b>	<b>\$102</b>	<b>\$503</b>	<b>\$806</b>	<b>\$1,715</b>	<b>\$2,258</b>
<b>Cash From Investing Activities</b>														
Capital expenditures	(240)	(556)	(66)	(76)	(93)	(418)	(653)	(81)	(62)	(57)	(61)	(261)	(325)	(314)
Loan advances	(93)	(13)	-	(10)	-	(20)	(30)	(49)	(22)	-	(22)	(94)	(112)	(107)
Loan collection and sales	187	48	4	2	6	39	51	6	6	6	6	25	25	25
Dispositions	1,418	479	2	0	-	393	395	288	-	-	-	268	-	-
Equity and cost method investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract acquisition costs	(189)	-	-	-	(67)	(83)	(149)	(69)	(42)	(47)	(58)	(215)	(258)	(246)
Other	(63)	(10)	(28)	(2)	-	132	102	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>\$1,020</b>	<b>(\$52)</b>	<b>(\$88)</b>	<b>(\$86)</b>	<b>(\$154)</b>	<b>\$44</b>	<b>(\$284)</b>	<b>\$75</b>	<b>(\$119)</b>	<b>(\$98)</b>	<b>(\$135)</b>	<b>(\$277)</b>	<b>(\$671)</b>	<b>(\$641)</b>
<b>Cash From Financing Activities</b>														
Proceeds (Payments) on LT debt (Cred Fac)	(285)	1,120	903	158	365	87	1,513	\$803	(500)	-	(250)	53	(250)	-
Cash dividends	(482)	(543)	(139)	(160)	(158)	(154)	(612)	(155)	-	-	-	(155)	(621)	(619)
Purchase of treasury stock	(3,013)	(2,850)	(797)	(431)	(500)	(532)	(2,260)	(150)	0	0	0	(150)	(500)	(500)
Issuance of common stock	6	4	-	-	-	7	7	-	-	-	-	-	-	-
Other	(157)	(103)	(88)	(42)	(5)	(5)	(140)	-	-	-	-	-	-	-
<b>Cash From Financing Activity</b>	<b>(\$3,931)</b>	<b>(\$2,372)</b>	<b>(\$121)</b>	<b>(\$475)</b>	<b>(\$299)</b>	<b>(\$597)</b>	<b>(\$1,492)</b>	<b>\$498</b>	<b>(\$500)</b>	<b>\$0</b>	<b>(\$250)</b>	<b>(\$252)</b>	<b>(\$1,371)</b>	<b>(\$1,119)</b>
Net increase in cash & equivalents	(\$475)	(\$67)	(\$58)	\$26	(\$8)	(\$51)	(\$91)	\$939	(\$784)	\$4	\$118	\$278	(\$327)	\$498
Cash & equivalents - beginning	858	383	316	258	284	276	316	225	1,164	380	384	225	503	176
<b>Cash &amp; Equivalents - Ending</b>	<b>\$383</b>	<b>\$316</b>	<b>\$258</b>	<b>\$284</b>	<b>\$276</b>	<b>\$225</b>	<b>\$225</b>	<b>\$1,164</b>	<b>\$380</b>	<b>\$384</b>	<b>\$503</b>	<b>\$503</b>	<b>\$176</b>	<b>\$674</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 82: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
MAR Cash and equivalents	\$383	\$316	\$258	\$284	\$276	\$225	\$225	\$1,164	\$380	\$384	\$503	\$503	\$176	\$674
Accounts receivable	1,991	2,133	2,218	2,328	2,394	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	224	249	259	257	230	252	252	252	252	252	252	252	252	252
Current deferred taxes, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	149	8	-	-	-	255	255	255	255	255	255	255	255	255
<b>Total Current Assets</b>	<b>\$2,747</b>	<b>\$2,706</b>	<b>\$2,735</b>	<b>\$2,869</b>	<b>\$2,900</b>	<b>\$3,127</b>	<b>\$3,127</b>	<b>\$4,066</b>	<b>\$3,282</b>	<b>\$3,286</b>	<b>\$3,405</b>	<b>\$3,405</b>	<b>\$3,078</b>	<b>\$3,576</b>
Gross PP&E	3,068	3,457	3,246	3,502	3,567	3,690	3,690	3,572	3,675	3,779	3,898	3,898	4,481	5,040
Accumulated depreciation	(1,275)	(1,501)	(1,555)	(1,557)	(1,607)	(1,786)	(1,786)	(1,839)	(1,896)	(1,954)	(2,011)	(2,011)	(2,241)	(2,475)
Net PP&E	1,793	1,956	1,691	1,945	1,960	1,904	1,904	1,733	1,779	1,826	1,887	1,887	2,240	2,565
Intangibles	18,012	17,419	17,655	17,681	17,540	17,689	17,689	17,689	17,689	17,689	17,689	17,689	17,689	17,689
Equity and cost method investments	740	732	584	580	580	577	577	620	636	630	646	646	733	815
Investments in affiliates, debt-Like	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Courtyard mezzanine loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans to timeshare owners (Includes VIEs)	142	125	124	97	109	117	117	117	117	117	117	117	117	117
Other LT receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	514	758	1,957	1,721	1,723	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637
<b>Total Assets</b>	<b>\$23,948</b>	<b>\$23,696</b>	<b>\$24,746</b>	<b>\$24,893</b>	<b>\$24,812</b>	<b>\$25,051</b>	<b>\$25,051</b>	<b>\$25,862</b>	<b>\$25,140</b>	<b>\$25,185</b>	<b>\$25,380</b>	<b>\$25,380</b>	<b>\$25,494</b>	<b>\$26,399</b>
<b>Liabilities</b>														
Accounts payable and accrued expenses	\$2,007	\$2,112	\$1,784	\$1,994	\$2,020	\$2,059	\$2,059	\$2,059	\$2,059	\$2,059	\$2,059	\$2,059	\$2,059	\$2,059
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,605	3,492	3,833	3,401	3,491	3,641	3,641	3,591	3,391	3,191	3,141	3,141	2,941	2,993
<b>Total Current Liabilities</b>	<b>\$5,612</b>	<b>\$5,604</b>	<b>\$5,617</b>	<b>\$5,395</b>	<b>\$5,511</b>	<b>\$5,700</b>	<b>\$5,700</b>	<b>\$5,650</b>	<b>\$5,450</b>	<b>\$5,250</b>	<b>\$5,200</b>	<b>\$5,200</b>	<b>\$5,000</b>	<b>\$5,052</b>
Long-term debt	8,238	9,347	10,256	10,414	10,779	10,940	10,940	11,743	11,243	11,243	10,993	10,993	10,743	10,743
Endowment deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other LT liabilities	6,367	6,520	7,270	7,844	7,684	7,708	7,708	7,708	7,708	7,708	7,708	7,708	7,708	7,708
<b>Shareholders' Equity</b>														
Common stock	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Additional paid-in capital	5,770	5,814	5,706	5,729	5,773	5,800	5,800	5,845	5,895	5,945	5,995	5,995	6,198	6,401
Retained earnings	7,391	8,982	9,219	9,292	9,522	9,644	9,644	9,807	9,735	9,930	10,375	10,375	11,237	12,386
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock, at cost	(9,418)	(12,185)	(12,967)	(13,460)	(13,958)	(14,385)	(14,385)	(14,535)	(14,535)	(14,535)	(14,535)	(14,535)	(15,035)	(15,535)
Accumulated other comp. income	(17)	(391)	(360)	(326)	(504)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)
<b>Total Shareholders' Equity</b>	<b>\$3,731</b>	<b>\$2,225</b>	<b>\$1,603</b>	<b>\$1,240</b>	<b>\$838</b>	<b>\$703</b>	<b>\$703</b>	<b>\$761</b>	<b>\$739</b>	<b>\$984</b>	<b>\$1,479</b>	<b>\$1,479</b>	<b>\$2,043</b>	<b>\$2,896</b>
<b>Total Liabilities and Equity</b>	<b>\$23,948</b>	<b>\$23,696</b>	<b>\$24,746</b>	<b>\$24,893</b>	<b>\$24,812</b>	<b>\$25,051</b>	<b>\$25,051</b>	<b>\$25,862</b>	<b>\$25,140</b>	<b>\$25,185</b>	<b>\$25,380</b>	<b>\$25,380</b>	<b>\$25,494</b>	<b>\$26,399</b>

Source: Company Reports; Morgan Stanley Research Estimates

# MGM Growth Properties LLC Model

**Exhibit 83: Income Statement & AFFO Build**

INCOME STATEMENT (\$ in millions)	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenue</b>															
Master Lease Rental Income	\$417.7	\$681.3	\$766.3	\$204.5	\$236.5	\$236.5	\$236.5	\$914.1	\$219.9	\$207.5	\$207.5	\$207.5	\$842.5	\$840.9	\$855.9
Straight-line adjustment / other	1.6	(6.2)	(20.1)	(7.7)	(16.7)	(16.7)	(16.7)	(57.7)	(17.1)	(17.1)	(17.1)	(17.1)	(68.4)	(83.7)	(104.8)
Total rental income	\$419.2	\$675.1	\$746.3	\$196.9	\$219.8	\$219.8	\$219.8	\$856.4	\$202.8	\$190.4	\$190.4	\$190.4	\$774.1	\$757.2	\$751.1
Property taxes reimbursed by tenant	48.3	90.6	123.2	6.5	5.9	6.2	6.0	24.7	6.0	6.0	6.0	6.0	24.2	24.2	24.2
TRS revenue			132.9	67.8				67.8							
<b>Total revenue</b>	<b>\$467.5</b>	<b>\$765.7</b>	<b>\$1,002.4</b>	<b>\$271.3</b>	<b>\$225.8</b>	<b>\$226.0</b>	<b>\$225.9</b>	<b>\$948.9</b>	<b>\$208.8</b>	<b>\$196.5</b>	<b>\$196.5</b>	<b>\$196.5</b>	<b>\$798.3</b>	<b>\$781.4</b>	<b>\$775.3</b>
y/y growth - GAAP revenue		4.0%	30.9%					-5.3%					-15.9%	-2.1%	-0.8%
y/y growth - rental revenue (cash basis)		4.8%	12.5%					19.3%					4.9%	1.8%	1.8%
<b>Operating Expenses</b>															
Property taxes	51.9	88.3	119.5	5.9	5.9	5.9	5.9	23.7	5.9	5.9	5.9	5.9	23.7	24.2	24.2
Stock option expense	1.0	1.3	2.1	0.6	0.5	0.5	0.7	2.3	0.6	0.5	0.5	0.7	2.3	2.3	2.3
Other G&A expenses	9.5	10.9	14.1	3.7	3.2	4.0	3.5	14.3	3.5	3.5	3.5	3.5	14.0	14.4	14.9
Property insurance	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TRS OpEx, incl. mgmt fees			88.1	44.9	0.0	0.0	0.0	44.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property transactions, net	3.8	34.0	24.2	9.9	0.6	9.9	0.8	21.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total operating expenses</b>	<b>\$66.7</b>	<b>\$134.5</b>	<b>\$248.0</b>	<b>\$65.0</b>	<b>\$10.2</b>	<b>\$20.3</b>	<b>\$10.9</b>	<b>\$106.4</b>	<b>\$10.0</b>	<b>\$10.0</b>	<b>\$10.0</b>	<b>\$10.1</b>	<b>\$40.0</b>	<b>\$40.9</b>	<b>\$41.3</b>
y/y growth		27.7%	84.4%					-57.1%					-62.4%	2.2%	1.1%
<b>Operating income</b>	<b>\$400.8</b>	<b>\$631.2</b>	<b>\$754.4</b>	<b>\$206.3</b>	<b>\$215.6</b>	<b>\$205.7</b>	<b>\$215.0</b>	<b>\$842.5</b>	<b>\$198.8</b>	<b>\$186.5</b>	<b>\$186.5</b>	<b>\$186.4</b>	<b>\$758.3</b>	<b>\$740.5</b>	<b>\$733.9</b>
Interest expense	\$115.4	\$180.3	\$213.0	\$62.1	\$63.9	\$62.8	\$57.9	\$246.7	\$47.5	\$53.3	\$53.9	\$55.0	\$209.8	\$215.7	\$215.7
Depreciation and amortization	169.2	260.5	273.4	75.0	79.5	72.0	71.6	298.2	66.8	62.0	62.0	62.0	252.9	248.1	248.1
Other	10.6	19.6	12.5	0.1	0.4	0.4	10.7	11.6	0.4	0.4	0.4	0.4	1.6	1.6	1.6
<b>Pre-tax income</b>	<b>\$105.6</b>	<b>\$170.9</b>	<b>\$255.5</b>	<b>\$69.0</b>	<b>\$71.8</b>	<b>\$70.5</b>	<b>\$74.7</b>	<b>\$286.1</b>	<b>\$84.1</b>	<b>\$70.8</b>	<b>\$70.2</b>	<b>\$68.9</b>	<b>\$294.0</b>	<b>\$275.1</b>	<b>\$268.6</b>
Tax expense	2.3	4.9	10.8	2.7	4.0	2.0	1.8	10.5	1.8	1.8	1.8	1.8	7.3	7.3	7.3
Income from unconsolidated affiliates (50.1% BREIT JV)									10.8	21.5	21.5	21.5	75.4	88.7	91.7
<b>Net income</b>	<b>\$103.3</b>	<b>\$166.0</b>	<b>\$244.7</b>	<b>\$66.4</b>	<b>\$67.8</b>	<b>\$68.6</b>	<b>\$72.9</b>	<b>\$275.6</b>	<b>\$93.0</b>	<b>\$90.5</b>	<b>\$89.9</b>	<b>\$88.7</b>	<b>\$362.1</b>	<b>\$356.5</b>	<b>\$353.0</b>
Less: (Income) / loss to noncontrolling interest (MGM)	(73.4)	(124.2)	(177.6)	(46.4)	(45.9)	(46.0)	(46.9)	(185.3)	(58.3)	(50.0)	(49.7)	(49.0)	(207.0)	(197.1)	(195.1)
<b>Net income to Class A shareholders</b>	<b>\$29.9</b>	<b>\$41.8</b>	<b>\$67.1</b>	<b>\$20.0</b>	<b>\$21.9</b>	<b>\$22.5</b>	<b>\$25.9</b>	<b>\$90.3</b>	<b>\$34.7</b>	<b>\$40.5</b>	<b>\$40.2</b>	<b>\$39.7</b>	<b>\$155.1</b>	<b>\$159.4</b>	<b>\$157.9</b>
<b>Diluted EPS</b>	<b>\$0.44</b>	<b>\$0.66</b>	<b>\$0.92</b>	<b>\$0.23</b>	<b>\$0.23</b>	<b>\$0.23</b>	<b>\$0.24</b>	<b>\$0.94</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.31</b>	<b>\$0.31</b>	<b>\$1.23</b>	<b>\$1.24</b>	<b>\$1.23</b>
<b>Diluted EPS to Class A Shareholders</b>	<b>\$0.52</b>	<b>\$0.59</b>	<b>\$0.94</b>	<b>\$0.24</b>	<b>\$0.24</b>	<b>\$0.24</b>	<b>\$0.25</b>	<b>\$0.97</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.31</b>	<b>\$0.31</b>	<b>\$1.23</b>	<b>\$1.24</b>	<b>\$1.23</b>
% growth															
Basic shares outstanding, avg	232.2	249.5	266.1	288.4	290.7	292.9	303.4	293.8	320.3	286.3	286.3	286.3	294.8	286.3	286.3
Fully diluted shares outstanding, avg	232.4	249.6	266.3	288.6	290.9	293.0	303.8	294.1	320.7	286.7	286.7	286.7	295.2	286.7	286.7
MGM Ownership	75%	72%	73%	71%	69%	68%	66%	68%	63%	55%	55%	55%	57%	55%	55%
Class A Shareholder Ownership	25%	28%	27%	29%	31%	32%	34%	32%	37%	45%	45%	45%	43%	45%	45%
MGM OP Units	174.7	178.5	195.1	204.3	199.7	199.7	199.7	200.9	201.0	158.5	158.5	158.5	169.1	158.5	158.5
Class A Shares	57.8	71.1	71.2	84.3	91.2	93.3	104.1	93.2	119.8	128.2	128.2	128.2	126.1	128.2	128.2
<b>CONSOLIDATED FREE CASH FLOW SUMMARY</b>															
= Net Income (GAAP)	\$103.3	\$166.0	\$244.7	\$66.4	\$67.8	\$68.6	\$72.9	\$275.6	\$93.0	\$90.5	\$89.9	\$88.7	\$362.1	\$356.5	\$353.0
+ Depreciation and amortization	169.2	260.5	273.4	75.0	79.5	72.0	71.6	298.2	66.8	62.0	62.0	62.0	252.9	248.1	248.1
+ Property transactions, net	3.8	34.0	24.2	9.9	0.6	9.9	0.8	21.2	-	-	-	-	-	-	-
<b>Funds From Operations</b>	<b>276.3</b>	<b>460.5</b>	<b>542.3</b>	<b>151.3</b>	<b>147.9</b>	<b>150.4</b>	<b>145.3</b>	<b>594.9</b>	<b>159.9</b>	<b>152.5</b>	<b>151.9</b>	<b>150.7</b>	<b>615.0</b>	<b>604.6</b>	<b>601.0</b>
+ Amortization of financing costs	7.2	12.5	12.6	3.3	3.4	3.4	2.5	12.5	3.3	3.4	3.4	2.5	12.5	12.5	12.5
+ Stock option expense	0.5	1.3	2.1	0.6	0.5	0.5	0.7	2.3	0.6	0.5	0.5	0.7	2.3	2.3	2.3
+ Straight-line rent adjustment	(1.8)	4.1	17.0	6.9	16.4	11.7	11.7	46.7	17.1	17.1	17.1	17.1	68.4	83.7	104.8
± Deferred income taxes and other	-	-	15.3	1.7	4.6	7.1	17.4	30.9	1.7	1.7	1.7	1.7	7.0	7.0	7.0
± Change in working capital	12.1	22.9	4.1	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Funds From Operations (AFFO)</b>	<b>294.3</b>	<b>501.3</b>	<b>593.4</b>	<b>163.8</b>	<b>172.8</b>	<b>173.1</b>	<b>177.5</b>	<b>687.3</b>	<b>182.6</b>	<b>175.3</b>	<b>174.7</b>	<b>172.7</b>	<b>705.2</b>	<b>710.1</b>	<b>727.7</b>
<b>AFFO per share</b>	<b>\$1.27</b>	<b>\$2.01</b>	<b>\$2.23</b>	<b>\$0.57</b>	<b>\$0.59</b>	<b>\$0.59</b>	<b>\$0.58</b>	<b>\$2.34</b>	<b>\$0.57</b>	<b>\$0.61</b>	<b>\$0.61</b>	<b>\$0.60</b>	<b>\$2.39</b>	<b>\$2.48</b>	<b>\$2.54</b>

Source: Company Filings, Morgan Stanley Research estimates

**Exhibit 84: Cash Flow Statement**

CASH FLOW STATEMENT (US\$ millions)	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>															
Net income (loss)	\$103.3	\$166.0	\$244.7	\$66.4	\$67.8	\$68.6	\$72.9	\$275.6	\$93.0	\$90.5	\$89.9	\$88.7	\$362.1	\$356.5	\$353.0
Depreciation & amortization	169.2	260.5	273.0	75.0	76.1	72.0	71.6	294.7	66.8	62.0	62.0	62.0	252.9	248.1	248.1
Straight-line rent adjustment	(1.6)	6.2	20.7	6.5	11.7	11.7	16.7	46.5	17.1	17.1	17.1	17.1	68.4	83.7	104.8
Stock compensation	1.0	1.3	2.1	0.6	0.5	0.5	0.7	2.3	0.6	0.5	0.5	0.7	2.3	2.3	2.3
Interest accruals and other	25.9	56.1	39.7	(587.9)	39.5	6.8	(20.8)	(562.5)	30.0	(21.2)	30.5	(19.5)	19.7	19.7	19.7
<b>Cash flow from operating activities</b>	<b>297.8</b>	<b>490.1</b>	<b>580.2</b>	<b>(439.5)</b>	<b>195.5</b>	<b>159.5</b>	<b>141.1</b>	<b>56.5</b>	<b>207.5</b>	<b>148.9</b>	<b>200.0</b>	<b>148.9</b>	<b>705.4</b>	<b>710.3</b>	<b>727.9</b>
<b>Cash from Investing Activities</b>															
Capital expenditures	-	-	(1.6)	(0.0)	-	-	-	(0.0)	-	-	-	-	-	-	-
Disposition of PP&E / (Acquisitions)	(139.0)	(1,187.5)	(1,034.5)	-	-	-	-	-	1,300.0	-	-	-	1,300.0	-	-
Other	-	-	0.0	-	3.8	(0.0)	-	3.8	-	-	-	-	-	-	-
<b>Cash from investing activities</b>	<b>(139.0)</b>	<b>(1,187.5)</b>	<b>(1,036.1)</b>	<b>(0.0)</b>	<b>3.8</b>	<b>(0.0)</b>	<b>-</b>	<b>3.8</b>	<b>1,300.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300.0</b>	<b>-</b>	<b>-</b>
<b>Cash from Financing Activities</b>															
Debt proceeds / (payments)	(861.6)	310.3	727.8	34.4	(89.6)	(7.6)	(540.1)	(602.8)	(1,703.8)	1,500.0	-	-	(203.8)	-	-
Senior unsecured notes proceeds / (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance / (Repurchase) of stock	1,207.5	704.7	-	548.4	64.9	86.1	540.8	1,240.2	510.5	(1,400.0)	-	-	(889.5)	-	-
Cash dividends (paid)	(150.9)	(395.9)	(454.3)	(119.1)	(139.3)	(136.7)	(142.8)	(537.8)	(152.3)	(136.2)	(136.2)	(136.2)	(560.9)	(564.8)	(578.7)
Other	6.7	(22.5)	(17.5)	(10.0)	(55.9)	(1.3)	49.5	(17.7)	-	-	-	-	-	-	-
<b>Cash from financing activities</b>	<b>201.7</b>	<b>596.6</b>	<b>256.0</b>	<b>453.8</b>	<b>(219.8)</b>	<b>(59.5)</b>	<b>(92.6)</b>	<b>81.9</b>	<b>(1,345.6)</b>	<b>(36.2)</b>	<b>(136.2)</b>	<b>(136.2)</b>	<b>(1,654.1)</b>	<b>(564.8)</b>	<b>(578.7)</b>
<b>Net Increase in cash &amp; equivalents</b>	<b>360.5</b>	<b>(100.8)</b>	<b>(199.9)</b>	<b>14.2</b>	<b>(20.5)</b>	<b>100.0</b>	<b>48.5</b>	<b>142.2</b>	<b>162.0</b>	<b>112.7</b>	<b>63.8</b>	<b>12.7</b>	<b>351.3</b>	<b>145.5</b>	<b>149.1</b>
Cash & equivalents - beginning	360.5	259.7	59.8	74.0	53.6	153.5	202.0	59.8	202.0	264.0	478.7	540.6	202.0		

Exhibit 85: Balance Sheet

BALANCE SHEET (US\$ millions)	2016	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>															
Cash and cash equivalents	\$360.5	\$259.7	\$59.8	\$74.0	\$53.6	\$153.5	\$202.0	\$202.0	\$364.0	\$476.7	\$540.6	\$553.3	\$553.3	\$698.9	\$848.0
Other current assets	9.5	6.4	52.8	46.0	23.9	27.9	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5
<b>Total Current Assets</b>	<b>370.0</b>	<b>266.1</b>	<b>112.6</b>	<b>120.1</b>	<b>77.4</b>	<b>181.4</b>	<b>233.5</b>	<b>233.5</b>	<b>395.5</b>	<b>508.2</b>	<b>572.1</b>	<b>584.8</b>	<b>584.8</b>	<b>730.3</b>	<b>879.5</b>
Property & equipment, net	9,079.7	10,021.9	9,742.2	10,296.4	10,976.0	10,894.1	10,828.0	10,828.0	9,461.1	9,399.1	9,337.1	9,275.1	9,275.1	9,027.0	8,779.0
Other assets	57.1	63.1	1,096.4	1,910.2	859.4	854.0	848.8	848.8	1,648.8	1,648.8	1,648.8	1,648.8	1,648.8	1,648.8	1,648.8
<b>Total Assets</b>	<b>\$9,506.7</b>	<b>\$10,351.1</b>	<b>\$10,951.3</b>	<b>\$12,326.7</b>	<b>\$11,912.8</b>	<b>\$11,929.6</b>	<b>\$11,910.3</b>	<b>\$11,910.3</b>	<b>\$11,505.4</b>	<b>\$11,556.2</b>	<b>\$11,558.0</b>	<b>\$11,508.7</b>	<b>\$11,508.7</b>	<b>\$11,406.2</b>	<b>\$11,307.3</b>
<b>Liabilities</b>															
Accounts payable, accrued interest, other	276.5	348.8	438.9	670.1	673.8	697.9	704.9	704.9	734.9	713.7	744.1	724.6	724.6	744.3	764.0
<b>Total Current Liabilities</b>	<b>276.5</b>	<b>348.8</b>	<b>438.9</b>	<b>670.1</b>	<b>673.8</b>	<b>697.9</b>	<b>704.9</b>	<b>704.9</b>	<b>734.9</b>	<b>713.7</b>	<b>744.1</b>	<b>724.6</b>	<b>724.6</b>	<b>744.3</b>	<b>764.0</b>
<b>Long-Term Debt</b>															
\$1,350m revolving credit facility due 2023	-	-	550.0	85.0	-	-	-	-	-	-	-	-	-	-	-
Senior secured credit facility	292.5	273.8	270.0	270.0	270.0	267.1	399.1	399.1	-	-	-	-	-	-	-
\$200m Delayed Draw Term Loan A due 2023	-	-	200.0	200.0	200.0	200.0	-	-	-	-	-	-	-	-	-
\$1,850m Term Loan B facility	1,840.8	1,817.6	1,799.1	1,794.5	1,789.9	1,785.3	1,304.6	1,304.6	-	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
5.625% Senior Notes due 2024	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0
5.75% Senior Notes due 2027	-	-	-	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0
4.50% Sr. Unsecured Notes due 2026	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
4.50% Sr. Unsecured Notes due 2028	-	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
Other	(61.3)	(56.7)	(52.2)	(59.8)	(57.4)	(54.9)	(46.4)	(46.4)	(46.4)	(46.4)	(46.4)	(46.4)	(46.4)	(46.4)	(46.4)
<b>Total LT Debt</b>	<b>\$3,621.9</b>	<b>\$3,934.6</b>	<b>\$4,666.9</b>	<b>\$4,939.7</b>	<b>\$4,852.5</b>	<b>\$4,847.4</b>	<b>\$4,307.4</b>	<b>\$4,307.4</b>	<b>\$2,603.6</b>	<b>\$4,103.6</b>	<b>\$4,103.6</b>	<b>\$4,103.6</b>	<b>\$4,103.6</b>	<b>\$4,103.6</b>	<b>\$4,103.6</b>
<b>Stockholders' Equity</b>	<b>\$5,608.3</b>	<b>\$6,067.7</b>	<b>\$5,845.5</b>	<b>\$6,716.9</b>	<b>\$6,386.5</b>	<b>\$6,384.3</b>	<b>\$6,898.0</b>	<b>\$6,898.0</b>	<b>\$8,166.9</b>	<b>\$6,738.9</b>	<b>\$6,710.2</b>	<b>\$6,680.5</b>	<b>\$6,680.5</b>	<b>\$6,558.3</b>	<b>\$6,439.7</b>
<b>Total Liabilities and Equity</b>	<b>\$9,506.7</b>	<b>\$10,351.1</b>	<b>\$10,951.3</b>	<b>\$12,326.7</b>	<b>\$11,912.8</b>	<b>\$11,929.6</b>	<b>\$11,910.3</b>	<b>\$11,910.3</b>	<b>\$11,505.4</b>	<b>\$11,556.2</b>	<b>\$11,558.0</b>	<b>\$11,508.7</b>	<b>\$11,508.7</b>	<b>\$11,406.2</b>	<b>\$11,307.3</b>

Source: Company Filings, Morgan Stanley Research estimates

# MGM Resorts International Model

**Exhibit 86:** Income Statement

INCOME STATEMENT	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>														
Las Vegas Strip	\$5,746.1	\$5,716.7	\$1,428.2	\$1,466.3	\$1,507.4	\$1,429.1	\$5,831.1	\$1,209.3	\$442.9	\$1,018.0	\$1,309.3	\$3,979.6	\$4,835.6	\$5,069.5
Other Nevada and other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MGM Grand Detroit	570.3	601.5	154.2	153.3	145.8	153.2	606.5	136.4	61.3	135.3	152.9	485.9	552.4	580.1
Mississippi	554.3	584.2	151.0	154.8	156.2	158.1	620.2	132.9	61.9	143.7	158.1	496.7	516.5	521.7
Borgata	865.0	827.6	184.6	202.0	234.5	195.9	817.0	164.4	89.0	217.7	195.6	666.7	754.4	792.1
Empire City Yonkers	-	-	36.6	54.6	52.1	49.6	192.9	45.9	16.8	47.2	50.0	159.9	179.5	188.5
MGM Northfield Park	-	-	-	67.7	64.4	68.3	200.4	59.5	26.6	59.3	68.8	214.3	243.2	255.4
MGM National Harbor	720.1	800.8	199.6	202.4	206.1	203.6	811.7	179.2	81.6	191.4	202.8	655.0	744.6	781.8
MGM Springfield	-	120.4	77.9	76.2	76.0	71.1	301.1	67.0	34.1	64.5	71.8	237.3	272.0	288.3
<b>Wholly-owned Domestic Resorts</b>	<b>8,455.8</b>	<b>8,651.2</b>	<b>2,232.1</b>	<b>2,377.3</b>	<b>2,442.5</b>	<b>2,328.9</b>	<b>9,380.8</b>	<b>1,994.6</b>	<b>814.3</b>	<b>1,877.0</b>	<b>2,209.5</b>	<b>6,895.3</b>	<b>8,098.3</b>	<b>8,477.4</b>
MGM China	1,858.2	2,450.0	734.2	706.1	737.8	727.4	2,905.4	306.3	329.4	574.8	691.4	1,901.9	2,647.7	2,962.5
MGP TRS	132.9	132.9	67.8	-	-	-	67.8	-	-	-	-	-	-	-
Management Contracts	483.5	528.6	142.7	139.9	134.2	128.8	545.6	134.6	124.1	126.1	126.8	511.6	544.4	558.3
<b>Total Net Revenue</b>	<b>\$10,797.5</b>	<b>\$11,762.7</b>	<b>\$3,176.9</b>	<b>\$3,223.2</b>	<b>\$3,314.4</b>	<b>\$3,185.1</b>	<b>\$12,899.7</b>	<b>\$2,435.5</b>	<b>\$1,267.8</b>	<b>\$2,577.9</b>	<b>\$3,027.7</b>	<b>\$9,308.9</b>	<b>\$11,290.5</b>	<b>\$11,998.2</b>
% growth	14.2%	8.9%	12.6%	12.8%	9.4%	4.3%	9.7%	-23.3%	-60.7%	-22.2%	-4.9%	-27.8%	21.3%	6.3%
Las Vegas Strip	\$1,778.5	\$1,705.5	\$403.5	\$418.2	\$441.2	\$379.9	\$1,642.7	\$297.3	\$5.8	\$203.1	\$345.0	\$851.3	\$1,370.6	\$1,506.6
Other Nevada and other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MGM Grand Detroit	177.5	195.8	49.4	50.3	45.6	48.7	194.0	40.6	16.6	40.4	49.1	146.7	182.5	196.6
Mississippi	141.1	156.0	44.2	45.5	45.4	41.6	176.6	35.9	15.5	38.8	42.7	132.9	140.8	143.5
Borgata	247.4	198.4	38.8	53.4	67.2	43.7	203.1	28.4	10.1	57.9	46.2	142.7	179.9	195.0
Empire City Yonkers	-	-	14.4	21.9	20.0	14.7	71.0	18.4	8.8	17.2	15.0	59.4	68.2	71.6
MGM Northfield Park	-	-	-	23.8	23.4	22.7	69.9	18.5	7.1	21.0	22.9	69.4	82.9	88.7
MGM National Harbor	134.3	195.1	50.4	47.7	52.9	53.5	204.5	42.0	8.0	46.8	53.6	150.5	188.9	206.2
MGM Springfield	-	13.8	9.4	12.5	9.2	3.3	34.3	4.7	0.7	5.2	8.6	19.1	32.8	39.6
<b>Total Domestic Resorts</b>	<b>2,478.8</b>	<b>2,464.6</b>	<b>610.1</b>	<b>673.4</b>	<b>704.8</b>	<b>608.0</b>	<b>2,596.2</b>	<b>485.7</b>	<b>72.6</b>	<b>430.3</b>	<b>583.4</b>	<b>1,572.0</b>	<b>2,246.6</b>	<b>2,447.7</b>
MGM China	525.0	568.3	190.8	170.8	182.0	185.1	728.8	2.9	10.2	115.4	164.7	293.2	633.5	760.5
MGP TRS	132.9	132.9	67.8	-	-	-	67.8	-	-	-	-	-	-	-
Management Contracts	27.7	(14.6)	(37.7)	(8.1)	2.2	(1.1)	(44.6)	(9.8)	(19.4)	(1.8)	0.8	(30.2)	2.6	16.4
Income from unconsolidated affiliates	146.0	147.7	40.5	28.4	36.2	17.6	122.6	6.9	(43.2)	(7.7)	8.0	(36.1)	81.3	118.1
<b>Property EBITDAR</b>	<b>3,177.5</b>	<b>3,298.9</b>	<b>871.5</b>	<b>864.5</b>	<b>925.2</b>	<b>809.6</b>	<b>3,470.8</b>	<b>485.7</b>	<b>20.2</b>	<b>536.2</b>	<b>756.8</b>	<b>1,799.0</b>	<b>2,964.0</b>	<b>3,342.7</b>
Corporate & other	326.0	379.1	115.4	94.0	97.1	104.3	410.7	87.5	65.8	68.0	75.0	296.3	375.0	378.8
Stock compensation expense	50.4	68.2	16.3	14.6	14.4	23.0	68.3	15.0	10.0	10.0	15.0	50.0	68.3	68.3
<b>Consolidated EBITDAR</b>	<b>\$2,801.1</b>	<b>\$2,851.6</b>	<b>\$739.8</b>	<b>\$755.9</b>	<b>\$813.7</b>	<b>\$682.4</b>	<b>\$2,991.8</b>	<b>\$383.2</b>	<b>(\$55.5)</b>	<b>\$458.2</b>	<b>\$666.8</b>	<b>\$1,452.7</b>	<b>\$2,520.7</b>	<b>\$2,895.6</b>
Margin	25.9%	24.2%	23.3%	23.5%	24.5%	21.4%	23.2%	15.7%	-4.4%	17.8%	22.0%	15.6%	22.3%	24.1%
% growth	17.2%	1.8%	5.5%	8.7%	7.1%	-1.9%	4.9%	-48.2%	N.M.	-43.7%	-2.3%	-51.4%	73.5%	14.9%
Depreciation and amortization	993.5	1,178.0	316.4	334.8	322.0	331.4	1,304.6	331.4	331.4	331.4	331.4	1,325.8	1,325.8	1,325.8
Operating Leases	-	-	-	-	-	29.5	29.5	97.8	134.3	134.3	134.8	501.1	547.6	558.6
Pre-opening, restructuring, and property expenses	168.8	160.5	53.2	49.7	253.3	(2,638.7)	(2,282.6)	10.0	10.0	10.0	10.0	40.0	40.0	40.0
<b>Operating income</b>	<b>\$1,638.9</b>	<b>\$1,513.0</b>	<b>\$370.3</b>	<b>\$371.5</b>	<b>\$238.4</b>	<b>\$2,960.1</b>	<b>\$3,940.2</b>	<b>(\$56.0)</b>	<b>(\$531.2)</b>	<b>(\$17.5)</b>	<b>\$190.6</b>	<b>(\$414.1)</b>	<b>\$607.4</b>	<b>\$971.3</b>
Interest expense, net	(668.7)	(769.5)	(216.1)	(215.8)	(215.5)	(200.5)	(847.9)	(154.7)	(148.8)	(148.0)	(149.1)	(600.6)	(592.2)	(592.2)
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating items from unconsolidated affiliates	(34.8)	(47.8)	(16.5)	(21.5)	(14.7)	(8.0)	(60.6)	(3.4)	9.7	16.4	24.1	46.9	67.0	69.5
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	28.4	(18.1)	-	(46.3)	(9.4)	(129.3)	(185.0)	1,500.0	-	-	-	1,500.0	-	-
Other non-recurring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pretax income</b>	<b>963.8</b>	<b>677.6</b>	<b>137.7</b>	<b>87.9</b>	<b>(1.2)</b>	<b>2,622.3</b>	<b>2,846.7</b>	<b>1,285.9</b>	<b>(670.3)</b>	<b>(149.1)</b>	<b>65.6</b>	<b>532.1</b>	<b>82.2</b>	<b>448.6</b>
Tax expense	1,132.7	(50.1)	(71.5)	(11.7)	7.3	(556.4)	(632.3)	(237.9)	124.0	27.6	(12.1)	(98.4)	(14.4)	(78.5)
<b>Net income from continuing operations</b>	<b>2,096.4</b>	<b>627.5</b>	<b>66.2</b>	<b>76.2</b>	<b>6.1</b>	<b>2,066.0</b>	<b>2,214.4</b>	<b>1,048.0</b>	<b>(546.3)</b>	<b>(121.5)</b>	<b>53.5</b>	<b>433.7</b>	<b>67.9</b>	<b>370.1</b>
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>2,096.4</b>	<b>627.5</b>	<b>66.2</b>	<b>76.2</b>	<b>6.1</b>	<b>2,066.0</b>	<b>2,214.4</b>	<b>1,048.0</b>	<b>(546.3)</b>	<b>(121.5)</b>	<b>53.5</b>	<b>433.7</b>	<b>67.9</b>	<b>370.1</b>
Net Income attributable to non-controlling interest	(136.1)	(117.1)	(34.9)	(32.8)	(43.2)	(54.4)	(165.2)	10.6	(0.2)	(46.8)	(68.0)	(104.4)	(261.5)	(315.8)
<b>Net Income attributable to MGM</b>	<b>1,960.3</b>	<b>510.3</b>	<b>31.3</b>	<b>43.4</b>	<b>(37.1)</b>	<b>2,011.6</b>	<b>2,049.1</b>	<b>1,058.6</b>	<b>(546.5)</b>	<b>(168.3)</b>	<b>(14.5)</b>	<b>329.3</b>	<b>(193.7)</b>	<b>54.3</b>
<b>Plus: Non-recurring items</b>														
Pre-opening expenses, net	69.3	110.4	-	-	-	-	-	8.2	8.2	8.2	8.2	32.6	33.0	33.0
Property transactions, net	28.8	(21.4)	5.4	5.4	249.1	10.3	270.1	-	-	-	-	-	-	-
Other, net	(1,460.2)	74.1	5.4	75.0	(46.7)	(1,983.1)	(1,949.5)	(1,222.5)	-	-	-	(1,222.5)	-	-
Total Non-recurring items	(1,362.1)	163.1	10.8	80.3	202.4	(1,972.8)	(1,679.4)	(1,214.4)	8.2	8.2	8.2	(1,189.9)	33.0	33.0
<b>Recurring net income to MGM</b>	<b>598.2</b>	<b>673.4</b>	<b>42.0</b>	<b>123.7</b>	<b>165.3</b>	<b>38.8</b>	<b>369.8</b>	<b>(155.8)</b>	<b>(538.3)</b>	<b>(160.2)</b>	<b>(6.4)</b>	<b>(860.6)</b>	<b>(160.7)</b>	<b>87.3</b>
<b>Reported Diluted EPS</b>	<b>\$3.39</b>	<b>\$0.93</b>	<b>\$0.06</b>	<b>\$0.08</b>	<b>\$(0.07)</b>	<b>\$3.91</b>	<b>\$3.88</b>	<b>\$2.10</b>	<b>\$(1.09)</b>	<b>\$(0.34)</b>	<b>\$(0.03)</b>	<b>\$0.65</b>	<b>\$(0.39)</b>	<b>\$0.11</b>
<b>MS Recurring Earnings per Share</b>	<b>\$1.03</b>	<b>\$1.23</b>	<b>\$0.08</b>	<b>\$0.23</b>	<b>\$0.32</b>	<b>\$0.08</b>	<b>\$0.70</b>	<b>\$(0.31)</b>	<b>\$(1.07)</b>	<b>\$(0.32)</b>	<b>\$(0.01)</b>	<b>\$(1.72)</b>	<b>\$(0.32)</b>	<b>\$0.17</b>

Source: Company Filings, Morgan Stanley Research estimates

## Exhibit 87: Cash Flow Statement

CASH FLOW STATEMENT (US\$ millions)	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows from Operations</b>														
Net income (loss)	\$2,096.4	\$627.5	\$66.2	\$76.2	\$6.1	\$2,066.0	\$2,214.4	\$1,048.0	(\$546.3)	(\$121.5)	\$53.5	\$433.7	\$67.9	\$370.1
Depreciation & amortization	993.5	1,178.0	316.4	334.8	322.0	331.4	1,304.6	331.4	331.4	331.4	331.4	1,325.8	1,325.8	1,325.8
Amortization of debt offering costs	33.0	41.1	9.4	10.4	9.8	9.4	39.0	9.4	10.4	9.8	9.4	39.0	39.0	39.0
Provision for doubtful accounts and discounts	20.6	39.8	8.4	9.0	13.1	8.8	39.3	15.3	15.3	15.3	15.3	61.3	61.3	61.3
Loss/(Income) from unconsolidated affiliates	(111.2)	(96.5)	(20.6)	(5.5)	(21.5)	(9.6)	(57.2)	(3.4)	33.5	(8.7)	(32.1)	(10.8)	(148.4)	(187.5)
Distributions from unconsolidated affiliates	13.1	11.6	-	-	-	-	-	-	-	-	-	-	-	-
Stock compensation	62.5	70.2	32.1	17.1	15.3	24.3	88.8	15.0	10.0	10.0	15.0	50.0	68.3	68.3
Income tax adjustment	-	-	-	-	-	-	-	-	(124.0)	(27.6)	-	(151.6)	-	-
Income tax refund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	(1,264.7)	46.7	67.8	0.8	(15.8)	542.3	595.0	225.0	(117.3)	(26.1)	11.5	93.1	-	-
<b>Changes in working capital</b>														
A/R	(18.4)	(149.6)	49.0	31.1	(735.9)	(70.8)	(726.6)	-	-	-	-	-	-	-
Inventories	(4.7)	(7.9)	0.4	4.7	2.6	(1.2)	6.5	-	-	-	-	-	-	-
Income taxes payable	(53.2)	14.1	9.9	(2.5)	(2.9)	(3.3)	1.3	-	-	-	-	-	-	-
Prepaid expenses and other	(47.0)	(15.5)	(40.5)	62.1	(44.8)	30.7	7.6	-	-	-	-	-	-	-
Accounts Payable, accrued liabilities, other	390.6	21.5	(107.5)	(11.7)	598.5	(13.7)	465.6	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One-time losses/(gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in receivables relating to Katrina insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Hurricane Katrina Insurance (operating)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	96.0	(58.4)	8.8	41.7	241.7	(2,460.0)	(2,167.9)	(1,222.5)	-	-	-	(1,222.5)	-	-
<b>Cash flow from operating activities</b>	<b>2,206.4</b>	<b>1,722.5</b>	<b>399.78</b>	<b>568.1</b>	<b>388.3</b>	<b>454.3</b>	<b>1,810.4</b>	<b>418.3</b>	<b>(387.0)</b>	<b>182.6</b>	<b>404.0</b>	<b>617.9</b>	<b>1,413.8</b>	<b>1,676.9</b>
<b>Cash from Investing Activities</b>														
Capital expenditures	(1,864.1)	(1,486.8)	(183.3)	(138.4)	(161.2)	(256.2)	(739.0)	(117.4)	(45.4)	(71.6)	(80.6)	(314.9)	(557.5)	(598.4)
Disposition of PP&E / (Acquisitions)	0.7	(845.3)	(535.3)	0.2	1.4	4,687.8	4,154.1	3,800.0	-	-	-	3,800.0	-	-
Note receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances to CityCenter for development costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in unconsolidated affiliates	(16.7)	(56.3)	22.3	(13.0)	(90.6)	182.0	100.7	-	-	-	-	-	-	-
Distributions from cost method investments	301.2	-	-	-	-	-	-	-	-	-	-	-	-	-
CityCenter completion guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Condo Proceeds from CityCenter	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in construction payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in deposits and other assets, other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other & Hurricane Katrina proceeds	(1.7)	(17.2)	(30.5)	0.3	98.7	(64.9)	3.7	-	-	-	-	-	-	-
<b>Cash from investing activities</b>	<b>(1,580.6)</b>	<b>(2,405.7)</b>	<b>(726.8)</b>	<b>(150.8)</b>	<b>(151.7)</b>	<b>4,548.7</b>	<b>3,519.4</b>	<b>3,682.6</b>	<b>(45.4)</b>	<b>(71.6)</b>	<b>(80.6)</b>	<b>3,485.1</b>	<b>(557.5)</b>	<b>(598.4)</b>
<b>Cash from Financing Activities</b>														
Debt Proceeds / (Payments)	(137.7)	2,422.0	(289.8)	(200.1)	268.9	(3,413.1)	(3,634.0)	(2,530.3)	1,500.0	-	-	(1,030.3)	-	-
Bond accretion adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance / (Repurchase) of stock	404.7	(1,283.3)	-	(284.8)	(354.0)	(392.7)	(1,031.5)	(353.0)	-	-	-	(353.0)	-	-
Cash dividends (paid)	(252.0)	(260.6)	(69.8)	(68.4)	(66.9)	(66.1)	(271.3)	(131.4)	(144.4)	(144.4)	(135.4)	(555.6)	(310.4)	(325.2)
Cash dividends received	-	322.6	-	-	-	-	-	-	11.1	-	-	11.1	-	-
Other	(583.8)	(488.8)	384.4	70.8	(10.1)	(37.8)	407.3	510.5	-	-	-	510.5	-	-
<b>Cash from financing activities</b>	<b>(568.8)</b>	<b>711.9</b>	<b>24.8</b>	<b>(482.6)</b>	<b>(162.1)</b>	<b>(3,909.7)</b>	<b>(4,529.6)</b>	<b>(2,504.3)</b>	<b>1,366.8</b>	<b>(144.4)</b>	<b>(135.4)</b>	<b>(1,417.3)</b>	<b>(310.4)</b>	<b>(325.2)</b>
Effect of exchange rate	(3.6)	(2.0)	(1.1)	2.5	(1.5)	2.8	2.6	-	-	-	-	-	-	-
Cash related to asset held for sale	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Increase in cash &amp; equivalents</b>	<b>53.4</b>	<b>26.8</b>	<b>(303.4)</b>	<b>(62.8)</b>	<b>73.0</b>	<b>1,096.0</b>	<b>802.8</b>	<b>1,596.6</b>	<b>934.4</b>	<b>(33.3)</b>	<b>188.0</b>	<b>2,685.8</b>	<b>545.9</b>	<b>753.2</b>
Cash & equivalents - beginning	1,446.6	1,500.0	1,526.8	1,223.4	1,160.6	1,233.6	1,526.8	2,329.6	3,926.2	4,860.6	4,827.3	2,329.6	5,015.4	5,561.3
<b>Cash &amp; equivalents - ending</b>	<b>1,500.0</b>	<b>1,526.8</b>	<b>1,223.4</b>	<b>1,160.6</b>	<b>1,233.6</b>	<b>2,329.6</b>	<b>2,329.6</b>	<b>3,926.2</b>	<b>4,860.6</b>	<b>4,827.3</b>	<b>5,015.4</b>	<b>5,015.4</b>	<b>5,561.3</b>	<b>6,314.5</b>

Source: Company Filings, Morgan Stanley Research estimates

## Exhibit 88: Balance Sheet

BALANCE SHEET (US\$ millions)	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and cash equivalents	\$1,500.0	\$1,526.8	\$1,223.4	\$1,160.6	\$1,233.6	\$2,329.6	\$2,329.6	\$3,926.2	\$4,860.6	\$4,827.3	\$5,015.4	\$5,015.4	\$5,561.3	\$6,314.5
Accounts receivable	540.5	657.2	602.6	562.8	550.3	612.7	612.7	612.7	612.7	612.7	612.7	612.7	612.7	612.7
Inventories	102.3	110.8	111.3	106.7	104.2	102.9	102.9	102.9	102.9	102.9	102.9	102.9	102.9	102.9
Income tax receivable	42.6	28.4	18.5	21.0	23.9	27.2	27.2	27.2	27.2	27.2	27.2	27.2	27.2	27.2
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other	189.2	203.5	251.3	189.0	968.7	935.3	935.3	935.3	935.3	935.3	935.3	935.3	935.3	935.3
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>2,374.6</b>	<b>2,526.8</b>	<b>2,207.1</b>	<b>2,040.0</b>	<b>2,880.7</b>	<b>4,007.7</b>	<b>4,007.7</b>	<b>5,604.3</b>	<b>6,538.7</b>	<b>6,505.4</b>	<b>6,693.5</b>	<b>6,693.5</b>	<b>7,239.3</b>	<b>7,992.6</b>
Gross PP&E	27,083.2	29,415.3	30,133.9	30,272.1	30,431.9	26,000.3	26,000.3	22,317.7	22,363.0	22,434.6	22,515.1	22,515.1	23,072.7	23,671.1
Less: Accumulated depreciation	(7,447.7)	(8,685.4)	(8,937.5)	(9,217.7)	(9,827.9)	(7,714.3)	(7,714.3)	(8,045.7)	(8,377.2)	(8,708.6)	(9,040.1)	(9,040.1)	(9,286.3)	(9,532.5)
Net PP&E	19,635.5	20,729.9	21,196.4	21,054.3	20,604.0	18,286.0	18,286.0	14,271.9	13,985.9	13,726.0	13,475.1	13,475.1	13,786.4	14,138.6
Investments in unconsolidated affiliates	1,034.2	732.9	731.0	746.7	759.0	822.4	822.4	825.8	792.3	801.0	833.1	833.1	981.5	1,169.0
Real estate under development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill & intangibles	5,684.5	5,765.9	6,048.4	6,003.6	5,943.0	5,911.1	5,911.1	5,911.1	5,911.1	5,911.1	5,911.1	5,911.1	5,872.1	5,833.1
Deposits and other assets	430.4	455.3	964.0	969.0	982.2	4,606.0	4,606.0	6,378.8	6,594.4	6,623.0	6,586.8	6,586.8	6,525.5	6,464.2
<b>Total Assets</b>	<b>29,159.2</b>	<b>30,210.7</b>	<b>31,146.9</b>	<b>30,813.7</b>	<b>31,168.9</b>	<b>33,633.1</b>	<b>33,633.1</b>	<b>32,991.9</b>	<b>33,822.4</b>	<b>33,566.5</b>	<b>33,499.5</b>	<b>33,499.5</b>	<b>34,404.8</b>	<b>35,597.5</b>
<b>Liabilities</b>														
Accounts payable	255.0	302.6	336.6	277.6	253.6	235.4	235.4	235.4	235.4	235.4	235.4	235.4	235.4	235.4
Accrued interest	135.8	140.0	137.3	136.8	159.8	122.3	122.3	122.3	122.3	122.3	122.3	122.3	122.3	122.3
Other accrued liabilities	2,068.7	2,151.1	2,086.9	2,140.4	2,000.3	2,024.0	2,024.0	2,024.0	2,024.0	2,024.0	2,024.0	2,024.0	2,024.0	2,024.0
Income taxes payable + other	632.8	355.2	251.8	231.7	879.5	809.7	809.7	809.7	809.7	809.7	809.7	809.7	809.7	809.7
<b>Total Current Liabilities</b>	<b>3,092.3</b>	<b>2,948.9</b>	<b>2,812.7</b>	<b>2,786.5</b>	<b>3,293.2</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>	<b>3,191.4</b>
<b>Long-Term Debt</b>														
<b>Total LT Debt</b>	<b>12,751.1</b>	<b>15,088.0</b>	<b>14,730.83</b>	<b>14,661.7</b>	<b>14,943.9</b>	<b>11,168.9</b>	<b>11,168.9</b>	<b>8,638.6</b>	<b>10,138.6</b>	<b>10,138.6</b>	<b>10,138.6</b>	<b>10,138.6</b>	<b>10,138.6</b>	<b>10,138.6</b>
Other long-term obligations	284.4	361.5	818.6	858.2	874.7	4,503.4	4,503.4	4,503.4	4,503.4	4,503.4	4,503.4	4,503.4	4,503.4	4,503.4
Deferred income taxes / other	1,304.8	1,342.5	1,568.9	1,552.6	1,536.4	2,106.5	2,106.5	2,106.5	2,106.5	2,106.5	2,106.5	2,106.5	2,106.5	2,106.5
<b>Shareholders' Equity</b>														
Common stock	5.7	5.3	5.4	5.3	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Additional paid-in capital	5,357.7	4,092.1	4,420.5	4,181.6	3,846.4	3,531.1	3,531.1	4,503.6	4,513.6	4,523.6	4,536.6	4,536.6	4,606.9	4,675.2
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	2,252.9	2,423.5	2,385.0	2,360.0	2,255.9	4,201.3	4,201.3	5,128.5	4,448.8	4,136.1	3,986.1	3,986.1	4,561.6	5,370.3
Other comprehensive income	(3.6)	(8.6)	(24.6)	(26.3)	(46.8)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)
Noncontrolling Interests	4,113.8	3,957.5	4,431.7	4,434.2	4,460.1	4,935.7	4,935.7	4,925.1	4,925.3	4,972.1	5,040.0	5,040.0	5,301.6	5,617.3
<b>MGM Equity</b>	<b>11,726.5</b>	<b>10,469.8</b>	<b>11,217.9</b>	<b>10,954.7</b>	<b>10,520.6</b>	<b>12,662.9</b>	<b>12,662.9</b>	<b>14,552.0</b>	<b>13,882.5</b>	<b>13,626.6</b>	<b>13,559.6</b>	<b>13,559.6</b>	<b>14,464.9</b>	<b>15,657.7</b>
<b>Total Liabilities and Equity</b>	<b>29,159.1</b>	<b>30,210.7</b>	<b>31,146.9</b>	<b>30,813.7</b>	<b>31,168.9</b>	<b>33,633.1</b>	<b>33,633.1</b>	<b>32,991.9</b>	<b>33,822.4</b>	<b>33,566.5</b>	<b>33,499.5</b>	<b>33,499.5</b>	<b>34,404.8</b>	<b>35,597.5</b>

Source: Company Filings, Morgan Stanley Research estimates

# Norwegian Cruise Line Holdings Ltd Model

Exhibit 89: Income Statement

INCOME STATEMENT	2017	2018	1Q19	2Q19	3Q19A	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenue</b>														
Passenger ticket revenue	\$3,750.0	\$4,259.8	\$973.3	\$1,179.4	\$1,373.8	\$990.9	\$4,517.4	\$756.6	\$315.7	\$666.3	\$712.4	\$2,451.0	\$3,853.3	\$4,237.2
Onboard and other revenue (incl. cancellations)	1,646.1	1,795.3	430.4	484.9	540.1	489.7	1,945.0	331.8	127.0	279.6	371.4	1,109.8	1,820.6	2,002.0
<b>Total gross revenue</b>	<b>\$5,396.2</b>	<b>\$6,055.1</b>	<b>\$1,403.6</b>	<b>\$1,664.3</b>	<b>\$1,913.9</b>	<b>\$1,480.6</b>	<b>\$6,462.4</b>	<b>\$1,088.4</b>	<b>\$442.7</b>	<b>\$945.9</b>	<b>\$1,083.8</b>	<b>\$3,560.8</b>	<b>\$5,673.9</b>	<b>\$6,239.1</b>
Less: Commissions, transportation, other	\$894.4	\$998.9	\$229.3	\$297.7	\$330.9	\$263.0	\$1,120.9	\$177.8	\$79.2	\$159.5	\$188.4	\$604.9	\$951.0	\$1,045.7
Less: Onboard and other	319.3	348.7	79.4	107.1	123.0	85.2	394.7	61.6	28.5	64.6	65.1	219.7	360.4	396.3
<b>Total direct costs</b>	<b>\$1,213.7</b>	<b>\$1,347.6</b>	<b>\$308.7</b>	<b>\$404.8</b>	<b>\$453.9</b>	<b>\$348.3</b>	<b>\$1,515.6</b>	<b>\$239.4</b>	<b>\$107.7</b>	<b>\$224.1</b>	<b>\$253.5</b>	<b>\$824.6</b>	<b>\$1,311.4</b>	<b>\$1,442.1</b>
<b>Net revenue</b>	<b>\$4,182.5</b>	<b>\$4,707.5</b>	<b>\$1,095.0</b>	<b>\$1,259.5</b>	<b>\$1,460.0</b>	<b>\$1,132.4</b>	<b>\$4,946.8</b>	<b>\$849.1</b>	<b>\$335.0</b>	<b>\$721.8</b>	<b>\$830.3</b>	<b>\$2,736.2</b>	<b>\$4,362.4</b>	<b>\$4,797.1</b>
y/y growth	11.2%	12.6%	9.0%	6.8%	1.4%	4.4%	5.1%	-22.5%	-73.4%	-50.6%	-26.7%	-44.7%	59.4%	10.0%
<b>Cruise operating expenses</b>														
Payroll and related	\$803.6	\$881.6	\$223.1	\$229.4	\$235.8	\$235.8	\$924.2	\$195.9	\$114.9	\$198.8	\$222.5	\$732.1	\$950.8	\$986.9
Fuel	361.0	392.7	98.3	100.5	98.9	111.9	409.6	102.1	49.6	80.2	100.1	332.0	429.7	432.7
Food	198.4	216.0	55.0	54.3	56.9	56.3	222.6	48.3	27.2	48.0	53.1	176.6	229.4	238.1
Other	486.9	539.2	141.6	169.4	145.2	135.2	591.3	125.5	111.3	138.6	128.8	504.3	620.5	644.0
<b>Total cruise operating expense</b>	<b>\$1,849.9</b>	<b>\$2,029.5</b>	<b>\$518.0</b>	<b>\$553.7</b>	<b>\$536.9</b>	<b>\$539.2</b>	<b>\$2,147.7</b>	<b>\$471.8</b>	<b>\$303.0</b>	<b>\$465.6</b>	<b>\$504.5</b>	<b>\$1,745.0</b>	<b>\$2,230.3</b>	<b>\$2,301.7</b>
Marketing, general and admin	\$773.8	\$897.9	\$248.9	\$240.9	\$255.1	\$229.9	\$974.9	\$214.3	\$51.5	\$134.0	\$175.5	\$575.4	\$983.2	\$1,030.6
Depreciation and amortization	510.0	561.1	169.7	156.3	156.2	164.0	646.2	170.0	183.3	183.3	183.3	720.0	756.7	843.3
Impairment loss / other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating income</b>	<b>\$1,048.8</b>	<b>\$1,219.1</b>	<b>\$158.3</b>	<b>\$308.7</b>	<b>\$511.7</b>	<b>\$199.4</b>	<b>\$1,178.1</b>	<b>(\$7.1)</b>	<b>(\$202.8)</b>	<b>(\$61.1)</b>	<b>(\$33.1)</b>	<b>(\$304.2)</b>	<b>\$392.3</b>	<b>\$621.4</b>
Per Capacity Days	\$60.40	\$64.70	\$33.56	\$66.71	\$105.42	\$39.60	\$61.25	(\$1.76)	(\$84.05)	(\$14.65)	(\$6.95)	(\$19.77)	\$18.65	\$28.75
% growth	13.3%	16.2%	-5.2%	5.7%	-7.0%	-4.9%	-3.4%	-104.5%	-165.7%	-111.9%	-116.0%	-125.6%	-229.0%	58.4%
% margin	19.4%	20.1%	11.3%	18.5%	26.7%	13.5%	18.2%	-0.7%	-45.8%	-6.5%	-3.1%	-8.5%	6.9%	10.0%
Interest income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest expense, net of cap interest	(267.8)	(270.4)	(73.5)	(66.0)	(60.2)	(73.2)	(272.9)	(67.8)	(68.5)	(72.0)	(72.8)	(281.2)	(308.8)	(344.2)
Other income/(expense)	(10.4)	20.7	(0.4)	3.6	10.3	(7.3)	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total non-op income/expense</b>	<b>(\$278.2)</b>	<b>(\$249.8)</b>	<b>(\$73.9)</b>	<b>(\$62.4)</b>	<b>(\$49.9)</b>	<b>(\$80.5)</b>	<b>(\$266.7)</b>	<b>(\$67.8)</b>	<b>(\$68.5)</b>	<b>(\$72.0)</b>	<b>(\$72.8)</b>	<b>(\$281.2)</b>	<b>(\$308.8)</b>	<b>(\$344.2)</b>
<b>Pre-tax income</b>	<b>\$770.6</b>	<b>\$969.3</b>	<b>\$84.4</b>	<b>\$246.3</b>	<b>\$461.8</b>	<b>\$118.9</b>	<b>\$911.4</b>	<b>(\$74.9)</b>	<b>(\$271.4)</b>	<b>(\$133.1)</b>	<b>(\$106.0)</b>	<b>(\$585.3)</b>	<b>\$83.5</b>	<b>\$277.2</b>
Income tax benefit (expense)	(10.7)	(14.5)	33.8	(6.1)	(11.2)	2.4	18.9	0.4	1.4	0.7	0.5	2.9	(1.3)	(4.2)
<b>Net income / (loss)</b>	<b>\$759.9</b>	<b>\$954.8</b>	<b>\$118.2</b>	<b>\$240.2</b>	<b>\$450.6</b>	<b>\$121.3</b>	<b>\$930.2</b>	<b>(\$74.6)</b>	<b>(\$270.0)</b>	<b>(\$132.4)</b>	<b>(\$105.4)</b>	<b>(\$582.4)</b>	<b>\$82.3</b>	<b>\$273.0</b>
Net income (loss) attributable to non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income attributable to equity holders</b>	<b>\$759.9</b>	<b>\$954.8</b>	<b>\$118.2</b>	<b>\$240.2</b>	<b>\$450.6</b>	<b>\$121.3</b>	<b>\$930.2</b>	<b>(\$74.6)</b>	<b>(\$270.0)</b>	<b>(\$132.4)</b>	<b>(\$105.4)</b>	<b>(\$582.4)</b>	<b>\$82.3</b>	<b>\$273.0</b>
Non-GAAP adjustments:														
Non-cash deferred compensation	\$3.3	\$3.5	\$0.9	\$0.9	\$0.9	\$0.9	\$3.5	\$0.9	\$0.9	\$0.9	\$0.9	\$3.5	\$3.5	\$3.5
Non-cash share-based compensation	87.0	116.0	27.0	29.7	25.4	13.0	95.1	29.0	29.0	29.0	29.0	116.0	116.0	116.0
Secondary offering expense	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severance payments and other fees	2.9	0.0	0.0	0.0	0.0	6.5	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management NCL Corp Units exchange expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of Prestige expenses	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of intangible assets	30.3	24.9	4.6	4.6	4.6	4.6	18.4	2.5	2.5	2.5	2.5	10.0	0.1	0.1
Contingent consideration adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative adjustment	0.0	0.0	0.0	0.0	0.0	9.4	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	22.9	4.9	31.1	6.8	0.0	0.0	37.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-GAAP adjustments	\$147.8	\$150.1	\$63.6	\$41.9	\$30.9	\$34.4	\$170.8	\$32.4	\$32.4	\$32.4	\$32.4	\$129.5	\$119.6	\$119.6
<b>Adjusted net income</b>	<b>\$907.7</b>	<b>\$1,105.0</b>	<b>\$181.8</b>	<b>\$282.1</b>	<b>\$481.5</b>	<b>\$155.7</b>	<b>\$1,101.0</b>	<b>(\$42.2)</b>	<b>(\$237.6)</b>	<b>(\$100.0)</b>	<b>(\$73.1)</b>	<b>(\$452.9)</b>	<b>\$201.9</b>	<b>\$392.6</b>
<b>Diluted EPS - Reported</b>	<b>\$3.31</b>	<b>\$4.27</b>	<b>\$0.54</b>	<b>\$1.11</b>	<b>\$2.09</b>	<b>\$0.56</b>	<b>\$4.30</b>	<b>(\$0.35)</b>	<b>(\$1.26)</b>	<b>(\$0.62)</b>	<b>(\$0.49)</b>	<b>(\$2.71)</b>	<b>\$0.38</b>	<b>\$1.27</b>
<b>Diluted EPS - Adjusted</b>	<b>\$3.96</b>	<b>\$4.92</b>	<b>\$0.83</b>	<b>\$1.30</b>	<b>\$2.23</b>	<b>\$0.72</b>	<b>\$5.09</b>	<b>(\$0.20)</b>	<b>(\$1.11)</b>	<b>(\$0.47)</b>	<b>(\$0.34)</b>	<b>(\$2.11)</b>	<b>\$0.94</b>	<b>\$1.83</b>
% growth	16%	24%	38%	7%	-2%	-15%	3%	-124%	-185%	-121%	-147%	-141%	-145%	95%
Adjusted EPS guidance	\$3.90	\$4.85	\$0.70	\$1.33	\$2.15	\$0.69	\$5.05	\$0.48				\$5.40-5.60		
EPS Impact from 1% change in Adjusted Net Yield	\$0.04	\$0.05	\$0.05	\$0.06	\$0.07	\$0.05	\$0.23	\$0.06				\$0.26		

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 90: Cash Flow Statement

Cash Flow Statement	2017	2018	1Q19	2Q19	3Q19A	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash flows from operating activities</b>														
Net income (loss)	\$759.9	\$954.8	\$118.2	\$240.2	\$450.6	\$121.3	\$930.2	(\$74.6)	(\$270.0)	(\$132.4)	(\$105.4)	(\$582.4)	\$82.3	\$273.0
Depreciation and amortization expense	521.5	567.0	169.7	156.8	156.0	164.6	647.1	170.0	183.3	183.3	183.3	720.0	756.7	843.3
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss (gain) on translation of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) loss on derivatives	(0.1)	-	0.0	-	(0.0)	-	-	-	-	-	-	-	-	-
Deferred income taxes, net	9.2	1.5	(32.1)	2.3	4.1	(0.4)	(26.1)	-	-	-	-	-	-	-
Gain on contingent consideration	-	-	-	-	-	(4.2)	(4.2)	-	-	-	-	-	-	-
Write-off of deferred financing fees	6.7	6.3	2.9	1.1	(4.0)	13.4	13.4	-	-	-	-	-	-	-
Provision for bad debts and inventory	2.4	5.6	1.0	0.0	1.8	1.0	3.9	-	-	-	-	-	-	-
Share-based compensation expense	87.0	116.0	27.0	29.7	25.4	13.0	95.1	29.0	29.0	29.0	29.0	116.0	116.0	116.0
Premium on debt issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Changes in operating assets and liabilities:</i>														
Accounts receivable, net	15.1	(15.9)	(2.2)	(12.9)	2.4	(1.4)	(14.1)	31.4	31.2	(10.8)	(19.0)	32.8	(25.3)	(6.7)
Inventories	(17.1)	(9.1)	(0.5)	(0.8)	(3.3)	(1.5)	(6.2)	26.3	42.6	(21.7)	(20.9)	26.4	(41.3)	(11.0)
Prepaid expenses and other assets	(22.7)	(29.5)	(51.9)	12.5	41.2	(76.1)	(74.3)	-	-	-	-	-	-	-
Accounts payable	14.0	106.4	(89.9)	8.2	(4.8)	27.9	(58.6)	(12.0)	(31.8)	29.6	7.2	(6.9)	26.4	3.9
Accrued expenses and other liabilities	55.9	115.0	(44.3)	(30.2)	47.0	(1.5)	(29.0)	(116.2)	(304.8)	245.2	88.1	(87.7)	193.2	28.4
Advance ticket sales	154.0	262.6	439.4	119.2	(295.6)	84.4	347.4	200.0	(200.0)	(150.0)	(100.0)	(250.0)	300.0	329.9
Payment of original issue discount & other	-	(5.5)	(1.9)	(1.6)	0.4	1.2	(1.9)	-	-	-	-	-	-	-
<b>Net cash provided by operating activities</b>	<b>\$1,585.7</b>	<b>\$2,075.2</b>	<b>\$535.4</b>	<b>\$524.4</b>	<b>\$421.0</b>	<b>\$341.9</b>	<b>\$1,822.6</b>	<b>\$254.0</b>	<b>(\$520.5)</b>	<b>\$172.4</b>	<b>\$62.4</b>	<b>(\$31.8)</b>	<b>\$1,407.9</b>	<b>\$1,576.8</b>
<b>Cash flows from investing activities</b>														
Acquisition of Prestige, net of cash received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions to property and equipment, net	(1,372.2)	(1,566.8)	(214.6)	(199.3)	(202.1)	(1,021.2)	(1,637.2)	(706.3)	(164.6)	(164.6)	(164.6)	(1,200.0)	(1,100.0)	(2,600.0)
Settlement of derivatives	(33.3)	63.1	0.3	-	(0.6)	(46.5)	(46.8)	-	-	-	-	-	-	-
Investment in intangible asset / other	0.7	1.0	(7.6)	(6.9)	(21.9)	32.4	(3.9)	-	-	-	-	-	-	-
Changes in restricted cash	-	-	-	-	7.7	-	7.7	-	-	-	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(\$1,404.9)</b>	<b>(\$1,502.7)</b>	<b>(\$221.9)</b>	<b>(\$206.2)</b>	<b>(\$216.8)</b>	<b>(\$1,035.3)</b>	<b>(\$1,680.2)</b>	<b>(\$706.3)</b>	<b>(\$164.6)</b>	<b>(\$164.6)</b>	<b>(\$164.6)</b>	<b>(\$1,200.0)</b>	<b>(\$1,100.0)</b>	<b>(\$2,600.0)</b>
<b>Cash flows from financing activities</b>														
Repayments of long-term debt	(\$1,916.9)	(\$1,716.2)	(\$2,345.6)	(\$463.0)	(\$73.7)	(\$924.4)	(\$3,806.7)	\$420.3	\$629.2	\$126.6	\$58.6	\$1,234.7	(\$117.5)	\$785.3
Repayments to Affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from long-term debt	1,816.4	1,904.9	2,392.0	260.0	-	1,470.3	4,122.3	-	-	-	-	-	-	-
Transactions with Affiliate, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution from Affiliates, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of ordinary shares, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the exercise of share options	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from employee share purchase plan	30.0	28.8	7.7	3.6	6.8	13.7	31.9	-	-	-	-	-	-	-
Purchases of treasury shares	-	(664.8)	(200.0)	(0.1)	(149.8)	-	(349.9)	-	-	-	-	-	-	-
NCLC partnership tax distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred financing fees and other	(62.5)	(137.4)	(26.8)	(3.5)	(0.1)	(20.6)	(51.0)	-	-	-	-	-	-	-
<b>Net cash used in financing activities</b>	<b>(\$133.0)</b>	<b>(\$584.8)</b>	<b>(\$172.6)</b>	<b>(\$203.0)</b>	<b>(\$216.8)</b>	<b>\$539.0</b>	<b>(\$53.4)</b>	<b>\$420.3</b>	<b>\$629.2</b>	<b>\$126.6</b>	<b>\$58.6</b>	<b>\$1,234.7</b>	<b>(\$117.5)</b>	<b>\$785.3</b>
Net increase in cash and cash equivalents	47.8	(12.3)	140.9	115.2	(12.7)	(154.4)	89.0	(32.0)	(55.8)	134.4	(43.6)	2.9	190.4	(237.9)
Cash and cash equivalents at beginning of period	128.3	176.2	163.9	304.7	419.9	407.3	163.9	252.9	220.9	165.1	299.4	252.9	255.8	446.2
<b>Cash and cash equivalents at end of period</b>	<b>\$176.2</b>	<b>\$163.9</b>	<b>\$304.7</b>	<b>\$419.9</b>	<b>\$407.3</b>	<b>\$252.9</b>	<b>\$252.9</b>	<b>\$220.9</b>	<b>\$165.1</b>	<b>\$299.4</b>	<b>\$255.8</b>	<b>\$255.8</b>	<b>\$446.2</b>	<b>\$208.3</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 91: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19A	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and cash equivalents	\$176.2	\$163.9	\$304.7	\$419.9	\$407.3	\$252.876	\$252.9	\$220.9	\$165.1	\$299.4	\$255.8	\$255.8	\$446.2	\$208.3
Accounts receivable, net	44.0	55.2	57.1	75.1	67.7	75.1	75.1	43.8	12.6	23.4	42.3	42.3	67.6	74.4
Inventories	82.1	90.2	90.1	91.0	94.3	95.4	95.4	69.1	26.5	48.1	69.1	69.1	110.4	121.4
Prepaid expenses and other assets	216.1	241.0	316.5	317.5	273.5	306.7	306.7	306.7	306.7	306.7	306.7	306.7	306.7	306.7
<b>Total current assets</b>	<b>\$518.3</b>	<b>\$550.3</b>	<b>\$768.4</b>	<b>\$903.6</b>	<b>\$842.7</b>	<b>\$730.1</b>	<b>\$730.1</b>	<b>\$640.5</b>	<b>\$510.8</b>	<b>\$677.6</b>	<b>\$673.9</b>	<b>\$673.9</b>	<b>\$931.0</b>	<b>\$710.8</b>
Property and equipment, net	\$11,040.5	\$12,119.3	\$1,281.0	\$1,252.1	\$1,288.9	\$1,135.3	\$1,135.3	\$13,671.6	\$13,652.8	\$13,634.1	\$13,615.3	\$13,615.3	\$13,958.7	\$15,715.3
Goodwill and tradenames	2,206.5	2,206.5	2,206.5	1,388.9	2,206.5	2,206.5	2,206.5	2,206.5	2,206.5	2,206.5	2,206.5	2,206.5	2,206.5	2,206.5
Other long-term assets	329.6	329.9	11,505.2	12,421.4	600.8	612.7	612.7	612.7	612.7	612.7	612.7	612.7	612.7	612.7
<b>Total assets</b>	<b>\$14,094.9</b>	<b>\$15,206.0</b>	<b>\$15,761.1</b>	<b>\$15,966.0</b>	<b>\$15,938.9</b>	<b>\$16,684.6</b>	<b>\$16,684.6</b>	<b>\$17,131.2</b>	<b>\$16,982.8</b>	<b>\$17,130.9</b>	<b>\$17,108.4</b>	<b>\$17,108.4</b>	<b>\$17,708.7</b>	<b>\$19,245.2</b>
<b>Liabilities and Shareholders' Equity</b>														
Current portion of long-term debt	\$619.4	\$681.2	\$608.3	\$605.1	\$605.1	\$746.4	\$746.4	\$619.4	\$619.4	\$619.4	\$619.4	\$619.4	\$619.4	\$619.4
Accounts payable	53.4	159.6	66.7	75.8	72.2	100.8	100.8	88.8	57.0	86.7	93.9	93.9	120.4	124.2
Accrued expenses and other liabilities	513.7	716.5	731.2	734.4	860.7	782.3	782.3	666.1	361.2	606.5	694.6	694.6	887.7	916.2
Advance ticket sales	1,303.5	1,593.2	2,023.2	2,167.3	1,861.6	1,955.0	1,955.0	2,155.0	1,955.0	1,805.0	1,705.0	1,705.0	2,005.0	2,334.9
<b>Total current liabilities</b>	<b>\$2,490.0</b>	<b>\$3,150.5</b>	<b>\$3,429.4</b>	<b>\$3,582.6</b>	<b>\$3,399.6</b>	<b>\$3,584.4</b>	<b>\$3,584.4</b>	<b>\$3,529.2</b>	<b>\$2,992.6</b>	<b>\$3,117.5</b>	<b>\$3,112.9</b>	<b>\$3,112.9</b>	<b>\$3,632.5</b>	<b>\$3,994.6</b>
Long-term debt	\$5,688.4	\$5,810.9	\$5,934.2	\$5,743.9	\$5,672.6	\$6,055.3	\$6,055.3	\$6,602.6	\$7,231.9	\$7,358.4	\$7,417.0	\$7,417.0	\$7,299.5	\$8,084.8
Other long-term liabilities	166.7	281.6	492.2	489.2	593.3	529.3	529.3	529.3	529.3	529.3	529.3	529.3	529.3	529.3
<b>Total liabilities</b>	<b>\$8,345.1</b>	<b>\$9,243.0</b>	<b>\$9,855.8</b>	<b>\$9,815.6</b>	<b>\$9,665.5</b>	<b>\$10,169.0</b>	<b>\$10,169.0</b>	<b>\$10,661.2</b>	<b>\$10,753.8</b>	<b>\$11,005.2</b>	<b>\$11,059.2</b>	<b>\$11,059.2</b>	<b>\$11,461.3</b>	<b>\$12,608.8</b>
<b>Shareholders' equity:</b>														
Ordinary shares, \$0.012 par value; 40,000,000 shares	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Additional paid-in capital	3,998.7	4,129.6	4,145.5	4,176.8	4,209.0	4,235.7	4,235.7	4,264.7	4,293.7	4,322.7	4,351.7	4,351.7	4,467.7	4,583.7
Accumulated other comprehensive income (loss)	27.0	(161.6)	(153.4)	(179.8)	(389.6)	(295.5)	(295.5)	(295.5)	(295.5)	(295.5)	(295.5)	(295.5)	(295.5)	(295.5)
Retained earnings (deficit)	1,963.1	2,898.8	3,017.0	3,257.2	3,707.8	3,829.1	3,829.1	3,829.1	3,754.5	3,484.5	3,246.7	3,246.7	3,328.9	3,602.0
Treasury Shares	(239.3)	(904.1)	(1,104.1)	(1,104.1)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)	(1,253.9)
<b>Total shareholders' equity controlling interest</b>	<b>\$5,749.8</b>	<b>\$5,963.0</b>	<b>\$5,905.3</b>	<b>\$6,150.3</b>	<b>\$6,273.4</b>	<b>\$6,515.6</b>	<b>\$6,515.6</b>	<b>\$6,470.0</b>	<b>\$6,229.0</b>	<b>\$6,125.6</b>	<b>\$6,049.2</b>	<b>\$6,049.2</b>	<b>\$6,247.4</b>	<b>\$6,636.5</b>
Non Controlling Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total shareholders' equity</b>	<b>\$5,749.8</b>	<b>\$5,963.0</b>	<b>\$5,905.3</b>	<b>\$6,150.3</b>	<b>\$6,273.4</b>	<b>\$6,515.6</b>	<b>\$6,515.6</b>	<b>\$6,470.0</b>	<b>\$6,229.0</b>	<b>\$6,125.6</b>	<b>\$6,049.2</b>	<b>\$6,049.2</b>	<b>\$6,247.4</b>	<b>\$6,636.5</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$14,094.9</b>	<b>\$15,206.0</b>	<b>\$15,761.1</b>	<b>\$15,966.0</b>	<b>\$15,938.9</b>	<b>\$16,684.6</b>	<b>\$16,684.6</b>	<b>\$17,131.2</b>	<b>\$16,982.8</b>	<b>\$17,130.9</b>	<b>\$17,108.4</b>	<b>\$17,108.4</b>	<b>\$17,708.7</b>	<b>\$19,245.2</b>

Source: Company Filings, Morgan Stanley Research estimates

# Penn National Gaming, Inc. Model

Exhibit 92: Income Statement

INCOME STATEMENT	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Net Revenue</b>															
<b>New Segments</b>															
Northeast		\$1,756.6	\$1,891.5	\$550.6	\$599.1	\$628.9	\$621.3	\$2,399.9	\$550.1	\$280.2	\$581.9	\$621.4	\$2,033.6	\$2,375.4	\$2,490.1
South		224.2	394.4	291.9	282.2	276.6	268.2	1,118.9	257.5	112.0	254.0	269.1	892.6	1,016.0	1,066.6
West		380.4	437.9	158.7	164.3	161.5	158.1	642.5	136.7	59.3	139.1	151.3	486.3	567.9	604.9
Midwest		735.0	823.7	271.3	268.2	275.8	279.2	1,094.4	242.6	111.1	258.0	281.6	893.2	1,018.6	1,073.5
Other		51.7	40.4	10.1	9.4	11.7	14.4	45.6	10.3	10.4	12.6	15.0	48.2	48.9	49.6
<b>Net Revenue</b>	<b>\$3,034.4</b>	<b>\$3,148.0</b>	<b>\$3,597.9</b>	<b>\$1,282.6</b>	<b>\$1,323.1</b>	<b>\$1,354.5</b>	<b>\$1,341.2</b>	<b>\$5,301.4</b>	<b>\$1,197.2</b>	<b>\$573.0</b>	<b>\$1,245.4</b>	<b>\$1,338.3</b>	<b>\$4,354.0</b>	<b>\$5,026.8</b>	<b>\$5,284.7</b>
% growth	6.9%	3.7%	14.0%	57.2%	60.0%	71.5%	16.1%	47.8%	-6.7%	-56.7%	-8.1%	-0.2%	-17.9%	15.5%	5.1%
Guidance: Net Revenues	3,039.8	3,135.6	3,581.8	1,301.4	1,314.3	1,370.5	1,350.7	5,310.9							
<b>Adjusted Property EBITDAR</b>															
<b>New Segments</b>															
Northeast		\$549.3	\$583.8	\$164.8	\$186.2	\$189.1	\$180.7	\$720.7	\$167.1	\$91.5	\$179.3	\$185.9	\$623.8	\$766.0	\$824.8
South		62.6	119.0	97.8	92.8	89.0	90.2	369.8	82.7	20.6	80.9	90.4	274.6	343.4	370.3
West		72.7	114.3	49.9	50.5	50.6	47.8	198.8	39.0	3.8	40.5	46.3	129.6	181.4	202.0
Midwest		249.7	294.3	99.2	97.8	104.3	102.3	403.6	84.6	33.9	98.9	102.8	320.1	387.8	414.2
Other		16.2	12.0	2.8	2.9	2.4	3.5	11.6	(0.5)	(0.7)	(1.4)	1.3	(1.4)	4.0	7.9
<b>Adjusted Property EBITDAR</b>	<b>\$913.6</b>	<b>\$950.5</b>	<b>\$1,123.3</b>	<b>\$414.5</b>	<b>\$430.1</b>	<b>\$435.4</b>	<b>\$424.5</b>	<b>\$1,704.5</b>	<b>\$372.9</b>	<b>\$149.0</b>	<b>\$398.1</b>	<b>\$426.5</b>	<b>\$1,346.6</b>	<b>\$1,682.6</b>	<b>\$1,819.2</b>
% growth	4.0%	4.0%	18.2%	58.6%	61.9%	75.1%	22.1%	51.7%	-10.0%	-65.3%	-8.6%	0.5%	-21.0%	24.9%	8.1%
Margin - Total	30.1%	30.2%	31.3%	32.3%	32.5%	32.1%	31.7%	32.2%	31.2%	26.0%	32.0%	31.9%	30.9%	33.5%	34.4%
Margin - Northeast	31.2%	31.6%	30.9%	29.9%	31.1%	30.1%	29.1%	30.0%	30.4%	32.7%	30.8%	29.9%	30.7%	32.2%	33.1%
Margin - South	23.5%	22.4%	30.2%	33.5%	32.9%	32.2%	33.6%	33.0%	32.1%	18.4%	31.9%	33.6%	30.8%	33.8%	34.7%
Margin - West			26.1%	31.5%	30.7%	31.3%	30.2%	30.9%	28.5%	6.4%	29.1%	30.6%	26.6%	31.9%	33.4%
Margin - Midwest	32.7%	32.8%	35.7%	36.6%	36.5%	37.8%	36.6%	36.9%	34.9%	30.5%	38.3%	36.5%	35.8%	38.1%	38.6%
Incremental Margin	18.0%	32.5%	39.3%	32.8%	33.1%	33.1%	41.3%	33.9%	48.7%	37.5%	34.2%	-68.3%	37.8%	49.9%	53.0%
Corporate expense - legacy PENN	69.8	104.6													
Corporate expense - legacy PNK	82.4	82.0													
Synergies															
Total corporate expense	\$69.8	\$104.6	\$80.1	\$23.1	\$23.6	\$27.5	\$25.1	\$99.3	\$22.0	\$17.0	\$20.0	\$20.0	\$79.0	\$90.0	\$90.0
<b>Adjusted EBITDAR</b>	<b>\$843.8</b>	<b>\$845.9</b>	<b>\$1,043.2</b>	<b>\$391.4</b>	<b>\$406.5</b>	<b>\$407.9</b>	<b>\$399.4</b>	<b>\$1,605.2</b>	<b>\$350.9</b>	<b>\$132.0</b>	<b>\$378.1</b>	<b>\$406.5</b>	<b>\$1,267.6</b>	<b>\$1,592.6</b>	<b>\$1,729.2</b>
% growth	6.0%	0.3%	23.3%	61.4%	64.5%	77.6%	23.3%	53.9%	-10.3%	-67.5%	-7.3%	1.8%	-21.0%	25.6%	8.6%
Margin	27.8%	26.9%	29.1%	30.5%	30.7%	30.1%	29.8%	30.3%	29.3%	23.0%	30.4%	30.4%	29.1%	31.7%	32.7%
Incremental Margin	24.2%	1.9%	44.8%	31.9%	32.1%	31.5%	40.6%	32.8%	47.4%	36.6%	27.3%	-241.2%	35.6%	48.3%	53.0%
Guidance: Adjusted EBITDAR	840.6	868.7	936.2	394.5	392.2	408.8	394.5	1,600.3					1,670-1,700		
Stock-based compensation	6.9	7.8	12.0	3.4	3.2	3.7	4.5	14.9	3.5	3.5	3.5	3.5	14.0	14.5	15.0
Non-operating items for Kansas JV	10.3	5.9	5.1	1.1	0.9	0.9	0.9	3.7	0.9	0.9	0.9	0.9	3.6	3.6	3.6
Income from unconsolidated affiliates	14.3	18.7	22.3	5.7	6.3	9.8	6.7	28.4	4.8	0.3	7.9	5.7	18.6	24.1	29.1
Rent expense associated with triple net leases				84.7	90.0	93.6	95.4	363.7	88.9	24.1	28.8	74.4	216.3	356.4	362.1
Other (history included leases)	(1.9)	100.9	100.7	10.1	1.7	11.1	182.8	205.7	0.3	0.3	0.3	0.3	1.2	-	-
Depreciation	271.2	267.1	269.0	104.1	106.0	106.3	97.8	414.2	105.4	106.2	106.2	106.2	424.0	429.4	429.4
<b>Total Operating Income</b>	<b>\$543.0</b>	<b>\$445.7</b>	<b>\$634.1</b>	<b>\$182.4</b>	<b>\$198.4</b>	<b>\$182.5</b>	<b>\$111.3</b>	<b>\$574.6</b>	<b>\$147.1</b>	<b>(\$3.2)</b>	<b>\$230.5</b>	<b>\$215.5</b>	<b>\$590.0</b>	<b>\$764.5</b>	<b>\$889.9</b>
Interest income	24.2	3.6	1.0	0.3	0.3	-	-	0.6	-	-	-	-	-	-	-
Interest expense, net	(459.2)	(466.8)	(539.4)	(132.6)	(135.0)	(133.5)	(133.7)	(534.8)	(136.8)	(60.9)	(60.2)	(116.5)	(374.4)	(538.2)	(544.7)
Income from unconsolidated affiliates	14.3	18.7	22.3	5.7	6.3	9.8	6.7	28.4	4.8	0.3	7.9	5.7	18.6	24.1	29.1
Other	(1.7)	(26.2)	(10.9)	-	0.0	7.2	12.8	20.0	-	-	-	-	-	-	-
Extraordinary items	-	-	(17.2)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Income before taxes</b>	<b>\$120.6</b>	<b>(\$25.0)</b>	<b>\$89.9</b>	<b>\$55.8</b>	<b>\$69.9</b>	<b>\$66.0</b>	<b>(\$102.9)</b>	<b>\$88.8</b>	<b>\$15.1</b>	<b>(\$63.9)</b>	<b>\$178.3</b>	<b>\$104.7</b>	<b>\$234.2</b>	<b>\$250.5</b>	<b>\$374.4</b>
Income tax benefit (expense)	(11.3)	498.5	3.6	(14.8)	(18.5)	(19.6)	10.0	(43.0)	(2.7)	11.5	(32.1)	(18.8)	(42.2)	(45.1)	(67.4)
<b>Net income</b>	<b>\$109.3</b>	<b>\$473.5</b>	<b>\$93.5</b>	<b>\$41.0</b>	<b>\$51.4</b>	<b>\$46.4</b>	<b>(\$92.9)</b>	<b>\$45.9</b>	<b>\$12.4</b>	<b>(\$52.4)</b>	<b>\$146.2</b>	<b>\$85.9</b>	<b>\$192.1</b>	<b>\$205.4</b>	<b>\$307.0</b>
Net loss of non-controlling interest	-	-	(0.0)	(0.0)	(0.2)	(0.2)	(0.4)	(0.8)	-	-	-	-	-	-	-
<b>Net income to PENN</b>	<b>\$109.3</b>	<b>\$473.5</b>	<b>\$93.5</b>	<b>\$41.0</b>	<b>\$51.4</b>	<b>\$46.6</b>	<b>(\$92.5)</b>	<b>\$46.7</b>	<b>\$12.4</b>	<b>(\$52.4)</b>	<b>\$146.2</b>	<b>\$85.9</b>	<b>\$192.1</b>	<b>\$205.4</b>	<b>\$307.0</b>
Guidance: GAAP Net Income	90.4	827.7	164.1												
Plus: Non-recurring expenses, net	(3.2)	(705.7)	60.4	6.1	1.0	6.7	109.7	123.4	0.2	0.2	0.2	0.2	0.7	-	-
<b>Recurring Net income</b>	<b>\$106.1</b>	<b>(\$232.2)</b>	<b>\$153.9</b>	<b>\$47.1</b>	<b>\$52.6</b>	<b>\$53.3</b>	<b>\$17.2</b>	<b>\$170.1</b>	<b>\$12.6</b>	<b>(\$52.2)</b>	<b>\$146.4</b>	<b>\$86.0</b>	<b>\$192.8</b>	<b>\$205.4</b>	<b>\$307.0</b>
<b>Reported Diluted EPS</b>	<b>\$1.19</b>	<b>\$5.12</b>	<b>\$0.94</b>	<b>\$0.35</b>	<b>\$0.44</b>	<b>\$0.40</b>	<b>(\$0.80)</b>	<b>\$0.40</b>	<b>\$0.11</b>	<b>(\$0.44)</b>	<b>\$1.22</b>	<b>\$0.71</b>	<b>\$1.62</b>	<b>\$1.73</b>	<b>\$2.58</b>
<b>Recurring Diluted EPS</b>	<b>\$1.16</b>	<b>(\$2.56)</b>	<b>\$1.54</b>	<b>\$0.40</b>	<b>\$0.45</b>	<b>\$0.46</b>	<b>\$0.15</b>	<b>\$1.44</b>	<b>\$0.11</b>	<b>(\$0.44)</b>	<b>\$1.22</b>	<b>\$0.71</b>	<b>\$1.62</b>	<b>\$1.73</b>	<b>\$2.58</b>

Source: Company Filings, Morgan Stanley Research estimates

## Exhibit 93: Cash Flow Statement

CASH FLOW STATEMENT	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash flows from operations</b>															
Net Income	\$109.3	\$473.5	\$93.5	\$41.0	\$51.4	\$46.4	(\$92.9)	\$45.9	\$12.4	(\$52.4)	\$146.2	\$85.9	\$192.1	\$205.4	\$307.0
Depreciation and amortization	271.2	267.1	269.0	104.1	106.0	106.3	97.8	414.2	105.4	106.2	106.2	106.2	424.0	429.4	429.4
Amortization of deferred financing costs	7.2	7.0	6.4	1.9	1.9	1.9	0.3	6.0	0.3	0.3	0.3	0.3	1.0	1.0	1.0
Other loss/(gain) on assets	(1.2)	(6.7)	3.6	5.2	(4.3)	78.1	-	79.0	-	-	-	-	-	-	-
Charge for stock compensation	6.9	7.8	12.0	3.4	3.2	3.7	4.5	14.9	3.5	3.5	3.5	3.5	14.0	14.5	15.0
Loss/(Gain) from joint ventures	(14.3)	(18.7)	(22.3)	(5.7)	(6.3)	(9.8)	(6.3)	(28.0)	(4.4)	(0.9)	(8.5)	(6.3)	(20.0)	(25.1)	(26.7)
Distributions from joint ventures	26.3	26.5	27.0	6.5	6.6	8.9	-	22.0	-	-	-	-	-	-	-
Other	-	113.8	17.9	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	8.7	(517.9)	(26.7)	11.0	4.4	13.4	12.2	41.0	-	-	-	-	-	-	-
(Increase) decrease in current assets															
Accounts receivable	(5.9)	(9.2)	(1.7)	(2.9)	10.5	16.0	-	23.6	-	-	-	-	-	-	-
Insurance receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and other current assets	(0.5)	(7.2)	13.3	(8.1)	7.9	12.8	-	12.5	-	-	-	-	-	-	-
Other Assets	(4.9)	1.7	1.5	(0.6)	(0.8)	(0.0)	-	(1.5)	-	-	-	-	-	-	-
(Decrease) increase in current liabilities															
Accounts payable	(7.5)	(0.3)	(6.1)	0.9	(0.8)	23.5	-	23.6	-	-	-	-	-	-	-
Accrued expenses	1.5	23.8	(29.4)	(25.3)	5.2	(0.3)	-	(20.3)	-	-	-	-	-	-	-
Accrued interest	(0.7)	7.2	2.2	-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	(6.7)	15.8	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Gaming, property, and other taxes	3.4	8.5	(19.9)	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable	19.1	20.4	(3.3)	5.3	2.3	(12.1)	-	(4.5)	-	-	-	-	-	-	-
Other current liabilities	(7.0)	46.3	15.6	(11.0)	2.2	(84.8)	-	(93.5)	-	-	-	-	-	-	-
<b>Net cash provided by operating activities</b>	<b>\$404.8</b>	<b>\$459.1</b>	<b>\$352.8</b>	<b>\$125.7</b>	<b>\$189.5</b>	<b>\$204.0</b>	<b>\$15.6</b>	<b>\$534.8</b>	<b>\$117.2</b>	<b>\$56.7</b>	<b>\$247.6</b>	<b>\$189.5</b>	<b>\$611.0</b>	<b>\$625.2</b>	<b>\$725.7</b>
<b>Cash flows from investing activities</b>															
Expenditures for property and equipment	(97.2)	(99.3)	(92.6)	(37.7)	(57.4)	(41.7)	(47.7)	(184.4)	(78.9)	(11.5)	(67.0)	(90.1)	(247.5)	(406.5)	(177.7)
Advances to Jamul tribe	86.6	(2.3)	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in joint ventures	-	(0.5)	18.9	-	-	-	-	-	(135.0)	-	-	-	(135.0)	-	-
Proceeds from sale of PP&E	18.2	1.0	0.4	0.3	0.1	(0.9)	-	(0.5)	-	-	-	-	-	-	-
Investment in corporate debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions and Investments	(86.9)	(129.3)	(1,945.2)	(370.3)	(28.1)	0.0	-	(398.3)	-	-	-	-	-	-	-
Other	-	8.8	595.4	-	-	-	-	-	-	-	-	-	-	-	-
Distributions from joint venture	-	-	-	(0.6)	(1.0)	(5.0)	-	(6.6)	-	-	-	-	-	26.2	27.2
<b>Net cash provided by investing activities</b>	<b>(\$79.3)</b>	<b>(\$221.6)</b>	<b>(\$1,423.1)</b>	<b>(\$408.2)</b>	<b>(\$86.4)</b>	<b>(\$47.5)</b>	<b>(\$47.7)</b>	<b>(\$589.8)</b>	<b>(\$213.9)</b>	<b>(\$11.5)</b>	<b>(\$67.0)</b>	<b>(\$90.1)</b>	<b>(\$382.5)</b>	<b>(\$380.3)</b>	<b>(\$150.5)</b>
<b>Cash flows from financing activities</b>															
Proceeds from exercise of options	11.6	10.4	7.4	0.5	0.2	0.3	-	1.0	-	-	-	-	-	-	-
Proceeds from issuance of preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds/payments from long-term debt	(298.7)	(179.6)	1,172.7	(39.6)	184.3	(111.7)	(38.5)	(5.5)	448.7	(25.0)	(25.0)	(25.0)	373.7	-	0.0
Principal payments on financing obligation with GI	(50.5)	(57.9)	(67.4)	(14.2)	(14.1)	(10.1)	(25.3)	(63.7)	(25.6)	(6.9)	(8.3)	(21.4)	(62.2)	(102.5)	(104.1)
(Increase) in unamortized financing cost	(1.8)	(19.6)	(4.1)	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds / (Repurchase) of common stock	-	(24.8)	(50.0)	-	(24.9)	-	-	(24.9)	-	-	-	-	-	-	-
Proceeds/payments from insurance fin.	(0.5)	(0.2)	2.2	4.6	(15.1)	(4.3)	-	(14.8)	-	-	-	-	-	-	-
Other	6.9	82.6	211.2	264.0	(258.8)	5.0	126.5	136.7	-	-	-	-	-	-	-
<b>Net cash provided by financing activities</b>	<b>(\$333.0)</b>	<b>(\$189.0)</b>	<b>\$1,272.0</b>	<b>\$215.4</b>	<b>(\$128.4)</b>	<b>(\$120.8)</b>	<b>\$62.7</b>	<b>\$28.8</b>	<b>\$423.1</b>	<b>(\$31.9)</b>	<b>(\$33.3)</b>	<b>(\$46.4)</b>	<b>\$311.5</b>	<b>(\$102.5)</b>	<b>(\$104.1)</b>
Effect of exchange rate fluctuations on cash, other	-	-	-	(12.2)	3.8	(7.5)	-	(15.9)	-	-	-	-	-	-	-
<b>Net increase in cash &amp; cash equivalents</b>	<b>(\$7.5)</b>	<b>\$48.4</b>	<b>\$201.6</b>	<b>(\$79.3)</b>	<b>(\$21.5)</b>	<b>\$28.1</b>	<b>\$30.5</b>	<b>(\$42.2)</b>	<b>\$326.5</b>	<b>\$13.3</b>	<b>\$147.3</b>	<b>\$52.9</b>	<b>\$540.0</b>	<b>\$142.4</b>	<b>\$471.0</b>
Cash and cash equivalents, beginning	237.0	229.5	278.0	479.6	400.3	378.8	406.9	479.6	437.4	763.9	777.2	924.5	437.4	977.4	1,119.9
<b>Cash and cash equivalents, end</b>	<b>\$229.5</b>	<b>\$278.0</b>	<b>\$479.6</b>	<b>\$400.3</b>	<b>\$378.8</b>	<b>\$406.9</b>	<b>\$437.4</b>	<b>\$437.4</b>	<b>\$763.9</b>	<b>\$777.2</b>	<b>\$924.5</b>	<b>\$977.4</b>	<b>\$977.4</b>	<b>\$1,119.9</b>	<b>\$1,590.9</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 94: Balance Sheet

BALANCE SHEET	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>															
Cash and equivalents	\$229.5	\$278.0	\$479.6	\$400.3	\$378.8	\$406.9	\$437.4	\$437.4	\$763.9	\$777.2	\$924.5	\$977.4	\$977.4	\$1,119.9	\$1,590.9
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	61.9	62.8	106.8	114.4	106.4	91.6	91.6	91.6	91.6	91.6	91.6	91.6	91.6	91.6	91.6
Prepaid income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses & other	107.9	60.3	91.2	124.5	124.0	129.7	129.7	129.7	129.7	129.7	129.7	129.7	129.7	129.7	129.7
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>399.3</b>	<b>401.0</b>	<b>677.7</b>	<b>639.2</b>	<b>609.2</b>	<b>628.2</b>	<b>658.7</b>	<b>658.7</b>	<b>985.2</b>	<b>998.5</b>	<b>1,145.8</b>	<b>1,198.7</b>	<b>1,198.7</b>	<b>1,341.2</b>	<b>1,812.2</b>
Gross PP&E	4,790.9	4,939.3	9,318.2	7,670.4	7,674.3	7,810.0	7,857.7	7,857.7	7,936.6	7,948.1	8,015.0	8,105.2	8,105.2	8,511.7	8,689.5
Less: Accumulated depreciation	(1,970.6)	(2,182.6)	(2,449.4)	(2,442.5)	(2,548.5)	(2,654.8)	(2,752.6)	(2,752.6)	(2,858.0)	(2,964.2)	(3,070.4)	(3,176.6)	(3,176.6)	(3,606.0)	(4,035.4)
Net property and equipment, at cost	2,820.4	2,756.7	6,868.8	5,227.9	5,125.8	5,155.2	5,105.1	5,105.1	5,078.6	4,983.9	4,944.7	4,928.6	4,928.6	4,905.7	4,654.1
Investment / advances to JVs	156.2	148.9	128.5	127.9	127.2	128.5	134.8	134.8	302.2	303.0	311.5	317.8	317.8	316.7	316.2
Goodwill	989.7	1,008.1	1,228.4	1,279.5	1,354.1	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4
Deferred financing fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes, non-current	-	390.9	80.6	-	-	-	-	-	-	-	-	-	-	-	-
Advances to the Jamul Tribe	91.4	20.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous and other Intangibles	517.6	508.3	1,977.1	6,223.6	6,992.9	7,055.7	6,929.2	6,929.2	6,929.2	6,929.2	6,929.2	6,929.2	6,929.2	6,929.2	6,929.2
<b>Total Other Assets</b>	<b>1,754.8</b>	<b>2,077.1</b>	<b>3,414.6</b>	<b>7,631.0</b>	<b>8,474.2</b>	<b>8,534.6</b>	<b>8,414.4</b>	<b>8,414.4</b>	<b>8,581.8</b>	<b>8,582.6</b>	<b>8,591.1</b>	<b>8,597.4</b>	<b>8,597.4</b>	<b>8,596.3</b>	<b>8,595.8</b>
<b>Total Assets</b>	<b>4,974.5</b>	<b>5,234.8</b>	<b>10,961.0</b>	<b>13,498.2</b>	<b>14,209.2</b>	<b>14,318.0</b>	<b>14,178.2</b>	<b>14,178.2</b>	<b>14,645.5</b>	<b>14,565.0</b>	<b>14,681.6</b>	<b>14,724.8</b>	<b>14,724.8</b>	<b>14,843.2</b>	<b>15,062.0</b>
<b>Liabilities</b>															
Accounts payable	35.1	26.0	30.6	31.4	28.4	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Accrued expenses	101.9	125.7	204.7	572.1	589.8	598.9	598.9	598.9	598.9	598.9	598.9	598.9	598.9	598.9	598.9
Other current liabilities	257.1	286.4	373.3	164.3	130.0	193.6	193.6	193.6	193.6	193.6	193.6	193.6	193.6	193.6	193.6
Current portion of financing obligation to GLPI	56.6	56.2	67.8	52.6	49.9	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>450.7</b>	<b>494.4</b>	<b>676.3</b>	<b>820.4</b>	<b>798.0</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>	<b>877.3</b>
\$300m 5.875% Senior Notes due 2021	300.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$400m 5.625% Senior Notes due 2027	-	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0
Penn \$700m Revolving Credit Facility due 2022, c	580.9	129.3	145.1	126.1	376.6	226.3	226.3	226.3	700.0	700.0	700.0	700.0	700.0	700.0	700.0
Penn \$430m Term Loan A Facility due 2023	300.0	250.0	707.7	698.8	690.0	681.1	672.6	672.6	647.6	622.6	597.6	572.6	572.6	572.6	572.6
Penn \$1.1B Term Loan B Facility due 2024	250.0	500.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan B-1 Facility due 2025	-	-	1,200.3	1,125.9	1,123.1	1,120.3	1,090.3	1,090.3	1,090.3	1,090.3	1,090.3	1,090.3	1,090.3	1,090.3	1,090.3
Long-term financing obligations to GLPI/MICI	3,457.5	3,482.6	7,080.6	8,214.6	8,529.2	8,767.7	8,742.4	8,742.4	8,716.8	8,709.9	8,701.6	8,680.2	8,680.2	8,577.7	8,473.6
Capital leases	1.8	0.9	0.4	-	-	-	-	-	-	-	-	-	-	-	-
Other notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Ending Debt</b>	<b>4,890.2</b>	<b>4,762.8</b>	<b>9,534.0</b>	<b>10,565.5</b>	<b>11,118.9</b>	<b>11,195.4</b>	<b>11,131.6</b>	<b>11,131.6</b>	<b>11,554.7</b>	<b>11,522.8</b>	<b>11,489.5</b>	<b>11,443.1</b>	<b>11,443.1</b>	<b>11,340.6</b>	<b>11,236.4</b>
Discount on Sr Secured Credit Facility Term B	(0.6)	(2.6)	(2.7)	(2.7)	(2.6)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Debt issuance costs	(16.5)	(27.4)	(38.4)	(36.9)	(35.0)	(33.2)	(33.0)	(33.0)	(32.7)	(32.5)	(32.2)	(32.0)	(32.0)	(31.0)	(30.0)
<b>Long-term debt</b>	<b>4,873.0</b>	<b>4,732.8</b>	<b>9,492.9</b>	<b>10,526.0</b>	<b>11,081.3</b>	<b>11,159.7</b>	<b>11,096.1</b>	<b>11,096.1</b>	<b>11,519.5</b>	<b>11,487.8</b>	<b>11,454.8</b>	<b>11,408.6</b>	<b>11,408.6</b>	<b>11,307.1</b>	<b>11,204.0</b>
Deferred income taxes	126.9	-	-	232.7	232.7	252.8	265.0	265.0	265.0	265.0	265.0	265.0	265.0	265.0	265.0
Other LT liabilities	67.1	80.8	60.6	57.3	205.6	88.8	88.8	88.8	88.8	88.8	88.8	88.8	88.8	88.8	88.8
<b>Other LT liabilities</b>	<b>194.1</b>	<b>80.8</b>	<b>60.6</b>	<b>290.0</b>	<b>438.2</b>	<b>341.6</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>	<b>353.8</b>
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted stock	0.9	0.9	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Treasury stock	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)
Additional paid-in capital	1,014.1	1,007.6	1,726.4	1,730.4	1,708.9	1,712.9	1,717.4	1,717.4	1,748.9	1,752.4	1,755.9	1,759.4	1,759.4	1,773.9	1,788.9
Retained earnings	(1,525.3)	(1,051.8)	(967.9)	158.7	210.2	254.1	161.2	161.2	173.6	121.2	267.4	353.3	353.3	558.7	865.6
Accumulated other comprehensive loss	(4.7)	(1.5)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholders' Equity</b>	<b>(543.3)</b>	<b>(73.1)</b>	<b>731.2</b>	<b>1,861.8</b>	<b>1,891.9</b>	<b>1,939.8</b>	<b>1,851.4</b>	<b>1,851.4</b>	<b>1,895.3</b>	<b>1,846.4</b>	<b>1,996.1</b>	<b>2,085.5</b>	<b>2,085.5</b>	<b>2,305.4</b>	<b>2,627.3</b>
Noncontrolling interests	-	-	(0.0)	(0.0)	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
<b>Total Liabilities and Shareholder's Equity</b>	<b>4,974.5</b>	<b>5,234.8</b>	<b>10,961.0</b>	<b>13,498.2</b>	<b>14,209.2</b>	<b>14,318.0</b>	<b>14,178.2</b>	<b>14,178.2</b>	<b>14,645.5</b>	<b>14,565.0</b>	<b>14,681.6</b>	<b>14,724.8</b>	<b>14,724.8</b>	<b>14,843.2</b>	<b>15,062.0</b>

Source: Company Filings, Morgan Stanley Research estimates

# Sunstone Hotel Investors Inc Model

**Exhibit 95: Income Statement**

Income Statement (\$ in millions)	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenues</b>														
Room	\$829.3	\$799.4	\$171.9	\$208.7	\$200.2	\$186.6	\$767.4	\$146.7	\$60.8	\$138.3	\$175.5	\$521.3	\$624.4	\$656.0
Food and Beverage	296.9	284.7	69.1	75.7	61.4	66.7	272.9	58.3	22.0	42.4	62.7	185.4	222.1	233.4
Other Operating	67.4	75.0	16.7	18.5	20.0	19.7	74.9	13.9	5.4	13.8	18.5	51.6	61.9	65.0
<b>Total Revenue</b>	<b>\$1,193.6</b>	<b>\$1,159.1</b>	<b>\$257.7</b>	<b>\$302.9</b>	<b>\$281.6</b>	<b>\$273.0</b>	<b>\$1,115.2</b>	<b>\$218.9</b>	<b>\$88.2</b>	<b>\$194.5</b>	<b>\$256.7</b>	<b>\$758.3</b>	<b>\$908.4</b>	<b>\$954.4</b>
Y/Y Change	0.4%	-2.9%	-5.1%	-4.6%	-2.7%	-2.8%	-3.8%	-15.1%	-70.9%	-30.9%	-5.9%	-32.0%	19.8%	5.1%
Renovation disruption		\$9-11	\$2.3	\$2.6	\$0.1		\$5.0					\$2.0		
<b>Expenses</b>														
Room Costs	\$213.3	\$210.2	\$48.2	\$51.8	\$52.5	\$50.3	\$202.9	\$43.4	\$24.2	\$43.2	\$48.6	\$159.4	\$180.0	\$185.9
Gross Margin	74.3%	73.7%	71.9%	75.2%	73.8%	73.0%	73.6%	70.4%	60.2%	68.8%	72.3%	69.4%	71.2%	71.7%
Food and Beverage Costs	201.2	193.5	46.8	48.4	44.9	46.3	186.4	41.5	22.9	37.4	44.8	146.6	164.5	170.5
Gross Margin	32.2%	32.0%	32.3%	36.1%	26.8%	30.6%	31.7%	28.8%	-3.9%	11.8%	28.6%	20.9%	25.9%	26.9%
Other Hotel Operating Costs (Incl. franchise fees)	277.7	263.0	61.7	64.4	66.0	63.3	255.4	59.2	31.8	54.0	60.6	205.5	233.0	242.1
% of Revenue	23.3%	22.7%	23.9%	21.3%	23.4%	23.2%	22.9%	27.0%	36.0%	27.7%	23.6%	27.1%	25.7%	25.4%
Property General and Administrative (Incl. mgmt fees)	138.5	132.4	32.8	34.0	30.9	32.6	130.3	31.2	27.5	35.0	35.8	129.4	132.4	134.3
% of Revenue	11.6%	11.4%	12.7%	11.2%	11.0%	11.9%	11.7%	14.2%	31.2%	18.0%	13.9%	17.1%	14.6%	14.1%
Corporate Overhead & Other Expenses	28.8	30.2	7.5	8.1	7.4	7.3	30.3	7.1	3.5	5.8	6.9	23.4	25.9	27.2
% of Revenue	2.4%	2.6%	2.9%	2.7%	2.6%	2.7%	2.7%	3.3%	4.0%	3.0%	2.7%	3.1%	2.9%	2.9%
<b>Total Expenses</b>	<b>\$859.6</b>	<b>\$829.3</b>	<b>\$197.1</b>	<b>\$206.8</b>	<b>\$201.8</b>	<b>\$199.7</b>	<b>\$805.3</b>	<b>\$182.3</b>	<b>\$110.0</b>	<b>\$175.4</b>	<b>\$196.7</b>	<b>\$664.4</b>	<b>\$735.8</b>	<b>\$759.9</b>
Y/Y Change	0.4%	-3.5%	-5.4%	-4.7%	-1.6%	0.3%	-2.9%	-7.5%	-46.8%	-13.1%	-1.5%	-17.5%	10.8%	3.3%
<b>Total EBITDA (Not Reported, See Below)</b>	<b>\$334.1</b>	<b>\$329.7</b>	<b>\$60.6</b>	<b>\$96.1</b>	<b>\$79.9</b>	<b>\$73.3</b>	<b>\$309.8</b>	<b>\$36.5</b>	<b>(\$21.8)</b>	<b>\$19.2</b>	<b>\$60.0</b>	<b>\$94.0</b>	<b>\$172.6</b>	<b>\$194.5</b>
Operating Cash Flow Margin	28.0%	28.4%	23.5%	31.7%	28.4%	26.8%	27.8%	16.7%	-24.7%	9.9%	23.4%	12.4%	19.0%	20.4%
Year-over-Year Growth	0.2%	-1.3%	-4.0%	-4.4%	-5.2%	-10.4%	-6.0%	-39.7%	-122.7%	-76.0%	-18.1%	-69.7%	83.7%	12.7%
Hotel Operating Margin	30.4%	31.1%	26.4%	34.4%	31.0%	29.5%	30.5%	19.9%	-20.7%	12.9%	26.1%	15.5%	21.9%	23.2%
Depreciation and Amortization	\$158.6	\$146.4	36.4	36.5	37.6	\$37.3	\$147.7	\$37.1	\$35.8	\$36.8	\$36.1	\$145.9	148.9	152.3
% of Sales	13.3%	12.6%	14.1%	12.1%	13.3%	13.7%	13.2%	17.0%	40.6%	18.9%	14.1%	19.2%	16.4%	16.0%
<b>Operating Income</b>	<b>\$175.4</b>	<b>\$183.3</b>	<b>\$24.2</b>	<b>\$59.6</b>	<b>\$42.3</b>	<b>\$36.0</b>	<b>\$162.1</b>	<b>(\$0.6)</b>	<b>(\$57.6)</b>	<b>(\$17.6)</b>	<b>\$23.9</b>	<b>(\$51.9)</b>	<b>\$23.7</b>	<b>\$42.1</b>
Operating Margin	14.7%	15.8%	9.4%	19.7%	15.0%	13.2%	14.5%	-0.3%	-65.3%	-9.1%	9.3%	-6.8%	2.6%	4.4%
Year-over-Year Growth	2.9%	4.5%	-8.5%	-5.8%	-12.1%	-20.9%	-11.6%	-102.5%	-196.6%	-141.7%	-33.7%	-132.0%	-145.6%	77.9%
Interest and Other Income	4.3	10.5	4.9	4.8	3.8	3.1	16.6	3.5	3.0	2.9	2.9	12.3	11.9	10.1
Interest Expense	(51.8)	(47.7)	(14.3)	(15.8)	(13.3)	(10.8)	(54.2)	(12.1)	(11.2)	(10.9)	(11.1)	(45.3)	(44.6)	(44.6)
Equity in earnings of unconsolidated JVs / other	(35.3)	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-
<b>PreTax Income</b>	<b>\$92.8</b>	<b>\$145.3</b>	<b>\$14.8</b>	<b>\$48.6</b>	<b>\$32.8</b>	<b>\$28.2</b>	<b>\$124.4</b>	<b>(\$9.1)</b>	<b>(\$65.7)</b>	<b>(\$25.7)</b>	<b>\$15.7</b>	<b>(\$84.9)</b>	<b>(\$8.9)</b>	<b>\$7.7</b>
Minority Interest	(7.6)	(8.6)	(1.6)	(2.0)	(2.5)	(1.0)	(7.1)	(2.9)	(3.3)	(3.3)	(3.3)	(12.9)	(12.9)	(12.9)
Tax Benefit (Expense)	7.8	(1.8)	3.1	(2.7)	0.7	(1.0)	0.2	0.2	0.3	0.3	0.3	1.0	(0.5)	(0.5)
Discontinued Operations	7.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Items and Other	45.5	115.6	-	-	-	18.2	18.2	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$145.4</b>	<b>\$250.4</b>	<b>\$16.3</b>	<b>\$44.0</b>	<b>\$31.0</b>	<b>\$44.4</b>	<b>\$135.7</b>	<b>(\$11.8)</b>	<b>(\$68.8)</b>	<b>(\$28.8)</b>	<b>\$12.6</b>	<b>(\$96.8)</b>	<b>(\$22.3)</b>	<b>(\$5.7)</b>
Guidance	\$52.8-157.2	\$10.6-214.3	\$10-14m	\$44-48m	\$32-36m	\$62-67m	\$159-164m	\$7-11m				\$94-119m		
Preferred Dividends	(12.8)	(12.8)	(3.2)	(3.2)	(3.2)	(3.2)	(12.8)	(3.2)	(3.2)	(3.2)	(3.2)	(12.8)	(12.8)	(12.8)
<b>Net Income to Available Common Stockholders</b>	<b>\$132.5</b>	<b>\$237.6</b>	<b>\$13.1</b>	<b>\$40.8</b>	<b>\$27.8</b>	<b>\$41.2</b>	<b>\$122.9</b>	<b>(\$15.0)</b>	<b>(\$72.0)</b>	<b>(\$32.0)</b>	<b>\$9.4</b>	<b>(\$109.6)</b>	<b>(\$35.2)</b>	<b>(\$18.5)</b>
Average Diluted Shares Outstanding	221.8	226.1	227.2	227.4	224.5	223.6	225.7	223.4	223.4	223.4	223.4	223.4	223.4	223.4
<b>Net Income per Share</b>	<b>\$0.60</b>	<b>\$1.05</b>	<b>\$0.06</b>	<b>\$0.18</b>	<b>\$0.12</b>	<b>\$0.18</b>	<b>\$0.54</b>	<b>(\$0.07)</b>	<b>(\$0.32)</b>	<b>(\$0.14)</b>	<b>\$0.04</b>	<b>(\$0.49)</b>	<b>(\$0.16)</b>	<b>(\$0.08)</b>
Net Margin	12.2%	21.6%	6.3%	14.5%	11.0%	16.3%	12.2%	-5.4%	-78.0%	-14.8%	4.9%	-12.8%	-2.5%	-0.6%
<b>Recurring FFO Per Share</b>	<b>\$1.22</b>	<b>\$1.17</b>	<b>\$0.21</b>	<b>\$0.36</b>	<b>\$0.29</b>	<b>\$0.26</b>	<b>\$1.12</b>	<b>\$0.12</b>	<b>(\$0.14)</b>	<b>\$0.04</b>	<b>\$0.23</b>	<b>\$0.25</b>	<b>\$0.62</b>	<b>\$0.70</b>
Year-over-Year Growth	0.6%	-4.3%	2.2%	-3.2%	-2.2%	-10.3%	-3.8%	-42.8%	-137.8%	-85.5%	-13.7%	-77.4%	144.7%	13.2%
Dividend	\$0.75	\$0.69	\$0.05	\$0.05	\$0.05	\$0.59	\$0.74	\$0.05	\$0.00	\$0.00	\$0.00	\$0.05	\$0.60	\$0.60
AFFO Payout Ratio	61%	59%	24%	14%	17%	224%	66%	42%	0%	0%	0%	20%	97%	85%
Payout Ratio (Div/(AFFO - 4% FFE Reserve)	75%	72%	-	-	-	-	80%	-	-	-	-	42%	131%	113%
Average Basic Shares	221.9	224.3	227.2	227.4	224.5	223.6	225.9	223.1	223.4	223.4	223.4	223.3	223.4	223.4
Average Fully Diluted Shares	221.8	226.1	227.2	227.4	224.5	223.6	225.7	223.4	223.4	223.4	223.4	223.4	223.4	223.4
Average Shares Used for FFO Calculation	222.0	226.2	227.5	227.5	224.8	224.1	226.0	223.8	223.8	223.8	223.8	223.8	223.4	223.4
Average Price of Share Repurchases	\$15.77	\$15.34	\$14.40	\$13.24	\$13.22	\$12.66	\$13.38	\$13.50	\$13.22	\$12.94	\$12.67	\$13.08	\$12.41	\$11.77
Source: Company reports and Morgan Stanley estimates.														
<b>Valuation Statistics</b>	<b>2017</b>	<b>2018</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
<b>Morgan Stanley EBITDA</b>	<b>\$334.1</b>	<b>\$329.7</b>	<b>\$60.6</b>	<b>\$96.1</b>	<b>\$79.9</b>	<b>\$73.3</b>	<b>\$309.8</b>	<b>\$36.5</b>	<b>(\$21.8)</b>	<b>\$19.2</b>	<b>\$60.0</b>	<b>\$94.0</b>	<b>\$172.6</b>	<b>\$194.5</b>
Minority Interest (OP Unit Holders)	7.6	8.6	1.6	2.0	2.5	1.0	7.1	2.9	3.3	3.3	3.3	12.9	12.9	12.9
Interest Income	4.3	10.5	4.9	4.8	3.8	3.1	16.6	3.5	3.0	2.9	2.9	12.3	11.9	10.1
Equity in earnings of unconsolidated JVs / other	(35.3)	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense from JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Financing Fees from JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation from JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESO	8.0	9.0	2.1	2.9	2.1	2.1	9.3	2.2	2.5	2.5	2.5	9.7	9.7	9.7
Other Non-recurring	(10.7)	(10.8)	(3.1)	(0.8)	(0.0)	(0.1)	(4.1)	-	-	-	-	-	-	-
Other	30.6	(14.4)	(1.6)	(5.9)	(7.1)	(3.9)	(18.5)	-	-	-	-	-	-	-
<b>Company Reported Adjusted EBITDA</b>	<b>\$338.6</b>	<b>\$331.8</b>	<b>\$64.5</b>	<b>\$99.1</b>	<b>\$81.2</b>	<b>\$75.5</b>	<b>\$320.2</b>	<b>\$45.2</b>	<b>(\$12.9)</b>	<b>\$27.9</b>	<b>\$68.7</b>	<b>\$128.8</b>	<b>\$207.2</b>	<b>\$227.2</b>
Adj EBITDA Margin	28.4%	28.6%	25.0%	32.7%	28.8%	27.6%	28.7%	20.6%	-14.6%	14.3%	26.8%	17.0%	22.8%	23.8%
% Change	2.6%	-2.0%	3.3%	-2.1%	-4.0%	-9.8%	-3.5%	-30.0%	-113.0%	-65.6%	-9.0%	-59.8%	60.8%	9.7%
Incremental Margin	200.7%	19.7%	-15.1%	14.5%	44.3%	103.5%	26.4%	49.8%	52.2%	61.2%	41.6%	53.6%	52.2%	43.6%
Guidance	\$331-335	\$326-329	\$59-62	\$93-96	\$79-82	\$68-72	\$313-317m	\$54-58				\$280-305m		

Source: Company Reports; Morgan Stanley Research Estimates

## Exhibit 96: Cash Flow Statement

Cash Flows (\$ in millions)	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash From Operating Activity</b>														
Net Profit (Loss)	\$153.0	\$259.1	\$17.9	\$45.9	\$33.5	\$45.4	\$142.8	(\$11.8)	(\$68.8)	(\$28.8)	\$12.6	(\$96.8)	(\$22.3)	(\$5.7)
Depreciation and Amortization	156.0	145.0	36.3	36.5	37.6	37.3	147.7	37.1	35.8	36.8	36.1	145.9	148.9	152.3
Amortization of fees, etc	13.6	13.1	0.7	0.5	0.5	1.2	2.9	-	-	-	-	-	-	-
Bad debt expense	0.7	0.8	0.2	0.1	0.1	(0.0)	0.4	-	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-	2.9	3.3	3.3	3.3	12.9	12.9	12.9
Gain on sale of hotel properties	(52.7)	(116.9)	-	-	-	(42.9)	(42.9)	-	-	-	-	-	-	-
Impairment losses	40.1	1.4	-	-	-	24.7	24.7	-	-	-	-	-	-	-
Equity in earnings of unconsolidated JV	-	0.8	-	-	-	-	-	-	-	-	-	-	-	-
Distributions of income from unconsolidated JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	(9.2)	1.1	(3.3)	2.6	0.4	0.9	0.7	-	-	-	-	-	-	-
Changes in Operating Accounts														
Restricted cash	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	3.2	0.9	(8.6)	(6.0)	4.0	9.0	(1.7)	-	-	-	-	-	-	-
Due from affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	(0.0)	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	(1.8)	0.1	(2.1)	6.7	(6.3)	0.4	(1.4)	-	-	-	-	-	-	-
Accounts payable and other accrued expense	(0.8)	3.3	(5.8)	8.3	(0.0)	0.5	2.9	-	-	-	-	-	-	-
Accrued payroll and employee benefits	0.8	(1.6)	(7.9)	3.3	1.6	3.4	0.4	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	4.1	(6.1)	4.2	6.5	3.3	0.5	14.6	-	-	-	-	-	-	-
<b>Cash From Operating Activity</b>	<b>\$310.8</b>	<b>\$300.8</b>	<b>\$31.6</b>	<b>\$104.5</b>	<b>\$74.6</b>	<b>\$80.3</b>	<b>\$290.9</b>	<b>\$28.2</b>	<b>(\$29.7)</b>	<b>\$11.4</b>	<b>\$52.1</b>	<b>\$62.0</b>	<b>\$139.5</b>	<b>\$159.5</b>
<b>Cash From Investing Activities</b>														
Proceeds from sale of hotel properties (Dispositions)	\$150.2	\$349.6	\$0.0	\$0.0	\$0.0	\$49.5	\$49.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisitions of hotel properties	(173.7)	(33.7)	-	(0.2)	-	(0.5)	(0.7)	-	-	-	-	-	-	-
Capital Expenditures	(115.1)	(159.0)	(24.5)	(28.2)	(22.5)	(20.7)	(96.0)	(17.1)	(5.3)	(11.7)	(17.4)	(51.5)	(103.6)	(101.8)
Contributions and advances to JV	-	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-
Other	(7.5)	4.1	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Used in Investing Activities</b>	<b>(\$146.1)</b>	<b>\$160.2</b>	<b>(\$24.5)</b>	<b>(\$28.4)</b>	<b>(\$22.5)</b>	<b>\$28.3</b>	<b>(\$47.2)</b>	<b>(\$17.1)</b>	<b>(\$5.3)</b>	<b>(\$11.7)</b>	<b>(\$17.4)</b>	<b>(\$51.5)</b>	<b>(\$103.6)</b>	<b>(\$101.8)</b>
<b>Cash From Financing Activities</b>														
Proceeds (Payments) on Long-term Debt	54.5	(7.6)	(1.8)	(2.0)	(2.0)	(2.2)	(8.0)	-	-	-	-	-	-	-
Net Proceeds from Equity offering	74.1	45.1	-	-	-	-	-	-	-	-	-	-	-	-
Net Proceeds from Preferred Securities offering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments of deferred financing costs	(3.5)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions/sale of interest cap agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions from members	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Dividend (for forecasting)	(163.0)	(6.4)	-	-	-	-	-	(3.2)	(3.2)	(3.2)	(3.2)	(12.8)	(12.8)	(12.8)
Distributions to members (Regular dividends)	-	(174.4)	(126.5)	(14.6)	(14.6)	(14.5)	(170.2)	(129.9)	-	-	-	(129.9)	(132.1)	(132.1)
Purchase of Treasury Stock	-	-	-	(5.7)	(44.3)	(0.1)	(60.1)	(3.7)	-	-	-	(3.7)	-	-
Payments for costs related to extinguishment of notes payable	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions/distributions to minority holders / Other	(8.3)	7.2	(6.4)	(0.8)	(2.6)	(3.1)	(12.9)	-	-	-	-	-	-	-
<b>Cash From Financing Activity</b>	<b>(\$46.2)</b>	<b>(\$136.0)</b>	<b>(\$134.7)</b>	<b>(\$23.1)</b>	<b>(\$63.5)</b>	<b>(\$19.9)</b>	<b>(\$241.2)</b>	<b>(\$136.8)</b>	<b>(\$3.2)</b>	<b>(\$3.2)</b>	<b>(\$3.2)</b>	<b>(\$146.4)</b>	<b>(\$144.9)</b>	<b>(\$144.9)</b>
<b>Cash &amp; Equivalents - Beginning</b>	<b>\$369.5</b>	<b>\$488.0</b>	<b>\$809.3</b>	<b>\$681.7</b>	<b>\$734.6</b>	<b>\$723.2</b>	<b>\$809.3</b>	<b>\$811.9</b>	<b>\$686.2</b>	<b>\$648.0</b>	<b>\$644.5</b>	<b>\$811.9</b>	<b>\$676.0</b>	<b>\$567.0</b>
Net Increase in Cash & Equivalents	118.5	325.0	(127.6)	53.0	(11.5)	88.7	2.6	(125.7)	(38.2)	(3.5)	31.5	(135.9)	(109.0)	(87.2)
Restatement	-	(3.7)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash &amp; Equivalents - Ending</b>	<b>\$488.0</b>	<b>\$809.3</b>	<b>\$681.7</b>	<b>\$734.6</b>	<b>\$723.2</b>	<b>\$811.9</b>	<b>\$811.9</b>	<b>\$686.2</b>	<b>\$648.0</b>	<b>\$644.5</b>	<b>\$676.0</b>	<b>\$676.0</b>	<b>\$567.0</b>	<b>\$479.9</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 97: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and cash equivalents	\$488.0	\$809.3	\$681.7	\$734.6	\$723.2	\$811.9	\$811.9	\$686.2	\$648.0	\$644.5	\$676.0	\$676.0	\$567.0	\$479.9
Restricted cash	71.3	53.1	50.7	46.2	46.2	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1
Accounts receivable, net	34.2	33.8	42.3	48.2	44.0	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2
Due from affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	1.3	1.1	1.1	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	10.5	11.2	14.3	8.7	14.4	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Other	122.8	-	-	-	18.5	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>\$728.1</b>	<b>\$908.5</b>	<b>\$790.08</b>	<b>\$837.8</b>	<b>\$846.3</b>	<b>\$908.8</b>	<b>\$908.8</b>	<b>\$783.1</b>	<b>\$744.9</b>	<b>\$741.4</b>	<b>\$772.9</b>	<b>\$772.9</b>	<b>\$663.9</b>	<b>\$576.7</b>
Gross Investment in Hotels & Other Real Estate	\$4,243.0	4,244.9	4,197.0	4,223.4	4,235.1	4,233.9	4,233.9	4,251.0	4,256.3	4,268.0	4,285.4	4,285.4	4,389.0	4,490.8
Accumulated Depreciation	(\$1,136.9)	(1,213.9)	(1,250.2)	(1,286.7)	(1,324.3)	(1,361.5)	(1,361.5)	(1,398.6)	(1,434.4)	(1,471.3)	(1,507.4)	(1,507.4)	(1,656.3)	(1,808.7)
Net Investment in Hotels & Other Real Estate	\$3,106.1	\$3,031.0	\$2,946.8	\$2,936.7	\$2,910.9	\$2,872.4	\$2,872.4	\$2,852.4	\$2,821.9	\$2,796.7	\$2,778.0	\$2,778.0	\$2,732.6	\$2,682.1
Deferred financing costs, net	\$1.3	3.5	3.5	3.1	2.9	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Interest rate cap agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in unconsolidated JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets, net	22.3	29.8	150.2	148.1	138.8	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1
<b>Total Assets</b>	<b>\$3,857.8</b>	<b>\$3,972.8</b>	<b>\$3,890.7</b>	<b>\$3,925.7</b>	<b>\$3,898.8</b>	<b>\$3,919.0</b>	<b>\$3,919.0</b>	<b>\$3,773.3</b>	<b>\$3,704.6</b>	<b>\$3,676.0</b>	<b>\$3,688.7</b>	<b>\$3,688.7</b>	<b>\$3,534.4</b>	<b>\$3,396.7</b>
<b>Liabilities</b>														
Accounts Payable and Accrued Expenses	31.8	30.4	34.7	32.1	33.1	35.6	35.6	35.6	35.6	35.6	35.6	35.6	35.6	35.6
Accrued payroll and employee benefits	26.7	25.0	17.1	20.4	21.4	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Due to Management Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends/Distributions Payable	133.9	126.5	14.6	14.6	14.5	135.9	135.9	11.2	-	-	-	-	-	-
Other current liabilities	44.7	50.8	46.0	54.1	64.6	129.1	129.1	253.8	264.9	264.9	264.9	264.9	264.9	264.9
<b>Total Current Liabilities</b>	<b>\$237.1</b>	<b>\$232.7</b>	<b>\$112.4</b>	<b>\$121.2</b>	<b>\$133.5</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>	<b>\$325.6</b>
<b>Notes Payable</b>														
Revolving Credit Facility (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed secured mortgage debt @ 8.51% due 07	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed secured mortgage debt @ 8.25% due 08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed secured mortgage debt @ 5.95% due 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry facility mortgage debt @ 9.88% due 6/13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio mortgage debt @ 5.34% due 5/15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renaissance Long Beach mortgage debt @ 4.98% due 7/1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renaissance Harborplace mortgage debt @ 5.13% due 1/1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renaissance Orlando mortgage debt @ 5.52% due 7/16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed secured mortgage debt @ 7.50% due 08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed secured mortgage debt @ 6.12% due 14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marriott Del Mar Mortgage loan @ 5.69% due 1/16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renaissance DC mortgage debt @ 5.95% due 5/21	116.8	114.0	113.3	112.6	111.8	111.1	111.1	111.1	111.1	111.1	111.1	111.1	111.1	111.1
Hilton Houston mortgage debt @ 5.66% due 3/16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Embassy Suites Chicago mortgage debt @ 5.58% due 3/1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boston Park Plaza mortgage debt @ 4.40% due 2/18	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Embassy La Jolla mortgage debt @ 4.12% due 1/25	61.7	60.5	60.2	59.9	59.5	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2
Fixed secured mortgage debt @ 6.14% due 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marriott Long Wharf mortgage debt @ 5.58% due 4/17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JW New Orleans secured mortgage debt @ 4.15% due 12/2	85.3	83.6	83.2	82.8	82.3	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9
DoubleTree Times Square Debt due 10/18 at L+325bps	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hilton Bayfront secured mortgage @L+105 due 12/20	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0	220.0
Senior Exchangeable Notes @ 4.6% due 2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Variable Secured Mortgage debt @ +2.35% due 07	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan Facility due 10/08 @ +4.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan Facility due 10/08 @ +2.25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan Facility due 09/22 @ 3.39%	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Term Loan Facility due 01/23 @ 3.65%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Time Square Hilton fixed rate debt @ 4.97% due 11/20	81.5	79.7	79.3	78.8	78.4	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7
Revolving Credit Facility (secured) due 10/07	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan due May 2006	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Notes Payable due 11/23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mezzanine Notes payable due 10/05	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed senior unsecured notes @ 4.69% due 1/26	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Fixed senior unsecured notes @ 4.79% due 1/28	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued pension liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	48.2	46.1	87.0	87.4	75.7	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Series C Convertible Redeemable Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$1,275.6</b>	<b>\$1,261.7</b>	<b>\$1,180.4</b>	<b>\$1,187.7</b>	<b>\$1,186.3</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>	<b>\$1,297.9</b>
<b>Members' Equity</b>														
Members' capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Stock	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0	190.0
Common Stock	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Additional Paid in Capital	2,679.2	2,728.7	2,726.5	2,723.7	2,681.8	2,683.9	2,683.9	2,683.9	2,683.9	2,683.9	2,683.9	2,683.9	2,683.9	2,683.9
Unearned and accrued stock compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative dividends and Treasury Stock	(1,270.0)	(1,440.2)	(1,454.8)	(1,469.5)	(1,483.9)	(1,619.8)	(1,619.8)	(1,623.5)	(1,623.5)	(1,623.5)	(1,623.5)	(1,623.5)	(1,623.5)	(1,623.5)
Retained Earnings	932.3	1,182.7	1,199.0	1,243.0	1,274.0	1,318.5	1,318.5	1,173.6	1,101.6	1,069.6	1,079.0	1,079.0	911.8	761.2
Accumulated Other Comprehensive Loss (Non- Cont. in J)	48.4	47.7	47.3	48.5	48.4	46.2	46.2	49.1	52.5	55.8	59.1	59.1	72.0	84.9
<b>Total Shareholders' Equity</b>	<b>\$2,582.2</b>	<b>\$2,711.2</b>	<b>\$2,710.3</b>	<b>\$2,738.1</b>	<b>\$2,712.5</b>	<b>\$2,621.1</b>	<b>\$2,621.1</b>	<b>\$2,475.4</b>	<b>\$2,406.7</b>	<b>\$2,378.1</b>	<b>\$2,390.8</b>	<b>\$2,390.8</b>	<b>\$2,236.4</b>	<b>\$2,098.8</b>
<b>Total Liabilities and Equity</b>	<b>\$3,857.8</b>	<b>\$3,972.8</b>	<b>\$3,890.7</b>	<b>\$3,925.7</b>	<b>\$3,898.8</b>	<b>\$3,919.0</b>	<b>\$3,919.0</b>	<b>\$3,773.3</b>	<b>\$3,704.6</b>	<b>\$3,676.0</b>	<b>\$3,688.7</b>	<b>\$3,688.7</b>	<b>\$3,534.4</b>	<b>\$3,396.7</b>

Source: Company Reports; Morgan Stanley Research Estimates

# VICI Properties Inc Model

Exhibit 98: Income Statement & AFFO Build

INCOME STATEMENT (\$ in millions)	2017	2018A	1Q19	2Q19	3Q19A	4Q19E	2019E	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenue</b>														
Earned income from direct financing leases	\$150.2	\$741.6	\$195.8	\$201.5	\$206.0	\$218.9	\$822.2	\$236.4	\$240.9	\$304.2	\$307.1	\$1,088.6	\$1,238.0	\$1,257.2
Rental income from operating leases	11.5	48.0	10.9	10.9	10.9	10.9	43.7	11.0	11.0	11.0	11.1	44.0	44.8	45.6
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.6	2.3	2.3	2.3
Golf revenue	6.4	27.2	7.3	8.3	5.6	7.7	28.9	6.2	4.1	4.5	7.5	22.4	26.9	27.3
Reimbursed taxes and insurance	19.6	81.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total revenue</b>	<b>\$187.6</b>	<b>\$898.0</b>	<b>\$214.0</b>	<b>\$220.7</b>	<b>\$222.5</b>	<b>\$237.5</b>	<b>\$894.9</b>	<b>\$254.2</b>	<b>\$256.6</b>	<b>\$320.2</b>	<b>\$326.3</b>	<b>\$1,157.3</b>	<b>\$1,311.9</b>	<b>\$1,332.4</b>
Cash rent	\$150.2	\$744.1	\$204.2	\$210.2	\$219.4	\$232.4	\$866.2	\$249.7	\$254.2	\$317.4	\$320.5	\$1,141.8	\$1,291.9	\$1,312.0
<b>Expenses</b>														
Golf expenses	4.1	17.4	4.1	4.8	5.4	4.5	18.9	4.1	2.9	4.6	4.4	16.0	17.6	18.0
Reimbursed taxes and insurance	19.6	81.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
G&A expense	9.9	24.4	6.2	6.5	6.7	5.1	24.6	7.5	7.5	7.5	7.5	30.0	30.6	31.2
Acquisition related costs	9.0	0.4	0.9	2.9	1.0	0.2	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA (not Adjusted)</b>	<b>\$144.9</b>	<b>\$774.0</b>	<b>\$202.8</b>	<b>\$206.5</b>	<b>\$209.4</b>	<b>\$227.6</b>	<b>\$846.4</b>	<b>\$242.6</b>	<b>\$246.2</b>	<b>\$308.1</b>	<b>\$314.3</b>	<b>\$1,111.2</b>	<b>\$1,263.7</b>	<b>\$1,283.2</b>
<b>NOI</b>	<b>\$163.9</b>	<b>\$798.8</b>	<b>\$209.9</b>	<b>\$215.9</b>	<b>\$217.1</b>	<b>\$233.0</b>	<b>\$876.0</b>	<b>\$250.1</b>	<b>\$253.7</b>	<b>\$315.6</b>	<b>\$321.8</b>	<b>\$1,141.2</b>	<b>\$1,294.3</b>	<b>\$1,314.4</b>
Cash NOI	152.4	750.8	199.0	205.0	206.2	222.1	832.2	239.1	242.7	304.6	310.7	1,097.2	1,249.5	1,268.8
Interest expense	\$63.1	\$201.4	\$48.4	\$50.8	\$61.8	\$67.3	\$228.4	\$70.1	\$74.7	\$74.5	\$74.2	\$293.4	\$293.1	\$287.5
Debt extinguishment costs	38.5	23.0	0.0	0.0	0.0	58.1	58.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of deferred financing costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-real estate depreciation	0.8	3.7	0.9	1.0	1.0	0.9	3.8	0.9	1.0	1.0	0.9	3.9	4.0	4.1
Acquisition costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax income</b>	<b>\$42.6</b>	<b>\$533.6</b>	<b>\$153.447</b>	<b>\$154.7</b>	<b>\$146.5</b>	<b>\$101.3</b>	<b>\$556.1</b>	<b>\$171.6</b>	<b>\$170.5</b>	<b>\$232.6</b>	<b>\$239.3</b>	<b>\$814.0</b>	<b>\$966.6</b>	<b>\$991.6</b>
Taxes	(1.9)	1.4	0.5	0.6	0.0	0.6	1.7	0.3	0.1	(0.3)	0.6	0.7	1.4	1.4
<b>Net Income</b>	<b>\$44.5</b>	<b>\$532.1</b>	<b>\$152.926</b>	<b>\$154.1</b>	<b>\$146.5</b>	<b>\$100.7</b>	<b>\$554.4</b>	<b>\$171.2</b>	<b>\$170.5</b>	<b>\$232.9</b>	<b>\$238.7</b>	<b>\$813.3</b>	<b>\$965.1</b>	<b>\$990.2</b>
Less: Net income attributable to noncontrolling interests	(1.9)	(8.5)	(2.1)	(2.1)	(2.1)	(2.1)	(8.3)	(1.5)	(1.5)	(1.5)	(1.5)	(5.8)	(5.8)	(5.8)
<b>Net Income attributable to common shareholders</b>	<b>\$42.7</b>	<b>\$523.6</b>	<b>\$150.849</b>	<b>\$152.0</b>	<b>\$144.4</b>	<b>\$98.6</b>	<b>\$546.1</b>	<b>\$169.8</b>	<b>\$169.0</b>	<b>\$231.5</b>	<b>\$237.2</b>	<b>\$807.4</b>	<b>\$959.3</b>	<b>\$984.4</b>
Average Diluted Shares Outstanding	228.0	367.3	406.0	412.8	465.8	472.6	439.6	480.1	480.1	533.5	533.5	506.8	533.5	533.5
<b>Earnings per share</b>	<b>\$0.19</b>	<b>\$1.43</b>	<b>\$0.37</b>	<b>\$0.37</b>	<b>\$0.31</b>	<b>\$0.21</b>	<b>\$1.24</b>	<b>\$0.35</b>	<b>\$0.35</b>	<b>\$0.43</b>	<b>\$0.44</b>	<b>\$1.59</b>	<b>\$1.80</b>	<b>\$1.85</b>
<b>AFFO &amp; EBITDA Calculations</b>														
Net Income	\$42.7	\$523.6	\$150.8	\$152.0	\$144.4	\$98.6	\$546.0	\$169.8	\$169.0	\$231.5	\$237.2	\$807.4	\$959.3	\$984.4
Real estate depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Funds from operations (FFO)</b>	<b>\$42.7</b>	<b>\$523.6</b>	<b>\$150.8</b>	<b>\$152.0</b>	<b>\$144.4</b>	<b>\$98.6</b>	<b>\$546.0</b>	<b>\$169.8</b>	<b>\$169.0</b>	<b>\$231.5</b>	<b>\$237.2</b>	<b>\$807.4</b>	<b>\$959.3</b>	<b>\$984.4</b>
Direct financing lease adjustment	(8.4)	(44.9)	(2.4)	(2.2)	2.6	2.6	0.5	2.3	2.3	2.3	2.3	9.4	9.4	9.4
Debt extinguishment costs	38.5	23.0	0.0	0.0	0.0	58.1	58.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash compensation	1.4	2.3	1.1	1.4	1.4	1.4	5.2	1.9	1.9	1.9	1.9	7.6	7.6	7.6
Non-real estate depreciation	0.8	3.7	0.9	1.0	1.0	0.9	3.8	0.9	1.0	1.0	0.9	3.9	4.0	4.1
Capital expenditures (from golf TRS)	0.0	(0.6)	(1.2)	(0.2)	(0.6)	(0.1)	(2.1)	(1.2)	(0.2)	(0.6)	(0.1)	(2.1)	(2.1)	(2.1)
Amortization of deferred financing costs	0.2	6.0	1.5	1.9	14.8	14.9	33.0	7.0	4.5	4.5	4.5	20.5	18.0	18.0
Other	9.0	12.7	0.9	2.9	1.0	0.2	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted Funds from Operations (AFFO)</b>	<b>\$84.1</b>	<b>\$526.0</b>	<b>\$151.5</b>	<b>\$156.8</b>	<b>\$164.6</b>	<b>\$176.6</b>	<b>\$649.6</b>	<b>\$180.8</b>	<b>\$178.6</b>	<b>\$240.6</b>	<b>\$246.8</b>	<b>\$846.8</b>	<b>\$996.2</b>	<b>\$1,021.3</b>
<b>FFO per share</b>	<b>\$0.19</b>	<b>\$1.43</b>	<b>\$0.37</b>	<b>\$0.37</b>	<b>\$0.31</b>	<b>\$0.21</b>	<b>\$1.24</b>	<b>\$0.35</b>	<b>\$0.35</b>	<b>\$0.43</b>	<b>\$0.44</b>	<b>\$1.59</b>	<b>\$1.80</b>	<b>\$1.85</b>
<b>AFFO per share</b>	<b>\$0.37</b>	<b>\$1.43</b>	<b>\$0.37</b>	<b>\$0.38</b>	<b>\$0.35</b>	<b>\$0.37</b>	<b>\$1.48</b>	<b>\$0.38</b>	<b>\$0.37</b>	<b>\$0.45</b>	<b>\$0.46</b>	<b>\$1.67</b>	<b>\$1.87</b>	<b>\$1.91</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 99: Cash Flow Statement

Cash Flow Statement	2017	2018A	1Q19	2Q19	3Q19A	4Q19E	2019E	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
Net income	\$44.5	\$532.1	\$152.9	\$154.1	\$146.5	\$100.7	\$554.3	\$171.2	\$170.5	\$232.9	\$238.7	\$813.3	\$965.1	\$990.2
Direct financing lease adjustment	(11.5)	(45.4)	(2.5)	(2.3)	2.5	2.5	0.2	2.3	2.3	2.3	2.3	9.2	9.2	9.2
Non-real estate depreciation	0.8	3.7	0.9	1.0	1.0	0.9	3.8	0.9	1.0	1.0	0.9	3.9	4.0	4.1
Non-cash compensation	1.4	2.3	1.1	1.4	1.4	1.4	5.2	1.9	1.9	1.9	1.9	7.6	7.6	7.6
Amortization of deferred financing costs	0.0	6.0	1.5	1.9	14.8	14.9	33.0	7.0	4.5	4.5	4.5	20.5	18.0	18.0
Other working capital changes	0.0	5.4	(38.2)	(9.9)	9.1	0.0	(39.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating free cash flow</b>	<b>\$35.1</b>	<b>\$504.1</b>	<b>\$115.642</b>	<b>\$147.3</b>	<b>\$174.3</b>	<b>\$120.4</b>	<b>\$557.6</b>	<b>\$183.4</b>	<b>\$180.2</b>	<b>\$242.6</b>	<b>\$248.3</b>	<b>\$854.5</b>	<b>\$1,003.9</b>	<b>\$1,011.1</b>
Capital expenditures	(0.6)	(0.9)	(1.2)	(0.3)	(0.9)	(0.1)	(2.5)	(1.2)	(0.3)	(0.9)	(0.1)	(2.5)	(2.5)	(2.5)
Acquisition of real estate investment assets	(1,063.0)	(612.5)	0.0	(971.9)	(558.7)	(278.0)	(1,808.6)	(893.3)	38	(3,407.5)	0.0	(4,263.3)	0.0	0.0
Collections of principals payments on investments in DFLs and other	0.0	(527.5)	(100.0)	524.3	(247.2)	0.0	177.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Investing free cash flow</b>	<b>(\$1,063.6)</b>	<b>(\$1,140.9)</b>	<b>(\$101.160)</b>	<b>(\$447.9)</b>	<b>(\$806.8)</b>	<b>(\$278.1)</b>	<b>(\$1,633.9)</b>	<b>(\$894.5)</b>	<b>\$37.2</b>	<b>(\$3,408.4)</b>	<b>(\$0.1)</b>	<b>(\$4,265.8)</b>	<b>(\$2.5)</b>	<b>(\$2.5)</b>
Dividends paid	(59.8)	(262.7)	(116.3)	(118.1)	(132.4)	(140.6)	(507.5)	(142.8)	(142.8)	(192.5)	(197.4)	(675.5)	(796.8)	(816.9)
Debt issuance / (repayment)	(400.0)	(690.1)	0.0	0.0	0.0	0.0	666.1	221.5	1,720.0	(30.0)	(30.0)	1,881.5	(120.0)	(120.0)
Proceeds from equity issuance	1,000.0	2,001.5	128.1	1,036.9	(0.6)	0.0	1,164.4	202.1	0.0	1,107.0	0.0	1,309.1	0.0	0.0
Equity issuance costs and other	(30.0)	(17.7)	(5.8)	(11.2)	(8.2)	302.7	277.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financing free cash flow</b>	<b>\$510.2</b>	<b>\$1,031.0</b>	<b>\$5.9</b>	<b>\$907.6</b>	<b>(\$141.3)</b>	<b>\$828.2</b>	<b>\$1,600.4</b>	<b>\$280.8</b>	<b>\$1,577.2</b>	<b>\$884.6</b>	<b>(\$227.4)</b>	<b>\$2,515.1</b>	<b>(\$916.8)</b>	<b>(\$936.9)</b>
Net change in cash	(\$518.3)	\$394.2	\$20.4	\$607.1	(\$773.9)	\$670.5	\$524.0	(\$430.3)	\$1,794.6	(\$2,281.3)	\$20.8	(\$896.2)	\$84.6	\$71.6
Beginning cash	701.9	183.6	\$77.9	\$98.3	1,205.3	431.4	577.9	1,101.9	671.6	2,466.1	184.9	1,101.9	205.7	290.3
<b>Ending cash</b>	<b>\$183.6</b>	<b>\$577.9</b>	<b>\$98.3</b>	<b>\$1,205.3</b>	<b>\$431.4</b>	<b>\$1,101.9</b>	<b>\$1,101.9</b>	<b>\$671.6</b>	<b>\$2,466.1</b>	<b>\$184.9</b>	<b>\$205.7</b>	<b>\$205.7</b>	<b>\$290.3</b>	<b>\$361.9</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 100: Balance Sheet

Balance Sheet	2017	2018A	1Q19	2Q19	3Q19A	4Q19E	2019E	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E
<b>Assets</b>													
Real estate investments - operating													
Accounted for using operating method	\$1,110.4	\$1,086.7	1,086.7	1,086.7	10,455.9	1,086.7	\$1,086.7	1,086.7	1,086.7	1,086.7	1,086.7	\$1,086.7	\$1,086.7
Land	73.6	95.8	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7
Total real estate investments - operating	\$1,184.0	\$1,182.4	\$1,181.4	\$1,181.4	\$10,550.6	\$1,181.4	\$1,181.4	\$1,181.4	\$1,181.4	\$1,181.4	\$1,181.4	\$1,181.4	\$1,181.4
PP&E, net	\$74.3	\$71.5	\$71.8	\$112.5	\$137.0	\$136.3	\$136.3	\$136.5	\$135.8	\$135.7	\$134.9	\$134.9	\$133.4
Cash and equivalents	183.6	577.9	598.3	1,205.3	431.4	1,101.9	1,101.9	671.6	2,466.1	184.9	205.7	205.7	290.3
Restricted cash	13.8	20.6	24.4	28.2	32.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment in direct finance leases, net	8,268.6	8,916.0	9,186.1	9,897.0	1,086.7	10,734.2	10,734.2	11,625.2	11,585.5	14,990.7	14,988.4	14,988.4	14,979.2
Other assets	15.4	564.9	386.7	97.6	343.6	111.9	111.9	111.9	111.9	111.9	111.9	111.9	111.9
<b>Total Assets</b>	<b>\$9,739.7</b>	<b>\$11,333.4</b>	<b>\$11,448.7</b>	<b>\$12,522.0</b>	<b>\$12,581.5</b>	<b>\$13,265.6</b>	<b>\$13,265.6</b>	<b>\$13,726.5</b>	<b>\$15,480.6</b>	<b>\$16,604.4</b>	<b>\$16,622.2</b>	<b>\$16,622.2</b>	<b>\$16,696.1</b>
<b>Liabilities</b>													
Debt, face amount	\$4,816.9	\$4,148.5	\$4,148.5	\$4,148.5	\$4,148.5	\$4,848.5	\$4,848.5	\$5,070.0	\$6,790.0	\$6,760.0	\$6,730.0	\$6,730.0	\$6,610.0
Debt amortization, other	(31.1)	(26.2)	(25.1)	(24.0)	(23.0)	(56.9)	(56.9)	(56.9)	(56.9)	(56.9)	(56.9)	(56.9)	(56.9)
Debt, net	\$4,785.8	\$4,122.3	\$4,123.4	\$4,124.4	\$4,125.5	\$4,791.6	\$4,791.6	\$5,013.1	\$6,733.1	\$6,703.1	\$6,673.1	\$6,673.1	\$6,553.1
Accrued interest	21.6	14.2	24.7	14.0	23.9	20.2	20.2	20.2	20.2	20.2	20.2	20.2	20.2
Deferred financing liability	73.6	73.6	73.6	73.6	73.6	73.6	73.6	80.6	85.1	89.6	94.1	94.1	112.1
Deferred revenue	68.1	43.6	0.4	0.0	0.3	70.3	70.3	70.3	70.3	70.3	70.3	70.3	70.3
Dividends payable	0.0	116.3	118.1	132.4	137.0	137.1	137.1	137.1	137.1	137.1	137.1	137.1	137.1
Accounts payable and accrued expenses	10.6	62.4	62.7	105.2	147.1	123.9	123.9	123.9	123.9	123.9	123.9	123.9	123.9
Deferred income taxes	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	\$4,963.3	\$4,432.3	\$4,402.8	\$4,449.6	\$4,507.4	\$5,216.6	\$5,216.6	\$5,445.2	\$7,169.7	\$7,144.2	\$7,118.7	\$7,118.7	\$7,016.7
<b>Shareholder's equity</b>													
Common stock at par value	\$3.0	\$4.0	4.1	4.6	4.6	4.6	\$4.6	4.6	4.6	4.6	4.6	\$4.6	\$4.6
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid in capital	4,645.8	6,648.4	6,777.7	7,814.8	7,816.2	7,817.6	7,817.6	8,021.6	8,023.5	9,132.4	9,134.3	9,134.3	9,141.9
Retained earnings	42.7	165.0	180.5	169.3	169.5	143.0	143.0	171.4	199.0	239.5	280.8	280.8	449.1
Non-controlling interests	84.9	83.6	83.6	83.7	83.8	83.8	83.8	83.8	83.8	83.8	83.8	83.8	83.8
Total shareholder's equity	\$4,776.4	\$6,901.0	\$7,045.9	\$8,072.4	\$8,074.1	\$8,049.0	\$8,049.0	\$8,281.4	\$8,310.9	\$9,460.3	\$9,503.5	\$9,503.5	\$9,679.4
<b>Total Liabilities and Equity</b>	<b>\$9,739.7</b>	<b>\$11,333.4</b>	<b>\$11,448.7</b>	<b>\$12,522.0</b>	<b>\$12,581.5</b>	<b>\$13,265.6</b>	<b>\$13,265.6</b>	<b>\$13,726.5</b>	<b>\$15,480.6</b>	<b>\$16,604.4</b>	<b>\$16,622.2</b>	<b>\$16,622.2</b>	<b>\$16,696.1</b>

Source: Company Filings, Morgan Stanley Research estimates

# Wynn Resorts, Limited Model

Exhibit 101: Income Statement

INCOME STATEMENT	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Revenue</b>														
Wynn and Encore Las Vegas	\$1,703.0	\$1,665.6	\$401.0	\$464.1	\$399.5	\$368.8	\$1,633.4	\$332.8	\$125.7	\$281.0	\$370.7	\$1,110.2	\$1,440.9	\$1,517.0
Wynn Macau	2,336.9	2,294.5	523.9	546.5	474.3	525.4	2,070.1	223.2	235.0	422.6	518.4	1,399.1	1,902.4	2,118.2
Wynn Cotai	2,030.3	2,757.6	726.6	628.9	598.2	590.0	2,543.7	251.6	279.7	501.2	609.8	1,642.3	2,289.8	2,594.1
Encore Everett	-	-	18.8	175.8	169.3	-	363.9	148.3	65.1	135.6	175.5	524.5	680.8	721.0
<b>Total Net Revenue</b>	<b>\$6,070.2</b>	<b>\$6,717.7</b>	<b>\$1,651.5</b>	<b>\$1,658.3</b>	<b>\$1,647.8</b>	<b>\$1,653.5</b>	<b>\$6,611.1</b>	<b>\$955.9</b>	<b>\$705.5</b>	<b>\$1,340.4</b>	<b>\$1,674.3</b>	<b>\$4,676.1</b>	<b>\$6,313.9</b>	<b>\$6,950.3</b>
% growth (y-o-y)	41.2%	10.7%	-3.7%	3.3%	-3.6%	-2.0%	-1.6%	-42.1%	-57.5%	-18.7%	7.3%	-29.3%	35.0%	10.7%
<b>EBITDA</b>														
Wynn and Encore Las Vegas	\$522.4	\$467.3	\$108.3	\$137.4	\$88.0	\$80.1	\$413.9	\$61.5	(\$3.8)	\$52.1	\$90.3	\$200.0	\$376.3	\$420.9
Wynn Macau	760.8	733.2	163.9	175.9	139.0	170.1	648.8	11.5	17.3	107.4	147.9	284.1	521.8	620.7
Wynn Cotai	527.6	843.9	222.6	167.2	162.2	177.6	729.5	(9.2)	2.0	112.6	160.1	265.4	575.8	698.3
Encore Everett	-	-	-	0.1	7.7	15.3	23.2	11.4	(1.9)	7.9	33.6	51.1	148.1	171.6
<b>Total Adjusted Property EBITDA</b>	<b>\$1,810.7</b>	<b>\$2,044.5</b>	<b>\$494.8</b>	<b>\$480.6</b>	<b>\$396.9</b>	<b>\$443.1</b>	<b>\$1,815.4</b>	<b>\$75.2</b>	<b>\$13.6</b>	<b>\$279.9</b>	<b>\$431.9</b>	<b>\$800.6</b>	<b>\$1,622.0</b>	<b>\$1,911.5</b>
% growth (y-o-y)	43.8%	12.9%	-12.3%	0.9%	-21.3%	-11.3%	-11.2%	-84.8%	-97.2%	-29.5%	-2.5%	-55.9%	102.6%	17.8%
Corporate and other	102.6	144.5	62.5	35.3	26.0	26.4	150.2	25.0	15.0	20.0	20.0	80.0	120.0	126.0
Stock-based compensation	44.0	36.5	10.0	9.5	10.3	9.9	39.7	9.5	15.0	15.0	15.0	54.5	39.7	40.7
<b>Total EBITDA</b>	<b>\$1,664.2</b>	<b>\$1,863.5</b>	<b>\$422.2</b>	<b>\$435.8</b>	<b>\$360.7</b>	<b>\$406.8</b>	<b>\$1,625.5</b>	<b>\$40.7</b>	<b>(\$16.4)</b>	<b>\$244.9</b>	<b>\$396.9</b>	<b>\$666.1</b>	<b>\$1,462.3</b>	<b>\$1,744.8</b>
Pre-opening expense	26.7	53.5	27.7	69.9	1.6	2.8	102.0	-	-	-	-	-	-	-
Depreciation and amortization	552.4	550.6	136.6	140.3	173.0	175.1	624.9	171.3	171.1	172.1	173.7	688.3	696.4	711.1
Property charges and other	29.6	60.3	2.8	6.9	8.2	2.4	20.3	-	-	-	-	-	-	-
<b>Operating income</b>	<b>\$1,055.6</b>	<b>\$1,199.2</b>	<b>\$255.2</b>	<b>\$218.7</b>	<b>\$177.8</b>	<b>\$226.6</b>	<b>\$878.3</b>	<b>(\$130.7)</b>	<b>(\$187.6)</b>	<b>\$72.8</b>	<b>\$223.3</b>	<b>(\$22.2)</b>	<b>\$765.9</b>	<b>\$1,033.6</b>
Interest income	31.2	29.9	7.3	6.3	6.4	4.5	24.4	7.4	4.0	3.4	3.7	18.5	13.7	8.1
Interest expense, net	(388.7)	(381.8)	(93.2)	(93.1)	(114.7)	(113.0)	(414.0)	(103.9)	(96.2)	(91.8)	(89.6)	(381.5)	(369.7)	(353.5)
Income from unconsol. affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	202.1	(541.4)	(7.9)	8.4	(23.0)	22.0	(0.5)	-	-	-	-	-	-	-
<b>Income before taxes</b>	<b>\$900.2</b>	<b>\$305.7</b>	<b>\$161.4</b>	<b>\$140.2</b>	<b>\$46.6</b>	<b>\$139.9</b>	<b>\$488.2</b>	<b>(\$227.2)</b>	<b>(\$279.8)</b>	<b>(\$15.6)</b>	<b>\$137.4</b>	<b>(\$385.3)</b>	<b>\$409.9</b>	<b>\$688.2</b>
Income tax benefit (expense)	(10.9)	497.3	(1.7)	2.0	(19.7)	(157.4)	(176.8)	0.8	21.1	(2.4)	(8.5)	11.0	(24.1)	(40.0)
<b>Net income</b>	<b>\$889.3</b>	<b>\$803.1</b>	<b>\$159.8</b>	<b>\$142.2</b>	<b>\$26.9</b>	<b>(\$17.5)</b>	<b>\$311.4</b>	<b>(\$226.4)</b>	<b>(\$258.7)</b>	<b>(\$18.1)</b>	<b>\$128.8</b>	<b>(\$374.3)</b>	<b>\$385.8</b>	<b>\$648.2</b>
Net Income attributable to non-controlling interest	(142.1)	(230.7)	(54.9)	(47.7)	(30.4)	(55.5)	(188.4)	29.9	24.6	(25.9)	(49.1)	(20.5)	(133.4)	(175.4)
<b>Net Income attributable to Wynn</b>	<b>\$747.2</b>	<b>\$572.4</b>	<b>\$104.9</b>	<b>\$94.6</b>	<b>(\$3.5)</b>	<b>(\$72.9)</b>	<b>\$123.0</b>	<b>(\$196.4)</b>	<b>(\$234.1)</b>	<b>(\$44.0)</b>	<b>\$79.7</b>	<b>(\$394.8)</b>	<b>\$252.4</b>	<b>\$472.9</b>
<b>Plus: Non-recurring items</b>														
Pre-opening expenses	26.7	53.5	27.7	69.9	1.6	2.8	102.0	-	-	-	-	-	-	-
Property charges	29.6	60.3	2.8	6.9	8.2	2.4	20.3	-	-	-	-	-	-	-
Other	(213.9)	(332.5)	40.2	(7.1)	23.0	(15.2)	40.8	-	-	-	-	-	-	-
Tax impact / Noncontrolling Interests	(37.6)	345.8	(3.0)	(10.4)	(10.8)	17.4	(6.6)	-	-	-	-	-	-	-
<b>Total Non-recurring items</b>	<b>(\$195.3)</b>	<b>\$127.0</b>	<b>\$67.7</b>	<b>\$59.4</b>	<b>\$22.0</b>	<b>\$7.4</b>	<b>\$156.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Recurring Net income attr. to Wynn</b>	<b>\$551.9</b>	<b>\$699.5</b>	<b>\$172.6</b>	<b>\$153.9</b>	<b>\$18.5</b>	<b>(\$65.6)</b>	<b>\$279.5</b>	<b>(\$196.4)</b>	<b>(\$234.1)</b>	<b>(\$44.0)</b>	<b>\$79.7</b>	<b>(\$394.8)</b>	<b>\$252.4</b>	<b>\$472.9</b>
<b>Reported Diluted EPS</b>	<b>\$7.28</b>	<b>\$5.35</b>	<b>\$0.98</b>	<b>\$0.88</b>	<b>(\$0.03)</b>	<b>(\$0.68)</b>	<b>\$1.15</b>	<b>(\$1.84)</b>	<b>(\$2.20)</b>	<b>(\$0.41)</b>	<b>\$0.75</b>	<b>(\$3.70)</b>	<b>\$2.36</b>	<b>\$4.42</b>
<b>Recurring Diluted EPS</b>	<b>\$5.38</b>	<b>\$6.54</b>	<b>\$1.61</b>	<b>\$1.44</b>	<b>\$0.17</b>	<b>(\$0.62)</b>	<b>\$2.61</b>	<b>(\$1.84)</b>	<b>(\$2.20)</b>	<b>(\$0.41)</b>	<b>\$0.75</b>	<b>(\$3.70)</b>	<b>\$2.36</b>	<b>\$4.42</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 102: Cash Flow Statement

CASH FLOW (\$ in millions)	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Operating Activities</b>														
Net Income	\$889.3	\$803.1	\$159.8	\$142.2	\$26.9	(\$17.5)	\$311.4	(\$226.4)	(\$258.7)	(\$18.1)	\$128.8	(\$374.3)	\$385.8	\$648.2
Depreciation and amortization	552.4	550.6	136.6	140.3	173.0	175.1	624.9	171.3	171.1	172.1	173.7	688.3	696.4	711.1
Deferred income taxes / costs	(310.9)	(498.7)	(0.1)	(2.4)	19.3	9.3	26.2	(0.8)	(21.1)	2.4	8.5	(11.0)	68.0	-
Stock-based compensation	44.0	35.0	10.3	9.8	10.3	9.9	40.4	9.5	15.0	15.0	15.0	54.5	39.7	40.7
Provision for doubtful accounts	(6.7)	6.5	5.4	3.6	4.0	4.0	17.1	4.0	4.0	4.0	4.0	16.1	10.0	10.0
Equity in income of unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in FV of swaps	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in:														
Accounts receivable, net	0.8	(59.2)	11.1	(37.1)	2.9	-	(23.0)	-	-	-	-	-	-	-
Inventories and prepaid expenses	(4.4)	(5.2)	(13.9)	(29.1)	25.6	-	(17.4)	-	-	-	-	-	-	-
A/P, other liabilities	527.0	(42.9)	(63.5)	12.5	(30.2)	-	(81.2)	-	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items, net	184.1	172.1	18.2	5.8	38.5	19.2	81.7	6.7	6.7	6.7	6.7	26.7	-	-
<b>Net Cash from Operating Activities</b>	<b>\$1,876.6</b>	<b>\$961.5</b>	<b>\$263.9</b>	<b>\$245.6</b>	<b>\$270.4</b>	<b>\$200.0</b>	<b>\$979.9</b>	<b>(\$35.7)</b>	<b>(\$82.9)</b>	<b>\$182.2</b>	<b>\$336.7</b>	<b>\$400.3</b>	<b>\$1,199.9</b>	<b>\$1,410.1</b>
<b>Investing Activities</b>														
Capital expenditures	(935.5)	(1,476.0)	(310.3)	(325.7)	(242.3)	(275.0)	(1,153.3)	(85.0)	(45.0)	(45.0)	(95.0)	(270.0)	(365.3)	(970.1)
Restricted cash and investments	200.4	359.5	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	54.2	-	-	-	-	-	-	-	-	-	-	-	-
Other	(222.5)	(160.5)	(0.6)	0.0	(4.8)	-	(5.4)	-	-	-	-	-	-	-
<b>Net Cash from Investing Activities</b>	<b>(\$957.6)</b>	<b>(\$1,222.8)</b>	<b>(\$310.9)</b>	<b>(\$325.7)</b>	<b>(\$247.2)</b>	<b>(\$275.0)</b>	<b>(\$1,158.7)</b>	<b>(\$85.0)</b>	<b>(\$45.0)</b>	<b>(\$45.0)</b>	<b>(\$95.0)</b>	<b>(\$270.0)</b>	<b>(\$365.3)</b>	<b>(\$970.1)</b>
<b>Financing Activities</b>														
Proceeds (Payments) from LT debt	(529.9)	(243.3)	(250.5)	(28.6)	384.8	862.0	967.7	(858.0)	(53.6)	(50.9)	(48.4)	(1,010.9)	-	480.0
Sale (Purchase) of common stock	44.4	755.7	(5.4)	(30.2)	(30.1)	-	(65.7)	-	-	-	-	-	-	-
Cash dividends	(320.8)	(569.8)	(80.8)	(107.2)	(107.1)	(106.6)	(401.7)	(106.7)	-	-	-	(106.7)	(427.0)	(427.0)
Macau distribution	(305.4)	(305.4)	(82.5)	(82.5)	(82.5)	(82.5)	(165.1)	-	-	-	-	-	(165.1)	(206.4)
Other	242.5	36.4	(6.4)	5.8	(12.6)	3.4	(9.9)	-	-	-	-	-	-	-
<b>Net Cash from Financing Activities</b>	<b>(\$563.712)</b>	<b>(\$326.4)</b>	<b>(\$343.1)</b>	<b>(\$242.8)</b>	<b>\$152.5</b>	<b>\$758.9</b>	<b>\$325.4</b>	<b>(\$964.8)</b>	<b>(\$53.6)</b>	<b>(\$50.9)</b>	<b>(\$48.4)</b>	<b>(\$1,117.7)</b>	<b>(\$592.1)</b>	<b>(\$153.3)</b>
Restatements/Effect of foreign exchange rates on cash	(3.9)	(1.7)	(2.4)	2.5	(1.7)	-	(1.6)	-	-	-	-	-	-	-
<b>Net Increase in Cash &amp; Equivalents</b>	<b>\$351.4</b>	<b>(\$589.5)</b>	<b>(\$392.5)</b>	<b>(\$320.4)</b>	<b>\$174.1</b>	<b>\$683.9</b>	<b>\$145.0</b>	<b>(\$1,085.4)</b>	<b>(\$181.5)</b>	<b>\$86.3</b>	<b>\$193.4</b>	<b>(\$987.3)</b>	<b>\$242.6</b>	<b>\$286.6</b>
Cash & Equivalents - Beginning	\$2,453.1	2,804.5	2,215.0	1,822.5	1,502.0	1,676.1	2,215.0	2,360.0	1,274.6	1,093.0	1,179.3	2,360.0	1,372.7	1,615.3
<b>Cash &amp; Equivalents - Ending</b>	<b>\$2,804.5</b>	<b>\$2,215.0</b>	<b>\$1,822.5</b>	<b>\$1,502.0</b>	<b>\$1,676.1</b>	<b>\$2,360.0</b>	<b>\$2,360.0</b>	<b>\$1,274.6</b>	<b>\$1,093.0</b>	<b>\$1,179.3</b>	<b>\$1,372.7</b>	<b>\$1,372.7</b>	<b>\$1,615.3</b>	<b>\$1,901.9</b>

Source: Company Filings, Morgan Stanley Research estimates

Exhibit 103: Balance Sheet

Balance Sheet (\$ in millions)	2017	2018	1Q19	2Q19	3Q19	4Q19A	2019A	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and cash equivalents	\$2,804.5	\$2,215.0	\$1,822.5	\$1,502.0	\$1,676.1	\$2,360.0	\$2,360.0	\$1,274.6	\$1,093.0	\$1,179.3	\$1,372.7	\$1,372.7	\$1,615.3	\$1,901.9
Restricted cash & investments	166.8	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	224.1	276.6	259.8	296.7	286.6	286.6	286.6	286.6	286.6	286.6	286.6	286.6	286.6	286.6
Inventories	71.6	66.6	67.4	81.8	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	156.8	83.1	91.8	87.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0
<b>Total Current Assets</b>	<b>3,423.8</b>	<b>2,641.4</b>	<b>2,241.4</b>	<b>1,967.5</b>	<b>2,111.3</b>	<b>2,795.1</b>	<b>2,795.1</b>	<b>1,709.7</b>	<b>1,528.2</b>	<b>1,614.4</b>	<b>1,807.8</b>	<b>1,807.8</b>	<b>2,050.4</b>	<b>2,337.1</b>
Gross PP&E	12,137.4	13,509.8	13,622.4	14,041.4	13,835.0	14,110.0	14,110.0	14,195.0	14,240.0	14,285.0	14,380.0	14,380.0	14,745.2	15,715.3
Less: Accumulated depreciation	(3,638.7)	(4,123.9)	(4,260.5)	(4,400.7)	(4,573.7)	(4,748.8)	(4,748.8)	(4,920.1)	(5,091.2)	(5,263.4)	(5,437.1)	(5,437.1)	(6,133.5)	(6,844.6)
Net PP&E	8,498.8	9,385.9	9,361.9	9,640.7	9,261.3	9,361.2	9,361.2	9,274.9	9,148.8	9,021.6	8,942.9	8,942.9	8,611.7	8,870.7
Restricted cash and investments	162.8	4.3	3.9	4.5	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Intangible assets, net	123.7	222.5	133.8	133.1	149.0	149.0	149.0	149.0	149.0	149.0	149.0	149.0	149.0	149.0
Deferred charges / other	472.7	962.1	1,420.2	1,419.5	1,749.4	1,713.4	1,713.4	1,703.6	1,714.0	1,700.8	1,681.5	1,681.5	1,603.5	1,593.5
Macau concession, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$12,681.7</b>	<b>\$13,216.3</b>	<b>\$13,161.2</b>	<b>\$13,165.3</b>	<b>\$13,277.1</b>	<b>\$14,024.9</b>	<b>\$14,024.9</b>	<b>\$12,843.3</b>	<b>\$12,546.0</b>	<b>\$12,492.0</b>	<b>\$12,587.5</b>	<b>\$12,587.5</b>	<b>\$12,420.9</b>	<b>\$12,956.5</b>
<b>Liabilities</b>														
Accounts payable	\$285.4	\$321.8	\$345.5	\$432.1	\$292.1	\$292.1	\$292.1	\$292.1	\$292.1	\$292.1	\$292.1	\$292.1	\$292.1	\$292.1
Accrued liabilities	1,487.5	1,498.7	1,456.6	1,480.2	1,447.8	1,447.8	1,447.8	1,447.8	1,447.8	1,447.8	1,447.8	1,447.8	1,447.8	1,447.8
Accrued interest payable	94.7	61.6	75.8	63.0	74.3	74.3	74.3	74.3	74.3	74.3	74.3	74.3	74.3	74.3
Land concession obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,867.6</b>	<b>1,882.1</b>	<b>1,877.9</b>	<b>1,975.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>	<b>1,814.3</b>
<b>Long-term debt (incl. current portion)</b>	<b>9,628.6</b>	<b>9,411.1</b>	<b>9,133.6</b>	<b>9,095.3</b>	<b>9,538.0</b>	<b>10,400.0</b>	<b>10,400.0</b>	<b>9,542.0</b>	<b>9,488.4</b>	<b>9,437.5</b>	<b>9,389.1</b>	<b>9,389.1</b>	<b>9,389.1</b>	<b>9,869.1</b>
Construction retention	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term liabilities	107.2	108.3	234.5	243.7	259.0	259.0	259.0	259.0	259.0	259.0	259.0	259.0	259.0	259.0
Long-term land concession obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Shareholders' Equity</b>														
Non-controlling interest	130.5	(219.3)	(163.0)	(199.9)	(252.9)	(197.4)	(197.4)	(227.3)	(251.9)	(226.0)	(176.9)	(176.9)	(43.5)	131.9
Common stock, par	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Paid-in-capital	1,497.9	2,457.1	2,483.0	2,488.3	2,507.9	2,507.9	2,507.9	2,507.9	2,507.9	2,507.9	2,507.9	2,507.9	2,507.9	2,507.9
Retained earnings	635.1	921.8	946.0	932.9	822.1	652.4	652.4	358.8	139.7	110.7	205.4	205.4	(94.6)	(214.4)
Deferred compensation - restricted stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive income	(1.8)	(2.0)	(2.6)	(2.0)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Treasury Stock	(1,184.5)	(1,344.0)	(1,349.4)	(1,379.6)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)	(1,409.7)
<b>Total Shareholders' Equity</b>	<b>1,078.4</b>	<b>1,814.8</b>	<b>1,915.2</b>	<b>1,859.9</b>	<b>1,665.9</b>	<b>1,551.7</b>	<b>1,551.7</b>	<b>1,228.1</b>	<b>984.4</b>	<b>981.3</b>	<b>1,125.2</b>	<b>1,125.2</b>	<b>958.6</b>	<b>1,014.2</b>
<b>Total Liabilities and Equity</b>	<b>\$12,681.7</b>	<b>\$13,216.3</b>	<b>\$13,161.2</b>	<b>\$13,165.3</b>	<b>\$13,277.1</b>	<b>\$14,024.9</b>	<b>\$14,024.9</b>	<b>\$12,843.3</b>	<b>\$12,546.0</b>	<b>\$12,492.0</b>	<b>\$12,587.5</b>	<b>\$12,587.5</b>	<b>\$12,420.9</b>	<b>\$12,956.5</b>

Source: Company Filings, Morgan Stanley Research estimates

# Xenia Hotels & Resorts Inc Model

Exhibit 104: Income Statement

Income Statement	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
Room Revenues	\$623.3	\$659.7	\$171.1	\$184.0	\$168.7	\$162.6	\$686.5	\$143.7	\$47.2	\$99.8	\$134.0	\$424.7	\$492.9	\$518.7
Food and Beverage	267.0	335.7	103.5	99.4	79.8	99.3	382.0	86.9	25.5	59.2	96.3	267.8	320.7	337.5
Other Revenues	55.0	62.8	19.1	20.9	20.4	20.3	80.6	16.4	5.8	14.5	20.1	56.8	68.4	72.0
<b>Total revenues</b>	<b>\$945.3</b>	<b>\$1,058.2</b>	<b>\$293.7</b>	<b>\$304.3</b>	<b>\$268.9</b>	<b>\$282.2</b>	<b>\$1,149.1</b>	<b>\$246.9</b>	<b>\$78.5</b>	<b>\$173.6</b>	<b>\$250.4</b>	<b>\$749.3</b>	<b>\$882.1</b>	<b>\$928.3</b>
% Growth Y/Y	-0.5%	11.9%	11.0%	9.8%	11.6%	2.4%	8.6%	-15.9%	-74.2%	-35.5%	-11.3%	-34.8%	17.7%	5.2%
Room expenses	142.6	154.7	40.7	41.7	40.8	39.8	162.9	35.9	17.8	34.1	38.3	126.1	136.5	141.0
Food and beverage costs	173.3	214.9	63.4	63.4	57.4	63.3	247.5	56.7	20.1	48.5	62.3	187.6	211.8	217.8
Other direct expenses	14.4	19.7	7.1	7.9	7.6	7.5	30.1	6.4	3.6	6.2	7.1	23.3	25.6	27.0
Other indirect expenses	229.0	254.9	72.4	71.8	70.9	70.8	285.9	64.0	32.7	59.6	66.5	222.7	244.5	252.7
Management and franchise fees	43.5	45.6	12.3	12.2	10.6	11.4	46.5	10.3	3.1	6.8	9.9	30.2	35.6	37.5
<b>Total hotel operating expenses</b>	<b>\$602.7</b>	<b>\$689.8</b>	<b>\$195.9</b>	<b>\$197.0</b>	<b>\$187.2</b>	<b>\$192.8</b>	<b>\$772.9</b>	<b>\$173.3</b>	<b>\$77.3</b>	<b>\$155.2</b>	<b>\$184.1</b>	<b>\$589.9</b>	<b>\$654.0</b>	<b>\$676.1</b>
Real estate & personal property taxes & insurance	44.3	47.7	13.1	12.6	13.3	11.2	50.2	11.0	11.1	12.1	10.6	44.7	50.9	53.5
General & administrative	32.1	30.5	7.6	8.0	7.4	7.8	30.7	7.6	4.8	6.2	7.2	25.9	27.2	28.0
Business management fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	153.0	157.8	40.0	39.7	39.1	36.4	155.1	35.4	34.4	33.4	33.4	136.5	136.5	136.5
Other	9.7	0.6	1.1	0.3	1.7	10.5	13.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating Income</b>	<b>\$103.5</b>	<b>\$131.8</b>	<b>\$36.1</b>	<b>\$46.7</b>	<b>\$20.3</b>	<b>\$23.5</b>	<b>\$126.5</b>	<b>\$19.7</b>	<b>(\$49.0)</b>	<b>(\$33.3)</b>	<b>\$15.1</b>	<b>(\$47.6)</b>	<b>\$13.5</b>	<b>\$34.3</b>
Interest expense	(46.3)	(51.4)	(12.6)	(12.4)	(12.3)	(11.3)	(48.6)	(12.7)	(13.0)	(12.7)	(12.7)	(51.2)	(51.0)	(51.0)
Other income (loss)	1.0	1.2	0.1	0.2	0.3	0.4	0.9	0.1	0.2	0.3	0.4	0.9	0.9	0.9
Other	50.5	123.0	(0.2)	(15.1)	0.0	(0.9)	(16.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Income</b>	<b>\$108.6</b>	<b>\$204.5</b>	<b>\$23.4</b>	<b>\$19.4</b>	<b>\$8.2</b>	<b>\$11.6</b>	<b>\$62.6</b>	<b>\$7.1</b>	<b>(\$61.8)</b>	<b>(\$45.8)</b>	<b>\$2.7</b>	<b>(\$97.9)</b>	<b>(\$36.5)</b>	<b>(\$15.8)</b>
Tax benefit (expense)	(7.8)	(6.0)	(6.1)	(6.2)	2.4	4.5	(5.4)	(0.4)	3.7	2.7	(0.2)	5.9	2.2	0.9
Net income attributable to noncontrolling interests	(2.0)	(4.8)	(0.6)	(0.4)	(0.4)	(0.5)	(1.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary / Discontinued / Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income</b>	<b>\$98.9</b>	<b>\$193.7</b>	<b>\$16.7</b>	<b>\$12.8</b>	<b>\$10.3</b>	<b>\$15.6</b>	<b>\$55.4</b>	<b>\$6.6</b>	<b>(\$58.1)</b>	<b>(\$43.1)</b>	<b>\$2.5</b>	<b>(\$92.0)</b>	<b>(\$34.3)</b>	<b>(\$14.9)</b>
Total non-recurring items	0.0	(81.2)	0.0	14.8	0.0	0.0	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Recurring Net Income</b>	<b>\$98.9</b>	<b>\$112.4</b>	<b>\$16.7</b>	<b>\$27.5</b>	<b>\$10.3</b>	<b>\$15.6</b>	<b>\$70.2</b>	<b>\$6.6</b>	<b>(\$58.1)</b>	<b>(\$43.1)</b>	<b>\$2.5</b>	<b>(\$92.0)</b>	<b>(\$34.3)</b>	<b>(\$14.9)</b>
Average diluted shares outstanding	106.9	110.4	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9
Average diluted shares outstanding (incl. vested OP units)						114.3	114.3							
<b>Reported EPS</b>	<b>\$0.92</b>	<b>\$1.76</b>	<b>\$0.15</b>	<b>\$0.11</b>	<b>\$0.09</b>	<b>\$0.14</b>	<b>\$0.49</b>	<b>\$0.06</b>	<b>(\$0.51)</b>	<b>(\$0.38)</b>	<b>\$0.02</b>	<b>(\$0.82)</b>	<b>(\$0.30)</b>	<b>(\$0.13)</b>
<b>Recurring EPS</b>	<b>\$0.92</b>	<b>\$1.02</b>	<b>\$0.15</b>	<b>\$0.24</b>	<b>\$0.09</b>	<b>\$0.14</b>	<b>\$0.62</b>	<b>\$0.06</b>	<b>(\$0.51)</b>	<b>(\$0.38)</b>	<b>\$0.02</b>	<b>(\$0.82)</b>	<b>(\$0.30)</b>	<b>(\$0.13)</b>
% growth, y/y														
<b>EBITDA Reconciliation</b>	<b>2017</b>	<b>2018</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>	<b>1Q20E</b>	<b>2Q20E</b>	<b>3Q20E</b>	<b>4Q20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net Income	\$99.0	\$193.7	\$17.3	\$13.2	\$10.7	\$16.1	\$57.2	\$6.6	(\$58.1)	(\$43.1)	\$2.5	(\$92.0)	(\$34.3)	(\$14.9)
Interest Expense	46.3	51.4	12.6	12.4	12.3	11.3	48.6	12.7	13.0	12.7	12.7	51.2	51.0	51.0
Income tax (benefit) expense	7.8	6.0	6.1	6.2	(2.4)	(4.5)	5.4	0.4	(3.7)	(2.7)	0.2	(5.9)	(2.2)	(0.9)
Depreciation & Amortization	152.6	157.8	40.0	39.7	39.1	36.4	155.1	35.4	34.4	33.4	33.4	136.5	136.5	136.5
Other	0.5	(37.4)	0.0	14.8	0.0	0.0	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>\$306.3</b>	<b>\$371.5</b>	<b>\$76.0</b>	<b>\$86.2</b>	<b>\$59.6</b>	<b>\$59.3</b>	<b>\$281.1</b>	<b>\$55.2</b>	<b>(\$14.5)</b>	<b>\$0.3</b>	<b>\$48.8</b>	<b>\$89.8</b>	<b>\$150.9</b>	<b>\$171.6</b>
Share based compensation	9.9	9.2	1.9	2.9	2.3	1.9	9.0	2.5	2.5	2.5	2.5	10.0	10.0	10.0
Other adjustments	(45.9)	(80.8)	0.2	0.3	0.7	10.8	12.0	(19.0)	0.0	0.0	0.0	(19.0)	0.0	0.0
<b>Company Reported Adjusted EBITDA</b>	<b>\$270.3</b>	<b>\$299.8</b>	<b>\$78.1</b>	<b>\$89.5</b>	<b>\$62.6</b>	<b>\$72.0</b>	<b>\$302.1</b>	<b>\$38.7</b>	<b>(\$12.0)</b>	<b>\$2.8</b>	<b>\$51.3</b>	<b>\$80.8</b>	<b>\$160.9</b>	<b>\$181.6</b>
EBITDA Margin	28.6%	28.3%	26.6%	29.4%	23.3%	25.5%	26.3%	15.7%	-15.3%	1.6%	20.5%	10.8%	18.2%	19.6%
EBITDA Growth	-6.0%	10.9%	5.9%	-0.4%	3.4%	-4.9%	0.8%	-50.5%	-113.4%	-95.6%	-28.7%	-73.3%	99.2%	12.9%
Guidance	\$263-269	\$295-301				65-71	\$295-301					\$263-279		

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 105: Cash Flow Statement

Cash Flows	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Cash Flows From Operations</b>														
Net Income	\$98.9	\$198.5	\$16.7	\$12.8	\$10.3	\$15.6	\$55.4	\$6.6	(\$58.1)	(\$43.1)	\$2.5	(\$92.0)	(\$34.3)	(\$14.9)
Depreciation & Amortization	148.9	154.3	40.7	40.3	39.7	37.0	157.8	35.4	34.4	33.4	33.4	136.5	136.5	136.5
Changes in Working Capital	(4.7)	8.7	(26.4)	28.0	19.5	(24.3)	(3.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share based compensation	9.9	9.2	1.9	2.9	2.3	2.3	9.4	2.5	2.5	2.5	2.5	10.0	10.0	10.0
Other	(40.2)	(116.5)	0.2	14.8	0.0	10.3	25.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Cash Provided By Operating Activities</b>	<b>\$212.8</b>	<b>\$254.2</b>	<b>\$33.1</b>	<b>\$98.8</b>	<b>\$71.8</b>	<b>\$41.0</b>	<b>\$244.7</b>	<b>\$44.5</b>	<b>(\$21.3)</b>	<b>(\$7.2)</b>	<b>\$38.4</b>	<b>\$54.4</b>	<b>\$112.1</b>	<b>\$131.6</b>
<b>Cash From Investing Activities</b>														
Capital expenditures	(86.0)	(108.2)	(13.3)	(23.3)	(26.2)	(30.2)	(93.0)	(30.0)	(5.0)	(10.0)	(20.0)	(65.0)	(88.2)	(92.8)
Investment in development projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	(605.5)	(354.1)	0.0	0.0	0.0	(190.0)	(190.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	204.4	412.6	0.0	0.0	0.0	60.2	60.2	100.5	483.0	0.0	0.0	583.5	0.0	0.0
Others	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Used In Investing Activities</b>	<b>(\$487.6)</b>	<b>(\$49.8)</b>	<b>(\$13.3)</b>	<b>(\$23.3)</b>	<b>(\$26.2)</b>	<b>(\$160.1)</b>	<b>(\$222.9)</b>	<b>\$70.5</b>	<b>\$478.0</b>	<b>(\$10.0)</b>	<b>(\$20.0)</b>	<b>\$518.5</b>	<b>(\$88.2)</b>	<b>(\$92.8)</b>
<b>Cash From Financing Activities</b>														
Distribution to InvenTrust Properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution from InvenTrust Properties Corp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds (Payments) from Mortgage Debt and Notes	206.9	(124.1)	(90.8)	(0.9)	(0.9)	(15.9)	(108.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Drawn (Payment) of Credit Facility	40.0	(40.0)	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0.0	0.0	500.0	0.0	0.0
Issuance (Purchase) of Common Stock	(4.1)	135.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issuance (Purchase) of Pref. Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	(118.1)	(173.2)	(31.3)	(31.8)	(31.2)	(28.6)	(122.9)	(31.0)	0.0	0.0	0.0	(31.0)	(123.9)	(123.9)
Others	5.9	17.4	84.4	(5.9)	(7.4)	157.8	228.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash From Financing Activity</b>	<b>\$130.6</b>	<b>(\$184.9)</b>	<b>(\$37.7)</b>	<b>(\$38.6)</b>	<b>(\$39.5)</b>	<b>\$113.4</b>	<b>(\$2.4)</b>	<b>\$469.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$469.0</b>	<b>(\$123.9)</b>	<b>(\$123.9)</b>
<b>Cash &amp; Equivalents - Beginning</b>	<b>\$216.1</b>	<b>\$71.9</b>	<b>\$91.4</b>	<b>\$73.5</b>	<b>\$110.4</b>	<b>\$116.5</b>	<b>\$91.4</b>	<b>\$110.8</b>	<b>\$694.9</b>	<b>\$1,151.6</b>	<b>\$1,134.4</b>	<b>\$1,134.4</b>	<b>\$1,152.8</b>	<b>\$1,052.8</b>
<b>Net Increase in Cash &amp; Equivalents</b>	<b>(144.2)</b>	<b>19.5</b>	<b>(17.9)</b>	<b>36.9</b>	<b>6.1</b>	<b>(5.6)</b>	<b>19.4</b>	<b>584.0</b>	<b>456.7</b>	<b>(17.2)</b>	<b>18.4</b>	<b>1,042.0</b>	<b>(100.0)</b>	<b>(85.1)</b>
<b>Cash &amp; Equivalents - Ending</b>	<b>\$71.9</b>	<b>\$91.4</b>	<b>\$73.5</b>	<b>\$110.4</b>	<b>\$116.5</b>	<b>\$110.8</b>	<b>\$110.8</b>	<b>\$694.9</b>	<b>\$1,151.6</b>	<b>\$1,134.4</b>	<b>\$1,152.8</b>	<b>\$1,152.8</b>	<b>\$1,052.8</b>	<b>\$967.7</b>

Source: Company Reports; Morgan Stanley Research Estimates

Exhibit 106: Balance Sheet

Balance Sheet	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E
<b>Assets</b>														
Cash and cash equivalents	\$71.9	\$91.4	\$73.5	\$110.4	\$116.5	\$110.8	\$110.8	\$694.9	\$1,151.6	\$1,134.4	\$1,152.8	\$1,152.8	\$1,052.8	\$967.7
Restricted cash and escrows	58.5	70.2	69.8	77.1	84.5	84.1	84.1	84.1	84.1	84.1	84.1	84.1	84.1	84.1
Investment properties:														
PP&E	3,319.3	3,591.1	3,602.0	3,610.3	3,637.4	3,753.1	3,753.1	3,682.6	3,204.6	3,214.6	3,234.6	3,234.6	3,322.8	3,415.6
Less accumulated depreciation	(628.5)	(715.9)	(754.7)	(793.5)	(831.8)	(826.7)	(826.7)	(862.1)	(896.5)	(929.8)	(963.2)	(963.2)	(1,099.7)	(1,236.1)
Net PP&E	2,690.9	2,875.1	2,847.3	2,816.8	2,805.7	2,926.4	2,926.4	2,820.5	2,308.1	2,284.8	2,271.4	2,271.4	2,223.1	2,179.5
Investment in unconsolidated entities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts and rents receivable	35.9	34.8	63.3	49.1	43.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5
Intangible assets, net	68.0	61.5	37.3	36.6	35.9	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Deferred tax asset	1.2	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	36.3	35.6	90.1	78.0	73.0	76.2	76.2	76.2	76.2	76.2	76.2	76.2	76.2	76.2
Assets held for sale	152.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Assets</b>	<b>\$3,115.3</b>	<b>\$3,170.1</b>	<b>\$3,181.2</b>	<b>\$3,167.9</b>	<b>\$3,159.0</b>	<b>\$3,263.0</b>	<b>\$3,263.0</b>	<b>\$3,741.2</b>	<b>\$3,685.5</b>	<b>\$3,645.0</b>	<b>\$3,650.0</b>	<b>\$3,650.0</b>	<b>\$3,501.8</b>	<b>\$3,373.0</b>
<b>Liabilities</b>														
Debt	\$1,322.6	\$1,155.1	\$1,149.9	\$1,149.4	\$1,148.5	\$1,293.1	\$1,293.1	\$1,793.1	\$1,793.1	\$1,793.1	\$1,793.1	\$1,793.1	\$1,793.1	\$1,793.1
Accounts payable and accrued expenses	77.0	85.0	91.7	98.5	108.3	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2
Distributions Payable	29.9	31.6	31.7	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8
Other liabilities	40.7	45.8	74.3	80.7	84.2	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8
<b>Total Liabilities</b>	<b>1,470.2</b>	<b>1,317.4</b>	<b>1,347.7</b>	<b>1,360.3</b>	<b>1,372.8</b>	<b>1,487.8</b>	<b>1,487.8</b>	<b>1,987.8</b>	<b>1,987.8</b>	<b>1,987.8</b>	<b>1,987.8</b>	<b>1,987.8</b>	<b>1,987.8</b>	<b>1,987.8</b>
<b>Stockholders' Equity</b>														
Common Stock	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Additional paid in capital	1,924.1	2,059.7	2,059.7	2,060.2	2,060.7	2,060.9	2,060.9	2,063.4	2,065.9	2,068.4	2,070.9	2,070.9	2,080.9	2,090.9
Accumulated distributions in excess of net loss	(310.3)	(236.9)	(257.5)	(286.1)	(309.7)	(323.0)	(323.0)	(347.4)	(405.5)	(448.6)	(446.0)	(446.0)	(604.3)	(743.0)
Total Company stockholders' equity	1,614.9	1,823.9	1,803.3	1,775.2	1,752.1	1,739.0	1,739.0	1,717.2	1,661.6	1,621.0	1,626.0	1,626.0	1,477.8	1,349.0
Noncontrolling interests	30.2	28.8	30.3	32.4	34.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1
Total equity	1,645.1	1,852.7	1,833.6	1,807.6	1,786.2	1,775.2	1,775.2	1,753.3	1,697.7	1,657.1	1,662.2	1,662.2	1,513.9	1,385.1
<b>Total liabilities and equity</b>	<b>\$3,115.3</b>	<b>\$3,170.1</b>	<b>\$3,181.2</b>	<b>\$3,167.9</b>	<b>\$3,159.0</b>	<b>\$3,263.0</b>	<b>\$3,263.0</b>	<b>\$3,741.2</b>	<b>\$3,685.5</b>	<b>\$3,645.0</b>	<b>\$3,650.0</b>	<b>\$3,650.0</b>	<b>\$3,501.8</b>	<b>\$3,373.0</b>

Source: Company Reports; Morgan Stanley Research Estimates



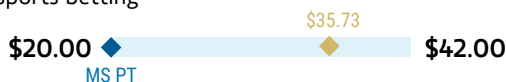
## Risk Reward – Boyd Gaming Corporation (BYD.N)

Regionals' Recovery from COVID-19 & Sports Betting Opp Drives OW Rating

### PRICE TARGET \$20.00

Equal to \$20 Base Case; 7.7x multiple, below historical average of 8.2x given risk of prolonged recovery due to COVID-19, and the fact that BYD is no longer a pure OpCo, offset by a stronger balance sheet; \$3 / share for sports betting

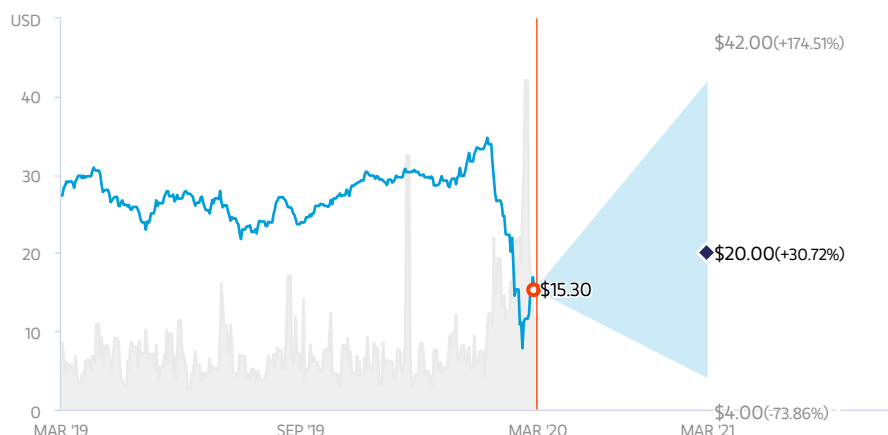
#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

### RISK REWARD CHART



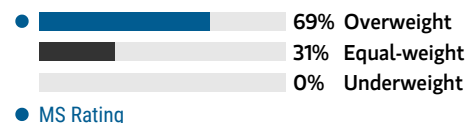
Source: Thomson Reuters, Morgan Stanley Research

Source: Thomson Reuters, Morgan Stanley Research

### OVERWEIGHT THESIS

- Regional gaming revenue (~65% of BYD's EBITDAR) should recover relatively quickly from COVID-19 headwinds
- Long term, the LV Locals market (~30% of BYD's EBITDAR) benefits from significant construction around the mkt
- BYD has and should deliver strong flow through given lower industry reinvestment dynamics
- BYD appears to have made a good decision partnering with FanDuel to offer sports betting as FanDuel has had dominant market share in legalized states
- Stock is trading well below its historical NTM EBITDAR multiple (8.2x avg). If markets recover, we see meaningful upside.

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

BULL CASE	\$42.00	BASE CASE	\$20.00	BEAR CASE	\$4.00
<b>8.7x 2021e Bull EBITDA</b>		<b>7.7x 2021e Base EBITDA</b>		<b>6.7x 2021e Bear EBITDA</b>	
1) 2021 LV Locals EBITDA of \$273m; 2) 2021 Regionals EBITDA of \$623; 3) 2021 Downtown LV EBITDA of \$67m; 4) \$12 / share for sports betting including incremental traffic		1) 2021 LV Locals EBITDA of \$252m; 2) 2021 Regionals EBITDA of \$573m; 3) 2021 Downtown LV EBITDA of \$61m; 4) \$3 / share for sports betting including incremental traffic		1) 2021 LV Locals EBITDA of \$226m; 2) 2021 Regionals EBITDA of \$526; 3) 2021 Downtown LV EBITDA of \$54m; 3) Slight dilution from legalized US sports betting	

## Risk Reward – Boyd Gaming Corporation (BYD.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Locals EBITDAR Growth (%)	3.2	(33.7)	34.5	9.1
Downtown EBITDAR Growth (%)	10.4	(38.0)	58.6	12.0
Regionals EBITDAR Growth (%)	46.9	(29.9)	28.8	9.7
Operating FCF Yield (%)	22.8	15.8	22.8	28.5

### CATALYST CALENDAR

Date	Event	Source: Thomson Reuters, Morgan Stanley
23 Apr 2020 - 27 Apr 2020	Q1 2020 Boyd Gaming Corp Earnings Release	
28 Jul 2020 - 03 Aug 2020	Q2 2020 Boyd Gaming Corp Earnings Release	

### INVESTMENT DRIVERS

- Casino markets recover from COVID-19
- Economic growth outperforms growth in regional gaming supply
- Potential OpCo / PropCo split

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

1/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Casino markets recovery relatively quickly from COVID-19 headwinds
- BYD/FanDuel take outsized sports betting market share
- Las Vegas Locals gaming revenue recovers

#### RISKS TO DOWNSIDE

- Casinos could remain under pressure due to COVID-19
- High financial leverage creates volatility
- Increasing competition in Las Vegas Locals market

### OWNERSHIP POSITIONING

Inst. Owners, % Active	64.9%	<div style="width: 64.9%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8x;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

## Risk Reward – Caesars Entertainment Corp (CZR.O)

Stock Driven by Deal Close, Casino Markets' Recovery, and Synergy Execution; EW

### PRICE TARGET \$10.00

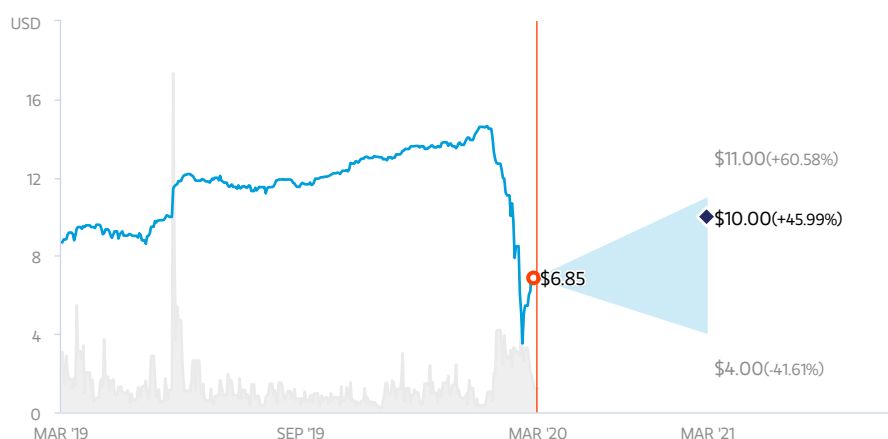
Values CZR assuming deal close on June 1 and ERI holds its current price of \$15

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



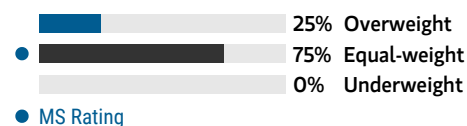
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### EQUAL-WEIGHT THESIS

- We value CZR at \$10, in line with its implied value from the ERI takeout offer
- Regional casinos should recover relatively quickly from COVID-19 headwinds, but Vegas should take longer
- We see potential for participation in significant synergy upside, with ERI's management team having a strong track record. However, where we are in the economic cycle adds risk
- While we expect the pending merger to close, we see ~40% downside if this does not happen

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### BULL CASE

**\$11.00**

Deal value based on our ERI price target (\$21)

Based on implied value of the deal, using our price target for ERI, and assuming deal close on June 1

#### BASE CASE

**\$10.00**

Deal value based on current ERI stock price (\$15)

Based on implied value of the deal, using ERI's current share price, and assuming deal close on June 1

#### BEAR CASE

**\$4.00**

Deal collapses, 6.8x '21e CZR standalone EBITDA

Deal falls through: 1) Standalone CZR trades at 6.8x 2021e EBITDAR, 2) CZR collects a \$837m breakup fee

## Risk Reward – Caesars Entertainment Corp (CZR.O)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Las Vegas EBITDAR Growth (%)	7.8	(40.9)	37.6	3.7
Regionals EBITDAR Growth (%)	4.0	(31.0)	30.2	4.7
Other EBITDAR Margin (%)	(17.7)	(11.5)	(15.0)	(15.0)
Operating FCF Yield (%)	12.0	(2.0)	7.5	9.1

### CATALYST CALENDAR

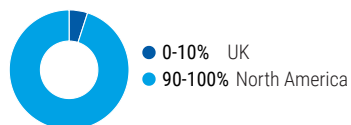
Date	Event
29 Apr 2020 - 04 May 2020	Q1 2020 Caesars Entertainment Corp Earnings Release
01 Jul 2020 - 05 Jul 2020	Caesars Entertainment Corp Annual Shareholders Meeting
03 Aug 2020 - 07 Aug 2020	Q2 2020 Caesars Entertainment Corp Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Deal closes
- Realization of \$500m+ of synergies from CZR-ERI transaction
- Asset sale announcements with attractive prices lifts execution overhang
- US casinos recover from COVID-19 headwinds, especially in Las Vegas

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>1/5 BEST</b>	24 Month Horizon	<b>4/5 MOST</b>	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Gaming revenue recovers in key markets (especially Las Vegas)
- ERI asset sales at higher than anticipated multiples
- Interest rates remain low

#### RISKS TO DOWNSIDE

- Deal does not close
- Deal closes but ERI-CZR fails to achieve promised synergies
- Lower than anticipated multiples on asset sales
- Prolonged weakness in key markets

### OWNERSHIP POSITIONING

Inst. Owners, % Active	67.6%	
HF Sector Long/Short Ratio	1.8x	
HF Sector Net Exposure	13.7%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

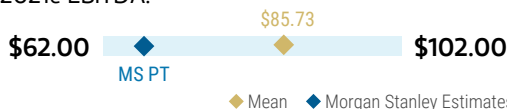
## Risk Reward – Choice Hotels International Inc (CHH.N)

COVID-19 Pressures RevPAR, but Less Leverage/More Asset-light Means Tighter R/R

### PRICE TARGET \$67.00

Our \$67 price target is based on 12.9x EV / 2021e EBITDA.

#### Consensus Price Target Distribution



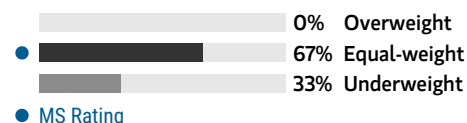
### RISK REWARD CHART



### EQUAL-WEIGHT THESIS

- The spread COVID-19 will pressure RevPAR growth and franchise fee stream
- Lower chain scale exposure vs. peers (MAR, HLT, H) should result in more muted RevPAR declines
- System growth slower than peers due to site saturation of primary conversion brands, lack of EM exposure, and lower quality brands

#### Consensus Rating Distribution



#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$105.00	BASE CASE	\$67.00	BEAR CASE	\$41.00
<b>15.9x 2021e EV / Bull EBITDA</b>		<b>12.9x 2021e EV / Base EBITDA</b>		<b>10.6x 2021e EV / Bear EBITDA</b>	
Stronger economic growth for lower-tier; 2021e EBITDA of \$412m		US RevPAR broadly declines; 2021e EBITDA of \$345m		More prolonged economic recovery from COVID-19; 2021e EBITDA of \$281m	
RevPAR grows at a 5.3% CAGR in 2020e-2021e		RevPAR CAGR (4.7%) in 2020e-2021e		RevPAR CAGR declines 14.7% in 2020e-2021e	
System growth of 2.9% in 2020e-2021e		System growth of 1.4% in 2020e-2021e		System growth of 0.4% in 2020e-2021e	

## Risk Reward – Choice Hotels International Inc (CHH.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	67.9	66.9	69.3	70.8
RevPAR Growth (%)	(0.9)	(26.5)	17.2	5.1
Unit Growth (%)	3.8	1.1	2.2	1.5

### CATALYST CALENDAR

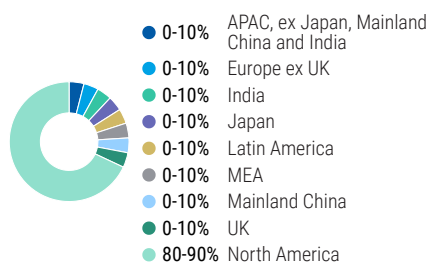
Date	Event
17 Apr 2020 - 21 Apr 2020	Choice Hotels International Inc Annual Shareholders Meeting
07 May 2020 - 11 May 2020	Q1 2020 Choice Hotels International Inc Earnings Release
04 Aug 2020 - 10 Aug 2020	Q2 2020 Choice Hotels International Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Improved unit growth
- Strength in economy/mid-tier trends (logical at this point of the cycle)

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>3/5 BEST</b>	24 Month Horizon	<b>2/5 MOST</b>	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US RevPAR recovers faster than we expect
- Leisure (~67% of room nights) RevPAR outperforms
- Greater strength in economy/mid-tier trends (logical at this point of the cycle)
- WoodSpring Suites acquisition upside

#### RISKS TO DOWNSIDE

- COVID-19 headwinds to US RevPAR persist for longer than we model
- CHH has low trading volume
- Still risk to mid-2008 trough multiple of 8.5x

### OWNERSHIP POSITIONING

Inst. Owners, % Active	68.9%	
HF Sector Long/Short Ratio	1.8x	
HF Sector Net Exposure	13.7%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2021e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

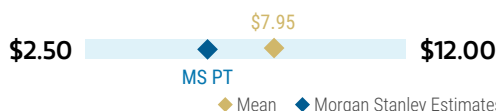
## Risk Reward – DiamondRock Hospitality Co (DRH.N)

High Leverage Drives Wide R/R Depending on Path of COVID-19

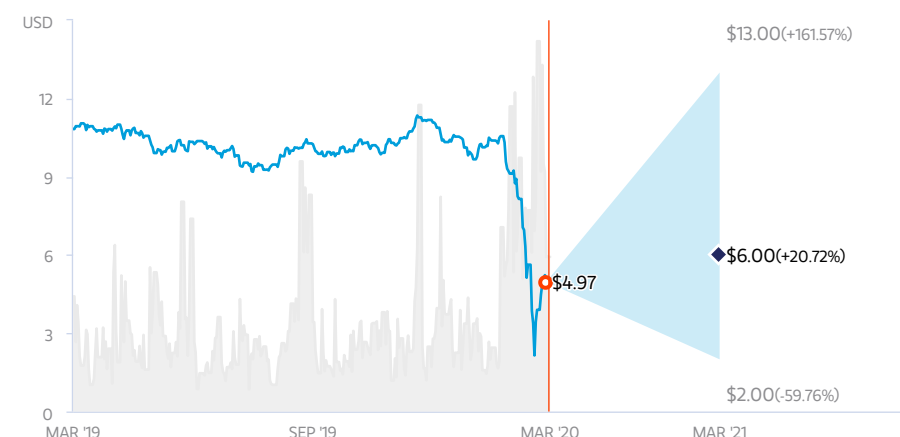
### PRICE TARGET \$6.00

We derive our \$6 price target by valuing DRH at 10.0x 2021e EBITDA, a slight discount to historic average. We believe the multiple is appropriate given heightened uncertainty around COVID-19 headwinds.

#### Consensus Price Target Distribution



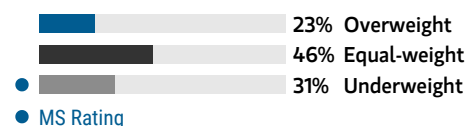
### RISK REWARD CHART



### UNDERWEIGHT THESIS

- RevPAR growth will remain under pressure in 2020 due to COVID-19 headwinds
- If COVID-19 headwinds persist, we see risk DRH de-rates to 8.5x in our bear case, suggesting 60% downside on our bear case '21 EBITDA
- DRH owns a high quality urban portfolio with ~90% of assets in luxury/upper upscale, and likely will face higher supply growth and pressure from alternative accommodations vs. C-Corp peers
- DRH has been the worst performing Lodging REIT in our coverage from COVID-19 given higher leverage. We see DRH's existing liquidity position as strong, but much weaker RevPAR will be a headwind

#### Consensus Rating Distribution



#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$13.00	BASE CASE	\$6.00	BEAR CASE	\$2.00
11.5x 2021e EV/Bull EBITDA		10.0x 2021e EV/Base EBITDA		8.5x 2021e EV/Bear EBITDA	
RevPAR outperforms our expectations by 9% in 2021		RevPAR declines (32)% in 2020 before recovering to +21% in 2021		RevPAR underperforms our expectations by 9% in 2021	
2021 EBITDA margin expands to 28%, in line with 2019		EBITDA margin of 23% in 2021, well below 28% in 2019		2021 EBITDA margin contracts to 22%	

## Risk Reward – DiamondRock Hospitality Co (DRH.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	27.8	15.7	23.4	25.2
RevPAR Growth (%)	0.9	(31.5)	20.9	6.1
Non-Room Revenue Growth (%)	19.0	(31.4)	20.0	6.1

### CATALYST CALENDAR

Date	Event
06 May 2020 - 11 May 2020	Q1 2020 DiamondRock Hospitality Co Earnings Release
06 May 2020 - 10 May 2020	DiamondRock Hospitality Co Annual Shareholders Meeting
03 Aug 2020 - 07 Aug 2020	Q2 2020 DiamondRock Hospitality Co Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Cadence of RevPAR recovery
- Expense outlook
- Asset valuations

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

1/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- COVID-19 headwinds to US RevPAR dissipate faster than we expect
- Mgmt manages expenses better than anticipated

#### RISKS TO DOWNSIDE

- US RevPAR recovery from COVID-19 takes longer than we expect
- Cost pressures weigh on margins
- Gateway cities underperform
- Rising interest rates increase cap rates more than expected

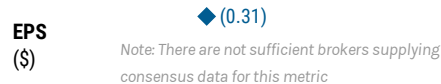
### OWNERSHIP POSITIONING

Inst. Owners, % Active	46.2%	<div style="width: 46.2%;"></div>
HF Sector Long/Short Ratio	0.9x	<div style="width: 90%;"></div>
HF Sector Net Exposure	-0.3%	<div style="width: 3%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

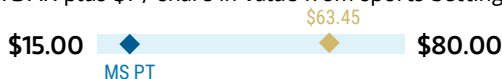
## Risk Reward – Eldorado Resorts Inc. (ERI.O)

Synergies and Regional Markets' Recovery Drives Upside; OW

### PRICE TARGET \$21.00

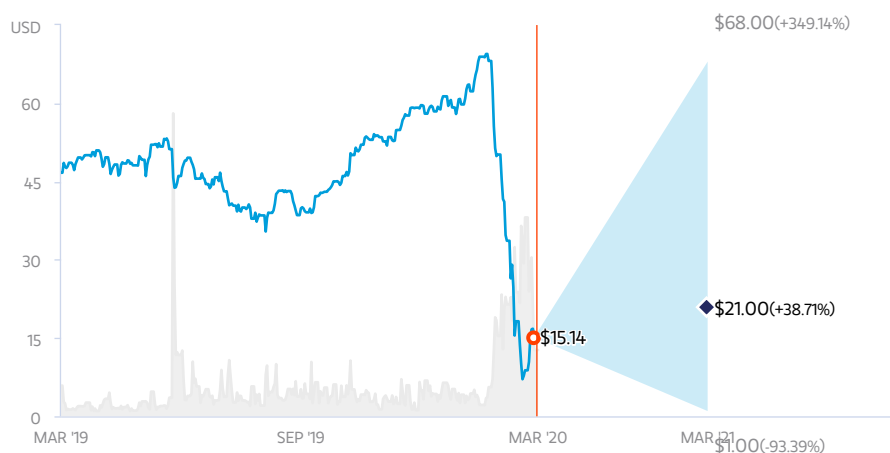
Equal to Base Case Scenario. 7.3x 2021e EBITDAR plus \$7 / share in value from sports betting.

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



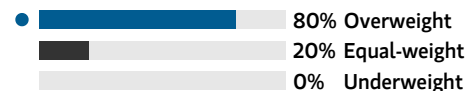
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### OVERWEIGHT THESIS

- Regional casino markets should recover relatively quickly from COVID-19
- We expect ERI to achieve >\$500m of targeted CZR synergies and grow top line faster than peers after casino markets recover
- ERI has higher operating leverage than peers, driving a wide R/R
- We see an opportunity for ERI to monetize its underappreciated sports betting and online gambling assets and sell a Las Vegas Strip asset (2 recent trades there at accretive multiples)
- On our PF 2021 estimates, ERI trades at 7x 2021e EBITDAR, a discount to historic levels

#### Consensus Rating Distribution



● MS Rating

Source: Thomson Reuters, Morgan Stanley Research

#### BULL CASE

**\$68.00**

8.6x '21e EBITDAR of \$3.6B + \$9/share for sports

**Mgmt achieves higher synergies; gaming markets recover from COVID-19 quicker than we expect:** ERI achieves \$700m of run-rate synergies, above mgmt's \$500m target (and our base case of \$513m). Las Vegas and regional EBITDAR 10% higher than in base case. \$9/share for sports betting, assuming a 2025 mkt of \$15B (vs. \$7B base case). Multiple of 8.6x is slightly ahead of our target multiple for peer BYD to credit ERI for higher growth and Las Vegas Strip exposure, despite less owned assets.

#### BASE CASE

**\$21.00**

7.3x '21e EBITDAR of \$3.2B + \$7/share for sports

**Regional casino markets recover from COVID-19 by the end of 2020, but Vegas takes longer, and mgmt exceeds synergy targets:** Mgmt exceeds its \$500m run-rate ERI-CZR deal synergy target (MSe \$513m). 7.3x target multiple represents a discount to our target multiple for peer BYD, as ERI has a lower mix of owned real estate / execution risk.

#### BEAR CASE

**\$1.00**

7.0x '21e EBITDAR of \$2.9B + \$4/share in sports

**Casino markets recover slowly from COVID-19.** LV EBITDAR 10% below base case, driven by revenue 5% below expectations and expense pressures. Regional/other EBITDAR 2% below base case, primarily due to expense pressures. \$300m of synergies, in line with competitive bids for CZR. \$4/share of sports betting value, and a near trough multiple of 7.0x.

## Risk Reward – Eldorado Resorts Inc. (ERI.O)

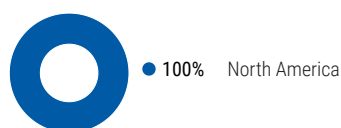
### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Revenue Growth (%)	23.0	126.0	72.3	4.1
EBITDAR Growth (%)	34.9	120.3	105.9	4.3
Operating FCF Yield (%)	22.0	8.8	27.0	30.6

### INVESTMENT DRIVERS

- Casino markets' recovery from COVID-19 headwinds
- Closing on CZR transaction, lifting regulatory overhangs, and then synergy prove-out
- Sports betting spin-off
- Las Vegas property sale

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

1/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Regional gaming markets recovery quickly from COVID-19 headwinds
- Las Vegas gaming revenue recovers quickly
- ERI achieves more merger synergies than we expect

#### RISKS TO DOWNSIDE

- Pending merger does not close, and a break-up fee is owed
- Casino markets take a long time to recover, and ERI has high financial leverage
- Integration missteps on the CZR acquisition could be severely punished as ERI is a roll-up story

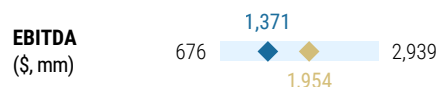
### OWNERSHIP POSITIONING

Inst. Owners, % Active	70.8%	
HF Sector Long/Short Ratio	1.8x	
HF Sector Net Exposure	13.7%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



Source: Thomson Reuters, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

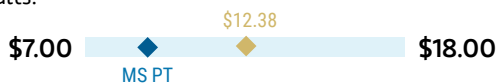
## Risk Reward – Extended Stay America Inc (STAY.O)

Strategic Value in STAY's Brand Business, but Risk Due to the Spread of COVID-19

### PRICE TARGET \$9.00

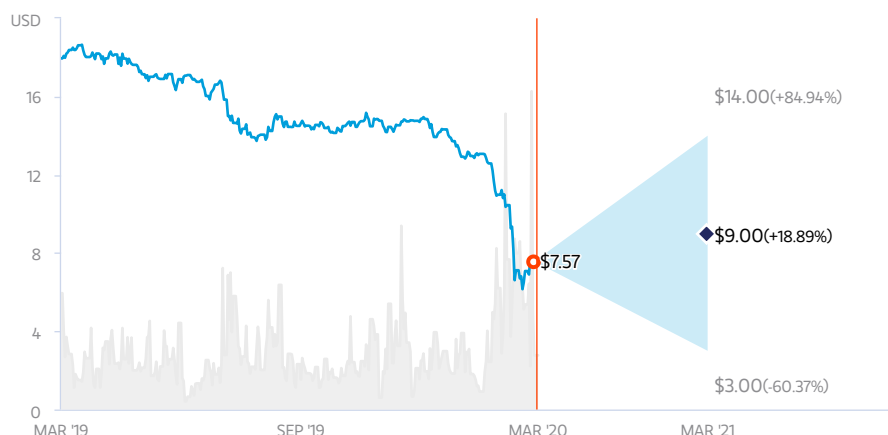
Based on 8.6x 2021e EV/EBITDA, a discount to lodging C-Corps avg (trading at 11.3x 2021e EBITDA) and REITs 9.3x. However, STAY is most comparable to REITs as asset-heavy, and lower quality properties have pressured results.

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



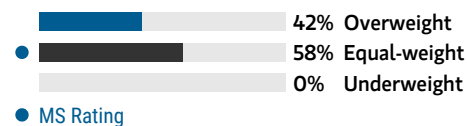
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### EQUAL-WEIGHT THESIS

- We see broad risk to US RevPAR given the spread of COVID-19. While STAY is less at risk given extended stay and lower-tier hotels are seeing lower RevPAR declines, it is more at risk b/c it owns most of its hotels and likely has limited ability to cut costs, meaning higher operating leverage (with higher financial leverage)
- While we believe the market is undervaluing STAY's brand business, with STAY trading at 8x EBITDA vs. C-Corp peers 11x and REITs 9x, given its Board's decision not to pursue transformative transactions, we see less likelihood of STAY realizing this value
- Evolving asset sales strategy could create upside or risk
- Paired share REIT structure means lower taxes than C-Corps

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$14.00	BASE CASE	\$9.00	BEAR CASE	\$3.00
9.9x 2021e EV/EBITDA		8.6x 2021e EV/EBITDA		7.6x 2021e EV/EBITDA	
STAY gets true value for its strategic optionality		US RevPAR broadly declines; 2021e EBITDA of \$479m		More prolonged economic recovery from COVID-19, no renovation or mgmt initiative tailwinds; more alternative accommodation headwinds; 2021e EBITDA of \$405m	
13x multiple on pro forma mgmt & franchise fees		RevPAR CAGR of (2.6)% in 2020-21e		RevPAR CAGR declines 10.1% in 2020-21e	
9x multiple for residual real estate EBITDA		Margins increase to 41.8% in 2021e		2021e margins contract slightly to 41.3%	
166bps higher owned margins from lower OTA fees / mix					
Tax leakage, debt breakage, & deal costs of ~\$42m					

## Risk Reward – Extended Stay America Inc (STAY.O)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	43.9	36.3	41.8	43.3
RevPAR Growth (%)	(0.9)	(20.6)	15.5	5.1
Unit Growth (%)	1.9	2.1	5.1	3.5

### CATALYST CALENDAR

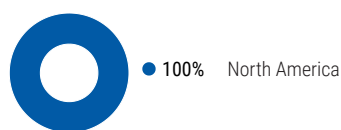
Date	Event
29 Apr 2020 - 04 May 2020	Q1 2020 Extended Stay America Inc Earnings Release
04 Aug 2020 - 10 Aug 2020	Q2 2020 Extended Stay America Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Transformative transactions

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

1/5 BEST	24 Month Horizon	1/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US RevPAR recovers faster than we expect
- STAY's Board is still open to transformative transactions
- STAY trades at a meaningful discount to the majority of C-Corps and REIT peers

#### RISKS TO DOWNSIDE

- COVID-19 headwinds to US RevPAR persist for longer than we expect
- Expenses continue to increase
- High supply growth in select service and extended stay hotels

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

### OWNERSHIP POSITIONING

Inst. Owners, % Active	68.8%	<div style="width: 68.8%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8x;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

## Risk Reward – Gaming and Leisure Properties Inc (GLPI.O)

Attractive Dividend Yield and Discount to Peers Drives Upside; OW

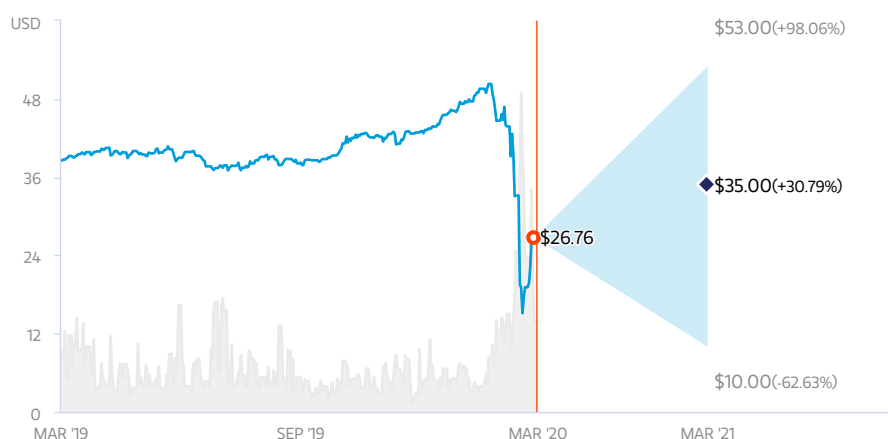
### PRICE TARGET \$35.00

Equal to Base Case Scenario. 10.0x 2021e AFFO, a discount to historic levels given market uncertainty around casino market recovery due to the spread of COVID-19

#### Consensus Price Target Distribution



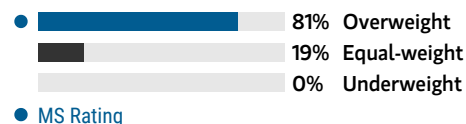
### RISK REWARD CHART



### OVERWEIGHT THESIS

- Regional casino markets should recover relatively quickly from COVID-19 headwinds
- The outlook for tenants' credit quality will meaningfully improve
- GLPI's attractive ~10% dividend yield is among the highest of Triple Net REITs, which we believe could differentiate the stock during periods of economic uncertainty
- Multiple gap vs. peers and traditional Triple Nets is wider than justified

#### Consensus Rating Distribution



#### BULL CASE

**\$53.00**

15.0x 2021e AFFO + \$500m future transaction

Target multiple a discount to where best in class Triple Nets historically traded. 2021e AFFO + \$15m for Ohio and TRS outperformance, adjusted for a \$500 future transaction at a 10x multiple (50% debt financing at 4% interest rate).

#### BASE CASE

**\$35.00**

10x 2021e bull AFFO + \$250m future transaction

Target multiple a slight discount to VICI. 2021e AFFO adjusted for a \$250m future transaction at a 11x multiple (50% debt financing at 4% interest rate).

#### BEAR CASE

**\$10.00**

3x 2021e bear AFFO with no future transaction

Target multiple toward the low end of historical Triple Net trading. 2021e AFFO adjusted down \$15m due to lower Ohio and TRS performance with no future deals.

## Risk Reward – Gaming and Leisure Properties Inc (GLPI.O)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
AFFO Growth (%)	8.7	(46.2)	86.8	2.1
Dividend Yield (%)	7.2	7.3	7.3	7.5
TRS EBITDA Growth (%)	(5.3)	(27.5)	18.5	5.9

### CATALYST CALENDAR

Date	Event
04 May 2020 - 08 May 2020	Q1 2020 Gaming and Leisure Properties Inc Earnings Release
12 Jun 2020 - 16 Jun 2020	Gaming and Leisure Properties Inc Annual Shareholders Meeting
05 Aug 2020 - 10 Aug 2020	Q2 2020 Gaming and Leisure Properties Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Casino market recovery from COVID-19
- Tenants' balance sheet quality
- Long term, a more aggressive acquisition strategy
- Material improvement in OH casino revenues
- Cycle test of Gaming REIT model
- Traditional Triple Nets acquiring gaming real estate

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>2/5 BEST</b>	24 Month Horizon	<b>3/5 MOST</b>	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US casino markets recover quickly from COVID-19, bolstering tenants' credit quality
- Tenants take action to improve their balance sheets
- In the future, GLPI transacts at accretive transaction multiples

#### RISKS TO DOWNSIDE

- Casino markets take a long time to recover from COVID-19 headwinds
- Tenants' balance sheets deteriorate
- High tenant concentration and lack of alternative use for gaming assets pressure multiple

### OWNERSHIP POSITIONING

Inst. Owners, % Active	63.5%	
HF Sector Long/Short Ratio	0.9x	
HF Sector Net Exposure	-0.3%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

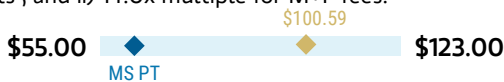
## Risk Reward – Hilton Worldwide Holdings Inc (HLT.N)

Attractive Asset Light Growth Model Pressured due to COVID-19

### PRICE TARGET \$62.00

Based on 13.9x 2021E EBITDA. The multiple is based on a sum-of-the-parts analysis using a i) 10.0x multiple for HLT's owned/leased assets ; and ii) 14.0x multiple for M+F fees.

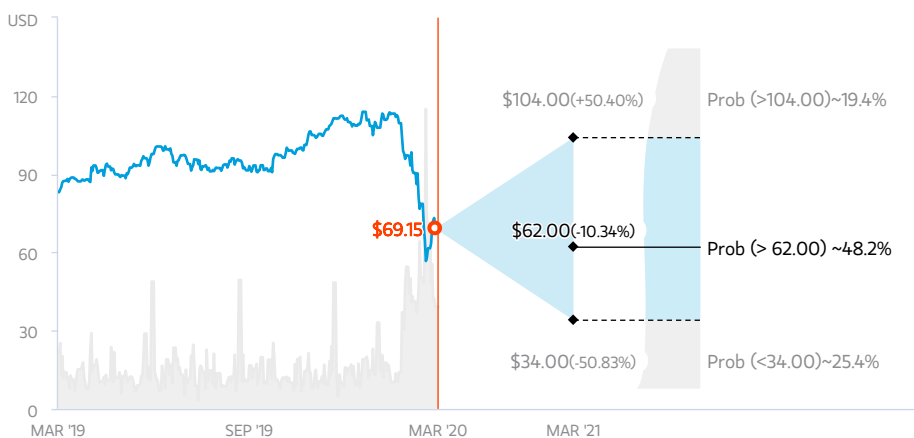
#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



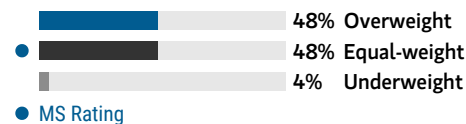
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 27 Mar, 2020. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology, [here](#)

### EQUAL-WEIGHT THESIS

- The spread of coronavirus will pressure RevPAR growth, unit growth, and non-room fee growth
- Strong mgmt team with track record of creating value for owners
- At ~15x 2021e EBITDA, we see a wide risk-reward that will depend on the severity and speed of recovery from COVID-19. We think HLT is well placed from a liquidity standpoint, but its unit growth and ability to repurchase stock medium-term may be impaired

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$104.00	BASE CASE	\$62.00	BEAR CASE	\$34.00
<b>16.9x 2021e EV/Bull EBITDA</b>		<b>13.9x 2021e EV/Base EBITDA</b>		<b>10.9x 2021e EV/ Bear EBITDA</b>	
Stronger economic growth: 1) 2021e EBITDA of \$2,170m; 2) Systemwide RevPAR CAGR grows 5.1% 2020e/2021e; 3) M&F unit growth of 6.6% in 2020e/2021e		US RevPAR declines meaningfully: 1) 2021e EBITDA (after stock comp expense) of \$1,774m ; 2) Global RevPAR (30.1%)/+20.2% in 2020e/2021e; 3) 3.2%/5.0% M&F unit growth in 2020e/2021e		More prolonged economic recovery from COVID-19: 1) 2021e EBITDA of \$1,532m; 2) RevPAR CAGR declines 14.9% for 2020e/2021e; 3) M&F unit growth slows to 2.1% in 2020e/2021e	

## Risk Reward – Hilton Worldwide Holdings Inc (HLT.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	61.3	55.3	59.3	61.7
RevPAR Growth (%)	0.8	(30.1)	20.2	5.3
Unit Growth (%)	6.4	3.1	4.8	4.3

### CATALYST CALENDAR

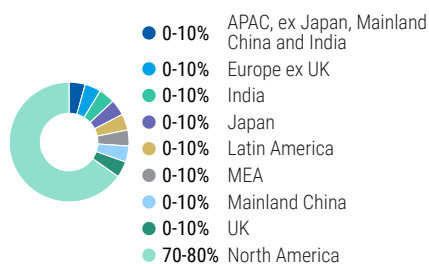
Date	Event
29 Apr 2020 - 04 May 2020	Q1 2020 Hilton Worldwide Holdings Inc Earnings Release
08 May 2020 - 12 May 2020	Hilton Worldwide Holdings Inc Annual Shareholders Meeting
22 Jul 2020 - 27 Jul 2020	Q2 2020 Hilton Worldwide Holdings Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- RevPAR growth improves
- System growth accelerates

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

2/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

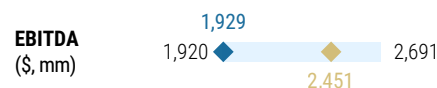
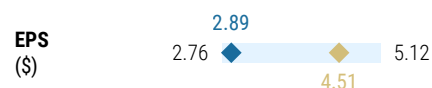
- US RevPAR recovers faster than we expect
- Economic improvement drives better than expected unit growth
- Greater margin expansion

#### RISKS TO DOWNSIDE

- COVID-19 headwinds to US RevPAR persist for longer than we model
- Weaker than expected unit growth and/or credit card fee growth
- Increasing costs weigh on margins
- Structural lodging headwinds, such as alt accommodations / re-pricing tools / OTAs impact RevPAR growth

### MS ESTIMATES VS. CONSENSUS

FY Dec 2021e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

### OWNERSHIP POSITIONING

Inst. Owners, % Active	73.9%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	13.7%

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

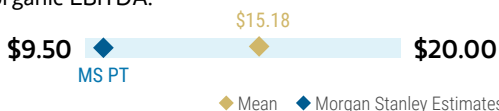
## Risk Reward – Host Hotels & Resorts, Inc. (HST.N)

Headwinds Resulting from COVID-19 Drive Downside to PT; UW

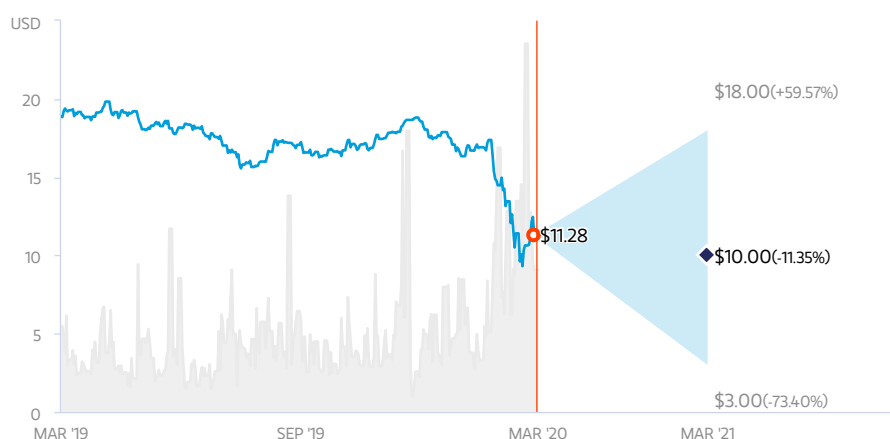
### PRICE TARGET \$10.00

Our \$10 price target implies a 10.0x EV/2021e EBITDA multiple, a discount with HST's historical average given expected declining organic EBITDA.

#### Consensus Price Target Distribution



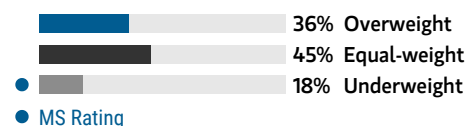
### RISK REWARD CHART



### UNDERWEIGHT THESIS

- We expect US RevPAR to recover relatively slowly
- We see 10x '21 EBITDA as reasonable given uncertainty around hotels' recovery from COVID-19 headwinds, which drives 11% downside to our PT
- High gateway cities exposure is another risk given declining compression nights
- HST's scale gives it more optionality than peers, but also limits the ability to drive outsized growth through renovations or single asset transactions

#### Consensus Rating Distribution



#### Risk Reward Themes

Macroeconomics: *Positive*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$18.00	BASE CASE	\$10.00	BEAR CASE	\$3.00
<b>11.5x 2021e EV/Bull EBITDA</b>		<b>10.0x 2021e EV/Base EBITDA</b>		<b>8.5x 2021e EV/Bear EBITDA</b>	
RevPAR outperforms our base case estimate by 20% in 2021e		US RevPAR declines (30)% y/y in 2020 due to COVID-19 headwinds before rebounding to +20% in 2021. We forecast adjusted EBITDA margin at 22% in 2021, well below 28% in 2019.		RevPAR underperforms our base case estimate by 20% in 2020e-2021e	
Adjusted EBITDA margin is 28% in 2021e				Adjusted EBITDA margins contract to 15% by 2021e	

## Risk Reward – Host Hotels & Resorts, Inc. (HST.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	28.0	15.5	22.3	23.7
RevPAR Growth (%)	(0.6)	(30.2)	20.2	4.9
Non-Room Revenue Growth (%)	3.1	(25.7)	19.0	5.2

### CATALYST CALENDAR

Date	Event
29 Apr 2020 - 04 May 2020	Q1 2020 Host Hotels & Resorts Inc Earnings Release
15 May 2020 - 19 May 2020	Host Hotels & Resorts Inc Annual Shareholders Meeting
04 Aug 2020 - 10 Aug 2020	Q2 2020 Host Hotels & Resorts Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- US RevPAR recovery from COVID-19 headwinds
- More meaningful expense pressure
- Asset valuations decline
- Continued decline in gateway markets' compression nights

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>2/5</b> BEST	24 Month Horizon	<b>5/5</b> MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US RevPAR recovers more quickly than we expect from COVID-19 headwinds
- Expected supply growth in key markets ticks down in 2020

#### RISKS TO DOWNSIDE

- US RevPAR recovers more slowly from COVID-19 headwinds
- More meaningful expense pressure
- Group-rate growth lags and in-quarter bookings stagnate
- Asset valuations decline

### OWNERSHIP POSITIONING

<b>Inst. Owners, % Active</b>	52.1%	
<b>HF Sector Long/Short Ratio</b>	0.9x	
<b>HF Sector Net Exposure</b>	-0.3%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

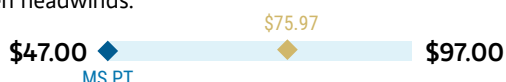
## Risk Reward – Hyatt Hotels Corporation (H.N)

COVID-19 Presents Risk to Asset-Heavier Model, but Lower Leverage an Offset

### PRICE TARGET \$47.00

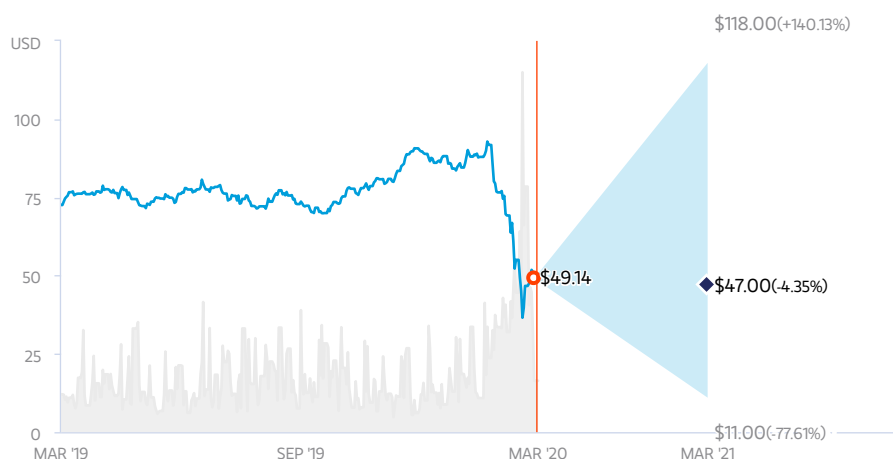
We derive our \$47 price target by using a 11.9x EV/2021e EBITDA multiple, a premium to its 10.5x long-term average (since it went public in 2009) to credit it for its more asset-light position, but a discount to peers given high insider ownership, high owned exposure, and a model that has historically led to unforeseen headwinds.

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



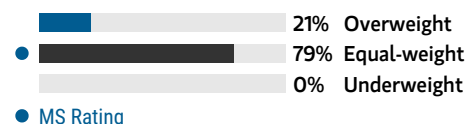
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### EQUAL-WEIGHT THESIS

- Higher owned exposure suggests risk given the spread of COVID-19 and greater operating leverage. However, Hyatt has lower financial leverage than peers.
- Higher exposure to increasing new supply and alternative accommodations given more gateway city exposure than peers (e.g., ~8% NYC exposure vs. MAR 4% and HLT 3%) puts RevPAR growth at risk
- Potential ability to monetize assets at attractive multiples could create value
- Limited float / large insider ownership means constant discount, despite attractive M+F business

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$118.00	BASE CASE	\$47.00	BEAR CASE	\$11.00
<b>13.9x 2021e EBITDA</b>		<b>11.9x 2021e EBITDA</b>		<b>10.9x 2021e EBITDA</b>	
Stronger macro environment and Hyatt outperforms; 2021e EBITDA: \$758m; Systemwide RevPAR CAGR grows 5.4% for '2020e-2021e; 6.8% M&F system expansion in 2020e-2021e		Declining RevPAR environment; 2021e EBITDA: \$551m; RevPAR CAGR (4.6)% in 2020e-2021e; 5.0% M&F system expansion in 2020e-2021e		More prolonged economic recovery from COVID-19; 2021e EBITDA: \$(45)m; RevPAR CAGR declines 12.9% in 2020e-2020e; 4.8% M&F system expansion in 2020e-2021e	

## Risk Reward – Hyatt Hotels Corporation (H.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	29.5	15.7	25.8	29.2
RevPAR Growth (%)	0.7	(29.7)	20.6	5.5
Unit Growth (%)	7.5	4.1	5.7	5.0

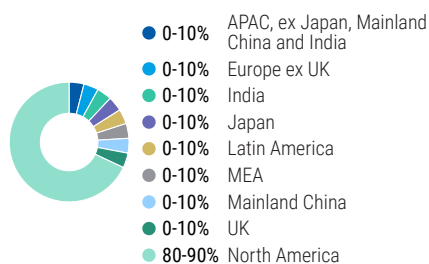
### CATALYST CALENDAR

Date	Event	Source: Thomson Reuters, Morgan Stanley
29 Apr 2020 - 04 May 2020	Q1 2020 Hyatt Hotels Corp Earnings Release	
14 May 2020 - 18 May 2020	Hyatt Hotels Corp Annual Shareholders Meeting	
29 Jul 2020 - 03 Aug 2020	Q2 2020 Hyatt Hotels Corp Earnings Release	

### INVESTMENT DRIVERS

- Unit growth accelerates
- Asset dispositions at high multiples

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>2/5 BEST</b>	24 Month Horizon	<b>2/5 MOST</b>	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US RevPAR recovers faster than we model
- Group rate growth (~45% US exposure) could be more sustainable
- Asset dispositions at attractive multiples

#### RISKS TO DOWNSIDE

- COVID-19 headwinds to US RevPAR persist for longer than we expect
- High exposure to gateway cities (NYC)
- Group trends weaken, esp. close-in bookings

### OWNERSHIP POSITIONING

Inst. Owners, % Active	77.4%	
HF Sector Long/Short Ratio	1.8x	
HF Sector Net Exposure	13.7%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

## Risk Reward – Las Vegas Sands Corp. (LVS.N)

Strong Balance Sheet; Wide Risk-Reward Driven by Macau; EW

### PRICE TARGET \$50.00

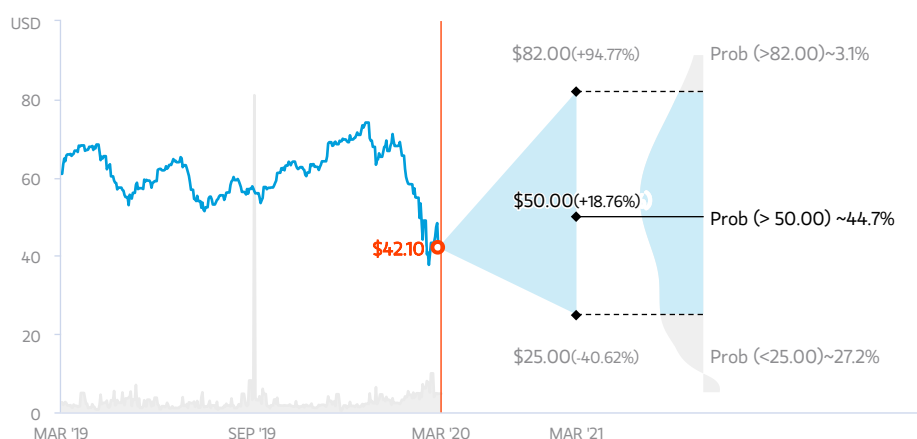
Price Target \$50 based on SOTP using a blended 13.4x 2021e multiple

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



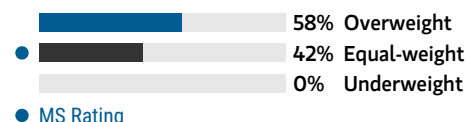
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 27 Mar, 2020. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology, [here](#)

### EQUAL-WEIGHT THESIS

- LVS continues to be the best positioned for the longer-term Macau China penetration story given its scale of hotel rooms.
- However, we expect Macau market recovery from COVID-19 headwinds could take time, and we expect the VIP/premium segments, where LVS is less exposed, to recover faster
- LVS has the strongest balance sheet across our gaming coverage and pays an attractive 8% div yield
- Given its development track record we see it well positioned to win a casino license in Japan (in our bull case)

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

BULL CASE	\$82.00	BASE CASE	\$50.00	BEAR CASE	\$25.00
14.8x '21e Bull EBITDA		13.4x '21e Base EBITDA		10.7x '21e Bear EBITDA	
Macau market recovers 17% ahead of base case and LVS outperforms our market share expectations: 1) 2021e Macau EBITDA of \$3.3B; 2) 2021e Singapore EBITDA of \$1.7B; 3) Macau valuation multiple expands to 15.0x (from 13.0x base case) and MBS multiple expands to 15.5x (from 14.0x); 4) \$7 of value for Japan.		Macau mkt GGR doesn't return to growth until 2021; LVS loses some share in 2020 b/c of a faster recovery in VIP; 1) 2021e Macau EBITDA of \$2.7B; 2) 2021e Singapore EBITDA of \$1.5B; 3) 2021e Las Vegas EBITDA of \$0.332B.		Macau market-wide GGR ~20% below our base case, and LVS market share erodes; 1) 2021e Macau EBITDA of \$2.0B; 2) 2021e Singapore EBITDA of \$1.3B; 3) Macau valuation multiple lowered to 10.5x (from 13.0x) and MBS multiple lowered to 12.0x (from 14.0x); 4) No value for Japan.	

## Risk Reward – Las Vegas Sands Corp. (LVS.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Macau EBITDAR Growth (%)	3.6	(55.8)	91.2	19.1
Las Vegas EBITDAR Growth (%)	23.6	(68.6)	117.6	12.4
Singapore EBITDAR Growth (%)	(1.7)	(38.4)	44.1	5.0
Adj. FCF Yield (%)	5.8	2.6	5.3	6.2

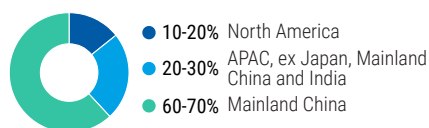
### CATALYST CALENDAR

Date	Event	Source: Thomson Reuters, Morgan Stanley
15 Apr 2020 - 20 Apr 2020	Q1 2020 Las Vegas Sands Corp Earnings Release	
15 May 2020 - 19 May 2020	Las Vegas Sands Corp Annual Shareholders Meeting	
22 Jul 2020 - 27 Jul 2020	Q2 2020 Las Vegas Sands Corp Earnings Release	

### INVESTMENT DRIVERS

- Market recovery in Macau
- Sequential improvement in VIP volumes in Singapore and Macau
- Developments in Japan (or other Asia jurisdictions) casinos

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

2/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Macau market recovers more quickly than we expect from COVID-19 headwinds
- Mass outperforms VIP in Macau
- Sequential improvement in VIP volumes in Singapore and Macau
- Winning a Japan casino license

#### RISKS TO DOWNSIDE

- Continued market weakness in Macau, especially mass
- Lost share in Macau. LVS is one of the market share leaders (~23%), so potentially has the most share to lose
- Weak Singapore earnings
- Regulatory risk

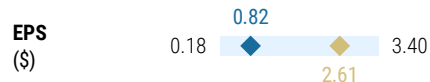
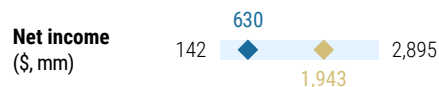
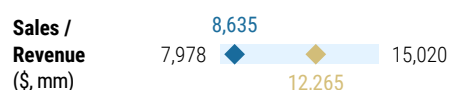
### OWNERSHIP POSITIONING

Inst. Owners, % Active	70.3%	<div style="width: 70.3%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

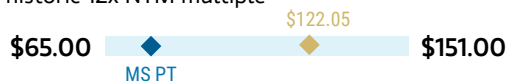
## Risk Reward – Marriott International Inc. (MAR.O)

COVID-19 Headwinds Pressure RevPAR and Unit Growth Leading to Widely-Skewed RR

### PRICE TARGET \$77.00

Based on 12.8x 2021e EV/EBITDA, above its historic 12x NTM multiple

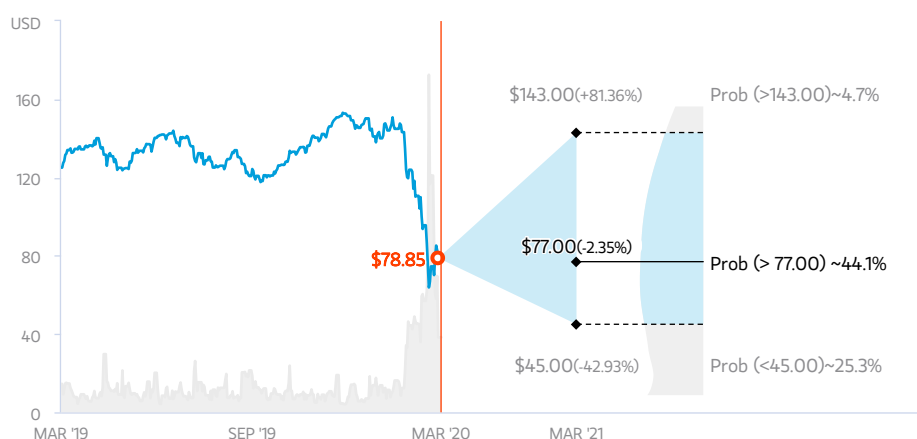
#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



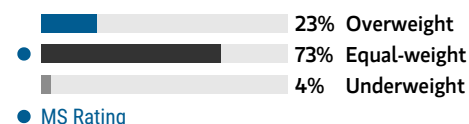
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 27 Mar, 2020. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology, [here](#)

### EQUAL-WEIGHT THESIS

- Largest hotel brand company globally creates economies of scale, but the spread of COVID-19 will pressure unit growth
- We expect several \$100M working capital headwinds related to timing mis-matches between owners paying MAR and MAR paying out expenses, but this should be temporary
- With the stock trading near its historical avg multiple, we see too wide a risk-reward to justify recommending, with upside/downside driven by how severe and quick business trends return to normal post COVID-19.

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$143.00	BASE CASE	\$77.00	BEAR CASE	\$45.00
15.8x 2021e EV/EBITDA		12.8x 2021e EV/EBITDA		10.8x 2021e EV/EBITDA	
Macro environment improves; US GDP growth exceeds estimates; 2021e Pro Forma EBITDA of \$3,634m		US RevPAR meaningfully declines, 2021 EBITDA of \$2,766m (ex asset sales, ESO, and deferred amortization)		More prolonged economic recovery from COVID-19; 2021e Pro Forma EBITDA of \$2,296m	
Systemwide RevPAR CAGR grows +2.6% in 2020e-2021e		RevPAR CAGR (4.9)% in 2020e-2021e		RevPAR CAGR declines 12.5% in 2020e-2021e	

## Risk Reward – Marriott International Inc. (MAR.O)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	66.5	60.6	65.4	67.6
RevPAR Growth (%)	1.3	(30.2)	20.3	5.5
Unit Growth (%)	4.8	2.8	4.4	3.7

### CATALYST CALENDAR

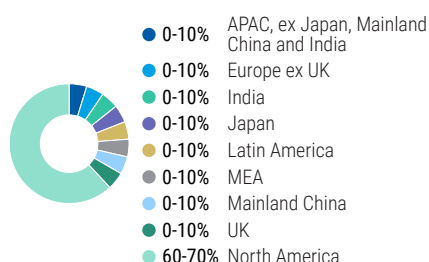
Date	Event
08 May 2020 - 12 May 2020	Q1 2020 Marriott International Inc Earnings Release
08 May 2020 - 12 May 2020	Marriott International Inc Annual Shareholders Meeting
03 Aug 2020 - 07 Aug 2020	Q2 2020 Marriott International Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- US RevPAR recovery
- Unit growth accelerates
- Accretive acquisitions

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>2/5</b> BEST	24 Month Horizon	<b>2/5</b> MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

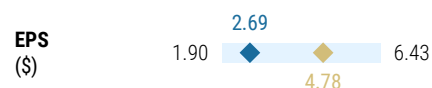
- US RevPAR recovers faster than we expect
- Greater credit card fees
- Asset valuations increase, and MAR can do accretive acquisitions

#### RISKS TO DOWNSIDE

- COVID-19 headwinds to US RevPAR persist for longer than we model
- Lower net unit growth or credit card fees
- Cost increases, though MAR's lower owned exposure makes it less a risk
- Tougher macro environment

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

### OWNERSHIP POSITIONING

Inst. Owners, % Active	66.8%	<div style="width: 66.8%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8x;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

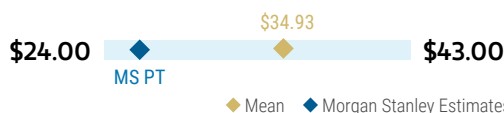
## Risk Reward – MGM Growth Properties LLC (MGP.N)

Strong Div Yield & Tenant Liquidity; Vegas Recovery a Risk; EW

### PRICE TARGET \$26.00

Equal to Base Case Scenario. 10.5x 2021e AFFO, adjusted for growth in the form of known pipelines and unannounced future deals.

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



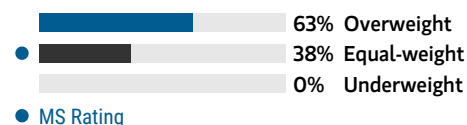
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### EQUAL-WEIGHT THESIS

- Strong tenant liquidity / balance sheet
- Las Vegas casinos could take time to recover from COVID-19 headwinds, but Regional casinos should recover more quickly
- Stable and predictable cash flow generation, with set rent increases
- Embedded growth pipeline with Right of First Offer (ROFO) on MGM's development project in Springfield, MA, and likely other unique opportunities (e.g., CityCenter)
- However, other sellers have been reluctant to sell to MGP given MGM ownership
- JV with BREIT could create new opportunities

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

BULL CASE	\$40.00	BASE CASE	\$26.00	BEAR CASE	\$10.00
<b>16.0x '21e AFFO + \$500m future txn + ROFO</b>		<b>10.5x '21e AFFO + \$250m future txn+ ROFO</b>		<b>4.0x '21e AFFO + ROFO</b>	
Target multiple similar with historic avg of high quality traditional Triple Nets. 2021 AFFO adjusted for a \$500m future transaction at a 9.5x multiple, the Springfield ROFO at a 10.0x multiple.		Target multiple between VICI and GLPI. 2021 AFFO adjusted for a \$250m future transaction at a 10.0x multiple, the Springfield ROFO at a 10.5x multiple.		Target multiple in line with sector lows. 2021 AFFO adjusted for Springfield ROFO at a 11.0x multiple.	

## Risk Reward – MGM Growth Properties LLC (MGP.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
AFFO Growth (%)	15.8	2.6	0.7	2.5
AFFO Per Share Growth (%)	4.9	2.2	3.7	2.5
Dividend Yield (%)	9.8	10.0	10.3	10.6

### CATALYST CALENDAR

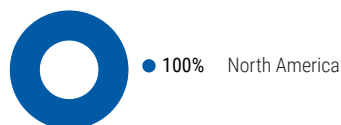
Date	Event
28 Apr 2020 - 04 May 2020	Q1 2020 MGM Growth Properties LLC Earnings Release
30 Apr 2020 - 04 May 2020	MGM Growth Properties LLC Annual Shareholders Meeting
04 Aug 2020 - 10 Aug 2020	Q2 2020 MGM Growth Properties LLC Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Casino markets recovery from COVID-19 headwinds
- Aggressive acquisition strategy
- Faster than expected dividend growth
- Clarity around timing / terms of ROFO transaction
- Cycle test of Gaming REIT model
- Traditional Triple Nets acquire gaming real estate

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US casino markets (especially Vegas) recover quickly from COVID-19 headwinds
- Interest rates remain low
- New buyers enter the gaming real estate market, re-rating NAVs
- Executes accretive transactions

#### RISKS TO DOWNSIDE

- US casino markets take a long time to recover
- Tenant concentration pressures multiple
- Inability to find accretive acquisitions
- Faster rising interest rates
- Secondary sales

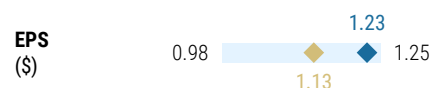
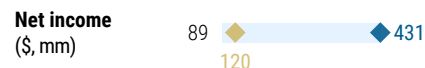
### OWNERSHIP POSITIONING

Inst. Owners, % Active	89.7%	<div style="width: 89.7%;"></div>
HF Sector Long/Short Ratio	0.9x	<div style="width: 0.9x;"></div>
HF Sector Net Exposure	-0.3%	<div style="width: -0.3%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

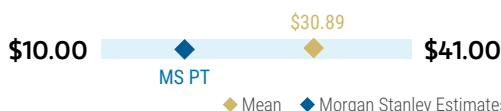
## Risk Reward – MGM Resorts International (MGM.N)

Attractive Valuation; Prolonged Vegas Recovery a Risk; EW

### PRICE TARGET \$18.00

Derived from multiple of 8.3x 2021e EBITDAR, below its current multiple and below MGM's long-term 11x NTM average to account for risk around casino markets' recovery and less owned real estate

#### Consensus Price Target Distribution

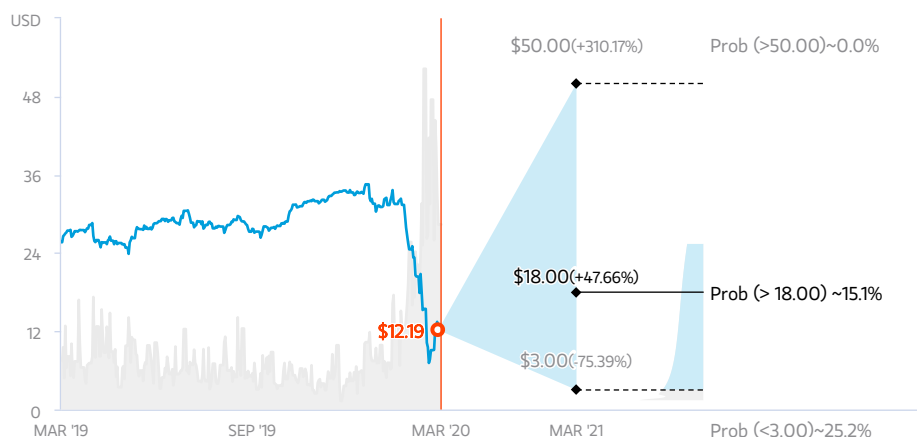


Source: Thomson Reuters, Morgan Stanley Research

### EQUAL-WEIGHT THESIS

- Las Vegas casino market recovery from COVID-19 headwinds could take time
- Long term, MGM should benefit from Vegas tailwinds such as the Raiders moving in
- MGM is trading at 9x 2021e EBITDAR, below its historic NTM average (~11x), but in line with the past 2 years. However, given uncertainty around market recovery and MGM has sold much of its real estate, it deserves a lower multiple

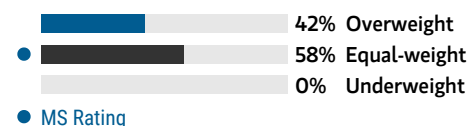
### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 27 Mar, 2020. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology, [here](#)

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

BULL CASE	\$50.00	BASE CASE	\$18.00	BEAR CASE	\$3.00
10.2x 2021e EBITDA		8.3x 2021e EBITDA		6.5x 2021e EBITDA	
<p><b>Macau and Las Vegas both outperform, multiple holds in:</b> 1) LV accelerates and drives multiple expansion, and Macau market-wide GGR 17% above base case; 2) EBITDAR multiple of 10.2x; 3) 2021e Las Vegas Strip EBITDAR of \$1.842B; 4) 2021e Macau EBITDAR of \$1.123B; 5) \$5 from Japan; 6) \$4 from US sports betting</p>		<p><b>Las Vegas takes significant time to recover from COVID-19 headwinds, but begins to recover in 2021:</b> 1) EV/EBITDAR multiple of 8.3x; 2) 2021e Las Vegas Strip EBITDAR of \$1.4B; 3) 2021e Macau EBITDAR of \$0.634B; 4) \$1 of value for US sports betting</p>		<p><b>MGM's casinos underperform expectations due to prolonged headwinds from COVID-19.</b> 1) 2021e Las Vegas Strip EBITDAR of \$1.077B; 2) 2021e Macau EBITDAR of \$0.249B; 3) EBITDAR multiple decreases to 6.5x; 4) slight dilution from US sports betting</p>	

## Risk Reward – MGM Resorts International (MGM.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Las Vegas EBITDAR Growth (%)	(3.7)	3.4	0.8	1.0
Macau EBITDAR Growth (%)	26.6	(14.1)	33.1	10.8
Regionals EBITDAR Growth (%)	25.6	4.7	1.7	1.8
Adjusted Operating FCF Yield (%)	7.9	5.6	5.4	5.7

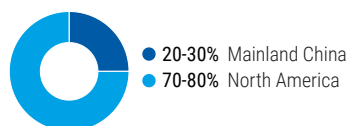
### CATALYST CALENDAR

Date	Event	Source: Thomson Reuters, Morgan Stanley
27 Apr 2020 - 01 May 2020	Q1 2020 MGM Resorts International Earnings Release	
23 Jul 2020 - 27 Jul 2020	Q2 2020 MGM Resorts International Earnings Release	

### INVESTMENT DRIVERS

- Trends in Las Vegas
- Trends in Macau
- Additional asset monetizations

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

1/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Las Vegas casino market recovers quickly from COVID-19 headwinds
- Macau casino market recovers quickly
- MGM takes outsized US sports betting market share

#### RISKS TO DOWNSIDE

- Casino markets recover slowly due to COVID-19 headwinds
- LV trends diluted by late cycle dynamics / oversupply (20% more rooms than '07)
- Cost headwinds

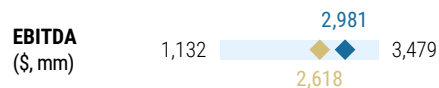
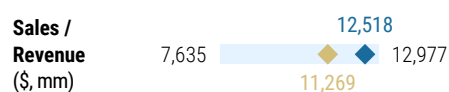
### OWNERSHIP POSITIONING

Inst. Owners, % Active	65.5%	<div style="width: 65.5%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8x;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates  
Source: Thomson Reuters, Morgan Stanley Research

## Risk Reward – Norwegian Cruise Line Holdings Ltd (NCLH.N)

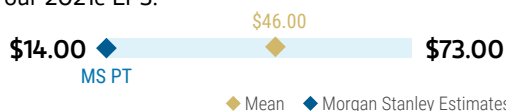
COVID-19 Presents Risk to Demand, but Stock Decline Presents Potential Opp

### PRICE TARGET \$14.00

Equal to base case scenario; based on 15.0x our 2021e EPS.

#### Consensus Price Target Distribution

Source: Thomson Reuters, Morgan Stanley Research



### EQUAL-WEIGHT THESIS

- Cruise demand is depressed due to COVID-19. Our base case assumes yields decline 32% y/y in 2020 before rebounding +17% y/y in 2021
- Our base case suggests leverage will increase to 14.5x in 2020, while working capital headwinds could suggest NCLH will need to raise additional capital
- Bull case is that COVID-19 impacts demand temporarily and if fundamentals can return close to 2019 levels, stock is trading at just 2x our '21e bull case EPS, vs. 13x historical.
- Longer-term, expect new Encore ship to be a yield tailwind and US customer focus a plus

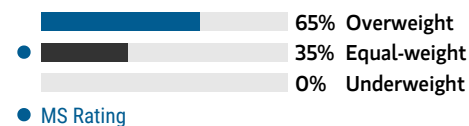
### RISK REWARD CHART



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### BULL CASE

**\$57.00**

11.0x 2021e Bull Case EPS of \$5.18

1) Net yield growth declines 17% in 2020 but recovers up 18% in 2021; 2) Net cruise costs (ex fuel) decrease 11% in 2020 and increase 5% in 2021; 3) Average fuel price of ~\$487 per metric ton in 2020/2021 4) 11x 2021 P/E multiple, below the stock long-term average

#### BASE CASE

**\$14.00**

15.0x 2021e EPS of \$0.94

1) Net yield growth declines 32% in 2020 but recovers up 17% in 2021; 2) Net cruise costs (ex fuel) decrease 11% in 2020 and increase 4% in 2021; 3) Average fuel price of ~\$505 per metric ton in 2020/2021; 4) 15x 2021 P/E multiple (above the stock's long-term average)

#### BEAR CASE

**\$1.00**

8.0x 2021e Bear Case EPS of \$0.10

1) Net yield growth declines 37% in 2020 but recovers up 18% in 2021; 2) Net cruise costs (ex fuel) decreases ~9%/~1% in 2020/2021; 3) Average fuel price of ~\$526 per metric ton in 2020/2021; 4) 8x 2021 P/E multiple, near historical trough levels

## Risk Reward – Norwegian Cruise Line Holdings Ltd (NCLH.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Net Yield Growth (%)	3.6	(31.7)	16.6	7.0
Adjusted Net Cruise Costs Growth, ex-fuel per ALBD (%)	6.2	(11.1)	4.3	1.5
EPS Growth (%)	3.4	(141.4)	(144.6)	94.5

### CATALYST CALENDAR

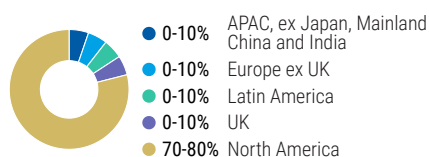
Date	Event
07 May 2020 - 11 May 2020	Q1 2020 Norwegian Cruise Line Holdings Ltd Earnings Release
12 Jun 2020 - 16 Jun 2020	Norwegian Cruise Line Holdings Ltd Annual Shareholders Meeting
06 Aug 2020 - 10 Aug 2020	Q2 2020 Norwegian Cruise Line Holdings Ltd Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Net yield growth recovery from COVID-19 headwinds
- Expense growth

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>1/5 BEST</b>	24 Month Horizon	<b>2/5 MOST</b>	3 Month Horizon
-----------------	------------------	-----------------	-----------------

Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Net yield growth recovers more quickly than we expect
- Margin improvement driven by cost containment

#### RISKS TO DOWNSIDE

- Cruise demand remains depressed for longer than we expect
- Recession risk given fixed cost leverage and new ship pipeline
- Higher fuel prices

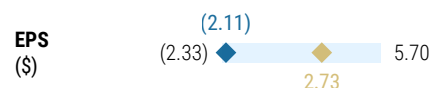
### OWNERSHIP POSITIONING

Inst. Owners, % Active	68.7%	<div style="width: 68.7%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

## Risk Reward – Penn National Gaming, Inc. (PENN.O)

Regional Markets' Faster Recovery from COVID-19 Drives Upside, Wide R/R; OW

### PRICE TARGET \$19.00

Based on sum-of-the-parts analysis using 6.0x blended multiple (below historic avg due to risks from COVID-19), plus value for sports betting.

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



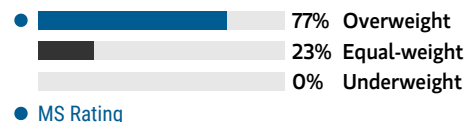
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### OVERWEIGHT THESIS

- Regionals faces headwinds from COVID-19 in 2020 but recovers more quickly than other casino markets
- We see PENN as one of the best positioned for US sports betting given its partnership with Barstool, strong market access partners, additional skins, and small current market cap vs. the opportunity's size
- Our 6.0x valuation multiple is at the low end of PENN's historical range (6x-8x) due to uncertainty around COVID-19 headwinds to key markets
- We see idiosyncratic property-level risks, incl. new competition in CO and MA and VGT headwinds.

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### BULL CASE

**\$52.00**

##### 6.5x 2021e Bull EBITDAR

1) 2020e / 2021e Adjusted EBITDAR \$1.34B / \$1.76B, ~10% above base case, 2) \$31 / share for sports betting including incremental traffic.

#### BASE CASE

**\$19.00**

##### 6.0x 2021e Base EBITDAR

1) 2020e / 2021e Adjusted EBITDAR \$1.35B / \$1.68B; 2) \$14 / share for sports betting including traffic.

#### BEAR CASE

**\$1.00**

##### 5.7x 2021e Bear EBITDAR

1) 2020e / 2021e Adjusted EBITDAR \$1.22B / \$1.52B, ~5% below base case; 2) \$3 / share from sports betting

## Risk Reward – Penn National Gaming, Inc. (PENN.O)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Northeast EBITDAR Growth (%)	9.6	(13.5)	22.8	7.7
South EBITDAR Growth (%)	22.4	(25.8)	25.1	7.8
West EBITDAR Growth (%)	3.8	(34.8)	40.0	11.4
Midwest EBITDAR Growth (%)	(1.1)	(20.7)	21.1	6.8
Operating FCF Yield (%)	28.9	35.0	34.4	51.0

### CATALYST CALENDAR

Date	Event
30 Apr 2020 - 04 May 2020	Q1 2020 Penn National Gaming Inc Earnings Release
11 Jun 2020 - 15 Jun 2020	Penn National Gaming Inc Annual Shareholders Meeting
30 Jul 2020 - 03 Aug 2020	Q2 2020 Penn National Gaming Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- Casino markets' recovery from COVID-19 headwinds
- Regional gaming trends, including sports betting
- Balance sheet improvement
- Consolidation / M&A opportunities
- Macro tailwinds/headwinds

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

1/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Regional gaming revenue recovers relatively quickly from COVID-19 headwinds
- PENN takes outsized US sports betting market share

#### RISKS TO DOWNSIDE

- Casinos markets take a long time to recover due to COVID-19
- High (nearly 6x) implicit leverage given fixed rent expense, though recently agreed to sell Tropicana for \$337.5m credit
- Greater than expected competitive risk

### OWNERSHIP POSITIONING

Inst. Owners, % Active	61.9%	<div style="width: 61.9%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8x;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

## Risk Reward – Sunstone Hotel Investors Inc (SHO.N)

COVID-19 Headwinds Drive Downside to PT; UW

### PRICE TARGET \$8.00

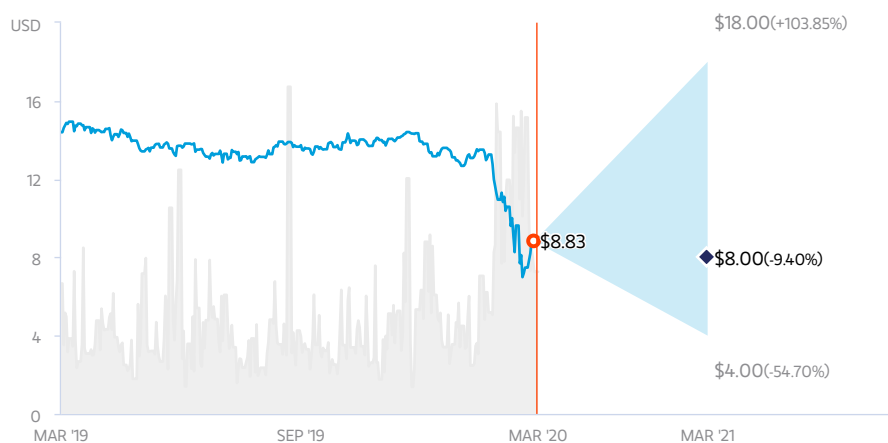
Our \$8 price target is based on 10.0x EV / 2021e EBITDA. We expect SHO to suffer from COVID-19 headwinds throughout 2020, and see risk of a more prolonged recovery.

#### Consensus Price Target Distribution



Source: Thomson Reuters, Morgan Stanley Research

### RISK REWARD CHART



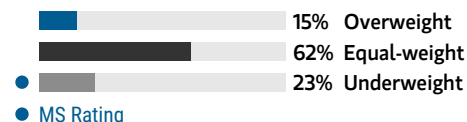
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### UNDERWEIGHT THESIS

- We expect US RevPAR to recover relatively slowly from COVID-19 and see 10x '21 EBITDA as reasonable given earnings declines and the uncertainty around the recovery
- In our view, SHO has a high quality mgmt team, has been smart about capital allocation, and has positioned the balance sheet well to combat expected demand weakness
- SHO had tailwinds in 2017-2019 from Wailea Beach Marriott and Boston Park Plaza re-positionings. However, the company has only made 1 acquisition in the past 5 years, limiting future upside

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

BULL CASE	\$18.00	BASE CASE	\$8.00	BEAR CASE	\$4.00
<b>11.5x 2021e EV/Bull EBITDA</b>		<b>10.0x 2021e EV/Base EBITDA</b>		<b>8.5x 2021e EV/Bear EBITDA</b>	
RevPAR outperforms our base case estimate by 20% in 2021		US RevPAR declines (31)% y/y in 2020 due to COVID-19 headwinds before rebounding to +20% in 2021. We forecast adjusted EBITDA margin at 23% in 2021, well below 29% in 2019.		RevPAR underperforms our base case estimate by 10% in 2020e-2021e	
Adjusted EBITDA margin is 27% in 2021				Adjusted EBITDA margins contract to 19% by 2021e	

## Risk Reward – Sunstone Hotel Investors Inc (SHO.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	28.7	17.0	22.8	23.8
RevPAR Growth (%)	1.9	(30.8)	20.1	5.1
Non-Room Revenue Growth (%)	(3.3)	(31.8)	19.8	5.1

### CATALYST CALENDAR

Date	Event
04 May 2020 - 08 May 2020	Q1 2020 Sunstone Hotel Investors Inc Earnings Release
30 Jul 2020 - 03 Aug 2020	Q2 2020 Sunstone Hotel Investors Inc Earnings Release

Source: Thomson Reuters, Morgan Stanley

### INVESTMENT DRIVERS

- US RevPAR recovery from COVID-19 headwinds
- Expense growth
- Asset valuations

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

2/5 BEST	24 Month Horizon	1/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US RevPAR recovers more quickly than we expect from COVID-19 headwinds
- Expected supply growth in key urban markets such as Boston & San Diego slows
- Investors flock to SHO due to its solid B/S

#### RISKS TO DOWNSIDE

- US RevPAR recovers very slowly from COVID-19 headwinds
- More expense pressure than expected
- Interest rates rise, pressuring hotel asset valuations

### OWNERSHIP POSITIONING

Inst. Owners, % Active	59.1%	<div style="width: 59.1%;"></div>
HF Sector Long/Short Ratio	0.9x	<div style="width: 0.9x;"></div>
HF Sector Net Exposure	-0.3%	<div style="width: -0.3%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

## Risk Reward – VICI Properties Inc (VICI.N)

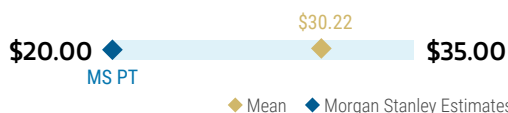
Upside from Casinos' Recovery & Future Acq's Re-Rating; OW

### PRICE TARGET \$20.00

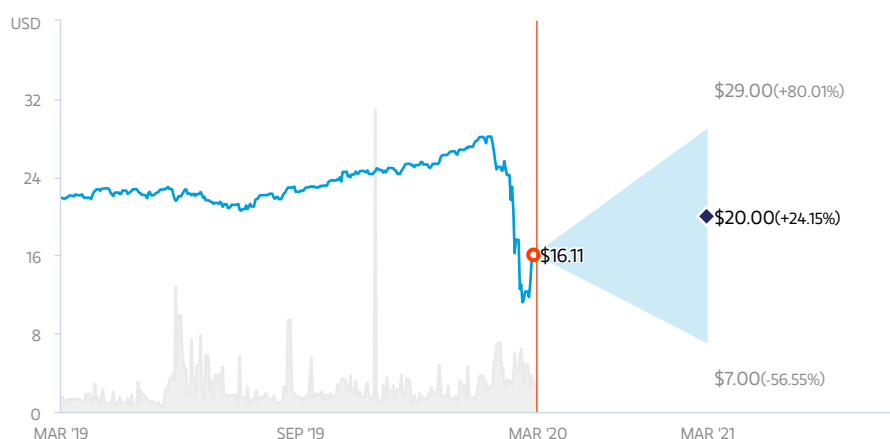
Equal to Base Case Scenario. 11.0x 2021e AFFO, plus growth from its announced pipelines and potential future deals.

#### Consensus Price Target Distribution

Source: Thomson Reuters, Morgan Stanley Research



### RISK REWARD CHART



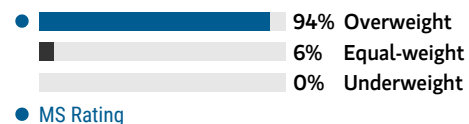
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research

### OVERWEIGHT THESIS

- Regional US casinos should recover from COVID-19 headwinds relatively quickly
- Multiple gap vs. traditional Triple Nets is wider than justified, but will trade at a discount given fungibility of assets and pressure casinos currently face from COVID-19
- VICI has the largest, most visible growth pipeline in Gaming REITs, with multiple Right of First Refusal (ROFR) and Put/Call Properties representing attractive growth opportunities
- Given VICI's lack of conflicts and lower cost of capital, it has been the buyer of choice in Gaming. However, there is risk given Blackstone's recent entrance into the space
- VICI has discussed expanding outside of Gaming into other Experiential real estate

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

### BULL CASE

**\$29.00**

16.0x 2021e AFFO + \$6B future transactions

Multiple slightly below best-in-class Triple Net peers historic average on 2021 AFFO, adjusted for run-rate deal impacts, multiple pipeline properties, and future transactions at 10-12x acq. multiple. Total \$6B of non-confirmed deals.

### BASE CASE

**\$20.00**

11.0x 2021e AFFO + \$3B future transactions

2021 AFFO per share adjusted for deal impacts, one Vegas ROFR, and future Gaming / non-Gaming transactions at 11-13x acquisition multiples. Total \$3B of non-confirmed deals.

### BEAR CASE

**\$7.00**

4.0x 2021e AFFO

2021 AFFO per share adjusted for run-rate deal impacts.

## Risk Reward – VICI Properties Inc (VICI.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
AFFO Growth (%)	3.2	30.4	17.6	2.5
AFFO Per Share Growth (%)	3.2	13.1	11.8	2.5
Golf Revenue Growth (%)	6.4	(22.7)	20.2	1.5

### INVESTMENT DRIVERS

- Casino revenues recover from COVID-19
- Aggressive acquisition strategy
- Faster than expected dividend growth
- Cycle test of Gaming REIT model
- Traditional Triple Nets acquiring gaming real estate

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

4/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US casino markets recover quickly from COVID-19
- Interest rates remain low
- Valuations re-rate from new buyers in the Gaming space
- Diversify into other spaces; find accretive deals

#### RISKS TO DOWNSIDE

- US casino markets recover slowly
- Tenant concentration; weak performance of ERI/CZR pressures multiple
- Inability to find accretive acquisitions; buyers with lower cost of capital
- Interest rates increase vs. expectations

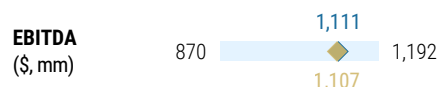
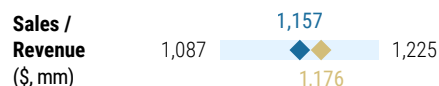
### OWNERSHIP POSITIONING

Inst. Owners, % Active	75.1%	
HF Sector Long/Short Ratio	1.8x	
HF Sector Net Exposure	13.7%	

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

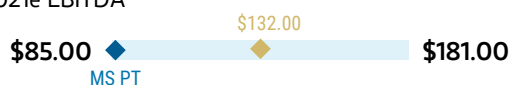
## Risk Reward – Wynn Resorts, Limited (WYNN.O)

Wide Risk-Reward Driven by Macau & Leverage; EW

### PRICE TARGET \$85.00

Derived from base case scenario of 12.5x 2021e EBITDA

#### Consensus Price Target Distribution

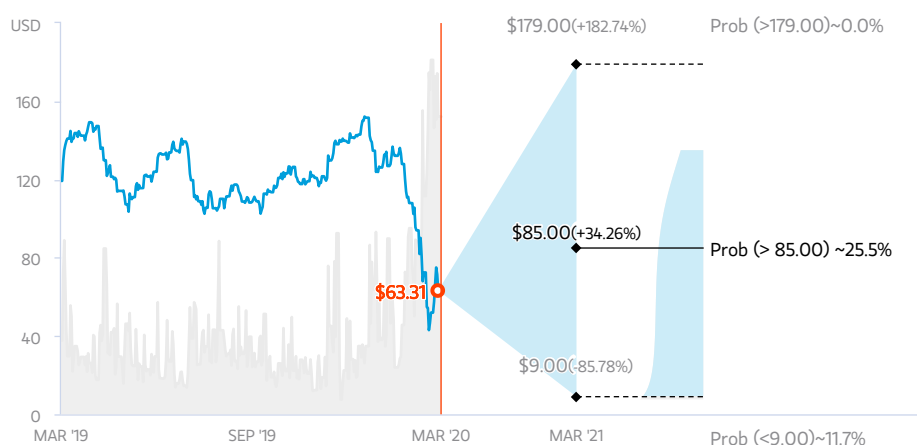


Source: Thomson Reuters, Morgan Stanley Research

### EQUAL-WEIGHT THESIS

- Macau & Vegas market recovers from COVID-19 headwinds could take time
- We have a short-term preference for WYNN over Macau peers as we expect VIP and premium mass in Macau to inflect from coronavirus quicker / stronger than mass, leading WYNN to grow faster
- At 11x '21 EBITDA, WYNN is trading slightly below its NTM avg (14x). However, there is risk Macau market revenue doesn't rebound sharply in 2021 as we're modeling
- WYNN has strong liquidity but high leverage widens risk/reward

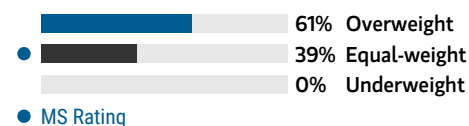
### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Thomson Reuters, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 27 Mar, 2020. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology, [here](#)

#### Consensus Rating Distribution



Source: Thomson Reuters, Morgan Stanley Research

BULL CASE	\$179.00	BASE CASE	\$85.00	BEAR CASE	\$9.00
15.6x 2021e EBITDA		12.5x 2021e EBITDA		11.7x 2021e EBITDA	
<b>Macau market grows ~17% above our base case.</b> 1) 2021e Macau EBITDA of \$1.65B; 2) 2021e Las Vegas EBITDA of \$0.433B; 3) Boston Harbor outperforms our base case by 5%; 4) \$5 of value for sports betting		<b>Macau market GGR returns to strong growth in 2021 following COVID-19 headwinds this year.</b> 1) 2021e Macau EBITDA of \$1.10B; 2) 2021e Las Vegas EBITDA of \$0.376B; 3) Encore Everett EBITDA of \$0.148B in 2021; 4) \$1 of value for sports betting		<b>Macau worse than expected, GGR ~20% below base case.</b> 1) 2021e Macau EBITDA of \$0.524B; 2) 2021e Las Vegas EBITDA of \$0.317B; 3) Wynn Boston Harbor underperforms by 5%.	

## Risk Reward – Wynn Resorts, Limited (WYNN.O)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
Wynn Palace EBITDAR Growth (%)	(13.6)	(63.6)	116.9	21.3
Wynn Macau EBITDAR Growth (%)	(11.5)	(56.2)	83.7	18.9
Las Vegas EBITDAR Growth (%)	(11.4)	(51.7)	88.2	11.8
Boston EBITDAR Growth (%)	NA	NA	190.0	15.9
Operating FCF Yield (%)	10.5	2.1	11.9	14.0

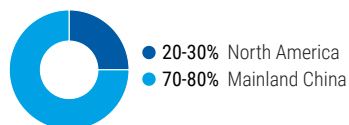
### CATALYST CALENDAR

Date	Event	Source: Thomson Reuters, Morgan Stanley
06 May 2020 - 10 May 2020	Wynn Resorts Ltd Annual Shareholders Meeting	
07 May 2020 - 11 May 2020	Q1 2020 Wynn Resorts Ltd Earnings Release	
04 Aug 2020 - 10 Aug 2020	Q2 2020 Wynn Resorts Ltd Earnings Release	

### INVESTMENT DRIVERS

- Markets' recovery from COVID-19
- Return to growth in Macau VIP / premium mass and Las Vegas baccarat
- Performance of Everett following its recent launch on June 23, 2019

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

<b>2/5</b> BEST	24 Month Horizon	<b>4/5</b> MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- Macau market recovers quickly from COVID-19
- WYNN market share gains in Macau
- Las Vegas market recovery
- Everett performance

#### RISKS TO DOWNSIDE

- Prolonged Macau & Vegas recoveries due to COVID-19
- Margin / market share erosion at Wynn properties from weakness in VIP / premium mass
- Performance of Everett worse than expected
- Another cut to its dividend (last 1Q15)

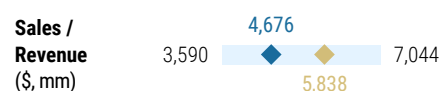
### OWNERSHIP POSITIONING

Inst. Owners, % Active	65.6%	<div style="width: 65.6%;"></div>
HF Sector Long/Short Ratio	1.8x	<div style="width: 1.8x;"></div>
HF Sector Net Exposure	13.7%	<div style="width: 13.7%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Dec 2020e



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

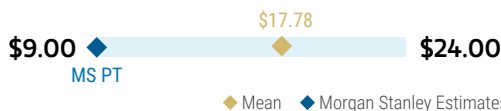
## Risk Reward – Xenia Hotels & Resorts Inc (XHR.N)

RevPAR Risk due to COVID-19 Drives Unattractive Risk-Reward

### PRICE TARGET \$9.00

Our \$9 price target for XHR is based on 10.0x 2021e EBITDA. We use 10.0x 2021e EBITDA multiples for valuing other covered REITs and believe it is fair given uncertainty around COVID-19 headwinds.

#### Consensus Price Target Distribution



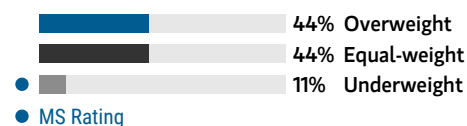
### RISK REWARD CHART



### UNDERWEIGHT THESIS

- We expect US RevPAR recovery from COVID-19 headwinds to take time
- XHR has been a prolific acquirer over the past 5 years but was only able to buy 1 hotel in 2019, limiting asset mgmt opportunities in 2020
- Top 25 market focus vs. peers top 7 gives XHR an edge in transactions. However, top 25 mkt's RevPAR growth has been just 0.6% annually in 2018-2019 vs. broader US +1.7%
- We estimate average supply growth of 2.5% for XHR's markets in 2020 vs. US avg ~2%

#### Consensus Rating Distribution



#### Risk Reward Themes

Macroeconomics: *Negative*

View descriptions of Risk Rewards Themes, [here](#)

#### BULL CASE

**\$19.00**

11.5x 2021e EV/Bull EBITDA

RevPAR outperforms our base case by 20% in 2021

2021 EBITDA margin outperforms our base case by 6%

#### BASE CASE

**\$9.00**

10.0x 2021e EV/Base EBITDA

RevPAR declines (31)% y/y before recovering to up 21% in 2021

EBITDA margin is 18% in 2021, well below 26% in 2019

#### BEAR CASE

**\$4.00**

8.5x 2021e EV/Bear EBITDA

RevPAR underperforms our base case by 20% in 2021

2021 EBITDA margin underperforms our expectation by 3%

## Risk Reward – Xenia Hotels & Resorts Inc (XHR.N)

### KEY EARNINGS INPUTS

Drivers	2019	2020e	2021e	2022e
EBITDA Margin (%)	26.3	10.8	18.2	19.6
RevPAR Growth (%)	2.0	(31.3)	20.6	5.2
Non-Room Revenue Growth (%)	16.1	(29.8)	19.9	5.2

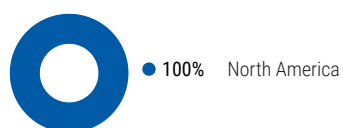
### CATALYST CALENDAR

Date	Event	Source: Thomson Reuters, Morgan Stanley
30 Apr 2020 - 04 May 2020	Q1 2020 Xenia Hotels & Resorts Inc Earnings Release	
30 Jul 2020 - 03 Aug 2020	Q2 2020 Xenia Hotels & Resorts Inc Earnings Release	

### INVESTMENT DRIVERS

- US RevPAR recovery
- Expense growth
- Asset valuations

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies, [here](#)

### MS ALPHA MODELS

3/5 BEST	24 Month Horizon	4/5 MOST	3 Month Horizon
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Source: Thomson Reuters, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- US RevPAR recovers faster than we expect
- Costs are lower than we model
- Hotel asset valuations increase, and XHR can do accretive transactions

#### RISKS TO DOWNSIDE

- COVID-19 headwinds to US RevPAR persist for longer than we model
- Texas RevPAR weaker than expected
- Rising interest rates expand cap rates

### OWNERSHIP POSITIONING

Inst. Owners, % Active	37.9%	<div style="width: 37.9%;"></div>
HF Sector Long/Short Ratio	0.9x	<div style="width: 90%;"></div>
HF Sector Net Exposure	-0.3%	<div style="width: -3%;"></div>

Thomson Reuters; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

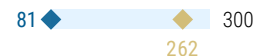
FY Dec 2020e

EPS (\$)

◆ (0.82)

Note: There are not sufficient brokers supplying consensus data for this metric

EBITDA (\$, mm)



◆ Mean ◆ Morgan Stanley Estimates

Source: Thomson Reuters, Morgan Stanley Research

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The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Thomas Allen.

Unless otherwise stated, the individuals listed on the cover page of this report are research analysts.

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Within the last 12 months, Morgan Stanley managed or co-managed a public offering (or 144A offering) of securities of Extended Stay America Inc, Host Hotels & Resorts, Inc., MGM Growth Properties LLC, MGM Resorts International, VICI Properties Inc.

Within the last 12 months, Morgan Stanley has received compensation for investment banking services from Extended Stay America Inc, Hilton Worldwide Holdings Inc, Host Hotels & Resorts, Inc., MGM Growth Properties LLC, MGM Resorts International, VICI Properties Inc.

In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from Boyd Gaming Corporation, Caesars Entertainment Corp, Choice Hotels International Inc, DiamondRock Hospitality Co, Extended Stay America Inc, Gaming and Leisure Properties Inc, Hilton Worldwide Holdings Inc, Host Hotels & Resorts, Inc., Hyatt Hotels Corporation, Las Vegas Sands Corp., Marriott International Inc., MGM Growth Properties LLC, MGM Resorts International, Norwegian Cruise Line Holdings Ltd, Penn National Gaming, Inc., Stars Group Inc, Sunstone Hotel Investors Inc, VICI Properties Inc, Wynn Resorts, Limited, Xenia Hotels & Resorts Inc.

Within the last 12 months, Morgan Stanley has received compensation for products and services other than investment banking services from Caesars Entertainment Corp, Hilton Worldwide Holdings Inc, Hyatt Hotels Corporation, Las Vegas Sands Corp., Marriott International Inc., MGM Resorts International, Penn National Gaming, Inc., Stars Group Inc, Wynn Resorts, Limited.

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Morgan Stanley & Co. LLC makes a market in the securities of Boyd Gaming Corporation, Caesars Entertainment Corp, Choice Hotels International Inc, DiamondRock Hospitality Co, Eldorado Resorts Inc., Extended Stay America Inc, Gaming and Leisure Properties Inc, Hilton Worldwide Holdings Inc, Host Hotels & Resorts, Inc., Hyatt Hotels Corporation, Las Vegas Sands Corp., Marriott International Inc., MGM Growth Properties LLC, MGM Resorts International, Norwegian Cruise Line Holdings Ltd, Penn National Gaming, Inc., Sunstone Hotel Investors Inc, Wynn Resorts, Limited, Xenia Hotels & Resorts Inc.

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(as of February 29, 2020)

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STOCK RATING CATEGORY	COVERAGE UNIVERSE		INVESTMENT BANKING CLIENTS (IBC)			OTHER MATERIAL INVESTMENT SERVICES CLIENTS (MISC)	
	COUNT	% OF TOTAL	COUNT	% OF TOTAL IBC	% OF RATING CATEGORY	COUNT	% OF TOTAL OTHER MISC
<b>Overweight/Buy</b>	<b>1194</b>	<b>37%</b>	<b>311</b>	<b>43%</b>	<b>26%</b>	<b>534</b>	<b>37%</b>
<b>Equal-weight/Hold</b>	<b>1457</b>	<b>45%</b>	<b>332</b>	<b>46%</b>	<b>23%</b>	<b>697</b>	<b>48%</b>
<b>Not-Rated/Hold</b>	<b>2</b>	<b>0%</b>	<b>1</b>	<b>0%</b>	<b>50%</b>	<b>2</b>	<b>0%</b>
<b>Underweight/Sell</b>	<b>572</b>	<b>18%</b>	<b>77</b>	<b>11%</b>	<b>13%</b>	<b>224</b>	<b>15%</b>
<b>TOTAL</b>	<b>3,225</b>		<b>721</b>			<b>1457</b>	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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**Overweight (O).** The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

**Equal-weight (E).** The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

**Not-Rated (NR).** Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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**In-Line (I):** The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

**Cautious (C):** The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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#### INDUSTRY COVERAGE: Gaming & Lodging

COMPANY (TICKER)	RATING (AS OF)	PRICE* (03/27/2020)
<b>Thomas Allen</b>		
Boyd Gaming Corporation (BYD.N)	O (12/20/2018)	\$15.30
Caesars Entertainment Corp (CZR.O)	E (06/25/2019)	\$6.85
Choice Hotels International Inc (CHH.N)	E (05/05/2017)	\$63.82
DiamondRock Hospitality Co (DRH.N)	U (09/26/2016)	\$4.97
Eldorado Resorts Inc. (ERI.O)	O (11/18/2019)	\$15.14
Extended Stay America Inc (STAY.O)	E (08/09/2019)	\$7.57
Gaming and Leisure Properties Inc (GLPI.O)	O (07/24/2018)	\$26.76
Hilton Worldwide Holdings Inc (HLT.N)	E (01/17/2018)	\$69.15
Host Hotels & Resorts, Inc. (HST.N)	U (12/20/2018)	\$11.28
Hyatt Hotels Corporation (H.N)	E (03/07/2017)	\$49.14
Las Vegas Sands Corp. (LVS.N)	E (01/21/2020)	\$42.10
Marriott International Inc. (MAR.O)	E (07/24/2018)	\$78.85
MGM Growth Properties LLC (MGP.N)	E (01/21/2020)	\$22.50
MGM Resorts International (MGMN)	E (01/21/2020)	\$12.19
Penn National Gaming, Inc. (PENN.O)	O (05/09/2019)	\$11.77
Stars Group Inc (TSG.O)	E (05/01/2019)	\$17.68
Sunstone Hotel Investors Inc (SHO.N)	U (09/26/2016)	\$8.83
VCI Properties Inc (VCI.N)	O (08/26/2019)	\$16.11
Wynn Resorts, Limited (WYNN.O)	E (02/09/2018)	\$63.31
Xenia Hotels & Resorts Inc (XHR.N)	U (12/20/2018)	\$10.41

Stock Ratings are subject to change. Please see latest research for each company.

\* Historical prices are not split adjusted.

#### INDUSTRY COVERAGE: Cruise Lines

COMPANY (TICKER)	RATING (AS OF)	PRICE* (03/27/2020)
<b>Thomas Allen</b>		
Norwegian Cruise Line Holdings Ltd (NCLH.N)	E (03/30/2020)	\$12.02

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\* Historical prices are not split adjusted.