

Gaming, Lodging & Cruise Lines

Weekly Data Packet

- Comparative Valuations
- Recent and Historical Share Price Trends
- EBITDA Multiples and EBITDA Growth
- P/E Multiples
- Balance Sheet Metrics
- Short Interest
- J.P. Morgan Price Target Methodologies
- *All pricing as of market close on Thursday, April 19th, 2018.*

Gaming, Lodging & Cruise Lines

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See page 46 for analyst certification and important disclosures.

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Table 1: Gaming Universe Comparative Valuation Table

\$ in millions

Rating	Company	Ticker	Price 4/19/2018	Mkt. Cap.	90-Day Avg Vol. (000's)	YE 18 Price Target	Upside- Downside to Target	Div Yld	Total Return Potential	EPS			EBITDA			P/E		EV/EBITDA		FCF Yield	
										2017	2018E	2019E	2017	2018E	2019E	2018E	2019E	2018E	2019E	2018E	2019E
<u>Gaming Operators</u>																					
N	Las Vegas Sands	LVS	\$73.84	58,518	3,703	74	0%	4.1%	4%	\$3.04	\$3.33	\$3.48	\$4,689	\$5,008	\$5,206	22.2x	21.2x	15.5x	14.8x	5.2%	5.5%
OW	MGM Resorts Int'l	MGM	35.56	20,520	8,555	44	24%	1.3%	24%	3.43	1.08	1.74	2,837	2,961	3,270	33.0x	20.5x	12.0x	10.5x	6.4%	7.7%
OW	Wynn Resorts	WYNN	191.65	19,664	4,304	216	12%	1.6%	14%	5.34	7.60	9.38	1,664	2,043	2,285	25.2x	20.4x	15.4x	13.9x	5.8%	6.3%
OW	Melco Resorts and Ent	MLCO	31.37	15,469	2,505	36	13%	1.7%	13%	0.70	1.10	1.38	1,285	1,500	1,693	28.6x	22.7x	13.1x	10.9x	5.6%	6.8%
<u>LV/Macau Operators Avg.</u>																27.3x	21.2x	14.0x	12.5x	5.8%	6.6%
NR	Pinnacle Entertainment	PNK	31.15	1,916	481	-															
NR	Penn National	PENN	27.37	2,544	1,431	-															
OW	Boyd Gaming	BYD	35.03	4,051	1,765	39	11%	0.6%	11%	1.03	1.13	1.49	596	615	648	30.9x	23.5x	10.9x	9.8x	7.7%	11.1%
OW	Red Rock Resorts	RRR	30.31	3,516	653	37	24%	1.3%	25%	0.43	1.18	1.59	496	504	574	25.6x	19.1x	12.4x	10.6x	NM	7.1%
N	Churchill Downs	CHDN	251.50	4,029	130	270	7%	0.6%	8%	8.54	10.61	12.44	344	310	332	23.7x	20.2x	13.1x	11.5x	5.5%	6.0%
OW	Eldorado Resorts	ERI	40.80	3,182	809	47	15%	-	15%	NM	0.95	1.45	395	454	495	NM	NM	11.2x	9.7x	7.8%	9.2%
<u>Regional Operators Avg.</u>																26.8x	20.9x	11.9x	10.4x	7.0%	8.3%
<u>Gaming REITs</u>																					
OW	Gaming & Leisure Prop	GLPI	34.47	7,326	1,369	41	18%	7.3%	25%	1.79	2.00	2.20	885	887	883	17.2x	15.7x	13.2x	13.2x	9.1%	9.1%
OW	MGM Growth Properties	MGP	28.12	7,018	845	31	12%	6.0%	18%	0.67	0.92	0.96	670	751	765	30.6x	29.2x	14.8x	14.3x	7.9%	8.1%
<u>Gaming REITs</u>																23.9x	22.4x	14.0x	13.7x	8.5%	8.6%
<u>Gaming Equipment & Lottery</u>																					
N	Scientific Games	SGMS	49.75	4,435	922	40	-20%	-	-20%	(2.16)	0.25	2.28	1,225	1,290	1,343	NM	21.8x	9.8x	9.4x	NM	14.9%
<u>Gaming Equipment & Lottery Avg.</u>																NA	NA	9.8x	9.4x	NM	14.9%
S&P 500			SPX	2693.1											17.2x	15.6x					
											130.49	156.41	172.71								

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NR = Not Rated

NA = Not Applicable; NM = Not Meaningful

Note: For WYNN, our adjusted net debt and EBITDA calculations back out 27.7% stake of WYNN Macau.

Note: For LVS, our adjusted net debt and EBITDA calculations back out 29.7% stake of Sands China.

Note: For MLCO, our adjusted net debt and EBITDA calculations back out 40.0% stake of Studio City

Note: For ERI, our PT is based off the company's asset sales (Presque/Vicksburg) and acquisitions (Tropicana/Grand Vic), though our EBITDA/EPS estimates do not include any impact.

Note: For BYD, our PT is based off impact from the company's two recently announced acquisitions, though our EBITDA/EPS estimates do not include any impact.

Note: Dividend Yield - Annual dividend calculations are for dividends effective January 1, 2018

Note: FCF Yield represents discretionary, pre-capex cash flow

Note: S&P 500 P/E multiples based on Bloomberg consensus estimates

Valuation methodology for price targets: EV/EBITDA and P/E.

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 2: Lodging Comparative Valuation Table

\$ in millions

Rating	Company	Ticker	Price 4/19/2018	Mkt. Cap. (\$B)	90-Day Avg. Vol. (000s)	YE18 Price Tgt	Upside- Downside to Tgt	Div Yld	Total Return Potential												Multiples				
										EPS			EBITDA			P/E			EV/EBITDA						
										2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E				
<u>Lodging C-Corps</u>																									
OW	Hilton Worldwide	HLT	\$81.98	\$27.1	3,847	\$96	18%	0.7%	18%	\$3.89	\$2.63	\$3.06	\$1,965	\$2,138	\$2,288	21.1x	31.1x	26.8x	16.7x	14.7x	13.3x				
OW	Marriott International	MAR	137.62	\$53.9	2,364	\$156	13%	1.0%	14%	4.35	5.31	6.26	3,223	3,427	3,727	31.6	25.9	22.0	18.7	16.8	15.1				
N	Hyatt Hotels Corporation	H	77.97	10.4	925	\$79	2%	--	2%	1.97	1.38	1.79	816	814	868	39.6	56.5	43.5	13.8	13.0	11.9				
OW	Extended Stay America	STAY	20.41	4.1	1,686	\$24	18%	4.1%	22%	0.40	1.08	1.19	623	611	626	50.5	18.8	17.2	10.2	10.0	9.5				
UW	Choice Hotels	CHH	81.50	4.6	258	\$72	-12%	1.1%	-11%	2.87	3.31	3.76	294	325	350	28.4	24.6	21.7	17.5	16.6	15.1				
N	Belmond	BEL	11.10	1.1	387	\$13	17%	--	17%	-0.44	0.20	0.23	124	142	151	NM	56.1	49.2	13.4	12.4	11.5				
OW	Hilton Grand Vacations	HGV	43.90	4.3	1,218	\$49	12%	--	12%	3.00	3.02	3.35	368	493	538	14.6	14.6	13.1	12.7	9.8	8.5				
Mean - Lodging C-Corps						6%										29.2x	30.6x	26.2x	14.2x	12.9x	11.7x				
<u>Lodging REITs</u>																									
UW	Host Hotels & Resorts	HST	\$19.46	\$14.5	7,041	\$19	-5%	4.1%	-1%	\$1.70	\$1.67	\$1.70	\$1,503	\$1,514	\$1,539	11.5x	11.7x	11.4x	11.9x	12.1x	11.8x				
OW	Park Hotels & Resorts	PK	\$28.50	\$5.7	2,585	\$28	-1%	6.0%	5%	2.78	2.65	2.65	757	726	734	10.2x	10.8x	10.7x	11.8x	11.9x	11.8x				
UW	LaSalle Hotel Properties	LHO	30.89	3.5	2,376	\$22	-29%	5.8%	-24%	2.47	2.12	2.16	339	295	301	12.5	14.5	14.3	13.2	15.3	14.9				
N	Ryman Hospitality Properties	RHP	79.66	4.1	333	\$70	-13%	4.3%	-8%	4.86	5.75	6.79	361	376	422	16.4	13.9	11.7	15.3	14.6	12.7				
UW	Sunstone Hotel Investors	SHO	15.84	3.4	2,235	\$14	-12%	1.3%	-10%	1.22	1.11	1.10	339	320	318	13.0	14.2	14.3	12.1	12.7	12.8				
UW	Chesapeake Lodging Trust	CHSP	29.40	1.7	300	\$23	-23%	5.4%	-17%	2.17	2.40	2.40	170	179	178	13.5	12.2	12.2	14.7	13.9	13.8				
Mean - Lodging REITS						(12%)										12.9x	12.9x	12.5x	13.2x	13.4x	13.0x				
S&P 500																20.6x	17.2x	15.6x							

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

NA = Not Applicable; NM = Not Meaningful.

Note: S&P 500 P/E multiples based on Bloomberg consensus estimates.

Note: Earnings estimates for Lodging REITs (HST, LHO, SHO, RHP and CHSP) represent FFO per share.

Valuation methodology for price targets: EV/EBITDA and P/E

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 3: Cruise Lines Comparative Valuation Table

\$ in millions

Rating	Co.	Price 4/19/2018	Mkt. Cap. (\$bn)	YE18 Price Tgt	Upside- Downside to Tgt	Div Yld	Total Return Potential	Share Price Performance		EPS			EBITDA			Multiples		
																P/E		
								2017	2018YTD	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
<u>Cruise Lines</u>																		
N	CCL	\$65.06	\$48.6	\$77	19%	2.8%	21%	27%	(2%)	3.82	4.40	5.14	5,045	5,527	6,115	17.0x	14.8x	12.7x
OW	RCL	\$117.98	\$25.5	\$150	27%	2.0%	29%	45%	(1%)	7.53	8.66	10.02	2,846	3,196	3,532	15.7x	13.6x	11.8x
OW	NCLH	\$54.96	\$12.5	\$70	27%	---	27%	25%	3%	3.57	4.19	4.80	1,663	1,890	2,064	15.4x	13.1x	11.5x
	Mean - Cruise Line															16.0x	13.8x	12.0x
	S&P 500	2692.31						19%	1%	130.49	156.35	172.68				20.6x	17.2x	15.6x

Rating Key: OW = Overweight; N = Neutral; UW = Underweight;

NA = Not Applicable; NM = Not Meaningful

Note: S&P 500 P/E multiples based on Bloomberg consensus estimates

Valuation methodology for price targets: P/E

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 4: Gaming Universe Recent Share Price Trends and Returns

\$ in millions

Rating	Company	Ticker	Price	52 Week		% of	Avg. Daily	Week	Return in the Last		
			4/19/2018	High	Low	52-Week	Volume Last		Month	6 Mos.	12 Mos.
Gaming Operators											
N	Las Vegas Sands	LVS	\$73.84	\$79.84	\$56.33	92%	3,703,492	2.0%	-0.6%	20.9%	36.0%
OW	MGM Resorts Intl	MGM	35.56	38.41	28.10	93%	8,554,833	1.8%	-2.0%	17.4%	28.6%
OW	Wynn Resorts	WYNN	191.65	203.63	114.40	94%	4,303,805	2.7%	5.5%	32.5%	69.1%
OW	Boyd Gaming	BYD	35.03	40.44	22.17	87%	1,764,565	5.6%	4.3%	23.7%	57.2%
OW	Red Rock Resorts	RRR	30.31	35.77	21.41	85%	652,713	3.7%	-2.3%	28.6%	36.9%
NR	Penn National Gaming	PENN	27.37	33.30	17.56	82%	1,430,763	1.3%	3.7%	9.8%	46.7%
NR	Pinnacle Entertainment	PNK	31.15	33.59	18.30	93%	480,855	1.1%	2.1%	24.7%	57.9%
N	Churchill Downs	CHDN	251.50	279.45	162.25	90%	130,275	6.6%	-3.8%	21.4%	51.2%
OW	Eldorado Resorts	ERI	40.80	43.15	17.30	95%	809,235	14.9%	14.8%	58.1%	117.0%
OW	Melco Resorts and Ent	MLCO	31.37	32.04	19.56	98%	2,504,699	0.7%	15.4%	36.5%	60.2%
Gaming Operators						91%		4.0%	3.7%	27.4%	56.1%
OW	Gaming & Leisure Properties	GLPI	34.47	39.32	32.51	88%	1,369,467	3.3%	1.6%	-2.9%	7.2%
OW	MGM Growth Properties	MGP	28.12	31.83	25.31	88%	845,243	3.2%	6.5%	-1.4%	5.5%
Gaming REITS						88%		3.3%	4.1%	-2.2%	7.2%
Gaming Equipment & Lottery											
N	Scientific Games	SGMS	49.75	56.45	21.45	88%	922,329	14.5%	7.9%	16.9%	134.1%
OW*	Aristocrat Gaming	ALL AU	25.17	25.71	18.63	98%	2,467,977	7.1%	-0.2%	12.7%	34.5%
NC	International Game Technology	IGT	\$28.01	30.82	17.25	91%	1,368,658	5.3%	-4.8%	19.4%	32.6%
Simple Average- All Equipment Suppliers						92%		9.0%	1.0%	16.3%	67.1%
JPM Universe Equipment Suppliers Simple Average						88%		10.8%	3.9%	14.8%	84.3%
S&P 500			2693	2872.87	2340.91	94%		1.1%	-0.6%	6.1%	17.5%

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NR = Not Rated

Note * ALL AU is covered and rated OW by Donald Carducci
Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 5: Lodging Universe Recent Share Price Trends and Returns

\$ in millions

Rating	Company	Ticker	Price 4/19/2018	52-Week		% of 52-Wk High	Avg. Daily Vol. Last 90 Days	Return in the Last			
				High	Low			Week	Month	6 Mos.	12 Mos.
<u>Lodging C-Corps</u>											
OW	Hilton Worldwide	HLT	\$81.98	\$88.11	\$56.28	93%	3,847,355	3.2%	0.8%	16.1%	45.8%
OW	Marriott International	MAR	\$137.62	\$149.21	\$90.67	92%	2,364,017	4.8%	-1.9%	20.1%	52.0%
N	Hyatt Hotels Corporation	H	\$77.97	\$83.02	\$54.38	94%	925,010	4.2%	-1.3%	27.5%	44.8%
UW	Choice Hotels	CHH	\$81.50	\$85.35	\$59.60	95%	258,364	1.8%	-2.0%	21.0%	33.3%
N	Belmond	BEL	\$11.10	\$14.20	\$10.75	78%	386,689	0.9%	-8.4%	-16.8%	-6.2%
OW	Extended Stay America	STAY	\$20.41	\$21.28	\$16.27	96%	1,685,799	1.6%	2.6%	1.8%	24.3%
OW	Hilton Grand Vacations	HGV	\$43.90	\$47.75	\$30.71	92%	1,218,454	1.4%	-2.2%	NA	NA
JPM Lodging C-Corp Universe						91%		3%	-2%	11%	32%
<u>Lodging REITs</u>											
UW	Host Hotels & Resorts	HST	\$19.46	\$21.53	\$17.22	90%	7,041,141	7.0%	4.2%	2.0%	11.1%
OW	Park Hotels & Resorts	PK	\$28.50	\$29.93	\$23.91	95%	2,585,209	7.0%	6.4%	3.0%	NM
UW	LaSalle Hotel Properties	LHO	\$30.89	\$31.75	\$24.10	97%	2,376,426	8.0%	20.8%	5.8%	14.1%
N	Ryman Hospitality Properties	RHP	\$79.66	\$80.04	\$57.78	100%	333,007	2.9%	5.5%	25.2%	33.7%
UW	Sunstone Hotel Investors	SHO	\$15.84	\$17.46	\$14.09	91%	2,235,238	7.9%	5.2%	-2.7%	8.5%
UW	Chesapeake Lodging Trust	CHSP	\$29.40	\$29.98	\$22.55	98%	300,192	4.9%	10.0%	6.3%	30.6%
JPM Lodging REITs Universe						95%		6.3%	8.7%	6.6%	19.6%
S&P 500			2,694	2,872.87	2,335.05	94%		2.5%	-1.5%	6.8%	17.9%

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 6: Cruise Lines Recent Share Price Trends and Returns

\$ in millions

Rating	Company	Ticker	Price	52 Week		% of	Avg. Daily	Week	Return in the Last		
			4/19/2018	High	Low	52-Week	Volume Last		Month	6 Mos.	12 Mos.
	<u>Cruise Lines</u>										
N	Carnival Corporation	CCL	\$65.06	\$72.70	\$58.81	89%	3,502,447	2.1%	-3.8%	0.2%	13.7%
OW	Royal Caribbean	RCL	117.98	135.65	96.32	87%	1,522,525	2.8%	-5.2%	-1.6%	25.4%
OW	Norwegian Cruise Lines	NCLH	54.96	61.48	47.76	89%	2,142,049	3.0%	-0.8%	1.5%	11.7%
	Cruise Lines					89%		2.6%	-3.3%	0.0%	16.9%
	S&P 500		2,694	2,873	2,335	94%		1.1%	-0.6%	6.1%	17.5%

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NR = Not Rated

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 7: Gaming Universe Historical Returns

\$ in millions

Rating	Company	Ticker	Price	Share Price Returns																				
			4/19/2018	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018TD		
	<u>Gaming Operators</u>																							
N	Las Vegas Sands	LVS	73.84	—	—	—	—	—	-18%	127%	15%	-94%	152%	208%	-7%	17%	75%	-24%	-21%	29%	36%	7%		
OW	MGM Resorts Intl	MGM	35.56	12%	2%	14%	14%	93%	1%	56%	47%	-84%	-34%	63%	-30%	12%	102%	-9%	6%	27%	17%	7%		
OW	Wynn Resorts ¹⁾	WYNN	191.65	—	—	1%	114%	139%	-18%	83%	25%	-62%	46%	93%	12%	11%	81%	-21%	-52%	28%	98%	14%		
OW	Boyd Gaming	BYD	35.03	-41%	89%	116%	16%	161%	16%	-4%	-24%	-86%	77%	27%	-30%	-11%	70%	13%	55%	2%	75%	0%		
OW	Red Rock Resorts	RRR	30.31	4%	-28%	58%	73%	79%	24%	20%	10%									20%	48%	-10%		
NR	Penn National Gaming	PENN	27.37	13%	198%	5%	46%	162%	9%	26%	43%	-64%	27%	29%	8%	29%	29%	-4%	17%	-14%	127%	-13%		
NR	Pinnacle Entertainment	PNK	31.15	-40%	-55%	15%	34%	112%	25%	34%	-29%	-67%	17%	56%	-28%	56%	64%	-14%	40%	26%	126%	-5%		
N	Churchill Downs	CHDN	251.50	34%	26%	5%	-3%	24%	-17%	18%	27%	-24%	-6%	18%	22%	29%	36%	7%	50%	7%	56%	8%		
OW	Eldorado Resorts	ERI	40.80																172%	54%	96%	23%		
OW	Melco Resorts and Ent.	MLCO	31.37	—	—	—	—	—	—	—	-46%	-73%	6%	89%	51%	75%	133%	-34%	-33%	-1%	101%	9%		
	Harrah's	HET	--	0%	40%	7%	27%	38%	9%	19%	9%	—	—	—	—	—	—	—	—	—	—	—		
	Kerzner International	KZL	--	23%	7%	-21%	94%	54%	14%	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Azlar	AZR	--	19%	41%	-22%	58%	55%	-13%	79%	—	—	—	—	—	—	—	—	—	—	—	—		
NC	Caesars	CZR	11.65	96%	-5%	-8%	29%	86%	-16%	—	—	—	—	—	—	—	—	—	-50%	8%	49%	-8%		
<u>Avg. - JPM Universe Gaming Operators</u>				-3%	39%	31%	42%	110%	3%	45%	8%	-69%	36%	73%	0%	27%	74%	-11%	26%	18%	78%	4%		
<u>Avg. Gaming Operators</u>				10%	32%	16%	50%	98%	3%	49%	8%	-69%	36%	73%	0%	27%	74%	-11%	18%	17%	75%	3%		
<u>Gaming REITs</u>																								
OW	Gaming & Leisure Properties	GLPI	34.47														11%	-17%	2%	19%	30%	-5%		
OW	MGM Growth Properties	MGP	28.12																	25%	22%	-2%		
<u>Avg. Gaming REITs</u>																	11%	-17%	2%	22%	26%	-4%		
<u>Gaming Equipment & Lottery</u>																								
N	Scientific Games	SGMS	49.75	-9%	197%	-17%	134%	40%	14%	11%	10%	-47%	-17%	-32%	-3%	-11%	95%	-25%	-30%	56%	266%	-3%		
	GTECH Holding Corp.	GTK	--	-7%	120%	23%	79%	6%	24%	—	—	—	—	—	—	—	—	—	—	—	—	—		
OW*	Aristocrat Gaming	ALL AU	25.17	—	—	—	—	—	15%	36%	-20%	-73%	52%	-26%	-26%	43%	49%	40%	56%	52%	53%	6%		
NC	International Game Technology	IGT	28.01	—	—	—	88%	-4%	-10%	50%	-5%	-73%	58%	-6%	-3%	-18%	28%	-5%	-6%	64%	8%	6%		
<u>Avg. - JPM Universe Gaming Equipment Suppliers</u>				-9%	197%	-17%	134%	40%	14%	24%	-5%	-60%	17%	-29%	-15%	16%	72%	8%	13%	54%	160%	2%		
<u>Avg. - Gaming Equipment Suppliers</u>				-8%	158%	3%	100%	14%	11%	32%	-5%	-64%	31%	-21%	-11%	5%	57%	3%	7%	57%	109%	3%		
<u>S&P 500</u>				SPX	2693.13	-10%	-13%	-23%	26%	9%	3%	14%	4%	-38%	23%	13%	0%	13%	30%	11%	-1%	10%	19%	1%

1. 2006 and 2007 Share price returns include impact of \$6 distribution to shareholders, 2009 Share price returns include impact of \$4 distribution to shareholders, and 2011 Share price returns include impact of \$5 distribution to Shareholders.

2. IPO Price as of October 9, 2009 of \$10.08

3. PNK 2016 calculation based on time-weighted average.

4. ALL AU is OW Rated by JPM Australia Analyst Donald Carducci.

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 8: Lodging Universe Historical Returns

\$ in millions

Rating	Company	Ticker	Price 4/19/2018	Return																						
				1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018TD	
<u>Lodging C-Corps</u>																										
OW	Hilton Worldwide	HLT	\$81.98	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17%	-18%	11%	44%	3%		
OW	Marriott International	MAR	\$137.62	-53%	12%	10%	35%	-3%	-18%	42%	37%	7%	43%	-28%	-42%	42%	53%	-25%	30%	34%	60%	-13%	25%	66%	2%	
N	Hyatt Hotels Corpora ²	H	\$77.97	—	—	—	—	—	—	—	—	—	—	—	19%	54%	-18%	2%	28%	22%	-22%	18%	33%	6%		
UW	Choice Hotels	CHH	\$81.50	—	-14%	25%	-20%	62%	2%	55%	67%	46%	2%	-20%	-7%	8%	23%	2%	20%	49%	16%	-9%	13%	40%	5%	
N	Belmond	BEL	\$11.10	—	—	—	12%	-16%	-25%	22%	26%	54%	51%	22%	-87%	32%	28%	-42%	56%	29%	-18%	-23%	41%	-8%	-9%	
OW	Extended Stay America	STAY	\$20.41	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-25%	-13%	7%	23%	9%		
OW	Hilton Grand Vacations	HGV	\$43.90																					61%	5%	
JPM Lodging C-Corp Universe				5%	-20%	14%	20%	7%	-15%	43%	49%	29%	27%	-16%	-53%	70%	46%	-12%	29%	37%	18%	-17%	17%	39%	2%	
<u>Lodging REITs</u>																										
UW	Host Hotels & Resorts ³	HST	\$19.46	—	—	—	71%	-25%	-2%	39%	41%	12%	34%	-27%	-53%	58%	54%	-17%	8%	27%	26%	-32%	29%	10%	-1%	
OW	Park Hotels & Resorts	PK	\$28.50																					14%	1%	
UW	LaSalle Hotel Properties	LHO	\$30.89	—	—	26%	44%	-19%	23%	40%	78%	19%	30%	-27%	-62%	93%	26%	-7%	8%	26%	36%	-34%	30%	-2%	12%	
N	Ryman Hospitality Properties	RHP	\$79.66	—	-4%	2%	-30%	18%	-16%	45%	39%	5%	17%	-21%	-73%	82%	82%	-33%	90%	14%	32%	3%	29%	15%	17%	
UW	Sunstone Hotel Investors	SHO	\$15.84	—	—	—	—	—	—	—	—	34%	5%	-28%	-59%	43%	16%	-21%	31%	26%	27%	-15%	28%	13%	-4%	
UW	Chesapeake Lodging Trust ⁴	CHSP	\$29.40	—	—	—	—	—	—	—	—	—	—	—	—	—	-6%	-13%	42%	26%	53%	-29%	10%	11%	10%	
JPM Lodging REITs Universe				-16%	5%	34%	-12%	-6%	30%	48%	20%	21%	-24%	-71%	64%	64%	-21%	36%	35%	36%	-23%	23%	8%	6%		
S&P 500				2,694.40	31%	27%	20%	-10%	-13%	-23%	26%	9%	3%	14%	4%	-38%	23%	13%	0%	13%	30%	11%	-1%	10%	19%	1%

1. 2006 share price performance considers a \$13.16 share price adjustment to account for direct distributions to shareholders as part of transaction with HST.

2. 2009 share price performance is as of November 4, 2009 when the IPO priced at \$25 per share.

3. 2006 share price performance considers a \$0.05 per share special dividend distributions to shareholders.

4. 2010 share price performance is as of January 21, 2010 when the IPO priced at \$20 per share.

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 9: Cruise Lines Historical Returns

\$ in millions

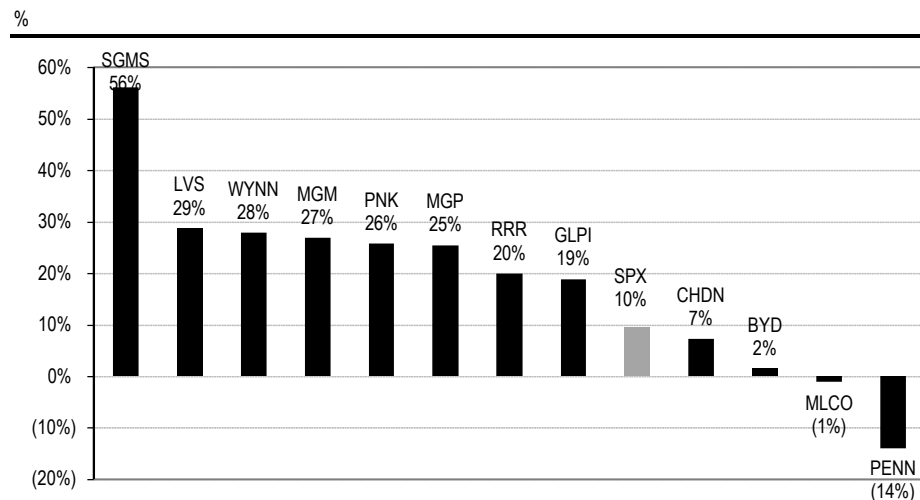
Rating	Company	Ticker	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018YTD
<u>Cruise Lines</u>													
N	CCL	CCL	-45%	30%	46%	-29%	13%	9%	13%	20%	-4%	27%	-2%
OW	RCL	RCL	-68%	84%	86%	-47%	37%	39%	74%	23%	-19%	45%	-1%
OW	NCLH	NCLH	—	—	—	—	—	87%	32%	25%	-27%	25%	3%
Simple Average			-56%	57%	66%	-38%	25%	45%	40%	23%	-17%	33%	0%
S&P 500			-38%	23%	13%	0%	13%	30%	11%	-1%	10%	19%	1%

1. NCLH 2013 return based off of IPO price (\$19).

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

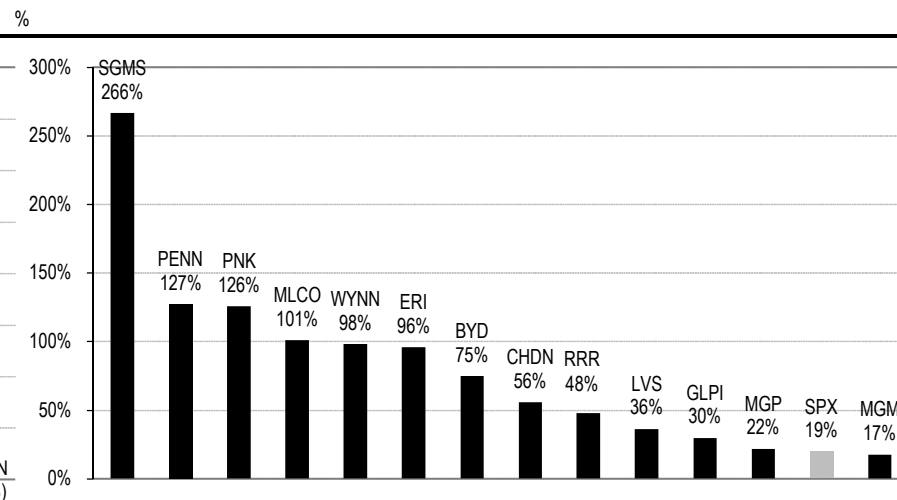
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 1: Gaming Universe 2016 Share Price Returns



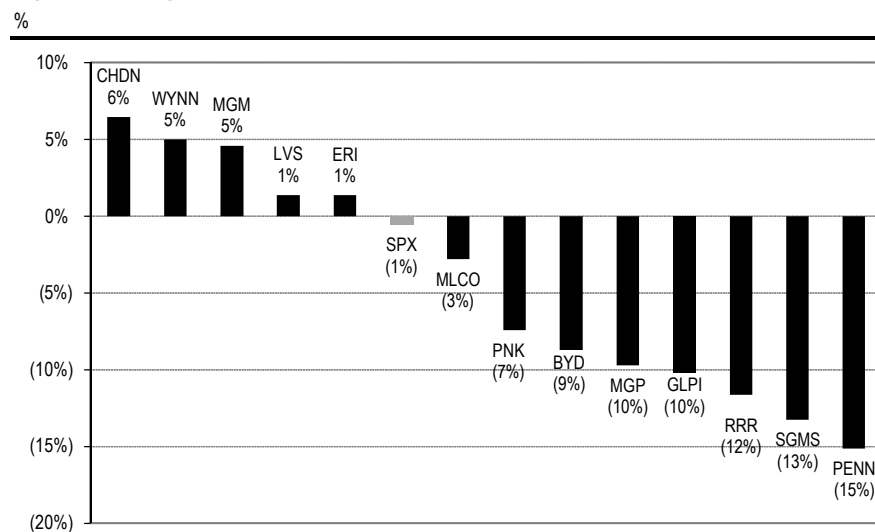
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 2: Gaming Universe 2017 Share Price Returns



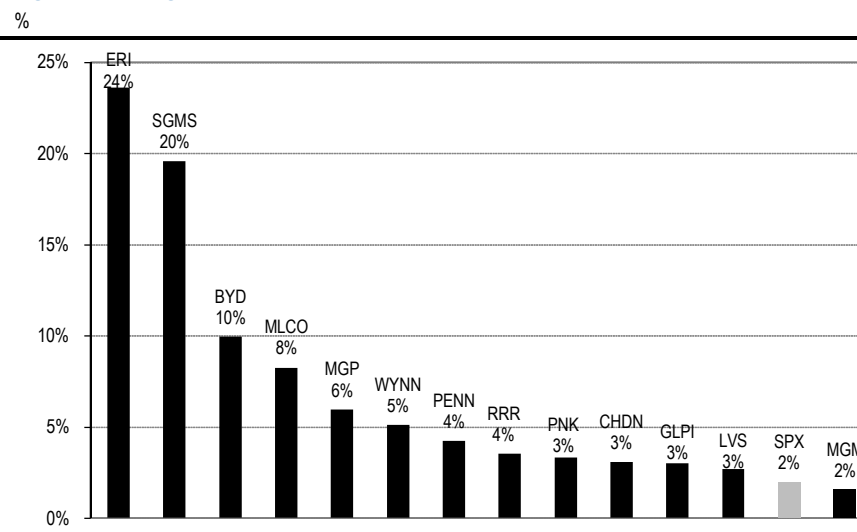
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 3: Gaming Universe 1Q18 Share Price Returns



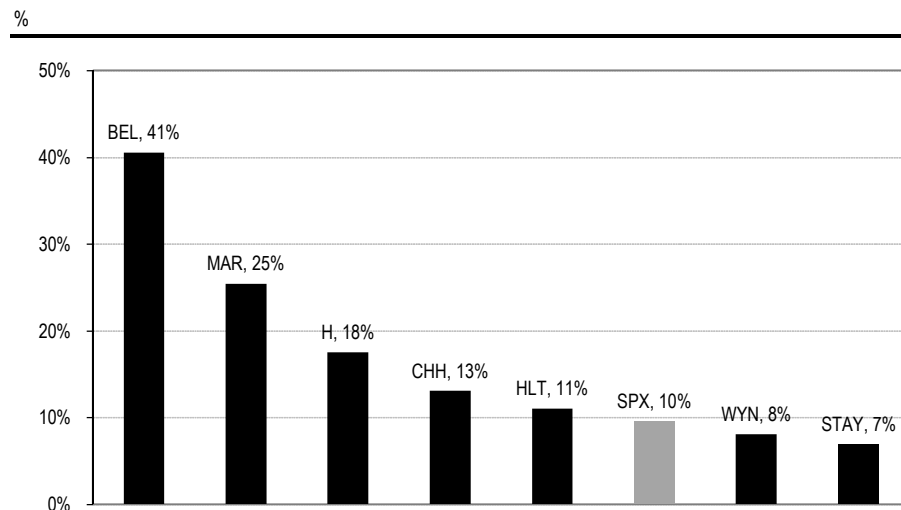
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 4: Gaming Universe 2Q18TD Share Price Returns



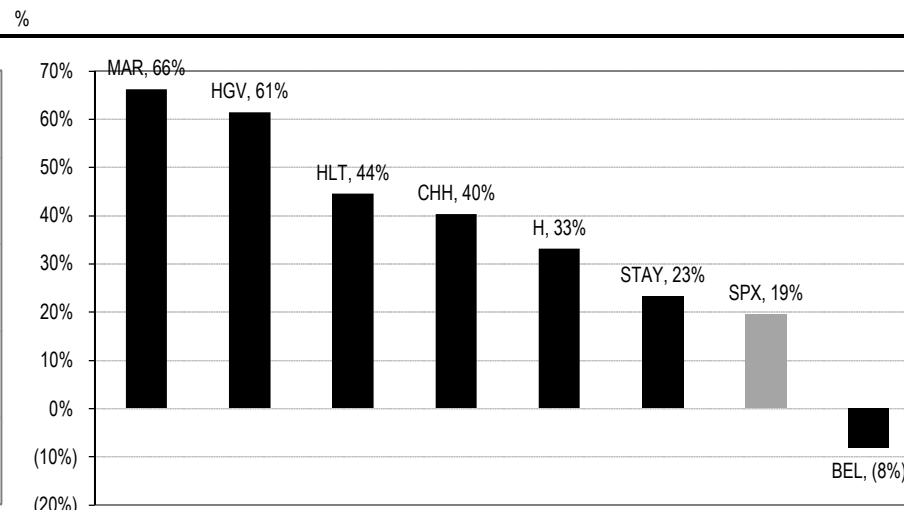
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 5: Lodging C-Corp Universe 2016 Share Price Returns



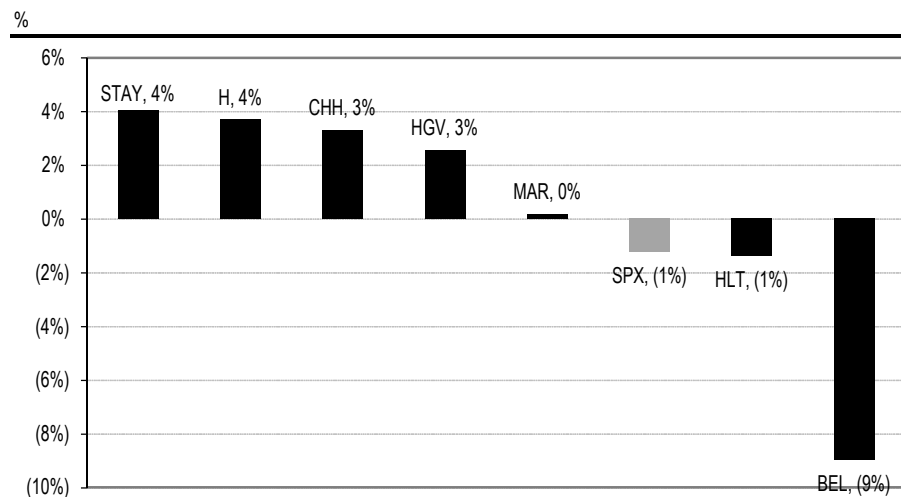
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 6: Lodging C-Corp Universe 2017 Share Price Returns



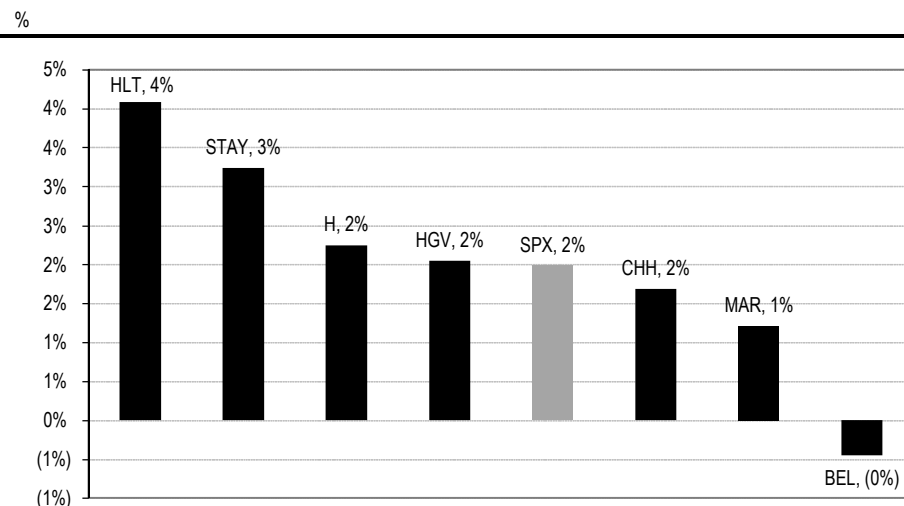
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 7: Lodging C-Corp Universe 1Q18 Share Price Returns



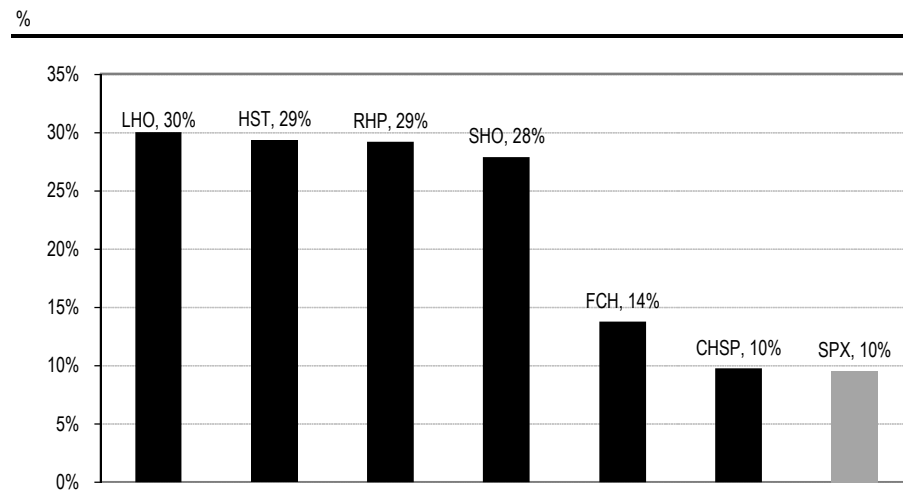
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 8: Lodging C-Corp Universe 2Q18TD Share Price Returns



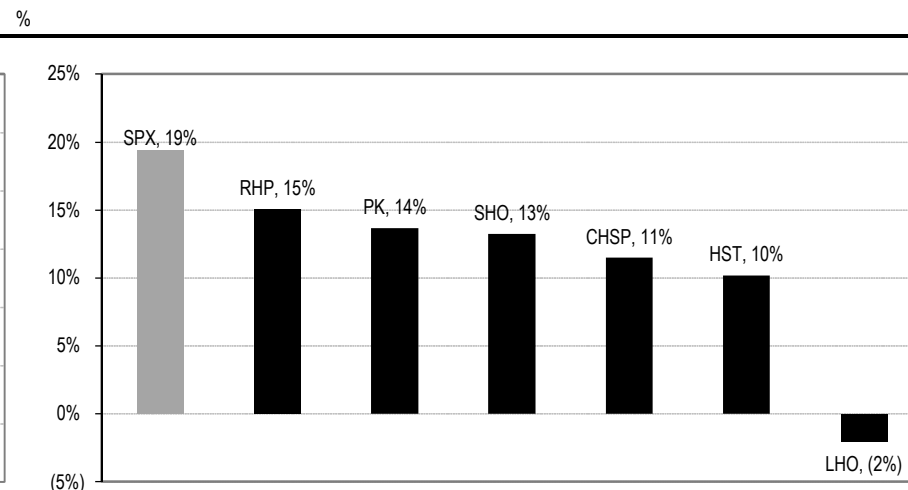
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 9: Lodging REIT Universe 2016 Share Price Returns



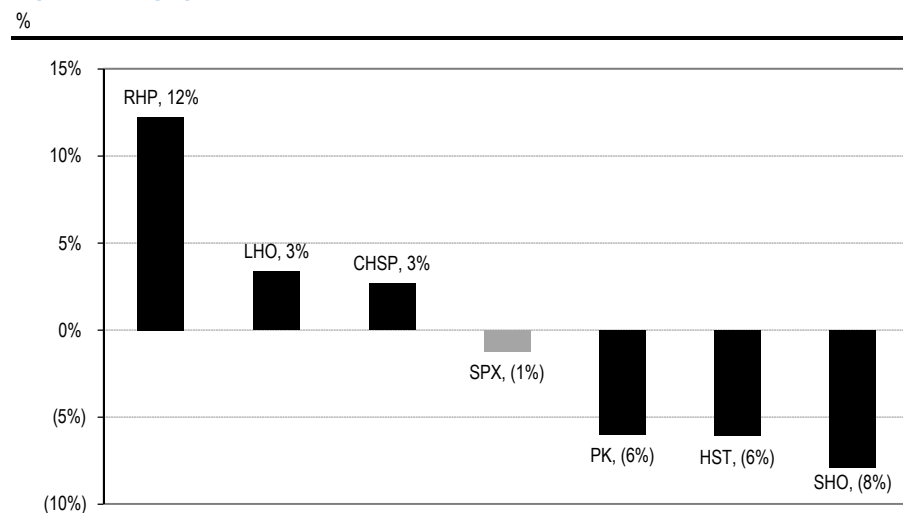
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 10: Lodging REIT Universe 2017 Share Price Returns



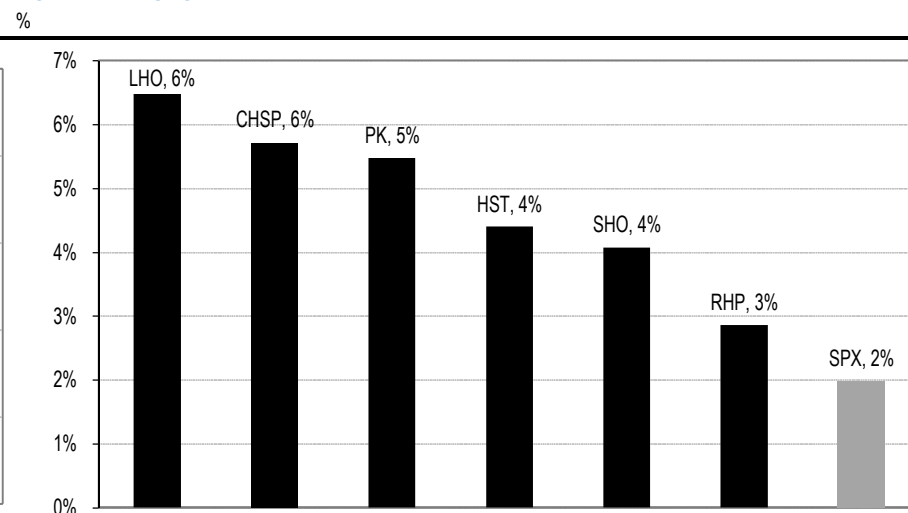
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 11: Lodging REIT Universe 1Q18 Share Price Returns



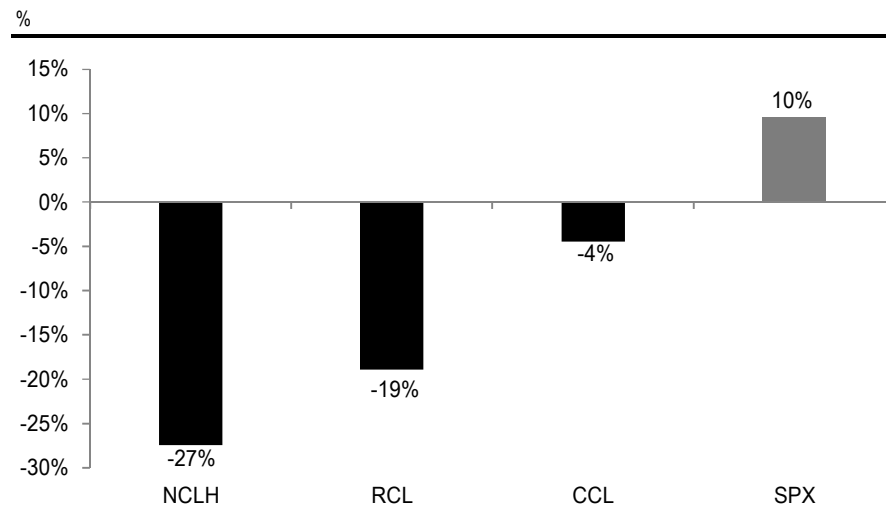
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 12: Lodging REIT Universe 2Q18TD Share Price Returns



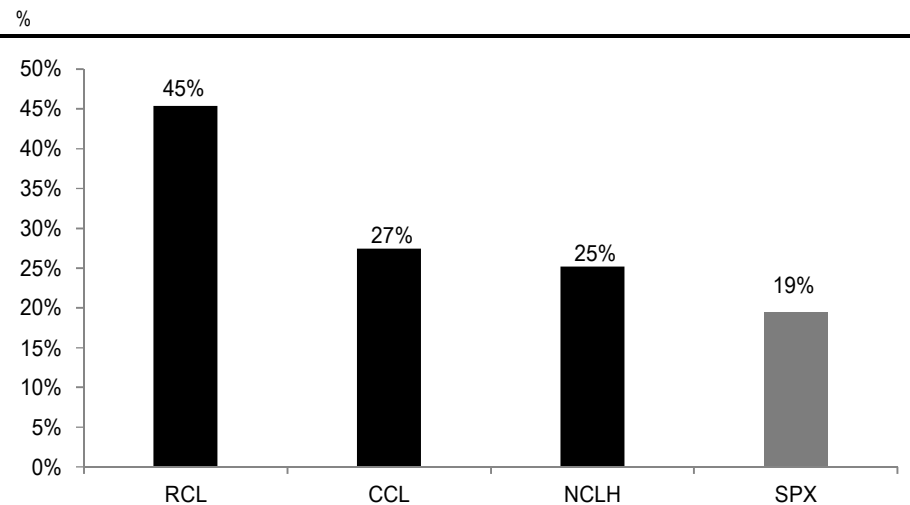
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 13: Cruise Lines 2016 Share Price Returns



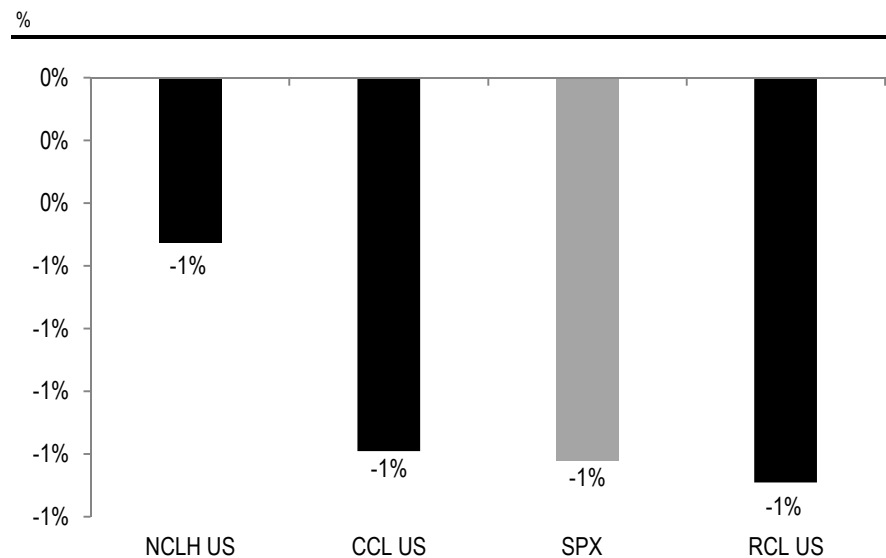
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 14: Cruise Lines 2017 Share Price Returns



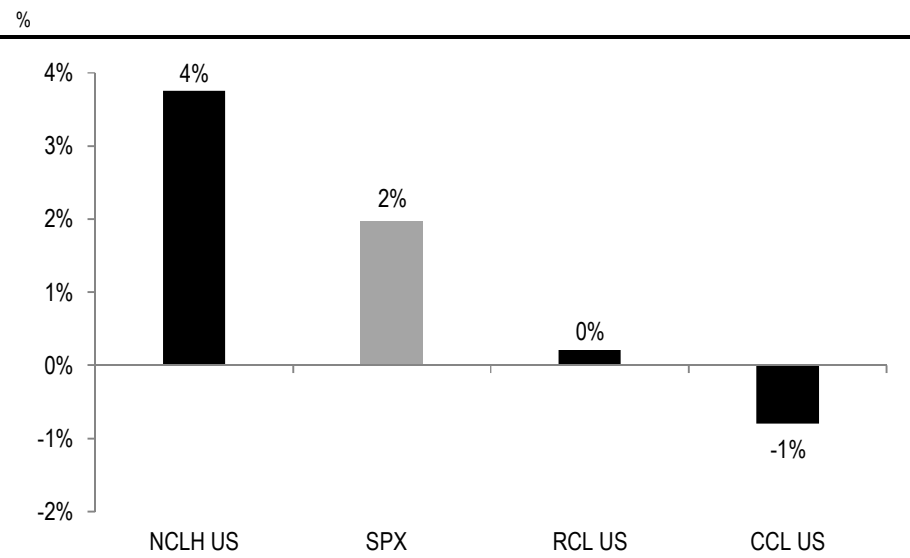
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 15: Cruise Lines 1Q18 Share Price Returns



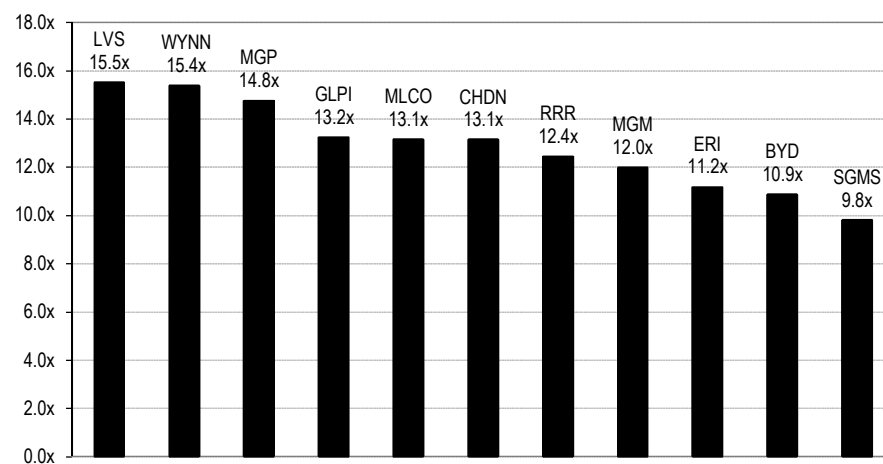
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 16: Cruise Lines 2Q18TD Share Price Returns



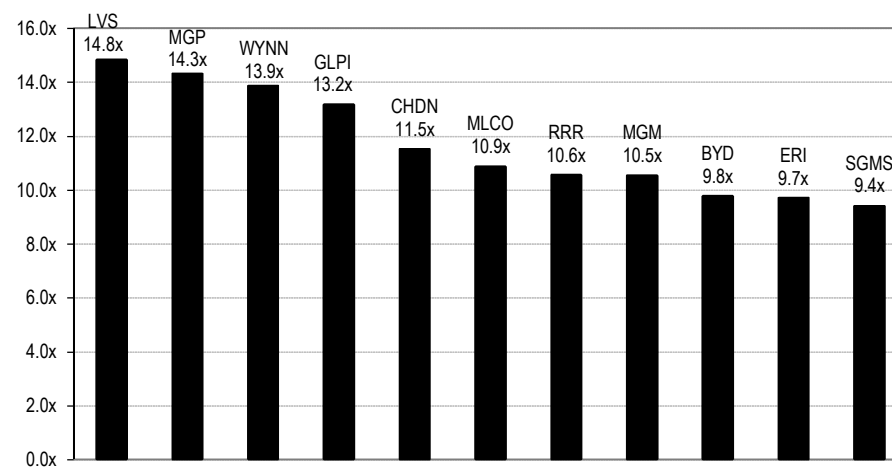
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 17: Gaming Universe 2018E EBITDA Multiples



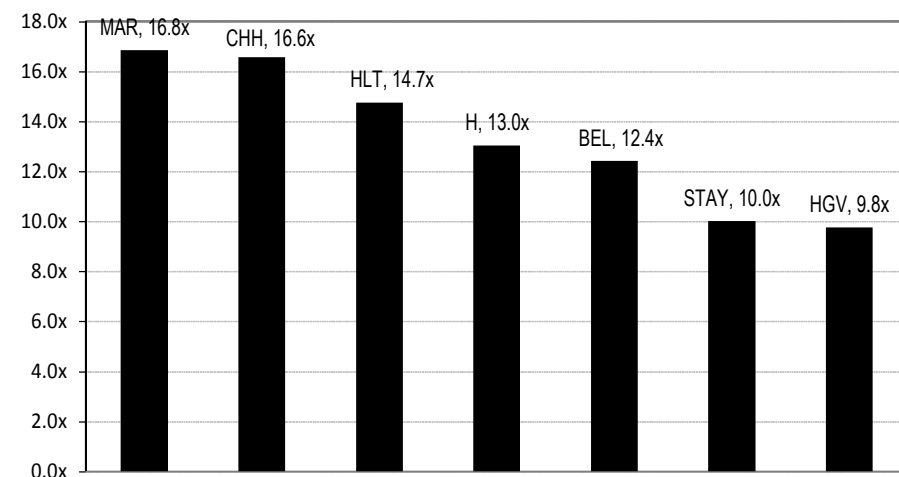
Note: For PENN, our EV/EBITDA multiple excludes the impact of the financial obligation related to its capitalized lease.
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 18: Gaming Universe 2019E EBITDA Multiples



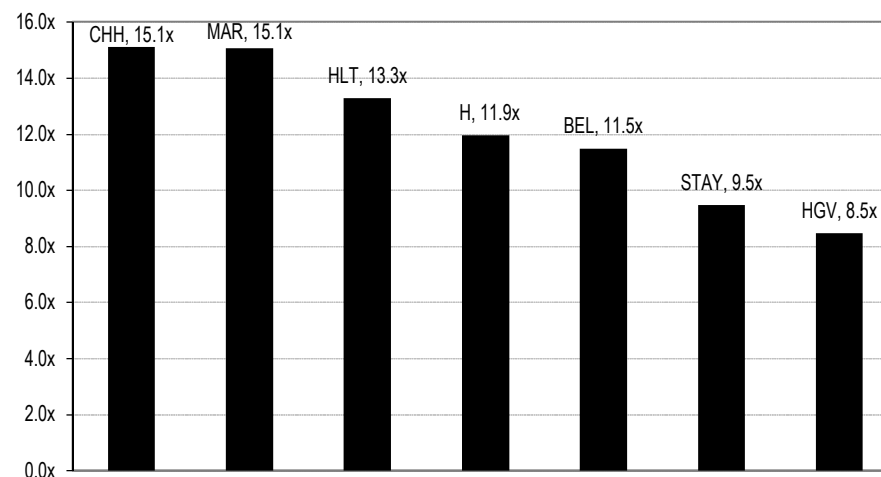
Note: For PENN, our EV/EBITDA multiple excludes the impact of the financial obligation related to its capitalized lease.
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 19: Lodging C-Corp Universe 2018E EBITDA Multiples



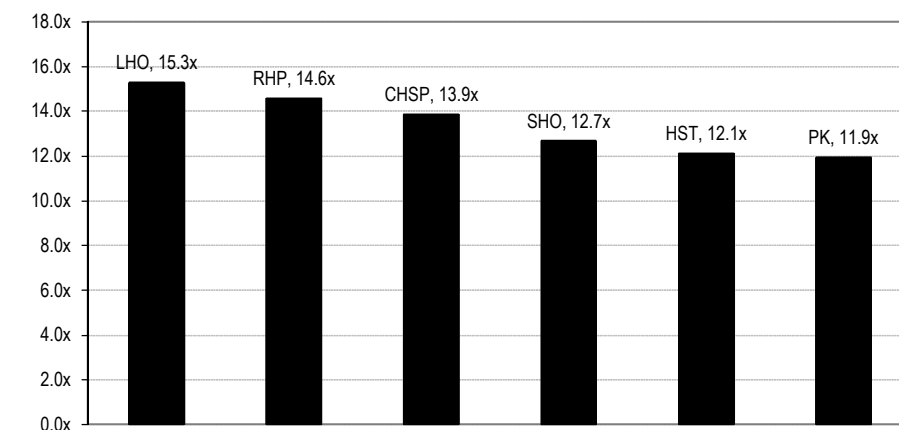
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 20: Lodging C-Corp Universe 2019E EBITDA Multiples



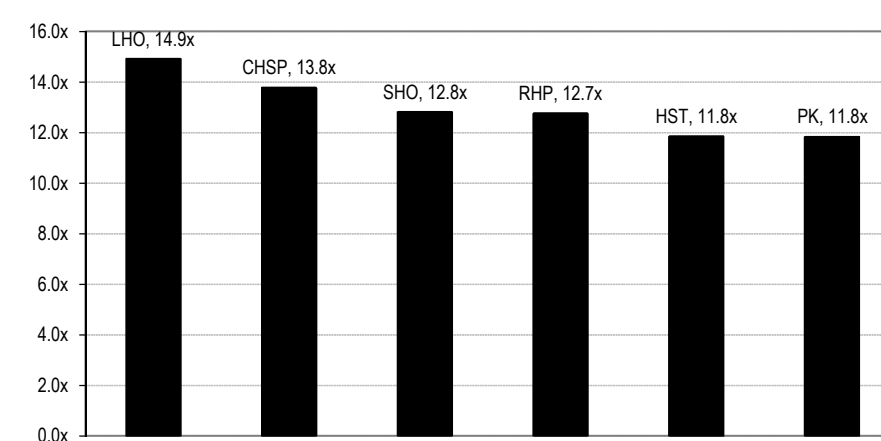
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 21: Lodging REIT Universe 2018E EBITDA Multiples



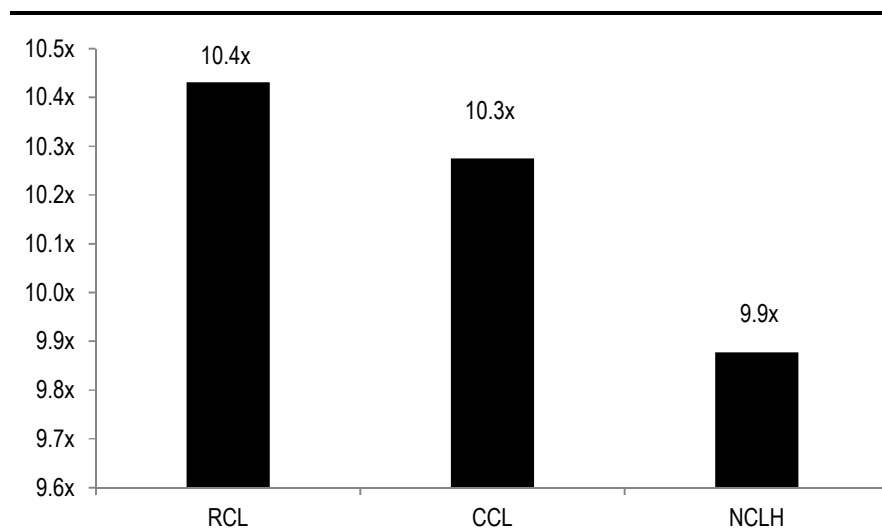
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 22: Lodging REIT Universe 2019E EBITDA Multiples



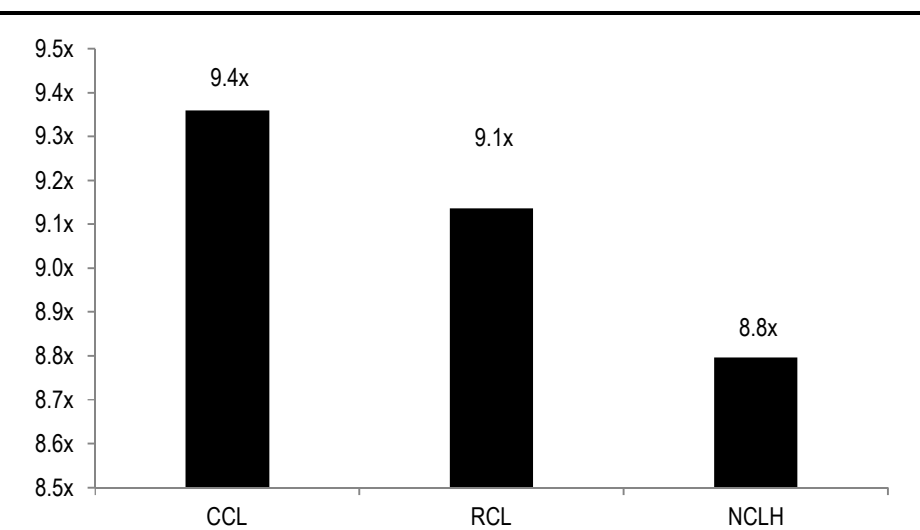
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 23: Cruise Lines 2018E EBITDA Multiples



Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 24: Cruise Lines 2019E EBITDA Multiples



Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 10: Gaming Universe EBITDA Growth Projections

\$ in millions

Rating	Company	EBITDA Growth			
		2016	2017	2018E	2019E
	<u>Gaming Operators</u>				
N	Las Vegas Sands	-3%	22%	7%	4%
OW	MGM Resorts Int'l	7%	19%	4%	10%
OW	Wynn Resorts	6%	47%	23%	12%
NR	Red Rock Resorts	7%	2%	1%	14%
OW	Boyd Gaming	-11%	7%	3%	5%
NR	Penn National	12%			
NR	Pinnacle Entertainment	6%			
OW	Melco Resorts and Ent	19%	32%	17%	13%
N	Churchill Downs	11%	3%	-10%	7%
OW	Eldorado Resorts	N/A	10%	15%	9%
	<u>Simple Avg. - Operators</u>	6%	18%	8%	9%
OW	Gaming & Leisure Properties	64%	23%	0%	-1%
OW	MGM Growth Properties		65%	12%	2%
	<u>Simple Avg. - Gaming REITs</u>	64%	44%	6%	1%
	<u>Gaming Equip. & Lottery</u>	<u>2016</u>	<u>2017</u>	<u>2018E</u>	<u>2019E</u>
N	Scientific Games	3%	11%	5%	4%
	<u>Simple Avg. - Suppliers</u>	3%	11%	5%	4%

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

NA = Not Applicable; NM = Not Meaningful

Note: For WYNN, our adjusted net debt and EBITDA calculations back out 27.7% stake of WYNN Macau.

Note: For LVS, our adjusted net debt and EBITDA calculations back out 29.7% stake of Sands China.

Note: For MLCO, our adjusted net debt and EBITDA calculations back out 40.0% stake of Studio City

Note: For BYD, our EBITDA/EPS estimates do not include any impact from its acquisitions announced in December 2017.

Note: For PNK, our 2016-2018 EBITDA growth calculation is pre-FAS 123 and rent expense.

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 11: Lodging EBITDA Growth Projections

\$ in millions

Rating	Company	EBITDA Growth		
		2017	2018E	2019E
	<u>Lodging C-Corps</u>			
OW	Hilton Worldwide	11%	9%	7%
OW	Marriott International	8%	6%	9%
N	Hyatt Hotels Corporation	4%	0%	7%
UW	Choice Hotels	16%	11%	8%
N	Belmond	-3%	15%	6%
OW	Extended Stay America	1%	-2%	2%
OW	Hilton Grand Vacations	-8%	34%	9%
	Mean - Lodging C-Corps	4%	10%	7%
	<u>Lodging REITs</u>			
UW	HostHotels & Resorts	2%	1%	2%
OW	Park Hotels & Resorts	-7%	-4%	1%
UW	LaSalle Hotel Properties	-14%	-13%	2%
N	Ryman Hospitality Properties	3%	4%	12%
UW	Sunstone Hotel Investors	3%	-6%	-1%
UW	Chesapeake Lodging Trust	-8%	5%	-1%
	Mean - Lodging REITS	-4%	-2%	3%

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 12: Cruise Lines EBITDA Growth Projections

\$ in millions

Rating	Company	EBITDA Growth			
		2016	2017	2018E	2019E
	<u>Cruise Industry</u>				
N	CCL	15%	4%	10%	11%
OW	RCL	16%	14%	12%	11%
OW	NCLH	18%	15%	14%	9%
	Mean - Cruise Lines & Leisure	16%	11%	12%	10%

Note: CCL FY2016 is Actuals. Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 13: Gaming Universe P/E Multiples

\$ in millions

Rating	Company	EPS			P/E			Premium to S&P 500			EPS Growth			PEG Ratio		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
N	Las Vegas Sands	\$3.04	\$3.33	\$3.48	24.3	22.2	21.2	18%	29%	36%	32%	9%	5%	0.8x	NM	4.5x
OW	MGM Resorts Intl	3.43	1.08	1.74	10.4	33.0	20.5	-50%	92%	31%	78%	-69%	62%	NM	NM	0.3x
OW	Wynn Resorts	5.34	7.60	9.38	35.9	25.2	20.4	74%	46%	31%	58%	43%	23%	0.6x	0.6x	0.9x
OW	Boyd Gaming	1.03	1.13	1.49	34.1	30.9	23.5	65%	80%	50%	5%	10%	32%	NM	3.0x	0.7x
OW	Red Rock Resorts	0.43	1.18	1.59	70.2	25.6	19.1	240%	49%	22%	NM	NM	34%	NM	NM	0.6x
NR	Penn National															
NR	Pinnacle Entertainment															
OW	Melco Resorts and Ent.	0.70	1.10	1.38	44.7	28.6	22.7	117%	66%	46%	101%	56%	26%	NM	NM	0.9x
N	Churchill Downs	8.54	10.61	12.44	29.5	23.7	20.2	43%	38%	30%	34%	24%	17%	0.9x	1.0x	1.2x
OW	Eldorado Resorts	NM	0.95	1.45	NM	43.0	28.1	NM	150%	80%	NM	NM	53%	NM	NM	NM
	Overall Gaming Operators Avg.				35.6x	29.0x	22.0x	72%	69%	41%	51%	12%	32%			
OW	Gaming & Leisure Prop	1.79	2.00	2.20	19.3	17.2	15.7	-7%	0%	1%	16%	12%	10%	1.2x	1.5x	1.6x
OW	MGM Growth Properties	0.67	0.92	0.96	42.0	30.6	29.2	104%	78%	87%	30%	37%	5%	1.4x	0.8x	6.2x
	Overall Gaming REITs Avg.				30.6x	23.9x	22.4x	48%	39%	44%	23%	25%	7%			
	Gaming Equipment & Lottery															
N	Scientific Games	(\$2.16)	\$0.25	\$2.28	NA	NA	21.8	NA	NA	40%	NA	NA	NA	NA	NA	NA
	Gaming Equipment Suppliers Avg.				NA	NA	NA	NA	NA	NA	NA	NA	NA			
	S&P 500	130.5	156.4	172.7	20.6x	17.2x	15.6x									

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

NA = Not Applicable; NM = Not Meaningful

Note: S&P 500 P/E multiples based on consensus estimates for 2017, 2018, and 2019.

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 14: Lodging Universe P/E Multiples

\$ in millions

Rating	Company	Ticker	Price	EPS			P/E			Premium to S&P 500 ⁽¹⁾			EPS Growth ⁽¹⁾		
			4/19/2018	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
	<u>Lodging C-Corps</u>														
OW	Hilton Hotels	HLT	81.98	3.89	2.63	3.06	21.1	31.1	26.8	-7%	81%	72%	NM	-32%	16%
OW	Marriott International	MAR	137.62	4.35	5.31	6.26	31.6	25.9	22.0	40%	50%	41%	20%	22%	18%
N	Hyatt Hotels Corporation	H	77.97	1.97	1.38	1.79	39.6	56.5	43.5	NM	NM	NM	30%	-30%	30%
UW	Choice Hotels	CHH	81.50	2.87	3.31	3.76	28.4	24.6	21.7	26%	43%	39%	17%	16%	13%
N	Belmond	BEL	11.10	-0.44	0.20	0.23	-25.2	56.1	49.2	NM	NM	NM	NM	NM	NM
OW	Extended Stay America	STAY	20.41	0.40	1.08	1.19	50.5	18.8	17.2	123%	9%	10%	19%	168%	9%
OW	Hilton Grand Vacations	HGV	43.90	3.00	3.02	3.35	14.6	14.6	13.1	-35%	-16%	-16%	77%	0%	11%
	Mean - Lodging C-Corps						22.4x	30.6x	26.2x	22%	28%	25%	28%	22%	15%
	<u>Lodging REITs</u>														
UW	Host Hotels & Resorts	HST	19.46	1.70	1.67	1.70	11.5	11.7	11.4	-49%	-32%	-27%	0%	-2%	2%
OW	Park Hotels & Resorts	PK	28.50	2.78	2.65	2.65	10.2	10.8	10.7	-55%	-37%	-31%	NA	-5%	0%
UW	LaSalle Hotel Properties	LHO	30.89	2.47	2.12	2.16	12.5	14.5	14.3	-45%	-16%	-8%	-15%	-14%	2%
N	Ryman Hospitality Properties	RHP	79.66	4.86	5.75	6.79	16.4	13.9	11.7	-28%	-20%	-25%	-11%	18%	18%
UW	Sunstone Hotels	SHO	15.84	1.22	1.11	1.10	13.0	14.2	14.3	-43%	-17%	-8%	1%	-9%	-1%
UW	Chesapeake Lodging Trust	CHSP	29.40	2.17	2.40	2.40	13.5	12.2	12.2	-40%	-29%	-22%	-9%	11%	0%
	Mean - Lodging REITS						12.9x	12.9x	12.5x	-43%	-25%	-20%	-7%	0%	4%
	S&P 500		2694.40	119.14	156.35	172.68	22.6x	17.2x	15.6x				0%	31%	10%

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Note: S&P 500 P/E multiples based on consensus estimates for 2017, 2018, and 2019.

Note: Earnings estimates for Lodging REITs (HST, LHO, SHO, BEE and CHSP) represent FFO per share.

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 15: Cruise Lines P/E Multiples

\$ in millions

Rating	Company	EPS			P/E			Premium (Discount) to S&P 500			EPS Growth			PEG Ratio		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
N	Carnival Corporation	\$3.82	\$4.40	\$5.14	17.0x	14.8x	12.7x	-17%	-14%	-19%	10%	15%	17%	1.7x	1.0x	0.8x
OW	Royal Caribbean	\$7.53	\$8.66	\$10.02	15.7x	13.6x	11.8x	-24%	-21%	-24%	24%	15%	16%	0.7x	0.9x	0.7x
OW	Norwegian Cruise Lines	\$3.57	\$4.19	\$4.80	15.4x	13.1x	11.5x	-25%	-24%	-27%	15%	17%	14%	1.0x	0.8x	0.8x
S&P 500		130.5	156.3	172.7	20.6x	17.2x	15.6x									

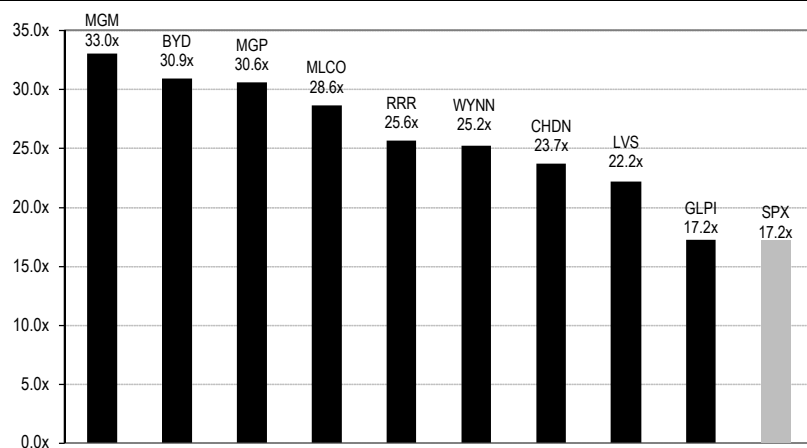
Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

NA = Not Applicable; NM = Not Meaningful

Note: S&P 500 P/E multiples based on consensus estimates for 2017, 2018, and 2019

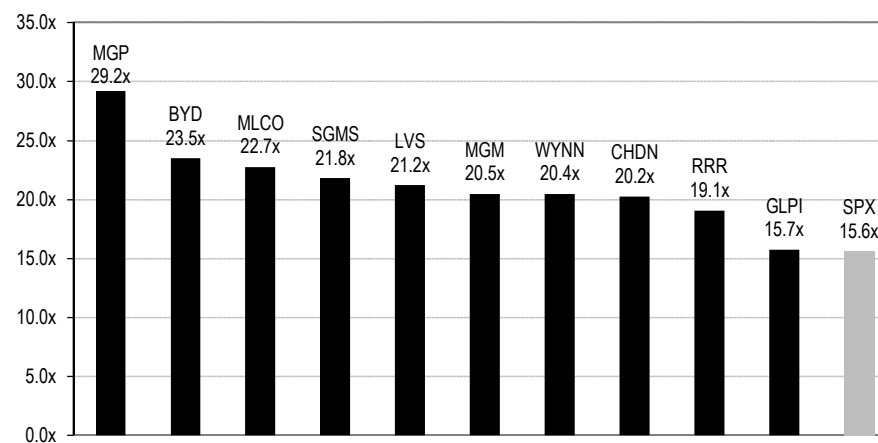
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 25: Gaming Universe 2018E P/E Multiples



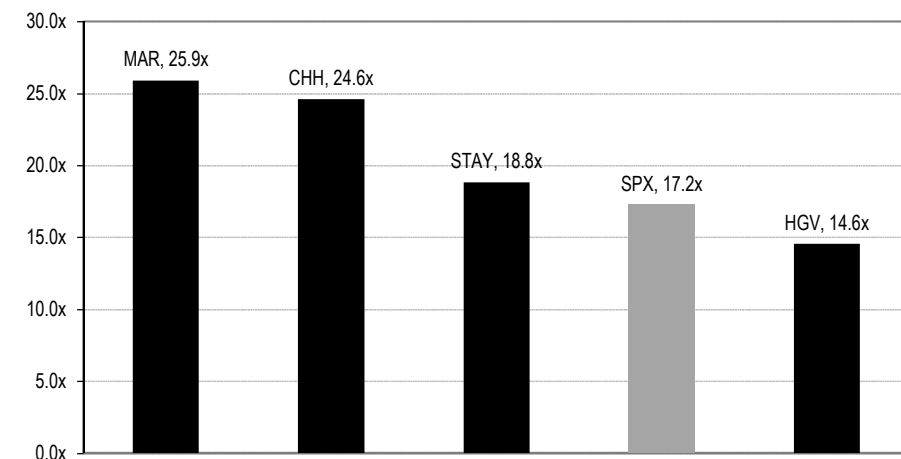
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 26: Gaming Universe 2019E P/E Multiples



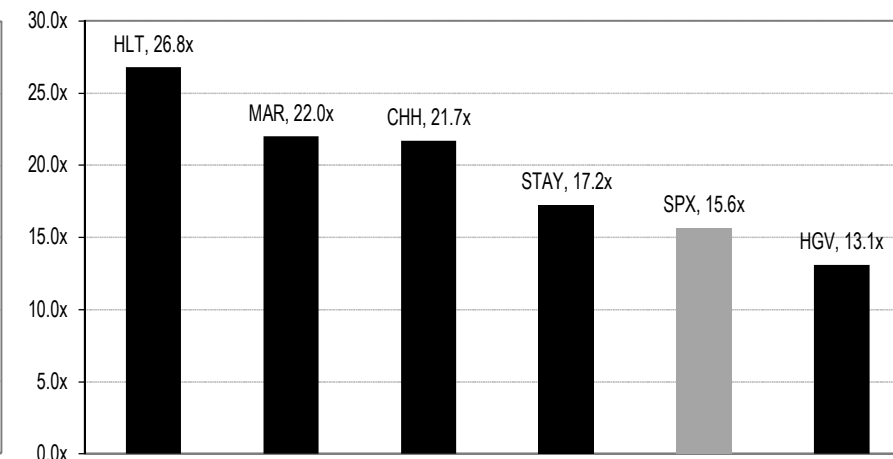
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 27: Lodging C-Corp Universe 2018E P/E Multiples



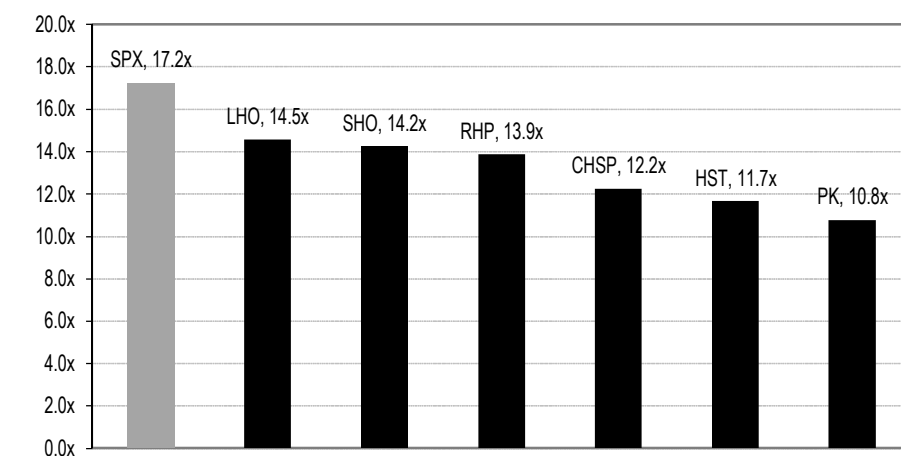
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 28: Lodging C-Corp Universe 2019E P/E Multiples



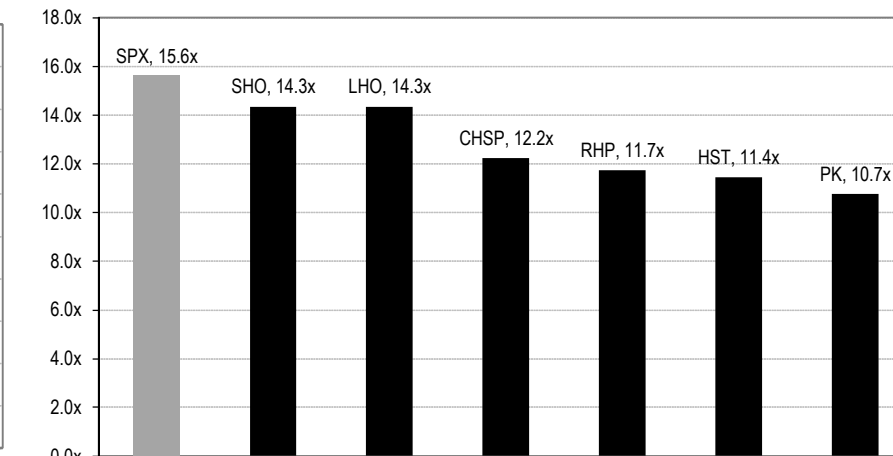
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 29: Lodging REIT 2018E FFO Multiples



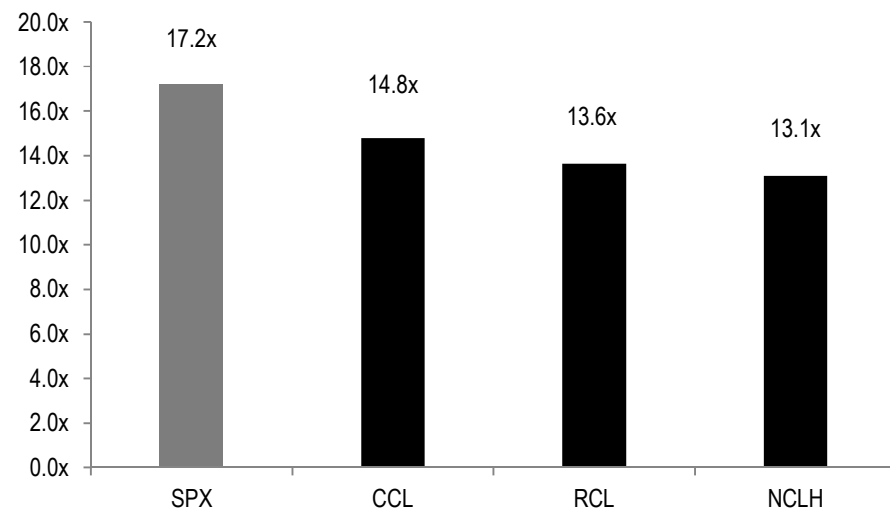
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 30: Lodging REIT Universe 2019E FFO Multiples



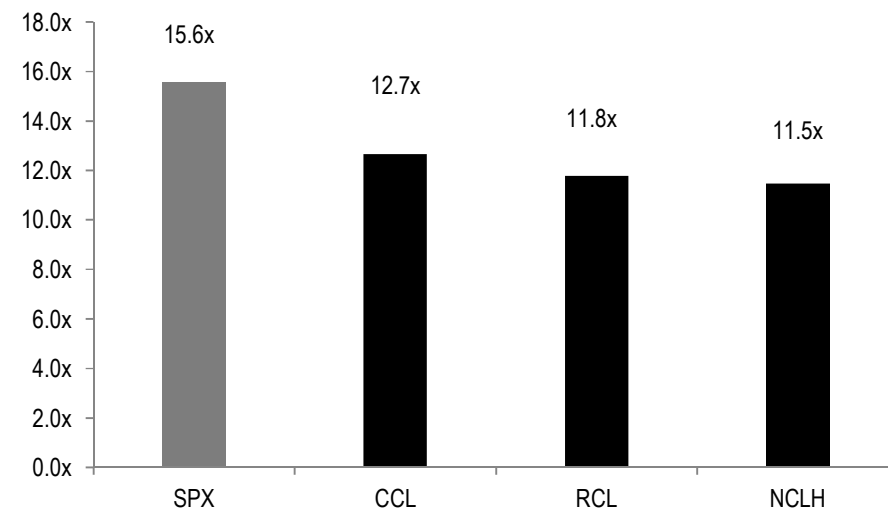
Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 31: Cruise Lines 2018E P/E Multiples



Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 32: Cruise Lines 2019E P/E Multiples



Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 16: Gaming Universe Balance Sheet Items

\$ in millions

	Gaming Operators										Gaming REITs		Gaming Equipment
Balance Sheet Items (MRQ)	MGM	WYNN	LVS	MLCO	BYD	PENN	PNK	CHDN	RRR	ERI	GLPI	MGP	SGMS
Cash	\$1,500	\$3,134	\$0	\$1,464	\$203	\$278	\$184	\$52	\$231	\$135	\$29	\$260	\$789
Debt	13,018	\$9,566	\$2,430	\$3,558	\$3,120	\$1,250	\$822	1,142	\$2,618	\$2,200	\$4,481	\$3,991	\$8,869
Equity	7,651	\$948	\$2,430	\$2,094	\$2,917	\$272	(\$321)	918	\$2,386	\$2,065	245224%	\$6,068	(\$2,027)
Book Value	\$13.43	\$9.34	\$3.05	\$3.87	\$25.74	\$2.99	(\$5.12)	\$52.19	\$20.57	\$26.49	\$20.56	\$24.98	(\$23.60)
Current Price	35.56	191.65	73.84	31.37	35.03	27.37	31.15	251.50	30.31	40.80	34.47	28.12	49.75
Price to Book	2.6x	NM	24.2x	8.1x	1.4x	NM	NM	4.8x	1.5x	1.5x	1.7x	1.1x	NM
Credit Statistics													
Debt to Total Capital	63%	91%	50%	63%	52%	82%	164%	55%	52%	52%	65%	40%	130%
Gross Debt / EBITDA	4.6x	5.7x	327.0x	2.8x	5.2x	3.2x	2.8x	3.3x	5.3x	5.6x	5.1x	6.0x	7.2x
Net Debt / EBITDA	4.1x	3.9x	2.1x	1.6x	4.9x	2.5x	2.2x	3.2x	4.8x	5.2x	5.0x	5.6x	6.6x
EBITDA/Interest Expense	4.2x	4.7x	1.6x	5.4x	3.5x	1.8x	5.9x	7.0x	3.8x	3.3x	4.1x	3.7x	2.0x
Updated as of:	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q

Note: For PENN and PNK, calculations exclude the impact of the financial obligation.

NA = Not Applicable; NM = Not Meaningful

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 17: Gaming Universe Balance Sheet Items Detailed

\$ in millions

Rating	Company	Gross Debt			Net Debt			EBITDA			Gross Debt / EBITDA			Net Debt / EBITDA		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
	Gaming Operators															
N	Las Vegas Sands	\$9,736	\$2,430	\$2,430	\$9,736	\$9,214	\$8,648	\$4,689	\$5,008	\$5,206	2.1x	0.5x	0.5x	2.1x	1.8x	1.7x
OW	MGM Resorts Int'l	13,018	13,064	12,387	11,518	11,959	10,566	2,837	2,961	3,270	4.6x	4.4x	3.8x	4.1x	4.0x	3.2x
OW	Wynn Resorts	3,134	3,134	3,134	9,566	9,298	9,433	1,664	2,043	2,285	1.9x	1.5x	1.4x	5.7x	4.6x	4.1x
OW	Boyd Gaming	3,120	2,851	2,506	2,917	2,648	2,302	596	615	648	5.2x	4.6x	3.9x	4.9x	4.3x	3.6x
NR	Penn National															
NR	Pinnacle Entertainment															
OW	Red Rock Resorts	2,618	2,970	2,767	2,386	2,739	2,535	496	504	574	5.3x	5.9x	4.8x	4.8x	5.4x	4.4x
OW	Melco Resorts and Ent.	3,558	3,558	3,558	2,094	1,512	587	1,285	1,500	1,693	2.8x	2.4x	2.1x	1.6x	1.0x	0.3x
N	Churchill Downs	1,142	652	500	1,090	602	397	344	310	332	3.3x	2.1x	1.5x	3.2x	1.9x	1.2x
OW	Eldorado Resorts	2,200	2,026	1,798	2,065	1,891	1,663	395	454	495	5.6x	4.5x	3.6x	5.2x	4.2x	3.4x
	Simple Avg. - Operators										3.8x	3.2x	2.7x	4.0x	3.4x	2.7x
OW	Gaming & Leisure Prop	4,481	4,348	4,216	4,452	4,319	4,187	885	887	883	5.1x	4.9x	4.8x	5.0x	4.9x	4.7x
OW	MGM Growth Properties	3,991	3,866	3,738	3,732	3,606	3,478	670	751	765	6.0x	5.1x	4.9x	5.6x	4.8x	4.5x
	Simple Avg. - Gaming REITs										5.5x	5.0x	4.8x	5.3x	4.8x	4.6x
	Gaming Equipment & Lottery															
N	Scientific Games	\$8,869	\$8,963	\$8,300	\$8,081	\$8,174	\$7,511	\$1,225	\$1,290	\$1,343	7.2x	6.9x	6.2x	6.6x	6.3x	5.6x
	Simple Avg. - Equipment Suppliers										7.2x	6.9x	6.2x	6.6x	6.3x	5.6x

Rating	Company	EBITDA			Interest Expense			EBITDA / Interest Expense		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
	Gaming Operators									
N	Las Vegas Sands	\$4,689	\$5,008	\$5,206	\$327	\$339	\$341	14.3x	14.8x	15.3x
OW	MGM Resorts Int'l	2,837	2,961	3,270	669	723	700	4.2x	4.1x	4.7x
OW	Wynn Resorts	1,664	2,043	2,285	389	409	394	4.3x	5.0x	5.8x
OW	Boyd Gaming	596	615	648	171	178	168	3.5x	3.5x	3.9x
NR	Penn National									
NR	Pinnacle Entertainment									
OW	Red Rock Resorts	496	504	574	131	143	144	3.8x	3.5x	4.0x
OW	Melco Crown	1,285	1,500	1,693	226	240	261	5.7x	6.3x	6.5x
N	Churchill Downs	344	310	332	49	41	31	7.0x	7.5x	10.8x
OW	Eldorado Resorts	395	454	495	NM	116	107	NM	3.9x	4.6x
	Simple Avg. - Operators							6.1x	6.1x	6.9x
OW	Gaming & Leisure Prop	885	887	883	215	215	210	4.1x	4.1x	4.2x
OW	MGM Growth Properties	670	751	765	180	172	174	3.7x	4.4x	4.4x
	Simple Avg. - Gaming REITs							3.9x	4.2x	4.3x
	Gaming Equipment Suppliers									
N	Scientific Games	\$1,225	\$1,290	\$1,343	\$610	\$566	\$410	2.0x	2.3x	3.3x
	Simple Avg. - Equipment Suppliers							2.0x	2.3x	3.3x

For PENN/PNK, calculations exclude the impact of the financial obligation; PNK, GLPI, and MGP Leverage PF for 2016.

NA = Not Applicable; NM = Not Meaningful

Note: GLPI and MGP leverage and EBITDA/interest expense ratios for 2016E are based on non-pro-forma estimates

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 18: Lodging Universe Balance Sheet Items

\$ in millions

Balance Sheet Items (MRQ)	Lodging C-Corps							Lodging REITs					
	HLT	MAR	H	STAY	CHH	BEL	HGV	HST	PK	LHO	RHP	SHO	CHSP
Cash	\$670	\$383	\$786	\$151	\$235	\$183	\$246	\$914	\$379	\$415	\$79	\$559	\$75
Debt	6,683	\$8,238	\$1,451	\$2,542	\$727	707	482	\$3,954	3,000	1,120	1,497	\$990	\$835
Current Net Debt	6,013	7,855	665	2,391	491	524	236	3,040	2,621	705	1,418	431	760
Equity	2,075	\$3,731	\$3,531	1,346	(\$212)	699	518	\$7,002	6,011	2,532	378	2,582	1,168
Book Value (per diluted share)	6.45	10.09	28.16	7.00	-3.62	6.84	5.18	9.47	27.96	22.30	7.35	11.52	19.69
Current Price	81.98	137.62	77.97	20.41	81.50	11.10	43.90	19.46	28.50	30.89	79.66	15.84	29.40
Price to Book	12.7x	13.6x	2.8x	2.9x	NM	1.6x	8.5x	2.1x	1.0x	1.4x	10.8x	1.4x	1.5x
Total Shares Outstanding	322	370	125	192	59	102	100	740	215	114	51	224	59
Share Repurchase Authorization	16	38	11	9	4	3	--	26	--	18	--	19	3
% of Total	5%	10%	9%	5%	7%	3%	--	3%	--	16%	--	8%	6%
Credit Statistics / Info.													
Gross Debt to Total Capital	76%	69%	29%	65%	141%	50%	48%	36%	33%	31%	80%	28%	42%
Gross Debt / EBITDA (TTM)	3.5x	2.6x	1.8x	4.1x	2.5x	5.7x	1.3x	2.6x	4.0x	3.3x	4.3x	2.9x	4.9x
Net Debt / EBITDA (TTM)	3.1x	2.5x	0.8x	3.8x	1.7x	4.2x	0.6x	2.0x	3.5x	2.1x	4.1x	1.3x	4.5x
EBITDA / Interest Expense	4.7x	12.7x	10.2x	4.8x	7.3x	3.9x	13.6x	9.3x	6.1x	9.2x	6.7x	7.1x	5.1x
Updated as of:	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q	4Q

NA = Not Applicable; NM = Not Meaningful

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 19: Lodging Universe Balance Sheet Items Detailed

\$ in millions

Rating	Company	Gross Debt			Net Debt			EBITDA			Gross Debt / EBITDA			Net Debt / EBITDA		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
	<u>Lodging C-Corps</u>															
OW	Hilton Hotels	\$6,683	\$7,536	\$7,536	\$6,026	\$6,616	\$6,794	\$1,965	\$2,138	\$2,288	3.4x	3.5x	3.3x	3.1x	3.1x	3.0x
OW	Marriott International	8,238	9,057	9,822	7,855	8,674	9,439	3,223	3,427	3,727	2.6	2.6	2.6	2.4	2.5	2.5
N	Hyatt Hotels Corporation	1,451	1,451	1,451	1,386	1,327	1,386	816	814	868	1.8	1.8	1.7	1.7	1.6	1.6
UW	Choice Hotels	841	727	855	488	616	505	294	325	350	2.9	2.2	2.4	1.7	1.9	1.4
N	Belmond	707	811	780	524	628	597	124	142	151	5.7	5.7	5.2	4.2	4.4	4.0
OW	Extended Stay	2,542	2,361	2,171	2,391	2,210	2,020	623	611	626	4.1	3.9	3.5	3.8	3.6	3.2
OW	Hilton Grand Vacatons	482	482	482	329	420	167	368	493	538	1.3	1.0	0.9	0.9	0.9	0.3
Mean - Lodging C-Corps														2.5x	2.5x	2.2x
	<u>Lodging REITs</u>															
UW	Host Hotels & Resorts	\$3,954	\$3,954	\$3,954	\$3,512	\$3,913	\$3,818	\$1,503	\$1,514	\$1,539	2.6x	2.6x	2.6x	2.3x	2.6x	2.5x
OW	Park Hotels & Resorts	\$3,000	\$2,660	\$2,689	\$2,857	\$2,517	\$2,546	\$757	\$726	\$734	4.0x	3.7x	3.7x	3.8x	3.5x	3.5x
UW	LaSalle Hotel Properties	1,120	1,120	1,120	965	1,001	990	339	295	301	3.3	3.8	3.7	2.8	3.4	3.3
N	Ryman Hospitality Properties	1,497	1,455	1,359	1,418	1,376	1,281	361	376	422	4.1	3.9	3.2	3.9	3.7	3.0
UW	Sunstone Hotel Investors	990	990	990	566	502	521	339	320	318	2.9	3.1	3.1	1.7	1.6	1.6
UW	Chesapeake Lodging Trust	835	802	770	760	727	695	170	179	178	4.9	4.5	4.3	4.5	4.1	3.9
Mean - Lodging REITs														3.2x	3.1x	3.0x

Rating	Company	EBITDA			Interest Expense			EBITDA / Interest Expense		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
	<u>Lodging C-Corps</u>									
OW	Hilton Hotels	\$1,965	\$2,138	\$2,288	\$408	\$404	\$425	4.8x	5.3x	5.4x
OW	Marriott International	3,223	3,427	3,727	250	302	314	12.9	11.3	11.9
N	Hyatt Hotels Corporation	816	814	868	80	76	76	10.2	10.7	11.5
UW	Choice Hotels	294	325	350	40	41	49	7.3	8.0	7.2
N	Belmond	124	142	151	32	34	35	3.9	4.2	4.3
OW	Extended Stay	623	611	626	130	130	120	4.8	4.7	5.2
OW	Hilton Grand Vacatons	368	493	538	27	25	23	13.6	20.1	23.7
Mean - Lodging C-Corps								8.4x	9.2x	9.9x
	<u>Lodging REITs</u>									
UW	Host Hotels & Resorts	\$1,503	\$1,514	\$1,539	\$161	\$188	\$199	9.3x	8.0x	7.8x
OW	Park Hotels & Resorts	757	726	734	122	124	122	6.2	5.9	6.0
UW	LaSalle Hotel Properties	339	295	301	37	34	34	9.2	8.7	8.8
N	Ryman Hospitality Properties	361	376	422	54	64	55	6.7	5.9	7.6
UW	Sunstone Hotel Investors	339	320	318	47	48	48	7.1	6.6	6.7
UW	Chesapeake Lodging Trust	170	179	178	33	34	33	5.1	5.3	5.4
Mean - Lodging REITs								7.3x	6.7x	7.0x

NA = Not Applicable; NM = Not Meaningful

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 20: Cruise Lines Balance Sheet Items

\$ in millions

	Cruise Lines		
Balance Sheet Items (MRQ)	CCL	RCL	NCLH
Cash	\$345	\$120	\$176
Debt	9,559	\$7,539	6,308
Equity	24,382	\$10,702	5,750
Book Value	\$32.64	\$47.99	\$27.12
Current Price	\$65.06	\$117.98	\$54.96
Price to Book	2.0x	2.5x	2.0x
Credit Statistics			
Debt to Total Capital	28%	41%	52%
Gross Debt / EBITDA	1.9x	2.6x	3.8x
Net Debt / EBITDA	1.8x	2.6x	3.7x
EBITDA/Interest Expense	26.5x	10.0x	6.2x
Updated as of	1Q	4Q	4Q

NA = Not Applicable; NM = Not Meaningful

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 21: Cruise Lines Balance Sheet Items Detailed

\$ in millions

Rating	Company	Gross Debt			Net Debt			EBITDA			Gross Debt / EBITDA			Net Debt / EBITDA		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
N	Carnival Corporation	\$9,195	\$10,558	\$11,412	\$8,800	\$10,213	\$11,067	\$5,045	\$5,527	\$6,115	1.8x	1.9x	1.9x	1.7x	1.8x	1.8x
OW	Royal Caribbean	\$7,539	\$8,379	\$7,314	\$7,419	\$8,009	\$6,944	\$2,846	\$3,196	\$3,532	2.6x	2.6x	2.1x	2.6x	2.5x	2.0x
OW	Norwegian Cruise Lines	\$6,308	\$6,188	\$5,675	\$6,132	\$6,012	\$5,499	\$1,663	\$1,890	\$2,064	3.8x	3.3x	2.8x	3.7x	3.2x	2.7x
Simple Avg.											2.8x	2.6x	2.2x	2.7x	2.5x	2.1x

Rating	Company	EBITDA			Interest Expense			EBITDA / Interest Expense		
		2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E
N	Carnival Corporation	\$5,045	\$5,527	\$6,115	\$189	\$199	\$220	26.7x	27.8x	27.8x
OW	Royal Caribbean	\$2,846	3,196	3,532	\$270	\$284	\$282	10.5x	11.3x	12.5x
OW	Norwegian Cruise Lines	\$1,663	1,890	2,064	\$268	\$275	\$256	6.2x	6.9x	8.1x
Simple Avg.								14.5x	15.3x	16.1x

NA = Not Applicable; NM = Not Meaningful

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 22: Gaming Universe Short Interest

\$ in millions

Rating	Company	Ticker	Short Interest		% Chg.	Basic Sh. Out. (MMs)	Float (MMs)	Short Int. as a % Float	Avg. Daily Volume	Days to Cover
			Previously Posted Interest (MMs)	Most Recent Interest (MMs)						
Gaming Operators										
N	Las Vegas Sands	LVS	5.6	5.2	-7.5%	789.1	391.6	1.3%	3,703,492	1.4
OW	MGM Resorts Intl	MGM	19.6	20.6	5.0%	566.7	516.4	4.0%	8,554,833	2.4
OW	Wynn Resorts	WYNN	4.5	3.3	-27.4%	108.5	97.8	3.4%	4,303,805	0.8
OW	Boyd Gaming	BYD	11.3	11.1	-1.6%	112.7	81.1	13.7%	1,764,565	6.3
NR	Penn National	PENN	6.7	7.5	12.5%	91.7	84.3	8.9%	1,430,763	5.3
NR	Pinnacle Entertainment	PNK	1.4	1.1	-22.1%	58.0	53.9	2.1%	480,855	2.3
OW	Red Rock Resorts	RRR	2.5	2.3	-5.3%	115.9	68.7	3.4%	652,713	3.6
N	Churchill Downs	CHDN	1.1	1.0	-7.6%	16.9	10.5	9.4%	130,275	7.5
OW	Eldorado Resorts	ERI	11.4	11.5	0.9%	76.9	57.8	19.8%	809,235	14.2
OW	Melco Resorts and Ent	MLCO	2.2	2.9	30.1%	494.3	183.7	1.6%	2,504,699	1.1
Gaming REITs										
OW	Gaming & Leisure Prop	GLPI	4.3	4.1	-5.9%	213.9	201.3	2.0%	1,369,467	3.0
OW	MGM Growth Properties	MGP	2.9	2.8	-1.9%	243.1	57.5	4.9%	845,243	3.3
Gaming Equipment & Lottery										
N	Scientific Games	SGMS	5.5	5.8	5.5%	90.7	54.4	10.7%	922,329	6.3

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NR = Not Rated

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 23: Lodging Universe Short Interest

\$ in millions

Rating	Company	Ticker	Short Interest		% Chg.	Diluted Sh. Out. (MRQ) (MMs)	Float (MMs)	Short Int. as a % of Float	Avg. Daily Volume	Days to Cover
			Previously Posted Interest (MMs)	Most Recent Interest (MMs)						
Lodging C-Corps										
OW	Hilton Worldwide	HLT	4.9	5.4	10.7%	300.4	261.3	2.1%	3,847,355	1.4
OW	Marriott International	MAR	8.7	8.1	-7.7%	356.9	271.0	3.0%	2,364,017	3.4
N	Hyatt Hotels Corporation	H	1.8	1.2	-33.9%	47.6	42.7	2.8%	925,010	1.3
N	Belmond	BEL	2.6	2.8	8.0%	102.4	83.7	3.4%	386,689	7.3
UW	Choice Hotels	CHH	0.9	0.8	-9.6%	56.9	35.1	2.2%	258,364	3.1
OW	Extended Stay America	STAY	3.3	2.5	-24.5%	190.5	187.7	1.3%	1,685,799	1.5
OW	Hilton Grand Vacations	HGV	3.1	2.0	-36.6%	99.3	98.5	2.0%	1,218,454	1.6
Lodging REITs										
UW	Host Hotels & Resorts	HST	32.3	32.9	2.0%	734.1	723.5	4.6%	7,041,141	4.7
OW	Park Hotels & Resorts	PK	4.8	7.0	47.5%	201.1	200.2	3.5%	2,585,209	2.7
UW	LaSalle Hotel Properties	LHO	11.8	12.6	7.1%	113.2	112.6	11.2%	2,376,426	5.3
N	Ryman Hospitality Properties	RHP	0.9	0.9	-3.4%	51.2	44.8	2.0%	333,007	2.7
UW	Sunstone Hotel Investors	SHO	8.4	8.1	-3.2%	225.6	223.5	3.6%	2,235,238	3.6
UW	Chesapeake Lodging Trust	CHSP	2.1	2.4	15.2%	60.4	58.8	4.1%	300,192	8.1

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NC = Not Covered

Source: Bloomberg, company reports, J.P. Morgan estimates.

Table 24: Cruise Lines Short Interest

\$ in millions

Rating	Company	Ticker	Short Interest		% Chg.	Basic Sh. Out. (MMs)	Float (MMs)	Short Int. as a % Float	Avg. Daily Volume	Days to Cover
			Previously Posted Interest (MMs)	Most Recent Interest (MMs)						
	<u>Cruise Lines</u>									
N	Carnival Corporation	CCL	13.0	13.0	-0.1%	534.4	408.0	3.2%	3,473,046	3.8
OW	Royal Caribbean	RCL	4.1	3.7	-10.2%	213.7	170.1	2.2%	1,518,820	2.4
OW	Norwegian Cruise Lines	NCLH	3.5	3.5	-1.1%	223.9	202.9	1.7%	2,143,635	1.6

Rating Key: OW = Overweight; N = Neutral; UW = Underweight; NR = Not Rated

Source: Bloomberg, company reports, J.P. Morgan estimates.

Figure 33: LVS Price Target Methodology

(\$M)	2019E EBITDAR		Fair Value Multiple	=	Firm Value
Las Vegas	\$424	x	11.0x	=	\$4,661
Sands China Royalties	40	x	15.0x	=	600
Singapore	1,640	x	15.0x	=	24,606
Sub-total	2,104		14.2x		29,867
Non Macau Corporate Expense	(165)	x	14.2x	=	(2,339)
Sub-totals	\$1,939	x	14.2x		\$27,528
Plus: Sale of Sands Bethlehem					1,300
Plus: LVS's Equity Value Share of Sands China					32,825
Less: Non Macau Net Debt, year-end 2019					3,296
Equals Equity Value					\$58,357
Divided by Diluted Shares Outstanding					791
Equals Fair Value					\$74

Source: J.P. Morgan estimates.

Figure 34: Sands China Equity Value

Sands China (\$MM, except per share data)	2019E EBITDAR		Fair Value Multiple	=	Firm Value
Same-store Macau	3,188	x	15.0x	=	47,816
Parisian Macao	0	x	15.0x	=	0
Royalties Paid to LVS	(40)	x	15.0x	=	(600)
Sub-totals	\$3,148	x	15.0x		\$47,216
Less SCL Net Debt, year-end 2019 plus year-end 2019 CIP					\$523
Equals Equity Value of Sands China					\$46,693
70.3% of Equity Value of Sands China					\$32,825

Source: J.P. Morgan estimates.

Figure 35: WYNN Price Target Methodology

WYNN Resorts	2020 EBITDA		Fair Value Multiple		Firm Value
Las Vegas, less minority interest	\$626	x	12.0x	=	\$7,518
Boston	\$252	x	10.0x	=	\$2,520
Wynn Macau Royalties	231	x	14.0x	=	3,237
Sub-total	1,110	x	12.0x		13,275
Corporate Expense	(69)	x	12.0x	=	(825)
Sub-totals	1,041	x	12.0x		12,450
Plus: Wynn's Equity Value Share of Wynn Macau Operations					15,861
Less: Non Macau net nebt (year-end 2020)					3,447
Equity Value					24,865
Divided by Fully Diluted Shares Outstanding					108
Equity Value on a year-end 2019 basis					\$229
Equals Year-end 2018 Fair Value (above discounted back at 8%)					\$212
Plus: Land Value at Frontier site/Wynn West					\$3
Equals Year-End 2018 Fair Value					\$216

Source: J.P. Morgan estimates.

Figure 36: WYNN Macau Equity Value

WYNN Macau	2020 EBITDA		Fair Value Multiple		Firm Value
Wynn Peninsula, property level	\$902	x	14.0x	=	\$12,623
Wynn Palace, property level	\$967	x	14.0x	=	\$13,535
Corporate Expense	(34)	x	14.0x	=	(475)
Royalties Paid to WYNN	(231)	x	14.0x	=	(3,237)
Sub-totals	1,603	x	14.0x		22,445
Less: Net Debt (year-end 2020E)					(498)
Equals Equity Value of Wynn's Macau Operations (100%)					21,947
72.3% of Equity Value of Wynn Macau					\$15,861

Source: J.P. Morgan estimates.

Figure 37: MGM Price Target Methodology

<u>Valuation Scenario for MGM's Non-Macau, non-MGP segment</u>	<u>2018E</u>	<u>2019E</u>
Bellagio EBITDA	517	526
Fair Value Multiple	11.0x	11.0x
Property Value	5,683	5,790
MGM Grand EBITDA	382	395
Fair Value Multiple	11.0x	11.0x
Property Value	4,205	4,346
Circus Circus EBITDA	80	84
Fair Value Multiple	8.0x	8.0x
Property Value	636	669
Springfield EBITDA	5	54
Fair Value Multiple	8.0x	8.0x
Property Value	40	432
Opco EBITDA	828	926
Fair Value Multiple	8.5x	8.5x
Property Value	7,034	7,872
Share of CityCenter EBITDA	215	220
Fair Value Multiple	11.0x	11.0x
Value	2,362	2,419
Other EBITDA (JV, fees)	53	56
Fair Value Multiple	8.0x	8.0x
Value	424	444
Sub-total Property Level	2,079	2,261
Implied Multiple	9.8x	9.7x
Value	20,385	21,973
Corporate Expense	(322)	(322)
Fair Value Multiple	9.8x	9.7x
Value	(3,159)	(3,131)
Total EBITDA, net of Corporate Expense	1,757	1,939
Implied Multiple	9.8x	9.7x
Total Enterprise Value	17,226	18,842
Less Year-end Net Debt, adjusted for year-end CIP, incl share of CityCer	(7,004)	(6,185)
Plus value of MGM China stake (market value of HK 2282)	6,043	6,043
Plus value of MGP stake (based on JPM PT)	6,016	6,016
Equals Total Equity Value	22,280	24,715
Divided by Shares Outstanding	572	567
Equals Equity Value Per Share	\$39	\$44

Source: J.P. Morgan estimates.

Figure 38: MLCO Price Target Methodology

<u>Property</u>	<u>2019E EBITDA</u>		<u>Multiple</u>		<u>Firm Value</u>
Alira Macau	\$40	x	12.0x	=	\$482
Mocha Clubs	27	x	12.0x	=	320
City of Dreams Macau	1,086	x	13.0x	=	14,124
Studio City (60% Proportionate Share)	271	x	13.0x	=	3,520
<i>Sub-totals</i>	1,424	x	13.0x	=	18,446
Corporate Expense	(141)	x	13.0x	=	(1,823)
Equals Enterprise Value	\$1,283	x	13.0x		\$16,623
Less: Year-end 2019E Wholly Owned Macau Net Debt					45
Less: Year-end 2019E MSC Net Debt (60% Proportionate Share)					543
Plus: Share of COD Manilla, Phillipines Property Value (12x 2019E EV/EBITDA)					1,511
Equals Equity Value					\$17,546
Divided by Diluted Shares Outstanding					494
Equals Year-end 2018 Fair Value					\$36

Source: J.P. Morgan estimates.

Figure 39: BYD Price Target Methodology

	Pre Acquisitions	Pinnacle OpCo Acquisition	Valley Forge Acquisition	Pro Forma
2019E EBITDAR	648	197	40	885
Less Rent	0	(105)	0	(105)
Equals EBITDA	648	92	40	780
Plus Cost synergies	0	8	0	8
Less Cash Interest Expense	(158)	(29)	(14)	(201)
Less Capex	(120)	(15)	(5)	(140)
Less Cash Taxes	0	0	0	0
Equals Free Cash Flow	370	56	21	447
FCF Per Share	\$3.21	\$0.49	\$0.18	\$3.88
Target PF FCF Per Share Multiple				10.0x
Memo: Implied PF FCF Yield				10.0%
Year-end 2018 Fair Value				39

Source: J.P. Morgan estimates.

Figure 40: RRR Price Target Methodology

	2020E EBITDA		Fair Value Multiple		Enterprise Value
LV Locals (Ex. Palms)	\$508	x	12.0x	=	6,092
Palms LV	95	x	11.5x	=	1,093
Sub total - LV Locals property level EBITDA	603	x	11.9x	=	7,184
Corporate Expenses	(35)	x	11.9x	=	(413)
Total					6,771
Less: Year-end 2020 NetDebt					(2,199)
Plus: After-tax NPV of Native American EBITDA fee stream					129
Equals Equity Value					4,701
Divided by Shares Outstanding					116
Equals Equity Value on a year-end 2019 Basis					40
Equals Year-end 2018 Fair Value (above discounted back at 8%)					\$37

Source: J.P. Morgan estimates.

Figure 41: CHDN Price Target Methodology

Segment	2019E EBITDA		Fair Value Multiple	=	Firm Value
Kentucky Derby	\$109	x	16.0x	=	\$1,739
Casinos (includes JVs)	\$151	x	9.0x	=	\$1,362
Racing (ex-Derby)/ Contra Casino EBITDA	(\$6)	x	9.0x	=	(\$58)
TwinSpires	\$75	x	10.0x	=	\$755
Sub-total	\$329	x	11.5x	=	\$3,797
Corporate/Other Investments (ex.HHR)	(\$12)	x	11.5x	=	(\$138)
Sub-total	\$317		11.5x		\$3,658
Less Year-end 2018E Net Debt, Less CIP					\$397
Plus: Equity Value from HHR Facility					73
Equals Equity Value					3,335
Divided by Diluted Shares Outstanding					13.6
Equals Equity Value Per Share					\$245
Plus Arlington Option Value					\$11
Plus Calder Option Value					\$2
Plus Presque/Vicksburg Acquisition Value					\$12
Equals Fair Value					\$270

Source: J.P. Morgan estimates.

Figure 42: ERI Price Target Methodology

	2020E	Presque Sales	Tropicana	Elgin	PF
EBITDAR	515	(26)	207	36	732
Plus Synergies			80	18	98
Less Rent			(110)		(110)
Less Cash taxes	(35)		(20)		(55)
Less Cash Interest Expense	(97)	2	(36)		(131)
Less Maintenance capex	(70)		(40)		(110)
Less: Acquisitions	0				0
Plus/Less Other	0				0
Equals Discretionary FCF	312	(24)	81	54	424
Less project capex	(30)		0	0	(30)
Plus/Less Other	0		0	0	0
Equals Total Free Cash Flow	282	(24)	81	54	394
				2020E Free Cash Flow	\$394
				Shares Outstanding	78
				FCF/Share	\$5.05
				FCF Yield	10%
				Equity Value	\$50
				Discount	8%
				Fair Value	\$47

Source: J.P. Morgan estimates.

Figure 43: MGP Price Target Methodology

	2019E EBITDA		Fair Value Multiple	=	Firm Value
Adjusted EBITDA	\$765	x	15.5x	=	\$11,852
Less: Year-end 2018 Net Debt					3,478
Equals Equity Value					8,374
Divided by Shares Outstanding					266
Fair Value					\$31

Source: J.P. Morgan estimates.

Figure 44: GLPI Price Target Methodology

	2019E EBITDA		EBITDA Multiple	=	Firm Value
Rental Income, Net of Corporate Expense	\$848	x	15.0x	=	\$12,713
TRS	35	x	7.0x	=	245
Sub-total	883		14.7x		12,958
Less Year-end 2019E Net Debt					4,187
Equals Equity Value					8,771
Divided by Diluted Shares Outstanding					216
Equals Year-end 2018 Fair Value					\$41

Source: J.P. Morgan estimates.

Figure 45: SGMS Price Target Methodology

	2019E EBITDA		Fair Value Multiple	=	Firm Value
Gaming	\$926	x	8.0x	=	\$7,406
Lottery	\$370	x	7.0x	=	\$2,589
Interactive	\$179	x	12.0x	=	\$2,152
Sub-total	\$1,475	x	8.2x	=	\$12,146
Corporate Expense	(\$132)	x	8.2x	=	(\$1,086)
Sub-total	\$1,343		8.2x		\$11,061
Less Year-End 2019E Net Debt					\$7,511
Equals Equity Value					\$3,550
Divided by Diluted Shares Outstanding					89.7
Equals Year-End 2018 Fair Value					\$40

Source: J.P. Morgan estimates.

Figure 46: MAR Price Target Methodology

<i>JPM's EPS CAGR, 2017-2019</i>	<i>19.9%</i>
2019 EPS	\$6.26
Target Multiple based on 1.25x PEG	24.9x
Year-end 2018 Fair Value	156

Source: J.P. Morgan estimates.

Figure 49: HLT Price Target Methodology

	2019E EBITDA		Assigned Multiple		Enterprise Value
Managed & Franchised Fees	\$2,226	x	15.5x	=	\$34,509
Owned & Leased	137	x	10.0x	=	1,366
<i>Sub-totals</i>	2,363	x	15.2x	=	35,875
Unallocated Expenses	(135)	x	15.2x	=	(2,047)
Sub-totals	\$2,228		15.2x		\$33,827
Less: Year-end 2019 Net Debt					6,781
Less: Unconsolidated Joint Venture Debt					13
Equals Estimated Year-end 2018 Equity Value					\$27,033
Divided by Diluted Shares Outstanding (EOP)					280
Equals Year-end 2018 Fair Value					\$96

Figure 47: STAY Price Target Methodology

2019E Adjusted EBITDA	\$626	\$626	\$626
x Target Multiple	10.0x	10.5x	11.0x
Equals Estimated Enterprise Value	6,256	6,569	6,882
Less: Year-end 2019 Net Debt & Preferred Equity	2,041	2,041	2,041
Equals Estimated Core Equity Value	\$4,215	\$4,528	\$4,840
Plus: ESA 2.0 Investments	\$60	\$60	\$60
Equals Estimated Equity Value	\$4,275	\$4,588	\$4,900
Divided by Shares Outstanding	191.2	191.2	191.2
Equals Year-end 2018 Fair Value	\$22	\$24	\$26

Source: J.P. Morgan estimates.

Figure 48: H Price Target Methodology

	2019E EBITDA		Target Multiple		Enterprise Value
Owned Hotels EBITDA	\$375	x	10.0x	=	\$3,752
JV Hotel EBITDA	59	x	10.0x	=	592
Management & Franchising EBITDA	573	x	14.0x	=	7,996
<i>Sub-total</i>	1,008	x	12.2x	=	12,339
Other/Unallocated Expenses	(139)	x	14.0x	=	(1,943)
Totals	868	x	12.0x	=	10,397
Less: Year-end 2019 Gross Debt					1,451
Less: Unconsolidated Joint Venture Debt					580
Plus: Year-end 2019 Cash/Equivalents					645
Equals Estimated Equity Value					9,011
Divided by Diluted Shares Outstanding (EOP)					113
Equals Year-end 2018 Fair Value					\$79

Source: J.P. Morgan estimates.

Figure 49: RHP Price Target Methodology

			Low	Base Multiple	High
2019 Adjusted EBITDA	\$422.1	x	11.5x	12.0x	12.5x
Enterprise Value			\$4,854	\$5,065	\$5,276
Less: Net Debt (Year-end 2019)			1,281	1,281	1,281
Less: JV debt (rockies)			195	195	195
Equals Equity Value			3,378	3,589	3,800
Divided by: Shares Outstanding			52	52	52
Equals year-end 2018 Fair Value			\$65	\$70	\$74

Source: J.P. Morgan estimates.

Figure 50: HGV Price Target Methodology

Segment	2019E EBITDA		Target Multiple			Enterprise Value		
			Low	Base	High	Low	Base	High
Real estate sales and financing	\$429	x	9.0x	10.0x	11.0x	\$3,859	\$4,288	\$4,717
% of Total (pre Corporate)	65%							
Resort operations and club management	\$232	x	8.5x	11.5x	9.5x	\$1,972	\$2,668	\$2,204
% of Total (pre Corporate)	35%							
Sub-total	\$661	x	8.8x	10.5x	10.5x	\$5,831	\$6,956	\$6,921
Unallocated G&A & License Fee Expense & Other	(\$187)	x	8.8x	10.5x	10.5x	(\$1,647)	(\$1,965)	(\$1,955)
Sub-totals (before accounting chance impact)	\$474	x	8.8x	10.5x	10.5x	\$4,184	\$4,991	\$4,966
Less: Year-end 2019 Net Debt (Recourse)						74	74	74
Less: Share of unconsolidated JV debt						93	93	93
Equals Year-end 2018 Price Target						\$41	\$49	\$48

Source: J.P. Morgan estimates

Figure 51: CHH Price Target Methodology

2019E Adjusted EBITDA	\$350	\$350	\$350
x Multiple	13.0x	13.5x	14.0x
Equals Estimated Enterprise Value	4,544	4,719	4,894
Less: Year-end 2019 Net Debt	505	505	505
Equals Estimated Equity Value	\$4,039	\$4,214	\$4,388
Divided by Shares Outstanding	59	59	59
Equals Fair Value	\$69	\$72	\$75

Source: J.P. Morgan estimates.

Figure 52: BEL Price Target Methodology

	2019E Adjusted EBITDA		Target Multiple		Enterprise Value
Owned Hotels	\$157.9	x	13.0x	=	\$2,052
Management fees	12.8	x	13.0x	=	166
Owned Trains and Cruises	11.2	x	8.0x	=	90
Share of JV earnings (previously in part owned)	16.3	x	11.5x	=	188
Sub-total	198.2	x	12.6x	=	2,495.7
Corporate & Overhead	(47.3)	x	13.0x	=	(615)
Total	\$150.9	x	12.5x	=	\$1,881
Less: Year-end 2019 Gross Debt					780
Plus: Year-end 2019 Cash					183
Plus: Cap Juluca and Other CIP					95
Equals Estimated Equity Value					1,379
Divided by Diluted Shares Outstanding					102.3
Equals year-end 2018 Fair Value					\$13

Source: J.P. Morgan estimates.

Figure 53: CHSP Price Target Methodology

2019 Adjusted EBITDA	\$178	\$178	\$178
Valuation Multiple	11.0x	11.5x	12.0x
Equals Enterprise Value	1,954	2,042	2,131
Less Net Debt (Year-end 2019)	(695)	(695)	(695)
Equals Estimated Equity Value	\$1,258	\$1,347	\$1,436
Divided by Diluted Shares Outstanding	59.5	59.5	59.5
Equals Fair Value	\$21	\$23	\$24

Source: J.P. Morgan estimates.

Figure 54: HST Price Target Methodology

2019 Adjusted EBITDA	1,539
Valuation Multiple	11.5x
Equals Enterprise Value	17,646
Less Net Debt (Year-end 2019)	(3,346)
Less Share of JV Debt (off balance sheet)	(472)
Equals Estimated Equity Value	13,828
Divided by Diluted Shares Outstanding	747
Equals Year-end 2018 Fair Value	\$18.50

Source: J.P. Morgan estimates.

Figure 55: LHO Price Target Methodology

2019 Adjusted EBITDA	\$301.3
Valuation Multiple	11.5x
Equals Enterprise Value	3,464
Less Net Debt (Year-end 2019)	(730)
Less Preferred Stock	(260)
Equals Estimated Equity Value	2,475
Divided by Diluted Shares Outstanding	113
Equals Fair Value	\$22

Source: J.P. Morgan estimates.

Figure 57: SHO Price Target Methodology

SHO 2019E Adjusted EBITDA	318
Valuation Multiple	11.5x
Equals Enterprise Value	3,654
Less Net Debt (Year-end 2019)	(386)
Less Preferred Stock	(190)
Plus non-controlling partners share of consolidated debt	55
Equals Estimated Equity Value	3,133
Divided by Diluted Shares Outstanding	224
Equals Fair Value	\$14

Source: J.P. Morgan estimates.

Figure 56: PK Price Target Methodology

2019 Adjusted EBITDA	734
Assigned multiple	11.5x
Equals Enterprise Value	8,445
Less Net Debt (Year-end 2019)	(2,310)
Less Share of JV Debt (off balance sheet)	(236)
Add Land value / NPV of Bonnet Creek Expansion	156
Equals Estimated Equity Value	6,054
Divided by Diluted Shares Outstanding	216
Equals Fair Value	\$28

Source: J.P. Morgan estimates.

Figure 58: CCL Price Target Methodology

	Existing Valuation			Valuation Multiple Sensitivity Analysis		
	2017E	2018E	2019E	2019E		
Recurring EPS	3.82	4.40	5.14	5.14	5.14	5.14
x Implied/Target Multiple	17.7x	15.3x	13.1x	14.0x	15.0x	16.0x
Equals year-end 2018 Price Target				\$72	\$77	\$82

Source: J.P. Morgan estimates.

Figure 60: RCL Price Target Methodology

	Existing Valuation			Valuation Multiple Sensitivity Analysis		
	2017	2018E	2019E	2019E		
Adjusted EPS	7.53	8.66	10.02	10.02	10.02	10.02
x Implied/Assigned Multiple	17.4x	15.1x	13.1x	14.0x	15.0x	16.0x
Equals Fair Value	\$140	\$150	\$160			

Source: J.P. Morgan estimates.

Figure 59: NCLH Price Target Methodology

	Existing Valuation		Target Multiple Sensitivities		
	2018E	2019E	2019E	2019E	2019E
NCLH Adjusted EPS	4.58	5.19			
Less Stock Comp Exp Add-back	(0.39)	(0.39)			
Equals JPM EPS (apple to apples w peers)	4.19	4.80	4.80	4.80	4.80
x Implied/Target Multiple on JPM EPS	14.2x	12.4x	13.5x	14.5x	15.5x
Equals Year-end 2017 Price Target			\$65	\$70	\$74

Source: J.P. Morgan estimates.

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