

Red Rock Resorts

Long RRR 4.5% 2028

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Relative Value

- Asset Protection
 - Owns all properties
 - Possible M&A Company given size and assets
- Good Liquidity
 - Cash: ~\$120mn
 - Net Leverage: ~\$4.3x
 - Net Leverage Target: management stated ~3x (after Durango)
- Positive '24 FCF outlook after Durango
- 4Q21 sale of Palms left it more focused on Gaming Revenues
 - FY22: Gaming accounted for nearly 70% of top-line
- Durango (delayed now until Dec. 5)
 - Enhances non-casino sales

Relative Value

Ticker	Coupon	Maturity	Call Date	Call Price	Amount (mm)	Price	YTW	STW	S&P	Moody's	Net Lev.	EV / EBITDA
RRR	4.625	12/1/31	6/1/31	\$ 100.00	\$ 500.00	\$84.41	7.2	275	B	B3	4.3x	10.6x
CZR	4.625	10/15/29	10/15/24	\$ 102.30	\$ 1,200.00	\$87.82	7.2	274	B	B3	5.5x	8.0x
CHDN	6.750	4/1/30	4/1/25	\$ 102.90	\$ 1,200.00	\$93.02	7.1	272	B+	B1	4.9x	13.7x
RRR	4.500	2/15/28	12/28/23	\$ 102.30	\$ 750.00	\$90.19	7.2	276	B	B3	4.3x	10.6x
BYD	4.750	6/15/31	6/15/26	\$ 102.40	\$ 900.00	\$87.77	6.9	244	BB	B1	2.5x	6.8x
PENN	4.125	7/1/29	7/1/24	\$ 102.10	\$ 400.00	\$82.39	8.1	363	B	B3	4.8x	7.1x

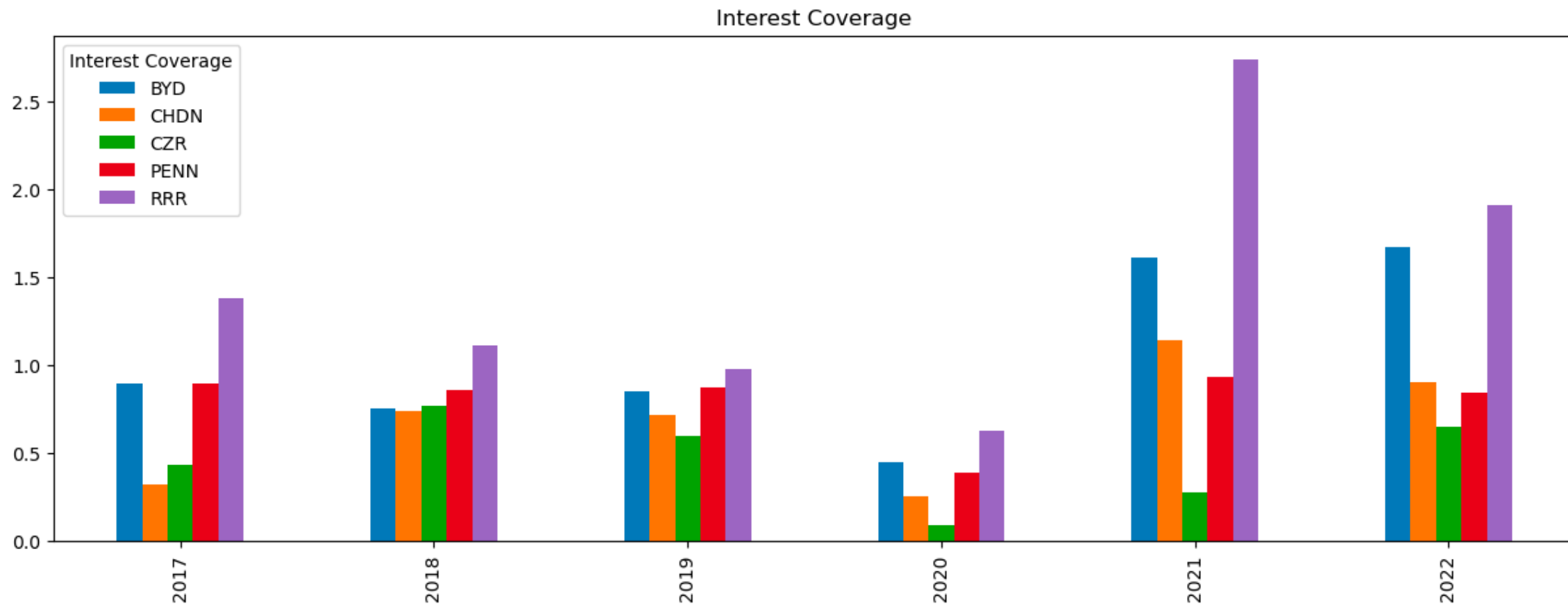
Ex-Durango

- Durango had a total cost of \$780mn
- You can see the CAPEX numbers of the recent Quarters
 - Page 14 (Comps sequential CAPEX quarterly)
 - Page 15 (Comps sequential CAPEX to Revenue quarterly)
 - Page 16 (Comps sequential CFFO to CAPEX quarterly)
- All 3 pages show the large capital spend of CAPEX that Durango required
- CAPEX for FY24 Cons. is at ~80mn
 - FCF should turn meaningfully positive post-Durango

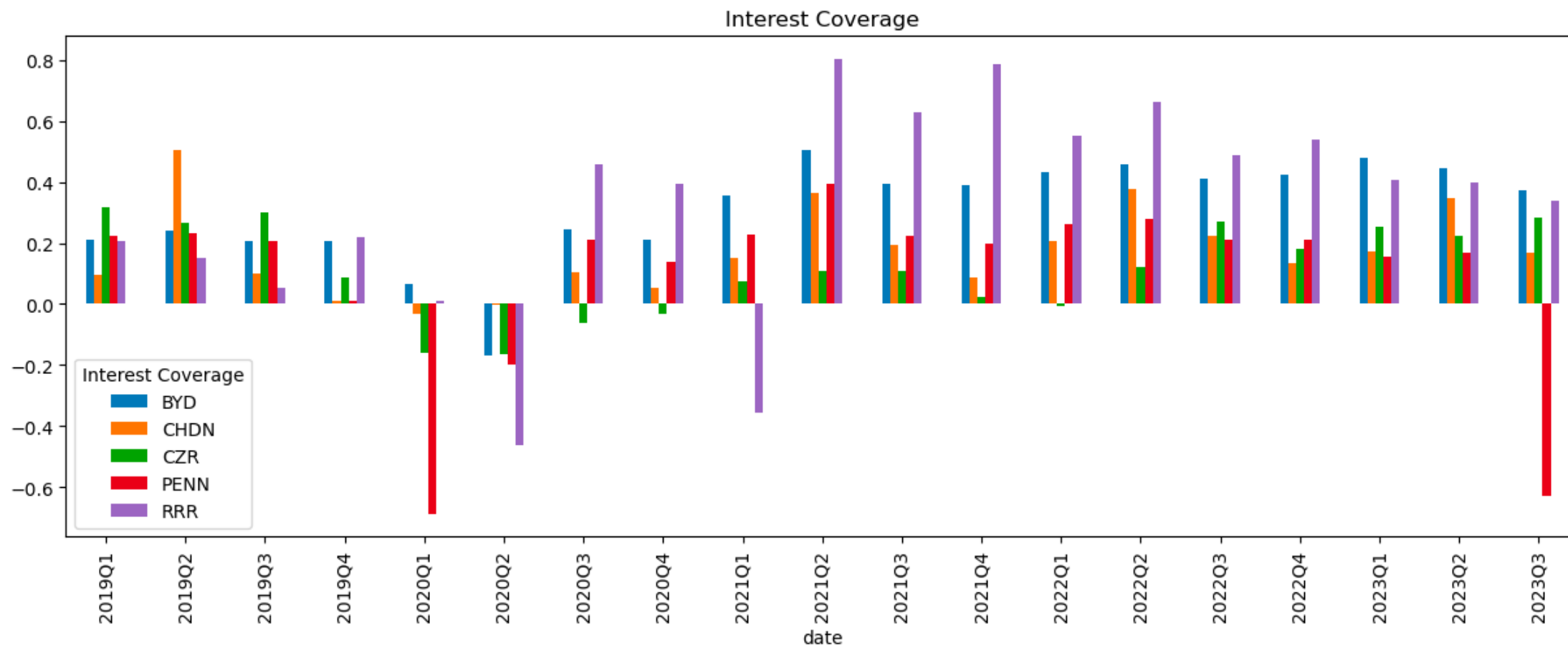
Debt Structure

Security	3Q23	Coupon	Maturity	Net Leverage
RRR Rev EXT 1L USD	\$ 384.50	6.984	Friday, February 7, 2025	
RRR TL B1 1L USD	\$ 1,443.61	7.698	Monday, February 8, 2027	
RRR A5 1L USD	\$ 155.06	6.948	Friday, February 7, 2025	
Secured	\$ 1,983.17			2.52x
RRR 4.5 02/15/28	\$ 690.80	2.5	Tuesday, February 15, 2028	
RRR 4.625 12/01/31	\$ 500.00	4.625	Tuesday, December 1, 1931	
Total Debt	\$ 3,173.97			4.12x
LTM Adj EBITDA	\$ 740.00			
Cash	\$ 122.00			

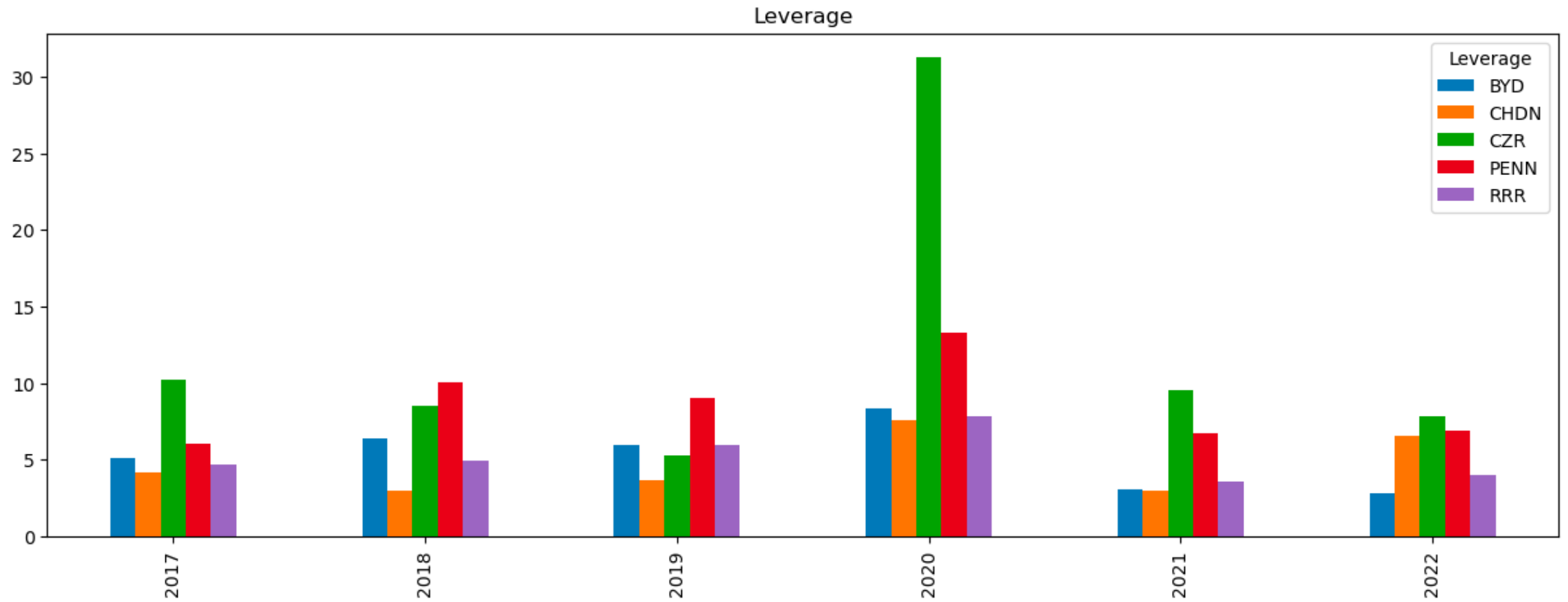
Interest Coverage



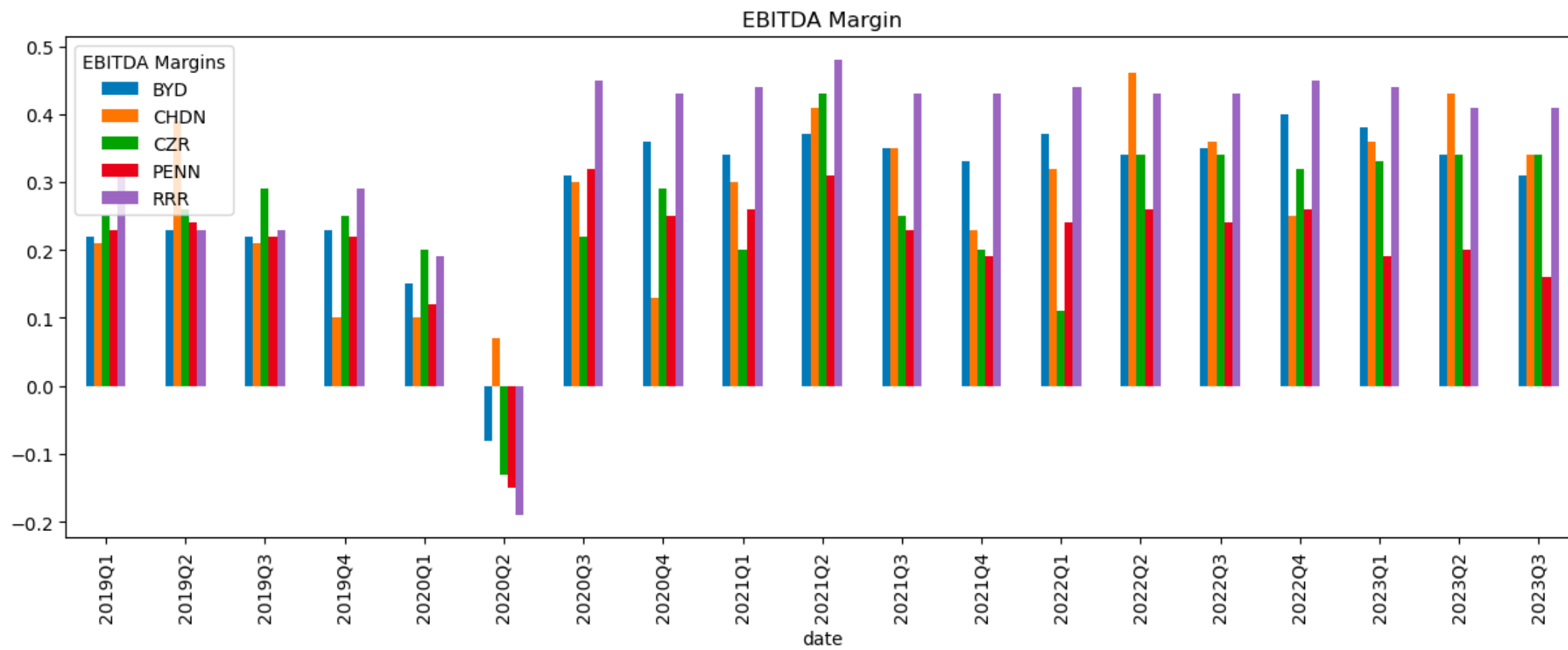
Interest Coverage (quarterly)



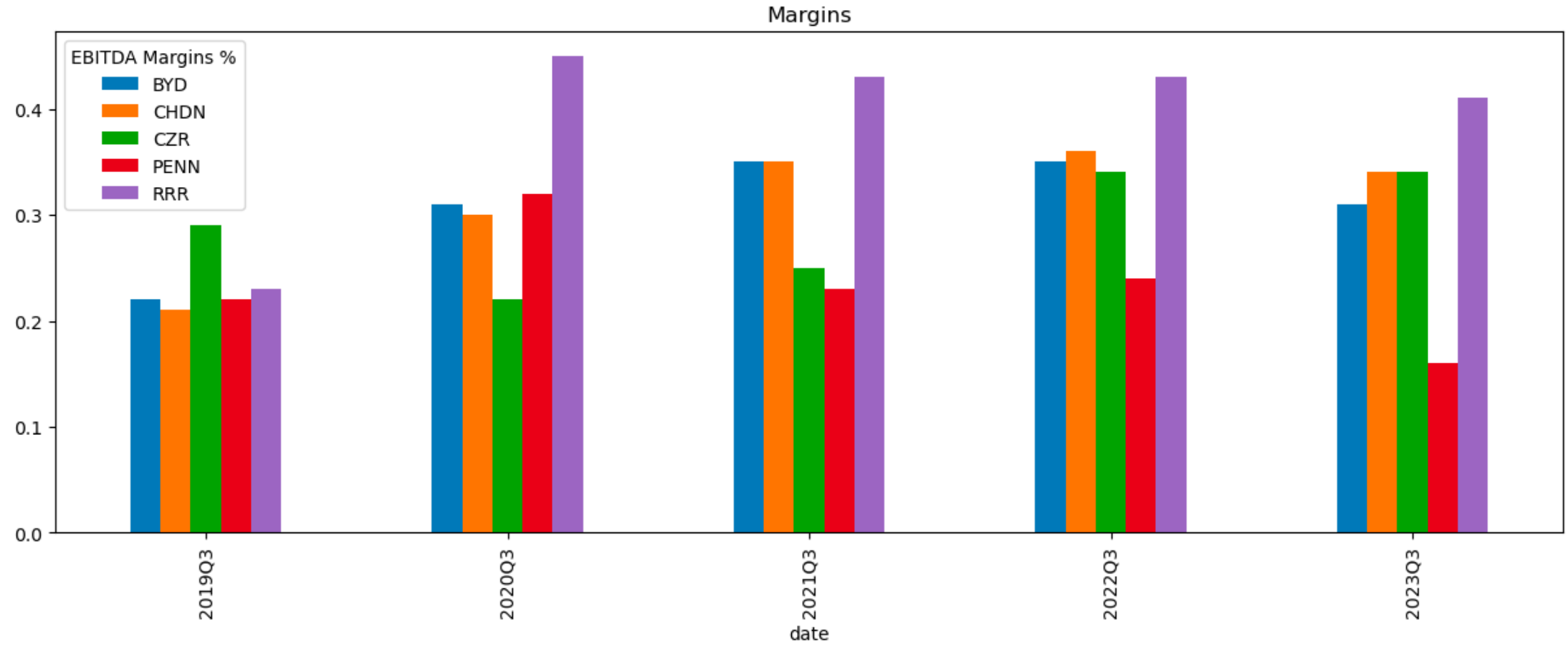
Net Leverage



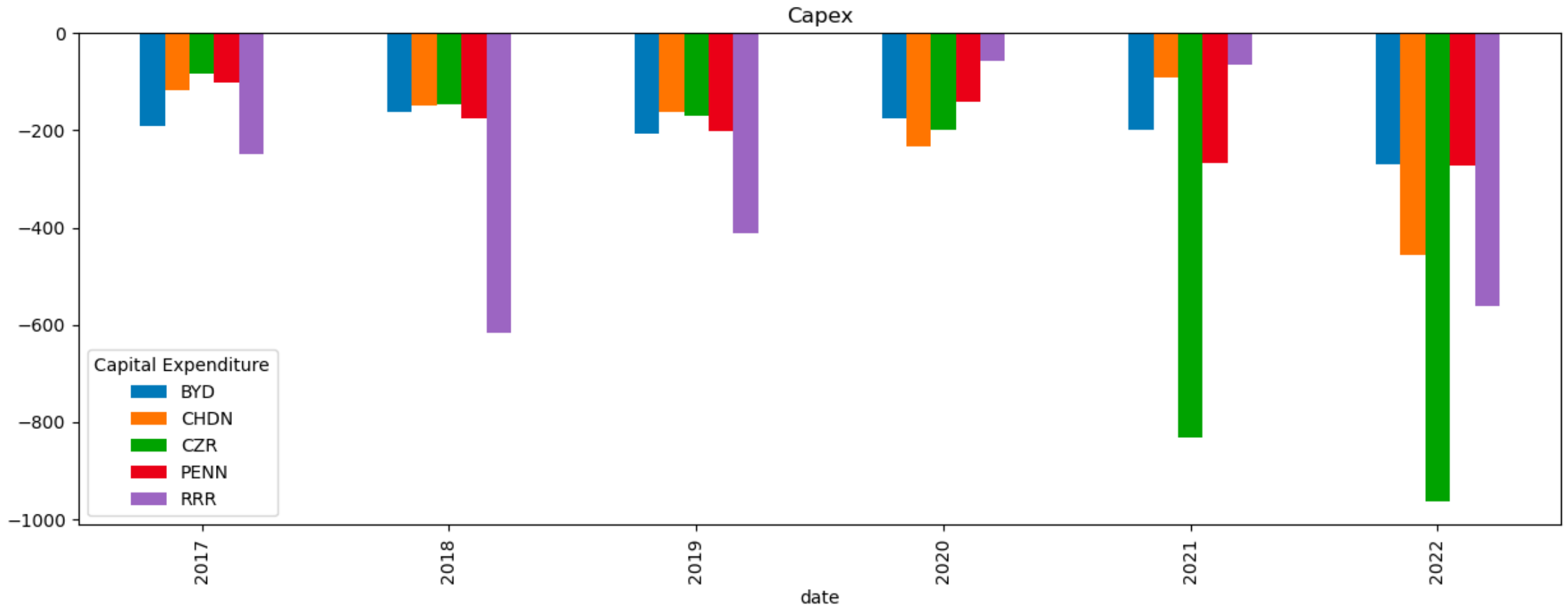
EBITDA Margin (sequential)



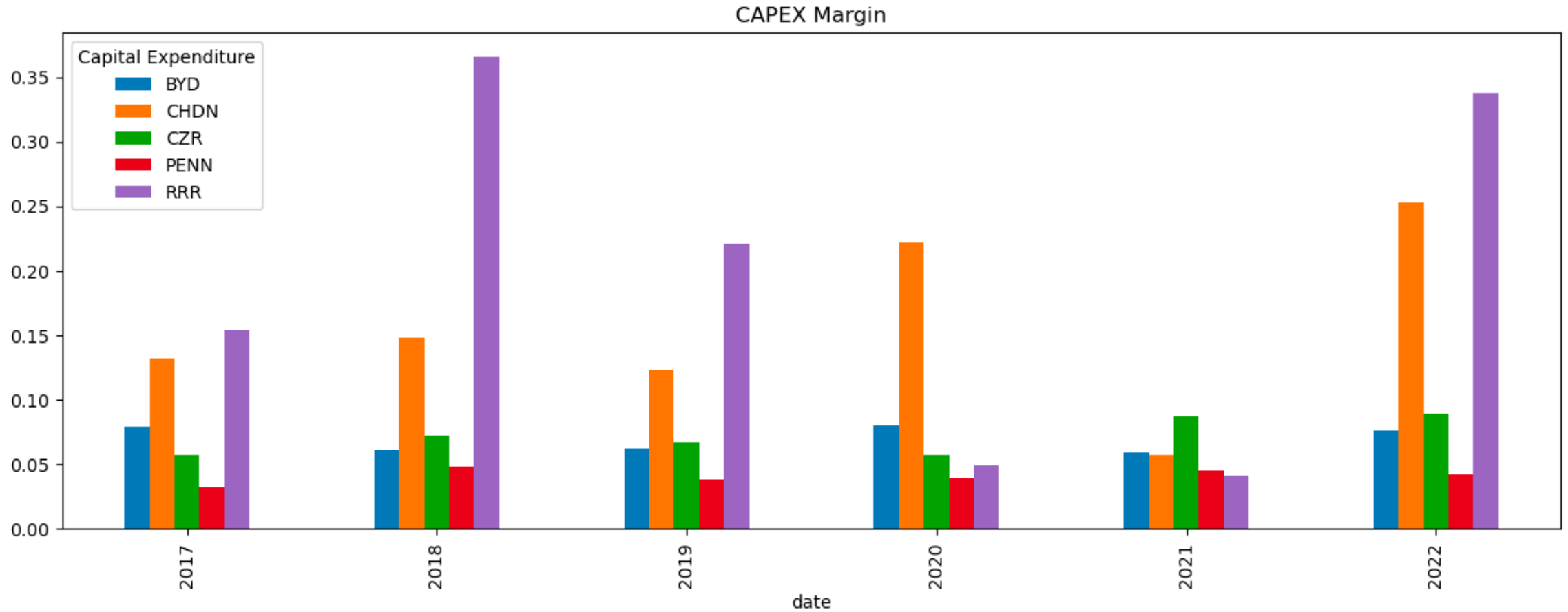
EBITDA Margin (3Q y/y)



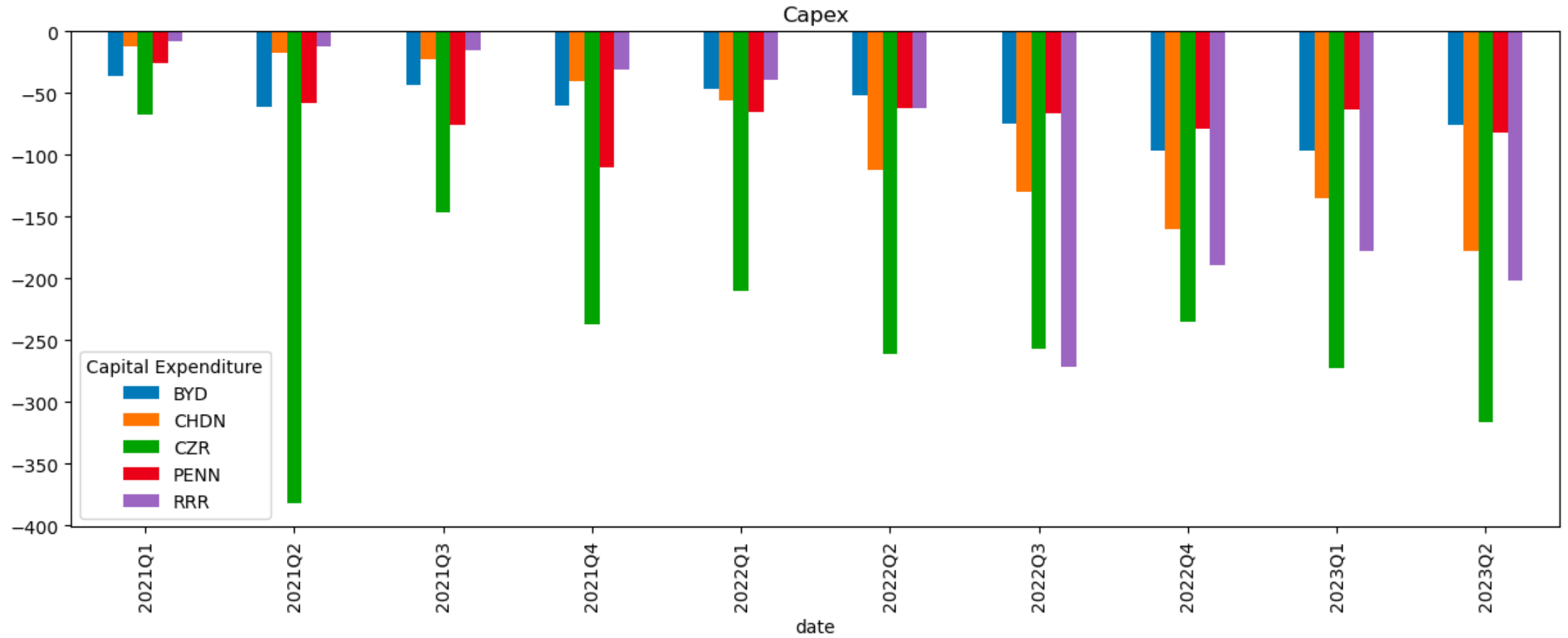
CAPEX (Annually)



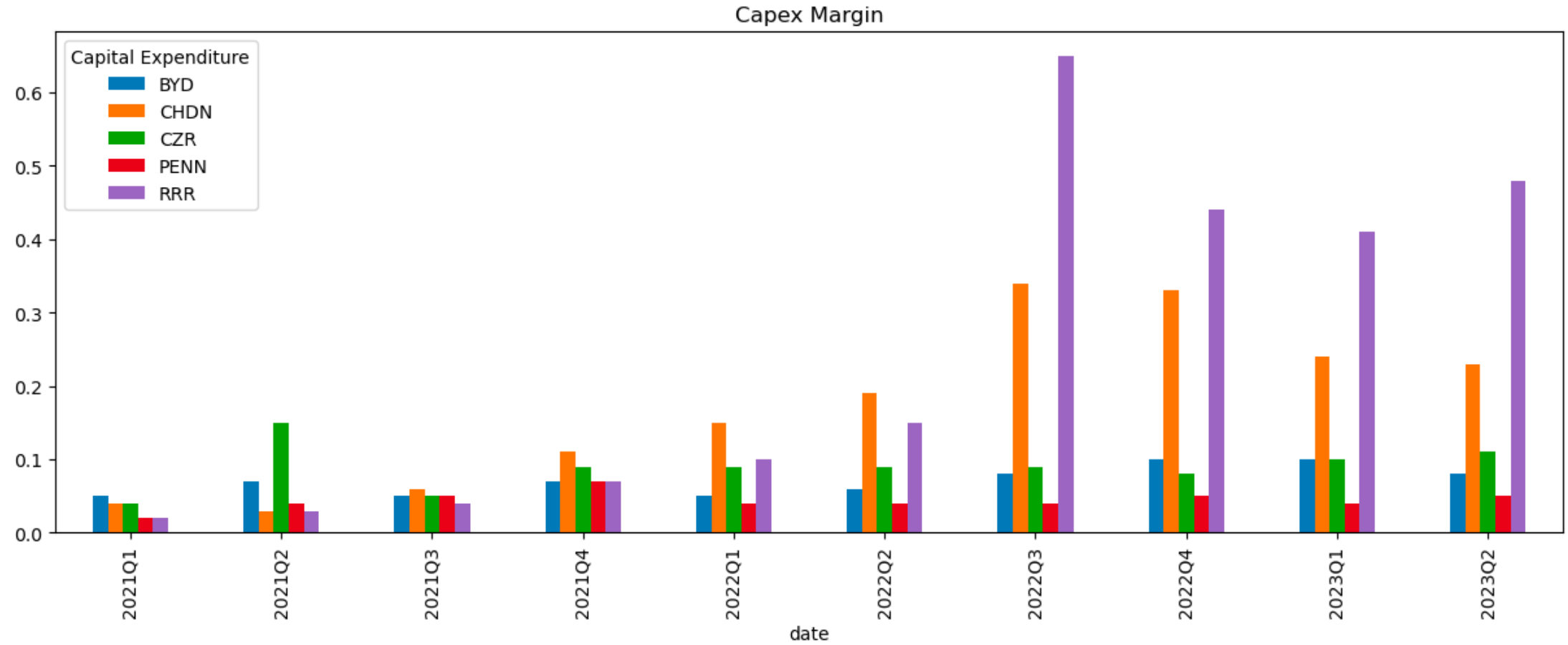
CAPEX Margin (Annually)



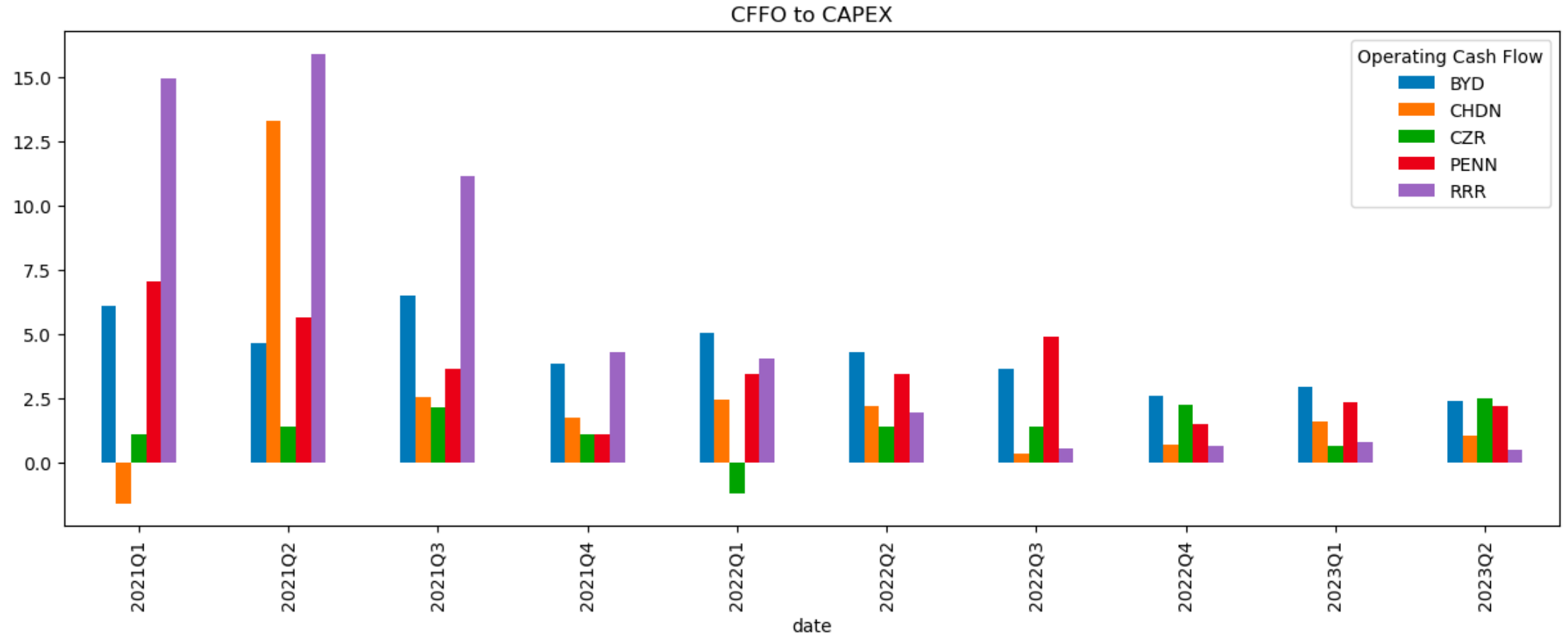
CAPEX (Quarterly)



CAPEX Margin (Quarterly)



Cash Flow From Ops to CAPEX



Encouraging Signals

- F1
 - The room rates and other factors suggested that there was less excitement or enthusiasm than initially expected.
 - still expressed optimism about F1, anticipating positive outcomes for their properties from the influx of visitors.
- Super Bowl
 - Allegiant Stadium
 - Mentioned strong bookings in 3Q Earnings Call and anticipated it to be a positive outlier weekend, expecting robust demand and positive effects on their business during the Super Bowl period.
 - Should offset the whole left by CONAG (next one is 2026 – every 3 years)
- Durango opening Dec 5th