

## Speedway Motorsports Inc (TRK)

Price:	\$18.07	Net Tang. Bk Value Incl. Cash (NTBVIC):	\$710,730,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$907,377,182.92
Market Cap:	\$748,459,400	NTBVIC/Market Downside Recovery:	94.96%	Avg. Year FCF/Share:	\$66,516,803.75
Cash:	\$122,050,000	Op. Cash Flow:	\$93,369,287	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$530,380,000	Implied Years to Fill Gap:	0.40	Year 5 Disposition Price:	\$1,106,927,594.18
Net Cash:	-\$408,330,000	Today's Equity if 5x Op. CF:	\$990,837,862		
Enterprise Value:	\$1,156,789,400			Net Tang. Book+ Gain Disposition:	\$1,106,927,594.18
				IRR:	8.14%
Shares Outstanding:	41,420,000			Price:	\$26.72
				Target Market Cap:	\$1,106,927,594
				Target Enterprise Value:	\$1,515,257,594

\* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

97% downside protection with NTBVIC at \$722MM, which excludes goodwill. Pays out a 3.3% dividend yield, so not a negative carry.

The Co. has been cash flow positive for at least the past 5 years and disciplined in their debt retirement and minor stock buybacks. Roughly 30-40% of operating cash flow goes back to capex, and its a relatively easy business model to forecast, so we feel there is a good estimate for future cash flows.

Considering the Co. owns 900,000 seating in 8 racing facilities, there is a lot of asset support. Also, the aforementioned operating cash flow is accretive as well.

The Co. will use the credit facility and cash on hand to redeem the 2016 8.75% term loans in 2013, so we like management's active role in taking out high cost debt.

The stock has rallied from the low teens in late 2011 to the current price, for a 60-80% rally. We feel the support is available for a sustained northward push and we will include the stock in our portfolio.

Year	Present Value	Holding Period					Terminal Value			Sale Price
	0	1	2	3	4	5	6	7	8	TBV at Year 5 + 3 Years FCF
<b>Tangible Book Value</b>	<b>710.73</b>	<b>748.04</b>	<b>786.36</b>	<b>825.68</b>	<b>866.01</b>	<b>907.38</b>				<b>907.38</b>
Annual Change		37.31	38.31	39.32	40.34	41.36				
<b>Annual FCF</b>	<b>95.43</b>	<b>63.37</b>	<b>64.93</b>	<b>66.50</b>	<b>68.09</b>	<b>69.70</b>	<b>66.52</b>	<b>66.52</b>	<b>66.52</b>	<b>199.55</b>
Annual Op. Cash Flow	122.22	93.37	94.93	96.50	98.09	99.70	96.52	96.52	96.52	
Annual PP&E Investment	(26.79)	(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	
<b>Today's Tangible Book Value</b>	<b>710.73</b>	<b>776.58</b>	<b>848.54</b>	<b>927.16</b>	<b>1,013.06</b>	<b>1,106.93</b>				<b>1,106.93</b>
Intrinsic Value IRR	9.27%									
<b>Market Price</b>	<b>748.46</b>	<b>809.39</b>	<b>875.28</b>	<b>946.54</b>	<b>1,023.60</b>	<b>1,106.93</b>				<b>1,106.93</b>
Market Price IRR	8.14%									

Debt	0.00%	0.00
Equity	100.00%	748.46
<b>Total</b>	<b>100.00%</b>	<b>748.46</b>

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5	6	7	8
Book Equity	849.45	748.46	785.19	822.92	861.65	901.41	942.19			
Goodwill	138.72	37.73	37.73	37.73	37.73	37.73	37.73			
Debt	<b>528</b>	<b>528.00</b>	<b>528.00</b>	<b>528.00</b>	<b>528.00</b>	<b>528.00</b>	<b>528.00</b>			
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%			
Additional Interest Expense		0.90	0.90	0.90	0.90	0.90				
<b>Tangible Book Value</b>	<b>710.73</b>	<b>710.73</b>	<b>747.46</b>	<b>785.19</b>	<b>823.93</b>	<b>863.68</b>	<b>904.46</b>			<b>904.46</b>
Annual Change			36.73	37.73	38.74	39.75	40.78			
<b>Annual FCF</b>	<b>95.43</b>		<b>62.79</b>	<b>64.34</b>	<b>65.92</b>	<b>67.51</b>	<b>69.11</b>	<b>69.11</b>	<b>69.11</b>	<b>207.34</b>
Annual Net Income	41.79		36.73	37.73	38.74	39.75	40.78	40.78	40.78	
<b>Annual Op. Cash Flow</b>	<b>122.22</b>		<b>92.79</b>	<b>94.34</b>	<b>95.92</b>	<b>97.51</b>	<b>99.11</b>	<b>99.11</b>	<b>99.11</b>	
Dividend Payments										
Annual PP&E Investment	(26.79)		(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	(30.00)	
Debt Paydown	<b>0.00</b>						<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Sale Price in Year 5</b>										<b>1,111.80</b>
<b>Remaining Debt Balance</b>										<b>0.00</b>

<b>Capital Left for Equity Investor</b>										<b>1,111.80</b>
Dividend Payments										0.00
<b>Total Cash In Flow</b>										<b>1,111.80</b>

<b>Invested Equity</b>	<b>748.46</b>	<b>810.10</b>	<b>876.82</b>	<b>949.04</b>	<b>1,027.20</b>	<b>1,111.80</b>
IRR	8.24%					

<b>Value Losers</b>	
Interest payments to Bank	3.59
Goodwill Premium to Original Sellers	(100.99)
Debt Paydown to Bank	
Debt Increase	
<b>Total Value Losers</b>	<b>-97.40</b>

Value Gap between LBO and unleveraged (4.87)

Unaccounted Value Losers 92.53



SN VALUATION

LBO Pro Forma Income Statement

Name:

Speedway Motorsports Inc

Ticker:

TRK

	Historical				Forecasted				
	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2013	2014	2015	2016	2017
Revenue	550.52	502.24	505.85	490.16	495.06	500.01	505.01	510.06	515.16
COGS	250.21	242.96	246.70	243.26	247.53	250.01	252.51	255.03	257.58
Gross margin	300.31	259.28	259.15	246.90	247.53	250.01	252.51	255.03	257.58
SG&A	84.25	85.72	89.38	90.41	94.06	95.00	95.95	96.91	97.88
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	7.25	-2.30	56.22	-3.15	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.36	-0.07	-0.50	-0.76	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS	52.65	52.76	54.00	55.50	60.00	60.00	60.00	60.00	60.00
Operating Income (EBITA)	155.80	123.17	60.05	104.90	93.47	95.00	96.55	98.12	99.70
Interest income/(expense)	0.00	0.00	0.00	0.00	-36.06	-36.06	-36.06	-36.06	-36.06
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	34.06	71.08	17.92	63.69	57.41	58.94	60.49	62.06	63.64
Tax	40.22	25.82	23.48	21.90	20.09	20.63	21.17	21.72	22.27
Income after tax	-6.16	45.26	-5.56	41.79	37.31	38.31	39.32	40.34	41.36
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	-6.16	45.26	-5.56	41.79	37.31	38.31	39.32	40.34	41.36
*Figures are in millions (\$)									
EPS (based off today's share count)	-\$0.15	\$1.09	-\$0.13	\$1.01	\$0.90	\$0.92	\$0.95	\$0.97	\$1.00
P/E (historical today's price; forecasted intrinsic price)	-121.50	16.54	-134.62	17.91	21.69	22.85	24.07	25.38	26.76
Revenue Growth	N/A	-8.77%	0.72%	-3.10%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	118.09%	38.33%	131.03%	34.38%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	-6.83%	-6.83%	-6.83%	-6.83%	-6.83%
Margins									
COGS	45.45%	48.38%	48.77%	49.63%	50.00%	50.00%	50.00%	50.00%	50.00%
Gross margin	54.55%	51.62%	51.23%	50.37%	50.00%	50.00%	50.00%	50.00%	50.00%
SG&A	15.30%	17.07%	17.67%	18.44%	19.00%	19.00%	19.00%	19.00%	19.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.32%	-0.46%	11.11%	-0.64%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.07%	-0.01%	-0.10%	-0.16%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	9.56%	10.50%	10.68%	11.32%	12.12%	12.00%	11.88%	11.76%	11.65%
Operating Income (EBITA)	28.30%	24.52%	11.87%	21.40%	18.88%	19.00%	19.12%	19.24%	19.35%
Interest income/(expense)	0.00%	0.00%	0.00%	0.00%	-7.28%	-7.21%	-7.14%	-7.07%	-7.00%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	6.19%	14.15%	3.54%	12.99%	11.60%	11.79%	11.98%	12.17%	12.35%
Tax	7.31%	5.14%	4.64%	4.47%	4.06%	4.13%	4.19%	4.26%	4.32%
Income after tax	-1.12%	9.01%	-1.10%	8.53%	7.54%	7.74%	7.94%	8.15%	8.36%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	-1.12%	9.01%	-1.10%	8.53%	7.54%	7.66%	7.79%	7.91%	8.03%

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-03-31	+	-						
Cash	97.66	92.20	87.37	106.41	122.05			122.05	185.42	250.35	316.85	384.94	454.63
Short term investment	0.97	0.97	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>98.63</b>	<b>93.17</b>	<b>87.37</b>	<b>106.41</b>	<b>122.05</b>			<b>122.05</b>	<b>185.42</b>	<b>250.35</b>	<b>316.85</b>	<b>384.94</b>	<b>454.63</b>
Accounts Receivable	40.44	42.51	39.41	36.38	69.00			69.00	69.00	69.00	69.00	69.00	69.00
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>40.44</b>	<b>42.51</b>	<b>39.41</b>	<b>36.38</b>	<b>69.00</b>			<b>69.00</b>	<b>69.00</b>	<b>69.00</b>	<b>69.00</b>	<b>69.00</b>	<b>69.00</b>
Total Inventory	11.22	9.38	8.63	8.79	10.25			10.25	10.25	10.25	10.25	10.25	10.25
Prepaid Expenses	19.29	15.75	16.56	9.68	9.30			9.30	9.30	9.30	9.30	9.30	9.30
Other Current Assets	0.56	2.44	5.92	0.74	0.74			0.74	0.74	0.74	0.74	0.74	0.74
<b>Current Assets</b>	<b>170.14</b>	<b>163.25</b>	<b>157.89</b>	<b>162.00</b>	<b>211.34</b>	<b>0.00</b>	<b>0.00</b>	<b>211.34</b>	<b>274.71</b>	<b>339.64</b>	<b>406.14</b>	<b>474.23</b>	<b>543.92</b>
PP&E, Gross	1,617.88	1,658.95	1,719.44	0.00	1,800.00			1,800.00	1,830.00	1,860.00	1,890.00	1,920.00	1,950.00
Change in Depreciation	52.65	52.76	54.00	55.50	55.50			55.50	56.06	56.62	57.18	57.75	58.33
Accumulated Depreciation	438.82	489.67	542.29	0.00	660.00			660.00	716.06	772.67	829.85	887.61	945.94
<b>PP&amp;E, Net</b>	<b>1,179.06</b>	<b>1,169.28</b>	<b>1,177.15</b>	<b>0.00</b>	<b>1,140.00</b>			<b>1,140.00</b>	<b>1,113.95</b>	<b>1,087.33</b>	<b>1,060.15</b>	<b>1,032.39</b>	<b>1,004.06</b>
Goodwill	181.01	187.33	138.72	138.72	138.72	0.00		138.72	138.72	138.72	138.72	138.72	138.72
Intangibles	394.98	394.97	394.96	394.97	394.97			394.97	394.97	394.97	394.97	394.97	394.97
Long term investments	0.03	0.01	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	32.19	27.64	29.80	27.83	32.52			32.52	32.52	32.52	32.52	32.52	32.52
<b>Long Term Assets</b>	<b>1,787.27</b>	<b>1,779.23</b>	<b>1,740.63</b>	<b>561.52</b>	<b>1,706.21</b>			<b>1,706.21</b>	<b>1,680.16</b>	<b>1,653.54</b>	<b>1,626.36</b>	<b>1,598.60</b>	<b>1,570.27</b>
<b>Total Assets</b>	<b>1,957.41</b>	<b>1,942.48</b>	<b>1,898.52</b>	<b>723.52</b>	<b>1,917.55</b>	<b>0.00</b>	<b>0.00</b>	<b>1,917.55</b>	<b>1,954.86</b>	<b>1,993.18</b>	<b>2,032.50</b>	<b>2,072.83</b>	<b>2,114.20</b>
Accounts Payable	11.29	14.18	13.71	10.89	17.00			17.00	17.00	17.00	17.00	17.00	17.00
Accrued Expense	24.86	23.48	27.74	26.58	27.00			27.00	27.00	27.00	27.00	27.00	27.00
Other current Liabilities	79.58	67.08	62.66	58.49	93.18			93.18	93.18	93.18	93.18	93.18	93.18
<b>Total Current Liabilities</b>	<b>115.73</b>	<b>104.74</b>	<b>104.11</b>	<b>95.96</b>	<b>137.18</b>	<b>0.00</b>	<b>0.00</b>	<b>137.18</b>	<b>137.18</b>	<b>137.18</b>	<b>137.18</b>	<b>137.18</b>	<b>137.18</b>
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	1.22	2.38	17.54	17.71	2.38			2.38	2.38	2.38	2.38	2.38	2.38
Long term Debt	671.14	626.32	555.02	503.55	528.00	0.00	0.00	528.00	528.00	528.00	528.00	528.00	528.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>672.36</b>	<b>628.70</b>	<b>572.56</b>	<b>521.26</b>	<b>530.38</b>	<b>0.00</b>	<b>0.00</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>
Deferred Income tax	309.72	333.95	366.90	385.74	384.76			384.76	384.76	384.76	384.76	384.76	384.76
Minority Interest	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	22.99	17.89	19.91	16.28	17.78			17.78	17.78	17.78	17.78	17.78	17.78
<b>Total Liabilities</b>	<b>1,120.80</b>	<b>1,085.28</b>	<b>1,063.48</b>	<b>1,019.24</b>	<b>1,070.10</b>	<b>0.00</b>	<b>0.00</b>	<b>1,070.10</b>	<b>1,070.10</b>	<b>1,070.10</b>	<b>1,070.10</b>	<b>1,070.10</b>	<b>1,070.10</b>
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.45	0.45	0.45	0.45	0.45		0.00	0.45	0.45	0.45	0.45	0.45	0.45
Additional Paid-in capital	241.38	243.13	244.95	246.98	247.00	0.00	0.00	247.00	247.00	247.00	247.00	247.00	247.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	674.85	702.56	679.49	696.73	689.00		0.00	689.00	726.31	764.63	803.95	844.28	885.65
Treasury Stock	-68.40	-79.83	-83.71	-86.28	-87.00		0.00	-87.00	-87.00	-87.00	-87.00	-87.00	-87.00
Other Equity	-0.06	-0.07	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Equity</b>	<b>848.22</b>	<b>866.24</b>	<b>841.18</b>	<b>857.88</b>	<b>849.45</b>	<b>0.00</b>	<b>0.00</b>	<b>849.45</b>	<b>886.76</b>	<b>925.08</b>	<b>964.40</b>	<b>1,004.73</b>	<b>1,046.10</b>
<b>Liability + Equity</b>	<b>1,969.02</b>	<b>1,951.52</b>	<b>1,904.66</b>	<b>1,877.12</b>	<b>1,919.55</b>	<b>0.00</b>	<b>0.00</b>	<b>1,919.55</b>	<b>1,956.86</b>	<b>1,995.18</b>	<b>2,034.50</b>	<b>2,074.83</b>	<b>2,116.20</b>
<b>Variance</b>	-11.61	-9.04	-6.14	-1,153.60	-2.00			-2.00	-2.00	-2.00	-2.00	-2.00	-2.00
<b>Debt/Equity</b>	0.79	0.73	0.68	0.61	0.62			0.62	0.60	0.57	0.55	0.53	0.51
Inventory Turnover	49.07	53.54	58.62	55.76	48.30			47.82	48.30	48.78	49.27	49.76	50.26
Inventory Turnover Days	7.44	6.82	6.23	6.55	7.56			7.63	7.56	7.48	7.41	7.33	7.26
Days Inventory Outstanding	16.37	14.09	12.77	13.19	15.11			15.38	15.11	14.96	14.82	14.67	14.52
Accounts Receivable Turnover	13.61	11.81	12.84	13.47	7.17			7.10	7.17	7.25	7.32	7.39	7.47
Accounts Receivable Turnover Days	26.81	30.89	28.44	27.09	50.87			51.38	50.87	50.37	49.87	49.38	48.89
Days Payable Outstanding	16.47	21.30	20.28	16.34	25.07			25.51	25.07	24.82	24.57	24.33	24.09
Days Sales Outstanding	26.81	30.89	28.44	27.09	50.87			27.09	51.38	50.87	50.37	49.87	49.38
Cash Conversion Cycle	26.71	23.68	20.92	23.94	40.92			16.96	41.43	41.02	40.61	40.21	39.81
Net tangible assets/share	\$15.83	\$16.17	\$16.81	(\$10.49)	\$17.11			\$18.01	\$18.94	\$19.89	\$20.86	\$21.86	\$21.86

	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2011	2012	2013	2014	2015
Net Income	-10.30	44.48	-6.44	42.12	37.31	38.31	39.32	40.34	41.36
Depreciation	52.65	52.76	54.00	55.50	56.06	56.62	57.18	57.75	58.33
<b>Net Income + Depreciation</b>	<b>42.35</b>	<b>97.24</b>	<b>47.56</b>	<b>97.62</b>	<b>93.37</b>	<b>94.93</b>	<b>96.50</b>	<b>98.09</b>	<b>99.70</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	29.83	24.17	27.25	24.12	0.00	0.00	0.00	0.00	0.00
Non Cash Items	89.70	0.19	57.28	-2.75	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-24.07	-14.99	2.19	3.23	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	3.10	3.03	3.03	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	1.84	0.75	-0.16	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	3.54	-0.81	6.88	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	2.89	-0.47	-2.82	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>137.81</b>	<b>106.61</b>	<b>134.28</b>	<b>122.22</b>	<b>93.37</b>	<b>94.93</b>	<b>96.50</b>	<b>98.09</b>	<b>99.70</b>
Capital Expenditures Expenditures	-42.55	-37.22	-59.32	-26.79	-30.00	-30.00	-30.00	-30.00	-30.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	4.11	4.95	5.41	4.07	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-38.44</b>	<b>-32.27</b>	<b>-53.91</b>	<b>-22.72</b>	<b>-30.00</b>	<b>-30.00</b>	<b>-30.00</b>	<b>-30.00</b>	<b>-30.00</b>
Financing Cash flow items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-15.35	-16.77	-16.62	-24.88	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-12.79	-11.43	-3.88	-2.57	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-26.25	-51.59	-64.71	-53.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-54.39</b>	<b>-79.79</b>	<b>-85.21</b>	<b>-80.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	52.68	97.65	92.20	87.37	122.05	185.42	250.35	316.85	384.94
<b>Net Change in Cash</b>	<b>44.97</b>	<b>-5.45</b>	<b>-4.83</b>	<b>19.04</b>	<b>63.37</b>	<b>64.93</b>	<b>66.50</b>	<b>68.09</b>	<b>69.70</b>
Ending Cash Balance	97.65	92.20	87.37	106.41	185.42	250.35	316.85	384.94	454.63
Capex to Revenue	7.73%	7.41%	11.73%	5.47%	6.06%	6.00%	5.94%	5.88%	5.82%
Depreciation to Sales	9.56%	10.50%	10.68%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	7.35%	8.46%	7.79%	7.42%	7.35%	7.28%	7.20%	7.13%	7.06%
Distributable FCF/EV Yield	8.59%	6.43%	6.95%	8.60%	5.48%	5.61%	5.75%	5.89%	6.02%
Dividend Yield	-2.05%	-2.24%	-2.22%	-3.32%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FCF (Ops-Investing)</b>	<b>110.61</b>	<b>86.16</b>	<b>91.58</b>	<b>120.31</b>	<b>63.37</b>	<b>64.93</b>	<b>66.50</b>	<b>68.09</b>	<b>69.70</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

TRK

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>19.04</b>	<b>63.37</b>	<b>64.93</b>	<b>66.50</b>	<b>68.09</b>	<b>69.70</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>	<b>530.38</b>
Current Portion Debt Balance	2.38	2.38	2.38	2.38	2.38	2.38
Long Term Debt Balance	528.00	528.00	528.00	528.00	528.00	528.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Interest Expense</b>		<b>37.13</b>	<b>37.13</b>	<b>37.13</b>	<b>37.13</b>	<b>37.13</b>
Cash Balance		106.41				
Interest @ 1.0%		1.06	1.06	1.06	1.06	1.06
<b>Net Interest Expense/(Income)</b>		<b>36.06</b>	<b>36.06</b>	<b>36.06</b>	<b>36.06</b>	<b>36.06</b>
<b>Net Interest Rate</b>		<b>6.83%</b>	<b>6.83%</b>	<b>6.83%</b>	<b>6.83%</b>	<b>6.83%</b>
EBITDA		93.47	95.00	96.55	98.12	99.70
<b>EBITDA/Interest Expense Coverage</b>		<b>2.52</b>	<b>2.56</b>	<b>2.60</b>	<b>2.64</b>	<b>2.69</b>

Interest Rate Coverage Table

Debt Rating					
AAA					
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+	B+	B+	B+	B+	B+
B					
B-					
CCC					
CC					
C					
D					

\*Source: NYU; Professor Damodaran

## Altman Z Score

Company Name:

Speedway Motorsports Inc

Ticker:

TRK

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	54.41	58.51	53.78	74.16	137.53	202.46	268.96	337.05	406.74
Total Assets	1,957.41	1,942.48	1,898.52	1,917.55	1,954.86	1,993.18	2,032.50	2,072.83	2,114.20
<b>X1</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.07</b>	<b>0.10</b>	<b>0.13</b>	<b>0.16</b>	<b>0.19</b>
Retained Earnings	674.85	702.56	679.49	689.00	726.31	764.63	803.95	844.28	885.65
Total Assets	1,957.41	1,942.48	1,898.52	1,917.55	1,954.86	1,993.18	2,032.50	2,072.83	2,114.20
<b>X2</b>	<b>0.34</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>	<b>0.37</b>	<b>0.38</b>	<b>0.40</b>	<b>0.41</b>	<b>0.42</b>
EBITDA	208.45	175.93	114.05	160.40	153.47	155.00	156.55	158.12	159.70
Total Assets	1,957.41	1,942.48	1,898.52	1,917.55	1,954.86	1,993.18	2,032.50	2,072.83	2,114.20
<b>X3</b>	<b>0.11</b>	<b>0.09</b>	<b>0.06</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>
Market Value of Equity	748.46	748.46	748.46	748.46	809.39	875.28	946.54	1,023.60	1,106.93
Total Liabilities	1,120.80	1,085.28	1,063.48	1,070.10	1,070.10	1,070.10	1,070.10	1,070.10	1,070.10
<b>X4</b>	<b>0.67</b>	<b>0.69</b>	<b>0.70</b>	<b>0.70</b>	<b>0.76</b>	<b>0.82</b>	<b>0.88</b>	<b>0.96</b>	<b>1.03</b>
Net Sales	550.52	502.24	505.85	490.16	495.06	500.01	505.01	510.06	515.16
Total Assets	1,957.41	1,942.48	1,898.52	1,917.55	1,954.86	1,993.18	2,032.50	2,072.83	2,114.20
<b>X5</b>	<b>0.28</b>	<b>0.26</b>	<b>0.27</b>	<b>0.26</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.24</b>
<b>Altman Z Score</b>	<b>1.55</b>	<b>1.51</b>	<b>1.42</b>	<b>1.50</b>	<b>1.57</b>	<b>1.66</b>	<b>1.75</b>	<b>1.84</b>	<b>1.93</b>

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red