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PRESENTATION

Operator

Good morning, and welcome to the International Speedway Corporation 2018 Second Quarter Earnings Conference Call. (Operator Instructions)

As a reminder, this conference is being recorded on Thursday, July 5, 2018.

With us on this morning's call is John Saunders, President; and Greg Motto, Executive Vice President and Chief Financial Officer. After formal remarks, John Saunders and Greg Motto will conduct a question-and-answer period. (Operator Instructions)

Before we start, the company would like to address forward-looking statements that may be addressed on the call. Forward-looking statements involve risks, uncertainties and assumptions. Actual future performance, outcomes and results may differ materially from those expressed in the forward-looking statements. Please refer to the documents filed by the International Speedway Corporation with the SEC, specifically the most recent report on Form 10-K and 10-Q, which identify important risk factors which could cause actual results to differ from those contained in these forward-looking statements. So with these formalities out of the way, I will turn the call over to John Saunders. Mr. Saunders?

John R. Saunders - *International Speedway Corporation - President*

Good morning, everyone, and thanks for joining us today on our second quarter call. Overall, our second quarter financial results are in line with expectations and the 2018 outlook despite certain attendance-related headwinds that impacted admissions revenue. Our non-GAAP earnings improved to $0.37 per share from $0.30 per share in the second quarter of 2017. Key to this improved performance were increases in corporate sales, profits from the Hollywood Casino, contributions from ONE DAYTONA for those tenants that are now operating and the Tax Act of 2017.

During the quarter, we hosted 6 NASCAR cup weekends and one INDYCAR event. Attendance for the NASCAR events was down approximately 10% on average. However, the average ticket price increased to $74.52 or approximately 1%. We are pleased with the results for the NASCAR cup event at Richmond, which returned to Saturday night and realized an increase in attendance. Concerning the other NASCAR cup weekends held during the quarter, we believe several factors contributed to softness in attendance, including lower capacity and construction for the modernization of the ISM Raceway and severe weather conditions, which resulted in the postponement of events at Martinsville. These headwinds are further impacted by recent retirements of star drivers.

Looking into the third quarter, a 3-hour rain delay affected attendance at Michigan. Attendance was also down at Chicagoland as a result of its move to June of 2018 from September of 2017 and an extreme heatwave impacting the area. Going forward, we believe the new date, which commences NBC Sports season coverage, will better position the event in the market and expect attendance to improve in future years.

Advanced sales are mixed for the remaining events in the third and fourth quarter. DAYTONA is trending near last year, and we are seeing positive signs for Watkins Glen. Sales are also trending toward expectations for fourth quarter events at Richmond and ISM Raceway, where both tracks will have completed newly renovated facilities. We will provide more outlook on the fourth quarter during our call in October.

We remain optimistic our consumer-focused marketing and sales initiatives are working to bring ticket sales in line to deliver stronger admission and admission-related results. Our initiatives will continue to target new and lapsed customers through all traditional media, social and digital channels. The overall objective, to spark interest and demand and to drive growth in fan engagement. Our strategies are focused on value-added options that enhance the live motorsports experience, including exclusive VIP hospitality experiences and driver appearances. We have included ticket packages aimed at youth and younger demographics, with kid pricing and family-targeted promotions.

Our new Sales Academy, a program to attract and develop top sales talent is ringing the bell. The program focuses on targeting sales resources towards at-risk or lapsed accounts by establishing stronger account relationships and customized packages. Also, the recent realignment of certain NASCAR officers has resulted in new and innovative revenue opportunities aimed to narrow the industry focus and promotional asset inventory towards 2 primary objectives: attendance and viewership. We expect this elevated sales culture to strengthen the sports going forward.

Our financial position is strengthened by our contracted corporate sales and broadcast agreements that provide long-term visibility. NASCAR is a powerful brand with loyal -- with a loyal fan base that we believe is aware of, appreciates and supports corporate participation to a greater extent than fans of any other sports property. The number of Fortune 500 companies invested in NASCAR remains higher than any other sport and has increased over 30% since 2008.

From a corporate sales perspective, we have agreements in place for approximately 91% of our 2018 goal and secured race entitlements for all remaining NASCAR series events. We are projecting a year-over-year increase for gross marketing partnership revenue at approximately 8%. Projects at ISM Raceway and Richmond Raceway contribute significantly to this increase.

For 2018, broadcast of NASCAR Cup Series events attract over 4.1 million average viewers per minute per weekend. We believe the year-over-year trends near the changing consumption patterns seen in the broader sports media landscape as TV viewership, in general, has seen a decline.

Last weekend, NBC took over the broadcast of the Monster Energy NASCAR Cup Series events for the remainder of the 2018 season, which featured Dale Earnhardt Jr.'s debut in the booth. The ratings for NBC's broadcast of last weekend's event [had] shocked Chicagoland, were up 10% compared to 2017.

NASCAR's digital platforms have also delivered strong growth, with approximately $2.1 million average unique visitors per race day, a 3% increase from 2017. Domestic broadcast rights fees, which includes digital streaming, continue to provide significant cash flow and visibility to us, the race teams and NASCAR over the contract term through 2024. We believe we are well positioned to navigate the evolving media landscape through our long-term partnerships with industry leaders: NBC and Fox.

We remain sharply focused on facility optimization. Matching supply with demand improves yields. And as importantly, compromised or outdated inventory is removed, allowing our tracks to re-purpose such areas to elevate the guest experience with innovative offerings that generate more revenue. We recently completed facility optimization projects at 6 facilities in 2018.

Construction at ISM Raceway is progressing on schedule as we anticipate the opening in November for the Can-Am 500 NASCAR Semi-Final Weekend. The redevelopment focuses on new and upgraded feeding areas, vertical transportation options, new concourses, enhanced hospitality offerings and an intimate infield fan experience with greater accessibility to pre- and post-race activities. The previously announced partnerships with ISM Connect and DC Solar have positioned the project well to achieve the desired results. The cost of the project will be approximately $178 million, which includes approximately $60 million of critical maintenance.

Richmond Raceway's infield redevelopment project is well underway with a grand opening planned for September. The scope of the project will offer a variety of enhanced amenities for our fans, sponsors, teams and other stakeholders. These include the new Monster Energy NASCAR Cup

Series garages, with a fan-viewing walkway, expansive social and engagement areas with concessions and a new media center. As we previously communicated, the costs of the project are fully covered in the fiscal 2018 capital expenditure guidance and our 5-year capital allocation plan.

We continue to seek opportunities that increase utilization of our facilities on a year-round basis. In the second quarter, we hosted the third consecutive Country 500 music festival at DAYTONA. As a result of the shift in strategic focus, we took on a greater promotional role, resulting in a restructuring of the agreement with AEG. Unfortunately, advanced sales lagged for the event and were compounded by a tropical storm that impacted the DAYTONA beach area during the event.

The financial results did not meet our expectations and negatively impacted our second quarter earnings. Greg will discuss this further in his review of the second quarter financial results.

Moving forward, we will evaluate our options for the Country 500 at Daytona.

For the remainder of 2018, we will host 3 more music festivals at Michigan, Auto Club Speedway and Watkins Glen, which we expect to contribute to our earnings and achieve our 2018 guidance.

Development at ONE DAYTONA continues. Many tenants have recently completed construction and commenced operations. We recently welcomed first-to-market brands such as Hy's Toggery, Kasa Living and Clair de Lune. We eagerly await additional tenant openings in the near future.

Entertainment is the key focus of ONE DAYTONA. Victory Circle is fast becoming the development's focal point, already hosting multiple events from live music and car shows to meet-and-greets and community festivals.

We expect ONE DAYTONA to be the epicenter for retail, dining and entertainment in the greater Daytona Beach area. Construction of The DAYTONA, the Marriott Autograph Collection hotel, continues to progress favorably, and we anticipate a completion time frame of late 2018 or early 2019.

Construction for the Shoppes at ONE DAYTONA, the retail development adjacent to ONE DAYTONA, is nearing completion. First Watch, a restaurant known for celebrating breakfast, brunch and lunch, just opened in June with another restaurant, Dahlia's Mexican Kitchen, expected later in 2018. Completion of the overall Shoppes project is targeted for late 2018.

During the quarter, we announced a 9.3% increase to our annual dividend for 2018, further demonstrating our commitment on return of capital. ISC maintains strong visibility of future cash flow with over half of its revenue secured through the industry's 10-year broadcast agreement and multi-year partnership agreements. We will continue our strategic focus on consumer-marketing initiatives to deliver growth through our core business. We will seek opportunities for increased utilization of our facilities through ancillary events. And in addition, investments in qualified developments, like the Hollywood Casino and ONE DAYTONA, will provide further growth and shareholder value.

I will now turn the call over to Greg to give you a financial review for our second quarter and the outlook for 2018. Greg?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Thanks, John, and good morning, everyone. Before reviewing the financial results, it's important to note several items impacting fiscal year-over-year second quarter comparability.

These include: we hosted the Country 500 music festival at Daytona International Speedway in the second quarter of 2018, where certain changes in contractual agreements resulted in higher revenues and expenses being recorded; we received lease rents and incurred operating expenses related to ONE DAYTONA as a result of certain tenants commencing operations in 2018; we recognized revenue related to insurance proceeds; we received a legal settlement in the second quarter of fiscal 2017 related to certain facility operations; certain marketing and consulting costs recognized in general and administrative expenses that were not capitalized associated with the redevelopment project at ISM Raceway; accelerated depreciation and removal of assets not fully depreciated related to the redevelopment project at ISM Raceway and facility optimization projects at certain tracks; capitalized interest associated with ISM Raceway and ONE DAYTONA; and a lower effective tax rate associated with the Tax Cuts and Jobs Act. All of these are outlined in the earnings news release and are included in the GAAP to non-GAAP reconciliation where appropriate.

Now looking at the income statement. Admissions revenue for the second quarter was $25.7 million, a decrease of approximately $3 million compared to the same period in 2017. The approximate 10% decrease is primarily related to lower attendance and admissions for certain NASCAR and other events held during the quarter, some of which were impacted by inclement weather, and in the case of ISM Raceway, construction. The increase in motorsports and other event-related revenues to $133.3 million is primarily due to increased TV broadcast rights, revenues associated with the aforementioned Country 500 music festival, increases in sponsorship and hospitality and other event-related revenues. ISC's domestic television broadcast and ancillary revenues were $95 million for the quarter.

The decrease in food, beverage and merchandise revenue to $6.9 million is primarily related to the aforementioned lower attendance for certain NASCAR and other events, including the Country 500 music festival. The increase in other revenue to $5.8 million is primarily related to rents received from tenants at ONE DAYTONA and certain insurance proceeds recognized in the second quarter of 2018, partially offset by a favorable legal settlement relating to certain facility operations in 2017.

NASCAR event management fees increased to $50.2 million. The increase is due to variable costs, driven by higher television broadcast rights fees for the NASCAR Monster Energy Cup, XFINITY and Camping World Truck Series events and contracted increases in non-TV NASCAR event management fees.

Motorsports and other event-related expense increased to $44.6 million, primarily due to the Country 500 music festival. Also contributing to the increase were costs related to guest amenities during certain NASCAR and other events, which drove increased motorsports and other event revenues.

Food and beverage merchandise expense decreased to $5.2 million. The decrease is related to lower attendance for certain NASCAR and other events, including the Country 500. The operating -- other operating expense increased to $1 million, primarily relating to operating costs associated with ONE DAYTONA.

General and administrative expense decreased to $26.3 million. The decrease is primarily due to reductions of property taxes and certain administrative costs.

Depreciation and amortization expense decreased to $26.9 million for the quarter, largely due to lower accelerated depreciation associated with the ISM Raceway project and assets that have been fully depreciated removed from service, partially offset by new assets placed in service associated with ONE DAYTONA.

Losses on asset retirement decreased to $195,000, primarily due to demolition costs related to the ISM Raceway project in 2017, partially offset by removal of assets not fully depreciated in connection with facility optimization initiatives in 2018.

Interest income increased to $732,000 for the quarter, primarily related to higher yield on short-term investments. Interest expense of $2.9 million decreased slightly as a result of higher capitalized interest for the ISM Raceway project, partially offset by lower capitalized interest related to ONE DAYTONA.

Equity and net income from equity investments of approximately $6.4 million represents our 50% interest in the Hollywood Casino at Kansas Speedway and, to a lesser extent, our approximate 33% equity interest in the Fairfield at ONE DAYTONA. This compares to approximately $5.8 million in the second quarter of 2017. The increase is primarily due to higher operating profits at the casino.

The effective tax rate for the second quarter of fiscal 2018 was 22.2% compared to 38.2% in the second quarter of 2017. This is primarily related to lower federal income tax rate from 35% to 21% associated with the recently enacted Tax Cuts and Jobs Act and, to a lesser extent, lower tax liability in certain states.

For fiscal 2018, we expect the effective tax rate to be between 26% and 27%. Net income for the 3 months ended May 31, 2018, was $16.7 million or $0.38 per diluted share on approximately 44.2 million shares outstanding. However, when you exclude certain nonrecurring costs, removal of assets and accelerated depreciation incurred in connection with the ISM Raceway and facility optimization initiatives and capitalized interest related to ISM Raceway and ONE DAYTONA, we posted earnings of $0.37 per diluted share for the second quarter of fiscal 2018 compared to non-GAAP net income for the second quarter 2017 of $0.30 per diluted share and adjusted EBITDA of $50.8 million for the second quarter of fiscal 2018 compared to $51.8 million in the second quarter fiscal 2017.

As for the balance sheet and future liquidity. At quarter end, our combined cash and cash equivalents totaled $327.1 million, and shareholders equity was $1.6 billion. Our deferred income was approximately $92.4 million, up approximately $900,000 from the same period in the prior year. At the end of the quarter, total principal outstanding on debt was approximately $260.9 million, which includes $165 million in senior notes, $49.4 million in TIF bonds associated with Kansas Speedway and $46.5 million for our term loan on our headquarter's office building. We currently have no borrowings drawn on our $300 million revolving credit facility.

As it relates to capital spending for the 6 months ending May 31, 2018, we spent approximately $65 million, including capitalized interest and labor. We have established a long-term capital allocation plan to ensure we generate sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, return of capital through payments of an annual cash dividend and repurchase of our shares under our Stock Purchase Plan. We operate under a 5-year capital allocation plan adopted by our Board of Directors covering fiscal years 2017 through 2021. Components of this plan include capital expenditures at existing facilities, the ONE DAYTONA development project and return of capital to shareholders.

Our plan anticipates capital expenditures for existing facilities up to $500 million from fiscal '17 through fiscal '21. This allocation will fund the estimated $178 million reinvestment at ISM Raceway, the previously discussed infield project at Richmond as well as all other maintenance and guest experience capital expenditures for the remaining existing facilities.

While many components of these expected projects will exceed weighted average cost of capital, considerable maintenance capital expenditures estimated at approximately $40 million to $60 million annually, will likely result in a blended return of invested capital in the low to mid-single digits.

In addition to the $500 million in capital expenditures for existing facilities, we expect we will have an additional $107 million of capital expenditures related to ONE DAYTONA, including the Shoppes. Since commencement of construction for ONE DAYTONA from fiscal 2016 through the second quarter of fiscal 2018, capital expenditures totaled approximately $97 million.

At stabilization, which we target to be fiscal 2020, we expect this phase of ONE DAYTONA and the Shoppes to deliver incremental annual EBITDA of approximately $10 million and an unlevered return above our weighted average cost of capital. For fiscal 2018, we expect total capital expenditures associated with our capital allocation plan to range between $140 million and $150 million, which includes between $120 million to $130 million for existing facilities and an additional $20 million in capital expenditures related to the construction for ONE DAYTONA.

Based on our current plans for ISM Raceway, we have identified existing assets that are expected to be impacted by the redevelopment and will require accelerated depreciation totaling between $6 million and $6.5 million in noncash charges over the 22-month project span. Despite not issuing specific debt to fund our projects, accounting rules dictate the company capitalize a portion of interest on existing, outstanding debt during the construction period. For ONE DAYTONA, since inception in 2016 through the second quarter of 2018, we have capitalized interest totaling $3.6 million. And for ISM Raceway, since inception in 2017 through the second quarter of 2018, we have capitalized interest totaling approximately $2.8 million.

Return of capital to shareholders through dividends and share repurchases is a significant pillar of our capital allocation plan. For 2018, our annual dividend is $0.47 per share, an increase of 9.3%. We expect dividends to increase in 2019 and beyond by approximately 4% to 5% annually. Through May 31, share repurchases for fiscal 2018 totaled approximately 156,000 shares of ISCA on the open market at a weighted average price of $41.08, for a total of approximately $6.4 million. At May 31, 2018, we had approximately $165.2 million remaining repurchase authority under the current $530 million Stock Purchase Plan.

For fiscal 2017 through 2021, we expect our return of capital program to be approximately $280 million, comprised of close to $100 million in total annual dividends and $180 million open-market repurchase of ISCA shares over the 5-year period. At this time, we expect this spending to be evenly allocated per year, although we will scale the repurchase program to buy opportunistically.

In summary, we have built the capital allocation plan based on conservative estimates that will maintain a strong financial position, prudently and disciplined reinvestment in the business and provide stable and growing return to shareholders. This includes $500 million capital expenditures for reinvestment in existing facilities, $107 million for ONE DAYTONA development and $280 million in dividends and share repurchases.

As for our financial and liquidity position, this has been enhanced by the Tax Cuts and Jobs Act passed by Congress in 2017, which will lower the single corporate tax rate from 35% to 21%.

We will continue to explore development or acquisition opportunities beyond the previously discussed initiatives that build shareholder value and exceed our weighted average cost of capital. Should such initiatives be pursued, we will provide discrete information on such opportunities.

And now for our outlook for 2018. In an effort to enhance the comparability and understandability of our forward-looking financial guidance, we adjust for certain nonrecurring items that will be included in our future GAAP reporting. We believe this adjusted information best represents our expectations for our 2018 core business performance.

Please refer to our earnings release for the detailed list of items excluded from our fiscal 2018 non-GAAP guidance.

For fiscal 2018, we are reiterating our previous guidance. Our full year fiscal 2018 guidance includes total revenues to range between $680 million and $695 million. Adjusted EBITDA will range between $241 million and $252 million, which includes approximately $25 million to $26 million in pretax cash distributions from the Hollywood Casino. Operating margin is estimated between 15.5% and 16.5%.

Now our non-GAAP effective tax rate is forecasted between 26% and 27% and non-GAAP earnings of $1.90 to $2.10 per diluted share. As it relates to quarterly earnings, we expect the third quarter of fiscal 2018 to increase between $0.15 to $0.20 per share compared to the third quarter of fiscal 2017.

This is primarily due to both the reduction in the tax rate and the date change of the NASCAR weekend at Chicagoland, moving to the third quarter of fiscal 2018 from the fourth quarter of 2017.

In closing, we maintain a solid financial position developed over many years that affords us the ability to follow our disciplined capital allocation strategy and maintain our leadership position in the motorsports industry. We have a long-term capital allocation plan that extends through fiscal 2021, demonstrating our ongoing commitment to building long-term value.

For the future, we are well positioned to balance the strategic capital needs of our business with returning capital to our shareholders. We look forward to speaking with you on our next earnings conference call in October.

And with that, I'll turn it back over to the operator, who will lead us through the Q&A portion of the call. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from Jaime Katz.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

I'm curious -- in the press release, the way that the text was written surrounding revenues was that they were impacted by weather, construction and then a general trend of lower sales. And I'm curious, first, if that was by order of magnitude. Second, I'm trying to think about which part of that is temporary and which part is permanent if there is this general trend of lower sales. And then third: Was that a sort of -- in line with your internal expectations? Or was that still a little bit softer than you originally anticipated?

John R. Saunders - *International Speedway Corporation - President*

Well, if I heard your questions correctly, Jaime, weather was a big impact in the quarter. We had a postponement -- we had snow in Martinsville and had to postpone the event. And then we had, as we entered into the third quarter, we had rain delays at Michigan and a massive heatwave in Chicagoland. So weather was an important part. But all in all, the attendance was a little softer than expected. We still have an issue with STAR POWER, and hopefully, this stable of young drivers coming along will start to win and build their brands, and -- but I would also say that there is -- I talked about our sales academy on the call, and we have retooled, elevated our sales culture. And the sales academy is a -- where we have recruited high-powered, high-talent sales individuals who are focused on building customized relationships. And that's all they do is build customized relationships with what we consider to be at-risk renewals or retentions. And they're commissioned. That's not something we've done in the past. And they are ringing the bell as I mentioned in the scripted remarks. The other thing that we have done is we have dual officer roles within NASCAR and ISC, particularly Craig Neeb on the media and innovation side, and Daryl Wolfe on consumer marketing and corporate sales side. And we are getting the industry aligned on being solely focused on attendance and viewership and streamlining the assets and are focused as we go to market. We think we've seen some early-on wins. We're not out of it yet, but we think these initiatives are going to bear fruit, and so we're -- we remain optimistic in these initiatives, and we're going to stick to them.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

Okay, and the commentary on corporate sponsorships was impressive, but I'm curious the commentary surrounding bookings ahead for the third quarter, it sounded like there were some pluses and minuses. I think you noted that it was mixed ahead. And so if we took out Chicagoland from the third quarter, would we be looking at a slight downtick in admissions revenues again? Or could we be looking at something a little bit more wide than that, if you're willing to comment on it?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Jamie, this is Greg. Yes, there would be a slight downtick as we mentioned. We did take a weather impact in Michigan already, which we had a 3-hour delay on that event. Otherwise, as John mentioned, this weekend, we're running the Coke Zero Sugar 400 in Daytona, and that's trending near last year. Watkins Glen is looking really strong. And the outlook for the fourth quarter, we're still early-on for many events, have a lot of sales to go in this cycle. The projects at Richmond and ISM Raceway are trending toward our expectations. And honestly, we expect to announce future sellouts in the future, we're -- our events are the only ones that have announced sellouts in recent years. So again, as John mentioned, we feel that the strategies we're implementing are yielding dividends for us and helping to offset some other headwinds.

Jaime M. Katz - *Morningstar Inc., Research Division - Equity Analyst*

Okay, and if I could squeeze one more in, I know it's still a little bit early, but Monster goes through next year now, and there's been some speculation that maybe the approach or some talk that the approach next year might be a little bit different to sponsorship going forward, if you have any commentary surrounding that? I know it's sort of in NASCAR's wheelhouse a little bit more, but just curious if you have any insight.

John R. Saunders - *International Speedway Corporation - President*

Yes, we do, Jaime. This is an initiative that is being led by Steve Phelps at NASCAR and Daryl Wolfe, who is an officer of both companies. And they have been communicating a new, integrated sponsorship model for the industry. We believe this will yield more revenue for all the stakeholders. We -- let's face it, we -- as a business model, historically, it hasn't been easy to transact. And even though NASCAR offers a good ROI for sponsors in this sport, sponsors have to go to the race teams, they have to go to the tracks, they have to go to NASCAR, and so this model, and think of it in terms of the Olympic model. And we may not have a title, a series entitlement going forward after Monster Energy, we may have presenting sponsors. But the whole idea here is to drive incremental EBITDA for all the stakeholders, improve retention rates and partner satisfaction, leverage opportunities for our media partners and grow the in-market activation, which has a direct correlation to driving fans to the live experience. So it's early on, the team has done a good job. Daryl and Steve Phelps have done a good job of meeting with all the stakeholders to explain this, and everybody is embracing the opportunity. It's innovative. And we have expectations that it will succeed. So we're excited about it.

Operator

Your next question comes from the line of Tim Conder.

Timothy Andrew Conder - *Wells Fargo Securities, LLC, Research Division - MD and Senior Leisure Analyst*

John, just to continue on that last question that Jaime asked. You said there may not -- still a lot of work to be done, but there may not be a broad sponsorship for the overall series, presenting sponsor [basis], would there be bundles of tracks? Or bundles, should I say, of races? Or would it just be every individual race but negotiated at the NASCAR potential level? Any additional color, I guess, on the conversation there?

John R. Saunders - *International Speedway Corporation - President*

Well, the -- at a high level, Tim, think -- again, think of it as the, what, the model that's used for the Olympics, where you have tiered sponsors, and those at the highest tier get certain assets that others at lower tiers don't get. But it is designed to include entitlements, race entitlements. Let's face it though, when Sprint was in this sport, they were writing a check somewhere north of $75 million a year. And we, the industry, don't know if that is viable going forward for long-term deals. But when you think of the Olympic model, and at the highest tier, delivering exclusivity to 4 or 5 Tier 1, call it, sponsors, that -- collectively, that revenue would exceed a Monster Energy or a Sprint or any other singular sponsor to have the entire series entitlement. I don't know if I've answered your question, but it's also an increased opportunity for activation for all the brands that are in this sport. So we're optimistic.

Timothy Andrew Conder - *Wells Fargo Securities, LLC, Research Division - MD and Senior Leisure Analyst*

No, no, no, very helpful and much appreciated there. The other thing I wanted to ask here, again, a lot of weather issues, as you've mentioned, we've seen here, but if we look out through your [2020 plan] and, John, Greg, whoever wants to take this, and the -- and some of the numbers you were throwing out there, in general, what's built in from your expectations from a admissions line perspective and so forth? Just broad annual top line basis. And then just to clarify also, Greg, you were mentioning mid -- low to mid-single-digit ROIC through 2020. Was that just ONE DAYTONA project? Or was that all the collective projects that have been announced? Just to clarify that.

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Yes, Tim, this is Greg. I'll take that. So we'll -- specifically when it comes to guidance for our outlook, we'll provide that on a year-to-year basis. I think though, we -- it's important to go back to our strategies that we are targeting, that we are focused on to target the admissions stabilization and positioning for growth. That combined, both operationally and from a capital standpoint, so that kind of leads into your other question about the low to mid-single digits of ROIC. That's the -- that's on the overall CapEx spend for the business. We have about $40 million to $60 million of maintenance CapEx that we spend annually just to keep these facilities up to shape and meet our current expectations. Then what we do is we also look at some innovative ways we can extend that capital to grow a higher return on the invested capital. And that's the projects in Daytona, that's the projects at ISM Raceway and Phoenix, the projects in Richmond. And it's also inclusive of our facility optimization projects, where, in some cases, we take down capacity, and we put in other amenities, where -- that are driving demand, whether it be camping or a corporate of group hospitality. It's a [waste] to monetize the footprint that we have in multiple opportunities to drive revenue.

Timothy Andrew Conder - *Wells Fargo Securities, LLC, Research Division - MD and Senior Leisure Analyst*

Okay, okay. And I guess, one more last one, and within that, the ROIC that you put out there, so you're looking more for stabilization through 2020 in the admissions top line? And just any broad top line -- would we be looking broad stabilization or maybe just a very low single-digit growth?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

I think it's probably best that we'll give that guidance as we get into 2019. I think what we have given guidance on that should help you. As we do these projects, we're providing you with what we expect incremental EBITDA to be. Overall, again, our strategies are focused on the consumer side with the stabilization and positioning for growth and complemented by these CapEx initiatives to drive some incremental growth.

Operator

Your next question comes from the line of Matthew Brooks.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

A couple of questions here. First, there's been some stories on the media about NASCAR being maybe up for sale. Can you comment on that at all? and what that change might mean for you?

John R. Saunders - *International Speedway Corporation - President*

Matthew, we have no comment on that.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Okay. Second one, you talked about a few of the races in the third quarter in terms of the forward sales. Is there any way that you can give sort of an overall number for forward sales? Sounds like it may be roughly flat or down a little. Would that be right?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Currently, we're -- I would say flat to down, overall, but some of that will be mitigated or offset by the specific projects that we have coming in operations at the Richmond and Phoenix.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Right. And attendance was a little bit down in Q2, and you've got those weather disruptions for 3Q. A little bit of a disappointing result for the festival. Is it fair to say that you're probably looking at a result in about a half of your guidance range?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

It's -- we still have half of the season to run, Matt. I don't think we're at a point where we can narrow the range. And, I mean, last year, by way of example, we ended with a very strong fourth quarter and came up closer towards the upper end of our range. So I think we'll be able to provide more guidance on that in the -- on the third quarter call in October.

Matthew John Brooks - *Macquarie Research - Securities Analyst*

Okay. So I guess depending on how well Phoenix does maybe, as [one of your] peak catalysts, you might even have potential to beat your guidance by the end of the year?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Yes, we'll provide more on the third quarter call.

Operator

Your next question comes from the line of Greg Pendy.

Gregory R. Pendy - *Sidoti & Company, LLC - Research Analyst*

Just one, real quick one. It seems like the food and beverage was pretty outsized, down relative to the admissions. Is there anything to read into that? Was there any reason that kind of came in tracking maybe close to down 30% year-over-year?

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Yes, Greg, so part of it was attendance-related and then at one of our facilities, we also had a renegotiation of the contract for the food and beverage provider. And that changed from an agreement where internally we would record gross revenue and gross expense to an agreement structure where we only record a percentage of sales. So that had an impact to it as well.

Operator

(Operator Instructions) And there are no more questions at this time.

John R. Saunders - *International Speedway Corporation - President*

I just wanted to -- this is John, I just wanted to thank everybody for joining us on this call, and we look forward to talking to you on our third quarter call in October. So thanks, everyone, and have a great weekend.

Gregory S. Motto - *International Speedway Corporation - Executive VP, CFO & Treasurer*

Thank you.

Operator

This concludes today's conference call. You may now disconnect.