

The background image shows ancient stone ruins, likely of a Native American civilization, constructed from reddish-brown sandstone. The ruins include several multi-story buildings with rectangular windows and doorways. The architecture is characterized by flat roofs and thick walls. The sky is a vibrant blue, filled with large, white, fluffy clouds. The overall scene is set in a desert environment, with the ground covered in dry earth and scattered stones.

Red Rock's Risky IPO

Some Questions IPO Investors Should Ask Before Deciding:

- Why is Red Rock paying \$460 million in cash to internalize management? That amount is 41% of the company's estimated equity value.
- What will be the impact of the tax receivable agreement payments on Red Rock's free cash flow (instead of its EBITDA)?
- Why is Red Rock rushing to do the IPO before filing its 4Q financials? In the 3rd quarter, it paid owners more in cash (\$106 million) than it made in EBITDA (\$90 million).
- Why is Red Rock selling hard-to-come-by casino sites in Las Vegas? The number of slot machines has declined in both the Las Vegas regional market and at Red Rock's major properties since 2009.
- If Red Rock's controlling owners are confident in the company's future, why are they taking cash instead of equity for the Fertitta Entertainment internalization?
- Should there be a cap on the total amount Red Rock will be required to pay pre-IPO owners under the tax receivable agreement?

For more analysis
of the risky IPO:

RedRockRipOff.org



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