



Mega Company

Turnaround of the Year

Caesars Entertainment Operating Company, Inc.

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In October 2017, Caesars Entertainment Operating Company Inc., a majority owned subsidiary of Caesars Entertainment Corporation—a casino-entertainment provider—concluded its Chapter 11 restructuring. Described by the bankruptcy court as a "monumental achievement," the reorganization was the successful result of a 3.5-year, highly complicated and contested restructuring and turnaround process.

The global settlement thwarted billions of dollars of potential litigation claims related to Caesars' prepetition capital structure, established a new, publicly traded real estate investment trust with more than \$8 billion in real estate assets, achieved significant operational improvements, and led to a complete deleveraging. This process has positioned Caesars as a competitive force in the gaming and hospitality marketplace. It now operates a portfolio of subsidiaries consisting of 47 casinos in 13 U.S. states and five countries. (Caesars Entertainment's resorts operate primarily under the Caesars®, Harrah's® and Horseshoe® brand names.)

Ultimately, the turnaround professionals and key stakeholders reached a consensus involving a series of complex corporate transactions, reducing Caesars' debt from approximately \$18.4 billion at the time of its filing to less than \$2 billion when it emerged from bankruptcy. These transactions also led to about \$285 million worth of adjusted EBITDA improvement—expanding its margin by 690 basis points.

Caesars' operational turnaround extends beyond its income statement. In an effort to maintain high brand standards in the fiercely competitive gaming and hospitality industry, Caesars spent \$500 million to enhance their rooms and refresh their food and beverage offerings.