



Penn National Gaming Closes Public Offering of Common Stock and 2.75% Convertible Senior Notes Due 2026

May 14, 2020

- Upsized Offering Significantly Enhances Company's Liquidity Position and Provides Flexibility to Invest in Long Term Growth Initiatives -

WYOMISSING, Pa.--(BUSINESS WIRE)--May 14, 2020-- Penn National Gaming, Inc. (PENN: Nasdaq) ("Penn National" or the "Company") today announced that it has closed on its underwritten public offering of \$300 million of common shares (the "Common Stock Offering") and \$300 million aggregate principal amount of 2.75% Convertible Senior Notes due 2026 (the "Convertible Notes" and such offering, the "Convertible Notes Offering").

Based on strong demand, both the size of the Common Stock Offering and the aggregate principal amount of the Convertible Notes Offering were increased from their previously announced \$250 million levels respectively. In addition, Penn National has granted 30-day options to the underwriters to acquire up to \$90 million in total of additional common stock and/or Convertibles Notes at the respective offering prices less underwriting discounts.

"This successful transaction positions our Company for long-term success by significantly solidifying our balance sheet," said Jay Snowden, President and Chief Executive Officer. Pro forma for the transaction, Penn National will have \$1.3 billion (or \$1.4 billion if the underwriters exercise their options to acquire additional securities in full) in cash and cash equivalents as of March 31, 2020, which will provide the Company the flexibility to continue to invest in its unique omni-channel growth strategy, powered by its partnership with Barstool Sports.

To download a copy of Penn National's "Omni-Channel Growth Strategy Update" presentation, please visit: www.pngaming.com/growth-strategy-update

Mr. Snowden continued, "Looking ahead, we have begun to receive the green light to reopen our casinos on a limited basis in certain markets. Thus far, it looks like Louisiana will be first, with casinos reopening on a limited basis on May 18. We anticipate that a meaningful number of our properties will follow suit by the end of May/early June, which will further enhance our liquidity position." With operations spread across 19 states – and no more than 15% of its revenues derived from any single state – Penn National is well-positioned as states begin to open casinos on a sequential basis.

"We had such a tremendous start to the year, with results running ahead of expectations in January and February. We can't wait to resume that positive momentum in the weeks and months ahead as we turn our focus to successfully reopening our properties," concluded Mr. Snowden.

Goldman Sachs & Co. LLC and BofA Securities acted as joint book-running managers and representatives of the underwriters, and J.P. Morgan, Fifth Third Securities and Wells Fargo Securities also served as book-running managers for the Common Stock Offering and the Convertible Notes Offering. Barclays, BTIG, Citizens Capital Markets, Macquarie Capital, Morgan Stanley, Stifel, SunTrust Robinson Humphrey and TD Securities acted as co-managers for the Common Stock Offering. Barclays, Citizens Capital Markets, Macquarie Capital, Morgan Stanley, Stifel, SunTrust Robinson Humphrey, TD Securities and US Bancorp acted as co-managers for the Convertible Notes Offering. A shelf registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission ("SEC") and has become effective. Each of the Common Stock Offering and the Convertible Notes Offering were made by means of a prospectus supplement and an accompanying base prospectus. The preliminary and final prospectus supplements and accompanying base prospectus relating to each of the Common Stock Offering and the Convertible Notes Offering were filed with the SEC and are available on the SEC's website at www.sec.gov. Copies of the preliminary and final prospectus supplements and accompanying base prospectus relating to the Common Stock Offering and the Convertible Notes Offering may be obtained from Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Prospectus Department, by telephone at (866) 471-2526, or by email at prospectus-ny@ny.email.gs.com or BofA Securities, NC1-004-03-43, 200 North College Street, 3rd floor, Charlotte NC 28255-0001, Attention: Prospectus Department, or via email: dg.prospectus_requests@bofa.com.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any share of common stock, any Convertible Notes or any other security and shall not constitute any offer, solicitation or sale in any jurisdiction in which such offer, solicitation, purchase or sale is unlawful. Before investing, please read the applicable prospectus supplement and accompanying base prospectus and other documents Penn National has filed with the SEC for more complete information about Penn National.

About Penn National Gaming

With the nation's largest and most diversified regional gaming footprint, including 41 properties across 19 states, Penn National continues to evolve into a highly innovative omni-channel provider of retail and online gaming, live racing and sports betting entertainment. The Company's properties feature approximately 50,000 gaming machines, 1,300 table games and 8,800 hotel rooms and operate under various well-known brands, including Hollywood, Ameristar and L'Auberge. Our wholly-owned interactive division, Penn Interactive, operates retail sports betting across the Company's portfolio, as well online social casino, bingo and iCasino products. In February 2020, Penn National entered into a strategic partnership with Barstool Sports, pursuant to which Barstool agreed to exclusively promote the Company's land-based and online casinos and sports betting products, including the Barstool Sportsbook mobile app, to its national audience of over 66 million. The Company's omni-channel approach is bolstered by the mychoice loyalty program, which rewards and recognizes its over 20 million members for their loyalty to both retail and online gaming and sports betting products with the most dynamic set of offers, experiences and service levels in the industry.

Forward-looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking terminology such as "expects," "believes," "estimates," "projects," "intends," "plans," "goal," "seeks,"

"may," "will," "should," or "anticipates" or the negative or other variations of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company's future financial results and business.

Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. Such factors include, but are not limited to, risks related to the following: (a) the anticipated use of proceeds from the Common Stock Offering and Convertible Notes Offering; (b) the magnitude and duration of the impact of the COVID-19 pandemic on capital markets, general economic conditions, unemployment, consumer spending and the Company's liquidity, financial condition, supply chain, operations and personnel; (c) industry, market, economic, political, regulatory and health conditions; (d) disruptions in operations from data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as COVID-19, and other natural or manmade disasters or catastrophic events; (e) the reopening of the Company's gaming properties are subject to various conditions, including numerous regulatory approvals and potential delays and operational restrictions; (f) our ability to access additional capital on favorable terms or at all; (g) our ability to remain in compliance with the financial covenants of our debt obligations; (h) the consummation of the proposed Morgantown and Perryville transactions with GLPI are subject to various conditions, including third-party agreements and approvals, and accordingly may be delayed or may not occur at all; (i) actions to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 pandemic could negatively impact guest loyalty and our ability to attract and retain employees; (j) the outcome of any legal proceedings that may be instituted against the Company or its directors, officers or employees; (k) the impact of new or changes in current laws, regulations, rules or other industry standards; (l) the ability of our operating teams to drive revenue and margins; (m) the impact of significant competition from other gaming and entertainment operations; (n) our ability to obtain timely regulatory approvals required to own, develop and/or operate our properties, or other delays, approvals or impediments to completing our planned acquisitions or projects, construction factors, including delays, and increased costs; (o) the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which we do or seek to do business (such as a smoking ban at any of our properties or the award of additional gaming licenses or new forms of gaming in states we operate in or proximate to our properties, as recently occurred with Illinois and Pennsylvania legislation); (p) the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular; (q) the activities of our competitors (commercial and tribal) and the rapid emergence of new competitors (traditional, internet, social, sweepstakes based and VGTs in bars and truck stops); (r) increases in the effective rate of taxation for any of our operations or at the corporate level; (s) our ability to identify attractive acquisition and development opportunities (especially in new business lines) and to agree to terms with, and maintain good relationships with partners/municipalities for such transactions; (t) the costs and risks involved in the pursuit of such opportunities and our ability to complete the acquisition or development of, and achieve the expected returns from, such opportunities; (u) our expectations for the continued availability and cost of capital; (v) the impact of weather, including flooding, hurricanes and tornadoes; (w) changes in accounting standards; (x) the risk of failing to maintain the integrity of our information technology infrastructure and safeguard our business, employee and customer data (particularly as our iGaming division grows); (y) with respect to our iGaming and sports betting endeavors, the impact of significant competition from other companies for online sports betting, iGaming and sportsbooks, our ability to achieve the expected financial returns related to our investment in Barstool Sports, our ability to obtain timely regulatory approvals required to own, develop and/or operate sportsbooks may be delayed and there may be impediments and increased costs to launching the online betting, iGaming and sportsbooks, including delays, and increased costs, intellectual property and legal and regulatory challenges, as well as our ability to successfully develop innovative products that attract and retain a significant number of players in order to grow our revenues and earnings, our ability to establish key partnerships, our ability to generate meaningful returns and the risks inherent in any new business; (z) with respect to our proposed Pennsylvania Category 4 casinos in York and Berks counties, risks relating to construction, and our ability to achieve our expected budgets, timelines and investment returns, including the ultimate location of other gaming properties in the Commonwealth of Pennsylvania; and (aa) other factors included in "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2019, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the U.S. Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.

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