



# SECOND QUARTER 2024 EARNINGS PRESENTATION

August 8, 2024

# FORWARD-LOOKING STATEMENTS



This presentation 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. Specifically, forward-looking statements include, but are not limited to, statements regarding: future revenue and Adjusted EBITDAR; the Company’s expectations of future results of operations and financial condition; the assumptions provided regarding the guidance, including the scale and timing of the Company’s product and technology investments; the Company’s expectations regarding results and customer growth, retention and spend; the impact of competition, in retail/mobile/online sportsbooks, iCasino, social gaming, and retail operations; the Company’s development and launch of its Interactive segment’s products in new jurisdictions and enhancements to existing Interactive segment products, including products and content for ESPN BET and theScore Bet; the benefits of the Sportsbook Agreement between the Company and ESPN; the Company’s expectations regarding its Sportsbook Agreement with ESPN and the future success of ESPN BET; the Company’s expectations with respect to the integration and synergies related to the Company’s integration of theScore and the continued growth and monetization of the Company’s media business; the Company’s expectations that its portfolio of assets provides a benefit of geographically-diversified cash flows from operations; the Company’s plan to expand gaming operations through the implementation and execution of a disciplined capital expenditure program at our existing properties, the pursuit of strategic acquisitions and investments, and the development of new gaming properties, including the prospective development projects; improvements, expansions, or relocations of our existing properties; entrance into new jurisdictions; expansion of gaming in existing jurisdictions; strategic investments and acquisitions; cross-sell opportunities between our retail gaming, online sports betting, and iCasino businesses; our ability to obtain financing for our development projects on attractive terms; the timing, cost and expected impact of planned capital expenditures on the Company’s results of operations; and the actions of regulatory, legislative, executive, or judicial decisions at the federal, state, provincial, or local level with regard to our business and the impact of any such actions.

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 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: the effects of economic and market conditions in the markets in which the Company operates or otherwise, including the impact of global supply chain disruptions, price inflation, rising interest rates, slowing economic growth, and geopolitical uncertainty; competition with other entertainment, sports content, and gaming experiences; the timing, cost and expected impact of product and technology investments; risks relating to operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions; our ability to achieve the anticipated financial returns from the Sportsbook Agreement with ESPN, including due to fees, costs, taxes or circumstances beyond the Company’s or ESPN’s control; the timing, cost and expected impact of product and technology investments; the ability of the Company or ESPN to retain and hire key personnel; our ability to successfully acquire and integrate new properties and operations; our ability to maintain our gaming licenses and concessions and comply with applicable gaming laws, current laws, rules or other industry standards, and additional risks and uncertainties described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, 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. Considering these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation may not occur.

# NON-GAAP FINANCIAL MEASURES

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In addition to GAAP financial measures, management uses Adjusted Revenues as a non-GAAP financial measure. This non-GAAP financial measure should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP. This non-GAAP financial measure is not calculated in the same manner by all companies and, accordingly, may not be an appropriate measure of comparing performance among different companies. We define Adjusted Revenues as revenues excluding tax gross-ups related to gaming taxes which PENN Interactive pays on behalf of, and is reimbursed by, its third-party online sports betting and iCasino operator partners that PENN provides market access to in various states in the U.S. We believe Adjusted Revenues is useful as a supplemental measure in evaluating the performance of our Interactive segment results of operations. Adjusted Revenues is a measure used by management to evaluate total revenues exclusive of tax gross-ups which are not indicative of ongoing operations that could impact period-to-period comparison. A reconciliation of GAAP revenues to Adjusted Revenues for our Interactive segment is included in the financial schedules in this investor deck.

# RECENT COMPANY HIGHLIGHTS



Our retail business delivered solid quarterly results as our industry-leading operators continue to execute across our portfolio

Record quarterly NGR helped narrow our Interactive segment losses Q/Q despite a seasonally slower Q2 sports calendar

Our PENN Play Database grew to 31 million, including 3.8 million in our digital database (+81% since ESPN BET Launch)

We are introducing meaningful upgrades to ESPN BET & theScore Bet, while expanding our integrations with ESPN's digital products

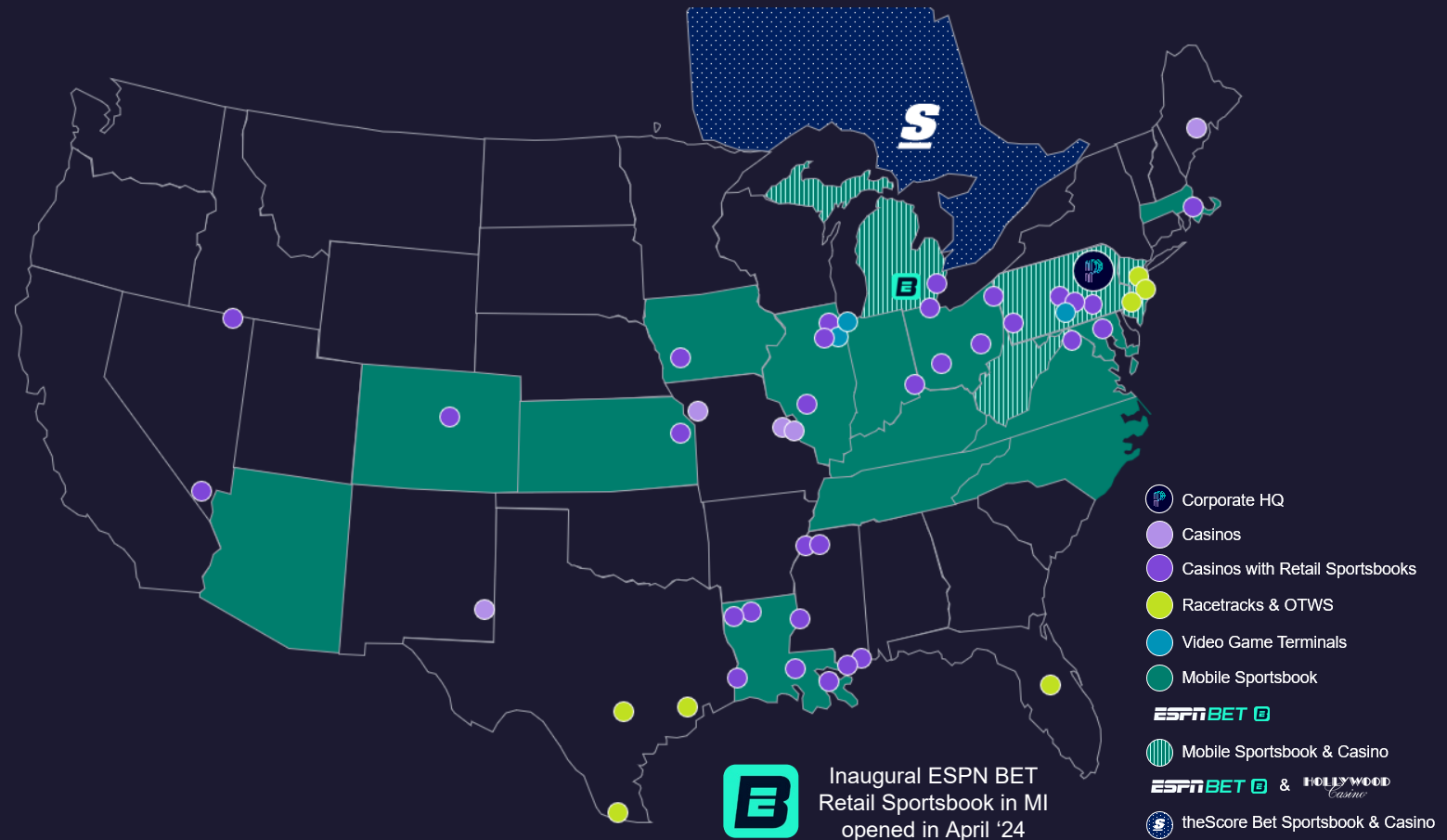
We ended the quarter with total liquidity of \$1.9 billion inclusive of \$878 million in cash and cash equivalents

# HEALTHY RETAIL BUSINESS

Our retail business remained stable as consistent consumer trends, our diverse portfolio, and recent capital investments offset known, new supply in certain markets

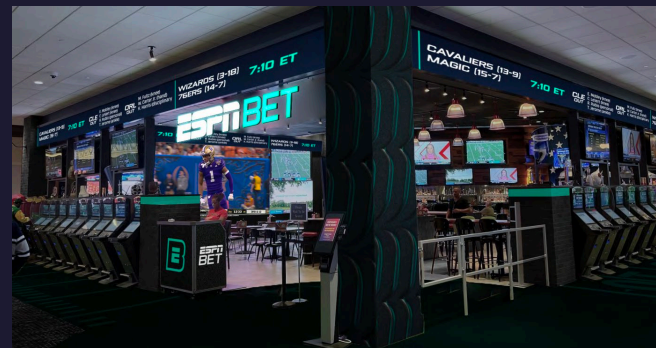
## Q2 Property Highlights:

Strong market share growth in OH, MD, & IA, coupled with continued momentum at some of our flagship properties (Greektown & M Resort) resulted in solid Q2 Retail operating performance



# CASE STUDY: HOLLYWOOD CASINO (DETROIT, MI)

Recent investments to renovate hotel rooms and introduce our first ESPN BET retail sportsbook have propelled Hollywood Casino at Greektown to impressive revenue and market share growth



**+6.5%**

Q2 Y/Y GGR Growth

**+89bps**

Q2 Y/Y Market Share Growth

Hollywood Casino at Greektown in Detroit, Michigan

# CASE STUDY: OHIO PROPERTIES

Ongoing investments in our Ohio properties, including refreshed casino floors, expanded high limit areas, best-in-class sportsbooks, and new F&B offerings have resulted in strong YoY growth



Hollywood Casino in Toledo, Ohio



Hollywood Casino in Toledo, Ohio



Hollywood Casino in Columbus, Ohio

**+5.1%**

Q2 YY GGR Growth  
(PENN's 4 OH properties)

**+114bps**

Q2 YY Market Share Growth  
(PENN's 4 OH properties)

# ESPN BET RETAIL SPORTSBOOKS

The planned rebranding of our retail sportsbooks to ESPN BET this fall will drive increased retail visitation, build brand awareness, and enhance cross-sell opportunities

## ESPN BET

### Upcoming Retail Sportsbook Conversions:

- Hollywood Greektown (MI) ✓
  - Hollywood Kansas Speedway (KS)
  - L'Auberge Baton Rouge (LA)
  - Plainridge Park Casino (MA)
  - Hollywood Columbus (OH)
  - Hollywood Perryville (MD)
  - Hollywood Toledo (OH)
  - L'Auberge Lake Charles (LA)
  - Margaritaville Bossier City (LA)
- Est. Aug '24*
- Est. Sept '24*



L'Auberge Casino Baton Rouge (LA)



# RETAIL GROWTH PROJECTS ON TRACK

We are making steady progress on our 4 growth projects, all of which remain on budget and are expected to deliver attractive returns upon opening by 1H26



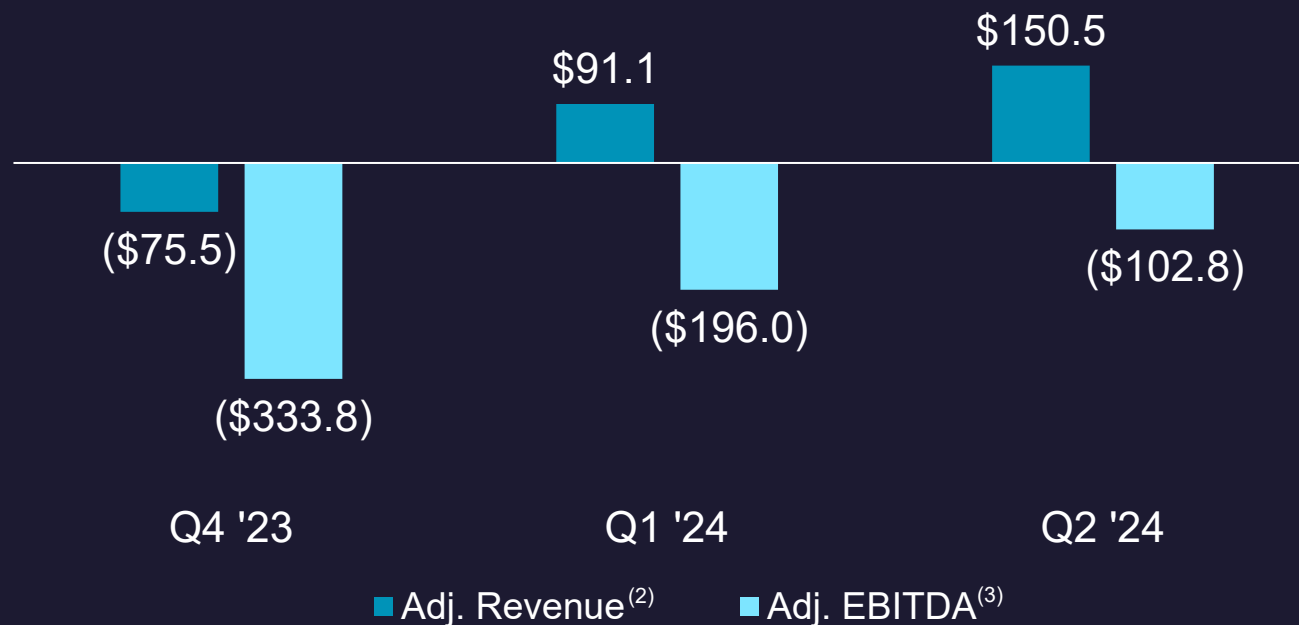
Hollywood Casino Joliet *(new site in development)*

# IMPROVING INTERACTIVE FINANCIAL RESULTS



Our Interactive segment achieved record quarterly NGR despite a seasonally slower Q2 sports calendar, contributing to better-than-expected Revenue and Adj. EBITDA results <sup>(1)</sup>

## Interactive Adj. Revenue & Adj. EBITDA (\$M)



**+65%**

Q/Q Adj. Revenue % Growth

**+\$59M**

Q/Q Adj. Revenue \$ Growth

**+\$93M**

Q/Q Adj. EBITDA Improvement

(1) NGR refers to Net Gaming Revenue which is defined as Gross Gaming Revenue less Promotional Expenses.

(2) Adjusted Revenues is revenues excluding tax gross-ups related to gaming taxes which PENN Interactive pays on behalf of, and is reimbursed by, its third-party online sports betting and iCasino operator partners that PENN provides market access to in various states in the U.S.

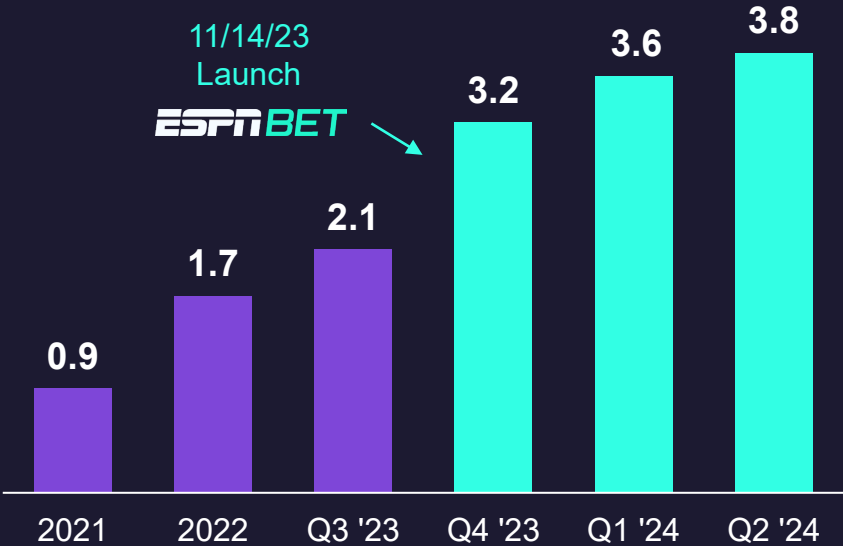
(3) Adjusted EBITDA is the Company's Interactive reportable segment GAAP measure, which management utilizes as the primary profit measure for its Interactive segment. We define Adjusted EBITDA as earnings before interest expense, net; interest income; income taxes; depreciation and amortization; stock-based compensation; debt extinguishment charges; impairment losses; insurance recoveries, net of deductible charges; changes in the estimated fair value of our contingent purchase price obligations; gain or loss on disposal of assets; the difference between budget and actual expense for cash-settled stock-based awards; pre-opening expenses; loss on disposal of a business; non-cash gains/losses associated with REIT transactions; non-cash gains/losses associated with partial and step acquisitions as measured in accordance with ASC 805 "Business Combinations;" and other.

# INTERACTIVE TOP-OF-FUNNEL SUCCESS CONTINUES



ESPN BET has driven meaningful growth in both our digital database and active user base, providing a strong foundation for future growth as we introduce new product improvements

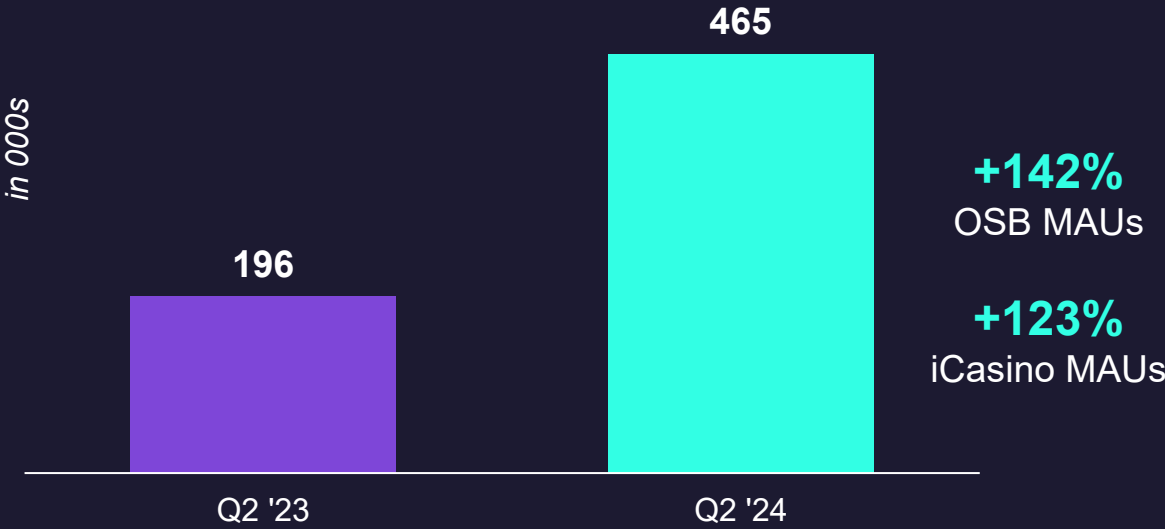
**Total Digital Database (M)**



**+81%**

Growth in Digital Database since ESPN BET Launch

**Average Monthly Active Users<sup>(1)</sup>**



**+138%**

Y/Y Growth in MAUs in Q2 '24 vs. Q2 '23

**+142%**  
OSB MAUs

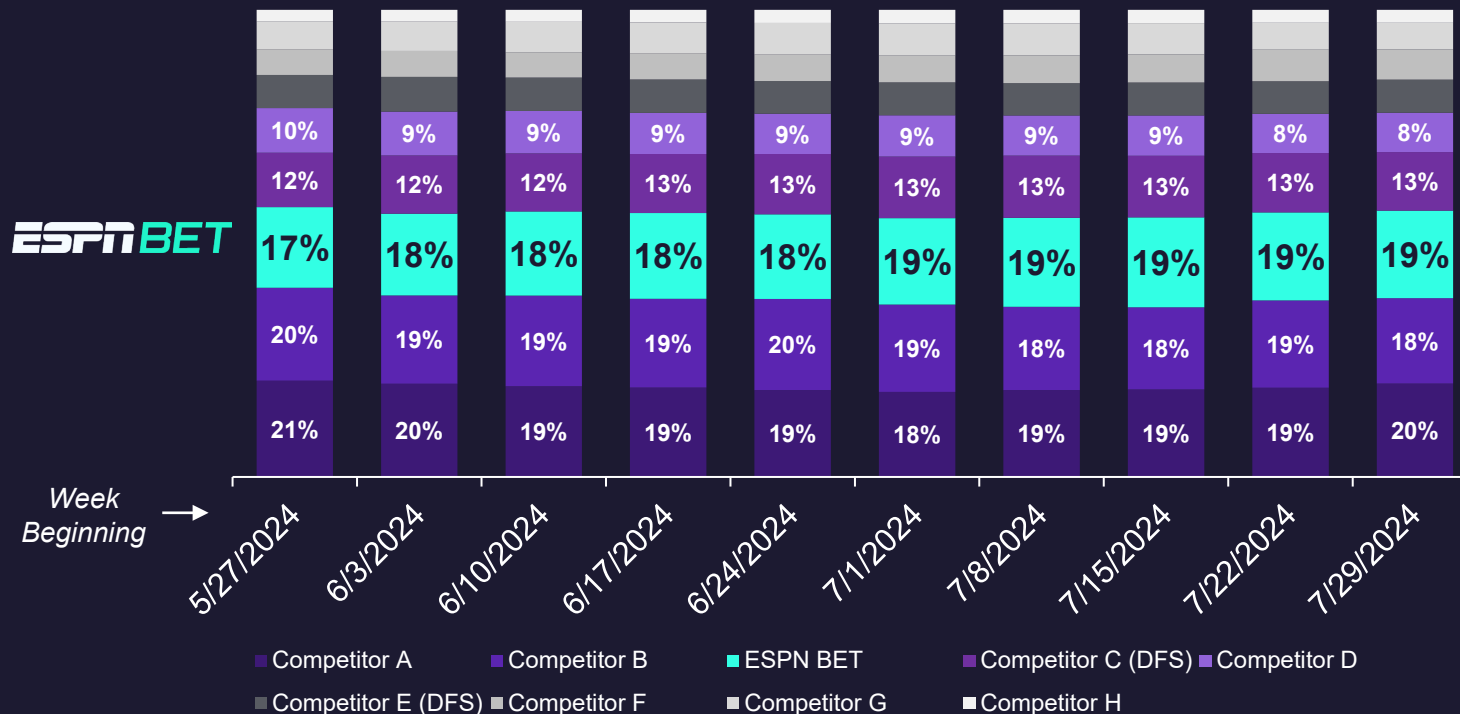
**+123%**  
iCasino MAUs

(1) Quarterly Average Monthly Active Users refers to our Average MAUs across OSB & iCasino globally in the period. MAUs are defined as the number of unique paid users per month that had at least one real money paid engagement across our Online Sports Betting and Online Casino products globally.

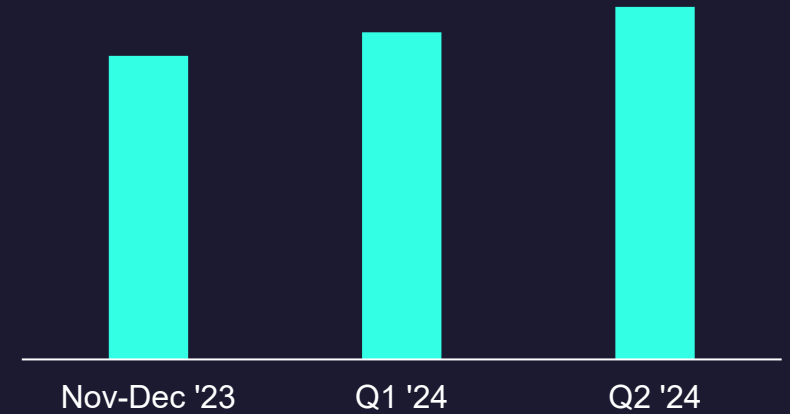
# RETAINING STRONG BASE OF ACTIVE USERS

Based on Sensor Tower data, we consistently hold a Top 3 ranking in Weekly Active Users among our top OSB and DFS competitors

**% Share of Weekly Active Users<sup>(1)</sup>**  
(Sensor Tower Data)



**Total Time Spent on App**  
(Monthly Average)  
Sensor Tower Data



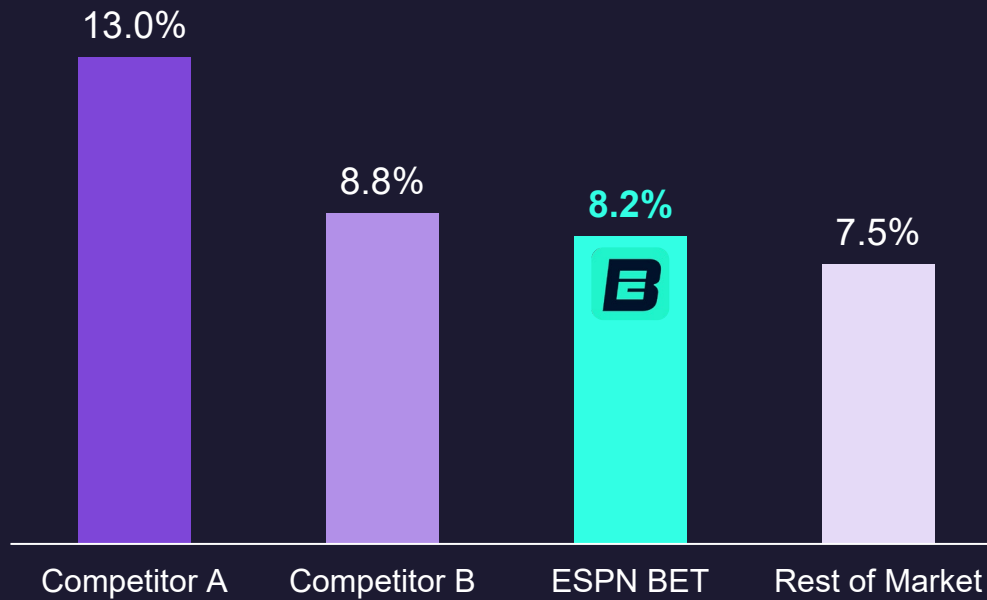
(1) The Sensor Tower data shown is across the top available unified sportsbook & daily fantasy competitor apps including our top four market share competitors in OSB and two of the largest Daily Fantasy Sports apps. Sensor Tower defines Weekly Active User as a user that has one or more sessions within a week. Data is subject to change per Sensor Tower policies.

# OSB: U.S. HOLD ANALYSIS

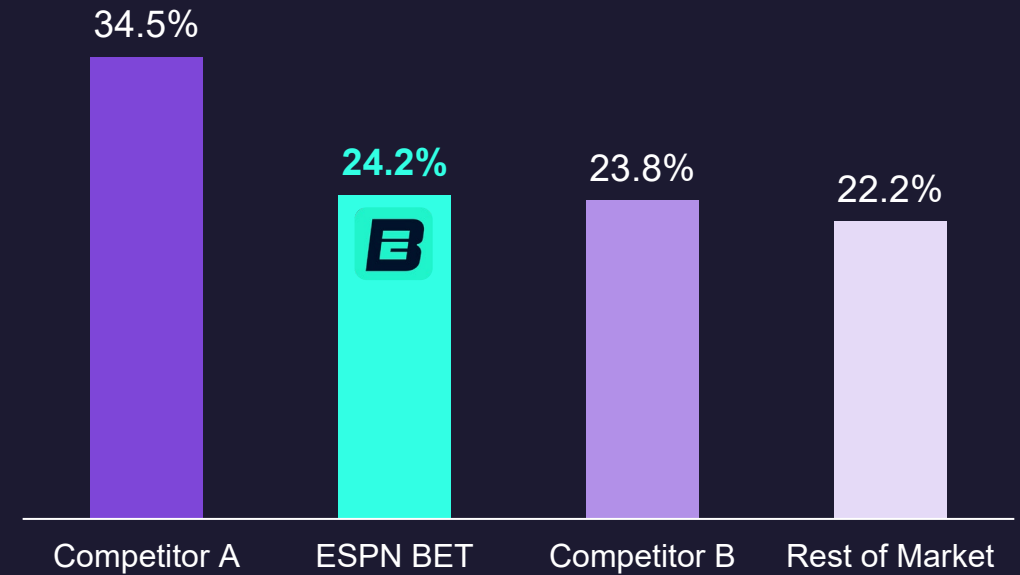


Improved risk and trading execution and a higher parlay mix helped contribute to higher hold rates, and we will continue to add additional parlay offerings to our product over the remainder of 2024

**Q2 '24 OSB % Hold**  
(IA, IN, MA, MD, MI, PA) <sup>(1)</sup>



**Illinois OSB: Parlays as a % of Total Handle**  
(Apr '24 - May '24)



(1) Eilers & Krejcik Reports, Public State Gaming Reports, and Internal Company Data – the chart utilizes state data from several states that report handle and GGR by operator with available data through June 2024.

# UPCOMING ESPN BET LAUNCH IN NEW YORK



Our upcoming launch in New York, subject to regulatory approvals, will meaningfully expand our digital footprint and further leverage ESPN's unparalleled sports media reach



## New York

(+) Est. Aug '24 Launch  
6% of the U.S. Population

Today

40%

of the  
U.S.  
Population



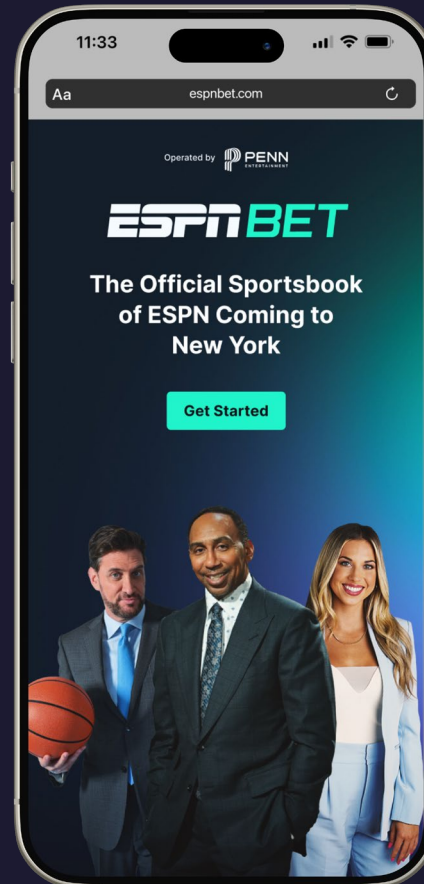
+15% increase



After

46%

of the  
U.S.  
Population



## Organic User Acquisition Strategy



Web (ESPN.com)

10m+

New York

(Avg. Monthly Visitors)<sup>(1)</sup>

(1) Sept. '23 to Jan '24 average visitors per month across ESPN App, ESPN Fantasy, and ESPN.com in the state of New York

# WORLD-CLASS TECHNOLOGY LEADERSHIP



We have been thrilled with the top-of-funnel effectiveness of our partnership with ESPN and are hyper-focused on improving our digital offerings in 2024 and beyond to capitalize on our expanded user base



**AARON LABERGE**

Chief Technology Officer

Aaron's prior experience as President & CTO of Disney Entertainment and ESPN will be invaluable as we execute on our technology-forward, omni-channel strategy

## New Role – Chief Technology Officer

- Aaron LaBerge officially joined PENN as our Chief Technology Officer on July 1<sup>st</sup>, 2024 and is off to an excellent start
- Mr. LaBerge will be responsible for driving technology strategy and execution for PENN, while leading the multinational team of technologists and serving as the key business leader for the company's Interactive division

## Impressive Track Record

- Mr. LaBerge spent more than 20 years at The Walt Disney Company – most recently as President & Chief Technology Officer for Disney Entertainment and ESPN, where he was responsible for driving all technology and product development in support of The Walt Disney Company's two media divisions
- In that role, he helped set the vision and strategic leadership for how Disney uses technology to enable storytelling and innovation, drive its business, and create unparalleled consumer experiences with entertainment and sports content

# OSB PRODUCT UPDATES: PRE-FOOTBALL ROADMAP



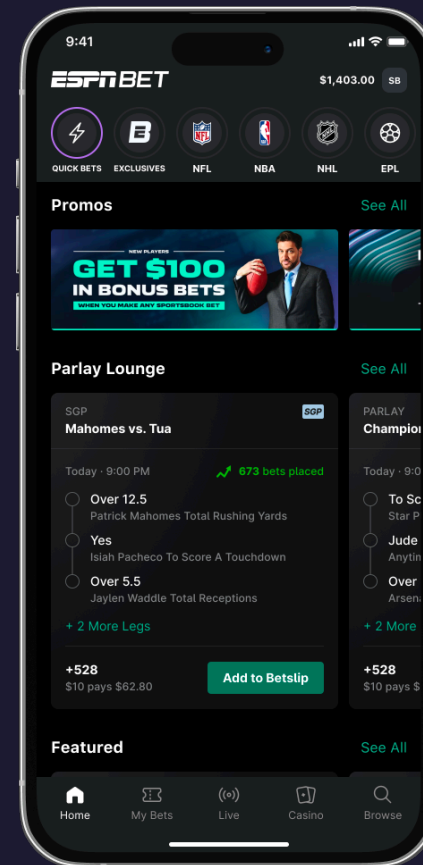
We are significantly improving the customer experience in ESPN BET and theScore Bet with our initial wave of product enhancements for the upcoming football season

## Refreshed User Interface & Experience

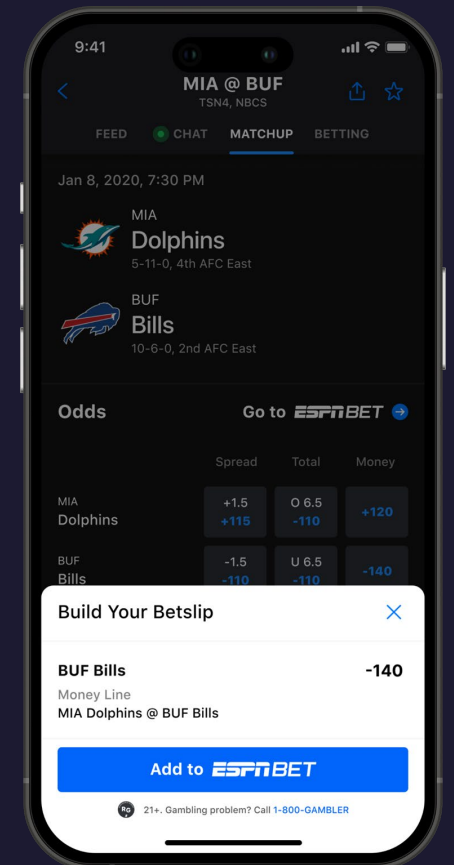
- Home Page Improvements
- Parlay Carousel Functionality
- Dark Mode
- Parlay+ (P+) rebrand to Same Game Parlay (SGP)

## New Features & Functionalities

- Referral Program
- Early Win Payouts
- ESPN BET Integration into theScore Media App in the U.S., including “*add to betslip*” functionality



Refreshed Home Page



Integration into theScore

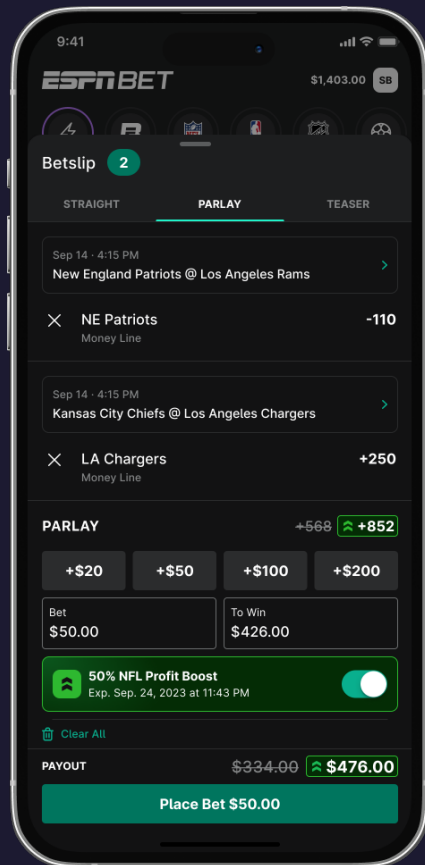




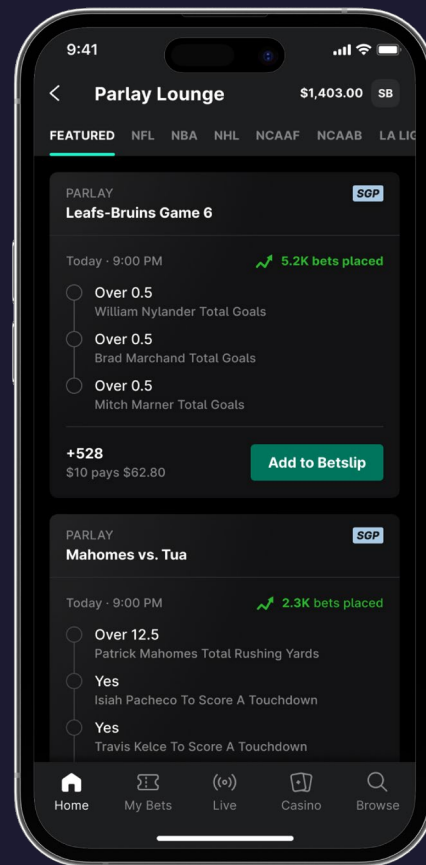
# OSB PRODUCT UPDATES: PRE-FOOTBALL ROADMAP



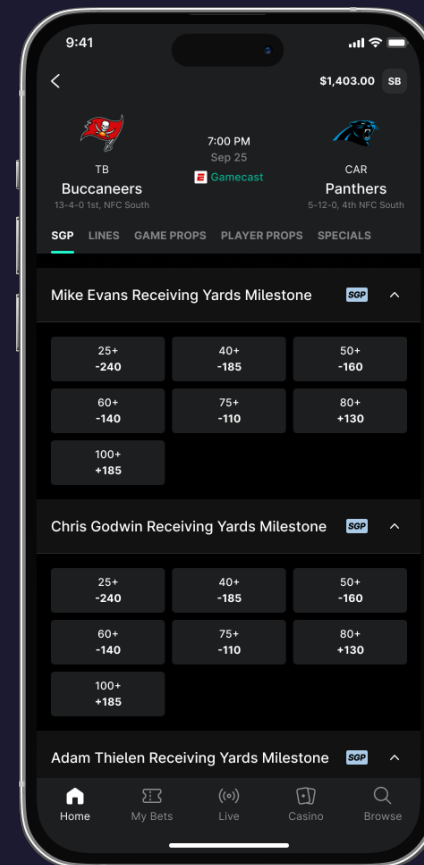
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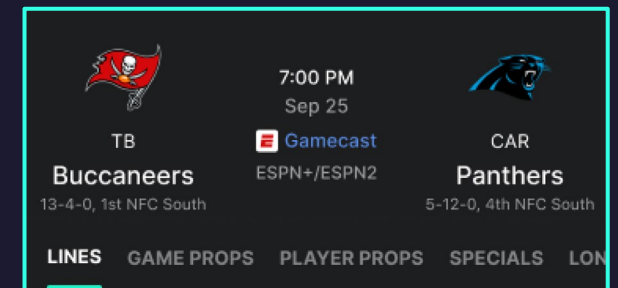
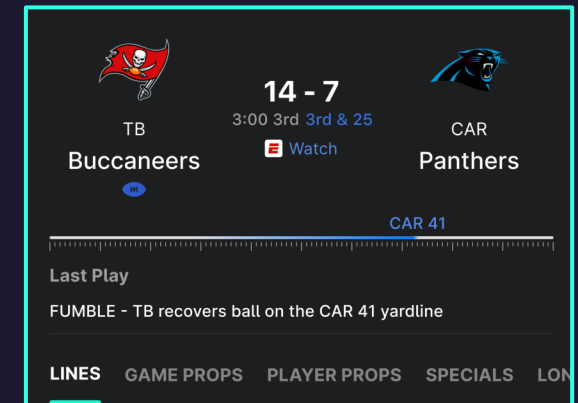
Profit Boosts



Parlay Lounge



Expanded SGP Offering

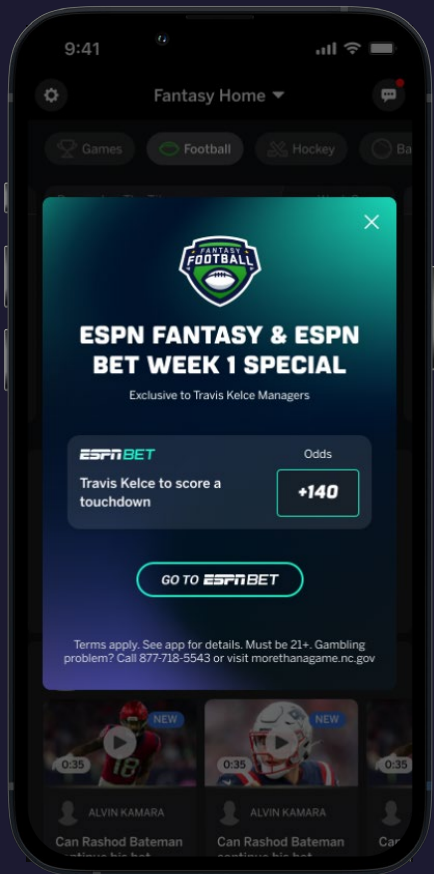


ESPN Gamecast & Watch Options Links in ESPN BET

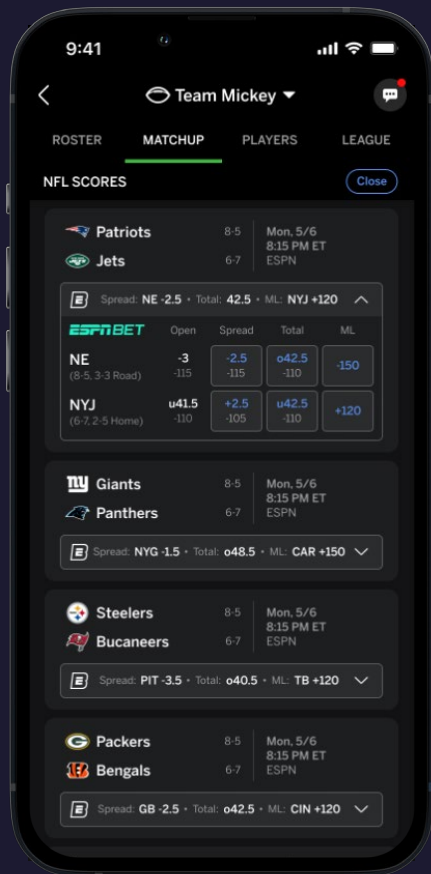
# ESPN INTEGRATIONS: PRE-FOOTBALL ROADMAP



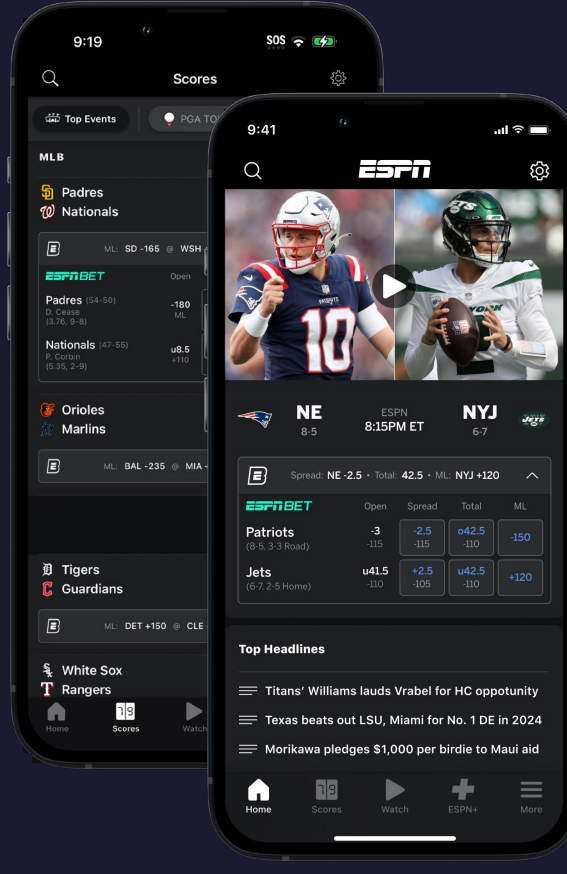
In parallel with our OSB product improvements for football season kickoff, our partners at ESPN are launching several new ESPN BET Integrations in their industry-leading digital products



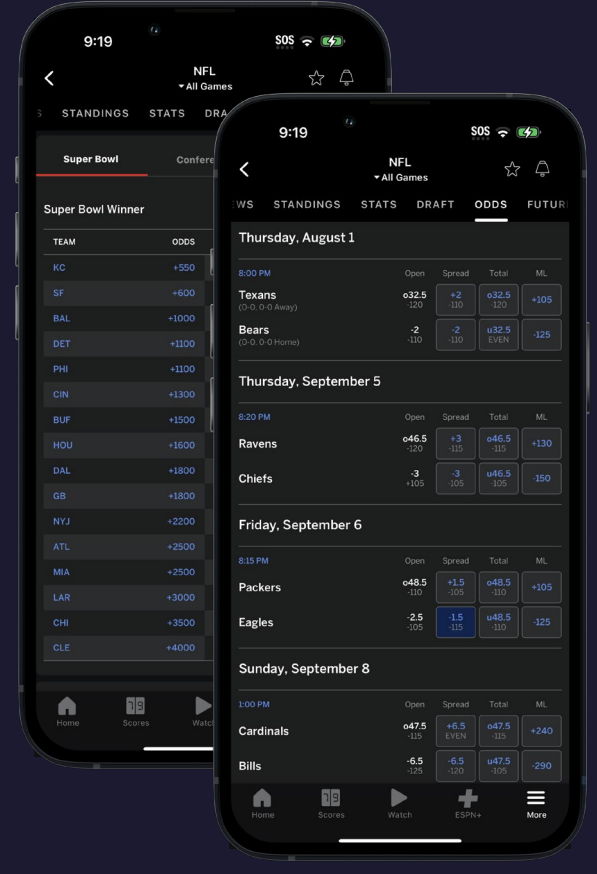
ESPN Fantasy App  
Targeted Offers



ESPN Fantasy App  
FantasyCast Integration



Scores Page & Home  
Page Integrations

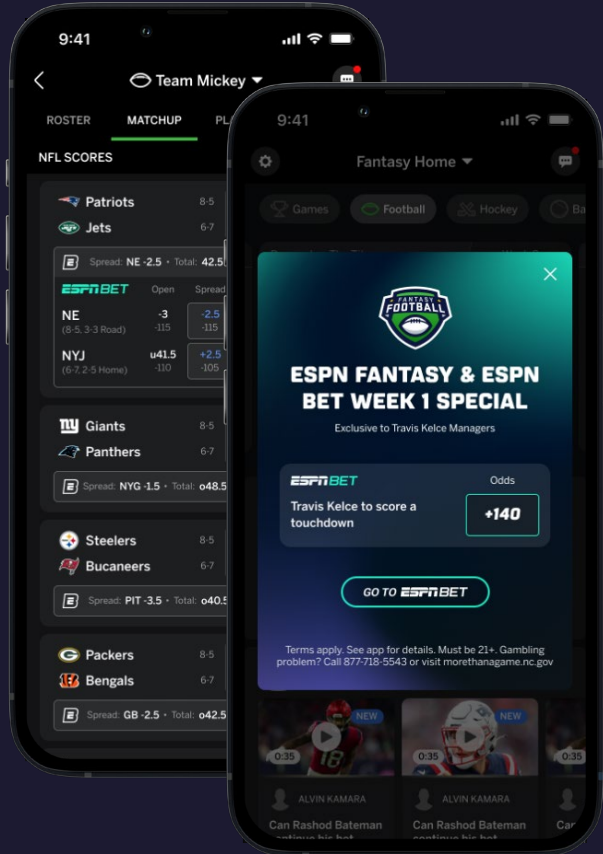


Dedicated Odds &  
Futures Tabs

# ESPN INTEGRATIONS: PRE-FOOTBALL ROADMAP

## Integration into the #1 Fantasy Sports App

ESPN BET will be integrated into the category leading **ESPN Fantasy App** in the coming weeks, including deep-linked markets and personalized in-app betting offers



#1

Ranked Fantasy Sports App in the U.S.

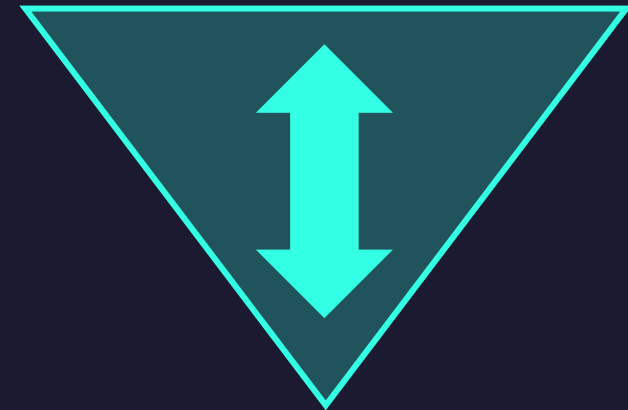
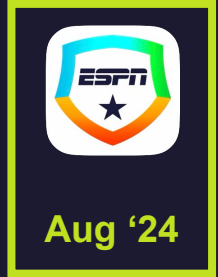
12M

Fantasy Football Players



(+) Account Linking

*Estimated Q4 '24 Initial Launch*

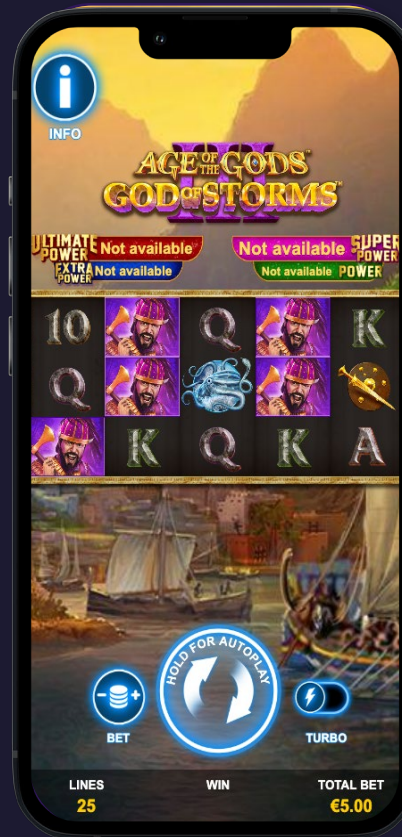


# iCASINO PRODUCT UPDATES

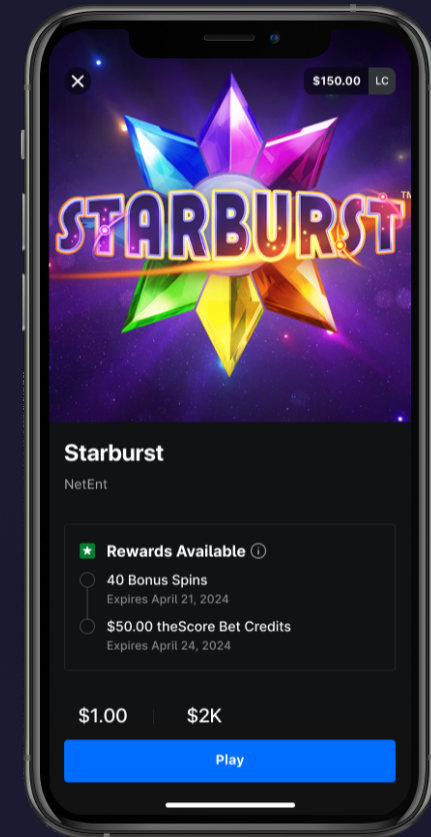
We are improving our iCasino product offering through exciting new game titles from Penn Game Studios, increased breadth of 3<sup>rd</sup> party content, and expanded promotional capabilities



New casino game releases by Penn Game Studios



Increasing breadth of popular 3P content



Promo Credits in iCasino (Coming Soon)



# APPENDICES



# OMNI-CHANNEL STRATEGY



## Retail Gaming

43 Properties in 20 U.S. States

32 Retail Sportsbooks in 15 U.S. States



## Media & Content

Strategic Sports Betting Alliance with ESPN

theScore Media App (*Wholly-Owned*)



## Online Gaming

Online Sportsbook Live in 18 U.S. States + Ontario

Online Casino Live in 4 U.S. States + Ontario



**31M**  
LOYALTY PROGRAM MEMBERS<sup>(1)</sup>

(1) We have added >3m new members over the last 2 quarters, highlighting the power of ESPN BET and our continued success in acquiring members at retail.

# GAAP TO NON-GAAP RECONCILIATION



(\$ in millions, unaudited)	For the Three Months Ended		
	December 31, 2023	March 31, 2024	June 30, 2024
Interactive segment revenues	\$ 31.5	\$ 207.7	\$ 232.6
Tax gross-ups <sup>(1)</sup>	(107.0)	(116.6)	(82.1)
<b>Adjusted Interactive segment revenues</b>	<b>\$ (75.5)</b>	<b>\$ 91.1</b>	<b>\$ 150.5</b>

(1) Tax gross-ups refers to the gaming taxes which PENN Interactive pays on behalf of, and is reimbursed by, its third-party online sports betting and iCasino operator partners that PENN provides market access to in various states in the U.S.



**PENN**  
ENTERTAINMENT