Penn National Gaming, Inc.

Fourth Quarter 2021 Earnings Presentation

SPORTSBOOK & CASINO

theScore

mychoice

February 3, 2022

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: 2022 net revenues and Adjusted EBITDAR guidance ranges and the assumptions provided regarding the guidance, including the scale and timing of investments in technology; the Company's anticipated share repurchases; the Company's expectations of future results of operations and financial condition, including the anticipated strategic plan, growth and profitability of the Interactive segment and the benefits gained by executing on the Company's omni-channel and media strategy; the Company's expectations with regard to the impact of competition in online sports betting, iGaming and retail/mobile sportsbooks; the Company's launch of its Interactive segment's products in new jurisdictions and enhancements to existing Interactive segment products, including the transition to theScore's proprietary risk and trading platform in Ontario, the integration of the Barstool Sportsbook into theScore mobile app in the U.S. and the migration of the Barstool Sportsbook to theScore's player account management trading platforms; the Company's expectations with regard to its future investments in Barstool Sports and the future success of its products; the Company's expectations with respect to the integration and synergies related to the Company's integration of theScore and Barstool Sports; the Company's expectations for its properties and the potential benefits of the cashless, cardless and contactless ("3Cs") technology; the Company's development projects; and the timing, cost and expected impact of planned capital expenditures on the Company's results of operations; the actions of regulatory, legislative, executive or judicial decisions at the federal, state 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 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: (a) the ongoing impact of the COVID-19 pandemic on general economic conditions, capital markets, unemployment, consumer spending and the Company's liquidity, financial condition, supply chain, operations and personnel; (b) industry, market, economic, political, regulatory and health conditions; (c) disruptions in operations from data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19, and other natural or man-made disasters or catastrophic events; (d) the Company's ability to access additional capital on favorable terms or at all; (e) the availability of capital for the payment of debt service obligations or the repurchase of shares; (f) the Company's ability to remain in compliance with the financial covenants of its debt obligations; (g) the outcome of any legal proceedings that may be instituted against the Company or its directors, officers or employees; (h) the impact of new or changes in current laws, regulations, rules or other industry standards; (i) the ability of the Company's operating teams to drive revenue and margins; (j) the impact of significant competition from other gaming and entertainment operations; (k) the Company's ability to obtain timely regulatory approvals required to own, develop and/or operate its properties, or other delays, approvals or impediments to completing its planned acquisitions or projects, construction factors, including delays, and increased costs; (l) the passage of state, federal or local legislation that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which the Company does or seek to do business; (m) the effects of local and national economic, credit, capital market, housing, inflationary, and energy conditions on the economy in general and on the gaming, entertainment and lodging industries in particular; (n) 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 and municipalities for such transactions; (o) 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; (p) the risk of failing to maintain the integrity of our information technology infrastructure and safeguard our business, employee and customer data (particularly as our Interactive segment grows); (q) with respect to new casinos, risks relating to its ability to achieve its expected budgets, timelines and investment returns; (r) the Company may not be able to achieve the anticipated financial returns from the acquisition of "theScore", including due to fees, costs and taxes in connection with the integration of theScore and expansion of its betting and content platform; (s) there is significant competition in the interactive gaming market; (t) potential adverse reactions or changes to business or regulatory relationships resulting from the acquisition of theScore or the investment in Barstool; (u) the ability of the Company to retain and hire key personnel; and (v) other factors as discussed in the Company's Annual Report on Form10-K for the year ended December 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 presentation may not occur.

Non-GAAP Financial Measures

In addition to GAAP financial measures, management uses Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDAR margin, Combined Revenues, Combined Adjusted EBITDA, Combined Adjusted EBITDAR and Combined Net Income as non-GAAP financial measures. These non-GAAP financial measures should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP. Each of these non-GAAP financial measures 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 EBITDA as earnings before interest expense, net; income taxes; depreciation and amortization; stock-based compensation; debt extinguishment and financing 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; and other. Adjusted EBITDA is inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (such as interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense) added back for Barstool Sports, Inc. ("Barstool Sports") and our Kansas Entertainment, LLC joint venture. Adjusted EBITDA is inclusive of rent expense associated with our triple net operating leases (the operating lease components contained within our triple net master lease dated November 1, 2013 with Gaming and Leisure Properties, Inc. ("GLPI") and the triple net master lease assumed in connection with our acquisition of Pinnacle Entertainment, Inc. (primarily land), our individual triple net leases with GLPI for the real estate assets used in the Operation of Tropicana Las Vegas Hotel and Casino, Inc. and Hollywood Casino at Meadows Racetrack, and our individual triple net leases with VICI Properties Inc. ("VICI") for the real estate assets used in the operations of Margaritaville Casino Resort and Greektown Casino-Hotel. Although Adjusted EBITDA includes rent expense associated with our triple net operating leases, we believe Adjusted EBITDA is useful as a supplemental measure in evaluating the performance of our consolidated results of operations. Adjusted EBITDA has economic substance because it is used by management as a performance measure to analyze the performance of our business, and is especially relevant in evaluating large, long-lived casino-hotel projects because it provides a perspective on the current effects of operating decisions separated from the substantial nonoperational depreciation charges and financing costs of such projects. We present Adjusted EBITDA because it is used by some investors and creditors as an indicator of the strength and performance of ongoing business operations, including our ability to service debt, and to fund capital expenditures, acquisitions and operations. These calculations are commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare operating performance and value companies within our industry. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their Adjusted EBITDA calculations of certain corporate expenses that do not relate to the management of specific casino properties. However, Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP. Adjusted EBITDA information is presented as a supplemental disclosure, as management believes that it is a commonly-used measure of performance in the gaming industry and that it is considered by many to be a key indicator of the Company's operating results.

We define Adjusted EBITDAR as Adjusted EBITDA (as defined above) plus rent expense associated with triple net operating leases (which is a normal, recurring cash operating expense necessary to operate our business). Adjusted EBITDAR is presented on a consolidated basis outside the financial statements solely as a valuation metric. Management believes that Adjusted EBITDAR is an additional metric traditionally used by analysts in valuing gaming companies subject to triple net leases since it eliminates the effects of variability in leasing methods and capital structures. This metric is included as supplemental disclosure because (i) we believe Adjusted EBITDAR is traditionally used by gaming operator analysts and investors to determine the equity value of gaming operators and (ii) Adjusted EBITDAR is one of the metrics used by other financial analysts in valuing our business. We believe Adjusted EBITDAR is useful for equity valuation purposes because (i) its calculation isolates the effects of financing real estate; and (ii) using a multiple of Adjusted EBITDAR to calculate enterprise value allows for an adjustment to the balance sheet to recognize estimated liabilities arising from operating leases related to real estate. However, Adjusted EBITDAR, when presented on a consolidated basis, is not a financial measure in accordance with GAAP and should not be viewed as a measure of overall operating performance or considered in isolation or as an alternative to net income because it excludes the rent expense associated with our triple net operating leases and is provided for the limited purposes referenced herein. Adjusted EBITDAR margin is defined as Adjusted EBITDAR on a consolidated basis (as defined above) divided by revenues on a consolidated basis. Adjusted EBITDAR margin is presented on a consolidated basis outside the financial statements solely as a valuation metric.

The Company defines Combined Revenues, as revenues of Penn National, Greektown Casino-Hotel ("Greektown"), Hollywood Casino Perryville ("Perryville"), and Sam Houston Race Park and Valley Race Park ("Sam Houston"), assuming that Greektown, Perryville, and Sam Houston (collectively, the "Acquired Properties") were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding revenues of Resorts Casino Tunica ("Tunica"), Hollywood Casino York ("York"), Hollywood Casino Morgantown ("Morgantown") and theScore as if not a part of Penn National during the historical periods beginning on January 1, 2019. The Company defines Combined Adjusted EBITDA as Adjusted EBITDA (as defined above) of Penn National and the Acquired Properties, assuming that the Acquired Properties were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding Adjusted EBITDA of Tunica, York, Morgantown and theScore as if not a part of Penn National during the historical periods beginning on January 1, 2019. The Company defines Combined Adjusted EBITDAR as Adjusted EBITDAR (as defined above) of Penn National and the Acquired Properties, assuming that the Acquired Properties were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding Adjusted EBITDAR of Tunica, York, Morgantown and theScore as if not a part of Penn National during the historical periods beginning on January 1, 2019. The Company defines Combined Net Income as net income of Penn National the Acquired Properties, assuming that the Acquired Properties were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding net income of Tunica, York, Morgantown and theScore as if net income was not a part of Penn National during the historical periods beginning on January 1, 2019. Management believes that presenting Combined Revenues, Combined Adjusted EBITDA, Combined Adjusted EBITDAR and Combined Net Income for the three and twelve month period ended December 31, 2019 is useful for investors to evaluate the Company's performance for the three and twelve month period ended December 31, 2021. These results do not reflect any cost savings from potential operating efficiencies or associated costs to achieve such savings or synergies that are expected to result from these transactions. The Company does not provide a reconciliation of forward-looking Adjusted EBITDAR because it is unable to predict with reasonable accuracy the value of certain adjustments that may significantly impact the Company's results, including adjustments that can be impacted by rent expense and interest expense associated with our triple net leases, re-measurement of cash-settled stock-based awards, and income tax benefit (expense), which are dependent on future events that are out of the Company's control or that may not be reasonably predicted.

Positioned for Growth

PENN's highly differentiated omni-channel strategy presents multiple growth opportunities.

Strong Free Cash Flow

Our leading portfolio of regional casinos are generating significant free cash flow to fund future growth opportunities

Interactive Growth

Our interactive business is growing rapidly, with a near term path to profitability and sizable long-term potential

Dynamic Media Businesses

Our new media businesses, anchored by theScore and our investment in Barstool Sports, provide new channels for growth and cross-sell

Financial Flexibility

Our strong balance sheet positions us to pursue growth opportunities and return capital to shareholders

4Q Summary Results and Outlook

Our fourth quarter revenues and Adjusted EBITDAR exceeded both 2020 and 2019 levels, as our best-in-class operating teams continue to deliver impressive results despite the ongoing pandemic.

Revenues	Net Income	Net Income Margin
$1.6 billion	$44.8 million	2.8%

Adj. EBITDAR	Adj. EBITDA	Adj. EBITDAR Margin
$480.5 million	$369.0 million	30.6%

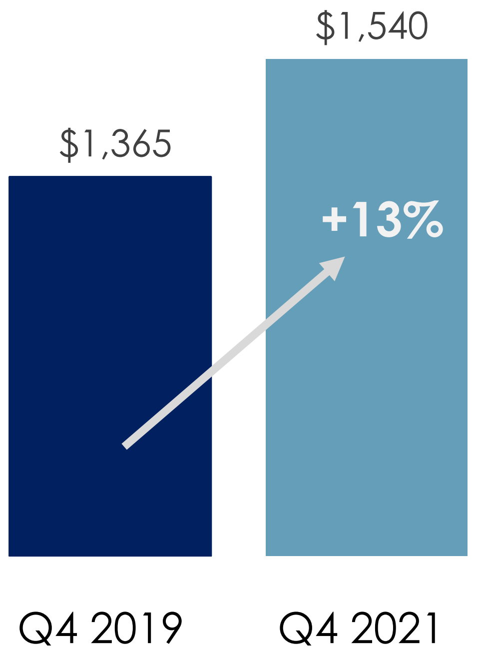
We have reinstated guidance with a range of 2022 net revenues of $6.07 billion to $6.39 billion and Adjusted EBITDAR of $1.85 billion to $1.95 billion

Q4 2021 Same Store Highlights

Same Store Revenues and Adjusted EBITDAR grew 13% and 20%, respectively, over 2019 levels.

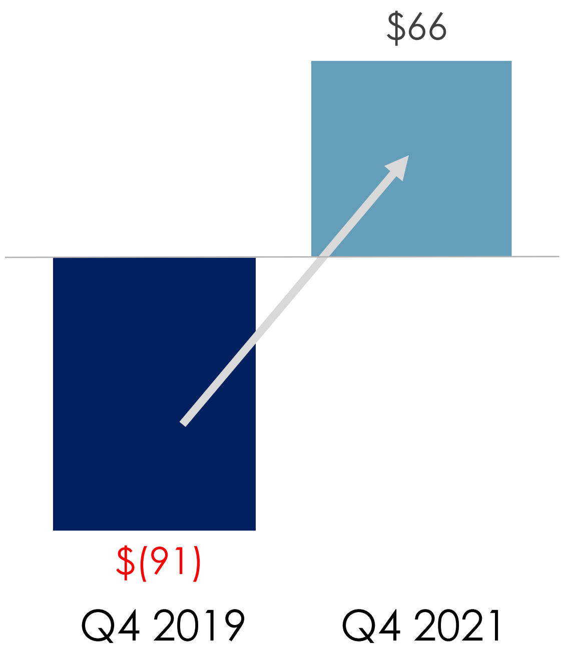
Revenues

($ in millions)



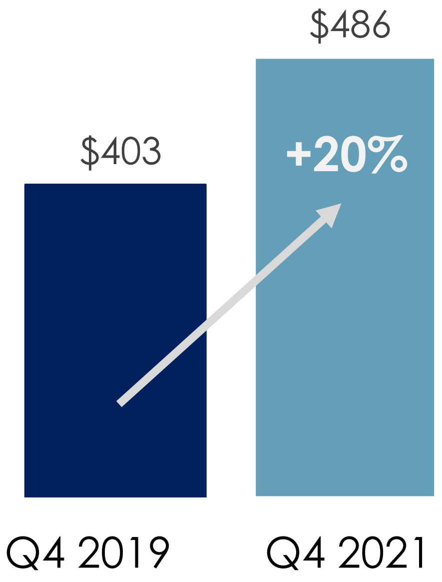
Net Income

($ in millions)



Adjusted EBITDAR[1]

($ in millions)



1. 4Q 2021 Adjusted EBITDA was $374.3 million compared to 4Q 2019 Adjusted EBITDA of $307.8 million.

Note: Q4 2019 Revenues, Net Income, Adjusted EBITDA, and Adjusted EBITDAR include proforma adjustments for Hollywood Casino Perryville ("Perryville") and Sam Houston Race Park and Valley Race Park ("Sam Houston"). The operating results of Perryville and Sam Houston were derived from historical financial information. The operating results were adjusted to conform to Penn's methodology of allocating certain corporate expenses to properties. Q4 2019 metrics are referred to as "Combined Revenues," "Combined Net Income," "Combined Adjusted EBITDA," and "Combined Adjusted EBITDAR." Q4 2021 results reflect a gross-up of licensing revenue and expenses with respect to reimbursement revenue derived from market access skin arrangements, of which $51.0 million was related to gaming taxes. There is no P&L impact as a result of the aforementioned gross-up related to gaming taxes. Q4 2021 Net Revenues, Adjusted EBITDAR and Adjusted EBITDA are net of Hollywood Casino York, Hollywood Casino Morgantown, and the Score.

Share Repurchase Plan

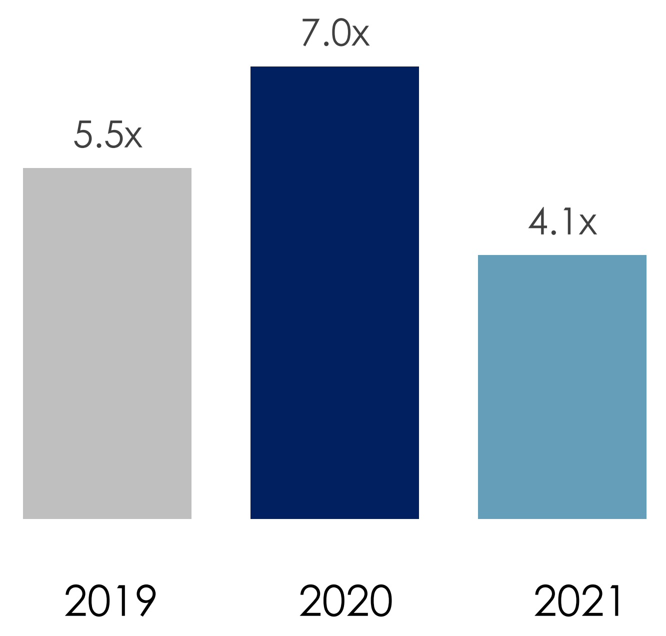
We generated record free cash flow in 2021 and ended the year with our strongest balance sheet in history, which positions us to be opportunistic in an extremely dynamic marketplace.

Share Repurchase Plan

On February 1, 2022, the Company's Board approved a share repurchase authorization of up to $750 million over three years. This program reflects our confidence in the Company's long-term prospects and provides a tool for both opportunistic repurchases and to offset dilution from stock-based compensation and other equity grants.

Lease Adj. Net Leverage

($ in millions)



Interactive Segment Results

In the fourth quarter of 2021, we created a new operating segment for Interactive, which delivered impressive results in highly competitive environment.

Revenues	Adjusted EBITDA
$157.6 million	$(5.9) million

Interactive Segment Notes

- Our Interactive segment includes the operating results of Penn Interactive (including the Barstool Sportsbook and Casino), theScore and our proportionate share of earnings attributable on our investment in Barstool Sports, Inc.
- In 4Q21, the segment delivered a lower-than-expected EBITDA loss despite a frenzied competitive environment
- We anticipate an EBITDA loss of approximately $50 million from this segment in 2022 as we continue to scale operations and infrastructure in anticipation of bringing our technology in-house and launching in new jurisdictions, with meaningful positive contributions expected in 2023 as we begin to realize the benefits of our wholly-owned tech stack

Interactive Roadmap

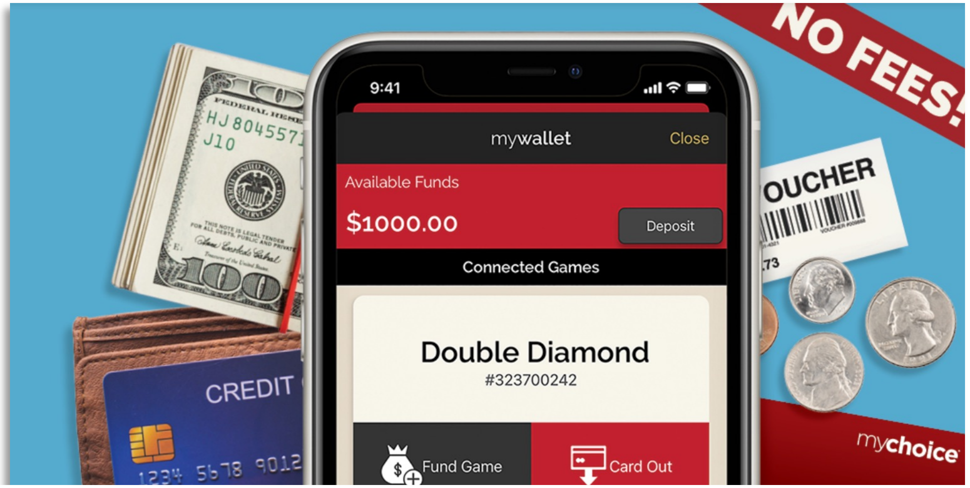
Recent and Anticipated Launches	Transition to theScore's Trading Platform	theScore Media Integration	Barstool Put/Call Trigger Date	Barstool Sportsbook Tech Migration
• Louisiana (OSB launched on Jan. 28) • Ontario (OSB and iCasino) • Maryland (OSB) • Ohio (OSB)	The transition to theScore's proprietary risk and trading platform in Ontario will complete theScore's vertical tech integration	Integration of the Barstool Sportsbook into theScore mobile media app in the U.S. will drive increased engagement, revenue and retention	Acquisition of the remainder of Barstool Sports would unlock value of high growth media, sports, entertainment and lifestyle brand	Migration of the Barstool Sportsbook to theScore's player account management and trading platforms will provide the benefits of a fully integrated tech solution
2022	**Q3 2022**	**2H 2022**	**Q1 2023**	**Q3 2023**

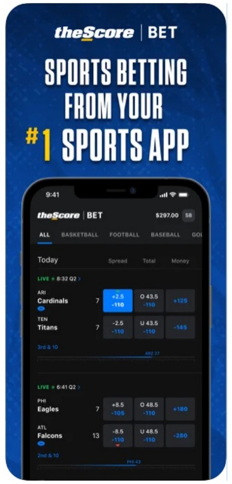
Technology Investments

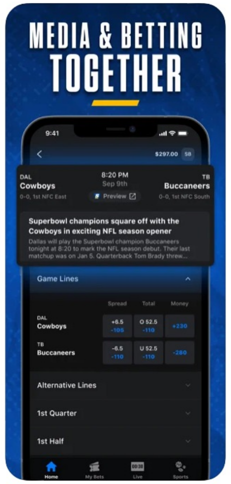
We are making meaningful investments in technology that will enhance the customer experience and improve efficiencies at our land-based properties and in our interactive products.

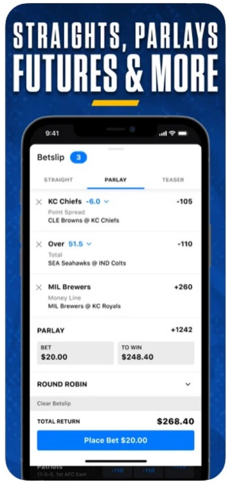
Technology Highlights

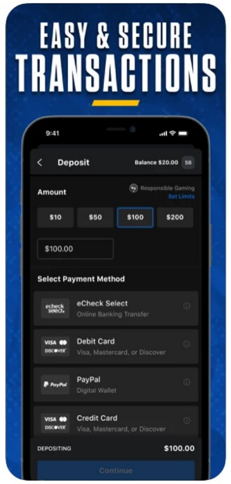
- Cutting edge "3Cs" technology that is changing how our customers interact at our properties
- Deep pool of talented product and engineering teams to support our fully integrated media, betting and iCasino products
- Creative in-house content studio that is developing customized and highly engaging entertainment











Hollywood Casino Morgantown

On December 22, 2021, we officially opened Hollywood Casino Morgantown, a state-of-the art facility featuring our cutting edge cardless, cashless and contactless technology.

Key Features

- 750 of the latest slot machines
- 30 table games, including blackjack, craps, roulette and baccarat
- Asian gaming and dining area
- Modern Barstool Sportsbook with fully integrated food and beverage experience with indoor/outdoor seating
- Tony Luke’s cheesesteaks and entertainment lounge and bar

Growing Ecosystem

Our ecosystem has continued to expand with the acquisition of theScore as well as continued growth of Barstool Sports and our mychoice database.

144m
Total Followers Across Social Media*

+25%
Year-over-Year

25m
Total Members

+7%
Year-over-Year

4.2m
Monthly Average Users

+7%
Year-over-Year

* Total followers across all accounts and platforms as of December 15, 2021, including Instagram (64.0m), Twitter (33.2m), TikTok (31.9m), Facebook (9.2m) and Snapchat(6.7m).

Leading Retail Sportsbooks

Our growing retail sportsbook operations are highly profitable, while providing significant opportunities for cross-sell at our casinos and to our online products.

2021 Total Handle

$775M
(+98% y/y)

Total Properties

24
(+8 Properties in 2021)

2021 GGR

$85M
(11% Hold Rate)

Total Market Share

12%
Est. 2021 National GGR Market Share (Ex. Nevada)

Louisiana Retail Sportsbook Launch

Retail sportsbook operations at our five casinos in Louisiana have generated a significant share of the state's handle and revenue, with a Barstool re-branding in process at our signature locations.

Handle Market Share

58%

Nov – Dec 21

GGR Market Share

53%

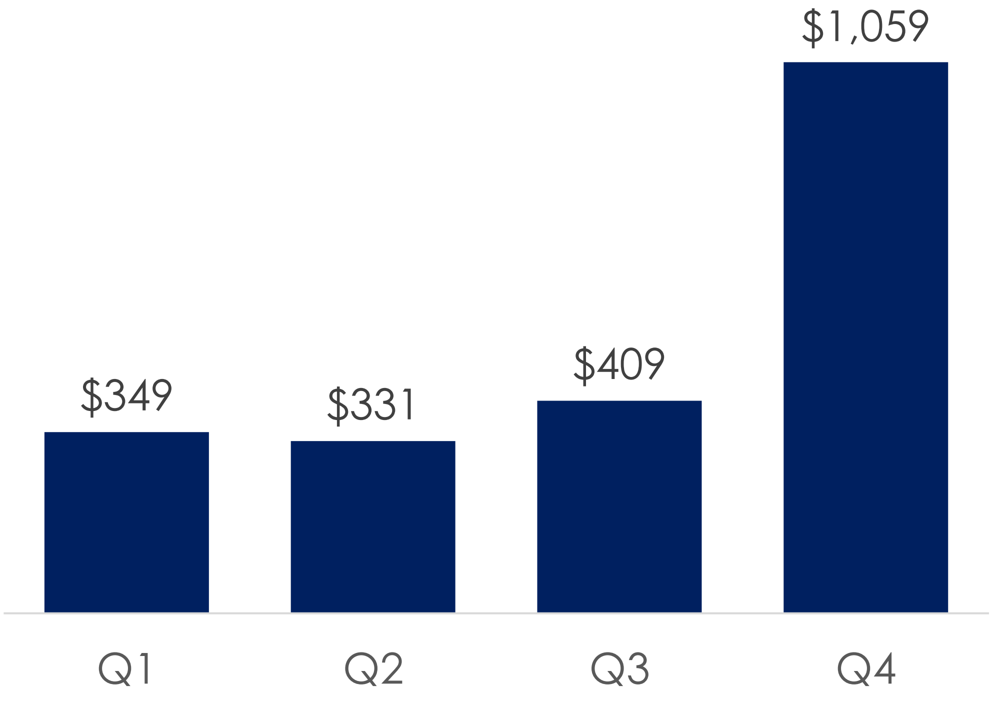
Nov – Dec 21

Barstool Sportsbook Mobile Growth

The Barstool Sportsbook's mobile handle and revenue increased significantly in the fourth quarter, aided by new state launches and the reactivation of football customers.

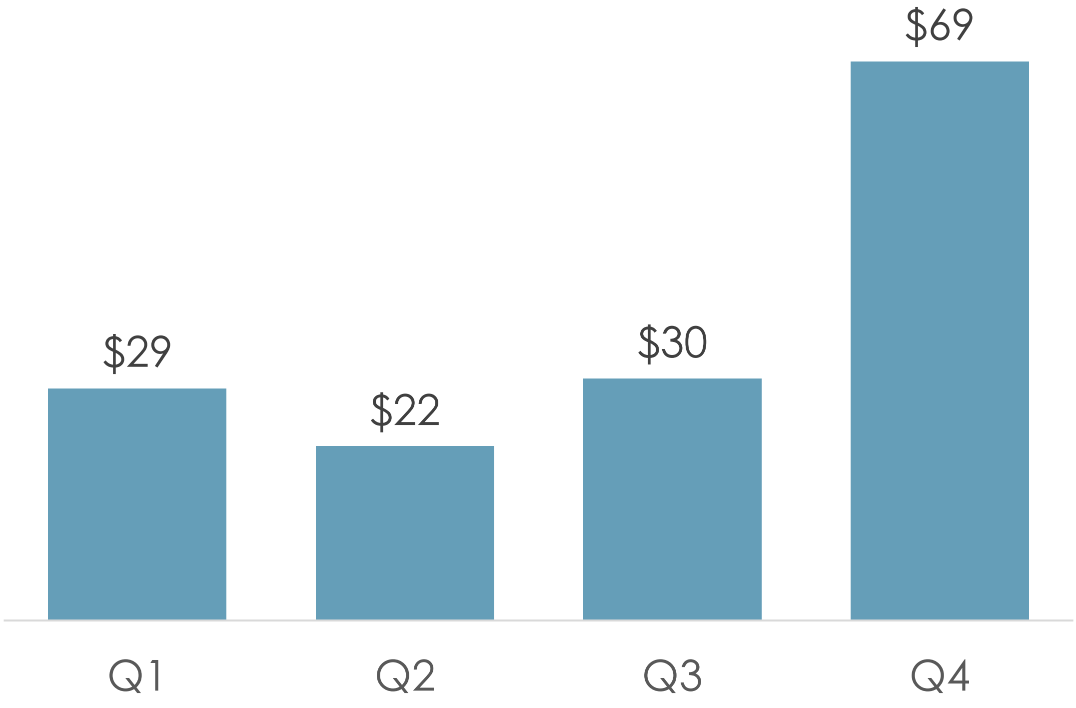
Handle

($ in millions)



Gross Gaming Revenue

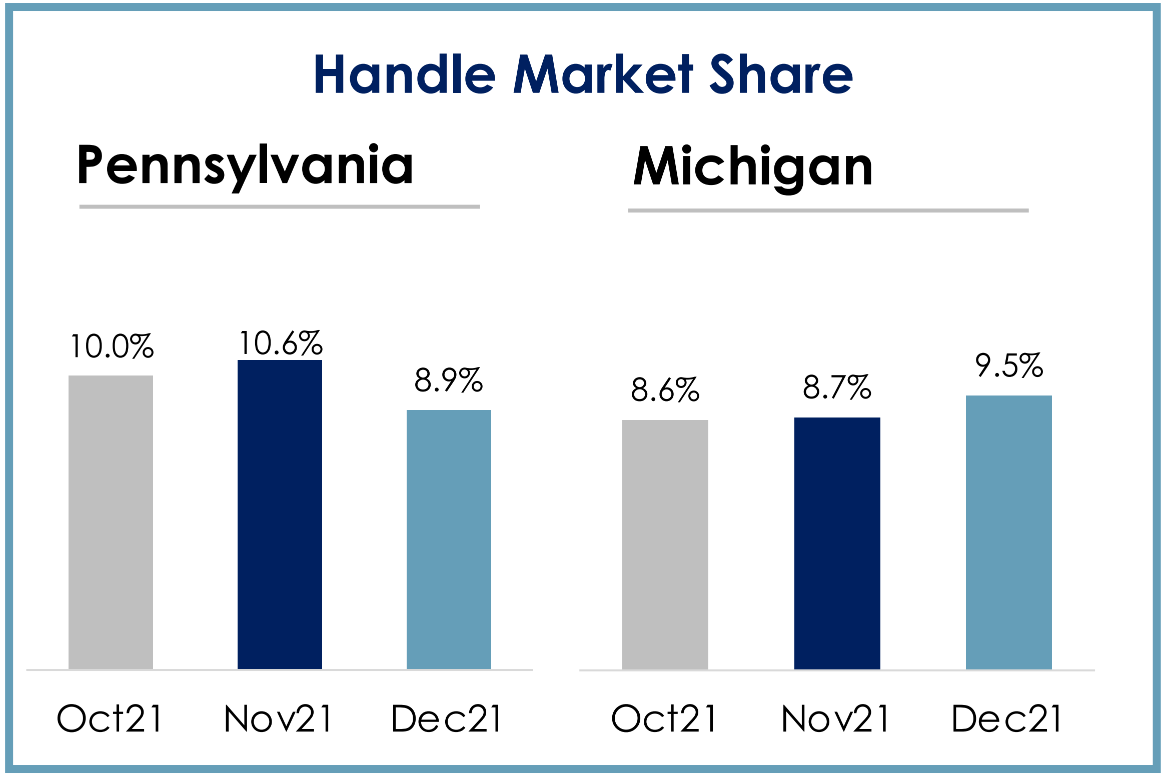
($ in millions)

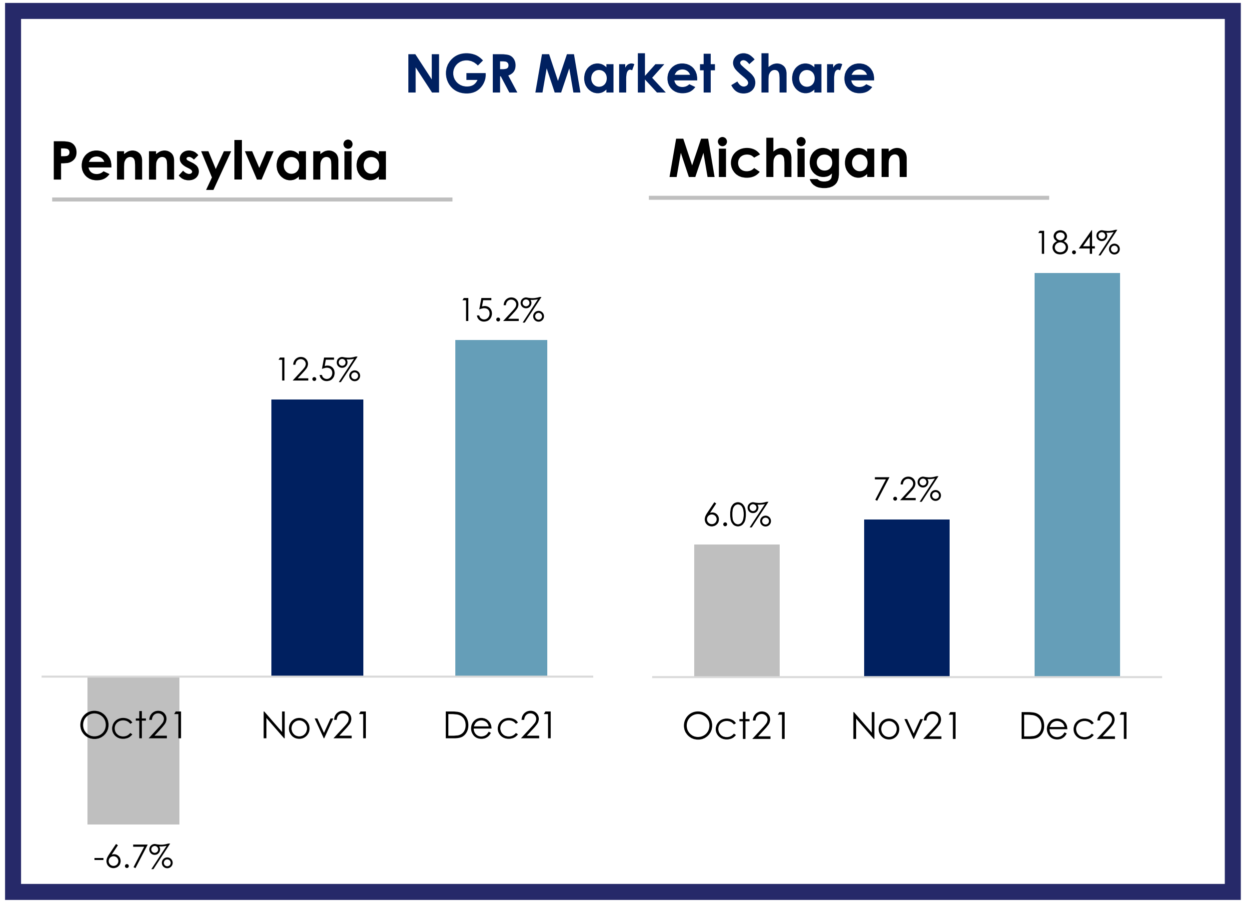


*Revenue results cash basis

Barstool Sportsbook Market Share

Our profit focused approach has led to sizable gains in net gaming revenue market share in Pennsylvania and Michigan, two states that publicly report promotional expense.

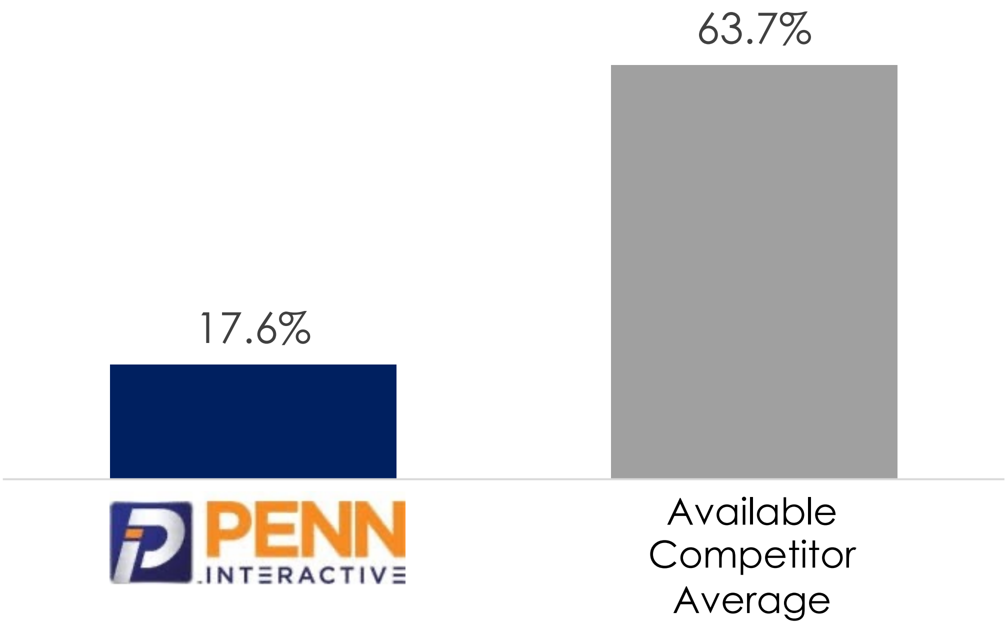




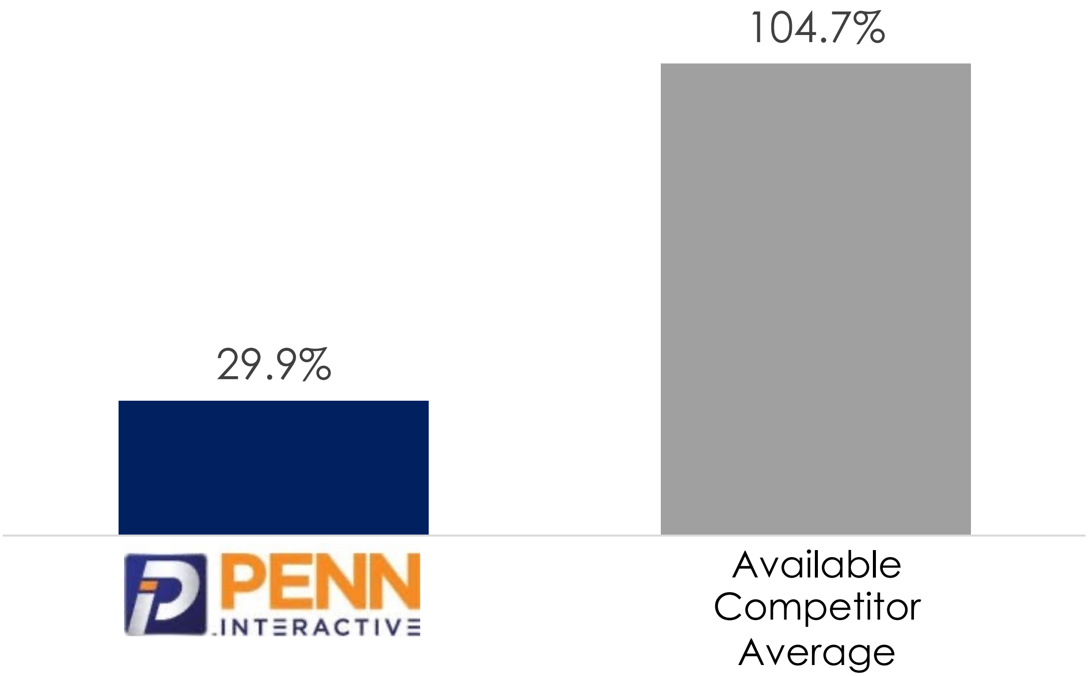
Disciplined Marketing Approach

Penn Interactive has achieved impressive growth in a highly competitive environment despite spending a fraction of our competitors on marketing.

Marketing as % of GGR



Marketing as % of NGR

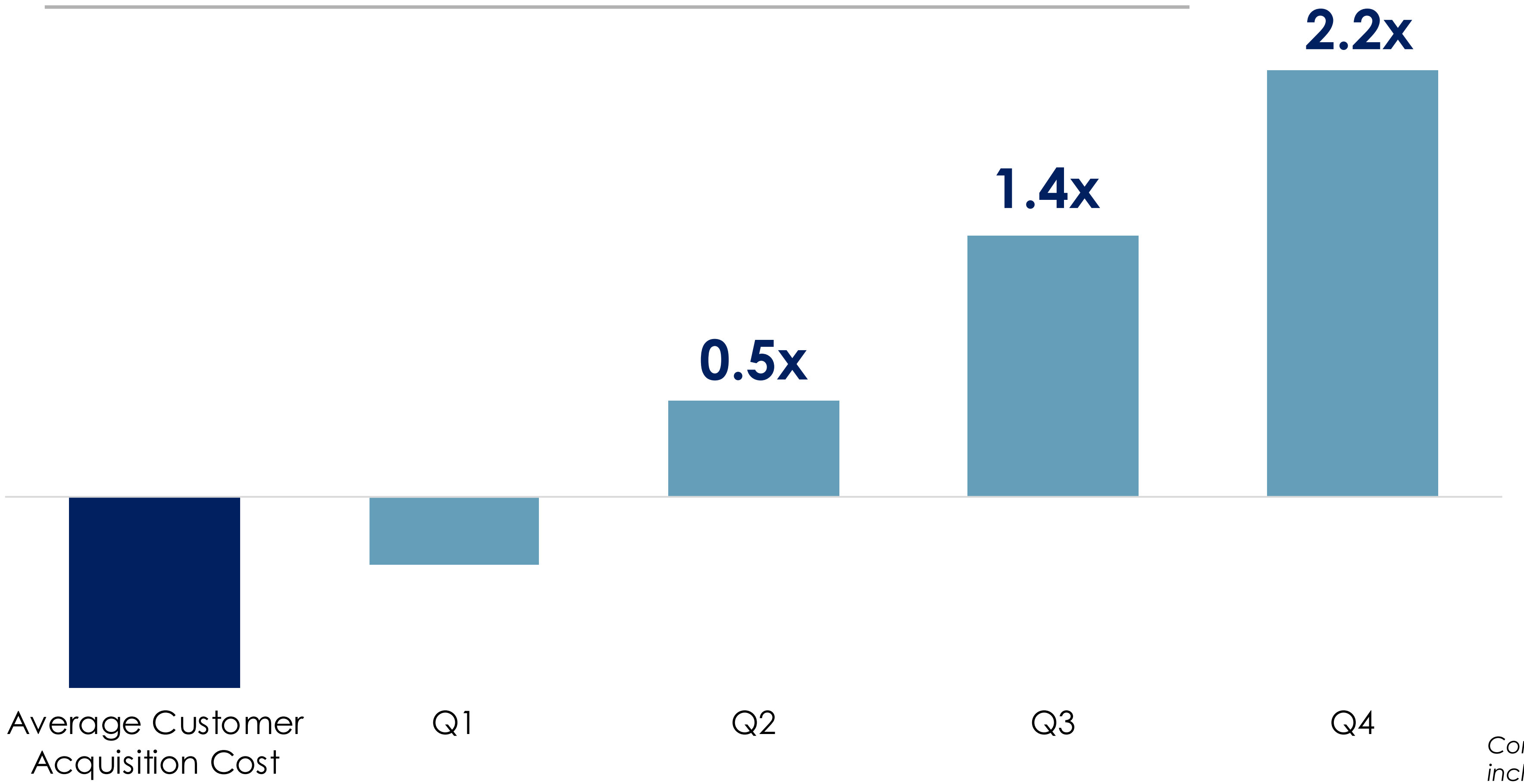


* Marketing spend for competitors is based on publicly available information for Rush Street Interactive, DraftKings and PointsBet through Q3 2021. The Barstool Sportsbook marketing spend includes Q4 across all states and the percentage calculated excludes retail and skin revenue.

Sports Betting Customer Profitability

Our low customer acquisition costs and high retention rates provide a highly favorable return on investment from online sports betting that positions us for long-term success.

Cumulative Net Contribution Margin Payback



BARSTOOL SPORTSBOOK®

2.2x

One Year Return on Investment on Sports Betting Only

Our return on investment is even higher in states with iCasino

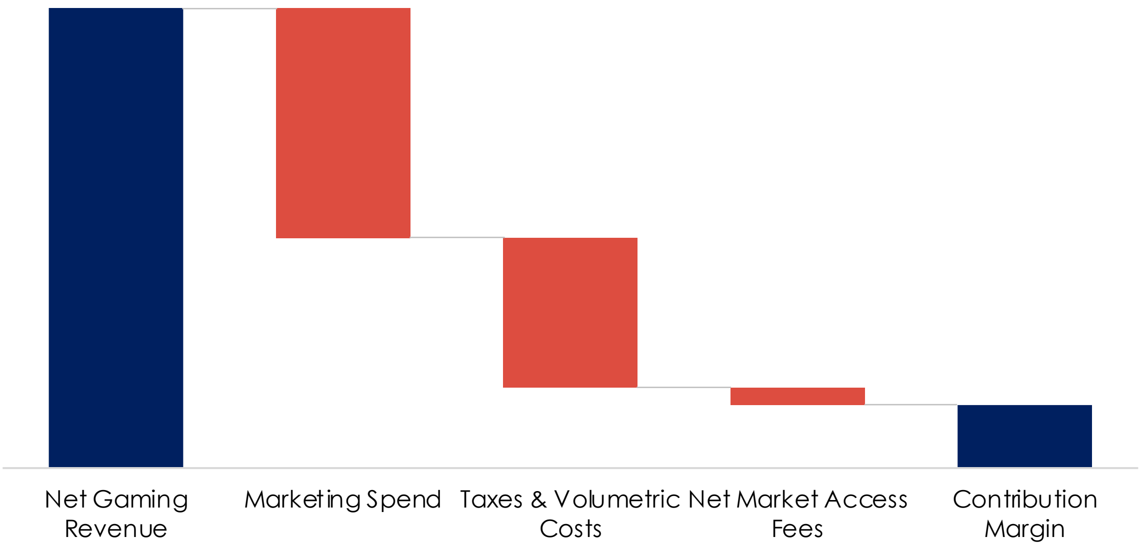
Contribution margin reflects net revenue less variable costs including taxes, third party expenses and marketing.

Our OSB Structural Advantages

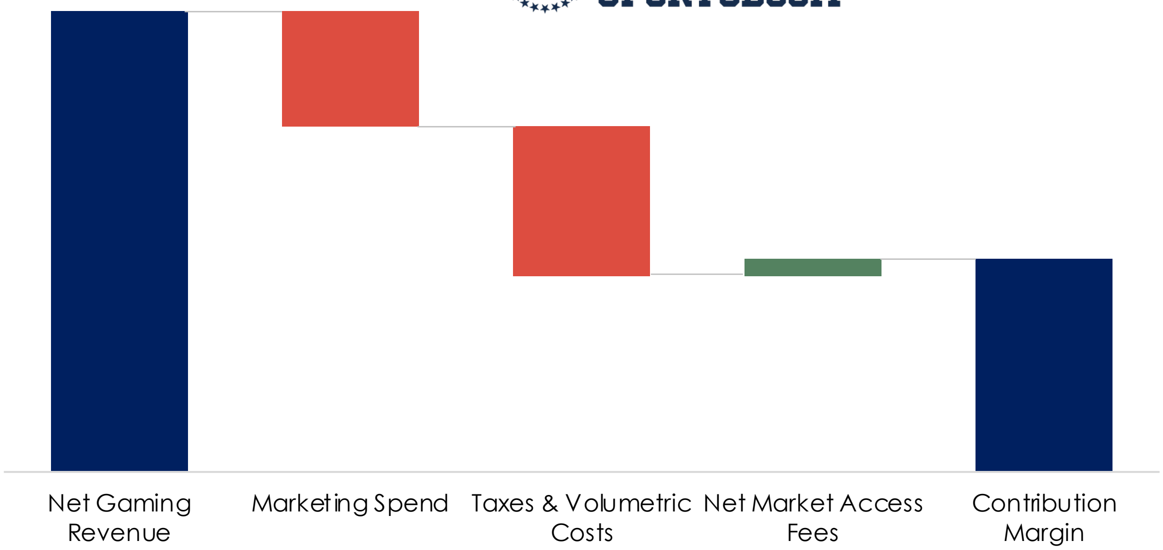
Our integrated media approach to marketing and our leading casino footprint for market access provide a path to outsized long-term profitability in online sports betting.

Illustrative Contribution Margin

Other Sportsbook Operators



BARSTOOL SPORTSBOOK®



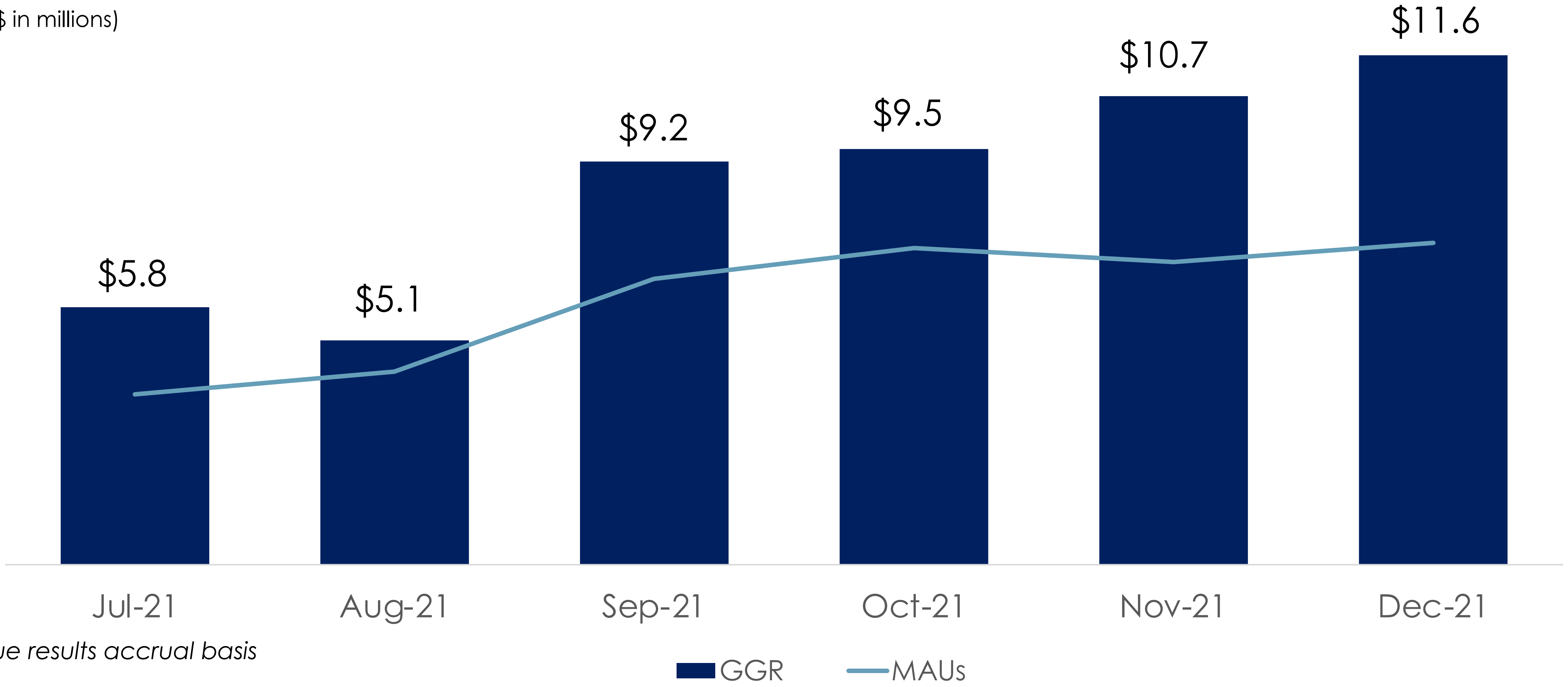
Structural Advantages	**Lower marketing spend** due to organic customer acquisition and recurring promotion from Barstool Sports and theScore	+	**Market access savings** from casino footprint, while excess skins provide recurring and high margin revenue streams	=	Long-Term Margin Advantages

Barstool iCasino Growth

Our Barstool iCasino has shown strong growth in revenue and MAUs since the beginning of football season as we have continued to add new games and product features.

Gross Gaming Revenue

($ in millions)



**Revenue results accrual basis*

In-House Game Studio Update

Our Penn Game Studios division successfully launched its first two in-house developed games, Barstool Blackjack and Barstool Slots, which have been extremely well received.

PENN
GAME STUDIOS

- Barstool Blackjack is live in NJ, MI and WV
- Barstool Slots is live in NJ and WV, with MI planned for later this quarter
- These games have **generated over 20% of our iCasino handle since launch**, while helping to facilitate cross-sell and reduce third party costs

Future Game Roadmap

theScore's Media Growth

theScore's media business produced significant revenue growth and increased user engagement in the quarter.

Media Revenue Growth

Record media revenue driven by advertisers across North America eager to reach our broad and active audience:

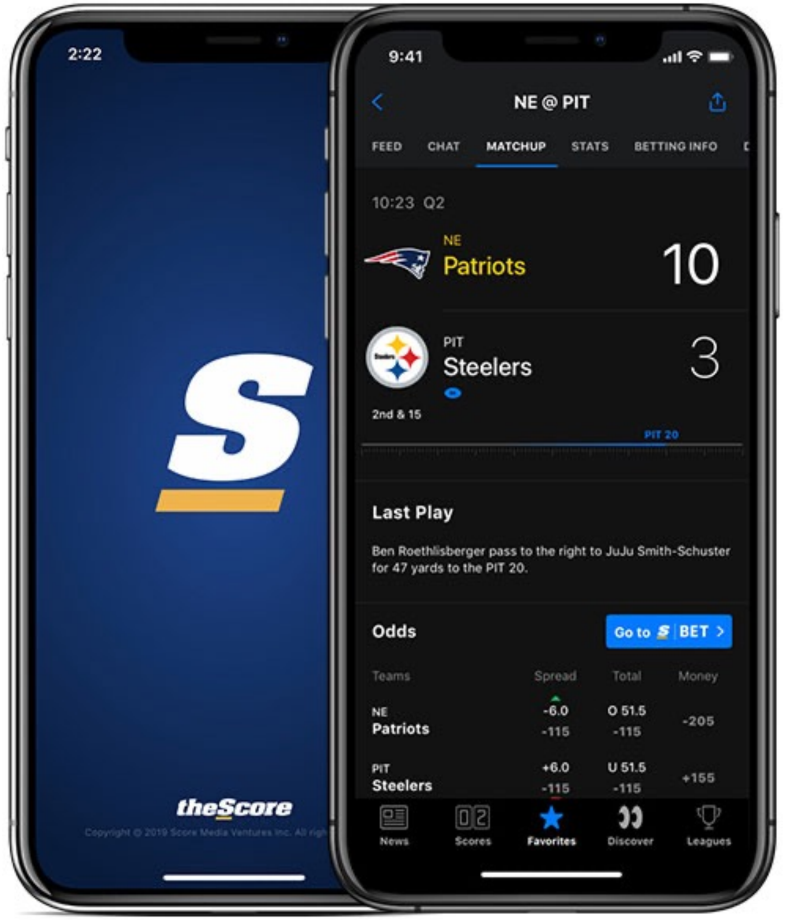
+32%
Q4 Y/Y Growth

+76%
2021 Y/Y Growth

User Growth and Engagement

Strong media app performance as engagement continues to grow across our large and loyal user base

- **1.8 billion** user sessions, **up 30%** vs. 2020
- Users opened the app an average of **143 times** each month, **up 22%** year-over-year
- **4.2 million** average monthly active users on the media app, **up 7%** vs. 2020



Results include revenue earned and media metrics prior to theScore being acquired by Penn National on Oct. 19, 2021

Barstool Sports Bars

The first Barstool-branded sports bar opened on January 8, 2022 in the River North area of Chicago, representing a further extension of our unique omni-channel strategy.

ESG Update

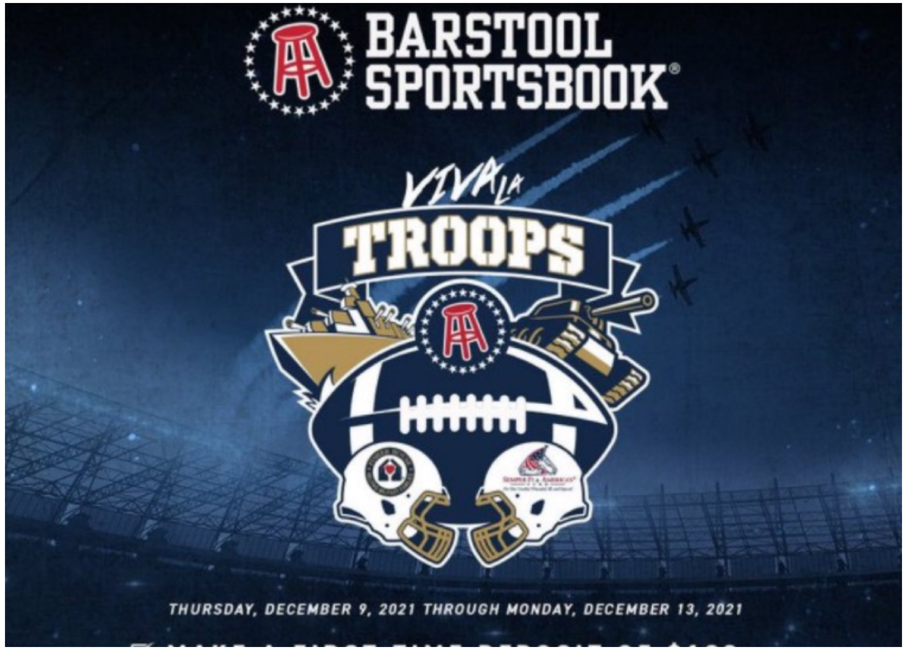
Diversity, Equity and Inclusion

- We committed more than $4 million to fund STEM scholarships and internship opportunities at Historically Black Colleges and Universities
- We committed another $1 million to our Diversity Scholarship Program for the children of team members and are now accepting applications for the 2021-2022 school year
- Our Diversity Committee created an emerging leaders development program to focus on hourly and early career team members wanting to grow into a leadership position

Environment

We reduced annual Kwh consumption by 10%, equaling 42k tons of greenhouse gas elimination, while also prioritizing sustainable food production and supply chains through fair trade, hormone-free and reduced antibiotic procurement

ESG Update (cont.)



Community

- Barstool Sportsbook's Army Navy Game promo, "Viva la Troops," raised $200k for Semper Fi Fund and Fisher House to support veterans
- We are approaching 100,000 customers enrolled in our my**heroes** special loyalty program for veterans, active duty and first responders
- We raised $100,000 during the test nights for Hollywood Casino Morgantown with the proceeds supporting the United Way of Berks County, the Jared Yoder Foundation, which runs a homeless veteran's shelter, and a local food pantry

Responsible Gaming

- We joined American Gaming Association's *"Have A Game Plan"* initiative, a nationwide consumer education campaign on the fundamentals of responsible sports betting

Appendices

GAAP to Non-GAAP Reconciliation

($ in millions, unaudited)	For the three months ended December 31, 2021	2020	2019	For the year ended December 31, 2021	2020	2019
Net income (loss)	**$44.8**	**$12.7**	**($92.9)**	**$420.5**	**($669.1)**	**$43.1**
Income tax expense (benefit)	8.5	7.1	(10.0)	118.6	(165.1)	43.0
Loss on early extinguishment of debt	-	1.2	-	-	1.2	-
Income from unconsolidated affiliates	(10.9)	(6.4)	(6.7)	(38.7)	(13.8)	(28.4)
Interest expense, net	143.1	136.1	133.7	561.7	543.2	534.2
Other expenses (income)	40.6	(31.1)	(12.8)	(2.5)	(106.6)	(20.0)
Operating income (loss)	**$226.1**	**$119.6**	**$11.3**	**$1,059.6**	**($410.2)**	**$571.9**
Stock-based compensation	13.2	2.8	4.5	35.1	14.5	14.9
Cash-settled stock-based awards variance	(13.1)	20.5	7.2	1.2	67.2	0.8
Loss (gain) on disposal of assets	1.0	4.7	(2.8)	1.1	(29.2)	5.5
Contingent purchase price	-	0.3	-	1.9	(1.1)	7.0
Pre-opening expenses (1)	2.6	0.3	6.8	5.4	11.8	22.3
Depreciation and amortization	97.6	91.4	97.8	344.5	366.7	414.2
Impairment losses	-	7.3	173.1	-	623.4	173.1
Insurance recoveries, net of deductible charges	-	-	(1.5)	-	(0.1)	(3.0)
Income from unconsolidated affiliates	10.9	6.4	6.7	38.7	13.8	28.4
Non-operating items of equity method investments (2)	1.7	1.5	0.9	7.7	4.7	3.7
Other expenses (1)(3)	29.0	1.1	-	44.8	13.5	-
Adjusted EBITDA	**$369.0**	**$255.9**	**$304.0**	**$1,540.0**	**$675.0**	**$1,238.8**
Rent expense associated with triple net operating leases	111.5	109.5	95.4	454.4	419.8	366.4
Adjusted EBITDAR	**$480.5**	**$365.4**	**$399.4**	**$1,994.4**	**$1,094.8**	**$1,605.2**
Net income (loss) margin	2.8%	1.2%	(6.9)%	7.1%	(18.7)%	0.8%
Adjusted EBITDAR margin	30.6%	35.6%	29.8%	33.8%	30.6%	30.3%

(1) During 2019, 2020 and during the first quarter of 2021, acquisition costs were included within pre-opening and acquisition costs. Beginning with the quarter ended June 30, 2021, acquisition costs are presented as part of other expenses.
(2) Consists principally of interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense associated with Barstool Sports, Inc. and our Kansas Entertainment, LLC joint venture. We record our portion of Barstool Sports, Inc.'s net income or loss, including adjustments to arrive at Adjusted EBITDAR, one quarter in arrears.
(3) Consists of non-recurring acquisition and transaction costs, finance transformation costs associated with the implementation of our new Enterprise Resource Management system and non-recurring restructuring charges (primarily severance) associated with a company-wide initiative, triggered by the COVID-19 pandemic, designed to (i) improve the operational effectiveness across our property portfolio; (ii) improve the effectiveness and efficiency of our Corporate functional support area.

GAAP to Non-GAAP Reconciliation

($ in millions, unaudited)	For the three months ended December 31, 2021	For the three months ended December 31, 2019	For the year ended December 31, 2021	For the year ended December 31, 2019
Net income (loss)	**$44.8**	**($92.9)**	**$420.5**	**$43.1**
Income tax expense (benefit)	8.5	(10.0)	118.6	43.0
Income from unconsolidated affiliates	(10.9)	(6.7)	(38.7)	(28.4)
Interest expense, net	143.1	133.7	561.7	534.2
Other expenses (income)	40.6	(12.8)	(2.5)	(20.0)
Operating income	**$226.1**	**$11.3**	**$1,059.6**	**$571.9**
Pro-forma EBITDAR Adjustments (1)	5.3	3.8	14.5	40.8
Stock-based compensation	13.2	4.5	35.1	14.9
Cash-settled stock-based awards variance	(13.1)	7.2	1.2	0.8
Loss (gain) on disposal of assets	1.0	(2.8)	1.1	5.5
Contingent purchase price	-	-	1.9	7.0
Pre-opening expenses (2)	2.6	6.8	5.4	22.3
Depreciation and amortization	97.6	97.8	344.5	414.2
Impairment losses	-	173.1	-	173.1
Insurance recoveries, net of deductible charges	-	(1.5)	-	(3.0)
Income from unconsolidated affiliates	10.9	6.7	38.7	28.4
Non-operating items of equity method investments (3)	1.7	0.9	7.7	3.7
Other expenses (2)(4)	29.0	-	44.8	-
Combined Adjusted EBITDA (5)	**$374.3**	**$307.8**	**$1,554.5**	**$1,279.6**
Rent expense associated with triple net operating leases	111.5	95.4	454.4	387.5
Combined Adjusted EBITDAR (5)	**$485.8**	**$403.2**	**$2,008.9**	**$1,667.1**

(1) Pro-forma EBITDAR Adjustments include (i)the operating results of Perryville, Sam Houston, and Greektown which were derived from historical financial information and were adjusted to conform to Penn National's methodology of allocating certain corporate expenses to properties; (ii) adjustments to assume that Resorts Casino Tunica was not a part of Penn National during the historical periods beginning on January 1, 2019, as Resorts Casino Tunica ceased operations on June 30, 2019; (iii) adjustments to exclude the operating results of theScore, which was acquired on October 19, 2021 and to exclude York and Morgantown, which opened August 12, 2021 and December, 22, 2021 respectively.
(2) During 2019 and during the first quarter of 2021, acquisition costs were included within pre-opening and acquisition costs. Beginning with the quarter ended June 30, 2021, acquisition costs are presented as part of other expenses.
(3) Consists principally of interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense associated with Barstool Sports, Inc. and our Kansas Entertainment, LLC joint venture. We record our portion of Barstool Sports, Inc.'s net income or loss, including adjustments to arrive at Adjusted EBITDAR, one quarter in arrears.
(4) Consists of non-recurring acquisition and transaction costs, finance transformation costs associated with the implementation of our new Enterprise Resource Management system and non-recurring restructuring charges (primarily severance) associated with a company-wide initiative, triggered by the COVID-19 pandemic, designed to (i) improve the operational effectiveness across our property portfolio; (ii) improve the effectiveness and efficiency of our Corporate functional support area.
(5) See the "Non-GAAP Financial Measures" section above for more information, including the definition of Combined Adjusted EBITDA and Combined Adjusted EBITDAR.

GAAP to Non-GAAP Reconciliation

(in millions, unaudited)	Penn National, as Reported	Pro-forma Adjustments [1]	Combined
	For the three months ended December 31, 2019		
Revenues	$1,341.2	23.4	$1,364.6
Net Income	($92.9)	1.7	($91.2)

(in millions, unaudited)	Penn National, as Reported	Pro-forma Adjustments [1]	Combined
	For the year ended December 31, 2019		
Revenues	$5,301.4	226.7	$5,528.1
Net Income	$43.1	26.7	$69.8

(in millions, unaudited)	Penn National, as Reported	Pro-forma Adjustments [1]	Combined
	For the three months ended December 31, 2021		
Revenues	$1,572.5	(32.5)	$1,540.0
Net Income	$44.8	21.6	$66.4

(in millions, unaudited)	Penn National, as Reported	Pro-forma Adjustments [1]	Combined
	For the year ended December 31, 2021		
Revenues	$5,905.0	12.8	$5,917.8
Net Income	$420.5	33.1	$453.6

(1) Pro-forma Adjustments include (i)the operating results of Perryville, Sam Houston, and Greektown which were derived from historical financial information and were adjusted to conform to Penn National's methodology of allocating certain corporate expenses to properties; (ii) adjustments to assume that Resorts Casino Tunica was not a part of Penn National during the historical periods beginning on January 1, 2019, as Resorts Casino Tunica ceased operations on June 30, 2019; (iii) adjustments to exclude the operating results of theScore, which was acquired on October 19, 2021 and to exclude York and Morgantown, which opened August 12, 2021 and December, 22, 2021 respectively.