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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 0-24206

PENN Entertainment, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-2234473**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
825 Berkshire Blvd., Suite 200 Wyomissing, Pennsylvania	**19610**
(Address of principal executive offices)	(Zip code)

(610) 373-2400

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	PENN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of May 7, 2025, the number of shares of the registrant's common stock outstanding was 151,001,976 (including 380,478 shares of a subsidiary of registrant which are exchangeable into registrant's common stock).

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions, except share and per share data)	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 591.6	$ 706.6
Accounts receivable, net	253.3	256.8
Prepaid expenses	127.5	152.3
Other current assets	45.1	38.7
Total current assets	1,017.5	1,154.4
Property and equipment, net	3,769.2	3,705.0
Investment in and advances to unconsolidated affiliates	89.0	86.2
Goodwill	2,563.0	2,563.1
Other intangible assets, net	1,523.8	1,529.9
Operating lease right-of-use assets	3,905.0	3,976.8
Finance lease right-of-use assets	1,991.8	2,014.3
Other assets	230.7	232.0
Total assets	$ 15,090.0	$ 15,261.7
Liabilities		
Current liabilities		
Accounts payable	$ 65.6	$ 50.8
Current maturities of long-term debt	38.2	38.2
Current portion of financing obligations	44.0	43.5
Current portion of operating lease liabilities	332.0	322.1
Current portion of finance lease liabilities	54.0	53.2
Accrued expenses and other current liabilities	840.1	907.3
Total current liabilities	1,373.9	1,415.1
Long-term debt, net of current maturities, debt discounts, and debt issuance costs	2,583.5	2,732.5
Long-term portion of financing obligations	2,332.0	2,343.1
Long-term portion of operating lease liabilities	3,577.1	3,654.3
Long-term portion of finance lease liabilities	2,048.7	2,062.3
Deferred income taxes	72.6	61.0
Other long-term liabilities	132.8	135.0
Total liabilities	12,120.6	12,403.3
Commitments and contingencies (Note 8)		
Stockholders' equity		
Series B Preferred stock ($0.01 par value, 1,000,000 shares authorized, no shares issued and outstanding)	—	—
Series C Preferred stock ($0.01 par value, 18,500 shares authorized, no shares issued and outstanding)	—	—
Series D Preferred stock ($0.01 par value, 5,000 shares authorized, no shares issued and outstanding)	—	—
Common stock ($0.01 par value, 400,000,000 shares authorized, 177,816,495 and 177,396,073 shares issued, and 151,235,711 and 152,229,171 shares outstanding)	1.8	1.8
Exchangeable shares ($0.01 par value, 768,441 shares authorized in both periods, 768,441 shares issued in both periods, 380,478 and 466,534 shares outstanding)	—	—
Treasury stock, at cost (26,580,784 and 25,166,902 shares)	(804.6)	(779.5)
Additional paid-in capital	4,567.3	4,542.4
Accumulated deficit	(535.2)	(647.0)
Accumulated other comprehensive loss	(255.3)	(255.0)
Total PENN Entertainment, Inc. stockholders' equity	2,974.0	2,862.7
Non-controlling interest	(4.6)	(4.3)
Total stockholders' equity	2,969.4	2,858.4
Total liabilities and stockholders' equity	$ 15,090.0	$ 15,261.7

See accompanying notes to the unaudited Consolidated Financial Statements.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(in millions, except per share data)	For the three months ended March 31, 2025	2024
Revenues		
Gaming	$ 1,298.3	$ 1,258.3
Food, beverage, hotel, and other	374.2	348.6
Total revenues	1,672.5	1,606.9
Operating expenses		
Gaming	853.8	879.5
Food, beverage, hotel, and other	264.9	251.2
General and administrative	403.0	388.9
Depreciation and amortization	108.0	108.7
Total operating expenses	1,629.7	1,628.3
Operating income (loss)	42.8	(21.4)
Other income (expenses)		
Interest expense, net	(110.8)	(119.1)
Interest income	3.2	7.1
Income from unconsolidated affiliates	7.6	7.2
Gain on financing arrangement	215.1	—
Other	1.3	(1.3)
Total other income (expenses)	116.4	(106.1)
Income (loss) before income taxes	159.2	(127.5)
Income tax benefit (expense)	(47.7)	12.6
Net income (loss)	111.5	(114.9)
Less: Net loss attributable to non-controlling interest	0.3	0.2
Net income (loss) attributable to PENN Entertainment, Inc.	$ 111.8	$ (114.7)
Earnings (loss) per share:		
Basic earnings (loss) per share	$ 0.73	$ (0.76)
Diluted earnings (loss) per share	$ 0.68	$ (0.76)
Weighted-average common shares outstanding—basic	152.3	151.9
Weighted-average common shares outstanding—diluted	167.0	151.9

See accompanying notes to the unaudited Consolidated Financial Statements.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

(in millions)	**For the three months ended March 31, 2025**	**2024**
Net income (loss)	$ 111.5	$ (114.9)
Other comprehensive loss, net of tax:		
Foreign currency translation adjustment during the period	(0.3)	(36.0)
Other comprehensive loss	(0.3)	(36.0)
Total comprehensive income (loss)	111.2	(150.9)
Less: Comprehensive loss attributable to non-controlling interest	0.3	0.2
Comprehensive income (loss) attributable to PENN Entertainment, Inc.	$ 111.5	$ (150.7)

See accompanying notes to the unaudited Consolidated Financial Statements.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

Three Months Ended March 31, 2025 and 2024

	Preferred Stock		Common Stock										
(in millions, except share data)	**Shares**	**Amount**	**PENN Entertainment, Inc. Shares**	**Amount**	**Exchangeable Shares**	**Amount**	**Treasury Stock**	**Additional Paid-In Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Loss**	**Total PENN Stockholders' Equity**	**Non-Controlling Interest**	**Total Stockholders' Equity**
Balance as of January 1, 2025	—	$ —	152,229,171	$ 1.8	466,534	$ —	$ (779.5)	$ 4,542.4	$ (647.0)	$ (255.0)	$ 2,862.7	$ (4.3)	$ 2,858.4
Share-based compensation arrangements	—	—	334,366	—	—	—	—	15.6	—	—	15.6	—	15.6
Share repurchases	—	—	(1,413,882)	—	—	—	(25.0)	—	—	—	(25.0)	—	(25.0)
Exchangeable share conversions	—	—	86,056	—	(86,056)	—	—	—	—	—	—	—	—
Investment Agreement warrants	—	—	—	—	—	—	—	14.2	—	—	14.2	—	14.2
Currency translation adjustment	—	—	—	—	—	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Net income (loss)	—	—	—	—	—	—	—	—	111.8	—	111.8	(0.3)	111.5
Other	—	—	—	—	—	—	(0.1)	(4.9)	—	—	(5.0)	—	(5.0)
Balance as of March 31, 2025	—	$ —	151,235,711	$ 1.8	380,478	$ —	$ (804.6)	$ 4,567.3	$ (535.2)	$ (255.3)	$ 2,974.0	$ (4.6)	$ 2,969.4
Balance as of January 1, 2024	—	$ —	151,552,694	$ 1.8	560,267	$ —	$ (779.5)	$ 4,436.6	$ (335.5)	$ (121.3)	$ 3,202.1	$ (2.5)	$ 3,199.6
Share-based compensation arrangements	—	—	246,970	—	—	—	—	11.9	—	—	11.9	—	11.9
Exchangeable share issuance	—	—	—	—	68,048	—	—	—	—	—	—	—	—
Exchangeable share conversions	—	—	71,141	—	(71,141)	—	—	—	—	—	—	—	—
Investment Agreement warrants	—	—	—	—	—	—	—	14.3	—	—	14.3	—	14.3
Currency translation adjustment	—	—	—	—	—	—	—	—	—	(36.0)	(36.0)	—	(36.0)
Net loss	—	—	—	—	—	—	—	—	(114.7)	—	(114.7)	(0.2)	(114.9)
Other	—	—	—	—	—	—	—	(2.9)	—	—	(2.9)	—	(2.9)
Balance as of March 31, 2024	—	$ —	151,870,805	$ 1.8	557,174	$ —	$ (779.5)	$ 4,459.9	$ (450.2)	$ (157.3)	$ 3,074.7	$ (2.7)	$ 3,072.0

See accompanying notes to the unaudited Consolidated Financial Statements.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in millions)	**For the three months ended March 31, 2025**	**2024**
Operating activities		
Net income (loss)	$ 111.5	$ (114.9)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	108.0	108.7
Amortization of debt discounts and debt issuance costs	2.3	2.2
Non-cash interest expense	14.0	10.6
Non-cash operating lease expense	83.5	77.7
Income from unconsolidated affiliates	(7.6)	(7.2)
Return on investment from unconsolidated affiliates	8.3	7.3
Deferred income taxes	11.5	(72.3)
Stock-based compensation	15.6	11.9
Investment Agreement warrant expense	14.2	18.7
Gain on financing arrangement	(215.1)	—
Changes in operating assets and liabilities		
Accounts receivable	0.9	35.9
Prepaid expenses and other current assets	(8.6)	(0.5)
Other assets	1.7	(6.2)
Accounts payable	4.0	1.5
Accrued expenses	(64.2)	(81.7)
Income taxes	55.8	58.3
Operating lease liabilities	(78.9)	(72.4)
Other current and long-term liabilities	(19.9)	(52.5)
Other	4.9	6.2
Net cash provided by (used in) operating activities	41.9	(68.7)
Investing activities		
Capital expenditures	(125.2)	(41.4)
Other	(10.7)	(5.9)
Net cash used in investing activities	(135.9)	(47.3)
Financing activities		
Proceeds from revolving credit facility	150.0	—
Repayments of revolving credit facility	(90.0)	—
Principal payments on long-term debt	(9.4)	(9.4)
Debt issuance costs	—	(2.6)
Principal payments on financing obligations	(10.7)	(10.0)
Principal payments on finance leases	(13.1)	(12.2)
Repurchase of common stock	(25.0)	—
Payments on insurance financing	(12.4)	(12.2)
Other	(5.6)	(3.7)
Net cash used in financing activities	(16.2)	(50.1)
Effect of currency rate changes on cash, cash equivalents, and restricted cash	—	(0.8)
Change in cash, cash equivalents, and restricted cash	(110.2)	(166.9)
Cash, cash equivalents, and restricted cash at the beginning of the year	723.8	1,094.4
Cash, cash equivalents, and restricted cash at the end of the period	$ 613.6	$ 927.5

(in millions)	For the three months ended March 31, 2025	2024
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 591.6	$ 903.6
Restricted cash included in Other current assets	20.8	22.7
Restricted cash included in Other assets	1.2	1.2
Total cash, cash equivalents, and restricted cash	$ 613.6	$ 927.5
Supplemental disclosure:		
Cash paid for interest, net of amounts capitalized	$ 102.0	$ 114.0
Cash payments (refunds) related to income taxes, net	$ (19.7)	$ 0.6
Non-cash activities:		
Accrued capital expenditures	$ 67.7	$ 12.7

See accompanying notes to the unaudited Consolidated Financial Statements.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1—Organization

Organization: PENN Entertainment, Inc., together with its subsidiaries ("PENN," or the "Company"), is North America's leading provider of integrated entertainment, sports content, and casino gaming experiences. As of the date of this filing, PENN operated in 28 jurisdictions throughout North America, with a broadly diversified portfolio of casinos, racetracks, and online sports betting and iCasino offerings under well-recognized brands including Hollywood Casino®, L'Auberge®, ESPN BET™, theScore BET Sportsbook and Casino®. PENN's ability to leverage its partnership with ESPN, Inc. and ESPN Enterprises, Inc. (together, "ESPN"), the "worldwide leader in sports," and its ownership of theScore®, the top digital sports media brand in Canada, is central to the Company's highly differentiated strategy to expand its footprint and efficiently grow its customer ecosystem. PENN's focus on organic cross-sell opportunities is reinforced by its market-leading retail casinos, sports media assets, and technology, including a proprietary state-of-the-art, fully integrated digital sports and iCasino betting platform and an in-house iCasino content studio (PENN Game Studios). The Company's portfolio is further bolstered by its industry-leading PENN Play™ customer loyalty program, offering its over 32 million members a unique set of rewards and experiences.

The majority of the real estate assets (i.e., land and buildings) used in our operations are subject to triple net master leases; the most significant of which are with Gaming and Leisure Properties, Inc. (Nasdaq: GLPI) ("GLPI"), a real estate investment trust ("REIT"), and include the AR PENN Master Lease, 2023 Master Lease, and Pinnacle Master Lease (as such terms are defined in Note 6, "Leases" and collectively referred to as the "Master Leases").

Note 2—Significant Accounting Policies and Basis of Presentation

Basis of Presentation: The unaudited Consolidated Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and with the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement have been included.

Results of operations and cash flows for the interim periods presented herein are not necessarily indicative of the results that would be achieved during a full year of operations or in future periods. These unaudited Consolidated Financial Statements and notes thereto should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Principles of Consolidation: The unaudited Consolidated Financial Statements include the accounts of PENN Entertainment, Inc. and its subsidiaries. Investments in and advances to unconsolidated affiliates that do not meet the consolidation criteria of the authoritative guidance for voting interest entities ("VOEs") or variable interest entities ("VIEs") are accounted for under the equity method. All intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications: Certain reclassifications have been made to conform the prior period presentation with current year presentation.

Use of Estimates: The preparation of unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities at the date of the financial statements, and (iii) the reported amounts of revenues and expenses during the reporting period. We applied estimation methods consistently for the periods presented within our unaudited Consolidated Financial Statements. Actual results may differ from those estimates.

Segment Information: We have five reportable segments: Northeast, South, West, Midwest, and Interactive. Our gaming and racing properties are grouped by geographic location, and each is viewed as an operating segment with the exception of our two properties in Jackpot, Nevada, which are viewed as one operating segment. We consider our combined Video Gaming Terminal ("VGT") operations, by state, to be separate operating segments.

The Northeast, South, West, and Midwest segments (referred to as our "retail segments") primarily generate revenue from gaming operations (such as slot machines and table games), food and beverage offerings, and hotel visitation. The Interactive segment includes all of our online sports betting, online casino/iCasino and social gaming (collectively referred to as "online gaming") operations, management of retail sports betting, and media operations. See Note 12, "Segment Information" and Note 6, "Leases" for further segment and lease structure information, respectively. For financial reporting purposes, we aggregate our operating segments into the following reportable segments:

	Location	Real Estate Assets Lease or Ownership Structure
Northeast segment		
Ameristar East Chicago	East Chicago, Indiana	Pinnacle Master Lease
Hollywood Casino Bangor	Bangor, Maine	AR PENN Master Lease
Hollywood Casino at Charles Town Races	Charles Town, West Virginia	AR PENN Master Lease
Hollywood Casino Columbus	Columbus, Ohio	2023 Master Lease
Hollywood Casino at Greektown	Detroit, Michigan	Greektown Lease
Hollywood Casino Lawrenceburg	Lawrenceburg, Indiana	AR PENN Master Lease
Hollywood Casino Morgantown	Morgantown, Pennsylvania	Morgantown Lease (1)
Hollywood Casino at PENN National Race Course	Grantville, Pennsylvania	AR PENN Master Lease
Hollywood Casino Perryville	Perryville, Maryland	2023 Master Lease
Hollywood Casino at The Meadows	Washington, Pennsylvania	2023 Master Lease
Hollywood Casino Toledo	Toledo, Ohio	2023 Master Lease
Hollywood Casino York	York, Pennsylvania	Operating Lease (not with REIT Landlord)
Hollywood Gaming at Dayton Raceway	Dayton, Ohio	AR PENN Master Lease
Hollywood Gaming at Mahoning Valley Race Course	Youngstown, Ohio	AR PENN Master Lease
Marquee by PENN (2)	Pennsylvania	N/A
Plainridge Park Casino	Plainville, Massachusetts	Pinnacle Master Lease
South segment		
1st Jackpot Casino	Tunica, Mississippi	AR PENN Master Lease
Ameristar Vicksburg	Vicksburg, Mississippi	Pinnacle Master Lease
Boomtown Biloxi	Biloxi, Mississippi	AR PENN Master Lease
Boomtown Bossier City	Bossier City, Louisiana	Pinnacle Master Lease
Boomtown New Orleans	New Orleans, Louisiana	Pinnacle Master Lease
Hollywood Casino Gulf Coast	Bay St. Louis, Mississippi	AR PENN Master Lease
Hollywood Casino Tunica	Tunica, Mississippi	AR PENN Master Lease
L'Auberge Baton Rouge	Baton Rouge, Louisiana	Pinnacle Master Lease
L'Auberge Lake Charles	Lake Charles, Louisiana	Pinnacle Master Lease
Margaritaville Resort Casino	Bossier City, Louisiana	Margaritaville Lease
West segment		
Ameristar Black Hawk	Black Hawk, Colorado	Pinnacle Master Lease
Cactus Petes and Horseshu	Jackpot, Nevada	Pinnacle Master Lease
M Resort Spa Casino	Henderson, Nevada	2023 Master Lease
Zia Park Casino	Hobbs, New Mexico	AR PENN Master Lease
Midwest segment		
Ameristar Council Bluffs	Council Bluffs, Iowa	Pinnacle Master Lease
Argosy Casino Alton (3)	Alton, Illinois	AR PENN Master Lease
Argosy Casino Riverside	Riverside, Missouri	AR PENN Master Lease
Hollywood Casino Aurora	Aurora, Illinois	2023 Master Lease
Hollywood Casino Joliet	Joliet, Illinois	2023 Master Lease
Hollywood Casino at Kansas Speedway (4)	Kansas City, Kansas	Owned - Joint Venture
Hollywood Casino St. Louis	Maryland Heights, Missouri	AR PENN Master Lease
Prairie State Gaming (2)	Illinois	N/A
River City Casino	St. Louis, Missouri	Pinnacle Master Lease

(1) Upon termination of the Morgantown Lease, ownership of the constructed building and all tenant improvements will transfer from the Company to GLPI.

(2) VGT route operations.

(3) The riverboat is owned by us and not subject to the AR PENN Master Lease.

(4) Pursuant to a joint venture with NASCAR Holdings LLC and includes the Company's 50% investment in Kansas Entertainment, LLC ("Kansas Entertainment"), which owns Hollywood Casino at Kansas Speedway.

Revenue Recognition: Our revenue from contracts with customers consists primarily of gaming wagers, inclusive of sports betting and iCasino products, food and beverage transactions, hotel room sales, retail transactions, racing wagers, and third-party revenue sharing agreements. See Note 4, "Revenue Disaggregation" for information on our revenue by type and geographic location.

Complimentaries Associated with Gaming Contracts

Food, beverage, hotel, and other services furnished to patrons for free as an inducement to gamble at our retail properties or through the redemption of our customers' loyalty points are recorded as "Food, beverage, hotel, and other" revenues at their estimated standalone selling prices, with an offset recorded as a reduction to "Gaming" revenues. The cost of providing complimentary goods and services to patrons as an inducement to gamble as well as for the fulfillment of our loyalty point obligation is included in "Food, beverage, hotel, and other" expenses. Revenues recorded to "Food, beverage, hotel, and other" and offset to "Gaming" revenues were as follows:

	For the three months ended March 31,	
(in millions)	**2025**	**2024**
Food and beverage	$ 58.1	$ 53.5
Hotel	34.2	34.0
Other	1.6	2.7
Total complimentaries associated with gaming contracts	$ 93.9	$ 90.2

Additionally, the Company provides discretionary complimentaries in the form of online casino gaming slots and table games and online sports betting free play bonuses. Free play bonuses provided to patrons indirectly contribute to the gaming revenue earned by the Company and are recorded as a reduction of "Gaming" revenues.

Customer-related Liabilities

The Company has three general types of liabilities related to contracts with customers: (i) the obligation associated with its PENN Play program (loyalty points and tier status benefits), (ii) advance payments on goods and services yet to be provided and for unpaid wagers, and (iii) deferred revenue associated with third-party online sports betting and/or iCasino for online sports betting and iCasino market access.

Our PENN Play program connects the Company's brands under one loyalty program and allows members to earn loyalty points, or "PENN Cash," redeemable for slot play and complimentaries, such as food and beverage at our restaurants, lodging at our hotels, the PENN Play redemption marketplace that features popular retailers, and products offered at our retail stores across the vast majority of our properties. In addition, members of the PENN Play program earn credit toward tier status, which entitles them to receive certain other benefits, such as priority access, discounts, gifts, trips to PENN destinations, partner experiences, and PENN Cash. The obligation associated with our PENN Play program, which is included in "Accrued expenses and other current liabilities" within our unaudited Consolidated Balance Sheets, was $32.9 million and $29.7 million as of March 31, 2025 and December 31, 2024, respectively, and consisted primarily of the obligation associated with the loyalty points. Our loyalty point obligations are generally settled within six months of issuance. Changes between the opening and closing balances primarily relate to the timing of our customers' election to redeem loyalty points as well as the timing of when our customers receive their earned tier status benefits.

The Company's advance payments on goods and services yet to be provided and for unpaid wagers primarily consist of the following: (i) deposits on rooms and convention space, (ii) money deposited on behalf of a customer in advance of their property visit (referred to as "safekeeping" or "front money"), (iii) money deposited in an online wallet not yet wagered, (iv) money deposited in an online wallet for pending and concluded wagers not yet withdrawn, (v) outstanding tickets generated by slot machine play, sports betting, or pari-mutuel wagering, (vi) outstanding chip liabilities, (vii) unclaimed jackpots, and (viii) gift cards redeemable at our properties. Unpaid wagers generally represent obligations stemming from prior wagering events, of which revenue was previously recognized. The Company's advance payments on goods and services yet to be provided and for unpaid wagers were $141.8 million and $151.4 million as of March 31, 2025 and December 31, 2024, respectively, and are included in "Accrued expenses and other current liabilities" within our unaudited Consolidated Balance Sheets.

The Company's deferred revenue is primarily related to PENN Interactive, our wholly owned interactive division, which enters into multi-year agreements with third-party online sports betting and/or iCasino operators for online sports betting and iCasino market access across our portfolio of properties.

As of March 31, 2025 and December 31, 2024, our deferred revenue balance was $40.3 million and $42.6 million, respectively, the majority of which is included in "Other long-term liabilities" within our unaudited Consolidated Balance Sheets. During the three months ended March 31, 2025 and 2024, we recognized revenue of $3.6 million and $0.9 million, respectively, that was included in the December 31, 2024 and 2023 deferred revenue balance.

Advertising: The Company expenses advertising costs the first time the advertising takes place or as incurred. Advertising expenses are primarily included in "Gaming" expenses within the unaudited Consolidated Statements of Operations and were $99.9 million and $136.0 million for the three months ended March 31, 2025 and 2024, respectively. Advertising expense includes media marketing services and brand and other rights provided by ESPN pursuant to the Sportsbook Agreement (as defined in Note 8, "Commitments and Contingencies") and other media placement costs.

Gaming and Pari-mutuel Taxes: We are subject to gaming and pari-mutuel taxes based on gross gaming revenue and pari-mutuel revenue in the jurisdictions in which we operate, as well as taxes on revenues derived from arrangements which allow for third-party online sports betting and/or iCasino partners to operate online sportsbooks and iCasinos under our gaming licenses. The Company primarily recognizes gaming and pari-mutuel tax expense based on the statutorily required percentage of revenue that is required to be paid to state, provincial and/or local jurisdictions in the states and provinces where or in which the wagering occurs. Also included in gaming and pari-mutuel taxes are costs to support the operations of local regulatory authorities which some jurisdictions require us to pay. Gaming and pari-mutuel taxes are recorded in "Gaming" expenses or "Food, beverage, hotel, and other" expenses within the unaudited Consolidated Statements of Operations and were $609.9 million and $592.0 million for the three months ended March 31, 2025 and 2024, respectively.

Foreign Currency Translation: The functional currency of the Company's foreign subsidiaries is the local currency in which the subsidiary operates. Balance sheet accounts are translated at the exchange rate in effect at each balance sheet date. Translation adjustments resulting from this process are recorded to other comprehensive income (loss). Revenues and expenses are translated at the average exchange rates during the year. Gains or losses resulting from foreign currency transactions are included in "Other" within our unaudited Consolidated Statements of Operations.

Comprehensive Income or Loss and Accumulated Other Comprehensive Income or Loss: Comprehensive income (loss) includes net income or loss and all other non-stockholder changes in equity, or other comprehensive income (loss). The balance of accumulated other comprehensive income (loss) consists of foreign currency translation adjustments and unrealized gains or losses on debt securities.

Earnings or Loss Per Share: Basic earnings or loss per share ("EPS") is computed by dividing net income or loss applicable to common stock by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the additional dilution, if any, for all potentially-dilutive securities such as warrants, stock options, unvested restricted stock awards ("RSAs") and restricted stock units ("RSUs") (collectively with RSAs, "restricted stock"), and convertible debt.

Guarantees and Indemnifications: The Company accounts for indemnity obligations in accordance with ASC Topic 460-20, "Contingencies" and records a liability at fair value. On August 8, 2023, we entered into a stock purchase agreement with David Portnoy (the "Barstool SPA") and we sold 100% of the outstanding shares of Barstool common stock. Pursuant to the Barstool SPA, the Company agreed to indemnify Barstool and its subsidiaries and David Portnoy for certain tax matters. The indemnity provisions generally provide for the Company's control of defense and settlement of claims, as well as certain other costs associated with potential tax matters related to Barstool and its subsidiaries and David Portnoy. Claims under the indemnification are paid upon demand. Provisions in the Barstool SPA limit the time within which an indemnification claim can be made to the later of the resolution of the indemnification claim or the relevant statutes of limitations. In the second quarter of 2024, the Company paid $30.5 million in settlement costs under this indemnification obligation. The maximum potential amount of future payments the Company could be required to make under this indemnification agreement is not estimable at this time due to uncertainties related to potential outcomes and other unique facts and circumstances involved in the Barstool SPA. For both periods ended as of March 31, 2025 and December 31, 2024, the Company has recorded a liability of $39.5 million for this agreement. See Note 11, "Fair Value Measurements" for more information.

Note 3—New Accounting Pronouncements

Accounting Pronouncements Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 updates the requirements for a public entity to disclose its significant segment expense categories and amounts for each reportable segment. A significant segment expense is considered an expense that is significant to the segment, regularly provided to or easily computed from information regularly provided to the chief operating decision maker, and included in the reported measure of segment profit or loss. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. ASU 2023-07 required a retrospective adoption to all prior periods presented in the financial statements. The adoption of ASU 2023-07 resulted in additional disclosures in the notes to the unaudited Consolidated Financial Statements. See Note 12, "Segment Information."

Accounting Pronouncements to be Implemented

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 updates the requirements for a public entity to enhance income tax disclosures to provide a better assessment on how an entity's operations, related tax risks, tax planning, and operational opportunities affect its tax rate and prospects for future cash flows. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, on a prospective or retrospective basis, with early adoption permitted. We are assessing the guidance, noting adoption of the new standard is limited to additional disclosures in the notes to the Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"). ASU 2024-03 updates the requirements for a public entity to disclose additional information about specific income statement expense categories in the notes to financial statements. ASU 2024-03 does not change or remove current expense disclosure requirements, however, it affects where this information appears in the notes to financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, on a prospective or retrospective basis, with early adoption permitted. We are assessing the guidance and currently expect adoption of the new standard to result in additional disclosures in the notes to the Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-04, "Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments" ("ASU 2024-04"). ASU 2024-04 clarifies the determination of accounting treatment required for settlement of convertible debt (particularly, cash convertible instruments) at terms that differ from the original conversion terms. ASU 2024-04 is effective for fiscal years beginning after December 15, 2025, on a prospective or retrospective basis, with early adoption permitted. The primary purpose of the new ASU 2024-04 is to improve the relevance and consistency in application of the induced conversion guidance in Subtopic 470-20, Debt—Debt with Conversion and Other Options. We are assessing the guidance and currently do not expect the new standard to have a material impact on our Consolidated Financial Statements.

Note 4—Revenue Disaggregation

Our revenues are generated primarily by providing the following types of services: (i) gaming, inclusive of retail sports betting, iCasino, and online sports betting; (ii) food and beverage; (iii) hotel; and (iv) other. Other revenues are primarily comprised of PENN Interactive's revenues generated from third-party online sports betting and the related gross-up for taxes, racing operations, advertising, retail, and commissions received on ATM transactions. Our revenue is disaggregated by type of revenue and geographic location (with no single foreign country's revenue representing more than 10% of total consolidated revenues) of the related properties, which is consistent with our reportable segments, as follows:

	For the three months ended March 31, 2025							
(in millions)	Northeast	South	West	Midwest	Interactive [1]	Other	Intersegment Eliminations [2]	Total
Revenues:								
Gaming	$ 610.6	$ 220.7	$ 91.0	$ 252.3	$ 123.7	$ —	$ —	$ 1,298.3
Food and beverage	37.8	33.9	17.6	15.7	—	1.1	—	106.1
Hotel	11.9	24.1	16.8	8.1	—	—	—	60.9
Other	20.6	9.6	4.3	6.8	166.4	4.2	(4.7)	207.2
Total revenues	$ 680.9	$ 288.3	$ 129.7	$ 282.9	$ 290.1	$ 5.3	$ (4.7)	$ 1,672.5

	For the three months ended March 31, 2024							
(in millions)	Northeast	South	West	Midwest	Interactive [1]	Other	Intersegment Eliminations [2]	Total
Revenues:								
Gaming	$ 616.4	$ 233.8	$ 91.6	$ 260.5	$ 56.0	$ —	$ —	$ 1,258.3
Food and beverage	36.8	32.2	17.6	15.3	—	1.1	—	103.0
Hotel	11.7	22.4	15.6	8.5	—	—	—	58.2
Other	19.8	10.1	4.0	6.9	151.7	4.9	(10.0)	187.4
Total revenues	$ 684.7	$ 298.5	$ 128.8	$ 291.2	$ 207.7	$ 6.0	$ (10.0)	$ 1,606.9

(1) Other revenues within the Interactive segment are inclusive of gaming tax reimbursement amounts related to third-party online sports betting and/or iCasino partners for online sports betting and iCasino market access of $128.2 million and $116.6 million for the three months ended March 31, 2025 and 2024, respectively.

(2) Primarily represents the elimination of intersegment revenues associated with our retail sportsbooks, which are operated by PENN Interactive.

Note 5—Long-Term Debt

The table below presents long-term debt, net of current maturities, debt discounts, and issuance costs:

(in millions)	March 31, 2025	December 31, 2024
Amended Credit Facilities:		
Amended Revolving Credit Facility due 2027	$ 60.0	$ —
Amended Term Loan A Facility due 2027	474.4	481.3
Amended Term Loan B Facility due 2029	972.5	975.0
5.625% Notes due 2027	400.0	400.0
4.125% Notes due 2029	400.0	400.0
2.75% Convertible Notes due 2026	330.5	330.5
Other long-term obligations	8.6	210.5
	2,646.0	2,797.3
Less: Current maturities of long-term debt	(38.2)	(38.2)
Less: Debt discounts	(3.0)	(3.1)
Less: Debt issuance costs	(21.3)	(23.5)
	$ 2,583.5	$ 2,732.5

The following is a schedule of future minimum repayments of long-term debt as of March 31, 2025 (in millions):

Years ending December 31:		
2025 (excluding the three months ended March 31, 2025)	$	28.2
2026		368.7
2027		897.0
2028		10.8
2029		1,335.8
Thereafter		5.5
Total minimum payments	$	2,646.0

Amended Credit Facilities

On May 3, 2022, the Company entered into a Second Amended and Restated Credit Agreement with its various lenders (the "Second Amended and Restated Credit Agreement"). The Second Amended and Restated Credit Agreement provides for a $1.0 billion revolving credit facility, undrawn at close, (the "Amended Revolving Credit Facility"), a five-year $550.0 million term loan A facility (the "Amended Term Loan A Facility") and a seven-year $1.0 billion term loan B facility (the "Amended Term Loan B Facility") (together, the "Amended Credit Facilities"). The proceeds from the Amended Credit Facilities were used to repay the balances of the previous credit facilities.

The interest rates per annum applicable to loans under the Amended Credit Facilities are, at the Company's option, equal to either an adjusted secured overnight financing rate ("Term SOFR") or a base rate, plus an applicable margin. The applicable margin for each of the Amended Revolving Credit Facility and the Amended Term Loan A Facility ranges from 2.25% to 1.50% per annum for Term SOFR loans and 1.25% to 0.50% per annum for base rate loans, in each case depending on the Company's total net leverage ratio (as defined within the Second Amended and Restated Credit Agreement). The applicable margin for the Amended Term Loan B Facility was 2.75% per annum for Term SOFR loans and 1.75% per annum for base rate loans until the margins were both reduced by 25 basis points pursuant to the Second Amendment Agreement, as discussed and defined below, and effective December 4, 2024. The Amended Term Loan B Facility is subject to a Term SOFR "floor" of 0.50% per annum and a base rate "floor" of 1.50% per annum. In addition, the Company pays a commitment fee on the unused portion of the commitments under the Amended Revolving Credit Facility at a rate that ranges from 0.35% to 0.20% per annum, depending on the Company's total net leverage ratio (as defined within the Second Amended and Restated Credit Agreement).

The Amended Credit Facilities contain customary covenants that, among other things, restrict, subject to certain exceptions, the ability of the Company and certain of its subsidiaries to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations, pay dividends and make other restricted payments and prepay certain indebtedness that is subordinated in right of payment to the obligations under the Amended Credit Facilities. The Amended Credit Facilities contain two financial covenants: a maximum total net leverage ratio (as defined within the Second Amended and Restated Credit Agreement) of 4.50 to 1.00, which is subject to a step up to 5.00 to 1.00 in the case of certain significant acquisitions, and a minimum interest coverage ratio (as defined within the Second Amended and Restated Credit Agreement) of 2.00 to 1.00. The Amended Credit Facilities also contain certain customary affirmative covenants and events of default, including the occurrence of a change of control (as defined in the documents governing the Second Amended and Restated Credit Agreement), termination and certain defaults under the Master Leases (which are defined in Note 6, "Leases").

On February 15, 2024 (the "First Amendment Effective Date"), PENN entered into a First Amendment (the "First Amendment Agreement") with its various lenders amending its Amended Credit Facilities. The First Amendment Agreement provided for certain adjustments, during a specified time period ("Covenant Relief Period"), in our calculations to comply with the maximum total net leverage ratio or minimum interest coverage ratio (as such terms are defined in the Second Amended and Restated Credit Agreement). As of March 31, 2025, the Covenant Relief Period has concluded, and we are now required to maintain the specified financial ratios and satisfy the financial tests under the Amended Credit Facilities, as described above.

On December 4, 2024 (the "Second Amendment Effective Date"), PENN entered into a Second Amendment (the "Second Amendment Agreement") with its various lenders to reduce the interest rate margins applicable to the Company's approximately $978 million in existing Amended Term Loan B Facility loans from 2.75% to 2.50% for Term SOFR loans, and from 1.75% to 1.50% for base rate loans.

As of March 31, 2025, the Company had $60.0 million drawn on the Amended Revolving Credit Facility. Additionally, the Company had conditional obligations under letters of credit issued pursuant to the Amended Credit Facilities with face amounts aggregating to $20.4 million, resulting in $919.6 million of available borrowing capacity under the Amended Revolving Credit Facility. As of May 9, 2025, the Company had $105.0 million in outstanding borrowings under its Amended Revolving Credit Facility, resulting in $874.6 million in available borrowing capacity.

2.75% Unsecured Convertible Notes

In May 2020, the Company completed a public offering of $330.5 million aggregate principal amount of 2.75% unsecured convertible notes (the "Convertible Notes") that mature, unless earlier converted, redeemed, or repurchased, on May 15, 2026 at a price of par.

As of March 31, 2025 and December 31, 2024, no Convertible Notes have been converted into the Company's common stock. The maximum number of shares that could be issued to satisfy the conversion feature of the Convertible Notes is 18,360,815 as of March 31, 2025.

The Convertible Notes consisted of the following components:

(in millions)	March 31, 2025	December 31, 2024
Liability:		
Principal	$ 330.5	$ 330.5
Unamortized debt issuance costs	(2.2)	(2.6)
Net carrying amount	$ 328.3	$ 327.9

Interest expense, net

The table below presents interest expense, net:

	For the three months ended March 31,	
(in millions)	2025	2024
Interest expense	$ 120.3	$ 120.6
Capitalized interest	(9.5)	(1.5)
Interest expense, net	$ 110.8	$ 119.1

The table below presents interest expense related to the Convertible Notes:

	For the three months ended March 31,	
(in millions)	2025	2024
Coupon interest	$ 2.3	$ 2.3
Amortization of debt issuance costs	0.4	0.4
Convertible Notes interest expense	$ 2.7	$ 2.7

Debt issuance costs are amortized to interest expense over the term of the Convertible Notes at an effective interest rate of 3.3%. The remaining term of the Convertible Notes was 1.1 years as of March 31, 2025.

Covenants

Our Amended Credit Facilities, 5.625% Notes due 2027 (the "5.625% Notes"), and 4.125% Notes due 2029 (the "4.125% Notes"), require us, among other obligations, to maintain specified financial ratios and to satisfy certain financial tests. In addition, our Amended Credit Facilities, 5.625% Notes and 4.125% Notes, restrict, among other things, our ability to incur additional indebtedness, incur guarantee obligations, amend debt instruments, pay dividends, create liens on assets, make investments, engage in mergers or consolidations, and otherwise restrict corporate activities. Our debt agreements also contain customary events of default, including cross-default provisions that require us to meet certain requirements under the Master Leases (which are defined in Note 6, "Leases"), each with GLPI. If we are unable to meet our financial covenants or in the event of a cross-default, it could trigger an acceleration of payment terms.

As of March 31, 2025, the Company was in compliance with all required financial covenants. The Company believes that it will remain in compliance with all of its required financial covenants for at least the next twelve months following the date of filing this Quarterly Report on Form 10-Q with the SEC.

Other Long-Term Obligation

In February 2021, we entered into a third-party financing arrangement providing the Company with upfront and non-refundable cash proceeds of $72.5 million while permitting us to participate in future proceeds on certain claims for insurance coverage benefits from the Company's insurers (the "Insurers") for economic losses PENN sustained due to the COVID-19 pandemic. Subsequent to quarter end, on May 7, 2025, the Superior Court of Pennsylvania (the "SCP") issued a ruling on the Company's appeal of a lower court's summary judgement that found in favor of the Insurers, affirming the lower court's ruling. As a result of the SCP's ruling, the Company has determined that obligations under these claims are no longer probable. Accordingly, we recognized a non-cash gain, which consists of the cash proceeds received in 2021 of $72.5 million and $142.6 million of accreted non-cash interest. The gain was recorded as "Gain on financing arrangement" within our unaudited Consolidated Statements of Operations for the three months ended March 31, 2025.

Prior to recognizing the non-cash gain, as described above, the financing obligation was classified as a non-current liability and had a $201.2 million balance as of December 31, 2024. Consistent with an obligor's accounting under a debt instrument, period interest was accreted using an effective interest rate of 27.0% until the time that the claims and related obligations were resolved. The amount included in "Interest expense, net" within the unaudited Consolidated Statements of Operations related to this obligation was $13.9 million and $10.6 million for the three months ended March 31, 2025 and 2024, respectively.

Note 6—Leases

Master Leases

The components contained within the Master Leases are accounted for as either (i) operating leases, (ii) finance leases, or (iii) financing obligations. Changes to future lease payments that are not fixed within the Master Leases (i.e., when future escalators become known or future variable rent resets occur), which are discussed below, require the Company to either (i) increase both the ROU assets and corresponding lease liabilities with respect to operating and finance leases or (ii) record the incremental variable payment associated with the financing obligation to interest expense.

AR PENN Master Lease

On February 21, 2023, the Company and GLPI entered into an agreement to amend and restate the triple net master lease dated November 1, 2013 (the "AR PENN Master Lease"), effective January 1, 2023, to (i) remove the land and buildings for Hollywood Casino Aurora ("Aurora"), Hollywood Casino Joliet ("Joliet"), Hollywood Casino Columbus ("Columbus"), Hollywood Casino Toledo ("Toledo"), and the M Resort Spa Casino ("M Resort"), and (ii) make associated adjustments to the rent. Subsequent to the execution of the AR PENN Master Lease, the lease contains real estate assets associated with 14 of the Company's gaming facilities used in its operations. The current term of the AR PENN Master Lease expires on October 31, 2033 and thereafter contains three renewal terms of five years each on the same terms and conditions, exercisable at the Company's option. The AR PENN Master Lease along with the 2023 Master Lease (as defined and discussed below) are cross-defaulted, cross-collateralized, and coterminous, and subject to a parent guarantee.

The payment structure under the AR PENN Master Lease includes a fixed component, a portion of which is subject to an annual escalator of up to 2%, depending on the Adjusted Revenue to Rent Ratio (as defined in the AR PENN Master Lease) of 1.8:1, and a component that is based on performance, which is prospectively adjusted every five years by an amount equal to 4% of the average change in net revenues of all properties associated with the AR PENN Master Lease compared to a contractual baseline during the preceding five years ("AR PENN Percentage Rent").

The land and building components contained within the AR PENN Master Lease are classified as operating leases and are recorded to "General and administrative" within our unaudited Consolidated Statements of Operations.

The next annual escalator test date is scheduled to occur on November 1, 2025. The next AR PENN Percentage Rent reset is scheduled to occur on November 1, 2028.

2023 Master Lease

Concurrent with the execution of the AR PENN Master Lease, the Company and GLPI entered into a new triple net master lease (the "2023 Master Lease"), effective January 1, 2023, specific to the property associated with Aurora, Joliet, Columbus, Toledo, M Resort, Hollywood Casino at The Meadows ("Meadows"), and Hollywood Casino Perryville ("Perryville") and a

master development agreement (the "Master Development Agreement"). The 2023 Master Lease has an initial term through October 31, 2033 with three subsequent five-year renewal periods on the same terms and conditions, exercisable at the Company's option. The 2023 Master Lease and AR PENN Master Lease are cross-defaulted, cross-collateralized, and coterminous, and subject to a parent guarantee.

The land and building components contained within the 2023 Master Lease are classified as operating leases and are recorded to "General and administrative" within our unaudited Consolidated Statements of Operations.

The 2023 Master Lease includes a base rent (the "2023 Master Lease Base Rent") and the Master Development Agreement contains additional rent (together with the 2023 Master Lease Base Rent, the "2023 Master Lease Rent") equal to (i) 7.75% of any project funding received by PENN from GLPI for an anticipated relocation of our riverboat casino and related developments with respect to Aurora (the "Aurora Project") and (ii) a percentage, based on the then-current GLPI stock price, of any project funding received by PENN from GLPI for certain anticipated development projects with respect to Joliet, Columbus and M Resort (the "Other Development Projects," and together with the Aurora Project, the "PENN Development Projects"). The Master Development Agreement provides that GLPI will fund up to $225.0 million for the Aurora Project and, upon our request, up to $350.0 million in the aggregate for the Other Development Projects, in accordance with certain terms and conditions set forth in the Master Development Agreement. These funding obligations of GLPI expire on January 1, 2026. The 2023 Master Lease Rent will be subject to a one-time increase of $1.4 million, effective November 1, 2027. The 2023 Master Lease Rent is subject to an annual fixed escalator rent increase of 1.5% which began on November 1, 2023 and will continue to increase annually thereafter. The Master Development Agreement provides that PENN may elect not to proceed with a development project prior to GLPI's commencement of any equity or debt offering or credit facility draw intended to fund such a project or after such time in certain instances, provided that GLPI will be reimbursed for all costs and expenses incurred in connection with such discontinued project. The PENN Development Projects are all subject to necessary regulatory and other government approvals. As of the date of this filing, the Company has neither requested nor received any funding from GLPI for the PENN Development Projects.

Pinnacle Master Lease

In connection with the acquisition of Pinnacle Entertainment, Inc. on October 15, 2018, the Company assumed a triple net master lease with GLPI (the "Pinnacle Master Lease"), originally effective April 28, 2016, pursuant to which the Company leases real estate assets associated with 12 of the gaming facilities used in its operations. Upon assumption of the Pinnacle Master Lease, as amended, there were 7.5 years remaining of the initial ten-year term, with five subsequent, five-year renewal periods, on the same terms and conditions, exercisable at the Company's option. The Company has determined that the lease term is 32.5 years.

The payment structure under the Pinnacle Master Lease includes a fixed component, a portion of which is subject to an annual escalator of up to 2%, depending on the Adjusted Revenue to Rent Ratio (as defined in the Pinnacle Master Lease) of 1.8:1, and a component that is based on performance of the properties, which is prospectively adjusted every two years by an amount equal to 4% of the average change in net revenues compared to a contractual baseline during the preceding two years ("Pinnacle Percentage Rent").

The Pinnacle Master Lease contains land and building components that are classified as finance leases and financing obligations. Lease components classified as a finance lease are recorded to "Depreciation and amortization" and "Interest expense, net" within our unaudited Consolidated Statements of Operations. The Company recognizes interest expense on the lease payments related to the financing obligation under the effective yield method.

The next annual escalator test date is scheduled to occur on May 1, 2025. The next Pinnacle Percentage Rent reset is scheduled to occur on May 1, 2026.

Other Triple Net Leases with REIT Landlords

Morgantown Lease

On October 1, 2020, the Company entered into an individual triple net lease with a subsidiary of GLPI for the land underlying our development project in Morgantown, Pennsylvania ("Morgantown Lease") in exchange for $30.0 million in rent credits.

The initial term of the Morgantown Lease is 20 years with six subsequent, five-year renewal periods, exercisable at the Company's option. Initial annual rent under the Morgantown Lease is $3.0 million, subject to a 1.50% fixed annual escalation in each of the first three years subsequent to the facility opening, which occurred on December 22, 2021. Thereafter, the lease will be subject to an annual escalator consisting of either (i) 1.25%, if the consumer price index increase is greater than 0.50%, or (ii) zero, if the consumer price index increase is less than 0.50%. All improvements made on the land, including the constructed building, will be owned by the Company while the lease is in effect, however, on the expiration or termination of the Morgantown Lease, ownership of all tenant improvements on the land will transfer to GLPI.

We concluded control of the land underlying the Morgantown facility was not passed from the Company to the lessor in accordance with ASC Topic 842, "Leases," ("ASC 842"). As such we recognized a financing obligation in accordance with ASC Topic 470, "Debt," ("ASC 470") and continue to recognize the underlying land asset in "Property and equipment, net" within our unaudited Consolidated Balance Sheets. The Company recognizes interest expense on the lease payments related to the financing obligation under the effective yield method.

Margaritaville Lease

On January 1, 2019, the Company entered into an individual triple net lease with VICI Properties Inc. (NYSE: VICI) ("VICI") for the real estate assets used in the operations of Margaritaville Resort Casino (the "Margaritaville Lease"). The Margaritaville Lease has an initial term of 15 years, with four subsequent five-year renewal options on the same terms and conditions, exercisable at the Company's option. The payment structure under the Margaritaville Lease includes a fixed component, a portion that is subject to an annual escalator of up to 2% depending on a minimum coverage floor ratio of Net Revenue to Rent of 6.1:1, and a component that is based on performance, which is prospectively adjusted every two years by an amount equal to 4% of the average change in net revenues of the property compared to a contractual baseline during the preceding two years ("Margaritaville Percentage Rent").

As a result of the annual escalator test, effective as of February 1 for the lease year ended January 31, the fixed components of rent and an additional ROU asset and corresponding lease liability were recognized as follows:

(in millions)		**2025**
Annual escalator	$	0.4
Operating ROU asset and lease liability recognized	$	2.5

The Margaritaville Percentage Rent most recently reset on February 1, 2025, and will be effective until the next Margaritaville Percentage Rent reset, scheduled to occur on February 1, 2027. As a result of the Margaritaville Percentage Rent reset for the lease year ended January 31, the performance-based component of rent and an additional ROU asset and corresponding lease liability were recognized as follows:

(in millions)		**2025**
Decrease to the performance-based component of rent	$	0.4
Operating ROU asset and lease liability recognized	$	9.0

The land and building components contained within the Margaritaville Lease are classified as operating leases and are recorded to "General and administrative" within our unaudited Consolidated Statements of Operations.

Greektown Lease

On May 23, 2019, the Company entered into an individual triple net lease with VICI for the real estate assets used in the operations of Hollywood Casino at Greektown (the "Greektown Lease"). The Greektown Lease has an initial term of 15 years, with four subsequent five-year renewal options on the same terms and conditions, exercisable at the Company's option. The payment structure under the Greektown Lease includes a fixed component, a portion subject to an annual escalator of up to 2% initially determined based on an Adjusted Revenue to Rent ratio, as defined in the Greektown Lease, and subsequently amended to be determined based on an agreed upon minimum coverage floor ratio of Net Revenue to Rent, and a component that is based on performance, which is prospectively adjusted every two years by an amount equal to 4% of the average change in net revenues of the property compared to a contractual baseline during the preceding two years ("Greektown Percentage Rent").

On April 1, 2024, the lease was amended to provide for a Net Revenue to Rent coverage floor to be mutually agreed upon prior to the commencement of the ninth lease year (June 1, 2027).

The land and building components contained within the Greektown Lease are classified as operating leases and are recorded to "General and administrative" within our unaudited Consolidated Statements of Operations.

The next annual escalator test date and Greektown Percentage Rent reset are both scheduled to occur on June 1, 2025.

We refer to the Master Leases, the Morgantown Lease, the Margaritaville Lease, and the Greektown Lease, collectively, as our "Triple Net Leases."

Non-REIT Operating Leases

In addition to any operating lease components contained within the Master Leases, Margaritaville Lease, and Greektown Lease (collectively referred to as "triple net operating leases"), the Company's operating leases consist of (i) ground and levee leases to landlords which were not assumed by our REIT Landlords and remain an obligation of the Company, and (ii) buildings and equipment not associated with our REIT Landlords. Certain of our lease agreements include rental payments based on a percentage of sales over specified contractual amounts, rental payments adjusted periodically for inflation, and rental payments based on usage. The Company's leases include options to extend the lease terms. The Company's operating lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following is a maturity analysis of our operating leases, finance leases, and financing obligations as of March 31, 2025:

(in millions)	**Operating Leases**	**Finance Leases**	**Financing Obligations**
Year ended December 31,			
2025 (excluding the three months ended March 31, 2025)	$ 465.4	$ 122.0	$ 124.9
2026	622.3	152.3	166.6
2027	620.5	147.0	166.6
2028	618.7	146.9	166.6
2029	598.2	146.9	166.7
Thereafter	2,744.1	3,127.0	3,663.2
Total lease payments	5,669.2	3,842.1	4,454.6
Less: Imputed interest	(1,760.1)	(1,739.4)	(2,078.6)
Present value of future lease payments	3,909.1	2,102.7	2,376.0
Less: Current portion of lease obligations	(332.0)	(54.0)	(44.0)
Long-term portion of lease obligations	$ 3,577.1	$ 2,048.7	$ 2,332.0

Total payments made under our Triple Net Leases were as follows:

(in millions)	For the three months ended March 31, 2025	2024
AR PENN Master Lease	$ 72.1	$ 71.0
2023 Master Lease	59.8	58.9
Pinnacle Master Lease	87.4	85.2
Margaritaville Lease	6.7	6.7
Greektown Lease	13.2	13.2
Morgantown Lease	0.8	0.8
Total	$ 240.0	$ 235.8

Information related to lease term and discount rate was as follows:

	March 31, 2025	December 31, 2024
Weighted-Average Remaining Lease Term		
Operating leases	10.0 years	10.2 years
Finance leases	26.1 years	26.3 years
Financing obligations	26.3 years	26.6 years
Weighted-Average Discount Rate		
Operating leases	7.7 %	7.7 %
Finance leases	5.2 %	5.2 %
Financing obligations	5.2 %	5.2 %

The components of lease expense were as follows:

(in millions)	Location on unaudited Consolidated Statements of Operations	For the three months ended March 31, 2025	2024
Operating Lease Costs			
Rent expense associated with triple net operating leases	General and administrative	$ 155.9	$ 154.8
Operating lease cost [1]	Primarily General and administrative	4.1	5.3
Short-term lease cost	Primarily Gaming expenses	23.8	22.8
Variable lease cost [1]	Primarily Gaming expenses	0.8	1.0
Total		$ 184.6	$ 183.9
Finance Lease Costs			
Interest on lease liabilities [2]	Interest expense, net	$ 27.6	$ 27.5
Amortization of ROU assets [2]	Depreciation and amortization	22.7	21.9
Total		$ 50.3	$ 49.4
Financing Obligation Costs			
Interest on financing obligations [3]	Interest expense, net	$ 37.2	$ 36.6

(1) Excludes the operating lease costs and variable lease costs pertaining to our triple net leases with our REIT landlords classified as operating leases.
(2) Pertains to finance lease components associated with the Pinnacle Master Lease (primarily land).
(3) Pertains to the components contained within the Pinnacle Master Lease (buildings) and the Morgantown Lease.

Supplemental cash flow information related to leases was as follows:

	For the three months ended March 31,	
(in millions)	**2025**	**2024**
Non-cash lease activities:		
Commencement of operating leases	$ 11.6	$ 2.7
Commencement of finance leases	$ 0.2	$ —

Note 7—Income Taxes

The Company calculates the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate to its year-to-date pre-tax book income or loss. The tax effects of discrete items are reported in the interim period in which they occur. The effective tax rate (income taxes as a percentage of income from operations before income taxes) including discrete items was 26.2% for the three months ended March 31, 2025, as compared to 14.8% for the three months ended March 31, 2024. The effective tax rate for the three months ended March 31, 2024, was lower than the statutory federal tax rate of 21% primarily due to non-deductible executive compensation and the decrease in our valuation allowance. The change in the effective tax rate for the three months ended March 31, 2025, as compared to the corresponding prior period, was primarily due to (i) excluding certain foreign losses for which no tax benefit can be recognized in our worldwide effective tax rate calculation, (ii) non-deductible permanent items offset against tax credit utilization, (iii) state taxes, and (iv) changes to the valuation allowance. We excluded certain foreign losses from our worldwide effective tax rate calculation due to a year-to-date ordinary loss for which no benefit may be recognized. Our effective tax rate can vary from period to period depending on, among other factors, the geographic and business mix of our earnings, and changes to our valuation allowance assessment. Certain of these and other factors, including our history and projections of pre-tax earnings, are considered in assessing our ability to realize our net deferred tax assets.

As of each reporting date, the Company considers all available positive and negative evidence that could affect its view of the future realization of deferred tax assets pursuant to ASC Topic 740, “Income Taxes.” As of March 31, 2025, we intend to continue maintaining a valuation allowance on our deferred tax assets not “more likely than not” to be realized until there is sufficient positive evidence to support the reversal of all or some portion of these allowances. A reduction in the valuation allowance could result in a significant decrease to income tax expense in the period the release is recorded. Although the exact timing and valuation reversal amount are estimated, the actual determination is contingent upon the earnings level we achieve in 2025 as well as our projected income levels in future periods.

As of March 31, 2025 and December 31, 2024, the Company had accrued income taxes of $23.8 million and prepaid income taxes of $31.9 million, respectively, which were included in “Accrued expenses and other current liabilities” and “Prepaid expenses” within our unaudited Consolidated Balance Sheets, respectively.

Note 8—Commitments and Contingencies

The Company is subject to various legal and administrative proceedings relating to personal injuries, employment matters, commercial transactions, development agreements and other matters arising in the ordinary course of business. Although the Company maintains what it believes to be adequate insurance coverage to mitigate the risk of loss pertaining to covered matters, legal and administrative proceedings can be costly, time-consuming, and unpredictable. The Company does not believe that the final outcome of these matters will have a material adverse effect on its financial position, results of operations, or cash flows.

ESPN Sportsbook and Investment Agreements

On August 8, 2023, PENN entered into the Sportsbook Agreement (the “Sportsbook Agreement”) with ESPN which provides for a long-term strategic relationship between PENN and ESPN relating to online sports betting in the United States. Pursuant to the Sportsbook Agreement, PENN received the exclusive right to use the ESPN BET trademark for online sports betting in the United States.

The Sportsbook Agreement has an initial 10-year term and may be extended for an additional ten years upon mutual agreement of PENN and ESPN. In consideration for the media marketing services and brand and other rights provided by ESPN, PENN will pay $150.0 million per year in cash pursuant to the Sportsbook Agreement for the initial 10-year term and issue warrants pursuant to the Investment Agreement (as defined and described in more detail below). The Sportsbook Agreement may be terminated by either party if at the end of year three of the term ESPN BET has not achieved a specified level of market share based on gross gaming revenue in the states in which it operates while branded ESPN BET, and other terms pursuant to the agreement.

In connection with the Sportsbook Agreement, PENN and ESPN, Inc. entered into an Investment Agreement (the "Investment Agreement") on August 8, 2023. The Investment Agreement provides for the issuance to ESPN, Inc. of certain warrants to purchase shares of PENN common stock, par value $0.01 per share, and setting forth certain other governance rights of ESPN, Inc. Pursuant to the Investment Agreement PENN issued to ESPN, Inc. warrants to purchase approximately 31.8 million shares of PENN common stock. The warrants are classified as equity and contain three separate tranches which vest quarterly over ten years from the date of the Investment Agreement, provided that any remaining unvested portion of the first tranche of warrants will vest on August 8, 2032.

If the Sportsbook Agreement is terminated by ESPN due to a material breach of the Sportsbook Agreement by PENN, then all unvested warrants will immediately vest. If the Sportsbook Agreement is terminated for any other reason, then all unvested warrants will immediately be forfeited, subject to certain exceptions. At the grant date, the $550.4 million fair value of the awards was determined using the Black-Scholes option-pricing model with contractual terms ranging from 9.5 to 11.5 years, and strike prices ranging from $26.08 to $32.60.

Additionally, if after February 29, 2024 and during the term of the Sportsbook Agreement PENN achieves specified performance conditions based on an average market share based on gross gaming revenue in the states in which ESPN BET operates (as defined within the Investment Agreement), PENN could issue to ESPN, Inc. warrants to purchase up to an additional 6.4 million shares of PENN common stock. The additional warrants will be fully vested upon issuance, have an exercise price of $28.95, and will be exercisable for 10.5 years from the date of issuance.

During the three months ended March 31, 2025 and 2024, the Company recognized $37.5 million and $50.0 million of expense, respectively, related to the Sportsbook Agreement, and $14.2 million and $18.7 million, respectively, related to the Investment Agreement. Expenses related to the Sportsbook Agreement and the Investment Agreement are recorded within "Gaming" expenses on the unaudited Consolidated Statements of Operations and recognized in accordance with our policies. See Note 2, "Significant Accounting Policies and Basis of Presentation" for further information.

Note 9—Stockholders' Equity and Stock-Based Compensation

Common and Preferred Stock

In connection with the acquisition of Score Media and Gaming, Inc. ("theScore") in October 2021, the Company issued 12,319,340 shares of common stock with a par value of $0.01, and 697,539 exchangeable shares, par value $0.01 ("Exchangeable Shares") through the capital of an indirect wholly-owned subsidiary of PENN, in addition to cash consideration. Each Exchangeable Share is exchangeable into one share of PENN common stock at the option of the holder, subject to certain adjustments. Upon the acquisition of theScore, certain employees of theScore elected to have their outstanding equity awards, which were assumed under theScore plan (as defined below), issued as Exchangeable Shares, once the shares vest or are exercised. In addition, the Company may redeem all outstanding Exchangeable Shares in exchange for shares of PENN common stock at any time following the fifth anniversary of the closing, or earlier under certain circumstances.

During the three months ended March 31, 2025, we did not issue any Exchangeable Shares, as compared to 68,048 Exchangeable Shares issued during the three months ended March 31, 2024. As of both March 31, 2025 and December 31, 2024, there were 768,441 Exchangeable Shares authorized, of which 380,478 shares and 466,534 shares were outstanding, respectively.

Share Repurchase Authorization

On December 6, 2022, the Board of Directors approved a share repurchase authorization for $750.0 million (the "December 2022 Authorization"), which expires on December 31, 2025.

Repurchases by the Company are subject to available liquidity, general market and economic conditions, alternate uses for the capital, and other factors. Share repurchases may be made from time to time through a Rule 10b5-1 trading plan, open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements. There is no minimum number of shares that the Company is required to repurchase and the repurchase authorization may be suspended or discontinued at any time without prior notice.

During the three months ended March 31, 2025, the Company repurchased 1,413,882 shares of its common stock in open market transactions for $25.0 million at an average price of $17.67 per share. No shares of the Company's common stock were repurchased during the three months ended March 31, 2024.

The cost of all repurchased shares is recorded as "Treasury stock" within our unaudited Consolidated Balance Sheets.

Subsequent to the quarter ended March 31, 2025, the Company repurchased 665,972 shares of its common stock at an average price of $15.03 per share for an aggregate amount of $10.0 million. As of May 9, 2025, the remaining availability under our December 2022 Authorization was $714.2 million.

2022 Long Term Incentive Compensation Plan

On June 7, 2022, the Company's shareholders, upon the recommendation of the Company's Board of Directors, approved the Company's 2022 Long Term Incentive Compensation Plan (the "2022 Plan"). The 2022 Plan authorizes the Company to issue stock options (incentive and/or non-qualified), stock appreciation rights ("SARs"), restricted stock (shares and/or units), performance awards (shares and/or units), and cash awards to executive officers, non-employee directors, other employees, consultants, and advisors of the Company and its subsidiaries. Non-employee directors and consultants are eligible to receive all such awards, other than incentive stock options. Pursuant to the 2022 Plan, an initial 6,870,000 shares of the Company's common stock were reserved for issuance, plus any shares of common stock subject to outstanding awards under both the previous 2018 Long Term Incentive Compensation Plan, as amended ("2018 Plan") and Score Media and Gaming Inc. Second Amended and Restated Stock Option and Restricted Stock Unit Plan (the "theScore Plan") as of June 7, 2022, and outstanding awards that are forfeited or settled for cash under each of the prior plans.

On June 6, 2023, the Company's shareholders, upon the recommendation of the Company's Board of Directors, approved an amendment to the 2022 Plan (as amended, the "2022 Amended Plan"), which increased the number of shares reserved for issuance under the plan by 7,000,000 shares to 13,870,000 shares. For purposes of determining the number of shares available for issuance under the 2022 Amended Plan, stock options, restricted stock and all other equity settled awards count against the 13,870,000 share limit as one share of common stock for each share granted. Any awards that are not settled in shares of common stock are not counted against the share limit. As of March 31, 2025, there are 2,799,358 shares available for future grants under the 2022 Amended Plan.

Performance Share Program

The Company's performance share programs were adopted to provide our NEOs and certain other key executives with stock-based compensation tied directly to the Company's performance, which further aligns their interests with our shareholders and provides compensation only if the designated performance goals are met for the applicable performance periods.

The Company did not grant restricted units with performance-based vesting conditions during the three months ended March 31, 2025 and 2024. In April 2025, the Company granted 1,254,323 restricted units with performance-based vesting conditions, at target, under the 2022 Plan. The restricted performance units granted in 2025 consist of one three-year performance period over a three-year service period. The awards have the potential to be earned at between 0% and 200% of the number of shares granted depending on achievement of the performance goals and remain subject to vesting for the full three-year service period.

Stock-based Compensation Expense

Stock-based compensation expense pertains to our stock options and restricted stock, including restricted stock with performance conditions. The Company recognized stock-based compensation expense of $15.6 million and $11.9 million for the three months ended March 31, 2025 and 2024, respectively, which is included in "General and administrative" expense within the unaudited Consolidated Statements of Operations.

Note 10—Earnings (Loss) per Share

For the three months ended March 31, 2025, we recorded net income attributable to PENN. As such, we used diluted weighted-average common shares outstanding when calculating diluted income per share. Stock options, restricted stock, and convertible debt that could potentially dilute basic EPS in the future are included in the computation of diluted income per share.

For the three months ended March 31, 2024, we recorded a net loss attributable to PENN. As such, because the dilution from potential common shares was anti-dilutive, we used basic weighted-average common shares outstanding rather than diluted weighted-average common shares outstanding when calculating diluted loss per share. Stock options, restricted stock, and convertible debt that could potentially dilute basic EPS in the future, that are not included in the computation of diluted loss per share, are as follows:

	For the three months ended March 31,
(in millions)	**2024**
Assumed conversion of dilutive stock options	0.2
Assumed conversion of dilutive restricted stock	0.2
Assumed conversion of convertible debt	14.1

The following table reconciles the weighted-average common shares outstanding used in the calculation of basic EPS to the weighted-average common shares outstanding used in the calculation of diluted EPS for the three months ended March 31, 2025 and 2024:

	For the three months ended March 31,	
(in millions)	**2025**	**2024**
Weighted-average common shares outstanding	152.3	151.9
Assumed conversion of:		
Dilutive stock options	0.1	—
Dilutive restricted stock	0.5	—
Convertible debt	14.1	—
Weighted-average common shares outstanding - Diluted	167.0	151.9

Restricted stock with performance and market based vesting conditions that have not been met as of March 31, 2025 were excluded from the computation of diluted EPS.

Anti-dilutive equity-based awards are excluded from the computation of diluted EPS, and primarily consists of stock options awarded under the Company's previous and current long-term incentive compensation plans and warrants issued under the terms of the Investment Agreement on August 8, 2023 as described in Note 8, "Commitments and Contingencies."

Anti-dilutive options and warrants to purchase 35.6 million and 34.6 million shares were outstanding during the three months ended March 31, 2025 and 2024, respectively.

The Company's calculation of weighted-average common shares outstanding includes the Exchangeable Shares issued in connection with theScore acquisition, as discussed in Note 9, "Stockholders' Equity and Stock-Based Compensation." The following table presents the calculation of basic and diluted earnings (loss) per share for the Company's common stock for the three months ended March 31, 2025 and 2024:

	For the three months ended March 31,	
(in millions, except per share data)	**2025**	**2024**
Calculation of basic earnings (loss) per share:		
Net income (loss) applicable to common stock	$ 111.8	$ (114.7)
Weighted-average shares outstanding — PENN Entertainment, Inc.	151.9	151.4
Weighted-average shares outstanding — Exchangeable Shares	0.4	0.5
Weighted-average common shares outstanding — basic	152.3	151.9
Basic earnings (loss) per share	$ 0.73	$ (0.76)
Calculation of diluted earnings (loss) per share:		
Net income (loss) applicable to common stock	$ 111.8	$ (114.7)
Interest expense, net of tax [1]:		
Convertible Notes	1.8	—
Diluted income (loss) applicable to common stock	$ 113.6	$ (114.7)
Weighted-average common shares outstanding — diluted	167.0	151.9
Diluted earnings (loss) per share	$ 0.68	$ (0.76)

(1) The tax-affected rate was 21% for the three months ended March 31, 2025.

Note 11—Fair Value Measurements

ASC Topic 820, "Fair Value Measurements and Disclosures," establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). The levels of the hierarchy are described below:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions, as there is little, if any, related market activity.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy. The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate. The fair value of the Company's trade accounts receivable and payable approximates the carrying amounts.

Long-Term Debt

The fair value of our Amended Credit Facilities, 5.625% Notes, 4.125% Notes, and the Convertible Notes is estimated based on quoted prices in active markets. Due to their trading frequency, these long-term debt instruments are classified as Level 2 measurements.

Other long-term obligations as of March 31, 2025 and December 31, 2024 included a financing arrangement entered in February of 2021 (as discussed below) as well as the repayment obligation of the hotel and event center located near Hollywood Casino Lawrenceburg. The fair value of the Lawrenceburg repayment obligation is estimated based on rates consistent with the Company's credit rating for comparable terms and debt instruments and is classified as a Level 2 measurement.

Additionally, in February 2021, we entered into a third-party financing arrangement providing the Company with upfront and non-refundable cash proceeds while permitting us to participate in future proceeds on certain claims. As discussed in Note 5, "Long-Term Debt," the Company determined that obligations under these claims are no longer probable and therefore

recognized a non-cash gain related to this obligation. Prior to March 31, 2025, the financing obligation had been classified as a non-current liability and the fair value of the financing obligation was based on what we expected to be settled in a future period of which the principal was contingent and predicated on other events, plus accreted period non-cash interest using an effective interest rate of 27.0%. The financing obligation was classified as a Level 3 measurement and as of December 31, 2024 was included within our unaudited Consolidated Balance Sheets in "Long-term debt, net of current maturities, debt discounts, and debt issuance costs."

Other Liabilities

As of March 31, 2025 and December 31, 2024, other liabilities included a contingent purchase price liability related to Plainridge Park Casino, calculated based on earnings of the gaming operations over the first ten years of operations, which commenced on June 24, 2015. As of March 31, 2025, we were contractually obligated to make one additional annual payment. The fair value of this liability was estimated based on an income approach using a discounted cash flow model. This contingent purchase price liability is classified as a Level 3 measurement and is included within our unaudited Consolidated Balance Sheets in "Accrued expenses and other current liabilities."

Additionally, as of both periods ended March 31, 2025 and December 31, 2024, other liabilities include a $39.5 million tax indemnification, as described in Note 2, "Significant Accounting Policies and Basis of Presentation." Liabilities associated with the indemnification are recorded in "Other long-term liabilities" within our unaudited Consolidated Balance Sheets. The indemnity has been classified as a Level 3 measurement. Key assumptions used to estimate the fair value of the indemnification include the expected tax rate and the probability of potential outcomes based on valuation methods that utilize unobservable inputs that are significant to the overall fair value as of March 31, 2025 and December 31, 2024. The assessment of the significance of a particular input to the fair value measurement requires judgment.

The carrying amounts and estimated fair values by input level of the Company's financial instruments were as follows:

	March 31, 2025				
(in millions)	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	$ 591.6	$ 591.6	$ 591.6	$ —	$ —
Equity securities	$ 11.4	$ 11.4	$ 11.4	$ —	$ —
Available-for-sale debt securities	$ 31.5	$ 31.5	$ —	$ —	$ 31.5
Held-to-maturity securities	$ 6.7	$ 6.7	$ —	$ 6.7	$ —
Promissory notes	$ 7.9	$ 7.9	$ —	$ 7.9	$ —
Financial liabilities:					
Long-term debt					
Amended Credit Facilities	$ 1,489.2	$ 1,500.9	$ —	$ 1,500.9	$ —
5.625% Notes	$ 399.9	$ 392.0	$ —	$ 392.0	$ —
4.125% Notes	$ 395.7	$ 357.0	$ —	$ 357.0	$ —
Convertible Notes	$ 328.3	$ 340.4	$ —	$ 340.4	$ —
Other long-term obligations	$ 8.6	$ 7.6	$ —	$ 7.6	$ —
Other liabilities	$ 44.6	$ 44.6	$ —	$ 2.7	$ 41.9

	December 31, 2024				
(in millions)	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	$ 706.6	$ 706.6	$ 706.6	$ —	$ —
Equity securities	$ 10.6	$ 10.6	$ 10.6	$ —	$ —
Available-for-sale debt securities	$ 31.5	$ 31.5	$ —	$ —	$ 31.5
Held-to-maturity securities	$ 6.7	$ 6.7	$ —	$ 6.7	$ —
Promissory notes	$ 7.9	$ 7.9	$ —	$ 7.9	$ —
Financial liabilities:					
Long-term debt					
Amended Credit Facilities	$ 1,437.0	$ 1,453.9	$ —	$ 1,453.9	$ —
5.625% Notes	$ 399.8	$ 393.0	$ —	$ 393.0	$ —
4.125% Notes	$ 395.5	$ 356.0	$ —	$ 356.0	$ —
Convertible Notes	$ 327.9	$ 355.7	$ —	$ 355.7	$ —
Other long-term obligations	$ 210.5	$ 209.3	$ —	$ 8.1	$ 201.2
Other liabilities	$ 44.6	$ 44.6	$ —	$ 2.7	$ 41.9

The following table summarizes the changes in fair value of our Level 3 assets and liabilities measured on a recurring basis:

(in millions)	Other Assets and Liabilities
Balance as of January 1, 2025	$ 274.6
Interest	13.9
Included in income and other comprehensive income [1]	(215.1)
Balance as of March 31, 2025	$ 73.4

(1) Relates to the $215.1 million non-cash gain on financing arrangement. See Note 5, "Long-Term Debt."

The following table summarizes the significant unobservable inputs used in calculating fair value for our Level 3 assets and liabilities on a recurring basis as of March 31, 2025:

	Valuation Technique	Unobservable Input	Discount Rate
Available-for-sale debt securities	Discounted cash flow	Discount rate	35.0 %
Contingent purchase price - Plainridge Park Casino	Discounted cash flow	Discount rate	6.8 %

Note 12—Segment Information

We have five reportable segments: Northeast, South, West, Midwest, and Interactive. Our gaming and racing properties are grouped by geographic location, and each is viewed as an operating segment with the exception of our two properties in Jackpot, Nevada, which are viewed as one operating segment. We consider our combined VGT operations, by state, to be separate operating segments.

The retail segments primarily generate revenue from gaming operations (such as slot machines and table games), food and beverage offerings, and hotel visitation. The accounting policies of our retail segments are the same as those described in our significant accounting policies. See Note 2, "Significant Accounting Policies and Basis of Presentation" for further information.

The Interactive segment includes all of our online gaming operations, management of retail sports betting, and media operations. The accounting policies of our Interactive segment are the same as those described in our significant accounting policies. See Note 2, "Significant Accounting Policies and Basis of Presentation" for further information.

The Other category, included in the tables to reconcile the segment information to the consolidated information, consists of our stand-alone racing operations, namely Sanford-Orlando Kennel Club, Sam Houston and Valley Race Park, the Company's joint venture interests in Freehold Raceway (which ceased operations on December 28, 2024), and our management contract for Retama Park Racetrack. The Other category also includes corporate overhead expenses, which consist of certain expenses, such as: payroll, professional fees, travel expenses, and other general and administrative expenses that have not otherwise been allocated.

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer and President. Adjusted EBITDAR (as defined below) is our measure of segment profit or loss for each segment and is utilized by the CODM as follows:

- within the annual budget and forecasting process when making decisions about the allocation of operating and capital resources to each segment;
- to evaluate monthly budget-to-actual variances which are used in assessing segment performance;
- to determine whether to reinvest profits into the segment or into other parts of the Company, such as new development projects, return generating investments in our retail operations and Interactive segment; and
- to determine various capital allocation initiatives such as mergers and acquisitions, share repurchases, and delevering.

The tables below provide information about our revenues, expenses, and Adjusted EBITDAR for each reportable segment, and provide a reconciliation to net income (loss).

	For the three months ended March 31, 2025							
(in millions)	**Northeast**	**South**	**West**	**Midwest**	**Interactive [1]**	**Other**	**Intersegment Eliminations [2]**	**Total**
Total revenues	$ 680.9	$ 288.3	$ 129.7	$ 282.9	$ 290.1	$ 5.3	$ (4.7)	$ 1,672.5
Less:								
Gaming taxes	(279.5)	(63.4)	(23.7)	(74.7)	(168.6)			
Compensation and benefits	(103.5)	(56.8)	(31.3)	(44.1)	(36.7)			
Media and advertising [3]					(88.5)			
Other segment items [4]	(103.7)	(64.8)	(29.0)	(50.3)	(85.3)			
Reportable Segment Adjusted EBITDAR [5]	$ 194.2	$ 103.3	$ 45.7	$ 113.8	$ (89.0)			$ 368.0

Other operating benefits (costs) and other income (expenses):	
Other category [6]	(38.8)
Rent expense associated with triple net operating leases [7]	(155.9)
Stock-based compensation	(15.6)
Cash-settled stock-based awards variance	3.2
Loss on disposal of assets	(0.2)
Pre-opening expenses	(0.5)
Depreciation and amortization	(108.0)
Non-operating items of equity method investments [8]	(1.1)
Interest expense, net	(110.8)
Interest income	3.2
Gain on financing arrangement [9]	215.1
Other [10]	0.6
Income before income taxes	159.2
Income tax expense	(47.7)
Net income	$ 111.5

(1) Revenues and gaming taxes expense within the Interactive segment are inclusive of gaming tax reimbursement amounts related to third-party online sports betting and/or iCasino partners for online sports betting and iCasino market access of $128.2 million for the three months ended March 31, 2025.

(2) Primarily represents the elimination of intersegment revenues associated with our retail sportsbooks, which are operated by PENN Interactive.

(3) Includes advertising expenses of $37.5 million related to the Sportsbook Agreement and $14.2 million related to the Investment Agreement with ESPN. Also, includes advertising and media expenses (including such expenses associated with theScore) across various platforms, including television, radio, out-of-home, social media, and both paid and organic search, and sponsorships and media costs associated with partnerships with major sports leagues, and other professional sports teams.

(4) For each reportable segment, the Other segment items category includes:

a. Northeast segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, and allocated corporate expenses.

b. South segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, allocated corporate expenses, and third-party revenue share fees.

c. West segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, and allocated corporate expenses.

d. Midwest segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, allocated corporate expenses, and third-party revenue share fees.

e. Interactive segment - professional services, legal expenses, software subscriptions and maintenance fees, software development costs, utilities, supplies, property and liability insurance, other taxes and fees, lease expense, allocated corporate expenses, and third-party revenue share fees.

(5) We define Adjusted EBITDAR as earnings before interest expense, net, interest income, income taxes, depreciation and amortization, rent expense associated with triple net operating leases (see footnote (7) below), 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, and other. Adjusted EBITDAR is also inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (see footnote (8) below) added back for our Kansas Entertainment joint venture.

(6) Primarily represents corporate overhead expenses of $36.0 million for the three months ended March 31, 2025, which is inclusive of $7.7 million of legal and advisory costs related to our response to a purported proxy campaign in connection with our 2025 annual meeting of shareholders.

(7) Pertains to the following operating leases: (i) AR PENN Master Lease; (ii) 2023 Master Lease; (iii) Margaritaville Lease; and (iv) Greektown Lease.

(8) Consists primarily of depreciation expense associated with our Kansas Entertainment joint venture.

(9) Relates to the $215.1 million non-cash gain on financing arrangement. See Note 5, "Long-Term Debt."

(10) Primarily relates to unrealized holding gains on our equity securities of $0.8 million for the three months ended March 31, 2025.

	For the three months ended March 31, 2024							
(in millions)	**Northeast**	**South**	**West**	**Midwest**	**Interactive [1]**	**Other**	**Intersegment Eliminations [2]**	**Total**
Total revenues	$ 684.7	$ 298.5	$ 128.8	$ 291.2	$ 207.7	$ 6.0	$ (10.0)	$ 1,606.9
Less:								
Gaming taxes	(274.9)	(66.1)	(24.0)	(77.4)	(149.6)			
Compensation and benefits	(104.2)	(56.4)	(29.7)	(43.0)	(52.3)			
Media and advertising [3]					(122.8)			
Other segment items [4]	(103.0)	(62.5)	(29.2)	(53.8)	(79.0)			
Reportable Segment Adjusted EBITDAR [5]	$ 202.6	$ 113.5	$ 45.9	$ 117.0	$ (196.0)			$ 283.0

Other operating benefits (costs) and other income (expenses):	
Other category [6]	(26.8)
Rent expense associated with triple net operating leases [7]	(154.8)
Stock-based compensation	(11.9)
Cash-settled stock award variance	8.0
Gain on disposal of assets	0.2
Depreciation and amortization	(108.7)
Non-operating items of equity method investments [8]	(1.1)
Interest expense, net	(119.1)
Interest income	7.1
Other [9]	(3.4)
Loss before income taxes	(127.5)
Income tax benefit	12.6
Net loss	$ (114.9)

(1) Revenues and gaming taxes expense within the Interactive segment are inclusive of gaming tax reimbursement amounts related to third-party online sports betting and/or iCasino partners for online sports betting and iCasino market access of $116.6 million for the three months ended March 31, 2024.

(2) Primarily represents the elimination of intersegment revenues associated with our retail sportsbooks, which are operated by PENN Interactive.

(3) Includes advertising expenses of $50.0 million related to the Sportsbook Agreement and $18.7 million related to the Investment Agreement with ESPN. While the Sportsbook Agreement and Investment Agreement commenced on August 8, 2023, the Company began recognizing advertising expense, specific to the initial annual period, during the fourth quarter of 2023. Also, includes advertising and media expenses (including such expenses associated with theScore) across various platforms, including television, radio, out-of-home, social media, and both paid and organic search, and sponsorships and media costs associated with partnerships with major sports leagues, and other professional sports teams.

(4) For each reportable segment, the Other segment items category includes:

a. Northeast segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, and allocated corporate expenses.

b. South segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, allocated corporate expenses, and third-party revenue share fees.

c. West segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, and allocated corporate expenses.

d. Midwest segment - cost of goods sold, professional services, legal expenses, facility maintenance, utilities, supplies, property and liability insurance, advertising and promotional expenses, property taxes, sales and use taxes, other taxes and fees, non-REIT lease expenses, allocated corporate expenses, and third-party revenue share fees.

e. Interactive segment - professional services, legal expenses, software subscriptions and maintenance fees, software development costs, utilities, supplies, property and liability insurance, other taxes and fees, lease expense, allocated corporate expenses, and third-party revenue share fees.

(5) We define Adjusted EBITDAR as earnings before interest expense, net, interest income, income taxes, depreciation and amortization, rent expense associated with triple net operating leases (see footnote (7) below), 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, and other. Adjusted EBITDAR is also inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (see footnote (8) below) added back for our Kansas Entertainment joint venture.

(6) Primarily represents corporate overhead expenses of $24.9 million for the three months ended March 31, 2024.

(7) Pertains to the following operating leases: (i) AR PENN Master Lease; (ii) 2023 Master Lease; (iii) Margaritaville Lease; and (iv) Greektown Lease.

(8) Consists primarily of depreciation expense associated with our Kansas Entertainment joint venture.

(9) Primarily relates to unrealized holding losses on our equity securities of $1.5 million for the three months ended March 31, 2024.

The table below presents capital expenditures by segment:

	For the three months ended March 31,	
(in millions)	**2025**	**2024**
Capital expenditures:		
Northeast segment	$ 13.5	$ 5.6
South segment	13.7	11.8
West segment	40.5	1.5
Midwest segment	51.7	19.2
Interactive segment	3.6	0.7
Other	2.2	2.6
Total capital expenditures	$ 125.2	$ 41.4

The table below presents investment in and advances to unconsolidated affiliates and total assets by segment:

(in millions)	**Northeast**	**South**	**West**	**Midwest**	**Interactive**	**Other [1]**	**Total**
Balance sheet as of March 31, 2025							
Investment in and advances to unconsolidated affiliates	$ 0.1	$ —	$ —	$ 81.1	$ —	$ 7.8	$ 89.0
Total assets	$ 1,787.2	$ 1,304.5	$ 495.7	$ 1,547.4	$ 2,335.0	$ 7,620.2	$ 15,090.0
Balance sheet as of December 31, 2024							
Investment in and advances to unconsolidated affiliates	$ 0.1	$ —	$ —	$ 80.9	$ —	$ 5.2	$ 86.2
Total assets	$ 1,808.1	$ 1,301.7	$ 453.2	$ 1,503.7	$ 2,385.6	$ 7,809.4	$ 15,261.7

(1) The real estate assets subject to the Master Leases, which are classified as either property and equipment, net, operating lease ROU assets, or finance lease ROU assets, are included within the Other category.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition, results of operations, liquidity and capital resources should be read in conjunction with, and is qualified in its entirety by, the unaudited Consolidated Financial Statements and the notes thereto included in this Quarterly Report on Form 10-Q, and the Consolidated Financial Statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2024.

EXECUTIVE OVERVIEW

Our Business

PENN Entertainment, Inc., together with its subsidiaries ("PENN," or the "Company"), is North America's leading provider of integrated entertainment, sports content, and casino gaming experiences. As of the date of this filing, PENN operated in 28 jurisdictions throughout North America, with a broadly diversified portfolio of casinos, racetracks, and online sports betting, and iCasino offerings under well-recognized brands including Hollywood Casino®, L'Auberge®, ESPN BET™, theScore BET Sportsbook and Casino®. PENN's ability to leverage its partnership with ESPN, Inc. and ESPN Enterprises, Inc. (together, "ESPN"), the "worldwide leader in sports," and its ownership of theScore®, the top digital sports media brand in Canada, is central to the Company's highly differentiated strategy to expand its footprint and efficiently grow its customer ecosystem. PENN's focus on organic cross-sell opportunities is reinforced by its market-leading retail casinos, sports media assets, and technology, including a proprietary state-of-the-art, fully integrated digital sports and iCasino betting platform and an in-house iCasino content studio (PENN Game Studios). The Company's portfolio is further bolstered by its industry-leading PENN Play™ customer loyalty program, offering its over 32 million members a unique set of rewards and experiences.

The majority of the real estate assets (i.e., land and buildings) used in our operations are subject to triple net master leases; the most significant of which are with Gaming and Leisure Properties, Inc. (Nasdaq: GLPI) ("GLPI"), a real estate investment trust ("REIT"), and include the AR PENN Master Lease, 2023 Master Lease, and Pinnacle Master Lease (as such terms are defined in Note 6, "Leases" in the notes to our unaudited Consolidated Financial Statements and collectively referred to as the "Master Leases").

Recent Development Projects

On February 21, 2023, as described in Note 6, "Leases" in the notes to our unaudited Consolidated Financial Statements, the Company and GLPI entered into a master development agreement (the "Master Development Agreement").

The Master Development Agreement contains additional rent (together with the 2023 Master Lease base rent, the "2023 Master Lease Rent") equal to (i) 7.75% of any project funding received by PENN from GLPI for an anticipated relocation of PENN's riverboat casino and related developments with respect to Hollywood Casino Aurora ("Aurora" and the related developments, the "Aurora Project") and (ii) a percentage, based on the then-current GLPI stock price, of any project funding received by PENN from GLPI for certain anticipated development projects with respect to Hollywood Casino Joliet ("Joliet"), Hollywood Casino Columbus ("Columbus"), and the M Resort Spa Casino ("M Resort," collectively the "Other Development Projects," and together with the Aurora Project, the "PENN Development Projects"). The Master Development Agreement provides that GLPI will fund up to $225.0 million for the Aurora Project and, upon our request, up to $350.0 million in the aggregate for the Other Development Projects, in accordance with certain terms and conditions set forth in the Master Development Agreement. These funding obligations of GLPI expire on January 1, 2026. We expect our new Joliet facility to open in the fourth quarter of 2025, and the new hotel tower at the M Resort, the new Aurora facility, and the Columbus hotel tower to open in the first half of 2026. As of the date of this filing, the Company has neither requested nor received any funding from GLPI for the PENN Development Projects.

On April 24, 2025, the Company announced a new development project to relocate its Ameristar Council Bluffs riverboat casino operations to a new, state-of-the-art land-based property to be rebranded as Hollywood Casino Council Bluffs. Under the proposed plan, the new Hollywood Casino Council Bluffs is expected to include roughly 125,000 square feet of new development with approximately 58,000 square feet of gaming space and more than 1,000 positions on a single level. The new facility will complement the existing ESPN BET sportsbook, 160-room hotel, and dining options in the landside portion of the current infrastructure. The project is anticipated to cost between $180 million and $200 million and is expected to take 18-24 months to complete following the design and permitting approval process. The Company is entitled to obtain financing for the project from GLPI of up to $150.0 million at a 7.1% cap rate, which may be structured at PENN's option as either rent or a 5-year term loan that is prepayable at any time without penalty.

We believe that our portfolio of assets provides us with the benefit of geographically-diversified cash flow from operations. We expect to continue to expand our 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. In addition, the acquisition of theScore and our partnership with ESPN reflect our strategy to continue evolving from the nation's largest regional gaming operator to a best-in-class omni-channel provider of retail gaming, iCasino, and sports betting entertainment.

Operating and Competitive Environment

Most of our properties operate in mature, competitive markets. We expect the majority of our future growth to come from our online sports betting and iCasino businesses; improvements, expansions, or relocations of our existing properties; entrance into new jurisdictions; expansions of gaming in existing jurisdictions; strategic investments and acquisitions; and cross-sell opportunities between our retail gaming, online sports betting, and iCasino businesses. Our portfolio is comprised largely of well-maintained regional gaming facilities, which has allowed us to develop what we believe to be a solid base for future growth opportunities.

We continuously adjust operations, offerings, and cost structures to reflect changing economic conditions, as well as consumer demand and behaviors. We also continue to focus on revenue and cost synergies from recent acquisitions, technology enhancements, and providing customers with additional gaming and entertainment experiences through our differentiated omni-channel strategy. We seek to grow our customer database and PENN Play loyalty program through our online sports betting and iCasino businesses, the development of new properties, the expansion of existing properties and other business lines, and through partnerships with third-party partners, such as The Kroger Company, Ticketmaster Entertainment, LLC, Norwegian Cruise Line Holdings Ltd., Live Nation Entertainment, Inc., and Choice Hotels International, Inc. In addition, our strategic acquisitions (e.g. theScore) and strategic relationships (e.g. our partnership with ESPN), should enable us to acquire new customers, expand our player database, and provide additional revenue streams that enhance our omnichannel strategy.

The gaming, media, and entertainment industries are characterized by an increasingly high degree of competition among a large number of participants. We compete with a variety of gaming operations, including casinos and hotel casinos of varying quality and size and other gaming options such as state and province-sponsored internet lotteries, sweepstakes, charitable gaming, video gaming terminals at bars, restaurants, taverns and truck stops, illegal slot machines and skill games, fantasy sports and third-party internet or mobile-based gaming platforms, including both legal and illegal iCasino and sports betting operations. See the "Segment comparison of the three months ended March 31, 2025 and 2024" section below for discussions on our results of operations by reportable segment.

Key Performance Indicators

In our business, revenue is driven by discretionary consumer spending. We have no certain mechanism for determining why consumers choose to spend more or less money at our properties or on our online offerings from period-to-period; therefore, we are unable to quantify a dollar amount for each factor that impacts our customers' spending behaviors. However, based on our experience, we can generally offer some insight into the factors that we believe are likely to account for such changes and which factors may have a greater impact than others. For example, decreases in discretionary consumer spending have historically been brought about by actual or perceived weakened general economic conditions, such as recessions, inflation, rising interest rate environments, tight credit conditions, high unemployment levels, higher income taxes, low levels of consumer confidence, weakness in the housing market, high fuel or other transportation costs, low consumer confidence, global hostilities, political or social unrest, and the effects of pandemics. In addition, visitation and the volume of play have historically been negatively impacted by significant construction surrounding our properties, adverse regional weather conditions, and natural disasters. In all instances, such insights are based solely on our judgment and professional experience, and no assurance can be given as to the accuracy of our judgments.

The majority of our revenues is gaming revenue, which is highly dependent upon the volume and spending levels of customers at our properties. Our gaming revenue is derived primarily from slot machines (which represented approximately 86% and 85% of our gaming revenue for each of the three months ended March 31, 2025 and 2024) and, to a lesser extent, table games, online sports betting, and iCasino. Aside from gaming revenue, our revenues are primarily derived from our hotel, dining, retail, commissions, program sales, admissions, concessions and certain other ancillary activities, and our racing operations.

Key performance indicators related to gaming revenue are slot handle and table game drop, which are volume indicators, and "win" or "hold" percentage. Our typical property slot win percentage is in the range of approximately 5% to 11% of slot handle, and our typical table game hold percentage is in the range of approximately 12% to 29% of table game drop.

Slot handle is the gross amount wagered during a given period. The win or hold percentage is the net amount of gaming wins and losses, with liabilities recognized for accruals related to the anticipated payout of progressive jackpots. Given the stability in our slot hold percentages on a historical basis, we have not experienced significant impacts to net income from changes in these percentages. For table games, customers usually purchase chips at the tables. The cash and markers (extensions of credit granted to certain credit-worthy customers) are deposited in the gaming table's drop box. Table game hold is the amount of drop that is retained and recorded as gaming revenue, with liabilities recognized for funds deposited by customers before gaming play occurs and for unredeemed gaming chips. As we are primarily focused on regional gaming markets, our table game hold percentages are fairly stable as the majority of these markets do not regularly experience high-value play, which can lead to volatility in hold percentages. Therefore, changes in table game hold percentages do not typically have a material impact to our results of operations and cash flows.

Key performance indicators related to online gaming revenue, including online sports betting and iCasino, are handle, which is a volume indicator, and "win" or "hold" percentage. Our online sports betting win percentage is in the range of approximately 4.6% to 9.2% of online handle, online slot win percentage is in the range of approximately 4.5% to 4.9% of online slot handle, and our online table game hold percentage is in the range of approximately 1.6% to 2.2% of online table game handle.

For online gaming, customers deposit cash into their online accounts for use in online sports betting and iCasino play. Liabilities are recognized for online player account funds that have not been withdrawn and for wagers that have been placed on events that have not yet occurred. Online sportsbook handle is the gross amount wagered during a given period. The win or hold percentage is the net amount of gaming wins and losses, with liabilities recognized for any bonus funds deposited into player accounts. Given that online sports betting wagers are made based on the outcomes of future sporting events, the win or hold percentage can vary based on the bet type (i.e. straight wagers vs. parlay wagers). Online slot handle is the gross amount wagered during a given period. The win or hold percentage is the net amount of gaming wins and losses, with liabilities recognized for accruals related to the anticipated payout of online progressive jackpots. Online table game hold is the amount of handle that is retained and recorded as gaming revenue. Given the stability in our online slot and online table game hold percentages on a historical basis, we have not experienced significant impacts to the results of our operations or cash flows from changes in these percentages.

Under normal operating conditions, our properties generate significant operating cash flow since most of our revenue is cash-based from slot machines and table games. Our business is capital intensive and we rely on cash flow from our properties to generate sufficient cash to satisfy our obligations under the Triple Net Leases (as defined in "Liquidity and Capital Resources"), repay debt, fund maintenance capital expenditures, repurchase our common stock, fund new capital projects at existing properties, and provide excess cash for future development and acquisitions. Additional information regarding our capital projects is discussed in "Liquidity and Capital Resources" below.

Reportable Segments

We have five reportable segments: Northeast, South, West, Midwest, and Interactive. The Northeast, South, West, and Midwest segments (referred to as our "retail segments") primarily generate revenue from gaming operations (such as slot machines and table games), food and beverage offerings, and hotel visitation. The Interactive segment includes all of our online sports betting, online casino/iCasino, and social gaming (collectively referred to as "online gaming") operations, management of retail sports betting, and media operations.

Our gaming and racing properties are grouped by geographic location, and each is viewed as an operating segment with the exception of our two properties in Jackpot, Nevada, which are viewed as one operating segment. We consider our combined Video Gaming Terminal ("VGT") operations, by state, to be separate operating segments. For a listing of our gaming properties and VGT operations included in each reportable segment, see Note 2, "Significant Accounting Policies and Basis of Presentation" in the notes to our unaudited Consolidated Financial Statements.

RESULTS OF OPERATIONS

The following table highlights our revenues, net income (loss), and Adjusted EBITDA, on a consolidated basis, as well as our revenues and Adjusted EBITDAR by reportable segment. Such segment reporting is consistent with how we measure our business and allocate resources internally. We consider net income (loss) to be the most directly comparable financial measure calculated in accordance with generally accepted accounting principles in the United States ("GAAP") to Adjusted EBITDA and Adjusted EBITDAR, which are non-GAAP financial measures. Refer to "Non-GAAP Financial Measures" below for the definitions of Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDAR, and Adjusted EBITDAR margin; as well as a reconciliation of net income (loss) to Adjusted EBITDA and Adjusted EBITDAR and related margins.

	For the three months ended March 31,	
(dollars in millions)	**2025**	**2024**
Revenues:		
Northeast segment	$ 680.9	$ 684.7
South segment	288.3	298.5
West segment	129.7	128.8
Midwest segment	282.9	291.2
Interactive segment	290.1	207.7
Other [1]	5.3	6.0
Intersegment eliminations [2]	(4.7)	(10.0)
Total	$ 1,672.5	$ 1,606.9
Net income (loss)	$ 111.5	$ (114.9)
Adjusted EBITDAR:		
Northeast segment	$ 194.2	$ 202.6
South segment	103.3	113.5
West segment	45.7	45.9
Midwest segment	113.8	117.0
Interactive segment	(89.0)	(196.0)
Other [1]	(38.8)	(26.8)
Total [3]	329.2	256.2
Rent expense associated with triple net operating leases [4]	(155.9)	(154.8)
Adjusted EBITDA	$ 173.3	$ 101.4
Net income (loss) margin	6.7 %	(7.2)%
Adjusted EBITDAR margin	19.7 %	15.9 %
Adjusted EBITDA margin	10.4 %	6.3 %

(1) The Other category, included in the tables to reconcile the segment information to the consolidated information, consists of the Company's stand-alone racing operations, namely Sanford-Orlando Kennel Club, Sam Houston and Valley Race Park, the Company's joint venture interests in Freehold Raceway (which ceased operations on December 28, 2024), and our management contract for Retama Park Racetrack. Expenses incurred for corporate and shared services activities that are directly attributable to a property or are otherwise incurred to support a property are allocated to each property. The Other category also includes corporate overhead expenses, which consist of certain expenses, such as: payroll, professional fees, travel expenses, and other general and administrative expenses that do not directly relate or have not otherwise been allocated. Corporate overhead expenses were $36.0 million and $24.9 million for the three months ended March 31, 2025 and 2024, respectively, and include $7.7 million of legal and advisory costs related to our response to a purported proxy campaign in connection with our 2025 annual meeting of shareholders in the current year quarter.

(2) Primarily represents the elimination of intersegment revenues associated with our retail sportsbooks, which are operated by PENN Interactive.

(3) The total is a mathematical calculation derived from the sum of reportable segments (as well as the Other category). As noted within "Non-GAAP Financial Measures" below, Adjusted EBITDAR, and the related margin, is presented on a consolidated basis outside the financial statements solely as a valuation metric.

(4) Pertains to the following operating leases: (i) AR PENN Master Lease; (ii) 2023 Master Lease; (iii) Margaritaville Lease; and (iv) Greektown Lease.

Consolidated comparison of the three months ended March 31, 2025 and 2024

Revenues

The following table presents our consolidated revenues:

(dollars in millions)	For the three months ended March 31, 2025	2024	Change $	Change %
Revenues				
Gaming	$ 1,298.3	$ 1,258.3	$ 40.0	3.2 %
Food, beverage, hotel, and other	374.2	348.6	25.6	7.3 %
Total revenues	$ 1,672.5	$ 1,606.9	$ 65.6	4.1 %

Gaming revenues for the three months ended March 31, 2025 increased by $40.0 million compared to the corresponding prior year period, primarily due to an increase in online gaming revenue at our Interactive segment, partially offset by a decrease in gaming revenues within our Northeast, South, and Midwest segments. The increase in online gaming revenues within our Interactive segment was due to iCasino growth and decreased promotional expense related to ESPN BET. Retail gaming revenues decreased as new supply continues to impact visitation in certain retail property segments.

Food, beverage, hotel, and other revenues for the three months ended March 31, 2025 increased by $25.6 million compared to the corresponding prior year period. The increase for the period primarily relates to gaming tax reimbursement amounts related to third-party online sports betting and/or iCasino partners for online sports betting and iCasino market access of $11.6 million compared to the prior year.

See "Segment comparison of the three months ended March 31, 2025 and 2024" below for more detailed explanations of the fluctuations in revenues.

Operating expenses

The following table presents our consolidated operating expenses:

(dollars in millions)	For the three months ended March 31, 2025	2024	Change $	Change %
Operating expenses				
Gaming	$ 853.8	$ 879.5	$ (25.7)	(2.9)%
Food, beverage, hotel, and other	264.9	251.2	13.7	5.5 %
General and administrative	403.0	388.9	14.1	3.6 %
Depreciation and amortization	108.0	108.7	(0.7)	(0.6)%
Total operating expenses	$ 1,629.7	$ 1,628.3	$ 1.4	0.1 %

Gaming expenses primarily consist of gaming taxes, payroll, marketing and promotional, and other expenses associated with our gaming operations. Gaming expenses for the three months ended March 31, 2025 decreased by $25.7 million compared to the corresponding prior year period due to additional marketing expenses supporting our initial launch of ESPN BET within our Interactive segment during the three months ended March 31, 2024. Gaming expenses at our retail properties decreased in the current period due to the decrease in gaming revenues within our Northeast, South, and Midwest segments as described above.

Food, beverage, hotel, and other expenses consist primarily of payroll expenses, costs of goods sold, and other costs associated with our food, beverage, hotel, retail, racing, and Interactive operations. Food, beverage, hotel, and other expenses for the three months ended March 31, 2025 increased $13.7 million compared to the corresponding prior year period, primarily due to increases in gaming tax reimbursement amounts related to third-party online sports betting and/or iCasino partners for online sports betting and iCasino market access.

General and administrative expenses include items such as compliance, facility maintenance, utilities, property and liability insurance, surveillance and security, and lobbying expenses, as well as all expenses for administrative departments such as accounting, purchasing, human resources, legal and internal audit. General and administrative expenses also include stock-based compensation expense; pre-opening expenses; acquisition and transaction costs; gains and losses on disposal of assets; insurance recoveries, net of deductible charges; changes in the fair value of our contingent purchase price obligations; expense associated with cash-settled stock-based awards (including changes in fair value thereto); and rent expense associated with our triple net operating leases.

For the three months ended March 31, 2025, general and administrative expenses increased by $14.1 million compared to the corresponding prior year period, primarily due to $7.7 million of legal and advisory costs related to our response to a purported proxy campaign in connection with our 2025 annual meeting of shareholders incurred during the period as well as an increase in stock-based compensation, partially offset by a decrease in payroll expense.

Other income (expenses)

The following table presents our consolidated other income (expenses):

	For the three months ended March 31,		Change	
(dollars in millions)	**2025**	**2024**	**$**	**%**
Other income (expenses)				
Interest expense, net	$ (110.8)	$ (119.1)	$ 8.3	(7.0)%
Interest income	$ 3.2	$ 7.1	$ (3.9)	(54.9)%
Income from unconsolidated affiliates	$ 7.6	$ 7.2	$ 0.4	5.6 %
Gain on financing arrangement	$ 215.1	$ —	$ 215.1	N/M
Other	$ 1.3	$ (1.3)	$ 2.6	N/M
Income tax benefit (expense)	$ (47.7)	$ 12.6	$ (60.3)	N/M

N/M - Not meaningful

Interest expense, net decreased by $8.3 million for the three months ended March 31, 2025, compared to the corresponding prior year period, primarily due to an increase in capitalized interest related to the PENN Development Projects.

Interest income decreased by $3.9 million for the three months ended March 31, 2025, respectively, compared to the corresponding prior year period, primarily due to a decrease in the amount invested in money market funds, which we use for short term investing.

Income from unconsolidated affiliates relates primarily to our investment in Kansas Entertainment and Freehold Raceway joint ventures. Operations at Freehold Raceway ceased on December 28, 2024. The change in income from the corresponding prior year periods is due to fluctuations in earnings from our investments in these unconsolidated affiliates.

Gain on financing arrangement relates to a $215.1 million non-cash gain on a financing arrangement that we entered into in February 2021 with a third-party, which provided the Company with upfront and non-refundable cash proceeds while permitting us to participate in future proceeds on certain insurance coverage claims for economic losses PENN sustained due to the COVID-19 pandemic. As discussed in Note 5, "Long-Term Debt," the Company determined that obligations under these claims are no longer probable and therefore recognized a non-cash gain related to this obligation comprised of cash proceeds received in 2021 of $72.5 million and $142.6 million of accreted non-cash interest.

Other primarily relates to realized and unrealized gains and losses on equity securities held by PENN Interactive as well as miscellaneous income and expense items. Equity securities were provided to the Company in conjunction with entering into multi-year agreements with sports betting operators for online sports betting and iCasino market access across our portfolio. For the three months ended March 31, 2025, other income primarily consisted of an unrealized holding gain of $0.8 million, as compared to an unrealized holding loss of $1.5 million for the three months ended March 31, 2024.

Income tax expense was $47.7 million for the three months ended March 31, 2025, compared to income tax benefit of $12.6 million for the three months ended March 31, 2024. The effective tax rate (income taxes as a percentage of income from operations before income taxes) including discrete items was 26.2% and 14.8% for the three months ended March 31, 2025 and 2024, respectively. We excluded certain foreign losses from our worldwide effective tax rate calculation due to a year-to-date ordinary loss for which no benefit may be recognized. The change in the effective tax rate for the three months ended March 31, 2025, as compared to the corresponding prior period was primarily due to (i) excluding certain foreign losses for which no tax

benefit can be recognized in our worldwide effective tax rate calculation, (ii) non-deductible permanent items offset against tax credit utilization, (iii) state taxes, and (iv) changes to the valuation allowance. See Note 7, "Income Taxes" to our unaudited Consolidated Financial Statements for additional details.

Our effective income tax rate can vary each reporting period depending on, among other factors, the geographic and business mix of our earnings, changes to our valuation allowances, and the level of our tax credits. Certain of these and other factors, including our history and projections of pre-tax earnings, are considered in assessing our ability to realize our net deferred tax assets.

On January 16, 2025, the Indiana Supreme Court listened to oral arguments between the Company and the Indiana Department of State Revenue on notices of proposed assessments for tax years 2015 through 2017. The Company believes that it is reasonably possible that its current unrecognized tax reserve may change within the next twelve months.

Segment comparison of the three months ended March 31, 2025 and 2024

Northeast Segment

(dollars in millions)	**For the three months ended March 31, 2025**	**2024**	**Change $**	**Change %**
Revenues				
Gaming	$ 610.6	$ 616.4	$ (5.8)	(0.9)%
Food, beverage, hotel, and other	70.3	68.3	2.0	2.9 %
Total revenues	$ 680.9	$ 684.7	$ (3.8)	(0.6)%
Adjusted EBITDAR	$ 194.2	$ 202.6	$ (8.4)	(4.1)%
Adjusted EBITDAR margin	28.5 %	29.6 %		-110 bps

The Northeast segment's revenues for the three months ended March 31, 2025 decreased $3.8 million, primarily due to a decrease in gaming revenues at several of our properties due to severe weather events and increased competition negatively impacting visitation, partially offset by an increase in non-gaming revenues at several of our properties.

For the three months ended March 31, 2025, the Northeast segment's Adjusted EBITDAR decreased $8.4 million, and Adjusted EBITDAR margin decreased to 28.5%, primarily due to the decrease in gaming revenues in the current year quarter.

South Segment

(dollars in millions)	**For the three months ended March 31, 2025**	**2024**	**Change $**	**Change %**
Revenues				
Gaming	$ 220.7	$ 233.8	$ (13.1)	(5.6)%
Food, beverage, hotel, and other	67.6	64.7	2.9	4.5 %
Total revenues	$ 288.3	$ 298.5	$ (10.2)	(3.4)%
Adjusted EBITDAR	$ 103.3	$ 113.5	$ (10.2)	(9.0)%
Adjusted EBITDAR margin	35.8 %	38.0 %		-220 bps

The South segment's revenues for the three months ended March 31, 2025 decreased by $10.2 million compared to the corresponding prior year period, primarily due to a decrease in gaming revenues as increased competition negatively impacted several of our properties, partially offset by an increase in hotel and food and beverage revenues.

For the three months ended March 31, 2025, the South segment's Adjusted EBITDAR decreased $10.2 million, and Adjusted EBITDAR margin decreased to 35.8%, respectively, primarily due to the decrease in gaming revenues as described above.

West Segment

(dollars in millions)	For the three months ended March 31, 2025	For the three months ended March 31, 2024	Change $	Change %
Revenues				
Gaming	$ 91.0	$ 91.6	$ (0.6)	(0.7)%
Food, beverage, hotel, and other	38.7	37.2	1.5	4.0 %
Total revenues	$ 129.7	$ 128.8	$ 0.9	0.7 %
Adjusted EBITDAR	$ 45.7	$ 45.9	$ (0.2)	(0.4)%
Adjusted EBITDAR margin	35.2 %	35.6 %		-40 bps

The West segment's revenues for the three months ended March 31, 2025 increased by $0.9 million, compared to the prior year period, primarily due to an increase in visitation at the West segment's properties' hotels, partially offset by a decrease in gaming revenues.

For the three months ended March 31, 2025, the West segment's Adjusted EBITDAR decreased $0.2 million and Adjusted EBITDAR margin decreased to 35.2% primarily due to an increase in labor costs.

Midwest Segment

(dollars in millions)	For the three months ended March 31, 2025	For the three months ended March 31, 2024	Change $	Change %
Revenues				
Gaming	$ 252.3	$ 260.5	$ (8.2)	(3.1)%
Food, beverage, hotel, and other	30.6	30.7	(0.1)	(0.3)%
Total revenues	$ 282.9	$ 291.2	$ (8.3)	(2.9)%
Adjusted EBITDAR	$ 113.8	$ 117.0	$ (3.2)	(2.7)%
Adjusted EBITDAR margin	40.2 %	40.2 %		0 bps

The Midwest segment's revenues for the three months ended March 31, 2025 decreased by $8.3 million compared to the corresponding prior year period, primarily due to a decrease in gaming revenues as severe weather events and increased competition negatively impacted visitation at several of our properties.

For the three months ended March 31, 2025, the Midwest segment's Adjusted EBITDAR decreased $3.2 million and Adjusted EBITDAR margin remained flat at 40.2% primarily due to the decreases in gaming revenues discussed above and an increase in labor costs, partially offset by decreased general and administrative costs.

Interactive Segment

(dollars in millions)	For the three months ended March 31, 2025	2024	Change $	Change %
Revenues				
Gaming	$ 123.7	$ 56.0	$ 67.7	120.9 %
Food, beverage, hotel, and other [1]	166.4	151.7	14.7	9.7 %
Total revenues	$ 290.1	$ 207.7	$ 82.4	39.7 %
Adjusted EBITDAR	$ (89.0)	$ (196.0)	$ 107.0	N/M
Adjusted EBITDAR margin	(30.7)%	(94.4)%		N/M

(1) - "Food, beverage, hotel, and other" only includes "other" revenue.
N/M - Not meaningful

The Interactive segment's revenues for the three months ended March 31, 2025 increased by $82.4 million compared to the corresponding prior year period, primarily due to an increase in gaming revenues. Gaming revenues were positively impacted by iCasino growth and a decrease in promotional spend. Other revenues are inclusive of gaming tax amounts related to third-party online sports betting and/or iCasino partners for online sports betting and iCasino market access of $128.2 million and $116.6 million for the three months ended March 31, 2025 and 2024, respectively.

For the three months ended March 31, 2025, the Interactive segment's Adjusted EBITDAR and Adjusted EBITDAR margin increased primarily due to the increase in gaming revenues and decrease in marketing expense, as discussed above.

Other

(dollars in millions)	For the three months ended March 31, 2025	2024	Change $	Change %
Revenues				
Food, beverage, hotel, and other	$ 5.3	$ 6.0	$ (0.7)	(11.7)%
Total revenues	$ 5.3	$ 6.0	$ (0.7)	(11.7)%
Adjusted EBITDAR	$ (38.8)	$ (26.8)	$ (12.0)	44.8 %

Other consists of the Company's stand-alone racing operations, as well as corporate overhead expenses, which primarily includes certain expenses such as payroll, professional fees, travel expenses, and other general and administrative expenses that do not directly relate to or have not otherwise been allocated. Revenues for the three months ended March 31, 2025 decreased slightly compared to the prior year period, primarily due to fluctuations in racing revenues. Corporate overhead expenses were $36.0 million and $24.9 million for the three months ended March 31, 2025 and 2024, respectively, and include $7.7 million of legal and advisory costs related to our response to a purported proxy campaign in connection with our 2025 annual meeting of shareholders in the current year quarter.

Changes in Adjusted EBITDAR for the three months ended March 31, 2025 primarily relate to increased general and administrative costs, inclusive of the $7.7 million of legal and advisory costs as described above, and labor costs.

Non-GAAP Financial Measures

Use and Definitions

In addition to GAAP financial measures, management uses Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDA margin, and Adjusted EBITDAR margin 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; 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 business; non-cash gains/losses associated with REIT transactions as described in Note 6, "Leases" to our unaudited Consolidated Financial Statements; 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; and depreciation and amortization) added back for our Kansas Entertainment, LLC joint venture. Adjusted EBITDA is inclusive of rent expense associated with our triple net operating leases with our REIT landlords. 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. We define Adjusted EBITDA margin as Adjusted EBITDA divided by consolidated revenues.

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 non-operational 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 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 a 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 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. We further define Adjusted EBITDAR margin by reportable segment as Adjusted EBITDAR for each segment divided by segment revenues.

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

The following table includes a reconciliation of net income (loss), which is determined in accordance with GAAP, to Adjusted EBITDA and Adjusted EBITDAR, which are non-GAAP financial measures, as well as related margins:

	For the three months ended March 31,	
(dollars in millions)	**2025**	**2024**
Net income (loss)	$ 111.5	$ (114.9)
Income tax (benefit) expense	47.7	(12.6)
Interest expense, net	110.8	119.1
Interest income	(3.2)	(7.1)
Income from unconsolidated affiliates	(7.6)	(7.2)
Gain on financing arrangement	(215.1)	—
Other (income) expenses	(1.3)	1.3
Operating income (loss)	42.8	(21.4)
Stock-based compensation [1]	15.6	11.9
Cash-settled stock-based award variance [1][2]	(3.2)	(8.0)
Loss (gain) on disposal of assets [1]	0.2	(0.2)
Pre-opening expenses [1]	0.5	—
Depreciation and amortization	108.0	108.7
Income from unconsolidated affiliates	7.6	7.2
Non-operating items of equity method investments [3]	1.1	1.1
Other expenses [1][4]	0.7	2.1
Adjusted EBITDA	173.3	101.4
Rent expense associated with triple net operating leases [1]	155.9	154.8
Adjusted EBITDAR	$ 329.2	$ 256.2
Net income (loss) margin	6.7 %	(7.2)%
Adjusted EBITDA margin	10.4 %	6.3 %
Adjusted EBITDAR margin	19.7 %	15.9 %

(1) These items are included in "General and administrative" within the Company's unaudited Consolidated Statements of Operations.

(2) Our cash-settled stock-based awards are adjusted to fair value each reporting period based primarily on the price of the Company's common stock. As such, significant fluctuations in the price of the Company's common stock during any reporting period could cause significant variances to budget on cash-settled stock-based awards.

(3) Consists primarily of depreciation expense associated with our Kansas Entertainment joint venture.

(4) Consists of non-recurring transaction costs and, prior to August 1, 2024, finance transformation costs associated with the implementation of our new Enterprise Resource Management system.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity and capital resources have been and are expected to be cash flow from operations, borrowings from banks, and proceeds from the issuance of debt and equity securities. Our ongoing liquidity will depend on a number of factors, including available cash resources, cash flow from operations, acquisitions or investments, funding of construction for development projects, and our compliance with covenants contained under our debt agreements. We currently believe that our operating cash flow and other sources of liquidity, as described herein, will be sufficient to meet our liquidity needs on a short and long-term basis.

	For the three months ended March 31,		Change	
(dollars in millions)	**2025**	**2024**	**$**	**%**
Net cash provided by (used in) operating activities	$ 41.9	$ (68.7)	$ 110.6	N/M
Net cash used in investing activities	$ (135.9)	$ (47.3)	$ (88.6)	187.3 %
Net cash used in financing activities	$ (16.2)	$ (50.1)	$ 33.9	(67.7)%

N/M - Not meaningful

Operating Cash Flow

Trends in our operating cash flows tend to follow trends in operating income (loss), excluding non-cash charges, but can be affected by changes in working capital, the timing of significant interest payments, tax payments or refunds, and distributions from unconsolidated affiliates. Net cash provided by operating activities increased by $110.6 million for the three months ended March 31, 2025, primarily due to an increase in our reportable segments' Adjusted EBITDAR and receipt of income tax refunds.

Investing Cash Flow

Cash used in investing activities during the three months ended March 31, 2025 and March 31, 2024, was $135.9 million and $47.3 million, respectively, and primarily related to capital expenditures of $125.2 million and $41.4 million, respectively.

Capital Expenditures

Capital expenditures are accounted for as either project capital (new facilities or expansions) or maintenance (replacement) which is inclusive of projects such as our retail sportsbooks, our cashless, cardless and contactless technology and hotel renovations. Cash provided by operating activities, as well as cash available under our Amended Revolving Credit Facility, was available to fund our capital expenditures for the three months ended March 31, 2025 and 2024, as applicable.

For the year ending December 31, 2025, we anticipate capital expenditures of approximately $240.0 million, inclusive of capital expenditures required under our Triple Net Leases, which require us to spend a specified percentage of total revenues, and capital expenditures of $28.8 million incurred during the three months ended March 31, 2025. Additionally, for the year ending December 31, 2025, we anticipate capital project expenditures of $490.0 million, the majority of which are in connection with the PENN Development Projects pursuant to our Master Development Agreement with GLPI (as described in Note 6, "Leases" in the notes to our unaudited Consolidated Financial Statements). During the three months ended March 31, 2025, we incurred capital expenditures of $96.4 million in connection with the PENN Development Projects. The Master Development Agreement provides that GLPI will fund up to $225.0 million for the Aurora Project and, upon PENN's request, up to $350.0 million in the aggregate for the Other Development Projects, in accordance with certain terms and conditions set forth in the Master Development Agreement. As of the date of this filing, the Company has neither requested nor received any funding from GLPI for the PENN Development Projects.

Financing Cash Flow

For the three months ended March 31, 2025, net cash used in financing activities totaled $16.2 million, primarily related to repurchases of our common stock of $25.0 million, principal payments of $23.8 million on our finance leases and finance obligations, $12.4 million in payments on insurance financing, as well as $9.4 million in principal payments on long-term debt, and $60.0 million of net proceeds from our revolving credit facility.

For the three months ended March 31, 2024, net cash used in financing activities totaled $50.1 million, primarily related to principal payments of $22.2 million on our finance leases and finance obligations, $12.2 million in payments on insurance financing, as well as $9.4 million in principal payments on long-term debt.

As of March 31, 2025, we had $2.6 billion in aggregate principal amount of indebtedness, including $1.5 billion outstanding under our Amended Credit Facilities (as defined in Note 5, "Long-Term Debt" in the notes to our unaudited Consolidated Financial Statements), $400.0 million outstanding under our 5.625% Notes due 2027 (the "5.625% Notes"), $400.0 million outstanding under our 4.125% Notes due 2029 (the "4.125% Notes"), $330.5 million outstanding under our 2.75% Convertible Notes due 2026, and $8.6 million outstanding in other long-term obligations. We had $60.0 million drawn on our Amended Revolving Credit Facility (as defined in Note 5, "Long-Term Debt" in the notes to our unaudited Consolidated Financial Statements). We have no debt maturing prior to 2026. As of May 9, 2025, the Company had $105.0 million in outstanding borrowings under its Amended Revolving Credit Facility, resulting in $874.6 million in available borrowing capacity.

Covenants

Our Amended Credit Facilities, 5.625% Notes, and 4.125% Notes require us, among other obligations, to maintain specified financial ratios and to satisfy certain financial tests. In addition, our Amended Credit Facilities, 5.625% Notes, and 4.125% Notes, restrict, among other things, our ability to incur additional indebtedness, incur guarantee obligations, amend debt instruments, pay dividends, create liens on assets, make investments, engage in mergers or consolidations, and otherwise restrict corporate activities. Our debt agreements also contain customary events of default, including cross-default provisions that require us to meet certain requirements under the AR PENN Master Lease, the 2023 Master Lease, and the Pinnacle Master Lease (all of which are defined below), each with GLPI. If we are unable to meet our financial covenants or in the event of a cross-default, it could trigger an acceleration of payment terms.

As of March 31, 2025, the Company was in compliance with all required financial covenants. The Company believes that it will remain in compliance with all of its required financial covenants for at least the next twelve months following the date of filing this Quarterly Report on Form 10-Q with the SEC.

See Note 5, "Long-Term Debt" in the notes to our unaudited Consolidated Financial Statements for additional information of the Company's debt and other long-term obligations.

Share Repurchase Authorization

On December 6, 2022, the Board of Directors approved a share repurchase authorization for $750.0 million (the "December 2022 Authorization"), which expires on December 31, 2025.

Repurchases by the Company are subject to available liquidity, general market and economic conditions, alternate uses for the capital, and other factors. Share repurchases may be made from time to time through a Rule 10b5-1 trading plan, open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements. There is no minimum number of shares that the Company is required to repurchase and the repurchase authorization may be suspended or discontinued at any time without prior notice.

During the three months ended March 31, 2025, the Company repurchased 1,413,882 shares of its common stock in open market transactions for $25.0 million at an average price of $17.67 per share.

Subsequent to the quarter ended March 31, 2025, the Company repurchased 665,972 shares of its common stock at an average price of $15.03 per share for an aggregate amount of $10.0 million. As of May 9, 2025, the remaining availability under our December 2022 Authorization was $714.2 million.

The cost of all repurchased shares is recorded as "Treasury stock" within our unaudited Consolidated Balance Sheets.

Other Factors Affecting Liquidity

ESPN BET Sportsbook Agreement

On August 8, 2023, PENN entered into the Sportsbook Agreement with ESPN which provides for a long-term strategic relationship between PENN and ESPN relating to online sports betting in the United States. The Sportsbook Agreement has an initial 10-year term and may be extended for an additional ten years upon mutual agreement of PENN and ESPN. In consideration for the media marketing services and brand and other rights provided by ESPN, PENN will pay $150.0 million per year in cash pursuant to the Sportsbook Agreement for the initial 10-year term and issue warrants pursuant to the Investment Agreement (see Note 8, "Commitments and Contingencies" in the notes to our unaudited Consolidated Financial Statements for additional information).

Triple Net Leases

The majority of the real estate assets (i.e., land and buildings) used in our operations are subject to triple net master leases; the most significant of which are the AR PENN Master Lease, 2023 Master Lease, and Pinnacle Master Lease (as such terms are defined in Note 6, "Leases" in the notes to our unaudited Consolidated Financial Statements, and collectively referred to as the "Master Leases"), with GLPI. We refer to the Master Leases, the Margaritaville Lease, the Greektown Lease, and the Morgantown Lease, collectively, as our "Triple Net Leases." The Company's Triple Net Leases are accounted for as either operating leases, finance leases, or financing obligations.

On February 21, 2023, as described in Note 6, "Leases" in the notes to our unaudited Consolidated Financial Statements, the Company and GLPI entered into the Master Development Agreement.

The Master Development Agreement contains additional rent (together with the 2023 Master Lease base rent, the "2023 Master Lease Rent") equal to (i) 7.75% of any project funding received by PENN from GLPI for the Aurora Project and (ii) a percentage, based on the then-current GLPI stock price, of any project funding received by PENN from GLPI for the Other Development Projects. The Master Development Agreement provides that GLPI will fund up to $225.0 million for the Aurora Project and, upon PENN's request, up to $350.0 million in the aggregate for the Other Development Projects, in accordance with certain terms and conditions set forth in the Master Development Agreement. These funding obligations of GLPI expire on January 1, 2026. We expect our new Joliet facility to open in the fourth quarter of 2025, and the new hotel tower at the M Resort, the new Aurora facility, and the Columbus hotel tower to open in the first half of 2026. As of the date of this filing, the Company has neither requested nor received any funding from GLPI for the PENN Development Projects.

Under our Triple Net Leases, in addition to lease payments for the real estate assets, we are required to pay the following, among other things: (i) all facility maintenance; (ii) all insurance required in connection with the leased properties and the business conducted on the leased properties; (iii) taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor); (iv) all tenant capital improvements; and (v) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. Additionally, our Triple Net Leases are subject to annual escalators and periodic percentage rent resets, as applicable. See Note 6, "Leases" in the notes to our unaudited Consolidated Financial Statements for further discussion and disclosure related to the Company's leases.

Payments to our REIT Landlords under Triple Net Leases

Total payments made to our REIT Landlords, GLPI and VICI, were as follows:

	For the three months ended March 31,	
(in millions)	**2025**	**2024**
AR PENN Master Lease	$ 72.1	$ 71.0
2023 Master Lease	59.8	58.9
Pinnacle Master Lease	87.4	85.2
Margaritaville Lease	6.7	6.7
Greektown Lease	13.2	13.2
Morgantown Lease	0.8	0.8
Total	$ 240.0	$ 235.8

Outlook

Based on our current level of operations, we believe that cash generated from operations and cash on hand, together with amounts available under our Amended Credit Facilities, will be adequate to meet our anticipated obligations under our Triple Net Leases, debt service requirements, capital expenditures and working capital needs for the foreseeable future. However, our ability to generate sufficient cash flow from operations will depend on a range of economic, competitive, and business factors, many of which are outside our control. We cannot be certain: (i) of the impact of price inflation, changes in interest rates on the U.S. economy, changes in trade policies, economic downturns or uncertainty, and geopolitical uncertainty; (ii) that our anticipated earnings projections will be realized; (iii) that we will achieve the expected synergies from our acquisitions and joint ventures; and (iv) that future borrowings will be available under our Amended Credit Facilities or otherwise will be available in the credit markets to enable us to service our indebtedness or to make anticipated capital expenditures. We caution that the performance and trends seen across our portfolio may not continue. In addition, while we anticipate that a significant amount of our future growth would come through the pursuit of opportunities within other distribution channels, such as media, retail and online gaming; from acquisitions of gaming properties at reasonable valuations; greenfield projects; development projects; and jurisdictional expansions and property expansion in under-penetrated markets; there can be no assurance that this will be the case. If we consummate significant acquisitions in the future or undertake any significant property expansions, our cash requirements may increase significantly, and we may need to make additional borrowings or complete equity or debt financings to meet these requirements. See Part I, Item 1A. “Risk Factors” of the Company’s Form 10-K for the year ended December 31, 2024 for a discussion of additional risks, including risks related to the Company’s capital structure.

We have historically maintained a capital structure comprised of a mix of equity and debt financing. We vary our leverage to pursue opportunities in the marketplace in an effort to maximize our enterprise value for our shareholders. We expect to meet our debt obligations as they come due through internally-generated funds from operations and/or refinancing them through the debt or equity markets prior to their maturity.

CRITICAL ACCOUNTING ESTIMATES

A complete discussion of our critical accounting estimates is included in our Form 10-K for the year ended December 31, 2024. There have been no significant changes in our critical accounting estimates during the three months ended March 31, 2025.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For information with respect to new accounting pronouncements and the impact of these pronouncements on our unaudited Consolidated Financial Statements, see Note 3, “New Accounting Pronouncements” in the notes to our unaudited Consolidated Financial Statements.

IMPORTANT FACTORS REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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: the Company’s expectations of future results of operations and financial condition, including, but not limited to, projections of revenue, Adjusted EBITDA, Adjusted EBITDAR, and other financial measures; 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 and 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 the content for the ESPN BET and theScore BET and the further development of ESPN BET and theScore BET on our proprietary player account management system and risk and trading platforms; 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 share repurchases; 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; management’s plans and strategies for future operations, including statements relating to 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 development projects and the anticipated benefits; 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 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: 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, changes in interest rates, economic downturns, changes in trade policies, and geopolitical and regulatory 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 successfully acquire and integrate new properties and operations and achieve expected synergies from acquisitions; the availability of future borrowings under our Amended Credit Facilities or other sources of capital to enable us to service our indebtedness, make anticipated capital expenditures or pay off or refinance our indebtedness prior to maturity; the impact of indemnification obligations under the Barstool SPA; 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 occurrence of any event, change or other circumstances that could give rise to the right of one or both of the Company and ESPN to terminate the Sportsbook Agreement between the companies; the ability of the Company and ESPN to agree to extend the initial 10-year term of the Sportsbook Agreement on mutually satisfactory terms, if at all, and the costs and obligations of such terms if agreed; the outcome of any legal proceedings that may be instituted against the Company, ESPN or their respective directors, officers or employees; the ability of the Company or ESPN to retain and hire key personnel; the impact of new or changes in current laws, regulations, rules or other industry standards; the impact of activist shareholders; adverse outcomes of litigation involving the Company, including litigation in connection with our 2025 annual meeting of shareholder; our ability to maintain our gaming licenses and concessions and comply with applicable gaming law, changes in current laws, regulations, rules or other industry standards, and additional factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, 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 Quarterly Report on Form 10-Q may not occur.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to market risk from adverse changes in interest rates with respect to the short-term floating interest rates on borrowings under our Amended Credit Facilities. As of March 31, 2025, the Company's Amended Credit Facilities had a gross outstanding balance of $1.5 billion, consisting of a $474.4 million Amended Term Loan A Facility, a $972.5 million Amended Term Loan B Facility, and $60.0 million of borrowings against our Amended Revolving Credit Facility. As of March 31, 2025, we have $919.6 million of available borrowing capacity under our Amended Revolving Credit Facility.

The table below provides information as of March 31, 2025 about our long-term debt obligations that are sensitive to changes in interest rates, including the notional amounts maturing during the twelve month period presented and the related weighted-average interest rates by maturity dates.

(dollars in millions)	**4/1/25 - 3/31/26**	**4/1/26 - 3/31/27**	**4/1/27 - 3/31/28**	**4/1/28 - 3/31/29**	**4/1/29 - 3/31/30**	**Total**	**Fair Value**
Fixed rate	$ —	$ 400.0	$ —	$ —	$ —	$ 400.0	$ 392.0
Average interest rate		5.625 %					
Fixed rate	$ —	$ —	$ —	$ —	$ 400.0	$ 400.0	$ 357.0
Average interest rate					4.125 %		
Fixed rate	$ —	$ 330.5	$ —	$ —	$ —	$ 330.5	$ 340.4
Average interest rate		2.750 %					
Variable rate	$ 37.5	$ 37.5	$ 489.4	$ 10.0	$ 932.5	$ 1,506.9	$ 1,500.9
Average interest rate [(1)]	5.676 %	5.402 %	5.440 %	6.131 %	6.285 %		

(1) Estimated rate, reflective of forward SOFR as of March 31, 2025 plus the spread over SOFR applicable to variable-rate borrowing.

Foreign Currency Exchange Rate Risk

We are exposed to currency translation risk because the results of our international entities are reported in local currency, which we then translate to U.S. dollars for inclusion in our unaudited Consolidated Financial Statements. As a result, changes between the foreign exchange rates, in particular the Canadian dollar compared to the U.S. dollar, affect the amounts we record for our foreign assets, liabilities, revenues and expenses, and could have a negative effect on our financial results. The results of theScore are reported in Canadian dollars, which we then translate to U.S. dollars for inclusion in our unaudited Consolidated Financial Statements. We do not currently enter into hedging arrangements to minimize the impact of foreign currency fluctuations on our operations. For the three months ended March 31, 2025, we incurred an unrealized foreign currency translation adjustment loss of $0.3 million compared to an unrealized foreign currency translation adjustment loss of $36.0 million for the three months ended March 31, 2024, as reported in "Foreign currency translation adjustment during the period" within our unaudited Consolidated Statements of Comprehensive Income (Loss).

ITEM 4. CONTROLS AND PROCEDURES

The Company's management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of March 31, 2025. Based on this evaluation, our principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2025 to ensure that information required to be disclosed by the Company in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, evaluated, and reported, as applicable, within the time periods specified in the United States Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

During the three months ended March 31, 2025, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to a number of other pending legal proceedings. Management does not expect that the outcome of such proceedings, either individually or in the aggregate, will have a material effect on our financial position, results of operations, or cash flows.

On May 7, 2025, HG Vora Capital Management, LLC, HG Vora Special Opportunities Master Fund, Ltd., and Downriver Series LP – Segregated Portfolio C (collectively, the "HG Vora Plaintiffs") filed a lawsuit in the United States District Court for the Eastern District of Pennsylvania against PENN, the members of PENN's Board of Directors (the "Board") and PENN's former director Ronald Naples captioned *HG Vora Capital Management, LLC, et al. v. PENN Entertainment, Inc., et al., No. 5:25-cv-02313* (the "HG Vora Complaint"). The HG Vora Complaint alleges, among other things, that PENN violated Pennsylvania's Business Corporation Law and the individual defendants breached their fiduciary duties when the Board decreased the number of Class II directors from three to two (the "PENN Board Reduction") and PENN violated federal securities laws by failing to abide by the universal proxy rules and making materially false and misleading statements in, and omissions from, its press release and its proxy materials filed with the SEC. The HG Vora Complaint seeks, among other things, a declaration that the PENN Board Reduction is invalid, injunctive relief ordering PENN to correct the alleged materially false and misleading statements in its proxy materials, injunctive relief allowing PENN shareholders an opportunity to elect three directors at our 2025 annual meeting of shareholders and damages in an amount to be determined at trial. The defendants believe the allegations set forth in the HG Vora Complaint are without merit.

ITEM 1A. RISK FACTORS

The following are new or modified risk factors that should be read in conjunction with the risk factors disclosed under Part I, Item 1A. "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2024 and Part II, Item 1A. "Risk Factors" in the Company's subsequent Form 10-Q filings.

Our business is sensitive to reductions in discretionary consumer spending, which may be adversely impacted by downturns in the economy and other factors outside of our control.

Our business is particularly sensitive to downturns in the economy and the associated impact on discretionary spending on leisure activities. As a regional operator, our in-person customers are predominately local, so we compete for more day-to-day discretionary spending as compared with destination spending. Decreases in discretionary consumer spending or changes in consumer preferences, including as a result of perceived or actual adverse economic conditions or inflation, changes in interest or unemployment rates, tight credit conditions, increased housing, energy, food and travel costs, global hostilities, trade disputes, including the imposition of new or increased tariffs, political or social unrest, widespread illnesses, or other factors beyond our control, could adversely affect the gaming and entertainment industries and demand for our products and amenities, which could materially and adversely affect our business, financial condition, and results of operations.

For example, the United States has recently announced certain changes, and has proposed additional changes, in trade policies, including imposing significant tariffs on imports from other countries. These actions have resulted, and are expected to further result, in responsive actions by impacted countries. On April 9, 2025, the United States announced the imposition of most "reciprocal" tariffs would be paused for 90 days, pending negotiations with the relevant countries. There continues to be significant uncertainty regarding the extent and duration of the tariffs, and any resulting economic downturns or market volatility may adversely impact our business, financial condition, and results of operations.

Shareholder activists have, and could in the future, cause a disruption to, or have an adverse effect on, our business.

We have been subject to shareholder activism and may be subject to such activism in the future, which may include proxy solicitations, shareholder proposals or other actions by activists to effect changes to the Company or to assert influence on our Board of Directors and management. For example, in January 2025, HG Vora Capital Management, LLC ("HG Vora") notified our Board that it had nominated three director candidates to stand for election at the Company's 2025 annual meeting of shareholders, William Clifford, Johnny Hartnett, and Carlos Ruisanchez. Subsequently, the Company's financial advisors held calls with HG Vora's outside advisor, and the Board's Nominating and Corporate Governance Committee reviewed HG Vora's nominees in line with the Company's normal evaluation procedures, including conducting thorough interviews with all nominees. Following this evaluation, the Board nominated Mr. Hartnett and Mr. Ruisanchez for election to the Board at the Company's 2025 annual meeting of shareholders. HG Vora filed a preliminary proxy statement with the SEC on April 28, 2025, and continues to seek the election of its three director candidates to the Board.

Shareholder activism pursued against the Company has in the past, and may in the future, give rise to or result in, among other things: (a) increased costs, including expenses of third-party advisors, insurance, administrative expenses and other associated costs; (b) perceived uncertainties as to our future direction, which could result in reputational harm and the loss of potential business opportunities and could make it more difficult to attract, retain, or motivate qualified personnel, and strain relationships with investors, customers, suppliers, business partners, and regulators; (c) reduction or delay in our ability to effectively and timely execute our current business strategy and to implement new strategies; (d) diversion of the attention of our Board of Directors and management team; (e) potential litigation as a result of proposals by activist stockholders or proxy contests or matters relating thereto; (f) adverse implications from a gaming regulatory perspective, including those arising from a shareholder activist failing to comply with applicable gaming laws in connection with its investment in the Company or other actions that could have an adverse impact on our gaming licenses; and (g) fluctuations in the Company's stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Any such shareholder activism could have an adverse effect on our business, financial condition, and results of operations.

PENN is the subject of litigation related to our 2025 annual meeting of shareholders, which could divert management time and resources, result in substantial costs, and have adverse implications from a gaming regulatory perspective.

On May 7, 2025, the HG Vora Plaintiffs filed a lawsuit in the United States District Court for the Eastern District of Pennsylvania against PENN, the members of the Board and PENN's former director Ronald Naples captioned *HG Vora Capital Management, LLC, et al. v. PENN Entertainment, Inc., et al., No. 5:25-cv-02313*. The HG Vora Complaint alleges, among other things, that PENN violated Pennsylvania's Business Corporation Law and the individual defendants breached their fiduciary duties when the Board decreased the number of Class II directors from three to two and PENN violated federal securities laws by failing to abide by the universal proxy rules and making materially false and misleading statements in, and omissions from, its press release and its proxy materials filed with the SEC. The HG Vora Complaint seeks, among other things, a declaration that the PENN Board Reduction is invalid, injunctive relief ordering PENN to correct the alleged materially false and misleading statements in its proxy materials, injunctive relief allowing PENN shareholders an opportunity to elect three directors at PENN's 2025 annual meeting of shareholders and damages in an amount to be determined at trial.

The defendants believe the allegations set forth in the HG Vora Complaint are without merit. However, if the HG Vora Plaintiffs are successful in their lawsuit, PENN may be required to, among other things, increase the number of Class II directors to three, nominate three directors for election at PENN's 2025 annual meeting of shareholders, amend the Proxy Statement, provide new proxy cards to shareholders and discard previously-furnished proxy cards received by PENN, reschedule PENN's 2025 annual meeting of shareholders and/or pay damages to the HG Vora Plaintiffs. In addition, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on PENN's liquidity and financial condition, and could have adverse implications from a gaming regulatory perspective, including an adverse impact on our gaming licenses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents the total number of shares of our common stock that we repurchased during the first quarter of 2025, the average price paid per share, the number of shares that we repurchased as part of our share repurchase program, and the approximate dollar value of shares that still could have been repurchased at the end of the applicable fiscal period pursuant to our share repurchase program:

(dollars in millions, except per share data)	Total Number of Shares Purchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program [2]	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program [2]
January 1, 2025 - January 31, 2025	—	$ —	—	$ 749.5
February 1, 2025 - February 28, 2025	—	$ —	—	$ 749.5
March 1, 2025 - March 31, 2025	1,497,039	$ 17.63	1,413,882	$ 724.6

(1) Includes 83,157 shares withheld to pay taxes due upon the vesting of employee restricted stock for the month ended March 31, 2025.

(2) On February 1, 2022, our Board of Directors authorized the February 2022 Authorization for the repurchase of up to $750.0 million of our common stock from time to time on the open market or in privately negotiated transactions. The February 2022 Authorization was completed on June 15, 2023 and expired on January 31, 2025. On December 6, 2022, our Board of Directors authorized the December 2022 Authorization for the repurchase of an additional $750.0 million of our common stock from time to time on the open market or in privately negotiated transactions. The December 2022 Authorization expires on December 31, 2025. We initiated share repurchases under the December 2022 Authorization in 2023. Stock repurchases are funded using our available liquidity. The timing and amount of stock repurchases will depend on a variety of factors, including market conditions as well as corporate and regulatory considerations.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(a) of Regulation S-K.

Executive Employment Agreement

The Company entered into a new employment agreement with its Executive Vice President, Chief Strategy and Legal Officer and Secretary, Christopher Rogers, on May 6, 2025 (the "Executive Agreement"). The Executive Agreement is effective as of June 30, 2025 and terminates on June 30, 2028 (the "Term") unless terminated earlier by either party, and will supersede Mr. Rogers' current executive agreement which is set to expire on June 30, 2025. The Executive Agreement provides that, effective June 30, 2025, Mr. Rogers' annual base salary will be $824,000 and his target annual bonus will be 125% of his base salary.

In the event Mr. Rogers' employment is terminated without cause (as defined in the Executive Agreement), or Mr. Rogers resigns for good reason (as defined in the Executive Agreement), or the Executive Agreement is not renewed at the end of the Term, Mr. Rogers will be entitled to the following severance payments and benefits, subject to his execution and non-revocation of a general release of claims in favor of the Company and its affiliates and his continued compliance with certain restrictive covenant provisions: (i) cash amount equal to the sum of (a) two times his annual base salary, and (b) one and one half times his target annual bonus, payable in equal installments over twenty-four months (or two times his target annual bonus if his termination occurs within twenty-four months following a change of control), (ii) pro rata bonus for the fiscal year in which the termination occurs based on actual performance (or greater of the target bonus in effect on the termination date and the target bonus in effect on the date of the change of control, in the event he is terminated within the twenty-four month period following a change of control of the Company), (iii) reimbursement for the cost of COBRA coverage, if so elected, for a period of twenty-four months, and (iv) any accrued but unpaid annual bonus for the year preceding the year in which he is terminated.

The foregoing summary of the material terms of the Executive Agreement is qualified in its entirety by reference to the full text of the Executive Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
10.1*	Executive Agreement, dated May 6, 2025, between PENN Entertainment, Inc. and Christopher Rogers.
10.2*	First Amendment to 2023 Master Lease, dated June 2023, by and among PENN Tenant, LLC and Gaming and Leisure Properties, Inc.
10.3*	Second Amendment to 2023 Master Lease, September 14, 2023, by and among PENN Tenant, LLC and Gaming and Leisure Properties, Inc.
10.4*	Third Amendment to 2023 Master Lease, December 19, 2023, by and among PENN Tenant, LLC and Gaming and Leisure Properties, Inc.
10.5*	Fourth Amendment to 2023 Master Lease, July 23, 2024, by and among PENN Tenant, LLC and Gaming and Leisure Properties, Inc.
31.1*	CEO Certification pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	CFO Certification pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	CEO Certification pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.
32.2**	CFO Certification pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Inline XBRL File (included in Exhibit 101)
*	Filed herewith.
**	Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PENN Entertainment, Inc.

Dated: May 12, 2025

By: /s/ Felicia R. Hendrix

Felicia R. Hendrix

Executive Vice President and Chief Financial Officer

(Principal Accounting Officer)

Execution Copy

Exhibit 10.1

EXECUTIVE AGREEMENT

This EXECUTIVE AGREEMENT (this "Agreement") is entered into on this 6th day of May 2025 and shall be effective as of June 30, 2025 (the "Effective Date"), by PENN Entertainment, Inc., a Pennsylvania corporation (the "Company"), and the senior executive who has executed this Agreement below ("Executive").

WHEREAS, each of the parties wishes to enter into this Agreement, the terms of which are intended to be in compliance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A," see also Section 23 hereof).

NOW, THEREFORE, the parties, in exchange for the mutual promises described herein and other good and valuable consideration and intending to be legally bound, agree as follows:

1. Termination of Earlier Agreement. The Company and Executive hereby agree to extend Executive's employment beyond the term of his current employment agreement ("Earlier Agreement") in the manner described herein. Effective on the Effective Date, the Earlier Agreement will be deemed terminated and superseded by this Agreement.

2. Terms of Employment.

(a) Term. The term of this Agreement shall begin on the Effective Date and shall terminate on the earlier of June 30, 2028 ("Term") or the termination of Executive's employment with the Company; provided, however, notwithstanding anything in this Agreement to the contrary, Sections 7 through 25 shall survive until the expiration of any applicable time periods set forth in Sections 7, 8 and 9.

(b) Position and Duties. (i) During the Term, Executive shall (A) serve as Chief Strategy and Legal Officer of the Company with such duties and responsibilities as are commensurate with such positions, and (B) report to the Company's Chief Executive Officer. Executive acknowledges that he may be required to travel in connection with the performance of his duties.

(c) Compensation. Effective as of the Effective Date, (i) Executive's annualized base salary shall be $824,000 (as in effect from time to time, "Base Salary") and Executive's annual target bonus shall be 125% of Base Salary ("Target Bonus"); provided that the Compensation Committee of the Company's Board of Directors (the "Board") shall have discretion to increase the Base Salary during the Term.

3. Termination by the Company.

(a) Termination. The Company may terminate Executive's employment at any time without Cause (as such term is defined in subsection (c) below), with Cause, or at the end of the Term by non-renewal of this Agreement.

(b) Without Cause. The Company may terminate Executive's employment at any time without Cause (as such term is defined in subsection (c) below) by delivery of written notice to Executive, which notice shall set forth the effective date of such termination.

(c) With Cause. The Company may terminate Executive's employment at any time for Cause effective immediately upon delivery of written notice to Executive. As used herein, the term "Cause" shall mean:

(i) Executive shall have been convicted of, or pled guilty or nolo contendere to, a criminal offense involving allegations of fraud, dishonesty or physical harm during the term of this Agreement;

(ii) Executive is found (or is reasonably likely to be found) disqualified or not suitable to hold a casino or other gaming license by a governmental gaming authority in any jurisdiction where Executive is required to be found qualified, suitable or licensed;

(iii) Executive breaches any significant Company policy (such as the Business Code of Conduct or the Harassment Policy) or term of this Agreement, including, without limitation, Sections 6 through 9 of this Agreement;

(iv) Executive misappropriates corporate funds or resources as determined in good faith by the Audit Committee of the Board;

(v) Executive's willful and continued failure to perform duties (except due to mental or physical incapacity); or

(vi) Executive's engagement in illegal conduct or gross misconduct which is or is reasonably expected to be materially injurious to the Company or one of its affiliates;

provided, that, in no event shall Executive's termination be for "Cause" pursuant to any of clauses (iii), (iv), (v) or (vi), unless (x) an event or circumstance constituting "Cause" shall have occurred and the Company provides Executive with written notice thereof, and (y) Executive fails to cure the circumstance or event so identified (if curable) within fifteen (15) days after the receipt of such notice.

(d) Death. Executive's employment will terminate automatically upon Executive's death.

(e) Disability. The Company may terminate Executive's employment due to Executive's inability to perform the essential functions of Executive's job (with or without reasonable accommodation) by reason of disability, where such inability continues for a period of ninety (90) days continuously.

4. Termination by Executive.

(a) Executive may voluntarily terminate employment without Good Reason effective upon 60 days' prior written notice to the Company, in which case no severance payments or benefits shall be due.

(b) Executive may terminate employment for Good Reason, effective upon 60 days prior written notice, in which case severance payments and benefits shall be payable to the extent set forth below. As used herein, the term "Good Reason" shall mean the occurrence of any of the following events that the Company fails to cure within 10 days after receiving written notice thereof from Executive (which notice must be delivered within 30 days following the applicable event or circumstance): (i) a material reduction in Executive's authority, duties or responsibilities; (ii) any reduction in Executive's compensation or substantial reduction in Executive's benefits taken as a whole, other than any reduction of compensation or benefits of ten percent or less (A) that applies to Executive and other executives of the Company who report directly to the Chief Executive Officer of the Company and (B) that applies at a time other than the two years immediately following a Change of Control (as defined in the Company's then current long-term incentive compensation plan) (such two-year period, the "CoC Protection Period"); (iii) any travel requirements, following a Change of Control, materially greater than Executive's travel requirements prior to the Change of Control; (iv) any Executive relocation requirement, following a Change of Control, or (v) any breach of any material term of this Agreement by the Company.

5. Severance Pay and Benefits. Subject to the terms and conditions set forth in this Agreement, if Executive's employment is terminated under Section 3(b), under Section 4(b) or by the Company's non-renewal of Executive's employment under this Agreement on substantially-similar terms, then the Company will provide Executive with the following severance pay and benefits (except in the event of a breach of the Release, as defined below); provided, for purposes of Section 409A, each payment of severance pay under this Section 5 shall be considered a separate payment:

(a) Severance. Subject to Sections 5(e) and 23:

(i) If the date of Executive's separation from service (the "Termination Date") occurs outside of the CoC Protection Period, the Company shall pay to Executive an amount equal to the sum of (A) two times Base Salary and (B) one and one half times Target Bonus, with each component based on the greater of (x) the amount in effect on the Termination Date, and (y) the amount set forth in Section 2(c), with such amount payable in equal installments over the Severance Period in accordance with the Company's regular payroll procedures for similarly situated executives following the Termination Date; or

(ii) If the Termination Date occurs during the CoC Protection Period, the Company shall pay to Executive an amount equal to the product of two times the sum of Base Salary and Target Bonus, with each component based on the greatest of (x) the amount in effect on the Termination Date, (y) the amount set forth in Section 2(c) and (z) the amount in effect on the date of the Change of Control, such amount payable as follows: if the Change of Control is a 409A CoC (as defined below) or such payments can otherwise be made without violating Section 409A of the Code, on the 60th day following the Termination Date and otherwise, in equal installments over the Severance Period in accordance with the Company's regular payroll procedures for similarly situated executives following the Termination Date.

(b) Pro-Rata Bonus. The Company shall pay to Executive an annual bonus for the fiscal year in which the Termination Date occurs, pro-rated to cover the portion of the

fiscal year from the first day of the fiscal year through the Termination Date, (i) if the Termination Date occurs outside of the CoC Protection Period, based on actual performance, determined by the Compensation Committee of the Board, and paid to Executive on the date annual bonuses are paid to similarly-situated executives after the Termination Date, but in no event later than March 15 of the year following the year in which the Termination Date occurs, and (ii) if the Termination Date occurs during the CoC Protection Period, based on the greater of (A) the Target Bonus in effect on the Termination Date and (B) the Target Bonus in effect on the date of the Change of Control, such amount pursuant to this clause (ii) to be paid on the 60th day following the Termination Date.

(c) Continued Medical Benefits Coverage. During the twenty-four months following the Termination Date (such period, the "Severance Period"), Executive and Executive's dependents will have the opportunity under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended ("COBRA") to elect COBRA continuation coverage. If Employee so elects and pays for COBRA coverage in a timely manner, the Company shall reimburse Executive for the cost of purchasing COBRA coverage through the end of the Severance Period (or until such earlier date as Executive and Executive's dependents cease to receive COBRA coverage) and any such reimbursement shall be imputed as income to the Executive.

(d) Accrued and Unpaid Annual Bonus for Last Completed Fiscal Year. If the Company has not paid an annual bonus for the fiscal year preceding the year in which the Termination Date occurs, the Company shall pay to Executive an annual bonus for such year based on actual performance, determined by the Compensation Committee of the Board.

(e) Release Agreement. Executive's entitlement to any severance pay and benefit entitlements under this Section 5 is conditioned upon Executive's first entering into a release substantially in the form attached as Exhibit A ("Release") and the Release becoming effective no later than the sixtieth day following the employment termination date, which Release shall be delivered to Executive within 14 days after the Termination Date. Notwithstanding any other provision hereof, all severance payments to Executive shall be delayed until after the expiration of any applicable revocation period with respect to the release, but in the event the applicable revocation period spans two calendar years, the payments shall commence in the second calendar year. Executive also acknowledges that any severance pay under this Section 5 is subject to the Company's then current recoupment policy.

(f) No Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive pursuant to this Section 5, and such amounts shall not be reduced whether or not the Executive obtains other employment; provided, however, that if Executive accepts any employment with the Company, or an affiliate or related entity of the Company, and becomes reemployed by the Company or an affiliate or related entity of the Company during the Severance Period, Executive acknowledges and agrees that Employee will forfeit all future severance payments from the date on which reemployment commences. Following a Change of Control, the Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), to the full extent permitted by law, all legal fees and expenses that Executive may incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any

provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement).

6. No Conflicts of Interest. Executive agrees that throughout the period of Executive's employment hereunder, Executive will not perform any activities or services, or accept other employment, that would materially interfere with or present a conflict of interest concerning Executive's employment with the Company. Executive agrees and acknowledges that Executive's employment is conditioned upon Executive adhering to and complying with the business practices and requirements of ethical conduct set forth in writing from time to time by the Company in its employee manual, code of conduct or similar publication. Executive represents and warrants that no other contract, agreement or understanding to which Executive is a party or may be subject to will be violated by the execution of this Agreement by Executive. Executive further agrees to not accept any position on the board of a for-profit company without the written consent of the Penn Entertainment, Inc. Chief Executive Officer.

7. Confidentiality.

(a) Definition. "Confidential Information" means data and information relating to the business of the Company or its affiliates, (i) which the Company or its affiliates have disclosed to Executive, or of which Executive became aware as a consequence of or in the course of Executive's employment with the Company, (ii) which have value to the Company or its affiliates, and (iii) which are not generally known to its competitors. Confidential Information will not include any data or information that the Company or its affiliates have voluntarily disclosed to the public (except where Executive made or caused that public disclosure without authorization), that others have independently developed and disclosed to the public, or that otherwise enters the public domain through lawful means.

(b) Restrictions. Executive agrees to treat as confidential and will not, without the prior written approval of the Company in each instance, directly or indirectly use (other than in the performance of Executive's duties of employment with the Company or its affiliates), publish, disclose, copyright or authorize anyone else to use, publish, disclose or copyright, any Confidential Information obtained during Employee's employment with the Company or its affiliates, whether or not the Confidential Information is in written or other tangible form. This restriction will continue after the Termination Date. Executive acknowledges and agrees that the prohibitions against disclosure and use of Confidential Information recited in this section are in addition to, and not in lieu of, any rights or remedies that the Company or its affiliates may have available under applicable laws.

(c) Nothing in this Agreement or in the Release shall prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of applicable federal or state law or regulation.

8. Non-Competition.

(a) As used in this Section 8, the term "Restriction Period" shall mean a period equal to: (i) the 12-month period immediately following the Termination Date if Executive's employment terminates under circumstances where Executive is not entitled to payments under Section 5 or (ii) the Severance Period if Executive's employment terminates under circumstances where Executive is entitled to payments under Section 5.

(b) During the term of this Agreement and for the duration of the Restriction Period thereafter, Executive shall not, except with the prior written consent of the Company, directly or indirectly, own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, or use or permit Executive's name to be used in connection with, any Competing Business. A "Competing Business" includes any business enterprise which owns or operates, or is publicly seeking to own or operate, a gaming facility located within 150 miles of any facility in which the Company or its affiliates owns or operates or is actively seeking to own or operate a facility at such time (the "Restricted Area"). Executive acknowledges that any business which offers gaming, racing, sports wagering or internet real money / social gaming, and which markets to any customers in the Restricted Area, is a Competing Business.

(c) The foregoing restrictions shall not be construed to prohibit Executive's ownership of less than 5% of any class of securities of any corporation which is engaged in any of the foregoing businesses and has a class of securities registered pursuant to the Securities Exchange Act of 1934, provided that such ownership represents a passive investment and that neither Executive nor any group of persons including Executive in any way, either directly or indirectly, manages or exercises control of any such corporation, guarantees any of its financial obligations, otherwise takes any part in its business, other than exercising Executive's rights as a shareholder, or seeks to do any of the foregoing.

(d) Executive acknowledges that the covenants contained in Sections 7 through 9 hereof are reasonable and necessary to protect the legitimate interests of the Company and its affiliates and, in particular, that the duration and geographic scope of such covenants are reasonable given the nature of this Agreement and the position that Executive will hold within the Company and that the benefits provided to Executive under Section 5 are in consideration for Executive's agreement to be bound by the covenants contained in Sections 7 through 9. Executive further agrees to disclose the existence and terms of such covenants to any employer that Executive works for during the Restriction Period.

9. Non-Solicitation. Executive will not, except with the prior written consent of the Company, during the term of this Agreement and for a period of 18 months after the Termination Date, directly or indirectly, solicit or hire, or encourage the solicitation or hiring of, any person who is, or was within a six month period prior to such solicitation or hiring, an executive or management (or higher) level employee of the Company or any of its affiliates, for any position as an employee, independent contractor, consultant or otherwise for the benefit of any entity not affiliated with the Company. Notwithstanding the foregoing, in no event will the following be a violation of this Section 9: (a) serving as a reference for any person or (b) placing a generalized advertisement (whether written, electronic or otherwise) not targeted at employees of the Company and its affiliates.

10. Property Surrender. Upon termination of Executive's employment for any reason, Executive shall immediately surrender and deliver to the Company all property that belongs to the Company, including, but not limited to, any keys, equipment, computers, phones, credit cards, disk drives and any documents, correspondence and other information, including all Confidential Information, of any type whatsoever, from the Company or any of its agents, servants, employees, suppliers, and existing or potential customers, that came into Executive's possession by any means during the course of employment.

11. Indemnification. The Company shall indemnify Executive (including advancing the costs of reasonable attorney's fees and expenses incurred by Executive) to the maximum extent permitted under applicable law for acts taken in good faith within the scope of his employment and his service as an officer or director of the Company (including for the avoidance of doubt as a witness). To the extent that the Company obtains coverage under a director and officer indemnification policy, Executive will be entitled to such coverage on a basis that is no less favorable than the coverage provided to any other officer or director of the Company.

12. Reduction of Certain Payments. (a) For purposes of this Section 12: (a) a "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise; (b) "Agreement Payment" shall mean a Payment paid or payable pursuant to this Agreement (disregarding this Section 12); (c) "Net After-Tax Receipt" shall mean the Present Value of a Payment net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Executive's taxable income for the immediately preceding taxable year, or such other rate(s) as the Accounting Firm (as defined below) determined to be likely to apply to the Executive in the relevant tax year(s); (d) "Present Value" shall mean such value determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code; and (e) "Reduced Amount" shall mean the greatest amount of Agreement Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Agreement Payments pursuant to Section 12(b).

(b) Anything in the Agreement to the contrary notwithstanding, in the event that PricewaterhouseCoopers, LLP, or such other nationally recognized certified public accounting firm as may be designated by the Executive (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to an excise tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce any of the Agreement Payments to the Reduced Amount. The Agreement Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Executive would have a greater Net After-Tax Receipt of aggregate Payments if the Agreement Payments were reduced to the Reduced Amount. If the Accounting Firm determines that the Executive would not have a greater Net After-Tax Receipt of aggregate Payments if the Executive's Agreement Payments were so reduced, the Executive shall receive all Agreement Payments to which the Executive is entitled under this Agreement.

(c) If the Accounting Firm determines that aggregate Agreement Payments should be reduced to the Reduced Amount, the Company shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 12 shall be binding upon the Company and the Executive and shall be made within 25 days following the Date of Termination. For purposes of reducing the Agreement Payments to the Reduced Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (i) Section 5(b), (iii) Section 5(a) and (iv) Section 5(c). All fees and expenses of the Accounting Firm shall be borne solely by the Company. To the extent instructed by the Executive, in performing its calculations hereunder, the Accounting Firm shall take into account any reasonable compensation for services rendered or to be rendered by the Executive (including any non-competition covenants).

13. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the Commonwealth of Pennsylvania.

14. Jurisdiction. The parties hereby irrevocably consent to the jurisdiction of the courts of the Commonwealth of Pennsylvania for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be commenced, prosecuted and continued only in the state or federal courts having jurisdiction for matters arising in Wyomissing, Pennsylvania, which shall be the exclusive and only proper forum for adjudicating such a claim.

15. Notices. All notices and other communications required or permitted under this Agreement or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered, delivered by guaranteed next-day delivery or shall be deemed given on the third business day when mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to the Company, to:

Penn Entertainment, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer (with a copy to the Chief Legal Officer)

If to Executive, to:

Executive's then current home address as provided by Executive to the Company.

or to such other names or addresses as the Company or Executive, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section 15.

16. Contents of Agreement; Amendment and Assignment. This Agreement sets forth the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements or understandings with respect to thereto. This Agreement cannot be changed, modified, extended, waived or terminated except upon a written instrument signed by the party against which it is to be enforced. Executive may not assign any of Executive's rights or obligations under this Agreement. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of its assets or business by means of liquidation, dissolution, merger, consolidation, transfer of assets, stock transfer or otherwise.

17. Severability. If any provision of this Agreement or application thereof to anyone under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances. In addition, if any court determines that any part of Sections 7, 8 or 9 hereof is unenforceable because of its duration, geographical scope or otherwise, such court will have the power to modify such provision and, in its modified form, such provision will then be enforceable.

18. Remedies. No remedy conferred upon a party by this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission by a party in exercising any right, remedy or power under this Agreement or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement by Executive and that the Company shall be entitled to specific performance and injunctive relief as remedies for any such breach, in addition to all other remedies available at law or equity to the Company.

19. Construction. This Agreement is the result of thoughtful negotiations and reflects an arms' length bargain between two sophisticated parties, each with an opportunity to be represented by counsel. The parties agree that, if this Agreement requires interpretation, neither party should be considered "the drafter" nor be entitled to any presumption that any ambiguities are to be resolved in such party's favor.

20. Beneficiaries/References. Executive shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable under this Agreement following Executive's death or incapacity by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of Executive's incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to Executive's beneficiary, estate or other legal representative. Except as provided in this provision or Company affiliates, no third party beneficiaries are intended.

21. Withholding. All payments under this Agreement shall be made subject to applicable tax withholding, and the Company shall withhold from any payments under this Agreement all federal, state and local taxes, as the Company is required to withhold pursuant to any law or governmental rule or regulation. Executive shall bear all expense of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received under this Agreement.

22. Regulatory Compliance. The terms and provisions hereof shall be conditioned on and subject to compliance with all laws, rules, and regulations of all jurisdictions, or agencies, boards or commissions thereof, having regulatory jurisdiction over the employment or activities of Executive hereunder.

23. Section 409A. Any amounts that constitute nonqualified deferred compensation as defined in Section 409A that become payable upon a termination of employment shall be payable only if such termination of employment constitutes a separation from service (as defined in Section 409A). The payments due under this Agreement are intended to be exempt from Code Section 409A, but to the extent that such payments are not exempt, this Agreement is intended to comply with the requirements of Section 409A and shall be construed accordingly. Any payments or distributions to be made to Executive under this Agreement upon a separation from service (as defined in Section 409A) of amounts classified as "nonqualified deferred compensation" for purposes of Code Section 409A and do not satisfy an exemption from the time and form of payment requirements of Section 409A, shall in no event be made or commence until six months after such separation from service (or, if earlier, the date of Executive's death) if Executive is a specified employee (as defined in Section 409A). Each payment (including each severance installment payment) under this Agreement shall be treated as a separate payment for purposes of Code Section 409A. Any reimbursements made pursuant to this Agreement shall be paid as soon as practicable but no later than 90 days after Executive submits evidence of such expenses to the Company (which payment date shall in no event be later than the last day of the calendar year following the calendar year in which the expense was incurred). The amount of such reimbursements during any calendar year shall not affect the benefits provided in any other calendar year, and the right to any such benefits shall not be subject to liquidation or exchange for another benefit. Notwithstanding anything herein to the contrary, the Company shall not have any liability to the Executive or to any other person if the payments and benefits provided in this Agreement that are intended to be exempt from or compliant with Code Section 409A are not so exempt or compliant. For purposes of this Agreement, "409A CoC" means a Change of Control that is also a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company as defined in Section 409A.

24. Defend Trade Secrets Act. Pursuant to the Defend Trade Secrets Act of 2016, Executive acknowledges that Executive will not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and

may use the trade secret information in the court proceeding, if Executive (X) files any document containing the trade secret under seal, and (Y) does not disclose the trade secret, except pursuant to court order.

25. Clawback Policy. Executive acknowledges that he has reviewed the Company's Clawback Policy and agrees to be bound by it, as in effect on the date hereof, but including any changes to the policy made to comply with applicable regulatory requirements.

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first above written.

PENN ENTERTAINMENT, INC.

By: /s/ Jay Snowden
Name: Jay Snowden
Title: Chief Executive Officer and President

EXECUTIVE

/s/ Chris Rogers
Name: Chris Rogers
Title: Executive Vice President, Chief Strategy and Legal Officer and Secretary

EXHIBIT A

SEPARATION AGREEMENT AND GENERAL RELEASE

This is a Separation Agreement and General Release (hereinafter referred to as the "Agreement") between _____ (hereinafter referred to as the "Employee") and _____ and its affiliates (hereinafter referred to as the "Employer"). In consideration of the mutual promises and commitments made in this Agreement, and intending to be legally bound, Employee, on the one hand, and the Employer on the other hand, agree to the terms set forth in this Agreement.

1. Employee is party to an Executive Agreement dated [DATE] (the "Executive Agreement"). Employer and Employee hereby acknowledge that Employee's employment was terminated on [DATE].

2. (a) Following the execution of this Agreement, Employee will be entitled to the post-employment benefits and subject to the post-employment responsibilities set forth in Employee's Executive Agreement.

(b) If Employee accepts any employment with the Employer, or an affiliate or related entity of the Employer, and becomes reemployed by the Employer or an affiliate or related entity of the Employer during the Severance Period (as defined in the Executive Agreement), Employee acknowledges and agrees that Employee will forfeit all future severance payments from the date on which reemployment commences.

3. (a) When used in this Agreement, the word "Releasees" means the Employer and all or any of its past and present parent, subsidiary and affiliated corporations, members, companies, partnerships, joint ventures and other entities and their groups, divisions, departments and units, and their past and present directors, trustees, officers, managers, partners, supervisors, employees, attorneys, agents and consultants, and their predecessors, successors and assigns.

(b) When used in this Agreement, the word "Claims" means each and every claim, complaint, cause of action, and grievance, whether known or unknown and whether fixed or contingent, and each and every promise, assurance, contract, representation, guarantee, warranty, right and commitment of any kind, whether known or unknown and whether fixed or contingent.

4. In consideration of the promises of the Employer set forth in this Agreement and the Executive Agreement, and intending to be legally bound, Employee hereby irrevocably remises, releases and forever discharges all Releasees of and from any and all Claims that Employee (on behalf of either Employee or any other person or persons) ever had or now has against any and all of the Releasees, or which Employee (or Employee's heirs, executors, administrators or assigns or any of them) hereafter can, shall or may have against any and all of the Releasees, for or by reason of any cause, matter, thing, occurrence or event whatsoever through the effective date of this Agreement. Employee acknowledges and agrees that the Claims released in this paragraph include, but are not limited to, (a) any and all Claims based on any law, statute or constitution or based on contract or in tort on common law, and (b) any and all Claims based on or arising under any civil rights laws, such as any [STATE] employment

laws, or Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.), or the Federal Age Discrimination in Employment Act (29 U.S.C. § 621 et seq.) (hereinafter referred to as the "ADEA"), and (c) any and all Claims under any grievance or complaint procedure of any kind, and (d) any and all Claims based on or arising out of or related to Employee's recruitment by, employment with, the termination of Employee's employment with, Employee's performance of any services in any capacity for, or any other arrangement or transaction with, each or any of the Releasees. Employee also understands, that by signing this Agreement, Employee is waiving all Claims against any and all of the Releasees released by this Agreement; provided, however, that as set forth in section 7 (f) (1) (c) of the ADEA, as added by the Older Workers Benefit Protection Act of 1990, nothing in this Agreement constitutes or shall (i) be construed to constitute a waiver by Employee of any rights or claims that may arise after this Agreement is executed by Employee, or (ii) impair Employee's right to file a charge with the U.S. Securities and Exchange Commission ("SEC"), the U.S. Equal Employment Opportunity Commission ("EEOC"), the National Labor Relations Board ("NLRB") or any state agency or to participate in an investigation or proceeding conducted by the SEC, EEOC, NLRB or any state agency or as otherwise required by law. Notwithstanding the foregoing, Employee agrees to waive Employee's right to recover individual relief in any charge, complaint, or lawsuit filed by Employee or anyone on Employee's behalf, except that this does not waive the Employee's ability to obtain monetary awards from the SEC's whistleblower program. Notwithstanding anything to the contrary set forth in this Section 4, Executive does not release, waive, or discharge Releasees from (i) any Claims to seek to enforce Executive's rights under Section 5(a)-(c) of the Employment Agreement, (ii) any Claims for indemnification (including advancement of expenses) or contribution with respect to any liability incurred by Executive as a director or officer of the Company, (iii) any rights or Claims under any directors and officers insurance policy maintained by the Company [or (iv) any rights or Claims as a security holder in the Company or its affiliates or with respect to equity or equity-based compensation awards].[1]

5. Employee further certifies that Employee is not aware of any actual or attempted regulatory, SEC, EEOC or other legal violations by Employer and that Employee's separation is not a result of retaliation based on any legal rights or opposition to an illegal practice.

6. Employee covenants and agrees not to sue the Releasees and each or any of them for any Claims released by this Agreement and to waive any recovery related to any Claims covered by this Agreement.

7. Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that Employee will not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the trade secret to Employee's attorney, and may use the trade secret information in the court proceeding, if Employee (X) files any document containing the trade secret under seal, and (Y) does not disclose the trade secret, except pursuant to court order.

[1] Inclusion of bracketed language subject to whether or not separation terms address treatment of then outstanding equity awards.

8. Employee agrees to provide reasonable transition assistance to Employer (including without limitation assistance on regulatory matters, operational matters and in connection with litigation) for a period of one year from the execution of this Agreement at no additional cost; provided, such assistance shall not unreasonably interfere with Employee's pursuit of gainful employment or result in Employee not having a separation from service (as defined in Section 409A of the Internal Revenue Code of 1986). Any assistance beyond this period will be provided at a mutually agreed cost.

9. Employee agrees that, except as specifically provided in this Agreement, there is no compensation, benefits, or other payments due or owed to Employee by each or any of the Releasees, including, without limitation, the Employer, and there are no payments due or owed to Employee in connection with Employee's employment by or the termination of Employee's employment with each or any of the Releasees, including without limitation, [any interest in unvested options, SARs, restricted stock or other equity issued to, expected by or contemplated by any of the Releasees (which interest is specifically released herein)][2] or any other benefits (including, without limitation, any other severance benefits). For clarity, Employee acknowledges that upon Employee's separation date, Employee has no further rights under any bonus arrangement or option plan of Employer. Employee further acknowledges that Employee has not experienced or reported any work-related injury or illness.

10. Except where the Employer has disclosed or is required to disclose the terms of this Agreement pursuant to applicable federal or state law, rule or regulatory practice, Employer and Employee agree that the terms of this Agreement are confidential. Employee will not disclose or publicize the terms of this Agreement and the amounts paid or agreed to be paid pursuant to this Agreement to any person or entity, except to Employee's spouse, Employee's attorney, Employee's accountant, and to a government agency for the purpose of payment or collection of taxes or application for unemployment compensation benefits. Employee agrees that Employee's disclosure of the terms of this Agreement to Employee's spouse, Employee's attorney and Employee's accountant shall be conditioned upon Employee obtaining agreement from them, for the benefit of the Employer, not to disclose or publicize to any person or entity the terms of this Agreement and the amounts paid or agreed to be paid under this Agreement. Employee understands that, notwithstanding any provisions of this Agreement, Employee is not prohibited or in any way restricted from reporting possible violations of law to a government agency or entity, and Employee is not required to inform Employer if Employee makes such reports.

11. Employee agrees not to make any false, misleading, defamatory or disparaging statements, including in blogs, posts on Facebook, twitter, other forms of social media or any such similar communications, about Employer (including without limitation Employer's products, services, partners, investors or personnel) and to refrain from taking any action designed to harm the public perception of the Employer or any of the Releasees. Employee further agrees that Employee has disclosed to Employer all information, if any, in Employee's

[2] Inclusion of bracketed language subject to whether or not separation terms address treatment of then outstanding equity awards.

possession, custody or control related to any legal, compliance or regulatory obligations of Employer and any failures to meet such obligations.

12. The terms of this Agreement are not to be considered as an admission on behalf of either party. Neither this Agreement nor its terms shall be admissible as evidence of any liability or wrongdoing by each or any of the Releasees in any judicial, administrative or other proceeding now pending or hereafter instituted by any person or entity. The Employer is entering into this Agreement solely for the purpose of effectuating a mutually satisfactory separation of Employee's employment.

13. Sections 13 and 14 (Governing Law, Jurisdiction) of the Executive Agreement shall also apply to this Agreement.

14. Along with the surviving provisions of the Executive Agreement, including but not limited to Sections 7 through 25, this Agreement constitutes a complete and final agreement between the parties and supersedes and replaces all prior or contemporaneous agreements, offer letters, severance policies and plans, negotiations, or discussions relating to the subject matter of this Agreement and no other agreement shall be binding upon each or any of the Releasees, including, but not limited to, any agreement made hereafter, unless in writing and signed by an officer of the Employer, and only such agreement shall be binding against the Employer. For the avoidance of doubt, nothing in this Agreement shall prevent Employee from obtaining employment following the Termination Date (as defined in the Executive Agreement) so long as such employment does not breach any of Sections 7, 8 or 9 of the Executive Agreement ("Permitted Post-Termination Employment") and compensation from Permitted Post-Termination Employment shall not reduce the amount of any severance due to Employee pursuant to Section 5 of the Employment Agreement.

15. Employee is advised, and acknowledges that Employee has been advised, to consult with an attorney before signing this Agreement.

16. Employee acknowledges that Employee is signing this Agreement voluntarily, with full knowledge of the nature and consequences of its terms.

17. All executed copies of this Agreement and photocopies thereof shall have the same force and effect and shall be as legally binding and enforceable as the original.

18. Employee acknowledges that Employee has been given up to twenty-one (21) days within which to consider this Agreement before signing it. Subject to paragraph 19 below, this Agreement will become effective on the date of Employee's signature hereof.

19. For a period of seven (7) calendar days following Employee's signature of this Agreement, Employee may revoke the Agreement, and the Agreement shall not become effective or enforceable until the seven (7) day revocation period has expired. Employee may revoke this Agreement at any time within that seven (7) day period, by sending a written notice of revocation to the Human Resources Department of Employer. Such written notice must be actually received by the Employer within that seven (7) day period in order to be valid. If a valid revocation is

received within that seven (7) day period, this Agreement shall be null and void for all purposes and no severance shall be paid. If Employee does not revoke this agreement, payment of the severance pay amount set forth in the Employee's Executive Agreement will be paid in the manner and at the time(s) described in the Executive Agreement.

IN WITNESS WHEREOF, the Parties have read, understand and do voluntarily execute this Separation Agreement and General Release which consists of [NUMBER] pages.

EMPLOYER	EMPLOYEE
By: _____	_____
Date: _____	Date: _____

Exhibit 10.2

FIRST AMENDMENT TO MASTER LEASE

THIS **FIRST AMENDMENT TO MASTER LEASE** (this **"First Amendment)** is made as of June_, 2023 (the **"Effective Date")** by and between GLP Capital, L.P., a Pennsylvania limited partnership (together with its permitted successors and assigns, **"GLP"),** PA Meadows LLC, a Delaware limited liability company (together with its permitted successors and assigns, **"PA Meadows"),** CCR Pennsylvania Racing, Inc., a Pennsylvania corporation (together with its permitted successors and assigns, **"CCR",** and together with GLP and PA Meadows, jointly and severally, **"Landlord"),** Penn Tenant, LLC, a Pennsylvania limited liability company (together with its permitted successors and assigns, **"Penn Tenant"),** Penn Cecil Maryland, LLC, a Maryland limited liability company (together with its permitted successors and assigns, **"Perryville Tenant"),** and PNK Development 33, LLC, a Delaware limited liability company (together with its permitted successors and assigns, **"Meadows Tenant",** and together, jointly and severally, with Penn Tenant and Perryville Tenant, **"Tenant").**

RECITALS

A. **WHEREAS,** Landlord and Tenant, entered into that certain Master Lease entered into as of February 21, 2023, but effective as of January 1, 2023 (the **"Lease"),** under which Landlord leases to Tenant the Leased Property.

B. **WHEREAS,** Landlord and Penn Tenant entered into that certain Master Development Agreement dated February 21, 2023, as amended by a First Amendment to Development Agreement dated of even date herewith, 2023 (the **"Development Agreement")** and pursuant to which Landlord has acquired that portion of the New Aurora Land commonly referred to therein as the "C-Club Parcels" (as more particularly described on Exhibit A attached hereto, the **"C-Club Parcels")** and the "Gaslight Parcels" (as more particularly described on Exhibit A attached hereto, the **"Gaslight Parcels").**

C. **WHEREAS,** pursuant to Section 7.3(a) of the Lease, Landlord and Tenant wish to amend the Lease to include the C-Club Parcels and the Gaslight Parcels, together with any New Aurora Improvements (as defined in the Development Agreement) existing or constructed on such New Aurora Land, as part of the Leased Property.

D. **WHEREAS,** Landlord and Tenant each desire to amend a scrivener's error in the legal descriptions with respect to the Existing Joliet Facility and the Toledo Facility set forth in Exhibit B of the Lease

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Recitals; Capitalized Terms. All of the foregoing recitals are true and correct. Unless otherwise defined herein, all capitalized terms used in this First Amendment shall have the meanings ascribed to them in the Lease of the Development Agreement, and all references herein or in the Lease to the "Lease" or "this Lease" or "herein" or "hereunder" or similar terms or to any section thereof shall mean the Lease, or such section thereof, as amended by this First Amendment.

2. C-Club Parcels and Gaslight Parcels. Landlord does hereby lease to Tenant, and Tenant does lease from Landlord the C-Club Parcels and the Gaslight Parcels, which shall be upon the terms and conditions set forth in the Lease. From and after the Effective Date, the real property parcels described on Exhibit A attached hereto shall be added and included as part of the Leased Property.

3. Amendment of Exhibits. From and after the Effective Date, Exhibit B of the Lease is hereby deleted in its entirety and shall be replaced with Exhibit B attached hereto.

4. Broker Indemnity. Tenant represents and warrants that Tenant has not dealt with, a broker in connection with this First Amendment and that, insofar as Tenant knows, no other broker(s) negotiated this First Amendment or is entitled to any commission in connection herewith. Tenant covenants and agrees to defend, with counsel approved by Landlord, indemnify and save Landlord harmless from and against any and all cost, expense or liability for any compensation, commission or charges claimed by any broker, agent or finder who dealt with Tenant.

5. Ratification. Except as expressly modified by this First Amendment, the Lease shall remain in full force and effect, and as further modified by this First Amendment, is expressly ratified and confirmed by the parties hereto. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the Lease regarding assignment and subletting.

6. Governing Law; Interpretation and Partial Invalidity. This First Amendment shall be governed and construed in accordance with the laws of the State of New York. If any term of this First Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this First Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this First Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and are not to be considered in construing this First Amendment. This First Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter. No delay or omission on the part of either party to this First Amendment in requiring performance by the other party or exercising any right hereunder shall operate as a waiver of any provision hereof or any rights hereunder, and no waiver, omission or delay in requiring performance or exercising any right hereunder on any one occasion shall be construed as a bar to or waiver of such performance or right on any future occasion.

7. Counterparts and Authority. This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Landlord and Tenant each warrant to the other that the person or persons executing this First Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this First Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this First Amendment to Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

GLP CAPITAL, L.P.

By: Gaming and Leisure Properties, Inc., its general partner

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Chief Operating Officer, General Counsel and Secretary

PA MEADOWS, LLC
A Delaware limited liability company

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Vice President & Secretary

CCR PENNSYLVANIA RACING, LLC
a Pennsylvania limited liability company

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Vice President & Secretary

TENANT:

PENN TENANT, LLC

By: PENN Entertainment, Inc., its sole member

By: /s/ Harper Ko
Name: Harper Ko
Title: Secretary

PERRYVILLE TENANT

PENN CECIL MARYLAND, LLC

By: /s/ Harper Ko
Name: Harper Ko
Title: Secretary

MEADOWS TENANT

PNK DEVELOPMENT 33, LLC

By: /s/ Harper Ko
Name: Harper Ko
Title: Secretary

Exhibit 10.3

SECOND AMENDMENT TO MASTER LEASE

THIS **SECOND AMENDMENT TO MASTER LEASE** (this "**First Amendment**) is made as of September 14, 2023 (the "**Effective Date**") by and between GLP Capital, L.P., a Pennsylvania limited partnership **(**together with its permitted successors and assigns, "**GLP**"), PA Meadows LLC, a Delaware limited liability company (together with its permitted successors and assigns, "**PA Meadows**"), CCR Pennsylvania Racing, Inc., a Pennsylvania corporation (together with its permitted successors and assigns, "**CCR**", and together with GLP and PA Meadows, jointly and severally, "**Landlord**"), Penn Tenant, LLC, a Pennsylvania limited liability company (together with its permitted successors and assigns, "**Penn Tenant**"), Penn Cecil Maryland, LLC, a Maryland limited liability company (together with its permitted successors and assigns, "**Perryville Tenant**"), and PNK Development 33, LLC, a Delaware limited liability company (together with its permitted successors and assigns, "**Meadows Tenant**", and together, jointly and severally, with Penn Tenant and Perryville Tenant, "**Tenant**").

RECITALS

A. **WHEREAS**, Landlord and Tenant, entered into that certain Master Lease entered into as of February 21, 2023, but effective as of January 1, 2023, as amended by that certain First Amendment to Master Lease dated June 6, 2023 (as amended, the "**Lease**"), under which Landlord leases to Tenant the Leased Property.

B. **WHEREAS**, Landlord and Penn Tenant entered into that certain Master Development Agreement dated February 21, 2023, as amended by a First Amendment to Development Agreement dated of even date herewith, 2023 (the "**Development Agreement**") and pursuant to which Landlord has acquired that portion of the New Aurora Land commonly referred to therein as the "Papa Bear Parcel" (as more particularly described on Exhibit A attached hereto, the "**Papa Bear Parcel**").

C. **WHEREAS**, pursuant to Section 7.3(a) of the Lease, Landlord and Tenant wish to amend the Lease to include the Papa Bear Parcel, together with any New Aurora Improvements (as defined in the Development Agreement) existing or constructed on such New Aurora Land, as part of the Leased Property.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Recitals; Capitalized Terms. All of the foregoing recitals are true and correct. Unless otherwise defined herein, all capitalized terms used in this Second Amendment shall have the meanings ascribed to them in the Lease of the Development Agreement, and all references herein or in the Lease to the "Lease" or "this Lease" or "herein" or "hereunder" or similar terms or to any section thereof shall mean the Lease, or such section thereof, as amended by this Second Amendment.

2. Papa Bear Parcel. Landlord does hereby lease to Tenant, and Tenant does lease from Landlord the Papa Bear Parcel, which shall be upon the terms and conditions set forth in the

Lease. From and after the Effective Date, the real property parcels described on Exhibit A attached hereto shall be added and included as part of the Leased Property.

3. Broker Indemnity. Tenant represents and warrants that Tenant has not dealt with, a broker in connection with this Second Amendment and that, insofar as Tenant knows, no other broker(s) negotiated this Second Amendment or is entitled to any commission in connection herewith. Tenant covenants and agrees to defend, with counsel approved by Landlord, indemnify and save Landlord harmless from and against any and all cost, expense or liability for any compensation, commission or charges claimed by any broker, agent or finder who dealt with Tenant.

4. Ratification. Except as expressly modified by this Second Amendment, the Lease shall remain in full force and effect, and as further modified by this Second Amendment, is expressly ratified and confirmed by the parties hereto. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the Lease regarding assignment and subletting.

5. Governing Law; Interpretation and Partial Invalidity. This Second Amendment shall be governed and construed in accordance with the laws of the State of New York. If any term of this Second Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Second Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Second Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and are not to be considered in construing this Second Amendment. This Second Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter. No delay or omission on the part of either party to this Second Amendment in requiring performance by the other party or exercising any right hereunder shall operate as a waiver of any provision hereof or any rights hereunder, and no waiver, omission or delay in requiring performance or exercising any right hereunder on any one occasion shall be construed as a bar to or waiver of such performance or right on any future occasion.

6. Counterparts and Authority. This Second Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Landlord and Tenant each warrant to the other that the person or persons executing this Second Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this Second Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Second Amendment to Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

GLP CAPITAL, L.P.
By: Gaming and Leisure Properties, Inc., its general partner

By: /s/ Brandon J. Moore
Name: Brandon J. Moore
Title: Chief Operating Officer, General Counsel and Secretary

PA MEADOWS, LLC
A Delaware limited liability company

By: /s/ Brandon J. Moore
Name: Brandon J. Moore
Title: Vice President & Secretary

CCR PENNSYLVANIA RACING, LLC
a Pennsylvania limited liability company

By: /s/ Brandon J. Moore
Name: Brandon J. Moore
Title: Vice President & Secretary

TENANT:

PENN TENANT, LLC

By: PENN Entertainment, Inc., its sole member

By: /s/ Harper Ko
Name: Harper Ko
Title: Secretary

PERRYVILLE TENANT

PENN CECIL MARYLAND, LLC

By: /s/ Harper Ko
Name: Harper Ko
Title: Vice President and Secretary

MEADOWS TENANT

PNK DEVELOPMENT 33, LLC

By: /s/ Harper Ko
Name: Harper Ko
Title: Secretary

Exhibit 10.4

THIRD AMENDMENT TO MASTER LEASE

THIS **THIRD AMENDMENT TO MASTER LEASE** (this "**Third Amendment**") is made as of December 19, 2023 (the "**Third Amendment Effective Date**") by and between GLP Capital, L.P., a Pennsylvania limited partnership **(**together with its permitted successors and assigns, "**GLP**"), PA Meadows LLC, a Delaware limited liability company (together with its permitted successors and assigns, "**PA Meadows**"), CCR Pennsylvania Racing, Inc., a Pennsylvania corporation (together with its permitted successors and assigns, "**CCR**", and together with GLP and PA Meadows, jointly and severally, "**Landlord**"), Penn Tenant, LLC, a Pennsylvania limited liability company (together with its permitted successors and assigns, "**Penn Tenant**"), Penn Cecil Maryland, LLC, a Maryland limited liability company (together with its permitted successors and assigns, "**Perryville Tenant**"), and PNK Development 33, LLC, a Delaware limited liability company (together with its permitted successors and assigns, "**Meadows Tenant**", and together, jointly and severally, with Penn Tenant and Perryville Tenant, "**Tenant**").

RECITALS

A. **WHEREAS**, Landlord and Tenant, entered into that certain Master Lease entered into as of February 21, 2023, but effective as of January 1, 2023 ("**Original Master Lease**"), as amended by that certain First Amendment to Master Lease dated June 6, 2023, and by that certain Second Amendment to Master Lease dated September 14, 2023 (as amended, the "**Master Lease**"), under which Landlord leases to Tenant the Leased Property.

B. **WHEREAS**, Landlord and Penn Tenant entered into that certain Master Development Agreement dated February 21, 2023, as amended by a First Amendment to Development Agreement dated of even date herewith, 2023 (the "**Development Agreement**").

C. **WHEREAS**, Landlord has acquired certain property commonly referred to in the Development Agreement as the "New Joliet Land" (as more particularly described on Exhibit C attached hereto, the "**New Joliet Land**") pursuant to the New Joliet Land Contract (as defined in the Development Agreement).

D. **WHEREAS**, notwithstanding anything to the contrary set forth in the Development Agreement, rather than entering into the Joliet Development Lease (as defined in the Development Agreement) as contemplated in the Development Agreement, Landlord and Tenant instead have agreed to amend the Master Lease to lease to Tenant the New Joliet Land, as part of the Leased Property, excluding any and all New Joliet Improvements (as defined in the Development Agreement) constructed on such New Joliet Land until the occurrence of the Joliet Improvement Transfer Date.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Recitals; Capitalized Terms. All of the foregoing recitals are true and correct. Unless otherwise defined herein, all capitalized terms used in this Third Amendment shall have

the meanings ascribed to them in the Master Lease or the Development Agreement, and all references herein or in the Master Lease to the "Master Lease", "Lease", "this Master Lease" or "this Lease" or "herein" or "hereunder" or similar terms or to any section thereof shall mean the Master Lease, or such section thereof, as amended by this Third Amendment.

2. New Joliet Land.

(a) Notwithstanding anything contained in the Master Lease or Section 4.2(b) the Development Agreement to the contrary, as of the Third Amendment Effective Date, Landlord does hereby lease to Tenant, and Tenant does lease from Landlord the New Joliet Land, which shall be upon the terms and conditions set forth in the Master Lease and the real property parcels described on Exhibit C attached hereto shall be added and included as part of the Leased Property; provided, however, the Leased Property shall not include any New Joliet Improvements prior to the occurrence of the Joliet Improvement Transfer Date. Landlord and Tenant hereby acknowledge and agree that there shall be no default under the Master Lease or the Development Agreement by Landlord or Penn Tenant on account of there not being a Joliet Development Lease; provided, however, the foregoing shall not constitute a waiver of the occurrence of any other default arising hereunder or under the Development Agreement Exhibit B of the Original Lease is hereby deleted in its entirety and is replaced with Exhibit B attached hereto.

(b) Notwithstanding anything contained in Sections 4.2(c) of the Development Agreement to the contrary, Landlord and Penn Tenant hereby acknowledge and agree that: (i) as of the Third Amendment Effective Date, all remaining structures existing on the New Joliet Land have been demolished in their entirety, and (ii) any obligation of Landlord or Tenant, in their respective capacities as Owner and Developer under the Development Agreement, to complete the Demolition Work (as defined in the Development Agreement) and to enter into a separate demolition management agreement is hereby waived in its entirety.

3. Ownership of New Joliet Improvements. In accordance with Section 10.6 of the Original Master Lease, as amended by this Third Amendment, the New Joliet Improvements shall be and shall remain Tenant's Property until the occurrence of the Joliet Improvement Transfer Date. Effective as of the Joliet Improvement Transfer Date, in accordance with Section 5.2 of the Development Agreement and Section 7.3(b) of the Original Master Lease all existing and any and all New Joliet Improvements shall automatically, with no notice or action required from any party, become vested in Landlord for no consideration (or for an amount of consideration approved by Landlord to the extent necessary to render such vesting enforceable) and all New Joliet Improvements then existing or to be constructed thereafter shall at all times be deemed part of the Leased Property and the Facilities under the Master Lease.

4. Amendments to the Master Lease; Inapplicable Provisions. From and after the Third Amendment Effective Date:

(a) Subclause (D) of the definition of Additional Rent in Section 2.1 of the Original Master Lease shall be deleted in its entirety and replaced with the following:

> "Commencing on the Additional Rent Commencement Date in respect of the Joliet Project, an amount equal to the Additional Joliet Rent (as defined in the

Development Agreement); provided, however, that (1) in no event shall there be multiple counting of Additional Joliet Rent due under the Development Agreement and Additional Rent due under this Clause (D), and (2) commencing on the November 1st first occurring on or after the Joliet Opening Date (the "**First Joliet Escalation Date**") and on each anniversary thereafter during the Term, the Additional Rent due under this Clause (D) shall increase to an annual amount equal to the sum of (i) the Additional Rent due under this Clause (D) for the immediately preceding Lease Year, plus (ii) an amount equal to 1.5% of the Additional Rent due under this Clause (D) for the immediately preceding Lease Year. Notwithstanding the foregoing, it being agreed that solely for calculating the escalated Additional Rent under this clause (A) on the First Joliet Escalation Date (but not on any future escalation date), such Additional Rent shall be an amount equal to the sum of (x) the annual Additional Joliet Rent amount as calculated under the Development Agreement, (y) 1.5% of the amount set forth in the preceding clause (x), and (z) the amount set forth in the preceding clause (y) multiplied by a fraction the numerator of which is the amount of days from the Joliet Opening Date through the calendar day that is the end of the Lease Year in which the Additional Rent Commencement Date occurred and the denominator of which is 365 days."

(b) the definition of Development Period Rent shall be amended to add the following after Subclause (C):

"(D) Commencing upon the Initial Funding Date, in respect of the Joliet Project and expiring on the Additional Rent Commencement Date in respect of the Joliet Project, an amount equal to the Development Period Rent for the Joliet Project as such amount may be increased pursuant to the terms of the Development Agreement."

(c) the definition of Joliet Improvement Transfer Date shall be deleted in its entirety and replaced with the following:

"Joliet Improvement Transfer Date: Means the date that is the earliest to occur of
(i) the date Tenant (which for the avoidance of doubt shall have the sole option to deliver, but shall not be required to deliver or otherwise request any funding from Landlord) has delivered a Draw Notice with respect to the Joliet Project (as defined in the Development Agreement), (ii) the date of the Joliet Final Funding (as defined in the Development Agreement, and (iii) the date that is six (6) months following the Joliet Opening Date."

(d) the first sentence of Section 7.1 of the Original Master lease shall be deleted in its entirety and replaced with the following:

"Tenant acknowledges (i) that immediately prior to the Effective Date it was in possession, pursuant to the Prior Lease, of all of the Leased Property subject to the Master Lease as of the Effective Date, (ii) receipt and delivery of possession of the Leased Property, and (iv) confirms that Tenant has examined and otherwise has knowledge of the condition of the Leased Property prior to the execution and

delivery of this Master Lease (or an amendment thereto, as applicable) and has found the same (except as included in the disclosures on Schedule 1A) to be in good order and repair and, to the best of Tenant's knowledge, free from Hazardous Substances not in compliance with Legal Requirements and satisfactory for its purposes hereunder."

(e) Section 7.3(b) of the Original Master Lease shall be deleted in its entirety and replaced with the following:

(f) "On and effective as of the Joliet Improvement Transfer Date, the Master Lease shall automatically be amended to, without the requirement of any notice or action from any party, remove the Existing Joliet Facility from the Leased Property. Notwithstanding the foregoing, there shall be no adjustment in Rent payable by Tenant under the Master Lease in connection with the removal of the Existing Joliet Facility from the Leased Property. Effective as of the Joliet Improvement Transfer Date, Exhibit A of the Original Lease is hereby deleted in its entirety and shall be replaced with Exhibit A attached hereto. Notwithstanding the foregoing, on the Joliet Improvement Transfer Date, Landlord and Tenant hereby agree to enter into such additional amendments to this Master Lease as may be reasonably necessary to effectuate the transactions contemplated under the Development Agreement; provided, however, in no event shall the Rent payable hereunder be decreased as a result thereof."

(f) The following provision shall be added as a new Section 10.6 to the Original master Lease:

"10.6 Tenant Projects – Joliet. Tenant intends to construct the Joliet Project pursuant to and in accordance with the terms set forth in the Development Agreement. The New Joliet Improvements shall be and shall remain Tenant's Property hereunder until the occurrence of the Joliet Improvement Transfer Date, at which point (i) ownership of the New Joliet Improvements shall in accordance with the terms of the Development Agreement, without the need for any further documentation, vest with and be transferred to, Landlord and the New Joliet Improvements shall no longer be treated as Tenant Improvements and shall be added to the Leased Property demised under this Master Lease effective as of the applicable Initial Funding Date, and (ii) if the Joliet Improvement Transfer Date has occurred prior to the Joliet Opening Date, Tenant shall pay Development Period Rent (as defined in the Development Agreement) with respect to the Joliet Project as contemplated in the Development Agreement. For the avoidance of doubt, Tenant's obligation to pay Development Period Rent in connection with the Joliet Project shall cease at the time Tenant's obligation to pay Additional Rent has commenced with the Joliet Project such that there is no duplication in payment. Upon the Joliet Opening Date, the Rent payable under this Master Lease shall be increased by an amount equal to the Additional Joliet Rent if and to the extent required under Section 5.2(b) of the Development Agreement. Landlord and Tenant hereby agree to enter into an amendment to this Master Lease to confirm the amount, if any, of Additional Joliet Rent, calculated in accordance with the

Development Agreement and added to the Rent hereunder in accordance with the Development Agreement. From and after the Third Amendment Effective Date, Tenant shall diligently construct and complete the New Joliet Improvements in accordance with the Development Agreement. Any failure to do so in a manner that constitutes a Developer Default under the Development Agreement shall be deemed a default under this Master Lease as a ML Developer Default; provided, however, if such Developer Default constitutes a Project Developer Default or a Specified Developer Default as to the Joliet Project (as defined in the Development Agreement), then Landlord's remedies under this Master Lease shall be limited to those remedies set forth in Section 22.8 of this Master Lease."

5. Broker Indemnity. Tenant represents and warrants that Tenant has not dealt with, a broker in connection with this Third Amendment and that, insofar as Tenant knows, no other broker(s) negotiated this Third Amendment or is entitled to any commission in connection herewith. Tenant covenants and agrees to defend, with counsel approved by Landlord, indemnify and save Landlord harmless from and against any and all cost, expense or liability for any compensation, commission or charges claimed by any broker, agent or finder who dealt with Tenant.

6. Ratification. Except as expressly modified by this Third Amendment, the Master Lease shall remain in full force and effect, and as further modified by this Third Amendment, is expressly ratified and confirmed by the parties hereto. This Third Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the Master Lease regarding assignment and subletting.

7. Governing Law; Interpretation and Partial Invalidity. This Third Amendment shall be governed and construed in accordance with the laws of the State of New York. If any term of this Third Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Third Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Third Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and are not to be considered in construing this Third Amendment. This Third Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter. No delay or omission on the part of either party to this Third Amendment in requiring performance by the other party or exercising any right hereunder shall operate as a waiver of any provision hereof or any rights hereunder, and no waiver, omission or delay in requiring performance or exercising any right hereunder on any one occasion shall be construed as a bar to or waiver of such performance or right on any future occasion.

8. Counterparts and Authority. This Third Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Landlord and Tenant each warrant to the other that the person or persons executing this Third Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this Third Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Third Amendment to Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

GLP CAPITAL, L.P.

By: Gaming and Leisure Properties, Inc., its general partner

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Chief Operating Officer, General Counsel and Secretary

PA MEADOWS, LLC
A Delaware limited liability company

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Vice President & Secretary

CR PENNSYLVANIA RACING, LLC
a Pennsylvania limited liability company

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Vice President & Secretary

TENANT:

PENN TENANT, LLC

By: PENN Entertainment, Inc., its sole member

By: /s/ Christopher Rogers
Name: Christopher Rogers
Title: Executive Vice President, Chief Strategy Officer and Secretary

PERRYVILLE TENANT

PENN CECIL MARYLAND, LLC

By: PENN Entertainment, Inc., its sole member

By: /s/ Christopher Rogers
Name: Christopher Rogers
Title: Executive Vice President, Chief Strategy Officer and Secretary

MEADOWS TENANT

PNK DEVELOPMENT 33, LLC

By: /s/ Christopher Rogers
Name: Christopher Rogers
Title: Secretary

REAFFIRMATION OF GUARANTY

The undersigned is the Guarantor under that certain Guaranty dated as of February 21, 2023, and given by the undersigned in favor of Landlord **("Guaranty"**). Guarantor is giving this affirmation in consideration of Landlord's execution of the foregoing Third Amendment to Master Lease (the **"Third Amendment"),** and acknowledges and agrees that the execution and delivery of the Third Amendment by the parties thereto shall not modify, limit, waive or otherwise impair the obligations of the undersigned pursuant to the Guaranty. The undersigned specifically reaffirms and agrees that the Guaranty remains in full force and effect in accordance with its terms with respect to the Master Lease, as amended by the First Amendment to Master Lease dated June 6, 2023, the Second Amendment to Master Lease dated September 14, 2023, and the foregoing Third Amendment which includes, without limitation, all of Tenant's payment and performance obligations under the foregoing Third Amendment.

GUARANTOR:

PENN ENTERTAINMENT, INC.,
a Pennsylvania Corporation

By: /s/ Christopher Rogers
Name: Christopher Rogers
Title: Executive Vice President, Chief Strategy Officer and Secretary

EXHIBIT A

LIST OF FACILITIES

Facility Name	Facility Address	Use
Hollywood Casino Perryville	Perryville, Maryland	Casino and Gaming
Hollywood Casino at the Meadows	North Strathbane, Pennsylvania	
Hollywood Casino Aurora	1 W. New York Street, Aurora, IL	Dockside Gaming Barge- Based Facility
Hollywood Casino Columbus	200 Georgesville Road, Columbus, OH	Land-based Gaming
Hollywood Casino Toledo	1968 Miami Street, Toledo, OH	Land-based Gaming
M Resort Spa Casino (excluding Simon Ground Leased Property)	12300 Las Vegas Blvd., South Henderson, NV	Land-based gaming
Hollywood Casino Joliet	Run Rock Crossings, Joliet, IL	Land Based Gaming

Exhibit 10.5

FOURTH AMENDMENT TO MASTER LEASE

THIS **FOURTH AMENDMENT TO MASTER LEASE** (this "**Fourth Amendment**") is made as of July 23, 2024 (the "**Fourth Amendment Effective Date**") by and between GLP Capital, L.P., a Pennsylvania limited partnership **(**together with its permitted successors and assigns, "**GLP**"), PA Meadows LLC, a Delaware limited liability company (together with its permitted successors and assigns, "**PA Meadows**"), CCR Pennsylvania Racing, Inc., a Pennsylvania corporation (together with its permitted successors and assigns, "**CCR**", and together with GLP and PA Meadows, jointly and severally, "**Landlord**"), Penn Tenant, LLC, a Pennsylvania limited liability company (together with its permitted successors and assigns, "**Penn Tenant**"), Penn Cecil Maryland, LLC, a Maryland limited liability company (together with its permitted successors and assigns, "**Perryville Tenant**"), and PNK Development 33, LLC, a Delaware limited liability company (together with its permitted successors and assigns, "**Meadows Tenant**", and together, jointly and severally, with Penn Tenant and Perryville Tenant, "**Tenant**").

RECITALS

A. **WHEREAS**, Landlord and Tenant, entered into that certain Master Lease entered into as of February 21, 2023, but effective as of January 1, 2023 ("**Original Master Lease**"), as amended by that certain First Amendment to Master Lease dated June 6, 2023, by that certain Second Amendment to Master Lease dated September 14, 2023, and by that certain Third Amendment to Master Lease dated December 19, 2023 (as amended, the "**Master Lease**"), under which Landlord leases to Tenant the Leased Property.

B. **WHEREAS**, Landlord and Penn Tenant entered into that certain Master Development Agreement dated February 21, 2023, as amended by a First Amendment to Development Agreement dated June 6, 2023 (as amended, the "**Development Agreement**"), and pursuant to which Landlord has acquired that portion of the New Aurora Land commonly referred to therein as the "City of Aurora Parcels" and as more particularly described on Exhibit A attached hereto (the "**City of Aurora Parcels**").

C. **WHEREAS**, pursuant to Section 7.3(a) of the Master Lease, Landlord and Tenant wish to amend the Master Lease to include the City of Aurora Parcels, together with any New Aurora Improvements (as defined in the Development Agreement) existing or constructed on such City of Aurora Parcels, as part of the Leased Property.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Recitals; Capitalized Terms. All of the foregoing recitals are true and correct. Unless otherwise defined herein, all capitalized terms used in this Fourth Amendment shall have the meanings ascribed to them in the Master Lease or the Development Agreement, and all references herein or in the Master Lease to the "Master Lease", "Lease", "this Master Lease" or "this Lease" or "herein" or "hereunder" or similar terms or to any section thereof shall mean the Master Lease, or such section thereof, as amended by this Fourth Amendment.

2. City of Aurora Parcels. Landlord does hereby lease to Tenant, and Tenant does lease from Landlord the City of Aurora Parcels, which shall be upon the terms and conditions set forth in the Master Lease. From and after the Effective Date, the real property parcels described on Exhibit A attached hereto shall be added and included as part of the Leased Property. Exhibit B of the Original Lease, as amended by the Third Amendment is hereby deleted in its entirety and replaced with Exhibit B attached hereto.

3. Ownership of New Aurora Land Improvements. In accordance with Section 5.1(a) of the Development Agreement and Section 7.3(a) of the Master Lease, as amended by this Fourth Amendment, Landlord and Tenant hereby acknowledge and agree that any and all existing Current Improvements and any and all New Aurora Improvements (as defined in the Development Agreement) now located, or to be constructed, on the City of Aurora Parcels are hereby owned in fee by Landlord and are hereby deemed part of the Leased Property and the Facilities under the Master Lease.

4. Broker Indemnity. Tenant represents and warrants that Tenant has not dealt with, a broker in connection with this Fourth Amendment and that, insofar as Tenant knows, no other broker(s) negotiated this Fourth Amendment or is entitled to any commission in connection herewith. Tenant covenants and agrees to defend, with counsel approved by Landlord, indemnify and save Landlord harmless from and against any and all cost, expense or liability for any compensation, commission or charges claimed by any broker, agent or finder who dealt with Tenant.

5. Ratification. Except as expressly modified by this Fourth Amendment, the Master Lease shall remain in full force and effect, and as further modified by this Fourth Amendment, is expressly ratified and confirmed by the parties hereto. This Fourth Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the Master Lease regarding assignment and subletting.

6. Governing Law; Interpretation and Partial Invalidity. This Fourth Amendment shall be governed and construed in accordance with the laws of the State of New York. If any term of this Fourth Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Fourth Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Fourth Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and are not to be considered in construing this Fourth Amendment. This Fourth Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter. No delay or omission on the part of either party to this Fourth Amendment in requiring performance by the other party or exercising any right hereunder shall operate as a waiver of any provision hereof or any rights hereunder, and no waiver, omission or delay in requiring performance or exercising any right hereunder on any one occasion shall be construed as a bar to or waiver of such performance or right on any future occasion.

7. Counterparts and Authority. This Fourth Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute

one and the same document. Landlord and Tenant each warrant to the other that the person or persons executing this Fourth Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this Fourth Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Fourth Amendment to Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

GLP CAPITAL, L.P.

By: Gaming and Leisure Properties, Inc., its general partner

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Chief Operating Officer, General Counsel and Secretary

PA MEADOWS, LLC
A Delaware limited liability company

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Vice President & Secretary

CCR PENNSYLVANIA RACING, LLC
a Pennsylvania limited liability company

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Vice President & Secretary

TENANT:

PENN TENANT, LLC

By: PENN Entertainment, Inc., its sole member

By: /s/ Chris Rogers
Name: Chris Rogers
Title: Secretary

PERRYVILLE TENANT

PENN CECIL MARYLAND, LLC

By: PENN Entertainment, Inc., its sole member

By: /s/ Chris Rogers
Name: Chris Rogers
Title: Secretary

MEADOWS TENANT

PNK DEVELOPMENT 33, LLC

By: /s/ Chris Rogers
Name: Chris Rogers
Title: Secretary

REAFFIRMATION OF GUARANTY

The undersigned is the Guarantor under that certain Guaranty dated as of February 21, 2023, and given by the undersigned in favor of Landlord **("Guaranty").** Guarantor is giving this affinnation in consideration of Landlord's execution of the foregoing Fourth Amendment to Master Lease (the **"Fourth Amendment"),** and acknowledges and agrees that the execution and delivery of the Fourth Amendment by the parties thereto shall not modify, limit, waive or otherwise impair the obligations of the undersigned pursuant to the Guaranty. The undersigned specifically reaffirms and agrees that the Guaranty remains in full force and effect in accordance with its terms with respect to the Master Lease, as amended by the First Amendment to Master Lease dated June 6, 2023, the Second Amendment to Master Lease dated September 14, 2023, the Third Amendment to Master Lease dated December 19, 2023, and the foregoing Fourth Amendment which includes, without limitation, all of Tenant's payment and performance obligations under the foregoing Fourth Amendment.

GUARANTOR:

PENN ENTERTAINMENT, INC.,
a Pennsylvania Corporation

By: /s/ Chris Rogers
Name: Chris Rogers
Title: Secretary

Exhibit 31.1

CERTIFICATION

I, Jay A. Snowden, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PENN Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2025

/s/ Jay A. Snowden

Jay A. Snowden

Chief Executive Officer, President, and Director

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Felicia R. Hendrix, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PENN Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2025

/s/ Felicia R. Hendrix

Felicia R. Hendrix

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002,
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of PENN Entertainment, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2025 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Jay A. Snowden, Chief Executive Officer and President of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 12, 2025

/s/ Jay A. Snowden
Jay A. Snowden
Chief Executive Officer, President, and Director
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002,
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of PENN Entertainment, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2025 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Felicia R. Hendrix, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 12, 2025

/s/ Felicia R. Hendrix
Felicia R. Hendrix
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)