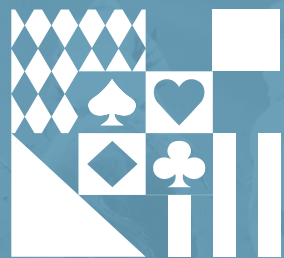


Penn National Gaming, Inc.

First Quarter 2022 Earnings Presentation

May 5, 2022



theScore



Forward-Looking Statements



This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified using 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, and guidance regarding, future results of operations and financial condition, including with respect to its 2022 net revenues and Adjusted EBITDAR guidance ranges; the assumptions provided regarding the guidance, including the scale and timing of the Company's product and technology investments; the Company's expectations with regard to results, and the impact of competition, in online sports betting, iGaming and retail/mobile sportsbooks, including the expected results of theScore Bet in Ontario; the Company's launch of its Interactive segment's products in new jurisdictions and enhancements to existing Interactive segment products, including the transition to theScore's proprietary risk and trading platform in Ontario, the integration of the Barstool Sportsbook into theScore mobile app in the U.S., and the migration of the Barstool Sportsbook to theScore's player account management trading platforms; the Company's expectations with regard to its future investments in Barstool Sports and the future success of its products; the Company's expectations with respect to the integration and synergies related to the Company's integration of theScore and Barstool Sports; the Company's development projects; and the timing, cost and expected impact of planned capital expenditures on the Company's results of operations.

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 conditions and market conditions in the markets in which the Company operates; competition with other entertainment, sports content, and casino gaming experiences; the timing, cost and expected impact of product and technology investments; risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions; and additional risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the U.S. Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. Considering these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation may not occur.

Non-GAAP Financial Measures



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; income taxes; depreciation and amortization; stock-based compensation; debt extinguishment and financing charges; impairment losses; insurance recoveries, net of deductible charges; changes in the estimated fair value of our contingent purchase price obligations; gain or loss on disposal of assets; the difference between budget and actual expense for cash-settled stock-based awards; pre-opening expenses; and other. Adjusted EBITDA is inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (such as interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense) added back for Barstool Sports and our Kansas Entertainment, LLC joint venture. Adjusted EBITDA is inclusive of rent expense associated with our triple net operating leases (the operating lease components contained within our triple net master lease dated November 1, 2013 with Gaming and Leisure Properties, Inc. (Nasdaq: GLPI) ("GLPI") and the triple net master lease assumed in connection with our acquisition of Pinnacle Entertainment, Inc., our individual triple net leases with GLPI for the real estate assets used in the operation of Tropicana Las Vegas Hotel and Casino, Inc. and Hollywood Casino at Meadows Racetrack, and our individual triple net leases with VICI Properties Inc. (NYSE: VICI) ("VICI") for the real estate assets used in the operations of Margaritaville Casino Resort and Greektown Casino-Hotel). Although Adjusted EBITDA includes rent expense associated with our triple net operating leases, we believe Adjusted EBITDA is useful as a supplemental measure in evaluating the performance of our consolidated results of operations. 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, longlived 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 of certain corporate expenses that do not relate to the management of specific casino properties. However, Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP. Adjusted EBITDA information is presented as a supplemental disclosure, as management believes that it is a commonly used measure of performance in the gaming industry and that it is considered by many to be a key indicator of the Company's operating results.

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

Adjusted EBITDAR margin is defined as Adjusted EBITDAR on a consolidated basis 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.

Executing on Our Strategy



We are building our ecosystem;

- Our my**choice** database grew by 350k+ in Q1
- Barstool Sports and theScore are continuing to grow their audiences with strong engagement

leveraging our structural advantages;

- Integrated media/retail operations have led to the industry's lowest customer acquisition costs
- Market access benefits and retail sportsbooks are driving enhanced interactive profitability profile

investing in product and technology; and

- On track to transition to theScore's proprietary risk and trading platform in Ontario in Q3 2022 and to integrate the Barstool Sportsbook into theScore's media app by 2H 2022
- Our cutting edge cashless (3Cs) technology is now live at nine properties, with 14 more planned over the next two quarters (subject to regulatory approvals)

efficiently monetizing across multiple channels

- Delivered record revenues and Adjusted EBITDAR in Q1
- Our Interactive segment grew revenues meaningfully y/y while maintaining our disciplined approach, led by strong performance across online sports betting, iCasino and media

First Quarter Summary Results



We achieved record Q1 revenues and Adjusted EBITDAR, as our retail operations are benefitting from strong volumes with the return of our core customer and growth of the younger demographic.

Revenues

**\$1.56
billion**

Net Income

**\$51.6
million**

Net Income Margin

3.3%

Adj. EBITDAR

**\$494.7
million**

Adj. EBITDA

**\$434.6
million**

Adj. EBITDAR Margin

31.6%

Following a strong first quarter, we are increasing 2022 guidance to a range of revenues of \$6.15 billion to \$6.55 billion and Adjusted EBITDAR of \$1.875 billion to \$2.0 billion

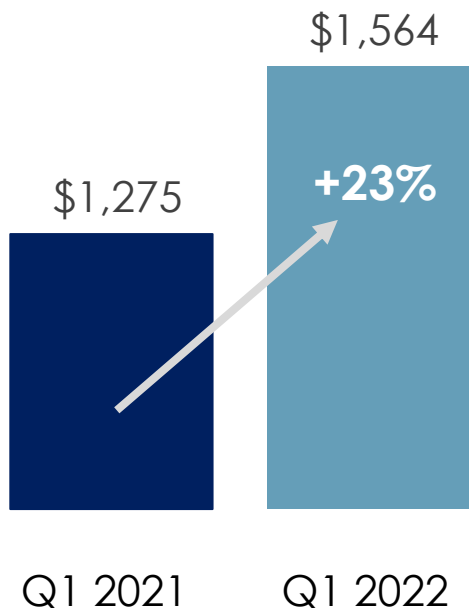
Q1 2022 Financial Highlights



Revenues and Adj. EBITDAR grew 23% and 11%, respectively, over 2021 levels driven primarily by strong performance at our retail operations, which has carried over into the beginning of Q2.

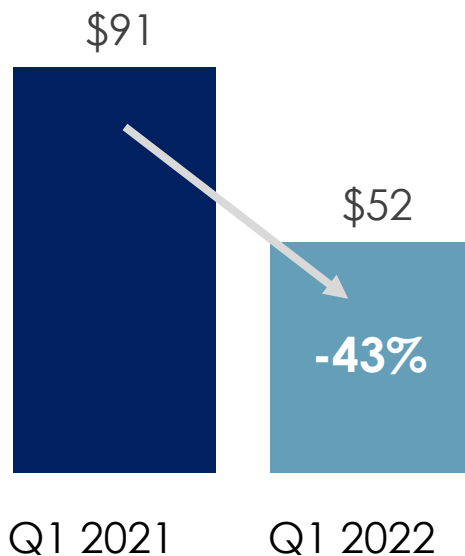
Revenues

(\$ in millions)



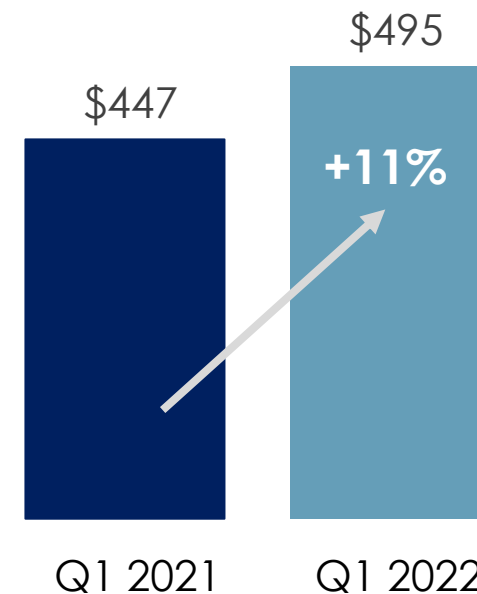
Net Income

(\$ in millions)



Adjusted EBITDAR*

(\$ in millions)



* Q1 2022 Adjusted EBITDA was \$434.6 million compared to Q1 2021 Adjusted EBITDA of \$336.6 million

Healthy Balance Sheet & Liquidity Position



As of 3/31/2022

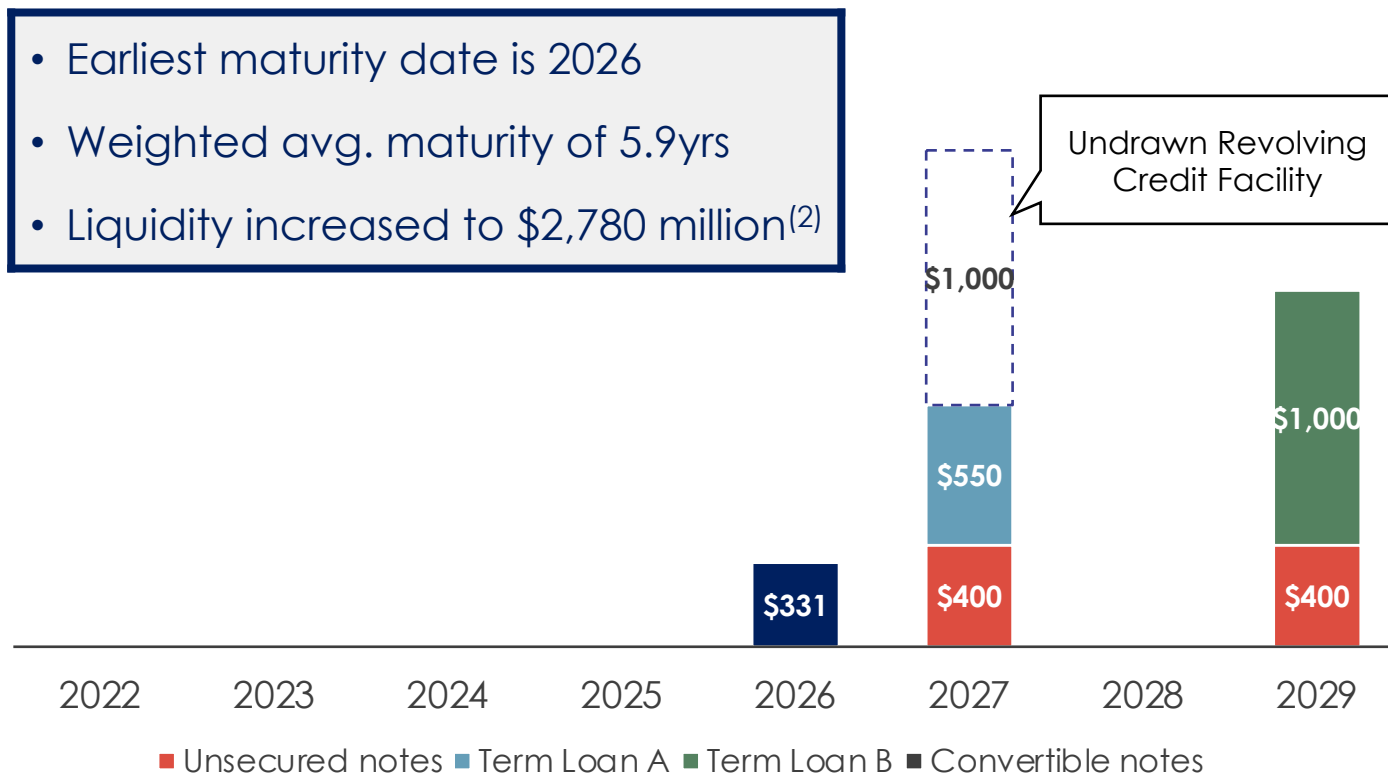
(\$ in millions)

Cash Balance	\$1,806
Liquidity ⁽²⁾	\$2,480
Traditional Net Debt ⁽³⁾	\$924
Lease-Adjusted Net Leverage ⁽⁴⁾	4.0x
% of Fixed Rate Debt ⁽⁵⁾	85%

Pro Forma Debt Maturity⁽¹⁾

(\$ in millions)

- Earliest maturity date is 2026
- Weighted avg. maturity of 5.9yrs
- Liquidity increased to \$2,780 million⁽²⁾



(1) Pro forma for Second Amended and Restated Credit Agreement entered into on May 3, 2022, which provides for a \$1.0 billion revolving credit facility, undrawn at close, a five-year \$550.0 million term loan A facility and a seven-year \$1.0 billion term loan B facility. Amounts shown exclude \$151.9mm of other-long-term obligations.

(2) Liquidity is calculated as unrestricted cash plus revolver availability net of Letters of Credit outstanding.

(3) Traditional net debt is calculated as "Total traditional debt," which is the principal amount of debt outstanding (excludes the financing obligation associated with cash proceeds received and non-cash interest on certain claims of which the principal repayment is contingent) less "Cash and cash equivalents."

(4) Numerator is cash rent payments to REIT landlords capitalized at 8x plus Total traditional debt and less cash and cash equivalents; denominator is Adjusted EBITDAR for the trailing 12 months ended March 31, 2022.

(5) Fixed rate debt is based on total traditional debt plus the cash rent payments to REIT landlords capitalized at 8x.

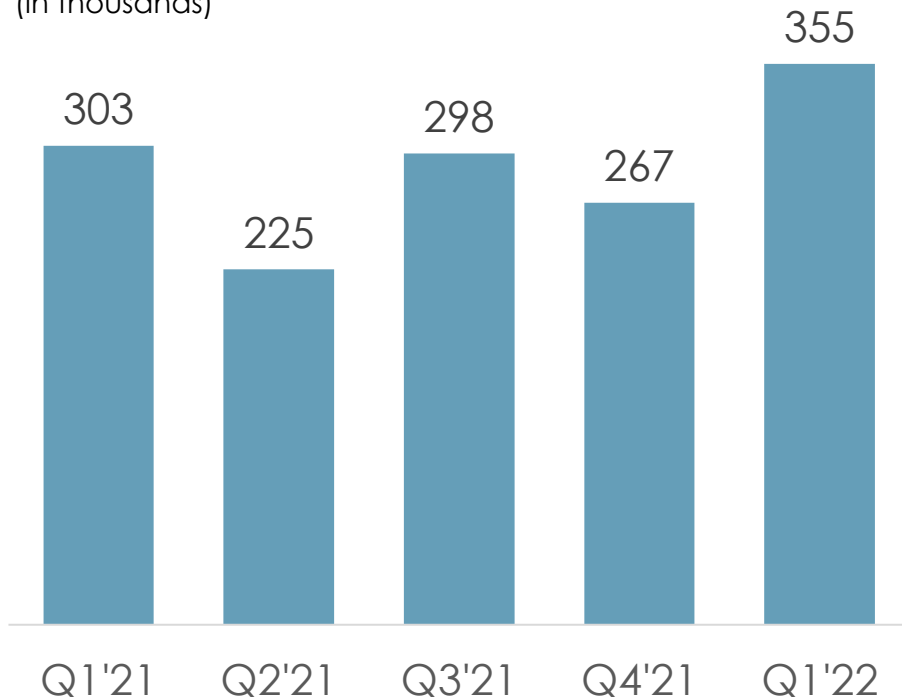
Database Highlights



We are seeing strong growth in our database, with y/y increases in rated theo across all age segments, particularly the the younger demographics.

mychoice Registrations by Quarter

(in thousands)



Life-to-date, our database has increased by 1.03 million from digital sign-ups

Increase in Theo By Age*

+29%

21 to 34

+18%

35 to 44

+17%

45 to 54

+14%

55 to 64

+12%

65 and up

* Represents change in average daily theoretical win by segment in Q1'22 v. Q1'21

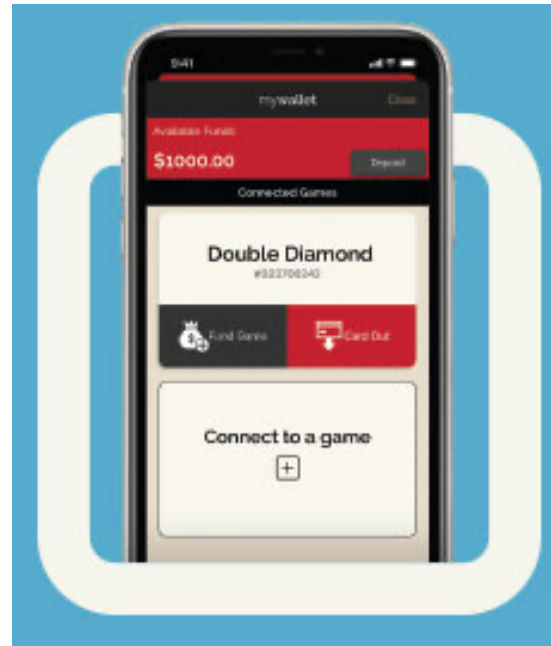
3Cs Technology



We are beginning to realize the benefits of our cutting edge cashless, cardless and contactless (3Cs) technology, with our mywallet solution driving increased visitation and play.

Our mywallet technology is now live at **nine properties**, with plans to introduce it to another **14 properties** over the next two quarters (subject to regulatory approval)

Value of mywallet Adoption*



53k

Total mywallet customers

+18%

Number of Trips

+22%

Time on Device

* Data represents sign-ups from 6/1/21 to 2/21/22. The pre- and post-period is measured 60 days before and after mywallet app registration.

Q1 Interactive Segment Results



Our Interactive segment delivered strong year-over-year revenue growth in Q1, as we capitalized on organic customer acquisition strategies from the Barstool Sports and mychoice audiences.



Revenues

**\$141.5
million**

Adj. EBITDA

**\$(10.0)
million**

Segment Notes

- Our Interactive segment includes Penn Interactive (including the Barstool Sportsbook and Casino), theScore and our share of earnings attributable to our investment in Barstool Sports, Inc.
- Revenues include **\$50.3 million** related to the gross-up of gaming tax reimbursement amounts from our third-party skin partners (v. \$39.4 million in Q1'21)
- Q1'22 revenues represent **year-over-year growth of 94%** v Q1'21 (excluding the impact of gaming tax reimbursements to third party skin partners)

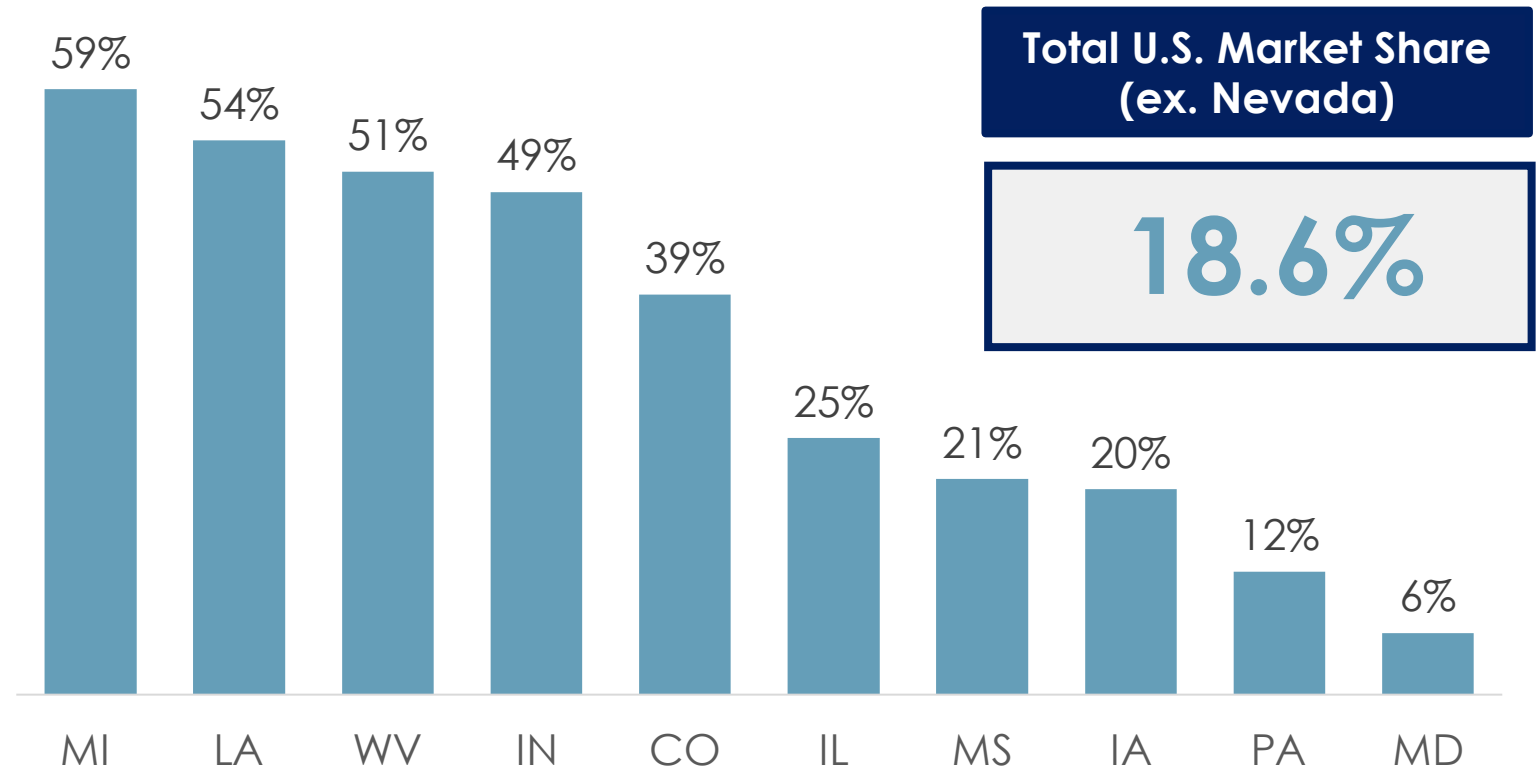
Market Leading Retail Sportsbooks



Our best-in-class retail sportsbooks are capturing outsized share while providing highly profitable cross-sell opportunities for both our retail and interactive businesses.



Feb. '22 YTD Retail Sportsbook Handle Market Share by State



Omni-Channel Investment Progress



Our growing database, 24 retail sportsbooks and cashless technology are driving meaningful increases in volumes and play at our retail casinos, particularly from younger demographics.



Q1 '22 v. Q1 '19*

+53%

Table Theo
Ages 21-44

Our integrated retail sportsbooks and gaming areas are helping to maximize cross-sell opportunities.

* Includes only properties with retail sportsbooks. Excludes Morgantown and York, which were not open in Q1 '19.

Louisiana Omni-Channel Success



Our combination of market leading retail sportsbooks and creative marketing from Barstool Sports has led to meaningful market share in Louisiana with minimal external marketing spend.

6,000+

Pre-registrations from our casino database

**March 2022
Market Share**

7.9%

Handle

12.4%

GGR

10.6%

NGR

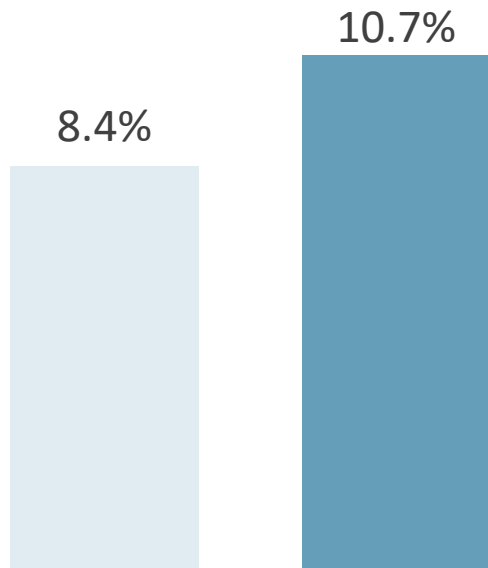


Disciplined Growth

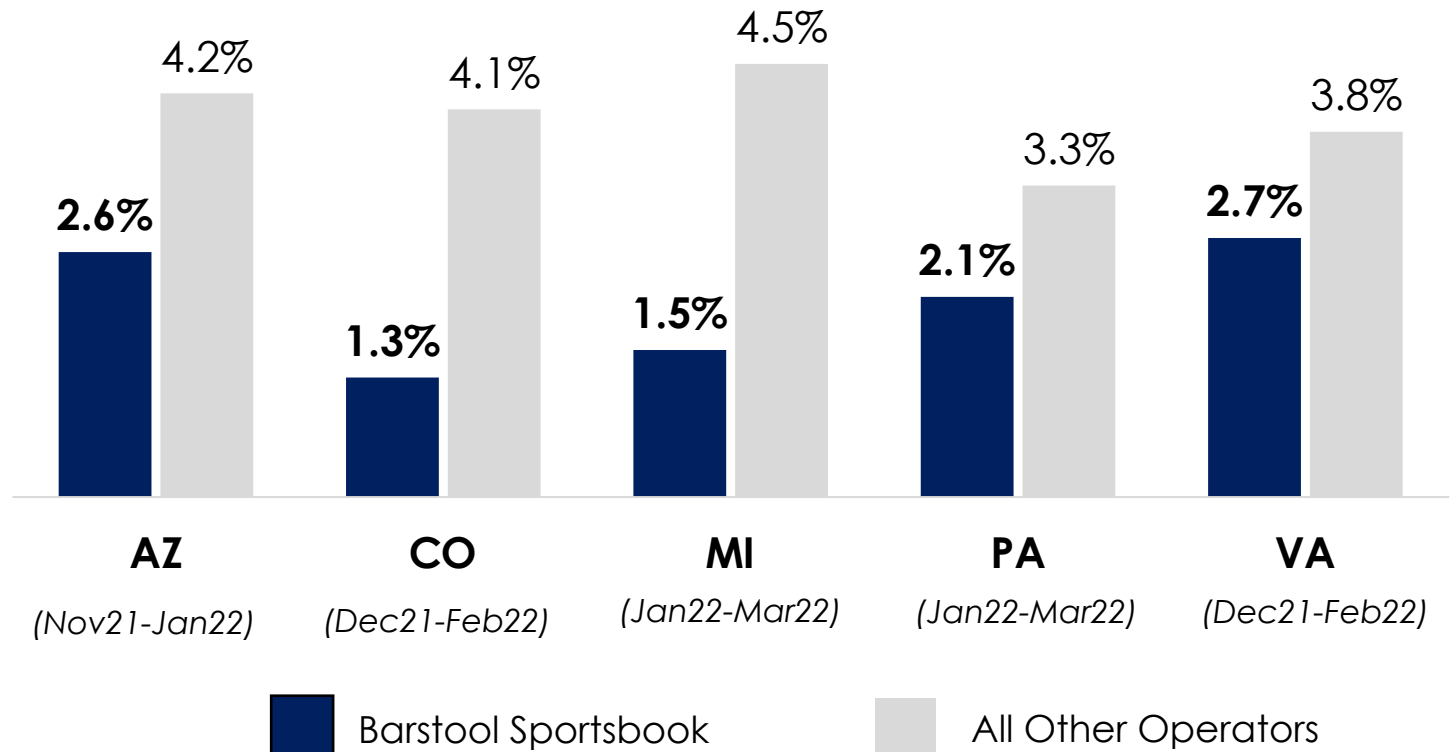


The Barstool Sportsbook has gained market share in the three states that report net gaming revenue by operator while utilizing lower promo spend than the competition.

**PA/MI/AZ Combined
OSB NGR Market Shares**
(Q1'22 vs. Q4'21)



OSB Promos % of Handle By State



New Product Features



We are continuing to add new features to our highly rated Barstool Sportsbook mobile app to further improve the customer experience.

iOS App Store Rating



Barstool Sportsbook & Casino
Sports Betting & Online Casino

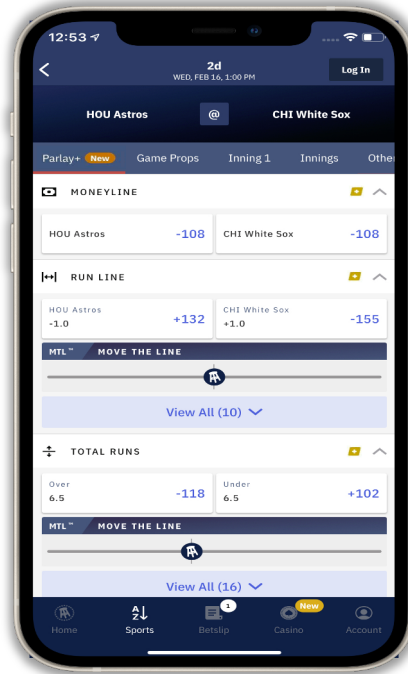
OPEN

21k Ratings

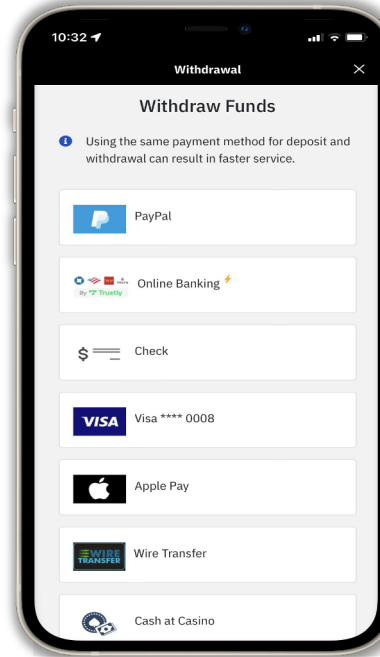
4.8



Tied for first among all sports betting apps

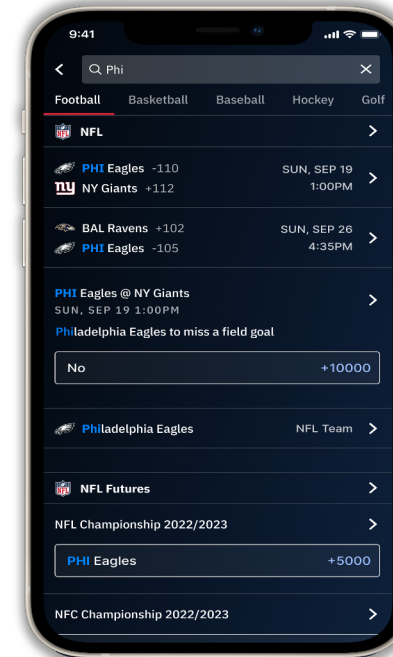


MLB PARLAY+
Launched March 2022

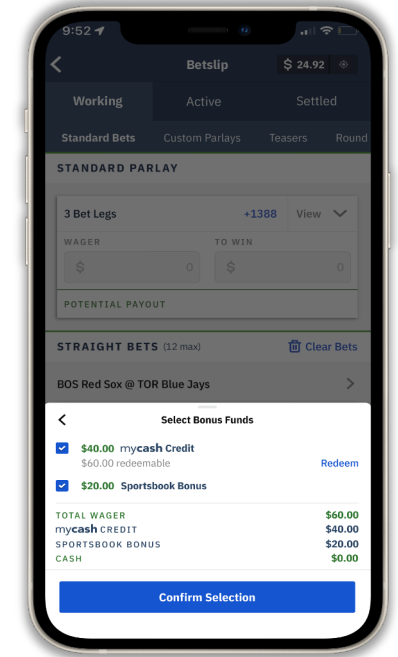


NEW WITHDRAWAL METHODS
MC/ApplePay
Launching Q2 2022

~90% of withdrawals are now instant



SEARCH
Expected July 2022



mycash AS CURRENCY
Expected August 2022

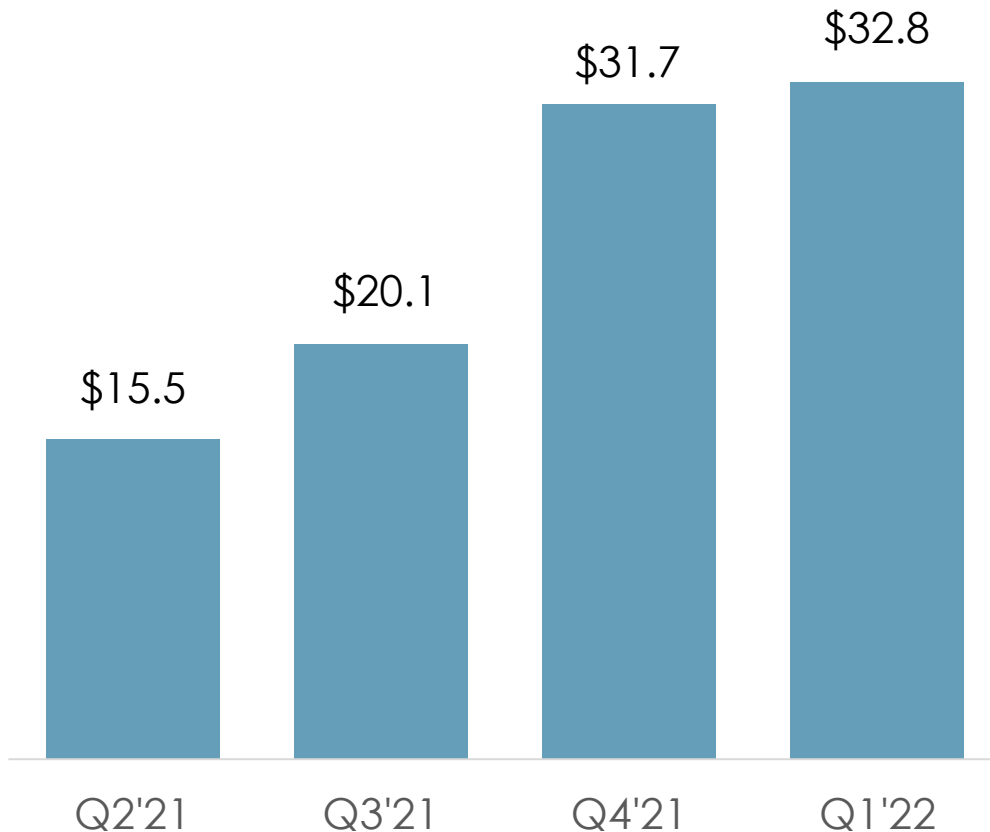
Barstool iCasino Growth



Our Barstool-branded iCasino business continues to grow as we improve our product, add new games, and leverage our casino database and creative marketing by Barstool Sports.

Barstool iCasino Gross Gaming Revenue

(in \$millions)



Barstool has launched an iCasino focused Twitch channel, the Coin Boys, which already ranks in the top 1% of all Twitch programming

Penn Game Studios



Our in-house developed games are gaining popularity and helping to drive improved cross-sell and retention from the Barstool audience.



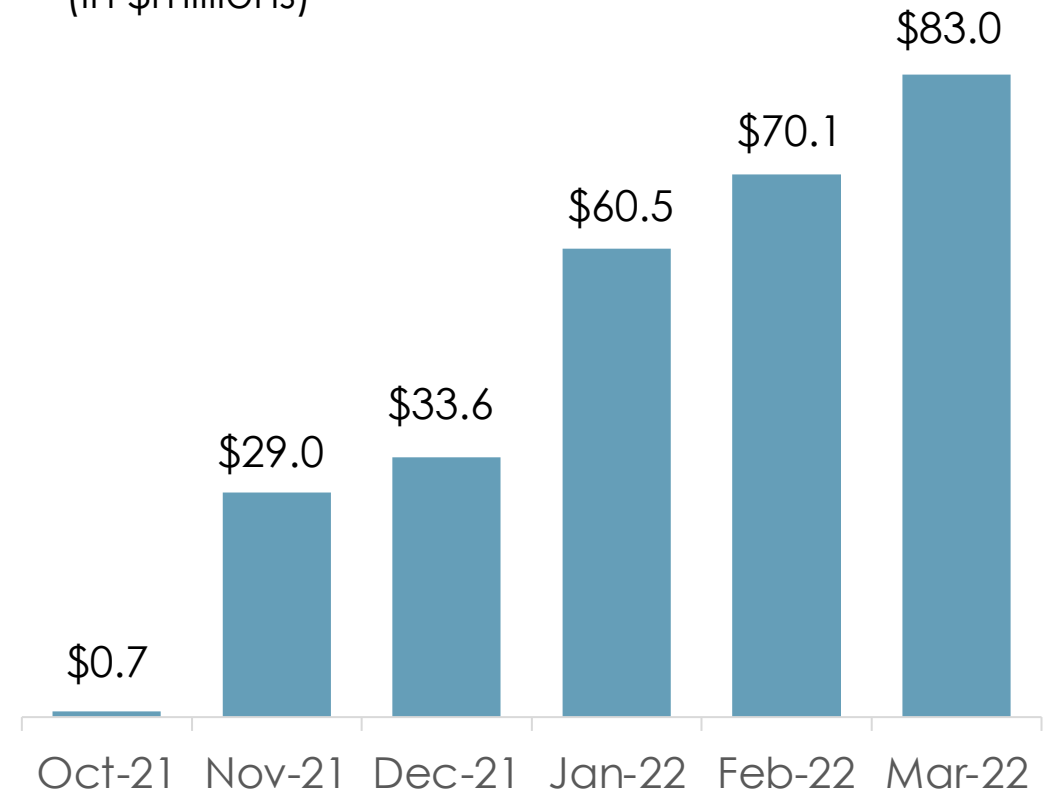
PENN
GAME STUDIOS



Our in-house games contribute nearly **30% of the Barstool iCasino's handle** across Michigan, New Jersey and West Virginia, and the first slate of games launched in Pennsylvania on April 28

Penn Game Studios Handle

(in \$millions)



theScore Bet Launch in Ontario



theScore Bet launched successfully in Ontario on April 4, benefiting from theScore's strong brand recognition and media engine, as well as support from Barstool Sports.




#1
Most downloaded betting app since launch⁽¹⁾



#1
Rated Betting App in iOS Store Since Launch⁽¹⁾



Organic Customer Acquisition and Strong Cross-Sell, with an Ontario Focus

			
79% of bettors in Ontario are theScore media app users	50% of sportsbook users have wagered on iCasino	84% of bettors have placed a bet on an Ontario-based team	51% of bettors have placed a bet on a Toronto Blue Jays game

Note: theScore Bet metrics provided as of April 24, 2022.

(1) Per Sensor Tower data.

Ontario Launch Comparison



Our launch in Ontario compares very favorably to our previous launches in Pennsylvania and Michigan (both of which benefitted from occurring during football season).

First 21 Days Comparison
theScoreBet in Ontario v.
Barstool Sportsbook in PA / MI

+37%
Registrations

+30%
No. of FTDs

+28%

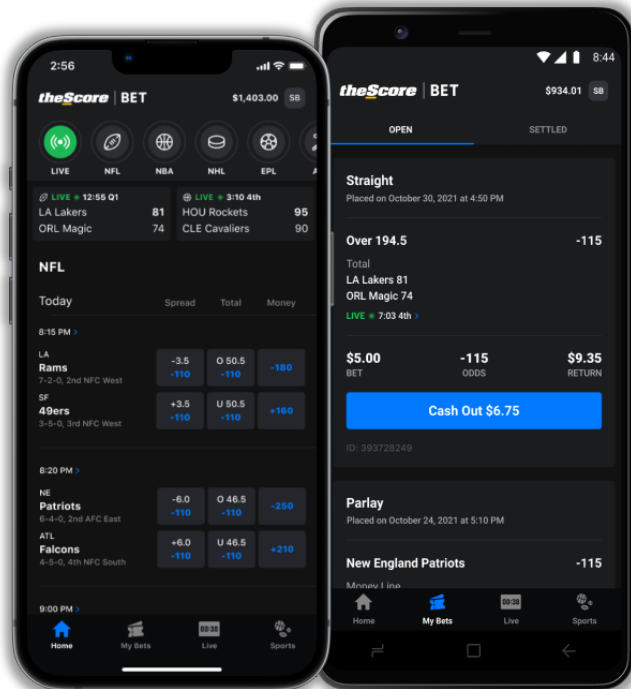
Online Sportsbook
Avg. DAUs

+14%

iCasino
Avg. DAUs



theScore Bet Technology Update



Player Account Management (PAM) System

theScore Bet utilizes theScore's state-of-the-art player account management system and bonus engine, which provides:

- Seamless integration into theScore media app
- Highly flexible bonus capabilities
- Personalized offers to drive retention while minimizing promo spend
- Full ownership of registration process to drive higher conversion rates

Managed Trading Platform

theScore Bet will transition in Ontario to our proprietary risk and trading platform in Q3 '22, which will enable:

- Significantly expanded betting markets, including additional same game parlay and in-game betting options
- More flexible pricing and exclusive bet features
- Meaningful cost savings

We remain on track to transition the Barstool Sportsbook to our player account management and managed trading platforms by Q3 2023

theScore's Media Growth



theScore's media business produced significant revenue growth and strong user engagement in the quarter, setting the stage for additional growth opportunities.



Media Revenue

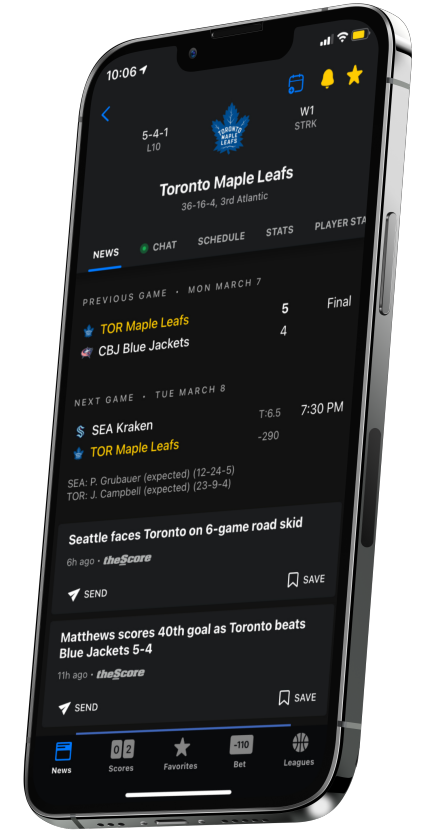
+42%
Q1 Y/Y Revenue Growth

Strong growth in media revenue driven by a diverse set of advertising partners across North America

User Engagement

1.6 billion
Q1 Total User Sessions

theScore consistently delivers a highly engaged North American audience





On May 7, Barstool Sports will broadcast an alternative commentary to the Canelo v. Bivol boxing match on DAZN, as the Barstool brand continues its expansion into live sporting events.

BARSTOOL SPORTS®

WATCH IT ON DAZN

CANELO VS. BIVOL: FIGHT NIGHT WITH BARSTOOL

Saul 'Canelo' Alvarez moves up to the light-heavyweight division to take on undefeated WBA champion Dmitry Bivol. Join the Barstool team for an alternative commentary on the action in Las Vegas.

[SIGN UP NOW](#)

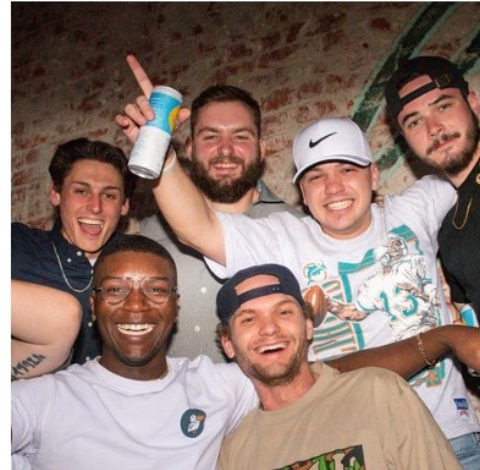
[MORE DETAILS](#)

Barstool Sports Bars



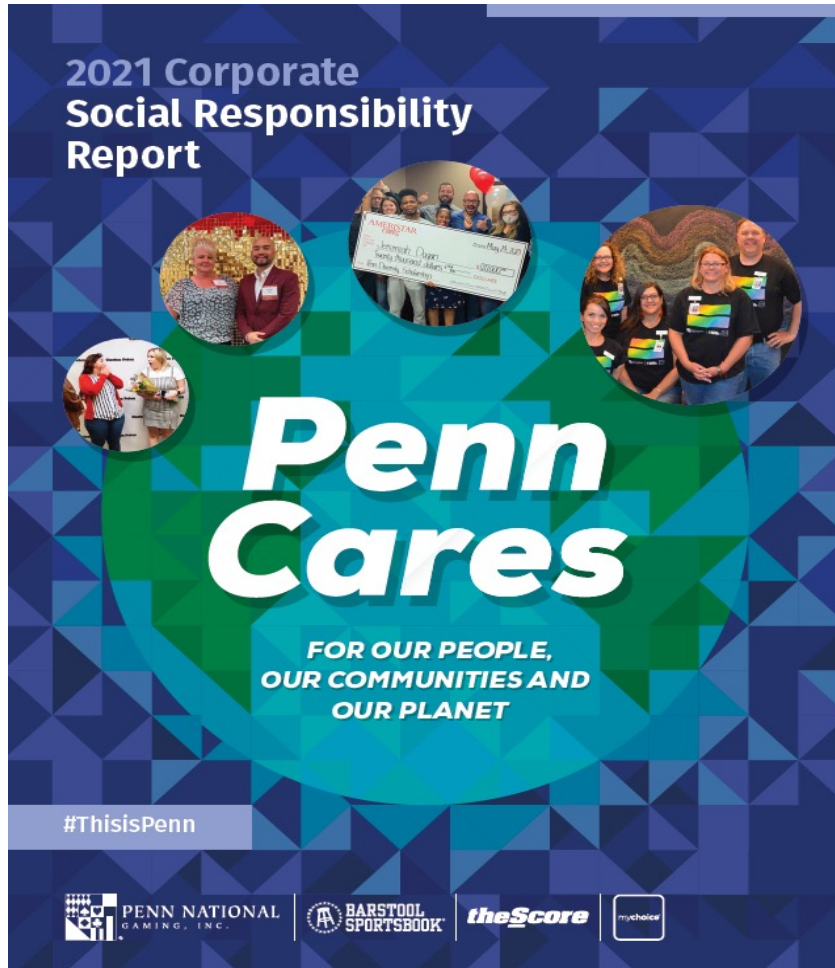
Barstool
★ SANSOM ST ★

On March 18, the 2nd Barstool-branded sports bar opened in Philadelphia to very strong demand, and two additional locations are currently under development



Barstool River North opened in Chicago on January 8

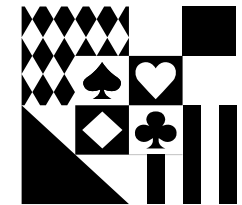
Corporate Social Responsibility Report



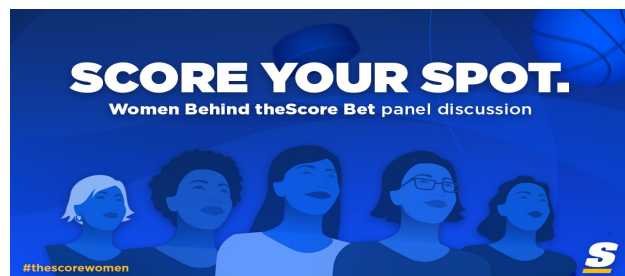
On April 26, in conjunction with the filing of our annual proxy, we released our **2021 Corporate Social Responsibility Report**, which details the many ways Penn is continuing to live up to our longstanding commitment to *Care for our People, our Communities and our Planet*.

A copy can be found at:

<https://www.pngaming.com/community/corporate-responsibility>



Recent ESG Highlights



- On March 23, Penn's executive team hosted Louisiana Governor John Bel Edwards and other dignitaries at the annual Metanoia Gala at L'Auberge Baton Rouge. The event raises funds to support Metanoia Manor, a refuge for adolescent victims of human trafficking.
- In March, we proudly recognized Women's History Month throughout the Company to remind ourselves of the extraordinary accomplishments of women to our culture and society.
- In April, theScore hosted a "Women Behind theScore Bet" virtual panel to recognize the critical role our female team members played in the development of theScore Bet app right up to its successful launch on April 4th in Ontario.
- We look forward to sponsoring the upcoming National Minority Supplier Development Council's (NMSDC) "Minority Business Economic Forum" in Chicago, where they are aiming to raise \$2 million to help invest in new MBE growth.



Appendices



Interactive Roadmap



Recent and Anticipated Launches

- LA (OSB live on Jan. 28)
- Ontario (OSB/iCasino live on Apr. 4)
- Maryland (OSB)
- Ohio (OSB)
- Kansas (OSB)

2022

Transition to theScore's Trading Platform

The transition to theScore's proprietary risk and trading platform in Ontario will complete theScore's vertical tech integration

Q3 2022

theScore Media Integration

Integration of the Barstool Sportsbook into theScore mobile media app in the U.S. will drive increased engagement, revenue and retention

2H 2022

Barstool Put/Call Trigger Date

Acquisition of the remainder of Barstool Sports would unlock value of high growth media, sports, entertainment and lifestyle brand

Q1 2023

Barstool Sportsbook Tech Migration

Migration of the Barstool Sportsbook to theScore's player account management and trading platforms will provide the benefits of a fully integrated tech solution

Q3 2023



GAAP to Non-GAAP Reconciliation



(\$ in millions, unaudited)	For the three months ended	
	March 31,	
	2022	2021
Net income	\$51.6	\$90.9
Income tax expense	47.6	20.6
Income from unconsolidated affiliates	(8.7)	(9.6)
Interest expense, net	160.8	135.7
Other (income) expenses	40.7	(21.1)
Operating income	\$292.0	\$216.5
Stock-based compensation	17.0	4.2
Cash-settled stock-based awards variance	(2.9)	21.5
Gain on disposal of assets	(0.1)	(0.1)
Contingent purchase price	(0.1)	0.1
Pre-opening expenses ⁽¹⁾	1.5	1.6
Depreciation and amortization	118.2	81.3
Insurance recoveries, net of deductible charges	(8.8)	-
Income from unconsolidated affiliates	8.7	9.6
Non-operating items of equity method investments ⁽²⁾	1.8	1.6
Other expenses ⁽¹⁾⁽³⁾	7.3	0.3
Adjusted EBITDA	\$434.6	\$336.6
Rent expense associated with triple net operating leases	60.1	110.4
Adjusted EBITDAR	\$494.7	\$447.0
Net income margin	3.3%	7.1%
Adjusted EBITDAR margin	31.6%	35.1%

(1) During the first quarter of 2021, acquisition costs were included within pre-opening and acquisition costs. Beginning with the quarter ended June 30, 2021, acquisition costs are presented as part of other expenses.

(2) Consists principally of interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense associated with Barstool Sports, Inc. and our Kansas Entertainment, LLC joint venture.

We record our portion of Barstool Sports, Inc.'s net income or loss, including adjustments to arrive at Adjusted EBITDAR, one quarter in arrears.

(3) Consists of non-recurring acquisition and transaction costs and finance transformation costs associated with the implementation of our new Enterprise Resource Management system.