
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **January 2, 2019**

PENN NATIONAL GAMING, INC.

Commission file number 0-24206

Incorporated Pursuant to the Laws of the Commonwealth of Pennsylvania

IRS Employer Identification No. 23-2234473

**825 Berkshire Blvd., Suite 200
Wyomissing, PA 19610**

610-373-2400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On January 2, 2019, Penn National Gaming, Inc. (the “Company”) completed its previously announced acquisition of the operations of Margaritaville Resort Casino in Bossier City, Louisiana (“Margaritaville”) for an aggregate purchase price of approximately \$115 million pursuant to (i) the Agreement and Plan of Merger (the “Merger Agreement”) among VICI Properties Inc. (“VICI”), Riverview Merger Sub Inc., a wholly-owned subsidiary of VICI (“Merger Sub”), Penn Tenant II, LLC (“Buyer”), a wholly-owned subsidiary of the Company, the Company, Bossier Casino Venture (HoldCo), Inc. (“Holdco”) and Silver Slipper Gaming, LLC and (ii) the Membership Interest Purchase Agreement (the “MIPA” and, together with the Merger Agreement, the “Acquisition Agreements”) among VICI, Merger Sub, Buyer and the Company.

Pursuant to the Merger Agreement, Merger Sub merged with and into Holdco with Holdco surviving the merger as a wholly-owned subsidiary of VICI (the “Merger”) and owner of the land and real estate assets relating to Margaritaville. Pursuant to the MIPA, immediately following the consummation of the Merger, HoldCo sold the limited liability company interests in Holdco’s sole direct subsidiary, BCV (Intermediate) LLC (“Intermediate”), owner of the Margaritaville operating assets, to Buyer. On the closing date, Buyer and VICI entered into a triple net lease agreement for the Margaritaville facility having an initial annual rent of approximately \$23 million and an initial term of 15 years, with four 5-year renewal options. The acquisition was financed through incremental borrowings under the Company’s revolving credit facility.

The foregoing descriptions of the Acquisition Agreements do not purport to be complete and are qualified in their entirety by reference to the full text of the Acquisition Agreements, which are incorporated herein by reference as Exhibit 2.1 and Exhibit 10.1, respectively, to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

On January 2, 2019, the Company issued a press release announcing the completion of the Merger and related transactions. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in this Item 7.01 is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act or into any filing or other document pursuant to the Securities Exchange Act of 1934, as amended, except as otherwise expressly stated in any such filing.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired.* The Company intends to file the financial statements required by Item 9.01(a), if required, in an amendment to this Current Report on Form 8-K no later than 71 days after the required filing date for this Current Report on Form 8-K.

(b) *Pro Forma Financial Information.* The Company intends to file the pro forma financial information required by Item 9.01(b), if required, in an amendment to this Current Report on Form 8-K no later than 71 days after the required filing date for this Current Report on Form 8-K.

(d) Exhibits

Exhibit Number	Description
2.1*	<u>Agreement and Plan of Merger dated as of June 18, 2018, among VICI Properties Inc., Riverview Merger Sub Inc., Penn Tenant II, LLC, Penn National Gaming, Inc., Bossier Casino Venture (HoldCo), Inc. and Silver Slipper Gaming, LLC (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed on June 19, 2018).</u>

10.1 [Membership Interest Purchase Agreement dated as of June 18, 2018, among VICI Properties Inc., Riverview Merger Sub Inc., Penn Tenant II, LLC and Penn National Gaming, Inc. \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 19, 2018\).](#)

99.1 [Press Release dated January 2, 2019 of Penn National Gaming, Inc. announcing its completion of the acquisition of the operations of Margaritaville.](#)

*Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

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 hereunto duly authorized.

Dated: January 3, 2019

PENN NATIONAL GAMING, INC.

By: /s/ William J. Fair
Name: William J. Fair
Title: Executive Vice President and Chief Financial Officer

NEWS ANNOUNCEMENT


PENN NATIONAL
 GAMING, INC.

**PENN NATIONAL GAMING COMPLETES ACQUISITION OF
 MARGARITAVILLE RESORT CASINO OPERATIONS**

Accretive Acquisition Further Expands Penn National's Regional Gaming Platform with Addition of Newest Resort in Bossier City/Shreveport Market

Wyomissing, Penn., (January 2, 2019) — Penn National Gaming, Inc. (PENN: Nasdaq) (“Penn National” or the “Company”) announced today that it completed the purchase of the operations of Margaritaville Resort Casino in Bossier City, Louisiana (“Margaritaville”), for total consideration of \$115 million. The transaction was financed with incremental borrowings under the Company’s revolving credit facility with the purchase price representing a multiple of approximately 5.0x expected trailing twelve months adjusted earnings before interest, taxes, depreciation, amortization, and management fee for the period ended December 31, 2018. Penn National expects the purchase multiple will be reduced to below 4.5x based on expected operating synergies and cost savings.

Simultaneous with the closing of the transaction, Penn National entered into a triple net lease agreement with VICI Properties Inc. (NYSE: VICI) (“VICI”) for the Margaritaville facility. The lease has an initial annual rent of approximately \$23 million and an initial term of 15 years, with four 5-year renewal options. The rent coverage ratio in the first year after closing is expected to be greater than 2.0x, and the Tenant’s obligations under the lease are guaranteed by Penn National.

Timothy J. Wilmott, Penn National’s Chief Executive Officer, stated, “Margaritaville, Bossier City’s newest casino resort, is an attractive addition to our regional gaming platform. This acquisition is in line with our efforts to enhance shareholder value as it is immediately accretive to our free cash flow, further diversifies our revenue and operating base and offers a well-defined path to the realization of synergies that are expected to lower the purchase multiple. Margaritaville is one of the leading casino resorts in Bossier City, and we expect that our proven integration and operating strategies will help grow operating margins as well as free cash flow contributions from the property. We are excited to welcome Margaritaville employees to Penn National.”

Built in 2013, Margaritaville Resort Casino is the premier venue for gaming, lodging, dining and entertainment experiences in Northern Louisiana. The property features 26,500 square feet of casino space, 395 hotel rooms, an island-style escape theme, 6 restaurants and food and beverage outlets, a 15,000 square foot 1,000-seat theater and 9,500 square feet of meeting space.

About Penn National Gaming

Penn National Gaming owns, operates or has ownership interests in gaming and racing facilities and video gaming terminal operations with a focus on slot machine entertainment. Reflecting the recent completion of the Pinnacle Entertainment transaction the Company now operates 41 facilities in 18 jurisdictions. In total, Penn National facilities feature over 50,200 gaming machines, 1,250 table games and approximately 9,400 hotel rooms. The Company also offers social online gaming through its Penn Interactive Ventures division and has leading customer loyalty programs with over five million active customers.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the expected impact of the acquisition of Margaritaville on the Company's operations. These statements can be identified by the use of forward looking terminology such as "expects," "believes," "estimates," "projects," "intends," "plans," "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. Although the Company believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business, there can be no assurance that actual results will not differ materially from our expectations. Meaningful factors that could cause actual results to differ from expectations include, but are not limited to, risks related to the acquisition of the Margaritaville operations by the Company and the integration of the business to be acquired; potential adverse reactions or changes to business or employee relationships, including those resulting from the completion of the transaction; the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or issues arising from, the integration of the companies; and other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the United States Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.

CONTACT:

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