



SECOND QUARTER 2022 EARNINGS PRESENTATION

August 4, 2022

FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified 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, the assumptions provided regarding the guidance, including the scale and timing of the Company’s product and technology investments and the impacts of an economic downturn on the Company’s regional properties; the Company’s anticipated share repurchases; the Company’s expectations regarding results, and the impact of competition, in online sports betting, iGaming and retail/mobile sportsbooks; the Company’s development and launch of its Interactive segment’s products in new jurisdictions and enhancements to existing Interactive segment products, including content for the Barstool iCasino app and the migration of the Barstool Sportsbook into both theScore’s player account management system and risk and trading platform; the Company’s expectations regarding its future investments in Barstool Sports and the future success of its products; the Company’s expectations with respect to the integration, synergies and cross-sell opportunities related to the Company’s integration of Barstool Sports; the continued growth and monetization of the Company’s media business; the Company’s expectations with respect to the ongoing introduction and the potential benefits of the cashless, cardless and contactless (3C’s) technology; the Company’s development projects, including upcoming Barstool branded sportsbook launches; 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 (which are included in "other (income) expense"); impairment losses; insurance recoveries, net of deductible charges; changes in the estimated fair value of our contingent purchase price obligations; gain or loss on disposal of assets; the difference between budget and actual expense for cash-settled stock-based awards; pre-opening expenses; and other. Adjusted EBITDA is inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (such as interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense) added back for Barstool Sports, Inc. 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 Hollywood Casino at Greektown). 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 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.

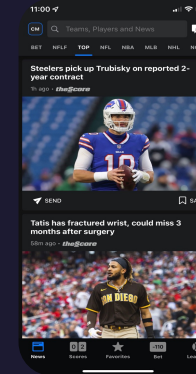
Adjusted EBITDAR margin is defined as Adjusted EBITDAR on a consolidated basis divided by revenues on a consolidated basis. Adjusted EBITDAR margin is presented on a consolidated basis outside the financial statements solely as a valuation metric. We further define Adjusted EBITDAR margin by reportable segment as Adjusted EBITDAR for each segment divided by segment revenues.

EVOLUTION TO PENN ENTERTAINMENT

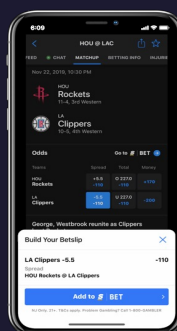
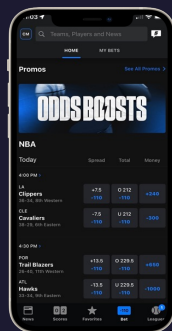
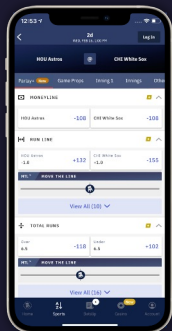
Best in Class Regional Casinos and Racetracks



Highly Engaging Media and Content



Cutting Edge Technology and Interactive Products



Experiences, Brand Licensing and Merchandise



PENN
ENTERTAINMENT

EXECUTING ON OUR STRATEGY

We are building our ecosystem;

- Our mychoice database has grown by over 1.2 million over the last four quarters, while Barstool Sports has further expanded its reach across social media platforms

leveraging our structural advantages;

- We are benefiting from organic customer acquisition for mobile sports betting and iCasino from Barstool Sports, theScore and the mychoice database, while improving cross-sell and monetization

investing in product and technology; and

- In July, we successfully migrated theScore Bet in Ontario to our in-house trading platform, providing full control over our technology solution, with migration of the Barstool Sportsbook in the U.S. expected to occur in Q3 2023

efficiently monetizing across multiple channels

- Our retail operations delivered strong revenues, Adjusted EBITDAR and cash flow, while our Interactive segment has experienced rapid year-over-year growth while maintaining our disciplined approach

Q2 SUMMARY RESULTS



We achieved strong revenues and Adjusted EBITDAR during the quarter, as our retail operations continue to see consistent performance across the portfolio

REVENUES

\$1,626.9

NET INCOME

\$26.1

NET INCOME MARGIN

1.6%

ADJ. EBITDAR

\$504.5

ADJ. EBITDA

\$476.5

ADJ. EBITDAR MARGIN

31.0%

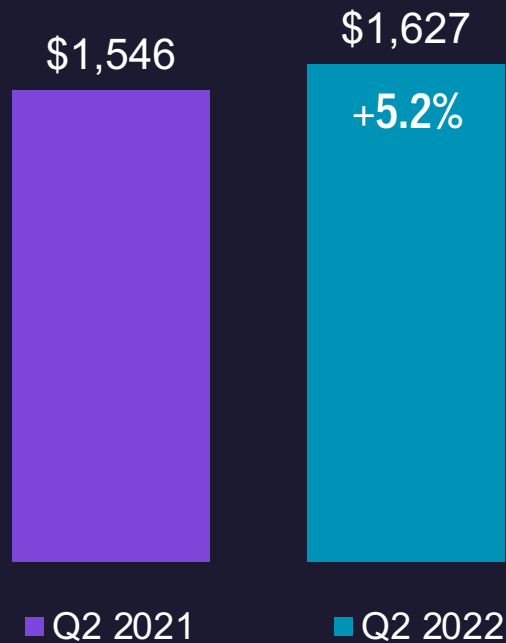
\$ in millions

Q2 FINANCIAL HIGHLIGHTS

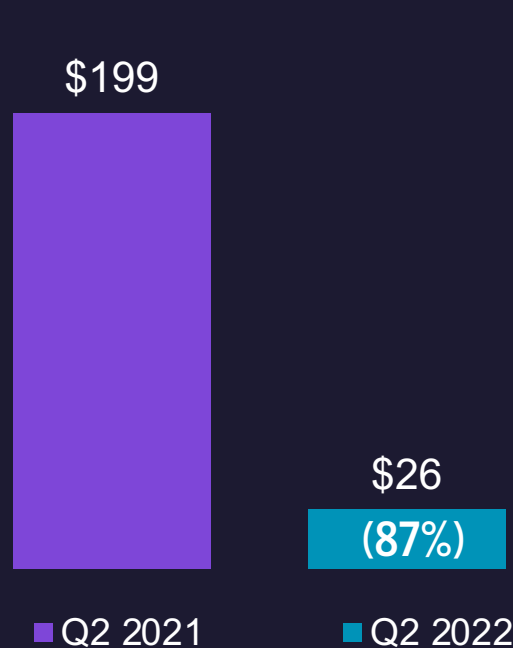


Revenue growth was driven by Interactive, with strong results at our retail operations compared to a record Q2 2021. EBITDAR declined 14% y/y, as our properties transitioned to more normalized post-COVID offerings and we continued to invest in our technology

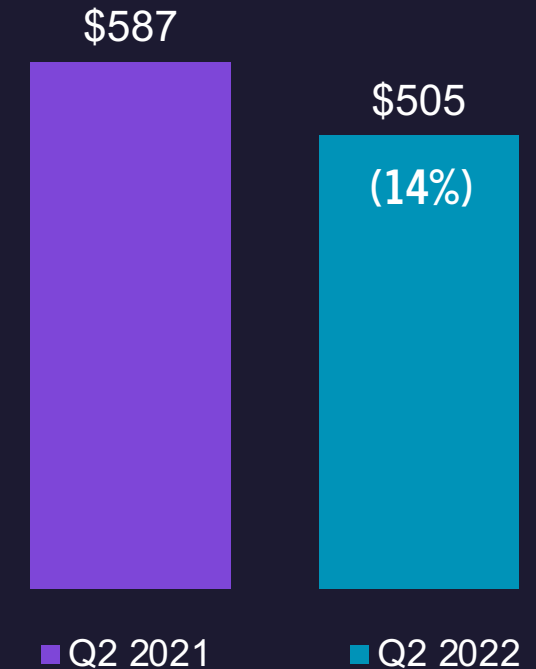
REVENUES



NET INCOME



ADJUSTED EBITDAR*



Q2 INTERACTIVE SEGMENT RESULTS



Interactive segment experienced strong year-over-year revenue growth

REVENUES

\$154.9
million

ADJ. EBITDA

\$(20.8)
million

Segment Notes

- Interactive includes all of our iCasino and online sports betting operations, management of retail sports betting, media, and our proportionate share of earnings attributable to our equity method investment in Barstool Sports, Inc.
- Revenues include \$55.4 million related to the gross-up of gaming tax reimbursements from our third-party skin partners (v. \$46.0 million in Q2'21)
- Q2'22 revenues represent year-over-year growth of 99% v. Q2'21 (excluding the impact of gaming tax reimbursements to third party skin partners)

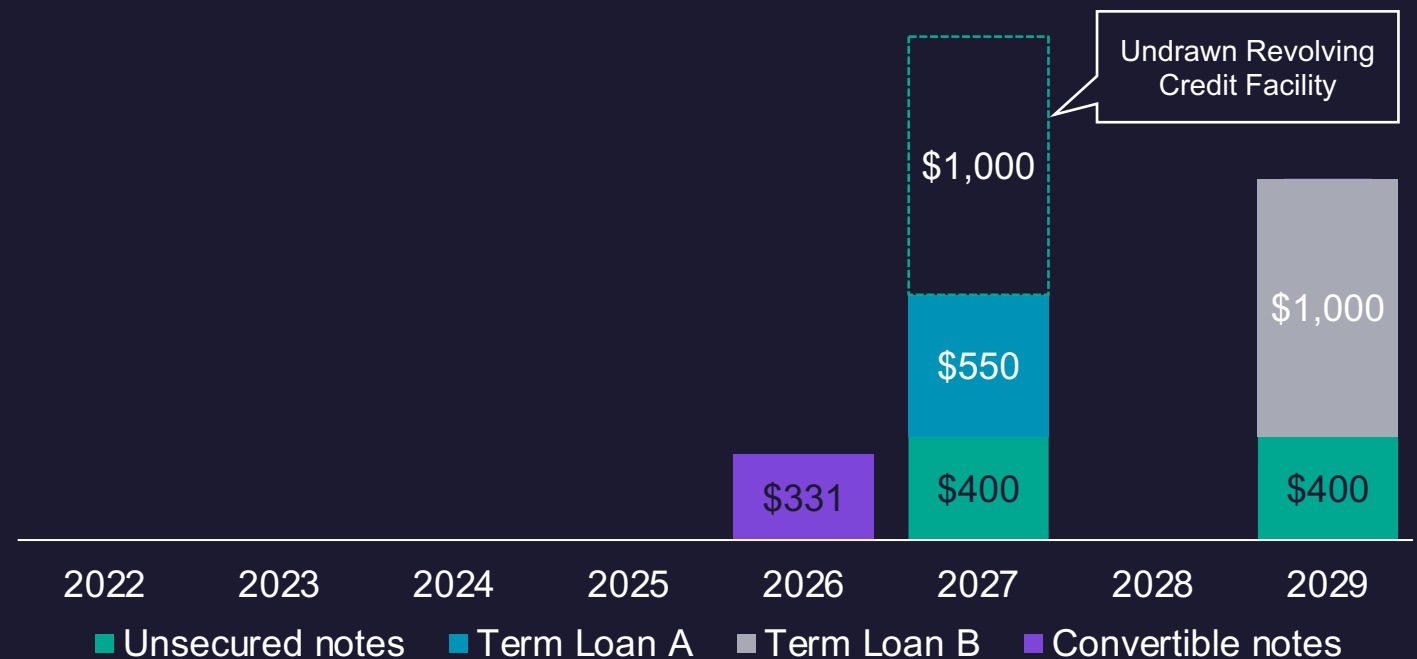
HEALTHY BALANCE SHEET & LIQUIDITY POSITION



Our strong balance sheet permitted us to repurchase 5,539,177 shares during the second quarter under our stock repurchase authorization at an average price of \$30.16

As of 6/30/2022	(\$MM)
Cash Balance	\$1,708
Liquidity ⁽²⁾	\$2,683
Total Traditional Debt ⁽³⁾	\$2,727
Traditional Net Debt ⁽⁴⁾	\$1,019
Lease-Adjusted Net Leverage ⁽⁵⁾	4.3x
% of Fixed Rate Debt ⁽⁶⁾	85%

DEBT MATURITY⁽¹⁾



(1) Amounts shown exclude \$150 million of other-long-term obligations.

(2) Liquidity is calculated as unrestricted cash of \$1,708 million plus revolver availability, net of Letters of Credit outstanding of \$25.4 million.

(3) Total traditional debt is the principal amount of debt outstanding of \$2,727 million (excludes the \$103 million financing obligation associated with cash proceeds received and non-cash interest on certain claims of which the principal repayment is contingent).

(4) Traditional net debt is calculated as "Total traditional debt" of \$2,727 million less "Cash and cash equivalents" of \$1,708 million.

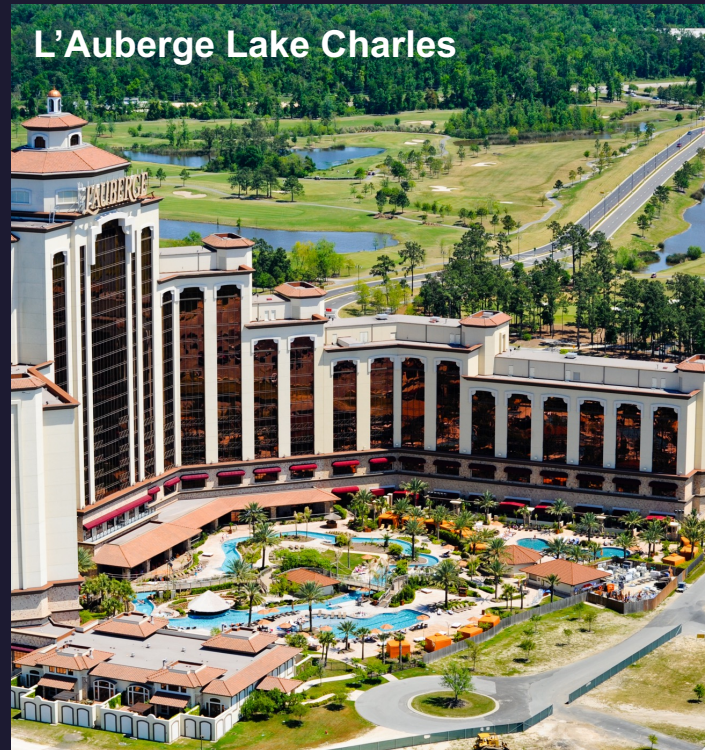
(5) Numerator is cash rent payments to REIT landlords capitalized at 8x totaling \$7,348 million plus Total traditional debt of \$2,727 million, less cash and cash equivalents of \$1,708 million; denominator is Adjusted EBITDAR for the trailing 12 months ended June 30, 2022 of \$1,960 million.

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

Q2 KEY PERFORMANCE TRENDS

Despite a tough comp against record results in Q2 2021, we delivered strong property-level performance compared to both Q1 2022 and the trailing three-quarter average, with our destination properties performing the strongest

Q2 Property-Level Performance Comparison*		
	Total Theo	Rated Theo
Year/Year (v. Q2'21)	-3.3%	+1.0%
Sequential (v. Q1'22)	+2.1%	+3.9%
v. Trailing 3 Quarter Average	+1.1%	+2.3%



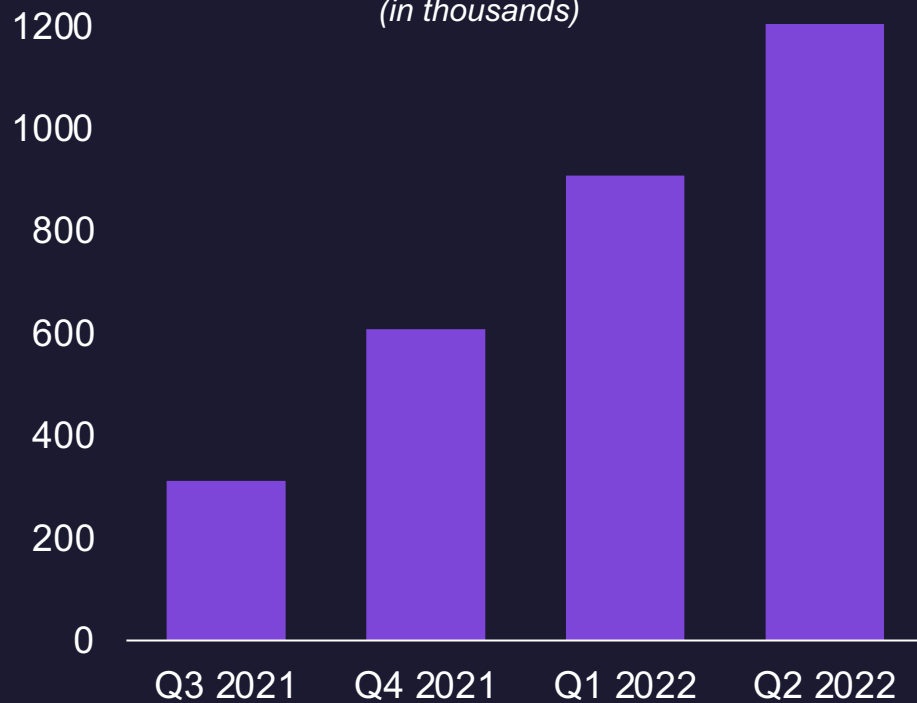
* Excludes Hollywood Morgantown, York and Perryville, which opened or were acquired during 2021.

DATABASE HIGHLIGHTS

We are seeing consistently strong growth in our database, with year-over-year increases in rated theo across all segments except for the 65 and over group

Cumulative mychoice Registrations by Quarter

(in thousands)



Change in Theo By Age*

+7%

21 to 34

+9%

35 to 44

+6%

45 to 54

+2%

55 to 64

(6%)

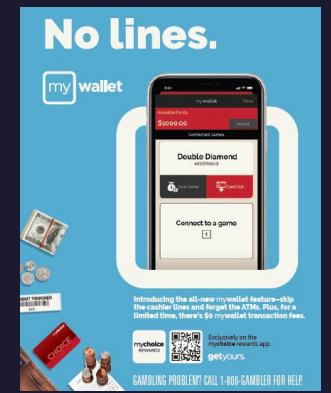
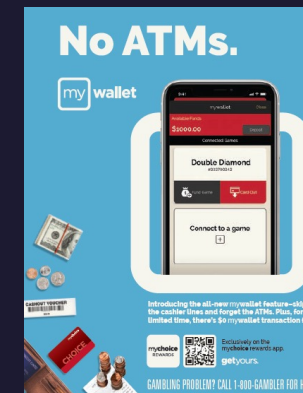
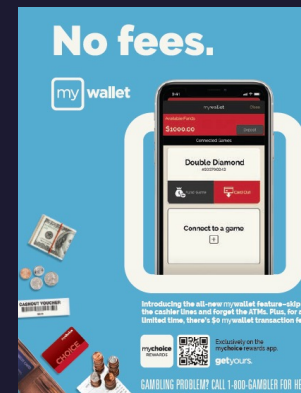
65 and over

* Represents change in average daily theoretical win by segment in Q2'22 v. Q2'21

INDUSTRY LEADING CASHLESS SOLUTION



Our 3C's (cashless, cardless and contactless) technology is rapidly gaining adoption while delivering strong results



1.1m

Total mychoice app downloads

70k

Total mywallet customers

GROWING RETAIL HANDLE

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



24

Total Retail Books
Across 10 States

19%

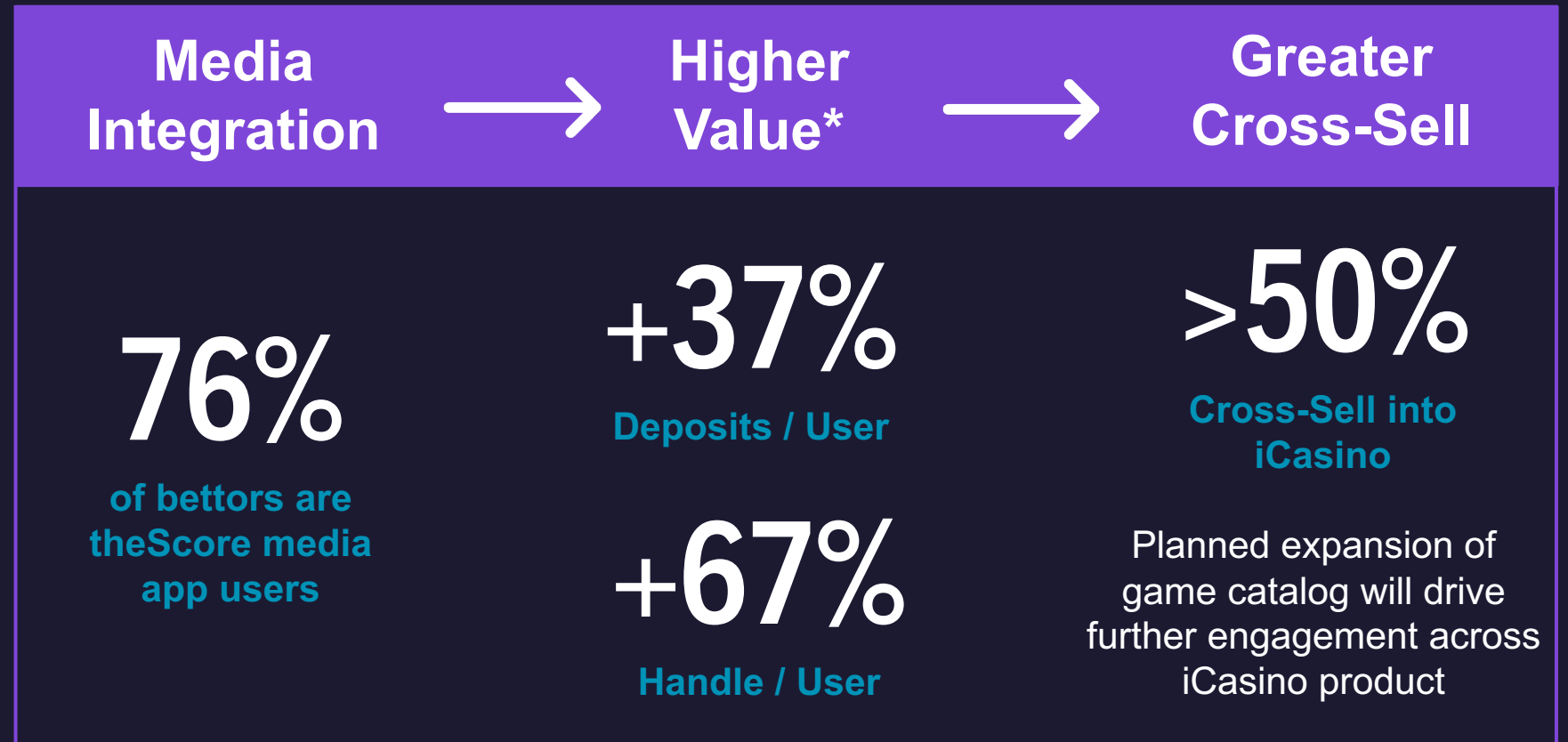
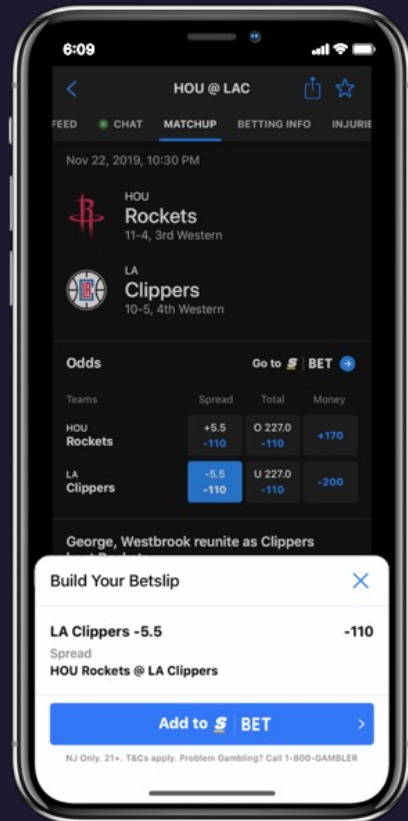
Handle Market Share
ex-NV (Jan22-May22)

Retail Sports Handle
(\$ in millions)



ONTARIO PERFORMANCE

Our early returns in Ontario demonstrate the benefits of theScore's strong brand, built-in audience and integrated media and betting ecosystem



* Results relative to non-users of theScore media app

SUCCESSFUL RISK & TRADING LAUNCH



Our proprietary risk and trading platform launched in Ontario in July 2022, an important milestone in our strategy to bring our sportsbook technology in-house

Successful Migration Onto Fully Owned Tech Stack On Time...

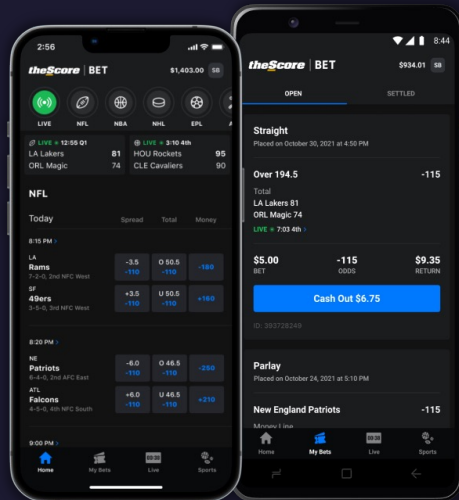


...On Track to Migrate Barstool Sportsbook in Q3 2023

Successful migration demonstrates our industry leading in-house technology, engineering and product expertise

FULLY-OWNED TECH STACK

By vertically integrating our sportsbook and casino operations in Ontario, we are no longer dependent on third parties to manage our risk and trading, leading to roadmap independence, greater innovation and a more stable and reliable system



Risk & Trading

Player Account Management

Promo Engine



Expanded Product Offering



Deepened Media & Betting Integration



System Stability & Reliability



Significant 3rd Party Cost Savings



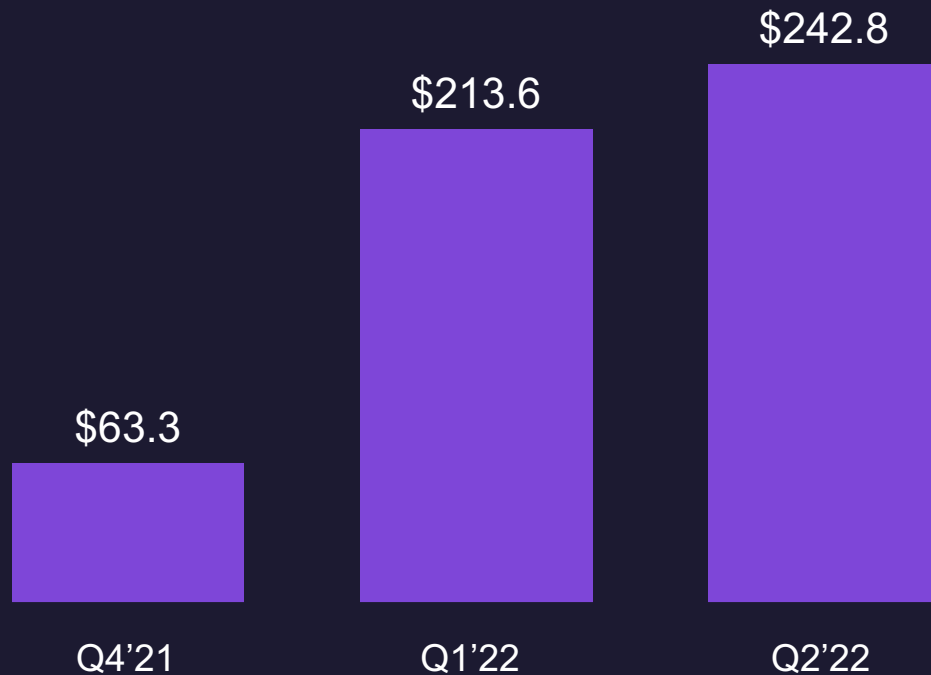
Full Ownership of Tech Roadmap



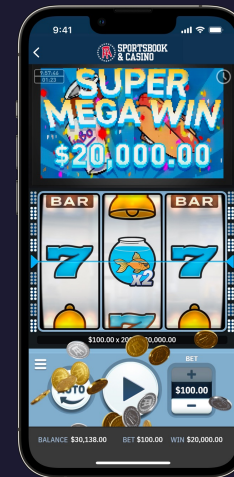
Bespoke Hyper-Personalized Promos

Our in-house developed games are gaining traction, with additional games in the pipeline

Handle By Quarter
(\$ in millions)



PENN Game Studios Roadmap



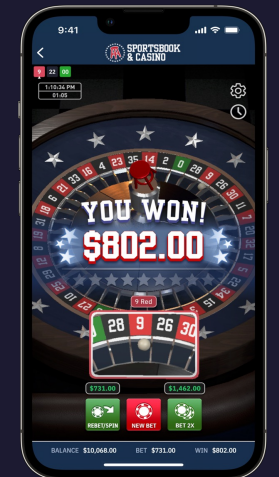
Pardon My Take Slots

**Launched
in Q2**



*Barstool Blackjack
Multi-Hand Side Bets*

Upcoming Releases



*Barstool Roulette
Upgrades*

iCASINO GROWTH

We are seeing solid growth across our online casino portfolio as we add content, with significant upside ahead

97

Third-party games were added to our iCasino platforms in 2Q



GGR By Quarter

(\$ in millions)



Includes revenue across theScore Bet (Ontario), Hollywood Casino (PA) and Barstool Casino (PA, MI, NJ and WV)

theSCORE MEDIA PERFORMANCE

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



REVENUE

Growth driven by strong direct sales across North America

+11%

Y/Y Total Revenue Growth

ENGAGEMENT

Best-in-class media app continuing to drive audience and engagement growth

1.6b

Q2 Total Sessions

+20%

Y/Y Monthly Sessions Growth*

* Sessions represent the total number of times the app was launched by users

Barstool Sports continues to expand its audience across all major social media platforms through relevant and highly engaging content



INSTAGRAM

+32%

Followers

TWITTER

+27%

Followers

TIKTOK

+46%

Followers

FACEBOOK

+19%

Followers

SNAPCHAT

+11%

Subscribers

YOUTUBE

+58%

Subscribers

RECENT ESG HIGHLIGHTS

Diversity, Equity and Inclusion Efforts

- We recently came in 4th out of 40 gaming companies in the All-In Diversity Project's benchmark DE&I survey. Forbes magazine also rated us 139th out of 500 of "America's Best Employers for Diversity," which is the highest ranking of any publicly traded gaming company
- In June, we launched a new company-wide mandatory diversity training initiative
- We proudly celebrated Juneteenth and Pride Month in June; Asian American Pacific Islander Heritage Month in May; and Earth Day in April
 - Our properties participated in parades, volunteered at events, and conducted back of house education and awareness campaigns
- We continued to roll out our Emerging Leaders Program, which equips frontline team members with leadership skills and provides an additional path for diversity in leadership roles; 36% of our Emerging Leader candidates are African American, Hispanic or Asian and 51% are female



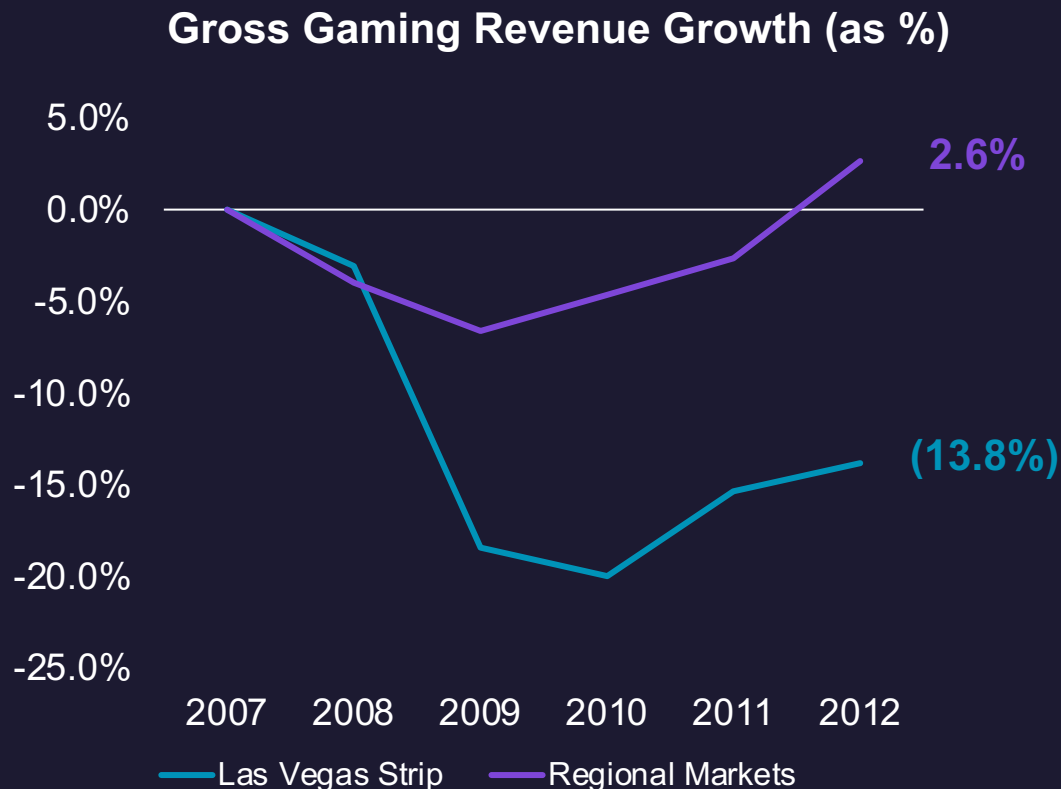


RECESSION CONSIDERATIONS



HISTORICAL REGIONAL RESILIENCY

Regional markets performed far better than the Las Vegas Strip following the 2007-08 downturn, and the current operating environment is more favorable today

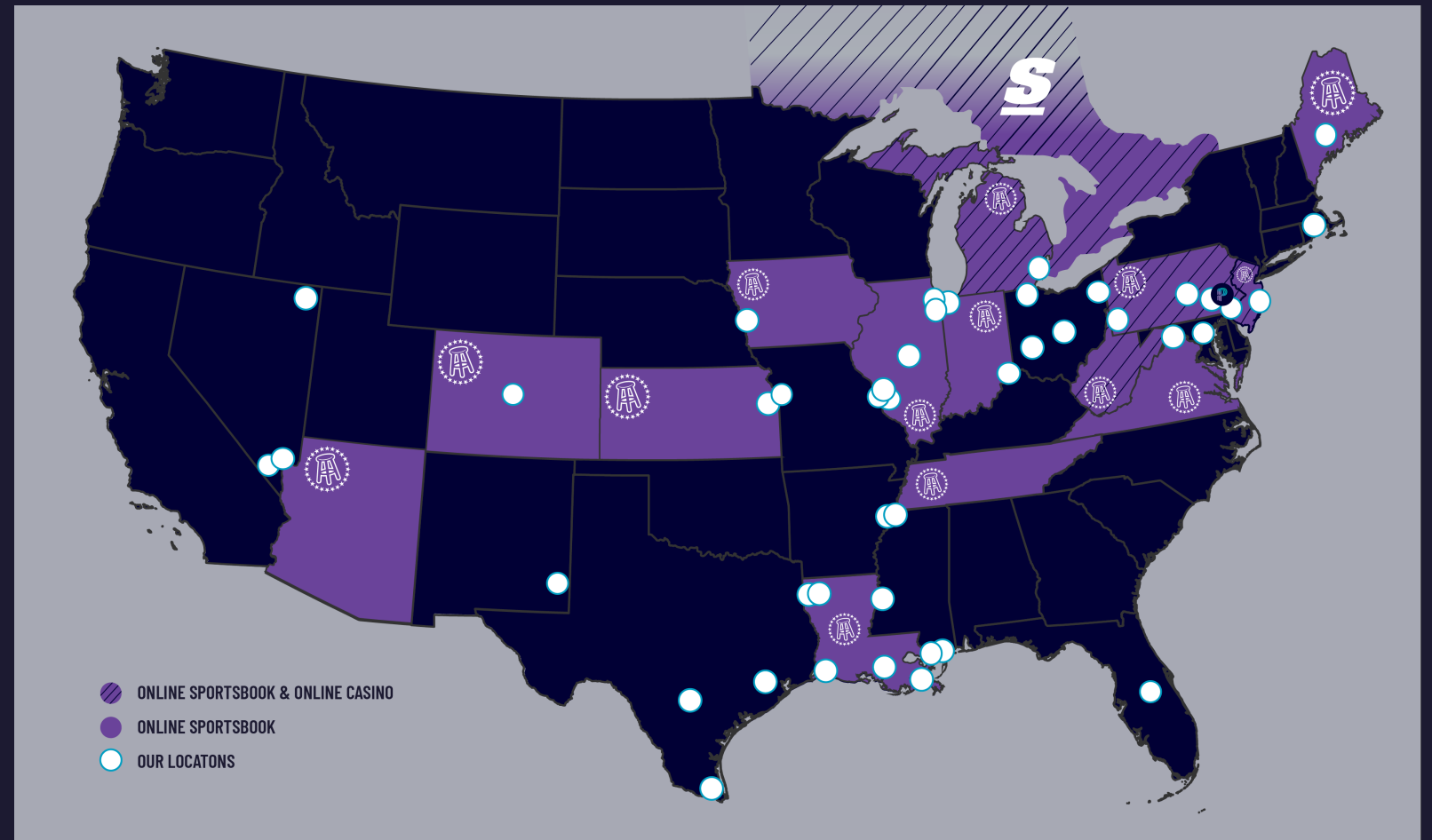


Favorable Operating Environment

- Rational promotional and marketing reinvestment environment
- 2007-08 experience provides roadmap for adjusting to any reduction in volumes
- Post-COVID learnings have helped us optimize our business model
- Growth in younger demographic can offset declines in older demos

GEOGRAPHIC DIVERSIFICATION

Our geographically diversified footprint helps reduce the impact of local economic pressures, while our ability to offer both retail and interactive experiences positions us to take advantage of changes in consumer behavior



ILLUSTRATIVE IMPACT OF A RECESSION



Although business trends remain strong, we are prepared to offset nearly half of any revenue declines through aggressive cost mitigation measures

Hypothetical Revenue Decline	Estimated Property-Level Margins
0%	~37%
5%	35.0 – 36.5%
10%	34.0 – 35.5%
15%	33.0 – 34.5%
20%	30.0 – 33.0%

We estimate approximately

45%

of any revenue declines can be offset through expense reductions

Our strong balance sheet, flexible business model and disciplined approach to capex provide us with multiple levers to maintain free cash flow in an economic downturn



APPENDICES



INTERACTIVE ROADMAP

JULY 2022



Transition to Our Trading Platform in Ontario

The transition to our own proprietary risk and trading platform in Ontario has completed theScore Bet's vertical tech integration

2H 2022 - 1H 2023

Anticipated Launches

Kansas (OSB)
Ohio (OSB)
Maryland (OSB)
Massachusetts (OSB)

Q3 2023

Barstool Sportsbook Tech Migration

Migration of the Barstool Sportsbook mobile app to our in-house player account management and trading platforms will provide the benefits of a fully integrated tech solution

2H 2022

theScore Media Integration

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

Q1 2023

Barstool Put/Call Trigger Date

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

GAAP TO NON-GAAP RECONCILIATION



(\$ in millions, unaudited)	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Net income	\$26.1	\$198.7	\$77.7	\$289.6
Income tax expense	56.3	53.1	103.9	73.7
Income from unconsolidated affiliates	(1.8)	(9.1)	(10.5)	(18.7)
Interest expense, net	193.6	138.0	354.4	273.7
Other (income) expenses	28.2	(2.8)	68.9	(23.9)
Operating income	\$302.4	\$377.9	\$594.4	\$594.4
Stock-based compensation	14.5	9.2	31.5	13.4
Cash-settled stock-based awards variance	(9.5)	(12.4)	(12.4)	9.1
Loss (gain) on disposal of assets	7.3	(0.1)	7.2	(0.2)
Contingent purchase price	(0.9)	1.2	(1.0)	1.3
Pre-opening expenses ⁽¹⁾	2.1	(0.4)	3.6	1.2
Depreciation and amortization	150.3	81.9	268.5	163.2
Insurance recoveries, net of deductible charges	-	-	(8.8)	-
Income from unconsolidated affiliates	1.8	9.1	10.5	18.7
Non-operating items of equity method investments ⁽²⁾	0.3	1.4	2.1	3.0
Other expenses ⁽¹⁾⁽³⁾	8.2	2.3	15.5	2.6
Adjusted EBITDA	\$476.5	\$470.1	\$911.1	\$806.7
Rent expense associated with triple net operating leases	28.0	116.5	88.1	226.9
Adjusted EBITDAR	\$504.5	\$586.6	\$999.2	\$1,033.6
Net income margin	1.6%	12.9%	2.4%	10.3%
Adjusted EBITDAR margin	31.0%	37.9%	31.3%	36.6%

(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.



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