

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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): May 19, 2020

PENN NATIONAL GAMING, INC.

(Exact name of registrant as specified in its charter)

**Pennsylvania
(State or Other Jurisdiction
of Incorporation)**

**0-24206
(Commission
File Number)**

**23-2234473
(IRS Employer
Identification No.)**

**825 Berkshire Blvd., Suite 200
Wyomissing, PA 19610
(Address of principal executive offices including Zip Code)**

Registrant's telephone number, including area code 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))

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

Title of each class	Trading symbol	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 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 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 8.01 of this Current Report on Form 8-K relating to the Convertible Notes Purchase is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On May 19, 2020, Penn National Gaming, Inc. (the “Company”) issued a press release announcing the closing of the offerings described in Item 8.01 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in Item 7.01 of this Current Report on Form 8-K shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

Item 8.01. Other Events.

Common Stock Purchase

As previously reported on a [Form 8-K filed on May 14, 2020](#), the Company entered into an Underwriting Agreement with Goldman Sachs & Co. LLC and BofA Securities, Inc., as representatives of the several underwriters listed therein (the “Equity Underwriting Agreement”), pursuant to which the Company agreed to sell, and the underwriters listed therein agreed to purchase, subject to the terms and conditions set forth therein, 16,666,667 shares of the Company’s common stock and, at the option of the underwriters listed therein, an additional 2,500,000 shares of the Company’s common stock, in each case, at a public offering price of \$18.00 per share (the “Common Stock Offering”). On May 15, 2020, the underwriters fully exercised their option to purchase the additional 2,500,000 shares of the Company’s common stock in accordance with the terms of the Equity Underwriting Agreement. The issuance of the additional 2,500,000 shares of the Company’s common stock closed on May 19, 2020.

The Common Stock Offering was registered under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to a registration statement on [Form S-3 \(Registration No. 333-238149\) \(the “Registration Statement”\), filed with the Securities and Exchange Commission \(the “Commission”\) on May 11, 2020](#). The material terms of the Common Stock Offering are described in the prospectus supplement, dated May 11, 2020, filed by the Company with the Commission on [May 13, 2020, pursuant to Rule 424\(b\)\(5\)](#) of the Securities Act, which relates to the offer and sale of the shares of common stock and supplements the [preliminary prospectus supplement relating to the Common Stock Offering, dated May 11, 2020](#), that constitutes a part of the Registration Statement.

Convertible Notes Purchase

As previously reported on a Form 8-K filed on May 14, 2020, the Company entered into an Underwriting Agreement with Goldman Sachs & Co. LLC and BofA Securities, Inc., as representatives of the several underwriters listed therein (the “Convertible Notes Underwriting Agreement”), pursuant to which the Company agreed to sell, and the underwriters listed therein agreed to purchase, subject to the terms and conditions set forth therein, \$300,000,000 aggregate principal amount of 2.75% Convertible Senior Notes due 2026 (the “Notes”) and, at the option of the underwriters therein, up to an additional \$45,000,000 aggregate principal amount of such Notes (the “Purchase Option”). On May 15, 2020, the underwriters exercised in part their Purchase Option and purchased an additional \$30,495,000 aggregate principal amount of the Notes in accordance with the terms of the Convertible Notes Underwriting Agreement (the “Convertible Notes Purchase”). The Convertible Notes Purchase closed on May 19, 2020.

The Notes were registered under the Securities Act, pursuant to the Registration Statement, filed with the Commission on May 11, 2020. The material terms of the Notes are described in the prospectus supplement, dated May 11, 2020, filed by the Company with the Commission on May 13, 2020, pursuant to Rule 424(b)(5) of the Securities Act, which relates to the offer and sale of the Notes and supplements the preliminary prospectus supplement relating to the sale of the Notes, dated May 11, 2020, that constitutes a part of the Registration Statement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
5.1	Opinion of Wachtell, Lipton, Rosen & Katz (incorporated by reference to Exhibit 5.1 to the Current Report on Form 8-K filed by Penn National Gaming, Inc. with the Commission on May 14, 2020).
5.2	Opinion of Ballard Spahr LLP with respect to the Common Stock Purchase (incorporated by reference to Exhibit 5.2 to the Current Report on Form 8-K filed by Penn National Gaming, Inc. with the Commission on May 14, 2020).
5.3	Opinion of Ballard Spahr LLP with respect to the Convertible Notes Purchase (incorporated by reference to Exhibit 5.3 to the Current Report on Form 8-K filed by Penn National Gaming, Inc. with the Commission on May 14, 2020).
23.1	Consent of Wachtell, Lipton, Rosen & Katz (contained in Exhibit 5.1 hereto).
23.2	Consent of Ballard Spahr LLP (contained in Exhibit 5.2 hereto).
23.3	Consent of Ballard Spahr LLP (contained in Exhibit 5.3 hereto).
99.1	Press Release of Penn National Gaming, Inc. dated May 19, 2020 (furnished under Item 7.01).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: May 19, 2020

PENN NATIONAL GAMING, INC.

By: /s/ Carl Sottosanti

Carl Sottosanti
Executive Vice President, General Counsel
and Secretary



FOR IMMEDIATE RELEASE

PENN NATIONAL GAMING ANNOUNCES EXERCISE AND CLOSING OF GREENSHOE OPTION IN FIRST-EVER U.S. DUAL TRANCHE EQUITY/CONVERT OFFERING FOR A GAMING OPERATOR

WYOMISSING, Pa., May 19, 2020 -- Penn National Gaming, Inc. (PENN: Nasdaq) (“Penn National” or the “Company”) today announced that the underwriters of the Company’s recently completed public offering of common stock, par value \$0.01 per share (the “Common Stock”) and 2.75% Convertible Senior Notes due 2026 (the “Convertible Notes”) have exercised their options to acquire additional shares of Common Stock and Convertible Notes, together valued at approximately \$75 million. Combined with the previously announced public offering, this amount equates to an approximately \$675 million dollar capital raise and is the first-ever U.S. dual tranche equity/convert offering for a gaming operator.

As a result of the option exercises, together with the 16,666,667 shares of Common Stock and the \$300 million aggregate principal amount of Convertible Notes previously issued in the underwritten public offering on May 14, 2020, the Company has now completed the issuance in the offering of a total of (i) 19,166,667 aggregate shares of Common Stock, at a price to the public of \$18.00 per share, for gross proceeds of approximately \$345 million and (ii) \$330,495,000 aggregate principal amount of Convertible Notes.

As previously disclosed, the Company expects to use the net proceeds from the offering for general corporate purposes that will significantly enhance its liquidity while providing the Company with the flexibility to invest in its unique omni-channel growth strategy, powered by its partnership with Barstool Sports.

Goldman Sachs & Co. LLC and BofA Securities acted as joint book-running managers and representatives of the underwriters, and J.P. Morgan, Fifth Third Securities and Wells Fargo Securities also served as book-running managers for the offering of Common Stock (the “Common Stock Offering”) and the offering of Convertible Notes (the “Convertible Notes Offering”). Barclays, BTIG, Citizens Capital Markets, Macquarie Capital, Morgan Stanley, Stifel, SunTrust Robinson Humphrey and TD Securities acted as co-managers for the Common Stock Offering. Barclays, Citizens Capital Markets, Macquarie Capital, Morgan Stanley, Stifel, SunTrust Robinson Humphrey, TD Securities and US Bancorp acted as co-managers for the Convertible Notes Offering. A shelf registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission (“SEC”) and has become effective. Each of the Common Stock Offering and the Convertible Notes Offering were made by means of a prospectus supplement and an accompanying base prospectus. The preliminary and final prospectus supplements and accompanying base prospectus relating to each of the Common Stock Offering and the Convertible Notes Offering were filed with the SEC and are available on the SEC’s website at www.sec.gov. Copies of the preliminary and final prospectus supplements and accompanying base prospectus relating to the Common Stock Offering and the Convertible Notes Offering may be obtained from Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Prospectus Department, by telephone at (866) 471-2526, or by email at prospectus-ny@ny.email.gs.com or BofA Securities, NC1-004-03-43, 200 North College Street, 3rd floor, Charlotte NC 28255-0001, Attention: Prospectus Department, or via email: dg.prospectus_requests@bofa.com.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any share of common stock, any Convertible Notes or any other security and shall not constitute any offer, solicitation or sale in any jurisdiction in which such offer, solicitation, purchase or sale is unlawful. Before investing, please read the applicable prospectus supplement and accompanying base prospectus and other documents Penn National has filed with the SEC for more complete information about Penn National.

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About Penn National Gaming

With the nation's largest and most diversified regional gaming footprint, including 41 properties across 19 states, Penn National continues to evolve into a highly innovative omni-channel provider of retail and online gaming, live racing and sports betting entertainment. The Company's properties feature approximately 50,000 gaming machines, 1,300 table games and 8,800 hotel rooms and operate under various well-known brands, including Hollywood, Ameristar and L'Auberge. Our wholly-owned interactive division, Penn Interactive, operates retail sports betting across the Company's portfolio, as well as online social casino, bingo and iCasino products. In February 2020, Penn National entered into a strategic partnership with Barstool Sports, pursuant to which Barstool agreed to exclusively promote the Company's land-based and online casinos and sports betting products, including the Barstool Sportsbook mobile app, to its national audience of over 66 million. The Company's omni-channel approach is bolstered by the mychoice loyalty program, which rewards and recognizes its over 20 million members for their loyalty to both retail and online gaming and sports betting products with the most dynamic set of offers, experiences and service levels in the industry.

Forward-looking Statements

This press release 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. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company's future financial results and business.

Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. Such factors include, but are not limited to, risks related to the following: (a) the anticipated use of proceeds from the Common Stock Offering and the Convertible Notes Offering; (b) the magnitude and duration of the impact of the COVID-19 pandemic on capital markets, general economic conditions, unemployment, consumer spending and the Company's liquidity, financial condition, supply chain, operations and personnel; (c) industry, market, economic, political, regulatory and health conditions; (d) disruptions in operations from data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as COVID-19, and other natural or manmade disasters or catastrophic events; (e) the reopening of the Company's gaming properties are subject to various conditions, including numerous regulatory approvals and potential delays and operational restrictions; (f) our ability to access additional capital on favorable terms or at all; (g) our ability to remain in compliance with the financial covenants of our debt obligations; (h) the consummation of the proposed Morgantown and Perryville transactions with GLPI are subject to various conditions, including third-party agreements and approvals, and accordingly may be delayed or may not occur at all; (i) actions to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 pandemic could negatively impact guest loyalty and our ability to attract and retain employees; (j) the outcome of any legal proceedings that may be instituted against the Company or its directors, officers or employees; (k) the impact of new or changes in current laws, regulations, rules or other industry standards; (l) the ability of our operating teams to drive revenue and margins; (m) the impact of significant competition from other gaming and entertainment operations; (n) our ability to obtain timely regulatory approvals required to own, develop and/or operate our properties, or other delays, approvals or impediments to completing our planned acquisitions or projects, construction factors, including delays, and increased costs; (o) the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which we do or seek to do business (such as a smoking ban at any of our properties or the award of additional gaming licenses or new forms of gaming in states we operate in or proximate to our properties, as recently occurred with Illinois and Pennsylvania legislation); (p) the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular; (q) the activities of our competitors (commercial and tribal) and the rapid emergence of new competitors (traditional, internet, social, sweepstakes based and VGTs in bars and truck stops); (r) increases in the effective rate of taxation for any of our operations or at the corporate level; (s) our ability to identify attractive acquisition and development opportunities (especially in new business lines) and to agree to terms with, and maintain good relationships with partners/municipalities for such transactions; (t) the costs and risks involved in the pursuit of such opportunities and our ability to complete the acquisition or development of, and achieve the expected returns from, such opportunities; (u) our expectations for the continued availability and cost of capital; (v) the impact of weather, including flooding, hurricanes and tornadoes; (w) changes in accounting standards; (x) the risk of failing to maintain the integrity of our information technology infrastructure and safeguard our business, employee and customer data (particularly as our iGaming division grows); (y) with respect to our iGaming and sports betting endeavors, the impact of significant competition from other companies for online sports betting, iGaming and sportsbooks, our ability to achieve the expected financial returns related to our investment in Barstool Sports, our ability to obtain timely regulatory approvals required to own, develop and/or operate sportsbooks may be delayed and there may be impediments and increased costs to launching the online betting, iGaming and sportsbooks, including delays, and increased costs, intellectual property and legal and regulatory challenges, as well as our ability to successfully develop innovative products that attract and retain a significant number of players in order to grow our revenues and earnings, our ability to establish key partnerships, our ability to generate meaningful returns and the risks inherent in any new business; (z) with respect to our proposed Pennsylvania Category 4 casinos in York and Berks counties, risks relating to construction, and our ability to achieve our expected budgets, timelines and investment returns, including the ultimate location of other gaming properties in the Commonwealth of Pennsylvania; and (aa) other factors included in "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2019, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the U.S. Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.

CONTACTS:

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