FOURTH QUARTER 2022 EARNINGS PRESENTATION

February 2, 2023

FORWARD-LOOKING STATEMENTS

PENN ENTERTAINMENT

This presentation 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: future revenue and Adjusted EBITDAR; the Company's anticipated share repurchases; the Company's expectations of future results of operations and financial condition, including the scale and timing of the Company's product and technology investments; the Company's expectations regarding results, and the impact of competition, in retail/mobile/online sportsbooks, iGaming 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 Barstool and theScore Bet iCasino apps and the migration of the Barstool Sportsbook into both our proprietary player account management system and risk and trading platforms; the Company's expectations regarding its acquisition of 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 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 the prospective development projects at Hollywood Casinos Aurora, Joliet, Columbus, and the M Resort Spa Casino; our ability to obtain financing for our development projects on attractive terms; and the timing, cost and expected impact of planned capital expenditures on the Company's results of operations; 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; 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 press release 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; 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; 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 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 (sold on September 26, 2022), Inc. and Hollywood Casino at the Meadows, and our individual triple net leases with VICI for the real estate assets used in the operations of Margaritaville Resort Casino 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. The Company does not provide a reconciliation of projected Adjusted EBITDA and Adjusted EBITDAR because it is unable to predict with reasonable accuracy the value of certain adjustments that may significantly impact the Company's results, including realized and unrealized gains and losses on equity securities, re-measurement of cash-settled stock-based awards, contingent purchase payments associated with prior acquisitions, and income tax (benefit) expense, which are dependent on future events that are out of the Company's control or that may not be reasonably predicted.

Q4 SUMMARY RESULTS

PENN ENTERTAINMENT

While Q4 results were impacted by severe weather in certain markets, we ended the quarter with strong performance that has continued through January

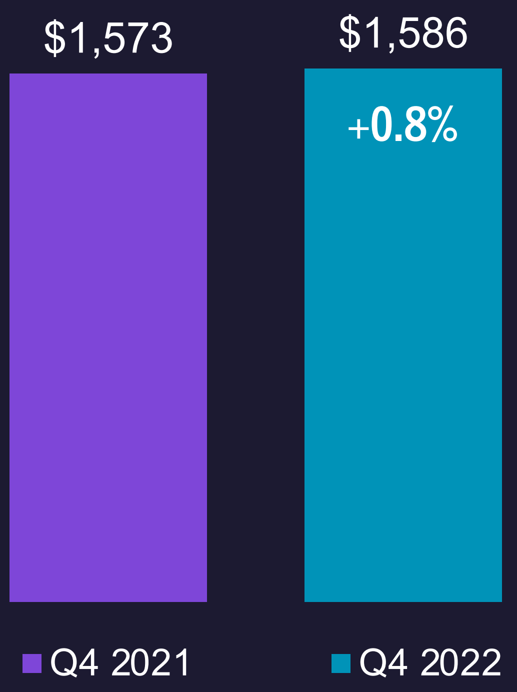
REVENUES	NET INCOME	NET INCOME MARGIN
$1,585.6	$20.8	1.3%
ADJ. EBITDAR	**ADJ. EBITDA**	**ADJ. EBITDAR MARGIN**
$468.3	$438.3	29.5%

($ in millions)

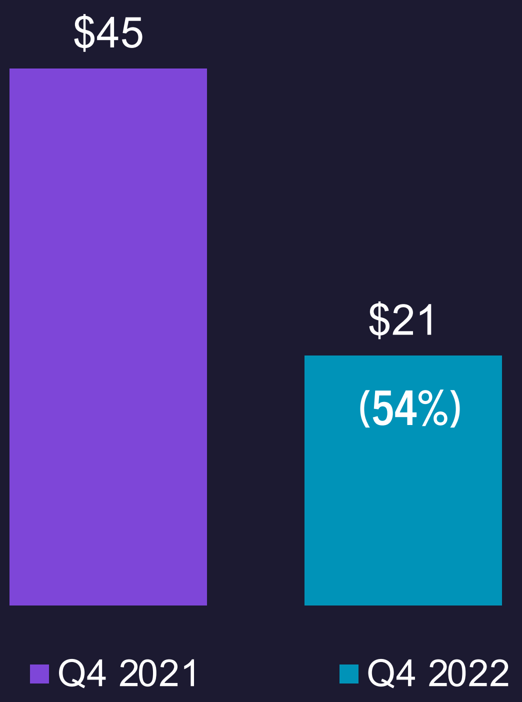
Q4 FINANCIAL HIGHLIGHTS

Revenue growth was driven by Interactive and solid results at our retail operations, with EBITDAR declining 2.5% year-over-year due, in part, to adverse weather at several properties

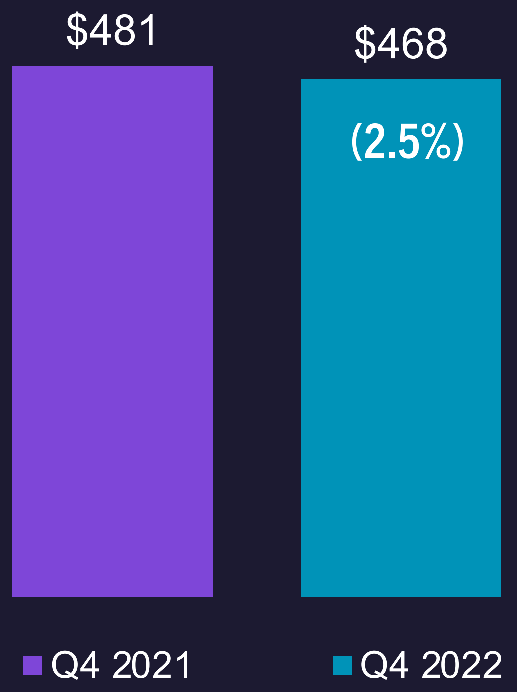
REVENUES



NET INCOME



ADJUSTED EBITDAR*



($ in millions)

* Q4 2022 Adjusted EBITDA was $438.3 million compared to Q4 2021 Adjusted EBITDA of $369.0 million

Q4 INTERACTIVE SEGMENT RESULTS

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Interactive segment achieved profitability in Q4, driven by successful state launches and positive momentum in Ontario following our tech stack migration

REVENUES

$208.0 million

ADJ. EBITDA

$5.2 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 $82.9 million related to the gross-up of gaming tax reimbursements from our third-party skin partners (v. $50.7 million in Q4’21)
- Q4’22 revenues represent year-over-year growth of 17% (excluding the impact of gaming tax reimbursements to third party skin partners)

2022 SUMMARY RESULTS & 2023 OUTLOOK

PENN ENTERTAINMENT

2022 was a solid year for PENN despite ongoing macroeconomic headwinds

REVENUES	NET INCOME	NET INCOME MARGIN
$6,401.7	$221.7	3.5%
ADJ. EBITDAR	**ADJ. EBITDA**	**ADJ. EBITDAR MARGIN**
$1,939.4	$1,789.8	30.3%

For 2023, we are initiating guidance with a revenue range of $6.15 billion to $6.58 billion and an Adj. EBITDAR range of $1.875 billion to $2.0 billion*

($ in millions)

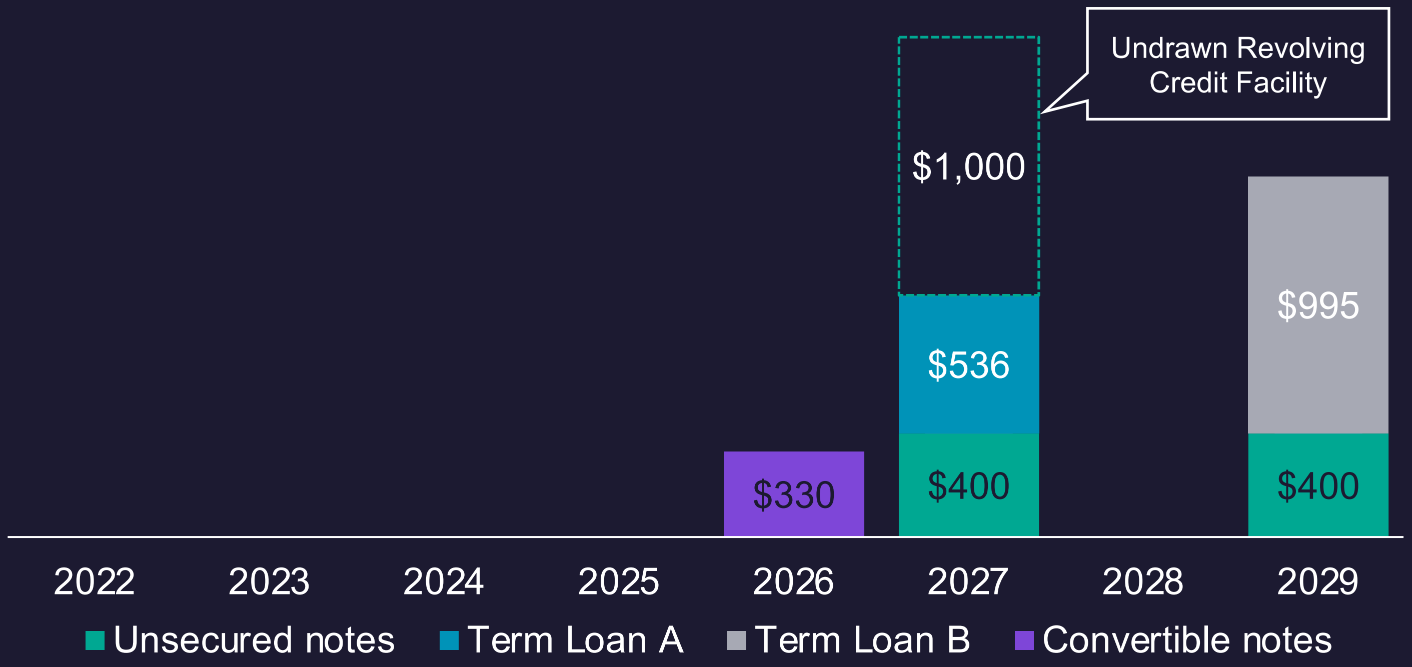
* 2023 revenue and Adjusted EBITDAR guidance does not include the acquisition of the remainder of Barstool Sports, which we expect will close on February 17th.

HEALTHY BALANCE SHEET & LIQUIDITY POSITION

Our strong balance sheet permitted us to repurchase 2,870,894 shares during the fourth quarter under our stock repurchase authorization at an average price of $31.69

As of 12/31/2022	($m)
Cash Balance	$1,624
Liquidity(2)	$2,601
Total Traditional Debt	$2,700
Traditional Net Debt(3)	$1,076
Lease-Adjusted Net Leverage(4)	4.4x
% of Fixed Rate Debt(5)	85%

DEBT MATURITY(1)



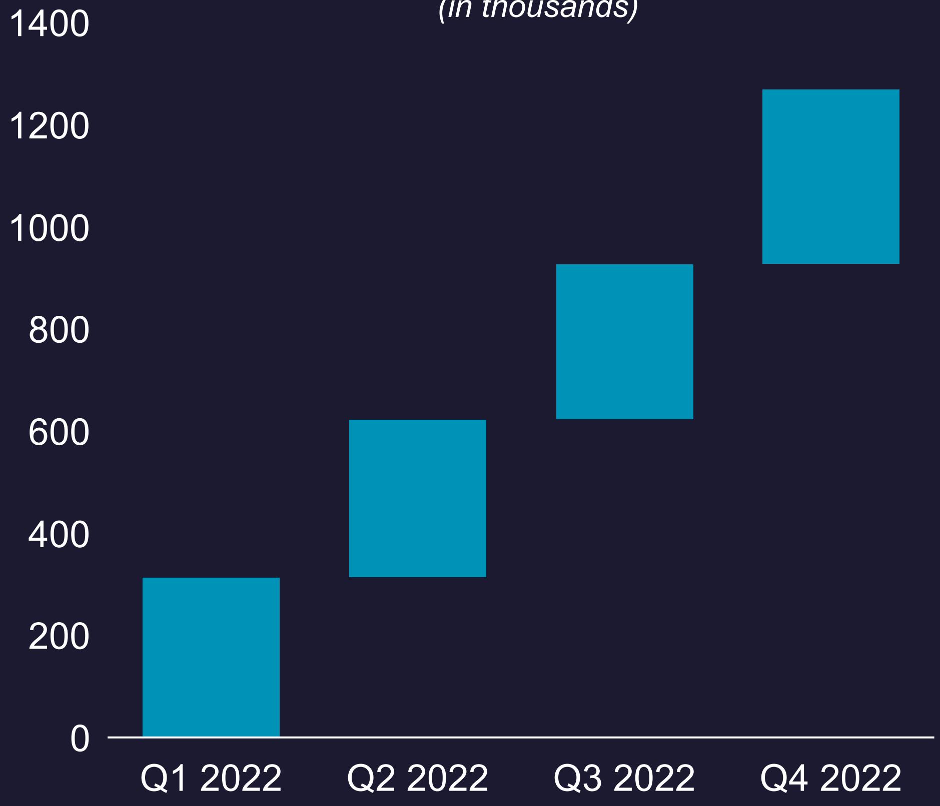
(1) Amounts shown exclude $156.1 million of other-long-term obligations.
(2) Liquidity is calculated as unrestricted cash plus revolver availability, net of Letters of Credit outstanding.
(3) Traditional net debt is calculated as “Total traditional debt” which is the principal amount of debt outstanding (and excludes the financing obligation associated with cash proceeds 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, less Cash and cash equivalents; denominator is Adjusted EBITDAR for the trailing 12 months ended December 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

Strong database growth in Q4 despite the impact of severe weather on rated play across most age segments

mychoice Registrations by Quarter

(in thousands)



Y/Y Change in Rated Theo By Age*

1%	(5%)	(2%)
21 to 34	35 to 44	45 to 54

(3%)	(6%)
55 to 64	65 and over

* Represents change in average daily theoretical win by segment in Q4'22 v. Q4'21. Excludes Hollywood Morgantown, which opened during 2021.

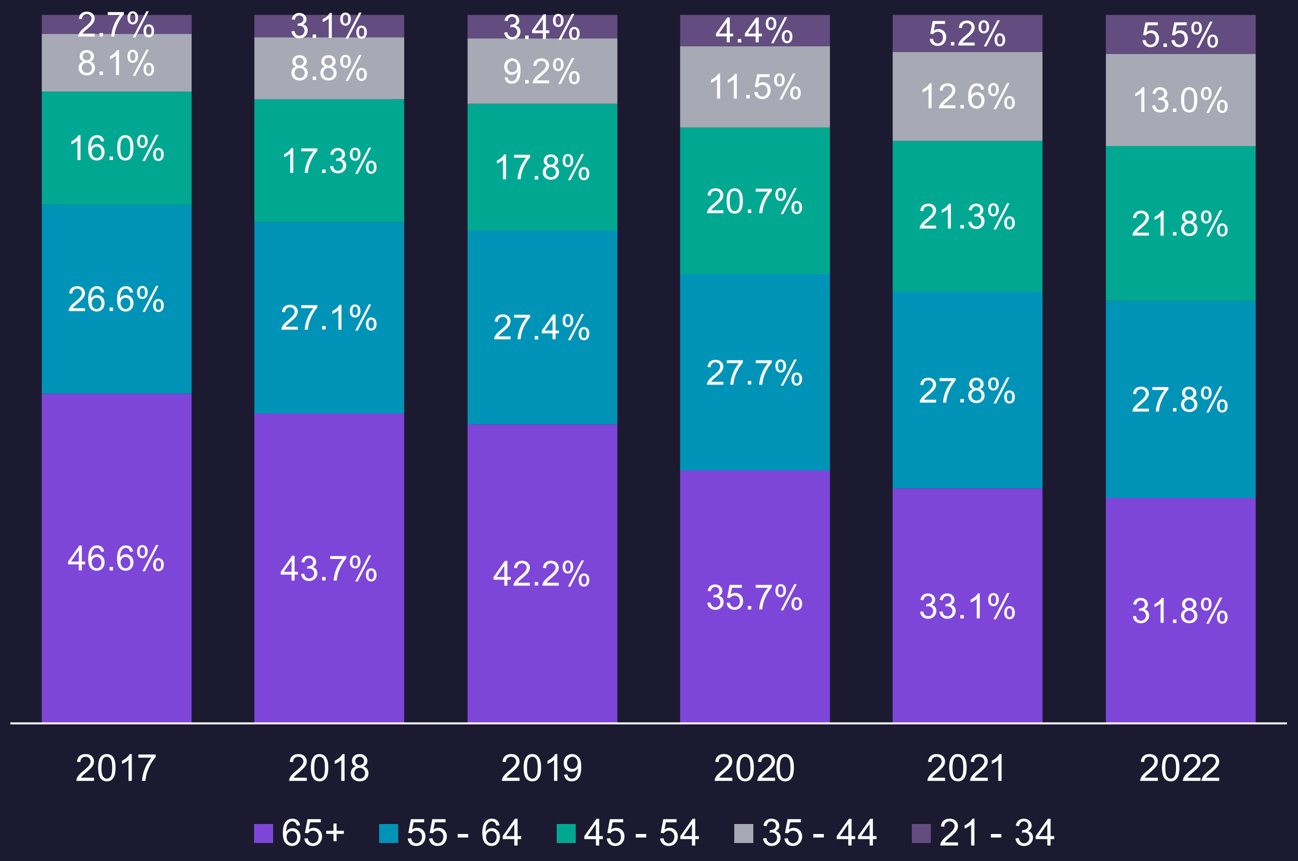
AGE SEGMENT DATABASE TRENDS

We have seen a steady increase in play from the younger segments, with the 21 to 44 segments growing from 10.8% of total retail theo in 2017 to 18.5% in 2022

Change in Rated Theo v. Q4'19*

57%	43%	26%	7%	(20%)
21 to 34	35 to 44	45 to 54	55 to 64	65 and over

% of Company Theo By Segment



* Represents change in average daily theoretical win by segment in Q4'22 v. Q4'19.
All data excludes Hollywood Morgantown, which opened during 2021.

INDUSTRY LEADING CASHLESS SOLUTION

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

136k

Total mywallet customers*

$80m

Total mywallet deposits*

We have now deployed the 3C's at 21 properties, which collectively represent approximately 70% of our retail EBITDAR

3C's Deployment To-Date

- Indiana (2)
- Kansas (1)
- Louisiana (3)
- Michigan (1)
- Mississippi (2)
- Missouri (3)
- Ohio (4)
- Pennsylvania (4)
- West Virginia (1)

* Stats through end of Q4 2022

BEST-IN-CLASS RETAIL SPORTSBOOKS

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We recently opened four temporary retail sportsbooks in Ohio and one in Massachusetts, with completion of Barstool-branded permanent locations in Ohio on track for late Q1

31

Total Retail Books Across 14 States

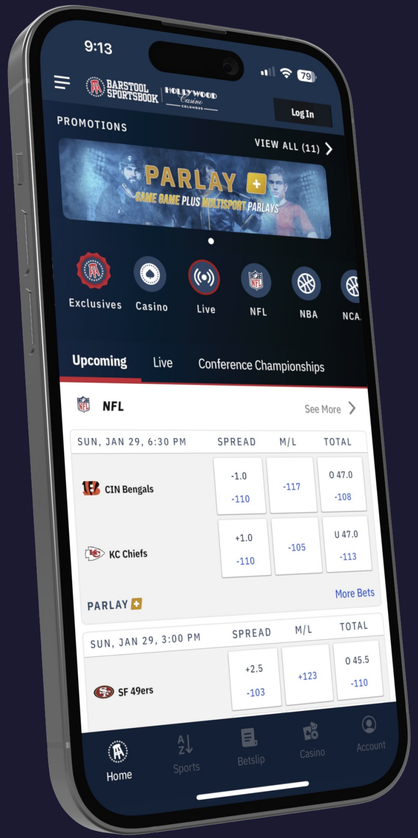
18%

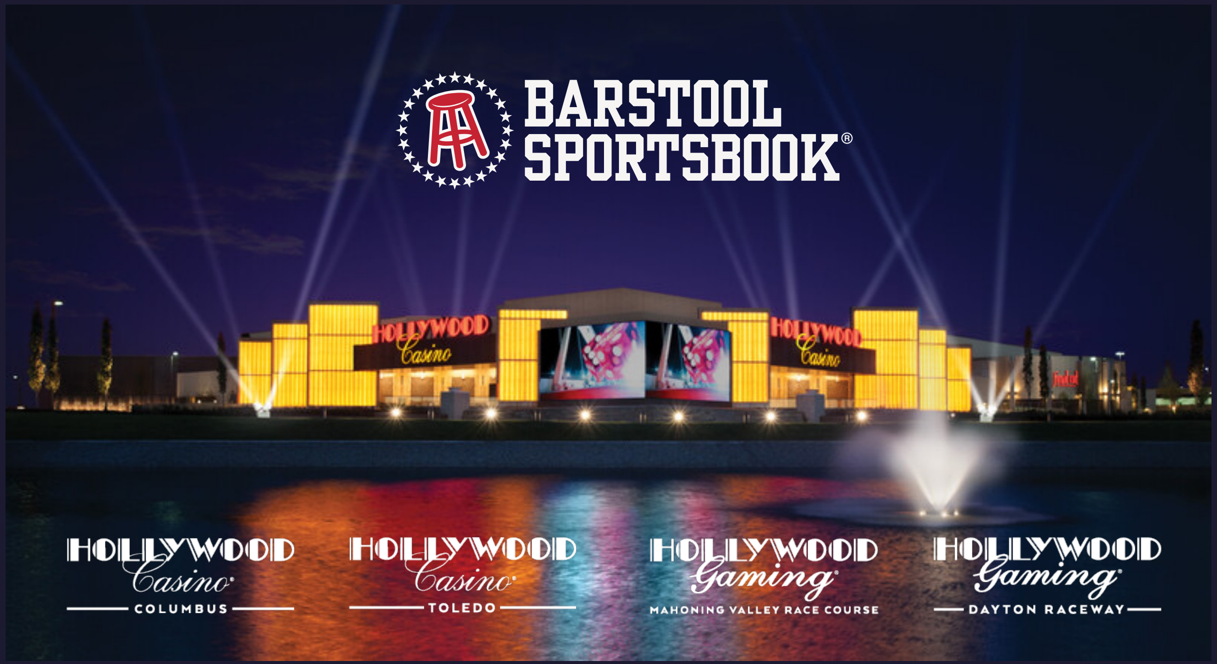
Handle Market Share ex-NV (Jan22-Nov22)

OHIO SPORTS BETTING LAUNCH

PENN ENTERTAINMENT

In Ohio, our deep customer database, retail footprint and powerful Barstool Sports marketing engine contributed to our most successful launch to date





#1

Launch By Online FTD's

>50%

Online Handle from mychoice Database

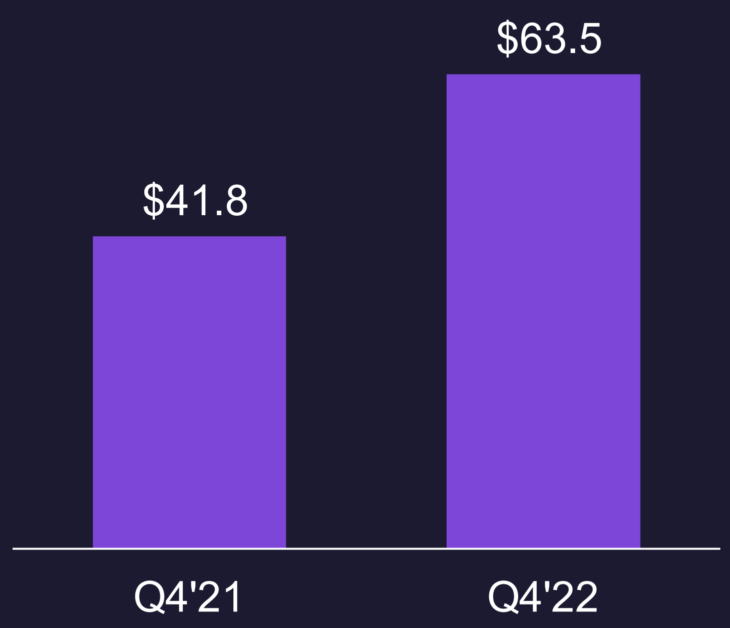
iCASINO & PENN GAME STUDIOS GROWTH

PENN ENTERTAINMENT

We are seeing improved iCasino results with additional content, including proprietary games from Penn Game Studios, setting the stage for future growth

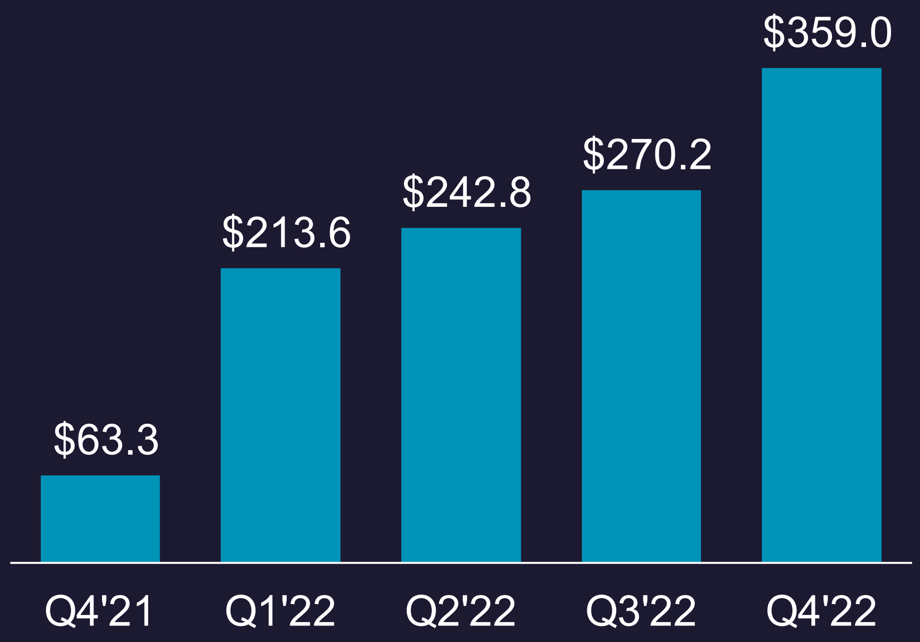
iCasino GGR*

($ in millions)



Penn Game Studios Handle

($ in millions)



theScore Blackjack

Coming Q1 2023

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

STRONG ONTARIO PERFORMANCE

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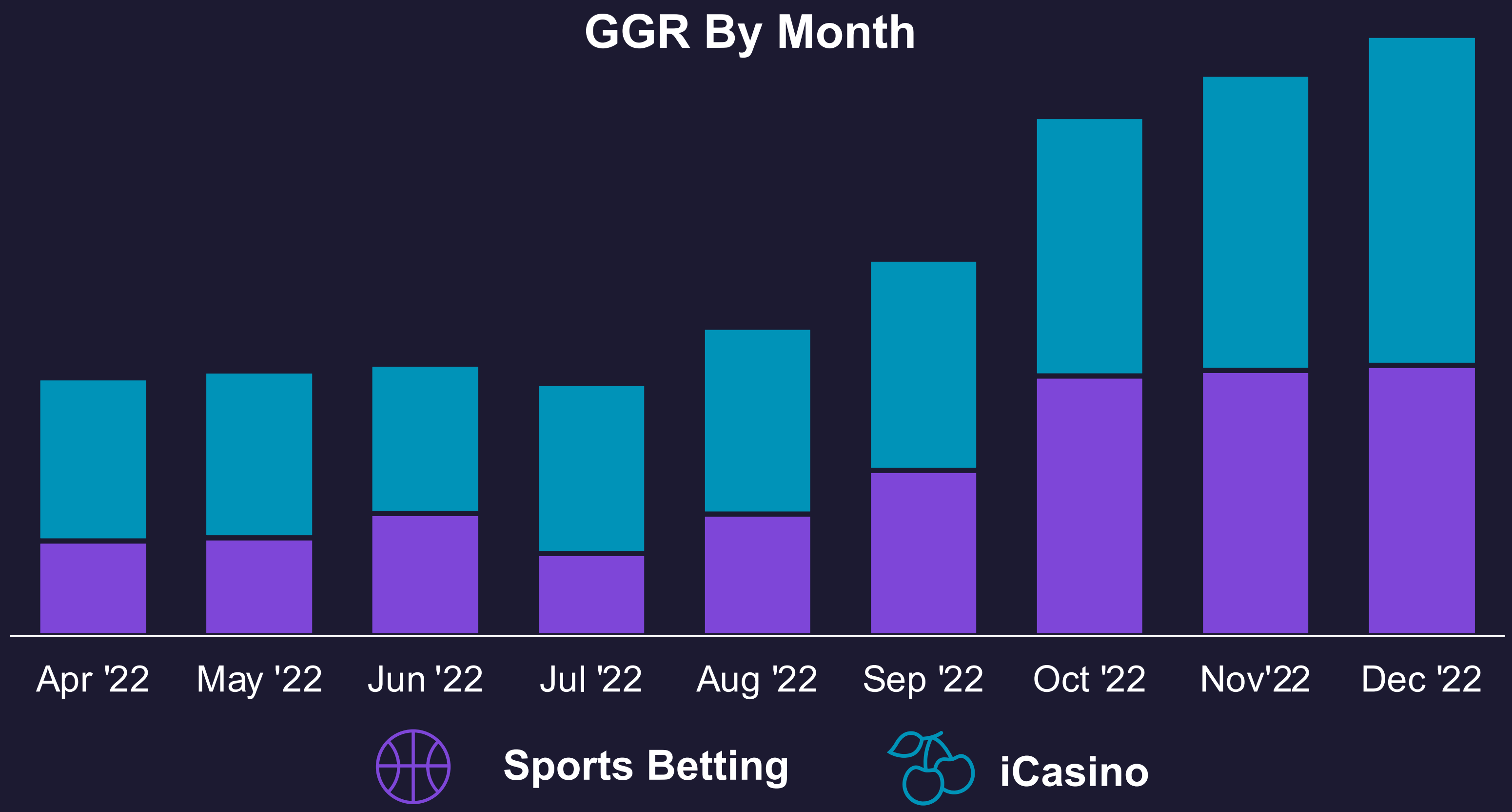
Ontario has become our top market in North America for both sports betting and iCasino, with strong growth and encouraging trends through our first NFL season



theScore | BET

We experienced record months for both Sports Betting and iCasino GGR in December

BENEFITS OF TECH STACK BECOMING EVIDENT

PENN ENTERTAINMENT

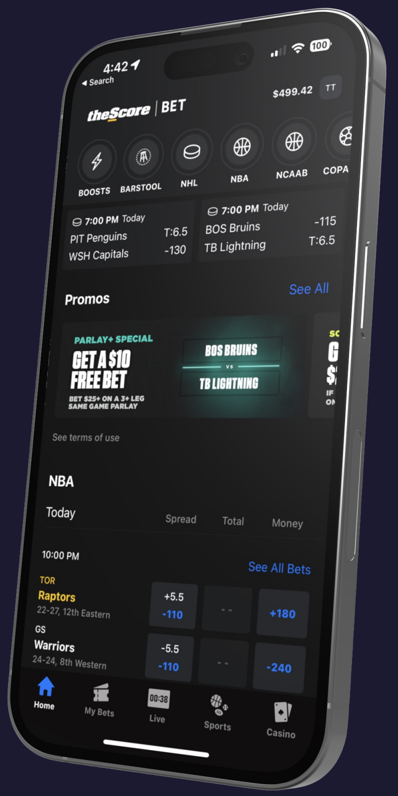
Our performance in Ontario illustrates the meaningful strategic advantages of a fully owned tech stack and provides a strong blueprint for success in the U.S. post-migration

Ontario Performance v. U.S. Performance Since Migration

+85%
3-Month Retention

+19%
Cross-Sell into iCasino

114bps
Hold Outperformance*



* Normalized for low hold in the U.S. driven by VVIP play on the World Series

theSCORE MEDIA PERFORMANCE

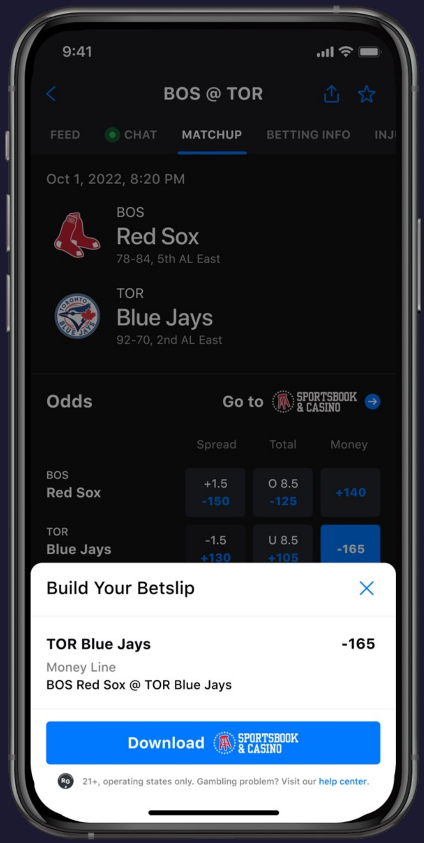
PENN ENTERTAINMENT

theScore is seeing strong growth in user engagement, and we successfully completed the initial integration of the Barstool Sportsbook app into theScore media app in October

ENGAGEMENT

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

2.4b	+35%
Q4 Total Sessions*	Q4 Y/Y Sessions Growth*



Barstool Sportsbook Odds Integrated in Matchup Page

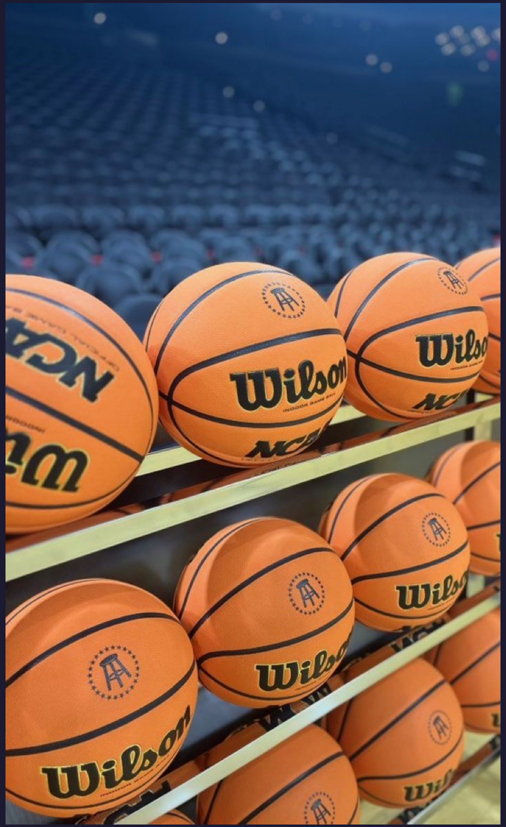
Simple Betslip Creation with Link to Barstool Sportsbook

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

BARSTOOL SPORTS

PENN ENTERTAINMENT

Barstool Sports achieved record revenues in 2022 while investing and expanding into new verticals, including coverage of live sporting events such as the Barstool Invitational college basketball tournament and the Arizona Bowl



RECENT ESG HIGHLIGHTS

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- During the fourth quarter, we finalized our Scope 1 and 2 greenhouse gas emissions assessment, which along with our inaugural Sustainability Accounting Standards Board ("SASB") disclosure, will be incorporated into our 2022 Corporate Social Responsibility Report in April.
- We completed our mandatory company-wide diversity, equity and inclusion training and will soon begin a second phase of training focused on our leadership teams.
- We continued our support of our veterans through the establishment of our second and third veteran-focused scholarship programs, one at Penn State Berks and another at Alvernia University, which are in addition to our Harold Cramer Memorial Scholarship Fund for veterans at University of Pennsylvania Carey Law School.
- PENN Interactive received the RG Check iGaming Accreditation from the Responsible Gambling Council ("RGC") for its online gaming platforms. PENN Interactive became the first U.S. operator to voluntarily undergo this accreditation, which is widely regarded as one of the most comprehensive responsible gambling accreditation programs in the world.

APPENDICES

PENN ENTERTAINMENT

NORTH AMERICA'S LEADING PROVIDER OF INTEGRATED ENTERTAINMENT, SPORTS CONTENT AND CASINO GAMING EXPERIENCES

Strong Balance Sheet and Free Cash Flow

Our diversified portfolio of leading regional casinos is generating significant and consistent free cash flow to fund future growth and/or return capital to shareholders

Cutting-Edge Tech and High Growth Digital Business

Our Interactive segment is growing rapidly, with a differentiated strategy that leverages our proprietary technology and the industry's lowest customer acquisition costs

Dynamic Media Businesses

Our media businesses are expanding our ecosystem and providing organic cross-sell opportunities and new channels for growth, including advertising and commerce

OMNI-CHANNEL STRATEGY

PENN ENTERTAINMENT

Highly differentiated strategy focused on organic cross-sell opportunities from our portfolio of leading brands

Media & Content

BARSTOOL SPORTS

theScore

Casinos & Racetracks

HOLLYWOOD Casino

AMERISTAR

L'auberge

ARGOSY CASINO HOTEL & SPA

BOOMTOWN

Cactus Petes

M RESORT • SPA • CASINO

MARGARITAVILLE RESORT • CASINO BOSSIER CITY, LA

PLAINRIDGE PARK CASINO

RIVERCITY CASINO & HOTEL

ZIA PARK CASINO • HOTEL • RACETRACK

1ST JACKPOT CASINO TUNICA

Sports Betting

BARSTOOL SPORTSBOOK

theScore | BET

Online Gaming

SPORTSBOOK & CASINO

theScore | BET SPORTSBOOK & CASINO

HOLLYWOOD CASINO.COM

mychoice casino

EXECUTING ON OUR STRATEGY

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We are focusing on organic cross-sell opportunities, reinforced by our investments in market-leading retail casinos, sports media assets and technology, including a state-of-the-art fully integrated media, betting and casino platform

LEVERAGING OUR STRUCTURAL ADVANTAGES

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

BUILDING OUR ECOSYSTEM

Our my**choice** database has grown significantly to over 25 million members, and we are continuing to build our audience and reach through the combination of our retail, interactive and media businesses, especially in the younger demographics

EFFICIENTLY MONETIZING ACROSS MULTIPLE CHANNELS

Our retail operations generate strong revenues, Adjusted EBITDAR and cash flow, while our Interactive segment has continued to experience rapid growth while maintaining our disciplined approach

INVESTING IN PRODUCT AND TECHNOLOGY

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 of 2023

RETAIL SPORTSBOOKS

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We now operate 31 retail sportsbooks across the country, which are capturing outsized share while providing highly profitable cross-sell opportunities

Colorado
- Ameristar Black Hawk*

Illinois
- Argosy Alton
- Hollywood Aurora
- Hollywood Joliet

Indiana
- Ameristar East Chicago*
- Hollywood Lawrenceburg*

Iowa
- Ameristar Council Bluffs

Kansas
- Hollywood Speedway

Louisiana
- Boomtown Bossier City
- Boomtown New Orleans
- L'Auberge Baton Rouge*
- L'Auberge Lake Charles*
- Margaritaville

Maryland
- Hollywood Perryville*

Massachusetts
- Plainridge Park

Michigan
- Hollywood Greektown*

Mississippi
- 1st Jackpot
- Ameristar Vicksburg
- Boomtown Biloxi
- Hollywood Gulf Coast
- Hollywood Tunica

Ohio
- Hollywood Columbus
- Hollywood Toledo
- Hollywood Dayton
- Hollywood Mahoning Valley

Pennsylvania
- Hollywood Meadows*
- Hollywood Morgantown*
- Hollywood PNRC*
- Hollywood York*

Washington
- 7 Cedars Casino**

West Virginia
- Hollywood Charles Town

* Barstool-branded Sportsbook
** Operated pursuant to third-party management contract

INTERACTIVE ROADMAP

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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 ☑

theScore Media Integration

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

2H 2022 - 1H 2023

New State Launches

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

Q1 2023

Barstool Closing Date

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

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

RETAIL GROWTH PROJECTS

We are continuing to progress on four exciting retail growth projects, all of which we expect to open by the end of 2025

Anticipated Budgets

- Aurora relocation - $360 million
- Joliet relocation - $185 million
- M Hotel 2nd Tower - $205 million
- Columbus hotel - $100 million

Capital Investments

- GLPI will fund up to $575 million in the aggregate for the projects, with the City of Aurora contributing $50 million for Hollywood Casino Aurora
- Construction is expected to begin in late 2023, with the bulk of spend in 2024 and 2025

HISTORICAL REGIONAL RESILIENCY

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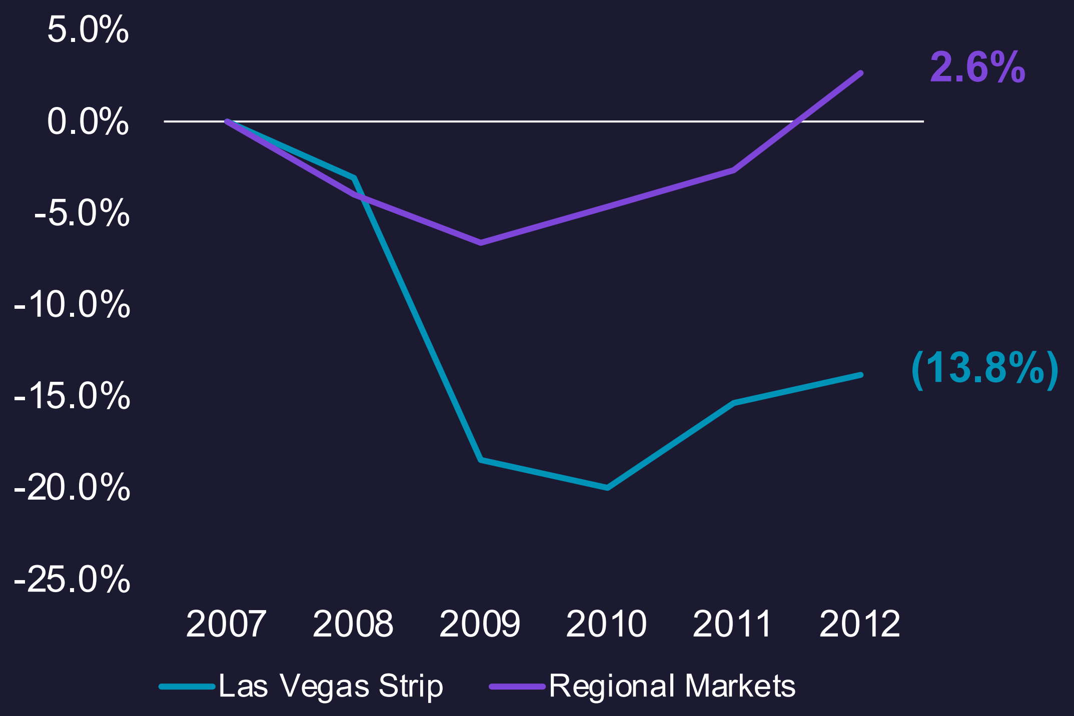
Regional markets performed far better than the Las Vegas Strip following the 2007-08 downturn, and the current operating environment is more favorable

Gross Gaming Revenue Growth (as %)*



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

* Indexed to 2007. Source: Company data, state and national gaming regulators, GS Research, DICJ and UNLV

GEOGRAPHIC DIVERSIFICATION

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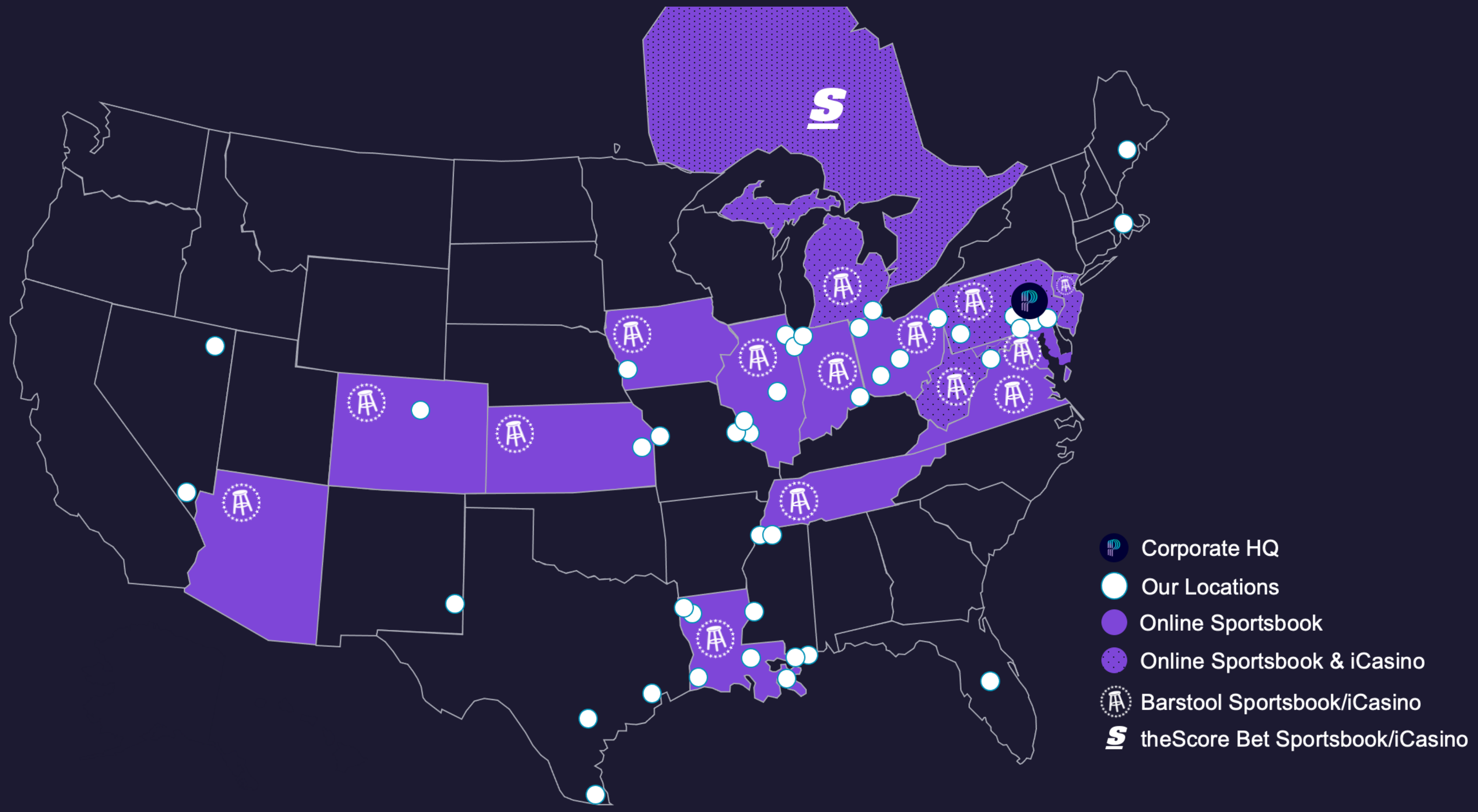
Our geographically diversified footprint helps reduce the impact of local economic pressures, while our ability to offer both retail and interactive experiences positions us to take advantage of changes in consumer behavior



ILLUSTRATIVE IMPACT OF A RECESSION

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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

LEASE SUMMARY (EFFECTIVE AS OF JAN 1, 2023)

PENN ENTERTAINMENT

Our leased properties are subject to modest and capped annual escalators

	PENN Master Lease	PNK Master Lease	VICI Leases	New PENN Master Lease
Properties Covered	PENN legacy properties, excluding those moved to New PENN Master Lease	Pinnacle legacy properties plus Plainridge Park	• Greektown (separate lease) • Margaritaville (separate lease)	Aurora, Joliet, Columbus, Toledo, M Resort, Perryville and the Meadows
Rent Components	• Land Based (Fixed) • Building Base subject to annual escalator • Percentage Rent (Variable)			All Rent subject to annual escalator (no Land Based or Percentage Rent)
Annual Escalator	Max. of 2% subject to Adjusted Revenue to Rent Ratio (as defined in the leases) of 1.8x to 1		Max. of 2% subject to Adjusted Revenue to Rent Ratio (as defined in the leases)	Fixed at 1.5% per year*
Variable Rent Adjustment	Adjusted every 5 years (PENN) or 2 years (PNK and VICI) by 4% of change in revenues above baseline			N/A

Summary does not include stand-alone Morgantown ground lease, which has a maximum escalator of 1.5%, dropping to 1.25% subject to CPI requirements after the third year

* There is also a one-time rent increase of $1.4 million effective January 1, 2028

GAAP TO NON-GAAP RECONCILIATION

PENN ENTERTAINMENT

($ in millions, unaudited)	For the three months ended December 31, 2022	2021	For the year ended December 31, 2022	2021
Net income	**$20.8**	**$44.8**	**$221.7**	**$420.5**
Income tax (benefit) expense	31.7	8.5	(46.4)	118.6
Loss on early extinguishment of debt	-	-	10.4	-
Income from unconsolidated affiliates	(6.6)	(10.9)	(23.7)	(38.7)
Interest expense, net	203.5	143.5	758.2	562.8
Interest income	(11.3)	(0.4)	(18.3)	(1.1)
Other (income) expenses	4.8	40.6	72.1	(2.5)
Operating income	**$242.9**	**$226.1**	**$974.0**	**$1,059.6**
Stock-based compensation	13.0	13.2	58.1	35.1
Cash-settled stock-based awards variance (1)	0.7	(13.1)	(15.5)	1.2
Loss on disposal of assets	0.9	1.0	7.9	1.1
Contingent purchase price	0.3	-	(0.6)	1.9
Pre-opening expenses (2)	-	2.6	4.1	5.4
Depreciation and amortization	150.3	97.6	567.5	344.5
Impairment losses (3)	13.6	-	118.2	-
Insurance recoveries, net of deductible charges	-	-	(10.7)	-
Income from unconsolidated affiliates	6.6	10.9	23.7	38.7
Non-operating items of equity method investments (4)	3.2	1.7	7.9	7.7
Other expenses (2)(5)	6.8	29.0	55.2	44.8
Adjusted EBITDA	**$438.3**	**$369.0**	**$1,789.8**	**$1,540.0**
Rent expense associated with triple net operating leases	30.0	111.5	149.6	454.4
Adjusted EBITDAR	**$468.3**	**$480.5**	**$1,939.4**	**$1,994.4**
Net income margin	1.3%	2.8%	3.5%	7.1%
Adjusted EBITDAR margin	29.5%	30.6%	30.3%	33.8%

(1) 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.
(2) 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.
(3) Amount primarily relates to $116.4 million of impairment charges in the Northeast segment.
(4) Consists principally of interest expense, net, income taxes, depreciation and amortization, and stock-based compensation expense associated with Barstool and our Kansas Entertainment, LLC joint venture. We record our portion of Barstool Sports' net income or loss, including adjustments to arrive at Adjusted EBITDAR, one quarter in arrears.
(5) Consists of non-recurring acquisition and transaction costs, and finance transformation costs associated with the implementation of our new Enterprise Resource Management system.

PENN
ENTERTAINMENT